

**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*.

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

DERIVATIVE SHAREHOLDER  
SUIT, ACTION FOR DAMAGES  
AND CICO RELIEF

JURY TRIAL DEMANDED

**CONSOLIDATED WITH**

**SIXTEEN PLUS CORPORATION**,  
*Plaintiff*,

v.

**MANAL MOHAMMAD YOUSEF**,  
*Defendant*,

and

**MANAL MOHAMMAD YOUSEF**,  
*Counter-Plaintiff*,

v.

**SIXTEEN PLUS CORPORATION**,  
*Counter-Defendant*.

**CIVIL NO. SX-2016-CV-00065**

ACTION FOR  
DECLARATORY JUDGMENT,  
CICO and FIDUCIARY DUTY

COUNTERCLAIM

JURY TRIAL DEMANDED

**CONSOLIDATED WITH**

**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*.

**CIVIL NO.: SX-2017-CV-00342**

ACTION FOR DEBT AND  
FORECLOSURE

COUNTERCLAIM FOR  
DAMAGES

THIRD PARTY ACTION

JURY TRIAL DEMANDED

**RE-FILED FIRST THIRD-PARTY COMPLAINT  
AGAINST FATHI YUSUF  
IN SUB-CASE SX-2017-CV-00342**

Defendant, Sixteen Plus Corporation (SPC), by undersigned counsel re-files its First Third-Party Complaint against Fathi Yusuf (Fathi), as follows:

1. On September 31, 2017, Plaintiff, Manal Yousef (Manal), filed a complaint herein, initiating SX-2017-CV-00342.
2. On October 12, 2017, SPC filed an answer, counterclaim and third-party complaint—the third-party complaint was against Fathi Yusuf.
3. On October 30, 2017, SPC filed the return of service regarding Fathi Yusuf.
4. On April 27, 2023, in a telephonic status conference (with transcript<sup>1</sup>) Judge Brady asked--at page 27, after earlier noting that he would grant the motion to consolidate (65/342 into 650)--if the third-party complaint against Fathi in 342 was thus “superfluous.”

Okay. I don't know how far we can get on anything today, but let me just try to identify as I am able what is pending. 342, there's a motion to dismiss the third party action, which I guess is -- is that Attorney Hymes' clients, or is that Fathi who has filed that motion?

MR. HERPEL: That's our -- Fathi Yusuf's motion, Your Honor. He's the third party defendant in the derivative case.

THE COURT: Okay.

MR. HERPEL: Or excuse me. Not the third -- not in the derivative case.

THE COURT: In the 342 case.

MR. HERPEL: Yes.

THE COURT: And then the third-party action -- wow. The third party action in the -- in the foreclosure action, that is the 342 case, does that present the same issues as the 650 case?

MR. HERPEL: Yes, it does, Your Honor.

THE COURT: **Is that superfluous. . . .**

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<sup>1</sup> See [https://www.federal-litigation.com/\\_01%20Hamed%20Docket%20Entries/2023-04-27%20650%20Hearing%20Transcript.pdf](https://www.federal-litigation.com/_01%20Hamed%20Docket%20Entries/2023-04-27%20650%20Hearing%20Transcript.pdf)

5. Understanding, as Judge Brady seemed to, that a consolidation substantively “merged” the cases, pursuant to Judge Brady’s question SPC filed a “motion to dismiss without prejudice” on May 1, 2023.

6. In its motion, SPC stated:

2. It is requested that the dismissal be “without prejudice to re-filing” if it should later be determined that the third-party action was not truly duplicative, and that Sixteen Plus or Hamed are somehow disadvantaged due to the withdrawal.

On May, 8, 2023, Judge Brady granted the motion “without prejudice.”

THIS MATTER is before the Court on Sixteen Plus Corporation's Motion to Dismiss Third-Party Complaint Against Fathi Yusuf Without Prejudice in SX-2017-CV-00342, filed May 1, 2023. Following the consolidation of these matters on April 27, 2023, Sixteen Plus Corporation indicates that its Third-Party Complaint against Fathi Yusuf has become duplicative, **but seeks dismissal without prejudice "if it should later be determined that the third-party action was not truly duplicative, and that Sixteen Plus or Hamed are somehow disadvantaged due to the withdrawal."** Motion, at 2 (May 1, 2023). The Court being advised in the premises, it is hereby ORDERED that Sixteen Plus Corporation's Motion to Dismiss Third-Party Complaint is GRANTED, the Third-Party Complaint against Fathi Yusuf in SX-2017-CV-00342 is **DISMISSED WITHOUT PREJUDICE**, and the caption is amended as noted above. (Emphasis added.)

7. However, the Special Master, in his order of November 20, 2023, made it clear that the cases were not substantively merged, but, rather, retained their own identities, rights and liabilities.

8. Thus, SPC hereby re-alleges the following from its original third-party complaint as its re-filed third-party complaint

9. 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.

10. 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.
11. 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.
12. 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.
13. 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.
14. 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.
15. 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.
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 store they owned - which they did as described below.

17. Yusuf, acting for the partners, then undertook the business arrangements regarding the purchase of the Land.
18. 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*").
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 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.
21. As such, Fathi Yusuf conspired with Isam Yousuf, his nephew who lived on St.

22. 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.
23. 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 13<sup>th</sup> and September 4<sup>th</sup> of 1997.
24. 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.
25. Fathi Yusuf explained the note and mortgage to his partner, Mohammad Hamed, as well as the various Hamed shareholders of Sixteen Plus and stated that Manal Yousef could never actually enforce the mortgage, and that he could get it discharged at any time.

26. 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.
27. 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.
28. 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.
29. 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.
30. 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.
31. In 2003, the Federal Government filed felony money laundering and tax evasion criminal charges against Fathi Yusuf and Isam Yousuf, among others.

32. 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.
33. 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.**
34. 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.
35. By May of 2010 it was clear that a settlement and plea would eventually be reached in the criminal action.
36. 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.

37. 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.

38. 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.

39. 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.

40. 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 Manal.

41. Sometime in 2017, Fathi Yusuf arranged with Manal 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.

42. As part of this agreement, Fathi Yusuf and Manal 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**

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

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

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

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

47. 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, Manal 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

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

49. 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.

50. 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 Manal.

51. 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.

52. 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:

- a. An Order dismissing the Complaint with prejudice;
- b. An Order declaring that Fathi Yusuf and Manal Yousef are estopped from asserting the actions herein;
- c. An award of compensatory and punitive damages against the Counterclaim Defendants, Manal Yousef and Fathi Yusuf, jointly and severally;
- d. An award of fees and costs; and

e. Any and all other relief this Court deems appropriate.

**A TRIAL BY JURY IS DEMANDED AS TO ALL ISSUES.**

Respectfully Submitted,

**Counsel for Sixteen Plus Corporation**

**Dated:** November 23, 2023



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## CERTIFICATE OF DOCUMENT LENGTH AND SERVICE

I hereby certify that, discounting captions, headings, signatures, quotations from authority and recitation of the opposing party's own text, this document complies with the page and word limitations set forth in Rule 6-1(e) and that on **November 23, 2023**, I served a copy of the foregoing by email and the Court's E-File system, as agreed by the parties, to:

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