

In-Depth Report Legal Dispute Over The Unification Church-Owned Parking Lot In Yeouido, Seoul - Hyun Jin Moon

April 25, 2011

'Battle of the Princes' takes place in the Unification Church as a fight for 2 trillion won ensues

Unification Church Foundation, "Operating company and the former chairman who violated property rights of the church members should be held responsible"

Hyun Jin Moon's side (3rd son), "This lawsuit is clearly them trying to 'kill Hyun Jin Moon'"

Regardless of who wins the lawsuit, damages will total in the hundreds of millions of dollars

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Across from the LG Twin Towers in Yeouido, Seoul, at the address of 22 Yeouido-dong Yeongdungpo-ku where the construction of Parc 1 is taking place, there's a desolate feeling with the halting of the construction. A significant contrast can be seen when compared with the SIFC building across the street, which is showing smooth progress with several stories up already. The City of Seoul reached an agreement in 2005 with an overseas financial institution to begin the construction of the SIFC on the city owned lot and designated Yeouido as a 'Global Financial Center' in February of this year. SIFC and Parc 1 function as essential landmarks of this international financial center. The 56 story SIFC and 72 story Parc 1 were destined to become the new skyscrapers of Seoul.

The reason the construction stopped as of November, 2010 is the result of a dispute between the land owner and the **superficiary**. The original owner of the land is the "Support Foundation for the Holy Spirit Association for the Unification of World Christianity" (hereinafter referred to as the Unification Church Foundation), is the owner of this piece of land and signed a contract with Y22 Finance Investment in May of 2005, **which gave Y22 a 99 year term for control over the superficieses**.

Y22 began project financing for a building complex called "Parc 1" that would include an office building, shopping mall and hotel. Samsung C&T took charge of executing the construction and began working in the end of 2008. Currently, 25% of the construction process has been completed.

However, on October 29, 2010, the Unification Church Foundation suddenly filed a lawsuit against Y22 for the cancellation of superficieses registration **(the contract for the rights to the superficieses signed to Y22)** at the Seoul Central District Court. They claimed that the superficieses agreement from 5 years ago is invalid and thus the land should be returned to its owner. Before and after the lawsuit, hundreds of Unification Church believers gathered at the construction site protesting that "A financial company should not occupy the Holy Ground of the Unification Church", and "The World Headquarters of the Unification Church should be built in the Holy Ground in Yeouido".



(Photo: The Parc 1 construction site at 22 Yeouido-dong Youngdungpo-ku, Seoul. The construction came to a halt in the beginning of November.)

The Unification Church Foundation filed a lawsuit alluding to the relevant law clauses that “it is not legally valid to establish rights to superficies over property of a foundation without the authorization of the authorities in charge (Ministry of Culture and Tourism)”. In fact, when the agreement was signed back in 2005, authorization from the Ministry of Culture and Tourism was not duly processed. **According to Civil Code Article 43, when disposing of the property of a foundation it is necessary to submit and file an application to receive the authorization to change the articles with the authorities in charge.** An official from the Ministry of Culture and Tourism explained, “In the case of a foundation—not only in the case of disposal of property, but also in the case of ‘superficies agreements’ set with long terms like 99 years, a foundation must apply for authorization regarding the change of articles of incorporation at the respective authorities.”

Yet, Y22 argued that, “At that time, we received an authoritative interpretation stating that a long term lease of superficies was not subject to need an authorization of the respective authorities, although such terms might apply in the case of the disposal of land.” Furthermore, Y22 states that, “The registration was completed under the name of Chairman Kook Jin Moon on February 7, 2007. We can only assume that they have an ulterior motive to come back now and make an issue out of this agreement.” What could be the reason that the Why is the land owner filing a lawsuit over a contract done more than 5 years ago now that 25% of the construction process has already been completed? And what is the main background that triggered the halting of the large-scale construction process worth 2.3 trillion won?



(Photo: Unification Church founder Rev. Sun Myung Moon and his wife, Hak Ja Han, entering the celebration ceremony for the publication of Rev. Moon's autobiography. To their left stands 7th son Hyung Jin, and to their right stands 3rd son Kook Jin.)

'Pleasant and agreeable' atmosphere at the time of initial contract back in 2005

The issue in this legal dispute is: Why is it that after all this time the Unification Church Foundation now decides to contest the terms in the contract which was made based on mutual consent in 2005? This is the reason why the parties involved in the Parc 1 project, including financial institutions and operating companies, think the Unification Church is being very unreasonable in its demands.

The agreement between the Unification Church Foundation and the operating company included terms stating that Y22 would obtain <rights to the superficies of the land owned by the Unification Church Foundation for 99 years from the date of contract, and it will make payments to the foundation annually until the land is returned when the lease expires 99 years from the initial date>.

To save its affiliates from a financially aggravating situation after the currency crisis, the Unification Church Foundation was setting up collateral security on the Yeouido land, some of which was paid off by Y22 through project financing, and Y22 was able to sign a superficies agreement.

It seems that the 99 year term idea was modeled after the superficies agreement between the city of Seoul and the multi-national financial giant AIG to lease the city's property for 99 years in order to build the SIFC complex across the street from Parc 1.

In this context, the Unification Church foundation has no basis to make an issue out of the agreement terms. As the operating company or the financial institutions have presumed, it seems that the Unification Church Foundation could simply be driven by its selfishness and gred to get its property back now.

But the whole scenario becomes more complicated when one takes the internal situation of the Unification Church into consideration. Back in 2005, the agreement was formed between then Chairman Chung Hwan Kwak of the Unification Church Foundation and Paul Rogers, head of Y22. Paul Rogers is a financial expert in the Asian region for Lehman Brothers and UBS Investment Bank, and Y22 was established with an exclusive purpose to serve the Yeouido Parc 1 project in 2005.

Former Chairman Chung Hwan Kwak became a relative with Rev. Moon as an in-law and he used to be considered the second highest official in the Unification Church even a few years ago. His daughter Jun Sook married Hyun Jin Moon, the 3rd son of Rev. Moon, in 1987. Even up until the mid-2000s Hyun Jin Moon was considered to become the heir of the Unification Church, and former Chairman Kwak was considered a heavyweight within the Unification Church.

However, in 2006 former Chairman Kwak turned his position of president of the Unification Church Foundation over to Kook Jin Moon, the 4th son of Rev. Moon, who came to Korea from the US in 2006. Since then, former Chairman Kwak has not been visible in church activities. Hyun Jin Moon currently holds the position of president of the UCI foundation and he is currently residing in the US. Due to the passing of his elder brothers, Hyun Jin Moon is assuming the role of the eldest son alive.

"Trust between the land owner and the operating company has been totally shattered"

We did an inquiry to the Unification Church at its Headquarters office in the Dowon building located near the Mapo-Kongduk intersection of Seoul regarding their motive for the recent suit. Jin Sun Ahn, director of Planning and Coordination of Tongil Group explained that, "Y22 has deceived the Unification Church Foundation and its making the most precious property of the Unification Church Foundation to lose its value."

"We were aware of the fact that the construction for a 72 story and a 56 story tower was well under way. We only believed that Y22 was leasing and developing the land. However, through the media we recently found out that these two towers are up for sale to Macquarie and Mirae Asset. As the land owners we were never informed by the operating company about this issue. Then our church members came to protest this matter. As a matter of fact, the Parc 1 lot has a lot of significance to our church members and is called the "Yeouido holy ground". We initially purchased the lot for the World Mission Headquarters through the blood and sweat of the church members. But without a word to us, they decided to sell the buildings for hundreds of millions of dollars. We found this out in the press and don't understand this at all. I see that the trust between Y22 and us has been completely broken."

Like Mr. Ahn said, the 72 story and 56 story office towers will be built on the Parc 1 lot. Mirae Asset agreed to purchase the superficies of the 56 story building with its real estate funds for 804.7 billion won, and Macquarie-led Consortium will purchase the 72 story building.

Mr. Ahn explained, "We only rented out the lot but did not grant them the right to sell the building. At that time, Y22 agreed to transfer the buildings at no charge once the term for the superficies agreement is up. Until then, all the buildings constructed will be developed for a rental purpose. But, that is opposite to what is happening now. What good is it if we get the land back without the buildings 99 years from now?" He was in a fit of rage using expressions like "deception" and "fraud" frequently.

But there was still something that was unclear. The Unification Church Foundation and Y22 formed a new contract in 2006. Both parties agreed that a rate of 3.5% as an annual payment was too low as it was set in the initial agreement dated 2005. A new contract with the adjusted rate of 5% was signed and submitted to Yeongdungpo Registry Office bearing the official stamp of then Chairman Kook Jin Moon. In other words, Chairman Kook Jin Moon fully understood and consented to the 99 year term in the superficies agreement and the further details in the Parc 1 project. Kook Jin Moon fully agreed with all the terms back then.

Director Ahn commented, "There was no problem with it back then. With regard to the development of the Yeouido lot, former Chairman Chung Hwan Kwak briefed the Headquarters (i.e., Rev. Sun Myung Moon) about it and continued to do so after he was out of office. Approximately a year ago, he discontinued his briefings and reporting. When the Headquarters started wondering what was going on, they heard the news about the sale of the building. From that point on, the agreement papers and the progress were thoroughly examined and the current problematic issues surfaced."

Relationship between Chung Hwan Kwak and Y22

If the Unification Church's claims are true, why did former Chairman Chung Hwan Kwak discontinue to brief Rev. Moon about Parc 1? Why did he, in the first place, conclude an agreement with Y22 accepting a low rate of 3.5%?

Y22 is a company newly established for the Parc 1 project and holds no record of past performances. The current operating company of Parc 1 is Skylan, which was established by Y22. Thus, they can be said to be the same entity.

What is the true identity of this company? We received a tip from an anonymous source that Y22-Skylan's CEO, Paul Rogers, is a member of the Unification Church. One Christian church official said, "Paul Rogers is a believer of the Unification Church and was a major player when the Unification Church

Parc 1 Timeline	
Date	Events
May 2005	Unification Church Foundation (C.H. Kwak)-signs a 99-year superficies agreement for the Yeouido parking lot with Y22 Financial Investment
May 2006	New agreement is signed between the Unification Church Foundation (K.J. Moon) and Y22 with revised terms
Dec 2006	Construction of Parc 1 is authorized
Dec 2008	Samsung C&T begins construction of Parc 1
Feb 22 2010	City of Seoul designates Yeouido as a global financial center
Sept 17 2010	Mirae Asset board decides to purchase superficies of Parc 1 office buildings

Oct 26 2010	Unification Church Foundation files a lawsuit for cancellation of superficies registration
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purchased Central City." Even an official of the Unification Church said, "Paul Rogers himself openly admitted that he is a Unification Church believer." We received information that "after repeatedly failing to develop its Yoeuido parking lot due to the opposition of Christians the Unification Church designated a foreigner CEO to start up the company Y22 to undertake the project." However, this has not been confirmed. Furthermore, there are rumors that Y22 is owned by Hyun Jin Moon, the 3rd son (the 1st actual living son) of Rev. Moon—but this rumor has also not been confirmed. Nevertheless, it is almost impossible to imagine that 'Unification Church members' are pressing charges against one another. [One can only assume that there may be different party lines and interests involved.]

We visited the Y22-Skylan office located at the Finance Center in Kwang-Hwa-Moon, Seoul. Joo Hee Park, deputy director of the Department of Marketing at Y22-Skylan said, "We can't comprehend why the Unification Church has decided to make an issue out of this," and went on, "There were no problems with the terms of the agreement. At first we thought that possibly there was some confusion due to a change of presidents on their (Unification Church Foundation) side, but then we even signed a new revised agreement with current president Kook Jin Moon.

(missing photo)

(Photo: High level officials of the Unification Church are attending the celebration party for the publication of Rev. Moon's autobiography. Present are 3rd [4th] son Kook Jin Moon and 7th son Hyung Jin Moon among Rev. Moon's children.)

The terms of the agreement remain the same ever since and we have not breached or changed it. Because they (Unification Church Foundation) unexpectedly filed a lawsuit against us, the damage is taking a great toll on us. In regards to rights to building superficies, Mirae Asset was planning to wire in mid-October an amount of funds that was agreed to in the contract. However, that agreement with Mirae Asset has been deferred. Likewise, project financing has also become a mess. If we continue like this Parc 1 could become an abomination in Seoul."

When our journalist mentioned that, "The Unification Church Foundation came out raising the issue that the initial agreement had problems. So, isn't it necessary to examine and deal with the agreement made between former president Kwak and Paul Rogers all over again?" To this, Deputy Director Joo Hee Park answered, "Whether they change presidents or not is their own issue. But, because we had signed a new agreement with the new president Kook Jin Moon in 2006, it does not make sense to us that they would claim there's a problem with the agreement itself." And added that, "We just cannot fathom what the Unification Church Foundation's intentions are. And we are looking into taking legal action as well."

(missing photo)

(Photo: Back in July, Rev. Moon announced that his 7th son, Hyung Jin (as pictured), is the successor in his special message.)

When our journalist inquired, "Many business officials know that Y22 is related to Hyun Jin Moon, who is the son-in-law of former president Chung Hwan Kwak. Could Parc 1 be implicated in the family feud of the Unification Church?" She replied, "I don't know anything about Mr. Hyun Jin Moon's story." Paul Rogers was traveling overseas and was not available for an interview.

Relationship with the succession plan of the Unification Church

There's a feeling that both the Unification Church Foundation and Y22 are trying to put the blame on former President Chung Hwan Kwak, who is disconnected from the outside world in seclusion. Former President Kwak had been actively engaged in the Unification Church as international president of the Family Federation for World Peace and Unification, chairman of the Sun Moon Institute, president of Segye Times, and president of Tongil Group Korea. However, when his son-in-law, Hyun Jin Moon (3rd son), was relegated from the succession plan in 2008, Kwak resigned from most of the posts he held in the Unification Church and is currently refraining from participating in any Church-related activities in Korea.

It is necessary to go over Rev. Sun Myung Moon's family tree and his succession plan to understand the picture of the **tri-polar** confrontation between the Unification Church Foundation (under current president Kook Jin Moon), former president Chung Hwan Kwak, and the operating company Y22. Rev. Sun Myung Moon of the Unification Church has 7 sons and 6 daughters with his wife Hak Ja Han. Three out of his seven sons are deceased (first son Hyo Jin, second son Heung Jin, and sixth son Young Jin). The fifth son named Kwon Jin lives a life that bears no relation to the Unification Church. Third son Hyun Jin, fourth son Kook Jin, and seventh son Hyung Jin remain within the succession plan.

Hyo Jin Moon, the first son, was to be given priority to be the heir as is customary in Korean culture according to the original succession plan. However, in 1995 then wife of Hyo Jin Moon (Nan Sook Hong) left him and exposed his private life to the media which created a sensation. Hyo Jin was completely removed from the succession plan. Additionally, Hyo Jin's father-in-law Sung Pyo Hong, former president of Ilhwa, is not participating in Unification Church activities, either. Later, Hyo Jin Moon was engaged in businesses and activities unrelated to the Unification Church and passed away in 2008.

Rev. Moon's second son Heung Jin Moon died in a car accident at the age of 18. He was the most adored son by Rev. Moon, and even now he is revered as the 'leader of the spiritual world' in the Unification Church.

Heung Jin's father in-law, former International Peace Foundation President Bo Hi Pak (father of Heung Jin Moon's wife, Hoon Sook Moon), also used to boast quite some influence within the church. Former president Pak was relegated from the executive circle of the church when China-based businesses of the Unification Church failed during the 90's, and was then arrested in 2007 for real estate brokerage fraud. It is believed that he has been 'reinstated' after assuming the position of co-chairman of the Korean War 60th Anniversary Project Committee in 2010.

Due to these circumstances, for over 15 years from the mid 90's it was officially claimed that third son Hyun Jin Moon was going to be the apparent heir of Rev. Moon in the Unification Church. Hyun Jin

Moon completed his undergraduate studies at Columbia University and received an MBA from Harvard University. He has assumed many important posts within the Unification Church including president of the World Collegiate Association for the Research of Principles (W-CARP) and president of the Universal Peace Federation (UPF). His father-in-law, former president of the Unification Church Foundation, Chung Hwan Kwak, also held key posts in the church. It is said that he was even given the authority to give approval on all matters when Rev. Moon was not available.

Who is Hyun Jin Moon?

The Unification Church's 'succession drama' was even covered by several media entities: <*Heir Hyun Jin Moon and Second Highest Official Chung Hwan Kwak* (March 11 issue of Sisa Journal 2003)> and <*The Third Son of Rev. Sun Myung Moon Becomes Heir Apparent* (December 19 issue of Newsis 2007)>. Kook Jin Moon—whose management abilities are recognized for his experience and success in US-based businesses—was inaugurated as president of Tongil Group upon his arrival to Korea in 2005. And even though Kook Jin was reforming church-related businesses, there was a prevalent speculation that Mr. Hyun Jin Moon would still be the 'substantial-religious heir'.

(missing photo)

(Photo: Se Hoon Oh, mayor of Seoul, and Paul Rogers (Right), CEO of Skylan, are pressing the button to break ground for Parc 1 on June 5, 2007.)

However, changes in the 'succession plan' began to take place after 2008. While Hyun Jin Moon was initiating a movement of world peace initiatives based on an inter-religious message rather than the Unification Church doctrine, conflict between him and the Unification Church increased over management issues in *The Washington Times* (US newspaper historically operated by the Unification Church). The Unification Church decided to put a complete halt on its funding of *The Washington Times*. Being driven to the verge of bankruptcy *The Washington Times* was subsequently sold for one dollar to a company that the Unification Church had newly established.

In this process Hyun Jin Moon turned a lot of positions and duties over to his younger brother Hyung Jin (seventh son). Although there are rumors being leaked about Hyun Jin being in discord with his father Rev. Moon, not even one of these rumors was confirmed. As Hyung Jin Moon, at merely 30 years of age (b. 1979), began to be mentioned in the succession plan, his elder brother Hyun Jin's name was pushed aside. This marked the 'First Battle of the Brothers' as some media would call it.

(missing photo)

(Photo: Hyun Jin Moon concentrates on GPF programs held overseas.)

The siblings' feud within the Unification Church persisted, and, in the end, Rev. Moon made a "special announcement" on the Unification Church website on July 20, 2010, stating that he officially recognizes his seventh son, Hyung Jin Moon, as his successor (covered in the July 12 issue of Weekly Chosun 2010). In the video message, Rev. Moon states that, "Hyung Jin is the successor and anybody else is considered

a heretic and destroyer." In the Unification Church they believe that the words "heretic and destroyer" are directed towards Mr. Hyun Jin Moon.

One researcher of religion explained, "Hyun Jin Moon sees that his younger brothers—Kook Jin and Hyung Jin—along with their associates and followers are regressing the work to create a world peace movement that his father has been consistently cultivating. His objection to this was understood as disobedience towards his father, and it reflected as a power struggle between the brothers."

The researcher said, "Among the siblings, even as a child, Hyun Jin Moon was a more eloquent speaker and had a charismatic personality. As an adult he led the religious circles with the support of his father-in-law (Chung Hwan Kwak). Because of this, the younger brothers wanted to oppose [him]. As long as the younger brothers hold onto power in the domestic [Korea] scene of the Unification Church, it is very likely that Hyun Jin Moon will continue to focus on overseas activities."

As of now, it seems that a system of 'Hyun Jin Moon for the religious and Kook Jin Moon for the business sectors' is in place with them acting in Rev. Moon's stead. Among Rev. Moon's children who currently hold positions in the Unification Church besides the three brothers (Hyun Jin-Kook Jin-Hyung Jin Moon), is also the second daughter In Jin Moon. Hyun Jin Moon once mentioned in an interview that, "although I have many siblings, I am especially very close to In Jin and Kook Jin". It is believed that In Jin, Kook Jin, and Hyung Jin share a particular relationship.

Kook Jin Moon, currently in charge of the business sector of the Unification Church, studied economics at Harvard University and got an MBA at the University of Miami. He successfully managed an arms manufacturing company, KAHR arms, in America. Upon returning to Korea in 2005 he assumed the position of chairman of the Unification Church Foundation and vice president at *Segye Times*.

Conflict between Hyun Jin Moon and Kook Jin Moon

What relationship does the succession drama have to do with the Parc 1 project? The following is an explanation from an official of the Unification Church.

(missing photo)

(Photo: Although he is the actual signer of the Parc 1 agreement, former Unification Church Foundation President Chung Hwan Kwak declined to comment on the present Parc 1 predicament.)

"From Tongil Group President Kook Jin Moon's standpoint the existence of his elder brother Hyun Jin (3rd son), who once was deemed to be the so-called 'successor', is a thorn in the side. Because Hyun Jin is his elder brother and used to be considered the heir apparent to his father, Kook Jin tried not to come into conflict with him ostensibly. But, now that Hyun Jin has fallen out of favor with the church members and his father, Kook Jin does not feel a burden coming into conflict with Hyun Jin. Age-wise there is only one year of difference between them. Also, Kook Jin had success in his businesses in America and showed competence by restructuring the Tongil Group after returning to Korea, thereby winning the confidence of his parents. As for the Parc 1 situation, the whole thing was overblown as members protested to the Foundation. This issue an embarrassment matter for Kook Jin. But because the issue is

related to Hyun Jin's father-in-law (Chung Hwan Kwak), making a scapegoat out of him might be a good way for Kook Jin to breakthrough in this matter. The basis on which the Foundation filed a lawsuit is actually quite senseless and irrational, thus it wouldn't be difficult to interpret the suit as a scheme to deliberately target [his elder brother] Hyun Jin."

In fact, the period when the Unification Church Foundation claims that "former president Kwak discontinued his briefing of the Parc 1 project for a year" almost coincides with the period when Hyun Jin Moon was pushed out of the succession plan. It appears that from that point on, Chung Hwan Kwak and Hyun Jin Moon began to turn their backs on the Foundation that Kook Jin Moon is leading.

We paid a visit to the former Unification Church Headquarters located in Cheongpa-dong, Seoul, in order to meet former Chairman Chung Hwan Kwak who holds the key to this Parc 1 mystery. His secretary answered instead, "He is not available for an interview if it's not related to GPF or the professional soccer league federation."

The Unification Church claims, "Hyun Jin Moon and Chung Hwan Kwak are fallen Adam and archangel"

Currently, Hyun Jin Moon devotes himself to the Global Peace Festival Foundation activities overseas. The Global Peace Festival Foundation was founded in 2007 focusing on inter-religious initiatives for world peace on a global scale, as well as other related programs that are continuously being held in 20 nations worldwide. In an official memo the Unification Church Foundation claims that, "the Global Peace Festival is Hyun Jin Moon's private project, and it goes against the will of the founder of the Unification Church (Rev. Sun Myung Moon)." In other words, the very existence of GPF is a thorn in the eye of the Unification Church.

One church member said that the atmosphere in the Unification Church recently is one of driving out Mr. Hyun Jin Moon by referring to him as 'fallen Adam'. After returning from Sunday Service last week on December 12 the member said, "In the sermon, the pastor told us that the Holy Ground in Parc 1 is in danger of being damaged. And the pastor referred to Hyun Jin Moon and Chung Hwan Kwak who had signed the agreement as 'fallen Adam and fallen archangel'. Even members who were not well informed about this matter lost their temper and said that they must absolutely block the deal to sell Parc 1." In fact, hundreds of Unification Church members were gathered at the Parc 1 construction site to protest the sale of Parc 1 superficies. Obviously, these members support the position of Kook Jin Moon and Hyung Jin Moon.

Hyun Jin Moon's side, "Claims that Hyung Jin Moon is the heir are only at the level of private conversations"

Does the Parc 1 crisis actually mean that there is a 'Battle of the Princes' within the Unification Church?

I met with a high level official who worked as a pastor in the Unification Church and worked for one of its affiliates for over 15 years as an executive officer. He expressed that "this Parc 1 crisis is clearly [an attempt to] 'Kill Hyun Jin Moon.'" He elaborated on the details of the situation.

Q: Is there a solid reason the Foundation is embarking on 'Killing of Hyun Jin Moon' at this point?

"I think it is because GPF President Hyun Jin Moon is actively engaged in GPF programs across Southeast Asia and Africa, and successfully held a Global Peace Leaders Conference Korea 2010 back in October. [He is being attacked because] He is receiving all the attention from the outside world. To begin with, he is the first living son and was once considered heir apparent. We are concerned that not only Unification Church members, but even non-Unification Church people will end up supporting Hyun Jin Moon if he is left alone."

Q: I've seen a series of media coverage about Hyung Jin Moon being officially designated as successor of Rev. Moon...

"As you can tell from the video (appointing the successor), Rev. Sun Myung Moon was pressed hard to give an answer by his wife, Hak Ja Han, during a private conversation in their bedroom. The video is at the level of a private conversation. So it really is not content that you can proudly show at a public level. The video was simply used for publicity purposes by the Foundation and a certain group of followers. The heir has not been decided yet. No single member of the Unification Church dares to bring up the topic of the successor. The brothers remain in tension about this issue."

Rev. Moon's sons	
Sons	Father-in-law (Unification Church officials)
1st: Hyo Jin(b. 1961, deceased)	Sung Pyo Hong, former president of Ilhwa
2nd: Heung Jin (b. 1966, deceased)	Bo Hi Pak, president of the International Peace Foundation
3rd: Hyun Jin (b. 1969)-President of UCI	Chung Hwan Kwak, president of professional soccer league of Korea
4th: Kook Jin (b. 1970)-President of Tongil Group	
5th: Kwon Jin (b. 1975)-Resides in the US and does not participate in the Unification Church	
6th: Young Jin (b. 1978, deceased)	
7th: Hyung Jin (b. 1979)-Int'l President of FFWPU	

Q: Are Hyun Jin and Kook Jin on bad terms?

"I think they pursue different things. UCI President Hyun Jin Moon advocates a peace movement that upholds inter-faith and inter-national causes transcending religious boundaries. On the other hand, Kook Jin and Hyung Jin Moon have a style of focusing on consolidating the Unification Church itself. Kook Jin and Hyung Jin believe that the Unification Church has been damaged by the past misdeeds and are calling for internal reforms and restructuring."

True intentions of the Unification Church Foundation

I revisited the Unification Church Headquarters and met External Relations Manager Ho Yeol Ahn. He is the spokesperson for President Kook Jin Moon and of the Foundation.

Q: This lawsuit seems to have an emotional context. What is the real reason for this suit?

"We want Skylan or former president Chung Hwan Kwak to clearly disclose all the details related to the Parc 1 project. We sacrificed our own blood and sweat for this land; why should we stand by watching it be sold to a third party without knowing anything about it? We believe former Chairman Kwak is hiding something or guilty of something. He must be held responsible for this."

(Photo: Perspective drawing of Parc 1)

Q: When you say he is hiding something, do you mean embezzlement or anything that has to do with the succession plan or family problems?

"No, they don't have financial problems like embezzlement. I don't think they are that type of people."

Jin Sun Ahn, director of Planning and Coordination of the Unification Church, explained, "We are only trying to protect our property. That is all. Any other perspective is inappropriate at this time."

He strongly denied the "speculation that the Unification Church is trying to terminate the agreement to build a church sanctuary on the Parc 1 lot instead." He added, "It is true that we wanted to build the Unification Church World Headquarters when we first purchased the lot. But we also knew it was realistically not feasible to only build religious facilities on that huge lot. So, we thought of utilizing only a portion of the facilities and have the rest available for rent. Even after the 99 year term for the right of superficies expires we were planning to do the same."

(missing photo)

(Photo: Rev. and Mrs. Moon are blowing the candles at the 90th birthday celebration at the Unification Church Training Center in Kapyung in January of 2009. It is taboo for church members to make direct comments about a successor even though Rev. Moon is past 90.)

There is no need for us to occupy all the floors of the 72 story and 56 story towers. We are just determined to stop Y22 from selling the building and breaching the initial agreement."

One of the CEOs of the Tongil Group affiliate made the following comment.

"There's plenty of gossip going on inside the church about what Hyun Jin Moon and former president Kwak are doing. Their side may even feel wronged and feel that it's unjust. I agree that it can be viewed as a 'Battle of the Brothers.' But, the Yeouido property is currently the most valuable real estate among what the church owns. If we lose it the entire Unification Church will be swept by a tornado of tremendous magnitude. If something goes wrong and our property gets sold to a third party that bears no relation to our church, don't you think someone has to be responsible for this matter? Since Kook Jin Moon was born and educated in the US, he has a mindset that is very rational, as shown in his corporate management especially. I am sure that this case will go on till the end without negotiations."

2.3 trillion won construction likely to be stalled

What are the repercussions of the discontinuation of the Parc 1 construction? Construction came to a halt after the lawsuit was filed. The participating financial institutions are dropping out of the picture one by one. Mirae Asset held a board meeting on September 17, 2010, to finalize the purchase of the 53 story office tower for 801.7 billion won and created Real Estate Funds (Mirae Asset MAPS Frontier Real Estate Investment Trust No. 29) and was planning to invest an additional 414.7 billion won. 88 billion won was expected to be wired in October as down payment to put the deal into effect, but the payment has been suspended after the suit.

Samsung C&T who was going to carry out the construction is also in a predicament as well. Except for the down payment of 42 billion won, Samsung C&T was not paid. So far, an approximate amount of 100 billion won in construction fees is overdue. There was even an agreement made back in August that a partial amount of 250 billion won out of 1.3 trillion won in total construction fees would be deferred. No wonder the construction was brought to a halt.

The bridge loan stockholders' committee of non-banking financial institutions have not been paid a loan advance of 160 billion won. On December 7, 2010, the stockholders' committee declared an 'event of default' (EOD) on Skylan. Upon the declaration of EOD, Skylan is in a position to repay the loan's principal. At the moment there is no way to solve this until the lawsuit comes to an end.

Furthermore, project financing for Parc 1 which had accumulated around 1.5 trillion won started to crumble after the lawsuit. Parc 1 project financing stockholders' committee, directed by Shin Han Bank, accumulated 1.6 trillion won as of October, but financial institutions started dropping out one by one. One official from a financial institution commented, "Even if this dispute is resolved, it is very probable that a majority of financial institutions will want to avoid being involved in the Parc 1 project since it is connected to a particular religious entity. It's likely that the Unification Church filed their lawsuit expecting this kind of result."

Kook Jin Moon cannot avoid paying hundreds of billions of won in damages even if he wins the lawsuit

If the dispute is legally settled, does this mean that the problem is completely solved? If the Unification Church Foundation, that is 'The Little Prince' Kook Jin Moon's side, wins the lawsuit, Skylan and Samsung C&T will immediately press charges against the Unification Church as well. These two companies have already consulted a law firm for legal examination and might file a counter-suit. One lawyer explained that, "Even if the contract made in 2005 is allegedly invalid without the authorization of competent authorities, it is a clear fact that the current president [Kook Jin Moon] agreed to the revised contract. So even if the Unification Church Foundation wins the lawsuit it is liable for damages related to the construction."

In case that the Unification Church wins the suit, how much would Skylan and Samsung C&T demand for damages? If the contract created in 2005 is annulled, Skylan is required to pay 40 billion won and an additional 160 billion won for the bridge loan. Samsung C&T has already lost over 100 billion won for construction costs. That adds up to be 300 billion won in total. Yet, Skylan and Samsung C&T will

request damages for the discontinuation of the construction and for the dismantling of the project financing of up to 1.6 trillion won, which will easily add up to be over 500 billion won.

Even in the case that Skylan wins the lawsuit, Skylan and Samsung C&T will make request for damages on discontinuance of construction to the Unification Church as well as damages for the annulment of an 800 billion won contract with Mirae Asset. Whether the Unification Church wins the lawsuit or not, damages in hundreds of billions of won await them.

Skylan wishes the City of Seoul or the 'Financial Services Commission' who have been promoting the slogan of 'International Finance Center Yeouido' to take part in solving this case. But since they have no interests involved, it is very unlikely. One worker from SIFC across the street says, "We have heard that Parc 1 project is limping due to funding problems, but we weren't expecting anything like this", "I am worried that the international financial center will come down breaking into pieces." In the center of Seoul, a grand scale construction project of 2.3 trillion won is drifting, but there is no one who intends to take responsibility over it or resolve the dispute.