

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS**

**COMMODITY FUTURES TRADING
COMMISSION,**

Plaintiff,

v.

**TROY MASON, AND
ZTEGRITY, INC.**

Defendants.

Case No. _____

**COMPLAINT FOR INJUNCTIVE AND
OTHER EQUITABLE RELIEF AND FOR
CIVIL MONETARY PENALTIES UNDER
THE COMMODITY EXCHANGE ACT**

The Commodity Futures Trading Commission (“CFTC” or “Commission”) alleges as follows:

I. SUMMARY

1. From at least October 2019 through the present (the “Relevant Period”), Troy Mason and ZTegrity, Inc. (“ZTegrity,” and, together with Mason, the “Defendants”) have been unlawfully operating a pooled investment vehicle for the purported purpose of trading off-exchange, retail foreign currency (“forex”) on a leveraged or margined basis, and in connection therewith have been fraudulently soliciting members of the public. The Defendants, who have never been registered with the Commission in any capacity, call this pooled investment vehicle the Forex Savings Club, the Forex Club, and/or the Black Club (the “Forex Savings Club”).

2. Using various websites and social media platforms, the Defendants fraudulently pitched their Forex Savings Club as a version of a savings account that offered a greater yield with similarly low or no risk. To induce participation in their Forex Savings Club, the Defendants falsely purported to “guarantee” to repay participants the funds they contributed to their individual “Forex Savings Accounts” and falsely offered participants “with a 100% certainty” their share of the “substantial profit[s]” that the Forex Savings Club would generate using participants’ pooled

funds to trade forex. In fact, the Defendants knew or recklessly failed to appreciate that no forex trader can guarantee profitable trading, let alone the avoidance of losses required to guarantee all participants' contributions, and knew, but failed to inform participants, that they had no U.S.-based forex trading accounts.

3. Through this conduct, the Defendants violated, and are currently violating, Section 4b(a)(2)(A) and (C) of the Commodity Exchange Act ("CEA" or the "Act"), 7 U.S.C. § 6b(a)(2)(A), (C) (2018), and CFTC Regulation 5.2(b)(1) and (3), 17 C.F.R. § 5.2(b)(1), (3) (2021), by engaging in fraud in connection with transactions in off-exchange, retail forex; Sections 2(c)(2)(C)(iii)(I)(cc) and 4m(1) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc), 6m(1) (2018), and CFTC Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2021), by acting as unregistered commodity pool operators; and Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A), (B) (2018), by engaging in fraud while acting as commodity pool operators.

4. During the Relevant Period, Mason committed the acts, omissions, and/or failures alleged in this Complaint either while acting for himself and/or, in the alternative, while within the scope of his employment, agency, or office with ZTegrity. ZTegrity is therefore liable for those acts, omissions, and/or failures of Mason undertaken in that capacity under Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2018), and CFTC Regulation 1.2, 17 C.F.R. § 1.2 (2021).

5. During the Relevant Period, Mason directly or indirectly controlled ZTegrity. In his capacity as a controlling person of ZTegrity, Mason did not act in good faith or knowingly induced, directly or indirectly, the acts, omissions, and/or failures of ZTegrity that violated 7 U.S.C. §§ 6b(a)(2)(A), (C), 2(c)(2)(C)(iii)(I)(cc), 6m(1), 6o(1)(A), (B), and 17 C.F.R. §§ 5.2(b)(1), (3), 5.3(a)(2)(i). Mason is therefore liable for ZTegrity's acts, omissions, and/or failures under Section 13(b) of the Act, 7 U.S.C. § 13c(b) (2018).

6. Accordingly, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2018), the CFTC brings this action to enjoin the Defendants unlawful acts and practices, and to compel their compliance with the CEA and CFTC Regulations.

7. In addition, the CFTC seeks civil monetary penalties for the Defendants' violations of the CEA and CFTC Regulations, and remedial ancillary relief, including, but not limited to, trading and registration bans, restitution, disgorgement, rescission, pre- and post-judgment interest, and such other relief as the Court may deem necessary and appropriate.

8. Unless restrained and enjoined by this Court, there is a reasonable likelihood that the Defendants will continue to engage in the acts and practices alleged in this Complaint.

II. JURISDICTION AND VENUE

9. The Court has jurisdiction over this action pursuant to 28 U.S.C. § 1331 (2018) (federal question jurisdiction), 28 U.S.C. § 1345 (2018) (jurisdiction over civil actions commenced by the United States or by any agency expressly authorized to sue by Act of Congress), and Section 6c(a) of the Act, 7 U.S.C. § 13a-1 (2018) (jurisdiction over civil enforcement actions brought by the CFTC).

10. The Court has jurisdiction over Mason because he resides in this District and because Mason's transactions, acts, practices, and courses of business at issue in this Complaint occurred, are occurring, or are about to occur within this District.

11. The Court has jurisdiction over ZTegrity because it has a principal place of business in this District and because ZTegrity's transactions, acts, practices, and courses of business at issue in this Complaint occurred, are occurring, or are about to occur within this District.

12. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2018), because the Defendants transact or transacted business in this District, and/or

certain transactions, acts, practices, and courses of business at issue in this Complaint occurred, are occurring, or are about to occur within this District.

III. THE PARTIES

13. Plaintiff Commodity Futures Trading Commission is an independent federal regulatory agency charged by Congress with the administration and enforcement of the CEA and CFTC Regulations.

14. Defendant Troy Mason resides in Houston, Texas. Mason has never been registered with the CFTC in any capacity. Mason is not a United States financial institution, registered broker or dealer, financial holding company, or investment bank holding company, or an associated person of any such entity, as each of those terms is defined by the CEA. Throughout the Relevant Period, Mason has been:

- (a) an agent and/or officer of ZTegrity; and
- (b) operating the commodity pool known as, among other things, the Forex Savings Club by, among other things, soliciting pool participants throughout the United States, including within the State of Texas and, more specifically, within the Southern District of Texas.

15. Defendant ZTegrity, Inc. is a corporation organized under the laws of Texas with both a principal place of business and a registered office in Houston, Texas. ZTegrity has never been registered with the CFTC in any capacity. ZTegrity is not a United States financial institution, registered broker or dealer, financial holding company, or investment bank holding company, or an associated person of any such entity, as each of those terms is defined by the CEA. Throughout the Relevant Period, ZTegrity has been:

- (a) controlled by Mason; and
- (b) operating the commodity pool known as, among other things, the Forex Savings Club by, among other things, soliciting participants throughout the United States, including within the State of Texas and, more specifically, within the Southern District of Texas.

IV. FACTS

16. Throughout the Relevant Period, the Defendants used the mails and other means or instrumentalities of interstate commerce to engage in a business that was of the nature of a commodity pool, investment trust, syndicate, or similar form of enterprise.

17. Specifically, the Defendants operated the Defendants' Websites to solicit funds from members of the public in exchange for participation in the Forex Savings Club. Through the Defendants' Websites, the Defendants invited members of the public to send them between \$100 and \$10,000 to be used by the Defendants, and/or by others the Defendants directed or controlled, to trade commodity interests, namely, forex. In exchange for participants' funds, the Defendants offered participants a percentage of the forex trading profits generated by the Forex Savings Club.

18. For example, during the Relevant Period the Defendants' Websites stated as follows:

Step 1. You supply us with capital ranging from \$100 - \$10,000. For legal purposes your money is classified as a loan which we guarantee will be repaid to you by no later than the expiration date of your contract.

Step 2. We issue you a 12 month contract in exchange for your money. (\$100 = \$100 contract, \$5,000 = \$5,000 contract) The contract allows you to earn a specific percentage of the profits we generate from our Forex trading account.

Step 3. When your account grows to 100% of your contract amount we pay you back 100% of your money plus profits.

Step 4. You will continue to receive 100% payments plus profits from your contract each time your account surpasses 100% of the

contract amount until your contract expires. Your money could easily multiply many times over the year.

Step 5. Each time you send us money for the Forex Savings Club we issue you another 12 month contract for that amount.

19. These statements were materially false and/or materially misleading because, among other things, the Defendants could not guarantee that they would not sustain losses trading forex with participants' funds such that the Defendants would be able to repay the money that participants "loan[ed]" them, and because the Defendants omitted material facts necessary to make these statements not materially false and/or materially misleading, including, among other things, the inherent risks involved in trading forex on a leveraged or margined basis, and that the Defendants had and have no U.S. forex trading accounts.

20. In another example, during the Relevant Period, the Defendants' Websites stated as follows:

The Black Club is a program designed to help our members earn a passive income. Imagine being part of a club that with a 100% certainty allows you to earn substantial profit without ever having to recruit a single person. Your bank offers you a savings account with a horrendous 1% to 3% return a year. That means that it could take over 35 years for your money to double. As a member of our Black Club we use the the [*sic*] money you loan us to generate additional revenue through a multitude of different projects and ventures and we share profits with you that can easily outperform the percentage your money is currently earning from your bank. This is a loan not an investment which is paid back to your over the course of a year! Please take a look at our video to get a better understanding as to how it works.

21. These statements were materially false and/or materially misleading because, among other things, the Defendants could not guarantee "with a 100% certainty" that they would generate "substantial profit" for participants, and because the Defendants omitted material facts necessary to make these statements not materially false and/or materially misleading, including,

among other things, the inherent risks involved in trading forex, and that the Defendants had and have no U.S. forex trading accounts.

22. As indicated above, the Defendants' Websites also direct prospective participants to a video embedded in the Defendants' Websites that further describes the workings of the Forex Savings Club. This video states that by pooling participants funds together, the Defendants were able to retain "expert" forex traders who are purportedly able to provide participants with returns greater than those offered by banks to holders of savings accounts while offering similar levels of risk.

23. Specifically, the video states as follows:

When it comes to the Forex market we have found that often it is only made up of two types of people. The first type of people are those that are new to Forex, let's call them the students, and the second type of people are those who understand and trades [*sic*] their own Forex account, let's call these people Teachers.

Often the only way for a new person to profit from the Forex market is to find someone willing to teach them how to trade. The problem is that everyone does not have the patience, level[-]headedness and composure it takes to become a successful trader. That is why so many people lose their money and quit.

We look at Forex differently. We let the experts do the trading for us. However there are a couple of problems we had to overcome for this concept to work.

First it was next to impossible to find an expert to trade for us. You see trading someone else's \$100 or even \$10,000 is of no interest to the good traders. However when we come together as a club with our tens of thousands of combined dollars it's a little easier to find traders to work with us.

Now for the second problem; most traders are simply accustomed to going after the big gains with high risk. We instruct[s] our traders to be conservative; all we want to do is beat the banks['] return week after week[.] That's it! We don't need any homeruns because the banks are not even paying us 3% a year on our money.

So here's how our Forex Savings Club works. For legal purposes the money you place into our club is considered a loan to our company and over the course of the one[-]year term you will earn a percentage of the profits generated by our traders. Any and all payments made to you by the company is [*sic*] designed to pay you back the amount you loaned to the company. You cannot withdraw any money from your account until the amount you earned surpasses the amount of money you loaned the company. If you quit the Forex Savings Club before the end of your calendar year you are only due your loan money back and you will not be due ANY profits at all from the club! If you are a quitter please do not join our Forex Savings Club. However for those of you who are willing to follow the rules we feel confident that together we will easily outperform what we all are currently getting from our bank account.

Welcome to our Forex Savings Club.

24. This video, coupled with the Defendants' guarantees both to repay participants the amounts that they contribute and "to earn a substantial profit," is materially misleading because it is willfully or recklessly designed to lead prospective participants into believing that funds contributed to the Forex Savings Club are as safe as funds contributed to a savings account at a bank, but will earn a greater rate of return.

25. To further lead existing and prospective participants into believing that funds contributed to the Forex Savings Club were as safe as funds contributed to a savings account at a bank, the Defendants required participants to obtain a "debit card" called "zBlackcard," which, in turn, required cardholders to contribute certain amounts to their respective accounts monthly.

26. The Defendants also posted or had posted this video to the video sharing platform YouTube to solicit funds from prospective Forex Savings Club participants.

27. Any attempts by the Defendants to provide participants with notice of risks associated with the Forex Savings Club were insufficient to render the statements made by the Defendants on the Defendants Websites, including in the embedded videos, not misleading with respect to material facts.

28. In addition, throughout the Relevant Period, the Defendants claim to have received and accepted funds that members of the public sent them as a result of their solicitations for participation in the Forex Savings Club. The Defendants' Websites claimed that the Forex Savings Club has received over \$460,000 from 411 participants as of July 31, 2020, the last date for which this information was published on the Defendants' Websites.

29. Upon information and belief, funds received by the Defendants in connection with the Forex Savings Club were contributed by one or more persons who were not eligible contract participants ("ECPs").

30. At no point did the Defendants limit their solicitations to ECPs.

31. At no time during the Relevant Period were the Defendants registered with the CFTC as commodity pool operators.

V. VIOLATIONS OF THE CEA AND CFTC REGULATIONS

COUNT I FOREX FRAUD

Violations of Sections 4b(a)(2)(A) and (C) of the Act, 7 U.S.C. § 6b(a)(2)(A), (C) (2018), and CFTC Regulation 5.2(b)(1) and (3), 17 C.F.R. § 5.2(b)(1), (3) (2021)

32. The allegations in the preceding paragraphs are re-alleged and incorporated herein by reference.

33. Under 7 U.S.C. § 6b(a)(2)(A) and (C), it is unlawful:

[F]or any person, in or in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery . . . that is made, or to be made, for or on behalf of, or with, any other person other than on or subject to the rules of a designated contract market—(A) to cheat or defraud or attempt to cheat or defraud the other person; . . . [or] (C) willfully to deceive or attempt to deceive the other person by any means whatsoever in regard to any order or contract or the disposition or execution of any order or contract, or in regard to any act of agency performed, with respect to any order or contract for or, in the case of paragraph (2), with the other person.

34. Section 2(c)(2)(C)(iv) of the Act, 7 U.S.C. § 2(c)(2)(C)(iv) (2018), provides that 7 U.S.C. § 6b applies to forex transactions, agreements, and contracts that are offered to, or entered into with, any person that is not an ECP (“retail forex transactions”) “as if the agreement, contract, or transaction were a contract of sale of a commodity for future delivery.” Similarly, Section 2(c)(2)(C)(ii)(I) of the Act, 7 U.S.C. § 2(c)(2)(C)(ii)(I) (2018), provides that 7 U.S.C. § 6b shall apply to retail forex transactions and pooled investment vehicles that engage in retail forex transactions.

35. Under 17 C.F.R. § 5.2(b) it is unlawful:

[F]or any person, by use of the mails, or by any means or instrumentality of interstate commerce, directly or indirectly, in or in connection with any retail forex transaction: (1) to cheat or defraud or attempt to cheat or defraud any person; . . . or (3) willfully to deceive or attempt to deceive any person by any means whatsoever.

36. As described herein, the Defendants violated 7 U.S.C. § 6b(a)(2)(A) and (C) and 17 C.F.R. § 5.2(b)(1) and (3) by cheating or defrauding, or attempting to cheat or defraud, other persons, and/or by willfully deceiving or attempting to deceive other persons in connection with the offering of, or entering into, the off-exchange leveraged or margined retail forex transactions, to wit, by making statements to existing and prospective participants that were false or misleading with respect to a material fact, including, among other things, that the Forex Savings Club “with a 100% certainty allows you to earn substantial profit,” and that “[f]or legal purposes your money is classified as a loan which we guarantee will be repaid to you by no later than the expiration date of your contract”; and by making statements to existing and prospective participants that were materially false and/or materially misleading because they omitted material facts, including, but not limited to, that no forex trader can guarantee trading profits, guarantee that participants would

not sustain losses, or otherwise minimize the risks associated with trading forex, and that the Defendants had no U.S forex trading accounts.

37. The Defendants committed the acts and practices described above using means and/or instrumentalities of interstate commerce, including the use of the internet and interstate wires for the transfer of funds.

38. The Defendants committed the acts and practices described herein willfully, or with reckless disregard for the truth.

39. Each act of material misrepresentation or material omission, and/or act or omission that did or attempted to cheat and/or deceive another, including but not limited to those specifically alleged herein, and each day such act or omission occurred, is alleged as a separate and distinct violation of 7 U.S.C. § 6b(a)(2)(A) and (C), and 17 C.F.R. § 5.2(b)(1) and (3).

COUNT II
FAILURE TO REGISTER AS COMMODITY POOL OPERATORS
Violations of Sections 2(c)(2)(C)(iii)(I)(cc) and 4m(1) of the Act,
7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc), 6m(1) (2018), and
CFTC Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2021)

40. The allegations in paragraphs one through thirty-one are realleged and incorporated herein by reference.

41. 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc) prohibits any unregistered person from “operat[ing] or solicit[ing] funds, securities, or property for any pooled investment vehicle that is not an eligible contract participant in connection with agreements, contracts, or transactions in [forex].”

42. Section 1a(18) of the Act, 7 U.S.C. § 1a(18) (2018), defines eligible contract participants, in pertinent part, as individuals who have in excess of \$10,000,000 invested on their behalves on a discretionary basis, or who have in excess of \$5,000,000 invested on their behalves and who enter into the agreement, contract, or transaction in order to manage the risk associated

with an asset owned or liability incurred, or reasonably likely to be owned or incurred, by the individuals, or a commodity pool comprised of participants whom are all eligible contract participants.

43. Accordingly, through the conduct alleged above, the unregistered Defendants have violated and are violating 7 U.S.C. § 2(c)(2)(C)(iii)(I)(cc) by operating the Forex Savings Club, a pooled investment vehicle that is not an ECP, for the purpose of trading forex; and by soliciting, accepting, and/or receiving funds or other property from individuals who, upon information and belief, are not ECPs for the Forex Savings Club, a pooled investment vehicle that is not an ECP, for the purpose of trading forex.

44. 7 U.S.C. § 6m(1) provides that “[i]t shall be unlawful for any . . . commodity pool operator, unless registered under this chapter, to make use of the mails or any means or instrumentality of interstate commerce in connection with his business as such . . . commodity pool operator[.]”

45. Section 1a(11)(A)(i)(II) of the Act, 7 U.S.C. § 1a(11)(A)(i)(II) (2018) defines a commodity pool operator as any person:

engaged in a business that is of the nature of a commodity pool, investment trust, syndicate, or similar form of enterprise, and who, in connection therewith, solicits, accepts, or receives from others, funds, securities, or property, either directly or through capital contributions, the sale of stock or other forms of securities, or otherwise, for the purpose of trading in commodity interests, including any . . . agreement, contract, or transaction described in section 2(c)(2)(C)(i) of this title or section 2(c)(2)(D)(i) of this title
....

46. Section 2(c)(2)(C)(i) of the Act, 7 U.S.C. § 2(c)(2)(C)(i) (2018) defines “commodity interests” to include agreements, contracts, and transactions in foreign currency on a

leveraged or margined basis that are “offered to, or entered into with, a person that is not an eligible contract participant.”

47. In addition to 7 U.S.C. § 1a(11)(A)(i)(II), pursuant to Section 1a(11)(B) of the Act, 7 U.S.C. § 1a(11)(B) (2018), CFTC Regulation 5.1(d)(1), 17 C.F.R. § 5.1(d)(1) (2021), defines a commodity pool operator as “any person who operates or solicits funds, securities, or property for a pooled investment vehicle that is not an eligible contract participant as defined in section 1a(18) of the Act, and that engages in retail forex transactions.”

48. Accordingly, through the conduct alleged above, the unregistered Defendants have violated and are violating 7 U.S.C. § 6m(1) by using the mails and other means or instrumentalities of interstate commerce to solicit, accept, and/or receive funds or other property, either directly or otherwise, from individuals who, upon information and belief, were and are not ECPs, for the purpose of trading in commodity interests, including margined or leveraged forex.

49. 17 C.F.R. § 5.3(a)(2)(i) requires commodity pool operators to be registered with the Commission for purposes of their pool’s retail forex transactions.

50. Accordingly, through the conduct alleged above, the Defendants have violated and are violating 17 C.F.R. § 5.3(a)(2)(i) by acting as unregistered commodity pool operators.

51. Each instance during the Relevant Period in which the Defendants acted as unregistered commodity pool operators, including, but not limited to, those specifically alleged herein, and each day on which such unregistered conduct took place, is alleged as a separate and distinct violation of 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc), 6m(1), and 17 C.F.R. § 5.3(a)(2)(i).

COUNT III

FRAUD BY A COMMODITY POOL OPERATOR

Violations of Section 4o(1)(A) and (B) of the Act, 7 U.S.C. § 6o(1)(A), (B) (2018)

52. The allegations set forth in paragraphs one through thirty-one are re-alleged and incorporated herein by reference.

53. Sections 2(c)(2)(C)(ii)(I) and (vii) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(ii)(I), (vii) (2018), provide that 7 U.S.C. § 6o applies to pooled investment vehicles engaging in retail forex transactions.

54. Pursuant to 7 U.S.C. § 6o(1), it is unlawful for a commodity pool operator to use “the mails or any means or instrumentality of interstate commerce, directly or indirectly—(A) to employ any device, scheme, or artifice to defraud any . . . participant or prospective . . . participant; or (B) to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any . . . participant or prospective . . . participant.”

55. As alleged herein, throughout the Relevant Period, the Defendants have been operating the Forex Savings Club as a business that was of the nature of a commodity pool.

56. As alleged herein, during the Relevant Period, while operating the Forex Savings Club as a business that was of the nature of a commodity pool, the Defendants used the internet, interstate wires, and other means or instrumentalities of interstate commerce, directly or indirectly, to employ a device, scheme, or artifice to defraud existing and prospective participants, and to engage in transactions, practices, or a course of business that operated and is operating as a fraud or deceit upon existing and prospective participants; to wit, by making statements to existing and prospective participants that were false or misleading with respect to a material fact, including, among other things, that the Forex Savings Club “with a 100% certainty allows you to earn substantial profit,” and that “[f]or legal purposes your money is classified as a loan which we

guarantee will be repaid to you by no later than the expiration date of your contract”; and by making statements to existing and prospective participants that were false or misleading because they omitted one or more material facts, including, but not limited to, that no forex trader can guarantee trading profits, guarantee that participants would not sustain losses, or otherwise minimize the risks associated with trading forex, and that the Defendants had no U.S forex trading accounts.

57. By and through this conduct, the Defendants violated 7 U.S.C. § 6o(1)(A) and (B).

58. Each act of fraudulent solicitation and/or deception, including but not limited to those specifically alleged herein, and each day of such fraudulent solicitation and/or deception, is alleged as a separate and distinct violation of 7 U.S.C. § 6o(1)(A) and (B).

VI. RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that this Court, as authorized by Section 6c of the Act, 7 U.S.C. § 13a-1 (2018), and pursuant to the Court’s inherent equitable powers, enter:

A. An order finding that the Defendants violated Sections 4b(a)(2)(A) and (C), 2(c)(2)(C)(iii)(I)(cc), 4m(1), and 4o(1)(A) and (B) of the Act, 7 U.S.C. §§ 6b(a)(2)(A), (C), 2(c)(2)(C)(iii)(I)(cc), 6m(1), 6o(1)(A), (B) (2018), and CFTC Regulations 5.2(b)(1) and (3), and 5.3(a)(2)(i), 17 C.F.R. §§ 5.2(b)(1), (3), 5.3(a)(2)(i) (2021).

B. An order of permanent injunction prohibiting the Defendants and any of their agents, servants, employees, successors, assigns, attorneys, holding companies, alter egos, and any person or entity in active concert or participation with them, from directly or indirectly:

1. engaging in conduct that violates 7 U.S.C. §§ 6b(a)(2)(A), (C), 2(c)(2)(C)(iii)(I)(cc), 6m(1), 6o(1)(A), (B), and 17 C.F.R. §§ 5.2(b)(1), (3), 5.3(a)(2)(i);

2. trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(40) of the Act, 7 U.S.C. § 1a(40) (2018));
3. entering into any transactions involving “commodity interests” (as that term is defined in CFTC Regulation 1.3, 17 C.F.R. § 1.3 (2021)) for their own personal account or for any account in which they have a direct or indirect interest;
4. having any commodity interests traded on their behalves;
5. controlling or directing the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account involving commodity interests;
6. soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity interests;
7. applying for registration or claiming exemption from registration with the CFTC in any capacity, and engaging in any activity requiring registration or exemption from registration with the CFTC, except as provided for in CFTC Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2021); and
8. acting as a principal (as that term is defined in CFTC Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2021)), agent, or any other officer or employee of any person registered, exempted from registration, or required to be registered with the CFTC, except as provided for in 17 C.F.R. § 4.14(a)(9).

C. An order directing the Defendants, as well as any third-party transferee and/or successor thereof, to disgorge, pursuant to such procedure as the Court may order, all salaries, commissions, loans, fees, revenues, trading profits, or benefits derived from the acts or practices

which constitute violations of the Act and CFTC Regulations as described herein, and pre- and post-judgment interest;

D. An order directing the Defendants and any successors thereof, to make full restitution to every person or entity who has sustained losses proximately caused by the violations described herein, including pre- and post-judgment interest;

E. An order directing the Defendants and any successors thereof, to provide a full accounting of all participant funds he has received during the Relevant Period as a result of the acts and practices that constituted violations of the Act and CFTC Regulations described herein;

F. An order directing the Defendants and any successors thereof, to rescind, pursuant to such procedures as the Court may order, all contracts and agreements, whether implied or express, entered into between him and any clients whose funds were received by him as a result of the acts and practices that constituted violations of the Act and CFTC Regulations, as described herein;

G. An order directing the Defendants to pay civil monetary penalties assessed by the Court, in an amount not to exceed the penalty prescribed by Section 6c(d)(1) of the Act, 7 U.S.C. § 13a-1(d)(1) (2018), as adjusted for inflation pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Pub. L. 114-74, 129 Stat. 584 (2015), title VII, Section 701, *see* CFTC Regulation 143.8, 17 C.F.R. § 143.8 (2021), for each violation of the Act and CFTC Regulations, as described herein;

H. An order requiring the Defendants to pay costs and fees as permitted by 28 U.S.C. §§ 1920 and 2412 (2018); and

I. An order providing such other and further relief as the Court deems proper.

* * * * *

Date: June 7, 2021

Respectfully submitted,

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