

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 IN REGARD  
TO THE COMMONWEALTH OF  
KENTUCKY, EX REL., J.  
MICHAEL BROWN, SECRETARY  
JUSTICE AND PUBLIC  
SAFETY CABINET

11 Civ. 2564 (KMW)

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 certain property pursuant to Title 18, United States Code, Sections 1955(d), 981(a)(1)(A), and 981(a)(1)(C);

WHEREAS, included in such property were the following domains:

1. Pokerstars.com (the "PokerStars Domain");
2. Fulltiltpoker.com; (the "Full Tilt Domain")
3. Absolutepoker.com (the "Absolute Poker Domain";  
and
4. Ultimatebet.com (the "Ultimatebet Domain";  
together with the Absolute Poker Domain, the  
"Absolute Domains");

(the PokerStars Domain, Full Tilt Domain, and Absolute Domains, together, the "Defendant Domains").

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 September 21, 2011, a verified amended complaint in this action was filed seeking the forfeiture of, inter alia, the Defendant Domains;

WHEREAS, on or about September 30, 2011, the Commonwealth of Kentucky, ex rel., J. Michael Brown, Secretary Justice and Public Safety Cabinet (the "Commonwealth" or "Claimant") filed a verified claim asserting an ownership interest in the Defendant Domains;

WHEREAS, the Commonwealth's claim was premised on an on-going in rem action relating to the Defendant Domains in Kentucky state court (the "Kentucky Action");

WHEREAS, the Claimant initiated the Kentucky Action against, inter alia, the Defendant Domains, in 2008, with the Circuit Court of Franklin County, Kentucky exercising

jurisdiction over the Kentucky Action relating to the Defendant Domains;

WHEREAS, on or about July 31, 2012, Stipulated Orders of Settlement were entered by the Court relating to the group of entities doing business as PokerStars (collectively "PokerStars") and the group of entities doing business as Full Tilt Poker (collectively, "Full Tilt"; the two settlements respectively, the "PokerStars Settlement" and the "Full Tilt Settlement");

WHEREAS, pursuant to the PokerStars Settlement and the Full Tilt Settlement, inter alia, the Government's in rem action against the PokerStars Domain was dismissed, and the Full Tilt Domain was forfeited to the Government and subsequently conveyed to PokerStars;

WHEREAS, by virtue of the United States's dismissal of its action against the PokerStars Domain, the Commonwealth's claim to the PokerStars Domain is no longer pending in this action, without prejudice to any claims that may be available to the Commonwealth in the courts of the Commonwealth or other tribunals against the PokerStars Domain or related parties;

WHEREAS, the Commonwealth did not oppose the forfeiture of the Full Tilt Domain in exchange for the Government agreeing to maintain approximately \$36 million in funds received pursuant to the PokerStars Settlement as substitute res for the Commonwealth's claim to the Full Tilt Domain (the "Full Tilt

Domain Substitute Assets");

WHEREAS, on or about September 10, 2012, a verified second amended complaint (the "Amended Complaint") in this action was filed seeking the forfeiture of, inter alia, the Absolute Domains and the Full Tilt Domain Substitute Assets;

WHEREAS, the Claimant continues to pursue its case in the Kentucky Action against the Defendant Domains;

WHEREAS, the Government and the Claimant have 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, Jason H. Cowley, and Christine I. Magdo, of counsel, and the Claimant, by its counsel, D. Eric Lycan, Esq., that:

1. The Commonwealth hereby fully and finally dismisses its claim in this action to the Full Tilt Domain Substitute Assets.

2. Upon the entry of this Stipulated Order of Settlement, the Full Tilt Domain Substitute Assets shall be forfeited to the United States for disposition according to law, pursuant to Title 18, United States Code, Section 981.

3. In satisfaction's of the Commonwealth's claim to the Absolute Domains, the United States shall transfer \$6 million

to the Commonwealth (the "Settlement Funds"). The Commonwealth agrees that within 5 days of the entry of this Stipulated Order of Settlement, it shall dismiss its claims in the Kentucky Action to the Absolute Domains. The Government shall transfer the Settlement Funds to the Commonwealth within 10 days of the Commonwealth's dismissal in the Kentucky Action of its claims regarding the Absolute Domains.

4. Although payment of the Settlement Funds is not in regard to the Full Tilt Domain, the United States may utilize, if it chooses, the Full Tilt Domain Substitute Assets to fund such payment.

5. Upon receipt of the Settlement Funds, the Commonwealth's claim in this action shall be deemed fully and finally satisfied with respect to the Absolute Domains, and dismissed with prejudice with respect to the Full Tilt Domain Substitute Assets.

6. 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 Domains, including, without limitation, any claim that the United States

did not have probable cause to seize and/or forfeit the Defendant Domains, that the Claimant is a prevailing party or that the Claimant is entitled to attorneys' fees or any award of interest.

7. The Claimant hereby agrees that it shall not file any claim or petition for restoration or remission relative to the Defendant Domains or the Full Tilt Domain Substitute Assets, or any action or motion seeking to collaterally attack the seizure, restraint, or forfeiture of the Defendant Domains or the Full Tilt Domain Substitute Assets. Furthermore, the parties hereby waive all rights to appeal or to otherwise challenge or contest the validity of this Stipulation and Order of Settlement.

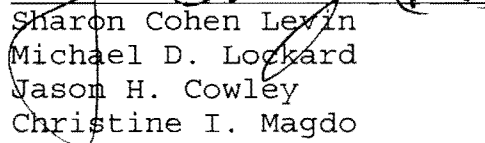
8. Each party shall bear its own costs and attorneys' fees.

9. 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:

 (Fm)  
\_\_\_\_\_  
Sharon Cohen Levin  
Michael D. Lockard  
Jason H. Cowley  
Christine I. Magdo  
Assistant United States Attorneys  
One St. Andrew's Plaza  
New York, New York 10007  
(212) 637-1060/2193/2479/2297


6/9/13  
DATE

[ADDITIONAL SIGNATURES ON FOLLOWING PAGE]

The Commonwealth of Kentucky, ex rel., J. Michael Brown,  
Secretary Justice and Public Safety Cabinet


By:   
J. Michael Brown

5/31/2013  
DATE

By:   
D. Eric Lycan, Esq.  
Steptoe & Johnson, PLLC  
2525 Harrodsburg Road, Suite 300  
Lexington, KY 40504  
(859) 255-7080  
Attorney for Claimant

6/7/2013  
DATE

SO ORDERED:

  
THE HONORABLE KIMBA W. WOOD  
UNITED STATES DISTRICT JUDGE

6-13-13  
DATE