

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION**

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| <b>UNITED STATES COMMODITY<br/>FUTURES TRADING COMMISSION,</b>   | ) |  |
|  | ) |  |
| <b>Plaintiff,</b>  | ) | Civil Action No. _____   |
|  | ) |  |
| <b>v.</b>  | ) |  |
| <b>RANDALL LYNN STUCKEY, an<br/>individual; STUCKEY GROUP, L.P., a<br/>Missouri limited partnership; STUCKEY<br/>GROUP II, L.P., a Missouri limited<br/>partnership; and OAKWOOD<br/>DEVELOPMENT COMPANY L.P., a<br/>Missouri limited partnership.</b> | ) | <b>COMPLAINT FOR INJUNCTIVE AND<br/>OTHER EQUITABLE RELIEF AND<br/>CIVIL MONETARY PENALTIES<br/>UNDER THE COMMODITY<br/>EXCHANGE ACT</b> |
|  | ) |  |
| <b>Defendants.</b>   | ) |  |
|  | ) |  |

Plaintiff, the United States Commodity Futures Trading Commission (“Commission” or CFTC”),  
by its attorneys, alleges as follows:

**I. SUMMARY**

1. From at least January 1, 2007 through July 31, 2010 (the “Relevant Time”), Randall Lynn Stuckey (“Stuckey”) engaged in fraud involving the solicitation of illegal off-exchange foreign currency (“forex”) futures contracts. Stuckey operated the scheme via the Internet out of his residence located at 578 Prentice Drive, St. Peters, Missouri.

2. Stuckey created and operated a number a number of business entities that he used to facilitate his foreign currency exchange trading activities, including Stuckey Group, L.P., Stuckey Group II, L.P. and Oakwood Development Company, L.P. These entities operated in concert with Stuckey as a common enterprise and are hereinafter referred to as the “Stuckey Common Enterprise.”

3. Stuckey, directly and through the Stuckey Common Enterprise, solicited prospective customers through direct solicitations as well as through marketing materials and word-of-mouth. During the Relevant Time, Stuckey and the Stuckey Common Enterprise (collectively the “Stuckey Common Enterprise Defendants” or “Defendants”) received at least \$2.85 million from more than 65 members of the general public (collectively the “Customers”) for the purpose of trading leveraged or margined off-exchange forex contracts.

4. Under the scheme, Stuckey operated as the general partner and obtained funds from the Customers pursuant to written agreements requiring an initial flat trading fee and a 20% fee on profits. Stuckey deposited customer funds into U.S. bank accounts, forex futures brokerage trading accounts and other firm accounts in the name of Stuckey Group, L.P., Stuckey Group II, L.P., Oakwood Development Company, L.P. and Randall Stuckey. Stuckey controlled these accounts.

5. During the Relevant Time, the Stuckey Common Enterprise Defendants returned approximately \$636,000 to certain Customers whom requested withdrawals from their accounts as either a return of a portion or all of their original investment, and in other instances as purported trading profits or other payments.

6. During the Relevant Time, Stuckey misrepresented to customers and prospective customers that the Stuckey Common Enterprise Defendants were trading customers’ funds in forex futures transactions profitably, when Stuckey knew that he was losing money trading Customers’ funds

in forex futures trading. Stuckey falsely claimed that the Customers' investments had increased in value to approximately \$4.8 million.

7. To conceal and perpetuate their fraud, the Stuckey Common Enterprise Defendants issued monthly account statements to the Customers showing false account values and false returns on their deposits. The Stuckey Common Enterprise's account statements reported monthly trading profits from one to six percent even though the Stuckey Common Enterprise was losing money on trades.

8. By virtue of this conduct and the further conduct described herein, Defendants have engaged, are engaging, or are about to engage in acts and practices in violation of provisions of the Commodity Exchange Act (the "Act"), 7 U.S.C. §§ 1 *et seq.* (2006), as amended by the Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, Title XIII (the CFTC Reauthorization Act ("CRA")), §§ 13101-13204, 122 Stat. 1651 (enacted June 18, 2008), and certain CFTC Regulations ("Regulations") 17 C.F.R. §§ 1.1 *et seq.* (2010).

9. Accordingly, pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, and Section 2(c)(2) of the Act, as amended by the CRA, to be codified at 7 U.S.C. § 2(c)(2), the Commission brings this action to enjoin the Defendants' unlawful acts and practices and to compel their compliance with the Act and Regulations and to further enjoin the Defendants from engaging in any commodity and forex-related activity. In addition, the Commission seeks civil monetary penalties 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.

10. Unless restrained and enjoined by this Court, the Stuckey Common Enterprise Defendants are likely to continue to engage in the acts and practices alleged in this Complaint and similar acts and practices, as more fully described below.

## II. JURISDICTION AND VENUE

11. This Court has jurisdiction over this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2006), which authorizes the Commission to seek injunctive and other relief against any person whenever it shall appear to the Commission that such 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.

12. The Commission's jurisdiction in this matter is two-fold. The conduct at issue in this case overlaps the date of enactment of the CRA, thus the Commission's jurisdiction stems from both the Act and the Act as amended by the CRA.

13. First, for conduct that occurred before June 18, 2008, the Commission has jurisdiction over the forex futures transactions at issue in this case pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2006), and Section 2(c)(2)(B)(i) and (ii) of the Act, 7 U.S.C. § 2(c)(2)(B)(i) and (ii). Section 2(c)(2)(B)(i) and (ii), 7 U.S.C. § 2(c)(2)(B)(i) and (ii), grants the Commission jurisdiction over certain transactions in foreign currency that are contracts for the sale of a commodity for future delivery, including the transactions alleged in this Complaint.

14. Second, for conduct that occurred on or after June 18, 2008, the date of enactment of the CRA, the Commission has jurisdiction over the foreign currency transactions at issue in this case pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2006), and Section 2(c)(2) of the Act, 7 U.S.C. § 2(c)(2), as amended by the CRA, 7 U.S.C. § 2(c)(2). The CRA, among other things, clarified the Commission's anti-fraud jurisdiction over foreign currency transactions, such as those in this matter.

15. Venue properly lies with the Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e) (2006), because the Defendants are either resident of or domiciled in this District and

transacted business, among other places, in this District, and the acts and practices in violation of the Act have occurred, among other places, within this District.

### III. PARTIES

16. Plaintiff **U.S. Commodity Futures Trading Commission** is an independent federal regulatory agency that is charged by Congress with the administration and enforcement of the Act, 7 U.S.C. §§ 1 *et. seq.*, and the Regulations promulgated thereunder, 17 C.F.R. §§ 1.1 *et. seq.* The CFTC maintains its principal office at Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

17. Defendant **Randall Lynn Stuckey** resides at 578 Prentice Drive, St. Peters, Missouri 63376. Randall Lynn Stuckey is the owner, registered agent and general partner of Stuckey Group, L.P., Stuckey Group II, L.P. and Oakwood Development Company, L.P.

18. Defendant **Stuckey Group, L.P.** is a Missouri limited partnership formed on July 3, 2007, with its principal place of business at 578 Prentice Drive, St. Peters, Missouri 63376.

19. Defendant **Stuckey Group II, L.P.** is a Missouri limited partnership formed on October 9, 2007, with its principal place of business at 578 Prentice Drive, St. Peters, Missouri 63376.

20. Defendant **Oakwood Development Company, L.P.** is a Missouri limited liability partnership formed on June 10, 2010, with its principal place of business at 578 Prentice Drive, St. Peters, Missouri 63376.

#### IV. FACTS

##### Defendants' Fraudulent Solicitation of Customers

21. From at least January 2007 through July 31, 2010 (the "Relevant Time"), Defendant Randall Lynn Stuckey solicited members of the general public to engage in the speculative trading of illegal off-exchange forex futures contracts, which after June 18, 2008 also constituted foreign currency transactions (hereafter referred to simply as forex futures contracts). Stuckey operated the scheme via the Internet out of his residence located at 578 Prentice Drive, St. Peters, Missouri 63376.

22. Randall Stuckey created a number of business entities to facilitate his forex trading activities, including Stuckey Group, L.P., Stuckey Group II, L.P. and Oakwood Development Company, L.P. These entities operated in concert with Stuckey as a common enterprise and shall at all times hereinafter be referred to collectively as the "Stuckey Common Enterprise."

23. During the Relevant Time, Randall Stuckey and the Stuckey Common Enterprise (collectively, the "Stuckey Common Enterprise Defendants" or "Defendants") engaged in the offering and sale of illegal off-exchange forex futures contracts marketed to the general public as a means to speculate and profit from the anticipated price fluctuations in the markets for foreign currencies. The customers did not anticipate taking, and did not take, delivery of foreign currency as a result of their investments.

24. The illegal off-exchange forex futures contracts that the Stuckey Common Enterprise Defendants offered to customers, and entered into with various counterparties, were transactions that were not conducted on or subject to the rules of a board of trade which has been designed or registered by the Commission as a contract market or derivatives transaction execution facility for such commodity. Furthermore, the Stuckey Common Enterprise Defendants did not execute or consummate these illegal off-exchange futures contracts by or through any contract market.

25. During the Relevant Time, the Stuckey Common Enterprise Defendants solicited and accepted at least \$2.85 million from more than 65 members of the general public (“Customers”) to trade forex futures. These Customers included friends of Randall Stuckey in Missouri and Illinois and members of his church located in O’Fallon, Missouri, a suburb of St. Louis.

26. The Stuckey Common Enterprise Defendants have returned approximately \$636,000 to certain Customers whom requested withdrawals from their accounts as either a return of a portion or all of their original investment, and in other instances as purported trading profits or other payments in furtherance of Stuckey’s fraudulent scheme.

27. Stuckey, directly and through the Stuckey Common Enterprise Defendants, solicited prospective customers through direct solicitations as well as through marketing materials and word-of-mouth. The Stuckey Common Enterprise Defendants’ marketing materials, which were authored by Stuckey, informed prospective customers that their funds would be traded on the “Foreign Exchange Market,” the “largest financial market in the world, with an average turnover of approximately \$2 trillion dollars per day.” The promotional materials describing the investment imply that steady, consistent returns of as much as 8% monthly are possible in forex futures trading, and further suggest that Stuckey can “protect” the trading portfolio for “long term consistent returns.”

28. The Stuckey Common Enterprise Defendants mailed or delivered, or caused to be mailed or delivered, a limited partnership agreement to each customer prior to accepting their funds for trading. This agreement described the Stuckey Common Enterprise’s forex futures trading program and the fees that the partnership would earn in addition to the portion of trading gains that the customer would receive. Based on the Stuckey Group, L.P.’s promotional materials dated 2008 (“Stuckey Group Materials”), the Stuckey Common Enterprise Defendants required a minimum investment of \$15,000 to participate. Pursuant to the written agreement set forth in the materials, the Stuckey Common Enterprise

Defendants took an initial “trading cost” fee of \$5,000 and traded the remaining balance. In addition to the initial fee of \$5,000, the agreement provided that the Stuckey Common Enterprise Defendants would be compensated for work on behalf of the customers at the rate of 20% of a customer’s gain. If a customer’s investment decreased in value, the Stuckey Common Enterprise Defendants were not entitled to any compensation. The agreement also contained a “high water mark” clause that did not allow the Stuckey Common Enterprise Defendants to take the 20% fee on profits that were derived in order to get a customer back to a “high water mark” that the customer had previously reached prior to suffering losses.

29. During the Relevant Time, the Stuckey Common Enterprise Defendants obtained initial trading fees from customers and additional sums of money from the 20% fee on gains purportedly made from forex futures trading by the Stuckey Common Enterprise. However, during the Relevant Time, the Stuckey Common Enterprise Defendants suffered forex futures trading losses from trading Customers’ funds.

30. Stuckey deposited customer funds into U.S. bank accounts in the name of the Stuckey Group, L.P., Stuckey Group II, L.P., Oakwood Development Company, L.P. and Randall Stuckey. Stuckey also deposited customer funds into forex futures brokerage trading accounts at multiple registered Futures Commission Merchants (“FCMs”) and other firms, including FXDirectDealer (“FXDD”), Peregrine Financial Group (“PFG”), Interbank FX (“IBFX”), Gain Capital CitiFX Pro, Hotspot FX and ITrade FX. Stuckey controlled the bank, FCM and other firm accounts.

31. Stuckey used a portion of the money he received from the Customers to support the living expenses of himself and his wife. Stuckey had no other source of employment or income other than the fees he received from the scheme.

32. Neither the Stuckey Common Enterprise Defendants nor the FCMs that were the counterparties to the forex futures transactions were financial institutions, registered broker dealers (or their associated persons), insurance companies, bank holding companies, or investment bank holding companies.

33. At least certain of the Stuckey Common Enterprise Defendants' customers, if not all, were individuals who each had total assets of less than \$5 million. Therefore, at least certain of the Defendants' customers were not "eligible contract participants" as that term is defined in the Act. *See* Section 1a(12)(A)(xi) of the Act, 7 U.S.C. § 1a(12) (2006) (an "eligible contract participant," as relevant here, is an individual with total assets in excess of (i) \$10 million, or (ii) \$5 million and who enters the transaction "to manage the risk associated with an asset owned or liability incurred, or reasonably likely to be owned or incurred, by the individual").

34. The Stuckey Common Enterprise Defendants traded foreign currency futures transactions on a margined or a leveraged basis in the trading accounts containing customer funds. The Stuckey Common Enterprise was required to provide only a percentage of the value of the forex futures contracts that it purchased.

35. The foreign currency futures transactions conducted by the Stuckey Common Enterprise Defendants neither resulted in delivery within two days nor created an enforceable obligation to deliver between a seller and a buyer that had the ability to deliver and accept delivery, respectively, in connection with their lines of business. Rather, these foreign currency futures contracts remained open from day to day and ultimately were offset without anyone making or taking delivery of actual currency (or facing an obligation to do so). These contracts were foreign futures contracts.

**Defendants' False Representations and Omissions**

36. During the Relevant Time, Stuckey misrepresented to customers and prospective customers that the Stuckey Common Enterprise Defendants were trading Customers' funds in forex futures transactions profitably, when in fact Stuckey knew that he was losing money trading Customers' funds in forex futures trading. Stuckey falsely claimed that Customers' investments had increased in value from an original aggregate investment of \$2.85 million to approximately \$4.8 million. In fact, the Stuckey Common Enterprise Defendants had incurred substantial losses from trading Customers' funds in forex futures.

37. During the Relevant Time, the Stuckey Common Enterprise Defendants issued monthly account statements to the Customers showing false account values and false returns on their deposits. These false account statements were authored by Stuckey, and he was aware that the account statements were false and misleading. The Stuckey Common Enterprise Defendants' account statements reported monthly trading profits from one to six percent even though the Stuckey Common Enterprise was losing money on trades. In fact, the Stuckey Common Enterprise's actual trading resulted in net losses. Stuckey concealed these trading losses from the Customers. Stuckey intentionally made these false statements to generate ongoing fees and to mislead and lull Customers into continuing to deposit funds.

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V. **VIOLATIONS OF THE COMMODITY EXCHANGE ACT AND THE COMMISSION'S REGULATIONS**

**COUNT I**

**VIOLATIONS OF SECTIONS 4b(a)(2)(i)-(iii), 7 U.S.C. §§ 6b(a)(2)(i)-(iii) (2006), AND SECTIONS 4b(a)(2)(A)-(C) OF THE ACT, AS AMENDED BY THE CRA, 7 U.S.C. §§ 6b(a)(2)(A)-(C)  
(FRAUD IN CONNECTION WITH FOREX)**

38. The allegations set forth in paragraphs 1 through 38 are realleged and incorporated herein by reference.

39. Prior to being amended by the CRA, Sections 4b(a)(2)(i)-(iii) of the Act, 7 U.S.C. §§ 6b(a)(2)(i)-(iii) (2006), made it unlawful

for 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, made, or to be made, for or on behalf of any other person if such contract for future delivery is or may be used for (A) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or (B) determining the price basis of any transaction in interstate commerce in such commodity, or (C) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof – (i) to cheat or defraud or attempt to cheat or defraud other such person; (ii) willfully to make or cause to be made to such other person any false report or statement thereof, or willfully to enter or cause to be entered for such person any false record thereof; (iii) willfully to deceive or attempt to deceive such other person by any means whatsoever in regard to any such order or contract or the disposition or execution of any such order or contract, or in regard to any act of agency performed with respect to such order or contract for such person.

40. As set forth above, from at least January 1, 2007 through June 18, 2008, in or in connection with off-exchange futures contracts, for or on behalf of other persons, the Stuckey Common Enterprise Defendants violated Sections 4b(a)(2)(i)-(iii) of the Act, 7 U.S.C. §§ 6b(a)(2)(i)-(iii) (2006), in that they cheated or defrauded or attempted to cheat or defraud customers or prospective customers by: (i) falsely claiming to be successful forex traders; (ii) fraudulently misrepresenting to customers and prospective customers that the Defendants were trading customers' funds in forex transactions profitably, when in fact they knew that they were losing money trading customers' funds in forex;

(iii) concealing from customers that the Stuckey common enterprise was incurring trading losses with the use of customer funds; and (iv) issuing monthly account statements to customers showing false account values and false returns on their deposits.

41. Sections 4b(a)(2)(A)-(C) of the Act, as amended by the CRA, 7 U.S.C. §§ 6(b)(a)(2)(A)-(C), make it unlawful

for 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, or other agreement, contract, or transaction subject to paragraphs (1) and (2) of section 5a(g), 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; (B) willfully to make or cause to be made to the other person any false report or statement or willfully to enter or cause to be entered for the other person any false record; [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.

42. As set forth above, from at least June 18, 2008 through July 31, 2010, in or in connection with off-exchange futures contracts, for or on behalf of other persons, the Stuckey Common Enterprise Defendants violated Sections 4b(a)(2)(A)-(C) of the Act, as amended by the CRA, 7 U.S.C. §§ 6(b)(a)(2)(A)-(C), in that they cheated or defrauded or attempted to cheat or defraud customers or prospective customers by: (i) falsely claiming to be successful forex traders; (ii) fraudulently misrepresenting to customers and prospective customers that the Defendants were trading customers' funds in forex transactions profitably, when in fact they knew that they were losing money trading customers' funds in forex; (iii) concealing from customers that the Stuckey common enterprise was incurring trading losses with the use of customer funds; and (iv) issuing monthly account statements to customers showing false account values and false returns on their deposits.

43. The Stuckey Common Enterprise Defendants engaged in the acts and practices described above knowingly and with reckless disregard for the truth.

44. Each issuance of a false account statement, misrepresentation or omission of material fact, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Sections 4b(a)(2)(i)-(iii) of the Act, 7 U.S.C. §§ 6b(a)(2)(i)-(iii) (2006), and Sections 4b(a)(2)(A)-(C) of the Act, as amended by the CRA, 7 U.S.C. §§ 6(b)(a)(2)(A)-(C).

## 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 (2006), and pursuant to the Court's own equitable powers, enter:

- a) An order finding that the Defendants violated Sections 4b(a)(2)(i)-(iii) of the Act, 7 U.S.C. §§ 6b(a)(2)(i)-(iii) (2006); and Sections 4b(a)(2)(A)-(C) of the Act as amended by the CRA, 7 U.S.C. §§ 6b(a)(2)(A)-(C).
- b) An order of preliminary and permanent injunction prohibiting Defendants and any of their agents, servants, employees, assigns, attorneys, and persons in active concert or participation with any Defendant, including any successor thereof from engaging, directly or indirectly:
  - (i) in conduct in violation of Sections 4b(a)(2)(A)-(C) of the Act as amended by the CRA, 7 U.S.C. §§ 6b(a)(2)(A)-(C);
  - (ii) trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(29) of the Act, 7 U.S.C. 1a(29) (2006));
  - (iii) entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Regulation 32.1(b)(1), 17 C.F.R. § 32.1(b)(1)(2010)) ("commodity options"), and/or foreign currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act, as amended by the CRA, 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i)) ("forex

contracts”) for their own personal account or for any account in which they have a direct or indirect interest;

- (iv) having any commodity futures, options on commodity futures, commodity options, and/or forex contracts traded on their behalf;
- (v) 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 futures, options on commodity futures, commodity options, and/or forex contracts;
- (vi) soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity futures, options on commodity futures, commodity options, and/or forex contracts;
- (vii) 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)(2010); and
- (viii) acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a) (2010)), agent or any other officer or employee of any person (as that term is defined in Section 1a(28) of the Act, 7 U.S.C. § 1a(28) (2006)) registered, exempted from registration or required to be registered with the Commission, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2010).

c) An order directing the Defendants, as well as any successors, to disgorge all benefits received from the acts or practices that constitute violations of the Act, as described herein, and pre- and post-judgment interest thereon from the date of such violations;

d) An order directing the Defendants to make full restitution to every person or entity whose funds they received or caused another person or entity to receive as a result of acts and practices that constituted violations of the Act, as described herein, and pre- and post-judgment interest thereon from the date of such violations;

e) 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 them and any of the customers whose funds were received by them as a result of the acts and practices which constituted violations of the Act, as described herein;

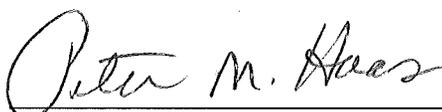
f) An order directing the Defendants to pay a civil monetary penalty in an amount to be determined at a later date by agreement between the Commission and the Defendants, or by the Court;

g) An order requiring the Defendants to pay costs and fees as permitted by 28 U.S.C. §§ 1920 and 2412(a)(2); and

h) Such other and further relief as the Court deems proper.

Dated: February 18, 2011

Respectfully submitted,



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