

COMMONWEALTH OF KENTUCKY
FRANKLIN CIRCUIT COURT
DIVISION II
CIVIL ACTION NO. 10-CI-SOS

COMMONWEALTH OF KENTUCKY
ex rel. J. Michael Brown, Secretary,
JUSTICE AND PUBLIC SAFETY CABINET

PLAINTIFF

v.

COMPLAINT

POCKET KINGS, LTD, a foreign business entity; and
UNKNOWN DEFENDANTS

DEFENDANTS

* * * * *

Comes the Plaintiff, Commonwealth of Kentucky *ex rel.* J. Michael Brown, Secretary, Justice and Public Safety Cabinet (“Commonwealth”), by and through counsel, and for its Complaint in this civil action states as follows:

1. The Commonwealth is a sovereign state established as a commonwealth by its Constitution. J. Michael Brown is the Secretary of the Justice and Public Safety Cabinet, a state agency and subdivision of the Commonwealth of Kentucky established pursuant to Kentucky law. The Commonwealth brings this claim in its own right and on behalf of its citizens.

THE FULL TILT DEFENDANTS

2. Pocket Kings Limited (“Pocket Kings”) is a business entity organized under the laws of the Republic of Ireland and having a registered office located at Embassy House, Herbert Park Lane, Ballsbridge, Dublin 4, Ireland.

3. At all relevant times, Pocket Kings and certain other unknown entities and individuals (the “Unknown Full Tilt Defendants”) acted in concert in a joint venture to facilitate, host, operate, and profit from an online poker business commonly known as Full Tilt Poker (hereinafter “Full Tilt Poker”).

4. On information and belief, Pocket Kings and the Unknown Full Tilt Defendants have established a series of shell companies to conceal their identity and avoid their legal responsibilities.

5. Pocket Kings and the Unknown Full Tilt Defendants are hereinafter collectively referred to as the "Full Tilt Defendants".

6. The Full Tilt Defendants are shams and alter egos of one another and of their individual owners.

7. The amount in controversy exceeds the jurisdictional minimum of this Court.

8. This Court has personal jurisdiction over the Full Tilt Defendants pursuant to KRS 454.210. The Full Tilt Defendants have sufficient minimum contacts with the Commonwealth to establish personal jurisdiction. Through their joint venture and concerted action, the Full Tilt Defendants have: (i) purposefully and knowingly conducted commercial transactions with persons whom they knew to be located within the borders of Commonwealth; (ii) purposefully and knowingly entered into commercial contracts and agreements with persons whom they knew to be located within the borders of Commonwealth; (iii) purposefully and knowingly solicited, received and accepted transfers of money from persons whom they knew to be located within the borders of Commonwealth; (iv) purposefully and knowingly extended credit and accepted transfers of money and credit from credit providers on behalf of persons whom they knew to be located within the borders of Commonwealth; (v) purposefully and knowingly hosted online poker games in which persons they knew to be located within the borders of Commonwealth placed bets; (vi) purposefully and knowingly maintained accounts for persons they knew to be located within the borders of Commonwealth for the purpose of betting, winning and losing on online poker games hosted by Full Tilt Poker; (vii) purposefully and knowingly collected money lost through betting on poker games hosted by Full Tilt Poker from

persons they knew to be located within the borders of Commonwealth; (viii) purposefully and knowingly received a portion of the “take,” “take out,” or commission that Full Tilt Poker charged on money transferred to Full Tilt Poker or that was bet, lost or won in poker games hosted by Full Tilt Poker by persons they knew to be located within the borders of Commonwealth; (ix) purposefully and knowingly received portions of money bet and lost by persons they knew to be located within the borders of Commonwealth; (x) purposefully and knowingly shared in the profits from games hosted by Full Tilt Poker derived from persons they knew to be located within the borders of Commonwealth; (xi) purposefully and knowingly received portions of money deposited, bet, won, or lost in poker games hosted by Full Tilt Poker by persons they knew to be located within the borders of Commonwealth; (xii) designed, used and operated highly-interactive websites with a purposeful, specific intention to do business over the Internet with persons they knew to be located within the borders of the Commonwealth; (xiii) designed and provided proprietary software that they transmitted and installed on computers located in Kentucky and thereby configured, programmed and caused the Kentucky computers to function as poker-playing terminals for poker games hosted by Full Tilt Poker, including but not limited to the financial transactions, transfers of money and credit lent between Kentucky residents and Full Tilt Poker. These activities were solely for pecuniary gain. On information and belief, throughout the five-year period that is the subject of this action, the Full Tilt Defendants engaged in substantial financial, credit and commercial transactions, involving millions of dollars, with thousands of persons they knew were located within the borders of the Commonwealth. A clear commercial link exists between the Full Tilt Defendants and residents of the Commonwealth and warrants a finding of personal jurisdiction. The Commonwealth’s causes of action have a substantial connection with the Full Tilt Defendants’ activities in the Commonwealth. Moreover, the Commonwealth’s causes of action directly and proximately

result from the Full Tilt Defendants' contacts and transactions with residents of the Commonwealth. The Full Tilt Defendant's contacts are substantial, long-term, continuous and systematic, and create a substantial connection with the Commonwealth. The Full Tilt Defendant's conduct and connection with the Commonwealth are such that they should reasonably anticipate being haled into court in the Commonwealth. The Full Tilt Defendants have done, or have caused to be done, tortious acts in the Commonwealth for which the Commonwealth has a substantial and compelling interest in exercising personal jurisdiction over the Full Tilt Defendants. The Full Tilt Defendants had the choice to sever its connection with the Commonwealth and not to do business with residents of the Commonwealth if it determined the risks of personal jurisdiction were too great. Instead, the Full Tilt Defendants chose to do business with residents of the Commonwealth. The Full Tilt Defendants have purposefully availed themselves of the privilege of acting in the Commonwealth or causing a consequence in the Commonwealth. The Commonwealth's claims arise directly from the Full Tilt Defendant's activities and contacts with the Commonwealth. The Full Tilt Defendants acts or the consequences caused by the Full Tilt Defendants are a substantial enough connection with the Commonwealth to make the exercise of jurisdiction over the Full Tilt Defendants reasonable.

9. Venue is proper pursuant to KRS 454.210(4).

10. Throughout the last five years, the Full Tilt Defendants have, through their business Full Tilt Poker and the internet domain name "fulltiltpoker.com," hosted online poker games.

11. The Full Tilt Defendants, acting in concert, take a percentage of the amount bet, won or lost as the "rake," "take out" or commission for hosting the poker games.

12. During oral arguments to the Kentucky Court of Appeals, the Interactive Gaming Council (the "IGC") represented that 13,000 Kentucky residents play online poker.

13. On information and belief, Full Tilt Poker is the second-largest online poker business and a large percentage of the 13,000 Kentucky residents who reportedly play online poker play in games hosted by Full Tilt Poker.

14. The Full Tilt Defendants design and provide proprietary software that they transmit and install on computers located in Kentucky. The software configures, programs and causes the Kentucky computers to function as poker-playing terminals for poker games hosted by Full Tilt Poker, including but not limited to the financial transactions, transfers of money and credit lent between Kentucky residents and Full Tilt Poker.

15. Full Tilt Poker enters into contracts with Kentucky residents concerning: the games that Full Tilt Poker hosts; the transfer of money to Full Tilt Poker to be used to bet on the poker games; payment processing and financial transactions for the games; the payment of losses from the games; the collection of winnings from the games; and, the advancement of money and credit for betting on the games.

16. Pursuant to KRS 372.010, these contracts are void.

17. Full Tilt Poker solicits, receives, and accepts transfers of money and credit from residents of Kentucky for the purpose of betting, winning and losing on poker games hosted by Full Tilt Poker, to pay losses incurred in poker games hosted by Full Tilt Poker, and to pay the “rake” that Full Tilt Poker charges as a commission.

18. Pursuant to KRS 372.010, these transfers are void.

19. During the last five years, numerous residents of Kentucky have lost, either at one time or within 24 hours, five dollars (\$5.00) or more and have paid, transferred, or delivered money lost in poker games hosted by Full Tilt Poker, and, for purposes of KRS 372.020 and 372.040, are “losers.”

20. The Full Tilt Defendants, acting in concert, share in the profits from games, receive a portion of the money deposited, bet, won, or lost in the games, receive a portion of the “take,” “take out,” or commissions charged on money transferred to Full Tilt Poker or that is bet in the games.

21. For purposes of KRS 372.020 and 372.040, the Full Tilt Defendants are “winners” and jointly and severally liable for treble the full amount lost. *Veterans Service Club v. Sweeny*, Ky., 252 S.W.2d 25 (1952); *Cartwright v. McElwain*, Ky., 116 S.W. 297 (1909); *Stapp v. Mason*, Ky., 72 S.W.11 (1903); *Triplett v. Seelback*, Ky., 14 S.W. 948 (1890).

22. On information and belief, no “losers” located in Kentucky or their creditors have sued the Full Tilt Defendants for the money they lost in the games and prosecuted the suit to recover with due diligence within six months after payment or delivery to the “winner.”

23. Pursuant to KRS 372.040, the Commonwealth is entitled to sue and recover treble the value of the money lost during the statutory period between March 25, 2005 and September 25, 2009 (the five year period preceding this Complaint but excluding the most recent six months) by persons located within the borders of Kentucky.

24. Betting, gaming, or wagering on the games hosted by the Full Tilt Defendants have not been authorized, permitted, or legalized by KRS Chapters 154A, 230, 238, or any other Kentucky statute.

25. The Commonwealth sues to recover only for transactions involving persons located within the borders of the Commonwealth.

26. The Full Tilt Defendants are liable to the Commonwealth for treble the amount of gambling losses sustained by Kentucky-based gamblers between March 25, 2005 and September 25, 2009.

27. The Full Tilt Defendants, acting in concert, knowingly participated in one or more joint ventures for the purpose of establishing, owning, operating, financing, promoting, and/or profiting from these transactions occurring inside the borders of Kentucky and are, therefore, alter egos of one another and jointly liable for treble the amounts lost.

OTHER UNKNOWN DEFENDANTS

28. Other unknown individuals and entities have acted in concert in joint ventures to facilitate, host, operate, and profit from online gaming businesses commonly known as 123bingo.com, 777dragon.com, 7sultans.com, absolutepoker.com, aceshighcasino.com, alljackpots.com, allslots.com, arthuriancasino.com, atriumcasino.com, aztecrichescasino.com, bellavegas.com, bet21.com, betroyalcasino.com, bigtimebingo.com, bingoknights.com, bingoville.com, bingoworkz.com, blackjackballroom.com, bodoglife.com, bonuslevelslots.com, bookmaker.com, bugsysclub.com, cakepoker.com, capitalcasino.com, captaincookscasino.com, caribbeangold.com, casinobar.com, casinoclassic.com, casinoextreme.com, casinofortune.com, casinograndbay.com, casinokingdom.com, casinoshare.com, casinous.com, cirruscasino.com, ukcasinoclub.com, clubusacasino.com, cocoacasino.com, coolcatcasino.com, countycasino.com, crazypoker.com, crazyvegascasino.com, desperatethehousewivesbingo.com, doylesroom.com, dsipoker.com, englishharbour.com, ezbeta.com, firstwebcasino.com, fortunejunction.com, fortuneroom.com, galaxiworld.com, gamblingboard.com, goldencasino.com, goldenpalace.com, grandmondial.com, highrollerslounge.com, indiancasino.com, inetbet.com, itsrealpoker.com, ivegas.com, jackpotcapital.com, jackpotcity.com, jackpotkingscasino.com, jackpotwheel.com, jupiterclub.com, kingneptunescasino.com, lakepalace.com, lasvegasusacasino.com, linesmaker.com, luckycoincasino.com, luckynugget.com, luckypyramidcasino.com, magicislandcasino.com, mapau.com, maplecasino.com, miamiparadisecasino.com, microgaming.com, mightyslots.com, millionairecasino.com, musicchallcasino.com,

mysportsbook.com, oneclubcasino.com, orbitalcasino.com, orchidcasino.com, paradise8.com, phoeniciancasino.com, pitbullpoker.com, platinumplay.com, playersonly.com, pokerhost.com, pokerroyaleonline.com, pokerstars.com, pokertime.com, powerbet.com, redflush.com, redstarpoker.com, reeferpoker.com, riopartycasino.com, riverbelle.com, rivernilecasino.com, roadhousesreels.com, royalbetcasino.com, royalvegas.com, rushmorecasino.com, sbgglobal.com, showdowncasino.com, simonsayscasino.com, slotfever.com, slotocash.com, slotsoffortune.com, slotsplus.com, sportsbetting.com, sportsbook.com, sportsinteraction.com, sunpalacecasino.com, sunvegas.com, sunvegas.com, thisisvegas.com, thunderluckcasino.com, tridentlounge.com, truepoker.com, ultimatebet.com, usabingo.com, vegascasinoonline.com, vegaslucky.com, vegasmagic.com, vegaspalms.com, vegasusacasino.com, vegasvilla.com, vicsbingo.com, viploungecasino.com, virtualcitycasino.com, wildjack.com, win4real.com, winabingo.com, worldwidevegas.com, wsex.com, yukongoldcasino.com, valueactive.com (hereinafter, the “Unknown Defendants”).

29. Pursuant to CR 4.15, as the name and place of residence of the Unknown Defendants are discovered, this Complaint will be amended accordingly.

30. The Unknown Defendants are subject to this Court’s personal jurisdiction pursuant to KRS 454.210. The Unknown Defendants have sufficient minimum contacts with the Commonwealth to establish personal jurisdiction. Through their joint venture and concerted action, the Unknown Defendants have: (i) purposefully and knowingly conducted commercial transactions with persons whom they knew to be located within the borders of Commonwealth; (ii) purposefully and knowingly entered into commercial contracts and agreements with persons whom they knew to be located within the borders of Commonwealth; (iii) purposefully and knowingly solicited, received and accepted transfers of money from persons whom they knew to be located within the borders of Commonwealth; (iv) purposefully and knowingly extended

credit and accepted transfers of money and credit from credit providers on behalf of persons whom they knew to be located within the borders of Commonwealth; (v) purposefully and knowingly hosted games in which persons they knew to be located within the borders of Commonwealth placed bets; (vi) purposefully and knowingly maintained accounts for persons they knew to be located within the borders of Commonwealth for the purpose of betting, winning and losing on online games hosted by the Unknown Defendants; (vii) purposefully and knowingly collected money lost through betting on games hosted by the Unknown Defendants from persons they knew to be located within the borders of Commonwealth; (viii) purposefully and knowingly received a portion of the “take,” “take out,” or commission that the Unknown Defendants charged on money transferred to the Unknown Defendants or that was bet, lost or won in games hosted by the Unknown Defendants by persons they knew to be located within the borders of Commonwealth; (ix) purposefully and knowingly received portions of money bet and lost by persons they knew to be located within the borders of Commonwealth; (x) purposefully and knowingly shared in the profits from games hosted by the Unknown Defendants derived from persons they knew to be located within the borders of Commonwealth; (xi) purposefully and knowingly received portions of money deposited, bet, won, or lost in poker games hosted by the Unknown Defendants by persons they knew to be located within the borders of Commonwealth; (xii) designed, used and operated highly-interactive websites with a purposeful, specific intention to do business over the Internet with persons they knew to be located within the borders of the Commonwealth; (xiii) designed and provided proprietary software that they transmitted and installed on computers located in Kentucky and thereby configured, programmed and caused the Kentucky computers to function as game-playing terminals for games hosted by the Unknown Defendants, including but not limited to the financial transactions, transfers of money and credit lent between Kentucky residents and the Unknown Defendants. These

activities were solely for pecuniary gain. On information and belief, throughout the five-year period that is the subject of this action, the Unknown Defendants engaged in substantial financial, credit and commercial transactions, involving millions of dollars, with thousands of persons they knew were located within the borders of the Commonwealth. A clear commercial link exists between the Unknown Defendants and residents of the Commonwealth and warrants a finding of personal jurisdiction. The Commonwealth's causes of action have a substantial connection with the Unknown Defendants' activities in the Commonwealth. Moreover, the Commonwealth's causes of action directly and proximately result from the Unknown Defendants' contacts and transactions with residents of the Commonwealth. The Unknown Defendants' contacts are substantial, long-term, continuous and systematic, and create a substantial connection with the Commonwealth. The Unknown Defendants' conduct and connection with the Commonwealth are such that they should reasonably anticipate being haled into court in the Commonwealth. The Unknown Defendants have done, or have caused to be done, tortuous acts in the Commonwealth for which the Commonwealth has a substantial and compelling interest in exercising personal jurisdiction over the Unknown Defendants. The Unknown Defendants had the choice to sever their connection with the Commonwealth and not to do business with residents of the Commonwealth if they determined the risks of personal jurisdiction were too great. Instead, the Unknown Defendants chose to do business with residents of the Commonwealth. The Unknown Defendants have purposefully availed themselves of the privilege of acting in the Commonwealth or causing a consequence in the Commonwealth. The Commonwealth's claims arise directly from the Unknown Defendants' activities and contacts with the Commonwealth. The Unknown Defendants' acts or the consequences caused by the Unknown Defendants are a substantial enough connection with the Commonwealth to make the exercise of jurisdiction over the Unknown Defendants reasonable.

31. Venue is proper pursuant to KRS 454.210(4).

32. Throughout the last five years, the Unknown Defendants have, through their businesses, hosted online games.

33. The Unknown Defendants, acting in concert, take a percentage of the amount bet, won or lost as the “rake,” “take out” or commission for hosting the games.

34. The Unknown Defendants design and provide proprietary software that they transmit and install on computers located in Kentucky. The software configures, programs and causes the Kentucky computers to function as game-playing terminals for games hosted by the Unknown Defendants, including but not limited to the financial transactions, transfers of money and credit lent between Kentucky residents and the Unknown Defendants.

35. The Unknown Defendants enter into contracts with Kentucky residents concerning: the games that the Unknown Defendants host; the transfer of money to the Unknown Defendants to be used to bet on the games; payment processing and financial transactions for the games; the payment of losses from the games; the collection of winnings from the games; and, the advancement of money and credit for betting on the games.

36. Pursuant to KRS 372.010, these contracts are void.

37. The Unknown Defendants solicit, receive, and accept transfers of money and credit from residents of Kentucky for the purpose of betting, winning and losing on games hosted by the Unknown Defendants, to pay losses incurred in games hosted by the Unknown Defendants, and to pay the “rake” that the Unknown Defendants charge as a commission.

38. Pursuant to KRS 372.010, these transfers are void.

39. During the last five years, numerous residents of Kentucky have lost, either at one time or within 24 hours, five dollars (\$5.00) or more and have paid, transferred, or delivered

money lost in games hosted by the Unknown Defendants, and, for purposes of KRS 372.020 and 372.040, are “losers.”

40. The Unknown Defendants, acting in concert, share in the profits from games, receive a portion of the money deposited, bet, won, or lost in the games, receive a portion of the “take,” “take out,” or commission that charges on money transferred to the Unknown Defendants or that is bet in the games.

41. For purposes of KRS 372.020 and 372.040, the Unknown Defendants are “winners” and jointly and severally liable for treble the full amount lost. *Veterans Service Club v. Sweeny*, Ky., 252 S.W.2d 25 (1952); *Cartwright v. McElwain*, Ky., 116 S.W. 297 (1909); *Stapp v. Mason*, Ky., 72 S.W.11 (1903); *Triplett v. Seelback*, Ky., 14 S.W. 948 (1890).

42. On information and belief, no “losers” located in Kentucky or their creditors have sued the Unknown Defendants for the money they lost in the games and prosecuted the suit to recover with due diligence within six months after payment or delivery to the “winner.”

43. Pursuant to KRS 372.040, the Commonwealth is entitled to sue and recover treble the value of the money lost during the statutory period between March 25, 2005 and September 25, 2009 (the five year period preceding this Complaint but excluding the most recent six months) by persons located within the borders of Kentucky.

44. Betting, gaming, or wagering on the games hosted by the Unknown Defendants has not been authorized, permitted, or legalized by KRS Chapters 154A, 230, 238, or any other Kentucky statute.

45. The Commonwealth sues to recover only for transactions involving persons located within the borders of the Commonwealth.

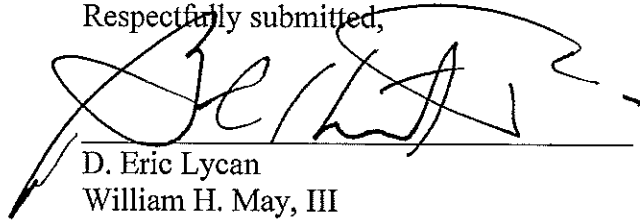
46. The Unknown Defendants are liable to the Commonwealth for treble the amount of gambling losses sustained by Kentucky-based gamblers between March 25, 2005 and September 25, 2009.

47. The Unknown Defendants, acting in concert, knowingly participated in one or more joint ventures for the purpose of establishing, owning, operating, financing, promoting, and/or profiting from these transactions occurring inside the borders of Kentucky and are, therefore, alter egos of one another and jointly liable for treble the amounts lost.

WHEREFORE, Plaintiff, Commonwealth of Kentucky *ex. rel* J. Michael Brown, Secretary, Cabinet for Justice and Public Safety, respectfully requests the following relief:

- A. Judgment against the defendants, in an amount to be determined at trial, representing treble the amount of money lost between January March 25, 2005 and September 25, 2009 by persons located within the borders of Kentucky;
- B. Pre-judgment and post-judgment interest;
- D. Costs, including attorney fees, incurred herein; and
- E. Such further relief as the Court deems just and proper.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "D. Lycan", written over a horizontal line.

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