

IN THE SUPERIOR COURT OF THE VIRGIN ISLANDS

DIVISION OF ST. CROIX

SIXTEEN PLUS CORPORATION,

Plaintiff,

v.

MANAL MOHAMMAD YOUSEF,

Defendant

MANAL MOHAMMAD YOUSEF,

Counterclaimant

v.

SIXTEEN PLUS CORPORATION,

Counter Defendant, Counterclaimant.

MANAL MOHAMMAD YOUSEF

a/k/a MANAL MOHAMAD YOUSEF,

Plaintiff

v.

SIXTEEN PLUS CORPORATION,

Defendant

SIXTEEN PLUS CORPORATION

Counterclaim Plaintiff,

v.

MANAL MOHAMMAD YOUSEF,

Counterclaim Defendant

) **CASE NO. SX-16-CV-065**

) ACTION FOR
) DECLARATORY JUDGMENT

) **NO. SX-17-CV-342**
) ACTION FOR: DEBT
) FORECLOSURE

) **NO. SX-17-CV-342**
) ACTION FOR: DEBT
) FORECLOSURE

**PLAINTIFF AND DEFENDANT/COUNTERCLAIM PLAINTIFF
SIXTEEN PLUS CORPORATION'S RESPONSES TO PLAINTIFF/COUNTERCLAIM
DEFENDANT MANAL MOHAMMAD YOUSEF'S FIRST SET OF INTERROGATORIES**

Defendant/Counterclaim Plaintiff Sixteen Plus Corporation, by and through its undersigned counsel, pursuant to Fed. R. Civ. P. 33, hereby propounds and serves the following written responses to Interrogatories.

Interrogatories

ROG 1: State your name, including all spellings used, nicknames, date of birth, residence address, business address, telephone number, occupation, and job title and that [*sic*] of any person aiding or assisting you in the preparation or formulation of the answers to these interrogatories.

RESPONSE:

SIXTEEN PLUS CORPORATION, c/o counsel. Counsel has assisted in the preparation of these responses, the extent and manner is privileged information.

ROG 2: List and describe separately each record, document, electronically stored information, or other tangible thing consulted by you in the preparation of the answers to any of these interrogatories other than as identified in other answers to these interrogatories.

RESPONSE:

See attached Exhibit A. Defendant declines to "describe" each document individually, as all are provided – and each is what it is.

ROG 3: Identify all written agreements and all preliminary agreements at issue in the pleadings including, but not limited to, Promissory Note, First Priority Mortgage and Real Estate Power of Attorney, identify all individuals by name, address, telephone number, e-mail address and relationship to the parties who were involved in the arrangements, negotiations, construction, execution, delivery or recording of said written agreements/power of attorney and preliminary agreements/power of attorney at issue in the pleadings, identify the individual(s) to whom each such person reported, and state in detail the circumstances of each individual's role in and upon which the written agreement/power of attorney were arranged, negotiated, drafted, executed, delivered, or recorded.

RESPONSE:

See attached Exhibit A. Defendant declines to “describe” each document individually, as all documents are provided – and each is what it is.

ROG 4: State whether Manal Yousef or any other entity/person(s) ever loaned any money to Sixteen Plus Corporation, and if so, for each such loan, state: the date, amount and interest rate(s) of the loan; the dates due or whether payable on demand; the name and address of each person or entity from whom and to whom the amount(s) loaned were or are payable; the name and address of each person or entity from whom and for whose benefit the proceeds of the loan were paid or were to be paid; identify all persons at Sixteen Plus Corporation who participated in the decision to accept the loan and state with specificity the nature of their participation; the amounts currently outstanding for each loan, both in principal and interest; all amounts repaid; the dates when repayments were made; the name and address of each person or entity by whom and to whom they were made; whether the original note or other debt instrument (if any) was returned to Sixteen Plus Corporation; whether Sixteen Plus Corporation ever received a written release with respect to any such loan; and identify all documents concerning each loan, including, without limitation, notes, loan agreements, other debt instruments, evidence of repayments or monies paid, and releases.

RESPONSE:

No,

ROG 5: State whether you received any consideration or anything of value from Manal Yousef in exchange for signing the promissory note or mortgage. If yes, state the amount of consideration received by you for the promissory note or mortgage, state where and when the money representing the proceeds of the loan was delivered to the person representing Sixteen Plus Corporation and to whom and by whom it was delivered. If not, state in detail the circumstances under which you signed the promissory note or mortgage. And please set forth in detail all factual matters relating to the source of the loan funds pertaining to Diamond Keturah and/or the purchase thereof which subjects this lawsuit, identify all documents which substantiate or reflect who provided the funds to Sixteen Plus Corporation and identify all persons with knowledge of said facts.

RESPONSE:

No.

ROG 6: State whether Sixteen Plus Corporation ever executed any mortgages in favor of Manal Yousef, and if so, provide full details regarding the terms of each mortgage, including: the names of each person signing on behalf of Sixteen Plus Corporation and the capacity of each person signing the note, that is, President, Secretary, or the like; whether you contest the authenticity of the mortgage document, and if so, state in detail the bases for you position; the date and place where it was executed and the name of every person present; a description of the subject premises of the mortgage; the amount of the mortgage; and identify the mortgage and all documents concerning such mortgage.

RESPONSE:

Yes, a sham mortgage was executed as part of a scheme directed by Fathi Yusuf to avoid disclosure of funds laundered from Plaza Extra Supermarkets. Manal was part of that sham. See attached Exhibit A. Defendant declines to “describe” each document and signor individually, as all documents are provided – and each is what it is.

ROG 7: State whether Sixteen Plus Corporation ever executed any notes payable to Manal Yousef, and if so, provide full details regarding the terms of each note, including: the names of each person signing on behalf of Sixteen Plus Corporation and the capacity of each person signing the note, that is, President, Secretary, or the like; whether you contest the authenticity of the loan document, and if so, state in detail the bases for you position; the date and place where it was executed and the name of every person present; the amount of the note; the interest rate(s); maturity dates or if payable upon demand; all other terms; and identify the note and all documents concerning such note.

RESPONSE:

Yes, a sham note was executed as part of a scheme directed by Fathi Yusuf to avoid disclosure of funds laundered from Plaza Extra Supermarkets. Manal was part of that sham. See attached Exhibit A. Defendant declines to “describe” each document and signor individually, as all documents are provided – and each is what it is.

ROG 8: State whether you contend that the Promissory Note or First Priority Mortgage in issue (or its terms) was ever amended, altered, modified, added to, rescinded or changed in any way, and if so, set forth:

the date and place of such amendment, etc.; the name, address and telephone number of each person who was involved in any such amendment, etc.; the identity of each officer, director, employee, agent or other representative of Sixteen Plus Corporation, past or present, with knowledge of an alleged modification, if any,; state in detail all of the reasons for, and any and all facts in support thereof, that the structure of the instruments initially offered by Manal Yousef to Sixteen Plus Corporation was subsequently changed; the subject matter of such amendment, and the new terms of the note or mortgage as modified by such amendment; and the identity of all documents and communications, written, oral or otherwise, relating to such amendment, etc.

RESPONSE:

No.

ROG 9: State whether Sixteen Plus Corporation or its representatives or agents has made or caused to be made any payments to Manal Yousef in connection with the mortgage (referenced in the pleadings), and if so, with respect to each of such payments, state:

That knowledge would be in the sole possession of Fathi Yusuf, as he and Manal created and executed the sham transaction.

- a. the date and amount of any such payments;
- b. the form of the payment, that is, whether the payment(s) was made by cash, check, money order or otherwise;
- c. whether a receipt was given for any such payment(s);
- d. where the payment(s) was made;
- e. by whom such payment was made;
- f. to whom such payment was made;
- g. whether such payment was applied to principal or interest, or both;
- h. the amount of such payment applied to principal;
- i. the amount of such payment applied to interest;
- j. the total interest which had accumulated as of the date of such payment prior to application of such payment;
- k. the unpaid principal balance as of the date of such payment prior to application of such payment; and
- l. list all documents concerning all payments made in connection with the mortgage.

RESPONSE:

ROG 10: If you admit Sixteen Plus Corporation executed the Promissory Note dated September 15, 1997, in the principal sum of \$4.5 million, wherein Manal Yousef is the payee/holder, but contend that you have a defense against Manal Yousef's demand for payment of any balance due

thereunder, separately set forth in detail any and all basis of the defense of Sixteen Plus Corporation.

RESPONSE:

The details as to the sham transaction are as follows:

On February 10, 1997, Sixteen Plus was formed as a corporation to purchase a 300 plus acre parcel of land on the South shore of St. Croix, often referred to as Diamond Keturah (hereinafter referred to as the "Land") from the Bank of Nova Scotia ("BNS") -- which had obtained its ownership interest subject to rights of redemption through a foreclosure sale conducted on February 13, 1996.

A contract to buy the Land subject to the rights of redemption was then entered into between Sixteen Plus and BNS on February 14, 1997.

At the time it was formed and at all times up to the present, all of the stock of Sixteen Plus has been owned 50% by family members of Fathi Yusuf and 50% by family members of Mohammad Hamed.

At the time Sixteen Plus was formed in the late 1990's, Fathi Yusuf and Mohammad Hamed were 50/50 partners in a grocery business known as Plaza Extra Supermarkets.

Fathi Yusuf and Mohammad Hamed decided to buy the Land in question by providing the necessary funds to Sixteen Plus -- using only proceeds from the grocery stores they owned -- which they did as described below.

Yusuf, acting for the Plaza Extra partners, then directed the business arrangements regarding the purchase of the Land.

Yusuf directed these business arrangements for the partnership as to the purchase of the Land using partnership funds rather than involving his partner

Mohammad Hamed because, as both the Court in *Hamed v. Yusuf* and Fathi Yusuf himself have stated -- Fathi Yusuf was "in charge" of the business transactions for the partnership and they were under his "exclusive ultimate control". (See, *Hamed v. Yusuf*, 2013 WL 1846506 (V.I.Super. April 25, 2013)(para. 19 at page *6, "Yusuf's management and control of the "office" was such that Hamed was completely removed from the financial aspects of the business. . . ." and Yusuf's May 9, 2013, *Motion to Stay the Preliminary Injunction* in that same action -- where Yusuf admitted "[Hamed] never worked in any management capacity at any of the Plaza Extra Stores, which role was under *the exclusive ultimate control of Fathi Yusuf.*")

All funds used to buy the Land came from the Plaza Extra Supermarkets partnership – and thus from Yusuf and Hamed as the only two partners.

However, Fathi Yusuf decided he did not want either the Government of the Virgin Islands or BNS to know the partnership source of the funds he was using to buy the Land, as he did not want them to know he was secretly diverting unreported cash from the Plaza Extra Supermarket to Sixteen Plus as part of a money laundering effort. The following details of that effort are presented here as background information to the later predicate criminal acts and are not the subject of this Complaint.

Fathi Yusuf acted with Isam Yousuf, his nephew who lived on St. Martin, to launder in excess of \$4,000,000 in unreported, untaxed partnership funds to St. Martin from the Plaza Extra Supermarket operations -- so that they could then wire

these funds back to a Sixteen Plus account at BNS in order for Sixteen Plus to use these 'laundered' funds to purchase the Land.

To accomplish this, Fathi Yusuf had large sums of cash delivered to Isam Yousuf in St. Martin, who thereafter deposited those funds into various accounts in St. Martin. Fathi Yusuf and Isam Yousuf then transferred the partnership's funds by wire to an account in the name of Sixteen Plus at BNS on St. Croix. The transfers (which exceeded \$4,000,000) to Sixteen Plus' account at BNS took place between February 13th and September 4th of 1997.

To further cover up the partnership source of these funds, as well as to try to shelter Isam Yousuf from exposure to criminal consequences from the effort to launder and use the cash from the partnership's supermarkets, Fathi Yusuf and Isam Yousuf agreed to create a sham note and mortgage for the transaction, naming Fathi Yusuf's young niece who lived in St. Martin, Manal Mohammad Yousef ("Manal Yousef"), as the sham mortgagee.

Fathi Yusuf explained the note and mortgage to his partner, Mohammad Hamed, as well as the various Hamed shareholders of Sixteen Plus as being a legitimate business transaction to protect the property, that Manal Yousef could and would never actually enforce the mortgage, and that Yusuf could get the note and mortgage discharged at any time.

To demonstrate the legitimacy of this arrangement to his partner, Fathi Yusuf stated to Mohamad Hamed and his son Waleed Hamed that all of the financials of the corporation, USVI tax filings and annual USVI corporate filings would **accurately reflect that the funds came from Hamed and Yusuf as the**

shareholders – and would not reflect the note and mortgage as a valid corporate debt – as further described below. Thus, he explained, no USVI laws would be broken by making it appear that Manal Yousef had provided funds or was the holder of an enforceable claim.

Fathi Yusuf then caused a corporate resolution, sham note and mortgage in the amount of \$4,500,000 to be drafted by Sixteen Plus' counsel in favor of Manal Yousef, dated September 15, 1997, even though she had no such funds, and had never advanced any funds to Sixteen Plus -- as those funds came solely from the partnership and belonged 50/50 to the Hameds and Yusufs.

The note and mortgage exceeded the amount laundered through St. Martin by \$500,000. The additional \$500,000 came from partnership funds that Fathi Yusuf caused the supermarkets to deposit directly as currency into the St. Croix bank account. Thus, \$500,000 of the \$4.5 million used to buy the land was directly provided by the Partnership as cash deposits.

At Fathi Yusuf's direction, that sham note and mortgage in the amount of \$4,500,000 were then executed by Sixteen Plus in favor of Manal Yousef on September 15, 1997, even though the Land in question had actually not been purchased yet – and the amount transferred through St. Martin was only \$4 million.

On December 24, 1997, BNS finally was entitled to a conveyance of the Land from the Marshal of the Territorial (now Superior) Court of the Virgin Islands, as the rights of redemption in the foreclosure sale had expired.

As per the contract between them, instead of taking title, BNS assigned its right to this conveyance from the Marshal to Sixteen Plus. Sixteen Plus paid for this assignment with the funds from the partnership.

On February 22, 1999, Sixteen Plus finally received and recorded the deed to the Land. On that same day, Sixteen Plus also recorded the sham mortgage (as originally dated September 15, 1997) in favor of Manal Yousef.

The Money Laundering Charges-2003

In 2003, the Federal Government filed felony money laundering and tax evasion criminal charges against Fathi Yusuf and Isam Yousuf, among others.

The felony case included criminal charges related to the aforementioned laundering of funds by diversion from the partnership's Plaza Extra supermarkets to St. Martin to buy the Sixteen Plus Land. *That case and those criminal charges are not the subject of the CICO case here – or claimed as predicate acts.*

Pursuant to those charges, the Federal Government placed a lien against various real property owned by Fathi Yusuf's United Corporation as well as corporations also owned jointly by the Yusuf and Hamed families -- including the Land owned by Sixteen Plus.

The Government also identified the money laundering through St. Martin and the fact that \$500,000 in currency was deposited with funds from the supermarkets to make up the difference.

As part of its investigation and the charges, the FBI retrieved and documented the bank records from St. Martin showing the diversion of the \$4 million in funds from the partnership's Plaza Extra Supermarkets to St. Martin --

and subsequent transfer of those laundered funds back to the bank account of Sixteen Plus in order to purchase this Land. It also documented the deposits of \$500,000 directly into the St. Croix account by the partnership.

While the criminal case continued over the next years, various third parties attempted to buy the Land from Sixteen Plus at substantially higher prices than was paid for the property, with the highest offer exceeding \$22 million.

Recognizing this substantial increase of 500% in value in less than 10 years, Fathi Yusuf began to try to figure out how to pocket these funds for himself.

In this regard, the Federal Government agreed that it would remove its lien and the Land could be sold – but **only** if the proceeds of any such sale were escrowed pending the outcome of the criminal case and not paid to Manal Yousef.

Contrary to the best interests of Sixteen Plus and its shareholders, Fathi Yusuf began to formulate a plan to embezzle from and defraud Sixteen Plus of the value of the Land, and thus rejected offers for the Land unless the sham Manal Yousef note and mortgage were paid -- so he could then get sole control of these funds.

The Federal Government refused to agree to the request that the Manal Yousef mortgage be paid first, asserting its own doubts about the validity of the sham mortgage.

Fathi Yusuf could also have had Manal Yousef agree to an escrow of the sales proceeds while preserving her alleged mortgage rights, which would have allowed the sale to take place and fully protect the debt allegedly owed to her, but this would have necessarily involved her in the on-going criminal prosecution since

the Land was actually purchased with laundered funds, so such a request was never made. Indeed, once the funds were escrowed, Fathi Yusuf would lose his opportunity to keep the funds for himself pursuant to his Plan.

As such, Sixteen Plus lost then, and is continues to lose the benefit of such sales at the highest and best amount because of Fathi Yusuf's insistence that the sham mortgage be paid upon the sale of the property -- which payment the Federal Government refused to allow.

By May of 2010 it was clear that a settlement and plea would eventually be reached in the criminal action.

In May of 2010, without the knowledge of the Hameds or disclosure of either their acts or the related documents, Defendants began to implement the *Hidden Plan to Convert the Increased Value and Usurp Corporate Opportunity by Criminal Acts and Conspiracy* (the "Hidden Plan") by first obtaining a "Real Estate Power of Attorney" from "Manal Mohammad Yousef Mohammad" **that gave Fathi Yusuf, personally, the power to do whatever he wished with the mortgage**, including releasing the mortgage or foreclosing on the Land for his own benefit, even though the Hamed family had actually paid 50% of the purchase price to buy the Land. The St. Martin Defendants were central to this effort to embezzle the Sixteen Plus funds.

This power of attorney Fathi Yusuf supplied and they had Manal Yousef sign, gave no rights or benefits to Sixteen Plus or the Hameds and thus usurped the corporate opportunity, despite the fact that Fathi Yusuf was an officer and

director of the corporation, owing it fiduciary and statutory duties, as well as a shareholder.

Additionally, this undisclosed power of attorney specifically stated that Fathi Yusuf was given total power over what to do with the Land and foreclosure proceeds -- as he was also released and indemnified as to all actions he might take in regard to his broad, personal power of attorney—which further demonstrated that the mortgage and note were a sham, as no bona fide lender gives a principal of the borrower a full power of attorney to discharge the debt without requiring payment.

Upon information and belief, the power of attorney was drawn up by a Virgin Islands lawyer retained by Fathi Yusuf and executed at the request and direction of the St. Martin Defendants by Manal Yousef on St. Martin..

The existence and purpose of this power of attorney were not disclosed to the Hameds – and they did not learn of it or the Hidden Plan until after Yusuf attempted to steal all of the assets of Sixteen Plus, like he did with the Plaza Extra Supermarkets partnership in 2012 – all of which occurred well within the period of the statute of limitations applicable here.

That execution of the undisclosed, exclusive power of attorney in favor of Fathi Yusuf personally was orchestrated by Isam Yousuf in furtherance of the Plan with Fathi Yusuf to steal half of the value of the Land, then in excess of \$25 million, from Sixteen Plus and the Hamed shareholders.

The Defendants planned to use the sham mortgage to allow Fathi Yusuf to foreclose of the Land *for his own personal benefit*, and to thus deny Sixteen Plus the value of the Land.

In 2013, the Federal Government reached a settlement in the criminal case, which included *inter alia* a lump sum \$10 million payment of taxes to the Government of the Virgin Islands for previously unreported income from the Plaza Extra Supermarkets.

In addition to this large payment for back taxes, a fine in excess of \$1,000,000 was also paid to the Government, along with a plea of guilty to the pending felony charge of tax evasion by the corporate defendant, United Corporation, which subsequently was determined to be Yusuf's agent for the partnership.

As a result of the plea and settlement, the Federal Government removed its lien on the Land. Also, Fathi Yusuf, Waleed Hamed and several of the other defendants were given personal immunity from criminal prosecution for the acts of tax evasion and money laundering described above.

After the criminal case was dismissed, the Fathi Yusuf and the St. Martin Defendants, in furtherance of the Hidden Plan, arranged for counsel on St. Martin to send a demand to Sixteen Plus – for payment of the sham note and mortgage Sixteen Plus allegedly owed to Manal Yousef.

That St. Martin counsel did not disclose to Sixteen Plus or the Hameds that Fathi Yusuf was the person personally directing the demand.

A response was made to that demand by Hamed's counsel on behalf of Sixteen Plus, which was reduced to writing -- pointing out that the mortgage was not valid for the reasons stated herein. That writing also specifically stated that St. Martin counsel was acting improperly in asserting he was representing Manal Yousef's interests rather than Fathi Yusuf's.

While counsel on St. Martin promised to get a response to that letter after discussing the matter with his real "client" he never did so, strongly indicating to the Hameds that he had never really been retained by Manal Yousef.

In furtherance of the Hidden Plan, Fathi Yusuf, in conjunction with the other Defendants, committed multiple criminal acts including conversion, attempted conversion, perjury, attempted perjury, wire and mail fraud, and others.

In 2016, Fathi Yusuf filed a civil lawsuit in the Superior Court as part of the Hidden Plan; seeking to dissolve Sixteen Plus in an attempt to, *inter alia*, dispose of the Land and trigger payment of the sham mortgage.

In the course of that litigation, Fathi Yusuf was required to produce all documents he had exchanged with Manal Yousef, including any powers of attorney.

When Fathi Yusuf did supply what he represented to be all such documents on July 26, 2016, the power of attorney was not disclosed.

Hamed's counsel wrote to Yusuf's counsel pursuant to Fed. R. Civ. P. 34 and 37, specifically asking for verification under the Rules that there was no such "power of attorney":

Stefan - I reviewed these new responses and there are still several deficiencies:

* * *

Supplemental Document Response #13-The documents you referenced as documents exchanged with Manal Yousef only include the deed, mortgage, mortgage note and certain wire transfers from someone else—**please confirm** there are no letters, faxes, emails, documents showing any interest payments to her (as alleged were made), **powers of attorney**, pre-mortgage negotiations or any other documents exchanges with your client and her or her agent. (Emphasis added.)

On August 5, 2016, Fathi Yusuf's counsel responded that he had initiated a "reasonable search" as to his client and his client's documents, and falsely represented – on behalf of Fathi Yusuf -- there was no such power of attorney..

Joel,Here are my responses to your numbered paragraphs:

* * *

I stand by my statement in the supplemental Rule 34 response that **based on a reasonable search there are no other documents responsive to your request**. I believe that supplemental response to your request is sufficient under the Rules (and I thought from our meet and confer that is what you wanted), and that I am not under any duty to go into more detail. (Emphasis added.)

During the same Superior Court litigation, Fathi Yusuf was also required to answer an interrogatory about the note and mortgage on the Land. To falsely make it appear that Manal Yousef was a *bona fide* mortgagee, hide the undisclosed personal power of attorney and protect the Hidden Plan – Fathi Yusuf stated under oath as follows:

That Manal Yousef loaned the full \$4.5 million on September 15, 1997, for the purchase of the Land;

That Manal Yousef was paid three interest only payments on the mortgage between 1998 and 2000;

That Manal's last known address is 25 Gold Finch Road, Point Blanche. St. Martin, N.A.;

That he did not recall the last time he spoke with her;

That Manal Yousef had retained counsel in the Virgin Islands;

That he would not provide a phone number for Manal Yousef because she had counsel in the Virgin Islands.

All of the foregoing statements made by Fathi Yusuf in his interrogatory response are false, and were made in furtherance of the Hidden Plan to steal half of the value of the Land from Sixteen Plus and its shareholders, the Hameds, by a foreclosure -- as Fathi Yusuf committed perjury under oath before the Court in furtherance of the Plan when he made these statements.

Yusuf then filed a motion for a protective order to avoid providing Manal Yusuf's phone number, as a Sixteen Plus or Hamed discussion with Manal would disclose the power of attorney and the Plan to steal half of the value of the Land in a sham foreclosure.

After the Court denied Yusuf's motion and ordered Fathi Yusuf to provide the phone number of Manal Yousef, he then repeated the false statements above -- and **now** stated that he did not have her phone number despite his motion to protect that exact information -- but that she could be reached through her nephew, Jamil Yousef, although to date he has repeatedly refused to verify that response.

However, the location given by Fathi Yusuf as Manal Yousef's address is actually in the possession of and used by Isam Yousuf, which is where he and his son, Jamil Yousef, reside.

Yusuf knew, when he falsely certified to the contrary, that this was not the location where Manal Yousef resided.

The purpose of this false representation in response to the Court's Order being that the St. Martin Defendants had agreed to intercept any mail, service or other communications to Manal before she could receive them.

Indeed, when service of process in another pending Superior Court action was left at that address for Manal Yousef, Isam and Jamil Yousef intercepted the summons and contacted Fathi Yusuf to further the conspiracy to steal the land from Sixteen Plus, telling him about the suit instead.

Upon information and belief, Jamil Yousef then agreed to further participate in this fraudulent Plan by allowing Fathi Yusuf to provide his name to the Court as

the alleged contact for Manal Yousef, to hide the truth -- promising to call Fathi Yusuf if he was contacted by anyone, so that her whereabouts would remain secret and she would not learn that "she" alone was allegedly going to get millions of dollars – money which Fathi Yusuf was seeking.

Fathi Yusuf thereafter represented to the Superior Court, without the necessary identification of the true party in interest, that he had been contacted by Manal Yousef's "agent", when he knew in fact that it was he, Fathi Yusuf, who was directing the case and attempting to foreclose the sham mortgage under the undisclosed power of attorney -- for his own benefit.

During this time period, including in 2012, Fathi Yusuf personally arranged for and signed, under the penalty of perjury -- tax and other governmental filings showing that no outstanding obligations were due to Manal Yousef, and, to the contrary, that the \$4.5 million had been advanced by – and was due to – the shareholders, Hamed and Yusuf, as follows:

To conceal the Hidden Plan and deceive the other shareholders and officers of the corporation, Fathi Yusuf filed tax returns for Sixteen Plus during this time period, including 2012.

In those filings he, personally signed and swore under oath and penalty of perjury that the \$4.5 million held by Sixteen Plus was received from shareholders and due to them – and there was no loan or mortgage to a third person. *Id.*

This comported with his repeated representations to the Hameds intended to keep the Hidden Plan hidden.

To hide the Hidden Plan and deceive the other shareholders and officers of the corporation, Fathi Yusuf also prepared and filed annual corporate filings for Sixteen Plus during this time period, including 2012.

In those filings he stated that the \$4.5 million held by Sixteen Plus was received from shareholders and due to them – and was not a loan or mortgage to a third person.

This comported with representations to the Hameds.

In furtherance of this scheme, in 2013 Fathi Yusuf also created and requested Waleed Hamed sign an annual corporate filing that showed \$4.5 million due as a mortgage and loan and not money due to the Shareholders as had been reported for the prior 13 years. He also inserted his family members as the directors on the document, which he signed and proffered to Hamed.

Indeed, the Fathi Yusuf and the other Defendants were wrongfully attempting to hide the fact that Fathi Yusuf was the real plaintiff in interest – and that Manal Yousef had not personally contacted counsel in the USVI to represent her alleged interests.

To further this Plan, Fathi Yusuf retained USVI counsel to represent him “acting” as Manal Yousef -- and then represented to the USVI Court that Manal Yousef had retained USVI counsel, when she had not in fact done so. He did not disclose that the suit was actually being brought by him, that he was the true party in interest, or the existence of the wrongfully undisclosed power of attorney.

Notwithstanding all of these facts being disclosed to Yusuf, he has not recanted any of his false statements or filings -- and continues to pursue his Plan

to steal the real property at Diamond Keturah from Sixteen Plus without any payment to the company or its shareholders, as he continues to try to divert all such funds through Manal Yousef, which funds he will then take back for himself with a share to Defendants for their assistance.

ROG 11: State whether the existence of an “enterprise” is alleged within the meaning of 1 V.I.C. § 604(h) and, if so, for such enterprise, provide the following:

- a. the names, addresses and telephone numbers of the individuals, sole proprietorships, partnerships, corporations, trusts, or other legal entities, or any unions, associations, or groups of persons even though not a legal entity which allegedly constitute the enterprise;
- b. the structure, purpose, function, and course of conduct of the enterprise;
- c. whether any of the defendants/counterclaim defendants are employees, officers, or directors of the alleged enterprise;
- d. whether any defendants/counterclaim defendants are associated with the alleged enterprise;
- e. whether the defendants/counterclaim defendants are individuals or entities separate from the alleged enterprise, or that the defendants/counterclaim defendants are the enterprise itself, or members of the enterprise; and
- f. if any of the defendants/counterclaim defendants are alleged to be the enterprise itself, or members of the enterprise, explain whether such defendants/counterclaim defendants are perpetrators, passive instruments, or victims of the alleged criminal activity.

RESPONSE:

Yes. The enterprise and the participants are described in the factual statement above and with more particularity in the complaint and filings in **Sixteen Plus v. Fathi Yusuf, 16-SX-CV-650.**

ROG 12: Describe what benefits, if any, the alleged enterprise receives from the alleged pattern of criminal activity, including fraud and embezzlement, and if you contend that defendant/counterclaim defendants or any other person, named or unnamed, in any way stated or suggested to

you that the defendant/counterclaim defendants would not benefit from your action or inaction in connection with the activities alleged in your pleadings, please describe each such statement or suggestion, including when, where, and by whom each was made.

RESPONSE:

The benefits are legal claim to the ownership of the subject property by the use of false statements and documents described above.

ROG 13: Set forth in detail the factual and legal basis for asserting your affirmative defenses including when you first became aware of such facts, the source from which you acquired the information, the identity of any such person with knowledge of same and the identity of any and all documents, including but not limited to, documents generated, transmitted, or stored by computer equipment or device (including, but not limited to, e-mail) which support, confirm, or otherwise relate to your response to your affirmative defenses including:

- a. Manal Yousef by her conduct and/or acts, words, or silence, has waived or is otherwise estopped from asserting the claims contained in her complaint;
- b. the claims are barred by the doctrine of estoppel;
- c. Manal Yousef has acted with unclean hands which bars her from recovering the requested relief;
- d. Manal Yousef is guilty of laches and that the claims are therefore barred (Manal Yousef's claim for equitable relief has been unreasonably delayed, and hardship and/or injustice to you or other parties will result from its enforcement);
- e. the cause of action is barred, in whole or in part, by reason of the statutes of limitations, including the identity of the applicable statute of limitations which bars each claim, and a detailed description of which claims are allegedly barred by each statute of limitations;
- f. Manal Yousef is entitled to no relief because there was no consideration paid or otherwise given by Manal Yousef in exchange for the promissory note or mortgage;
- g. Manal Yousef is entitled to no relief because of the fraudulent conduct of Manal Yousef and her agents including the identity of Manal Yousef's agents by name, address and telephone number;
- h. Manal Yousef is barred from recovering the requested relief due to Manal Yousef's failure to comply with the laws of the Virgin Islands regarding foreclosure actions including any notice provision, and state precisely which laws of the Virgin Islands were not complied with;
- i. Manal Yousef is entitled to no relief because of the illegality of the transaction pertaining to the promissory note and mortgage;

j. Manal Yousef's claims are barred by the doctrine of accord and satisfaction including the date of the alleged accord and satisfaction, the consideration you gave to Manal Yousef for the alleged accord and satisfaction, state whether the alleged accord and satisfaction was in writing, a list of all communications (oral or otherwise) concerning the alleged accord and satisfaction, the name, address and telephone number of each person acting on behalf of Manal Yousef with whom you spoke or communicated regarding the alleged accord and satisfaction, the name, address and telephone number of each person who was present during any communication or discussions or parties to the communications regarding the alleged accord and satisfaction, the name, address and telephone of each person who allegedly entered into the alleged accord and satisfaction on behalf of Sixteen Plus Corporation and on behalf of Manal Yousef, state whether the alleged accord and satisfaction was ever signed by or on behalf of Manal Yousef, and provide all details, bases and facts supporting your contention as to the existence of the alleged accord and satisfaction; and
k. the claims are barred by the first filed doctrine.

RESPONSE:

On February 10, 1997, Sixteen Plus was formed as a corporation to purchase a 300 plus acre parcel of land on the South shore of St. Croix, often referred to as Diamond Keturah (hereinafter referred to as the "Land") from the Bank of Nova Scotia ("BNS") -- which had obtained its ownership interest subject to rights of redemption through a foreclosure sale conducted on February 13, 1996.

A contract to buy the Land subject to the rights of redemption was then entered into between Sixteen Plus and BNS on February 14, 1997.

At the time it was formed and at all times up to the present, all of the stock of Sixteen Plus has been owned 50% by family members of Fathi Yusuf and 50% by family members of Mohammad Hamed.

At the time Sixteen Plus was formed in the late 1990's, Fathi Yusuf and Mohammad Hamed were 50/50 partners in a grocery business known as Plaza Extra Supermarkets.

Fathi Yusuf and Mohammad Hamed decided to buy the Land in question by providing the necessary funds to Sixteen Plus -- using only proceeds from the grocery stores they owned – which they did as described below.

Yusuf, acting for the Plaza Extra partners, then directed the business arrangements regarding the purchase of the Land.

Yusuf directed these business arrangements for the partnership as to the purchase of the Land using partnership funds rather than involving his partner Mohammad Hamed because, as both the Court in *Hamed v. Yusuf* and Fathi Yusuf himself have stated -- Fathi Yusuf was “in charge” of the business transactions for the partnership and they were under his “exclusive ultimate control”. (See, *Hamed v. Yusuf*, 2013 WL 1846506 (V.I.Super. April 25, 2013)(para. 19 at page *6, “Yusuf's management and control of the "office" was such that Hamed was completely removed from the financial aspects of the business. . . .” and Yusuf's May 9, 2013, *Motion to Stay the Preliminary Injunction* in that same action -- where Yusuf admitted “[Hamed] never worked in any management capacity at any of the Plaza Extra Stores, which role was under *the exclusive ultimate control of Fathi Yusuf.*”)

All funds used to buy the Land came from the Plaza Extra Supermarkets partnership – and thus from Yusuf and Hamed as the only two partners.

However, Fathi Yusuf decided he did not want either the Government of the Virgin Islands or BNS to know the partnership source of the funds he was using to buy the Land, as he did not want them to know he was secretly diverting unreported cash from the Plaza Extra Supermarket to Sixteen Plus as part of a money

laundering effort. The following details of that effort are presented here as background information to the later predicate criminal acts and are not the subject of this Complaint.

Fathi Yusuf acted with Isam Yousuf, his nephew who lived on St. Martin, to launder in excess of \$4,000,000 in unreported, untaxed partnership funds to St. Martin from the Plaza Extra Supermarket operations -- so that they could then wire these funds back to a Sixteen Plus account at BNS in order for Sixteen Plus to use these 'laundered' funds to purchase the Land.

To accomplish this, Fathi Yusuf had large sums of cash delivered to Isam Yousuf in St. Martin, who thereafter deposited those funds into various accounts in St. Martin. Fathi Yusuf and Isam Yousuf then transferred the partnership's funds by wire to an account in the name of Sixteen Plus at BNS on St. Croix. The transfers (which exceeded \$4,000,000) to Sixteen Plus' account at BNS took place between February 13th and September 4th of 1997.

To further cover up the partnership source of these funds, as well as to try to shelter Isam Yousuf from exposure to criminal consequences from the effort to launder and use the cash from the partnership's supermarkets, Fathi Yusuf and Isam Yousuf agreed to create a sham note and mortgage for the transaction, naming Fathi Yusuf's young niece who lived in St. Martin, Manal Mohammad Yousef ("Manal Yousef"), as the sham mortgagee.

Fathi Yusuf explained the note and mortgage to his partner, Mohammad Hamed, as well as the various Hamed shareholders of Sixteen Plus as being a legitimate business transaction to protect the property, that Manal Yousef could

and would never actually enforce the mortgage, and that Yusuf could get the note and mortgage discharged at any time.

To demonstrate the legitimacy of this arrangement to his partner, Fathi Yusuf stated to Mohamad Hamed and his son Waleed Hamed that all of the financials of the corporation, USVI tax filings and annual USVI corporate filings would **accurately reflect that the funds came from Hamed and Yusuf as the shareholders – and would not reflect the note and mortgage as a valid corporate debt – as further described below.** Thus, he explained, no USVI laws would be broken by making it appear that Manal Yousef had provided funds or was the holder of an enforceable claim.

Fathi Yusuf then caused a corporate resolution, sham note and mortgage in the amount of \$4,500,000 to be drafted by Sixteen Plus' counsel in favor of Manal Yousef, dated September 15, 1997, even though she had no such funds, and had never advanced any funds to Sixteen Plus -- as those funds came solely from the partnership and belonged 50/50 to the Hameds and Yusufs.

The note and mortgage exceeded the amount laundered through St. Martin by \$500,000. The additional \$500,000 came from partnership funds that Fathi Yusuf caused the supermarkets to deposit directly as currency into the St. Croix bank account. Thus, \$500,000 of the \$4.5 million used to buy the land was directly provided by the Partnership as cash deposits.

At Fathi Yusuf's direction, that sham note and mortgage in the amount of \$4,500,000 were then executed by Sixteen Plus in favor of Manal Yousef on

September 15, 1997, even though the Land in question had actually not been purchased yet – and the amount transferred through St. Martin was only \$4 million.

On December 24, 1997, BNS finally was entitled to a conveyance of the Land from the Marshal of the Territorial (now Superior) Court of the Virgin Islands, as the rights of redemption in the foreclosure sale had expired.

As per the contract between them, instead of taking title, BNS assigned its right to this conveyance from the Marshal to Sixteen Plus. Sixteen Plus paid for this assignment with the funds from the partnership.

On February 22, 1999, Sixteen Plus finally received and recorded the deed to the Land. On that same day, Sixteen Plus also recorded the sham mortgage (as originally dated September 15, 1997) in favor of Manal Yousef.

The Money Laundering Charges-2003

In 2003, the Federal Government filed felony money laundering and tax evasion criminal charges against Fathi Yusuf and Isam Yousuf, among others.

The felony case included criminal charges related to the aforementioned laundering of funds by diversion from the partnership's Plaza Extra supermarkets to St. Martin to buy the Sixteen Plus Land. *That case and those criminal charges are not the subject of the CICO case here – or claimed as predicate acts.*

Pursuant to those charges, the Federal Government placed a lien against various real property owned by Fathi Yusuf's United Corporation as well as corporations also owned jointly by the Yusuf and Hamed families -- including the Land owned by Sixteen Plus.

The Government also identified the money laundering through St. Martin and the fact that \$500,000 in currency was deposited with funds from the supermarkets to make up the difference.

As part of its investigation and the charges, the FBI retrieved and documented the bank records from St. Martin showing the diversion of the \$4 million in funds from the partnership's Plaza Extra Supermarkets to St. Martin -- and subsequent transfer of those laundered funds back to the bank account of Sixteen Plus in order to purchase this Land. It also documented the deposits of \$500,000 directly into the St. Croix account by the partnership.

While the criminal case continued over the next years, various third parties attempted to buy the Land from Sixteen Plus at substantially higher prices than was paid for the property, with the highest offer exceeding \$22 million.

Recognizing this substantial increase of 500% in value in less than 10 years, Fathi Yusuf began to try to figure out how to pocket these funds for himself.

In this regard, the Federal Government agreed that it would remove its lien and the Land could be sold – but **only** if the proceeds of any such sale were escrowed pending the outcome of the criminal case and not paid to Manal Yousef.

Contrary to the best interests of Sixteen Plus and its shareholders, Fathi Yusuf began to formulate a plan to embezzle from and defraud Sixteen Plus of the value of the Land, and thus rejected offers for the Land unless the sham Manal Yousef note and mortgage were paid -- so he could then get sole control of these funds.

The Federal Government refused to agree to the request that the Manal Yousef mortgage be paid first, asserting its own doubts about the validity of the sham mortgage.

Fathi Yusuf could also have had Manal Yousef agree to an escrow of the sales proceeds while preserving her alleged mortgage rights, which would have allowed the sale to take place and fully protect the debt allegedly owed to her, but this would have necessarily involved her in the on-going criminal prosecution since the Land was actually purchased with laundered funds, so such a request was never made. Indeed, once the funds were escrowed, Fathi Yusuf would lose his opportunity to keep the funds for himself pursuant to his Plan.

As such, Sixteen Plus lost then, and is continues to lose the benefit of such sales at the highest and best amount because of Fathi Yusuf's insistence that the sham mortgage be paid upon the sale of the property -- which payment the Federal Government refused to allow.

By May of 2010 it was clear that a settlement and plea would eventually be reached in the criminal action.

In May of 2010, without the knowledge of the Hameds or disclosure of either their acts or the related documents, Defendants began to implement the *Hidden Plan to Convert the Increased Value and Usurp Corporate Opportunity by Criminal Acts and Conspiracy* (the "Hidden Plan") by first obtaining a "Real Estate Power of Attorney" from "Manal Mohammad Yousef Mohammad" **that gave Fathi Yusuf, personally, the power to do whatever he wished with the mortgage**, including releasing the mortgage or foreclosing on the Land for his own benefit, even though

the Hamed family had actually paid 50% of the purchase price to buy the Land. The St. Martin Defendants were central to this effort to embezzle the Sixteen Plus funds.

This power of attorney Fathi Yusuf supplied and they had Manal Yousef sign, gave no rights or benefits to Sixteen Plus or the Hameds and thus usurped the corporate opportunity, despite the fact that Fathi Yusuf was an officer and director of the corporation, owing it fiduciary and statutory duties, as well as a shareholder.

Additionally, this undisclosed power of attorney specifically stated that Fathi Yusuf was given total power over what to do with the Land and foreclosure proceeds -- as he was also released and indemnified as to all actions he might take in regard to his broad, personal power of attorney—which further demonstrated that the mortgage and note were a sham, as no bona fide lender gives a principal of the borrower a full power of attorney to discharge the debt without requiring payment.

Upon information and belief, the power of attorney was drawn up by a Virgin Islands lawyer retained by Fathi Yusuf and executed at the request and direction of the St. Martin Defendants by Manal Yousef on St. Martin..

The existence and purpose of this power of attorney were not disclosed to the Hameds – and they did not learn of it or the Hidden Plan until after Yusuf attempted to steal all of the assets of Sixteen Plus, like he did with the Plaza Extra Supermarkets partnership in 2012 – all of which occurred well within the period of the statute of limitations applicable here.

That execution of the undisclosed, exclusive power of attorney in favor of Fathi Yusuf personally was orchestrated by Isam Yousuf in furtherance of the Plan with Fathi Yusuf to steal half of the value of the Land, then in excess of \$25 million, from Sixteen Plus and the Hamed shareholders.

The Defendants planned to use the sham mortgage to allow Fathi Yusuf to foreclose of the Land *for his own personal benefit*, and to thus deny Sixteen Plus the value of the Land.

In 2013, the Federal Government reached a settlement in the criminal case, which included *inter alia* a lump sum \$10 million payment of taxes to the Government of the Virgin Islands for previously unreported income from the Plaza Extra Supermarkets.

In addition to this large payment for back taxes, a fine in excess of \$1,000,000 was also paid to the Government, along with a plea of guilty to the pending felony charge of tax evasion by the corporate defendant, United Corporation, which subsequently was determined to be Yusuf's agent for the partnership.

As a result of the plea and settlement, the Federal Government removed its lien on the Land. Also, Fathi Yusuf, Waleed Hamed and several of the other defendants were given personal immunity from criminal prosecution for the acts of tax evasion and money laundering described above.

After the criminal case was dismissed, the Fathi Yusuf and the St. Martin Defendants, in furtherance of the Hidden Plan, arranged for counsel on St. Martin

to send a demand to Sixteen Plus – for payment of the sham note and mortgage Sixteen Plus allegedly owed to Manal Yousef.

That St. Martin counsel did not disclose to Sixteen Plus or the Hameds that Fathi Yusuf was the person personally directing the demand.

A response was made to that demand by Hamed's counsel on behalf of Sixteen Plus, which was reduced to writing -- pointing out that the mortgage was not valid for the reasons stated herein. That writing also specifically stated that St. Martin counsel was acting improperly in asserting he was representing Manal Yousef's interests rather than Fathi Yusuf's.

While counsel on St. Martin promised to get a response to that letter after discussing the matter with his real "client" he never did so, strongly indicating to the Hameds that he had never really been retained by Manal Yousef.

In furtherance of the Hidden Plan, Fathi Yusuf, in conjunction with the other Defendants, committed multiple criminal acts including conversion, attempted conversion, perjury, attempted perjury, wire and mail fraud, and others.

In 2016, Fathi Yusuf filed a civil lawsuit in the Superior Court as part of the Hidden Plan; seeking to dissolve Sixteen Plus in an attempt to, *inter alia*, dispose of the Land and trigger payment of the sham mortgage.

In the course of that litigation, Fathi Yusuf was required to produce all documents he had exchanged with Manal Yousef, including any powers of attorney.

When Fathi Yusuf did supply what he represented to be all such documents on July 26, 2016, the power of attorney was not disclosed.

Hamed's counsel wrote to Yusuf's counsel pursuant to Fed. R. Civ. P. 34 and 37, specifically asking for verification under the Rules that there was no such "power of attorney":

Stefan - I reviewed these new responses and there are still several deficiencies:

* * *

Supplemental Document Response #13-The documents you referenced as documents exchanged with Manal Yousef only include the deed, mortgage, mortgage note and certain wire transfers from someone else—**please confirm** there are no letters, faxes, emails, documents showing any interest payments to her (as alleged were made), **powers of attorney**, pre-mortgage negotiations or any other documents exchanges with your client and her or her agent. (Emphasis added.)

On August 5, 2016, Fathi Yusuf's counsel responded that he had initiated a "reasonable search" as to his client and his client's documents, and falsely represented – on behalf of Fathi Yusuf -- there was no such power of attorney..

Joel,Here are my responses to your numbered paragraphs:

* * *

I stand by my statement in the supplemental Rule 34 response that **based on a reasonable search there are no other documents responsive to your request**. I believe that supplemental response to your request is sufficient under

the Rules (and I thought from our meet and confer that is what you wanted), and that I am not under any duty to go into more detail. (Emphasis added.)

During the same Superior Court litigation, Fathi Yusuf was also required to answer an interrogatory about the note and mortgage on the Land. To falsely make it appear that Manal Yousef was a *bona fide* mortgagee, hide the undisclosed personal power of attorney and protect the Hidden Plan – Fathi Yusuf stated under oath as follows:

That Manal Yousef loaned the full \$4.5 million on September 15, 1997, for the purchase of the Land;

That Manal Yousef was paid three interest only payments on the mortgage between 1998 and 2000;

That Manal's last known address is 25 Gold Finch Road, Point Blanche. St. Martin, N.A.;

That he did not recall the last time he spoke with her;

That Manal Yousef had retained counsel in the Virgin Islands;

That he would not provide a phone number for Manal Yousef because she had counsel in the Virgin Islands.

All of the foregoing statements made by Fathi Yusuf in his interrogatory response are false, and were made in furtherance of the Hidden Plan to steal half of the value of the Land from Sixteen Plus and its shareholders, the Hameds, by a

foreclosure -- as Fathi Yusuf committed perjury under oath before the Court in furtherance of the Plan when he made these statements.

Yusuf then filed a motion for a protective order to avoid providing Manal Yusuf's phone number, as a Sixteen Plus or Hamed discussion with Manal would disclose the power of attorney and the Plan to steal half of the value of the Land in a sham foreclosure.

After the Court denied Yusuf's motion and ordered Fathi Yusuf to provide the phone number of Manal Yousef, he then repeated the false statements above -- and **now** stated that he did not have her phone number despite his motion to protect that exact information -- but that she could be reached through her nephew, Jamil Yousef, although to date he has repeatedly refused to verify that response.

However, the location given by Fathi Yusuf as Manal Yousef's address is actually in the possession of and used by Isam Yousuf, which is where he and his son, Jamil Yousef, reside.

Yusuf knew, when he falsely certified to the contrary, that this was not the location where Manal Yousef resided.

The purpose of this false representation in response to the Court's Order being that the St. Martin Defendants had agreed to intercept any mail, service or other communications to Manal before she could receive them.

Indeed, when service of process in another pending Superior Court action was left at that address for Manal Yousef, Isam and Jamil Yousef intercepted the summons and contacted Fathi Yusuf to further the conspiracy to steal the land from Sixteen Plus, telling him about the suit instead.

Upon information and belief, Jamil Yousef then agreed to further participate in this fraudulent Plan by allowing Fathi Yusuf to provide his name to the Court as the alleged contact for Manal Yousef, to hide the truth -- promising to call Fathi Yusuf if he was contacted by anyone, so that her whereabouts would remain secret and she would not learn that "she" alone was allegedly going to get millions of dollars – money which Fathi Yusuf was seeking.

Fathi Yusuf thereafter represented to the Superior Court, without the necessary identification of the true party in interest, that he had been contacted by Manal Yousef's "agent", when he knew in fact that it was he, Fathi Yusuf, who was directing the case and attempting to foreclose the sham mortgage under the undisclosed power of attorney -- for his own benefit.

During this time period, including in 2012, Fathi Yusuf personally arranged for and signed, under the penalty of perjury -- tax and other governmental filings showing that no outstanding obligations were due to Manal Yousef, and, to the contrary, that the \$4.5 million had been advanced by – and was due to – the shareholders, Hamed and Yusuf, as follows:

To conceal the Hidden Plan and deceive the other shareholders and officers of the corporation, Fathi Yusuf filed tax returns for Sixteen Plus during this time period, including 2012.

In those filings he, personally signed and swore under oath and penalty of perjury that the \$4.5 million held by Sixteen Plus was received from shareholders and due to them – and there was no loan or mortgage to a third person. *Id.*

This comported with his repeated representations to the Hameds intended to keep the Hidden Plan hidden.

To hide the Hidden Plan and deceive the other shareholders and officers of the corporation, Fathi Yusuf also prepared and filed annual corporate filings for Sixteen Plus during this time period, including 2012.

In those filings he stated that the \$4.5 million held by Sixteen Plus was received from shareholders and due to them – and was not a loan or mortgage to a third person.

This comported with representations to the Hameds.

In furtherance of this scheme, in 2013 Fathi Yusuf also created and requested Waleed Hamed sign an annual corporate filing that showed \$4.5 million due as a mortgage and loan and not money due to the Shareholders as had been reported for the prior 13 years. He also inserted his family members as the directors on the document, which he signed and proffered to Hamed.

Indeed, the Fathi Yusuf and the other Defendants were wrongfully attempting to hide the fact that Fathi Yusuf was the real plaintiff in interest – and that Manal Yousef had not personally contacted counsel in the USVI to represent her alleged interests.

To further this Plan, Fathi Yusuf retained USVI counsel to represent him “acting” as Manal Yousef -- and then represented to the USVI Court that Manal Yousef had retained USVI counsel, when she had not in fact done so. He did not disclose that the suit was actually being brought by him, that he was the true party in interest, or the existence of the wrongfully undisclosed power of attorney.

Notwithstanding all of these facts being disclosed to Yusuf, he has not recanted any of his false statements or filings -- and continues to pursue his Plan to steal the real property at Diamond Keturah from Sixteen Plus without any payment to the company or its shareholders, as he continues to try to divert all such funds through Manal Yousef, which funds he will then take back for himself with a share to Defendants for their assistance.

Moreover, with regard to the "legal" positions that are the subject of the listed inquiries, it is generally noted that all legal positions are still the subject of research and will be further described as they are developed. Subject to that, The following are provided:

- a. Manal Yousef by her conduct and/or acts, words, or silence, has waived or is otherwise estopped from asserting the claims contained in her complaint;

As set forth above, she has participated in civil fraud, uttering false documents, criminal acts and by association with and actions in conspiracy with Fathi Yusuf, tax evasion and CICO. These acts are the legal bases for both waiver and estoppel.

- b. the claims are barred by the doctrine of estoppel;

As set forth above, she has participated in civil fraud, uttering false documents, criminal acts and by association with and actions in conspiracy with Fathi Yusuf, tax evasion and CICO. These acts are the legal bases for both waiver and estoppel.

- c. Manal Yousef has acted with unclean hands which bars her from recovering the requested relief;

d.

As set forth above, she has participated in civil fraud, uttering false documents, criminal acts and by association with and actions in conspiracy with Fathi Yusuf, tax evasion and CICO. These acts are the legal bases unclean hands.

- e. Manal Yousef is guilty of laches and that the claims are therefore barred (Manal Yousef's claim for equitable relief has been unreasonably

delayed, and hardship and/or injustice to you or other parties will result from its enforcement);

As set forth above, she has participated in civil fraud, uttering false documents, criminal acts and by association with and actions in conspiracy with Fathi Yusuf, tax evasion and CICO. These acts were hidden and not pursued until it was time to take advantage of the illegal acts. This is a legal basis for laches.

- f. the cause of action is barred, in whole or in part, by reason of the statutes of limitations, including the identity of the applicable statute of limitations which bars each claim, and a detailed description of which claims are allegedly barred by each statute of limitations;

All claims. She has exceeded the statutory limit for filing claims.

- g. Manal Yousef is entitled to no relief because there was no consideration paid or otherwise given by Manal Yousef in exchange for the promissory note or mortgage;

She never provided any funds or other consideration as set forth above.

- h. Manal Yousef is entitled to no relief because of the fraudulent conduct of Manal Yousef and her agents including the identity of Manal Yousef's agents by name, address and telephone number;

The facts are detailed above, the legal basis is that this is fraud, tax evasion and CICO by definition.

- i. Manal Yousef is barred from recovering the requested relief due to Manal Yousef's failure to comply with the laws of the Virgin Islands regarding foreclosure actions including any notice provision, and state precisely which laws of the Virgin Islands were not complied with;
- j. Manal Yousef is entitled to no relief because of the illegality of the transaction pertaining to the promissory note and mortgage;

The legal basis is that a civil complaint cannot profit from crimes.

- k. Manal Yousef's claims are barred by the doctrine of accord and satisfaction including the date of the alleged accord and satisfaction, the consideration you gave to Manal Yousef for the alleged accord and

satisfaction, state whether the alleged accord and satisfaction was in writing, a list of all communications (oral or otherwise) concerning the alleged accord and satisfaction, the name, address and telephone number of each person acting on behalf of Manal Yousef with whom you spoke or communicated regarding the alleged accord and satisfaction, the name, address and telephone number of each person who was present during any communication or discussions or parties to the communications regarding the alleged accord and satisfaction, the name, address and telephone of each person who allegedly entered into the alleged accord and satisfaction on behalf of Sixteen Plus Corporation and on behalf of Manal Yousef, state whether the alleged accord and satisfaction was ever signed by or on behalf of Manal Yousef, and provide all details, bases and facts supporting your contention as to the existence of the alleged accord and satisfaction; and

It is assumed that Yusuf provided here with some payment for her criminal acts and that that satisfies any obligation due for her assistance in creating the false documents.

I. the claims are barred by the first filed doctrine.

There are pending civil actions against Fathi Yusuf such as the 370 action, and against Fathi, Isam and Jamil such as the 365 action that are pending and will decide the issues herein.

ROG 14: Describe in detail the entire contents of any and all oral and written communication you or any Hamed family member had with Manal Yousef (or any person who is or who purports to be a past or present representative or agent of Manal Yousef) or any other person/entity relative to the matters referred to in the pleadings, including, but not limited to, receipt of a sum of money in return for your signing and delivering the executed note and mortgage on the property in question, including in your answer:

- a. the date, place, and time of each communication;
- b. whether the communication was oral, written or recorded electronically;
- c. identify the persons who participated in each communication;
- d. identify the persons who were witnesses to or present during each communication;
- e. the substance of each communication; and

f. identify any documents which substantiate or reflect those communications.

RESPONSE:

See attached Exhibit A. Defendant declines to “describe” each document and signor individually, as all documents are provided – and each is what it is.

ROG 15: Set forth in detail the bases for all damages that you, the business or property including, but not limited to, personal property and/or real property such as Diamond Keturah, have suffered and will continue to accrue as a result of the acts and/or omissions of Manal Yousef as well as other parties, named and unnamed, concerning the matters alleged in the pleadings broken down for each of your claims including punitive damages, give an itemized account of any and all expenses and financial losses claimed by you, indicate the amount for which each party is allegedly liable, identify all documents, communications or conversations concerning your alleged damages, and identify all persons who have knowledge relating to each claimed element of damages, and for each such person set forth a detailed summary of that person’s knowledge.

RESPONSE:

On February 10, 1997, Sixteen Plus was formed as a corporation to purchase a 300 plus acre parcel of land on the South shore of St. Croix, often referred to as Diamond Keturah (hereinafter referred to as the “Land”) from the Bank of Nova Scotia (“BNS”) -- which had obtained its ownership interest subject to rights of redemption through a foreclosure sale conducted on February 13, 1996.

A contract to buy the Land subject to the rights of redemption was then entered into between Sixteen Plus and BNS on February 14, 1997.

At the time it was formed and at all times up to the present, all of the stock of Sixteen Plus has been owned 50% by family members of Fathi Yusuf and 50% by family members of Mohammad Hamed.

At the time Sixteen Plus was formed in the late 1990's, Fathi Yusuf and Mohammad Hamed were 50/50 partners in a grocery business known as Plaza Extra Supermarkets.

Fathi Yusuf and Mohammad Hamed decided to buy the Land in question by providing the necessary funds to Sixteen Plus -- using only proceeds from the grocery stores they owned -- which they did as described below.

Yusuf, acting for the Plaza Extra partners, then directed the business arrangements regarding the purchase of the Land.

Yusuf directed these business arrangements for the partnership as to the purchase of the Land using partnership funds rather than involving his partner Mohammad Hamed because, as both the Court in *Hamed v. Yusuf* and Fathi Yusuf himself have stated -- Fathi Yusuf was "in charge" of the business transactions for the partnership and they were under his "exclusive ultimate control". (See, *Hamed v. Yusuf*, 2013 WL 1846506 (V.I.Super. April 25, 2013)(para. 19 at page *6, "Yusuf's management and control of the "office" was such that Hamed was completely removed from the financial aspects of the business. . . ." and Yusuf's May 9, 2013, *Motion to Stay the Preliminary Injunction* in that same action -- where Yusuf admitted "[Hamed] never worked in any management capacity at any of the Plaza Extra Stores, which role was under *the exclusive ultimate control of Fathi Yusuf.*")

All funds used to buy the Land came from the Plaza Extra Supermarkets partnership -- and thus from Yusuf and Hamed as the only two partners.

However, Fathi Yusuf decided he did not want either the Government of the Virgin Islands or BNS to know the partnership source of the funds he was using to buy the Land, as he did not want them to know he was secretly diverting unreported cash from the Plaza Extra Supermarket to Sixteen Plus as part of a money laundering effort. The following details of that effort are presented here as background information to the later predicate criminal acts and are not the subject of this Complaint.

Fathi Yusuf acted with Isam Yousuf, his nephew who lived on St. Martin, to launder in excess of \$4,000,000 in unreported, untaxed partnership funds to St. Martin from the Plaza Extra Supermarket operations -- so that they could then wire these funds back to a Sixteen Plus account at BNS in order for Sixteen Plus to use these 'laundered' funds to purchase the Land.

To accomplish this, Fathi Yusuf had large sums of cash delivered to Isam Yousuf in St. Martin, who thereafter deposited those funds into various accounts in St. Martin. Fathi Yusuf and Isam Yousuf then transferred the partnership's funds by wire to an account in the name of Sixteen Plus at BNS on St. Croix. The transfers (which exceeded \$4,000,000) to Sixteen Plus' account at BNS took place between February 13th and September 4th of 1997.

To further cover up the partnership source of these funds, as well as to try to shelter Isam Yousuf from exposure to criminal consequences from the effort to launder and use the cash from the partnership's supermarkets, Fathi Yusuf and Isam Yousuf agreed to create a sham note and mortgage for the transaction,

naming Fathi Yusuf's young niece who lived in St. Martin, Manal Mohammad Yousef ("Manal Yousef"), as the sham mortgagee.

Fathi Yusuf explained the note and mortgage to his partner, Mohammad Hamed, as well as the various Hamed shareholders of Sixteen Plus as being a legitimate business transaction to protect the property, that Manal Yousef could and would never actually enforce the mortgage, and that Yusuf could get the note and mortgage discharged at any time.

To demonstrate the legitimacy of this arrangement to his partner, Fathi Yusuf stated to Mohamad Hamed and his son Waleed Hamed that all of the financials of the corporation, USVI tax filings and annual USVI corporate filings would **accurately reflect that the funds came from Hamed and Yusuf as the shareholders – and would not reflect the note and mortgage as a valid corporate debt – as further described below.** Thus, he explained, no USVI laws would be broken by making it appear that Manal Yousef had provided funds or was the holder of an enforceable claim.

Fathi Yusuf then caused a corporate resolution, sham note and mortgage in the amount of \$4,500,000 to be drafted by Sixteen Plus' counsel in favor of Manal Yousef, dated September 15, 1997, even though she had no such funds, and had never advanced any funds to Sixteen Plus -- as those funds came solely from the partnership and belonged 50/50 to the Hameds and Yusufs.

The note and mortgage exceeded the amount laundered through St. Martin by \$500,000. The additional \$500,000 came from partnership funds that Fathi Yusuf caused the supermarkets to deposit directly as currency into the St. Croix

bank account. Thus, \$500,000 of the \$4.5 million used to buy the land was directly provided by the Partnership as cash deposits.

At Fathi Yusuf's direction, that sham note and mortgage in the amount of \$4,500,000 were then executed by Sixteen Plus in favor of Manal Yousef on September 15, 1997, even though the Land in question had actually not been purchased yet – and the amount transferred through St. Martin was only \$4 million.

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In 2003, the Federal Government filed felony money laundering and tax evasion criminal charges against Fathi Yusuf and Isam Yousuf, among others.

The felony case included criminal charges related to the aforementioned laundering of funds by diversion from the partnership's Plaza Extra supermarkets to St. Martin to buy the Sixteen Plus Land. *That case and those criminal charges are not the subject of the CICO case here – or claimed as predicate acts.*

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While the criminal case continued over the next years, various third parties attempted to buy the Land from Sixteen Plus at substantially higher prices than was paid for the property, with the highest offer exceeding \$22 million.

Recognizing this substantial increase of 500% in value in less than 10 years, Fathi Yusuf began to try to figure out how to pocket these funds for himself.

In this regard, the Federal Government agreed that it would remove its lien and the Land could be sold – but **only** if the proceeds of any such sale were escrowed pending the outcome of the criminal case and not paid to Manal Yousef.

Contrary to the best interests of Sixteen Plus and its shareholders, Fathi Yusuf began to formulate a plan to embezzle from and defraud Sixteen Plus of the

value of the Land, and thus rejected offers for the Land unless the sham Manal Yousef note and mortgage were paid -- so he could then get sole control of these funds.

The Federal Government refused to agree to the request that the Manal Yousef mortgage be paid first, asserting its own doubts about the validity of the sham mortgage.

Fathi Yusuf could also have had Manal Yousef agree to an escrow of the sales proceeds while preserving her alleged mortgage rights, which would have allowed the sale to take place and fully protect the debt allegedly owed to her, but this would have necessarily involved her in the on-going criminal prosecution since the Land was actually purchased with laundered funds, so such a request was never made. Indeed, once the funds were escrowed, Fathi Yusuf would lose his opportunity to keep the funds for himself pursuant to his Plan.

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By May of 2010 it was clear that a settlement and plea would eventually be reached in the criminal action.

In May of 2010, without the knowledge of the Hameds or disclosure of either their acts or the related documents, Defendants began to implement the *Hidden Plan to Convert the Increased Value and Usurp Corporate Opportunity by Criminal Acts and Conspiracy* (the "Hidden Plan") by first obtaining a "Real Estate Power of

Attorney” from “Manal Mohammad Yousef Mohammad” **that gave Fathi Yusuf, personally, the power to do whatever he wished with the mortgage**, including releasing the mortgage or foreclosing on the Land for his own benefit, even though the Hamed family had actually paid 50% of the purchase price to buy the Land. The St. Martin Defendants were central to this effort to embezzle the Sixteen Plus funds.

This power of attorney Fathi Yusuf supplied and they had Manal Yousef sign, gave no rights or benefits to Sixteen Plus or the Hameds and thus usurped the corporate opportunity, despite the fact that Fathi Yusuf was an officer and director of the corporation, owing it fiduciary and statutory duties, as well as a shareholder.

Additionally, this undisclosed power of attorney specifically stated that Fathi Yusuf was given total power over what to do with the Land and foreclosure proceeds -- as he was also released and indemnified as to all actions he might take in regard to his broad, personal power of attorney—which further demonstrated that the mortgage and note were a sham, as no bona fide lender gives a principal of the borrower a full power of attorney to discharge the debt without requiring payment.

Upon information and belief, the power of attorney was drawn up by a Virgin Islands lawyer retained by Fathi Yusuf and executed at the request and direction of the St. Martin Defendants by Manal Yousef on St. Martin..

The existence and purpose of this power of attorney were not disclosed to the Hameds – and they did not learn of it or the Hidden Plan until after Yusuf

attempted to steal all of the assets of Sixteen Plus, like he did with the Plaza Extra Supermarkets partnership in 2012 – all of which occurred well within the period of the statute of limitations applicable here.

That execution of the undisclosed, exclusive power of attorney in favor of Fathi Yusuf personally was orchestrated by Isam Yousuf in furtherance of the Plan with Fathi Yusuf to steal half of the value of the Land, then in excess of \$25 million, from Sixteen Plus and the Hamed shareholders.

The Defendants planned to use the sham mortgage to allow Fathi Yusuf to foreclose of the Land *for his own personal benefit*, and to thus deny Sixteen Plus the value of the Land.

In 2013, the Federal Government reached a settlement in the criminal case, which included *inter alia* a lump sum \$10 million payment of taxes to the Government of the Virgin Islands for previously unreported income from the Plaza Extra Supermarkets.

In addition to this large payment for back taxes, a fine in excess of \$1,000,000 was also paid to the Government, along with a plea of guilty to the pending felony charge of tax evasion by the corporate defendant, United Corporation, which subsequently was determined to be Yusuf's agent for the partnership.

As a result of the plea and settlement, the Federal Government removed its lien on the Land. Also, Fathi Yusuf, Waleed Hamed and several of the other defendants were given personal immunity from criminal prosecution for the acts of tax evasion and money laundering described above.

After the criminal case was dismissed, the Fathi Yusuf and the St. Martin Defendants, in furtherance of the Hidden Plan, arranged for counsel on St. Martin to send a demand to Sixteen Plus – for payment of the sham note and mortgage Sixteen Plus allegedly owed to Manal Yousef.

That St. Martin counsel did not disclose to Sixteen Plus or the Hameds that Fathi Yusuf was the person personally directing the demand.

A response was made to that demand by Hamed's counsel on behalf of Sixteen Plus, which was reduced to writing -- pointing out that the mortgage was not valid for the reasons stated herein. That writing also specifically stated that St. Martin counsel was acting improperly in asserting he was representing Manal Yousef's interests rather than Fathi Yusuf's.

While counsel on St. Martin promised to get a response to that letter after discussing the matter with his real "client" he never did so, strongly indicating to the Hameds that he had never really been retained by Manal Yousef.

In furtherance of the Hidden Plan, Fathi Yusuf, in conjunction with the other Defendants, committed multiple criminal acts including conversion, attempted conversion, perjury, attempted perjury, wire and mail fraud, and others.

In 2016, Fathi Yusuf filed a civil lawsuit in the Superior Court as part of the Hidden Plan; seeking to dissolve Sixteen Plus in an attempt to, *inter alia*, dispose of the Land and trigger payment of the sham mortgage.

In the course of that litigation, Fathi Yusuf was required to produce all documents he had exchanged with Manal Yousef, including any powers of attorney.

When Fathi Yusuf did supply what he represented to be all such documents on July 26, 2016, the power of attorney was not disclosed.

Hamed's counsel wrote to Yusuf's counsel pursuant to Fed. R. Civ. P. 34 and 37, specifically asking for verification under the Rules that there was no such "power of attorney":

Stefan - I reviewed these new responses and there are still several deficiencies:

* * *

Supplemental Document Response #13-The documents you referenced as documents exchanged with Manal Yousef only include the deed, mortgage, mortgage note and certain wire transfers from someone else—**please confirm** there are no letters, faxes, emails, documents showing any interest payments to her (as alleged were made), **powers of attorney**, pre-mortgage negotiations or any other documents exchanges with your client and her or her agent. (Emphasis added.)

On August 5, 2016, Fathi Yusuf's counsel responded that he had initiated a "reasonable search" as to his client and his client's documents, and falsely represented – on behalf of Fathi Yusuf -- there was no such power of attorney..

Joel,Here are my responses to your numbered paragraphs:

* * *

I stand by my statement in the supplemental Rule 34 response that **based on a reasonable search there are no other documents responsive to your request.** I believe that supplemental response to your request is sufficient under the Rules (and I thought from our meet and confer that is what you wanted), and that I am not under any duty to go into more detail. (Emphasis added.)

During the same Superior Court litigation, Fathi Yusuf was also required to answer an interrogatory about the note and mortgage on the Land. To falsely make it appear that Manal Yousef was a *bona fide* mortgagee, hide the undisclosed personal power of attorney and protect the Hidden Plan – Fathi Yusuf stated under oath as follows:

That Manal Yousef loaned the full \$4.5 million on September 15, 1997, for the purchase of the Land;

That Manal Yousef was paid three interest only payments on the mortgage between 1998 and 2000;

That Manal's last known address is 25 Gold Finch Road, Point Blanche. St. Martin, N.A.;

That he did not recall the last time he spoke with her;

That Manal Yousef had retained counsel in the Virgin Islands;

That he would not provide a phone number for Manal Yousef because she had counsel in the Virgin Islands.

All of the foregoing statements made by Fathi Yusuf in his interrogatory response are false, and were made in furtherance of the Hidden Plan to steal half of the value of the Land from Sixteen Plus and its shareholders, the Hameds, by a foreclosure -- as Fathi Yusuf committed perjury under oath before the Court in furtherance of the Plan when he made these statements.

Yusuf then filed a motion for a protective order to avoid providing Manal Yusuf's phone number, as a Sixteen Plus or Hamed discussion with Manal would disclose the power of attorney and the Plan to steal half of the value of the Land in a sham foreclosure.

After the Court denied Yusuf's motion and ordered Fathi Yusuf to provide the phone number of Manal Yousef, he then repeated the false statements above -- and **now** stated that he did not have her phone number despite his motion to protect that exact information -- but that she could be reached through her nephew, Jamil Yousef, although to date he has repeatedly refused to verify that response.

However, the location given by Fathi Yusuf as Manal Yousef's address is actually in the possession of and used by Isam Yousuf, which is where he and his son, Jamil Yousef, reside.

Yusuf knew, when he falsely certified to the contrary, that this was not the location where Manal Yousef resided.

The purpose of this false representation in response to the Court's Order being that the St. Martin Defendants had agreed to intercept any mail, service or other communications to Manal before she could receive them.

Indeed, when service of process in another pending Superior Court action was left at that address for Manal Yousef, Isam and Jamil Yousef intercepted the summons and contacted Fathi Yusuf to further the conspiracy to steal the land from Sixteen Plus, telling him about the suit instead.

Upon information and belief, Jamil Yousef then agreed to further participate in this fraudulent Plan by allowing Fathi Yusuf to provide his name to the Court as the alleged contact for Manal Yousef, to hide the truth -- promising to call Fathi Yusuf if he was contacted by anyone, so that her whereabouts would remain secret and she would not learn that "she" alone was allegedly going to get millions of dollars – money which Fathi Yusuf was seeking.

Fathi Yusuf thereafter represented to the Superior Court, without the necessary identification of the true party in interest, that he had been contacted by Manal Yousef's "agent", when he knew in fact that it was he, Fathi Yusuf, who was directing the case and attempting to foreclose the sham mortgage under the undisclosed power of attorney -- for his own benefit.

During this time period, including in 2012, Fathi Yusuf personally arranged for and signed, under the penalty of perjury -- tax and other governmental filings showing that no outstanding obligations were due to Manal Yousef, and, to the contrary, that the \$4.5 million had been advanced by – and was due to – the shareholders, Hamed and Yusuf, as follows:

To conceal the Hidden Plan and deceive the other shareholders and officers of the corporation, Fathi Yusuf filed tax returns for Sixteen Plus during this time period, including 2012.

In those filings he, personally signed and swore under oath and penalty of perjury that the \$4.5 million held by Sixteen Plus was received from shareholders and due to them – and there was no loan or mortgage to a third person. *Id.*

This comported with his repeated representations to the Hameds intended to keep the Hidden Plan hidden.

To hide the Hidden Plan and deceive the other shareholders and officers of the corporation, Fathi Yusuf also prepared and filed annual corporate filings for Sixteen Plus during this time period, including 2012.

In those filings he stated that the \$4.5 million held by Sixteen Plus was received from shareholders and due to them – and was not a loan or mortgage to a third person.

This comported with representations to the Hameds.

In furtherance of this scheme, in 2013 Fathi Yusuf also created and requested Waleed Hamed sign an annual corporate filing that showed \$4.5 million due as a mortgage and loan and not money due to the Shareholders as had been reported for the prior 13 years. He also inserted his family members as the directors on the document, which he signed and proffered to Hamed.

Indeed, the Fathi Yusuf and the other Defendants were wrongfully attempting to hide the fact that Fathi Yusuf was the real plaintiff in interest – and that Manal Yousef had not personally contacted counsel in the USVI to represent her alleged interests.

To further this Plan, Fathi Yusuf retained USVI counsel to represent him “acting” as Manal Yousef -- and then represented to the USVI Court that Manal

Yousef had retained USVI counsel, when she had not in fact done so. He did not disclose that the suit was actually being brought by him, that he was the true party in interest, or the existence of the wrongfully undisclosed power of attorney.

Notwithstanding all of these facts being disclosed to Yusuf, he has not recanted any of his false statements or filings -- and continues to pursue his Plan to steal the real property at Diamond Keturah from Sixteen Plus without any payment to the company or its shareholders, as he continues to try to divert all such funds through Manal Yousef, which funds he will then take back for himself with a share to Defendants for their assistance.

ROG 16: Identify the debts, if any, personally incurred and owed by Manal Yousef to you, setting forth for each such debt:

- a. the date that it was incurred;
- b. the amount of the debt;
- c. the basis for the debt (e.g., payment for a service);
- d. the terms of payment;
- e. whether the debt was repaid; and
- f. the amount of any deficiency.

RESPONSE:

There are no valid debts or obligations between Manal and Sixteen Plus Corporation.

ROG 17: With respect to each alleged misrepresentation or fraudulent statement/conduct you allege was made by Manal Yousef or others relating to your pleadings, set forth:

- a. the date, time and place of the misrepresentation or fraudulent statement/conduct;
- b. the name, address and telephone number of the person or entity making the misrepresentation or fraudulent statement/conduct;
- c. a detailed description of the misrepresentation or fraudulent statement/conduct;

- d. the identity of all communications, written, oral or otherwise, relating to the alleged misrepresentation or fraudulent statement/conduct;
- e. the identity of all documents concerning such alleged misrepresentation or fraudulent statement/conduct; and
- f. identify all persons who have knowledge relating to these allegations and for each such person set forth a detailed summary of that person's knowledge;
- g. identify all persons who were present at the time that the alleged misrepresentation or fraudulent statement/conduct was made; and
- h. when you first learned the First Priority Mortgage had to be paid before Diamond Keturah could be sold, identify all persons with knowledge of said facts and identify all documents relating to said facts.

RESPONSE:

Her misrepresentations and fraudulent statements are contained in the false documents she has uttered as described below. On February 10, 1997, Sixteen Plus was formed as a corporation to purchase a 300 plus acre parcel of land on the South shore of St. Croix, often referred to as Diamond Keturah (hereinafter referred to as the "Land") from the Bank of Nova Scotia ("BNS") -- which had obtained its ownership interest subject to rights of redemption through a foreclosure sale conducted on February 13, 1996.

A contract to buy the Land subject to the rights of redemption was then entered into between Sixteen Plus and BNS on February 14, 1997.

At the time it was formed and at all times up to the present, all of the stock of Sixteen Plus has been owned 50% by family members of Fathi Yusuf and 50% by family members of Mohammad Hamed.

At the time Sixteen Plus was formed in the late 1990's, Fathi Yusuf and Mohammad Hamed were 50/50 partners in a grocery business known as Plaza Extra Supermarkets.

Fathi Yusuf and Mohammad Hamed decided to buy the Land in question by providing the necessary funds to Sixteen Plus -- using only proceeds from the grocery stores they owned – which they did as described below.

Yusuf, acting for the Plaza Extra partners, then directed the business arrangements regarding the purchase of the Land.

Yusuf directed these business arrangements for the partnership as to the purchase of the Land using partnership funds rather than involving his partner Mohammad Hamed because, as both the Court in *Hamed v. Yusuf* and Fathi Yusuf himself have stated -- Fathi Yusuf was “in charge” of the business transactions for the partnership and they were under his “exclusive ultimate control”. (See, *Hamed v. Yusuf*, 2013 WL 1846506 (V.I.Super. April 25, 2013)(para. 19 at page *6, “Yusuf's management and control of the "office" was such that Hamed was completely removed from the financial aspects of the business. . . .” and Yusuf's May 9, 2013, *Motion to Stay the Preliminary Injunction* in that same action -- where Yusuf admitted “[Hamed] never worked in any management capacity at any of the Plaza Extra Stores, which role was under *the exclusive ultimate control of Fathi Yusuf.*”)

All funds used to buy the Land came from the Plaza Extra Supermarkets partnership – and thus from Yusuf and Hamed as the only two partners.

However, Fathi Yusuf decided he did not want either the Government of the Virgin Islands or BNS to know the partnership source of the funds he was using to buy the Land, as he did not want them to know he was secretly diverting unreported cash from the Plaza Extra Supermarket to Sixteen Plus as part of a money

laundering effort. The following details of that effort are presented here as background information to the later predicate criminal acts and are not the subject of this Complaint.

Fathi Yusuf acted with Isam Yousuf, his nephew who lived on St. Martin, to launder in excess of \$4,000,000 in unreported, untaxed partnership funds to St. Martin from the Plaza Extra Supermarket operations -- so that they could then wire these funds back to a Sixteen Plus account at BNS in order for Sixteen Plus to use these 'laundered' funds to purchase the Land.

To accomplish this, Fathi Yusuf had large sums of cash delivered to Isam Yousuf in St. Martin, who thereafter deposited those funds into various accounts in St. Martin. Fathi Yusuf and Isam Yousuf then transferred the partnership's funds by wire to an account in the name of Sixteen Plus at BNS on St. Croix. The transfers (which exceeded \$4,000,000) to Sixteen Plus' account at BNS took place between February 13th and September 4th of 1997.

To further cover up the partnership source of these funds, as well as to try to shelter Isam Yousuf from exposure to criminal consequences from the effort to launder and use the cash from the partnership's supermarkets, Fathi Yusuf and Isam Yousuf agreed to create a sham note and mortgage for the transaction, naming Fathi Yusuf's young niece who lived in St. Martin, Manal Mohammad Yousef ("Manal Yousef"), as the sham mortgagee.

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and would never actually enforce the mortgage, and that Yusuf could get the note and mortgage discharged at any time.

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In the course of that litigation, Fathi Yusuf was required to produce all documents he had exchanged with Manal Yousef, including any powers of attorney.

When Fathi Yusuf did supply what he represented to be all such documents on July 26, 2016, the power of attorney was not disclosed.

Hamed's counsel wrote to Yusuf's counsel pursuant to Fed. R. Civ. P. 34 and 37, specifically asking for verification under the Rules that there was no such "power of attorney":

Stefan - I reviewed these new responses and there are still several deficiencies:

* * *

Supplemental Document Response #13-The documents you referenced as documents exchanged with Manal Yousef only include the deed, mortgage, mortgage note and certain wire transfers from someone else—**please confirm** there are no letters, faxes, emails, documents showing any interest payments to her (as alleged were made), **powers of attorney**, pre-mortgage negotiations or any other documents exchanges with your client and her or her agent. (Emphasis added.)

On August 5, 2016, Fathi Yusuf's counsel responded that he had initiated a "reasonable search" as to his client and his client's documents, and falsely represented – on behalf of Fathi Yusuf -- there was no such power of attorney..

Joel,Here are my responses to your numbered paragraphs:

* * *

I stand by my statement in the supplemental Rule 34 response that **based on a reasonable search there are no other documents responsive to your request**. I believe that supplemental response to your request is sufficient under

the Rules (and I thought from our meet and confer that is what you wanted), and that I am not under any duty to go into more detail. (Emphasis added.)

During the same Superior Court litigation, Fathi Yusuf was also required to answer an interrogatory about the note and mortgage on the Land. To falsely make it appear that Manal Yousef was a *bona fide* mortgagee, hide the undisclosed personal power of attorney and protect the Hidden Plan – Fathi Yusuf stated under oath as follows:

That Manal Yousef loaned the full \$4.5 million on September 15, 1997, for the purchase of the Land;

That Manal Yousef was paid three interest only payments on the mortgage between 1998 and 2000;

That Manal's last known address is 25 Gold Finch Road, Point Blanche. St. Martin, N.A.;

That he did not recall the last time he spoke with her;

That Manal Yousef had retained counsel in the Virgin Islands;

That he would not provide a phone number for Manal Yousef because she had counsel in the Virgin Islands.

All of the foregoing statements made by Fathi Yusuf in his interrogatory response are false, and were made in furtherance of the Hidden Plan to steal half of the value of the Land from Sixteen Plus and its shareholders, the Hameds, by a

foreclosure -- as Fathi Yusuf committed perjury under oath before the Court in furtherance of the Plan when he made these statements.

Yusuf then filed a motion for a protective order to avoid providing Manal Yusuf's phone number, as a Sixteen Plus or Hamed discussion with Manal would disclose the power of attorney and the Plan to steal half of the value of the Land in a sham foreclosure.

After the Court denied Yusuf's motion and ordered Fathi Yusuf to provide the phone number of Manal Yousef, he then repeated the false statements above -- and **now** stated that he did not have her phone number despite his motion to protect that exact information -- but that she could be reached through her nephew, Jamil Yousef, although to date he has repeatedly refused to verify that response.

However, the location given by Fathi Yusuf as Manal Yousef's address is actually in the possession of and used by Isam Yousuf, which is where he and his son, Jamil Yousef, reside.

Yusuf knew, when he falsely certified to the contrary, that this was not the location where Manal Yousef resided.

The purpose of this false representation in response to the Court's Order being that the St. Martin Defendants had agreed to intercept any mail, service or other communications to Manal before she could receive them.

Indeed, when service of process in another pending Superior Court action was left at that address for Manal Yousef, Isam and Jamil Yousef intercepted the summons and contacted Fathi Yusuf to further the conspiracy to steal the land from Sixteen Plus, telling him about the suit instead.

Upon information and belief, Jamil Yousef then agreed to further participate in this fraudulent Plan by allowing Fathi Yusuf to provide his name to the Court as the alleged contact for Manal Yousef, to hide the truth -- promising to call Fathi Yusuf if he was contacted by anyone, so that her whereabouts would remain secret and she would not learn that "she" alone was allegedly going to get millions of dollars – money which Fathi Yusuf was seeking.

Fathi Yusuf thereafter represented to the Superior Court, without the necessary identification of the true party in interest, that he had been contacted by Manal Yousef's "agent", when he knew in fact that it was he, Fathi Yusuf, who was directing the case and attempting to foreclose the sham mortgage under the undisclosed power of attorney -- for his own benefit.

During this time period, including in 2012, Fathi Yusuf personally arranged for and signed, under the penalty of perjury -- tax and other governmental filings showing that no outstanding obligations were due to Manal Yousef, and, to the contrary, that the \$4.5 million had been advanced by – and was due to – the shareholders, Hamed and Yusuf, as follows:

To conceal the Hidden Plan and deceive the other shareholders and officers of the corporation, Fathi Yusuf filed tax returns for Sixteen Plus during this time period, including 2012.

In those filings he, personally signed and swore under oath and penalty of perjury that the \$4.5 million held by Sixteen Plus was received from shareholders and due to them – and there was no loan or mortgage to a third person. *Id.*

This comported with his repeated representations to the Hameds intended to keep the Hidden Plan hidden.

To hide the Hidden Plan and deceive the other shareholders and officers of the corporation, Fathi Yusuf also prepared and filed annual corporate filings for Sixteen Plus during this time period, including 2012.

In those filings he stated that the \$4.5 million held by Sixteen Plus was received from shareholders and due to them – and was not a loan or mortgage to a third person.

This comported with representations to the Hameds.

In furtherance of this scheme, in 2013 Fathi Yusuf also created and requested Waleed Hamed sign an annual corporate filing that showed \$4.5 million due as a mortgage and loan and not money due to the Shareholders as had been reported for the prior 13 years. He also inserted his family members as the directors on the document, which he signed and proffered to Hamed.

Indeed, the Fathi Yusuf and the other Defendants were wrongfully attempting to hide the fact that Fathi Yusuf was the real plaintiff in interest – and that Manal Yousef had not personally contacted counsel in the USVI to represent her alleged interests.

To further this Plan, Fathi Yusuf retained USVI counsel to represent him “acting” as Manal Yousef -- and then represented to the USVI Court that Manal Yousef had retained USVI counsel, when she had not in fact done so. He did not disclose that the suit was actually being brought by him, that he was the true party in interest, or the existence of the wrongfully undisclosed power of attorney.

Notwithstanding all of these facts being disclosed to Yusuf, he has not recanted any of his false statements or filings -- and continues to pursue his Plan to steal the real property at Diamond Keturah from Sixteen Plus without any payment to the company or its shareholders, as he continues to try to divert all such funds through Manal Yousef, which funds he will then take back for himself with a share to Defendants for their assistance.

ROG 18: List all facts and documents upon which you intend to rely to support your allegation that Manal Yousef, Isam Yousuf, or Fathi Yusuf colluded, acted jointly and in concert, enjoyed a close connection, and/or conspired among themselves or with any other person to deprive you of the value of the assets of Sixteen Plus Corporation including the value of Diamond Keturah due to a lack of consideration for a note and mortgage between Manal Yousef and Sixteen Plus Corporation relating to Diamond Keturah property as alleged in the pleadings specifying in detail with whom and the nature and manner in which same was conducted.

RESPONSE:

See attached Exhibit A. More particularly, the documents and how they relate to this matter are described as follows. On February 10, 1997, Sixteen Plus was formed as a corporation to purchase a 300 plus acre parcel of land on the South shore of St. Croix, often referred to as Diamond Keturah (hereinafter referred to as the "Land") from the Bank of Nova Scotia ("BNS") -- which had obtained its ownership interest subject to rights of redemption through a foreclosure sale conducted on February 13, 1996.

A contract to buy the Land subject to the rights of redemption was then entered into between Sixteen Plus and BNS on February 14, 1997.

At the time it was formed and at all times up to the present, all of the stock of Sixteen Plus has been owned 50% by family members of Fathi Yusuf and 50% by family members of Mohammad Hamed.

At the time Sixteen Plus was formed in the late 1990's, Fathi Yusuf and Mohammad Hamed were 50/50 partners in a grocery business known as Plaza Extra Supermarkets.

Fathi Yusuf and Mohammad Hamed decided to buy the Land in question by providing the necessary funds to Sixteen Plus -- using only proceeds from the grocery stores they owned -- which they did as described below.

Yusuf, acting for the Plaza Extra partners, then directed the business arrangements regarding the purchase of the Land.

Yusuf directed these business arrangements for the partnership as to the purchase of the Land using partnership funds rather than involving his partner Mohammad Hamed because, as both the Court in *Hamed v. Yusuf* and Fathi Yusuf himself have stated -- Fathi Yusuf was "in charge" of the business transactions for the partnership and they were under his "exclusive ultimate control". (See, *Hamed v. Yusuf*, 2013 WL 1846506 (V.I.Super. April 25, 2013)(para. 19 at page *6, "Yusuf's management and control of the "office" was such that Hamed was completely removed from the financial aspects of the business. . . ." and Yusuf's May 9, 2013, *Motion to Stay the Preliminary Injunction* in that same action -- where Yusuf admitted "[Hamed] never worked in any management capacity at any of the Plaza Extra Stores, which role was under *the exclusive ultimate control of Fathi Yusuf.*")

All funds used to buy the Land came from the Plaza Extra Supermarkets partnership – and thus from Yusuf and Hamed as the only two partners.

However, Fathi Yusuf decided he did not want either the Government of the Virgin Islands or BNS to know the partnership source of the funds he was using to buy the Land, as he did not want them to know he was secretly diverting unreported cash from the Plaza Extra Supermarket to Sixteen Plus as part of a money laundering effort. The following details of that effort are presented here as background information to the later predicate criminal acts and are not the subject of this Complaint.

Fathi Yusuf acted with Isam Yousuf, his nephew who lived on St. Martin, to launder in excess of \$4,000,000 in unreported, untaxed partnership funds to St. Martin from the Plaza Extra Supermarket operations -- so that they could then wire these funds back to a Sixteen Plus account at BNS in order for Sixteen Plus to use these 'laundered' funds to purchase the Land.

To accomplish this, Fathi Yusuf had large sums of cash delivered to Isam Yousuf in St. Martin, who thereafter deposited those funds into various accounts in St. Martin. Fathi Yusuf and Isam Yousuf then transferred the partnership's funds by wire to an account in the name of Sixteen Plus at BNS on St. Croix. The transfers (which exceeded \$4,000,000) to Sixteen Plus' account at BNS took place between February 13th and September 4th of 1997.

To further cover up the partnership source of these funds, as well as to try to shelter Isam Yousuf from exposure to criminal consequences from the effort to launder and use the cash from the partnership's supermarkets, Fathi Yusuf and

Isam Yousuf agreed to create a sham note and mortgage for the transaction, naming Fathi Yusuf's young niece who lived in St. Martin, Manal Mohammad Yousef ("Manal Yousef"), as the sham mortgagee.

Fathi Yusuf explained the note and mortgage to his partner, Mohammad Hamed, as well as the various Hamed shareholders of Sixteen Plus as being a legitimate business transaction to protect the property, that Manal Yousef could and would never actually enforce the mortgage, and that Yusuf could get the note and mortgage discharged at any time.

To demonstrate the legitimacy of this arrangement to his partner, Fathi Yusuf stated to Mohamad Hamed and his son Waleed Hamed that all of the financials of the corporation, USVI tax filings and annual USVI corporate filings would **accurately reflect that the funds came from Hamed and Yusuf as the shareholders – and would not reflect the note and mortgage as a valid corporate debt – as further described below.** Thus, he explained, no USVI laws would be broken by making it appear that Manal Yousef had provided funds or was the holder of an enforceable claim.

Fathi Yusuf then caused a corporate resolution, sham note and mortgage in the amount of \$4,500,000 to be drafted by Sixteen Plus' counsel in favor of Manal Yousef, dated September 15, 1997, even though she had no such funds, and had never advanced any funds to Sixteen Plus -- as those funds came solely from the partnership and belonged 50/50 to the Hameds and Yusufs.

The note and mortgage exceeded the amount laundered through St. Martin by \$500,000. The additional \$500,000 came from partnership funds that Fathi

Yusuf caused the supermarkets to deposit directly as currency into the St. Croix bank account. Thus, \$500,000 of the \$4.5 million used to buy the land was directly provided by the Partnership as cash deposits.

At Fathi Yusuf's direction, that sham note and mortgage in the amount of \$4,500,000 were then executed by Sixteen Plus in favor of Manal Yousef on September 15, 1997, even though the Land in question had actually not been purchased yet – and the amount transferred through St. Martin was only \$4 million.

On December 24, 1997, BNS finally was entitled to a conveyance of the Land from the Marshal of the Territorial (now Superior) Court of the Virgin Islands, as the rights of redemption in the foreclosure sale had expired.

As per the contract between them, instead of taking title, BNS assigned its right to this conveyance from the Marshal to Sixteen Plus. Sixteen Plus paid for this assignment with the funds from the partnership.

On February 22, 1999, Sixteen Plus finally received and recorded the deed to the Land. On that same day, Sixteen Plus also recorded the sham mortgage (as originally dated September 15, 1997) in favor of Manal Yousef.

The Money Laundering Charges-2003

In 2003, the Federal Government filed felony money laundering and tax evasion criminal charges against Fathi Yusuf and Isam Yousuf, among others.

The felony case included criminal charges related to the aforementioned laundering of funds by diversion from the partnership's Plaza Extra supermarkets to St. Martin to buy the Sixteen Plus Land. *That case and those criminal charges are not the subject of the CICO case here – or claimed as predicate acts.*

Pursuant to those charges, the Federal Government placed a lien against various real property owned by Fathi Yusuf's United Corporation as well as corporations also owned jointly by the Yusuf and Hamed families -- including the Land owned by Sixteen Plus.

The Government also identified the money laundering through St. Martin and the fact that \$500,000 in currency was deposited with funds from the supermarkets to make up the difference.

As part of its investigation and the charges, the FBI retrieved and documented the bank records from St. Martin showing the diversion of the \$4 million in funds from the partnership's Plaza Extra Supermarkets to St. Martin -- and subsequent transfer of those laundered funds back to the bank account of Sixteen Plus in order to purchase this Land. It also documented the deposits of \$500,000 directly into the St. Croix account by the partnership.

While the criminal case continued over the next years, various third parties attempted to buy the Land from Sixteen Plus at substantially higher prices than was paid for the property, with the highest offer exceeding \$22 million.

Recognizing this substantial increase of 500% in value in less than 10 years, Fathi Yusuf began to try to figure out how to pocket these funds for himself.

In this regard, the Federal Government agreed that it would remove its lien and the Land could be sold – but **only** if the proceeds of any such sale were escrowed pending the outcome of the criminal case and not paid to Manal Yousef.

Contrary to the best interests of Sixteen Plus and its shareholders, Fathi Yusuf began to formulate a plan to embezzle from and defraud Sixteen Plus of the

value of the Land, and thus rejected offers for the Land unless the sham Manal Yousef note and mortgage were paid -- so he could then get sole control of these funds.

The Federal Government refused to agree to the request that the Manal Yousef mortgage be paid first, asserting its own doubts about the validity of the sham mortgage.

Fathi Yusuf could also have had Manal Yousef agree to an escrow of the sales proceeds while preserving her alleged mortgage rights, which would have allowed the sale to take place and fully protect the debt allegedly owed to her, but this would have necessarily involved her in the on-going criminal prosecution since the Land was actually purchased with laundered funds, so such a request was never made. Indeed, once the funds were escrowed, Fathi Yusuf would lose his opportunity to keep the funds for himself pursuant to his Plan.

As such, Sixteen Plus lost then, and is continues to lose the benefit of such sales at the highest and best amount because of Fathi Yusuf's insistence that the sham mortgage be paid upon the sale of the property -- which payment the Federal Government refused to allow.

By May of 2010 it was clear that a settlement and plea would eventually be reached in the criminal action.

In May of 2010, without the knowledge of the Hameds or disclosure of either their acts or the related documents, Defendants began to implement the *Hidden Plan to Convert the Increased Value and Usurp Corporate Opportunity by Criminal Acts and Conspiracy* (the "Hidden Plan") by first obtaining a "Real Estate Power of

Attorney” from “Manal Mohammad Yousef Mohammad” **that gave Fathi Yusuf, personally, the power to do whatever he wished with the mortgage**, including releasing the mortgage or foreclosing on the Land for his own benefit, even though the Hamed family had actually paid 50% of the purchase price to buy the Land. The St. Martin Defendants were central to this effort to embezzle the Sixteen Plus funds.

This power of attorney Fathi Yusuf supplied and they had Manal Yousef sign, gave no rights or benefits to Sixteen Plus or the Hameds and thus usurped the corporate opportunity, despite the fact that Fathi Yusuf was an officer and director of the corporation, owing it fiduciary and statutory duties, as well as a shareholder.

Additionally, this undisclosed power of attorney specifically stated that Fathi Yusuf was given total power over what to do with the Land and foreclosure proceeds -- as he was also released and indemnified as to all actions he might take in regard to his broad, personal power of attorney—which further demonstrated that the mortgage and note were a sham, as no bona fide lender gives a principal of the borrower a full power of attorney to discharge the debt without requiring payment.

Upon information and belief, the power of attorney was drawn up by a Virgin Islands lawyer retained by Fathi Yusuf and executed at the request and direction of the St. Martin Defendants by Manal Yousef on St. Martin..

The existence and purpose of this power of attorney were not disclosed to the Hameds – and they did not learn of it or the Hidden Plan until after Yusuf

attempted to steal all of the assets of Sixteen Plus, like he did with the Plaza Extra Supermarkets partnership in 2012 – all of which occurred well within the period of the statute of limitations applicable here.

That execution of the undisclosed, exclusive power of attorney in favor of Fathi Yusuf personally was orchestrated by Isam Yousuf in furtherance of the Plan with Fathi Yusuf to steal half of the value of the Land, then in excess of \$25 million, from Sixteen Plus and the Hamed shareholders.

The Defendants planned to use the sham mortgage to allow Fathi Yusuf to foreclose of the Land *for his own personal benefit*, and to thus deny Sixteen Plus the value of the Land.

In 2013, the Federal Government reached a settlement in the criminal case, which included *inter alia* a lump sum \$10 million payment of taxes to the Government of the Virgin Islands for previously unreported income from the Plaza Extra Supermarkets.

In addition to this large payment for back taxes, a fine in excess of \$1,000,000 was also paid to the Government, along with a plea of guilty to the pending felony charge of tax evasion by the corporate defendant, United Corporation, which subsequently was determined to be Yusuf's agent for the partnership.

As a result of the plea and settlement, the Federal Government removed its lien on the Land. Also, Fathi Yusuf, Waleed Hamed and several of the other defendants were given personal immunity from criminal prosecution for the acts of tax evasion and money laundering described above.

After the criminal case was dismissed, the Fathi Yusuf and the St. Martin Defendants, in furtherance of the Hidden Plan, arranged for counsel on St. Martin to send a demand to Sixteen Plus – for payment of the sham note and mortgage Sixteen Plus allegedly owed to Manal Yousef.

That St. Martin counsel did not disclose to Sixteen Plus or the Hameds that Fathi Yusuf was the person personally directing the demand.

A response was made to that demand by Hamed's counsel on behalf of Sixteen Plus, which was reduced to writing -- pointing out that the mortgage was not valid for the reasons stated herein. That writing also specifically stated that St. Martin counsel was acting improperly in asserting he was representing Manal Yousef's interests rather than Fathi Yusuf's.

While counsel on St. Martin promised to get a response to that letter after discussing the matter with his real "client" he never did so, strongly indicating to the Hameds that he had never really been retained by Manal Yousef.

In furtherance of the Hidden Plan, Fathi Yusuf, in conjunction with the other Defendants, committed multiple criminal acts including conversion, attempted conversion, perjury, attempted perjury, wire and mail fraud, and others.

In 2016, Fathi Yusuf filed a civil lawsuit in the Superior Court as part of the Hidden Plan; seeking to dissolve Sixteen Plus in an attempt to, *inter alia*, dispose of the Land and trigger payment of the sham mortgage.

In the course of that litigation, Fathi Yusuf was required to produce all documents he had exchanged with Manal Yousef, including any powers of attorney.

When Fathi Yusuf did supply what he represented to be all such documents on July 26, 2016, the power of attorney was not disclosed.

Hamed's counsel wrote to Yusuf's counsel pursuant to Fed. R. Civ. P. 34 and 37, specifically asking for verification under the Rules that there was no such "power of attorney":

Stefan - I reviewed these new responses and there are still several deficiencies:

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Supplemental Document Response #13-The documents you referenced as documents exchanged with Manal Yousef only include the deed, mortgage, mortgage note and certain wire transfers from someone else—**please confirm** there are no letters, faxes, emails, documents showing any interest payments to her (as alleged were made), **powers of attorney**, pre-mortgage negotiations or any other documents exchanges with your client and her or her agent. (Emphasis added.)

On August 5, 2016, Fathi Yusuf's counsel responded that he had initiated a "reasonable search" as to his client and his client's documents, and falsely represented – on behalf of Fathi Yusuf -- there was no such power of attorney..

Joel,Here are my responses to your numbered paragraphs:

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I stand by my statement in the supplemental Rule 34 response that ***based on a reasonable search there are no other documents responsive to your request.*** I believe that supplemental response to your request is sufficient under the Rules (and I thought from our meet and confer that is what you wanted), and that I am not under any duty to go into more detail. (Emphasis added.)

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That Manal Yousef loaned the full \$4.5 million on September 15, 1997, for the purchase of the Land;

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That Manal's last known address is 25 Gold Finch Road, Point Blanche. St. Martin, N.A.;

That he did not recall the last time he spoke with her;

That Manal Yousef had retained counsel in the Virgin Islands;

That he would not provide a phone number for Manal Yousef because she had counsel in the Virgin Islands.

All of the foregoing statements made by Fathi Yusuf in his interrogatory response are false, and were made in furtherance of the Hidden Plan to steal half of the value of the Land from Sixteen Plus and its shareholders, the Hameds, by a foreclosure -- as Fathi Yusuf committed perjury under oath before the Court in furtherance of the Plan when he made these statements.

Yusuf then filed a motion for a protective order to avoid providing Manal Yusuf's phone number, as a Sixteen Plus or Hamed discussion with Manal would disclose the power of attorney and the Plan to steal half of the value of the Land in a sham foreclosure.

After the Court denied Yusuf's motion and ordered Fathi Yusuf to provide the phone number of Manal Yousef, he then repeated the false statements above -- and **now** stated that he did not have her phone number despite his motion to protect that exact information -- but that she could be reached through her nephew, Jamil Yousef, although to date he has repeatedly refused to verify that response.

However, the location given by Fathi Yusuf as Manal Yousef's address is actually in the possession of and used by Isam Yousuf, which is where he and his son, Jamil Yousef, reside.

Yusuf knew, when he falsely certified to the contrary, that this was not the location where Manal Yousef resided.

The purpose of this false representation in response to the Court's Order being that the St. Martin Defendants had agreed to intercept any mail, service or other communications to Manal before she could receive them.

Indeed, when service of process in another pending Superior Court action was left at that address for Manal Yousef, Isam and Jamil Yousef intercepted the summons and contacted Fathi Yusuf to further the conspiracy to steal the land from Sixteen Plus, telling him about the suit instead.

Upon information and belief, Jamil Yousef then agreed to further participate in this fraudulent Plan by allowing Fathi Yusuf to provide his name to the Court as the alleged contact for Manal Yousef, to hide the truth -- promising to call Fathi Yusuf if he was contacted by anyone, so that her whereabouts would remain secret and she would not learn that "she" alone was allegedly going to get millions of dollars – money which Fathi Yusuf was seeking.

Fathi Yusuf thereafter represented to the Superior Court, without the necessary identification of the true party in interest, that he had been contacted by Manal Yousef's "agent", when he knew in fact that it was he, Fathi Yusuf, who was directing the case and attempting to foreclose the sham mortgage under the undisclosed power of attorney -- for his own benefit.

During this time period, including in 2012, Fathi Yusuf personally arranged for and signed, under the penalty of perjury -- tax and other governmental filings showing that no outstanding obligations were due to Manal Yousef, and, to the contrary, that the \$4.5 million had been advanced by – and was due to – the shareholders, Hamed and Yusuf, as follows:

To conceal the Hidden Plan and deceive the other shareholders and officers of the corporation, Fathi Yusuf filed tax returns for Sixteen Plus during this time period, including 2012.

In those filings he, personally signed and swore under oath and penalty of perjury that the \$4.5 million held by Sixteen Plus was received from shareholders and due to them – and there was no loan or mortgage to a third person. *Id.*

This comported with his repeated representations to the Hameds intended to keep the Hidden Plan hidden.

To hide the Hidden Plan and deceive the other shareholders and officers of the corporation, Fathi Yusuf also prepared and filed annual corporate filings for Sixteen Plus during this time period, including 2012.

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This comported with representations to the Hameds.

In furtherance of this scheme, in 2013 Fathi Yusuf also created and requested Waleed Hamed sign an annual corporate filing that showed \$4.5 million due as a mortgage and loan and not money due to the Shareholders as had been reported for the prior 13 years. He also inserted his family members as the directors on the document, which he signed and proffered to Hamed.

Indeed, the Fathi Yusuf and the other Defendants were wrongfully attempting to hide the fact that Fathi Yusuf was the real plaintiff in interest – and that Manal Yousef had not personally contacted counsel in the USVI to represent her alleged interests.

To further this Plan, Fathi Yusuf retained USVI counsel to represent him “acting” as Manal Yousef -- and then represented to the USVI Court that Manal

Yousef had retained USVI counsel, when she had not in fact done so. He did not disclose that the suit was actually being brought by him, that he was the true party in interest, or the existence of the wrongfully undisclosed power of attorney.

Notwithstanding all of these facts being disclosed to Yusuf, he has not recanted any of his false statements or filings -- and continues to pursue his Plan to steal the real property at Diamond Keturah from Sixteen Plus without any payment to the company or its shareholders, as he continues to try to divert all such funds through Manal Yousef, which funds he will then take back for himself with a share to Defendants for their assistance.

ROG 19: State whether you have obtained or received any statement (written, oral, recorded or otherwise) from Manal Yousef (or any person who is, or who purports to be, a past or present representative, or agent of Manal Yousef) or from any other person regarding the subject matter of this litigation, and if so, set forth for each such statement:

- a. the date when and the place where the statement was made;
- b. the name, address and telephone number of the person making the statement;
- c. the name, address and telephone number of the person to whom the statement was made;
- d. the name, address and telephone number of every person present at the time of the statement;
- e. the form in which the statement was obtained;
- f. if the statement is oral, the substance of the statement; and
- g. if the statement is written, the name and address of the present custodian of the statement.

RESPONSE:

Only the statements on he behalf by Fathi Yusuf or her counsel as described in the prior response. No others.

ROG 20: For each person who has knowledge of any facts relating to this case, including assertions or denials and claims or defenses, in whole or in part, of any paragraph of the pleadings, set forth in detail:

- a. the name, address and telephone number of the individual;
- b. the substance and nature of the knowledge;
- c. whether or not written or recorded statements have been taken from each person with knowledge of this factual information, including but not limited to, you and your representatives; and
- d. if there is a written or recorded statement, identify each statement and indicate who has possession of such statement or statements.

RESPONSE:

See Rule 26 filing.

ROG 21: Identify all experts whom you have retained or specifically employed in anticipation of litigation and preparation for trial who are not expected to be called as expert witnesses.

RESPONSE:

None to date.

ROG 22: With respect to your having been notified or informed of the foreclosure on Diamond Keturah property in question, state:

- a. the date on which you were so notified or informed;
- b. the identity of the person or persons who notified or informed you;
- c. whether the notification was oral or written; and
- d. the substance of the notification.

RESPONSE:

See pleadings in the 345 and 65 (this) cases.

ROG 23: If you are aware of any document which is responsive to any request to identify documents herein or any request for production of documents made in this lawsuit, but which is no longer in your custody or control, identify and describe:

- a. the name and title of the author;
- b. the name and title of the addressee;
- c. the date of the document;
- d. the subject matter of the document(s);
- e. the last date on which the document was in your control;
- f. the names of the person or entities, if any, that are now in control or possession of the document(s);
- g. the reason for your disposition or release of the document; and
- h. the names of all persons who have knowledge of the circumstances surrounding the document and its disposition.

RESPONSE:

None.

ROG 24: To the extent not previously identified in response to the preceding interrogatories, identify all documents relating to Diamond Keturah property or the promissory note secured by a mortgage on Diamond Keturah.

RESPONSE:

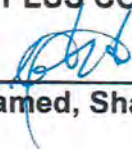
None, other than documents files with the Recorder of Deeds pertaining to the property.

VERIFICATION AS TO THE DERIVATIVE ACTION

I hereby certify under penalty of perjury pursuant to V.I.R. Civ. P. 84 that the facts contained in each of the foregoing responses to interrogatories are true and correct to the best of my knowledge, information and belief.

SIXTEEN PLUS CORPORATION

Dated: August __ 2022



Shawn Hamed, Shareholder/Plaintiff

VERIFICATION AS TO THE FORECLOSURE ACTION

I hereby certify under penalty of perjury pursuant to V.I.R. Civ. P. 84 that the facts contained in each of the foregoing responses to interrogatories are true and correct to the best of my knowledge, information and belief.

SIXTEEN PLUS CORPORATION

Dated: August 2, 2022.

By: 

Wally Hamed, Vice-President

CERTIFICATE OF SERVICE

I hereby certify that on this 3rd day of August, 2022, I served a copy of the foregoing by hand delivery and email, as agreed by the parties,

James Hymes VI, Esq.

Counsel for Plaintiff/Counterclaim Defendant Manal Yousef

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/s/ Joel H. Holt