

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

MOHAMMAD HAMED, by his
authorized agent WALEED HAMED,

Plaintiff/Counterclaim Defendant,
vs.

FATHI YUSUF and UNITED CORPORATION,

Defendants and Counterclaimants.

vs.

WALEED HAMED, WAHEED HAMED,
MUFEED HAMED, HISHAM HAMED, and
PLESSEN ENTERPRISES, INC.,

Counterclaim Defendants.

Case No.: SX-2012-cv-370

**ACTION FOR DAMAGES,
INJUNCTIVE RELIEF AND
DECLARATORY RELIEF**

JURY TRIAL DEMANDED

MOHAMMAD HAMED,

Plaintiff,
vs.

FATHI YUSUF,

Defendant.

Case No.: SX-2014-CV-278

**ACTION FOR DEBT AND
CONVERSION**

JURY TRIAL DEMANDED

**NOTICE OF PLAINTIFF'S RESPONSE TO THE COURT'S DIRECTIVE
TO SUBMIT A PROPOSED SCHEDULING ORDER**

This Court directed the parties to try to agree on a scheduling order, or, failing that, to submit individual proposals. Draft proposals were exchanged, but to no avail. Thus, Plaintiff hereby submits a proposed Order with this Notice. A *brief* explanation is needed to help the Court understand why this proposal is reasonable and should be entered, **as it will greatly simplify this case so it can be put on a realistic discovery schedule.**

I. Informal discovery is needed first to complete the Wind Up accounting.

As noted at the March 6th hearing, the person in charge of the Plaza accounting records (John Gaffney) had previously stated that no accounting was possible prior to 2013. On November 16, 2015, Gaffney submitted an accounting to this Court that attempted to "true up" the partnership accounting from 2013 through that date. See excerpt attached as **Exhibit 1**. The Plaintiff objected to certain items in this accounting. See **Exhibit 2**. Gaffney did not change it, but he updated the accounting from to time.

Plaintiff and his CPAs repeatedly tried to get Gaffney to explain this post-2012 accounting so they could understand his entries, but were never provided the requested answers to their questions regarding this post-January 1, 2013, accounting. See **Exhibit 3**. As a result, when the Special Master directed the parties to submit their accounting in September, the Plaintiff noted these objections in a filing made September 30, 2017.

Because the Plaintiff's CPAs had not been able to get the requested information from Gaffney, the Plaintiff submitted multiple accounting claims to preserve the right to challenge Gaffney's allocations. To help the Court understand their scope, these claims have now been reduced to a specific list of items. See **Exhibit 4**. Once this problem is understood, there is an easy solution that will greatly simplify this case going forward.

In this regard, a conference with Gaffney will quickly clear up these questions, probably eliminating many of these claims. As such, **prior to any formal discovery**, the first directive should require Gaffney to meet with the Plaintiff's CPA's and paralegals to try to go over that list.¹ Once this list is simplified, full discovery can then proceed.

¹ Plaintiff's counsel need not be present. If the Defendant wants its counsel to be present, that is fine. Once organized, the process should proceed quickly, with some documentation required to formalize the clarifications as they are made.

II. Discovery is not needed on challenges to the Special Master's rulings.

During the course of the liquidation, the Special Master approved certain payments that the Plaintiff believes should not have been approved, which were then submitted as part of the Plaintiff's claims on September 30, 2016. A list of those items is attached. See **Exhibit 5** (p.1). Minimal discovery is needed as to these items, as the basis for challenging these items and the amounts in question are known.

III. What further discovery is needed in this case?

Finally, there is a list of post-January 1, 2012 claims that are unrelated to Gaffney (and his accounting process) or the Special Master (and the dissolution process). Some of those claims have been clearly established and need no discovery (like the \$2.7 million withdrawn by Yusuf that started this litigation, the legal fees Yusuf diverted to pay his personal lawyer as noted in this Court's April 25, 2013, Preliminary Injunction opinion, or the \$800,000 Yusuf admits he owes the Hameds from the Dorthea project).

However, there are other claims for which further discovery is needed, listed in **Exhibit 5** (p. 2), which *may be expanded to* include some of the accounting issues that need to be discussed with Gaffney. This list may also decrease or expand based upon this Court's ruling on the statute of limitations issue.

This discovery schedule is quite manageable, **although it should not commence until the conference with Gaffney takes place**, as set forth in the proposal submitted by Plaintiff with this filing.

IV. Conclusion

In short, how to proceed is nether complicated nor difficult. Indeed, it is simple. Thus, it is respectfully requested that the Plaintiff's proposed Order be adopted.

Dated: March 20, 2017


Joel H. Holt, Esq.
Counsel for Plaintiff
Law Offices of Joel H. Holt
2132 Company Street,
Christiansted, VI 00820
Email: holtvi@aol.com
Tele: (340) 773-8709
Fax: (340) 773-8677

CERTIFICATE OF SERVICE

I hereby certify that on this 20 day of March, 2017, I served a copy of the foregoing by email, as agreed by the parties, on:

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

Gregory H. Hodges
Stefan Herpel
Charlotte Perrell
Law House, 10000 Frederiksberg Gade
P.O. Box 756
St. Thomas, VI 00802
ghodges@dtflaw.com

Mark W. Eckard
Hamm, Eckard, LLP
5030 Anchor Way
Christiansted, VI 00820
mark@markeckard.com

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



EXHIBIT 1

Partners will submit their proposed accounting and distribution plans required by § 9, Step 6, of the Plan to each other and the Master by March 3, 2016.

The Partnership accounting provided to the Master and Hamed on this date was prepared by John Gaffney, an accountant who has been engaged on behalf of and paid by the Partnership, which the Liquidating Partner believes is generally reliable and historically accurate.²

Respectfully submitted this 16th day of November, 2015.

DUDLEY, TOPPER and FEUERZEIG, LLP

By: 

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, Liquidating Partner

**DUDLEY, TOPPER
AND FEUERZEIG, LLP**

1000 Frederiksberg Gade

P.O. Box 756

St. Thomas, U.S. V.I. 00804-0756

(340) 774-4422

² The submission by the Liquidating Partner of the Partnership accounting prepared by Mr. Gaffney is without prejudice to his right as a Partner to submit his proposed accounting and distribution plan contemplated by § 9, Step 6, of the Plan.

United Corporation West (Pship)
Summary of Remaining Partnership Items
For the Period From Jan 1, 2013 to Sep 30, 2015



<u>Location</u>	<u>A/C</u>	<u>A/C Description</u>	<u>Yusuf</u>	<u>Hamed</u>
East	10400	Cash - Banco CC 3307	(176,353.61)	-
East	14500	Due from/to Shopping Ctr	(119,529.01)	-
East	14500	Adjust Re Mtg on 10/01	119,529.01	-
East	20000	Accounts Payable (@ 8/31/15)	326,017.99	-
East	25800	Deposit Error Suspense	193,649.63	-
			<u>343,314.01</u>	<u>-</u>
STT	14000	Due from/to Yusuf	186,819.33	-
STT	25800	Deposit Error Suspense	-	181,355.40
STT	Adjust	Paid to KAC357 in July 2015	-	(181,355.40)
STT	Adjust	Trop Shpg Pd for KAC357	-	(10,242.00)
			<u>186,819.33</u>	<u>(10,242.00)</u>
West	14000	Due from/to Yusuf	120,167.33	-
West	14500	Due from/to Shopping Ctr	(900,000.00)	-
West	14600	Due from/to Hamed	-	(24,700.00)
West	20000	Accounts Payable	(5,632.57)	2,780.41
West	25800	Deposit Error Suspense	-	(39,788.40)
			<u>(785,465.24)</u>	<u>(61,707.99)</u>
Due from (to) Partnership			<u>(255,331.90)</u>	<u>(71,949.99)</u>
Partnership Distribution			255,331.90	255,331.90
Repmt fr NonCash Distrib			<u>(255,331.90)</u>	<u>(71,949.99)</u>
Net Cash Payout			<u>-</u>	<u>183,381.91</u>

UNITED CORPORATION PARTNERSHIP
CLAIMS RESERVE ACCOUNT
PO BOX 763
CHRISTIANSTED, VI 00821

251

101-667/216

16/01/15

Date

CHECK # 101111

Pay to the
Order of

Mohammed Hamed

\$ 183,381.91

One Hundred Eighty Three Thousand Three Hundred Eighty One ^{91/100} Dollars

Security Features Details on the back



BANCO POPULAR

BANCO POPULAR DE PUERTO RICO
Orange Grove Branch
Saint Croix, U.S. Virgin Islands

[Signature]

For *Dr. Peter Schumacher*

⑆021606674⑆ 190⑈199091⑈ 025⑆

EXHIBIT 2

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

MOHAMMAD HAMED, by his
authorized agent WALEED HAMED,

Plaintiff/Counterclaim Defendant,

vs.

CIVIL NO. SX-12-CV-370

FATHI YUSUF and
UNITED CORPORATION,

Defendants/Counterclaimants,

vs.

ACTION FOR DAMAGES
INJUNCTIVE RELIEF AND
DECLARATORY RELIEF

WALEED HAMED, WAHEED
HAMED, MUFEED HAMED,
HISHAM HAMED,
and PLESSEN ENTERPRISES, INC.,

Counterclaim Defendants.

JURY TRIAL DEMANDED

DECLARATION OF JOEL H. HOLT

I, Joel Holt, declare, pursuant to 28 U.S.C. Section 1746, as follows:

1. I am counsel of record for the Plaintiff and have personal knowledge of the facts set forth herein.
2. On January 25th I met with John Gaffney to go over the November 16th accounting submitted to my client.
3. Two entries on the accounting summary were for the same amount of \$119,529.01, which canceled each other out. To explain this entry, Mr. Gaffney produced a back up ledger showing that this amount was due the partnership by United, as the partnership had paid the gross receipts taxes and insurance premiums for the time period in question. However, Mr. Gaffney then canceled out this entry on the summary page, as Mr. Yusuf told him that the partnership had agreed to pay this sum as "additional rent" to United, even though Hamed never agreed to such a payment.
4. When I met with Mr. Gaffney, I saw a ledger that showed the amounts due Yusuf from the partnership that totaled. \$253,033.97. However, this sum

Bloomberg No. 5708

EXHIBIT


2

did not match up to the entry on the summary for this credit, which had a figure of \$326,017.99. When I asked Gaffney about this discrepancy, he indicated that Yusuf had insisted on adding the value of the condensers to this list.

5. The accounting summary also had another entry for an amount "Due Yusuf" with a figure of \$186,819.33. When asked about this figure, Mr. Gaffney said it was from an old accounting entry, which he produced. However, Mr. Gaffney said he had no idea why this amount was on this ledger.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: January 28, 2016



Joel H. Holt

United Corporation West (Pship)
 Summary of Remaining Partnership Items
 For the Period From Jan 1, 2013 to Sep 30, 2015

<u>Location</u>	<u>A/C</u>	<u>A/C Description</u>	<u>Yusuf</u>	<u>Hamed</u>
East	10400	Cash - Banco CC 3307	(176,353.61)	-
East	14500	Due from/to Shopping Ctr	(119,529.01)	-
East	14500	Adjust Re Mtg on 10/01	119,529.01	-
East	20000	Accounts Payable (@ 8/31/15)	326,017.99	-
East	25800	Deposit Error Suspense	193,649.63	-
			<u>343,314.01</u>	-
STT	14000	Due from/to Yusuf	186,819.33	-
STT	25800	Deposit Error Suspense	-	181,355.40
STT	Adjust	Paid to KAC357 in July 2015	-	(181,355.40)
STT	Adjust	Trop Shpg Pd for KAC357	-	(10,242.00)
			<u>186,819.33</u>	<u>(10,242.00)</u>
West	14000	Due from/to Yusuf	120,167.33	-
West	14500	Due from/to Shopping Ctr	(900,000.00)	-
West	14600	Due from/to Hamed	-	(24,700.00)
West	20000	Accounts Payable	(5,632.57)	2,780.41
West	25800	Deposit Error Suspense	-	(39,788.40)
			<u>(785,465.24)</u>	<u>(61,707.99)</u>
		Due from (to) Partnership	<u>(255,331.90)</u>	<u>(71,949.99)</u>
		Partnership Distribution	255,331.90	255,331.90
		Repmt fr NonCash Distrib	(255,331.90)	(71,949.99)
		Net Cash Payout	<u>-</u>	<u>183,381.91</u>

①
 ②
 ③
 ←
 Total Pk

EXHIBIT 3

DECLARATION

I, JOEL H. HOLT, declare under penalty of perjury pursuant to 28 U.S.C. Section 1746, as follows:

1. I am counsel of record to the Plaintiff and have personal knowledge of the facts set forth herein.
2. On January 9, 2015, the Court entered the partnership "Wind Up" Order that provided that "Hamed's accountant shall be allowed to view all partnership accounting information from January 2012 to present and submit his findings to the Master."
3. To accomplish this task, a number of actions were taken by my client:
 - a. A Virgin Islands Certified Public Accountant was retained who had experience in such matters.
 - b. A Florida firm with several Certified Public Accountants with specialized experience in such matters was also retained.
 - c. Access to the partnership accounting records was requested.
4. The accounting process was initially delayed due to the need to focus on the transfers of the three stores, along with the accounting needed to be done as part of that process by the partnership accountant, John Gaffney.
5. While some general accounting information had been provided by Gaffney, my client was finally allowed to seek specifically needed financial information as to the Partnership accounting records from Gaffney. The audit manager for the Florida CPA firm promptly sent a very standard request for information (**Exhibit A**) to Gaffney on September 21, 2015.¹
6. When nothing of substance had been received within a month, I sent a follow-up email (**Exhibit B**) on October 21, 2015, to Gaffney seeking some sort of timeframe.
7. This accounting process still did not move. By February of 2016, it was clear we would not be getting the needed accounting documents requested from Gaffney. Therefore, I asked for a meeting between Special Master Ross and the Florida CPAs -- to allow the CPAs to describe their inability to get either documents or answers to basic accounting questions.

¹ No attachments are included with any email referenced in this declaration, most of which are voluminous.



8. After listening to the presentation, Special Master Ross stated he would agree to have Gaffney answer a list of very specific questions as to accounting assumptions, procedures and information needed by the Florida CPAs.
9. On February 16, I sent the CPA's initial 81 questions, many answerable with very simple responses, to Special Master Ross -- with the request that he forward them to Gaffney as he had suggested. **Exhibit C.**²
10. Special Master Ross promptly forwarded the questions to Gaffney (**Exhibit D**) with the admonition: "For your attention and response. You're back on the payroll."
11. Gaffney clearly understood that Special Master Ross was directing him to respond to the questions without delay – as he immediately wrote back, requesting additional time for responses. **Exhibit E.** Special Master Ross responded on February 16, 2016: "What time frame is appropriate for responding given your present schedule and the May 2 deadline for concluding the objections by the Hameds?" **Exhibit F.**
12. However, no response was forthcoming. On April 12, 2016, frustrated with Gaffney's continuing unwillingness to respond – even to this substantially reduced information, I spoke with Special Master Ross. During that call, Special Master Ross told me that he had "informed Gaffney that no further payments would be made to Gaffney until he filed his responses to Hamed's 130 questions regarding the Plaza Extra general ledgers."
13. On May 17th, 2016, a partial response was received to just 11 of the 130 questions, which were incomplete even as to those 11 items. However, Gaffney stated that he was setting aside any further responses to the 130 questions for a month to "to tend to other emergencies, many of which relate to the Partnership." He also suggested that Judge Ross no longer required him to answer the accounting questions I had sent.
14. I then wrote to Special Master Ross on May 23rd observing that it was clear that Gaffney would not or could not supply the documents and responses, stating in part (**Exhibit G**):

As you know, John is being paid on a full time basis, along with two assistants, by the Partnership, not by the Yusufs.

² The list was subsequently amended to 130 total questions after an updated accounting for 2015 was submitted by Gaffney which raised additional questions. The 130 questions were subsequently filed with the Court with the objection filed on September 30, 2016, which can be supplied again if requested by the Court.

While supplying supporting documents and explanations may be a time-consuming burden, our CPAs tell us that it is impossible for anyone to understand journal entries by just looking at them without explanation or backup. Indeed, to try to make this task easier, they met with the Hameds and their counsel over many weeks to eliminate hundreds of issues and questions -- and pared their questions down to a bare minimum 130 items regarding matters of accounting.

The questions are neither complex, nor should they require vast amounts of time. Most are answerable in a single paragraph.

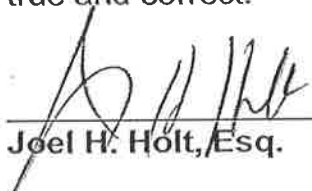
15. In that same letter, I then suggested a way to simplify this process:
 1. It is clear that many of the documents needed by our CPAs cannot be supplied by John, regardless of the "why" of this. We also understand John is taking 30 days for a leave of absence from this process. However, if you allow us in the interim to begin the process of issuing subpoenas for the necessary underlying documents from banks, vendors and others, we can begin to get the underlying documents that John has found to be too cumbersome (or impossible) to produce.
 2. In the meantime, we will also modify the 11 partially-answered questions and 119 remaining questions to remove all document requests - which leaves just the direct questions that John can then easily answer. While we would prefer to not even ask John for this information at this point, our CPAs tell us that this information really cannot be gleaned from any other sources or documents - as they all go to his decisions and choices in constructing and documenting the financials. However, we will not send them to John until June 20th so John is not bothered during the next 30 days.
 3. After we get John's responses to the revised questions as well as the documents responsive to the subpoenas, our CPAs will then meet with John to go over any remaining questions about the collected documents and his responses. This would involve nothing more than standard CPA questions about the basic accounting matters -- being asked of the person paid to provide this accounting, but discussion

at that juncture should be quick because of this new streamlined approach.

16. I was subsequently informed on June 21, 2016, by counsel for the Liquidating Partner that Gaffney would not answer these questions.
17. I promptly responded, pointing out that these 130 questions still had to be answered in order for my client to do his required accounting, with a copy of that email being sent to Special Master Ross, although the list was revised to make it even simpler as noted in that email. See **Exhibit H**.
18. Notwithstanding these revisions, Gaffney never answered the remaining 119 questions.
19. Despite repeated follow up requests to Special Master Ross for assistance, he was never able to get Gaffney to answer the 130 questions, even though he said he would have Gaffney answer them.
20. Instead, on August 31, 2016, the Special Master directed my client to file his "final accounting" (as well as his claims) by September 30, 2016.
21. As a result of this futile process in trying to submit an accounting as directed by this Court in its January 9, 2015, "Wind Up" Order, my client filed a formal objection on September 30, 2016, along with his unfinished accounting for the 2012-2016 time period.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: March 15, 2017


Joel H. Holt, Esq.

From: James Patton [<mailto:james.patton@vz-cpa.com>]
Sent: Monday, September 21, 2015 5:37 PM
To: johngaffney@tampabay.rr.com
Cc: Beatriz Martin; Carl Hartmann; kim@japinga.com; Joel Holt; Wally Hamed
Subject: Plaza Extra Document request (update through 9.21.15)

John,

We have reviewed the information received from you to date and have attached an updated list of documents/information we will still need for our upcoming review and analysis of the company's accounts and records. Please provide the reports in an electronic format (MS Excel) whenever available.

We would like to begin as soon as possible. If you can send us a good amount of the items on the list, particularly those that are readily available, in the next week or so we could plan to come to your offices in the next 2 to 3 weeks to get started. We anticipate our first trip down will be for only a few days to meet in person and discuss how best to proceed. At that time, we would also like to review some of your controls and procedures as well as tour where all the accounting records and document support is maintained. We can then also determine the logistics and timing for a longer visit with the full team. Please let us know when do you think will be convenient for your schedule so we can begin planning the travel for the first visit.

Best Regards,
H. James Patton, CPA, CFF
Audit Manager

Vizcaino Zomerfeld, LLP
Certified Public Accountants
999 Ponce de Leon Boulevard, Suite 1045
Coral Gables, Florida 33134
Tel: + 1 305 444 8288 | Fax: + 1 305 444 8280
james.patton@vz-cpa.com | www.vz-cpa.com

An Independent Member of Geneva Group International



From: Joel Holt [<mailto:holtvi@aol.com>]
Sent: Wednesday, October 21, 2015 10:59 AM
To: johncaffney@tampabay.rr.com
Subject: Plaza/Plessen

John-please see the attached letter. My apologies, as I did not know you prepared the returns, nor did I recall our conversation. Had I realized this, I would have just called you, as opposed to sending a letter to Greg.

On another note, I know you have been busy, so I have not followed up on Hamed's need to have Betty Martin and Mr. Patton conduct their own due diligence on the partnership's records. However, as November is approaching, which is when I understand you will be done with finalizing the current partnership accounting deadline we need to revisit this issue again. Indeed, in light of the time constraints with which we have agreed to get this done, as well as because of the intervening holidays, we need to set a schedule now that works for everyone.

I should note before going further that we have reviewed the Kaufmann Rossin report, which we appreciate you sending. However, it only covers 2014, while we have tasked out accountants to look at the entire 2013-2015 time period – as per Judge Brady's order. Moreover, while our accountants are not conducting an audit, they cannot completely rely upon the work of other accountants, particularly accountants retained for a different purpose, as you know.

I want to assure you that I am not trying to make your life more complicated or create more work than absolutely necessary, but the Hameds need this documentation in order for our accountants to begin this process. I reviewed the accountant's request and I am sure that most of the items requested could be easily extracted from the accounting system and emailed without the need for extra manpower, such as items like the general ledgers, check registers and cash receipts. It would also be helpful to see items like the point of sales reports and accounting summary schedules that Kaufman utilized in their testing, although for the entire 2013-2015 time period.

I also think this process will move quickly once the initial work gets started, as it always harder to get started than anything else. Can you tell me how you want to proceed— emailing items first or having another meeting on St. Croix, with access to some of the records starting right after that meeting?

Give me a call after reviewing this email so we can make this as smooth as possible.

Joel H. Holt, Esq.
2132 Company Street
Christiansted, St. Croix
U.S. Virgin Islands 00820
(340) 773-8709



From: Joel Holt <holtvi@aol.com>

Date: 02/16/2016 8:08 AM (GMT-04:00)

To: edgarrossjudge@hotmail.com

Cc:

Subject: Fwd: Action Please: List of questions & exhibits for Judge Ross by Tuesday, 2/16/16 deadline

Judge Ross—as you directed, attached are 81 specific questions relating ONLY to the financials Mr. Gaffney has supplied. Each has specific references to items from his accounting. There is one inquiry per page.

I will print this out if you prefer a hard copy, but I would recommend giving him the WORD file by forwarding this email, rather than printing out the 81 pages – as it has not only the questions, but also the references to his accounting and a place for him to fill in a response. Each one only requires a short, direct responses.

I cannot emphasize enough that these are not broad, general inquiries. They were composed by the two CPA's you met, who are familiar with these books (the item numbers relate to the CPAs' records and should not be changed).

Additionally, I also have exhibits that go along with a couple of the questions, which are attached and can also be forwarded. Please let me know if you prefer a hard copy of all of these attachments instead of just forwarding this (or you can do both—forward this and get a hard copy—probably best to see what John wants first).

After we see how this process works, we can decide whether there needs to be a partial lift of the discovery stay, as discussed last Friday. Thanks.

Joel H. Holt, Esq.
2132 Company Street
Christiansted, St. Croix
U.S. Virgin Islands 00820
(340) 773-8709



From: Edgar Ross [<mailto:edgarrossjudge@hotmail.com>]

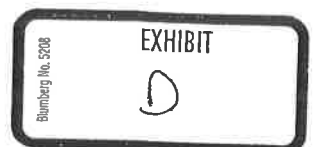
Sent: Tuesday, February 16, 2016 10:58 AM

To: John Gaffney

Subject: Fwd: Action Please: List of questions & exhibits for Judge Ross by Tuesday, 2/16/16 deadline

For your attention and response. You're back on the payroll.

Sent via the Samsung GALAXY S®4, an AT&T 4G LTE smartphonepa



From: John Gaffney <johngaffney@tampabay.rr.com>

Date: 02/16/2016 1:06 PM (GMT-04:00)

To: 'Edgar Ross' <edgarrossjudge@hotmail.com>

Cc:

Subject: RE: Action Please: List of questions & exhibits for Judge Ross by Tuesday, 2/16/16 deadline

Dear Judge Ross,

I see in the Subject a reference to "...2/16/16 deadline." I hope that isn't true for the items on the attached Word file. When people start asking for copies of items like "date-stamped Form 720VI.." for a period of three years, the time to respond is substantial.

You are correct about being back on the payroll. Unfortunately, I am scheduled to fly to Florida tomorrow due to required attendance at a trial on Feb 18th. Add to that an already planned trip on Friday the 19th through Sunday the 28th – and I'm in trouble.

Do you have any words of wisdom?

Regards...John



From: Edgar Ross <edgarrossjudge@hotmail.com>
To: John Gaffney <johngaffney@tampabay.rr.com>
Cc: JOEL HOLT <holtvi@aol.com>
Sent: Tue, Feb 16, 2016 1:14 pm

Subject: RE: Action Please: List of questions & exhibits for Judge Ross by
Tuesday, 2/16/16 deadline

What time frame is appropriate for responding given your present schedule and
the May 2 deadline for concluding the objections by the Hameds?

Sent via the Samsung GALAXY S@4, an AT&T 4G LTE smartphone



JOEL H. HOLT, ESQ. P.C.

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

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

May 23, 2016

Hon. Edgar Ross
Special Master
edgarrossjudge@hotmail.com

Re: Plaza Accounting

Dear Judge Ross:

I am in receipt of John Gaffney's emails and enclosures of last Tuesday, May 17th. Before making three brief suggestions as to where to go from here to simplify this and save everyone time and stress -- I have a couple of observations in response to some points he raised that we did not previously understand, although this letter is certainly not intended to be confrontational in any way, as we just want to complete this process.

John states he will be unable to provide most of the canceled checks, invoices to match payments and bank statements. Our CPAs did not understand this to be the case. Indeed, they have made it very clear that it would be impossible for any CPA to adequately review a partnership's financials without vendor invoices, the underlying checks and bank statements. They raised this exact point with you in our meeting on St. Croix -- although, as they said then, they are willing to pursue these independently as you suggested.

By way of another example, John states that he wanted the Hamed accountants present in his office so they "could discuss and make joint decisions" on accounting issues. No one ever made this (excellent) suggestion previously, as the only request was to provide someone to do some menial tasks, not participate in the accounting decisions. As you are well aware, the Hameds would have welcomed the chance to have their CPAs actively participate in accounting decisions about the partnership wind-up!

As you know, John is being paid on a full time basis, along with two assistants, by the Partnership, not by the Yusufs. While supplying supporting documents and explanations may be a time-consuming burden, our CPAs tell us that it is impossible for anyone to understand journal entries by just looking at them without explanation or backup. Indeed, to try to make this task easier, they met with the Hameds and their counsel over many weeks to eliminate hundreds of issues and questions -- and pared their questions down to a bare minimum 130 items regarding three years of accounting.



The questions are neither complex, nor should they require vast amounts of time. Most are answerable in a single paragraph.

Finally, the level of the responses to the specific, numbered questions provided with John's letter were insufficient and still need to be supplemented. He responded to just 11 items out of the total 130 items sent to him – answering 2 in full, and the other 9 only partially. For example, here are our concerns about several of the inquiries:

- Item 3002 – no response was given to the question of what accounting basis is there for the Partnership paying the United Shopping Center's gross receipt taxes after 2013 when the clear dispute among the parties arose. An answer should be a paragraph.
- On Item 3006 – no response was given to the question of why the accounting reflects Partnership funds being used to pay Fathi Yusuf's personal legal fees and what is the accounting basis for this expenditure. Again, a response would take a paragraph or two.
- On Item 3007 – no response was given to understand how the accounting reflects or can be used to solve the alleged imbalance in credit card points between the Yusuf's and the Hamed's--- simply stating that "Included herein are copies of vendor reports for credit cards used at Plaza East. These reports reflect all activity since January 1, 2013," and then noting that "*Prior to 2013, it is impractical if not impossible to provide all credit card activity as vendor accounts for credit cards never reflected activity properly.*" (Emphasis added).

With these general comments in mind, to simplify and speed up this process, we suggest the following steps be followed:

1. It is clear that many of the documents needed by our CPAs cannot be supplied by John, regardless of the "why" of this. We also understand John is taking 30 days for a leave of absence from this process. However, if you allow us in the interim to begin the process of issuing subpoenas for the necessary underlying documents from banks, vendors and others, we can begin to get the underlying documents that John has found to be to cumbersome (or impossible) to produce.
2. In the meantime, we will also modify the 11 partially-answered questions and 119 remaining questions to remove all document requests – which leaves just the direct questions that John can then easily answer. While we would prefer to not even ask John for this information at this point, our CPAs tell us that this information really cannot be gleaned from any other sources or documents – as they all go to his decisions and choices in constructing and documenting the financials. However, we will not send them to John until June 20th so John is not bothered during the next 30 days.
3. After we get John's responses to the revised questions as well as the documents responsive to the subpoenas, our CPAs will then meet with John to go over any

remaining questions about the collected documents and his responses. This would involve nothing more than standard CPA questions about the basic accounting matters -- being asked of the person paid to provide this accounting, but discussion at that juncture should be quick because of this new streamlined approach.

As noted, we understand John is taking a leave of absence for 30 days and certainly have no problem with that. We can start the subpoenas now to expedite this process and also have the revised questions ready for him when he returns.

This, along with our other suggestions, removes John from most of the remaining effort -- *and reduces the time he must spend to accomplish this court ordered process.*

I have not copied John (or anyone else) on this letter, as I thought I would seek your input first, as I want to keep the unneeded, adversarial acrimony to a minimum. If you want me to share this letter with anyone, please let me know.

Please let me know if these non-confrontational, time-saving suggestions are acceptable so we can proceed.

Cordially,

Joel H. Holt

JH/Hjf

From: Joel Holt [mailto:holvi@aol.com]
Sent: Thursday, June 23, 2016 2:03 PM
To: Gregory H. Hodges
Cc: edgarrossjudge@hotmail.com; nizar@dewood-law.com;
carl@carlhartmann.com
Subject: Re: Subpoenas To BNS and BPPR

Several quick comments are in order to this email.

First, "access to partnership accounting information" is all we are seeking now, which we have been seeking since the beginning of this year, as you know.

Second, John never offered to let these accountants work side by side—I was there when he made a much more limited suggestion, asking if they would give him some manpower to do specific, needed accounting tasks he would assign to them to speed up his work. If your client wants to revise that offer and have VZ actually come into the Plaza offices to do general accounting work with John (not sure there is anything left to do), just let me know.

Third, the 130 questions still need to be answered in order to understand the accounting. However, we agreed to (1) revise the list to eliminate the request for documents (as we agreed to get the documents through the subpoena process) and (2) we agreed to wait 30 days before submitting the revised list, as John said he was taking 30 days off from the partnership accounting (a well deserved rest).

In this regard, the revised list is being sent now attached by separate email since that 30 day period just ended.

Joel H. Holt, Esq.
2132 Company Street
Christiansted, St. Croix
U.S. Virgin Islands 00820
(340) 773-8709

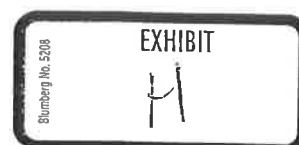
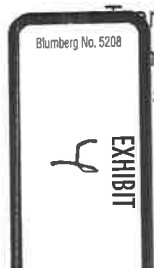


EXHIBIT 4

Questions for Gaffney

Item No.	Description	Amount Due Partnership	Amount Due to Hameds
248	KAC357, Inc. payment of invoices from J. David Jackson PC		\$833
256	David Jackson, CPA, bill owed for tax work done related to the Partnership's 2013 taxes		\$653
265	Wally Hamed's personal payment of accounting and attorneys' fees in United States of America v United Corp., et. al., VI D.Ct. 2005-cr-015		\$332,900
275	KAC357, Inc. payment of invoices from FreedMaxick		\$6,245
278	KAC357, Inc. payment of Partnership WAPA invoices		\$81,714
279	KAC357, Inc. payment of Partnership Tropical Shipping invoices		\$23,848
281	Payment of NejeH Yusuf credit card bill	\$49,715	
310	2015 Health permit payments for Plaza East	\$850	
333	KAC357, Inc. payment of Partnership AT&T invoices		\$756
334	Point of Sale transactions (purchases on account)	\$926	
335	No credit for expired (spoiled) inventory discovered at Plaza Extra West	\$54,592	
340	Rents collected from Triumphant church	\$3,900	
343	KAC357, Inc.'s American Express payments deposited to Partnership account		\$12,273
353	Due to/from Fathi Yusuf	\$186,819	
358	STT Tutu gift certificates		\$3,790
359/362	Employee Loans	\$33,121	
361	Payments to Caribbean Refrigeration & Mechanical LLC	\$95,420	
363	Transactions with Miadden Plastic	\$49,565	
371	Scotiabank Telecheck transfers were deposited in Partnership accounts	\$8,500,000	
381	Many general ledger entries are missing descriptions	\$1,026,856	
385	Partnership may have paid Fathi Yusuf's personal attorney's fees	\$14,995	
390	Transactions with Alamnai Co.	\$37,629	
392	Improper payments to Carol's newspaper distribution	\$1,697	
396	Transactions with JKC Communication	\$13,389	
397	Transactions with House of Printing	\$860	
398	Transactions with Foampack	\$1,257	
405	Generous unexplained general ledger entries regarding Hamed	\$51,061	
425	5 Accounts Payable-Trade to John Gaffney	\$1,544	



Questions for Gaffney

Item No.	Description	Amount Due Partnership	Amount Due to Hameds
427	2013 Accounts Payable-Trade to John Gaffney	\$1,214	
438	Transaction with Source Accounting	\$3,500	
453	Scotia Invoices	\$11,411	
454	Lissette Colon's salary, benefits, bonuses and incidental expenses	\$6,215	
455	Myra Senhouse's salary, benefits, bonuses and incidental expenses	\$2,259	
456	Humphrey Caswell's salary, benefits, bonuses and travel and entertainment expenses	\$28,666	
464	Transaction with Raja Foods	\$410	
465	2016 transactions with Caribbean Refrigeration & Mechanical LLC	\$10,902	
476	Wireless Tech Rent	\$15,000	
477	Unclear general ledger entries regarding Hanun loan	\$35,000	
492	\$900,000 Estimated tax payment for United Corporation shareholders	\$900,000	
3003	WAPA deposits paid with Partnership funds	\$272,572	
3011	Excessive travel and entertainment expenses	\$23,745	\$421,235
Unclear Transactions based on Accounting Detail			
345	Unclear UVI payment	\$293	
364	Unclear General Ledger entry "Collection of Setallment [sic]"	\$42,970	
365	Unclear General Ledger entries "Foreign taxes paid"	\$18,804	
366	Unclear General Ledger entries POS charges for Seaside Market	\$11,660	
367	Unclear General Ledger entries "change order" and "cash requisition"	\$26,510	
369	Unclear General Ledger entries "credit card paid"		
370	Unclear General Ledger entries "RDC Frozen Account"	\$350,000	
372/379	Unclear General Ledger entries regarding miscellaneous adjustments to employee loans	\$122,905	
373	Unclear General Ledger entries regarding "return check mutilated"	\$83,800	
374	Unclear General Ledger entry regarding "Cash - Transfer Clearing, Banco Proc Error re Xfer"	\$360,000	
375	Unclear General Ledger entry regarding "2013 US Customs Exp Per Schedule"	\$9,916	
376	Unclear General Ledger entries regarding Merrill Lynch	\$4,261,939	
377	Unclear General Ledger entries regarding Daas corporate loan	\$327,500	
378	Unclear General Ledger entries to "Due from (to) Yusuf"	\$693,242	
380	Unclear what the reclassification of partnership income in 2013 and 2014 notation on the general ledger means		

Questions for Gaffney

Item No.	Description	Amount Due Partnership	Amount Due to Hameds
383	Unclear general ledger entries regarding "nominal cash reconciliation	\$4,313	
384	Unclear general ledger entry "Accrue 2012 rent as directed by legal"	\$678,549	
386	Unclear general ledger entries regarding deposit adjustments	\$1,700,000	
388	Unclear general ledger entries regarding due/to Shopping Center	\$900,000	
391	Unclear general ledger entries regarding "Adjust due/to from"	\$241,558	
393	Unclear general ledger entries regarding "Cash Reques"	\$6,500	
394	Unclear general ledger entry regarding "AT&T MOBILITY"	\$2,950	
399	Unclear general ledger entries regarding "All Scotia Account Closures"	\$615,172	
400	Unclear general ledger entries regarding "Fathi Yusuf matching draw"	\$1,288,603	
401	Unclear general ledger entries regarding United Corporation	\$120,431	
402/418	Unclear general ledger entry regarding "Fathi Yusuf refund of overpayment"	\$77,336	
403/413	Unclear general ledger entries for By Order	\$260,491	
408	Unclear general ledger entry for \$176,353.61 dated 9/30/15	\$176,354	
409	Unclear general ledger entries regarding transfers and closed accounts	\$837,554	
410	Unclear general ledger entry regarding 50/50 distribution	\$165,000	
411	Unclear general ledger entry regarding accrued accounting fees to complete 2015 year-end taxes	\$16,315	
412	Unclear general ledger entry regarding accounting error for Tropical Shipping invoices	\$10,242	
414	Unclear general ledger entry regarding adjust cash on hand to count on 3/11/15	\$24,934	
415	Unclear general ledger entry regarding clearing Banco irregularities	\$8,482	
416	Unclear general ledger entry regarding balance sheet balances closed for insurance items to	\$51,569	
417	Unclear general ledger entries regarding clear misc Yusuf/Pship Due to/fr accounts		
418	Unclear general ledger entry regarding United reimbursement to Hamed of 7/13 overpayment	\$38,668	
419	Unclear general ledger entry regarding combined services inv dtd 2/24/15 paid on behalf of East	\$4,935	
420	Unclear general ledger entry regarding CRA check 215 to reimburse KAC357 for STT deposit errors		
421	Unclear general ledger entry regarding Daily (United C. CK)		
422	Unclear general ledger entry regarding excess cash over \$50k per court order	\$44,400	
423	Unclear general ledger entries regarding prepayment of insurance	\$139,231	

Questions for Gaffney

Item No.	Description	Amount Due Partnership	Amount Due to Hameds
428	Unclear general ledger entries regarding 2015 Accounts Payable-Trade to Maher Yusuf	\$1,866	
430	unclear Unsubstantiated check to Nejeah Yusuf	\$2,032	
431	Unclear general ledger entry, Non-cash distribution to Yusuf	\$245,090	
432	Unclear general ledger entry, North Western Selectra Inc.	\$4,524	
433	Unclear general ledger entry, J Ortiz	\$1,250	
434	Unclear general ledger entries regarding St. Thomas petty cash	\$10,339	
436	Unclear general ledger entry regarding United Shopping Center payment of accounting fees for the Partnership	\$4,500	
437	Unclear general ledger entry regarding United Shopping Center payment of legal fees for the Partnership	\$4,946	
439	Unclear general ledger entry regarding St. Thomas 1.5% CR Reduction (FUTA) paid by West to United	\$12,346	
440	Unclear general ledger entry regarding temporary adjustment for unreimbursed cash expenses during 2014/15	\$46,725	
442/407	Unclear general ledger entries indicating Accounts Payable Trade payments to United Corporation in 2015		
443	Unclear general ledger entry regarding price gun deposits	\$1,780	
444	Unclear general ledger entries regarding 2013 Q3 VIESA deficiency, plus penalty and interest in 2005	\$9,386	
445	Unclear general ledger entries regarding United Corporation	\$6,933	
446	Unclear general ledger entries regarding United Corporation – FUTA	\$10,047	
447	Unclear general ledger entry regarding United Corporation – Gift Certificates	\$2,630	
449	Unclear general ledger entries regarding Industrial Video and Luxor Goods	\$9,803	
450	Unclear general ledger entry regarding Hector Torres' invoice	\$2,000	
451	Unclear general ledger entries for Ramone Reid Felix invoices	\$1,092	
452	Unclear general ledger entries regarding Tasty Alternatives	\$30,721	
457	Unclear 2016 general ledger entries regarding the United Corporation in 2016	\$238,829	
459	Unclear general ledger entry regarding United Corporation – Worker's Compensation	\$318	
460	Unclear general ledger entries regarding FUTA late fee	\$85,697	
466	Unclear general ledger entries We Are Wine LLC	\$2,705	
467	Unclear general ledger entries regarding US Customs penalty	\$2,250	

Questions for Gaffney

Item No.	Description	Amount Due Partnership	Amount Due to Hameds
469	Unclear general ledger entries regarding Inter Ocean refund		
470	Unclear general ledger entries regarding "Lutheran Family Social Services"	\$1,246	
471	Unclear general ledger entries regarding KAC357	\$3,640	
472	Unclear 2016 general ledger entries for Banco Popular Puerto Rico		
473	Unclear general ledger entries regarding 2016 V.I. Employment Security contributions and penalties	\$13,048	
478	Unclear general ledger entries regarding distributing cash on hand in 2015	\$19,333	
479	Unclear general ledger entry regarding Yusuf distribution of WAPA deposit	\$110,842	
480	Unclear general ledger entries regarding "Yusuf distribu for trade AR"	\$15,701	
481	Unclear general ledger entry regarding "xfer fr Yusuf fam BPPR a/c to United BPPR a/c"	\$1,449	
482	Unclear general ledger entry regarding "Yusuf refund of overpayment"	\$77,336	
483	Unclear general ledger entry regarding "CLEAR MISC YUSUF/PSHIP DUE TO/FR ACCOUNTS"	\$247,870	
484	Unclear general ledger entries regarding "correct Yusuf/Hamed distrib settle on 9/30 ref ck 251 for \$183,381.91"	\$20,484	
485	Unclear general ledger entry regarding "clear pship a/c 28600 intraco bal's to equity"	\$247,138	
487	Unclear general ledger entry "clear misc Hamed/pship due to/fr accounts"	\$39,788	
488	Unclear general ledger entry regarding "due t/fr settlement re stmt at 9/30/15"	\$183,382	

EXHIBIT 5

Claims Special Master Ross Has Decided

Item No.	Description	Amount Due Partnership	Amount Due to Hameds
244	Reimbursement for Fathi Yusuf withdrawal related to Tutu Park rent payments	\$41,462	
272	Tutu Park Mall 2014 taxes & corresponding Partnership withdrawals by Fathi Yusuf	\$46,990	
297	Retirement bonus paid to Mary Gonzales	\$28,899	
312	Replacement of four condensers, plus associated costs for shipping, delivery and installation	\$59,867	
315	100 shopping carts purchased for Plaza Extra-East	\$13,117	
329	2015 Real Estate Tax for Plaza Extra-STT		\$12,652.39
356	2012-2013 Real Estate Taxes for Plaza Extra STT	\$89,444	
357	Payment to Dudley, Topper and Feuerzeig, LLP (Fathi Yusuf's personal attorney)	\$57,605	
468	2016 payments to Dudley, Topper and Feuerzeig, LLP (Fathi Yusuf's personal attorney)	\$9,680	
3002a	United Shopping Center's gross receipt taxes	\$70,193	
3005/426	John Gaffney's salary, benefits and bonus	\$226,232	
3008a	United's corporate franchise taxes and annual franchise fees	\$2,301	
3009a	Partnership funds used to pay United Shopping Center's property insurance	\$59,361	



Claims Requiring Additional Discovery

Item No.	Description
002	U.S. Attorney Calculation of Amount due from Yusuf for 1996-2002 (On Exhibit A)
246, 255, 260, 318	Seaside Market & Deli LLC
253	Nejeh Yusuf's use of Partnership resources
290	Nejeh Yusuf removed property belonging to KAC357 Inc.
299	2015 Workers' Compensation payments
314	2015 Business license payment for Plaza East
316	Inventory moved from Plaza West to East after official inventory
319	BJ's Wholesale Club vendor credit
331	2015 Insurance for St. Thomas Plaza Extra car
338	Merrill Lynch accounts (ML 140-21722, ML 140-07884, and ML 140-07951) financed with Partnership funds
346a	Attorney and accounting's fees paid by the Partnership for the criminal case
347	Gift to Nejeh of a Car (On Exhibit A)
348	Gold-Diamonds the US Discovered in Mike Yusuf's Two Safe Deposit Boxes (On Exhibit A)
354	Fathi Yusuf's Options losses after being told to stop by Mohammad (On Exhibit A)
360	Approximately \$18 million in purged transaction in 2013
475	Fathi Yusuf draw from Partnership funds for gift
489	Sixteen Plus Property - Diamond Keturah
490	Half acre in Estate Tutu
491	Plaza Extra East land
3004	Fathi Yusuf Post-2002 Checks to himself (On Exhibit A)
3004a	Checks written to Fathi Yusuf for personal use
3007	Imbalance in credit card points
3010	Vendor rebates