

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

MOHAMMAD HAMED, by his) CIVIL NO. SX-12
authorized agent WALEED HAMED,)
)
Plaintiff/Counterclaim Defendant,) ACTION FOR DAMAGES,
) INJUNCTIVE RELIEF,
) AND DECLARATORY
vs.) JURY TRIAL DEMAND
)
FATHI YUSUF and UNITED CORPORATION,))
)
Defendants/Counterclaimants,)
)
vs.)
)
WALEED HAMED, WAHEED HAMED,)
MUFEED HAMED, HISHAM HAMED, and)
PLESSEN ENTERPRISES, INC.,)
)
Additional Counterclaim Defendants.)

LIQUIDATING PARTNER'S FIFTH BI-MONTHLY REPORT

Pursuant to this Court's "Final Wind Up Plan Of The Plaza Extra Part
on January 9, 2015 (the "Plan"), defendant/counterclaimant Fathi Yusuf ("
Liquidating Partner"¹, respectfully submits this fifth bi-monthly report of the s
efforts, as required by § 5 of the Plan.

Pursuant to the Court's "Order Adopting Final Wind Up Plan" dated
and entered on January 9, 2015 (the "Wind Up Order"), the Court adopted the
entered on January 27, 2015 approving a stipulation of the parties provide
things, that the effective date of the Plan "shall be changed from ten (10) da
date of the ... [Wind Up] Order to January 30, 2015."

On February 25, 2015, the Claims Reserve Account ("CRA") and
Expense Account ("LEA") were established at Banco Popular de Pue
disbursements have been made from the CRA or LEA without the approval of
Liquidating Partner has provided the Master and Hamed with copies of

¹ Capitalized terms not otherwise defined in this report shall have the meaning provided for i

ledgers, and reconciliations reflecting the inflows/outflows concerning these accounts from their inception through October 31, 2015. Copies of the bank statements, ledgers, and reconciliations reflecting the inflows/outflows of the other bank accounts used jointly by the Partners in the operation of the three stores from May 1, 2015 through August 31, 2015 have been provided to the Master and Hamed.²

On March 5, 2015, the Master issued his "Master's Order Regarding Transfer of Ownership of Plaza Extra West." On March 6, 2015, the Master issued his "Master's Order Regarding Transfer of Ownership of Plaza Extra East." An accounting discrepancy in the inventory and equipment values involved in the transfer of ownership of Plaza Extra East and Plaza Extra West has occurred resulting in the payment of \$1,211,267.01 to the Master in March 2015.

The closed auction for Plaza Extra Tutu Park took place on April 30, 2015, pursuant to the Master's Order dated April 28, 2015. On April 30, 2015, the Master issued his "Master's Order Regarding Transfer Of Ownership Of Plaza Extra Tutu Park" (the "Tutu Park Order"), pursuant to which that store was transferred to Hamed's designee, Karam, for the price of \$4,050,000 plus \$220,000 in fees attributable to the Tutu Park auction (collectively, the "Tutu Park Purchase Price"), which has been paid.³

² These accounts used by all three stores remained open as an operational necessity with the Partners and the Master. Since these accounts were joint signatory accounts signed by both Partners, Hamed had uninterrupted, unfettered access to monitor these accounts. All checks on these accounts have been signed by a representative of both Partners. All of these accounts, except for one at Scotiabank, were closed effective July 10, 2015 with all of the funds from those accounts transferred to the CRA. The one account was left open with a balance of \$1,000 for a few additional days because of requests related to the 2014 Department of Justice review and Scotiabank needed an account to deducting fees, the \$895 balance in the account was transferred to the CRA.

³ Because the Tutu Park Purchase Price was paid to Yusuf using Partnership funds, Yusuf received an equal amount from the CRA representing a matching distribution to him of the funds used by the Partners to purchase Plaza Extra Tutu Park.

Pursuant to the express provisions of the Wind Up Order (p.5), § 8(the April 30 Master's Order (p.2), Hamed was obligated to obtain releases and Yusuf from any further leasehold obligations to Tutu Park, Ltd. when ownership and control of the Tutu Park store premises as of May 1, 2015. demands, Hamed has failed to provide the required releases that are a precond transfer of the Tutu Park store. In the absence of such releases, the Tutu Park the further attention of the Liquidating Partner and the Court for separation closed auction for the Tutu Park store, the Partners agreed before the Master to be included in the auction consisted of the inventory located under the facilities. After the auction, Yusuf learned that Hamed or his designee, K possession of 6 trailers of inventory located outside of the covered pre inventory contained in these 6 trailers was indisputably Partnership property Partner needs to determine what was contained in these trailers and the value Yusuf is entitled to ½ of the value. The Liquidating Partner is working to re as well as issues involving recent claims presented by Tutu Park, Ltd. co taxes for the years 2012, 2013, and 2014.⁴

⁴ If the Liquidating Partner determines that the Partnership is responsible to Tutu Park, Ltd. the form of taxes or otherwise, the Partnership would be obligated to pay United comparat rent for the Plaza Extra East store was pegged to the rent for the Tutu Park store, as recog Memorandum Opinion and Order entered on April 27, 2015.

To date, no Partnership Assets requiring liquidation beyond those described have been identified by or to the Liquidating Partner.⁵ Hamed has inquired about a ½ acre of unimproved land located on St. Thomas that is allegedly owned by the Partnership and more particularly described as Parcel No. 2-4 Rem. Estate Charlotte A. Quarter, St. Thomas, as shown on OLG Map. No. D9-7044-T002 (the “Land”) and that the Land has been erroneously carried on the balance sheet of the Partnership. The record owner of the Land, pursuant to a Warranty Deed dated July 26, 2006 and August 24, 2006, was Plessen Enterprises, Inc. (“Plessen”), a corporation jointly owned by the Hamed and Yusuf families. The Land was encumbered by a mortgage dated August 24, 2006, from Plessen to United in the face amount of \$330,000. Pursuant to a Foreclosure dated October 23, 2008 and recorded on March 24, 2009, Plessen conveyed the Land to United. Pursuant to a Release Of Mortgage dated October 23, 2008 and March 24, 2009, United released its mortgage covering the Land.⁶ Copies of the Foreclosure Of Foreclosure and Release Of Mortgage have been provided to the Master. Accordingly, the Liquidating Partner does not intend to pursue liquidation of the mortgage since the Partnership has no continuing interest in either.⁷

An updated balance sheet was provided to counsel and the Master on August 18, 2015, as required by § 9, Step 4 of the Plan. Combined balance sheets and income

⁵ With the permission of the Master, a 2005 Toyota Camry owned by the Partnership and used by Yusuf in connection with his co-management of Plaza Extra Tutu Park was purchased by United on May 1, 2015 for the sum of \$5,000.

⁶ The fourth bi-monthly report contained dated information. After that report was filed, the Liquidating Partner learned of the subsequent conveyance of the Land to United.

⁷ On August 18, 2015, Hamed filed a “Notice of Objection to Liquidating Partners Bi-Monthly Report” (“Objection”), which raised the issue of the Land, among other issues, but acknowledged that the Land was addressed in the “claims portion” of the liquidation process. On September 3, 2015, Yusuf filed the Objection.

Partnership as of October 31, 2015 and supporting general ledger, cash records, receivable aging, and accounts payable aging information (collectively "Financial Information") have been provided to the Master and Hamed with or prior to the date of the Plan. Gaffney, an accountant who has been engaged on behalf of and paid by the Partnership, compiled the Financial Information, which the Liquidating Partner believes is accurate and historically accurate.⁸

The pending litigation identified in Exhibit C to the Plan was updated in a detailed list attached as Exhibit C-1 to the first bi-monthly report. Since the report was prepared, the Allembert and Isaac claims have been settled. The Liquidating Partner is attempting to establish appropriate reserves for all pending litigation and any claims that may be filed within the two year statute of limitations period for personal injury claims occurring prior to the transfer of the Plaza Extra Stores. Such reserves will be funded out of the funds in the CRA.

Section 9, Step 2, of the Plan requires the Liquidating Partner to "submit to the Master each month a reconciliation of actual expenditures against the budget set forth in Exhibit A. Unless the Partners agree or the Master orders otherwise, the Liquidating Partner shall not exceed the funds deposited in the Liquidated Partnership. That reconciliation was provided to the Master and Hamed with the third bi-monthly report, which reflected that the actual expenditures incurred through June 30, 2015 in the Partnership and liquidating its assets were approximately \$4 million less than the budgeted expenses reflected in Exhibit A to the Plan. An updated reconciliation of the

⁸ The submission of the Financial Information by the Liquidating Partner is not intended to affect the right of either Partner to submit his proposed accounting and distribution plan consistent with Section 6, of the Plan.

2015 was provided to the Master and Hamed with the filing of the fourth reflecting a similar difference. An updated comparison through October 31, 2015 to the Master and Hamed with the filing of this report.

On October 15, 2015, the Master requested counsel for the Partners (a) any Partnership Assets other than the Plaza Extra Stores that require the Liquidating Partner or the Court for separation; and (b) any pending motion for disposition of Partnership Assets. Counsel for the Partners submitted such report on October 23, 2015.

Pursuant to a "Further Stipulation Regarding Motion to Clarify Order" filed with the Court on October 5, 2015 and "So Ordered" on November 13, 2015, it is stipulated that the Liquidating Partner will provide the Master and Hamed with the accounting required by § 5 of the Plan on November 16, 2015, which will be reviewed by the Partners. The Partners will submit their proposed accounting and distribution plans contemplated by § 6, of the Plan to each other and the Master by March 3, 2016.

Respectfully submitted this 30th day of November, 2015.

DUDLEY, TOPPER and FEUERZEIG, LLP

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