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DATE FILED: 7-11-12

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
- - - - -x
UNITED STATES OF AMERICA, :

Plaintiff, :
- v. - :

POKERSTARS, et al., :

Defendants; :

ALL RIGHT, TITLE AND INTEREST IN :
THE ASSETS OF POKERSTARS, et al., :

Defendants-in-rem. :
- - - - -x

STIPULATION AND ORDER
OF SETTLEMENT

11 Civ. 2564 (LBS)

WHEREAS, on or about July 19, 2010, a seizure warrant for, inter alia, the following property was issued by the United States District Court for the Southern District of New York:

1. All funds formerly on deposit at Four Oaks Bank and Trust Company, Four Oaks, North Carolina, in account numbered 520055501, held in the name of LST Financial, and all property traceable thereto;
2. All funds formerly on deposit at Four Oaks Bank and Trust Company, Four Oaks, North Carolina, in account numbered 520057101, held in the name of LST Financial, and all property traceable thereto;
3. All funds formerly on deposit at Four Oaks Bank and Trust Company, Four Oaks, North Carolina, in account numbered 520064401, held in the name of LST Financial, and all property traceable thereto;

4. All funds formerly on deposit at Four Oaks Bank and Trust Company, Four Oaks, North Carolina, in account numbered 520065201, held in the name of LST Financial, and all property traceable thereto;
5. All funds formerly on deposit at Four Oaks Bank and Trust Company, Four Oaks, North Carolina, in account numbered 520069501, held in the name of LST Financial, and all property traceable thereto;

(collectively, the "Defendant Property");

WHEREAS, on or about April 14, 2011, a verified complaint, 11 Civ. 2564 (LBS) (the "Complaint") was filed under seal in the United States District Court for the Southern District of New York seeking the forfeiture of, inter alia, the Defendant Property, pursuant to Title 18, United States Code, Sections 1955(d), 981(a)(1)(A), and 981(a)(1)(C);

WHEREAS, on or about May 11, 2011, the United States provided notice of the filing of the Complaint to LST Financial, Inc. ("LST" or the "Claimant");

WHEREAS, beginning on May 17, 2011, and for thirty consecutive days thereafter, pursuant to Rule G (4)(a) of the Supplemental Rules for Certain Admiralty and Maritime Claims and Asset Forfeiture Actions, plaintiff United States of America posted notice of the Verified Complaint against the defendants-in-rem, on www.forfeiture.gov, the government internet site, and proof of publication was filed with the Clerk of the Court on

November 22, 2011;

WHEREAS, on or about June 16, 2011, the Claimant filed a verified claim in the Defendant Property asserting an ownership in said property;

WHEREAS, on or about September 21, 2011, a verified amended complaint in this action (the "Amended Complaint") was filed seeking the forfeiture of, inter alia, the Defendant Property;

WHEREAS, the Claimant, admitting no wrongdoing in connection herewith, has agreed to settle this matter; therefore

IT IS HEREBY STIPULATED, ORDERED AND AGREED, by and between Plaintiff United States of America, by its attorney Preet Bharara, United States Attorney, Assistant United States Attorneys, Sharon Cohen Levin, Michael D. Lockard, and Jason H. Cowley, of counsel, and the Claimant, by its counsel, Michael Bachner, Esq., that:

1. The Claimant and Gregory Colton ("Colton"), Managing Director of Claimant, represent that approximately \$6,274,751.59 is the total amount of Defendant Funds directly traceable to Claimant's payment processing for Redfall International. Claimant agrees that \$6,274,751.59 of the Defendant Property shall be forfeited to the United States ("the Forfeited Funds"), for disposition according to law, pursuant to Title 18, United States Code, Section 981, without admitting any

liability thereunder.

2. Four Oaks Bank and Trust Co. ("Four Oaks"), upon being provided a copy of this Stipulation and Order shall issue a check for \$6,062,116.49 of the Forfeited Funds payable to the United States Marshals Service, Southern District of New York, and send such check to the address below:

United States Attorney's Office
Southern District of New York
Attn: Sally Hassanein
One Saint Andrews Plaza
New York, NY 10007.

3. The remainder of the Forfeited Funds, \$212,635.10 (the "Four Oaks Funds"), shall be released and conveyed to Four Oaks to reimburse Four Oaks for expenses incurred as a result of LST Financial's processing of funds at Four Oaks.

4. The remainder of the Defendant Property shall be returned to the LST accounts at Four Oaks in which the funds were present prior to July 19, 2010, and made available to LST and Four Oaks.

5. The Claimant and Colton each represents that Claimants' clients other than Redfall International operated lawful businesses and that the funds the Claimant received or possessed for those clients were lawfully derived.

6. Claimant and Colton each further agrees not to knowingly provide, either directly or indirectly, payment processing services for internet gambling, including internet

poker, until if and when a change in applicable law takes place making such gambling lawful in the United States and Claimant and/or its internet gambling customer obtains appropriate authorization from all relevant governmental regulatory authorities.

7. The Claimant is hereby barred from asserting any claim against the United States or any of its agents and employees (including, without limitation, the Federal Bureau of Investigation ("FBI") and the United States Attorney's Office for the Southern District of New York ("USAO-SDNY")) in connection with or arising out of the United States' seizure, restraint, and/or constructive possession of the Defendant Property, including, without limitation, any claim that the United States did not have probable cause to seize and/or forfeit the Defendant Property (including the Forfeited Funds), that the Claimant is a prevailing party or that the Claimant is entitled to attorneys' fees or any award of interest.

8. The Claimant represents that it is the sole owner of the Forfeited Funds, and agrees to hold harmless the United States and any and all of its agents and employees (including, without limitation, the FBI and the USAO-SDNY) from any and all third-party claims in connection with or arising out of the United States' seizure, restraint, and/or constructive possession of the Defendant Property (including the Forfeited Funds).

9. The Claimant hereby withdraws its claim and agrees that it shall not file any claim or petition for restoration or remission relative to the Defendant Property, or any action or motion seeking to collaterally attack the seizure, restraint, or forfeiture of the Defendant Property (including the Forfeited Funds). Furthermore, the parties hereby waive all rights to appeal or to otherwise challenge or contest the validity of this Stipulation and Order of Settlement.

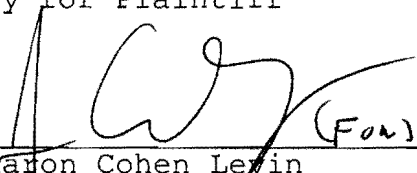
10. This Stipulation and Order of Settlement shall in no way be deemed an admission of culpability, liability, or guilt on behalf of the Claimant, or its respective agents, officers or employees, past and present. Further, this Stipulation and Order of Settlement shall in no way constitute any reflection upon the merits of the claims and defenses asserted respectively by the United States and the Claimant.

11. Each party shall bear its own costs and attorneys' fees.

11. The signature pages of this Stipulation and Order may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. Signature pages may be by fax and such signatures shall be deemed as valid originals.

AGREED AND CONSENTED TO:

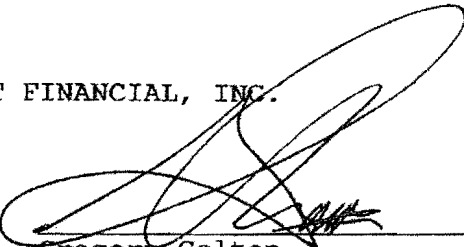
PREET BHARARA
United States Attorney for the
Southern District of New York
Attorney for Plaintiff

By:  (For) _____
Sharon Cohen Levin
Michael D. Lockard
Jason H. Cowley
Assistant United States Attorneys
One St. Andrew's Plaza
New York, New York 10007
(212) 637-1060/2193/2479

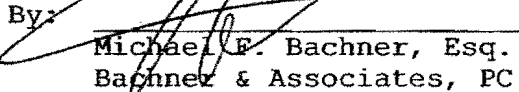
7/9/12
DATE

[ADDITIONAL SIGNATURES ON FOLLOWING PAGE]

LST FINANCIAL, INC.

By: 
Gregory Colton
Managing Director of LST Financial, Inc.

6/15/12
DATE

By: 
Michael E. Bachner, Esq.
Bachner & Associates, PC
39 Broadway, Suite 1610
New York, NY 10006
Tel: 212-344-7778
Attorney for Claimant

6/18/12
DATE

SO ORDERED:


LEONARD B. SAND
UNITED STATES DISTRICT JUDGE

7/11/12
DATE