

**IN THE DISTRICT COURT OF THE VIRGIN ISLANDS  
DIVISION OF ST. CROIX**

MOHAMMAD HAMED By His Authorized	:	
Agent WALEED HAMED,	:	
	:	
Plaintiff,	:	CASE # 1:12-CV-99
	:	
vs.	:	
	:	
FATHI YUSUF & UNITED CORPORATION,	:	
	:	
Defendants.	:	
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**AFFIDAVIT OF FATHI YUSUF**

I, Fathi Yusuf, duly sworn, hereby state as follows:

1. My name is Fathi Yusuf.
  
2. I am a resident of St. Croix, U.S.V.I., and I am the Registered Agent the treasurer and secretary of United Corporation, as such I have personal knowledge of the facts set forth in this affidavit.
  
3. United Corporation is a corporation formed on January 15<sup>th</sup>, 1979 under the laws of the United States Virgin Islands by filing the Articles of Incorporation with the Office of the Lt. Governor on St. Croix. United Corporation belongs to various members of the Yusuf family, consistent with the percentages of ownership set forth at page 11 of the Plea Agreement entered in the action styled *UNITED STATES OF AMERICA and GOVERNMENT OF THE VIRGIN ISLANDS v. FATHI YUSUF MOHAMAD YUSUF, WALEED MOHAMMAD HAMED, WAHEED MOHAMMAD, MAHER FATHI YUSUF, NEJEH FATHI YUSUF, ISAM YUSUF and UNITED CORPORATION*, Case No. 2005-15F/B (the "Federal Court Criminal Action"), which is pending in this Court. No one in my family has ever transferred a single share of stock to anyone outside the Yusuf family.
  
4. At no point in time has Mohammad Hamed, or any individuals (collectively or individually) of the Hamed family been a shareholder of United Corporation.
  
5. United Corporation alone owns the land located at 4C, 4D, and 4H Estate Sion Farm, St. Croix. United finished building United Shopping Plaza sometime in 1983.

6. Each of Mohammad Hamed's sons (Waheed Hamed, Waleed Hamed, Mufeed Hamed, and Hisham Hamed) has worked at United Corporation's three supermarkets ("the Plaza Extra Stores"), or at any one or combination of them, but only in the capacity of an employee. Plaintiff Mohammad Hamed likewise has occasionally worked at the Plaza Extra Stores in the sole capacity of an employee, and has never worked in any management capacity at any of the Plaza Extra Stores.

7. United Corporation is the owner of the trademark name "Plaza Extra." United Corporation has never transferred or given permission to anyone else to use that name.

8. In late 2011, I confronted employee Waleed Hamed about substantial financial irregularities that I found in documents provided by the U.S. Government in the Federal Court Criminal Action. For example, I discovered that Waleed Hamed declared more than \$7,587,483 in stock and bond purchases in 1994, when his sole salary as an employee of United Corporation has never exceeded \$75,000 during the 1990s. To my knowledge, Waleed had no other income at that time.

9. I also discovered that Waleed Hamed had reported \$408,572 in stocks and bonds on his 1993 U.S. Tax Return (Form 1040), although, again, his sole salary as an employee of United Corporation has never exceeded \$75,000 during the 1990s and, to my knowledge, Waleed had no other income at that time.

10. I now understand that, on or about December 3, 2009, the U.S. Government in the Federal Court Criminal Action took the position that Waleed Hamed and his brother, Waheed Hamed, had each "skimmed" money from United Corporation. I attach as Exhibit 1 hereto the subject communication.

11. Subsequently, Mohammed Hamed and I tried to privately settle our differences regarding the subject financial irregularities. I am not a lawyer, have never studied law, and I do not know the legal definitions of the terms "partner" or "partnership." I now understand that, until filing this action, Mohammed Hamed never declared himself to be my formal or legal partner in 26 years. Similarly, his son, Waleed Hamed, never advised the U.S. Government about any partnership in the Federal Court Criminal Action.

12. During my private settlement negotiations with Mohammed Hamed, Waleed Hamed, apparently acting for his father, for the first time sought to interject the word "partnership" in any proposed settlement agreements. The terms "partner" and "partnership" are commonly used in my native Arab culture to refer to a friend or companion. Waleed Hamed, who is a defendant in the Federal Court Criminal Action and signed the Plea Agreement in that action, also threatened United Corporation by refusing to allow United to file its tax returns as required by the Plea agreement. Therefore, to appease Waleed Hamed's request and threat, I asked my attorney to provide Mohammed Hamed during the private settlement negotiations with a proposed dissolution agreement using the word "partnership."

13. Although our private settlement negotiations lasted from approximately January 2012 to June 29 2012, no settlement agreement was reached because, once my attorneys realized the Hameds' true intent in seeking to interject the term "partnership" into the negotiations, we simply could not agree on the fact that any Hamed family member, including Mohammed Hamed, was actually ever a true partner with me or United Corporation.

14. Between June 29<sup>th</sup>, 2012 and August 2, 2012, I held three meetings with Mohammed Hamed, through his agent Waleed Hamed, and our criminal defense team in the Federal Court Criminal Action.

15. During those three days of settlement talks, we revised numerous draft proposed plea agreements. None of them contained the terms "partner" or "partnership." In contrast to Plaintiff Mohammed Hamed, I could not and cannot use the words "partner" or "partnership" as relating to Mohammed Hamed in any legal or formal document, based on my view that doing so would be a lie and a dishonest misrepresentation to the U.S. Government and the public.

16. I also advised Mohammed Hamed's defense attorneys that they have always represented to the U.S. Government that we do not have a partnership, that Mohammed Hamed never filed a single partnership return or public partnership declaration, and that he has been retired as an employee from United Corporation since 1996.

17. Every accountant that United Corporation has ever hired has always filed U.S. Corporate Tax Returns (Form 1120) – and no partnership returns. United Corporation has never filed any local, state or federal partnership statements; never filed with the Office of the Lt. Governor any Statement of Partnership Authority; never acquired any property, interest or asset in the name of "United Corporation Partnership" or any such other or similar name containing the word "Partnership"; and never filed or caused to be filed any local, state or federal tax return indicating that it is a partnership. In addition, as the Registered Agent of United Corporation, I have never acquired property on behalf of United Corporation by way of "Fathi Yusuf, as a partner of United Corporation, a partnership formed under the law of the U.S. Virgin Islands," or any such other or similar term containing the words "partner" or "partnership"; and no property has ever been conveyed to me as a "partner" in United Corporation.

18. The Plaza Extra Stores are running as usual, with no unusual operating problems. The dispute with Mohammed Hamed has not affected the operations of United's Plaza Extra Stores, and United Corporation does not have any plans to cease the stores' normal and regular operation.

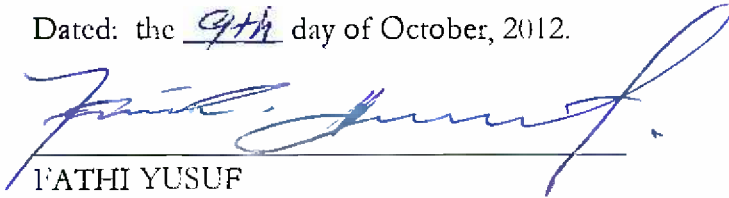
19. The central allegations in the Complaint in this action and the motion for a temporary restraining order are not true. Similarly, the alleged fear concerning "the continued operation" of the Plaza Extra Stores in the motion for a temporary restraining order is

completely unfounded, as United Corporation has not considered any operational changes, including layoffs or closures, that would impact the stores' future operations in any meaningful way.

20. I have never entered into or executed with Mohammed Hamed, or any member of the Hamed family, a written or memorialized partnership agreement.

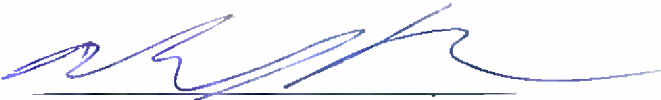
Further affiant sayeth naught.

Dated: the 9th day of October, 2012.

  
FATHI YUSUF

TERRITORY OF THE UNITED STATES VIRGIN ISLANDS     )  
DIVISION OF ST. CROIX                                     )

Sworn and subscribed to before me this 9th day of October, 2012.

  
Notary Public

My commission expires: 07/14/15



**IN THE DISTRICT COURT OF THE VIRGIN ISLANDS  
DIVISION OF ST. CROIX**

<b>MOHAMMAD HAMED,</b>	)	CIVIL NO. 1:12-CV-99
	)	
Plaintiff	)	
Vs.	)	<b>AFFIDAVIT OF MAHER YUSUF, as President</b>
	)	of DEFENDANT UNITED CORPORATION
<b>FATHI YUSUF</b>	)	
<b>UNITED CORPORATION</b>	)	
	)	
Defendants	)	
	)	

I Maher Yusuf, an adult of sound mind and body, hereby under oath attest:

1. I am a resident of St. Croix , the U.S. Virgin Islands.
2. I am the President of United Corporation (“United”), a duly organized Virgin Islands Corporation, in good standing and is authorized to conduct business in the Virgin Islands.
3. United was incorporated in 1979 by my father Fathi Yusuf. United is now owned in various shares among the various members of the Yusuf Family.
4. United has always been organized, maintained, and owned by the Yusuf Family.
5. As President of United, and after inspecting all of the records of United, including a review of all filings with the United’s counsel, I attest that there has never been a transfer of a single share of United outside the Yusuf family, nor has anyone ever invested in the equity of United.
6. In addition to its Plaza Extra supermarket operations, United has owned in fee simple absolute all of United Shopping Plaza since 1979. It has always owned the property, having never transferred any interest in the property (directly or indirectly) to anyone.
7. United has always managed its tenants, collected rents, and other benefits from its rental real property operations.
8. United never shared any rental real property proceeds with Mohammed Hamed or anyone in the Hamed family. Mohammed Hamed has never attested to any interest in the United Shopping Plaza.

9. In 2003, United Corporation was indicted in the case of *United States, et al., v. United Corporation, et al.*, docket no. 1:05-cr-15 (D.V.I.) (“the criminal case”). In all proceedings concerning the criminal case, I have always appeared for United as its President during all court proceedings. At no time did Waleed Hamed and Waheed Hamed ever declare that their father Mohammed Hamed is a partner with or in United.
10. The U.S. Justice Department has always received representations from each criminal defense attorney for the Hameds that the business arrangement is one of a business agreement.
11. As United’s president, I can attest that Mohammed Hamed has never requested a K-1 Partnership schedule, or ever declared this to be a partnership to a single governmental or taxing agency. Mohammed Hamed never filed a U.S. Partnership Tax Return on behalf of United.
12. Waleed Hamed has always declared to the U.S. Government in the criminal case that the business arrangement between United and Mohammed Hamed is a business agreement, where Mohammed Hamed would receive only fifty percent (50%) of any net profits of the operations of one of Plaza Extra supermarkets. Mohammed Hamed does not have a partnership, equity, or any other interest with United.
13. Mohammed Hamed stopped working as a warehouse supervisor in the late 1990s, and has never participated in any managerial decisions at United and its Plaza Extra stores.
14. United has never filed partnership statements with the Office of the Lt. Governor of the Virgin Islands. Similarly, the Hamed family has never demanded that such a statement be filed.
15. United has never filed a Statement of Partnership Authority with the Office of the Lt. Governor. Similarly, the Hamed family has never demanded that such a statement be filed.
16. United has never acquired property in the name of “United Corporation Partnership.”
17. Most importantly, United has always charged rent for the use of part of its retail premises by the Plaza Extra Supermarket operations on Sion Farm, St. Croix. Mohammed Hamed has always understood that United would charge for the use of its retail space, and would deduct the value of such rent in arriving at the net profits of the Plaza Extra Supermarkets.

18. The Hamed family was never entitled, and never received any part of the proceeds of the real estate rental income. The Hamed family and Mohammed Hamed neither dealt with the Tenants, nor made any decisions to lease the property to anyone.
19. In late 2011, substantial evidence of financial irregularities was revealed when United received a "Hard Drive" with scanned copies of voluminous records that were in the possession of the Federal Bureau of Investigation ("FBI"). These irregularities included substantial defalcation of monies by Waleed Hamed, the son and designated agent of Mohammed Hamed. Waleed Hamed has always been an employee-manager of the Plaza Extra Supermarket in Sion Farm.
20. In late March, 2012, the Hameds began to take an aggressive and hostile position, including threatening to preclude United from filing their U.S. Corporate Tax Returns as required by plea agreement in criminal case.
21. Waleed Hamed threatened United that he would declare this to be a "partnership" and that he would not honor the relationship that had been in place for years. Additionally, Waleed Hamed threatened not to agree to the filing of the U.S. Corporate Tax Returns (1120s) that were agreed with the Justice Department as memorialized in the plea agreement in the criminal case.
22. Mohammed Hamed through Waleed Hamed decided to declare the relation a "partnership." Mohammed Hamed through Waleed Hamed demanded that settlement talks or agreement must use the word "partnership" and that they would not agree to honor the long-standing relationship.
23. In January of 2012, United instructed Attorney Nizar DeWood to prepare proposed settlement agreements with the word "partnership" as suggested by the Hameds. Those letters contained terms that Mohammed Hamed wanted in any proposed settlement agreement. Both Mohammed Hamed and the Hamed family know that Mohammed Hamed has never been partner in United, that United has never filed a single Partnership Return, and all of the criminal defendants have always represented to the U.S. Government that they are not partners.
24. From January through June 2012, United sought to resolve the dispute with the Hameds, but unfortunately could not reach a settlement agreement with Mohammed Hamed.
25. Between June 29<sup>th</sup> and August 3<sup>rd</sup>, 2012, additional settlement sessions were held between the parties. Numerous drafts of agreements were drafted and circulated. None of these proposed agreements ever mentioned the word partnership.

- 26. None of the parties to the settlement discussions ever signed a single proposed settlement agreement. United would not agree to any settlement agreement that reflected that United is in any way a "partnership" because that would be inconsistent with the decades of representations made to third-parties and is factually incorrect.
- 27. The agreements that were circulated back and forth between Mohammed Hamed and United were intended to be part of the confidential settlement sessions.


I attest that the above is true to the best of my knowledge.

Date: Oct. 9, 2012

  
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UNITED CORPORATION  
By: Maher Yusuf, President

TERRITORY OF THE U.S. VIRGIN ISLANDS     )  
  )  
DIVISION OF ST. CROIX    )

Sworn and subscribed to before me this 9<sup>th</sup> day of October, 2012.

  
\_\_\_\_\_  
Notary Public

My commission expires: 07/14/15

