

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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Commodity Futures Trading Commission,

Plaintiff,

v.

International Financial Services  
(New York), Inc.,  
International Financial Services  
(New York) LLC,  
John Walker Robinson,  
Chan Kow Lai a/k/a Wilson Lai

Defendants, and

Sociedade Comercial Siu Lap Limitada  
Relief Defendant  
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02 CIV 5497

**ORDER OF DEFAULT  
JUDGMENT AGAINST  
DEFENDANT  
INTERNATIONAL  
FINANCIAL SERVICES  
(NEW YORK), INC.**

**IT IS HEREBY ORDERED** that judgment shall be and is hereby entered in favor of plaintiff Commodity Futures Trading Commission against Defendant International Financial Services (New York) Inc. ("IFS Inc."), including IFS Inc.'s agents, representatives, and other persons or entities acting on behalf of IFS Inc. as follows:

A. IFS Inc. is hereby permanently restrained and enjoined from directly or indirectly:

1. Cheating or defrauding or attempting to cheat or defraud other persons, in or in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery, made, or to be made, for or on behalf of any other person if such contract for future delivery is or may be used for delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment

thereof, and/or willfully deceiving or attempting to deceive such other person by any means whatsoever in regard to any such order or contract or the disposition of execution of any such order or contract, or in regard to any act of agency performed with respect to such order or contract for such person, in violation of Section 4b(a)(2)(C)(i) and (iii) of the Commodity Exchange Act (the "Act"), as amended by the Commodity Futures Modernization Act of 2000 ("the "CFMA"), Appendix E of Pub. L. No. 106-554 (2000), 7 U.S.C. § 6b(a)(2)(C)(i) and (iii) (2001) and Section 1.1(b)(1) and (3) of the Regulations promulgated thereunder ("Regulations"), 17 C.F.R. § 1.1(b)(1) and (3);

2. Offering to enter into, entering into, executing, confirming the execution of, or conducting any office or business anywhere in the United States for the purpose of soliciting, or accepting an order for, or otherwise dealing in any transaction in, or in connection with, a contract for the purchase or sale of a commodity for future delivery, in violation of Section 4(a) of the Act, 7 U.S.C. § 4(a) (2001).
3. Soliciting or accepting any funds from any person in connection with the purchase or sale of any commodity futures contract, placing order, giving advice or price quotations or other information in connection with the purchase or sale of commodity futures for themselves or others, introducing customers to any other person engaged in the business of commodity futures, issuing statements or reports to others concerning commodity futures, and otherwise engaging in any business activities related to commodity futures;
4. Controlling or directing the trading for any commodity futures account for or on behalf of any other person or entity, whether by power of attorney or otherwise;

5. Acting in any capacity for which registration with the Commission is required under the Act;
  6. Destroying, mutilating, concealing, altering or disposing of any books and records, documents, correspondence, brochures, manuals, electronically stored data, tape records or other property of defendants, wherever located, including all such records concerning IFS Inc.'s business operations;
  7. Refusing to permit authorized representatives of the Commission to inspect, when and as requested, any books and records, documents, correspondence, brochures, manuals, electronically stored data, tape records or other property of IFS Inc., wherever located, including all such records concerning IFS Inc.'s business operations;
  8. Withdrawing, transferring, removing, dissipating, concealing or disposing of, in any manner, any funds, assets, or other property, wherever situated, including but not limited to, all funds, personal property, money or securities held in safes, safety deposit boxes and all funds on deposit in any financial institution, bank or savings and loan accounts held by, under the control of, or in the name of IFS Inc.; and
  9. The injunctive provisions of this Order shall be binding on IFS Inc., upon any person insofar as he or she is acting in the capacity of agent, servant, employee, successor, assign, or attorney of IFS Inc., and upon any person who receives actual notice of this Order by personal service or otherwise insofar as he or she is acting in active concert or participation with IFS Inc.
- B. Within thirty days of the date of this Order, IFS Inc. is ordered to make restitution and pay disgorgement in the total amount of \$25,428,840 (twenty five million four hundred

twenty eight thousand eight hundred forty dollars and no cents). This amount of funds is necessary to make whole all customers ("IFS Inc. customers") whose funds were fraudulently lost by IFS Inc. and represents the amount of funds IFS Inc. received from the acts or practices which constituted violations of the Commodity Exchange Act (the "Act"), as amended by the Commodity Futures Modernization Act of 2000 ("the "CFMA"), Appendix E of Pub. L. No. 106-554 (2000), 7 U.S.C. §§ 1 et seq. (1994). In addition, IFS Inc. shall pay prejudgment interest upon any of the funds used for restitution from the dates these IFS Inc. customers invested with IFS Inc. until the date of this Order, at a rate established quarterly by the Internal Revenue Service pursuant to 26 U.S.C. § 6621(a)(2); and IFS Inc. shall pay postjudgment interest at the Treasury bill rate prevailing on the date the Order is entered, pursuant to 28 U.S.C. § 1961(a). It is further ordered by the Court that the frozen assets of IFS Inc., under the custody and control of the Court-appointed Receiver, Brian Rosner, Esq. ("Rosner"), shall be unfrozen and distributed as restitution to the IFS Inc. customers in a manner to be determined by the Court.

C. Within thirty days of the date of this Order, IFS Inc. shall pay to the Commission a civil monetary penalty in the amount of \$76,286,520, consisting of triple the monetary gain to IFS Inc. for violations of the Act.

D. IFS Inc. shall immediately repatriate and transfer to the territory of the United States all funds and assets of IFS Inc. and IFS Inc. customers located in foreign countries which are (1) titled in IFS Inc.'s name; or (2) held by a person or entity, or for the benefit of IFS Inc.; or (3) under such IFS Inc.'s direct or indirect control, whether jointly or singly, and deposit such funds, and assets into the Registry of this Court and provide the Plaintiff and the Court with a written description of the funds and assets so repatriated and transferred;

E. IFS Inc. shall provide Plaintiff immediate and continuing access to their books and records and IFS Inc. shall prepare and file with the Court, within thirty days of the date of this Order, an accounting of all of its assets and liabilities, together with all funds it received from and paid to IFS Inc. customers and other persons, for the period March 2000 to the date of such accounting. The accounting shall include the following: (1) all of IFS Inc.'s assets and liabilities held by IFS Inc. or by a third party for the benefit of IFS Inc., identifying their value, nature and location, including but not limited to all real and personal property, and all bank, credit union, checking, commodity or security accounts, either directly or indirectly under the possession or control of defendant, where situation; (2) transfers of real and personal property; and (3) all salaries, commissions, fees, loans, and customer funds received and disbursed by or on behalf of IFS Inc. in connection with all commodity futures transactions, purported commodity futures transactions. The accounting shall include a detailed explanation of the circumstances under which any documentary evidence (including computer data) that would support the foregoing accounting has been destroyed, lost, misplaced or otherwise become unavailable. The accounting shall be made under oath attesting to a full and complete accounting and shall be signed by an officer of IFS Inc. A copy of the accounting shall be provided to the Plaintiff.

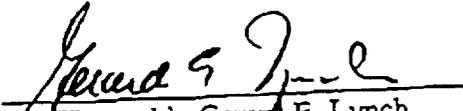
F. IFS Inc. shall not transfer or cause others to transfer funds or other property to custody, possession or control of any other person for the purpose of concealing such funds or property from the Court, the Plaintiff, the Receiver, or any officer that may be appointed by the Court.

**IT IS FURTHER ORDERED**, that any financial or brokerage institution, business entity, or person that holds, controls, or maintains custody of any account or asset titled in the

name of, held for the benefit of, or otherwise under the control of IFS Inc., or has held, controlled, or maintained custody of any such account or asset of at any time since March 1, 2000, shall: (1) Prohibit IFS Inc. and all other persons from withdrawing, removing, assigning, transferring, pledging, encumbering, disbursing, dissipating, converting, selling or otherwise disposing of any such asset except as directed by further order of the Court or, as to receivership assets, as directed by the Receiver, as identified herein; (2) Deny IFS Inc. and all other persons access to any safe deposit box that is: (a) titled in the name of IFS Inc.; or (b) otherwise subject to access by IFS Inc.

**IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this cause to assure compliance with this Order and for all other purposes related to this action.

**IT IS SO ORDERED** at New York, New York, this 24th day of June 2003.

  
The Honorable Gerard E. Lynch  
United States District Judge

JUDGE GERARD E. LYNCH  
CIVIL APPEARANCE SHEET

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Commodity Futures Trading Commission.

Plaintiff(s),

02 Civ. 5497(GEL)

-against-

International Financial Services, Inc., et. al.,

Defendant(s).

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**For Plaintiff(s):**

Christina Kang  
Steven Ringer  
Beth Morgenstern  
Commodity Futures Trading Commission  
Eastern Regional Office  
140 Broadway - 19th floor  
New York, N.Y., 10005  
646 746-9753  
646 746-9940 (fax)

**For Defendant(s):**

For deft. I.F.S.L.L.C:

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Louis F. Burke PC  
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Richard Lingg  
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808-0707  
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For deft. Wilson Lai  
Chan Kow Lai (pro se since March 21, 2003)  
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Tenafly, NJ 07670  
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F: 201-227-8245

For deft. John W. Robinson  
JOHN WALKER ROBINSON pro se since May 1, 2003  
Gateway Plaza  
395 South End Ave  
Apt. 32C  
New York, NY 10280  
T: (212) 513-1177  
F: same as T above-- must call first, then fax.

Permanent Receiver:

Natalie A. Napierala  
Brian Rosner  
Law Offices of Brian Rosner  
Three New York Plaza, 14<sup>th</sup> Floor  
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785-2577  
Fax: 785-5203

Receiver's Expert:

Joseph Merlino  
224 Hillside Avenue  
Allendale, N.J. 07401  
(201) 825-0613  
Fax: (Same as above)