

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

HISHAM HAMED, on behalf of himself)
and derivatively, on behalf of **SIXTEEN**)
PLUS CORPORATION,)

Plaintiff,)

vs.)

FATHI YUSUF, ISAM YOUSUF and)
JAMIL YOUSEF,)

Defendants,)

and)

SIXTEEN PLUS CORPORATION,)

a nominal defendant.)
_____)

Case No.: 2016-SX-CV-650

DERIVATIVE SHAREHOLDER
SUIT, ACTION FOR DAMAGES,
CICO RELIEF, EQUITABLE RELIEF
AND INJUNCTION

JURY TRIAL DEMANDED

**MOTION OF DEFENDANTS ISAM YOUSUF AND JAMIL YOUSUF TO DISQUALIFY
PLAINTIFF'S COUNSEL AND FOR DISCOVERY RELATED TO ADDITIONAL
POTENTIAL BASIS FOR DISQUALIFICATION AND
MOTION TO STAY PENDING RESOLUTION OF MOTION TO DISQUALIFY**

Defendants, Isam Yousuf (“Isam”) and Jamil Yousuf, incorrectly identified as Jamil Yousef (“Jamil”) (collectively “Yousufs”), by and through their undersigned counsel, respectfully move to disqualify Joel H. Holt, Esq.¹ from representing Sixteen Plus Corporation²

¹ Should the Court disqualify Attorney Holt, it may be appropriate to examine whether co-counsel Carl J. Hartman III, Esquire would be vicariously disqualified as well.

² 16 Plus includes the interests of the family members of Mohammad Hamed by virtue of their allegations in various litigation that 16 Plus’ stock was owned 50% by family members of Mohammad Hamed. Upon information and belief, the Estate of Mohammad Hamed includes Waleed Hamed, Waheed Hamed, Mufeed Hamed, and Hisham Hamed (collectively the “Hameds”).

and Hisham Hamed, individually and derivatively on behalf of Sixteen Plus Corporation (collectively, "16 Plus/Hameds"), in this matter based on the imputed conflict of the Court's former law clerk, Robin P. Seila, Esq., which conflict cannot be rebutted by screening in a two-person law firm, and for discovery concerning Attorney Seila's involvement with the instant case, and other cases before the Court involving these or related parties, after employment discussions were initiated. The Yousufs further request a brief continuance issue pending a resolution of this motion to disqualify. In challenging the selection of plaintiff's counsel by disqualification, requesting to conduct discovery related thereto, and requesting a motion to stay pending a resolution of the motion to disqualify, Isam and Jamil Yousuf do not submit to the jurisdiction of the Court, do not waive their jurisdictional defenses and defenses to service of process, and do not voluntarily appear in this action.

I. INTRODUCTION AND BACKGROUND FACTS

It is undisputable that a law clerk, who as a part of her clerkship does substantive work on a case, acquires information that is valuable to the parties to that case and related cases. Upon information and belief, Attorney Robin P. Seila, the Court's former law clerk, substantively participated in matters styled as *Waleed Hamed, as Executor of the Estate of Mohammad Hamed v. Fathi Yusuf and United Corporation v. Waleed Hamed, Waheed Hamed, Mufeed Hamed, Hisham Hamed, and Plessen Enterprises, Inc.*, Civil No. SX-12-CV-370; *Waleed Hamed, as Executor of the Estate of Mohammad Hamed v. United Corporation*, Civil No. SX-14-CV-287, and *Waleed Hamed, as Executor of the Estate of Mohammad Hamed v. Fathi Yusuf*, Civil No. SX-14-CV-278 as part of her clerkship. These matters may be potentially related to the instant matter as they involve some of the same parties and entities involved in the multiple litigations. It should be noted the case at bar is in the early stages of litigation. The litigation has

been limited to preliminary motion practice and some written discovery. During her clerkship, in early June of 2017, Attorney Holt, who represents 16 Plus/Hameds in this case, began employment negotiations with Attorney Seila and, before she completed her clerkship, he offered her employment with his firm. [See e-mail from Joel Holt to Gregory Hodges dated July 26, 2017, in the e-mail chain attached as **Exhibit "A."**]³ Attorney Seila began working for Attorney Holt on October 30, 2017, after her clerkship concluded. [See letter from Joel Holt to Gregory Hodges and James L. Hymes, III, dated October 27, 2017, attached as **Exhibit "B."**] Notably, Attorney Seila's employment by Attorney Holt increased the size of Attorney Holt's firm from one—Attorney Holt—to two, Attorneys Holt and Seila. Accordingly, an attorney with information ostensibly indisputably valuable to 16 Plus/Hameds is now working for 16 Plus/Hameds' counsel in this matter in a two-attorney office.

Of course, the Virgin Islands Supreme Court Rules directly prohibit Attorney Seila from representing 16 Plus/Hameds and impute that conflict to Attorney Holt unless: 1) effective screening measures are put into place; and 2) written notice is promptly given to the parties and the Court so that they may ascertain compliance with the provisions of the rule. In this case, there simply is no screen that can be effective given the small size of the firm, and no written notice was provided to the parties and Court so they could ascertain compliance with the rule.⁴

³ Attorney Holt did not forward the e-mails to Attorney Hymes despite knowing of his representation of the Yousufs since at least June of 2017, and of his representation of Manal Yousef in a matter styled as *Sixteen Plus Corporation v. Manal Yousef v. Sixteen Plus Corporation*, Civil No. SX-16-CV-65, since at least April of 2017 and in a matter styled as *Manal Yousef v. 16 Plus Corporation v. Manal Yousef and Fathi Yusuf*, Civil No. ST-17-CV-342.

⁴ To the extent Attorney Holt claims that the October 27, 2017 letter is the requisite prompt notice, the Yousufs note that the notice was neither prompt, since Attorney Seila executed her "final contract" on July 9, 2017, nor was it provided to this Court as required. The Friday, October 27 letter was e-mailed that day and Attorney Seila started her employment with

Moreover, the principles underlying disqualification of counsel, including avoiding the appearance of impropriety, safeguarding the integrity of court proceedings, and eliminating the threat that litigation could be tainted also militate in favor of disqualifying Attorney Holt in this potentially related case.

Further, if Attorney Seila performed any substantive work on potentially related Hamed/Yusuf cases after employment discussions were initiated, it would provide an additional and independent basis on which to disqualify Attorney Holt from representing the 16 Plus/Hamed in this matter. Therefore, discovery is needed concerning the timeline of the employment discussions and Attorney Seila's involvement with other related cases before the Court.

II. MEMORANDUM OF LAW

A. **Joel H. Holt, Esq. Must Be Disqualified from Representing 16 Plus/Hameds Given that Attorney Holt's Associate Attorney, Robin P. Seila, Esq., Could Not Represent Those Parties, Effective Screening Cannot Be Implemented in a Two Person Firm, and the Required Written Notice Was Not Provided.**

1. *Screening Cannot be Effective in a Two Person Firm, the Appearance of Impropriety is Too Great, and There is an Actual Threat that the Litigation Will be Tainted by Inadvertent Disclosure.*

It is axiomatic that the underlying principle in considering motions to disqualify counsel is safeguarding the integrity of the court proceedings; the purpose of granting such motions is to eliminate the threat that the litigation will be tainted. *See United States Football League v. National Football League*, 605 F.Supp. 1448, 1464 (S.D.N.Y.1985).

Attorney Holt the following Monday. Per the "carbon copy" on the letter, it was only provided to the Master, who is entirely focused on overseeing the winding up of the partnership and would be completely removed from any decision regarding counsel's conflicts of interest.

A law clerk, by virtue of her position, is obviously privy to the judge's thoughts in a way that the parties cannot be. *Fredonia Broadcasting Corp., Inc. v. RCA Corp.*, 569 F.2d 251, 256 (5th Cir. 1978). Therefore, because a law clerk would have a significant tactical advantage litigating a case that she substantively worked on during her clerkship, after a clerkship is over law clerks may not represent anyone in connection with such a matter and it would be improper to represent anyone in a related matter.⁵ See Virgin Islands Supreme Court Rule 211.1.12 "a lawyer shall not represent anyone in connection with a matter in which the lawyer participated personally and substantially as . . . a law clerk." V.I.S.Ct.R. Rule 211.1.12(a). Thus, plainly, Attorney Seila may not represent 16 Plus/Hameds in this matter. With respect to Attorney Holt's continued representation of 16 Plus/Hameds, the Rule continues, "[i]f a lawyer [Attorney Seila] is disqualified by paragraph (a) no lawyer in a firm with which that lawyer is associated may knowingly . . . continue in representation in the matter unless: (1) the disqualified lawyer is timely screened from any participation in the matter . . . ; and (2) written notice is promptly given to the parties and any appropriate tribunal to enable them to ascertain compliance with the provisions of this rule." V.I.S.Ct.R. Rule 211.1.12(c)(1)-(2).

Because Attorney Holt's firm consists of only two lawyers, there cannot be an effective screen. Thus, there is both the appearance of impropriety and danger of the litigation actually being tainted by inadvertent disclosure. As the court explained in *Chase Home Finance, LLC v. Ysabel*, no. CV095029461, 2010 WL 3960775, at * 11 (Sup. Ct. Conn. Sept. 3, 2010) (unpublished):

⁵ Although not defined in the terminology section of Rule 211.1.0, pursuant to V.I.S.Ct.R. Rule 211.1.11 "matter" includes (1) any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest or other particular matter involving a specific party or parties; and (2) any other matter covered by the conflict of interest rules of the appropriate government agency. V.I.S.Ct.R. Rule 211.1.11(e).

The size of Attorney Rivera's firm is a significant and fatal impediment to the existence of a viable Chinese wall. As set forth above, there is authority that a Chinese wall cannot exist in a small law firm, which has been defined to include even a 35 person firm (see *Cheng v. GAF Corp.*, 631 F.2d 1052 (2d Cir.1980)). **Those cases note that in a small firm the day-to-day contact between lawyers is necessarily such that the possibility of inadvertent disclosure of confidential information is too great.**

Attorney Rivera's firm consists of two attorneys, himself and Attorney Sastre. While Attorney Sastre has his office in a location separate from the Hunt Leibert files, Attorneys Sastre and Rivera clearly have contact with each other.

Id. (emphasis added). In *Cheng v. GAF Corp.*, 631 F.2d 1052 (2d Cir.1980), *vacated on other grounds*, 450 U.S. 903 (1981), the Second Circuit reversed the District Court's failure to disqualify a law firm. The disqualified attorney was a member of a firm of thirty-five attorneys, approximately twenty-one of whom worked in his office. *Id.* at 1058, 1058 fn. 6. The attorney worked in the health law division of the firm and the representation at issue was being handled by the firm's labor division. *Id.* at 1054. The firm submitted affidavits stating that the attorney had not worked on the case, that he had not disclosed any confidences or discussed the merits of the case, and that he would not be allowed to have any substantive involvement in it. *Id.* Nevertheless, the Court of Appeals concluded that there was "a continuing danger that [the conflicted attorney] may unintentionally transmit information he gained through his prior association [] during his day-to-day contact with defense counsel." *Id.* at 1058. "Although we do not question [the disqualified lawyer's] integrity or his sincere efforts to disassociate himself from the *Cheng* case, we are not satisfied that under the facts of this case the screening will be effective, thus . . . order the district court to disqualify [his] firm." *Id.* (citations omitted).

Further, in *Baird v. Hilton Hotel Corp.*, 771 F.Supp. 24 (E.D.N.Y. 1991), the court disqualified counsel and explained that due to the size of the firm, nine attorneys, a "Chinese Wall" could not be effective and, additionally, the small size of the firm created an obvious

appearance of impropriety and a real risk that the proceedings would be tainted. *Baird v. Hilton Hotel Corp.*, 771 F.Supp. 24, 27 (E.D.N.Y. 1991) (“[I]n terms of the potential effectiveness of any “Chinese Wall,” Ms. Pluchino’s firm is smaller [nine attorneys] than the firm in the *Cheng* case [thirty five attorneys] and the measures taken to insulate her are no more stringent. Moreover, as in *Cheng*, this case is ongoing and accordingly the danger of disclosure continues. Although I do not doubt the veracity of Ms. Pluchino’s statements that she has not disclosed confidential information to her new colleagues, **I find that in her daily contacts with plaintiffs’ counsel there remains a danger of inadvertent disclosure of information she gained while representing the defendants. The obvious appearance of impropriety coupled with a real danger that the forthcoming trial will be tainted require disqualification.**”) (emphasis added); *see also Crudele v. N.Y. City Police Dep’t*, Nos. 97 Civ. 6687, 2001 U.S. Dist. LEXIS 13779, *13-*14, 2001 WL 1033539, at *4 (S.D.N.Y. Sept. 7, 2001) (disqualifying law firm stating, “In such situations, courts are concerned that the disqualified attorney, in his day-to-day contact with his new associates, may unintentionally transmit information learned in the course of the prior representation. ... **This Court likewise concludes that the danger of inadvertent disclosure and the appearance of impropriety is sufficiently present here so as to require disqualification.** Leeds, Morelli & Brown is comprised of only 15 lawyers.”) (emphasis supplied); *Marshall v. New York Div. of State Police*, 952 F.Supp. 103, 111-12 (N.D.N.Y. 1997) (disqualifying law firm explaining, “Moreover, while screening devices may be used in some circumstances to prevent the disclosure of confidences and secrets from a prior representation, thus allowing a law firm to avoid disqualification, they cannot be used where the circumstances are such that a court cannot determine that they will effectively prevent disclosure. ... [T]he relatively small size of the Ruberti Firm (approximately 15 lawyers) raises doubts that even the

most stringent screening mechanisms could have been effective in this case.”); *Filippi v. Elmont Union Free School Dist. Bd. of Educ.*, 722 F.Supp.2d 295, 313 (E.D.N.Y. 2010) (“Moreover, as discussed extensively, *supra*, because of the small size of the Morelli Firm [six lawyers], the Court does not believe, under the circumstances here, **that any screening procedures to prevent the flow of information about the matter between the personally disqualified lawyer and the others in the Firm would be fully effective. ... [E]ven assuming there were not an actual conflict in this case, this particular conflict presents such an appearance of impropriety that disqualification is warranted.**”) (emphasis added); *Stratton v. Wallace*, Case No. 11-CV-0074A, 2012 WL 3201666, at *5 (W.D.N.Y. Aug. 2, 2012) (disqualifying law firm explaining, “The lead defense attorney in the matter, Mr. D’Aquino, is co-chair of the general litigation practice group in which Ms. Martin practices, a group which includes less than forty attorneys across the firm’s multiple offices. Moreover, Ms. Martin and Mr. D’Aquino are both in the Buffalo office. **While the court has no doubt as to the integrity of all of the lawyers involved in this matter, the appearance of impropriety which arises from the facts presented cannot be overcome.**”) (emphasis added); *In re Asbestos Cases*, 514 F.Supp. 914, 923 (E.D.Va. 1981) (disqualifying law firm, explaining, “Peterson’s employment with Greitzer and Locks constitutes a threat to the integrity of the Norfolk litigation despite the attempts of the firm to screen him from any participation in the litigation. ... Greitzer and Locks is a six-man law firm. These cases will take a considerable amount of time to litigate and, despite the protestations of Peterson and the firm, it is unclear how disclosures, even inadvertent, can be prevented given the size of the firm and the prolonged nature of the litigation. Because of the magnitude of the litigation, there is the **continuing risk that the agreement not to talk with Peterson about the cases or speak near Peterson about the cases will not be effective given the close, informal**

relationship which exists among law partners and associates, especially in a firm the size of Greitzer and Locks and the financial incentives which exist to discuss current employment.”); *Puerto Rico Fuels, Inc. v. Empire Gas Co., Inc.*, Case No. CE-90-796, 1993 WL 840220, IV (Supreme Ct. PR, April 14, 1993) (disqualifying law firm stating, “The fact that shortly after[wards] she [the disqualified attorney] moved to Estrella Law Firm—a small [four person] firm—makes it difficult, if not impossible, the real possibility of implementing an adequate screening device that would meet the professional ethics rule in question.”); *Mitchell v. Metropolitan Life Ins. Co.*, Case No. 01 CIV. 2112, 2002 WL 441194, at *10 (S.D.N.Y. March 21, 2002) (disqualifying law firm, explaining “In this case, the screening measures put in place by [the law firm of] Lieff Cabraser do not suffice to avoid disqualification. ... Although Fleishman personally is not involved in prosecuting this action, she works in the 12–lawyer New York office of a relatively small firm. Two of the attorneys in the New York office are assigned to this case, and Fleishman is working directly with one of them on another significant class action suit. **Given that Fleishman works in close proximity to attorneys responsible for this action, and regularly interacts with at least one of them, there exists a continuing danger that Fleishman may inadvertently transmit information[.]**”) (emphasis added); *Energy Intelligence Group, Inc. v. Cowen and Co., LLC*, Case No. 14 Civ. 3789, 2016 WL 3920355, at *6 (S.D.N.Y. July 15, 2016) (disqualifying law firm stating, “EIG is a very small firm consisting of four partners and about ten other attorneys in a single office, which by its nature imperils an ethical screen.”); *US v. Pelle*, Crim. No. 05-407JBS, 2007 WL 674723, *7 fn. 4 (D.N.J. Feb. 28, 2007) (disqualifying law firm on other grounds as New Jersey rejects screening as a method to rebut imputation of conflict, but noting, “UDG is a small firm of no more than ten attorneys of which Angelyn Gates is the managing partner. In that situation, the prospect of accidental

exposure to the Pelle matter is real, despite any efforts to screen her or Lorilee Gates, a Senior Attorney at this small firm, from the case.”)

Moreover, in *Yaretsky v. Blum*, 525 F.Supp. 24 (S.D.N.Y. 1981), the screening methods employed by the law firm included isolating the attorney with the direct conflict from conversations and communications involving the matter and locking up all files generated by the case. *Id.* at 30. However, the *Yaretsky* court found that despite the lawyer's “unimpeached good character” and the “screening efforts undertaken” by the firm, the firm must be disqualified. *Id.*

The court explained its rationale:

In the instant case, the law firm involved has less than thirty lawyers in its New York office. Moreover, Mr. Gassel is employed in the firm's health law section, which is also the section of the firm charged with handling this case. In other words, the relatively small group of professional colleagues with whom Mr. Gassel interacts on a daily basis are also the group of people who must screen their activities from Mr. Gassel, and who must, in turn, be screened from Mr. Gassel's disclosure, however inadvertent, of confidential information[.] This court is very skeptical about the efficacy of any screening procedures given this situation.

Id. The *Yaretsky* court also persuasively addressed the issue of the appearance of impropriety as it relates to the public's confidence in the legal profession.

As this court reads the applicable law of the Second Circuit, the appearance of impropriety . . . standing alone, [would not] be sufficient to require disqualification. Clearly this position is motivated by solicitude for a party's right to choose his own counsel, and an appreciation of the dislocation caused by disqualifying counsel once an action has begun. **However, these considerations must be balanced with “the need to maintain the highest standards of the profession.” These standards take on practical importance in preserving the public's confidence in the legal profession.** This court would be hard pressed to explain to a lay person how it was in fact proper for a lawyer who was substantially involved with the prosecution of a lawsuit to switch sides in the middle of the action. The appearance of impropriety is incontrovertible on the instant facts, and serves as an important additional reason for disqualification of [the law firm of] EBB&G.

Id. (emphasis added) (internal citations omitted). Indeed, like the *Yaretsky* court, this Court would be “hard pressed” to explain to a lay person how it was in fact proper for Attorney Holt to continue to represent 16 Plus/Hameds after hiring a law clerk who obtained valuable information concerning related cases during her clerkship, given the unmistakable appearance of a disadvantage to the Yousufs – and advantage to 16 Plus/Hameds – created thereby. Like in *Yaretsky*, among numerous other cases cited above, the appearance of impropriety is incontrovertible on the instant facts and serves as an important additional reason for disqualification of Attorney Holt’s firm. *See also Van Jackson v. Check ‘N Go of IL, Inc.*, 114 F. Supp. 2d 731, 733-34 (N.D. Ill. 2000) (disqualifying small law firm, stating, “The small size of the firm also weighs heavily against an effective screen. ... In such a small firm [four attorneys], it is questionable whether a screen can ever work. In addition to the danger of tainting the underlying trial, [the law firm of] K&D’s continuing representation of the defendants creates the type of unacceptable appearance of professional impropriety condemned in . . . the Code of Professional Responsibility. [W]here public confidence in the Bar would be undermined, even an appearance of impropriety requires prompt remedial action by the court.”) (internal cite and quotation marks omitted). Accordingly, Attorney Holt’s firm is properly disqualified from representing 16 Plus/Hameds in this matter, due to the lack of efficacy of an ethics screen in a two-person law firm, the appearance of impropriety created by the continued representation, and the risk of tainting the litigation through inadvertent disclosure(s).

2. *Attorney Holt Did Not Provide the Required Written Notice to the Parties and the Court.*

In order for Attorney Holt to continue representing 16 Plus/Hameds in this matter after he hired Attorney Seila, in addition to effectively screening Attorney Seila from the case – which as

discussed above cannot be done in a two-person law firm – he needed to “promptly” provide written notice to “the parties and any appropriate tribunal to enable them to ascertain compliance with the provisions of this rule.” V.I.S.Ct.R. Rule 211.1.12(c)(2). To the extent that the October 27, 2017 letter (Exhibit B) could be deemed notice to the parties, it was neither promptly provided, given that Attorney Seila executed her “final” employment contract on July 9, 2017 (*see* Exhibit A at p. 2), nor was it provided to this Court, only to the Master who has no jurisdiction over the issue of counsel’s conflicts of interest. Clearly, this is a substantive requirement designed to allow the other parties and the Court a meaningful opportunity to evaluate whether counsel can successfully rebut the imputed conflict of interest so he or she may ethically continue to represent a party and/or related party to the litigation. Of course, since the conflict in the instant matter arises as a result of Attorney Seila’s clerkship with the Court, it follows that the Court would have a special interest in making sure that the valuable information she gained about this the parties and/or related parties, and about related cases, does not cast a shadow on the Court’s ultimate disposition of the case. Given that the required written notice was not promptly provided to the parties, or ever provided to this Court, Attorney Holt is properly disqualified from representing 16 Plus/Hameds on this separate and independent basis as well. *Cf. Monument Builders of PA, Inc. v. Catholic Cemeteries Ass’n, Inc.*, 190 F.R.D. 164 (E.D. Pa. 1999) (disqualifying the conflicted ex-law clerk, but not the entire firm, where a substantially similar requirement for written notice is found in the applicable ethics rules, since law clerk worked from home and an effective screen could be implemented and the required notice was promptly given, stating: “We also find that MBPA’s notice to the Court was sufficiently ‘prompt’ to satisfy Rule 1.12(c)(2). ... [We were] notified [] of the potential conflict

at the first Rule 16 conference in this matter. We therefore will not disqualify the entire Mitchell

A. Kramer law firm.”).

B. Discovery Is Needed on the Timeline of Employment Discussions and Attorney Seila's Involvement with Parties and Related Parties to Other Related Cases.

Any substantive work Attorney Seila did on related matters after she and Attorney Holt began employment discussions would also be a separate and independent basis on which to disqualify Attorney Holt's firm. *See e.g. Fredonia Broadcasting Corp., Inc. v. RCA Corp.*, 569 F.2d 251 (5th Cir. 1978) (explaining when a law clerk has accepted employment with a law firm, it is possible that if the law clerk continues to work on a case in the course of her clerkship in which her future employer is counsel it might present an unfair advantage to the party represented by that law firm and noting a clear appearance of impropriety). Attorney Holt states that “I do not know which of my pending case she has worked on, as we did not discuss any pending cases, but she assured me during our first call that she would immediately stop work on any such files” [See **Exhibit A** at p. 2.] Accordingly, discovery is needed on the timeline of the employment discussions and the extent of Attorney Seila's involvement with related cases after discussions began. *See P.M. v. N.P.*, 116 A.3d 1078, 1087-89 (Super. Ct. NJ, 2015) (remanding the matter for specific factual findings stating, “[W]e are compelled to remand this matter for the judge to make specific findings describing the law clerk's pre-employment activities with defense counsel. The judge must make specific findings regarding the timing and substance of defense counsel's employment discussions with his law clerk, including whether the law clerk independently notified the judge of her employment negotiations with defense counsel as required by RPC 1.12(c). The judge must also describe what duties the law clerk performed for him in connection with this case *after* defense counsel revealed her interest in hiring his law

clerk. ... Without this vital information, we are unable to determine whether the trial judge erred in accepting defense counsel's certification as well as her self-serving unsworn representations at oral argument on this critical point."").

III. GRANTING MOTION TO STAY PROCEEDINGS OR ENLARGEMENT OF TIME PENDING RULING ON DISQUALIFICATION IS WARRANTED

The Court has broad discretion to stay the proceedings including pleadings and discovery matters and/or enlarge the time to respond pleadings and discovery pending decisions on other motions. The Yousufs request the Court exercise its authority to stay the pleading and discovery phases, other than discovery pertaining to the disqualification challenge, until it issues an order in the matter *sub judice* to protect the integrity of the Court, to avoid an appearance of impropriety created by the continued representation, and to avoid the risk of tainting the litigation through inadvertent disclosure(s).

IV. CONCLUSION

It is undisputable that Attorney Seila gained information during her clerkship that is highly valuable to the parties in this case. It is also undisputable that Attorney Seila may not represent 16 Plus/Hameds in this matter and her conflict is imputed to Attorney Holt unless he can rebut the imputation of the conflict with a successful and timely ethical screen, and he provided the parties and the Court with timely written notice. Because Attorney Holt and Attorney Seila work together in a two-lawyer firm no ethical screen can be effective. Additionally, the required notice was not provided to the parties and the Court. Moreover, the appearance of impropriety is incontrovertible on the instant facts and serves as an important additional reason for disqualification of Attorney Holt's firm. Accordingly, Attorney Holt's firm is properly disqualified from representing 16 Plus/Hameds in this matter, due to the lack of

efficacy of an ethics screen in a two-person law firm, the appearance of impropriety created by the continued representation, and the risk of tainting the litigation through inadvertent disclosure(s).

Additionally, because any substantive work Attorney Seila did on any related case after employment discussions with Attorney Holt began provides another independent ground for disqualifying Attorney Holt's firm, the Yousufs' motion for discovery on the timeline of employment discussions and what work was performed by Attorney Seila on related cases after those discussions were commenced is properly granted.

WHEREFORE, on the basis of the foregoing, Isam Yousuf and Jamil Yousuf respectfully request that the Court disqualify Attorney Holt from representing 16 Plus/Hameds in this matter and allow Defendants to serve written discovery and take depositions concerning the timeline of employment discussions and Attorney Seila's involvement with this matter and any other related matters on which she performed substantive work during her clerkship, as well as awarding the Yousufs such further relief as the Court deems just and proper.

Respectfully Submitted,

DATED: December 15, 2017.

LAW OFFICES OF JAMES L. HYMES, III, P.C.
Counsel for Defendants –
Isam Yousuf, and Jamil Yousuf

By:


JAMES L. HYMES, III

VI Bar No. 264

P.O. Box 990

St. Thomas, Virgin Islands 00804-0990

Telephone: (340) 776-3470

Facsimile: (340) 775-3300

E-Mail: jim@hymeslawvi.com;

rauna@hymeslawvi.com

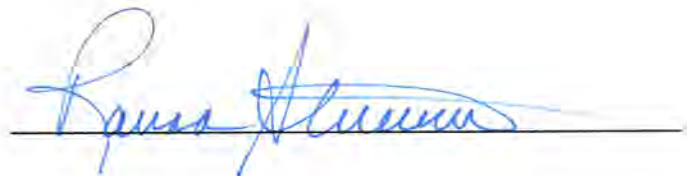
CERTIFICATE OF SERVICE

I hereby certify this document complies with the page or word limitation set forth in V.I. R. Civ. P. 6-1(e) and that on this the 15th day of December, 2017, I caused an exact copy of the foregoing **“Motion of Defendants Isam Yousuf And Jamil Yousuf to Disqualify Plaintiff's Counsel and for Discovery Related to Additional Potential Basis for Disqualification and Motion to Stay Pending Resolution of Motion to Disqualify”** to be served electronically by e-mail, and by mailing same, postage pre-paid, to the following counsel of record:

JOEL H. HOLT, ESQ. (VI Bar No. 8)
LAW OFFICES OF JOEL H. HOLT
2132 Company Street
Christiansted, USVI, 00820
Phone: (340) 773-8709 // Fax: (340) 773-8677
holtvi@aol.com
Counsel for Plaintiff

CARL J. HARTMANN, III, ESQ. (VI Bar No. 48)
VI Bar No. 48
5000 Estate Coakley Bay, L-6
Christiansted, VI 00820
Phone: 340-642-4422
carl@carlhartmann.com
Co-Counsel for Plaintiff

GREGORY H. HODGES, ESQ. (VI Bar No. 174)
STEPHEN HERPEL, ESQ. (VI Bar No. 1019)
LISA MICHELLE KÖMIVES, ESQ. (VI Bar No. 1171)
DUDLEY, TOPPER AND FEUERZEIG, LLP
Law House, 10000 Frederriksberg Gade
P.O. Box 756
St. Thomas, VI 00804-0756
ghodges@dtflaw.com
sherpel@dtflaw.com
lkomives@dtflaw.com
Attorneys for Defendant Fathi Yusuf



Gregory Hodges

From: Joel Holt <holtvi@aol.com>
Sent: Wednesday, July 26, 2017 4:15 PM
To: Gregory Hodges
Subject: Re: Law clerk

Ok-if you think of any, let me know

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

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

From: Gregory Hodges <Ghodges@dtflaw.com>
To: Joel Holt <holtvi@aol.com>
Sent: Wed, Jul 26, 2017 4:13 pm
Subject: RE: Law clerk

Joel,
Thanks for your response. Since I have no recent personal experience with screening measures, I am in no position to offer suggestions.

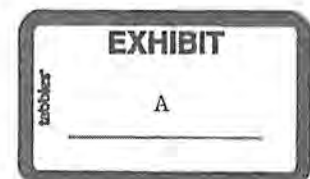
Gregory H. Hodges
Dudley, Topper and Feuerzeig, LLP
Law House, 1000 Frederiksberg Gade
St. Thomas, VI 00802
Direct: (340) 715-4405
Fax: (340) 715-4400
Web: www.DTFLaw.com

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From: Joel Holt [<mailto:holtvi@aol.com>]
Sent: Wednesday, July 26, 2017 2:26 PM
To: Gregory Hodges <Ghodges@dtflaw.com>
Subject: Re: Law clerk



Greg-I cleared all of this with you first, as you know. I then called Judge Brady's chambers, either on the same day we spoke or the day after you confirmed you had no problem with my speaking with his law clerk. His secretary, Ms. Krind, asked why I was calling, which I told her. She put me on hold and then came back and said Judge Brady had no objection to my talking to her. I then asked Ms. Krind to let the clerk know I would be calling, which she did. In short, I have never spoken directly with Judge Brady about her, nor anyone else at the Court other than the brief call with Ms. Krind.

I then spoke with the law clerk several times in June. I do not know which of my pending cases she has worked on, as we did not discuss any pending cases, but she assured me during our first call that she would immediately stop all work on any such files (I do have more than one case before Judge Brady). I told her in late June that I planned on extending an offer to her and sent her a written offer on June 30, which she accepted. The final contract was signed July 9th.

As for the "screening measures" going forward, that process is still being developed, but will include blocking her access to the office files, making sure she has no contact with the clients and having her only use the office gmail account, while I will continue to only use my AOL account for this case, which she will not have access to, so she will have no access to my emails (past or future). I welcome any other suggestions you might have.

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

-----Original Message-----
From: Gregory Hodges <Ghodges@dtflaw.com>
To: Joel Holt <holtvi@aol.com>
Sent: Wed, Jul 26, 2017 11:48 am
Subject: RE: Law clerk

Would you please let me know when you offered her a job, when she accepted, whether Judge Brady was advised of these events and, if so, when? Also, please advise what screening measures will be implemented.

Gregory H. Hodges
Dudley, Topper and Feuerzeig, LLP
Law House, 1000 Frederiksberg Gade
St. Thomas, VI 00802
Direct: (340) 715-4405
Fax: (340) 715-4400
Web: www.DTFLaw.com

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

From: Joel Holt [mailto:holtvi@aol.com]
Sent: Tuesday, July 25, 2017 8:16 PM
To: Gregory Hodges <Ghodges@dtflaw.com>
Subject: Re: Law clerk

Yes-she starts Oct 4

Joel H. Holt
2132 Company Street
Christiansted, USVI 00820
340-773-8709

> On Jul 25, 2017, at 7:32 PM, Gregory Hodges <Ghodges@dtflaw.com> wrote:

>
> Anything develop from this?

>
>
> Gregory H. Hodges

> Dudley, Topper and Feuerzeig, LLP
> Law House, 1000 Frederiksberg Gade
> St. Thomas, VI 00802
> Direct: (340) 715-4405
> Fax: (340) 715-4400
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> -----Original Message-----

> From: Joel Holt [mailto:holtvi@aol.com]
> Sent: Monday, June 05, 2017 3:57 PM
> To: Gregory Hodges <Ghodges@dtflaw.com>
> Subject: Re: Law clerk

>
> Sure-thx

>
> Joel H. Holt
> 2132 Company Street
> Christiansted, USVI 00820
> 340-773-8709

>
>> On Jun 5, 2017, at 3:54 PM, Gregory Hodges <Ghodges@dtflaw.com> wrote:

>>
>> Will do. Instead of today, may I call you tomorrow afternoon?

>>
>>
>> Gregory H. Hodges
>> Dudley, Topper and Feuerzeig, LLP
>> Law House, 1000 Frederiksberg Gade
>> St. Thomas, VI 00802
>> Direct: (340) 715-4405
>> Fax: (340) 715-4400

>> Web: www.DTFLaw.com

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>> -----Original Message-----

>> From: Joel Holt [<mailto:holtvi@aol.com>]

>> Sent: Monday, June 05, 2017 3:19 PM

>> To: Gregory Hodges <Ghodges@dtflaw.com>

>> Subject: Law clerk

>>

>> I did get the full name of Judge Brady's law clerk-Robin Sealey, although I did not learn anything else about her. Once you have a response to my call last week, let me know. Thx

>>

>> Joel H. Holt

>> 2132 Company Street

>> Christiansted, USVI 00820

>> 340-773-8709

>

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@jhal.com

October 27, 2017

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

James L. Hymes, III, Esquire
Law Offices of James L. Hymes, III, P.C.
P.O. Box 990
St. Thomas, VI 00804-0990

Sent by mail and email

Re: Plaza Extra Matters

Dear Counsel:

As I discussed with Greg last June, I have hired Robin Seila, Judge Brady's former law clerk, who is scheduled to finally start next week.

I am setting up a "Chinese Wall" between her and every Hamed/Yusuf case, no matter what the designation may be (Plessen, Sixteen Plus, Manal Yousef, etc.). In this regard, my plan is as follows:

- Before she starts work, I will educate my office on what this entails to ensure full compliance;
- We have already taken steps to secure the current files in locked cabinets so that Robin cannot access them;
- I am setting up a separate email for those cases (holtvi.plaza@gmail.com) that I will start using on Monday, October 30th, which she will not have access to. In that case, we need to communicate through that email on the Hamed/Yusuf cases going forward, which I will inform other counsel as well as the Court to use;
- I have also taken steps to block off and password protect the portion of the office server regarding all of these cases so she cannot access anything on it.

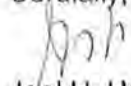


Plaza /Sella Letter
Page 2

- To the extent we still exchange paper documents, my staff will be instructed to put all such correspondence and pleadings directly on my desk so I can then make sure they are securely filed;
- Once Robin starts, she will be instructed not to discuss these cases with anyone in my office, including me, or with anyone outside of the office, including other counsel in that case as well as anyone at the Court.

Please let me know if you have any other suggestions for me to implement, as I am glad to consider any input you want to provide to me. Thanks.

Cordially,



Joel H. Holt
JHH/jf

cc: Hon. Edgar Ross

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

HISHAM HAMED, on behalf of himself)
and derivatively, on behalf of **SIXTEEN**)
PLUS CORPORATION,)

Plaintiff,)

vs.)

FATHI YUSUF, ISAM YOUSUF and)
JAMIL YOUSEF,)

Defendants,)

and)

SIXTEEN PLUS CORPORATION,)

a nominal defendant.)
_____)

Case No.: 2016-SX-CV-650

**DERIVATIVE SHAREHOLDER
SUIT, ACTION FOR DAMAGES,
CICO RELIEF, EQUITABLE RELIEF
AND INJUNCTION**

JURY TRIAL DEMANDED

ORDER

This matter having come before this Court upon the Defendants' Isam Yousuf and Jamil Yousuf, incorrectly identified as Jamil Yousef, Motion to Disqualify Plaintiff's Counsel and for Discovery Related to Additional Potential Basis for Disqualification and Motion to Stay Pending Resolution of Motion to Disqualify, and the Court being fully satisfied with the premises contained therein, it is hereby

ORDERED that the defendants' Motion to Disqualify Plaintiff's Counsel and for Discovery Related to Additional Potential Basis for Disqualification and Motion to Stay Pending Resolution of Motion to Disqualify is hereby **GRANTED**; and it is further

ORDERED that Joel H. Holt, Esquire (“Attorney Holt”) is relieved of his representation of plaintiffs Sixteen Plus Corporation and Hisham Hamed, individually and derivatively on behalf of Sixteen Plus Corporation (“16 Plus/Hameds”); it is further

ORDERED that Joel H. Holt, Esq. P.C. (“Holt firm”) is relieved of its representation of plaintiff 16 Plus/Hameds; it is further

ORDERED that plaintiffs 16 Plus/Hameds shall obtain successor counsel within _____ () days of the date of this Order; and it is further

ORDERED that the defendants’ request for a stay is hereby **GRANTED** pending decision by this Court on defendants’ motion to disqualify; and it is further

ORDERED that a copy of this Order be directed to James L. Hymes, III, Esq., Joel H. Holt, Esq., Carl J. Hartmann, III, Esq., Gregory H. Hodges, Esq., Stephen Herpel, Esq., and Lisa Michelle Komives, Esq.

ENTERED this ____ day of _____, 2017.

**JUDGE OF THE SUPERIOR COURT
OF THE VIRGIN ISLANDS**

A T T E S T:

THE HON. ESTRELLA H. GEORGE
Clerk of the Superior Court

By: _____
Deputy Clerk

DISTRIBUTION LIST:

JAMES L. HYMES III, ESQ.	 jim@hymeslawvi.com
JOEL H. HOLT, ESQ.	 holtvi@aol.com
CARL J. HARTMANN, III, ESQ.	 carl@carlhartmann.com
GREGORY H. HODGES, ESQ.	 ghodges@dtflaw.com
STEPHEN HERPEL, ESQ.	 sherpel@dtflaw.com
LISA MICHELLE KÖMIVES, ESQ.	 lkomives@dtflaw.com