

**IN THE SUPERIOR CORUT OF THE VIRGIN ISLANDS
DIVISION OF ST. THOMAS and ST. JOHN**

UNITED CORPORATION,)	
)	Case No. ST-13-CV-00101
Plaintiff,)	
)	
v.)	
)	
WAHEED HAMED,)	
)	
Defendant.)	

**WAHEED HAMED’S RESPONSE IN OPPOSITION TO PLAINTIFF’S
MOTION TO DISMISS COMPLAINT WITHOUT PREJUDICE**

Waheed Hamed (“Mr. Hamed”) files this Response in Opposition to the Motion to Dismiss Complaint Without Prejudice (the “Motion”) filed by the above-captioned plaintiff, United Corporation (“United”) and, in response to the Motion, states as follows:

I. PRELIMINARY STATEMENT

The commencement and prosecution of this case was nothing more than an attempt to intimidate, harass and deplete the resources of the Hamed family. This case is but one of a series of intentionally duplicative actions in multiple courts. Mr. Hamed originally moved to dismiss on this basis, and has repeatedly pointed this out. Now, almost three and a half years later and faced with the consequences of its bad faith use of proceedings, United asks to dismiss this case without an award of attorneys’ fees pursuant to Fed.R.Civ.P. 41(a)(2) “to streamline the litigation involving the Hamed-Yusuf parties, and to avoid duplicative or inconsistent judgments.”

United must not be allowed to escape the costs and effects of its duplicative and vexatious “scorched earth” litigation tactics. This case should not be consolidated or dismissed. The pending motion for summary judgment is the appropriate vehicle to dismiss this Action, together with an award of costs and attorneys’ fees to Mr. Hamed. A fully briefed motion for

summary judgment is currently pending before the Court – and should be entered based on United's admissions that it was never the appropriate party to file this case and had no standing to do so.

In the alternative, this Action brought by United must be dismissed *with prejudice* with an award of costs and fees to Mr. Hamed. The exact claims asserted herein against Mr. Hamed are already pending before Judge Brady and will not be affected. The Motion must be denied.

II. RELEVANT PROCEDURAL BACKGROUND

1. On September 17, 2012, Defendant's father, Mohammad Hamed commenced that certain civil action styled as Hamed v. Yusuf, et al., Case No. SX-12-CV-370 (the "Main Case") wherein, Mohammad Hamed sought, in essence, to stop United and its President, Fathi Yusuf, from, literally, stealing Mohammad Hamed's half of the common law partnership (the "Plaza Extra Partnership") that owned and operated the Plaza Extra chain of supermarkets in the U.S. Virgin Islands (the "Plaza Extra Stores").

2. For the next two years¹, United and Fathi Yusuf aggressively denied the existence of the Plaza Extra Partnership as they attempted to complete their theft of Mohammad Hamed's half of the Plaza Extra Partnership.

3. On January 8, 2013, United commenced that certain civil action styled as United Corp. v. Waleed Hamed, Case No. SX-13-CV-0003 (the "Wally Hamed Case"). A copy of United's complaint in the Wally Hamed Case is attached as **Exhibit A**. The first paragraph of United's complaint in the Wally Hamed Case states that it "includes causes of action against Defendant Hamed for defalcating, and misappropriating significant funds belonging to Plaintiff

¹ United and Fathi Yusuf also denied the existence of the Plaza Extra Partnership for a significant period of time prior to the filing of the Main Case, as they stole funds from the Plaza Extra Partnership and usurped Mohammad Hamed's control thereof, leading to the commencement of the Main Case.

United, arising out of Defendant Hamed's tenure as manager of the operations of the Plaza Extra Supermarket store in Sion Farm, St. Croix, as well as other locations." See Exhibit A at ¶ 1.

4. On March 5, 2013, Plaintiff commenced the above-captioned civil action (this "Action"). United's original complaint (the "Complaint") "includes causes of action against [Defendant] for defalcating, and misappropriating significant funds belong to *Plaintiff United*, arising out of [Defendant's] tenure as manager of the operations of the Plaza Extra Supermarket store in St. Thomas, V.I. as well as other locations." See Complaint at ¶ 1 (emphasis added).

5. Thus, this Action and the Wally Hamed Case are/were both predicated on United's assertion that *United* owned and operated the Plaza Extra Stores.

6. On December 23, 2013 (more than nine months *after* commencing this Action) United, filed a counterclaim in the Main Case against, among others, Mr. Hamed and Wally Hamed, alleging the same facts, circumstances and causes of action as United pled in this Action and in the Wally Hamed Case. A copy of United's Answer and Counterclaims in the Main Case is attached as Exhibit B.

7. On April 7, 2014, in the Main Case – after more than two years of denying the existence of the Plaza Extra Partnership – United *admitted* that the Plaza Extra chain was owned and operated by the Plaza Extra Partnership (United Corp.'s "Partnership Admission"). A copy of United's pleading in the Main Case in which it expressed the Partnership Admission is attached as Exhibit C. Specifically, United stated as follows:

Yusuf now concedes for the purposes of this case that he and Hamed entered into a partnership to carry on the business of the Plaza Extra Stores and to share equally the net profits from the operation of the Plaza Extra Stores.

See Exhibit C at ¶ 7 (pp. 3-4).

8. On April 8, 2016, United's attorney confirmed via email that "United is not and has never been a partner" in the Plaza Extra Partnership. A copy of the April 8, 2014 email of George H.T. Dudley, Esquire, is attached as **Exhibit D**.

9. On April 22, 2014, Defendant filed a motion to dismiss this Action owing to United's now-admitted lack of standing to assert the claims herein asserted against Mr. Hamed. Obviously, given that (i) the Plaza Extra Stores are and always were owned and operated by the Plaza Extra Partnership and (ii) United "is not and has never been a partner" of the Plaza Extra Partnership, it is plainly evident that United does not and never has had standing to assert claims against Mr. Hamed "defalcating, and misappropriating significant funds . . . arising out of [Defendant's] tenure as manager of the operations of [the Plaza Extra Stores]," as alleged herein against Mr. Hamed. ***United never responded to Mr. Hamed's motion to dismiss.***

10. United has continued to fight – throughout three years and five months of litigation, including voluminous discovery, significant motion practice and a Supreme Court appeal – to keep this Action alive so that it could continue to force Hamed to spend money on attorneys' fees and otherwise injure Mr. Hamed as part of United's and Fathi Yusuf's global "scorched earth" litigation campaign against the Hamed family.

11. On March 23, 2016, Mr. Hamed filed a motion for summary judgment in this Action stating that judgment in favor of Mr. Hamed should enter because United has no interest in the claims it continues to inappropriately prosecute in this Action (Mr. Hamed's "**Summary Judgment Motion**"). ***United opposed Mr. Hamed's Summary Judgment Motion.***

12. On May 11, 2016, Mr. Hamed stated as follows in his Reply in further support of his Summary Judgment Motion:

One final comment is in order – the belated argument that this Court should entertain a Rule 17 motion to substitute a party, raised in an opposition memorandum to a summary judgment motion, is without

merit, as such relief would need to be raised by a separate motion, so it could be properly briefed. Needless to say, even if it had been properly raised, the request would be without merit as this motion to substitute should have been made a long time ago, not after a summary judgment motion has been filed. **The person who can properly allege such damages is before another Court on that identical claim.**

(emphasis added).

13. On August 5, 2016, Honorable Douglas A. Brady dismissed the Wally Hamed Case. A copy of the Order of Dismissal in the Wally Hamed Case is attached as **Exhibit E**. Specifically, Judge Brady stated as follows:

Plaintiff and Fathi Yusuf, the “necessary party” who is the subject of Plaintiff’s Motion to Substitute, are named Defendants and Counterclaimants in Case No. SX-12-CV-370. Therein, they are prosecuting their Counterclaim against, among others, Defendant herein. By its Motion to Dismiss, Plaintiff correctly notes that as Counterclaim-Defendant in that case, Defendant Waleed Hamed is subject to the same claims as are asserted in this matter by the same party(ies). Accordingly, to avoid duplicative litigation in the interests of judicial economy, Plaintiff’s Motion to Dismiss will be granted. Since those claims are being actively prosecuted in a separate action involving the same parties, this matter will be dismissed with prejudice.

See Exhibit D.

14. On September 13, 2016, United filed the Motion. United presents the Motion as if the duplicative nature of this Action is a newly discovered fact. United states as follows in Paragraph 3 of the Motion:

In the 370 Case, [Mr. Hamed] is an Additional Counterclaim Defendant, subject to the same claims asserted in this action. Because the claims asserted in this case are duplicative of the claims asserted in the 370 Case, and because both matters involve the same core facts, this Court should dismiss this matter without prejudice ***to streamline the litigation involving the Hamed-Yusuf parties, and to avoid duplicative or inconsistent judgments.***

See Motion at ¶ 3 (pp. 1-2).

III. LEGAL ARGUMENT

Fed.R.Civ.P. 41(a)(2) states as follows: “Except as provided in Rule 41(a)(1), an action may be dismissed at the plaintiff’s request only by court order, on terms that the court considers proper.” See Fed.R.Civ.P. 41(a)(2). “The purpose of [Fed.R.Civ.P. 41(a)(2)] is primarily to prevent voluntary dismissals which will prejudice the opposing party and to permit the court to impose curative conditions to ameliorate such prejudice.” In re Tutu Wells Contamination Litig., 994 F.Supp. 638, 301 (D.V.I. 1998) (citations omitted). Factors considered by the Court in analyzing a request for an award of fees and costs by a defendant in the context of a motion to dismiss pursuant to Fed.R.Civ.P. 41(a)(2) are: “(1) any excessive and duplicative expense of a second litigation; (2) the effort and expense incurred by a defendant in preparing for trial; (3) the extent to which the pending litigation has progressed; and (4) the claimant’s diligence in moving to dismiss.” Williams v. Cost-U-Less, Inc., 2013 WL 450368, at *3 (D.V.I. February 6, 2013) (citing In re Tutu Wells Contamination Litig., 994 F.Supp. at 653. At least one other court has added the “pendency of a dispositive motion” to the list enunciated by the District Court. See Dodge-Regupol, Inc. v. RB Rubber Products, Inc., 585 F.2d 645, 652 (M.D. Pa. 2008) (stating five factors for consideration as follows: **(1)** the excessive and duplicative expense of a second litigation; **(2)** the effort and expense incurred by the defendant in preparing for trial; **(3)** the extent to which the current suit has progressed; **(4)** the plaintiff’s diligence in bringing the motion to dismiss and explanation therefore; and **(5)** the pendency of a dispositive motion by the non-moving party)).

The Motion must be denied. This Action should be disposed of by granting Mr. Hamed’s motion for summary judgment with an award of costs and fees to Mr. Hamed or, at least, by dismissing this Action with prejudice, together with an award of costs and fees to Mr. Hamed.

Mr. Hamed has been needlessly exposed to excessive and duplicative litigation as the result of United's continued prosecution of this Action after filing counterclaims in the Main Case which, by United's own admission, rendered the claims in this Action "duplicative . . . because both matters involve the same core facts." See Motion at ¶ 3 (p. 1). The *only* reason United continued to pursue this Action was to injure Mr. Hamed through the distraction, expense and general unpleasantness of litigation.

This Action has progressed for approximately three and a half years through extensive discovery, significant and complex motion practice and a Supreme Court appeal. For United to do an about-face and ask to have this Action dismissed "without prejudice" and without an award of costs to Mr. Hamed is the peak of bad faith – not to mention audacity.

United has shown a marked *lack* of diligence in bringing the Motion. United could have – and should have – moved to voluntarily dismiss this Action in December 2013 when it filed its counterclaims against Mr. Hamed in the Main Case. Instead, it waited another two years and nine months to move to dismiss this Action, all the while fighting to keep this Action alive.

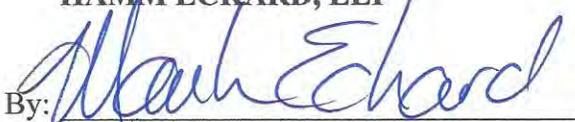
Mr. Hamed has a dispositive motion pending. To grant United's motion to dismiss without prejudice and without an award of costs and fees would create a horrible precedent in this situation. For United to be given a "walk" in this Action would send a message to vexatious litigants everywhere that you can file (or continue to prosecute) a duplicative lawsuit against someone despite all black-and-white evidence that the lawsuit is vexatious and duplicative and then, when the defendant files a motion for summary judgment, the plaintiff can simply file a motion to dismiss pursuant to Fed.R.Civ.P. 41(a)(2) and walk away scot-free without ever having to look back at the wreckage caused by such bad faith use of the Courts.

The Motion must be denied.

WHEREFORE, for the reasons set forth herein, Mr. Hamed respectfully requests that the Court enter an order denying the Motion and either (a) grant summary judgment in favor of Mr. Hamed together with an award of costs, including attorneys' fees, in favor of Mr. Hamed or (b) dismiss this Action *with prejudice* together with an award of costs, including attorneys' fees, in favor of Mr. Hamed.

Respectfully submitted,

HAMM ECKARD, LLP

By: 

Dated: September 14, 2016

Mark W. Eckard (VI Bar No. 1051)
5030 Anchor Way, Suite 13
Christiansted, VI 00820-4692
Telephone: (340) 773-6955
Facsimile: (855) 456-8784
Email: meckard@hammeckard.com

Counsel to Waheed Hamed

CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of September, 2016, I served a copy of the foregoing document by email, as agreed by the parties, on:

Hon. Edgar Ross, Special Master
edgarrossjudge@hotmail.com

Joel H. Holt, Esq.
2132 Company Street,
Christiansted, VI 00820
Email: holtvi@aol.com

Carl J. Hartmann III, Esq.
5000 Estate Coakley Bay, L-6
Christiansted, VI 00820
Telephone: (340) 719-8941
Email: carl@carlhartmann.com

Jeffrey B. C. Moorhead
CRT Brow Building
1132 King Street, Suite 3
Christiansted, VI 00820
jeffreymlaw@yahoo.com

Nizar A. DeWood
2006 Eastern Suburb, Suite 101
Christiansted, VI 00820
dewood@gmail.com

Gregory H. Hodges
Law House, 10000 Frederiksberg Gade
P.O. Box 756
ST.Thomas, VI00802
ghodges@dtflaw.com



EXHIBIT A

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

UNITED CORPORATION,)	CIVIL NO. SX-13-CV- <u>3</u>
)	
Plaintiff)	CIVIL ACTION
)	
Vs.)	ACTION FOR DAMAGES, ACCOUNTING, BREACH OF CONTRACT, & EQUITABLE RELIEF
)	
WALEED HAMED (a/k/a Wally, Wally Hamed))	COMPLAINT
)	
JOHN DOE (1-10))	
)	
Defendants)	JURY TRIAL DEMANDED
_____)	

Plaintiff United Corporation, hereinafter ("United"), and by and through its undersigned counsel complains of Defendant Waheed Hamed, hereinafter ("Hamed") as follows:

I. BACKGROUND

1. This is a civil action for damages (both compensatory and punitive) recoupment, conversion, accounting, constructive trust, breach of contract, and breach of various fiduciary duties against Defendant Hamed, an employee and former agent of Plaintiff United. This complaint includes causes of action against Defendant Hamed for defalcating, and misappropriating significant funds belonging to Plaintiff United, arising out of Defendant Hamed's tenure as manager of the operations of the Plaza Extra Supermarket store in Sion Farm, St. Croix, as well as other locations. Further, this civil action names John Doe 1-10 as persons who have worked knowingly, and jointly with Waleed Hamed in the commission of each of the causes of action alleged herein.

II. JURISDICTION, VENUE, & DEMAND FOR JURY TRIAL

2. This Court has personal jurisdiction, subject matter jurisdiction, and the amount in controversy is satisfied, pursuant to 4 VIC §76.
3. Venue is proper in the District of St. Croix because all of the parties are residents of the District of St. Croix, U.S. Virgin Islands, and the cause(s) of action arose in said District, pursuant to 4 VIC § 78.
4. A trial by jury is demanded pursuant to 4 VIC § 80.

III. THE PARTIES

5. Plaintiff United Corporation is a duly organized Virgin Islands Corporation since January of 1979, and is authorized to conduct business in the Virgin Islands. Plaintiff is *sui juris*.
6. Plaintiff is owned completely in various shares by Fathi Yusuf, Fawzia Yusuf, Maher Yusuf, Nejeih Yusuf, Zayed Yusuf, and Yusuf Yusuf, hereinafter collectively referred to as the "Yusuf Family".
7. Defendant Waleed Hamed is a natural person and is a resident of the U.S. Virgin Islands. Defendant Hamed is *sui juris*. At all times relevant to this action, Defendant Hamed has been an employee and agent of Plaintiff United.
8. Defendants John Doe 1 to 10, upon information, are employees, family, friends, and agents of Defendant Hamed who have participated and/or assisted defendant Waleed Hamed with the defalcation, conversion, and concealment of substantial assets that are the sole property of Plaintiff United. John Does 1 to 10 are natural persons and are each *sui juris*.

IV. FACTS

9. Plaintiff United was organized and authorized to conduct business in the U.S. Virgin Islands on January 15th, 1979 by its then shareholders Fathi Yusuf and his family. Plaintiff United has always been owned wholly in various percentage shares by the various members of the Yusuf family.

10. The Corporate officers of Plaintiff United have always been members of the Yusuf family.

11. Sometime in 1986, Plaintiff United, through its shareholder and then President, Fathi Yusuf, entered into an oral agreement, whereby Plaintiff United and Defendant Hamed's father, Mohammed Hamed, agreed to operate a grocery store business.

12. As a result of this oral agreement, Plaintiff United agreed to rent a portion of its real property, United Shopping Plaza, to this supermarket joint venture.

13. United Shopping Plaza is located on the Island of St. Croix, U.S. Virgin Islands.

14. In 1986, the joint venture resulted in the first supermarket store being opened. United began using the trade name "Plaza Extra" and the first supermarket in this joint venture was named Plaza Extra Supermarket. Since 1986, two additional stores opened in the U.S. Virgin Islands; the second in Tutu Park, St. Thomas; the third in Grove Place, St. Croix.

15. In 1986, Plaintiff United hired Waleed Hamed as an employee, and assigned him managerial duties at the Plaza Extra supermarket located in Sion Farm, St. Croix, U.S. Virgin Islands. Defendant Hamed managed and collected significant cash and other assets on behalf of Plaintiff United during the course of his employment.

16. In 2003, Plaintiff United, its shareholders Fathi Yusuf, Maher Yusuf, and Defendant Hamed, and the Defendant's brother Waheed Hamed were indicted in the case of *U.S. v United Corporation*, case no. 15-cr-2005 (D.V.I.).

17. During nine years of criminal proceedings, the U.S. Department of Justice and federal law enforcement (collectively the "U.S. Government"), gathered significant financial documents, including but not limited to tax returns, financial ledgers, accounting records, and various other documents concerning the parties herein. Prior to the release of the documents in October of 2011 to Plaintiff United, none of the officers of Plaintiff United had any actual or constructive knowledge of Defendant Hamed's conduct.

Defendant's Acquisition of Substantial Securities through Defalcation of Plaintiff's Assets

18. During a search of the documents and files delivered by the U.S. Government, Plaintiff United reviewed documents comprising tax returns for Defendant Hamed. An examination of Defendant Hamed's tax returns revealed the following significant assets:

- a. Tax Year 1992 (Stocks & Investments)\$ 408,572.00
- b. Tax Year 1993 (Stocks & Investments)\$7,587,483.00

19. The detailed stock acquisitions, which were listed meticulously by date of acquisition, price and number of shares purchased, could only have been acquired by Defendant Hamed through his unlawful access to monies and other properties belonging to Plaintiff United. Defendant Hamed never held any other employment since 1986, other than through his employment with Plaintiff United.

20. Defendant Hamed also never had any other significant source of income, business operations, investments, etc., prior to or during his employment tenure with Plaintiff United.

21. The income tax returns for the years 1992 and 1993 reflect substantial assets that upon information and belief derived from the unlawful conversion and unauthorized access to funds and monies belonging to Plaintiff United. Plaintiff United never provided Defendant Hamed remuneration of more than \$35,000 for a yearly salary.

22. In 1993, Defendant Hamed's personal income tax return showed a loss of \$394,382.00. Plaintiff United, through its Treasurer, inquired of Defendant Hamed where he obtained the money in 1992 to sustain a personal loss of \$394,000 in his equity portfolio.

23. Defendant Hamed replied that the significant stocks listed in the schedules attached to his joint tax return was that of "Hamdan Diamond" – an unrelated corporation - that the Certified Public Accountant that had prepared Defendant Hamed's 1993 income tax return had made a "mistake" and that Defendant Hamed "would get to the bottom of it."

24. To date, Defendant Hamed has offered no evidence of the "mistake" he claimed was attributed to the Certified Public Accountant.

25. Further, upon information, such losses were unlikely to be a "mistake" because Defendant Hamed "carried forward" those losses on his personal income tax returns through 1999.

26. An examination of Defendant Hamed's personal tax returns revealed that Defendant Hamed's stock purchases between 1991 and 1996 totaled more than \$7 Million.

27. In October of 2011, a review of the U.S. Government records and files further revealed the following defalcation of funds:

- a. Loans totaling \$430,500.00, approved by Defendant Hamed, presumably repaid to Defendant Hamed.
- b. Payments made with respect to the construction of Defendant Hamed's home amounting to \$481,000.00.

c. Six checks totaling \$135,000, drawn on the operating account of Plaintiff United's Plaza Extra supermarket, and made payable to "Waleed Hamed" personally.

28. To this date, Defendant Hamed refuses to explain and account for any of the aforementioned funds.

V. CAUSES OF ACTION

FIRST CAUSE OF ACTION BREACH OF FIDUCIARY DUTIES

29. Plaintiff incorporates paragraphs 1 through 28 inclusive as if fully set forth verbatim herein.

30. As an agent and employee of Plaintiff United, a corporate entity, Defendant Hamed owes fiduciary duties to the entity. Included in the fiduciary duty is the duty of loyalty. Not only is it Defendant Waleed Hamed's duty to properly manage the business affairs of the Plaza Extra Supermarket stores for the benefit of Plaintiff United, he is not permitted to place himself in a position where it would be for his own benefit to violate the duty.

31. Defendant Waleed Hamed has breached the following duties (the list of duties violated by Defendant Hamed, below is not intended to be an exhaustive or exclusive list):

- a. Duty of Loyalty
- b. Duty of good faith and candor;
- c. Duty to manage the day-to-day operations of Plaintiff United's Plaza Extra supermarket for the benefit of United;
- d. Duty of full disclosure of all matters affecting his employer Plaintiff United;

- e. Duty to refrain from self-dealing, and/or general prohibition against the fiduciary using his relationship to benefit his personal interest; and
- f. Duty to manage any funds, assets, and/or property belonging to Plaintiff United by virtue of its operation of the Plaza Extra Supermarket stores in accordance with applicable laws.

SECOND CAUSE OF ACTION CONSTRUCTIVE TRUST/RECOUPMENT

32. Plaintiff incorporates paragraphs 1 through 31 as if fully set forth verbatim herein.
33. As an agent and employee of Plaintiff United, Defendant Hamed owes numerous fiduciary duties to Plaintiff United and its shareholders. Not only is it Defendant Hamed's duty to properly manage the business affairs of the Plaza Extra Supermarket stores for the benefit of Plaintiff United, but Defendant Hamed also is not permitted to place himself in a position where it would be for his own benefit to violate the duty.
34. Defendant Hamed has engaged in systemic misappropriation of substantial and valuable assets of Plaintiff United causing substantial injury to Plaintiff United. As a result, Plaintiff United has sustained significant financial injury.
35. As such, a constructive trust should be imposed to gather and account for all assets misappropriated by Defendant Hamed that belongs to Plaintiff United.

THIRD CAUSE OF ACTION CONVERSION

36. Plaintiff re-incorporates paragraphs 1 through 35 inclusive as if fully set forth verbatim herein.

37. Defendant Waleed Hamed has knowingly converted substantial funds and assets belonging to Plaintiff United. Plaintiff never consented or agreed to Defendant Hamed's unauthorized use of its funds and assets. As such, Defendant Hamed is liable for conversion.

**FOURTH CAUSE OF ACTION
BREACH OF CONTRACT**

38. Plaintiff incorporates paragraphs 1 through 37 inclusive as if fully set forth verbatim herein.

39. Defendant was an at-will employee of Plaintiff United.

40. As an at-will employee of Plaintiff United, Defendant Hamed had a contractual duty to act in good faith, and to properly manage the business affairs of the Plaza Extra Supermarket stores for the benefit of Plaintiff United.

41. Defendant Hamed has breached his contractual duties to Plaintiff United, causing Plaintiff substantial economic and financial harm. As a result, Defendant Hamed is liable to Plaintiff for breach of contract.

**SIXTH CAUSE OF ACTION
ACCOUNTING**

42. Plaintiff incorporates paragraphs 1 through 41 inclusive as if fully set forth verbatim herein.

43. As agent and employee of Plaintiff United, Defendant Hamed was under full contractual obligation and other fiduciary duties to perform his functions as a manager with competence, integrity, and honesty to Plaintiff United Corporation and its shareholders. Defendant Hamed was not permitted to place himself in a position where it would be for his own benefit to violate the duty.

44. Defendant Hamed has breached his employment contractual agreement with Plaintiff United by mismanaging, misappropriating, and converting funds, monies, and other valuables to his personal use. As a result, Plaintiff United has sustained substantial financial damages.

45. As such, Plaintiff United is entitled a full accounting of all monies, funds, and assets unlawfully appropriated by Defendant Hamed.

VI. RELIEF REQUESTED

Wherefore, Plaintiff United Corporation, and its shareholders, respectfully pray for the following relief:

- a. Actual and compensatory damages to be determined at trial.
- b. Punitive damages for the intentional defalcation of funds and damages caused to Plaintiff United Corporation.
- c. A complete accounting and constructive trust of all funds, assets, opportunities, and other valuables converted and or misappropriated by Defendant Hamed.
- d. Costs of all professional fees that may be required for the audit and investigation of this matter.
- e. A return of all documents, including but not limited to electronically stored information, belonging to Plaintiff United in the possession (both actual and constructive) of Defendant Hamed.
- f. A Restraining Order precluding Defendant Hamed from:
 - i. Physically returning, or attempting to return, to any of the Plaza Extra supermarket stores;

- ii. Accessing, or attempting to access, any bank accounts belonging to United Corporation for any purpose;
- iii. Contacting, or attempting to contact, any employee of Plaintiff United concerning the operations and management of the Plaza Extra Supermarkets;
- iv. Preclude Defendant Hamed from contacting any business associates of Plaintiff United;
- v. Preclude Defendant Hamed from representing to third-parties that he is an employee of Plaza Extra;
- vi. Accessing, or attempting to access, any of Plaintiff United's, including but not limited to the Plaza Extra Supermarkets, books, records, and information regarding as to location or manner of storage;
- vii. Attorneys fees, court costs, and any other relief the court deems equitable.

Date: January 8, 2013

1/8/13
\$75.00
J

Respectfully Submitted,

DeWood Law Firm
Counsel for Plaintiff United

By:


Nizar A. DeWood, Esq. (1177)
2006 Eastern Suburb, Suite 102
Christiansted, V.I. 00820
t. (340) 773-3444
f. (888) 398-8428

EXHIBIT B

16. Denied, except it is admitted that the current supermarket bank accounts identified in this paragraph are kept by United for each of the three Plaza Extra stores.

17. Admitted.

18. Denied, except it is admitted that the brokerage accounts identified in this paragraph are maintained by United.

19. Denied.

20. Denied, except it is admitted that the corporations identified in ¶ 20(a)-(d) are owned 50/50 between Hamed and Yusuf or their families.

21-22. Denied.

23-25. Plaintiff's attempts to characterize, summarize, restate or quote portions of a privileged and confidential settlement communications are denied since such communications speak for themselves.

26. Denied.

27. Plaintiff's attempts to characterize, summarize, restate or quote communications from Yusuf are denied since the communications speak for themselves.

28-33. Denied.

Count I

34. Defendants reallege their responses to paragraphs 1 through 33 of this answer.

35-38. Denied.

Count II

39. Defendants reallege their responses to paragraphs 1 through 38 of this answer.

40-42. Denied.

Count III

43. Defendants reallege their responses to paragraphs 1 through 42 of this answer.

44-46. Denied.

AFFIRMATIVE DEFENSES

1. Defendants reserve the right to set forth herein alternative pleadings and defenses. While Defendants deny the existence of any partnership between Hamed and Yusuf as alleged in the Complaint, in the event the trier of fact determines a partnership exists, then such partnership gives rise to various defenses, duties and claims. Likewise, in the absence of a partnership, other defenses and claims exist. Hence, Defendants have set forth alternative pleadings to allege those defenses and claims which exist in the event there is or is not a partnership between Hamed and Yusuf.

2. The Complaint fails to state a claim upon which relief can be granted.

3. Plaintiff's claims are barred by the doctrine of laches.

4. Plaintiff's claims are barred by the doctrine of estoppel.

5. Plaintiff's claims are barred by the doctrines of unclean hands and unjust enrichment.

6. Plaintiff's claims are barred by his assumption of risk or contributory negligence.

7. Plaintiff assented to the parties' arrangement, which is contrary to the claims asserted in the Complaint, for more than 26 years and Plaintiff's claims, therefore, are barred by the doctrines of waiver and/or ratification.

8. Plaintiff's claims are barred by the statute of limitations.

9. Plaintiff's claims are barred by the statute of frauds.

10. Plaintiff's claims are barred by illegality, including, without limitation, federal and state tax regulations.

11. Plaintiff's claims are barred by his failure to comply with the law.

12. Plaintiff's claims are barred by the doctrines of *res judicata* and collateral estoppel as a result of, among other proceedings, the related criminal action, including, without limitation, the plea agreement entered therein.

13. Plaintiff's claims are barred by his or his agent's fraud and inequitable conduct.

14. Plaintiff lacks standing to bring this action.

15. Plaintiff's claims are barred because he has failed to join a party or parties necessary and indispensable to this action, *i.e.*, United's shareholders.

16. Plaintiff's claims are barred by his own material breach of the alleged oral agreement.

17. Plaintiff's alleged oral agreement is void for lack of mutual assent, *i.e.*, there was no mutual agreement as to the essential terms thereof.

18. Plaintiff's claims are barred because Defendants sufficiently performed all duties and obligations owed to Plaintiff including making all payments due.

19. Plaintiff's alleged oral agreement is voidable for failure of consideration.

20. Plaintiff is, at best, an ordinary creditor of the alleged partnership.

21. Plaintiff's claims are barred or diminished by Defendants' rights of recoupment and setoff.

22. Plaintiff failed to mitigate or avoid any of the alleged costs, damages, fees and/or expenses allegedly incurred or that may be incurred from the acts alleged in the Complaint.

23. Plaintiff seeks double or multiple recoveries for the same injury, which is not authorized by law.

24. Defendants reserve the right to amend this Answer to reflect additional affirmative defenses as may be revealed through discovery, further pleadings and further proceedings including, without limitation, the related criminal case.

COUNTERCLAIM

Pursuant to Fed. R. Civ. P. 13 and Super. Ct. R. 34, for their counterclaim against Plaintiff Mohammad Hamed (“Plaintiff” or “Hamed”) and the Additional Counterclaim Defendants named below, Defendants United Corporation d/b/a Plaza Extra (“United”) and Fathi Yusuf (“Yusuf”) (collectively, the “Defendants”) allege as follows:

JURISDICTION

1. This Court has subject matter jurisdiction pursuant to V.I. Code Ann. tit. 4, § 76(a). Venue is proper pursuant to V.I. Code Ann. tit. 4, § 78(a).

PARTIES

2. Yusuf, a citizen and resident of St. Croix, U.S. Virgin Islands, owns 36% of the outstanding stock of United and is the registered agent, treasurer and secretary of United.

3. United is a U.S. Virgin Islands corporation, which was organized on January 15, 1979 and is currently in good standing. The owners and officers of United are and always have been Yusuf and his direct family members.

4. United is the fee simple owner of certain improved real property known as 4C and 4D Estate Sion Farm, St. Croix, U.S. Virgin Islands, which is improved with buildings that comprise the United Shopping Plaza (the “Shopping Center”). This land was purchased prior to the events at issue in this case.

5. United leases retail space at its Shopping Center to commercial tenants and is the sole owner of the “Plaza Extra” trade name/trademark, under which it does business.

6. Hamed is citizen of Jordan, who resides periodically on St. Croix. Hamed, upon information and belief, has resided in Jordan for approximately the last 15 years, having retired sometime in 1996.

7. Additional Counterclaim Defendant Waleed Hamed (“Waleed”) is a son of Hamed and a citizen and resident of St. Croix, U.S. Virgin Islands.

8. Additional Counterclaim Defendant Waheed Hamed (“Waheed”) is a son of Hamed and a citizen and resident of St. Thomas, U.S. Virgin Islands.

9. Additional Counterclaim Defendant Mufeed Hamed (“Mufeed”) is a son of Hamed and a citizen and resident of St. Croix, U.S. Virgin Islands.

10. Additional Counterclaim Defendant Hisham Hamed (“Hisham”) is a son of Hamed and a citizen and resident of St. Croix, U.S. Virgin Islands.

11. Additional Counterclaim Defendant Plessen Enterprises, Inc. (“Plessen”) is a U.S. Virgin Islands corporation, the outstanding stock of which is owned 50% by Hamed or his family members and 50% by Yusuf or his family members.

FACTS COMMON TO ALL COUNTS

I. The Nature Of The Relationship Between Hamed And Yusuf

12. In this Counterclaim, Defendants will plead in the alternative. Defendants deny the existence of any partnership between Hamed and Yusuf as alleged in the Complaint. In the event a partnership between Yusuf and Hamed is nevertheless found to exist, then such partnership gives rise to various duties and claims. Likewise, in the absence of a partnership, other claims exist. Hence, Defendants have set forth alternative pleadings to allege those claims which exist in the event there is or is not a partnership between Hamed and Yusuf.

13. Three supermarket stores were opened that are the subject of this suit. In or around 1986, United opened the first Plaza Extra supermarket in Sion Farm, St. Croix (“Plaza Extra – East”).

14. In 1993, United opened the Plaza Extra supermarket in Tutu Park Mall, St. Thomas (“Plaza Extra – Tutu Park”).

15. In 2000, United opened the Plaza Extra supermarket in Grove Place, St. Croix (“Plaza Extra – West”) (collectively, the “Plaza Extra Stores”). This Counterclaim relates to the ownership, operation and net profits of the three Plaza Extra Stores.

A. Scores Of Documents Contradict The Existence Of Any Partnership.

16. Hamed has sought, *inter alia*, a declaratory judgment as to the existence of a partnership between himself and Yusuf for the operation of the Plaza Extra Stores.

17. Specifically, Hamed contends he “is entitled to declaratory relief finding that all funds belonging to...[Hamed] held by United Corporation are held in (sic) either in the course of business as an agent, as Yusuf’s alter ego or as a constructive trust for...[Hamed], which must be returned forthwith.” (Complaint, ¶ 46).

18. Hamed further contends, “[i]n the alternative, Mohammad Hamed is entitled to declaratory relief finding that an amount equal to 50% of the Partnership profits and property held in United for distribution to or for the benefit of Yusuf are owed to Hamed under the Partnership Agreement or pursuant to a constructive trust for Hamed.” (Complaint, ¶ 46).

19. Hamed also seeks “a judicial determination that the defendant United Corporation would be unjustly enriched if it does not disburse the Partnership funds and property belonging to the plaintiff forthwith.” (Complaint, Prayer for Relief ¶ 9).

20. Despite Hamed's new-found contentions in his Complaint, the relationship between Hamed and Yusuf cannot be defined in traditional "western" legal terms as an "oral" partnership for the operation of the Plaza Extra Stores.

21. Every official document filed relating to the Plaza Extra Stores, representation made to a government agency, tax filing signed under penalty of perjury, and all taxes paid, unequivocally prove that a partnership never existed between Hamed and Yusuf.

22. In fact, these official filings demonstrate that the Plaza Extra Stores are, in fact, operated under United's corporate umbrella.

23. United has corporate officers and stockholders, none of whom are Hamed or members of his family. United owns assets and engages in businesses other than the Plaza Extra Stores.

24. United has corporate debts utilized to fund and operate the Plaza Extra Stores.

25. United has paid all the taxes on the income derived from the operation of the Plaza Extra Stores.

26. United was incorporated and operating for years before any business dealings or relationship between Hamed and Yusuf occurred.

27. Further, over the last ten years, a federal criminal investigation was conducted into the inner workings of the Plaza Extra Stores with knowledge of all allegedly involved. The conclusion of the U.S. Department of Justice was that United, which existed as represented on all official filings, was the owner of the Plaza Extra Stores as well as other assets, and that the ownership of United is as defined by its business records of stock ownership. Therefore, it has already been determined that the Plaza Extra Stores are not owned by any alleged "partnership" between Hamed and Yusuf.

28. As a result of this federal criminal investigation and case (V.I. Dist. Ct. Case No. 1:05-cr-00015-RLF-GWB) (the “criminal case”), serious criminal repercussions were looming against United, its owners, officers and certain management employees, including two of Hamed’s sons, Waleed and Waheed.

29. Not once during the decade long criminal case, did Hamed ever assert that he was a 50/50 partner in the business or enterprise under investigation for criminal conduct for failing to report taxable income from the Plaza Extra Stores. Rather, Hamed stood by quietly, out of the country, while it was determined that the corporate entity, United, would bear the entire weight of the criminal responsibility for under-reporting income from the Plaza Extra Stores.

30. United’s assets were frozen pending resolution of the criminal case. For more than ten years, Hamed made no claim to the frozen assets including millions of dollars in cash.

31. Ultimately, United entered into a plea agreement with the government, filed amended tax returns for multiple years, and paid millions of dollars in taxes to true-up the under-reporting issues. Hamed did not contribute or offer to contribute anything in this entire process.

32. Now that the criminal case is coming to conclusion, the taxes and penalties have been paid, and despite the volumes of official documentation to the contrary, Hamed, through his son and purported agent, Waleed, emerges from the shadows to contend that for more than 25 years, he had an “oral” partnership with Yusuf for the operation of the Plaza Extra Stores and with it, rights as a 50/50 partner.

B. Oral Statements Are Not Sufficient To Constitute Legal Admissions Or Contradict Documentary Evidence.

33. To support his position, Hamed relies upon oral representations which, for the most part, directly contradict the wealth of documentary evidence.

34. Further, Hamed, attempts to import a “western” legal meaning to the oral statements of both himself and Yusuf.

35. This effort is problematic for a number of reasons: 1) both Hamed and Yusuf use English as a second language and, therefore, at best, their English cannot be said to reflect a reliable level of fluency so as to constitute admissions and/or intent to attribute a “western” meaning to terms; and 2) the American legal terms that they sometimes use are understood differently in Islamic/Middle Eastern cultural and legal frameworks.

36. Both Hamed and Yusuf immigrated to the United States as adults. They were raised in a non-“western” legal system in which Islamic legal principles applied. Islamic law traditionally denotes *all* forms of associations between individuals as “partnerships.” However, “partnerships” under Islamic law have no direct corollary in “western” legal terms. Rather, some aspects or elements of a traditional “western”- defined partnership may exist but certain key elements required for a partnership with enforceable legal rights do not. Hence, the comparison breaks down rather quickly.

37. Further, there are many different types of “partnerships” under Islamic law, none of which are a mirror image of a “partnership” as defined in “western” legal terms¹. In particular, a form of partnership exists in Islamic law, which allows for receipt of profits in some proportion to the investment made but without managerial control or liability for debt. While this arrangement may be deemed a “partnership” in Islamic law, such an arrangement is not a partnership in the traditional “western” sense as it is missing essential hallmarks of a true partnership.

¹ Many scholarly articles in comparative law explain this phenomenon and the difficulty in translating legal relationships where no legal counterpart exists. Much has also been written as to the inability to correlate certain business relationships, duties and associations into “western” legal forms and the adverse financial impact this has had upon Islamic business relationships. Stewart, Glenn “Examining The Islamic Concepts of Ownership, Partnership and Equity Holdings from a Western Perspective.” *Glenn Stewart Observer*, 7 December, 2011. Web. 7 December, 2011; Bilal, Gohar “Business Organizations under Islamic Law – A Brief Overview, Proceeding of the Third Harvard University Forum on Islamic Finance: Local Challenges, Global Opportunities.” *Center for Middle Eastern Studies, Harvard University*, pp. 83-89. Web. (2011).

38. Yusuf is not a lawyer, has not studied law and has testified that he does not know the “legal definition” of the term “partner” or “partnership.”

39. Yusuf has testified that to the extent he has made references to someone as his “partner” it was done casually as opposed to denoting legal significance.

40. Oral statements (even if not complicated by language and cultural differences) are not dispositive of the nature of an arrangement, rather it is the actual transaction or interaction between the parties which defines the nature of their relationship.

41. Because the oral representations of Yusuf and Hamed do not constitute admissions of a traditional “western” partnership arrangement, Hamed cannot bear his burden of demonstrating he is Yusuf’s “50/50 partner.”

42. At best, Hamed has enjoyed an incredibly lucrative oral arrangement with Yusuf, his brother-in-law, whereby his relatively small loan/investment (\$225,000) and even less significant advances (approximately \$175,000) have been repaid more than a hundred fold, simply because Hamed provided funds when United needed them to complete its Shopping Center and because Hamed was “family.” That arrangement provided Hamed with not only repayment of the monies he loaned on a non-recourse basis, but also repaid him on a periodic basis with 50% of the net profits of the Plaza Extra Stores, which amounts varied depending upon the profitability of the business. Unfortunately for Hamed, this agreement does not provide him with an ownership interest in the Plaza Extra Stores. Nor does it afford Hamed the ability to exert any authority over the operations of the Plaza Extra Stores, to negotiate for their leases, or to determine whether to continue or liquidate their operations.

43. While Hamed may have loaned Yusuf money so that United could open Plaza Extra - East, that loan was repaid and the investment has provided significant returns. In any

event, a loan from a family member does not entitle him to an ownership interest in the business that benefited from the loan.

44. Nor can Hamed's services provide any consideration for payment of the 50% net profits, since he received payment for his labor as a salaried employee of United.

45. Thus, if United decides to end operations of the Plaza Extra Stores such that no further net profits exist or to charge a rental expense for internal accounting purposes for the retail space occupied by Plaza Extra - East, Hamed may not protest, object or exert any influence over such decisions.

46. Other than the oral representations, which Hamed would like to serve as the linchpin for his alleged "partnership," both Hamed and Yusuf have conducted their business dealings consistent with the written documentation, owning various assets in corporate forms with properly defined stock ownership. Hence, Hamed has never had any ownership interests in the Plaza Extra Stores and, therefore, can exert no control over the operations and decisions of the business.

II. History Of The Plaza Extra Stores – The Financing and the Investors

47. Before any of the Plaza Extra Stores ever opened, Yusuf wanted to "put something together for my children to secure their future."²

48. United bought the real estate located at Sion Farm, St. Croix, in fee simple. In addition, United needed capital to finance the construction of the Shopping Center, which Yusuf envisioned would house a supermarket and other businesses.

² Transcript utilized by Hamed during Preliminary Injunction hearing to allegedly demonstrate his "partnership" with Hamed. (Feb. 2, 2000, Yusuf Depo, p. 11, l. 14-15, taken in Ahmed Idheileh v. United Corporation and Faithi Yusuf, Territorial Court of the Virgin Islands, Division of St. Thomas and St. John, Civil No. 156/1997).

49. Initially, Yusuf approached traditional bank lenders. These lenders advised that they were unwilling to provide construction loans but assured Yusuf that once the building was in place, they would provide a loan for the operations of the supermarket business.

50. However, United needed additional capital to fund the construction. At various points in time, when United needed additional resources that could not be secured fully through traditional lending, Yusuf would turn to family members and others to provide him loans or investments.

51. All of these loan/investments were handled in the same manner, to wit: a) monies were given to Yusuf as a loan or investment; b) Yusuf agreed to repay or provide a return on the investment, equal to a percentage of the net profit from the Plaza Extra Stores or the Shopping Center; c) the creditors/investors did not receive ownership interests in the businesses; d) the creditors/investors did not exercise control over the businesses and had no authority to make management decisions concerning the businesses; e) the creditors/investors were not liable for the debts of the Plaza Extra Stores or any mortgages or other encumbrances upon the Shopping Center; f) the creditors/investors were not obligated to make any further contributions beyond their initial investment; g) the creditors/investors were not liable for losses even though the return on their investment may vary depending upon the profitability of the business, and h) while Yusuf may discuss matters relating to the business with his creditors/investors, he retained full and complete authority to make management decisions on behalf of United as to its business operations and was not required to secure his creditor/investor's approval or permission.

52. At best, the creditors/investors had an oral agreement for repayment of their investment, which is subject to various defenses including, *inter alia*, the statute of frauds and statute of limitations.

A. Various Investors All Had Similar Investment Structures.

53. In the early 1980's, United needed additional capital to fund the construction of its Shopping Center, so Yusuf approached his brother, Ahmad Yusuf, in Kuwait, who loaned Yusuf the \$1.5 million dollars needed for the construction. Yusuf originally agreed to repay his brother for the loan by giving him 40% of the net profits of the Shopping Center. As additional funds were still needed, Yusuf's brother provided more funds, in consideration of which, Yusuf agreed to repay his brother by providing him 50% of the net profits of the Shopping Center. At each point, Yusuf characterized his arrangement with his brother as his "partner."³

54. After the additional funds from Yusuf's brother were exhausted, a further \$300,000 was needed to complete the construction. At this point, in mid-1983, Yusuf borrowed \$225,000.00 from his brother-in-law, Hamed. The loan was made on a non-recourse basis to assist Yusuf by providing funds to United so it could open Plaza Extra – East, just as Yusuf's brother had done earlier with the over \$1.5 million. In recognition of Hamed's loan/investment, and other advances subsequently made by Hamed of approximately \$175,000.00, Yusuf agreed that Hamed would receive a percentage of the net profits. Ultimately, it was agreed that Hamed was to receive 50% of the net profits of Plaza Extra-East as a return on this investment and repayment of the loan.

55. Hamed was to be repaid periodically and receive his return on his investment from the net profits of Plaza Extra – East on a set percentage basis. However, recovery of the return on the investment occurred upon a specific request. If Hamed sought to recover funds from his investment, he would coordinate with Yusuf and those funds would be given in cash and a notation would be made as to the amount given so as to insure an equal amount was paid to Yusuf from these net profits.

³ Feb. 2, 2000, Yusuf Depo, p. 11, l. 14; p.12, l. 13-17; Ahmed Idheileh v. United Corporation and Faithi Yusuf, Territorial Court of the Virgin Islands, Division of St. Thomas and St. John, Civil Action File No. 156/1997.

56. Hamed received no ownership interest in Plaza Extra – East. Hamed, also had no managerial control over the operations of Plaza Extra – East.

57. Hamed's risk was limited to only the amount he loaned/invested. He was not liable for debts and was not a signatory or guarantor to the loans taken by United, which Yusuf guaranteed. Hence, as Hamed had very limited resources, he was never liable for losses nor obligated to make any contributions to cover losses, even though Hamed's return fluctuated with the profitability of the business.

58. After the Shopping Center was fully built (except for the supermarket) and was approximately 80% occupied by tenants, Yusuf, on behalf of United, pursued another traditional loan. Although United applied for a \$2.5 million dollar loan, it was only able to secure a \$1.1 million dollar loan from Banco Popular. Yusuf personally guaranteed United's loan and collateralized it with his personal property. Neither Yusuf's brother nor Hamed were obligated under United's loan as guarantors or otherwise.

59. As additional monies were still required to open the supermarket at Plaza Extra - East, Yusuf next turned to his nephews and, likewise, offered a repayment plan that was based upon a percentage of profits. Similarly, at this point Hamed provided additional funds (the \$175,000.00) and was to receive a return on that loan/investment based upon a percentage of the net profits from Plaza Extra – East.

60. While certain funds were provided by the nephews, they were unable to continue their support and requested a return of their investment. Unable to return their loan/investment immediately, Yusuf agreed to pay his nephews a set amount for both a return of their investment and his use of their investment funds calculated at 12% interest on their investment funds plus a penalty of \$75,000.00 each. Yusuf offered the same option to Hamed as well. Hamed agreed to let his investment remain rather than demanding immediate repayment in exchange for a greater

repayment/return arrangement. It was at this point, that it was agreed that Hamed would be entitled to 50% of the net profits of Plaza Extra – East as his return on his investment/loan.

61. In or about February 1986, Yusuf secured a loan on behalf of United from First Pennsylvania Bank for \$2.5 million. From these loan proceeds, United paid the \$1.1 million loan from Banco Popular. The remaining funds were used to purchase inventory and additional equipment needed to open Plaza Extra – East. Just as with the prior loan, Yusuf was the guarantor and pledged his personal assets as collateral. Neither Hamed nor Yusuf's brother were signatories to the loan or acted as guarantors.

62. Hamed did not own any real property, investments or other assets to use as security for the loan obtained by United, nor did any of his family members.

63. Other loans were guaranteed by Yusuf as well to insure the opening of the Plaza Extra – East store.

64. The business took time to develop and there were set backs. Yusuf worked around the clock to keep the business going and it eventually became profitable.

65. However, in 1992, Plaza Extra - East was destroyed in a fire.

66. As the owner, United insured Plaza Extra - East and was the sole beneficiary of the subject insurance policy, the proceeds of which were used to rebuild Plaza Extra - East.

67. Neither Hamed nor Yusuf's brother were obligated to contribute to the rebuilding efforts of Plaza Extra – East nor liable for any losses it sustained.

B. The Idheileh - \$750,000 Investment

68. As Plaza Extra – East was being rebuilt, a Mr. Ahmad Idheileh approached Yusuf regarding a store in St. Thomas.

69. United entered into a Joint Venture agreement with Mr. Idheileh. Just as with Plaza Extra – East, Mr. Idheileh loaned certain monies for the opening of the store. His risk

was limited to the amount he loaned/invested. He was to receive, as his return on the investment, a percentage of the net profits of Plaza Extra –Tutu Park. However, Plaza Extra –Tutu Park needed much more capital than the Idheileh loan/investment to open and operate. Hence, Yusuf secured and guaranteed the loan given to United for Plaza Extra-Tutu Park, collateralizing the loan with his own real property. Just as with Plaza Extra – East, neither Hamed nor Idheileh bore any liability for these bank loans or risks.

70. Plaza Extra – Tutu Park took time before it was profitable and faced significant competition with the opening of the Cost-U-Less store. As a result, there was financial pressure on the business and strained relations with Idheileh. While Idheileh and United attempted to resolve their differences, on January 16, 1994, they ultimately agreed to part ways. They formalized their agreement in a written Termination Agreement, whereby Idheileh was paid a sum certain as agreed by the parties.

71. Three years later, in 1997, once Plaza Extra – Tutu Park was operating and successful, Idheileh sued both United and Yusuf. Idheileh contended he “owned” 33% of Plaza Extra –Tutu Park and that the Termination Agreement was signed under duress. Idheileh lost as the Court found that the Termination Agreement was enforceable. Further, the Joint Venture document reflected that no ownership interest was ever given. Rather, it set out the terms of the investment, which mirror the earlier investor arrangements, to wit: a) “*United* plans to open and operate a supermarket...at Tutu Park,” b), “United wishes to secure further *investment* in the supermarket,” c) “Idheileh agrees to *invest* \$750,000 in the supermarket,” d) “Idheileh will receive *33% of the net profit* of the supermarket,” e) “payments are made pursuant to...*agreement*...and not made unless both parties ...agree,” f) “*United* shall *retain complete control* over all decisions relating to the supermarket except to the extent it may delegate...”.

72. Despite efforts by Hamed to use testimony of Yusuf from the Idheileh case, the issue of a partnership between Hamed and Yusuf was not an issue for adjudication in that case and there was no such judicial finding. Lastly, Idheileh testified that he had never seen Hamed once in any of his dealings with Yusuf and did not believe him to have any interest whatsoever in Plaza Extra – Tutu Park.

III. None of the Hallmarks of a Partnership Exist.

A. Hamed Was A United Employee Without Managerial Control.

73. Hamed was employed by United as a warehouse receiving supervisor. He received a salary for his labor and services until 1996, when he retired and returned to Jordan.

74. Hamed's job was to make sure that the inventory was properly accounted for and not subject to theft. Hamed had no direct access to the safe and no signatory authority on any of the bank accounts of the Plaza Extra Stores. Hamed had no authority in the management and operations of Plaza Extra – East. As he was not fluent in English, Hamed had no role in the management or supervision of the roughly 100 to 150 employees. He also did not place inventory orders because, as Hamed has previously testified, he cannot read English.

75. Hamed received weekly checks for his wages and, upon information and belief, has always filed his tax returns as an employee of United. Further, United employed each of Hamed's four sons, Waleed, Waheed, Mufeed, and Hisham (collectively, the "Hamed Sons") as managers. Each of the Hamed Sons was assigned to one of the three Plaza Extra Stores operated by United. Hamed has acknowledged under oath that the Hamed Sons are employees of United.

76. The Hamed Sons worked for United at the same time as Hamed. Their roles did not change following Hamed's retirement. Rather, Waleed, for example, was a manager during the period that his father worked at United and remained a manager thereafter. His duties, responsibilities and obligations did not change or increase after his father's retirement.

77. Hamed never received any ownership interest in the Plaza Extra Stores, ownership control, or stock in United, which is the actual owner of the Plaza Extra Stores. Hamed did not participate in the management and decision making of the Plaza Extra Stores. Hence, upon his retirement, Hamed had no ownership authority to provide to Waleed to act as his “authorized agent.” Indeed, the September 12, 2012, power of attorney given by Hamed to Waleed makes no mention of any partnership or Hamed’s authority as a partner.

78. Rather, it was Yusuf’s business acumen, management, and leadership that enabled the Plaza Extra Stores to become a successful grocery business growing to three locations with over 600 employees.

79. As Hamed has admitted under oath, Yusuf was always in charge of all operations of the Plaza Extra Stores. Hamed has readily admitted that he has not worked in a management capacity but instead that “Mr. Yusuf, he is in charge for everybody” and in charge of all the Plaza Extra Stores.

B. Unlike True Partners, Hamed Was Not Responsible For Liabilities of the Plaza Extra Stores.

80. Hamed, unlike Yusuf, is not a guarantor of any loan or lease of United used to fund or operate the Plaza Extra Stores.

81. In a true partnership, each partner is responsible for the liabilities of the partnership. Joint risk, exposure and liability are essential hallmarks of an actual partnership. Over the years, various lawsuits have been initiated against United and/or Yusuf relating to events and operations at the Plaza Extra Stores. Not once has Hamed ever been named as a party or alleged to be an owner of the Plaza Extra Stores in any lawsuit. Notably, Yusuf never sought to include Hamed as a party or otherwise join him in such suits even when facing such risk and liability. Moreover, when defending the criminal case and facing the prospect of paying millions of dollars in taxes and penalties, Yusuf did not contend that Hamed was a 50% owner and, thus,

50% responsible. If ever there was a time to confirm an alleged “partnership,” it is when facing serious exposure. This was never done because Hamed was not a true partner or owner of the Plaza Extra Stores.

C. Hamed Had Not Filed Taxes for Over a Decade and When He Did File, He Never Claimed a Partnership Interest.

82. Hamed has never filed (before the commencement of this litigation) a single U.S. Partnership Return (Form 1065) concerning the Plaza Extra Stores.

83. In fact, after retiring in 1996, Hamed never filed any tax returns at all. It was not until after he decided to file this suit, once the criminal case was concluding, that he decided to file a tax return.

84. For a period in excess of 25 years, Hamed never demanded a Schedule K-1 Partnership Schedule from United, Yusuf or the Plaza Extra Stores. Hamed never (before the commencement of this litigation) reported his alleged “partnership interest” in the Plaza Extra Stores to any third-party or governmental agency.

85. Additionally, since 1986, upon information and belief, Hamed never asserted in a single legal document or tax filing that he was a partner of any entity, let alone the partnership alleged in the Complaint.

86. Hamed never filed a return (before the commencement of this litigation) to show any dividends from United, nor has he ever, personally or through his purported agent, Waleed, declared any interest in United. Not a single record indicates any ownership interest by Hamed or any of his children in United.

87. Since 1986, not a single Income Tax Return, Schedule or any other tax document has identified Hamed as having any equity or shareholder interest in United or the Plaza Extra Stores.

88. In the criminal case, Hamed's sons (Waleed and Waheed) always represented to the U.S. Government that they were employees of United, with no interest in the shares of United or ownership in a partnership.

89. Since its inception in 1979, United has reported all of its tax obligations – and has filed all of its tax returns – as a *corporation* under either Subchapters “C” or “S” of the Internal Revenue Code (“IRC”) – and never as a *partnership* under any partnership designation of the IRC or otherwise.

D. No Property Was Acquired in Partnership Name.

90. No properties were ever acquired in a partnership name, or any entity resembling a partnership. Rather, if an investment or property was acquired, funds from United would be paid to Yusuf, who would then purchase a property and title it either in both Hamed and Yusuf's name or purchase it in the name of a corporation which they each owned jointly.

91. Hence, Hamed and Yusuf have always demonstrated clean separation of businesses by forming separate corporations to invest in other business activities. Hamed and Yusuf formed the following corporations, owned in equal shares, as follows:

- i. **Sixteen Plus Corporation**, a corporation with 1600 shares issued, owned equally between the Yusuf and Hamed families;
- ii. **Y&H Investments, Inc.**, a corporation with 100 shares issued, owned equally by the Yusuf and Hamed families;
- iii. **Plessen Enterprises, Inc.**, a corporation with 1600 shares issued, owned equally between the Yusuf and Hamed families; and
- iv. **Peter's Farm Investment Corporation**, a corporation with 1000 shares issued, owned equally between Hamed and Yusuf.

E. Hamed Was Silent As To His Alleged Partnership in the Plaza Extra Stores When United, Yusuf And His Sons Were Facing Criminal Charges And Huge Tax Liabilities.

92. On September 3, 2003, the U.S. Department of Justice indicted United, Yusuf, Maher Yusuf, Waleed, and Waheed in the criminal case.

93. Upon information and belief, Hamed was never indicted because his employment with United was terminated in 1996, and because Hamed had no other management or equity interest in United or the Plaza Extra Stores.

94. Each indicted defendant in the criminal case retained separate defense counsel.

95. In light of the fact that all parties to the criminal case were in agreement as to the corporate structure and operations of United, the parties executed a joint defense agreement, whereby all communications between the criminal defense attorneys could be shared simultaneously without waiver of confidentiality or privileges.

96. The defendants in the criminal case retained a team of Certified Public Accountants and a Tax Attorney to assist the parties in the preparation of the Federal Corporate Tax Returns to comply with the U.S. Justice Department's demand for tax returns, payment of past taxes, interest, and penalties. As of the date of this pleading, the criminal case will have been pending for more than ten years.

97. During this extended period of time, Hamed never sought to intervene in the criminal case to assert that he is a partner of United or Yusuf, or that he has any interest in the Plaza Extra Stores.

98. On March 19, 2010, the parties' defense attorneys, working pursuant to the joint defense agreement, negotiated a plea agreement. The terms of the plea agreement called for the dismissal of all criminal counts against the individual defendants in exchange for United pleading guilty to one count of tax evasion, and the payment of substantial taxes and penalties.

99. At no time, did Hamed’s purported agent, Waleed, or his co-defendant, Waheed, raise the issue of a partnership as alleged in the Complaint.

100. In addition, the plea agreement called for the parties to file accurate U.S. Federal Tax Returns and Gross Receipt Returns with the Virgin Islands Bureau of Internal Revenue and the U.S. Internal Revenue Service. Nothing in the plea agreement required the filing of any partnership returns because no partnership existed as acknowledged by the attorneys of Waleed and Waheed.

101. Neither Waleed nor Waheed ever indicated to the U.S. Justice Department that the business arrangement between Hamed and United or Yusuf was anything other than an employment relationship. As such, until the filing of this action, no record existed of any purported “partnership” between Hamed and Yusuf.

IV. The Criminal Case Reveals That Hamed And Waleed Converted Monies from the Plaza Extra Stores.

102. In September of 2010, Yusuf received a partial copy of the FBI file, records, and documents, electronically reproduced and stored on a hard drive. The hard drive contained thousands of documents including bank statements and copies of cancelled checks. The documents were organized under the names of various individuals in the Hamed and Yusuf families. In other words, whatever the FBI found for any specific person, they would scan and organize the documents under that person’s name.

103. Upon review of these documents, Defendants discovered defalcation and conversion of substantial assets including cash from United by Hamed and Waleed.

104. During a search of the documents and files delivered by the U.S. Government, United reviewed documents comprising tax returns for Waleed. An examination of Waleed’s tax returns revealed the following significant assets:

a. Tax Year 1992 (Stocks & Investments)\$ 408,572.00

b. Tax Year 1993 (Stocks & Investments)\$7,587,483.00

105. The detailed stock acquisitions, which were listed meticulously by date of acquisition, price and number of shares purchased, could only have been acquired by Waleed through either a) his unlawful access to monies and other properties belonging to United since Waleed never held any other employment since 1986, other than his employment with United, or, b) his misappropriation of monies which were “partnership” funds for which Waleed may be individually liable, or for which Hamed may be liable in the event that Waleed was acting as Hamed’s authorized agent when removing such funds.

106. Upon information and belief, Hamed knew of or directed Waleed’s misconduct and personally benefited from his agent’s defalcation and conversion of millions of dollars from United.

107. For example, Waleed and Hamed misappropriated funds, which Yusuf and Hamed had agreed to send to a charity in West Bank, Palestine. The money was designated for the building of a concrete batch plant (the “Plant”) in an impoverished area to provide the poor with employment opportunities.

108. In 1996, Waleed, as a managerial employee of United, was an authorized co-signatory with Yusuf on various bank accounts in St. Martin and custodian of an account in Waleed’s name.

109. Yusuf authorized Waleed to send \$1 million to Hamed in the West Bank as a charitable donation on behalf of United. Hamed was required to disperse the money to two local managers that were hired to set up the Plant, which was eventually formed and employed about 38 of the poor in the community.

110. Eventually, Yusuf met in the West Bank with the two managers of the Plant, which was supposed to have been purchased with the \$1 million that was sent to Hamed through his agent, Waleed.

111. Yusuf inquired of the managers regarding the operations of the Plant. Yusuf was advised that they were losing sales because they had no money to buy a pump.

112. Yusuf was informed that they did not receive \$1 million dollars, but had received only \$662,000.00 from Hamed.

113. In fact, bank records revealed that Hamed had actually received \$2 million dollars, instead of the \$1 million dollars authorized by Yusuf.

114. Upon review of the records received from the U.S. Government, it was revealed that Hamed or Waleed had pocketed \$1,338,000 of the \$2 million dollars transferred to Hamed by his son, Waleed, and only \$662,000 was actually distributed to the charitable project.

V. The Current Controversy Has Resulted in Deadlock and Inability to Operate Plessen.

115. The current controversy between the Hamed and Yusuf families has negatively impacted the ability of Plessen to function and operate.

116. The stalemate between the Yusuf and Hamed families has resulted in deadlock as to the operations of Plessen.

117. In order to preserve the assets of Plessen and insure that its obligations are timely met, Yusuf seeks to dissolve and liquidate Plessen.

VI. United Owned Investments and Businesses In Which Hamed Was Never A Part.

118. United maintains other investments and businesses separate from its operation of the Plaza Extra Stores. At no time did Hamed or any of his children ever participate, manage, or have any interest in United's other operations. Hamed has conceded under oath that he has no interest in United or any of its operations not related to the Plaza Extra Stores.

119. Other than receiving 50% of the net profits of the Plaza Extra Stores, Hamed never received any proceeds, profits, or distributions from United's other operations, which primarily consist of the rents generated by United's real estate holdings.

VII. In the Event of a Partnership, What Were Its Terms?

120. Although Yusuf contends he has no partnership with Hamed, to the extent that their relationship is determined to be a partnership (the "Alleged Partnership"), Yusuf alleges that the parties engaged in a course of conduct and possessed certain understandings as to how monies for the Alleged Partnership were accounted for and to be paid.

121. Further, in the event that the Alleged Partnership is found to exist, Hamed, as a partner owes certain fiduciary duties to the Alleged Partnership and to Yusuf as his partner. Those duties, among other things, include duties of loyalty and to act in the best interests of the Alleged Partnership.

122. Hamed's fiduciary duties to the Alleged Partnership and to Yusuf relate not only to his individual actions as a partner but also, to the extent he purports to act as a partner through his authorized agent, then Hamed's fiduciary duties and, thus, liability for breaches of any such duties, extends to the actions of his authorized agent.

123. Waleed's misappropriation of monies from the Plaza Extra Stores, if acting as an agent of Hamed or at his direction and with his knowledge constitutes a breach of Hamed's fiduciary duties to the Alleged Partnership and to Yusuf for which Hamed is liable.

124. In the event the Alleged Partnership is determined to exist, then Hamed would be responsible for any liabilities of the Alleged Partnership.

VIII. Rent

125. United is the sole owner of the Shopping Center which contains the retail premises where Plaza Extra - East is located.

126. United consistently maintained that it is entitled to rent payments as an internal accounting expense to be utilized as an offset against income from Plaza Extra- East and which thereby reduces the net profits. At present, United has a motion pending to withdraw past due rents to which it is entitled. In the event that United is unable to recover the rent it seeks for internal accounting expense purposes and/or in the event that the Alleged Partnership is deemed to exist, then United seeks to recover the past due rent from the Alleged Partnership in accordance with the manner in which rent has been collected in the past.

127. Since 1986, United and the Alleged Partnership have always agreed that the value of any rent due to United for any retail space used by Plaza Extra – East would be withdrawn from the gross sales proceeds from Plaza Extra – East from time to time. Since 1986, the parties have customarily settled all rents due upon demand by United.

128. Historically, it was determined that United was entitled to rent for the premises occupied by Plaza Extra – East. From the beginning to December 31, 1993, United was paid in full for the rent.

129. For the period of January 1, 1994 through May 4, 2004, United made demand but Hamed, on behalf of the Alleged Partnership, refused to allow United to withdraw the rent value of \$3,999,679.73 (69,680 sq. ft. at \$5.55 sq. ft.) from the gross revenues of Plaza Extra – East.

130. However, for the period of May 5, 2004 through December 31, 2011, the parties agreed that the rent due and owing United was \$5,408,806.74, which amounts to a monthly rent of \$58,791.38. The monthly rent of \$58,791.38 for Plaza Extra – East was calculated based on the yearly sales of Plaza Extra – Tutu Park. The sales were divided by the square footage to

arrive at a percentage amount - 2.0333%. That percentage amount then was multiplied by the sales of Plaza Extra – East. See Exhibit 1 (percentage highlighted in yellow).

131. On or about February 7, 2012, a check in the amount of \$5,408,806.74 was issued to United from the earnings of Plaza Extra - East. See Copy of Check #64866 attached as **Exhibit 2**.

132. Consistent with the parties' understanding as to payment of rent to United, Hamed, either individually or as a partner of the Alleged Partnership, never raised any issue concerning the statute of limitations or denied that rent was owed to United because it has always been the parties' practice to settle rents when United makes a demand, regardless of when such demand takes place.

133. On or about May 17, 2013, United, utilizing the same formula previously agreed upon to calculate the rent, again made demand for rent due for the period of January 1, 2012 through May 30, 2013.

134. Hamed has made clear that it is his intention not to authorize rent payments to United for the occupancy of Plaza Extra – East. As such, in the event that the Alleged Partnership is deemed to exist, the Alleged Partnership not only owes rent to United but also is an unlawful holdover tenant of the premises occupied by Plaza Extra-East.

135. Further, because the Alleged Partnership failed to pay the rent as demanded by United, in September of 2010, United, through Yusuf, orally noticed the Alleged Partnership by informing Hamed's authorized agent, Waleed, of United's intent to terminate the occupancy agreement for Plaza Extra – East effective December 31, 2011.

136. When Hamed, on behalf of the Alleged Partnership, refused to accept the termination notice or cause the premises to be vacated, United issued a written notice to vacate on January 1, 2012.

137. United's notice called for an increase in the rent, in the event the premises were not vacated, to \$200,000 a month for the period of January 1, 2012 to March 31, 2012, and \$250,000 for any month after April 1, 2012 should Plaza Extra – East continue occupying the premises despite such notice.

138. Therefore, for the period of January 1, 2012 through September 31, 2012, United is entitled to rent from the Alleged Partnership in the amount of \$1,800,000.

139. Despite United's termination of the oral, month to month occupancy agreement for the premises occupied by Plaza Extra-East and its demand that such premises be vacated, the Alleged Partnership continues to enjoy the benefits of the operations of Plaza Extra – East store including, but not limited to, the use of valuable retail space located at the Shopping Center, without paying the outstanding rent.

140. Through December 31, 2013, the total rent due and outstanding for the premises occupied by Plaza Extra – East is \$5,410,672.85. This unpaid rent is an amount certain, liquidated, and subject to immediate collection from the Alleged Partnership.

COUNT I
DEFENDANTS' CLAIM FOR
DECLARATORY RELIEF THAT NO PARTNERSHIP EXISTS

141. Paragraphs 1 through 140 of this Counterclaim are realleged.

142. There exists an actual controversy as to whether there was ever a partnership formed between Yusuf and Hamed for the operation of the Plaza Extra Stores.

143. Defendants seek a declaratory judgment which confirms that United is the sole owner and operator of the Plaza Extra Stores, that United has full and complete authority over decisions and actions taken in and for the Plaza Extra Stores, and that United has ownership of all assets held in United accounts or in United's name.

144. United is further entitled to a declaratory judgment that it has the power and authority to account for its net profits, taking into account any yet unpaid expenses, including past due rents. To the extent that Yusuf orally agreed to provide Hamed with a return on his investment in an amount equal to 50% of the net profits of the Plaza Extra Stores, which are owned and operated by United, then such net profits must net out all unpaid rent and all competing claims for recoupment and setoff.

COUNT II
DECLARATORY RELIEF

145. Paragraphs 1 through 144 of this Counterclaim are realleged.

146. In the event that the Alleged Partnership is determined to exist, there exists an actual controversy between Hamed and Yusuf as to the terms of the Alleged Partnership, its duration, their respective rights, interests, and obligations concerning the Plaza Extra Stores and the disposition of the assets and liabilities of these stores. This Court should resolve the controversy by entering an appropriate declaratory judgment.

COUNT III
CONVERSION

147. Paragraphs 1 through 146 of this Counterclaim are realleged.

148. Hamed and Waleed, acting individually and as agent for Hamed, have unlawfully defalcated and converted to their own benefit and gain substantial funds belonging to Defendants.

149. Defendants never authorized these funds to be appropriated to the personal use of Hamed or Waleed.

150. Hamed and Waleed are therefore liable to Defendants for all funds converted for their personal gain and benefit in an amount to be determined after a full accounting is completed.

COUNT IV
ACCOUNTING

151. Paragraphs 1 through 150 of this Counterclaim are realleged.

152. In the event that the Alleged Partnership is determined to exist, then Hamed owes a fiduciary duty of loyalty and care to the Alleged Partnership and to Yusuf as his partner. These fiduciary duties obligate Hamed to, among other things, account to Yusuf for all funds generated by the Plaza Extra Stores taken for his or his families' personal use without Yusuf's knowledge or consent.

153. Despite repeated demands therefore, Hamed has failed and refused to account to Yusuf for all assets of the Plaza Extra Stores taken or converted by Hamed or his agents. Accordingly, Yusuf is entitled to a full accounting of all funds taken or converted by Hamed and his agents from the assets and revenues generated by the Plaza Extra Stores.

COUNT V
RESTITUTION

154. Paragraphs 1 through 153 of this Counterclaim are realleged.

155. Hamed and his agents have obtained in excess of \$7 million of the Plaza Extra Stores' monies under such circumstances that in equity and good conscience they ought not retain and the Hamed Sons participated and aided and abetted in this conduct by accepting funds from the Plaza Extra Stores and, among other things, using them to purchase and improve properties for their own personal benefit.

156. Defendants are, therefore, entitled to restitution in the form of a constructive trust over any assets purchased with those funds; an equitable lien over such assets; and disgorgement of any profits made from the use of the Plaza Extra Stores' funds or assets purchased with the use of such funds.

COUNT VI
UNJUST ENRICHMENT AND
IMPOSITION OF A CONSTRUCTIVE TRUST

157. Paragraphs 1 through 156 of this Counterclaim are realleged.

158. Hamed and his agents have obtained in excess of \$7 million of the Plaza Extra Stores' monies under such circumstances that in equity and good conscience they ought not retain and the Hamed Sons participated and aided and abetted in the conduct by accepting funds from the Plaza Extra Stores and, among other things, using them to purchase and improve properties for their own personal benefit.

159. Defendants are entitled to the imposition of constructive trusts, equitable liens, and disgorgement of all profits in order to prevent Hamed and the Hamed Sons from being unjustly enriched by money ill-gotten from the Plaza Extra Stores.

COUNT VIII
BREACH OF FIDUCIARY DUTY

160. Paragraphs 1 through 159 of this Counterclaim are realleged.

161. In the event that the Alleged Partnership is determined to exist, Hamed owes Yusuf a fiduciary duty to act in a manner consistent with their mutual interests and not to deal with him in a manner that promotes only Hamed's or his families' interests to the detriment of Yusuf.

162. Hamed breached his fiduciary duty to Yusuf by, among other things, failing to disclose millions of dollars of Plaza Extra Stores' funds converted by Hamed or his agents and otherwise acting in a manner inconsistent with Yusuf's interests and welfare, and by subordinating Yusuf's interests in the Plaza Extra Stores to those of Hamed and his family.

163. As a result of these breaches of fiduciary duties, Yusuf has been damaged.

COUNT VIII
DISSOLUTION OF ALLEGED PARTNERSHIP

164. Paragraphs 1 through 163 of this Counterclaim are realleged.

165. Although Defendants deny the existence of any partnership with Hamed, in the event the Alleged Partnership is determined to exist, then Yusuf is entitled to dissolution of the Alleged Partnership and to wind up its affairs, pursuant to the Uniform Partnership Act, in that such partnership would be an oral at-will partnership and Yusuf provided notice of his intent to terminate any business relationship (including any partnership) with Hamed in March of 2012.

166. Since Hamed has refused to consent to a dissolution of the Alleged Partnership, Defendants are entitled to a prompt and orderly dissolution of the Alleged Partnership under the Uniform Partnership Act.

COUNT IX
DISSOLUTION OF PLESSSEN

167. Paragraphs 1 through 166 of this Counterclaim are realleged.

168. Because the equity of Plessen is owned equally by the Hamed and Yusuf families who have an irreconcilable disagreement on how to continue the business operations of this company, it should be dissolved and its assets liquidated according to law.

COUNT X
APPOINTMENT OF RECEIVER

169. Paragraphs 1 through 168 of this Counterclaim are realleged.

170. In the event that the Alleged Partnership is determined to exist, a qualified, neutral business person should be appointed as Receiver for the Alleged Partnership to operate the Plaza Extra Stores and as Receiver for Plessen.

171. The Receiver should liquidate the assets of the Plaza Extra Stores and Plessen and divide the net proceeds amongst Hamed and Yusuf according to their respective interests, as declared by this Court, after accounting for all liabilities and claims for recoupment and setoff

since Yusuf desires to immediately terminate any and all business relations Hamed may have with either of the Defendants.

COUNT XI
RENT FOR RETAIL SPACE BAY 1

172. Paragraphs 1 through 171 of this Counterclaim are realleged.

173. United has historically deducted rent for Plaza Extra – East as an internal expense and is entitled to deduct same so as to arrive at a proper calculation of the net profits from Plaza Extra – East.

174. In the alternative, in the event that the Alleged Partnership is determined to exist, then United is entitled to deduct all rent currently due and owing to arrive at the proper calculation of the net profits from Plaza Extra – East.

175. Whether an internal expense or a debt of the Alleged Partnership, for the period of January 1, 1994 through May 4, 2004, United is entitled to rent in the amount of \$3,999,679.73 for Bay No. 1 (69,680 sq. ft. of retail space at \$5.55 sq. ft.) for the operations of the Plaza Extra – East.

176. Whether an internal expense or a debt of the Alleged Partnership, for the period of January 1, 2012 to date, United is entitled to rent for Bay No. 1 (69,680 sq. ft. of retail space at the current monthly rate of \$58,791.38).

177. In the event that the Alleged Partnership is determined to exist, then Hamed is in violation of the agreement to pay rent to United in an amount exceeding \$5,293,090.09.

178. United, as the fee simple owner, is entitled to all unpaid rent for the use of Bay 1, and to recover possession of its premises currently occupied by Plaza Extra – East.

COUNT XII
PAST RENT FOR RETAIL SPACES BAYS 5 & 8

179. Paragraphs 1 through 178 of this Counterclaim are realleged.

180. United provided Plaza Extra – East with retail spaces Bay 5 & 8 for various time periods to increase the storage and capacity of Bay 1 (the main retail space where Plaza Extra – East is located).

181. Bay No. 5 (3,125 sq. ft. of retail space) was utilized for storage and quick access to various inventories used in the operations of Plaza Extra – East. Whether an internal expense or a debt of the Alleged Partnership, United is entitled to rent from May 1, 1994 through October 31, 2001 at rate of \$12.00 per sq. ft.

182. Bay No. 8 (6,250 sq ft. of retail space) was utilized for the operations of Plaza Extra – East. Whether an internal expense or a debt of the Alleged Partnership, United is entitled to rent from April 1, 2008 through May 30, 2013 at a rate of \$16.15 per sq. ft.

183. In the event that the Alleged Partnership is determined to exist, Hamed has refused to acknowledge his obligation to pay United the outstanding rent for Bays 5 and 8.

184. United, as the fee simple owner, is entitled to all unpaid rent for the use of Bays 5 and 8 in the amount of \$793,984.38.

COUNT XIII
CIVIL CONSPIRACY

185. Paragraphs 1 through 184 of this Counterclaim are realleged.

186. Hamed and the Hamed Sons agreed to perform the wrongful acts and accomplish the wrongful ends alleged in this Counterclaim, and they aided and abetted each other and acted on that agreement.

187. As a result of such conspiracy, the Defendants have been damaged.

Accordingly, Defendants respectfully request entry of judgment in their favor providing the following relief:

- i. a declaratory judgment declaring the parties' rights and obligations with respect to the Plaza Extra Stores;

- ii. a full accounting of all funds taken by Hamed or his agents from the Plaza Extra Stores without Defendants' authorization;
- iii. a judgment declaring that Hamed and the Hamed Sons hold any assets purchased with funds improperly taken from the Plaza Extra Stores as constructive trustees for Defendants and imposing a constructive trust or equitable lien in favor of Defendants over all funds taken without authorization by Hamed or his agents or assets purchased with such funds;
- iv. awarding compensatory, consequential, and punitive damages in an amount according to proof at trial;
- v. appointing a Receiver to dissolve and wind down the affairs of any joint venture/partnership determined to exist between Hamed and Yusuf and to dissolve and liquidate Plessen;
- vi. a judgment for all rent found due and owing for the premises occupied by Plaza Extra-East and ordering immediate restitution of such premises to United;
- vii. awarding Defendants their reasonable attorneys' fees and costs in defending against the Complaint and prosecuting this Counterclaim; and
- viii. providing such other and further relief as the Court deems just and proper.

Pursuant to Fed. R. Civ. P. 38(b), Defendants demand a trial by jury of all issues triable by right to a jury.

DUDLEY, TOPPER and FEUERZEIG, LLP

Dated: December 23, 2013

By: /s/Gregory H. Hodges
Gregory H. Hodges (V.I. Bar No. 174)
1000 Frederiksberg Gade - P.O. Box 756
St. Thomas, VI 00804
Telephone: (340) 715-4405
Telefax: (340) 715-4400
E-mail: ghodges@dtflaw.com

and

Nizar A. DeWood, Esq. (V.I. Bar No. 1177)
The DeWood Law Firm
2006 Eastern Suburbs, Suite 101
Christiansted, VI 00830
Telephone: (340) 773-3444
Telefax: (888) 398-8428
Email: info@dewood-law.com

Attorneys for Fathi Yusuf and United Corporation

CERTIFICATE OF SERVICE

I hereby certify that on this 23rd day of December, 2013, I caused the foregoing **ANSWER AND COUNTERCLAIM** to be served upon the following via e-mail:

Joel H. Holt, Esq.
LAW OFFICES OF JOEL H. HOLT
2132 Company Street
Christiansted, V.I. 00820
Email: holtvi@aol.com

Carl Hartmann, III, Esq.
5000 Estate Coakley Bay, #L-6
Christiansted, VI 00820
Email: carl@carlhartmann.com



DEFENDANT'S EXHIBIT

1

(PERCENTAGE CALCULATION)

United Corporation dba Plaza Extra

Tutu Park Store Sales:

1-1-2004 to 12-31-2004	32,323,902.88
Less: 1-1-2004 to 5-4-2004	-10,849,029.02
Sales 5-5-2004 to 12-31-2004	<u>21,474,873.86</u>

Tutu Park Store:

Paid Rent, Water, & Property Tax	263,577.53
Paid 1.5% Overage	71,914.23
5-5-2004 to 12-31-2004	<u>335,491.76</u>
1-1-2005 to 12-31-2005	515,361.54
1-1-2006 to 12-31-2006	590,533.60
1-1-2007 to 4-1-2007	255,699.33
4-2-2007 to 12-3-2007	468,689.55
1-3-2008 to 12-5-2008	540,180.12
1-5-2009 to 12-10-2009	529,799.66
1-6-2010 to 12-3-2010	527,565.40
1-1-2011 to 12-31-2011	<u>541,175.61</u>
Rent, etc. 5-5-2004 to 12-31-2011	4,304,496.57
Parking Lot Cleaning	126,000.00
Total Amount Paid	<u>4,430,496.57</u> a

Tutu Park Store Sales:

5-5-2004 to 12-31-2011	261,474,323.91
Portion of Sales - Rented building	217,895,269.93 b
Portion of Sales - Area built by Plaza	<u>43,579,053.98</u>

Total Paid as a % of Sales (Rented Bldg.) = a/b 2.0333147073%

Sion Farm Sales:

Sion Farm Sales 5-5-2004 to 12-31-2011	273,884,222.70
Less: R/X	-7,874,897.13
	<u>266,009,325.57</u>

Calculated Rent as a % of Sales Sion Farm \$ 5,408,806.74

**DEFENDANTS'
EXHIBIT**

2

(RENT CHECK NO. 64866)

UNITED CORPORATION D/B/A PLAZA EXTRA
UNITED SHOPPING PLAZA

64866

Check Number: 64866
Check Date: Feb 7, 2012

Item to be Paid - Description
Rent - Sion Farm
Check Amount: \$5,408,806.74
Discount Taken Amount Paid
5,408,806.74

UNITED CORPORATION D/B/A
PLAZA EXTRA
4C & 4D ESTATE SION FARM
CHRISTIANSTED, VI 00821
(340) 778-6240 (340) 719-1870

BANCO POPULAR DE PUERTO RICO
101-667216

64866

DATE
Feb 7, 2012
AMOUNT
\$ ***\$5,408,806.74

Five Million Four Hundred Eight Thousand Eight Hundred Six and 74/100 Dollars

PAY
TO THE
ORDER
OF

UNITED SHOPPING PLAZA
P.O. BOX 763 C' STED
ST. C ROIX, VI 00821

VOID AFTER 90 DAYS

Memo: PLAZA EXTRA (SION FARM) RENT

⑆061855⑆ ⑆021606574⑆ 191⑆ 148830⑆


AUTHORIZED SIGNATURE

Security Features Included



Details on Back

EXHIBIT C

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

MOHAMMAD HAMED , by his authorized agent WALEED HAMED ,)	CIVIL NO. SX-12-CV-370
)	
Plaintiff/Counterclaim Defendant,)	ACTION FOR DAMAGES, INJUNCTIVE RELIEF AND DECLARATORY RELIEF
vs.)	
)	JURY TRIAL DEMANDED
FATHI YUSUF and UNITED CORPORATION ,)	
)	
Defendants/Counterclaimants,)	
vs.)	
)	
WALEED HAMED, WAHEED HAMED, MUFEEED HAMED, HISHAM HAMED, and PLESSEN ENTERPRISES, INC. ,)	
)	
Additional Counterclaim Defendants)	
<hr style="border: 0.5px solid black;"/>		

**MEMORANDUM IN SUPPORT OF
MOTION TO APPOINT MASTER FOR JUDICIAL SUPERVISION
OF PARTNERSHIP WINDING UP OR,
IN THE ALTERNATIVE, TO APPOINT RECEIVER TO WIND UP PARTNERSHIP**

Defendants/counterclaimants Fathi Yusuf (“Yusuf”) and United Corporation (“United”) (collectively, the “Defendants”), respectfully submit this Memorandum in Support of their Motion To Appoint Master For Judicial Supervision Of Partnership Winding Up Or, In the Alternative, To Appoint Receiver To Wind Up Partnership (the “Motion”).

FACTUAL AND PROCEDURAL BACKGROUND

1. On September 17, 2012, plaintiff/counterclaim defendant Mohammed Hamed (“Hamed” or “Plaintiff”) filed his complaint in this matter. Hamed filed his first amended complaint (“FAC”) on October 19, 2012. The FAC alleges, among other things, that Hamed and Yusuf formed a partnership to own and operate a supermarket business comprised of three supermarket stores located in Sion Farm, St. Croix, Estate Plessen, St. Croix, and Tutu Park, St.

Thomas (collectively, the “Plaza Extra Stores”). See FAC at ¶¶ 9 and 12. The Plaza Extra Stores also maintained various operating and brokerage banking accounts. See FAC at ¶¶ 16 and 18.

2. On April 25, 2013, this Court issued its Memorandum Opinion and Order granting Plaintiff’s Motion for a Preliminary Injunction. See Hamed v. Yusuf, 58 V.I. 117 (Super. Ct. 2013). The Virgin Islands Supreme Court affirmed the portion of this Court’s Order granting Hamed’s Motion for a Preliminary Injunction but vacated the portion of the Order allowing the use of funds held by the District Court to serve as security for an injunction bond and remanded the matter for reconsideration of the injunction bond. See Yusuf v. Hamed, 2013 V.I. Supreme LEXIS 67, * 43 (V.I. Sept. 30, 2013).

3. This Court has preliminarily found, among other things, that “[a]lthough Plaintiff retired from the day-to-day operation of the supermarket business in about 1996, Waleed Hamed has acted on his behalf pursuant to two powers of attorney from Plaintiff.” See Hamed v. Yusuf, 58 V.I. at 126; see also Yusuf v. Hamed, 2013 V.I. Supreme LEXIS 67, * 2-3 (“In 1996, Hamed retired from his role in the operations from the business due to illness, giving a power of attorney and delegating his management responsibilities to one of his sons, Waleed Hamed.”). However, this Court also found there to be questions of fact as to whether Waleed Hamed’s authority was as a result of his acting as an agent for Hamed or simply as a result of his managerial position as an employee of United (e.g. whether Waleed’s ability to sign checks “originate[d] from [Hamed’s] 50% interest in the Partnership business or is...simply a feature of the managerial positions of [Hamed’s] sons” and “did [Hamed’s] sons become Plaza Extra Store managers, as agents of their father, pursuant to his assertion of his partnership rights of joint control, or were

they hired as managerial employees because they were nephews of ...Yusuf's wife") See December 5, 2013 Order Denying Motion for Partial Summary Judgment, p. 6.

4. This Court also preliminarily found that "[o]n March 13, 2012, through counsel, Yusuf sent a Proposed Partnership Dissolution Agreement to Hamed, which described the history and context of the parties' relationship, including the formation of an oral partnership agreement to operate the supermarkets, by which they shared profits and losses." Hamed v. Yusuf, 58 V.I. at 126; see also Yusuf v. Hamed, 2013 V.I. Supreme LEXIS 67, * 4 ("A few months later, Yusuf informed Mohammad Hamed of his intention to end their business relationship, sending a proposed "Dissolution of Partnership" agreement to Hamed on March 12, 2012.").

5. In its April 25, 2013 Memorandum Opinion, this Court noted the following:

Neither party has sought and the Court has not considered the prospect of appointing a receiver or bringing in any other outsider to insure that the joint management and control of the partnership is maintained. Rather, notwithstanding the animosity that exists between the parties, they are left to work out issues of equal management and control themselves as they have done successfully over the years.

Hamed v. Yusuf, 58 V.I. at 136-137.

6. On December 23, 2013, Defendants filed their Answer and Counterclaim, which, among other things, denied the existence of the partnership as alleged in the FAC. Defendants filed a First Amended Counterclaim on January 13, 2014. Although Defendants denied the existence of any partnership as alleged in the FAC, they pled in the alternative in the event a partnership is nevertheless found to exist. See, e.g., First Amended Counterclaim at ¶ 12.

7. Given the animosity between the parties noted by this Court, Yusuf's complete lack of trust in Hamed, and Yusuf's unwillingness to continue to carry on any business

relationship whatsoever with Hamed, Yusuf now concedes for the purposes of this case that he and Hamed entered into a partnership to carry on the business of the Plaza Extra Stores and to share equally the net profits from the operation of the Plaza Extra Stores.

ARGUMENT

I. THE PARTNERSHIP HAS BEEN DISSOLVED AND ITS BUSINESS MUST BE WOUND UP.

As provided in the Uniform Partnership Act, V.I. Code Ann. tit. 26, §§ 1-274

("UPA"):

A partnership is dissolved, and its business must be wound up, only upon the occurrence of the following events:

- (1) in a partnership at will, the partnership's having notice from a partner other than a partner who is dissociated under Section 121, subsections (2) through (10) of this chapter, of that partner's express will to withdraw as a partner, or on a later date specified by the partner[.]

UPA § 171(1).

Here, the partnership has either already been dissolved or is dissolved by virtue of this filing. Therefore, assuming *arguendo* that Hamed's retirement from the partnership in 1996 or counsel for Yusuf's March 12, 2012 notice of intent to end the partnership did not dissolve the partnership by operation of law, then clearly paragraph 7, above, sets forth Yusuf's "express will to withdraw as a partner," thus dissolving the partnership, if it had not already been dissolved.

Pursuant to UPA § 172(a):

Subject to subsection (b) of this section, a partnership continues after dissolution *only* for the purpose of winding up its business. The partnership is terminated when the winding up of its business is completed.

(Emphasis added). Section 173 of the UPA provides, in pertinent part:

- (a) After dissolution, a partner who has not wrongfully¹ dissociated may participate in winding up the partnership's business, but *on application of any partner*, the partner's legal representative, or transferee, the Superior Court, for good cause shown, *may order judicial supervision of the winding up*.

* * *

- (c) A person winding up a partnership's business may preserve the partnership business or property as a going concern for a reasonable time, prosecute and defend actions and proceedings, whether civil, criminal, or administrative, settle and close the partnership's business, dispose of and transfer the partnership's property, discharge the partnership's liabilities, distribute the assets of the partnership pursuant to section 177 of this chapter, settle disputes by mediation or arbitration, and perform other necessary acts.

(Emphasis added).

A. Hamed Dissociated in 1996 and Could Not Transfer Management Rights.

Yusuf submits that Hamed effectively dissociated from and dissolved the partnership when he “retired from the day-to-day operations of the supermarket business in . . . 1996” and returned to his homeland of Jordan. While this Court and the Supreme Court have referenced the powers of attorney from Hamed to his son, Waleed Hamed, neither Hamed, this Court nor the Supreme Court have cited a single authority that allows a “retiring” partner to effectively assign or delegate his role as partner to his son or any other person.²

Section 2(9) of the UPA provides: “partner’s interest in the partnership” means all of a partner’s interests in the partnership, including the partner’s transferable interest and all

¹ A partner’s dissociation is wrongful only if one of the conditions set forth in UPA § 122(b) applies. Defendants submit that these provisions are inapplicable to the circumstances of this case.

² This Court has noted previously that Waleed Hamed has taken a contradictory position in the Plea Agreement in the pending criminal action claiming to be merely an employee of United as opposed to one able to exercise concurrent control. See December 5, 2013 Order Denying Motion for Partial Summary Judgment, p. 6.

management and other rights.” Section 92 of the UPA makes it clear that a partner’s management rights are not transferable: “The only transferable interest of a partner in a partnership is the partner’s share of the profits and losses of the partnership and the partner’s right to receive distributions. The interest is personal property.”³

If Hamed’s retirement in 1996 or Yusuf’s notice of his intention to end their business relationship in March of 2012 did not effect a dissolution, clearly, Yusuf’s position set forth in paragraph 7, above, qualifies as notice of his “express will to withdraw as a partner.” See UPA § 121(1).

B. Partnerships Require At Least Two Partners.

Hamed appears to be laboring under the mistaken belief that “Yusuf’s partnership interest should be disassociated [sic] from the business, allowing Hamed to continue the Partnership’s business without him pursuant to the provisions of 26 V.I.C. including §§ 122-123, 130 and what is now Subchapter VII of Title 26.” See FAC at ¶ 42. Under the UPA, the term “partnership” means an association of *two or more* persons to carry on as co-owners a business for profit formed under section 22 of this chapter, predecessor law, or comparable law of another jurisdiction.” UPA, § 2(6)(emphasis supplied). See also UPA § 22(a). As this Court has noted, “[i]n the mid-1980s when the Hamad-Yusuf business relationship began, a Virgin Islands partnership was defined as ‘an association of two or more persons to carry on as co-owners a business for profit.’ V.I. Code Ann. tit. 26, § 21(a) (predecessor statute). Hamed v. Yusuf, 58 V.I. at 130.

³ Section 92 of the UPA is identical to § 502 of the Uniform Partnership Act (1997). One of the comments to § 502 states: “A partner has other interests in the partnership that may not be transferred, such as the right to participate in the management of the business. Those rights are included in the broader concept of a “partner’s interest in the partnership.”

Hamed, like the parties in Corrales v. Corrales, 198 Cal. App. 4th 221, 129 Cal. Rptr. 3d 428, 2011 Cal. App. LEXIS 1043 (August 10, 2011), incorrectly assumes the business of a two person partnership can be continued by one partner. As the Court in Corrales cogently concluded after considering California's partnership statutes, which are analogous to the Virgin Islands' UPA, when it comes to a one-partner partnership:

[N]o such animal exists. If a partnership consists of only two persons, the partnership dissolves by operation of law when one of them departs.

Id at 224.

The Corrales court went on to explain that:

When Richard withdrew from RCE, the partnership dissolved by operation of law; by definition, a partnership must consist of at least two persons. A person cannot dissociate from a dissolved partnership, and the buyout rule of section 16701 does not apply to a two-person partnership when one partner leaves. When that happens, the dissolution procedures take over. The partnership is wound up, its business is completed, and the partners make whatever adjustments are necessary to their own accounts after paying the creditors.

Id. at 227 (citations and footnotes omitted).

Finally, the Corrales court pointed out that “[t]he purpose of dissociation is to allow the partnership to continue with the remaining partners. When a partner withdraws from a two-person partnership, however, the business cannot continue as before. One person cannot carry on a business as a partnership.” Id.

Accordingly, the partnership that once existed between Hamed and Yusuf has clearly been dissolved (whether in 1996, 2012 or now) and the only thing that remains to be done is to wind up the partnership business.

II. A MASTER SHOULD BE APPOINTED TO SUPERVISE THE WINDING UP.

Yusuf requests the appointment of a Master in this case to provide judicial supervision to the wind up efforts. Pursuant to Fed. R. Civ. Pro. 53(a), made applicable to proceedings in this Court by Super. Ct. R. 7, a court may appoint a Master⁴ to assist with certain matters including situations where there is a “need to perform an accounting or resolve a difficult computation of damages” or to “address pretrial...matters that cannot be effectively and timely addressed by an available...judge.” As set forth above, §173 of the UPA provides, that a partner “may participate in winding up the partnership’s business” and “on application...for good cause shown” seek “judicial supervision of the winding up.”

By admission of Hamed, Yusuf has made all of the business decisions relating to the Plaza Extra Stores from their inception. Hamed testified at the preliminary injunction hearing that “Mr. Yusuf be in charge of everybody...[in] all the three stores.” See Jan. 25, 2013 Hrg. Tr. 201:4; 210:22-23. Hamed confirmed that Yusuf was the partner who possessed the ultimate decision making authority with respect to the Plaza Extra Stores at his deposition on April 1, 2014. Further, Hamed has not been in the Plaza Extra Stores in his capacity as a partner since his retirement in 1996 and has not been involved in the daily operations in over eighteen (18) years. Although Hamed may be incapable of meaningful participation in the winding up due to, among other things, his lack of working knowledge of the operations of the Plaza Extra Stores and perhaps his poor health, Yusuf has no objection to Hamed’s personal participation in the winding up. Yusuf does, however, object to Hamed’s delegation of his rights and obligations as a partner in the winding up of the partnership to his son or any other person. Given the

⁴ Hamed should not be heard to complain about the appointment of a Master since he requested this relief in the first sentence of his prayer for relief. See FAC at p. 15 (“Wherefore, the Plaintiff seeks the following relief from this Court as follows: 1) A full and complete accounting to be conducted by a court-appointed Master . . .”).

animosity between the parties and the concern that any proposals or decisions made by Yusuf in winding up the partnership will be constantly challenged, Yusuf seeks judicial supervision by a Court appointed master of the winding up to insure an orderly process.

To that end, Yusuf submits a proposed plan for winding up of the partnership (the "Plan"). See Exhibit A. Consistent with the powers set forth in §173(c) of the UPA for "a person winding up a partnership's business," the Plan seeks to:

preserve the partnership business or property as a going concern for a reasonable time, prosecute and defend actions and proceedings, whether civil, criminal, or administrative, settle and close the partnership's business, dispose of and transfer the partnership's property, discharge the partnership's liabilities, distribute the assets of the partnership pursuant to section 177 of this chapter, settle disputes by mediation or arbitration, and perform other necessary acts.

The Plan sets forth the partnership assets and liabilities, how the assets will be disposed and the liabilities satisfied, and the anticipated time-frame for winding up the partnership. Further, the Plan provides that all monies recovered shall be placed in an escrow account to be utilized for the payment of any partnership debts and, thereafter, for distribution following presentation to the Master of an accounting and proposed distribution by the partners.

If the Court concurs that a Master should be appointed and the parties are unable to agree on the person(s) to be appointed Master, Defendants request an opportunity to submit proposed candidates for the Court's consideration, along with a brief addressing the Master's proposed duties and compensation.

III. AS AN ALTERNATIVE TO JUDICIAL SUPERVISION OF WINDING UP, YUSUF REQUESTS THE COURT TO APPOINT A DISINTERESTED, THIRD-PARTY AS RECEIVER TO WIND UP THE PARTNERSHIP'S BUSINESS.

In the event that this Court is not inclined to appoint a Master to supervise the winding up of the partnership pursuant to the Plan, then Yusuf respectfully requests the Court to appoint a disinterested, third-party receiver to undertake the winding up. Although the UPA does not specifically provide for the appointment of a receiver, §173(a) clearly contemplates that the “Superior Court, for good cause shown, may order judicial supervision of the winding up.” While Yusuf is prepared to participate in the winding up as contemplated under UPA §173, given the animosity between the parties and the constant conflicts arising from that animosity, Yusuf submits that a disinterested, third-party receiver serving as an officer of this Court should be appointed to effectuate the winding up.

Pursuant to Fed. R. Civ. P. 66 and local case law, receivership is generally considered to be a drastic remedy resorted to only in extreme circumstances. See, e.g., Busenburg v. Dowd, 1980 U.S. Dist. LEXIS 15244, * 2-3 (D.V.I. Dec. 9, 1980). In this case, however, UPA § 173(a) only requires “good cause” to be shown for judicial supervision of the winding up. Yusuf respectfully submits that he has established good cause for the appointment of a receiver and that a receiver, rather than the Court itself, can more practically provide the judicial supervision contemplated by §173(a). If the Court is inclined to appoint a third-party receiver, Yusuf respectfully submits that the Plan provides an appropriate “road map” for the receiver to wind up the partnership as contemplated by §173(c). If the Court is so inclined to appoint a third-party receiver, Defendants request the opportunity to submit proposed candidates for the Court’s consideration along with a brief addressing the receiver’s proposed powers and compensation.

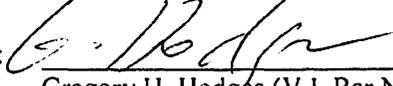
CONCLUSION

For all of the foregoing reasons, Defendants respectfully request this Court to enter an order granting Defendants’ Motion by either appointing a Master to supervise the winding up of

Hamed v. Yusuf, et al.
Civil No. STX-12-cv-370
Page 11 of 12

the partnership pursuant to the Plan or appointing a Receiver to effect the wind up and requiring the parties to promptly submit proposed Receiver candidates for the Court to consider along with a brief addressing the Receiver's proposed powers and compensation, and providing such further relief as is just and proper under the circumstances.

Dated: April 7, 2014

DUBLEY, TOPPER and FEUERZEIG, LLP
By: 
Gregory H. Hodges (V.I. Bar No. 174)
Law House
1000 Frederiksberg Gade - P.O. Box 756
St. Thomas, VI 00804
Telephone: (340) 715-4405
Telefax: (340) 715-4400
E-mail: ghodges@dtflaw.com

and

Nizar A. DeWood, Esq. (V.I. Bar No. 1177)
The DeWood Law Firm
2006 Eastern Suburbs, Suite 101
Christiansted, VI 00830
Telephone: (340) 773-3444
Telefax: (888) 398-8428
Email: info@dewood-law.com

Attorneys for Fathi Yusuf and United Corporation

Hamed v. Yusuf, et al.
Civil No. STX-12-cv-370
Page 12 of 12

CERTIFICATE OF SERVICE

I hereby certify that on this 7th day of April, 2014, I caused the foregoing **MEMORANDUM IN SUPPORT OF MOTION TO APPOINT MASTER FOR JUDICIAL SUPERVISION OF PARTNERSHIP WINDING UP OR, IN THE ALTERNATIVE, TO APPOINT RECEIVER TO WIND UP PARTNERSHIP** to be served upon the following via e-mail:

Joel H. Holt, Esq.
LAW OFFICES OF JOEL H. HOLT
2132 Company Street
Christiansted, V.I. 00820
Email: holtvi@aol.com

Carl Hartmann, III, Esq.
5000 Estate Coakley Bay, #L-6
Christiansted, VI 00820
Email: carl@carlhartmann.com

Mark W. Eckard, Esq.
Eckard, P.C.
P.O. Box 24849
Christiansted, VI 00824
Email: mark@markeckard.com

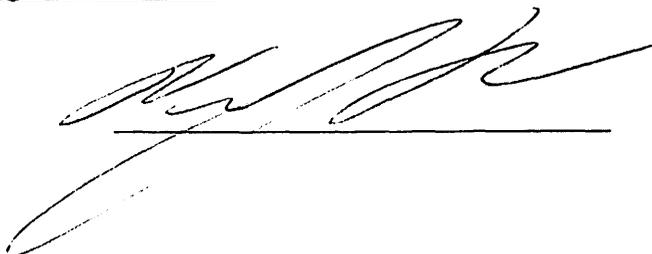
A handwritten signature in black ink, appearing to read 'Mark W. Eckard', is written over a solid horizontal line. The signature is fluid and cursive, with a long horizontal stroke at the end.

EXHIBIT D

-----Original Message-----

From: George H.T. Dudley <gdudley@dtflaw.com>
To: 'Joseph DiRuzzo' <JDiRuzzo@fuerstlaw.com>; 'Joel Holt' <holtvi@aol.com>
Cc: Christopher David <cdavid@fuerstlaw.com>; Gregory H. Hodges <ghodges@dtflaw.com>;
dewoodlaw <dewoodlaw@gmail.com>; Charlotte Perrell <cperrell@dtflaw.com>; carl
<carl@carlhartmann.com>; rpa <rpa@abfmwb.com>; grhea <grhea@rpwb.com>; pamelalcolon
<pamelalcolon@msn.com>; Deborah Muller <DMuller@fuerstlaw.com>; 'K. Glenda Cameron'
<kglenda@cameronlawvi.com>
Sent: Tue, Apr 8, 2014 6:51 pm
Subject: RE: Plaza

Gentlemen,

Since United is not and has never been a partner in the Plaza Extra "partnership" between Fathi Yusuf and Mohammad Hamed, this discussion is misplaced. United's tax returns for 2013 and thereafter will not reflect anything having to do with the business of the "partnership" (except the rent owed to United as landlord of Plaza - East) and the two partners have to select an accountant to prepare the partnership income tax return and the related K-1s to be issued to each partner.

There also is the matter of applicable filings for the Department of Labor and other agencies for the employees and business of the Yusuf/Hamed "partnership" d/b/a Plaza Extra Supermarkets.

Joel, if you will confer with your client on suggested accountants, I will confer with my client on the same matter and perhaps we can agree on an accounting firm to prepare all relevant tax and other filings on behalf of the "partnership."

Regards,

George H.T. Dudley
Dudley, Topper and Feuerzeig, LLP
P.O. Box 756
St. Thomas, VI 00804

Phone: 340-715-4444 (direct)
Phone: 340-774-4422 (switchboard)
Fax: 340-715-4400
Email: gdudley@dtflaw.com

EXHIBIT E

costs including attorney's fees, the Court will exercise its discretion and decline to award attorney's fees in this matter.¹ In light of the foregoing, it is hereby

ORDERED that Plaintiff's Motion to Dismiss without Prejudice is GRANTED, in part. It is further

ORDERED that Plaintiff's Complaint is DISMISSED WITH PREJUDICE. It is further

ORDERED that each party shall bear its own costs, including attorney's fees. It is further

ORDERED that Defendant's Motion for Judgment on the Pleadings is DENIED, as moot. It is further

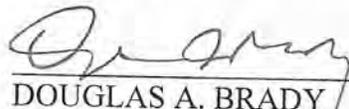
ORDERED that Defendant's Rule 12(c) Motion to Dismiss for Lack of Standing is DENIED, as moot. It is further

ORDERED that Defendant's Motion for Summary Judgment is DENIED, as moot. It is further

ORDERED that Plaintiff's Motion to Substitute Necessary Party is DENIED, as moot. It is further

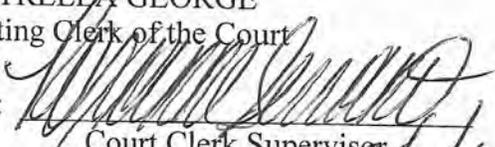
ORDERED that Fahti Yusuf's Motion to Consolidate Cases is DENIED, as moot.

August 5, 2016

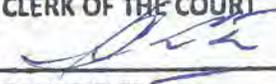

DOUGLAS A. BRADY
Judge of the Superior Court

ATTEST:

ESTRELLA GEORGE
Acting Clerk of the Court

By: 
Court Clerk Supervisor

CERTIFIED A TRUE COPY

DATE: Aug 5, 2016
ESTRELLA H. GEORGE
ACTING CLERK OF THE COURT
BY: 
COURT CLERK "

¹ Although no motion seeking attorney's fees has been filed, in his Response to Plaintiff's Motion to Dismiss without Prejudice, Defendant states that an award to Defendant of his attorney's fees incurred should accompany an order of dismissal. This Order denies Defendant's request for an award of fees to eliminate the need to address that issue in subsequent filings. See *Mahabir v. Heirs of George*, 63 V.I. 651, 665-66 n.7 (V.I. 2015).