

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

MOHAMMAD HAMED By His Authorized Agent WALEED HAMED)	
)	
Plaintiff,)	CIVIL NO. SX-12-CV- 370
v.)	
)	
FATHI YUSUF AND UNITED CORPORATION)	ACTION FOR DAMAGES
)	INJUNCTIVE AND
Defendant.)	DECLARATORY RELIEF
)	JURY TRIAL DEMANDED
<hr style="width: 50%; margin-left: 0;"/>		

**PLAINTIFF'S REPLY TO
DEFENDANTS' MOTION FOR ENLARGEMENT OF TIME**

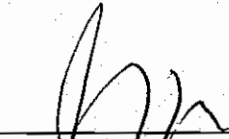
The plaintiff hereby opposes the motion for the enlargement of time to respond to the request for a temporary restraining order. The bulk of the request deals with procedural matters unrelated to the extension request, so only that point will be addressed by the plaintiff.

When the defendant requested additional time to respond to the motion, counsel for the plaintiff noted that his client would not agree to the extension request unless the \$2.7 million improperly removed from the partnership's bank account was returned. The defendant denied this request. See Group Exhibit A. As such, the same issues warranting the issuance of a temporary restraining order exist, so that the request for an extension should be denied with this matter be promptly set for a TRO hearing.

If the defendant shows up at the TRO hearing, then the Court can decide at that time whether to convert it into a preliminary injunction hearing.

Reply to Defendant's Motion for Enlargement of Time
Page 2

Dated: October 2, 2012

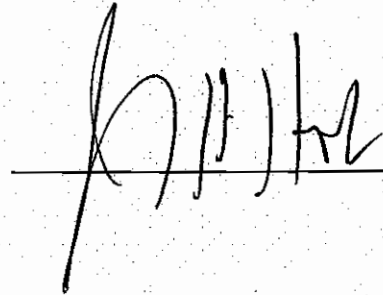


Joe H. Holt, Esq.
Attorney for Plaintiff
2132 Company Street
St. Croix, VI 00820
(340) 773-8709
holtvi@aol.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 2nd day of October, I caused a true and exact copy of the foregoing to be served by mail and email to:

Joseph A. DiRuzzo, III
Fuerst Ittleman David & Joseph, PL
1001 Brickell Bay Drive, 32nd. Fl.
Miami, FL 33131
jdiruzzo@fuerstlaw.com



Subj: **Hamed v. Yusuf and United**
Date: 9/27/2012 7:52:00 P.M. Atlantic Standard Time
From: JDiRuzzo@fuerstlaw.com
To: Holtvi@aol.com
CC: FMassabki@fuerstlaw.com, JaCorrea@fuerstlaw.com
Joel,

I would like a one week extension from Oct 2nd to Oct 9th to file our response in opposition to the motion for a TRO. Also we are going to move to proceed on the motion for a TRO as a motion for preliminary injunction (because we obviously have notice). Please advise if you consent.

Also, going forward please cc both Frank and Jannese on all email correspondence.

Regards,

Joseph A. DiRuzzo, III, Esq., CPA
FUERST ITILEMAN DAVID & JOSEPH, PL
1001 Brickell Bay Drive
32nd Floor
Miami, FL 33131
305.350.5690 (o)
305.371.8989 (f)
jdiruzzo@fuerstlaw.com
www.fuerstlaw.com

IMPORTANT: This e-mail is subject to the Electronics Communications Privacy Act, 18 U.S.C. §§2510-2521, and contains information which is or may be confidential and/or privileged. The information contained in this e-mail message, together with any attachments or links contained herein, is strictly confidential and intended only for the use of the recipient named above. If the reader of this email is not the intended recipient, you are notified that any use, distribution, or copying of this communication is **STRICTLY PROHIBITED**. If you have received this communication in error, please notify Joseph A. DiRuzzo, III, immediately by telephone 305-350-5690, and return the original message to him at the above address via the United States Postal Service. Thank You.

TAX ADVICE DISCLOSURE and NOTICE OF CONFIDENTIALITY: Pursuant to Internal Revenue Service Circular 230, we are required to advise you that if there is any tax advice contained in this email, it was neither written nor intended by the sender or this firm to be used, and cannot be used, by the addressee, recipient, or any taxpayer, for the purpose of avoiding penalties that may be imposed by or under United States law, including but not limited to the Internal Revenue Code. Moreover, if any person intends to use or refers to any such tax advice in promoting, marketing or recommending a partnership or other entity, investment plan or arrangement, the regulations under Circular 230 require that we advise you as follows: (1) This writing is not intended or written to be used, and cannot be used, for the purpose of avoiding tax penalties that may be imposed on a taxpayer; (2) The taxpayer should seek other or additional advice based on the taxpayer's particular circumstances from an independent tax advisor.



Subj: Re: Hamed v. Yusuf and United
Date: 9/28/2012 3:32:16 P.M. Atlantic Standard Time
From: Holtvi@aol.com
To: JDiRuzzo@fuerstlaw.com
BCC: wallvhstx@yahoo.com

I have spoken with my clients about this and unless Mr. Yusuf is willing to return the \$2.7 million he removed from the Plaza accounts, they will not authorize anything that keeps this matter from proceeding as quickly as possible. I trust you understand.

Joel H. Holt
2132 Company Street
Christiansted, St. Croix
Virgin Islands 00820

340-773-8709

In a message dated 9/27/2012 7:52:00 P.M. Atlantic Standard Time, JDiRuzzo@fuerstlaw.com writes:

Joel,

I would like a one week extension from Oct 2nd to Oct 9th to file our response in opposition to the motion for a TRO. Also we are going to move to proceed on the motion for a TRO as a motion for preliminary injunction (because we obviously have notice). Please advise if you consent.

Also, going forward please cc both Frank and Jannese on all email correspondence.

Regards,

Joseph A. DiRuzzo, III, Esq., CPA
FUERST ITTLEMAN DAVID & JOSEPH, PL
1001 Brickell Bay Drive
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Miami, FL 33131
305.350.5690 (o)
305.371.8989 (f)
jdiruzzo@fuerstlaw.com
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Subj: RE: Hamed v. Yusuf and United
Date: 9/28/2012 3:36:39 P.M. Atlantic Standard Time
From: JDiRuzzo@fuerstlaw.com
To: Holtvi@aol.com
CC: FMassabki@fuerstlaw.com, JaCorrea@fuerstlaw.com
Yes, I understand.

Joseph A. DiRuzzo, III, Esq., CPA
FUERST ITTLEMAN DAVID & JOSEPH, PL
1001 Brickell Bay Drive
32nd Floor
Miami, FL 33131
305.350.5690 (o)
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From: Holtvi@aol.com [mailto:Holtvi@aol.com]
Sent: Friday, September 28, 2012 3:34 PM
To: Joseph DiRuzzo
Cc: Frank Massabki; Jannese Correa
Subject: Re: Hamed v. Yusuf and United

Sorry-meant to send this to all three of you as requested-Original message: I have spoken with my clients about this and unless Mr. Yusuf is willing to return the \$2.7 million he removed from the Plaza accounts, they will not authorize anything that keeps this matter from proceeding as quickly as possible. I trust you understand.

Joel H. Holt
2132 Company Street
Christiansted, St. Croix
Virgin Islands 00820

340-773-8709

Case
Hamed v. Yusuf, et
al.

Exhibit
A

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

**UNITED STATES OF AMERICA, and
GOVERNMENT OF THE VIRGIN ISLANDS,
Plaintiffs,**

vs.

**FATHI YUSUF MOHAMAD YUSUF,
aka Fathi Yusuf
WALEED MOHAMMAD HAMED,
aka Wally Hamed
WAHEED MOHAMMAD HAMED,
aka Willie Hamed
MAHER FATHI YUSUF,
aka Mike Yusuf
NEJEH FATHI YUSUF
ISAM YUSUF, and
UNITED CORPORATION,
dba Plaza Extra,
Defendants.**

CRIMINAL NO. 2005-15F/B

RECEIVED
2010 FEB 26 PM 4:00
DISTRICT OF THE
VIRGIN ISLANDS
ST. THOMAS, VI.

PLEA AGREEMENT

I.

INTRODUCTION

This agreement is entered into by and between defendant United Corporation, d/b/a Plaza Extra (hereinafter "United"), Thomas Alkon, Esquire, and Warren B. Cole, Esquire, Attorneys for United; Fathi Yusuf Mohamad Yusuf, Waleed Mohammad Hamed, Waheed Mohammad Hamed, Maher Fathi Yusuf, NejeH Fathi Yusuf, and the Department of Justice, Tax Division, and the United States Attorney for the District of the Virgin Islands (collectively referred to as the "Government").

The parties agree to the following terms:

A. United will plead guilty to Count Sixty of the Third Superseding Indictment, which charges willfully making and subscribing a 2001 U.S. Corporation Income Tax Return (Form 1120S), in violation of Title 33, Virgin Islands Code, Section 1525(2).

B. At the time that United enters its plea to the above-referenced count, the Government will dismiss all counts of the Indictment with prejudice against FATHI YUSUF MOHAMAD YUSUF, aka Fathi Yusuf, WALEED MOHAMMAD HAMED, aka Wally Hamed, WAHEED MOHAMMED HAMED, aka Willie Hamed, MAHER FATHI YUSUF, aka Mike Yusuf, ISAM MOHAMAD YOUSUF, aka Sam Yousuf, and NEJEH FATHI YUSUF (all collectively referred to as "individual defendants"), including the temporary restraining order and forfeiture allegations. The Government agrees not to file any additional criminal charges against United or any of the individual defendants for conduct arising out of the facts alleged in the Indictment. In accordance with paragraph VI. below, the Department of Justice of the Virgin Islands also agrees that it will file no criminal charges against United or any of the individual defendants for any conduct arising out of the facts alleged in the Indictment.

The Government agrees to dismiss with prejudice all remaining counts of the Indictment against United, including the temporary restraining order and forfeiture allegations, at the time of sentencing.

II.

NATURE OF THE OFFENSE

United agrees to plead guilty to **Count Sixty** of the Indictment, which charges a violation of Title 33, Virgin Islands Code, **Section 1525(2)**. United acknowledges that the offense to which it is pleading has the following elements:

A. Elements

1. United aided, assisted, procured, counseled, advised, or caused the preparation and presentation of a return;
 2. The return was fraudulent or false as to a material matter;
- and
3. United acted willfully.

B. Elements Understood and Admitted.

United, through a representative empowered to accept this plea by virtue of a duly enacted resolution of its Board of Directors, has fully discussed the facts of this case with defense counsel. United committed each of the elements of the crime charged in **Count Sixty** of the Indictment and admits that there is a factual basis for a plea of guilty to the charge.

C. Factual Basis.

The parties agree that the following facts are true and undisputed:

On or about **September 18, 2002**, United willfully aided, assisted, procured, counseled, advised, or caused the preparation and presentation of a materially false corporate income tax return on Form **1120S** for the year **2001** and filed such return with the Virgin Islands Bureau of Internal Revenue (**VIBIR**).

Specifically, United reported gross receipts or sales on line 1c as \$69,579,412, knowing that the true amount was approximately \$79,305,980.

III.

PENALTIES

A. United acknowledges that the maximum penalties for violation of Count Sixty are the following:

1. A maximum fine of \$5,000;
2. The Government may seek costs of prosecution, including but not limited to 1) costs incurred to produce discovery in the investigation and prosecution of this matter; 2) costs incurred by the United States Marshal's Service to monitor the operations of Defendant United pursuant to the Temporary Restraining Order, currently estimated at approximately \$1.5 million; and 3) costs related to witness appearance and travel fees in the investigation and prosecution of this matter. United reserves the right to object to the imposition of the aforementioned costs and to contest the amounts claimed by the Government.

3. Restitution in an amount that represents any and all unpaid gross receipts taxes, corporate income taxes, and individual income taxes owing to the VIBIR for the Indictment years 1996, 1997, 1998, 1999, 2000, and 2001. Said restitution is to be determined by the Court in accordance with the figures and ranges set forth in Exhibit 1, accepting as proven those figures stipulated by the parties. For those numbers still in dispute, the Court will determine the appropriate amount within the ranges proposed by the parties in Exhibit 1, following briefing, evidentiary presentation, and argument. In making its

determination, the Court may consider all relevant and material evidence presented by the parties without regard to the Federal Rules of Evidence, so long as such evidence is disclosed in advance to the opposing party. Prior to submitting restitution amounts for the Court's consideration in preparation for sentencing, the parties agree to negotiate in good-faith to arrive at a mutually acceptable amount.

4. A term of probation of one year, with conditions as set forth in paragraph VIII.E. United understands that failure to comply with any of the conditions of probation may result in the imposition of further penalties.

B. In addition to the statutory penalties for violation of Title 33, Virgin Islands Code, Section 1525(2), United shall pay a substantial monetary penalty within the range set forth in paragraph VIII.B., as determined by the Court following briefing and argument by the parties.

IV.

WAIVER OF TRIAL RIGHTS

United understands that this guilty plea waives all of the following rights:

- A. To plead not guilty and to require the Government to prove the elements of the crimes beyond a reasonable doubt;
- B. To a speedy and public trial by jury;
- C. To assistance of counsel at all stages of trial;
- D. To confront and cross-examine witnesses against United; and
- E. To present evidence and to have witnesses testify on United's behalf.

V.

UNITED'S REPRESENTATION THAT GUILTY PLEA IS KNOWING
AND VOLUNTARY

United represents that:

- A. United has had a full opportunity to discuss all the facts and circumstances of this case with its counsel and has a clear understanding of the charges and the consequences of pleading guilty;
- B. No one has made any promises or offered any rewards in return for United's guilty plea, other than those contained in this Plea Agreement, in Exhibit 2, which contains the letter of understanding dated February 12, 2010 (this plea agreement controls in the event of any conflicts), or otherwise disclosed to the Court;
- C. No one has threatened United to induce this guilty plea; and
- D. United is pleading guilty because in truth and in fact United *is* guilty and for no other reason.

VI.

AGREEMENT LIMITED TO UNITED STATES ATTORNEY'S OFFICE FOR THE
DISTRICT OF THE VIRGIN ISLANDS AND TAX DIVISION

This Plea Agreement is between United Corporation, the Individual Defendants, and the Government. This Agreement is not intended to bind any other federal, state, or local prosecuting, administrative, or regulatory authorities except to the extent specifically expressed herein. The Government will bring this Plea Agreement to the attention of other authorities if requested by United.

VII.

PLEA AGREEMENT SUBJECT TO COURT APPROVAL

Pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, the parties acknowledge and agree that United should be ordered to pay the fine, restitution, and monetary penalties contained within this Plea Agreement and should be sentenced to a term of probation of one year.

If the Court does not adopt the agreement of the parties pursuant to Rule 11(c)(1)(C), both United and the Government reserve the right to withdraw from this Plea Agreement.

VIII.

PARTIES' SENTENCING RECOMMENDATIONS

A. **Fine.** The parties agree that the maximum statutory fine of \$5,000 should be imposed.

B. **Monetary Penalty:** The parties propose that the monetary penalty to be imposed pursuant to paragraph III.B. above be imposed in an amount between \$250,000 to \$5,715,748.

C. **Costs of Prosecution:** The Government proposes that costs of prosecution be imposed as discussed above in paragraph III.A.2. United contests said number and the categories of costs to be awarded.

D. **Restitution.** The parties propose the restitution amounts and ranges as set forth in Exhibit 1, as referenced in paragraph III.A.3. above.

E. **Terms of Probation**

1. United agrees to a term of probation of one year and agrees to be monitored by an independent third party certified public accounting firm to

assure its compliance with the tax laws of the VIBIR. United agrees to cooperate with the independent third party in carrying out such party's obligations under this agreement. The selection of a certified public accounting firm as the independent third party will be expressly approved by the Government prior to the beginning of the term of probation. If the parties cannot reach agreement on a third party, the independent third party will be selected by the Court.

2. The independent third party shall make quarterly reports to the Government, the Court, and United of United's financial condition, results of business operations, tax filings, tax payments, and accounting for the disposition of all funds received.

3. United shall submit to:

(a) a reasonable number of regular or unannounced examinations of its books and records at appropriate business premises by the independent third party; and

(b) a periodic review of financial statements and tax returns of United.

4. United shall be required to notify the court or independent third party immediately upon learning of (a) any material adverse change in its business or financial condition or prospects, or (b) the commencement of any bankruptcy proceeding, major civil litigation, criminal prosecution, or administrative proceeding against United, or any investigation or formal inquiry by governmental authorities regarding United's financial operations.

5. United shall make periodic payments, as specified by the Court, in the following priority: (a) restitution; (b) fine; and (c) substantial monetary penalty. After sentencing, the Government agrees to release all liens, restraining orders, liens, or other encumbrances or property except to the extent necessary to assure valid security for the payments of all amounts referenced above. United shall develop and submit to the Court an effective compliance and ethics program consistent with §8B2.1 (Effective Compliance and Ethics Program) of the United States Sentencing Guidelines. United shall include in its submission a schedule for implementation of the compliance and ethics program.

6. Upon approval by the Court of the ethics program referred to above, United shall notify its owners, shareholders, directors, officers, and employees of its criminal behavior and its programs referred to above. Such notice shall be in a form prescribed by the Court.

7. United shall make periodic reports to the Government and to the Court at intervals and in a form specified by the Court, regarding the organization's progress in implementing the ethics program referred to above. Among other things, such reports shall disclose any criminal prosecution, civil litigation, or administrative proceeding commenced against United, or any investigation or formal inquiry by governmental authorities concerning United's financial operations of which United learned since its last report.

IX.

UNITED WAIVES APPEAL AND COLLATERAL ATTACK

In exchange for the Government's concessions in this Plea Agreement, United waives, to the full extent of the law, any right to appeal or collaterally attack the conviction and sentence, including any restitution order, except in the following circumstances: (i) the sentence exceeded the maximum statutory penalty; or (ii) the sentence violated the Eighth Amendment to the United States Constitution.

X.

FURTHER CRIMES OR BREACH OF THE AGREEMENT WILL PERMIT THE GOVERNMENT TO RECOMMEND A HIGHER SENTENCE OR TO SET ASIDE THE PLEA

This Plea Agreement is based on the understanding that United will commit no additional criminal conduct before sentencing. If United engages in additional criminal conduct between the time of execution of this agreement and the time of sentencing, or breaches any of the terms of any agreement with the Government, the Government will not be bound by the recommendations in this Plea Agreement and may recommend any lawful sentence.

XI.

COOPERATION WITH INTERNAL REVENUE SERVICE AND VIRGIN ISLANDS BUREAU OF INTERNAL REVENUE

During the pendency of this matter, United, its shareholders, the individual defendants in this case, and certain related entities and individuals identified in various pleadings or motions in this case, upon the specific advice of their counsel in this matter, did not file tax returns and certain other reporting

documents to the United States or the United States Virgin Islands (USVI) on Fifth Amendment grounds. During the pendency of this matter, those same individuals and entities endeavored to work cooperatively with the U.S. Marshals Service and the USVI governments to pay over as deposits their best estimate of taxes owed on those returns.

Prior to sentencing, United agrees to cooperate with the Government and the VIBIR in filing complete and accurate corporate income tax returns and gross receipts returns for years 2002, 2003, 2004, 2005, 2006, 2007, and 2008 and in paying in full the amounts due thereupon. United agrees to comply with all current tax reporting and payment obligations between the execution of this agreement and sentencing. In addition, prior to the sentencing hearing in this matter, United's shareholders (FY 32.5%, FY 32.5%, SY 7%, ZY 7%, YY 7%, MY 7%, NY 7%), and the individual defendants shall file the outstanding returns and reporting documents and shall make full payments of the amounts due thereupon. United acknowledges that a special condition of probation will require that all corporate returns be filed, and all amounts due and owing under this agreement and all taxes due and owing for tax years 2002 through 2008 must be paid prior to the termination of the period of probation.

The Government agrees that no foreign bank account-related charges or discretionary penalties shall be applied with respect to United or any of the individual defendants so long as such reporting and regulatory compliance is made for each of the years 1996 through 2008 prior to sentencing.

XII.

ENTIRE AGREEMENT

The Plea Agreement and Exhibit 2 embody the entire agreement between the parties.

Upon the acceptance of the plea of guilty to Count Sixty by United in accordance with this agreement, the Government agrees to promptly move the Court for an Order dismissing the restraining orders against the individual defendants, except to the extent necessary to assure valid security for the payments of all amounts referenced in paragraph VIII., and shall move for entry of an order removing of record all notices of lis pendens or other encumbrances filed in connection with this case against all properties owned in whole or in part by any persons other than United. The parties agree to meet and confer to determine a schedule to remove pending lis pendens, liens, and other restrictions.

XIII.

MODIFICATION OF AGREEMENT MUST BE IN WRITING

No modification of the Plea Agreement shall be effective unless in writing signed by the Government, United, the individual defendants, and United's shareholders.

XIV.

UNITED AND COUNSEL FULLY UNDERSTAND AGREEMENT

By signing this Plea Agreement, United's representative certifies that he or she has been given lawful authority to enter into this Plea Agreement. United further certifies that its counsel has discussed the terms of this Plea Agreement

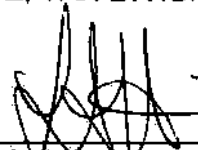
with appropriate officer and directors of United and that United fully understands its meanings and effect.

The Government agrees to the terms set forth in this Plea Agreement.

RONALD SHARPE
UNITED STATES ATTORNEY

JOHN A. DICICCO
ACTING ASSISTANT ATTORNEY GENERAL
DEPARTMENT OF JUSTICE, TAX DIVISION


Dated: 2/26/10



Mark F. Daly
Lori A. Hendrickson
Kevin C. Lombardi
Trial Attorneys

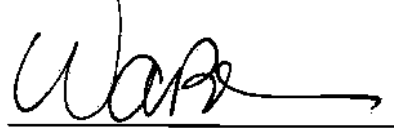
The defendant United Corporation agrees to the terms set forth in this Plea Agreement.

Dated: 2, 26/10




Thomas Alkon, Esq.
Attorney for Defendant United Corporation

Dated: 2/26/10

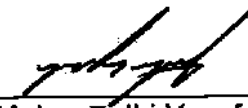


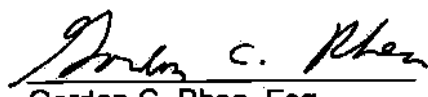
Warren B. Cole, Esq.
Attorney for Defendant United Corporation


Dated: 2/26/10




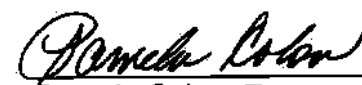
Warren B. Cole, Esq.
Attorney for Defendant's unindicted shareholders

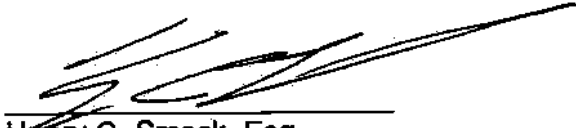
Dated: 2-26-10 
Maher Fathi Yusuf
President, Defendant United Corporation

Dated: 2/26/10 
Gordon C. Rhea, Esq.
Attorney for Defendant Waleed Mohammed Hamed

Dated: 2/26/10 
Randall P. Andreozzi, Esq.
Attorney for Defendant Waleed Mohammed Hamed

Dated: 2/26/10 
Derek M. Hodge, Esq.
Attorney for Defendant Nejeah Fathi Yusuf

Dated: 2/26/10 
Pamela Colon, Esq.
Attorney for Defendant Waheed Mohammed Hamed

Dated: 2/26/10 
Henry C. Smock, Esq.
Attorney for Defendant Fathi Yusuf Mohamad Yusuf

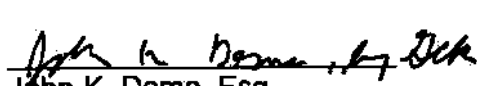
Dated: 2/26/10 
John K. Dema, Esq.
Attorney for Defendant Maher Fathi Yusuf

EXHIBIT I - RESTITUTION NUMBERS FOR TAX LOSS

Description	Government	Defendant
Gross Receipts Tax 1996	\$324,149.55	\$0.00
Gross Receipts Tax 1997	\$234,506.94	\$0.00
Gross Receipts Tax 1998	\$619,496.89	\$272,251.00
Gross Receipts Tax 1999	\$558,830.86	\$603,633.00
Gross Receipts Tax 2000	\$642,057.28	\$642,057.00
Gross Receipts Tax 2001	\$478,832.33	\$386,081.00
TOTAL GROSS RECEIPTS TAXES	\$2,857,873.85	\$1,904,022.00
Corporate Income Tax - 1996	\$2,214,307.41	\$0.00
Corporate Income Tax - 1997	\$2,360,868.66	\$427,011.00
Corporate Income Tax - 1998	\$3,993,535.34	\$488,323.00
TOTAL CORPORATE INCOME TAX	\$8,568,711.41	\$915,334.00
Individual Income Tax - 1999 - FY 32.5%	\$1,046,359.70	\$0.00
Individual Income Tax - 1999 - FY 32.5%	\$1,046,359.70	\$0.00
Individual Income Tax - 1999 - SY 7%	\$225,369.78	\$0.00
Individual Income Tax - 1999 - ZY 7%	\$225,369.78	\$0.00
Individual Income Tax - 1999 - YY 7%	\$225,369.78	\$0.00
Individual Income Tax - 1999 - MY 7%	\$225,369.78	\$0.00
Individual Income Tax - 1999 - NY 7%	\$225,369.78	\$0.00
TOTAL INDIVIDUAL INCOME TAX - 1999	\$3,219,568.31	\$0.00
Individual Income Tax - 2000 - FY 32.5%	\$1,458,473.19	\$0.00
Individual Income Tax - 2000 - FY 32.5%	\$1,458,473.19	\$0.00
Individual Income Tax - 2000 - SY 7%	\$314,132.69	\$0.00
Individual Income Tax - 2000 - ZY 7%	\$314,132.69	\$0.00
Individual Income Tax - 2000 - YY 7%	\$314,132.69	\$0.00
Individual Income Tax - 2000 - MY 7%	\$314,132.69	\$0.00
Individual Income Tax - 2000 - NY 7%	\$314,132.69	\$0.00
TOTAL INDIVIDUAL INCOME TAX - 2000	\$4,487,609.81	\$0.00
Individual Income Tax - 2001 - FY 32.5%	\$1,545,993.69	\$0.00
Individual Income Tax - 2001 - FY 32.5%	\$1,545,993.69	\$0.00

Individual Income Tax - 2001 - SY 7%	\$332,983.26	\$0.00
Individual Income Tax - 2001 - ZY 7%	\$332,983.26	\$0.00
Individual Income Tax - 2001 - YY 7%	\$332,983.26	\$0.00
Individual Income Tax - 2001 - MY 7%	\$332,983.26	\$0.00
Individual Income Tax - 2001 - NY 7%	\$332,983.26	\$0.00
TOTAL INDIVIDUAL INCOME TAX - 2001	\$4,756,903.67	\$0.00
TOTAL ALL TAXES	\$23,890,667.04	\$2,819,356.00

Exh: 617 2

February 12, 2010

Lori A. Hendrickson, Esq.
US DOJ/Tax Division/N.Criminal Section
601 D. Street NW, Room 7814
Washington, DC 20004-2904

Re: United States v. Fathi Yusuf, Crim. No. 05-0015

Dear Ms. Hendrickson:

We write to memorialize the process and parameters that will culminate in a formal plea agreement in this case. The parties have agreed to the following terms:

- Defendant United Corporation (d.b.a. Plaza Extra) agrees to plead guilty to Count Sixty, filing a false 2001 Form 1120S, in violation of Title 33, Virgin Islands Code, Section 1525(2);
- The government agrees to dismiss the pending charges against the individual defendants immediately after defendant United Corporation's guilty plea has been entered in court by an authorized representative of defendant United Corporation, according to the terms of a signed plea agreement. The Government agrees not to prosecute United Corporation or any other individual or entity for any other crimes arising out of the conduct alleged in the Third Superseding Indictment;
- The government agrees to dismiss the remaining pending charges against United at the sentencing hearing;
- The parties agree to meet with each other and with representatives of the Virgin Islands Bureau of Internal Revenue (VIBIR) to try to reach agreement for restitution numbers for unpaid gross receipts taxes, corporate income taxes, and individual income taxes for the Indictment years 1996, 1997, 1998, 1999, 2000, and 2001. The numbers for which the parties are able to agree will be set forth in the plea agreement;
- If the parties are unable to reach agreement on any of the tax loss numbers for the Indictment years, they will set forth their own tax loss numbers for each year and for each particular tax, in a format identical to the attached chart. The parties agree that the final determination of the restitution amount for the unpaid gross receipts taxes, corporate income taxes, and individual income taxes for the Indictment years 1996, 1997, 1998, 1999, 2000, and 2001, will be made by Judge Finch after the

Letter of Agreement
February 12, 2010
Page 2 of 5

parties submit sentencing memoranda and present testimonial and documentary evidence at a hearing. The parties agree that Judge Finch will determine a liability based on the range of numbers asserted by the parties in the plea agreement.

- The determination of Judge Finch of the restitution by United Corporation shall be conclusive of all taxes due and owing to the Government of the Virgin Islands for years 1996, 1997, 1998, 1999, 2000, and 2001 with respect to all taxes of the shareholders of United Corporation, both indicted and non-indicted, and employees of United, including Waheed Hamed and Waleed Hamed, due on or for or on account of income earned by United Corporation during said years and upon payment all such tax liabilities shall be deemed satisfied in full.
- Defendant United Corporation agrees to a term of probation of one year, and agrees to be monitored by an independent third party certified public accounting firm during the term of probation to assure its compliance with the tax laws of the VIBIR. The selection of the independent third party will be expressly approved by the government prior to the beginning of the term of probation. If the parties cannot reach agreement on a third party, the independent third party will be selected by the Court;
- The government agrees not to prosecute United Corporation or individual defendants, or assert any civil or criminal accuracy related or reporting penalties, in years 2002, 2003, 2004, 2005, 2006, 2007, and 2008, provided that the individual defendants tender documentary proof that they have filed tax returns and paid tax due as set forth on those returns and as reviewed and accepted by the VIBIR;
- United, its shareholders, and the individual defendants referenced in the Indictment agree to cooperate with VIBIR to file full and complete tax returns for all post indictment years through present and to make full payment on any amounts due thereon. The Government agrees that no interest, penalties, or time and interest sensitive penalties should be imposed on the post-indictment returns so long as said returns are filed in accordance with this agreement. To the extent tax deposits already submitted exceed the amount owed on the post indictment returns as filed, such deposits should be reallocated to other tax periods or refunded to the particular tax payer. The VIBIR reserves the right to review the returns to be filed hereunder to determine whether they are accurate as filed.
- No foreign bank account-related charges or discretionary penalties shall be applied with respect to any of the individuals and entities so long as such reporting and regulatory compliance is made for the subject post-indictment years. (United States Department of Justice, and not VIBIR, has authorization over this provision).
- The parties agree that United will pay a \$5,000 fine and that the Government may seek a substantial monetary penalty. The parties will negotiate in good faith to determine the character of this penalty and will set forth a defined range from

Letter of Agreement
February 12, 2010
Page 3 of 5

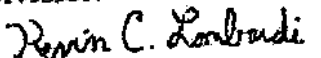
which Judge Finch will make a final ruling. The parties agree that the Government may also seek reimbursement from United for the actual costs of prosecution, which will be set forth in the plea agreement. United reserves the right to contest the above mentioned penalties and prosecution costs.

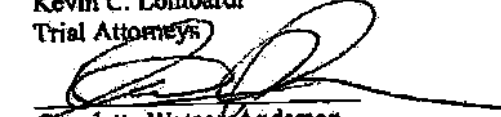
- Defendant United Corporation, the individual defendants, and the shareholders of United Corporation, all agree to file original individual income tax returns (or correcting amended returns, if appropriate) for the years 2002, 2003, 2004, 2005, 2006, 2007, and 2008, and provide any documentation or information requested by the VIBIR in order for the VIBIR to make their own independent review and assessment of the accuracy of such returns. Defendant United Corporation, the individual defendants, and the shareholders of United Corporation all agree to take these actions prior to the sentencing hearing;


The United States government and the United States Virgin Islands government agree to the terms set forth in this Letter of Agreement.

RONALD SHARPE
UNITED STATES ATTORNEY

JOHN A. DICICCO
ACTING ASSISTANT ATTORNEY GENERAL
DEPARTMENT OF JUSTICE
TAX DIVISION

Dated: 2/12/2010 
Mark F. Daly
Lori A. Hendrickson
Kevin C. Lombardi
Trial Attorneys

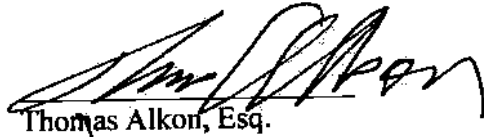
Dated: 2/15/10 
Claudette Watson Anderson
Director
Virgin Islands Bureau of Internal Revenue

Dated: 2/18/10 
Denise George
Assistant Attorney General
Virgin Islands Department of Justice
Office of the Attorney General

The defendant United Corporation agrees to the terms set forth in this Letter of Agreement.

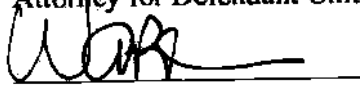
Letter of Agreement
February 12, 2010
Page 4 of 5

Dated: 2/26/10




Thomas Alkon, Esq.
Attorney for Defendant United Corporation

Dated: 2/26/10



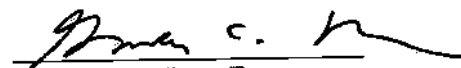
Warren B. Cole, Esq.
Attorney for Defendant United Corporation

Dated: 2/26/10



MAHER FATHI YUSUF
President, Defendant United Corporation

Dated: 2/26/10



Gordon C. Rhea, Esq.
Attorney for Defendant Waleed Mohammed Hamed

Dated: 2/26/10



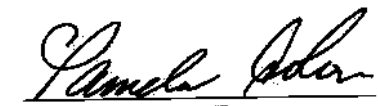
Randall P. Andreozzi, Esq.
Attorney for Defendant Waleed Mohammed Hamed

Dated: 2/26/10



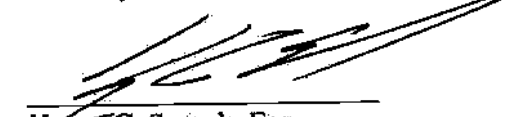
Derek M. Hodge, Esq.
Attorney for Defendant Nejeah Fathi Yusuf

Dated: 2/26/10



Pamela Colon, Esq.
Attorney for Defendant Waheed Mohammed Hamed

Dated: 2/26/10



Henry C. Smock, Esq.
Attorney for Defendant Fathi Yusuf Mohamad Yusuf

Dated: 2/26/10



John K. Dema, Esq.
Attorney for Defendant Maher Fathi Yusuf

Case
Hamed v. Yusuf et
al

Exhibit
B

JOEL H. HOLT, ESQ. P.C.

2132 Company Street, Suite 2
Christiansted, St. Croix
U.S. Virgin Islands 00820

Tele. (340) 773-8709
Fax (340) 773-8677
E-mail: holtvi@aol.com

August 31, 2012

Lori Hendrickson
US DOJ/Tax Division/N. Criminal Section
P.O. Box 972
Ben Franklin Station
Washington, DC 20044

By Fax and Email to Lori.A.Hendrickson@usdoj.gov

**Re: *United States of America v. Yusuf*
Crim No. 2005-15 F/B**

Dear Attorney Hendrickson:

I am a lawyer in the Virgin Islands and was retained earlier this year by Mohammad Hamed. My task was to address the division of assets between Mr. Hamed and Fathi Yusuf involving the Plaza Extra supermarkets and other related assets.

It is my understanding that you are the prosecutor in the above captioned criminal case involving certain tax issues and other matters related to these same assets. Because of certain concerns I have about representations made in the criminal case, I have decided I need to raise these concerns with you. I will first give you some background on what I have learned since being retained in this matter.

I learned that relationship between Mr. Yusuf and Mr. Hamed was a partnership which that the parties desired to dissolve, so the assets could be distributed between them. In this regard, I was initially provided an email dated February 10, 2012 from Mr. Yusuf's lawyer to Mr. Hamed regarding Mr. Yusuf's desire to dissolve the partnership as well as a letter dated February 12, 2012, sent by the same lawyer on the same subject (copies of which are attached as **Exhibit A**). The letter stated in part as follows:

As it stands, the partnership has three major assets: Plaza Extra - West (Grove Place, including the real property), Plaza Extra - East (Sion Farm) and Plaza Extra (Tutu Park, St. Thomas).

I was then provided a proposed partnership dissolution agreement sent on March 13, 2012, to Mr. Hamed's son (who has a power of attorney for his father), which referenced

Letter dated August 30, 2012
Page 2

the February 12, 2012, letter dissolving the partnership, which I have attached as **Exhibit B**. That document provided in part as follows:

WHEREAS, the Partners have operated the Partnership under an oral partnership Agreement since 1986.

WHEREAS, the Partnership was formed for the purposes of operating Super Markets in the District of St. Croix, and St. Thomas; and

WHEREAS, the Partners have shared profits, losses, deductions, credits, and cash of the Partnership;

WHEREAS, the Partners have certain rights and responsibilities under the Virgin Islands Revised Uniform Partnership Act ("Act") governing dissolution of partnerships, and hereby desire to vary or confirm by the terms of this Agreement;

That document then described the partnership assets as follows:

Section 1.1: Assets of the Partnership

1. PLAZA EXTRA EAST- Estate Sion Farm. St. Croix
2. PLAZA EXTRA WEST- Estate Grove, St. Croix (Super Market Business ONLY)
3. PLAZA EXTRA - Tutu Park. St. Thomas

Finally, I received an email from Mr. Yusuf's lawyer asking me to meet to discuss the dissolution of the partnership. **See Exhibit C**.

However, I was also told by the lawyers representing the various Yusuf and Hamed family members that representations had been made to you and to the Court that the assets did not belong to a partnership, but to United Corporation.

I found it curious that the parties were describing their relationship as a partnership, which owned certain partnership assets, while the lawyers stated otherwise. I soon learned that the lawyers were basing their statements primarily on the fact that United Corporation had always included the income, expenses, etc. from the three stores as part of the financial information included in the corporate tax returns of United Corporation, even though Mr. Yusuf and Mr. Hamed had always kept the accounting for these three stores separate from each other and from the other business interests of United.

However, it is clear that Mr. Yusuf and Mr. Hamed believe these stores are owned and operated as separate partnerships. For example, Fathi Yusuf has sent numerous letters just this year on behalf of United Corporation as the Landlord of the Plaza East store on St. Croix to the Mr. Hamed, discussing rent for the store as well as threatening to evict the store. **See Exhibit D**. If United Corporation owned the supermarket, it would not be sending rent demands and eviction letters to itself.

I decided to look into the matter further and found a deposition given by Fathi Yusuf some time ago, where he describes the creation of this partnership years ago, in which

Letter dated August 30, 2012
Page 3

each party had a 50/50 interest. I have attached a brief excerpt of the sworn deposition in this deposition as **Exhibit E**.

Notwithstanding this confusion, I proceeded to try to negotiate a settlement, but I continually ran into the following problem—my clients would have to agree to the filing of tax returns that did not accurately reflect the true nature of the business relationship between the parties. In short, they would have to file returns to end the criminal case which do not accurately reflect the true nature of these businesses. Indeed, I found other discrepancies as well in working on these matters.

Thus, I have decided I need to bring this issue to your attention as I fear that misleading statements have been made that have now placed my clients at risk. I would like to discuss these matters with you as soon as possible to see if I have incorrectly understood the situation or if there is some way to address these concerns properly if I have correctly understood the situation. Can you please review this matter and get back to me at your earliest convenience.

Respectfully,

Joel H. Holt
JHH/jf
Enclosure