

IN THE DISTRICT COURT OF OKLAHOMA COUNTY
STATE OF OKLAHOMA

FILED IN THE DISTRICT COURT
OKLAHOMA COUNTY, OKLA.

Oklahoma Department of Securities)
ex rel. Irving L. Faught,)
Administrator,)

Plaintiff,)

v.)

Robert E. Tucker, and)
Keystone Equity Group, Inc.,)

Defendants.)

MAR 25 2010

PATRICIA PRESLEY, COURT CLERK

by _____
DEPUTY

Case No.

CJ - 2010 - 2525

PETITION FOR PERMANENT INJUNCTION

Plaintiff, Oklahoma Department of Securities *ex rel.* Irving L. Faught, for its claims against the above-named Defendants, alleges and states as follows:

OVERVIEW

1. This enforcement action involves violations of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2009), by Defendants. Specifically, Defendants have: offered and sold unregistered securities in and/or from Oklahoma, in violation of Section 1-301 of the Act; transacted business in and/or from Oklahoma as an unregistered agent or employed an unregistered agent, in violation of Section 1-401 of the Act; and made untrue statements of material fact, omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they have been made, not misleading, and perpetrated a fraud, in connection with the offer and sale of securities in and/or from Oklahoma, in violation of Section 1-501 of the Act.

JURISDICTION AND VENUE

2. Pursuant to Sections 1-102 and 1-610 of the Act, Defendants, in connection with their activities in the offer and/or sale of securities in and/or from this state, are subject to the provisions of the Act.

3. Plaintiff brings this action pursuant to Section 1-603 of the Act. Plaintiff is the proper party to bring this action against Defendants.

4. By virtue of Defendants' activities in this state, as described herein, Defendants are subject to the jurisdiction of this Court and to service of summons within or outside of this state.

5. Venue is proper in this county.

THE PARTIES

6. Plaintiff, the Oklahoma Department of Securities ("Department"), is an agency of the state of Oklahoma that is charged with responsibility for administering and enforcing the provisions of the Act. The Department brings this action by and through its Administrator, Irving L. Faught.

7. Defendant Robert E. Tucker ("Tucker") is an individual residing in Tulsa, Oklahoma. Defendant Tucker is the principal and owner of Keystone Equity Group, Inc., ("KEG"). Tucker controls KEG. Defendant Tucker is not registered in any capacity under the Act and has not been at anytime material hereto. Defendant Tucker is a multiple offense convicted felon on charges of: attempting to obtain money by false pretenses, making false statements in application to the council on law enforcement and fraud in connection with an application for license.

8. Defendant KEG is an Oklahoma for profit business corporation. Defendant KEG operates from Tulsa, Oklahoma. KEG is not registered in any capacity under the Act and has not been at anytime material hereto.

FACTUAL ALLEGATIONS

9. Beginning in at least 2008, Defendants have operated an advanced fee scheme in which at least eight investors (“Investors”), including an Oklahoma Investor, paid Defendants commitment fees (“Fees”) totaling over \$160,000 pursuant to a contractual obligation set forth in “Commitment Letters to Fund” (“Commitment Letters”) entered by the Investors in anticipation of Defendants funding loans of up to \$550,000,000 to the Investors. Investors have relied on these loans to fund various projects including church renovations, construction and investment opportunities.

10. Defendants have told Investors that pensions and/or hedge funds worth billions of dollars will be funding sources for the loans.

11. Defendants have portrayed themselves as experienced, knowledgeable, and able members of the business community. Defendants have told Investors they have the know-how to successfully maneuver in the business and financing worlds demonstrated by their purported track record of prior loan closings, affiliation and access to loan funding sources.

12. In accordance with a sub-clause in the Commitment Letters (“Deposit Sub-Clause”), Fees are to be used by Defendants for specified purposes, such as: services in connection with Commitment Letters, Defendants’ due diligence, closing costs and submission, legal, transfer of funds, wire and other such fees incurred by Defendants.

13. KEG's bank records show little, if any, authorized use of Investor paid Fees. Defendants' primary expenditures of Fees have been in cash withdrawals, luxury vehicles, and travel expenses, including travel associated with the perpetuation of the scheme.

14. Defendants have not funded any loans pursuant to the Commitment Letters entered by the parties.

15. According to the Deposit Sub-Clause, Fees are to be refunded when Defendants do not close loans for reasons other than an Investor's inability to meet the "Collateral" and "Conditions Precedent to Financing" clauses. Defendants have failed to refund any Fees.

16. Pursuant to the "Miscellaneous Provisions" clause in the Commitment Letters, Defendants are to provide in a timely manner evidence of its ability to perform. Defendants have failed to provide such evidence to Investors.

17. After Investors have paid the Fees, Defendants delay, mislead and/or ignore Investors.

18. Defendants have consistently and systematically failed to provide any evidence to Investors of funding sources, prior closings on funding for other investors, references, financial statements, due diligence, or any services provided by Defendants in connection with Commitment Letter performance.

19. Defendant Tucker has continuously failed to disclose to Investors material information including his criminal convictions, lack of experience in providing large scale loans, and his lack of funding sources or access to sources able to fund any promised loan.

20. Defendants' excuses to Investors for non-performance have included sickness, computer loss, deaths and kidnapping of family members, miscommunication run-arounds between Defendants and Investors and/or other stalling tactics.

FIRST CLAIM

Violation of Section 1-301 of the Act: Offer and/or Sale of Unregistered Securities

21. The allegations set forth in paragraphs 1 through 20 are re-alleged and incorporated herein by reference.

22. The Commitment Letters are “securities” as defined by Section 1-102 of the Act in the nature of an “evidence of indebtedness.”

23. Defendants have offered and sold securities in and/or from Oklahoma.

24. The securities offered and sold by Defendants have not been registered under the Act, are not federal covered securities, and are not exempt from registration under Sections 1-201 through 1-203 of the Act.

25. By reason of the foregoing, Defendants have violated, and unless enjoined may continue to violate, Section 1-301 of the Act.

SECOND CLAIM

Violation of Section 1-402 of the Act: Failure to Register as an Agent and Employing Unregistered Agents

26. The allegations set forth in the preceding claim are re-alleged and incorporated herein by reference.

27. Defendant KEG is an issuer, as defined in Section 1-102 of the Act, that has engaged in offering and/or selling securities in and/or from Oklahoma.

28. By virtue of his efforts and activities in transacting business in and/or from Oklahoma on behalf of Defendant KEG, Defendant Tucker is an agent, as defined in Section 1-102 of the Act, of KEG.

29. Defendant Tucker has not been registered in any capacity under the Act at any

time material hereto.

30. Defendant Tucker has transacted business in and/or from Oklahoma as an agent without benefit of registration under the Act.

31. Defendant KEG has employed or associated with an unregistered agent who transacted business in and/or from Oklahoma on its behalf.

32. By reason of the foregoing, Defendants have violated, and unless enjoined may continue to violate, Section 1-402 of the Act.

THIRD CLAIM

Violation of Section 1-501 of the Act: Untrue Statements of Material Fact and Omissions of Material Fact in Connection With Offer, Sale or Purchase of Securities

33. The allegations set forth in the preceding claim are re-alleged and incorporated herein by reference.

34. In connection with the offer and sale of securities, Defendants have, directly and/or indirectly, made untrue statements of material fact including, but not limited to, the following:

- (a) Investors will receive funding pursuant to the Commitment Letters;
- (b) Defendants will provide Investors satisfactory evidence of its prior or current ability to perform;
- (c) Pension and/or hedge funds, worth billions of dollars, will be the loan's funding sources;
- (d) Defendants' level of experience, ability and dependability;
- (e) Fees will be used by Defendants for only those purposes specified in Commitment Letters;

- (f) Fees are to be refunded if loans are not closed by Defendants for reasons other than an Investor's inability to meet the "Collateral" and "Conditions Precedent to Financing" clauses in Commitment Letters; and
- (g) Defendants' reasons and explanations for non-performance of their Commitment Letter obligations.

35. In connection with the offer and sale of securities, Defendants have, directly and/or indirectly, omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they have been made, not misleading. The material omissions include, but are not limited to, the following:

- (a) Defendants' use of Fees for personal expenditures, such as purchases of luxury vehicles;
- (b) Defendants' inability or failure to provide funding to any prior or current Investors; and
- (c) Defendant Tucker's prior criminal convictions and incarceration for the following counts:
 - i. Attempting To Obtain Money By False Pretenses;
 - ii. Making False Statements In Application To Council On Law Enforcement; and
 - iii. Fraud In Connection With Application For License.

36. By reason of the foregoing, Defendants have violated, and unless enjoined may continue to violate, Section 1-501 of the Act.

FOURTH CLAIM

Violation of Section 1-501 of the Act: Employing a Device, Scheme, or Artifice to Defraud

37. The allegations set forth in the preceding claim are re-alleged and incorporated herein by reference.

38. Defendants have, in connection with the offer and sale of securities, directly and/or indirectly, employed a device, scheme, or artifice to defraud Investors through the use of the untrue statements of material fact and the omissions of material fact described above.

39. By reason of the foregoing, Defendants have violated, and unless enjoined may continue to violate, Section 1-501 of the Act.

FIFTH CLAIM

Violation of Section 1-501 of the Act: Engaging in any Act, Practice, or Course of Business Which Operates or Would Operate as a Fraud or Deceit upon any Person

40. The allegations set forth in the preceding claim are re-alleged and incorporated herein by reference.

41. Defendants, in connection with the offer and/or sale of securities, and through the use of the untrue statements of material fact and the omissions of material fact described above, have engaged in an act, practice, or course of business that has operated as a fraud or deceit upon Investors.

42. By reason of the foregoing, Defendants have violated, and unless enjoined may continue to violate, Section 1-501 of the Act.

PRAYER FOR RELIEF

WHEREFORE, based upon the foregoing, and pursuant to the authority specifically granted by Section 1-603 of the Act, Plaintiff prays for the following relief:

1. A permanent injunction enjoining Defendants from transacting business in and/or from the state of Oklahoma as an issuer, issuer agent, broker-dealer, broker-dealer agent, investment adviser, and/or investment adviser representative or otherwise offering and/or selling securities in and/or from the state of Oklahoma;

2. An order imposing a civil penalty against Defendant KEG in the amount of Forty Thousand Dollars (\$40,000.00) and against Defendant Tucker in the amount of Forty Thousand Dollars (\$40,000.00);

3. An order requiring Defendants to make restitution to any and all Investors who purchased securities from Defendants or to those who transferred money to Defendants on behalf of others for the purpose of purchasing securities;

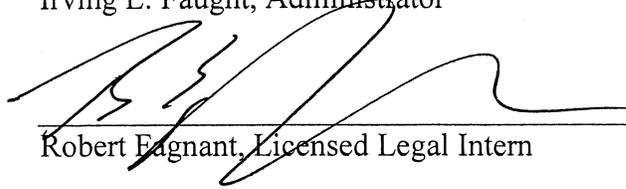
4. An order requiring payment of prejudgment and postjudgment interest; and

5. Such other relief as the Court may deem necessary, just and proper in connection with the enforcement of the Act.

Respectfully submitted,

OKLAHOMA DEPARTMENT OF SECURITIES
Irving L. Faught, Administrator

By:


Robert Fagnant, Licensed Legal Intern

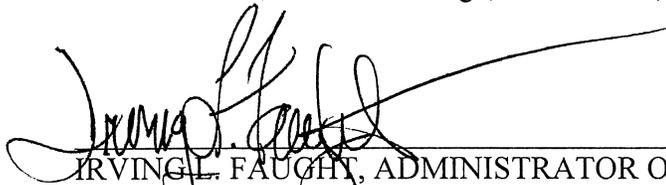
By:


Melanie Hall, OBA # 1209
Terra Shamas Bonnell, OBA # 20838
Oklahoma Department of Securities
120 North Robinson Avenue, Suite 860
Oklahoma City, Oklahoma 73102
Telephone: (405) 280-7700
Facsimile: (405) 280-7742

STATE OF OKLAHOMA)
)
) SS.
COUNTY OF OKLAHOMA)

Irving L. Faught, of lawful age, being first duly sworn deposes and states: that he is the Administrator of the Oklahoma Department of Securities, that he has read the foregoing *Petition for Permanent Injunction* and knows the contents thereof, and that the matters and things stated therein have been provided to him by staff members of the Department under his authority and direction, and are true and correct to the best of his knowledge, information, and belief.

(SEAL)

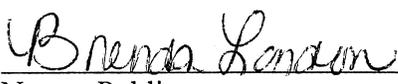


IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES
120 North Robinson Avenue, Suite 860
Oklahoma City, Oklahoma 73102
(405) 280-7700

Subscribed and sworn to before me this 24th day of March, 2010.

(SEAL)


BRENDA LONDON
Notary Public
State of Oklahoma
Commission # 05009046 Expires 09/28/13



Notary Public