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August 28, 2012

VIA HAND DELIVERY

Honorable Leonard B. Sand
Daniel Patrick Moynihan
United States Courthouse
500 Pearl St.
Courtroom 15A
New York, NY 10007-1312

Re: *United States of America v. Pokerstars, et al.*
USDC for the Southern District of New York Case No. 11 Civ. 2564 (LBS)

Your Honor:

We represent claimant and defendant Howard Lederer in connection with the referenced case. Mr. Lederer is a former two time winner of the World Series of Poker and a former Director of a Company called Tiltware, effectively the former owner of the on-line poker web site known as Full Tilt Poker. As Your Honor is aware, the assets of Tiltware were recently forfeited to the government and then sold to PokerStars, generating substantial assets earmarked for the repayment of customers of Full Tilt Poker.

The purpose of this letter is to bring to Your Honor's attention the recent opinion of the Honorable Jack B. Weinstein, Senior Judge of the United States District Court for the Eastern District of New York in United States v. DiCristina. For Your Honor's convenience, a copy of Judge Weinstein's August 21, 2012 120 page Memorandum, Order & Judgment is enclosed. In that opinion, Judge Weinstein holds, after extensive hearings and exhaustive reasoning, that poker does not constitute "illegal gambling" for purposes of 18 U.S.C. §1955 (IGBA). The opinion has significant implications for this case, pending before Your Honor, and in light of it, we write respectfully to suggest that the Court hold a status conference in the near future so that the parties may discuss, and the Court may consider, how best to manage this litigation in light of DiCristina.

The core of the government's allegations in this case is that on-line real money poker violates IGBA. That is the allegation in the First Claim for Relief in the Verified First Amended Complaint. If this Court agrees with Judge Weinstein, or if the Second Circuit affirms him in DiCristina, then much of the government's case here, and many of the seizures which have already been authorized, will no longer have a legal basis. At present, numerous motions to

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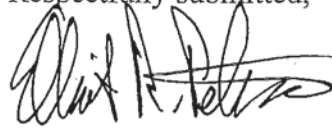
dismiss the Government's first amended complaint have been filed, and the government has the option of filing an amended complaint on or before September 10, 2012. How the government approaches a potential amended complaint, and how the defendants approach moving for its dismissal, are both matters which can be more efficiently handled if the parties have an opportunity to make the Court aware of their plans and views in light of DiCristina. For example, the Court may wish to stay this case pending the resolution of any appeal in DiCristina. Alternatively, the Court may wish to refer the parties to a Magistrate-Judge to explore settlement, in light of DiCristina. Or perhaps the Court may wish to consider on its own the issue of whether poker constitutes "illegal gambling" under IGBA. But the potential significance of the DiCristina opinion for this case cannot sensibly be overlooked.

We would welcome the opportunity to appear before Your Honor at the Court's earliest convenience to discuss how most sensibly to manage this litigation going forward, in light of the DiCristina opinion.

We have been informed by counsel for claimants and defendants Christopher Ferguson and Rafael Furst that they will join in this letter and the request for a status conference.

Thank you for considering the views expressed in this letter.

Respectfully submitted,



Elliot R. Peters

ERP:aap

Enclosure

cc: All Counsel (via email)