

IN THE SUPERIOR COURT OF THE VIRGIN  
ISLANDSDIVISION OF ST. CROIX

**HISHAM HAMED, individually,  
and derivatively for  
SIXTEEN PLUS CORPORATION,**

Plaintiffs/Counterclaim Defendant,

v.

**MANAL MOHAMMAD YOUSEF,**

Defendant/Counterclaim Plaintiff.

**CIVIL NO. SX-16-CV-00065**

**ACTION FOR  
DECLARATORY JUDGMENT  
CICO and FIDUCIARY DUTY**

JURY TRIAL DEMANDED

**MANAL MOHAMMAD YOUSEF a/k/a  
MANAL MOHAMAD YOUSEF, *Plaintiff***

v.

**SIXTEEN PLUS CORPORATION,**

Defendant.

**CIVIL NO. SX-17-CV- 00342**

**ACTION FOR DEBT AND  
FORECLOSURE**

**COUNTERCLAIM FOR  
DAMAGES**

JURY TRIAL DEMANDED

**SIXTEEN PLUS CORPORATION,**

Counterclaim Plaintiff,

v.

**MANAL MOHAMMAD YOUSEF a/k/a  
MANAL MOHAMAD,**

Counterclaim Defendants, and

**FATHI YUSUF,**

Third Party Defendant.

**THIRD-PARTY DEFENDANT FATHI  
YUSUF'S OBJECTIONS AND RESPONSES  
TO FIRST REQUESTS FOR ADMISSIONS**

COMES NOW, Defendant Fathi Yusuf ("Yusuf") and serves this his Objections and Responses to First Request for Admissions as follows:

**Prior Factual Allegation by Hamed Related to Requests 1-4:**

Hamed has alleged that:

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, pursuant to the POA she had granted him, 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

Indeed, once the funds were escrowed, Fathi Yusuf would lose his opportunity to keep the funds for himself pursuant to his Plan.

**Request #1:**

ADMIT or DENY that you have had communications with third parties who were inquiring about some or all of the property subject to the note and mortgage herein.

**Response:** Admit.

**Request #2:**

ADMIT or DENY that you have had communications or correspondence with third parties seeking to buy, offering to buy or expressing interest in buying the property subject to the note and mortgage herein.

**Response:** Admit.

**Request #3:**

ADMIT or DENY that you have had communications or correspondence with the federal government, the Territorial government, the Department of Justice, the U.S. Attorney or the USVI Attorney General or their office or employees discussing inquiries or offers to buy the property subject to the note and mortgage herein.

**Response:** Admit insofar as Yusuf spoke with the Federal Marshal who was monitoring the operations of the Plaza Extra stores during the criminal case. His name was Marshal Briskman. Denied insofar as Yusuf does not recall speaking with other government related persons on this matter.

**Request #4:**

ADMIT or DENY that you have had communications or correspondence with the federal government, the Territorial government, the Department of Justice, the U.S. Attorney or the USVI Attorney General or their offices or employees discussing the lifting, altering, or modification of the federal lien that was placed on the subject property.

**Response:** Admit insofar as Yusuf spoke with the Federal Marshal who was monitoring the operations of the Plaza Extra stores during the criminal case. His name was Marshal Briskman. Denied insofar as Yusuf does not recall speaking with other government related persons on this matter.

**Request #5:**

ADMIT or DENY that you have had communications or correspondence with Jamil, Isam or Manal regarding discussions or inquires or offers to purchase the subject land or any part thereof.

**Response:** Yusuf does not have a present recollection of communications with Isam or Manal about inquiries or offers and so he is unable to admit same and therefore, denies. However, Yusuf believes that he would have most likely had such communications given the importance of the issue.

**Request #6:**

ADMIT or DENY that you have had communications or correspondence with any bank or bank officials in the USVI, St. Martin, St. Marteen, Jordan, the West Bank or elsewhere regarding:

1. the funds used for the note and mortgage herein.
2. the funds used by Sixteen Plus for the purchase of the property subject to the note and mortgage herein.
3. Inquiries or offers to purchase part or all of the subject property.

**Response:**

Deny as to paragraph No. 1 – Yusuf does not recall communicating with Bank of Nova Scotia when the funds were transferred to Sixteen Plus's account but has seen the documents relating to the February and September 1997 transfers into Bank of Nova Scotia.

Admit as to paragraph No. 2 coordinating with officials from the Bank of Nova Scotia for the purchase of the Diamond Keturah Property.

Deny as to paragraph 3.

**Request #7:**

ADMIT OR DENY that the Board of Directors of Sixteen Plus currently consists of two directors, Fathi Yusuf, a named defendant, and Waleed Hamed. An original third director voluntarily withdrew from the Board before the acts complained of here when he sold all of his stock in the corporation to the Hameds and Yusufs.

**Response:** Yusuf believes that there are only 2 directors, himself and Waleed Hamed and therefore, admits same. Yusuf is unable to admit or deny as to the third director as he does not recall the third director “selling” his stock.

**Request #8:**

ADMIT OR DENY that Fathi Yusuf and Hisham Hamed and their families are in intractable litigation in several other matters.

**Response:** Admit insofar as Fathi Yusuf is in litigation with members of the Hamed family on various matters. Otherwise, the statement is denied.

**Request #9:**

ADMIT OR DENY that on February 10, 1997, Sixteen Plus was formed as a corporation.

**Response:** Admit.

**Request #10:**

ADMIT OR DENY that the Bank of Nova Scotia ("BNS") -- obtained its ownership interest subject to rights of redemption through a foreclosure sale conducted on February 13, 1996.

**Response:** Yusuf is unable to admit or deny as stated and shows that the documents relating to the rights of BNS speak for themselves as to the truth or inaccuracy of this statement in this request.

**Request #11:**

ADMIT OR DENY that 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.

**Response:** Admit.

**Request #12:**

ADMIT OR DENY that 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.

**Response:** Admit.

**Request #13:**

ADMIT OR DENY that 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.

**Response:** Admit insofar as the determination of this oral partnership was only determined after 2012 and that the grocery store business was operated through United Corporation.

**Request #14:**

ADMIT OR DENY that in the two years prior to the purchase of the target land the partners did evade gross receipt taxes due to the USVI government on sales from the Plaza Extra stores.

**Response:** Deny insofar as United Corporation was liable for an underreporting of taxable income. There was no recognized partnership at the time of the purchase of the target land.

**Request #15:**

ADMIT OR DENY that in the two years prior to the purchase of the target land Fathi Yusuf did participate in the actions to evade gross receipt taxes due to the USVI government on sales from the Plaza Extra stores.

**Response:** Deny insofar as United Corporation was liable for an underreporting of taxable income.



**Request #16:**

ADMIT OR DENY that in the two years prior to the purchase of the target land one of the actions taken by the partner to evade gross receipt taxes due to the USVI government on sales from the Plaza Extra stores was to remove cash from the stores before it was accounted as sales receipts—thus lowering the total of gross receipts on which such taxes were paid.

**Response:** Deny insofar as United Corporation was liable for an underreporting of taxable income.

**Request #17:**

ADMIT OR DENY that the practice of removing cash before gross receipt accounting is referred to as “Skimming”.

**Response:** Yusuf is unable to admit or deny whether the practice of removing cash before gross receipt accounting is referred to as “Skimming” and therefore, same stands denied.

**Request #18:**

ADMIT OR DENY that in 2003, the Federal Government filed felony money laundering and tax evasion criminal charges based in part on the practice of removing cash before gross receipt accounting, against Fathi Yusuf and Isam Yousuf, among others, and that eventually led to United Corporation pleading guilty to one count of tax evasion.

**Response:** Admit.

**Request #19:**

ADMIT OR DENY that after removing cash before gross receipt accounting, the partners or their agents then caused those funds to be deposited in financial institutions outside of the USVI and the US.

**Response:** Deny insofar as United Corporation was liable for an underreporting of taxable income.

**Request #20:**

ADMIT OR DENY that after removing cash before gross receipt accounting, when the partners or their agents caused those funds to be deposited in financial institutions outside of the USVI and the US, the names of the account holders included:

- A. Fathi Yusuf
- B. Waleed Yusuf
- C. Jamil Yousef or a business owned by him
- D. Isam Yousef or a business owned by him

**Response:**

Deny insofar as United Corporation was liable for an underreporting of taxable income.

- A. As to Fathi Yusuf, Yusuf admits funds were deposited into accounts with his name.
- B. As to Waleed Hamed, Yusuf admits funds were deposited into accounts with Waleed Hamed's name.
- C. As to Jamil Yousef or a business owned by him, denied.
- D. As to Isam Yousef or a business owned by him, denied.

**Request #21:**

ADMIT OR DENY that large sums of skimmed cash were delivered to Isam Yousuf on St. Martin.

**Response:** Denied.

**Request #22:**

ADMIT OR DENY that the note and mortgage in the amount of \$4,500,000 at issue here were executed by Sixteen Plus in favor of Manal Yousef on or about September 15, 1997.

**Response:** Admit.

**Request #23:**

ADMIT OR DENY that the September 1997 execution of the note and mortgage occurred at a time when even though the Land in question had actually not been purchased yet.

**Response:** Denied as written. There existed a contract for purchase.

**Request #24:**

ADMIT OR DENY that the amount transferred from the appliance store account on St. Martin was only \$4 million, and that no document or transfer writing exists as to another \$500,000 being transferred from St. Martin.

**Response:** Denied as written. A payment from Manal was made in cash when Isam delivered the executed Note and Mortgage to reimburse United for the initial \$500,000 deposit and complete the loan delivery of proceeds.

**Request #25:**

ADMIT OR DENY that 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.

**Response:** Deny as written.

**Request #26:**

ADMIT OR DENY that instead of taking title to the subject land, BNS assigned its right to this conveyance from the Marshal to Sixteen Plus.

**Response:** Admit that BNS assigned its interests in the Diamond Katurah Property to Sixteen Plus. Denied as to any other statements.

**Request #27:**

ADMIT OR DENY that on or about February 22, 1999, Sixteen Plus received and recorded the deed to the subject land.

**Response:** Admit.

**Request #28:**

ADMIT OR DENY that on February 22, 1999, Sixteen Plus recorded the mortgage dated September 15, 1997 in favor of Manal Yousef.

**Response:** Admit.

**Request #29:**

ADMIT OR DENY that Fathi Yusuf obtained a “Real Estate Power of Attorney” from “Manal Mohammad Yousef Mohammad”.

**Response:** Deny. Yusuf was not aware of the “Real Estate Power of Attorney” and upon learning about it from counsel for Hamed, rejected it and has never used it. Yusuf acknowledges that a “Real Estate Power of Attorney” has been produced in this case, but denies that he obtained it.

**Request #30:**

ADMIT OR DENY that that POA gave Fathi Yusuf, *personally*, the powers over the Note and Mortgage including releasing the mortgage or foreclosing on the Land for his own benefit.

**Response:** To the extent that this request seeks to have Yusuf provide a legal opinion as to the breath and extent of a POA, he is unable to admit or deny such statement. Therefore, the statement is denied.

**Request #31:**

ADMIT OR DENY that the POA gave no rights or benefits to Sixteen Plus or the Hameds.

**Response:** To the extent that this request seeks to have Yusuf provide a legal opinion as to the breath and extent of a POA, he is unable to admit or deny such statement. Therefore, the statement is denied. Yusuf is unable to admit or deny as he did not request or receive the POA.

**Request #32:**

ADMIT OR DENY that the POA stated that Fathi Yusuf was also released and indemnified as to all actions he might take in regard to his personal power of attorney.

**Response:** To the extent that this request seeks to have Yusuf provide a legal opinion as to the breath and extent of a POA, he is unable to admit or deny such statement.

Therefore, the statement is denied. Yusuf is unable to admit or deny as he did not request or receive the POA.

**Request #33:**

ADMIT OR DENY that the existence of this power of attorney were not disclosed by Fathi Yusuf to the Hameds prior to litigation in this matter.

**Response:** Deny as written. Yusuf was unaware of the existence of the power of attorney before being provided it by counsel for plaintiff. Admit that the existence was not disclosed by Yusuf because Yusuf was unaware of the existence of the Power of Attorney prior to being provided with same by counsel for Plaintiff.

**Request #34:**

ADMIT OR DENY that 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—and a fine in excess of \$1,000,000.

**Response:** Admit.

**Request #35:**

ADMIT OR DENY that as a condition of the plea and settlement, the Federal Government removed its lien on the subject land.

**Response:** Admit insofar as the lien was removed on the subject land as a result of the plea and settlement but Yusuf is unable to admit or deny whether the removal was a condition of the plea and settlement.

**Request #36:**

ADMIT OR DENY that in the course of the Hamed v. Yusuf (370) litigation, Fathi Yusuf was required to produce all when documents he had exchanged with Manal Yousef, including any powers of attorney, but Fathi Yusuf did supply what he represented to be all such documents on July 26, 2016, the power of attorney was not disclosed.

**Response:** Deny.

**Request #37:**

ADMIT OR DENY that 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", stating:

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.)

**Response:** Deny as written. Yusuf cannot admit or deny the accuracy of the above statements without further identifying information or copies of the

correspondence.

**Request #38:**

ADMIT OR DENY that 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, stating:

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.)

**Response:** Deny insofar as the request indicates that the communication from counsel "falsely represented – on behalf of Fathi Yusuf – there was no such power of attorney." Yusuf cannot admit or deny the accuracy of the above statements without further identifying information or copies of the correspondence.

**Request #39:**

ADMIT OR DENY that during the same Superior Court litigation, Fathi Yusuf was also required to answer an interrogatory about the note and mortgage on the Land. He did not reveal the power of attorney.

**Response:** Deny as written. Yusuf was unaware of the power of attorney until it was revealed to him by counsel for Hamed.



**Request #40:**

ADMIT OR DENY that 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,.

**Response:** Deny as written. Yusuf executed the tax and corporate filings which were prepared by Pablo O'Neill for a number of years. Yusuf did not realize that the listing of the outstanding debt obligation was put as "shareholder" loans when executing the returns. Upon discovering this error, the tax returns were corrected in the years going forward.

**Request #41:**

ADMIT OR DENY that Fathi Yusuf filed tax returns for Sixteen Plus during the relevant time period (as defined), including 2012. In those filings he personally signed \$4.5 million held by Sixteen Plus was stated as having been received from shareholders and due to them – and there was no loan or mortgage to a third person.

**Response:** Deny as written. Yusuf executed the tax and corporate filings which were prepared by Pablo O'Neill for a number of years. Yusuf did not realize that the listing of the outstanding debt obligation was put as "shareholder" loans when executing the returns. Upon discovering this error, the corporate filings and tax returns were corrected in the years going forward.

**Request #42:**

ADMIT OR DENY that Fathi Yusuf also prepared and filed annual corporate filings for Sixteen Plus during this time period, including 2012, and in those filings he stated that \$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.

**Response:** Deny as written. Yusuf executed the tax and corporate filings which were prepared by Pablo O'Neill for a number of years. Yusuf did not realize that the listing of the outstanding debt obligation was put as "shareholder" loans when executing the returns. Upon discovering this error, the corporate filings and tax returns were corrected in the years going forward.

**Request #43:**

ADMIT OR DENY that in 2013 Fathi Yusuf 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.

**Response:** Deny as written. Yusuf executed the tax and corporate filings in 2013 which were prepared by John Gaffney after Yusuf had discovered that the outstanding debt obligation to Manal Yusuf previously had been improperly listed that debt as "shareholder" loans. Upon discovering this error, the corporate filings and the tax returns were corrected in the years going forward.

**DUDLEY NEWMAN FEUERZEIG LLP**

**DATED:** September 16, 2022

By: /s/ Charlotte K. Perrell

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**CERTIFICATE OF SERVICE**

It is hereby certified that on the 16<sup>th</sup> day of September, 2022, the **DEFENDANT FATHI YUSUF'S DISCOVERY RESPONSES TO REQUESTS TO ADMIT**, which complies with the page and word limitations set forth in Rule 6-1(e), was filed with the Clerk of the Court and was served via e-mail, as agreed by the parties, addressed to:

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/s/Charlotte K. Perrell

**VERIFICATION**

I hereby certify under penalty of perjury that the facts contained in each of the foregoing responses to requests to admit are true and correct to the best of my knowledge, information and belief.

Dated: \_ \_ \_ \_ \_  
\_\_\_\_\_ Fathi Yusuf

TERRITORY OF THE UNITED STATES VIRGIN ISLANDS

DISTRICT OF \_ \_ \_ \_ \_

On this, the \_\_\_ day of \_\_\_\_\_, 2022, before me, the undersigned officer, personally appeared Fathi Yusuf, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within document and acknowledged that he/she executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public