

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

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

*Plaintiff,*

v.

**FATHI YUSUF, ISAM YOUSUF** and  
**JAMIL YOUSUF,**

*Defendants,*

and

**SIXTEEN PLUS CORPORATION,**

*a nominal Defendant.*

Case No.: **SX-2016-CV-00650**

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

**JURY TRIAL DEMANDED**

**WARNING:**

**This Document Contains Confidential  
Financial Account  
and  
Social Security Information**

**WALEED (“WALLY”) HAMED’S STATEMENT  
IN SUPPORT OF HISHAM HAMED’S REPLY TO MANAL YOUSEF’S OPPOSITION  
TO HAMED’S MOTION TO COMPEL FATHI YUSUF  
AS TO THE FIFTH AMENDMENT  
(ORIGINAL FILED UNDER SEAL)**

I, Waleed (“Wally”) Hamed, make the following statement in support of Hisham Hamed’s REPLY with regard to his *Motion to Compel* as to Fathi Yusuf’s assertion of the Fifth Amendment to avoid testifying:

I. Introduction and Background

1. In complaints in the two related “Diamond Keturah” cases (650 and consolidated 65/342) and in discovery responses, facts were stated by Hamed and Sixteen Plus Corporation relating to the actions of Fathi Yusuf, Isam Yousuf, Manal Yousef, Hamdan Diamond, Island Appliances and myself regarding operations which led to a criminal conviction of United Corporation, For example:

15. 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.

16. 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.

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

18. 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.”)

19. 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.

20. 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. . . .

2. While this is true, it does not go into the details of my own knowledge and participation in the operation. As no discovery has been directed to me individually (or to me as a director/officer of Sixteen Plus) I have asked my counsel to assemble the documents, pleadings, and case information attached or referenced here for my review—and after reviewing these materials to refresh my recollection I am voluntarily providing, through counsel, the facts below, which are true to the best of my ability to recall and reconstruct the matters discussed.

3. The skimming and transport of Plaza Extra funds was conceived, directed and participated in by Fathi Yusuf. But there is no question that Isam, Manal, Yussra and I (and others) took those directions from Fathi, or that I discussed his planning with him and fully participated in the operation to skim funds, create laundering accounts on St. Martin and remove Yusuf and Hamed family funds from the USVI to St. Martin to avoid USVI taxes. Below I present the mechanics of how this was carried out, and how the money was moved to St. Martin, USVI and Jordan to then buy property in the USVI and overseas. Almost every statement here about the transfers of such funds, as well as the tax and corporate filings involved, is supported by a document. I want to make it clear that I am not suggesting that Fathi was deceptive with me about the existence of the described operations. However, he was deceptive about the note, mortgage and associated corporate documents relating to the Diamond Keturah land and Manal, his

niece.<sup>1</sup> He told me that while our families' funds had to be routed through St. Martin to obscure their source and create a shield against creditors by changing the apparent identity of the buyers—and that such actions were a violation of the law—with regard to the land, which would be ours long after the skimming stopped, *all USVI tax and corporate reports had to be normal, true and legitimate tax and business filings*—they had reflect the true nature of the obligation on the land. He made it clear that because these were really loans to the company from him and my father (as shareholders in Sixteen Plus) it was important that we not falsely describe the real lender or the false note and mortgage in such filings. He said the purpose was to protect the property—by not misrepresenting the true nature of the funding of the land on tax returns and corporate filings that would go long into the future with the land. After the statutes of limitations ran out on our acts, the land would be legitimately described in all documents. Fathi always stated, and both Isam and I understood, that this was an empty, unfunded note and mortgage that could later be canceled at any time on our instructions to Manal<sup>2</sup> and we could then pay 'back taxes' with penalties if necessary.<sup>3</sup>

4. As I will detail below in reference to the filings, *every USVI tax filing from 1997 through 2012 for Sixteen Plus correctly showed exactly what Fathi had told me and was true—the payment for the Diamond Keturah land was always represented as a loan due to shareholders (he and my father)—and there was not one single entry for loans and mortgages to third parties in the lines for that--until after the lawsuit began between the Hameds and Yusufs—and Fathi decided to change the story. Almost all of the yearly tax filings were signed under the penalty of perjury by Fathi. (I did sign a few times—for example, I signed the 2006-2008 tax filings after the criminal indictment and reviewed them to make sure they were correct.) Similarly, no USVI Annual Corporate filing from 1997 through 2012 for Sixteen Plus was erroneous—none showed the payment for the land as pertaining to loans and mortgages to third parties in the line for those. These were signed by Fathi—and me. Thus, for fifteen years Sixteen Plus reported the*

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<sup>1</sup> Fathi's deception is not the point of these cases—the major point is that Manal Yousuf did not have, nor did she lend any money to Sixteen Plus. We all knew and agreed.

<sup>2</sup> Moreover, by the time we re-paid all of the taxes and added on the additional fines, this very bad decision ended up costing more money than if we had not done it. A similar mistake was made when Fathi lost a small fortune in our funds trading options at Merrill Lynch by using the Hamdan Diamond shell company we had jointly created. See, e.g. **H-Ex-013-c.pdf**

<sup>3</sup> Oddly, when the criminal Plea Agreement was being finalized *in 2010*, and we all received immunity for past acts, instead of voiding the note and mortgage as promised, Fathi instead, almost immediately, got a power of attorney from Manal making him the sole person deciding and benefitting from the note and mortgage. He now says this was related to our possibly selling the land, but those potential sale negotiations and offers were in 2005 (**H-Ex-003.pdf**) and 2006. **H-Ex-003-a.pdf**. What he did in 2010 was much later. Those 2005-2006 offers were discussed with the US Marshal then. As I will describe below, there was no way in the world that the Marshal would have accepted such a POA—and he outright refused giving the funds directly to Manal.

obligation on the land the same way.<sup>4</sup> This was even true when we were under close scrutiny of the FBI and DOJ after Third Indictment in 2003, and had stopped all illegal activity and reports. I do not believe that Sixteen Plus ever represented this note and mortgage on any financial, tax or corporate filing as being due to Manal or involving any outside loan or mortgage holder—until Fathi changed it after the 2012 Hamed-Yusuf litigation started. I also want to point out that *even after the criminal settlement was finalized, after Fathi had switched accountants and after partnership litigation started—Fathi was still stating under penalty of perjury that these were “Loans from Shareholders” in the amount of \$4.5 million with no mention of the note or mortgage—on August 20, 2015, in the 2014 tax filing for Sixteen Plus—just months before the first filing in these Diamond Keturah cases on February 12, 2016. [H-Ex-004.pdf](#)*

## II. How the Skimming Operation Began

5. Up until 1995 I was not involved in all of the decisions between Fathi and my father.

6. However, at the very beginning of 1995, my father, Mohammad Hamed, wanted more time off, and to have me and my brothers to begin to take over the family activities. Although this was not formalized by a power of attorney to me until March of 1996,<sup>5</sup> beginning in January of 1995 this significantly changed my involvement in financial decisions and what happened next—because Fathi was freed from my father’s more conservative restraints. So, as if waiting to be shed of that oversight, beginning in 1995, Fathi immediately began to devise and initiate a plan to skim gross receipts, to hide them from USVI tax authorities,<sup>6</sup> and once they were in the hands of the Hamed and Yusuf families, to then smuggle the funds to St. Martin and Jordan—for the use in purchasing real estate in the USVI and abroad. Funds that moved to St. Martin would be “laundered”—the apparent owner changed—and then either sent to Jordan or

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<sup>4</sup> As will be seen below, this was not a rote number being carried forward by mistake—it changed throughout the years and was frequently re-calculated and altered.

<sup>5</sup> On March 29, 1996, my father, Mohammad Hamed, signed a general durable power of attorney to me—essentially formalizing his earlier decision to continue at some level of participation, but to have me act in his stead in many of the upper-level parts of the business. [H-Ex-006.pdf](#)

<sup>6</sup> This is not to say that some smaller amounts of skimming didn’t occur before 1995. However, the US Government correctly described this post-1995, more organized and larger skimming operation in the *Third Superseding Criminal Indictment* as follows, ([H-Ex-006-a.pdf](#)) at p. 5, ¶ 12,

Defendants . . . directed and caused Plaza Extra employees to withhold from deposit substantial amounts of cash received from sales, typically bills in denominations of \$100, \$50 and \$20. Instead of being deposited into the bank accounts with other sales receipts, this cash was delivered to one of the defendants or placed in a designated safe in the cash room. From

1996 through 2001, tens of millions of dollars in cash was withheld from deposit in this manner and as such, was not reported as gross receipts on tax returns filed. . . .

returned to the USVI under another name—for purchasing land. This was done many, many times. The Hamed and Yusuf families, through jointly owned corporations such as Plessen, East-West, Peter's Farm and J&S, bought a great deal of USVI real estate in addition to similar purchases overseas.

7. The skimming that began at the beginning of 1995 mushroomed after Hurricane Marilyn later that year. But it became clear almost instantly that we had to have a way to move the money out of the USVI. I remember one time either then or a little later when Fathi consulted with a pilot who was involved with money smuggling as a side business. My brother had given a ride to Fathi when Fathi had a discussion with the man. My brother overheard the conversation, and he related the following: Fathi said "if I send one million what would it cost me. That kind of language. The man started low like 100k but kept moving the number higher. There was a good deal of negotiating with him about the payment. Then Fathi said he also wanted reassurance that the money will be delivered. He wanted some sort of guarantee. He wanted some sort of collateral. "No," the man said. Fathi got upset and said he would do it himself." Afterwards Fathi said to my brother that "I do not trust the guy. I will charter a plane and head to St. Martin and my nephew will pick me up. I would spend the night with Isam and his brother then they would drop me off top the airport the next day."

8. When Fathi was unable to have the funds professionally laundered, he constructed his own "network" to do so—all of whom were trusted members of his family—on St. Croix (Khalid Ali, his nephew) and on St. Martin: his aging brother Mohammad Hamden, Hamden's son Isam "Sam" Yousuf who co-owned and ran Island Appliances<sup>7</sup>, Fathi's daughter Yussra who was married to one of the Isam's brother, Ayed Yousuf—and Manal Yousuf,<sup>8</sup> Hamden's daughter and Isam's sister — who was a housewife living at the time on St. Martin.

A. 9. At that time in early 1995, Isam ran and managed a small furniture/appliance store—Island Appliances.<sup>9</sup> I understood that only Isam owned and ran it. It was a small operation and would certainly not generate millions of dollars in income in a year. The letterhead reflects this. [H-Ex-009.pdf](#) Did you, United, Plaza Extra or any other business owned by one or more Yusuf family members ever ship products to Island Appliances? If so, please describe (approximately) what, how much, how often and the value.

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<sup>7</sup> Between 1986 and 2001, Isam was the manager/shareholder of *Island Appliances*, Canigater Street, Dutch St. Maarten. [H-Ex-008.pdf](#) (Isam 650 Interrog 2).

<sup>8</sup> Manal has never worked outside of the home. She has been a housewife her entire life. [H-Ex-008-a.pdf](#) (Manal 65 Interrog 6). Manal has stated that over the course of her lifetime that she personally had not *earned* more than an aggregate of one million dollars in wages or investment income as of January, 1997. [H-Ex-008-b.pdf](#) (Manal 65 Admit 5). Manal has also stated that she never *had* a million dollars in assets. [H-Ex-008-b.pdf](#) (Manal 65 Admit 6).

<sup>9</sup> Up to that time Fathi had some minor financial contacts with St. Martin because his relatives were there, but these were minor. For example, on as late as January 1996, Fathi's personal BFC statement shows there was only a \$24,900 balance, and a single \$15 withdrawal. [H-Ex-009-a.pdf](#)

. As a result, he stopped using the name Mohammad Yusuf—which is his real family name as he is Fathi's brother—and started calling himself Mohammad Hamdan. In any case, he didn't own the store and never really had any real trade or way to earn a living. He was a small-time hustler—and he occasionally did things or acted as a straw man for Fathi—where he would appear to loan or borrow some money to avoid taxes. One of the ways I know he had no real money—and certainly no available, cash funds in excess of \$100,000, is that throughout the 1990's Fathi always had to send him some money to get by—a few hundred or a few thousand at a time. Fathi and I would record these *many* “donations” in a ledger book we used. I was involved because these support payments for Mohammad would be recorded against Fathi's share.<sup>10</sup> **H-Ex-009-b.pdf**

10. Fathi stated, in his discovery responses—that to the best of his knowledge and belief, his nephew Isam Yousef, not his bother Mohammad, owned and managed Island Appliances. **H-Ex-010.pdf** . Moreover, as discussed below, all of the “Island Appliances” accounts are actually personal accounts titled in Isam's name, “Island Appliances” is simply listed as a “tradenname” Isam uses. The French investigation discussed below stated that Isam's father Mohammad was not a signatory and was not involved in opening or funding them. In the French Reports, all the documents used to open the accounts were personal such as passports, there were no corporate documents.

11. On February 13, 1995, in what was one of the first, actual, physical steps in the planning for the operation, at Fathi's instruction Isam opened Bank Francais Commercial (“BFC”) Euro account No. 60201869000 in the name of “YOUSUF, Isam” (it was not opened by Island Appliances as a corporate account, it was Isam's with a notation of a trade name: Island Appliances). Despite already having other personal and business accounts that he had used for many years at BFC,<sup>11</sup> on that same day he also opened the BFC dollar account No. 60635419040 in the name of “YOUSUF Isam (again, merely trade named: Island Appliances)”<sup>12</sup> The application documents were his ID card No.

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<sup>10</sup> This exhibit is from the inter-family “black book”—a ledger where transactions were tracked between the Yusufs and Hameds. This one is January 1992-May-1994. That was not too long before Isam's father Mohammad passed away—and was just before he supposedly gave Manal \$4.5 million. On page 3 of the exhibit there is a check to Mohammad for \$12,000. Similarly, on page 4 is the notation partly in Arabic for “cash” going to Abu Isam—or Isam's father—in the amount of \$13,800.

<sup>11</sup> Isam already had regular personal and business accounts at Bank Francais Commercial (“BFC”) on Sint Maarten NA. The “real” Island Appliances business account (406063 544) had been in place from 1986, or the beginning of 1987. **H-Ex-011-a.pdf** (Isam 650 Interrog 3). (As Isam had a personal bank account and Island Appliances had a business account at the same bank he was known and trusted by the bank. **H-Ex-011-b.pdf** (Isam 650 Interrog 4)

<sup>12</sup> This pivotal account would see *many* millions of dollars pass through, bound for both the USVI and the Middle East—and would be the source of the two \$2 million transfers to Sixteen Plus for Diamond Keturah, For example, according to the French police who

31570 issued by Sint Maarten, in the name of YOUSUF, Isam Mohamad, and a U.S. passport issued on September 11, 1986 in the name of YOUSUF Isam Mohamad. His father Mohammad Yusuf (Hamden) is not listed or mentioned. [H-Ex-011.pdf](#)

12. Early in 1996, Fathi began creating a shell company in Anguilla using his local lawyer there to do all of the papers and filings. He wanted to be able to open an offshore STM bank account in a totally anonymous name. The company was called Hamden Diamond because his brother (Mohammad Hamdan) *would be the straw man with a totally different last name*. I assisted Fathi in going to Antigua to meet with the lawyer, setting it up and then in getting its accounts on St. Martin open with Isam—and I was also the other co-director of the company. It was a sham company created so that the non-US company under someone else’s name could have bank and brokerage accounts in St. Martin to receive incoming funds from Plaza Extra skimming, and to use those funds under our control<sup>13</sup> but without our names on them—for purchasing land in the USVI (such as the Peter’s Rest properties and some of Plessen’s holdings<sup>14</sup>) and the Middle East and making investments with Merrill Lynch. Mohammad Hamden put nothing in and was paid a small percentage fee, He was entirely a “face” to create to outside illusion that we did not entirely control the company and its funds. We controlled it 100%—Hamdan never even got the statements on the brokerage accounts—they all went to Fathi at the Plaza Extra store. For example, when Fathi Yusuf signed paperwork for his ill-fated option trading agreement with Merrill Lynch for Hamdan Diamond Corporation, LTD, The paperwork showed Plaza Extra as the address on the account. [H-Ex-012.pdf](#)

13. But in setting it up we also had to make sure that if something happened to Hamdan, we could control the company’s funds. The lawyer set up a fallback straw

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subpoenaed the BFC account records, on one day, this account was credited \$8,782,962 and was then debited \$8,859,094 later in the very same day. [H-Ex-011-c.pdf](#)

<sup>13</sup> On November 12, 1996, Anguillan Attorney George C. J. Moore sent a letter to Mercedes Spatz at Merrill Lynch, regarding Hamdan Diamond Corporation. Attorney Moore asserted the following:

I am pleased to advise that the Hamdan Diamond Corporation is a duly organized company incorporated in Anguilla on May 16, 1996. The company is in good standing. According to the documentation submitted for my review, Hamdan Diamond Corporation is authorized to buy and sell securities on both a WCMA cash and margin basis. According to the documentation submitted, *Fathi Yusuf and Wally Hamed are authorized individually to give written or oral instructions on behalf of Hamdan Diamond Corporation to Merrill Lynch in relation to the subject account.* [H-Ex-012-a.pdf](#)

<sup>14</sup> Fathi now says that this was only for non-USVI property—but it would have been impossible to purchase the extensive USVI property we bought in other jointly owned companies such as Peter’s Rest, Plessen, Y&H and East-West, after 1995 on our small, declared incomes. He has taken the Fifth Amendment and refused to state the specifics about these USVI purchases—but the amounts involved prove the point.

man—Hamdan’s daughter, Fathia.<sup>15</sup> Like Manal with the mortgage, she was just a family member whose name was used.

14. By May 16, 1996, Hamdan Diamond Corporation’s *Articles of Incorporation* were filed with the Anguilla Registrar of Companies. [H-Ex-014.pdf](#)

15. Also on May 16, 1996, *By-Laws* for the Hamdan Diamond Corporation were signed by Fathi Yusuf. [H-Ex-015.pdf](#)

16. On May 24, 1996, Fathi sent a letter to his lawyer in Anguilla — attached to it are the executed papers for filing signed by him—where Mohammad Hamden gets the single share, but Fathi is listed as the Director. [H-Ex-016.pdf](#)

17. Once Hamden Diamond existed, we immediately started arranging to use the accounts on St. Martin controlled by Fathi,<sup>16</sup> with me (and Isam as to Hamdan Diamond) as signatories—for the Hamed and Yusuf funds to flow into. We created a Fathi Yusuf account (406063 7790), a Wally Hamed account (406063 7890), and, with Isam, added the new Hamden Diamond account (406063 8870). They were all at the same bank (BFC)—all were controlled by some combination of Isam, Fathi and me, *with all statements sent to Island Appliances’ address and specifically c/o Isam Yousuf.* [H-Ex-017.pdf](#)

18. When we would get checks from the Wally Hamed account and the Fathi Yusuf account, we signed—Isam was not a signatory to keep him one step away, [H-Ex-018.pdf](#). But he was on the Hamdan Diamond account.

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<sup>15</sup> In fact, this is exactly what happened the next year. On March 18, 1997, Mohammad Hamdan died. Fathi Yusuf was the executor of his estate and signed an affidavit to that effect. [H-Ex-013.pdf](#) On April 24, 1997 the Anguilla lawyer Dyrud stated to Fathi "You [Fathi] indeed, are the Director of the Company. I have confirmed this with Mr. Andy Simpson, your attorney in St. Croix. [H-Ex-013-a.pdf](#) On April 16, 1997 Fathi was fully controlling the funds of Hamden Diamond. The lawyer stated the company had \$10 million in assets and that: "We recommend that the *original plan* for the operation of the Company (i.e. that your brother be the sole shareholder and that when he should die, the process of probate would allow you as Executor to continue to control the funds invested in the Company...." [H-Ex-013-b.pdf](#) Similarly, Similarly, on February 2, 2000, Beverly Black Hunnewell, VP-Merrill Lynch, sent a letter to Fathi Yusuf regarding *his* excessive trading on the Hamdan Diamond Corporation account. [H-Ex-013-c.pdf](#) On September 28, 2001, BFC wrote to end Hamden Diamond account "HAMDAM DIAMOND CORPORATION. . . .We regret to inform you that we will no longer be able to maintain the account number 40606388790." [H-Ex-013-d.pdf](#)

<sup>16</sup> For example, on August 5, 1996 Fathi opened a Merrill Lynch margin trading account for Hamden Diamond as its director. [H-Ex-17-a.pdf](#) As another example, in a September 12, 1996, letter from Fathi to Mr. Gumbs the VP and account manager at BFC, Fathi directs the bank on what to do on the Hamden Diamond account "please pay check no. 3633491 in the amount of two million dollars *drawn on Hamdan Diamond Corporation*, account no. 040606388790." It [H-Ex-017-b.pdf](#)



19. Under Fathi's direction, Isam was the hub at the center of all of these activities. Isam ran it completely under Fathi's direction, all of the many bank accounts we created gave his business as the physical address for mailing. All of those laundering bank accounts were directed "c/o" Isam'. Large containers of mattresses, into which have been places or families' funds, were also sent there and opened by Isam. All cash amounts were delivered to Isam at Island Appliances and all of Isam's efforts to distribute the cash between the various accounts operated from there also using Manal and Yussra so that the deposits would look varied. Finally, as noted above, huge cash amounts (in one case, over \$8 million) moved into and out of the Island Appliance account in a single day as funds were transported.

20. Isam, Manal and Fathi's eldest daughter, Yussra, became the primary actors for receiving and spreading the funds around those five accounts. At Plaza Extra we would hold back money, convert them to \$100 bills, put them into Fedex envelopes or brown cardboard boxes and then send them to Isam in St. Martin in a number of ways—but there were three main ways: (1) I would fly on LIAT with the cash, (2) Fathi and his wife would charter a plane and carry the cash, or (3) for large amounts a box would be placed in a container by the mattress company owned by Fathi's nephew (Isam's cousin) Khalid Ali, and it would be sent to STM – to Island Appliances (which sold mattresses.)

21. Whichever route the funds would take to STM, Isam would receive them.<sup>17</sup> If it was cash in Fedex envelopes, we would simply hand them to Isam at Island Appliances. If it was a large amount, Isam would recover it from a container shipped to Island Appliances. In one such shipment by container, I participated in the boxing of \$2 million in \$100 bills, and Fathi placed the box in the far back of a container at his friend's mattress company before the rest of the container was filled with mattresses. It was then sealed and shipped by freighter to Isam at Island Appliance on STM. Fathi has admitted 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 US—the names of the account holders included Fathi Yusuf and Waleed Hamed. **H-Ex-021.pdf**.

### III. The Full-Scale Operation Moves the Funds

22. Then, in the summer of 1996, the full-scale skimming operation ramped up the STM transfer operation. In June 1996, the BFC statement for Fathi Yusuf's BFC account shows 3 deposits totaling \$95,000 The third page shows one of the deposit slips indicating 500 \$100 bills (\$50k) in Isam's handwriting. **H-Ex-022.pdf**

23. The extent of this increased skimming can be seen in analyses by the government in the criminal case. The government audited the Plaza Extra stores and the STM accounts and, based on my personal knowledge, they correctly stated in a filing (**H-Ex-023.pdf**) that "Defendant has conceded it is true" that "[t]here is no dispute that United

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<sup>17</sup> Along with Fathi and I, Isam was indicted in the Virgin Islands for a multitude of alleged criminal offenses. **H-Ex-021-a.pdf** (Isam 650 Admit 1). The criminal charges against Isam stemmed from his part in this transfer of funds as part of a money laundering scheme using Plaza Extra funds. **H-Ex-021-a.pdf** (Isam 650 Admit 2)

failed to report at least \$60 million in sales on its gross receipts tax returns and corporate income tax returns for the years 1996, 1997, 1998, 1999, 2000, and 2001, as set forth in the table below”:

<b>Year</b>	<b>Reported</b>	<b>GR Corrected</b>	<b>Unreported GR</b>
1996	\$36,771,260	\$44,959,700	\$8,188,440
1997	\$36,823,771	\$44,008,813	\$7,185,042
1998	\$40,706,669	\$54,607,514	\$13,900,845
1999	\$47,004,399	\$57,937,943	\$10,933,544
2000	\$51,746,933	\$65,262,591	\$13,515,658
2001	\$69,579,413	\$79,305,980	\$9,726,567
TOTAL	\$282,632,445	\$346,082,541	\$63,450,096

24. In spring of 1996, Fathi told me that he had become aware, from Joe Jabar, that the Diamond Keturah property was soon going to be owned by the Bank of Nova Scotia due to a foreclosure and Marshal’s Sale. Fathi told me that he considered it to be a good investment for us—and that we could collect enough money in St. Martin to pay for it.

**H-Ex-024.pdf**

25. Therefore, the July 1996 BFC statement for the Hamden Diamond account correctly shows several deposits of \$50,000 and two for \$200,000. The address on the account is Island Appliances - 12 Cannegieter Road Philip C/O Isam Yousuf, Sint Maarten.

**H-Ex-025.pdf**

26. The July 1996 statement for my “Wally” BFC account, correctly shows there were 7 large deposits and the balance went from \$95k to \$415k. These statements were also sent to the Island Appliance address ‘c/o Isam’.

**H-Ex-026.pdf**

27. In the August 1996 BFC statement for the Hamden Diamond account, Isam is again the addressee at the Island Appliances address. The amount was, by then, going up rapidly--as we needed the funds to buy land in both the USVI and Jordan. The balance was over \$2.3 million.

**H-Ex-027.pdf**

28. The August 1996 BFC account statement for Fathi’s account correctly shows a deposit of \$10k - with handwriting on the deposit slip that I believe is Isam’s handwriting.

**H-Ex-028.pdf**

29. On August 6, 1996 there are handwritten notes on Island Appliances’ letterhead "Attn: Mr. Yusuf" listing the name and fax number for Mr. Gumbs at BFC and the account numbers for “Fathi Yusuf” (406063877.90), “Wally” (406063878.90), and “Diamond” (406063687.90) that says “To Isam Yousuf: and “Ayed Yousef” It also states “to Isam Yousuf”

**H-Ex-029.pdf**

30. In a September 12, 1996, letter from Fathi to Mr. Gumbs at BFC, Fathi directed the bank to pay a check for \$2 million “issued and signed” by me. He stated: “please pay check no. 3633491 in the amount of two million dollars ***drawn on Hamdan Diamond Corporation***, account no. 040606388790. **H-Ex-030.pdf**, Fathi Yusuf was totally in control of the Hamdan Diamond account and funds—as can be seen on an attached account holder’s authorization to pay these two withdrawals out to me from Hamden Diamond. I then gave the cash to Isam to use to purchase the land we were buying.

31. Isam was also directed, by both Fathi and me, to move funds into the Island Appliances' account to be used for Diamond Keturah—as a transfer would be needed soon.<sup>18</sup> It had to go to STM because, as Fathi explained, the funds had to come back into the USVI in some way that could be explained and would not appear to be income, so it would be non-taxable. A sham loan was the perfect solution. Fathi said that while this might be illegal laundering on STM, we would file all USVI taxes and annual reports on the company that held the land showing the truth—the loans that really *were from the shareholders, not a note and mortgage to a third party.*

32. The next day, on September 13, 1996, Scotiabank was the successful bidder at a foreclosure sale held at the Office of the Territorial Court Marshal, Kingshill, STX in connection with a foreclosure action in the Territorial Court of the VI, Div STX, captioned *The Bank of Nova Scotia v. Palm Shores Venture Group, CILFA Limited, Jerry C. Tobin, Pedro L. Angarita, John Hourihan, Winston A. Hodge, The Builder's Yard, Inc. and D.J.C. Construction, Inc., Action to Foreclose Mortgage and for Debt*, Civ. No. 746/1992. **H-Ex-032.pdf**

33. Four days later, on September 17, 1996, a \$2 million check was negotiated from the BFC Hamden Diamond account—exactly as Fathi had directed in his written instructions to the bank. **H-Ex-033**

34. On October 28, 1996, the foreclosure sale on Diamond Keturah was confirmed by Order of the Territorial Court. **H-Ex-034.pdf**

35. In preparation for buying Diamond Keturah, Fathi also said we needed a 'clean' shell company we would call Sixteen Plus. So Fathi and I contacted Attorney Andy Simpson to have him do so. On January 11, 1997, Atty. Simpson sent me a memo regarding his having drafted a shareholder agreement for the Sixteen Plus Corporation that would allow Mike Yusuf and me to appear to run the corporation: "I am putting together a shareholder agreement in which all shareholders pledge to allow you and Mike to run the corporation." **H-Ex-035.pdf**

36. The December BFC statement for Hamden Diamond shows that \$2 million was now gone and the balance was back down to \$300k. **H-Ex-036.pdf**

37. **The 1996 Income Tax filing for Fathi shows \$36k Adjusted Gross Income. H-Ex-037.pdf**

IV. The Agreement with ScotiaBank is Signed — and \$2 Million is Transferred to STX

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<sup>18</sup> It is very important to note that Isam was also running part of the huge "Middle East" side of the operation out of Island Appliances. He had the major laundering account in Amman, Jordan, at Bank of Cairo Amman, (according to the French government, it is number 02503171142) in his own name—with the address listed in HAMD207142 as Garden Street, Amman Jordan. Millions of dollars and Euros poured into and out of his account—funding land acquisition in the Middle East. In fact, this was the central account probed in the criminal investigation. I have not attached the huge number of documents evidencing this—which would triple the record. But the method and use of banks was almost the same. Funds were sent to by Isam, they went into accounts and back out to buy land.

38. At the very beginning of 1997, Fathi and I began communications and correspondence with Bank of Nova Scotia regarding the purchase of Diamond Keturah. The funds used by Sixteen Plus for the purchase of the property subject to the note and mortgage were still with Isam on St. Martin. [H-Ex-038.pdf](#).

39. In further preparation, on January 16, 1997, Sixteen Plus became a client of Bramm Chasen, O'Neill CPAs. At that point we were still listing *Mike as President*, me as VP, and my brother as Sec/Treasurer. [H-Ex-039.pdf](#)

40. By January 31, 1997, in preparation for the transfer of \$2 million from Isam's Island Appliance account, in just that one month Isam "deposited, in 10 consecutive transfers" \$1.5 million in cash to bring the balance up over the \$2 million needed. This fact was later discovered by the French Banking Commission—which stated that this should have set off alarms about money laundering and that BFC had failed to properly report this: "At this point, at least a monitoring file should have been set up." [H-Ex-040.pdf](#)

41. Obviously, as this was a sham note and mortgage there are no documents or communications negotiating them or discussing them in any way. They are never mentioned in any document, email, letter, communication or other writing. I know this from my personal knowledge and from the discovery answers where Isam admitted he has no written communications between himself and Fathi Yusuf from 1996 on, regarding any matters related to United Corporation, Sixteen Plus, Manal Mohammad Yousef or anything to do with Manal Mohammad's supposed loan to Sixteen Plus mentioned by the Promissory Note and Mortgage. [H-Ex-041.pdf](#) (Isam 650 RFPD 2). There was no such loan.

42. Sixteen Plus had not been officially created at the Lt. Governor's Office yet. So In February 1997, Plessen Enterprises and Scotia entered into negotiations on an agreement for purchase and sale from the Bank of Nova Scotia for property referred to as Diamond Keturah in the amount of \$4,550,000.00. [H-Ex-042.pdf](#)

43. On February 4, 1997, Fathi and I wrote and I, as the VP for Plessen, sent a letter to Ralph T. Chan, the Bank of Nova Scotia, regarding the purchase of the Diamond Keturah property. I stated: "Please accept this letter as our serious intent to purchase the Diamond Keturah Property in St. Croix. PURCHASE PRICE: Your judgment amount plus costs, and interest through the end of redemption period (April 28, 1997). In no event will my offer exceed \$4,550,000.00 US." [H-Ex-043.pdf](#)

44. On February 6, 1997, the Sixteen Plus Articles of Incorporation ([H-Ex-044.pdf](#)) with the attached By-Laws was signed. [H-Ex-044-a.pdf](#)

45. On February 6, 1997, I was also named the agent for service of process for the Sixteen Plus Corporation. [H-Ex-045.pdf](#)

46. Four days later, on February 10, 1997, Sixteen Plus was formed as a corporation by filing documents with the office of Lt. Governor USVI. [H-Ex-046.pdf](#). Fathi correctly states in his discovery responses that the Board of Directors of Sixteen Plus currently consists of two directors, Fathi Yusuf and Waleed Hamed—my father who was the third,

having passed away. [H-Ex-046-a.pdf](#)<sup>19</sup> Under those articles, I am now the President and act with full authority of a CEO.

47. Fathi also correctly stated in discovery that it was not until February 10, 1997, that Sixteen Plus was officially filed as a corporation. [H-Ex-046-a.pdf](#).

48. Later that same day, February 10, 1997, Sixteen Plus Corporation opened a Scotiabank account—to receive the funds from Isam via Island Appliances. Our initial deposit was \$3,000. It was account number #058-00039411. [H-Ex-048.pdf](#)

49. I have seen in Manal's discovery responses that she objected to (and refused to supply) any identifying bank or financial institution account numbers for years including 1995-2000—on the grounds they need to be kept out of the public domain for safety reasons. She refused to provide or describe any financial accounts she has that are fully or partially in her name or as to which she was beneficiary, including but not be limited to all bank accounts, stock brokerage accounts, negotiable instrument accounts, retirement accounts, trading or options accounts, and funds transfer accounts. When this was followed up on in Interrogatory 17, she did not answer—only stating “I have no documents relating to my receipt of funds from Sixteen Plus. My brother gave me cash from time to time as I needed it.” [H-Ex-049.pdf](#)

50. Instead Manal now states that assets given to her by her father (Mohammad Hamdan) were maintained in a “fund” “managed” by Manal's brother [Isam]. [H-Ex-050.pdf](#) (Manal 65 Admit 6). This is not true. There was no such “fund” and she had no such assets. All of the money sent from Isam to Sixteen Plus belonged solely to the Hamed and Yusuf families. That is why she admitted in discovery that she has no documents evidencing the source of any funds used by her to loan any money to Sixteen Plus Corporation as consideration for the execution of the Promissory Note. [H-Ex-050.pdf](#) (Manal 65 RFPD 1). She has no documents showing the transfer of any money from to Sixteen Plus Corporation as consideration for the execution of the Promissory Note. [H-Ex-050.pdf](#) (Manal 65 RFPD 2). She has no documents evidencing her ownership of any of the monies loaned to Sixteen Plus Corporation as consideration for the execution of the Promissory Note. [H-Ex-050.pdf](#) (Manal 65 RFPD 3). She has no documents evidencing her control over any funds loaned to Sixteen Plus Corporation as consideration for the execution of the Promissory Note. [H-Ex-050.pdf](#) (Manal 65 RFPD 4). She has no documents evidencing the consideration she provided in exchange for the Promissory Note regarding the property known as Diamond Keturah. [H-Ex-050.pdf](#) (Manal 65 RFPD 5). Finally, aside from the note and mortgage, she has no documents evidencing or discussing any agreement between her or any of her agents and Sixteen Plus Corporation to loan it the funds leading up to the execution of the Promissory Note. [H-Ex-050.pdf](#) (Manal 65 RFPD 6.)

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<sup>19</sup> This is still the case. On September 25, 2012, the Sixteen Plus Corporation filed the USVI Annual Report on Domestic or Foreign Corporations with the Virgin Island's Lt. Governor's office showing that Mohammad Hamed, Fathi Yusuf and I were Directors of the corporation. Like all of the others, it lists no note or mortgage, but does list a shareholder loan of \$4,710,626. [H-Ex-046-b.pdf](#)

51. On February 13, 1997, Isam Yousuf presented a Transfer Order for \$2,000,000 on Isam's (trademark *Island Appliances*'s) account (406053541) to Banque Francaise Commerciale. It states that that amount should be directed to Sixteen Plus Corporation's Bank of Nova Scotia account. [H-Ex-051.pdf](#)

52. The very next day, on February 14, 1997, Plessen and Scotia entered into the Plessen/Scotia Agreement ( H-Ex-042) for Purchase and Sale. It is subject to the right of redemption. It provides: "As is where is" at a price of "\$4,550,000.00" Closing on May 1<sup>st</sup> [1997], "Buyer has delivered or will deliver to Seller the sum of Five Hundred Fifty Thousand Dollars (\$550,000.00) "Non-Refundable) Balance due \$4 million. [H-Ex-052.pdf](#) (Isam 650 Admit 3) and (Isam 650 Interrog 9)

53. *There is no evidence that Manal ever received or otherwise possessed or transferred any funds.* To the contrary, Isam has admitted in his discovery responses that Island Appliances and Isam Yousuf are the only names on the transfer account. [H-Ex-053.pdf](#) (Isam 650 Interrog 22) and that he personally filled out the transfer form. He has also stated that the handwriting on it is his. [H-Ex-053.pdf](#) (Isam 650 Interrog 21). He also said that he handled the necessary instructions to send the funds to Sixteen Plus Corporation, but he has no present recollection of the names of any bank officers involved in this transaction since it occurred so many years ago. [H-Ex-053.pdf](#) (Isam 650 Interrog 10). Again, Isam has no documents providing the directions from anyone to authorize the wire transfers that were sent on or about February 19, 1997 and September 4, 1997. [H-Ex-053.pdf](#) (Isam 650 RFPD 15). He has no documents reflecting the source of all funds used to make the wire transfer that was sent on or about September 4, 1997. [H-Ex-053.pdf](#) (Isam 650 RFPD 16). He has no documents showing the transfer of any funds by Manal Mohammad Yousef to Isam or Island Appliances that were included in either of the wire transfers that were sent on or about February 19, 1997 and September 4, 1997. [H-Ex-053.pdf](#) (Isam 650 RFPD 17). He has no monthly account statements for any checking, savings, investment, brokerage account titled in his name from 1990 through 1997. [H-Ex-053.pdf](#) (Isam 650 RFPD 1). He has no written communications with any person affiliated with or representing Sixteen Plus since 1996. [H-Ex-053.pdf](#) (Isam 650 RFPD 5). He has no documents detailing how the Note and Mortgage between Manal Yousef and Sixteen Plus was arranged for, negotiated, drafted, executed, delivered, and recorded. [H-Ex-053.pdf](#) (Isam 650 RFPD 13). Finally, he has no documents reflecting the source of funds used to make the wire transfer that was sent on or about February 19 , 1997. [H-Ex-053.pdf](#) (Isam 650 RFPD 14)

54. On February 19, 1997, Scotia Bank received that \$2,000,000 transfer by Isam Yousuf from the Banque Francaise Commerciale to Sixteen Plus Corporation's Bank of Nova Scotia account. The transfer states that it was initiated by Isam Yousuf and lists his tradename Island Appliances account as the sender. [H-Ex-054.pdf](#)

55. That \$2 million was still in the Sixteen Plus account at the end of May 1997. [H-Ex-055.pdf](#)

56. There is an August 1, 1997 letter from Andy Simpson to Fathi in which it is clear that Fathi is running the Diamond Keturah acquisition, not me. It discusses the survey, the title commitment, a problematic lien and Fathi not wanting the Marshal's Deed at this time. [H-056.pdf](#)

57. On September 4, 1997, after Manal's father's death, \$2,000,000 was again transferred to Sixteen Plus Corporation's Scotiabank account from Isam, via the Island Appliances account, c/o Isam Yousuf. [H-Ex-057.pdf](#)

58. On September 15, 1997, Sixteen Plus Corporation signed the sham promissory note with Manal Mohamad Yousef. [H-Ex-058.pdf](#)

59. On September 15, 1997, Sixteen Plus Corporation signed the sham first priority mortgage on Diamond Keturah. [H-Ex-059.pdf](#)

V. For Over a Decade, Fathi Swore Repeatedly That Manal's Loan was not Valid Even after the Plea Agreement was Reached and Criminal Immunity Attached

60. For more than a decade, almost all of the tax filings for Sixteen Plus were signed by Fathi under penalty of perjury. They all state that there is no mortgage and that the amount of over \$4.5 million is consistently for "Loans from Shareholders". At those same times Fathi's own taxes always showed income under \$100,000 and his Social Security Statement from 2000 shows it was always in that range.

61. The 1997 Tax Return filed for Fathi and his wife shows \$55k Adjusted Gross Income ("AGI"). [H-Ex-061.pdf](#)

62. However, Fathi was obviously taking in a dozen times this amount. For example, the March 1998 Fathi BFC statement shows a \$70k deposit and \$94k total. [H-Ex-062.pdf](#)

63. Similarly, the April 1998 BFC Fathi Yusuf account shows \$95k starting balance, 4 deposits of \$100k, and 1 of \$130k. [H-Ex-063.pdf](#)

64. Similarly. the May 1998 Fathi BFC account statement shows **he added a million dollars in that month.** [H-Ex-064.pdf](#)

65. On July 10, 1998, Plessen Enterprises paid taxes for property at 26 Diamond (see, HAMD435924-HAMD435924—RP\_Disc06\_449-3192.pdf), MTR 28 & 29 Plessen (see, HAMD435924-HAMD435924), and Matr 39 & 5-B Diamond (see, HAMD214688-HAMD214690.pdf). Part of the property paid for is Diamond Keturah.

66. On December 31, 1998, Sixteen Plus Corporation's draft 1998 tax return had a spreadsheet attached to it that showed \$4,522,261 as "loans from stockholders." No amount is listed on the available lines for any mortgages or notes. [H-Ex-066.pdf](#)

67. Similarly, the 1999 tax return filing for Sixteen Plus signed by Fathi under penalty of perjury shows no notes or mortgages on the available lines but does show \$4,708,261 in "loans from shareholders". [H-Ex-067.pdf](#)

68. Fathi received a US Social Security account statement that shows his declared income to the end of 1999...with yearly income statement for each year of his whole life up to 1999. [H-Ex-068.pdf](#)

Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings
1990	\$ 23,723	\$ 23,723
1991	27,706	27,706
1992	19,768	19,768
1993	0	0
1994	31,215	31,215
1995	14,407	14,407
1996	35,926	35,926
1997	55,617	55,617
1998	32,409	32,409
1999	27,200	27,200
2000	Not yet recorded-	

69. As can be seen from the deposits listed above, Fathi's real income during the period from 1997-2000 easily exceeded \$2 million per year.

70. The 2000 USVI Annual Corporate Report for Sixteen Plus shows \$4,708,467 in a "Loan to Shareholders" under "Liabilities and Shareholders' Equity". There is no amount listed for the Manal Note/Mortgage. **H-Ex-070.pdf**

71. Fathi primarily dealt with the CPA regarding taxes, I seldom signed tax returns for Sixteen Plus prior to 2013, but did so on some occasions.

#### **VI. Criminal Charges are Filed and There were French and US Investigations**

72. On January 23, 2002, Mary Ellen Warlow, Director, Office of International Affairs, U.S. Department of Justice, sent the French government a request for assistance in connection with an investigation conducted into Fathi, Isam, me, Island Appliances and Hamdan Diamond. They were conducting an investigation to determine "whether Fathi YUSUF and his accomplices" were trafficking U.S. currency, laundering profits from illegal drug trafficking and trafficking illegal immigrants. They "had opened several bank accounts with the Saint Martin branch of the Banque Francaise Commerciale." The American authorities asked for many documents. **H-Ex-072.pdf**

73. Information from that investigation was provided to the French Banking Commission which issued a draft report on January 11, 2002. That report stated the following about Isam and Appliances **H-Ex-072.pdf**



Island Appliance

Yousuf Isam is the owner in the Dutch zone of a business specialized in the sale of furniture called "Island Appliances". Two franc and dollar accounts were opened in February 1995 with the BFC-AG. Beginning in July 1996, the bank was intrigued by the very large cash transfers in the account of the party in question. However, the explanations provided by Mr. Isam were enough to appease the bank's concerns even though it does not have any accounting document allowing it to justify the fluctuations observed in the account given the stated business activity<sup>6</sup>. However, transactions which should have raised concerns are still taking place in the account without triggering the slightest reaction (cf. table infra). It was not until May 1998 that the bank made a suspicious transaction report to Tracfin (Schedule 5).

74. That investigation stated the following about Fathi H-Ex-072.pdf:

Mohamad Yusuf Fathi

This customer owns two supermarkets in the U.S. Virgin Islands (St. Croix and St. Thomas), one of which is run by his brother-in-law, Hamed Waleed. He is also President of Hamdam Diamond Corp. (cf. infra). The party in question opened a non-resident dollar account in June 1996 also for the tax reasons mentioned above. As for the customers mentioned above, significant cash transactions were observed in his account during the first few months after it was opened (US\$420K from June to December 1996). Questioned by the bank, Mr. Yusuf merely said that his business was in good health<sup>8</sup> and that its annual sales were US\$55M with a net profit of US\$9M, which is inconsistent with the 1995 balance sheet<sup>9</sup>. In 1996, the bank nonetheless concluded that the prosperous economic activity *seemed to justify* the transactions recorded in its books<sup>10</sup>.

**The BFC-AG never obtained the slightest recent accounting information about this relationship<sup>11</sup>.** No analysis of the correlation between the movements, especially those in cash, observed in the account and the business affairs was therefore conducted. Here again, it was not until May 1998 that the transactions carried out by this customer which should have raised flags were brought to the attention of Tracfin.

75. On May 14, 2003, as a result, a STM police investigation was carried out. In reporting on the matter, the police lieutenant investigating, stated H-Ex-075.pdf

Our investigations and hearings allowed us to determine that:

**1/ WITH RESPECT TO THE BANK ACCOUNTS OPENED:**

The different bank requisitions sent to the Saint Martin branch of the Banque Française Commerciale (BFC) allowed us to determine that:

- **Euro account No. 60201869000** was opened in the name of YOUSUF Isam (trade name: Island Appliances) on February 13, 1995.

The attached documents were:

- the signature card for accounts No. 63541(dollars) and 20186 (francs) opened on February 13, 1995.
- a copy of the passport of ISAM MOHAMAD YOUSUF born on February 20, 1952 in Jordan.
- a copy of a portfolio transfer sheet (accounts No. 60201869000: YOUSUF ISAM and No. 6063541 9040: "Island Appliances").
- a copy of a transfer order dated February 13, 1997 for an amount of \$2,000,000 from account No. 406063541/90 from ISAM YOUSUF in favor of Sixteen Plus Corporation, St. Thomas, Tel.: 809 775 5646 (account No. 058 00039411, drawn on the Bank of Nova Scotia, Sunny Isle Branch, P.O. Box 773, St. Croix, US).
- a copy of a transfer order dated March 11, 2002 in an amount of \$25,000 (USD) from account No. 40606354190 from Island Appliances in favor of ISAM YOUSUF residing on Garden Street, Amman, Jordan (account No. 0250317114200 drawn on the Cairo Amman Bank (Jordan), swift code: CAAB JO AM).
- a copy of a cancelled transfer order dated 10/07/1998 from ISAM Yousuf in favor of AYED YOUSEF (amount: \$300,000 (USD)).
- various documents (statement of account information, information about accounts No. 6020186, 0107026 and 6021266 and various correspondence).
- handwritten correspondence from Alexandre GUMBS dated July 22, 1996 regarding accounts No. 60 63877, 60 63541, 63878 and 60 63830.

Note that this account was not used very extensively and was closed on March 22, 2002.

- **Dollar account No. 60635419040** was opened in the name of YOUSUF Isam (trade name: Island Appliances) on February 13, 1995:

The attached documents were:

- ID card No. 31570 issued by Sint Maarten on September 27, 1999 in the name of YOUSUF Isam Mohamad.
- a U.S. passport issued on September 11, 1986 in the name of YOUSUF Isam Mohamad.
- Account statements mentioning several large cash transfers:
  - \*this account was credited \$8,782,962 (USD) on 04/19/2002.
  - \*this account was debited \$8,859,094 (USD) on 04/19/2002.
- Various documents relating to term account No. 40 60 63541 91 held by YOUSUF ISSA ISLAND APPLIANCE,

12 Canegeter Road Pondfill, Philipsburg, 99 000 Sint Maarten drawn on the Banque Française Commerciale.  
This account was closed on March 27, 2002.

- **Dollar account No. 60638779040** was opened in the name of YUSUF Fathi on June 10, 1996.  
The account agents were YOUSUF Fathi and HAMED Waleed.  
This account was closed on September 4, 2000.

- **Dollar account No. 60638789040** was opened in the name of HAMED Waleed on June 10, 1996.  
The attached documents were:
  - a copy of passport No. 043576417 issued on September 8, 1992 in the name of HAMED Waleed Mohammad born on January 22, 1962 in Jordan, an American national.
  - a copy of the signature card indicating that the agents for this account were HAMED Waleed and YOUSUF Fathi.
  - statements (Exhibit 9) for account No. 40606387890 held by HAMED Waleed.This account was credited with several cash deposits.

- **Dollar account No. 60638879040** was opened in the name of Hamdam Diamond Corporation on June 26, 1996. (Exhibit 8).  
The attached documents were:
  - a copy of the signature card indicating that the agents for this account were YOUSUF Fathi, HAMED Waleed and ISAM Mohamad, Yousuf. The manager of Hamdam Diamond Corporation was Fathi Yusuf MOHAMAD YUSUF.
  - a copy of U.S. passport No. 043377662 issued on February 10, 1992 in Miami in the name of Fathi Yusuf MOHAMAD YUSUF.
  - five documents relating to contracts between the BFC bank and YUSUF FATHI, the off-shore company HAMDAM DIAMOND CORPORATION, HAMED WALEED (manager of the Plaza Extra Supermarket) and the Dutch company TED DOOR SPECIALITY.
  - a copy of the U.S. passports for MOHAMAD YUSUF Fathi Yusuf born on April 15, 1941 in Jordan, HAMED WALEED MOHAMMAD born on January 22, 1962 in Jordan, and ISAM MOHAMAD YOUSUF born on February 20, 1952 in Jordan.
  - various correspondence (correspondence from HWANG Antoine addressed to Mr. FAURE (BFC General Inspection Department) dated August 24, 2000 stating that he had been asked by client Waleed HAMED personally (40606387890) and on behalf of Hamdam Diamond Corporation (40 606388790) to transfer respectively US\$1,100.00 (sic) and US\$1,173,000 to Cairo Amman Bank in Amman, Jordan (a copy of three cheques payable to Waleed Hamed drawn on the Banque Française Commerciale, held by Hamdam Diamond Corporation, YUSUF FATHI

and Hamed Waleed. These cheques dated August 11, 1996 are for amounts of US\$2,000,000, US\$400,000 and US\$400,000 respectively).

-a handwritten note by Mr. GUMBS commenting on the opening of the account.

-a copy of the statements for account No. 40 60 63887 90 with the Banque Française Commerciale held by Hamdam Diamond Corporation, 12 Cannegieter Road, Sint Maarten c/o ISAM YOUSUF for the period from June 26, 1996 to April 19, 2002.

Several cash deposits were credited to this account.

This account was closed on February 5, 2002.

76. When Fathi received these reports on the French activities translated into English, he drew up a 4-page, handwritten analysis keyed to those reports individually. He then attached several documents of the French analysis to his handwritten notes (with each French document labeled A through E, and presented them all to me as (1) being an accurate accounting of what we had done, and (2) demanding that they somehow showed that the Hamed had received more than the Yusufs over the years—and thus, my family owed him money. **H-Ex-076.pdf**

77. In those handwritten notes, he states that the \$2 million February 1996 transfer was from Isam Yousuf and he treated it as part of our funds that he was accounting. **H-Ex-076.pdf**

①	2-13-1997	
A-2	2,000,000.00	From account # 406063541/90
D-3		From Isam Yousuf to sixteen plus

He also noted that the August 11, 1996, \$2 million movement of funds from the Hamden account to us was our funds.

③	8-11-1996	3 checks	8-11-96			
A-4	\$2,000,000. —	3633491	B-3	C-4	C-5	D-5
				8-11-96		

He also noted millions in Hamden Diamond's funds were our assets:

	Account # 40606388790	Hamdan Diamond	
7 B-1	check # 3633491	Amount \$ 2,000,000. —	8-11-1996
3-1/B-4	check # 3633492	Amount 1,000,000. —	10-23-1996
3-4 + 10	Waleed Hamed	Amount 1,00,000. —	<del>10-23-96</del> 2-3-97
-1/B-4	check # 3633493	Amount 150,000. —	4-21-98
	Look at the check no.		

78. On September 18, 2003 a criminal indictment was returned by the Grand Jury—the DOJ released a press notice the next day September 19, 2003. **H-Ex-078.pdf**

79. Despite the indictment and the intense scrutiny we were all under during the 2000's, the USVI tax and corporate filing always carried the amount for Diamond Keturah as a "loan from Shareholder" and always represented there was no note or mortgage. This was after we were all under very close scrutiny and all filings going forward had to be 100% correct. For example, the 2009 USVI Annual Corporate Report for Sixteen Plus shows "Loan to Shareholders" under "Liabilities and Shareholders' Equity". There is no entry for "Mortgages" and thus no amount listed for the Manal Note/Mortgage.<sup>20</sup> **H-Ex-079.pdf**

80. 2009 USVI Tax Filing for Sixteen Plus shows "Loan from Shareholders" of 4,710,626. There is a line for "Mortgages" and no amount listed for the Manal Note/Mortgage **H-Ex-080.pdf**

81. Fathi states the lien [on Diamond Keturah] was removed on the subject land as a result of the [2010] criminal plea and settlement. **H-Ex-081.pdf** (Fat 342 Admit 35)

82. On February 26, 2010, the Plea Agreement was filed in the criminal case. At paragraph B on page 2 it lists the people that neither state nor federal officials could prosecute. It includes Sam Mohamad Yousuf [Isam], aka Sam Yousuf, Fathi Yusuf Mohamed Waleed Mohammad Hamed, Waheed Mohammad Hamed, Maher Fathi Yusuf, Neje Fathi Yusuf, and the Department of Justice. **H-Ex-082.pdf**

83. Even after the specter of the criminal charges was gone, and we all had full immunity for what had been done, the note and mortgage continued to be represented by Fathi on the Sixteen Plus tax and corporate filings as a "loan from shareholders" with no mention of a loan or mortgage to Manal. For example, The 2010 USVI Tax Filing for

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<sup>20</sup> Perhaps even more revealing is the fact that in the mid-2000's, while the criminal case was pending, Fathi had discussions with me regarding potential offers to sell the property. Ultimately, it was not approved by the federal marshal. **H-Ex-079-a.pdf** (Fat 650 Interrog 16) It was not approved because 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.....discussing inquiries or offers to buy the property subject to the note and mortgage herein. **H-Ex-079-a.pdf** (Fathi 342 Admit 3) Yusuf had communications with a wealthy gentleman, whose name he does not recall at the moment, regarding the potential purchase of the Diamond Keturah Property in for a potential purchase price of \$30,000,000. At that time, the Diamond Keturah Property was restricted from being sold as a result of the criminal matter that was pending. Yusuf discussed the potential sale with the Federal Marshal Briskman. *In those discussions, the Marshal would not allow for the proceeds from the sale to be used to pay the Note and release the Mortgage. The Marshal said he would agree to the sale, but was going to require the entire proceeds be held, and not released to anyone, if there was a sale of the Diamond Keturah Property. Fat 342 Interrog 1 This was because the Marshal stated that he did not believe this to be a valid note and mortgage. But Fathi wanted the mortgage and note paid out to Manal—and would not go forward with the sale unless she (meaning Fathi in reality) got the money. It would have mostly gone from Manal back to Fathi—which the Marshal seems to have clearly understood.*

Sixteen Plus shows “Loan from Shareholders”. There is a line for “Mortgages” and no amount listed for the Manal Note/Mortgage. **H-Ex-083.pdf**

84. Similarly, after the 2010 Plea Agreement, at the end of 2011, Sixteen Plus filed a tax return signed by Fathi Yusuf under penalty of perjury, in which he states there are no mortgages, but that \$4,710,626 is due as “Loans from Shareholders”. **H-Ex-084.pdf**

85. Long after the 2010 Plea Agreement, the June 19, 2012 USVI Domestic Corporation Report is signed by Fathi and me and states no mortgage—but “shareholder loans” of \$4,710,626. **H-Ex-085.pdf**

86. On September 25, 2012, the Sixteen Plus Corporation filed the USVI Annual Report on Domestic or Foreign Corporations with the Virgin Island’s Lt. Governor’s office showing that Mohammad Hamed, Fathi Yusuf and I were Directors of the corporation. **H-Ex-086.pdf**

88. The litigation (370) in which Hamed charged Fathi with trying to steal our half of the Plaza Extra Partnership was filed in September 2012. In a report dated December 31, 2012 Fathi attempted to change the directors and officers of Sixteen Plus to exclude me. I refused to sign the last page. It is unclear as to whether Fathi actually filed this, but it appears, on its face, that he tried to do so. **<http://federal-litigation.com/hamd-docs/H-Ex-087.pdf>**

89. In the companion 370 case, Fathi attempted the exact same thing with Plessen Enterprises, Inc. When caught he said it was just an error—the same as here.

90. In 2013, criminal case ended when we paid 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. **H-Ex-088.pdf** (Fat 342 Admit 34)

91. Even after the criminal settlement was finalized and all charges dismissed with the case closed, after Fathi had switched accountants and after the 370 litigation started—Fathi was still stating under penalty of perjury that these were “Loans from Shareholders” in the amount of \$4.5 million with no mention of the note or mortgage—on August 20, 2015, in the 2014 tax filing for Sixteen Plus—just months before the first filing in these Diamond Keturah cases on February 12, 2016. **H-Ex-004.pdf**

92. When Fathi started to lose ground in that 370 litigation, in 2015, he tried to trigger the Manal mortgage outside of that action by filing a lawsuit to dissolve Sixteen Plus. It was filed in St. Thomas (Superior Court) on July 30, 2015. The answer was filed on September 15, 2015. He failed in his attempt when he did not tell the truth in discovery about the power of attorney and Manal’s location/phone number (an order required him produce her phone number but then he said he didn’t have the information.) He agreed to dismiss it, and Judge Francois did so on November 15, 2016.

93. In response, Sixteen Plus sued Manal (65) to void her note and mortgage on February 12, 2016. Manal countersued for foreclosure on March 20, 2017. Then Hisham filed a CICO/Brach of Fiduciary duty case on behalf of Sixteen Plus (derivatively) against Fathi, Isam and Jamil (650) on October 31, 2016. Finally, Manal AGAIN sued Sixteen Plus for foreclosure (same as the countersuit in 65) on September 31, 2017 (342).

And that is pretty much where we all are now.

**Dated:** February 21, 2023

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**Waleed Hamed**