

ENTERED

October 08, 2022

Nathan Ochsner, Clerk

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

_____)	
COMMODITY FUTURES TRADING)	
COMMISSION,)	
)	
Plaintiff,)	
)	
v.)	Case No.: 4:21-cv-1902
)	
TROY MASON and ZTEGRITY, INC.,)	
)	
Defendants.)	
_____)	

**CONSENT ORDER FOR PERMANENT INJUNCTION,
CIVIL MONETARY PENALTY AND OTHER EQUITABLE RELIEF
AGAINST DEFENDANTS TROY MASON AND ZTEGRITY, INC.**

I. INTRODUCTION

On June 9, 2021, Plaintiff Commodity Futures Trading Commission (“Commission” or “CFTC”) filed a Complaint against Defendants Troy Mason (“Mason”) and Ztegrity, Inc. (“Ztegrity”) (or collectively “Defendants”) seeking injunctive and other equitable relief, as well as the imposition of civil penalties, for violations of the Commodity Exchange Act (“Act”), 7 U.S.C. §§ 1–26, and the Commission’s Regulations (“Regulations”) promulgated thereunder, 17 C.F.R. pts. 1–190 (2021). (ECF #1, hereinafter “Complaint”)

II. CONSENTS AND AGREEMENTS

To effect settlement of all charges alleged in the Complaint against Defendants without a trial on the merits or any further judicial proceedings, Defendants Mason and Ztegrity:

1. Consent to the entry of this Consent Order for Permanent Injunction, Civil Monetary Penalty, and Other Equitable Relief Against Defendants Mason and Ztegrity (“Consent Order”);

2. Affirm that they have read and agreed to this Consent Order voluntarily, and that no promise, other than as specifically contained herein, or threat, has been made by the Commission or any member, officer, agent, or representative thereof, or by any other person, to induce consent to this Consent Order;

3. Acknowledge service of the summons and Complaint;

4. Admit the jurisdiction of this Court over them and the subject matter of this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1;

5. Admit the jurisdiction of the Commission over the conduct and transactions at issue in this action pursuant to the Act;

6. Admit that venue properly lies with this Court pursuant to 7 U.S.C. § 13a-1(e);

7. Waive:

(a) Any and all claims that they may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412, and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Regulations, 17 C.F.R. pt. 148 (2021), relating to, or arising from, this action;

(b) Any and all claims that they may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, tit. II, §§ 201–53, 110 Stat. 847, 857–74 (codified as amended at 28 U.S.C. § 2412 and in scattered sections of 5 U.S.C. and 15 U.S.C.), relating to, or arising from, this action;

(c) Any claim of Double Jeopardy based upon the institution of this action or the entry in this action of any order imposing a civil monetary penalty or any other relief, including this Consent Order; and

(d) Any and all rights of appeal from this action;

8. Consent to the continued jurisdiction of this Court over them for the purpose of implementing and enforcing the terms and conditions of this Consent Order and for any other purpose relevant to this action, even if Defendants Mason or Ztegrity now or in the future resides outside the jurisdiction of this Court;

9. Agree that they will not oppose enforcement of this Consent Order on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure and hereby waive any objection based thereon;

10. Agree that neither they nor any of their agents or employees under their authority or control shall take any action or make any public statement denying, directly or indirectly, any allegation in the Complaint or the Findings of Fact or Conclusions of Law in this Consent Order, or creating or tending to create the impression that the Complaint and/or this Consent Order is without a factual basis; provided, however, that nothing in this provision shall affect their:

(a) testimonial obligations, or (b) right to take legal positions in other proceedings to which the Commission is not a party. Defendants shall comply with this agreement, and shall undertake all steps necessary to ensure that all of their agents and/or employees under their authority or control understand and comply with this agreement;

11. Admit to all of the findings made in this Consent Order and all of the allegations in the Complaint;

12. Consent to the use of the findings and conclusions in this Consent Order in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party or claimant, and agree that they shall be taken as true and correct and be given preclusive effect therein, without further proof;

13. Do not consent, however, to the use of this Consent Order, or the findings and conclusions herein, as the sole basis for any other proceeding brought by the Commission or to which the Commission is a party, other than: a statutory disqualification proceeding; a proceeding in bankruptcy, or receivership; or a proceeding to enforce the terms of this Order;

14. Agree to provide immediate notice to this Court and the Commission by certified mail, in the manner required by paragraph 79 of this Consent Order, of any bankruptcy proceeding filed by, on behalf of, or against them, whether inside or outside the United States; and

15. Agree that no provision of this Consent Order shall in any way limit or impair the ability of any other person or entity to seek any legal or equitable remedy against Defendants Mason or Ztegrity in any other proceeding.

III. FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Court, being fully advised in the premises, finds that there is good cause for the entry of this Consent Order and that there is no just reason for delay. The Court therefore directs the entry of the following Findings of Fact, Conclusions of Law, permanent injunction and equitable relief pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, as set forth herein.

THE PARTIES AGREE AND THE COURT HEREBY FINDS:

A. Findings of Fact

The Parties to this Consent Order

16. Plaintiff Commodity Futures Trading Commission is an independent federal regulatory agency that is charged by Congress with administering and enforcing the Act and the Regulations.

17. Defendant Troy Mason resides in Grand Prairie, 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 Act. At all times relevant to the actions described in this Consent Order, 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.

18. 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 Act. At all times relevant to the actions described in this Consent Order, 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.

Overview of Defendants' Scheme

19. From at least October 2019 through at least June 2021 (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.

20. Specifically, the Defendants operated 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.

21. 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.

22. 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 no U.S. forex trading accounts.

23. 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.

24. 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 no U.S. forex trading accounts.

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

26. Specifically, the video stated 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.

27. This video, coupled with the Defendants' guarantees both to repay participants the amounts that they contributed and "to earn a substantial profit," was materially misleading because it was willfully or recklessly designed to lead 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, but would earn a greater rate of return.

28. 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.

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

30. 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.

31. In addition, throughout the Relevant Period, the Defendants claimed 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 had 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.

32. The 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”), and at no time did the Defendants limit their solicitations to ECPs.

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

B. Conclusions of Law

Jurisdiction and Venue

34. This Court possesses jurisdiction over this action pursuant to 28 U.S.C. § 1331 (codifying federal question jurisdiction) and 28 U.S.C. § 1345 (providing that U.S. district courts have original jurisdiction over civil actions commenced by the United States or by any agency expressly authorized to sue by Act of Congress). Section 6c(a) of the Act, 7 U.S.C. § 13a-1(a), provides that the Commission may bring actions for injunctive relief or to enforce compliance with the Act or any rule, regulation, or order thereunder in the proper district court of the United States whenever it shall appear to the Commission that any person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule, regulation, or order thereunder.

35. The Court has jurisdiction over Mason because Mason’s transactions, acts, practices, and courses of business at issue in this Complaint occurred within this District.

36. 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 within this District.

37. Venue properly lies with this Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e), because Defendants transacted business in this District, and/or certain transactions, acts, practices, and courses of business at issue in this Complaint occurred within this District.

Forex Fraud

38. Under Section 4b(a)(2)(A) and (C) of the Act, 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.

39. Section 2(c)(2)(C)(iv) of the Act, 7 U.S.C. § 2(c)(2)(C)(iv), 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), provides that 7 U.S.C. § 6b shall apply to retail forex transactions and pooled investment vehicles that engage in retail forex transactions.

40. Under Regulation 5.2(b), 17 C.F.R. § 5.2(b) (2021), 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.

41. 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.

42. 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.

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

44. 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 described herein, and each day such act or omission occurred, is 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).

Failure to Register as Commodity Pool Operators

45. Section 2(c)(2)(C)(iii)(I)(cc) of the Act, 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].”

46. Section 1a(18) of the Act, 7 U.S.C. § 1a(18), 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.

47. Accordingly, through the conduct described above, the unregistered Defendants have violated 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 are not ECPs for the Forex Savings Club, a pooled investment vehicle that is not an ECP, for the purpose of trading forex.

48. Section 4m(1) of the Act, 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[.]”

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

[E]ngaged 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
.....

50. Section 2(c)(2)(C)(i) of the Act, 7 U.S.C. § 2(c)(2)(C)(i), 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.”

51. In addition to Section 1a(11)(A)(i)(II) of the Act, 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), and 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.”

52. Accordingly, through the conduct described above, the unregistered Defendants have violated 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 were and are not ECPs, for the purpose of trading in commodity interests, including margined or leveraged forex.

53. Regulation 5.3(a)(2)(i), 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.

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

55. Each instance during the Relevant Period in which the Defendants acted as unregistered commodity pool operators, including, but not limited to, those specifically described herein, and each day on which such unregistered conduct took place, is 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).

Fraud by a Commodity Pool Operator

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

57. Pursuant to Section 4o(1) of the Act, 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.”

58. Throughout the Relevant Period, the Defendants operated the Forex Savings Club as a business that was of the nature of a commodity pool.

59. 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.

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

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

IV. PERMANENT INJUNCTION

IT IS HEREBY ORDERED:

62. Based upon and in connection with the foregoing conduct, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, Mason and Ztegrity are permanently restrained, enjoined and prohibited from directly or indirectly:

- a. Cheating or defrauding, or attempting to cheat or defraud, or willfully deceiving or attempting to deceive other persons 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, on or subject to the rules of a designated contract market, for or on behalf of any other person, in violation of Section 4b(a)(1)(A) and (C) of the Act, 7 U.S.C. § 6b(a)(1)(A), (C);
 - b. Cheating or defrauding, or attempting to cheat or defraud, or willfully deceiving or attempting to deceive other persons in or in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery, or swap, 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, in violation of Section 4b(a)(2)(A) and (C) of the Act, 7 U.S.C. § 6b(a)(2)(A), (C), and Regulation 5.2(b)(1) and (3), 17 C.F.R. § 5.2(b)(1), (3) (2021);
 - c. Using the mails or any means or instrumentality of interstate commerce, directly or indirectly, as a CPO or an AP of a CPO, to (A) employ any device, scheme, or artifice to defraud any participant; or (B) engage in any transaction, practice, or course of business that operates as a fraud or deceit upon any participant, in violation of Section 4o(1) of the Act, 7 U.S.C. § 6o(1);
 - d. Failing to register as a CPO, in violation of Sections 2(c)(2)(C)(iii)(I)(cc) and 4m(l) of the Act, 7 U.S.C. §§ 2(c)(2)(C)(iii)(I)(cc), 6m(l), and Regulation 5.3(a)(2)(i), 17 C.F.R. § 5.3(a)(2)(i) (2021).
63. Mason and Ztegrity are also permanently restrained, enjoined and prohibited from directly or indirectly:

- a. 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));
- b. Entering into any transactions involving “commodity interests” (as that term is defined in Regulation 1.3, 17 C.F.R. § 1.3 (2021)) for their own personal accounts or for any account in which they have a direct or indirect interest;
- c. Having any commodity interests traded on their behalf;
- d. 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;
- e. Soliciting, receiving or accepting any funds from any person for the purpose of purchasing or selling any commodity interests;
- f. Applying for registration or claiming exemption from registration with the Commission in any capacity, and engaging in any activity requiring such registration or exemption from registration with the Commission, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2021); and/or
- g. Acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2021)), agent or any other officer or employee of any person (as that term is defined in Section 1a(38) of the Act, 7 U.S.C. § 1a(38), registered, exempted from registration or required to be registered with the Commission except as provided for in 17 C.F.R. § 4.14(a)(9).

V. RESTITUTION AND A CIVIL MONETARY PENALTY

A. Restitution

64. Defendants shall pay restitution, jointly and severally, in the amount of six hundred forty-three thousand and five hundred seventy dollars (\$643,570.00) (“Restitution Obligation”). If the Restitution Obligation is not paid immediately, post-judgment interest shall accrue on the Restitution Obligation beginning on the date of entry of this Consent Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Consent Order pursuant to 28 U.S.C. § 1961.

65. Defendants represent that they have partially repaid some of the funds taken in from defrauded pool participants. For those amounts already repaid by Defendants to pool participants, and for which the Defendants can prove repayment to the satisfaction of the CFTC, the Defendants shall receive a dollar-for-dollar credit against the Restitution Obligation.

66. To effect payment of the Restitution Obligation and the distribution of any restitution payments to Pool Participants, the Court appoints the National Futures Association (“NFA”) as monitor (“Monitor”). The Monitor shall receive Restitution Obligation payments from Defendants made pursuant to this Consent Order and make distributions as set forth below. Because the Monitor is acting as an officer of this Court in performing these services, the NFA shall not be liable for any action or inaction arising from NFA’s appointment as Monitor, other than actions involving fraud.

67. Any payment Defendants shall make in satisfaction of the Restitution Obligation under this Consent Order shall be made to the Monitor in the name “Troy Mason Settlement Account” and such payments shall be sent by electronic funds transfer, or by U.S. postal money order, certified check, bank cashier’s check, or bank money order, to the Office of

Administration, National Futures Association, 300 South Riverside Plaza, Suite 1800, Chicago, Illinois 60606 under cover letter that identifies the paying Defendants and the name and docket number of this proceeding. Defendants shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

68. The Monitor shall oversee the Restitution Obligation and shall have the discretion to determine the manner of distribution of any such funds it obtains in an equitable fashion to Pool Participants identified by the Commission or may defer distribution until such time as the Monitor deems appropriate. In the event that the amount of Restitution Obligation payments to the Monitor are of a *de minimis* nature such that the Monitor determines that the administrative cost of making a distribution to eligible Pool Participants is impractical, the Monitor may, in its discretion, treat such restitution payments as civil monetary penalty payments, which the Monitor shall forward to the Commission following the instructions for civil monetary penalty payments set forth in Part V.B. below.

69. Defendants shall cooperate with the Monitor as appropriate to provide such information as the Monitor deems necessary and appropriate to identify Pool Participants to whom the Monitor, in its sole discretion, may determine to include in any plan for distribution of any Restitution Obligation payments.

70. The Monitor shall provide the Commission at the beginning of each calendar year with a report detailing the disbursement of funds to Pool Participants during the previous year. The Monitor shall transmit this report under a cover letter that identifies the name and docket number of this proceeding to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

71. The amounts payable to each Pool Participant shall not limit the ability of any Pool Participant from proving that a greater amount is owed from Defendants or any other person or entity, and nothing herein shall be construed in any way to limit or abridge the rights of any Pool Participant that exist under state or common law.

72. Pursuant to Rule 71 of the Federal Rules of Civil Procedure, each Pool Participant who suffered a loss is explicitly made an intended third-party beneficiary of this Consent Order and may seek to enforce obedience of this Consent Order to obtain satisfaction of any portion of the restitution that has not been paid by Defendants to ensure continued compliance with any provision of this Consent Order and to hold Defendants in contempt for any violations of any provision of this Consent Order.

73. To the extent that any funds accrue to the U.S. Treasury for satisfaction of Defendant's Restitution Obligation, such funds shall be transferred to the Monitor for disbursement in accordance with the procedures set forth above.

B. Civil Monetary Penalty

74. Defendants shall pay, jointly and severally, a civil monetary penalty in the amount of Three-Hundred Thousand Dollars (\$300,000) ("CMP Obligation"). If the CMP Obligation is not paid immediately, then post-judgment interest shall accrue on the CMP Obligation beginning on the date of entry of this Consent Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Consent Order pursuant to 28 U.S.C. § 1961.

75. Defendants shall pay their CMP Obligation and any post-judgment interest, by electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money order. If payment is to be made other than by electronic funds transfer, then the payment

shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

MMAC/AMK-326
Commodity Futures Trading Commission
6500 S. MacArthur Blvd.
HQ Room 266
Oklahoma City, OK 73169
9-AMC-AR-CFTC@faa.gov

If payment by electronic funds transfer is chosen, Defendants shall contact Tonia King or her successor at the address above to receive payment instructions and shall fully comply with those instructions. Defendants shall accompany payment of the CMP Obligation with a cover letter that identifies Defendants and the name and docket number of this proceeding. Defendants shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581 and to Deputy Director, Paul Hayeck, Commodity Futures Trading Commission, Division of Enforcement, 1155 21st Street NW, Washington, DC 20581.

C. Provisions Related to Monetary Sanctions

76. Partial Satisfaction: Acceptance by the Commission or the Monitor of any partial payment of Defendants' Restitution Obligation, or CMP Obligation shall not be deemed a waiver of their obligation to make further payments pursuant to this Consent Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.

77. Asset Freeze: On June 10, 2021, the Court entered an asset freeze order prohibiting the transfer, removal, dissipation and disposal of Defendants' assets ("Asset Freeze Order"), which was continued pursuant to the preliminary injunction order entered on July 14, 2021. The Court hereby lifts the Asset Freeze Order.

D. Miscellaneous Provisions

78. Notice: All notices required to be given by any provision in this Consent Order shall be sent certified mail, return receipt requested, as follows:

Notice to Commission:

Paul Hayeck
Deputy Director
Commodity Futures Trading Commission
Division of Enforcement
1155 21st Street NW
Washington, DC 20581

Notice to Defendants:

Troy Mason, individually and on behalf of Ztegrity, Inc.
2747 Neblina Court
Grand Prairie, TX 75054

All such notices to the Commission shall reference the name and docket number of this action.

79. Change of Address/Phone: Until such time as Defendants satisfy in full their Restitution Obligation and CMP Obligation as set forth in this Consent Order, Defendants shall provide written notice to the Commission by certified mail of any change to his telephone number and mailing address within ten calendar days of the change.

80. Entire Agreement and Amendments: This Consent Order incorporates all of the terms and conditions of the settlement among the parties hereto to date. Nothing shall serve to amend or modify this Consent Order in any respect whatsoever, unless: (a) reduced to writing; (b) signed by all parties hereto; and (c) approved by order of this Court.

81. Invalidation: If any provision of this Consent Order or if the application of any provision or circumstance is held invalid, then the remainder of this Consent Order and the application of the provision to any other person or circumstance shall not be affected by the holding.

82. Waiver: The failure of any party to this Consent Order or of any client at any time to require performance of any provision of this Consent Order shall in no manner affect the right of the party or client at a later time to enforce the same or any other provision of this Consent Order. No waiver in one or more instances of the breach of any provision contained in this Consent Order shall be deemed to be or construed as a further or continuing waiver of such breach or waiver of the breach of any other provision of this Consent Order.

83. Waiver of Service, and Acknowledgement: Defendants waive service of this Consent Order and agree that entry of this Consent Order by the Court and filing with the Clerk of the Court will constitute notice to the Defendants of its terms and conditions. Defendants further agree to provide counsel for the Commission, within thirty days after this Consent Order is filed with the Clerk of Court, with an affidavit or declaration stating that Defendants have received and read a copy of this Consent Order.

84. Continuing Jurisdiction of this Court: This Court shall retain jurisdiction of this action to ensure compliance with this Consent Order and for all other purposes related to this action, including any motion by Defendants to modify or for relief from the terms of this Consent Order.

85. Injunctive and Equitable Relief Provisions: The injunctive and equitable relief provisions of this Consent Order shall be binding upon Defendants, upon any person under their authority or control, and upon any person who receives actual notice of this Consent Order, by personal service, e-mail, facsimile or otherwise insofar as he or she is acting in active concert or participation with Defendants.

86. Authority: Troy Mason hereby warrants that he is an agent and/or officer of Ztegrity, and that this Consent Order has been duly authorized by Ztegrity and he has been duly empowered to sign and submit this Consent Order on behalf of Ztegrity.


87. Counterparts and Facsimile Execution: This Consent Order may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered (by facsimile, e-mail, or otherwise) to the other party, it being understood that all parties need not sign the same counterpart. Any counterpart or other signature to this Consent Order that is delivered by any means shall be deemed for all purposes as constituting good and valid execution and delivery by such party of this Consent Order.

88. Contempt: Defendants understand that the terms of the Consent Order are enforceable through contempt proceedings, and that, in any such proceedings they may not challenge the validity of this Consent Order.

89. Agreements and Undertakings: Defendants shall comply with any and all undertakings and agreements set forth in this Consent Order.

There being no just reason for delay, the Clerk of the Court is hereby ordered to enter this *Consent Order for Permanent Injunction, Civil Monetary Penalty and Other Equitable Relief Against Defendants Troy Mason and Ztegrity, Inc.*, forthwith and without further notice.

IT IS SO ORDERED on this 7th day of October, 2022.


George C. Hanks, Jr.
UNITED STATES DISTRICT JUDGE

CONSENTED TO AND APPROVED BY:

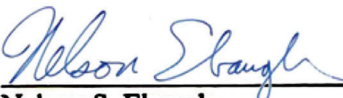

Troy Mason
President and Chief Executive Officer
Ztegrity, Inc.
2747 Neblina Court
Grand Prairie, TX 75054

Date: 8/15/22


Troy Mason, individually
2747 Neblina Court
Grand Prairie, TX 75054

Date: 8/15/22

Approved as to form:


Nelson S. Ebaugh
Nelson S. Ebaugh, P.C.
3730 Kirby Drive
Suite 1200
Houston, TX 77098
Attorneys for Defendants, Troy Mason and
Ztegrity, Inc.

/s/ Lauren E. Bennett
Lauren E. Bennett
Trial Attorney
Commodity Futures Trading Commission
1155 21st Street NW
Washington, DC 20581
202-418-5290
lbennett@cftc.gov

8/15/2022
Date: _____