

**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, JAMIL
YOUSUF, and MANAL YOUSEF**,
Defendants,

and

SIXTEEN PLUS CORPORATION,
a nominal Defendant.

SIXTEEN PLUS CORPORATION,
Plaintiff,

v.

MANAL MOHAMMAD YOUSEF,
Defendant,

and

MANAL MOHAMMAD YOUSEF,
Counter-Plaintiff,

v.

SIXTEEN PLUS CORPORATION,
Counter-Defendant.

MANAL MOHAMMAD YOUSEF,
Plaintiff,

v.

SIXTEEN PLUS CORPORATION,
Defendant,

and

SIXTEEN PLUS CORPORATION,
Counter-Plaintiff,

v.

MANAL MOHAMMAD YOUSEF,
Counter-Defendant,

and

SIXTEEN PLUS CORPORATION,
Third-Party Plaintiff,

v.

FATHI YUSUF,
Third-Party Defendant.

Case No.: SX-2016-CV-00650

DERIVATIVE SHAREHOLDER
SUIT, ACTION FOR DAMAGES
AND CICO RELIEF

JURY TRIAL DEMANDED

CONSOLIDATED WITH

CIVIL NO. SX-2016-CV-00065

ACTION FOR
DECLARATORY JUDGMENT,
CICO and FIDUCIARY DUTY

COUNTERCLAIM

JURY TRIAL DEMANDED

CONSOLIDATED WITH

CIVIL NO.: SX-2017-CV-00342

ACTION FOR DEBT AND
FORECLOSURE

COUNTERCLAIM FOR
DAMAGES

THIRD PARTY ACTION

JURY TRIAL DEMANDED

**FIRST AMENDED ANSWER TO COMPLAINT AND COUNTERCLAIM
IN SUB-CASE SX-2017-CV-00342 (MANAL YOUSEF v. SIXTEEN PLUS)**

Comes now the Defendant, by counsel, pursuant to the order of the Special Master dated November 20, 2023, and hereby answers the Complaint as follows:

1. Admit.
2. Admit.
3. Deny for lack of knowledge.
4. Admit.
5. Admit, but deny the note is valid or enforceable.
6. Admit, but deny the note and mortgage are valid or enforceable.
7. Admit, but deny the note and mortgage are valid or enforceable.
8. Admit, but deny the note and mortgage are valid or enforceable.
9. Deny.
10. Deny.
11. Deny, as no such valid notice has been sent.
12. Deny.

AFFIRMATIVE DEFENSES

1. This Complaint duplicates another identical claim for foreclosure filed by the Plaintiff against the Defendant that is already pending in this Court in SX-16-CV-65, so that it is barred by the "first filed" doctrine that prohibits duplicate actions for the same relief.
2. The Note and Mortgage are invalid for lack of consideration.
3. The Note and Mortgage are invalid due to the fraudulent conduct of the Plaintiff and her agents.
4. The Note and Mortgage are not enforceable due to the equitable doctrine of unclean hands.

5. The Note and Mortgage are not enforceable due to the equitable doctrines of laches, estoppel and waiver.
6. The Plaintiff's complaint is barred due to the failure of the Plaintiff to comply with the laws of the Virgin Islands regarding foreclosure actions.
7. The Plaintiff's Complaint is barred due to the doctrine of accord and satisfaction.
8. The Plaintiff's Complaint and attached Note and Mortgage are unenforceable due to the illegality of the transaction.
9. The enforcement of the Note, and hence the Mortgage, is barred by the applicable statute of limitations. . In the alternative, the Court should decline to hear the substance of these matters as there was an overarching series of coupled illegal activities in which all knowingly and intentionally participated.

COUNTERCLAIM AND THIRD-PARTY COMPLAINT

The Defendant hereby asserts a counterclaim and third-party complaint against the Plaintiff and Fathi Yusuf as follows:

1. This Court has jurisdiction over this compulsory counterclaim pursuant to V. I. R. Civ. P. 13 as well as 4 V.I.C. § 76.
2. This Court has jurisdiction over the joinder of Fathi Yusuf as a counterclaim defendant pursuant to V.I.R. Civ. P.13(h) and V.I.R. Civ. P.19 and 20, as well as 4 V. I.C. § 76.
3. Defendant Fathi Yusuf is an adult resident of St. Croix who was (and still is) a shareholder, officer and director of Sixteen Plus at all times relative hereto.
4. At all times relative hereto, Manal Yousef has acted at the direction and under the control of Fathi Yusuf regarding the allegations herein, working in concert with him to try to defraud Sixteen Plus, Inc. and the Hamed family members who

own 50% of the stock in Sixteen Plus, Inc.

5. 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.

6. 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.

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

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

9. 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 store they owned - which they did as described below.

10. Yusuf, acting for the partners, then undertook the business arrangements regarding the purchase of the Land.

11. Yusuf made these business arrangements as to the purchase of the Land on behalf of the partnership rather than involving 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 (VI.Super. April 25, 2013)(para. 19 at *6, "Yusufs 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*")

12. 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.

13. However, Fathi Yusuf did not want either the Government of the Virgin Islands or BNS to know the 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 criminal money laundering effort.

14. As such, Fathi Yusuf conspired 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.

15. 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.

16. 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 niece who lived in St. Martin, Manal Mohammad Yousef ("Manal Yousef"), as the sham mortgagee.

17. 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 business transaction to protect the property, that Manal Yousef could never actually enforce the mortgage, and that he could get it discharged at any time.

18. Fathi Yusuf then caused a 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 belonged 50/50 to the Hameds and Yusufs.

19. 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.

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

21. 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.

22. On February 22, 1998, Sixteen Plus finally received and recorded the deed to the

Land. On that same day, the sham mortgage (dated September 15, 1997) was recorded in favor of Manal Yousef.

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

24. 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 -- and included a detailed tracing of the funds from the grocery stores, step-by-step, first to Isam Yousuf and then from his accounts (not Manal's) back to the St. Croix account of Sixteen Plus.

25. Pursuant to those charges and that specific tracing of funds, 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.**

26. As part of its investigation and the charges, the FBI filed a report with attached bank records from St. Martin showing the diversion of the 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.

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

28. In May of 2010, without the knowledge of the Hameds, Fathi Yusuf took steps to obtain 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% for the Land.

29. This power of attorney gave no rights or benefits to Sixteen Plus, even though Fathi Yusuf was an officer and director to the corporation, as well as a shareholder.

30. 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.

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

32. As a result of the plea and settlement, the Federal Government removed its lien on the Land. Also, Fathi Yusuf and several of the other defendants in the criminal case were given personal immunity from criminal prosecution for pre-2002 acts of tax evasion and money laundering. Isam Yousuf, however, was not given such immunity -- nor was Mana!.

33. Sometime in 2017, Fathi Yusuf arranged with Mana! Yousef to now claim the Note and Mortgage were valid so she could attempt to foreclose on it, even though she knew it was a fraudulent mortgage, so they could improperly take control of the primary asset of Sixteen Plus, Inc., defrauding it and the Hamed family members who own 50% of the stock in Sixteen Plus, Inc.

34. As part of this agreement, Fathi Yusuf and Mana! Yousef agreed to split the proceeds of any foreclosure sale between themselves and other members of their families, despite knowing that such conduct would defraud Sixteen Plus of its primary asset.

COUNT I

35. Plaintiff repeats and realleges all preceding paragraphs, which are incorporated herein by reference.

36. The actions of the Counterclaim Defendants were intentional, wanton, extreme and outrageous.

37. The actions of the Counterclaim Defendants were culpable and not justifiable under the circumstances.

38. The actions of the Counterclaim Defendants caused injury to Sixteen Plus.

39. As such, the Counterclaim Defendants are liable for said injuries suffered by Sixteen Plus as a result of their intentional and unjustifiable misconduct.

Wherefore, the Defendant Sixteen Plus seeks dismissal of the Complaint as well as an award of compensatory and punitive damages against the Counterclaim Defendants, Mana! Yousef and Fathi Yusuf, jointly and severally, along with an award of fees and costs as well as any and all other relief this Court deems appropriate.

COUNT II

40. Plaintiff repeats and realleges all preceding paragraphs, which are incorporated herein by reference.

41. During the course of the transactions, Fathi Yusuf filed tax returns and other official documents with the Government of the US Virgin Islands describing the transactions and obligations herein.

42. He attested under oath and signature on many occasions that it was he and Mohammad Hamed that had provided the funds to Sixteen Plus and were the mortgage holders -- not Mana!.

43. Should Fathi Yusuf (individually and as the agent for Manal) be allowed to commit such tax fraud, submission of false documents and perjury -- and now state the opposite in this action, the actions of the Counterclaim Defendants would cause injury to Sixteen Plus.

44. As such, this Court needs to enter Declaratory Relief, finding that the Counterclaim Defendants are estopped from seeking foreclosure of the fraudulent Note and Mortgage and are liable for said injuries that would be suffered by Sixteen Plus as a result of their conduct.

Wherefore, the Defendant Sixteen Plus seeks the following relief:

- 1) An Order dismissing the Complaint with prejudice;
- 2) An Order declaring that Fathi Yusuf and Mana! Yousef are estopped from asserting the actions herein;
- 3) An award of compensatory and punitive damages against the Counterclaim Defendants, Mana! Yousef and Fathi Yusuf, jointly and severally;
- 4) An award of fees and costs; and
- 5) Any and all other relief this Court deems appropriate.

A TRIAL BY JURY IS DEMANDED AS TO ALL ISSUES.

Dated: November 21, 2023



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CERTIFICATE OF WORD/PAGE COUNT

This document complies with the page or word limit tion set forth in Rule 6-1 (e).

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of November, 2023, I served a copy of the foregoing by email and the Court's E-File system, as agreed by the parties, on:

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