SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

CIVIL DIVISION

THE FAMILY FEDERATION FOR WORLD PEACE AND UNIFICATION INTERNATIONAL; THE UNIVERSAL PEACE FEDERATION, THE HOLY SPIRIT ASSOCIATION FOR THE UNIFICATION OF WORLD CHRISTIANITY (JAPAN), DOUGLAS D. M. JOO, PETER H. KIM, Individually and Derivatively on behalf of UNIFICATION CHURCH INTERNATIONAL *Plaintiffs*, HYUN JIN MOON, MICHAEL SOMMER, RICHARD J. PEREA, JINMAN KWAK, YOUNGJUN KIM, UNIFICATION CHURCH INTERNATIONAL (a/k/a UCI) *Defendants*, and UNIFICATION CHURCH INTERNATIONAL (a/k/a UCI) *Nominal Defendant*.	Case No. 2011 CA 003721B Judge Judith N. Macaluso Next Event: Initial Conference August 19, 2011 at 9:30 a.m.

DEFENDANTS' JOINT MOTION TO DISMISS THE COMPLAINT

Defendants Hyun Jin Moon, Michael Sommer, Richard J. Perea, Jinman Kwak, Youngjun Kim and Defendant and Nominal Defendant Unification Church International ("UCI") (collectively "Defendants"), by undersigned counsel, hereby move this Court for an order dismissing Plaintiffs' Complaint in its entirety. A Memorandum of Points and Authorities in Support of this Motion and a Proposed Order are filed herewith.

As detailed in the attached Memorandum of Points and Authorities, the Complaint should be dismissed for following reasons:

- Pursuant to Rule 12(b)(1), Counts I, II, and IV-VI should be dismissed because Plaintiffs lack standing to assert the claims alleged in those Counts.
- Pursuant to Rule 12(b)(6), Counts I-VI should be dismissed because Plaintiffs have failed to state any claim upon which relief can be granted as to those Counts.
- Pursuant to Rule 12(b)(2), Counts I-VI should be dismissed as to Defendants Moon, Sommer, Perea, Kwak and Kim because Plaintiffs have failed to allege that the Court can exercise personal jurisdiction over those Defendants.

WHEREFORE, Defendants respectfully request that the Court dismiss Plaintiffs' Complaint with prejudice.

ORAL HEARING REQUESTED

DATED: July 8, 2011

Respectfully submitted,

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RULE 12-I CERTIFICATION

I hereby confirm that I sought but was not able to obtain consent for this Motion from counsel to the Plaintiffs.

/s/
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CERTIFICATE OF SERVICE

I hereby certify that on July 8, 2011, I caused a copy of the foregoing (1) Defendants' Joint Motion to Dismiss the Complaint, (2) Memorandum of Points and Authorities in Support of Defendants' Joint Motion to Dismiss the Complaint and (3) Proposed Order to be served by Case File Express, electronic mail and U.S. mail on:

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SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

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THE FAMILY FEDERATION FOR WORLD PEACE AND UNIFICATION INTERNATIONAL; THE UNIVERSAL PEACE FEDERATION, THE HOLY SPIRIT ASSOCIATION FOR THE UNIFICATION OF WORLD CHRISTIANITY (JAPAN), DOUGLAS D. M. JOO, PETER H. KIM, Individually and Derivatively on behalf of UNIFICATION CHURCH INTERNATIONAL *Plaintiffs*, HYUN JIN MOON, MICHAEL SOMMER, RICHARD J. PEREA, JINMAN KWAK, YOUNGJUN KIM, UNIFICATION CHURCH INTERNATIONAL (a/k/a UCI) *Defendants*, and UNIFICATION CHURCH INTERNATIONAL (a/k/a UCI) *Nominal Defendant.*	Case No. 2011 CA 003721B Judge Judith N. Macaluso Next Event: Initial Conference August 19, 2011, 9:30 a.m.

DEFENDANTS' MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF THEIR JOINT MOTION TO DISMISS THE COMPLAINT

TABLE OF CONTENTS

TABLE OF AUTHORITIES v

INTRODUCTION 1

BACKGROUND 2

STANDARD OF REVIEW 4

ARGUMENT 4

I. PLAINTIFFS' DERIVATIVE CLAIM IN COUNT II MUST BE DISMISSED BECAUSE PLAINTIFFS HAVE NO STANDING TO ASSERT CLAIMS ON UCI'S BEHALF 4

II. PLAINTIFFS' DIRECT CLAIMS IN COUNT II MUST BE DISMISSED FOR FAILURE TO STATE A CLAIM AND LACK OF STANDING. 6

A. Plaintiffs Do Not State a Direct Claim in Count II Because the Only Fiduciary Duties They Allege Are Owed to UCI, Not to Plaintiffs. 6

B. Plaintiffs Do Not Have Standing Under the Nonprofit Corporation Act To Sue UCI for *Ultra Vires* Acts, Nor Have Plaintiffs Stated a Claim That Any Acts Were *Ultra Vires*. 7

C. Plaintiffs Do Not Have Standing as Persons With a "Special Interest" in a Non-Charitable Corporation. 8

1. There Is No Limited Class of Potential Beneficiaries of UCI. 9

2. Plaintiffs Seek to Challenge Ordinary Exercises of Discretion by UCI's Directors. 11

III. COUNT I MUST BE DISMISSED BECAUSE PLAINTIFFS HAVE NO STANDING UNDER THE DISTRICT OF COLUMBIA UNIFORM TRUST CODE. 13

A. The Family Federation and UPF Do Not Have Standing as Beneficiaries of the Purported Trust. 13

B. UCJ Does Not Have Standing as Settlor of the Purported Trust. 14

C. Joo and Kim Do Not Have Standing Under the Uniform Trust Code to Enforce the Purported Trust. 15

D. Plaintiffs Do Not Have Standing as Persons with a "Special Interest" in the Purported Oral Trust. 16

IV. COUNT I MUST BE DISMISSED BECAUSE PLAINTIFFS HAVE FAILED TO SET FORTH WELL-PLEADED FACTS ESTABLISHING THE CREATION AND EXISTENCE OF AN ORAL CHARITABLE TRUST. 17

A. The Complaint Fails To Allege Well-Pleaded Facts To Establish That a Trust Was Formed 18

1. Plaintiffs have failed to plead sufficient facts to establish that Reverend Moon intended to form a trust. 18

2. Plaintiffs have failed to allege that Reverend Moon transferred title to the bank funds to Dr. Pak. 20

3. Plaintiffs have failed to allege that Reverend Moon had a transferrable interest in the bank account funds. 22

B. Plaintiffs Have Failed to Allege Well-Pleaded Facts to Establish That Preston Moon Was a Co-Trustee of the Oral Charitable Trust. 23

C. Any Oral Charitable Trust Terminated in 1977 Upon Transfer of the Entire Trust *Res* To UCI. 24

V. COUNT III MUST BE DISMISSED BECAUSE PLAINTIFFS FAIL TO ALLEGE FACTS SUFFICIENT TO SHOW THAT PRESTON MOON WAS AN AGENT OF THE FAMILY FEDERATION. 26

A. Plaintiffs Do Not Allege That Preston Moon Consented to Be The Family Federation's Agent. 26

B. Plaintiffs Do Not Allege That The Family Federation Had a Right To Control Preston Moon's Conduct as President Of UCI. 27

VI. PLAINTIFFS' AIDING AND ABETTING CLAIMS AGAINST THE INDIVIDUAL DEFENDANTS MUST BE DISMISSED FOR FAILURE TO STATE A CLAIM. 28

A. Plaintiffs Have Failed To Plead a Factual Basis for Aiding and Abetting Liability for Any of the Individual Defendants. 28

B. Allegations Against Defendants Kim And Kwak Are Non-Existent.....29

VII. COUNTS IV, V, AND VI MUST BE DISMISSED BECAUSE UCJ LACKS STANDING AND HAS FAILED TO STATE A CLAIM BASED ON UCI'S ALLEGED IMPROPER USE OF UCJ'S DONATIONS. 29

A. UCJ Lacks Standing To Enforce the Charitable Purpose for Which It Allegedly Donated Funds To UCI. 30

B. UCJ Has Failed to State a Claim for Breach of Contract Based on Its Donations To UCI. 31

1. The alleged contract claim fails to allege adequate consideration. 31

2. Other essential elements are absent from UCJ's contract claim. 32

C. UCJ Has Failed to State a Claim for Promissory Estoppel Based on Its Donations to UCI. 34

D. UCJ Has Failed to State a Claim for Unjust Enrichment Based on its Donations to UCI. 36

VIII. THE CLAIMS AGAINST THE INDIVIDUAL DEFENDANTS MUST BE DISMISSED BECAUSE THE COURT LACKS PERSONAL JURISDICTION OVER THEM UNDER THE DISTRICT OF COLUMBIA LONG-ARM STATUTE. 36

A. Plaintiffs' Summary Allegations Against the Individual Defendants Are Insufficient To Establish Grounds For The Exercise of Personal Jurisdiction. 37

B. Plaintiffs' Specific Allegations Against the Individual Defendants Are Insufficient to Establish Long-Arm Jurisdiction Over Them. 38

1. None of the Individual Defendants is alleged to have transacted any business in the District of Columbia. 38

2. Plaintiffs do not allege that the Individual Defendants committed a tortious act or omission in the District of Columbia or caused tortious injury in the District of Columbia. 40

3. Plaintiffs have not alleged any of the "plus" factors that are required for the Court to exercise personal jurisdiction under D.C. Code § 13-423(a)(4).....41

C. The Fiduciary Shield Doctrine Bars the Court From Exercising Personal Jurisdiction Over the Individual Defendants.....41

CONCLUSION.....43

TABLE OF AUTHORITIES

CASES

Ashcroft v. Iqbal, __ U.S. __, 129 S. Ct. 1937 (2009) 4, 19-20

Bd. of Dirs. of the Washington City Orphan Asylum v. Bd. of Trustees of the Washington City Orphan Asylum, 798 A.2d 1068 (D.C. 2002) ..... *passim*

Bell Atlantic Corp. v. Twombly, 550 U.S. 544 (2007) 4, 32

Brunson v. Kalil & Co., 404 F. Supp. 2d 221 (D.D.C. 2005) 39

Cabaniss v. Cabaniss, 464 A.2d 87 (D.C. 1983) 15, 18, 21

Carl J. Herzog Found. v. Univ. of Bridgeport, 699 A.2d 995 (Conn. 1997) 30

City of Picayune v. S. Reg'l. Corp., 916 So.2d 510 (Miss. 2005) 25

D'Onofrio v. SFX Sports Group, Inc., 534 F. Supp. 2d 86 (D.D.C. 2008) 41

Davey v. King, 595 A.2d 999 (D.C. 1991) 29

Duggan v. Keto, 554 A.2d 1126 (D.C. 1989) 15, 18, 19

Elemary v. Philipp Holzmann A.G., 533 F. Supp. 2d 116 (D.D.C. 2008) 40

Fielding v. BT Alex Brown, 116 F. Supp. 2d 59 (D.D.C. 2000) 20

Flocco v. State Farm Mut. Ins. Co., 752 A.2d 147 (D.C. 2000) 41, 42

Georgetown Entm't Corp. v. District of Columbia, 496 A.2d 587 (D.C. 1985) 32

Goodman v. Woods, 259 A.2d 594 (D.C. 1969) 26

Gowens v. Dyncorp, 132 F. Supp. 2d 38 (D.D.C. 2001) 38

Halberstam v. Welch, 705 F.2d 472 (D.C. Cir. 1983) 28

Harrington v. Trotman, 983 A.2d 342 (D.C. 2009) 36

Hasenfus v. Corporate Air Servs., 700 F. Supp. 58 (D.D.C. 1988) 29

Helmer v. Doletskaya, 290 F. Supp. 2d 61 (D.D.C. 2003) 40

Henderson v. Charles E. Smith Mgmt., 567 A.2d 59 (D.C. 1989) 26

Hooker v. The Edes Home, 579 A.2d 608 (D.C. 1990) ..... *passim*

In re Myra Found., 112 N.W.2d 552, 556 (N.D. 1961) 25

In re Superior-Pacific Fund, 693 A.2d 248, 252 (Pa. Commw. Ct. 1997) 25

Invamed, Inc. v. Barr Labs., Inc., 22 F. Supp. 2d 210 (S.D.N.Y. 1998) 29

Jack Baker, Inc. v. Office Space Dev. Corp., 664 A.2d 1236 (D.C. 1995) 32

Jackson v. Loews Washington Cinemas, Inc., 944 A.2d 1088 (D.C. 2008) 26, 27

Kissi v. Hardesty, 3 A.3d 1125 (D.C. 2010) 41

Mamo v. District of Columbia, 934 A.2d 376 (D.C. 2007) 36

Mazza v. Housecraft LLC, 18 A.3d 786 (D.C. 2011) 4, 18, 23

Meshel v. Ohev Sholom Talmud Torah, 869 A.2d 343 (D.C. 2005) 25

Moncrief v. Lexington Herald-Leader Co., 807 F.2d 217 (D.C. Cir. 1986) 40

Moss v. Stockard, 580 A.2d 1011 (D.C. 1990) 35 36

Murphy v. PriceWaterhouseCoopers, LLP, 357 F. Supp. 2d 230 (D.C. 2005) 37, 38

Nat'l R.R. Passenger Corp. v. Veolia Transp. Servs., Inc., 592 F. Supp. 2d 86 (D.D.C. Jan. 8, 2009) 28

NAWA USA, Inc. v. Bottler, 533 F. Supp. 2d 52 (D.D.C. 2008) 37, 39, 42

New Econ. Capital, LLC v. New Markets Capital Grp., 881 A.2d 1087, 1094-95 (D.C. 2005) 32, 33

Oparaugo v. Watts, 884 A.2d 63 (D.C. 2005) 2

Ottenberg v. Ottenberg, 194 F. Supp. 98 (D.D.C. 1961) 2

Paul v. Judicial Watch, Inc., 543 F. Supp. 2d 1 (D.D.C. 2008) 6-7

Pisciotta v. Shearson Lehman Bros., Inc., 629 A.2d 520 (D.C. 1993) 2

Rinck v. Ass'n of Reserve City Bankers, 676 A.2d 12 (D.C. 1996) 31

Russello v. United States, 464 U.S. 16 (1983) 16

S.A. Stern v. J. Nichols Produce Co., Inc., 486 A.2d 84 (D.C. 1984) 19

Sankel v. Spector, 33 A.D.3d 167 (N.Y. App. Div. 2006) 23

Schuler v. PriceWaterhouseCoopers, LLP, 595 F.3d 370 (D.C. Cir. 2010) 37

Simard v. Resolution Trust Corp., 639 A.2d 540 (D.C. 1994) 35

Sloan v. Sloan, 66 A.2d 799 (D.C. 1949) 31-32

Strauss v. Newmarket Global Consulting Grp., LLC, 5 A.3d 1027 (D.C. 2010) 31, 34

Tauber v. Jacobson, 293 A.2d 861 (D.C. 1972) 35

United States v. Moon, 718 F.2d 1210 (2d Cir. 1983) 22-23

Washkoviak v. Sallie Mae, 900 A.2d 168 (D.C. 2006) 2

YMCA v. Covington, 484 A.2d 589 (D.C. 1984) ..... *passim*

Youngblood v. Vistronix, Inc., Civ. No. 05-21, 2006 WL 2092636 (D.D.C. July 27, 2006) 32

STATUTES

D.C. Code § 13-423(a)(1) 36-37, 38

D.C. Code § 13-423(a)(3) 36-37, 40

D.C. Code § 13-423(a)(4) 36-37, 40, 41

D.C. Code § 19-1301.01 13

D.C. Code § 19-1301.03 14

D.C. Code § 19-1304.05 ..... 13, 15

D.C. Code § 19-1304.07 18

D.C. Code § 29-301.01 2

D.C. Code § 29-301.05 8

D.C. Code § 29-301.06 7

D.C. Code § 29-301.12 5

D.C. Code § 29-301.18 13

D.C. Code § 29-301.19 7

D.C. Code § 29-301.34 ..... 7, 12

D.C. Code §§ 29-301.35 ..... 7, 25

RULES

D.C. Super. Ct. R. 23.1 5

TREATISES

7A Fletcher Cyc. Corp. § 3399 (2011) 7

37 C.J.S. Fraud § 15. 29

Bogert's Trusts and Trustees § 150 (1979) 23

Restatement (Second) of Trusts § 5 (1959) 21

Restatement (Second) of Trusts § 8 (1959) 21

Restatement (Second) of Trusts § 18 (1959) 22

Restatement (Second) of Trusts § 25 (1959) 18-19

Restatement (Second) of Trusts § 326 (1959) 28

Restatement (Second) of Trusts § 328 (1959) 30

Restatement (Third) of Trusts § 5 (2003) 21

Restatement (Third) of Trusts § 13 (2003) 15

Restatement (Third) of Trusts § 16 (2003) 22

Restatement (Third) of Trusts § 35 (2003) 23

Unif. Trust Code § 103 (2006) 13, 14

Unif. Trust Code § 110 (2006) 14

Unif. Trust Code § 405 (2006) 15

Unif. Trust Code § 407 (2006) 18

INTRODUCTION

At the heart of Plaintiffs' six claims for relief is the contention that UCI is subject to the control of persons and entities external to the corporation. According to Plaintiffs, despite its formation in 1977 as an independent non-profit corporation under District of Columbia law, UCI's incorporation was meaningless. Plaintiffs contend that UCI, its President and Chairman of the Board, Hyun Jin "Preston" Moon, and its Board of Directors lack any authority to govern UCI. Plaintiffs advance four theories to support their contention: (1) UCI and Preston Moon are subject to an oral charitable trust (Count I); (2) Preston Moon and UCI's Board of Directors owe fiduciary duties to Plaintiffs (Count II); (3) Preston Moon is an agent of Plaintiff The Family Federation for World Peace and Unification International (hereafter "The Family Federation") (Count III); and (4) UCI is bound by contractual or quasi-contractual duties to one of its former donors, Plaintiff The Holy Spirit Association for the Unification of World Christianity (Japan) (hereafter "UCJ") (Counts IV-VI). We demonstrate in this memorandum why each of these theories is implausible and why Plaintiffs' claims must be dismissed before UCI is subjected to unwarranted, expensive, and time-consuming discovery.

First, Plaintiffs lack standing to assert the claims in Counts I, II, and IV-VI. Plaintiffs do not have statutory or "special interest" standing to assert their claims for breach of trust or breach of fiduciary duty/*ultra vires* acts. Nor does UCJ, the sole plaintiff on Counts IV-VI, have standing to assert contract or quasi-contract claims as a former donor to UCI.

Second, as to each of their claims, Plaintiffs have failed to set forth well-pleaded factual allegations that give rise to plausible claims for relief and have, instead, pled themselves out of court. Plaintiffs have not sufficiently alleged (a) the existence of an oral charitable trust, (b) a fiduciary relationship between UCI's Board of Directors and Plaintiffs, or (c) a fiduciary-agent relationship between Preston Moon and The Family Federation. Instead, the facts alleged establish

the absence of any trust or fiduciary obligations. Plaintiffs also have not sufficiently pleaded their aiding and abetting claims with respect to the individual defendants. Finally, UCJ has failed to plead the essential elements of its contract and quasi-contract claims against UCI, again pleading facts that establish the absence of a contract.

Third, as to Preston Moon and the other individual defendants (collectively "Individual Defendants"), Plaintiffs have failed to set forth sufficient facts to establish personal jurisdiction under the District of Columbia long-arm statute, D.C. Code §13-423(a).

BACKGROUND

UCI is a non-profit corporation established in 1977 under the District of Columbia Nonprofit Corporation Act, D.C. Code § 29-301.01, *et seq.* (2001 & Supp. 2010). Compl. ¶¶ 16, 30; *See also* Ex. A (UCI's original Articles of Incorporation ("Articles")).[1] Preston Moon is the current Chairman of the Board and President of UCI. Compl. ¶ 17. The other individual defendants – Richard J. Perea, Michael Sommer, Jinman Kwak, and Youngjun Kim – are identified as members of UCI's Board. Compl. ¶¶ 18-21. Like its original Articles, UCI's current Articles provide that its purposes include, among other things, "[t]o promote interdenominational, interreligious, and international unification of world Christianity and all other religions," and "[t]o promote and support the understanding and teaching of the theology and principles of the Unification Movement." Ex. B (UCI's Articles, as amended, April 27, 2010) at Art. Third (b)-(c).

UCI's Articles make no mention of a trust. *See* Ex. A. Nor do the Articles make any mention of UCI or its Directors being subject to trust obligations. *See id.* Instead, the Articles state that "[t]he right to vote on any and all matters affecting the Corporation shall be vested

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[1] On a motion to dismiss, the Court may consider documents "incorporated in the complaint," without converting it into a motion for summary judgment. *Washkoviak v. Sallie Mae*, 900 A.2d 168, 178 (D.C. 2006) (citation omitted). *See also Oparaugo v. Watts*, 884 A.2d 63, 76 n. 10 (D.C. 2005); *Pisciotta v. Shearson Lehman Bros., Inc.*, 629 A.2d 520, 525 n.10 (D.C. 1993). All of the exhibits attached to this memorandum, except those issued by a court, are explicitly referenced in Plaintiffs' Complaint.

exclusively in the Board of Directors of the Corporation," and that "[t]he internal affairs of the Corporation shall be regulated by the Board of Directors, whose actions shall be consistent with the requirements of the District of Columbia Nonprofit Act and the Bylaws of the Corporation." *Id.* at Art. Fifth, Seventh (emphasis added). The Articles expressly provide that "[t]he Corporation shall have no members." *Id.* at Art. Fourth. Further, the Articles "recognize and acknowledge" that Reverend Sun Myung Moon (hereafter "Reverend Moon") – the Founder of the Unification Church – "has provided the inspiration and spiritual leadership for the founding of the Corporation and is the spiritual leader of the international Unification Church movement," but do not vest in him any office, power or authority. *Id.* at Art. Ninth. Consistent with the Articles, UCI's original Bylaws grant governance authority to its Board of Directors. *See* Ex. C (UCI's original Bylaws) at Art. III §§ 1-14.

According to Plaintiffs' Complaint, in 1975 Reverend Moon created an oral charitable trust to support the Unification Church religion. Compl. ¶¶ 2, 30, 100. Two year later, Plaintiffs allege that, at the direction of Reverend Moon, Dr. Bo Hi Pak incorporated UCI "to implement the purposes of the trust." *Id.* ¶ 30. Plaintiffs contend that Reverend Moon and UCJ were the settlors of the oral charitable trust and that Dr. Pak was its first trustee. *Id.* ¶¶ 27-28. Plaintiffs The Family Federation and the Universal Peace Federation (hereafter "UPF") claim to be among the beneficiaries or "potential beneficiaries" of the purported oral charitable trust. *Id.* ¶¶ 12, 29. And Plaintiffs Douglas J.M. Joo and Peter Kim are alleged to be co-trustees of the claimed trust. *Id.* ¶¶ 14-15.

Plaintiffs further contend that Preston Moon became a trustee of the oral charitable trust, not by choice, but by becoming a Director of UCI. *Id.* ¶ 104. Plaintiffs also contend that, by

accepting his Board position, Preston Moon became an unknowing agent of The Family Federation. *Id.* ¶ 47.

STANDARD OF REVIEW

The District of Columbia Court of Appeals, in *Mazza v. Housecraft LLC*, 18 A.3d 786, 790-91 (D.C. 2011), recently held that, to survive a motion to dismiss, plaintiffs must satisfy the pleading standards articulated in *Ashcroft v. Iqbal*, 129 S. Ct. 1937, 1949 (2009), and *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007). "[A] complaint must contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face.'" *Iqbal*, 129 S. Ct. at 1949 (quoting *Twombly*, 550 U.S. at 570). "A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged." *Id.* (citing *Twombly*, 550 U.S. 556). However, "[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice." *Id.* Instead, as the *Mazza* court explained:

> [A] court considering a motion to dismiss can choose to begin by identifying pleadings that, because they are no more than conclusions, are not entitled to the assumption of truth. While legal conclusions can provide the framework of a complaint, they must be supported by factual allegations. When there are well-pleaded allegations, a court should assume their veracity and then determine whether they plausibly give rise to an entitlement to relief.

18 A.3d at 790-91 (quoting *Iqbal*, 129 S. Ct. at 1950).

ARGUMENT

I. PLAINTIFFS' DERIVATIVE CLAIM IN COUNT II MUST BE DISMISSED BECAUSE PLAINTIFFS HAVE NO STANDING TO ASSERT CLAIMS ON UCI'S BEHALF.[2]

The derivative claim that Plaintiffs assert in Count II must be dismissed because Plaintiffs do not have standing to sue on UCI's behalf. The Nonprofit Corporation Act provides that only

[2] Because of a prior ruling by this Court in a related case, we demonstrate that Plaintiffs lack standing to pursue Count II prior to addressing the absence of standing as to Count I.

members of a non-profit corporation have standing to bring a derivative suit on the corporation's behalf. *See* D.C. Code § 29-301.06(2) (permitting suits by non-profit corporations, "whether acting directly. . . or *through members in a representative suit. . . .*") (emphasis added). The Nonprofit Corporation Act does not, however, require non-profits to have any members. *See* D.C. Code § 29-301.12 ("If the corporation has no members, that fact shall be set forth in the articles of incorporation."). UCI's incorporators elected to make UCI a non-member corporation. Ex. A at Art. Fourth ("The Corporation shall have no members"). Consequently, because UCI is a non-member, non-profit corporation, a derivative action cannot be brought on its behalf by anyone, including Plaintiffs.[3]

The Court of Appeals recently affirmed that very conclusion in the related matter, *Steinbronn v. Times Aerospace USA, LLC, et al.*, Case No. 2009 CA 009127 R(RP) (D.C. Super. Ct.) (Burgess, J.). In that case, UCI's former in-house counsel, Richard Steinbronn, filed a derivative suit on behalf of UCI, advancing many of the same allegations that Plaintiffs make here. Judge A. Franklin Burgess dismissed Steinbronn's derivative claim for lack of standing under the Nonprofit Corporation Act. *See* Ex. D (Order Granting in Part and Denying in Part Defendants' Motion to Dismiss Plaintiff's First Amended Complaint (July 7, 2010)); *see also* Ex. E (Transcript of May 20, 2010 Hearing at 41-46 (filed June 11, 2010)). As a companion to his derivative action, Steinbronn filed notices of *lis pendens* against properties in the District of Columbia owned by UCI subsidiaries, claiming that his lawsuit affected title to those properties. Judge Stephanie Duncan-Peters cancelled the notices of *lis pendens* on the ground that the lawsuit upon which Steinbronn had based the notices had been dismissed. *See* Ex. F (Order, Aug. 25, 2010). On

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[3] Additionally, under Superior Court Rule 23.1, a plaintiff seeking derivative standing must allege in his complaint that he "was a shareholder *or member* at the time of the transaction of which [he] complains or that [his] share or membership thereafter devolved on [him] by operation of law." Super. Ct. Civ. R. 23.1 (emphasis added). Plaintiffs do not allege that they were ever shareholders or members of UCI—nor could they make such an allegation, since UCI is a non-member corporation. *See* Ex. A at Art. Fourth.

appeal from the *lis pendens* action, the Court of Appeals ruled that the trial court had properly cancelled the notices because Steinbronn lacked standing to bring the lawsuit that he claimed affected title to the properties. *See* Ex. G (Judgment, *Steinbronn v. Times Aerospace USA, LLC, et al.*, No. 10-CV-1150 (D.C. June 8, 2011)). As support for that ruling, the Court of Appeals cited to, among other authorities, § 29-301.06(2) of the Nonprofit Corporation Act, indicating that the Court of Appeals embraced the logic of Judge Burgess' dismissal of Steinbronn's derivative claim. *Id.* The Court of Appeals' judgment in *Steinbronn* compels dismissal of Plaintiffs' similar derivative action in this case.

II. PLAINTIFFS' DIRECT CLAIMS IN COUNT II MUST BE DISMISSED FOR FAILURE TO STATE A CLAIM AND LACK OF STANDING.

A. Plaintiffs Do Not State a Direct Claim in Count II Because the Only Fiduciary Duties They Allege Are Owed to UCI, Not to Plaintiffs.

Plaintiffs also have failed in Count II to state a direct claim for breach of fiduciary duty. *See* Compl., Count II heading. To state such a claim, Plaintiffs must allege that the Individual Defendants owe *them* a fiduciary duty. *See, e.g., Paul v. Judicial Watch, Inc.*, 543 F. Supp. 2d 1, 6 (D.D.C. 2008) ("To state a claim for breach of fiduciary duty, a plaintiff must allege facts sufficient to establish . . . [that] defendant owed plaintiff a fiduciary duty."). The only duties that Plaintiffs allege in Count II are duties that the Individual Defendants allegedly owed to UCI – not to Plaintiffs. *See* Compl. ¶¶ 114-16 (alleging Individual Defendants owe duties of obedience, loyalty, and care, and duty to refrain from engaging in or causing *ultra vires* acts); *id.* ¶¶ 4-5 (alleging duties owed "to . . . UCI" and "to the Corporation"); *id.* ¶¶ 7, 52, 56 (distinguishing between duties the Individual Defendants owed "as Directors" from duties Preston Moon owed "as a trustee and as an agent of the Family Federation"). Plaintiffs' failure to allege that the Individual Defendants owe them a fiduciary duty requires dismissal of Count II. *See Paul*, 543 F. Supp. at 6

(dismissing breach of fiduciary duty claim for failure to allege the existence of a fiduciary duty between plaintiff and defendant).

B. Plaintiffs Do Not Have Standing Under the Nonprofit Corporation Act To Sue UCI for *Ultra Vires* Acts; Nor Have Plaintiffs Stated a Claim That Any Acts Were *Ultra Vires*.

Count II challenges certain actions by UCI's Board as *ultra vires*. Compl. ¶¶ 116, 117. The Nonprofit Corporation Act, however, limits the parties who may sue a non-profit corporation for *ultra vires* acts, and Plaintiffs do not fit into any of those categories. Section 29-301.06 of the Nonprofit Corporation Act provides that only "a member or a director" may bring a proceeding "to enjoin the doing of any act, or the transfer of real or personal property by or to the corporation," on the grounds that the corporation "was without capacity or power to do such act or to make or receive such conveyance or transfer." D.C. Code § 29-301.06.[4] Plaintiffs are neither members nor directors of UCI. Accordingly, Plaintiffs lack standing under the Nonprofit Corporation Act to sue UCI for any allegedly *ultra vires* acts.

In any event, as a matter of law, the challenged actions are not *ultra vires*. *Ultra vires* actions are those a corporation "was without capacity or power to do." D.C. Code § 29-301.06; *see also* 7A Fletcher Cyc. Corp. § 3399 (2011) ("An ultra vires act or contract . . . is one not within the express or implied powers of the corporation as fixed by its charter, the statutes, or the common law."). But here, the Nonprofit Corporation Act expressly granted UCI the power to take each of the actions that Plaintiffs claim were *ultra vires*, specifically:

- Amending the company's Articles, Compl. ¶ 117(1). *See* D.C. Code §§ 29-301.34, 29-301.35(4).
- Electing and removing Directors, Compl. ¶ 117 (2). *See* D.C. Code § 29-301.19(b), (d); Ex. C at Art. II §§ 1-2.

[4] The statute also specifies that such a lawsuit may only be brought to *enjoin* a purportedly *ultra vires* act—not to undo actions already accomplished by the company. *See* D.C. Code § 29-301.06(1).

- Using and selling corporate assets, Compl. ¶¶ 117(3)-(5). *See* D.C. Code § 29-301.05(5).

Because UCI's Board had the power to take each of the challenged actions, Plaintiffs fail to state a claim that any of the Individual Defendants' actions were *ultra vires*.

C. Plaintiffs Do Not Have Standing as Persons with a "Special Interest" in a Non-Profit Corporation.

Plaintiffs alternatively appear to claim standing on the theory that they have "a special interest in the mission and purpose of UCI, including UCI's conformance to its original Articles of Incorporation." Compl. ¶¶ 118-21. Specifically, The Family Federation and UPF claim to have a "special interest" as "beneficiaries and/or potential beneficiaries of UCI," *id.* ¶ 118; UCJ claims a "special interest" as a former "major donor to UCI," *id.* ¶ 119; and Joo and Kim claim a "special interest" as "wrongfully-terminated Director[s] of UCI." *Id.* ¶¶ 120-21. None of the Plaintiffs meets the requirements for "special interest" standing.

The Court of Appeals has held that "special interest" standing exists only if two requirements are met. First, the controlling instrument, such as a corporation's charter or a trust document, must establish "a set of criteria identifying a limited class of potential beneficiaries of the charitable trust." *Hooker v. The Edes Home*, 579 A.2d 608, 609 (D.C. 1990) (limited class of aged and indigent female widows residing in Georgetown found to have a special interest); *see also YMCA v. Covington*, 484 A.2d 589, 591-92 (D.C. 1984) (same for dues-paying members of the Anthony Bowen Branch of the YMCA); *Bd. of Dirs. of the Washington City Orphan Asylum v. Bd. of Trustees of the Washington City Orphan Asylum*, 798 A.2d 1068, 1074-75 (D.C. 2002) (same for Directors serving in role expressly prescribed by corporation's Congressional charter).[5] This requirement serves to ensure that plaintiffs sue to enforce an "individualized interest" that is

[5] Case law pertaining to "special interest" standing to enforce charitable trusts applies equally to charitable corporations. *See Hooker*, 579 A.2d at 611 n.8.

"distinguishable from that of the public at large." *Hooker*, 579 A.2d at 612. Second, the legal challenge must not relate to "an ordinary exercise of discretion on a matter expressly committed to the trustees" or the Board of the charitable corporation, but rather to "extraordinary measure[s]" that threaten to alter the existence or nature of the entity. *Id.* at 615. This second requirement serves to prevent the "proliferation of wasteful lawsuits" and "recurring vexatious litigation" that the general rule limiting standing to public officials seeks to avoid. *Id.* at 614; *see also id.* at 617 (finding "special interest" standing where trustees and potential beneficiaries were "stand[ing] at a crossroads they are unlikely to face again"); *YMCA*, 484 A.2d at 592 (plaintiffs had standing to challenge closure of a YMCA branch); *Orphan Asylum*, 798 A.2d at 1075 (Directors had standing where Trustees' action would eliminate Board of Directors entirely). Plaintiffs cannot meet either of these requirements.

1. There Is No Limited Class of Potential Beneficiaries of UCI.

"[A] particular class of potential beneficiaries has a special interest in enforcing a trust if the class is sharply defined and its members are limited in number." *Hooker*, 579 A.2d at 614. Far from "sharply defined," UCI's stated purposes, whether under its original or current Articles, are all directed to pursuit of goals for the benefit of "all mankind." Ex. A at Art. Third A(6). The purposes listed in UCI's original Articles include:

- "advising. . . Unification Churches organized and operated throughout the world,"
- unifying followers of "world Christianity and all other religions,"
- "further[ing] the theology of the Unification Church,"
- "publish[ing] . . . newspapers. . . in order to carry forward the dissemination and understanding of the Divine Principle, . . . or otherwise to further the purposes of the Corporation,"
- "sponsor[ing] . . . cultural, educational, religious, and evangelical programs. . ." aimed at "furthering the understanding of the Divine Principle, the unification

of world Christianity and other religions, world peace, harmony of all mankind, interfaith understanding between all races, colors and creeds throughout the world," and

- "other purposes consistent with the Divine Principle and the purposes of the Corporation."

Id. at ¶¶ A(2)-(6). The purposes listed in UCI's current Articles are similarly expansive:

- "promot[ing] . . . educational, cultural, and religious programs for the purpose of furthering world peace, harmony of all humankind, interfaith understanding among all races, colors and creeds throughout the world,"
- "promot[ing] interdenominational, interreligious, and international unification of world Christianity and all other religions,"
- "promot[ing] . . . the understanding and teaching of the theology and principles of the Unification Movement," and
- "publish[ing] . . . throughout the world, newspapers, books, tracts, other publications and forms of media in order to further the purposes of the Corporation."

Ex. B at Art. Third(a)-(d).

UCI's broad purposes contrast sharply with the types of defined charitable purposes that the Court of Appeals has held give rise to "special interest" standing. *See Hooker*, 579 A.2d at 615 (the applicable will, charter, and bylaws together specifically limited the beneficiaries of the corporation to persons who were: "(1) female, (2) indigent, (3) aged, and (4) widowed. . . (5) . . . in good health (certifiably) and (6) . . . for at least five years immediately preceding the date of application. . . resident[s] of Georgetown"); *YMCA*, 484 A.2d at 592 (bylaws of the Bowen branch of the YMCA limited its members to "persons [who] submit an application, have it approved, and pay dues"); *Orphan Asylum*, 798 A.2d at 1074 (the corporation's charter expressly "confer[red] authority on two female directresses and fifteen female managers"). Thus, because Plaintiffs do not belong to any "sharply defined" class of potential beneficiaries that is "limited in number," they cannot claim to have "special interest" standing. *Hooker*, 579 A.2d at 614.

Judge Burgess articulated this very rationale in rejecting Steinbronn's claim that he had "special interest" standing to sue UCI. *See* Ex. E at 41-46. Judge Burgess explained that there is an "undefined set of people that might claim standing" to sue UCI, raising a very real potential for harassment from nonstop litigation. *Id.* at 43. Moreover, without a clear set of criteria, judges would be forced to evaluate "on a case by case basis" whether each litigant's connection to the company is sufficient to give rise to a "special interest." *Id.* at 45. But Judge Burgess reasoned, the "very defined. . . contours" set out in the case law make clear that such a case-by-case inquiry is not the approach intended by the Court of Appeals. *Id.* In affirming cancellation of Steinbronn's notices of *lis pendens*, the Court of Appeals cited to *Hooker*, 575 A.2d at 612, thereby affirming Judge Burgess' reasoning and conclusion that Steinbronn lacked "special interest" standing. *See* Ex. G. For those same reasons, Plaintiffs lack "special interest" standing to sue UCI's Board of Directors.

2. Plaintiffs Seek to Challenge Ordinary Exercises of Discretion by UCI's Directors.

Plaintiffs' effort to cast the conduct that they challenge as the kind that threatens the fundamental nature of UCI is overblown and unsupported by the governing documents cited in the Complaint. *Compare, e.g., Hooker*, 579 A.2d at 617 (challenged sale of Edes Home "represent[ed] a basic change in the nature of the institution" that "will only be litigated once"); *YMCA*, 484 A.2d at 592 (YMCA sought to close facilities that had been operating in a particular building for 70 years); *Orphan Asylum*, 798 A.2d at 1074 (Trustees proposed to eliminate Board of Directors in its entirety).

Plaintiffs' allegations with respect to the recent amendment of UCI's Articles are a prime example. Plaintiffs claim that the recent amendments "permit the Corporation's assets to be used for purposes other than the mission and purpose for which the Corporation was formed," Compl.

¶ 117(1), and complain that the amended articles delete all references to supporting Unification Churches worldwide and advancing the Divine Principle, Compl. ¶ 83. The plain text of the amended Articles belies the claim that the fundamental purposes of UCI were changed. *Compare* Ex. A at Art. Third *with* Ex. B. For instance, consistent with the original Articles, the amended Articles provide that the purposes of UCI include, among other things, "[t]o promote interdenominational, interreligious, and international unification of world Christianity and all other religions," and "[t]o promote and support the understanding and teaching of the theology and principles of the Unification Movement." Ex. B Art. Third (b)-(c). Mere re-wording of the Articles cannot justify recognition of "special interest" standing. Furthermore, the Nonprofit Corporation Act expressly permits a non-profit board to amend its articles, so long as the amendments "contain only such provisions as might be lawfully contained in original articles of incorporation if made at the time of making such amendment." D.C. Code § 29-301.34. Plaintiffs do not (and cannot) allege that the recent amendments run afoul of any provision of the Nonprofit Corporation Act or any other applicable law.

Nor can Plaintiffs' assertion with respect to changes to UCI's Board justify "special interest" standing. Compl. ¶ 117(2). Plaintiffs advance no claim, nor could they, that any directors have been added or removed in a manner inconsistent with UCI's Bylaws. *See* Bylaws at Art. II, § 1.4 (providing for election of new directors by majority vote of remaining directors); § 2 (providing for removal by majority vote of Board); § 11 (vacancies to be filled by majority vote of Board). Plaintiffs' disapproval of the results of proper and lawful exercises of Board authority does not make them "extraordinary" actions that could justify "special interest" standing.

Finally, Plaintiffs allege various misuses of UCI's corporate assets. Compl. ¶ 117(3)-(5). But decisions about how and when to use UCI's assets to further its purposes are quintessentially

within the discretion of the Board. *See, e.g.*, D.C. Code § 29-301.18 ("The affairs of a corporation shall be managed by a board of directors."); Ex. C at Art. III § 9 (UCI's President "*subject to the control of the Board of Directors*, shall. . . supervise and control all of the affairs and property of the Corporation") (emphasis added). Indeed, routine discretionary actions, such as the Board's alleged decision to donate UCI's funds to support one entity instead of another, Compl. ¶¶ 88-89, are exactly the kinds of actions that the Court of Appeals has held are insufficient to support "special interest" standing. *See, e.g.*, *Hooker*, 579 A.2d at 615 (where "challenged exercise of discretion involved denial of a benefit to *an individual* and not the class as a whole," special interest standing was inappropriate) (original emphasis).

III. COUNT I MUST BE DISMISSED BECAUSE PLAINTIFFS HAVE NO STANDING UNDER THE DISTRICT OF COLUMBIA UNIFORM TRUST CODE.

The central, and fatally flawed, premise of Count I is that Reverend Sun Myung Moon established an oral charitable trust and that Preston Moon is, by virtue of serving as Chairman of UCI, a co-trustee of that trust. We explain below why none of the Plaintiffs have standing under the District of Columbia Uniform Trust Code to enforce the purported oral charitable trust. In Section IV, below, we explain why Plaintiffs have failed to plead the creation or existence of the purported oral charitable trust.

A. The Family Federation and UPF Do Not Have Standing as Beneficiaries of the Purported Trust.

The Uniform Trust Code, which the District of Columbia adopted and codified in 2004, *see* D.C. Code § 19-1301.01 *et seq.* (2001 & Supp. 2010), does not expressly provide standing to beneficiaries of charitable trusts to sue for breach of trust. *See* D.C. Code § 19-1304.05(c) (providing that the "settlor of a charitable trust, among others, may maintain a proceeding to enforce the trust"). That is because "charitable trusts do not have beneficiaries in the usual sense." Unif. Trust Code § 103 cmt. (2006). As a result, standing to sue on behalf of or as a beneficiary is

limited to "the state attorney general, a charitable organization expressly designated to receive distributions under the terms of the trust, and other persons with a special interest." *Id.* § 1001 cmt. As we demonstrated above, *see* Section II.C, *supra*, at 8, and discuss again below, *see* Section III.D, *infra*, at16, neither The Family Federation nor UCJ has "special interest" standing to enforce the purported trust.

Nor do they have standing as "charitable organization[s] entitled to receive distributions under the terms of the trust." Unif. Trust Code § 103 cmt. To qualify under that limited exception, The Family Federation and UPF must establish that they are "expressly named in the terms of the trust and . . . designated to receive distributions," as opposed to being merely organizations "that might receive distributions in the trustee's discretion but that are not named in the trust's terms." Unif. Trust Code § 110 cmt. Plaintiffs have not identified any writing or an oral statement that "expressly named" either The Family Federation or UPF as designated to receive trust distributions. To the contrary, Plaintiffs' own allegations establish that the oral charitable trust was created not for any specific beneficiary, but "for the benefit and support of the Unification Church" – a religion – and its unspecified "related activities." Compl. ¶¶ 27, 100 (alleging "an oral charitable trust for the benefit of the Unification Church and entities affiliated with the Church."). Accordingly, neither The Family Federation nor UPF has standing as alleged beneficiaries to sue Preston Moon to enforce the trust.

B. UCJ Does Not Have Standing as Settlor of the Purported Trust.

The Uniform Trust Code defines a "Settlor" as "a person . . . who creates, or contributes property to, a trust." D.C. Code § 19-1301.03(16). Plaintiffs allege that UCJ meets this definition because UCJ, along with other unnamed Unification Church entities, deposited an unspecified amount of funds in a Unification Church International bank account. Compl. ¶¶ 27, 100. That allegation is wholly inadequate to establish UCJ as a settlor, because Plaintiffs have failed to allege

any facts that would support the critical element that a settlor must intend to create a trust relationship. *See Cabaniss v. Cabaniss*, 464 A.2d 87, 91 (D.C. 1983); *see also Duggan v. Keto*, 554 A.2d 1126, 1136 (D.C. 1989) (providing that "the intention to create a trust should be clearly manifested"); Restatement (Third) of Trusts § 13 (2003) ("A trust is created only if the settlor properly manifests an intention to create a trust relationship."). Plaintiffs do not allege that UCJ intended to establish or to contribute to a trust, as distinct from, for instance, intending to make an unconditional gift to Reverend Moon or the Church. In fact, Plaintiffs do not allege that UCJ was ever aware of Reverend Moon's purported instruction to Dr. Pak to hold the funds in the bank account in trust, let alone that UCJ was cognizant of those instructions before depositing its own funds in the account. *See* Compl. ¶ 27. Instead, the Complaint actually avers that UCJ deposited funds into the account *before* Reverend Moon allegedly established the oral trust. *See id.* ¶ 27. UCJ cannot assert standing as a settlor of the trust without having had knowledge that the purported oral charitable trust even existed before allegedly making a deposit in the bank account.

C. Joo and Kim Do Not Have Standing Under the Uniform Trust Code to Enforce the Purported Trust.

Plaintiffs Joo and Kim, as alleged co-trustees of the oral charitable trust, *see* Compl. ¶¶ 14-15, 103, also lack standing under the Uniform Trust Code to sue for breach of trust. D.C. Code § 19-1304.05(c) does not expressly provide co-trustees standing to enforce a trust; instead, it provides that settlors, "*among others*, may maintain a proceeding to enforce the trust." *Id.* (emphasis added). The comment to that section clarifies that the term "among others" refers to "the state attorney general or persons with special interests to enforce either the trust or their interests." Unif. Trust Code § 405 cmt. Thus, a co-trustee has standing under the Uniform Trust

Code to sue for a breach of trust only if he can establish "special interest" standing.[6] For the reasons already discussed, *see* Section II.C, *supra*, at 8, and further discussed below, *see* Section III.D, *infra*, at 16, Joo and Kim do not have "special interest" standing with respect to the alleged oral charitable trust.

Furthermore, Plaintiffs have inadequately pled that Joo and Kim, at present, are co-trustees of the oral charitable trust. As with other aspects of their oral trust theory, Plaintiffs offer no written or spoken words that establish Joo's or Kim's appointment as a co-trustee. Their status as co-trustees is premised entirely on their service on UCI's Board, Compl. ¶ 103, which has ended. Indeed, following his termination as a director of UCI, Dr. Joo stated in a letter dated to UCI August 4, 2009, that he and Kim no longer had "a duty to assist UCI" in obtaining financial support for UCI. Compl. ¶ 69; *see* Ex. H. Joo and Kim cannot legitimately assert that they continued as alleged co-trustees of the oral charitable after their termination from UCI, when they disclaimed any further responsibility to raise money for the very entity – UCI – that Plaintiffs allege, as the centerpiece of their Complaint, was formed to implement the oral charitable trust. Compl. ¶ 30.

D. Plaintiffs Do Not Have Standing as Persons with a "Special Interest" in the Purported Oral Trust.

We previously demonstrated why Plaintiffs lacked "special interest" standing to sue Individual Defendants for breach of fiduciary duty. *See* Section II.C, *supra*, at 8. For the same

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[6] The conclusion that Joo and Kim have standing to sue for breach of trust only if they have "special interest" standing is reinforced by the Uniform Trust Code's provision that expressly gives "cotrustees" standing to sue to remove a trustee. D.C. Code § 19-1307.06. In interpreting a statute, courts assume that when a legislature uses a word in one section, but omits it in another, that omission was intentional. *See Russello v. United States*, 464 U.S. 16, 23 (1983) "'[Where] Congress includes particular language in one section of a statute but omits it in another . . ., it is generally presumed that Congress acts intentionally and purposely in the disparate inclusion or exclusion.'") (citation omitted). Thus, the Trust Code's express grant of co-trustee standing to remove a trustee, while omitting such express grant of co-trustee standing for actions for breach of trust, reinforces the conclusion that standing for co-trustees to sue for breach of trust is limited to "special interest" standing.

reasons, Plaintiffs' claim that they have "special interest" standing to sue Preston Moon for breach of trust must fail.

"Special interest" standing requires, first, that the trust instrument establish "a set of criteria identifying a limited class of potential beneficiaries of the charitable trust." *Hooker*, 579 A.2d at 609. Plaintiffs have alleged the existence of an oral charitable trust "for the benefit and support of the Unification Church and its related activities," Compl. ¶ 27, or "for the benefit of the Unification Church and entities affiliated with the Church," *id.* ¶ 100. These broad statements do not set forth the sort of "sharply defined" criteria that are needed to establish a class of beneficiaries who can claim special interest standing. *Hooker*, 579 A.2d at 614. Moreover, as discussed above, "special interest" standing requires that the legal challenge must not relate just to "an ordinary exercise of discretion on a matter expressly committed to the trustees," but rather to an "extraordinary action" that could change the nature or threaten the existence of the trust. *Hooker*, 579 A.2d at 615. Because Plaintiffs have not alleged the sort of "extraordinary action" that would give rise to special interest standing, the doctrine of "special interest" standing does not apply here. *See* Section II.C.2, *supra*, at 11.

IV. COUNT I MUST BE DISMISSED BECAUSE PLAINTIFFS HAVE FAILED TO SET FORTH WELL-PLEADED FACTS ESTABLISHING THE CREATION AND EXISTENCE OF AN ORAL CHARITABLE TRUST.

Count I must be dismissed for the additional reason that Plaintiffs have not set forth well-pleaded facts that establish the creation and existence of an oral charitable trust. Plaintiffs' averment as to the creation of the oral charitable trust can be found in a single line in paragraph 27 of the 40-page Complaint: In 1975, Revered Moon "directed" Dr. Pak "to hold" funds contained in a certain bank account "solely for the benefit and support of the Unification Church and its related activities." Compl. ¶ 27. That is the entirety of Plaintiffs' allegations regarding the formation of an oral charitable trust. The inadequacy of this pleading makes clear why the law

views oral trusts with such skepticism, and why UCI should not be subjected to expensive, time-consuming discovery when Plaintiffs cannot possibly prove the existence of such a trust. *See Duggan*, 554 A.2d at 1133-34 (providing that the creation of a testamentary trust from oral evidence must be by "clear and convincing" evidence); *see also* D.C. Code § 19-1304.07 (same); Unif. Trust Code § 407 cmt. ("[Oral] trusts are viewed with caution").

A. The Complaint Fails To Allege Well-Pleaded Facts To Establish That a Trust Was Formed.

1. Plaintiffs have failed to plead sufficient facts to establish that Reverend Moon intended to form a trust.

Essential to the creation of a trust is "the settlor's manifestation or external expression of his intention to create a trust." *Cabaniss*, 464 A.2d at 91 (D.C. 1983); *see also Duggan*, 554 A.2d at 1136. Yet, Plaintiffs do not cite any trust instrument, memorandum, correspondence, or any other writing in the 35-year history of the alleged trust to establish Reverend Moon's intent to form a trust. Nor do Plaintiffs set forth the actual words that Reverend Moon spoke to Dr. Pak in 1975 concerning the formation of a trust. *Compare Cabaniss*, 464 A.2d at 92 (finding that decedent, by his words and written letters to trustee, had "adequately manifested his intention to create a trust").

Instead, Plaintiffs' averment as to Reverend Moon's intent boils down to the threadbare statement that he "directed" Dr. Pak "to hold" the funds in trust. Compl. ¶ 27. That allegation is a self-serving, conclusory assertion that is not entitled to a presumption of truth. *See Mazza*, 18 A.3d at 790-91 (stating that pleadings that are "no more than conclusions[] are not entitled to a presumption of truth") (citation omitted). Indeed, without the actual words by which Reverend Moon is said to have created the alleged oral trust, the Court cannot determine whether Reverend Moon intended to establish a charitable trust, or something else. *See Cabaniss*, 464 A.2d at 92 (citing as a factor in determining the settlor's intent "the imperative, as distinguished from precatory, nature of the words used by the settlor to create a trust"); Restatement (Second) of

Trusts § 25 cmt. b (1959) ("No trust is created if the settlor manifests an intention to impose merely a moral obligation.").

Plaintiffs' reliance on a conclusory assertion is not at all surprising because UCI's original governing documents unequivocally demonstrate that no trust was ever formed. UCI's original Articles, adopted in 1977, establish UCI as an independent corporation under the non-profit law of the District of Columbia. The Articles make no mention of a trust; nor do they subject UCI's governance to any external control or management. *See* Ex. A; *see also S.A. Stern v. J. Nichols Produce Co., Inc.*, 486 A.2d 84, 88 (D.C. 1984) (finding the absence of a trust arising out of sub-lease where there was "no evidence, either in the sublease or elsewhere, of any intent by the partnership to create a trust"); *cf. Duggan*, 554 A.2d at 1137 (holding that no trust was created where letter offered to prove the existence of a trust was "extremely vague, as was the identification of the alleged corpus"). To the contrary, the Articles provide that "[t]he right to vote on any and all matters affecting the Corporation shall be vested *exclusively* in the Board of Directors of the Corporation," and that "[t]he internal affairs of the Corporation shall be regulated by the Board of Directors, whose actions shall be consistent with the requirements of the District of Columbia Nonprofit Act and the Bylaws of the Corporation." Ex. A at Art. Seventh (emphasis added). Furthermore, instead of describing Reverend Moon as the settlor of a trust, the Articles simply "recognize and acknowledge that [he] has provided the inspiration and spiritual leadership for the founding of the Corporation and is the spiritual leader of the international Unification Church movement." *Id.* at Art. Ninth. UCI's Bylaws are to the same effect. *See* Ex. C. They, too, make no mention of a trust or any governance structure superior to the Board of Directors. *See id.* at Art. III §§ 1, 9 (vesting governing authority in the Board of Directors). UCI's Articles and

Bylaws make clear that Plaintiffs' claim of an oral charitable trust is "implausible" on its face. *Iqbal*, 129 S. Ct. at 1949.

Equally telling is the fact that none of the letters cited by Plaintiffs from Unification Church movement constituents criticizing Moon's leadership, except one, makes any mention of an oral charitable trust or of UCI holding property subject to such trust. *See* Compl. ¶¶ 69, 77, 78, 90; Exs. H-L (letter from Douglas Joo to Directors of UCI (Aug. 4, 2009); Statement Concerning UCI (Aug. 9, 2009); letter from Peter Kim to Hyun Jin Moon (Aug. 14, 2009); letter from Peter Kim to Daniel Gray (Aug. 19, 2009); letter from leaders of UCI to Hyun Jin Moon (Aug. 11, 2011)). The sole exception is a letter to Preston Moon from his brother, Sean Moon, the head of The Family Federation, dated April 8, 2011, approximately one month before the filing of this lawsuit. *See* Compl. ¶ 6; Ex. M. A single letter written 35 years after the alleged trust's formation, and in obvious anticipation of litigation, is a transparent attempt to manufacture evidence of an oral charitable trust where there is none.

2. Plaintiffs have failed to allege that Reverend Moon transferred title to the bank funds to Dr. Pak.

Also fatal to Plaintiff's oral charitable trust theory is their failure to set forth well-pleaded facts establishing that Reverend Moon, as alleged settlor, effectuated a transfer of title to the trust *res* to Dr. Pak, as alleged trustee. "[T]he law of the District of Columbia . . . require[s] that the trustee take title to the trust assets – whether such assets are in the form of bank accounts, securities or personal property – in order to create a trust." *Fielding v. BT Alex Brown*, 116 F. Supp. 2d 59, 63 (D.D.C. 2000) (citing *Ottenberg v. Ottenberg*, 194 F. Supp. 98, 102 (D.D.C. 1961) ("There was no transfer of the legal interest, . . . and lacking the complete transfer or conveyance in trust, the Court cannot uphold the agreement here as a valid trust.")).

The well-pleaded allegations in the Complaint demonstrate that Reverend Moon never transferred title to the bank account funds to Dr. Pak (assuming Reverend Moon had the right to transfer those assets at all, *see* Section IV.A.3, *infra*, at 22). Plaintiffs' factual allegations establish instead that Dr. Pak was, at most, either Reverend Moon's agent[7] or his bailee[8] with respect to the funds. That is evident from the allegations that, in 1977, (a) "*at the direction of* Reverend Sun Myung Moon, Dr. Bo Hi Pak established a District of Columbia nonprofit corporation to implement the purposes of the trust," Compl. ¶ 30 (emphasis added); and (b) "*at the direction of* Reverend Moon, [Dr. Pak] changed the Unification Church International account at the Diplomat National Bank to reflect that the funds in that account would be held by Unification Church International." *Id.* (emphasis added). These allegations make plain that, two years after the alleged formation of the trust, Reverend Moon still maintained control over the bank account funds and Dr. Pak's disposition of those funds.

Plaintiffs' sole allegation relating to the transfer of title – that Reverend Moon "directed" Dr. Pak "to hold" the funds deposited in the Diplomat National Bank account – is not a factual pleading but merely parrots the legal requirement for establishing a trust, and, therefore, is not entitled to a presumption of truth. *Compare* Compl. ¶ 27 (alleging that Reverend Moon directed Dr. Pak "to hold" the bank account funds in trust) *with Cabaniss*, 464 A.2d at 91 (stating that the trust property must be "held by the trustee for the beneficiary"). Plaintiffs cannot cure the fact that their own allegations require dismissal by adding this single, conclusory phrase to the Complaint.

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[7] *See* Restatement (Third) of Trusts § 5 cmt. e (2003) ("An agent undertakes to act on behalf of the principal and subject to the latter's control. . . . [A] trustee is not subject to control of either the settlor or the beneficiaries except to the extent the terms of the trust reserve or confer some such power over the trustee – power that is not readily inferred"); Restatement (Second) of Trusts § 8 cmts. a & b (same).

[8] *See* Restatement (Second) of Trusts § 5 cmt. b ("If the manifested intention is that the person to whom delivery is made shall thereby acquire the title to the chattel, the transaction creates a trust. If the manifested intention is that he shall not thereby acquire title to the chattel, but that he shall acquire only the interest of a possessor, the transaction creates a bailment.").

See Iqbal, 129 S. Ct. at 1949 ("[t]hreadbare recitals of the elements of a cause of action, supported by mere conclusory statements, do not suffice" to state a plausible claim).

3. Plaintiffs have failed to allege that Reverend Moon had a transferrable interest in the bank account funds.

Plaintiffs' effort to plead an oral charitable trust is deficient in yet another important respect: Plaintiffs fail to establish that Reverend Moon had a transferrable property interest in the bank account funds. *See* Restatement (Third) of Trusts § 16 cmt. b ("An intended or contemplated transfer in trust may be ineffective . . . because a would-be settlor does not own the intended trust property at the time of the purported transfer."); Restatement (Second) of Trusts § 18 cmt. a. (stating that "one who has an interest which cannot be transferred by him cannot create a trust by conveying the interest"). Plaintiffs do not allege that Reverend Moon *owned* the first $70,000 deposited in the Diplomat National Bank account that he later directed be held in trust; rather, they contend that those funds "came from an account held in Reverend Moon's name." Compl. ¶ 27.[9]

This word play is surely purposeful to preserve the position that Reverend Moon advanced in a criminal tax case against him thirty years ago. In 1982, Reverend Moon was convicted of tax evasion for his failure to pay taxes from 1973 to 1975. *See generally United States v. Moon*, 718 F.2d 1210 (2d Cir. 1983). Reverend Moon's defense there was that the money at issue – cash deposits maintained in bank accounts that were "held in Reverend Moon's name," *compare Moon*, 718 F.2d at 1216 *with* Compl. ¶ 27 – were not owned by him personally, but held in his capacity as trustee for the Unification Church. *See id.* at 1217. In other words, thirty years ago Reverend Moon disclaimed ownership of the very funds that Plaintiffs now claim that he had the right to

[9] Nor do Plaintiffs allege that UCJ or any of the other unnamed "Unification Church entities" who deposited funds into the Diplomat National Bank account thereby transferred ownership of those funds to Reverend Moon, as opposed to the Church or some other entity. *Id.*

transfer into trust.[10] Plaintiffs' deft pleading is not enough to overcome their failure to plead that Reverend Moon had a transferrable ownership interest in the bank account funds.

B. Plaintiffs Have Failed to Allege Well-Pleaded Facts to Establish That Preston Moon Was a Co-trustee of the Oral Charitable Trust.

To succeed on their breach of trust claim, Plaintiffs must set forth well-pleaded facts from which the Court could find it plausible that Preston Moon was designated, and accepted the appointment, as trustee of the oral charitable trust. *See Sankel v. Spector*, 33 A.D.3d 167, 173 (N.Y. App. Div. 2006) (stating that "an individual designated as a trustee cannot be compelled to act as such, or accept the burdens of the position against his or her will, and the designee is not qualified to act until he accepts the designation"); Bogert's Trusts and Trustees § 150 at 77 (1979) ("No man should have duties imposed upon him without his consent."); Restatement (Third) of Trusts § 35 cmt. a ("A person who has not accepted the office cannot be compelled to act as trustee."). Plaintiffs' pleading on this issue is as insufficient as their pleading of the oral charitable trust itself.

Plaintiffs have not alleged any writing showing that Preston Moon ever was designated as a trustee or that he ever accepted the duties of a trustee. Nor have they alleged any actual words that were spoken by anyone designating Preston Moon as a trustee, or any of Preston Moon's own words accepting such designation. Instead, Plaintiffs' sole allegation on this essential element is that, "[w]hen he became a Director of UCI Moon also became a trustee of the trust created by Reverend Moon." Compl. ¶ 104. This is a conclusory legal claim that is not entitled to a presumption of truth. *See Mazza*, 18 A.3d at 790-91. The contention also stands in stark contrast to the allegations concerning Preston Moon's predecessors at UCI, Dr. Pak and Joo, which are that,

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[10] The Second Circuit concluded that the evidence "reveals no proof that Moon actually held the subject funds in trust." *Id.* at 1224. The only relevant evidence at trial, the court explained, came from the testimony of international church members, who testified that their giving money to Moon was intended as a gift to the Church, not to be held in trust. *See id.*

when each of them became the President of UCI, each "understood that he continued to be a trustee of the trust created by Reverend Moon in 1975" and that UCI would hold the assets to implement the purposes of the trust. *See* Compl. ¶¶ 102-103. No similar allegation is made with respect to Preston Moon when he became a Director of UCI. *Compare* Compl. ¶ 104.

Other allegations in the Complaint likewise demonstrate the implausibility of Plaintiffs' contention that Preston Moon is a co-trustee. Among the series of letters that Plaintiffs cite from Unification Church constituents criticizing Preston Moon's leadership at UCI, not one mentions that Preston Moon is a trustee of an oral charitable trust. *See* Exs. H-L. Nor do any of the letters' signatories claim to be writing on behalf of the trust or as co-trustees. *See id.* Moreover, although Moon allegedly has resigned from several Unification Church entities, Compl. ¶ 81, and is alleged to have been directed to resign from UCI, *id.* ¶ 6, there is no allegation that he has ever been requested to resign or has been removed from a position as a co-trustee of the purported oral charitable trust. The obvious explanation for that glaring omission is that a person cannot resign or be removed from a fictional entity, the entity that Plaintiffs' Complaint refers to as "the Unification Church International trust." Compl. ¶ 2.

C. Any Oral Charitable Trust Terminated in 1977 Upon Transfer of the Entire Trust *Res* to UCI.

Lastly, Count I for breach of trust must be dismissed because Plaintiffs' own allegations establish that any oral charitable trust that may have existed terminated with the creation of, and transfer of the trust *res* to, UCI. A trust cannot exist without trust property. *See Cabaniss*, 464 A.2d at 91. According to the Complaint, in 1977, two years after the creation of the oral charitable trust, the title of the entire trust *res* was conveyed to the corporate form of UCI. Compl. ¶ 30. The formation of UCI therefore had the legal effect of separating the trust from its *res* and terminating the trust's existence. As one state Supreme Court has explained:

> [U]nlike a trust, a charitable corporation is spawned as an independent entity possessing free will to the extent provided by its own articles of incorporation, bylaws, and the laws of the state in which it is incorporated. While these corporate entities are directed by a charitable purpose, they remain autonomous unto themselves in maintaining and perpetuating the nature and classification of this purpose. Specifically, a corporation acquires its existence and authority to act from the state and, as such, is a creature of statute.

City of Picayune v. S. Reg'l Corp., 916 So.2d 510, 523 (Miss. 2005).

As discussed, UCI's original Articles and Bylaws vest full governing authority in the Board of Directors and do not recognize any external control. *See* Exs. A & C. Indeed, UCI's incorporators, who included Dr. Pak, expressly provided for no external control over UCI's governance by unequivocally stating that "[t]he Corporation shall have no members." Ex. A at Art. Fourth; *compare* D.C. Code § 29-301.35(1), 301.41(1) (examples of powers of voting members). Case law requires that one should look only to the four corners of UCI's Articles and Bylaws to determine the parties' intent in incorporating the company. *See e.g.*, *Meshel v. Ohev Sholom Talmud Torah*, 869 A.2d 343, 362 (D.C. 2005) (explaining that bylaws should be construed as a contractual agreement and so should be interpreted as a whole in a manner consistent with the clear, simple, and unambiguous meaning of its language).

Had the oral charitable trust wished to exert control over UCI and its assets, Reverend Moon or an agent of Reverend Moon could have been named as a voting member of UCI. The decision not to name any members at all establishes beyond dispute that the oral charitable trust, to the extent that it existed at all, assigned complete, unfettered title to the trust *res* to UCI upon UCI's incorporation and thereafter ceased to exist. *See In re Superior-Pacific Fund*, 693 A.2d 248, 252 (Pa. Commw. Ct. 1997) (holding that a former corporate trustee's governing power was extinguished upon distribution of the trust assets to a newly formed non-profit corporation); *see also In re Myra Found.*, 112 N.W.2d 552, 556 (N.D. 1961) (holding that trust created by will

terminated upon the establishment of a charitable corporation, also created by will, to which the testator's estate was transferred).

V. COUNT III MUST BE DISMISSED BECAUSE PLAINTIFFS FAIL TO ALLEGE FACTS SUFFICIENT TO SHOW THAT PRESTON MOON WAS AN AGENT OF THE FAMILY FEDERATION.

District of Columbia courts apply a two-fold test for determining whether an agency relationship exists:

> First, the court must look for evidence of the parties' *consent* to establish a principal-agent relationship. Second, the court must look for evidence that the activities of the agent are subject to the principal's *control*.

Jackson v. Loews Washington Cinemas, Inc., 944 A.2d 1088, 1097 (D.C. 2008) (original emphasis, citations omitted). The Court of Appeals has enumerated five factors relevant to this analysis:

> (1) the selection and engagement of the servant, (2) the payment of wages, (3) the power to discharge, (4) the power to control the servant's conduct, (5) and whether the work is part of the regular business of the employer.

Id. (quotations omitted). Plaintiffs do not – and cannot – allege facts sufficient to satisfy the two-part test to establish that Preston Moon is an agent of The Family Federation. *See* Compl. ¶ 125.

A. Plaintiffs Do Not Allege That Preston Moon Consented to Be The Family Federation's Agent.

"[T]o establish an agency relationship, the agent must consent to act as such." *Goodman v. Woods*, 259 A.2d 594, 596 (D.C. 1969); *see also, e.g., Davey v. King*, 595 A.2d 999, 1002 (D.C. 1991) ("[A]n agency relationship is established 'when one person authorizes another to act on his behalf subject to his control, and *the other consents to do so.*'") (quoting *Henderson v. Charles E. Smith Mgmt.*, 567 A.2d 59, 62 (D.C. 1989) (emphasis added). Plaintiffs, however, do not allege that Preston Moon ever, orally or in writing, consented to be The Family Federation's agent. Instead, Plaintiffs allege that Preston Moon consented to become President and Chairman of the Board of UCI, and thereby "agreed" to become an agent of The Family Federation. Compl. ¶ 125;

see also id. ¶¶ 3, 17, 47. But this conclusory assertion lacks any well-pleaded factual support. Plaintiffs do not identify a single writing – whether of The Family Federation or UCI – that designates the head of UCI to be an agent of The Family Federation. Nor do Plaintiffs allege that Preston Moon ever has spoken or written any words in which he has acknowledged his supposed status as agent of The Family Federation. Indeed, Plaintiffs do not allege any facts that would establish that Preston Moon *knew* that, by becoming the head of UCI, he also would become an agent of The Family Federation.

B. Plaintiffs Do Not Allege That The Family Federation Had a Right To Control Preston Moon's Conduct as President of UCI.

Plaintiffs also fail to allege facts sufficient to establish the second element of an agency relationship: the principal's right to control the agent. *See, e.g., Jackson*, 944 A.2d at 1097 ("the right to control. . . is usually dispositive of whether there is an agency relationship"). Plaintiffs cite to no document of The Family Federation or UCI that establishes such control. To the contrary, UCI's Bylaws clearly provide that the President is "subject to the control of the Board of Directors." Ex. C. at Art. III § 9. The Board also has the authority to elect and to remove the President. *See id.* at Art. III §§ 3, 5. Nothing in the original Bylaws or Articles subjects the President to the control of The Family Federation, or requires The Family Federation's approval to appoint or remove the President.

UCI's corporate governance documents are also dispositive of the last two factors in the *Jackson* analysis – payment of wages and whether the work is part of the regular business of the employer. *See Jackson*, 944 A.2d at 1097. The President's salary, like those of all of UCI's officers, is determined by the Board of Directors. Ex. C at Art. III § 15. The Family Federation has nothing to do with it. And the President's responsibilities – the supervision and control of "all of the affairs and property" of UCI, *id.* at Art. III § 9; Compl. ¶ 34 – plainly encompass *UCI's*

regular business, not that of The Family Federation. In short, Plaintiffs have pled facts that establish that Preston Moon was not The Family Federation's agent, thereby requiring the dismissal of Count III.

VI. PLAINTIFFS' AIDING AND ABETTING CLAIMS AGAINST THE INDIVIDUAL DEFENDANTS MUST BE DISMISSED FOR FAILURE TO STATE A CLAIM.

A. Plaintiffs Have Failed to Plead a Factual Basis for Aiding and Abetting Liability for Any of the Individual Defendants.

Counts I, II, and III all purport to assert claims that the Individual Defendants aided and abetted Preston Moon or each other in breaching various duties. As demonstrated above, Plaintiffs' underlying claims on each Count must be dismissed for lack of standing or failure to state a claim; accordingly, Plaintiffs' corresponding aiding and abetting claims must likewise be dismissed. But even if Plaintiffs' underlying claims could somehow survive, Plaintiffs have failed to state a claim for aiding and abetting liability against the Individual Defendants.

Aiding and abetting liability—whether as to breach of trust or breach of fiduciary duty—requires the defendant's knowledge of the breach. *See* Restatement (Second) of Trusts § 326 cmt. a (1959) (third person is liable for "participation in [a] breach of trust" if he "participates with the trustee in committing a breach of trust, knowing that he is committing a breach of trust."); *Nat'l R.R. Passenger Corp. v. Veolia Transp. Servs., Inc.*, 592 F. Supp. 2d 86, 94 (D.D.C. Jan. 8, 2009) (elements of aiding and abetting a breach of fiduciary duty include "knowledge of [the] breach by the alleged aider and abettor") (quotations omitted) (citing *Halberstam v. Welch*, 705 F.2d 472, 477 (D.C. Cir. 1983)).

Plaintiffs do not allege that any Individual Defendant knew that any conduct by any other Individual Defendant constituted a breach of trust or a breach of a fiduciary duty. In fact, with regard to Counts I and III, Plaintiffs do not even allege that the other Individual Defendants were aware of Preston Moon's supposed status as a "trustee" of any purported trust or as an "agent" of

The Family Federation, let alone that any of Preston Moon's actions might violate a duty that he owed pursuant to any such relationship. "[A] plaintiff may not merely rely on conclusory and sparse allegations that the aider or abettor knew or should have known about the primary breach of fiduciary duty." 37 C.J.S. Fraud § 15. Allegations as to the Individual Defendants' knowledge are entirely absent here, thus compelling dismissal of the aiding and abetting claims.

B. Allegations Against Defendants Kim and Kwak Are Non-Existent.

The absence of any individualized factual allegations against Defendants Kim and Kwak requires dismissal of (1) the aiding and abetting claims in Counts I, II, and III and (2) the direct claim against them in Count II. The only mention of any individualized action by Kim and Kwak is itself the undifferentiated legal conclusion that "these individuals joined in Preston Moon's scheme to take control of the Corporation and divert its assets." Compl. ¶ 74. Other than that one isolated reference, they are lumped together with the other defendants and referred to as the "other Individual Defendants" or the "Board of Directors of UCI." *See, e.g.,* Compl. ¶¶ 83-84, 86, 93-94. Such collective or group pleading does not satisfy Plaintiffs' pleading obligation, which requires the averment of facts specific to each defendant against whom a claim is stated to survive a motion to dismiss. *See, e.g., Invamed, Inc. v. Barr Labs., Inc.*, 22 F. Supp. 2d 210, 218 (S.D.N.Y. 1998) ("[C]onclusory use of the term 'Defendants' does not allege, let alone establish, that the [defendants] independently engaged" in unlawful conduct); *Hasenfus v. Corporate Air Servs.*, 700 F. Supp. 58, 62 (D.D.C. 1988) (holding "conclusory statements and allegations that nonresident defendants were co-conspirators" insufficient).

VII. COUNTS IV, V, AND VI MUST BE DISMISSED BECAUSE UCJ LACKS STANDING AND HAS FAILED TO STATE A CLAIM BASED ON UCI'S ALLEGED IMPROPER USE OF UCJ'S DONATIONS.

The crux of Counts IV, V, and VI of the Complaint is that UCI did not use funds that UCJ donated as UCJ intended. Those counts must be dismissed because courts have long and

consistently held that a donor to a charitable organization does not have standing to sue the organization for allegedly improper use of donated funds. *See Carl J. Herzog Found. v. Univ. of Bridgeport*, 699 A.2d 995, 997-99 (Conn. 1997) (citing Restatement (Second) of Trusts § 348, cmt. f and compiling cases from multiple jurisdictions). Moreover, even if UCJ did have standing to enforce the use that it intended for the donations, UCJ has not alleged viable claims of breach of contract, promissory estoppel or unjust enrichment. UCJ's attempt to plead these causes of action fails because the Complaint ignores the unique nature of charitable contributions, which the law expressly treats as serving – and indeed belonging to – the public, not the donors.

A. UCJ Lacks Standing to Enforce the Charitable Purpose for Which It Allegedly Donated Funds to UCI.

It is well-settled that a donor to a charitable corporation does not have standing to sue the organization to which it made the donation on the ground that the organization did not use the donated funds as intended. *See Herzog*, 699 A.2d at 997-99; *see also Hooker*, 579 A.2d at 611-12 (applying law regarding standing to enforce charitable trust in context of charitable corporation). Instead, the law specifically provides another process for the enforcement of promises like the one that UCJ alleges was broken here – a suit by the Attorney General to protect the public's interest in the proper use of charitable contributions. *See Herzog*, 699 A.2d at 997-99; *see also Hooker*, 579 A.2d at 611-12. As explained in the often-cited *Herzog* case, a suit by the Attorney General is the proper mechanism for enforcing a charitable organization's use of donated funds because the donor relinquishes ownership and control of the donated property upon making the donation. *See Herzog*, 699 A.2d at 997-98 (citations omitted).[11] Plaintiffs have acknowledged the power of the Attorney General to seek such relief, as they have sent notice of their Complaint to the District of

[11] The exception to this general rule – where the donor has expressly reserved an interest in the donated property, and therefore an individual right to sue – is inapplicable here. *See Herzog*, 699 A.2d at 997. UCJ has not alleged that it specifically reserved an interest in the money it donated to UCI.

Columbia Attorney General's Office. *See* Certification of Notice, filed May 27, 2011.[12] Accordingly, Counts IV, V, and VI, all of which allege that during Preston Moon's tenure UCI did not use UCJ's charitable contributions as UCJ intended, must be dismissed for lack of standing.

B. UCJ Has Failed to State a Claim for Breach of Contract Based on Its Donations to UCI.

UCJ's breach of contract claim (Count IV) must be dismissed for the additional reason that Plaintiffs have failed to allege essential elements of a contract. UCJ does not anywhere allege that a written contract governed UCJ's donations to UCI. Rather, UCJ seems to suggest that the Court should recognize either an express oral contract or an implied-in-fact contract based on the parties' conduct. As with allegations of oral charitable trusts, the Court of Appeals has expressed skepticism of such allegations, especially when, as here, both parties to the contract are experienced and sophisticated businesses:

> While the absence of a written contract is not dispositive, it does cast doubt on whether the parties agreed to all of the material terms and agreed to be bound by any agreement. Further, the lack of a written agreement raises serious questions as to why experienced businessmen engaged in a complex transaction did not clarify in writing exactly what the subject matter, scope, duration, and terms of the agreement were.

Strauss v. Newmarket Global Consulting Grp., LLC, 5 A.3d 1027, 1036 (D.C. 2010) (citations omitted). As demonstrated below, such skepticism is particularly warranted here.

1. The alleged contract claim fails to allege adequate consideration.

Whatever its contract theory, UCJ's claim must fail because the alleged contract lacks consideration: UCI already was obligated by law and its Articles to perform the promise that UCJ claims to have extracted in return for its donations. *See Rinck v. Ass'n of Reserve City Bankers*, 676 A.2d 12, 16 (D.C. 1996) (consideration required to make contract enforceable); *Sloan v.*

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[12] Even then, the relief obtainable by the Attorney General is not, as UCJ seeks here, the return of the donated funds, but rather equitably compelling the organization to use the donated funds consistent with its stated purpose. *See Herzog*, 699 A.2d at 977-98.

Sloan, 66 A.2d 799, 800-01 (D.C. 1949) ("promise to do a thing which the promisor is already bound to do is not a good consideration"). It is a basic tenet of contract law that consideration does not exist where a party is already bound by law to perform as promised. *See Sloan*, 66 A.2d at 800-01; *see also Youngblood v. Vistronix, Inc.*, Civ. No. 05-21, 2006 WL 2092636, at *4 (D.D.C. July 27, 2006) ("It is a general maxim of contract law that a party cannot offer as consideration a duty that the party is already obligated to perform."). In this case, UCI is a charitable organization that is bound by law to use the donations that it receives to further its stated corporate purposes – the same purposes towards which UCI allegedly promised UCJ that it would put UCJ's donations. *See Herzog*, 699 A.2d at 997 (charitable corporation is under duty to devote contribution to purpose for which it was given). The Complaint therefore does not allege that UCI agreed to take on any legal obligation beyond the one that already covered UCJ's donations – which means that the Complaint has not alleged the required consideration for UCJ's alleged contract with UCI.

2. Other essential elements are absent from UCJ's contract claim.

Moreover, the Complaint fails to allege two other basic elements of a valid, legally binding oral contract: "agreement as to all the material terms and an objective manifestation of the parties' intent to be bound by the oral agreement." *Strauss*, 5 A.3d at 1032; *see also Jack Baker, Inc. v. Office Space Dev. Corp.*, 664 A.2d 1236, 1238 (D.C. 1995) (same) (citation omitted); *Georgetown Entm't Corp. v. District of Columbia*, 496 A.2d 587, 590 (D.C. 1985) (same) (citation omitted).[13]

As to the first of those elements, UCJ describes the alleged contract in only the most general fashion – and without nearly enough facts to allow the Court to determine whether UCJ can plausibly establish that UCI breached those terms. *See Twombly*, 550 U.S. at 570. The

[13] UCJ would also need to allege these elements for the Court to choose to exercise its equitable powers and recognize an implied-in-fact contract. *See New Econ. Capital, LLC v. New Markets Capital Grp.*, 881 A.2d 1087, 1094-95 (D.C. 2005) (implied-in-fact contract requires elements of true contract).

Complaint does not even allege whether UCJ is alleging the existence of one contract, which governed all of its donations to UCI from 1977 through 2009, or multiple contracts, each of which governed an individual donation. Also absent from the Complaint are any allegations as to other material terms that would make up any contract – for example, the timing, amount or method of payment; any means by which UCI would apprise UCJ of how the money was used; or important here, any recourse that UCJ would have should UCI not use the money in keeping with UCJ's intent. *See New Econ. Capital*, 881 A.2d at 1096-97 (no oral contract because parties had not agreed on terms of payment or what services would be rendered). In addition, the descriptions of both the contract and of the alleged breach – "us[ing] the Japanese Church's contributions for purposes for which they were not intended," Compl. ¶ 134 – are so vague that the Court and UCI do not have sufficient information to determine whether the acts alleged even constitute a breach or whether they fall within the statute of limitations.

With respect to the other essential element – that both parties manifest intent to be bound by the terms of the contract – UCJ has failed to plead facts that demonstrate an objective manifestation of such intent by UCI. The Complaint is entirely unilateral. It simply alleges UCJ's own understanding that the funds that it donated to UCI would further the purposes of the Unification Church, as broadly defined in UCI's original Articles, but says nothing about UCI's intent or understanding in accepting the donations. Compl. ¶ 44 ("[T]he Japanese Church donated the funds to the Corporation with the intent that these funds and any assets acquired by UCI with those funds would be held in trust for the benefit of the Unification Church and used to support Unification Church-related activities."); ¶ 45 ("It was the *Japanese Church*'s understanding that all donated funds would be used in furtherance of the mission and purpose of UCI as expressed in the Corporation's original Articles of Incorporation.") (emphasis added); ¶ 133 (contributions were

premised on "*the* understanding" that the funds would be used in a particular fashion) (emphasis added). Such one-sided expressions of intent cannot be the basis for a valid contract. *See Strauss*, 5 A.3d at 1032.

The facts that UCJ actually manages to allege in the Complaint demonstrate that there was no contract between it and UCI. According to UCJ, between 1977 and 2005, representatives of UCI "communicated with representatives of the Japanese Church before the Japanese Church made donations to UCI in order to explain to the Japanese Church the need for the funds and how the funds would be used by the Corporation." Compl. ¶ 45. The District of Columbia Court of Appeals has held that this sort of case-by-case – or donation-by-donation – decision-making indicates the absence of a binding contract. *See Strauss*, 5 A.3d at 1035.

In addition, an August 19, 2009, letter from Kim to Daniel Gray of UCI, UCI's then General Counsel, cited in the Complaint, establishes that there was never any contract. *See* Compl. ¶ 78; Ex. K. Plaintiff Kim wrote in that letter that "the intent and objectives of major contributors are essential factors that *should guide* use of designated funds" – not that UCI was bound by contract or any agreement to use the funds in any particular manner. *Id.* at 3 (emphasis added). Indeed, Plaintiff Kim emphasized that UCJ's contributions to UCI were "purely voluntary." *See id.* The Complaint's own allegations plead UCJ out of its contract claim.

C. UCJ Has Failed to State a Claim for Promissory Estoppel Based on Its Donations to UCI.

UCJ attempts to dress up its untenable breach of contract claim as a claim for promissory estoppel (Count V) but with no greater success. Indeed, UCJ has not alleged any of the elements that are required for a court to grant equitable relief on a promissory estoppel theory: (1) that the plaintiff suffered injury; (2) due to reasonable reliance on the promise; and (3) that enforcement of

the promise is necessary to prevent injustice. *See Simard v. Resolution Trust Corp.*, 639 A.2d 540, 552 (D.C. 1994).

First, UCJ has not averred any well-pleaded facts, nor could it, to establish that it has suffered injury. UCJ's interest in the donated funds ceased once it made each donation. The *Herzog* court explained that upon a completed donation to a charity "the donor has effectually passed out of himself all interest in the fund." 699 A.2d at 998 (citation omitted). Any injury after that point arising from a charitable corporation's misuse of donations is incurred by the public, not the donor. *Id.* at 997-98 (citations omitted); *see also Hooker*, 579 A.2d at 611-12.

Second, UCJ could not, as a matter of law, have reasonably expected to control the use of its donation, absent an express reservation of an interest in the donated property, which UCJ has failed to allege here. *See Herzog*, 699 A.2d at 997. A continued course of conduct, such as UCI's alleged 30-year history of complying with the alleged "promise," Compl. ¶ 142, does not support UCJ's claimed reasonable reliance. *See Tauber v. Jacobson*, 293 A.2d 861, 867 (D.C. 1972) ("It is well established that mere expectancy of a continued course of conduct is not enough" to support relief on a promissory estoppel theory.).

Third, enforcement of the alleged promise is not necessary to prevent injustice. *See Moss v. Stockard*, 580 A.2d 1011, 1035 (D.C. 1990) ("[T]he inherently equitable doctrine of promissory estoppel . . . allows the court to enforce a promise absent a binding contract only when to do so would prevent an injustice."). There is no threat of injustice here because the Attorney General is specifically (and solely) tasked under these circumstances with protecting the public interest and preventing any misuse of funds by charitable corporations.

Finally, even if the court did find that UCJ had adequately pled the elements of a claim for promissory estoppel, the remedy would be enforcement of the terms of the alleged promise –

meaning "proper" use by UCI of the donated funds – not restitution and certainly not punitive damages. *See Moss*, 580 A.2d at 1034 (successful promissory estoppel claim results in enforcement of promise); *see also Mamo v. District of Columbia*, 934 A.2d 376, 386 (D.C. 2007) (same). Accordingly, both UCJ's promissory estoppel claim and its requested relief are inconsistent with the law.

D. UCJ Has Failed to State a Claim for Unjust Enrichment Based on its Donations to UCI.

UCJ's unjust enrichment claim (Count VI), which is based on the same alleged misuse of UCJ's donations, similarly fails because UCI cannot on the alleged facts have been enriched at UCJ's expense. A court will grant relief on a theory of unjust enrichment "when a person retains a benefit (usually money) which in justice and equity *belongs to another*." *Harrington v. Trotman*, 983 A.2d 342, 346 (D.C. 2009) (emphasis added). As alleged in the Complaint, UCI has not retained anything that rightfully belongs to UCJ. As soon as UCJ made each donation to UCI, it became divested of any interest in the donated property. *See* Sections VII.A & C, *supra*, at 30, 34. Any interest in enforcing the donation's use was that of the public, and the public alone. *Id.* Therefore, any injustice that resulted from UCI's alleged misuse of the donated funds may be remedied only by the Attorney General's enforcement of UCI's charitable purpose – not by the return of money to UCJ. *See Herzog*, 699 A.2d 997 ("attorney general may maintain a suit to compel the property to be held for the charitable purpose for which it was given to the corporation").

VIII. THE CLAIMS AGAINST THE INDIVIDUAL DEFENDANTS MUST BE DISMISSED BECAUSE THE COURT LACKS PERSONAL JURISDICTION OVER THEM UNDER THE DISTRICT OF COLUMBIA LONG-ARM STATUTE.

Plaintiffs incorrectly assert that the Court has personal jurisdiction over each of the Individual Defendants under the District of Columbia long-arm statute, D.C. Code §§ 13-

423(a)(1), (3), (4). *See* Compl. ¶ 9. Accordingly, the Complaint against the Individual Defendants must be dismissed for lack of personal jurisdiction.

A. Plaintiffs' Summary Allegations Against the Individual Defendants Are Insufficient To Establish Grounds For The Exercise of Personal Jurisdiction.

Many of Plaintiffs' allegations are insufficient to support personal jurisdiction because they do not, as required, allege facts that specifically connect each defendant with the forum. *See NAWA USA v. Bottler*, 533 F. Supp. 2d 52, 55 (D.D.C. 2008); *see also Murphy v. PriceWaterhouseCoopers, LLP*, 357 F. Supp. 2d 230, 242-43 (D.D.C. 2004), *rev'd in part on other grounds by Schuler v. PriceWaterhouseCoopers, LLP*, 595 F.3d 370 (D.C. Cir. 2010). As explained in *NAWA USA*:

> On a motion to dismiss for lack of personal jurisdiction . . . the plaintiff bears the burden of establishing a factual basis for the court's exercise of personal jurisdiction over the defendant. The plaintiff must allege specific facts connecting the defendant with the forum. Bare allegations and conclusory statements are insufficient. *Such a showing must be made with respect to each defendant individually.*

533 F. Supp. 2d at 55 (citations omitted) (emphasis added).

Ignoring this pleading requirement, Plaintiffs instead lump together the alleged actions of the Individual Defendants other than Preston Moon, such that the Court cannot differentiate what one defendant has allegedly done versus another. *See, e.g.*, Compl. ¶¶ 83-84 (Preston Moon and "Board of Directors" amended UCI's Articles of Incorporation; Preston Moon and "other Individual Defendants" caused amended Articles of Incorporation to be filed), 89 ("Individual Defendants" cooperated in supporting Preston Moon's projects), 92-94 ("Individual Defendants" helped Preston Moon leverage assets in South Korea; Preston Moon and "other Individual Defendants" sold UCI properties). In *Murphy*, the court found that the plaintiff had failed to establish personal jurisdiction over a number of individual defendants in part because the complaint alleged only that members of the defendant company's board of directors "collectively

and individually have been and are responsible for [the conduct] alleged in the Complaint" and "have maintained and implemented the [offending] policies and practices." 357 F. Supp. 2d at 243 (quoting complaint). "Nowhere in the complaint [was] it alleged that the individual defendants specifically made decisions regarding [the alleged conduct] or had any contact . . . that would satisfy the 'minimum contacts' analysis." *Id.* Plaintiffs' summary allegations similarly fail to specify actions that connect each individual to the District of Columbia and, thus, cannot be the basis for personal jurisdiction over Individual Defendants Sommer, Perea, Kwak, and Kim.

B. Plaintiffs' Specific Allegations Against the Individual Defendants Are Insufficient to Establish Long-Arm Jurisdiction Over Them.

As to the specific allegations made against the Individual Defendants, Plaintiffs have failed to aver well-pleaded facts to satisfy any of the three grounds upon which they claim that the Court could exercise personal jurisdiction under the District of Columbia long-arm statute. Compl. ¶ 9.

1. None of the Individual Defendants is alleged to have transacted any business in the District of Columbia.

D.C. Code § 13-423(a)(1) permits the Court to exercise jurisdiction over "a person, who acts directly or by an agent, as to a claim for relief arising from the person's . . . transacting any business in the District of Columbia." To establish "transacting business" jurisdiction, a plaintiff must show that (1) the non-resident defendant "transacted business" within the District of Columbia, (2) the defendant's contact with the District of Columbia gives rise to the claim, and (3) the assertion of jurisdiction is consistent with due process. *See Gowens v. Dyncorp*, 132 F. Supp. 2d 38, 41 (D.D.C. 2001). Plaintiffs have failed to satisfy this burden as to any of the Individual Defendants.

Preston Moon. Plaintiffs volley a host of allegations against Preston Moon, but only one of his purported acts is alleged to have occurred in the District of Columbia. Plaintiffs, for instance, do not allege that the District of Columbia was the location for the alleged Board meetings or the

alleged change of Board composition, Compl. ¶¶ 58-67, 83; the alleged acts of self-dealing, Compl. ¶¶ 49-51; or the alleged decisions to sell property, Compl. ¶¶ 93-95. The only specific alleged act by Preston Moon that has any connection to the District of Columbia is that he "caused" the filing of UCI's revised Articles. Compl. ¶ 84. However, it would be inconsistent with due process to hail Preston Moon into court in this jurisdiction simply because UCI is legally required to file amendments to its Articles in the District of Columbia. That filing, which Preston Moon is only alleged to have "caused," is not the kind of purposeful act in the District of Columbia that warrants the exercise of personal jurisdiction over him.

Sommer and Perea. The majority of allegations against Sommer and Perea are undifferentiated from those against the remaining Individual Defendants. The only individualized allegations against Sommer and Perea are their refusal to attend a UCI Board meeting in July 2009, Compl. ¶ 64, and their attendance at a Board meeting in August 2009 at which Kim and Joo were removed as directors, Compl. ¶ 66. Neither of these meetings is alleged to have occurred in the District of Columbia. There are, therefore, no individualized allegations that Sommer and Perea "transacted business" in the District of Columbia.

Kwak and Kim. Plaintiffs' allegations against Kwak and Kim also, with one exception, are undifferentiated from those leveled against the other Individual Defendants. *See, e.g.,* Compl. ¶¶ 83-84, 86, 93-94. The sole exception is the claim that "they joined in Preston Moon's scheme to take control of the Corporation and divert its assets." Compl. ¶ 74. That claim is insufficient to support personal jurisdiction over Kwak and Kim because it is conclusory and because it does not allege any connection to the District of Columbia. *See NAWA USA*, 533 F. Supp. 2d at 55; *see also Brunson v. Kalil & Co.*, 404 F. Supp. 2d 221, 226 (D.D.C. 2005) ("conclusory statements" do not satisfy burden of establishing personal jurisdiction). The allegation also does not differentiate

between the actions of Kwak and Kim, which as discussed above, is required so that the court can determine which defendant did what (if anything) to "join in [the] scheme." Compl. ¶ 74.

2. Plaintiffs do not allege that the Individual Defendants committed a tortious act or omission in the District of Columbia or caused tortious injury in the District of Columbia.

Plaintiffs likewise have failed to allege facts to support personal jurisdiction over any of the Individual Defendants under the tortious injury clauses of the long-arm statute. *See* D.C. Code § 13-413(a)(3), (4). *See Moncrief v. Lexington Herald-Leader Co.*, 807 F.2d 217, 221 (D.C. Cir. 1986) (noting that those clauses are intentionally circumscribed to "stop short of the outer limits of due process").

First, for the reasons detailed above, Plaintiffs have failed to allege, as required under D.C. Code § 13-413(a)(3), that any of the Individual Defendants engaged in "an act or omission in the District of Columbia" (except for Preston Moon's sole alleged act of causing the filing of the amended Articles).

Second, the Complaint contains no allegation that any of the Plaintiffs suffered "tortious injury in the District of Columbia." *Id. See Helmer v. Doletskaya*, 290 F. Supp. 2d 61, 68 (D.D.C. 2003), *aff'd*, 393 F.3d 201 (D.C. Cir. 2004) ("The District's long-arm statute . . . distinguishes sharply between the act or omission which causes the injury and the injury itself.") (quotation marks and citation omitted). Each of the Plaintiffs appears to allege some form of economic injury. And although the issue has not been addressed squarely by the Court of Appeals, the D.C. Circuit has held that economic injury occurs at "the location of the *original* event which caused the injury." *See Helmer*, 393 F.3d at 208 (quotation marks and citation omitted) (emphasis added); *Elemary v. Philipp Holzmann A.G.*, 533 F. Supp. 2d 116, 129 (D.D.C. 2008). By that measure, none of the Plaintiffs has been injured in the District of Columbia because none of the original events that caused their alleged injuries occurred here.

3. Plaintiffs have not alleged any of the "plus" factors that are required for the Court to exercise personal jurisdiction under D.C. Code § 13-423(a)(4).

Plaintiffs also have failed to establish any of the "plus" factors that would be required for the court to exercise personal jurisdiction over any of the Individual Defendants under D.C. Code § 13-423(a)(4), even if they had caused tortious injury in the District of Columbia. To be subject to personal jurisdiction under § 13-423(a)(4), a nonresident defendant who committed an act outside of the District of Columbia that caused a tortious injury in the District must also satisfy one of three "plus" factors, separate from and in addition to the plaintiff's claim. Those "plus" factors are: (1) regularly soliciting or doing business in the District; (2) engaging in any other persistent course of conduct in the District; or (3) deriving substantial revenue from goods used or consumed, or services rendered, in the District. *See Kissi v. Hardesty*, 3 A.3d 1125, 1130 (D.C. 2010). *See also D'Onofrio v. SFX Sports Group, Inc.*, 534 F. Supp. 2d 86, 93 (D.D.C. 2008) (factors must be "separate from and in addition to the in-state injury").

Plaintiffs fail to plead, let alone establish, any of these factors. Nowhere in the Complaint do Plaintiffs aver that any of the Individual Defendants regularly engages in business or a persistent course of conduct in the District of Columbia. Plaintiffs likewise assert no allegations that any Individual Defendant derives "substantial revenue" from his dealings in the District of Columbia. Indeed, Plaintiffs do not allege that any Individual Defendant has personally received *any* revenue or income from his dealings in the District. Accordingly, Plaintiffs have failed to plead, and thus to establish, any of the "plus" factors that are required for the exercise of personal jurisdiction under D.C. Code § 13-423(a)(4).

C. The Fiduciary Shield Doctrine Bars the Court From Exercising Personal Jurisdiction Over the Individual Defendants.

This Court does not have personal jurisdiction over the Individual Defendants just because it has jurisdiction over UCI. *See Flocco v. State Farm Mut. Ins. Co.*, 752 A.2d 147, 163 (D.C.

2000) ("[A] court does not have jurisdiction over individual officers and employees of a corporation just because the court has jurisdiction over the corporation.") (citation omitted); *see also NAWA USA*, 533 F. Supp. 2d at 57 ("Just because Defendants were employed by, or were members of the board of directors of, a company which does business in the District, is not by itself sufficient to establish minimum contacts."). Under the fiduciary shield doctrine, only conduct that is undertaken in a person's individual capacity counts for jurisdictional purposes; acts that are conducted in one's corporate capacity do not. *See Flocco*, 752 A.2d at 162 ("[W]hen there are no allegations that a nonresident defendant's contacts . . . were for the purpose of transacting business as an individual, but rather were only to perpetuate a corporation's business, that defendant cannot be sued individually under the 'transacting business' prong of the long-arm statute.") (quotations omitted). A defendant acts within the scope of his employment, and under the protection of the fiduciary shield doctrine, as a long as he engages in conduct that he is authorized to perform within the corporation. *See id.* at 163.

Here, each and every one of Plaintiffs' allegations arises out of quintessential corporate conduct that was undertaken within the scope of the Individual Defendants' duties as officers and directors of UCI. Plaintiffs may take issue with the corporate decisions as described in the Complaint, but they do not allege that any of the underlying conduct was done in the individual, as opposed to the corporate, capacities of the Individual Defendants. As a result, the fiduciary shield doctrine bars the exercise of personal jurisdiction over those Defendants.

For all of the above reasons, the Complaint must be dismissed as to Individual Defendants for lack of personal jurisdiction.

CONCLUSION

For the forgoing reasons, Defendants respectfully request that the Court dismiss all counts of the Complaint with prejudice.

DATED: July 8, 2011

Respectfully submitted,

/s/
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The Family Federation for World Peace and Unification, et al.

v.

UCI, et al.

Ca. No. 2011 CA 003721B

INDEX TO EXHIBITS

Defendants' Memorandum of Points and Authorities In Support of Their Joint Motion to Dismiss the Complaint

Exhibit	Description
A	Articles of Incorporation of Unification Church International, Feb. 2, 1977
B	Articles of Amendment to Articles of Incorporation of Unification Church International, Apr. 27, 2010
C	By-Laws of Unification Church International, Feb. 2, 1977
D	Order Granting in Part and Denying in Part Defendants' Motion to Dismiss Plaintiff's First Amended Complaint, *Steinbronn v. Times Aerospace USA, LLC, et al.*, Case No. 2009 CA 009127 R(RP) (D.C. Super. Ct.) (Burgess, J.), July 7, 2010
E	Excerpts from Hearing Transcript, *Steinbronn v. Times Aerospace USA, LLC, et al.*, Case No. 2009 CA 009127 R(RP), May 20, 2010
F	Order Granting in Part Defendants' Motions to Cancel *Lis Pendens* and to Impose Sanctions, *Steinbronn v. Times Aerospace USA, LLC, et al.*, Case No. 2009 CA 009127 R(RP), Aug. 25, 2010
G	Judgment, *Steinbronn v. Times Aerospace USA, LLC, et al.*, No. 10-CV-1150 (D.C.), June 8, 2011
H	Letter from Douglas D.M. Joo to Directors of UCI, Aug. 4, 2009
I	Statement Concerning UCI, Aug. 9, 2009
J	Letter from Peter Kim to Hyun Jin Moon, Aug. 14, 2009
K	Letter from Peter Kim to Daniel Gray, Aug. 19, 2009
L	Letter from leaders of the Unification Church to Hyun Jin Moon, Aug. 11, 2010
M	Letter from Hyung Jin Moon to Hyun Jin Moon, Apr. 8, 2011

EXHIBIT A

ARTICLES OF INCORPORATION

OF

UNIFICATION CHURCH INTERNATIONAL

We, the undersigned natural persons of the age of twenty one years or more, acting as incorporators of a not for profit corporation under Title 29, Chapter 10 of the Code of Laws of the District of Columbia, adopt the following Articles of Incorporation for such corporation:

FIRST: The name of the corporation (which is hereinafter referred to as the "Corporation") is:

UNIFICATION CHURCH INTERNATIONAL

SECOND: The period of the duration of the Corporation shall be perpetual.

THIRD: A. Purposes. The purposes for which the Corporation is organized are as follows:

(1) To operate exclusively for religious, charitable, educational, literary and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954.

(2) To serve as an international organization assisting, advising, coordinating, and guiding the activities of Unification Churches organized and operated throughout the world.

(3) To promote the worship of God, and to study, understand and teach the Divine Principle, the new revelation of

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God, and, through the practical application of the Divine Principle, to achieve the interdenominational, interreligious, and international unification of world Christianity and all other religions.

(4) To establish, support and maintain, anywhere in the world, such place or places for the worship of God and for the study, understanding and teaching of the Divine Principle as may be necessary or desirable, to further the theology of the Unification Church.

(5) To publish and disseminate throughout the world, newspapers, books, tracts and other publications in order to carry forward the dissemination and understanding of the Divine Principle, the unification of world Christianity and all other religions, or otherwise to further the purposes of the Corporation.

(6) To sponsor and conduct cultural, educational, religious, and evangelical programs for the purpose of furthering the understanding of the Divine Principle, the unification of world Christianity and other religions, world peace, harmony of all mankind, interfaith understanding between all races, colors and creeds throughout the world, and for such other purposes consistent with the Divine Principle and the purposes of the Corporation.

(7) To organize, build, own, rent, lease, maintain and otherwise operate churches, schools, hospitals, missions, cultural institutions, homes for the aged and infirm, rest

homes, orphanages and other benevolent enterprises conforming to the laws of the country and locality in which they shall be situated or conducted. This Corporation may acquire by purchase, gift, bequest or otherwise, and may hold, control, and cause to be conveyed such property, real and personal, as may be necessary and useful to carry out any or all of its purposes and powers.

(8) In general, to take any action consistent with its nonprofit status and not contrary to the District of Columbia Nonprofit Corporation Act; to have and exercise all of the powers conferred by said Act upon corporations formed thereunder; to do any and all of the acts and things herein set forth, to the same extent as natural persons could do.

B. Prohibitions. In the event the Corporation qualifies for exemption as a corporation described in Section 501(c)(3) of the Internal Revenue Code of 1954, as amended (hereafter sometimes referred to as the "Code"):

(1) This Corporation shall not possess or exercise any power or authority either expressly, by interpretation, or by operation of law that will or might prevent it at any time from continuing to so qualify, nor shall it engage directly or indirectly in any activity which might cause the loss of such qualification.

(2) No part of the assets or net earnings of this Corporation shall ever be used, nor shall this Corporation ever be organized or operated, for purposes that are not exclusively religious, charitable, scientific, literary, or educational within the meaning of Section 501(c)(3) of the Code.

(3) This Corporation shall never be operated for the primary purpose of carrying on a trade or business for profit.

(4) No substantial part of the activities of this Corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation; nor shall it participate or intervene in any manner, or to any extent, in any political campaign on behalf of any candidate for public office, whether by publishing or distributing statements, or otherwise.

(5) At no time shall this Corporation engage in any activities which are unlawful under the laws of the United States of America, the District of Columbia or any other jurisdiction where its activities are carried on.

(6) No solicitation of contributions to this Corporation shall be made, and no gift, bequest or devise to this Corporation shall be accepted, upon any condition or limitation which, in the opinion of the Corporation, may cause the Corporation to lose its exemption from payment of Federal income taxes.

(7) No part of the assets or net earnings, current or accumulated, of the Corporation shall inure to the benefit of or be distributable as dividends or otherwise to directors, officers, employees or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make payment and distributions in furtherance of the purposes and objectives as set forth in this Paragraph THIRD above.

(8) No director, officer or employee of or member of a committee of or person connected with the Corporation, or any other private individual shall be entitled to share in the distribution of the corporate assets upon the dissolution of the Corporation. Upon such dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation then remaining in the hands of the board of directors shall, after paying or making provisions for payment of all of the liabilities of the Corporation, be distributed, transferred, conveyed, delivered, and paid over only to educational, scientific, religious, literary and charitable organizations that have been held to be exempt from Federal income tax as are described in Section 501 (c)(3) of the Internal Revenue Code and which are not private foundations within the meaning of Section 509(a) of the Internal Revenue Code, except that no such distributions shall be made to organizations testing for public safety, upon such terms and conditions and in such amounts and proportions as the Board of Directors maintains and determines, to be used by such institutions receiving the same exclusively for educational, literary, scientific, religious and charitable purposes.

(9). In the further event that the Corporation shall, at any time or times, be deemed to constitute a "private foundation" as that term is defined in Section 509(a) of the Internal Revenue Code, then the Corporation shall:

(a) distribute its income for each taxable year at such time and in such manner as not to subject the Corporation to tax under Section 4942 of the Internal Revenue Code;

(b) not engage in any act of self-dealing as defined in Section 4941 of the Internal Revenue Code;

(c) not retain any excess business holdings as defined in Section 4943 of the Internal Revenue Code;

(d) not make any investments in such manner as to subject the Corporation to tax under Section 4944 of the Internal Revenue Code; and

(e) not make any taxable expenditures, as defined in Section 4945 of the Internal Revenue Code.

FOURTH: The Corporation shall have no members.

FIFTH: The right to vote on any and all matters affecting the Corporation shall be vested exclusively in the Board of Directors of the Corporation.

SIXTH: The number, terms of office, manner of election and duties of the Board of Directors shall be set forth in the Bylaws of the Corporation.

SEVENTH: The internal affairs of the Corporation shall be regulated by the Board of Directors, whose actions shall be consistent with the requirements of the District of Columbia Nonprofit Corporation Act and the Bylaws of the Corporation.

EIGHTH: The post office address of the initial registered office of the Corporation in the District of Columbia shall

be 918 Sixteenth Street, N.W., Washington, D.C. 20006. The registered agent at such address is C T Corporation System.

NINTH: The number of Directors constituting the initial Board of Directors of the Corporation is five. Their names and addresses are as follows:

Mrs. Hak Ja Han
723 South Broadway
Tarrytown, New York

Mr. Bo Hi Pak
1800 Briar Ridge Road
McLean, Virginia

Mrs. Won Pok Choi
723 South Broadway
Tarrytown, New York

Mr. David S. C. Kim
723 South Broadway
Tarrytown, New York

Mr. Won Pil Kim
71-3 1st Ka, Chungpa-Dong
Yongsan-Ku
Seoul, Korea

The number of Directors of the Corporation shall be provided in the Bylaws, provided that the number of Directors shall not be less than three. The initial Board of Directors shall serve until their successors shall be elected and qualify.

The Directors recognize and acknowledge that the Reverend Sun Myung Moon has provided the inspiration and spiritual leadership for the founding of the Corporation and is the spiritual leader of the international Unification Church movement.

TENTH: The names and addresses of the incorporators are as follows:

Bo Hi Pak
1800 Briar Ridge Road
McLean, Virginia

Judith A. Lejeune
519 Four Mile Road
Alexandria, Virginia

Sandra M. McKeehan
519 Four Mile Road
Alexandria, Virginia

Bo Hi Pak

Judith A. Lejeune

Sandra M. McKeehan

Dated: February 1, 1977

DISTRICT OF COLUMBIA)
) SS:
)

I, Louis C. Lowder, a Notary Public, hereby certify that on the 1st day of February, 1977, personally appeared before me Bo Hi Pak, Judith A. Lejeune and Sandra M. McKeehan, who signed the foregoing document as incorporators, and represented to me that the statements therein contained are true.

Louis C. Lowder
Notary Public

[Notarial Seal]

My Commission Expires: July 31, 1981

EXHIBIT B

ARTICLES OF AMENDMENT

TO

ARTICLES OF INCORPORATION

OF
Unification Church International

To: D.C. Department of Consumer
and Regulatory Affairs
Business and Professional Licensing Administration
Corporations Division
1100 4th Street, SW
Washington, D.C. 20024

1. The name of the corporation is Unification Church International.

2. The following Amendment of the Articles of Incorporation was adopted by the Corporation in the manner prescribed by the District of Columbia Nonprofit Corporation Act:

FIRST: The name of the corporation (which is hereinafter referred to as the "Corporation") is:

UCI

THIRD: The purpose for which the Corporation is organized is to conduct activities that support educational, cultural, charitable, and religious purposes; and within such limits,

(a) To promote and conduct educational, cultural, and religious programs for the purpose of furthering world peace, harmony of all humankind, interfaith understanding among all races, colors and creeds throughout the world; and

(b) To promote interdenominational, interreligious, and international unification of world Christianity and all other religions; and

(c) To promote and support the understanding and teaching of the theology and principles of the Unification Movement, and

(d) To publish and disseminate throughout the world, newspapers, books, tracts, other publications and forms of media in order to further the purposes of the Corporation; and

(e) In furtherance of the Corporation's purposes set forth above, to exercise all powers available to corporations organized pursuant to the District of Columbia Nonprofit Corporation Act, including, but not limited to the following:

(1) To purchase, take, receive, lease, take by gift, devise, or bequest, or otherwise acquire, own, hold, improve, use, and otherwise deal in and with, real or personal property, or any interest therein, wherever situated;

(2) To sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of all or any part of its property or assets; and

(3) To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, loan, pledge, gift, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligations of, other domestic or foreign corporations, whether for profit or not for profit, associations, partnerships, or individuals, or direct or indirect obligations of the United States, or of any other government, state, territory, governmental district, or municipality or of any instrumentality thereof.

ELEVENTH: Upon dissolution of the Corporation, all of its assets and property of every nature and description remaining after the payment of all liabilities and obligations of the Corporation (but not including assets held by the Corporation upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution) shall be paid over and transferred to one or more domestic or foreign corporations that engage in activities which are similar to those described in Article THIRD hereof.

3. The Corporation's Amendment to the Articles of Incorporation were duly adopted at a meeting of the Board of Directors of the Corporation held on April 14, 2010, by a vote of a majority of the Board of Directors in office, there being no members having voting rights in respect thereof.

IN WITNESS WHEREOF, the Corporation has caused this Amendment to the Articles of Incorporation to be signed in its name by its President and attested to by its Secretary on this 27 day of April, 2010.

UNIFICATION CHURCH INTERNATIONAL

President HYUN JIN MOON

Attest:

Secretary DANIEL F. GRAY

EXHIBIT C

BY-LAWS

OF

UNIFICATION CHURCH INTERNATIONAL

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the Corporation shall be in Washington, D.C.

Section 2. Other Offices. The Corporation may also have offices at such other places both within and without Washington, D.C. as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Number; Term; Election.

1.1 The Board of Directors shall consist of five (5) members, except that the number of directors may be increased or decreased from time to time by amendment of these By-Laws.

1.2 Unless removed earlier in accordance with Article II, Section 2, each director shall hold office for a term of five (5) years. The term of each director shall end coincident with the election of his successor at the annual meeting of the Board of Directors of the Corporation on October 1 of each year. In the event

ORIGINAL

that a director's successor is not elected at the annual meeting of the Board of Directors on October 1, then that director shall continue to hold office until the requisite action to elect his successor is taken.

1.3 The terms of the directors shall be staggered to the end that beginning in 1977 one position on the Board of Directors shall be filled by election in each year. Accordingly, notwithstanding the provisions of 1.2, the terms of the initial Board of Directors named in the Articles of Incorporation shall expire with the election of their respective successors in the following years:

Directors	Expiration Date of Initial Term
Hak Ja Han	1981
Bo Hi Pak	1980
Won Pok Choi	1979
David S. C. Kim	1978
Won Pil Kim	1977

1.4 The position of a director whose term has expired shall be filled by the election of a new director, by majority vote of the remaining directors, at the annual meeting of the Board of Directors. The director whose term has expired shall be eligible for reelection.

Section 2. Removal. The Board of Directors, by majority vote at any regular meeting or at any special meeting, may remove any person from the office of director of the Corporation with or without cause.

Section 3. Annual Meetings; Regular Meetings.

3.1 The annual meeting of the Board of Directors of the Corporation shall be held at the office of the Corporation, in Washington, D.C., or at any other

place designated by a majority of the directors (within or without Washington, D.C.) of the Corporation, on the first day of October, commencing with the year 1977, in each and every year, at 1:00 in the afternoon, or if such date be a legal or religious holiday, on the next business day, for the purpose of electing one or more directors and for the transaction of such other business as may properly come before the meeting. Notice of the time and place of the annual meeting of the Board of Directors shall be served, either personally or by mail, not less than ten (10) nor more than fifty (50) days before the date of the meeting upon each director, and if mailed, such notice shall be (i) directed to the director at his residence or business address as it appears in the records of the Corporation and (ii) deemed to be delivered when deposited in the United States mail addressed to the director at such address with postage thereon prepaid.

3.2 Regular meetings of directors may be held on a date or dates and at a time or times to be designated from time to time by resolution of the Board of Directors (without further notice to the directors), at such place within or without Washington, D.C. as may be determined from time to time by the directors.

Section 6. Special Meetings. Special meetings of the Board of Directors may be called at any time by the Chairman of the Board, and in his absence, by the President, and in the absence of the Chairman of the Board and the President, by the Vice President, and in the absence of the Chairman of the Board, the President, and the Vice President, by the Treasurer or Secretary of the Corporation, and shall be called by the Secretary upon oral or written request to him by any two members of the Board of Directors.

Section 5. Notice of Special Meetings. Notice of any special meeting shall be given, personally or by mail, cable, cablegram, telex or telegraph to each director not less than two (2) days prior to the meeting, and, if mailed, such notice shall be directed to each of the directors at his residence or business address as it appears in the records of the Corporation.

Section 6. Waiver in Writing. Any director may, insofar as he is concerned, waive notice of any meeting by execution of a written waiver.

Section 7. Waiver by Attendance. Any director who attends a meeting shall be deemed to have had timely and proper notice of the meeting, unless he attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 8. Quorum. No business shall be conducted at any meeting of directors unless a quorum shall be present. The presence of a majority of the directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 9. Adjournment. The directors present at the time and place of any regular or special meeting which has been properly called on due notice, although less than a quorum, may adjourn the meeting from time to time without further notice until a quorum shall attend, and thereupon any business may be transacted which might have been transacted at the meeting as originally called had the same been then held.

Section 10. Voting. At all meetings of directors, each director shall have one vote.

Section 11. Vacancies in the Board. Any vacancy in the Board of Directors occurring during the year through death, resignation, removal, or other cause shall be filled for the unexpired portion of the term by majority vote of the directors present at any regular or special meeting of the Board of Directors.

Section 12. Action Without Meeting. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed, either before or after such action, by all of the directors.

Section 13. Action by Conference Call. Members of the Board of Directors may participate in a meeting of the Board of Directors by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at

such meeting. When such a meeting is conducted by means of a conference telephone or similar communications equipment, a written record shall be made of the action taken at such meeting.

Section 14. Compensation of Directors. The directors shall not receive any stated salary for their services as directors, but by resolution of the Board of Directors a fixed fee and expenses of attendance may be allowed for attendance at each meeting of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity as an officer, agent, or otherwise, and receiving compensation therefor.

Section 15. Manner of Acting. The act of the majority of the Board of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 16. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

ARTICLE III

OFFICERS

Section 1. Officers. The officers of the Corporation shall be a President, a Vice-President, a Treasurer, an Assistant Treasurer, a Secretary and an Assistant Secretary. The Board of Directors may elect such other officers as they shall deem necessary, who shall have such authority and perform such duties as shall from time to time be prescribed by the Board of Directors.

Section 2. Qualification. The Board of Directors may, from time to time, specify qualifications for officers of the Corporation. Other than the Chairman of the Board and the President, officers need not be directors. One person may hold two offices, except that the same person may not be President and Secretary.

Section 3. Election. Officers shall be elected by majority vote of the Board of Directors at the annual meeting of the Board of Directors, except that the initial officers shall be elected at the organizational meeting of the Board of Directors. If an election of officers is not held at an annual meeting, such election shall be held as soon thereafter as convenient.

Section 4. Term. Each officer shall hold office until his successor shall have been duly elected or until his death, resignation or removal.

Section 5. Removal. Any officer elected by the Board of Directors may be removed by majority vote of the Board of Directors, with or without cause, whenever in its judgment the best interests of the Corporation would be served thereby. Such removal shall be conclusive on the officer or employee so removed and shall be effective immediately, but without prejudice to the contract rights, if any, of the officer so removed.

Section 6. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 7. Subordinates. All officers, agents and employees, other than officers appointed by the Board of Directors, shall hold office at the discretion of the officer appointing them. More than one position may be held by one person.

Section 8. Chairman of the Board. The Chairman of the Board of Directors shall preside at all meetings of the directors and shall perform such other duties and do such other things as may be designated by the Board of Directors.

Section 9. President. The President shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors, shall in general

supervise and control all of the affairs and property of the Corporation. In the absence of the Chairman of the Board he shall preside at all meetings of the Board of Directors. The President may sign checks in the name and on behalf of the Corporation, and with the Secretary, he may sign, in the name and on behalf of the Corporation, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in such cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; in general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. He shall appoint and discharge, subject to the approval of the directors, employees and agents of the Corporation and fix their compensation.

Section 10. Vice President. In the absence of the President, or in the event of his death, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 11. Secretary. The Secretary shall: (i) keep the minutes of the proceedings of the Board of Directors in one or more books provided for that purpose; (ii) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (iii) be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its seal is duly authorized; (iv) keep a register of the post office address of each Director which shall be furnished to the Secretary by such Director; and (v) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 12. Assistant Secretary. In the absence of the Secretary, or in the event of his death, inability or refusal to act, the Assistant Secretary shall perform the duties of the Secretary, and when so acting, shall have all

the powers of and be subject to all the restrictions upon the Secretary. The Assistant Secretary shall perform such other duties as from time to time may be assigned to him by the President, the Secretary or the Board of Directors.

Section 13. Treasurer. The Treasurer shall: (i) have charge and custody of and be responsible for all funds of the Corporation; (ii) receive and give receipts for any money due and payable to the Corporation from any source whatsoever, and deposit all such money in the name of the Corporation in such banks, trust companies or other depositaries as shall be maintained by the Corporation; (iii) disburse money on behalf of the Corporation; and (iv) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors, including maintenance of the books and records of the Corporation. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall render to the President and the Board of Directors at annual and regular meetings of the Board of Directors, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Corporation.

Section 14. Assistant Treasurer. In the absence of the Treasurer or in the event of his death, inability or refusal to act, the Assistant Treasurer shall perform the duties of the Treasurer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer. The Assistant Treasurer shall perform such other duties as from time to time may be assigned to him by the President, Treasurer or the Board of Directors.

Section 15. Salaries. Officers may receive reasonable compensation for services actually rendered, as determined by the Board of Directors.

ARTICLE IV

COMMITTEES: ADVISORY PANEL

Section 1. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the directors in office, may designate one or more ad hoc or standing committees, each of which shall consist of two or more directors appointed by the Board of Directors. The committees shall, to the extent provided in said resolution, have and exercise the authority of the Board of Directors in the management of the Corporation.

Section 2. Term. Each member of a committee, other than a member of an ad hoc committee, shall continue as such until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee or unless such member shall cease to qualify as a member thereof.

Section 3. Chairman. The Board of Directors shall appoint one member of each committee as its chairman.

Section 4. Vacancies. A vacancy in the membership of any committee may be filled by appointment made in the same manner as provided in the case of the original appointment, i.e., by the Board of Directors.

Section 5. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of the majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 6. Rules. Each committee may adopt rules for its own government not inconsistent with these By-Laws or with rules promulgated by the Board of Directors.

Section 7. Advisory Panel. The Board of Directors, by resolution or resolutions adopted from time to time, may designate an Advisory Panel, made up of prominent and knowledgeable individuals qualified to assist the Board of

Directors, to advise the Board of Directors with respect to policies and programs.

ARTICLE V

CONTRACTS, ETC.

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes and other evidences of indebtedness issued in the name of the Corporation shall be signed by the President or Treasurer and/or such other officer or officers or agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3. Deposits. All funds received by the Corporation and not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositaries as the Board of Directors may select, and shall be subject to withdrawal on written order of such person or persons as may be designated by the Board of Directors from time to time.

Section 4. Bonds. The Board of Directors may require any officer, agent or employee of the Corporation to give a bond to the Corporation, conditioned upon the faithful discharge of his duties, with one or more sureties and in such amount as may be satisfactory to the Board of Directors.

Section 5. Books and Records. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors (and committees having any of the authority of the Board of Directors), and shall keep at the registered or principal office a record giving the names and addresses

of the Board of Directors and the officers of the Corporation. All books and records of the Corporation may be inspected by any Director, his agent or attorney for any proper purpose at any reasonable time.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 1. Voting Stock Held in Other Corporations. Unless otherwise ordered by the Board of Directors, the President shall have full power and authority, on behalf of the Corporation, to attend and to act and vote at any meetings of stockholders of any corporation in which the Corporation may hold stock; and at any such meeting the President shall possess and may exercise any and all rights and powers incident to the ownership of the stock and which, as the owner, the Corporation might have possessed and exercised if present. The Board of Directors, by resolution from time to time, may confer like powers upon any other person or persons.

Section 2. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of April and end on the thirty-first day of March of the following year.

Section 3. Seal. The seal of the Corporation shall be in the form of a circle and shall bear the name of the corporation and the words "Corporate Seal-1977-District of Columbia."

Section 4. Amendment of By-Laws. The Board of Directors may amend or repeal these By-Laws at any meeting.

Section 5. Indemnification. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corpora-

tion as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement by him in connection with such action, suit or proceeding to the full extent permitted by the laws of the District of Columbia. Expenses incurred in defending a suit, proceeding, civil or criminal action shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding to the extent, if any, authorized by the Board of Directors, in accordance with the provisions of the laws of the District of Columbia, upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation.

Section 5. Effective Date. These By-Laws shall be effective as of February 2, 1977.

EXHIBIT D

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

CIVIL DIVISION

RICHARD A. STEINBRONN	:	
	:	
Plaintiff,	:	
	:	
v.	:	**Case No. 2009 CA 009127 R (RP)**
	:	**Judge Burgess**
TIMES AEROSPACE USA LLC, et al.	:	**Calendar 3**
	:	
	:	
Defendants.	:	

ORDER GRANTING IN PART AND DENYING IN PART DEFENDANTS' MOTION TO DISMISS PLAINTIFF'S FIRST AMENDED COMPLAINT

Upon consideration of Defendants' Motion To Dismiss Plaintiff's First Amended Complaint, the opposition, and the reply, and for the reasons stated at the May 20, 2010 hearing, it is hereby:

ORDERED that the motion is **GRANTED in part and DENIED in part**, and it is hereby further

ORDERED that Count One is **DISMISSED WITH PREJUDICE** in its entirety, and it is further

ORDERED that the claims for Theft and Tortious Interference are **DISMISSED WITH PREJUDICE**, and it is further

ORDERED that plaintiff may proceed with his claims for Conversion and Invasion of Privacy, and plaintiff may file an amended Complaint with respect to those claims.

SIGNED IN CHAMBERS

July 7, 2010

A. Franklin Burgess, Jr.
Judge

Copies eserved to:

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Counsel for Plaintiff

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Blair G. Brown, Esq.
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1800 M Street, N.W.
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Washington, D.C. 20036
Counsel for Defendants

EXHIBIT E

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

CIVIL DIVISION

RICHARD A. STEINBRONN,	:	
	:	
Plaintiff ,	:	
v.	:	Civil Action No.
	:	2009 CA 009127
TIMES AEROSPACE USA,	:	
	:	
Defendant.	:	

Washington, D.C.

Thursday, May 20, 2010

The above-entitled action came on for a Scheduling Conference Hearing, before the Honorable FRANKLIN BURGESS, JR., Associate Judge, in Courtroom Number 518, commencing at approximately 2:15 p.m.

THIS TRANSCRIPT REPRESENTS THE PRODUCT OF AN OFFICIAL REPORTER, ENGAGED BY THE COURT, WHO HAS PERSONALLY CERTIFIED THAT IT REPRESENTS THE TESTIMONY AND RECORDS OF TESTIMONY AND PROCEEDINGS IN THE CASE AS RECORDED.

APPEARANCES:

On behalf of the Plaintiff:
ROBERT BORAKS, Esquire
Washington, D.C.

On behalf of the Defendant:
BLAIR BROWN, Esquire
STEVEN SALKY, Esquire
Washington, D.C.

JACQUELINE L. WOOD,
Official Court Reporter
Telephone: 879-1795

of the Unification Church in the secular world is sufficiently intricate and longstanding and multifaceted that he should have standing.

THE COURT: You are saying because of that he has a special interest under the law of Hooker?

MR. BORAKS: No.

THE COURT: In other words, are you alleging that he has -- I will say again. Are you saying he has a special interest or are you asking me to find some other basis for standing other than special interest?

MR. BORAKS: Special interest.

THE COURT: You are saying that he does have a special interest?

MR. BORAKS: That's what I'm saying. But it's not like Hooker.

THE COURT: It's not on the facts of Hooker, but you are saying that he has -- would you agree that the analysis -- in other words, the guidelines, the criteria, whatever the things that the Court of Appeals is telling us the law is should be used in making this decision here?

MR. BORAKS: To a degree. But with recognition of the differences that it's easy for the Court in a charitable trust case to say, and probably appropriate for the Court to say well, one of the reasons we'll go with special interest standing in this case is because there's a

limited number of identifiable beneficiaries who have a specific financial interest in the management of the trust.

So yes, that rule works well for Hooker or any other charitable trust case. But it doesn't work well for a nonprofit, nonmember, non-shareholder. And yes, I admit it. He caught me. I deliberately did not plead this case as a derivative case under Rule 23.1 because 23.1 which is itself a standing rule of some sort.

THE COURT: We don't need to get into that because you're saying he's got a special interest.

MR. BORAKS: I'm saying that.

THE COURT: I think I'm hearing you saying, Mr. Boraks, that no case has been decided on facts like this. And the facts like this that you are asserting are, number one, this is a non-member kind of an organization. So there are no members that can bring any kind of a lawsuit to correct the misdeeds so to speak of the defendant; right?

MR. BORAKS: Yes.

THE COURT: Number two, your client has been deeply involved in the ways you've described in the Unification Church.

MR. BORAKS: And its secular activities.

THE COURT: And its secular activities. And three, that there's nobody else, this is some sort of

corollary of the first one. There's nobody else to bring this suit.

MR. BORAKS: As a practical matter, yes.

THE COURT: As a practical matter. And those are the three things that you say basically are the special interests that he has.

MR. BORAKS: I'm very pleased that I think Your Honor has heard me loud and clear. I'm going to sit down now. Thank you.

THE COURT: Mr. Boraks, I don't think you've got it basically. I'm going to have to grant their motion. I understand your argument. I can see a policy that would allow that.

We've got policy issues that are discussed in Hooker that are there. We've got the possibility on the one hand that alleged misdeeds can be uncovered and that would be the case on your facts here if your client were given standing. That's on one side.

On the other side is the harassment potential, all the things that they mentioned there on the other side that would be inflicted. They're thinking about not just the good case so to speak but all kinds of cases that could be brought by this undefined set of people that might claim standing.

It all goes back to the reasonable concept of the

public. Anybody, any member of the public could bring a suit against any entity and say I want to ferret out fraud. Anybody could and the court as a matter of policy could say yes, we could do that and fraud would be ferreted out. But on the other side there would be a lot of harassment, there would be a lot of things that we wouldn't want to happen. And therefore we have this concept of standing, the injury that somebody suffered some concrete injury.

Hooker tried to lay out in the concept of chartable institutions such as this the situation in which you could establish standard. You had to be part of a small class of beneficiaries, part of a corporation in which services were directed if I could summarize it. And Mr. Salky has indicated another one here which I've read now, which I didn't notice when I first read it, which is the one about you have to really not just go to the administration but you have to be trying to correct something that goes to their existence of the entity. I think that's what he said.

I can see arguments for your side. But I don't think I'm free under Hooker to adopt those kinds of arguments. That's as plain as I can be about it. I think there are cases, and I've read a lot of them that I don't need to cite to you, about churches.

In fact, one of them is cited right here in

Hooker. The Gray versus Saint Matthews Cathedral case out of Texas in which the court did find a small group of parishioners that were the beneficiary of the Episcopal Diocese foundation of whatever it was set up there. They did have standing in that case. And there are several others that I've been able to uncover during research but nothing like this.

Your client is a member. It doesn't assert any special interest other than what you've said. The problem with your argument is number one, as a policy matter is how to figure out whether he's involved enough. He says he's very involved. That might be true.

The next person that comes in might not have been the director but he could say I've done all these other things so I'm involved. The next person could say I've done all these other things and I'm involved and judges would be doing it on a case by case basis. I don't think that's what the courts want us to do in this situation. We've got very defined kind of contours here to work within.

They point out the Attorney General is, and Mr. Salky is correct. He does have a right to bring a suit. You may be right. There are articles out there that I've read that say that is a problem with this particular doctrine that Attorneys Generals don't do that for

practical reasons. I know that. And there have been reforms suggested along these lines because that is a problem. But that's not the law we're dealing with here.

I'm going to grant their motion to dismiss for lack of standing, Mr. Boraks. And I don't think I need to get into the Ecclesiastical part of this. Is that right, Mr. Salky or not?

MR. SALKY: One of my early law professors told me that if you've won you should sit down, so I'll take the position that you don't need to reach the other grounds. I of course think that that ground is equally as powerful if not more powerful. But I will accept the lack of necessity to reach that at this point.

THE COURT: Okay. I'm going to take a recess at this point and we'll come back in let's say 20 minutes till and we'll try to wrap up. Thank you.

(Recess.)

THE COURT: Let's go ahead with the conversion.

MR. SALKY: The one point that I was going to address to the Court were issues of personal jurisdiction which I thought could use a little further elucidation. The reasons why personal jurisdiction discovery, which I think is Mr. Boraks' basic argument that you should be allowed some is not appropriate. But if the Court needs any information from me on the claims, the direct claims,

EXHIBIT F

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
CIVIL DIVISION

RICHARD A. STEINBRONN,	*	
	*	
Plaintiff,	*	
	*	
v.	*	**Case No. 2009 CA 9127 R(RP)**
	*	
TIMES AEROSPACE USA, LLC, et al.,	*	
	*	
Defendants.	*	

ORDER GRANTING IN PART DEFENDANTS' MOTIONS TO CANCEL *LIS PENDENS* AND TO IMPOSE SANCTIONS

This matter comes before the Court on consideration of separate Motions to Cancel *Lis Pendens* and to Impose Sanctions filed by Defendants Washington Television Center LLC and News World Communications, Inc.[1] Plaintiff has filed an opposition.

Upon commencing this suit, Plaintiff filed a notice of *lis pendens* as to each of the subject properties.[2] Plaintiff's theory for filing the notices of *lis pendens* is that his request for injunctive relief limiting the ability of Defendants to dispose of the properties brought the action within the scope of the *lis pendens* statute. See D.C. Code § 42-1207 (a) (2001). On July 7, 2010, however, Judge Burgess dismissed all of Plaintiff's claims except for his conversion and invasion of privacy claims, neither of which involve injunctive relief. (See Order Granting In Part Mot. to Dismiss, July 7, 2010.) Additionally, Judge Burgess granted a motion dismissing with prejudice Plaintiff's

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[1] Although the Honorable A. Franklin Burgess, Jr. is now presiding over this case, the undersigned judge agreed to retain responsibility for the *lis pendens* motions. A third motion to cancel the *lis pendens* was filed by Defendant Lafayette Realty, Inc., but it was subsequently withdrawn.

[2] The properties are: 650 Massachusetts Avenue, N.W., 2850 New York Avenue, N.E., 3500 New York Avenue, N.E., and 3600 New York Avenue, N.E.

request to prevent the sale or disposition of the real property during the pendency of this action. (See Order Granting Mot. to Dismiss Prayer for Prevention of the Sale or Disposition of Real Property, July 7, 2010.) Thus, regardless of whether it was proper for Plaintiff to file the *lis pendens* in the first place, the sole asserted basis for the *lis pendens*, the request for injunctive relief, is no longer available to Plaintiff in this case. As a result, the notices of *lis pendens* must be released.

Accordingly, it is this 5th day of August 2010,

ORDERED that Defendant Washington Television Center LLC's Motion to Cancel Lis Pendens and to Impose Sanctions and Defendant News World Communications, Inc.'s Motion to Cancel Lis Pendens and to Impose Sanctions are **GRANTED IN PART**. It is

FURTHER ORDERED that the notice of *lis pendens* filed by Plaintiff Richard A. Steinbronn with the District of Columbia Recorder of Deeds as to the real properties at: (1) 650 Massachusetts Avenue, N.W., described as Square Suffix Lot 0452 0030; (2) 2850 New York Avenue, N.E., described as Square Suffix Lot 4373 0012; (3) 3500 New York Avenue, N.E., described as Square Suffix Lot PAR 01730115; and (4) 3600 New York Avenue, N.E., described as Square Suffix Lot PAR 01730118, are hereby **CANCELLED** and **RELEASED**. It is

FURTHER ORDERED that this Order may be immediately recorded in the land records prior to the entry of final judgment in this action. It is

FURTHER ORDERED that, within fourteen (14) days, Plaintiff shall record this Order at his expense and take any such further action as is necessary to accomplish the cancellation and release of the notices of *lis pendens*. It is

FURTHER ORDERED that the Court retains its jurisdiction over these motions to resolve Defendants' request for the imposition of sanctions.[3]

Stephanie Duncan-Peters

Stephanie Duncan-Peters
Associate Judge
(Signed in Chambers)

Copy by e-service to:

The Honorable A. Franklin Burgess, Jr.
Associate Judge

Robert A. W. Boraks, Esq.
Garvey Schubert & Barer
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Blair G. Brown, Esq.
Steven M. Salky, Esq.
Zuckerman Spaeder, LLP
1800 M Street, N.W., Suite 1000
Washington, DC 20036

A TRUE COPY
TEST: 8/25/2010

Clerk, Superior Court of the
District of Columbia
By Adrienne J. Marsh
Deputy Clerk

[3] The Court is aware that Defendants are interested in selling or disposing of at least one of the properties that are the subject of this Order. Thus, in the interest of resolving the *lis pendens* issue as quickly as possible, the Court is addressing the *lis pendens* and sanctions issues in separate orders.

EXHIBIT G

District of Columbia
Court of Appeals

No. 10-CV-1150

RICHARD A. STEINBRONN,
Appellant,

v. **2009 CAR 9127**

TIMES AEROSPACE USA, LLC, *ET AL.*,
Appellees.

BEFORE: Ruiz and Thompson, Associate Judges, and Pryor, Senior Judge.

JUDGMENT

On consideration of appellant's motion for summary reversal, Washington Television Center and News World Communications' motion for summary affirmance, the opposition and reply thereto, and Washington Television Center and News World Communications' motion for leave to file the lodged appendix under seal to the motion for summary affirmance, it is

ORDERED that the unopposed motion for leave to file the lodged appendix under seal is granted, and the Clerk shall seal Ex. B, F, and H of the appendix. It is

FURTHER ORDERED that the motion for summary affirmance is granted. *See Oliver T. Carr Mgm't, Inc. v. Nat'l Deli, Inc.*, 397 A.2d 914, 915 (D.C. 1979). The trial court did not err in granting the motion to cancel the notices of lis pendens as the underlying claims that allegedly affected the title to the properties were properly dismissed because appellant lacked standing to bring the claims for injunctive relief affecting title to the property that was the subject of the lis pendens notice. *See* D.C. Code § 42-1207 (b) and (h) (2010); D.C. Code § 29-301.06 (2) (2001); *Hooker v. Edes Home*, 575 A.2d 608, 612 (D.C. 2009); *McNair Builders v. 1629 16th Street, LLC.*, 968 A.2d 505 (D.C. 2009). It is

FURTHER ORDERED that appellant's motion for summary reversal is denied. It is

FURTHER ORDERED and ADJUDGED that the order on appeal be, and hereby is, affirmed.

ENTERED BY DIRECTION OF THE COURT:

Julio A. Castillo

JULIO A. CASTILLO
Clerk of the Court

Copies to:

Honorable Stephanie Duncan-Peters

Clerk, Superior Court

No. 10-CV-1150

Blair G. Brown, Esquire
1800 M Street, NW - Suite 1000
Washington, DC 20036

Robert A. Boraks, Esquire
1000 Potomac Street, NW - 5th Floor
Washington, DC 20007

lw

EXHIBIT H

August 4, 2009

Dear Directors of UCI:

I would like to share with you a few important points, so that you will have a better understanding of what I saw as my responsibilities as UCI director, which ended this past Sunday.

Although you may not be aware, during the past several years Dr. Peter Kim and sometimes myself made significant efforts to obtain financial support for UCI. But now that Dr. Kim and I are no longer directors at UCI, neither of us has a duty to assist UCI in this task. In this respect, and speaking only for myself, I now feel relieved. I hope and expect that as directors you will focus on this important responsibility.

You should also be aware that UCI's Founder heard last weekend that there was to be a board meeting Sunday evening, called by the Chairman. The Founder had very positive expectations and was ready to invite the entire board, including the two persons he had recommended as new directors, to the West Coast area of the US, where he planned to go on Monday. He was hoping and expecting that the decisions at Sunday's meeting would be favorable and a positive turning point. Very soon, our Founder will expect a report about that board meeting and the actions taken.

My special concern now is whether UCI will continue to receive the financial support anticipated for its various projects, since the majority of UCI's board made a decision that is at variance with the recommendation of UCI's Founder -- that the board have seven members, including Ms. Sun Jin Moon, Archbishop Kim, Dr. Peter Kim and myself.

Also, at the board meeting on Sunday, before my tenure as director ended, I raised the issue of interested director/officer transactions. I was told at the meeting there were no such transactions.

It is my understanding that transactions between an organization (including subsidiaries) and other companies in which an organization's directors or officers might have an interest, are a common occurrence in today's complex business world. It is natural, therefore, to ask whether there were any such transactions. Normal business practice -- and an important duty of UCI's board – would be to

have such transactions reviewed by disinterested directors and ratified to the extent they are fair to the organization.

Though I am no longer a UCI director, I want to clarify these matters, with the hope and expectation that you will responsibly carry out your fiduciary duties to UCI, regarding its financial resources and operations. And I wish you the best of God's blessings.

Yours truly,

Dr. Douglas D.M. Joo

EXHIBIT I

Statement Concerning UCI

We understand that four persons -- Mr. Thomas McDevitt, Mr. Keith Cooperrider, Dr. Thomas Walsh and Mr. Nicholas Chiaia -- are coming to Las Vegas to meet with Archbishop Ki Hoon Kim, Dr. Peter Kim, and Dr. Douglas D.M. Joo, to discuss the future UCI and its subsidiaries, including TWT, UPI and NWC, and the providential future of the United States.

When Rev. Sun Myung Moon, Founder of UCI and TWT, learned of this, he met with Dr. Peter Kim, Dr. Chang Shik Yang, Rev. Jung Soon Cho and Dr. Douglas Joo, and said that UCI and its projects -- including the Washington Times, UPI and other media projects -- must stay centered on God and on the vision of UCI's Founder.

UCI's Founder also said that if these four persons are coming at the request of UCI's Chairman, then they should go back. UCI's Chairman went against the recommendations and expectations of UCI's Founder, by not supporting the election of two new UCI directors -- Ms. Sun Jin Moon and Archbishop Ki Hun Kim, and by removing Dr. Peter Kim and Dr. Douglas Joo from the UCI board.

If, however, these four persons understand that the actions of UCI's chairman were wrong, and want to support UCI's Founder and his vision and direction for UCI and TWT, then they will be able to meet with UCI's Founder or his designees -- such as Archbishop Kim, Dr. Peter Kim and Dr. Douglas Joo.

UCI's Founder also said that Dr. Hyun Jin Moon did not become UCI Chairman because of career achievements or education qualifications, but because he was trusted as the son of UCI's Founder who could carry the Founder's vision for UCI, TWT and other projects. That trust was broken when the UCI board changed. The Founder's real concern now is that those who support UCI and its projects may be unwilling to continue supporting UCI in this situation.

If these matters involving UCI's board cannot be resolved now, then TWT may have to temporarily stop publication until the Founder's vision for UCI and TWT are fully understood and supported, and/or until UCI's Chairman

is able to unite with UCI's Founder and restore lost trust, so that he can again be considered for positions of greater responsibility.

At 2:10 PM on August 9, 2009, UCI's Founder told Dr. Peter Kim, Dr. Chang Shik Yang , Rev. Jung Soon Cho and Dr. Douglas Joo to convey his statements to Mr. McDevitt, Mr. Cooperrider, Dr. Walsh and Mr. Chiaia as soon as possible, and that they should in turn acknowledge these statements. And the Founder also asked Archbishop Kim to inform them of these statements.

August 9, 2009

Peter H. Kim

Ki Hoon Kim

Chang Shik Yang

Jung Soon Cho

Douglas D.M. Joo

Receipt of this document and its content are hereby acknowledged by:

Thomas McDevitt

Keith Cooperrider

Thomas Walsh

Nicholas Chiaia

EXHIBIT J

August 14, 2009

Dr. Hyun Jin Moon
Chairman, Board of Directors
Unification Church International
7777 Leesburg Pike, Suite 406N
Falls Church, VA 22043

Dear Dr. Moon:

As you know, the Unification Church of Japan has provided financial support to Unification Church International (UCI) for many years, to help UCI achieve its various purposes and objectives as a supporting organization for the international Unification Church Movement.

Recently, the Church in Japan donated $10 million to UCI. This donation was to be reserved exclusively for certain projects of the Movement, as recommended by the Mission Foundation, whose function is to provide advice on such matters. We understand approximately $4.5 million was used as recommended.

We recently heard that two important projects under UCI -- The Washington Times and UPI -- now urgently need funds, due to a recent reduction in donations from the Church in Japan, which reduction occurred in response to changes in UCI governance that were contrary to what UCI's Founder had indicated.

To alleviate this financial distress, we ask that UCI temporarily loan the remaining $5.5 million of this reserve to The Washington Times and UPI, as needed to cover their operations. We also ask that UCI promptly act to satisfactorily address the issues triggering the funding reduction, so the Church in Japan can replenish that reserve fund, and continuously support UCI again.

Please advise us regarding your consideration of these matters as soon as possible.

Yours truly,

Dr. Peter H. Kim
Secretary General
Mission Foundation

Cc: Mr. Michael Runyon, President, One Up Enterprises, Inc.
Dr. Thomas Walsh, President, News World Communications LLC
Dr. Douglas D.M. Joo, Chairman, The Washington Times LLC
Mr. Thomas McDevitt, President, The Washington Times LLC
Dr. Chung Hwan Kwak, Chairman, United Press International
Mr. Nicholas Chiaia, Jr., President, United Press International

EXHIBIT K

August 19, 2009

VIA EMAIL TO: dgray@izonegroup.com

Mr. Daniel F. Gray
General Counsel and Secretary
Unification Church International
7777 Leesburg Pike, Suite 406N
Falls Church, VA 22043

Dear Mr. Gray:

On behalf of the Mission Foundation, please convey our heartfelt thanks to Chairman Dr. Hyun Jin Moon for your August 17 letter. In these challenging times, direct and clear communication between our two organizations is not only deeply appreciated but essential.

This letter will respond to the many pertinent issues your letter raised. My primary goals are to alleviate the immediate pressure surrounding these issues by coming to agreement on how to keep TWT and UPI going in the short term as well as securing future operations, and then address and resolve certain fundamental issues that have arisen in recent weeks.

First, I acknowledge your clarifying the status of the reserve fund contributed by UCJ, and confirming that $5.5 million is being maintained to support TWT and UPI. I know we share deep admiration for the sacrifice and effort of our colleagues and donors affiliated with UCJ. The common goal we share is to maintain regular funding for the noble pursuits of UCI now under the leadership of UCI's Chairman and stabilize its operations and that of its subsidiaries, especially TWT and UPI.

Cooperation between UCI, the Mission Foundation and UCJ is vital in maintaining the objectives, mission and legacy of UCI, the larger Movement and our Founder. Excellent relations between our donors and UCI have been a hallmark over the years. I am sure that through the experiences of UCI's Chairman in various successful international outreach programs, he can understand the challenge of motivating those who support this legacy with their hard-earned contributions.

Your letter referred to historical patterns and commitments of support from UCJ. I should point out that UCJ's contributions to UCI have always been voluntary. UCJ has constantly strived to contribute in accord with various budgetary and program objectives of UCJ, UCI and other organizations that UCJ supports. UCJ and UCI have always done their best on occasions when support was difficult to provide, and successfully addressed such challenges.

Now, as you are aware, UCJ faces several major unprecedented challenges. First, the overall economic situation has adversely impacted fundraising potentials. Second, there are critical legal, public relations and governmental concerns in Japan that are now being addressed to the best abilities of UCJ. Those government concerns include use of appropriate channels, appropriate levels of overseas donations relative to UCJ's overall budget, and what organizations like UCI have done with large contributions from UCJ. Most especially, UCJ was advised to first dedicate substantial resources to pay off domestic obligations resulting from numerous, ongoing lawsuits.

Accordingly, UCJ has been constrained now to reduce if not cease overseas contributions in general, and its regular support of US business-related projects under UCI in particular, until these concerns in Japan can be properly addressed. This is precisely why the MF and UCJ suggested an alternative channel from UCJ to their affiliates in America, such as the UC (HSA).

We sincerely trust that you can understand this, and are prepared to work with UCJ in the coming weeks and months to address and resolve these hopefully temporary constraints. In this regard, it is important to know that UCJ has promoted the original spiritual value-based purposes of TWT. Such purposes make UCJ support of TWT appropriate under Japanese law. MF especially encourages TWT leadership to help educate members and opinion leaders in Japan as well as the Japanese embassy in the US, concerning the appropriate purposes of TWT.

Perhaps UCI's Chairman and the UCI board was not adequately informed on why UCJ could not easily provide support through the regular channel of UCI at this time. As a result, inaccurate presumptions or conclusions may have inadvertently been drawn.

A further complication is the recent changes on the UCI board, which were not in accord with what UCI's Founder indicated. As you are undoubtedly aware, those board changes raised questions in the minds and hearts of the many donors, after they heard the Founder's great displeasure over those changes. The donors are naturally motivated by their desire to maintain our Founder's legacy through the important projects supported by UCI.

Please know that we take responsibility for any failure of communication that may have occurred on our end and would hope that UCI would make good faith efforts to do the same. Unnecessary misunderstandings may have grown out of those board actions, because they were taken without the traditional, customary consultation with our Founder. Certainly, if there were a question as to the Founder's intentions, we are confident you would take whatever actions might be needed to directly clarify his intentions.

In order to prevent any further erosion of the Founder's confidence in UCI, I earnestly appeal to UCI on behalf of the Mission Foundation to please re-establish and maintain open communications with our Founder. If UCI and particularly UCI's Chairman can do that, I am fully confident the situation can be resolved.

There are some specific points I would like to address concerning funding for UCI's subsidiaries TWT and UPI. As mentioned on page two, the current UCJ funding channel limitations regarding UCI must first be resolved. Thus it is not appropriate for MF or UCJ to commit to UCI's proposed August 21, 2009 deadline, or to any particular level of support to UCI in the coming months. Both MF and UCJ are public interest corporations, and the contributions UCI receives are purely voluntary.

It will take perhaps several weeks to coordinate a support channel suitable for all concerned. Thus, UCI should satisfy its short term requirements, at least to the end of UCI's second quarter, by using the reserve funds for operations at TWT and UPI, as advised in my letter of August 14.

On this issue of immediate funding, it is my understanding that HAS in America owes UCI approximately $4 million under an existing loan. UCI has a fiduciary duty to seek immediate repayment, and thus resolve UCI's immediate needs for TWT.

At the same time, I assure you that UCJ will do its best to provide as much as it can, via proper channels, to meet UCI's needs of $4 million or even $5 million a month. However, I must point out that most fundamental issue affecting funding, regardless of the channel, is that the UCI board changed in ways contrary to the Founder's intention. Those changes raise the issue of fiduciary duty at the UCI board level, owed to the larger Unification Movement that UCI supports, and to its Founder who continues to lead the Movement and guide UCI, consistent with longstanding historical custom.

The unalterable position of the Mission Foundation and the advice of UCJ is that this board situation be addressed immediately. Please restore the board to its original membership along with the expected two new members as requested by the Founder. The board matter, as noted, has had a direct impact on funding for UCI, caused by concerns of both our Founder and the donors.

Moreover, as you noted, in any organization that relies significantly on contributions, the intent and objectives of major contributors are essential factors that should guide use of designated funds. In fact, a common practice in board composition for both non-profits and for-profits is to have director representation based on the scale of donation or investment.

A second point of concern is the idea of closing down TWT and UPI. That is unthinkable. You said that UCI needs keep $5.5 million as a reserve fund as protection against any instability in the flow of funding in the future. Even if a close down were to be considered, one should include in any insolvency scenario the standard procedure of raising funds via capital asset and real estate liquidations and accounts receivable collections.

More importantly, the drastic move of shutting down TWT and UPI without the complete understanding of UCI's Founder would be highly inordinate, unfortunate, and have permanent adverse consequences to UCI, the larger Movement and most of all to the legacy of our Founder and the Founder's family. I do not think that even UCI's

Chairman has the authority to take such action without full and complete discussion with the Founder of UCI and TWT.

Thirdly, I am told that new and unexpected steps regarding the corporate governance at The Washington Times and other subsidiaries suddenly occurred in the past several days. Please provide your prompt justification for taking such steps. The manner in which they were carried out and the scope of control could create immediate morale and PR problems, as well as risks of litigation and veil piercing that could go from TWT all the way to UCI.

In addition, if UCI and its subsidiaries have intentions to change directors, officers and upper management at companies like The Washington Times, UPI or News World Communications, then it is most important to first report these intentions to UCI's Founder. This is a matter of corporate ethics and a long standing tradition and custom at UCI.

Your passionate expression of the Chairman's life commitment to fulfill the vision of his Father in creating UCI is deeply respected and acknowledged. We are certain that based on the Chairman's immense leadership abilities and filial heart, the tremendous strides taken at The Washington Times and even United Press International can be furthered to unprecedented levels.

Finally, you requested that the entire contents of your letter of August 17, 2009 be promptly and accurately conveyed without hesitation to our Founder. This has been done, as well as the conveyance of this letter in response. Mr. Gray, I would also ask that you please immediately deliver this letter to Dr. Hyun Jin Moon, Chairman of UCI and confirm his receipt of same as time is of the essence. It is with sincere hope and appreciation that I remain,

Respectfully yours,

Dr. Peter Kim
Secretary General
Mission Foundation

cc: Mr. Michael Runyon
Dr. Thomas Walsh
Dr. Douglas D.M. Joo
Mr. Thomas McDevitt
Dr. Chung Hwan Kwak
Mr. Nicholas Chiaia, Jr., Esq.

EXHIBIT L

August 11, 2010

Dear Dr. Hyun Jin Moon,

It is with the greatest of consternation we write in response to your written accusations in letters dated June 16, July 17 and July 27, 2010 from "UCI," the last of which was signed by your subordinate Mr. Victor Walters. That you have purposefully chosen a public forum to communicate is a clear expression of contempt for True Parents and their work. First, you have initiated discord within our movement and then you have chosen to bring it

to the attention of the public.

We would like to go on record as saying that your parents, family, and all members of the Unification Movement would welcome any expression of your sincere desire for reconciliation. Be assured that if you choose to mend relationships and return to True Parents' realm of love and grace, you would be welcomed with the appropriate protocol as a member of the True Family.

As things stand, however, all that has happened must be offered for your consideration and sober judgment:

Your behavior in the sanctuary of the church in Sao Paolo, Brazil highlights the volatility with which you conduct yourself in public in condemnation of everything you profess to represent. Whether or not Rev. Dong Mo Shin and Rev. Simao Ferabolli choose to present your physical harassment of them for criminal analysis and possible prosecution, your actions were spiritually reprehensible and irresponsible – especially in light of your espousal of "peace initiatives." The contradiction between the image you are seeking to create as the magnanimous leader of a peace movement and this conduct is painfully obvious.

The lawsuit filed in Maryland against Dr. Douglas D. M. Joo and the Seoul City court's restraining order entered against Mission Foundation, whose Chairperson is True Mother, are further examples of actions wholly inconsistent with the traditions established by True Parents.

You have convened Global Peace Festivals in direct challenge to True Father's strict orders not to. Meanwhile, people in your organization have carried out a campaign to impugn True Father's state of mind, implying that he is faltering and senile. You must take responsibility for these attempts at maligning the character of your parents and other members of your family, such as those done through various internet sites.

You have also taken away services of the jet that donors had helped purchase for use by True Parents for their mission work. We demand you stop this calculated interference and allow for resumption of service.

An honest entreaty from you to True Parents may perhaps extinguish doubts as to your motives. Thus far, however, you have provided us only a scapegoat – that is, Dr. Kook Jin Moon – as the cause of your actions. Your shallow excuse for scuttling the Washington Times is that you were not provided the necessary funds to run a newspaper, when the reality is you have betrayed the international donors by applying those funds, which you did receive, for other purposes. The donors and investors, who now see you as someone defying True Parents' wishes, are refusing to aid you.

The recent amendment to the articles of incorporation of Unification Church International is further evidence that you are enacting a parting of the ways with True Parents and the Unification Church. Such action is contrary to your commitment to remain loyal to True Parents. You have directed that the articles' references to Divine Principle and Unification Church be excised. Unification Church International as founded by your father is now merely "UCI," three meaningless letters. This change alone signals that contrary to what you are saying to members, you are separating from the Unification Church and from the True Parents' direction.

We object to your exercise of private control over the public assets of Unification Church International. These assets were accumulated through the hard work and sacrifice of True Parents and the global membership of the Unification Movement. They are not yours to use as you please. We remind you of, and demand that you recognize, the sacred tradition that private necessity has never compelled True Parents or other members of the True Family to take public assets, entrusted to them, for use in their own personal projects.

We demand you dismiss the legal actions against Mission Foundation and its Chairperson True Mother immediately. In relation to the same lawsuit, WTA v. Joo, the recent federal subpoenas served on Dr. Hyung Jin Moon at JFK International Airport in New York, Dr. Kook Jin Moon at his personal residence in New York, and Dr. Peter Kim at McCarren International Airport in Nevada should likewise be dismissed. Lastly, we ask that you graciously accept your parents' invitation to join them in daily devotions for a period of a year and their recommendation that you promptly resign from your post as Chairman of Unification Church International.

Sincerely, (in alphabetical order)

Mr. Keith Cooperrider
former Executive Vice President and CFO, The Washington Times

Rev. Joshua Cotter
Executive Vice President, HSA-UWC

Bishop Jesse Edwards
Co-President, American Clergy Leadership Conference

Mr. Dan Fefferman,
President, International Coalition for Religious Freedom

Mr. Jim Gavin
Regional Secretary General and President, Universal Peace Federation USA

Mr. Taj Hamad
Secretary General, Universal Peace Federation International

Rev. Sun Jo Hwang
Vice Chairman, UPF International

Dr. Michael Jenkins
Chairman, American Clergy Leadership Conference

Rev. Dong Woo Kim
Continental Director, FFWPU Oceania

Rev. Chae Hee Lee
Continental Director, FFWPU Canada

Rev. Sang Jin Lee
Continental Director, FFWPU, Middle East

Mr. Thomas P. McDevitt
former President and Publisher, The Washington Times

Mr. Larry Moffitt
Vice President, The Washington Times Foundation

Dr. Hyung Jin Moon
International President, Unification Church

Rev. In Jin Moon
President and CEO, Unification Church USA

Dr. Kook Jin Moon
Chairman and CEO, Tongil Group

Mrs. Lan Yung Moon
International President, Women's Federation for World Peace

Dr. Katsumi Ohtsuka
Continental Director, FFWPU Eurasia

Dr. Richard Panzer
President, Unification Theological Seminary

Dr. Neil A. Salonen
Vice Chairman, Professors World Peace Academy

Mrs. Angelika Selle
President, Women's Federation for World Peace USA

Dr. Joon Ho Seuk
President, FFWPU Korea

Rev. Dong Mo Shin
Continental Director, FFWPU Latin America & Caribbean

Dr. Yong Cheol Song

Continental Director, FFWPU Europe

Dr. Young Suk Song
President, FFWPU Japan

Archbishop George Augustus Stallings, Jr.
Co-President, American Clergy Leadership Conference

Dr. Thomas G. Walsh
President, Universal Peace Federation International

Dr. Chang Shik Yang
Continental Director, FFWPU North America

Dr. Chung Sik Yong
Continental Director, FFWPU Asia

EXHIBIT M

Family Federation for World Peace and Unification
INTERNATIONAL

13F Dowon Bldg., Dohwa 2 dong Mapo-gu, Seoul, Republic of Korea 121-728
Tel: (82-2) 3275-4200 Fax: (82-2) 3275-4220 E-mail: mission@tongil.or.kr

Hyung Jin Moon
International President
The Family Federation for
World Peace and Unification
International

April 8, 2011

BY FIRST CLASS MAIL

Hyun Jin Moon
President and Chairman of the Board of Directors
Unification Church International
7777 Leesburg Pike, Suite 406N
Falls Church, VA 22043

Re: Unification Church International Matters

My dear brother Hyun Jin (hyung) Moon:

It is heart wrenching to write to you under these circumstances. When I was in high school you were my role model and father figure. The treasures of love that you shared with me then, I still hold dear to my heart. Much has happened since I was a teenager and presently it grieves me to see us, as a family and a church, in so much suffering. As you always taught us as your younger brothers, we must be "vertically aligned" with God and our True Parents. This teaching is principled and true. It torments my heart to see a brother who provided such precious teachings forget that core. You and I are nothing without our True Parents and I believe with all my might that you know this to be true, deep in your heart. Please heed the cries of that conscience.

I am in no way perfect. I never claim to be and never will make such a claim. We are all sinners before the glory of God and our True Parents. We are allowed to come before God not because of *our* deeds, actions or accomplishments, but rather because of the indemnity, suffering, and tortures that our True Parents endured for such unworthy souls as us. Let us repent together as brothers recognizing our unworthiness before our perfect Father in Heaven and our True Parents and end this anguish. Let us tearfully kneel down in humility, repentance and in desperation call out for forgiveness and grace. Let us turn from our self-love and love the only one worthy of being loved—God and his substantial representatives, the True Parents of Heaven and Earth, your and my parents ***and*** saviors.

According to the direction of our True Parents, I am writing again to follow-up on the August 11, 2010 letter sent to you by the leaders of the Unification Church, including myself. In that letter, among other requests, we asked you to refrain from diverting the assets of Unification Church International to your own projects and recognize that those assets are held in trust for the Unification Church. Unfortunately, you refused our requests and continue to contravene the wishes of our True Parents, The Founder and the Unification Church.

On behalf of the Unification Church (Family Federation for World Peace and Unification), I provide the following non-exhaustive list of your unapproved and inappropriate actions as President and Chairman of the Board of Directors of Unification Church International:

- In January 2009, you convened a meeting of the Unification Church International board of directors and added Michael Sommer and Richard Perea as directors. The Founder and the Family Federation did not approve this action.

- Also in January 2009, you asked Thomas Walsh and Victor Walters to resign from the Unification Church International board of directors. The Founder and the Family Federation did not approve this action.

- In May 2009, The Founder instructed Dr. Douglas Joo to add two additional directors, Sun Jin Moon and Ki Hoon Kim, to the Unification Church International board of directors. You ignored this instruction, contrary to the wishes of The Founder and the Family Federation.

- On August 2, 2009, you convened a board meeting at which you called for the removal of Drs. Peter Kim and Douglas Joo as directors of Unification Church International. The Founder and the Family Federation did not approve this action.

- Also in August 2009, you caused Unification Church International to withhold $5.5 million in funds donated to Unification Church International by the Unification Church in Japan from being used for urgent operating costs at The Washington Times, which is the purpose for which the Unification Church in Japan donated those funds. The Founder and the Family Federation did not approve this action.

- In November 2009, you decided to carry forward your Global Peace Festival in the Philippines, using Unification Church International monies. The Founder and the Family Federation did not approve this action.

- In 2009, you caused Unification Church International to cease funding the Universal Peace Federation, which Unification Church International had done for years. The Founder and the Family Federation did not approve this action.

- On April 14, 2010, you convened a board meeting at which you approved amendments to Unification Church International's Articles of Incorporation, changing the corporation's name to "UCI" and removing all references to supporting Unification Churches worldwide and all references to advancing the Divine Principle. The Founder and the Family Federation did not approve this action.

- In December 2010, you caused Unification Church International to sell a property in the District of Columbia that has been held by the organization in trust for the Unification Church for years. The Founder and the Family Federation did not approve this action.

In light of these actions and your continuous refusal to recognize that Unification Church International and its assets are held in trust for the Unification Church, and on behalf of the worldwide Unification Church, I humbly direct you again to resign from your position as President and Chairman of the Board of Unification Church International. I further humbly direct you to obtain the resignations of the other current directors, Michael Sommer, Richard Perea, Jinman Kwak and Youngjun Kim, none of whom were approved by The Founder or the Family Federation. Finally, as our True Father has requested, I humbly direct you to turn over the Presidency and Chairmanship of Unification Church International to Dr. Peter Kim.

I long for the day when we can praise God and the True Parents together, weep together, forgive one another and joyfully repent, in the awe of God's grace which we do not deserve. I pray that we all may remember the teachings of a great brother who taught the world to be "vertically aligned" to God and our True Parents and to be filial children of a proud tradition. I end, sending praise and love to God and the True Parents with a heartfelt cry of "Chambumonim Okmansai!" and pray this heart spreads throughout the entire universe.

I love you always and you are in my prayers,

Your brother,

Hyung Jin Moon

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

CIVIL DIVISION

THE FAMILY FEDERATION FOR WORLD PEACE AND UNIFICATION INTERNATIONAL; THE UNIVERSAL PEACE FEDERATION, THE HOLY SPIRIT ASSOCIATION FOR THE UNIFICATION OF WORLD CHRISTIANITY (JAPAN), DOUGLAS D. M. JOO, PETER H. KIM, Individually and Derivatively on behalf of UNIFICATION CHURCH INTERNATIONAL *Plaintiffs*, HYUN JIN MOON, MICHAEL SOMMER, RICHARD J. PEREA, JINMAN KWAK, YOUNGJUN KIM, UNIFICATION CHURCH INTERNATIONAL (a/k/a UCI) *Defendants*, and UNIFICATION CHURCH INTERNATIONAL (a/k/a UCI) *Nominal Defendant.*	)	Case No. 2011 CA 003721B

[PROPOSED] ORDER

Upon consideration of Defendants' Joint Motion to Dismiss the Complaint, along with the Memorandum of Points and Authorities in support thereof, it is hereby

ORDERED that the Motion is GRANTED, and it is further

ORDERED that Plaintiffs' Complaint is DISMISSED WITH PREJUDICE in its entirety.

Dated: _____

_____
Judge Judith N. Macaluso
Superior Court of the District of Columbia

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