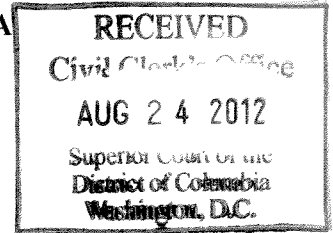


**SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
CIVIL DIVISION**



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

Plaintiffs,

v.

Hyun Jin Moon, et al.,

Defendants.

Hyun Jin Moon,

Counterclaim Plaintiff,

v.

Bo Hi Pak
10414 Willow Crest Court
Vienna, VA 22181

Douglas D. M. Joo and Peter H. Kim,

Counterclaim Defendants.

Civil Action No. 2011 CA 003721 B

Civil 1, Calendar 4

Judge Anita Josey-Herring

Next Event: None

**ANSWER, AFFIRMATIVE DEFENSES, AND COUNTERCLAIM OF
DEFENDANT HYUN JIN (PRESTON) MOON**

Defendant Dr. Hyun Jin Moon (“Dr. Moon”), or Preston Moon, by and through his undersigned attorneys, hereby answers the Complaint (“Complaint”) filed by Plaintiffs The Family Federation for World Peace and Unification International (“Family Federation”), the Universal Peace Federation (“UPF”), the Holy Spirit Association for the Unification of World Christianity (Japan) (“UCJ”), Dr. Douglas D. M. Joo, and Dr. Peter H. Kim (collectively, “Plaintiffs”).

Except as expressly stated otherwise below, Dr. Moon answers and responds only to those allegations in the Complaint that are directed towards him, and is without sufficient

knowledge or information to form a belief concerning the truth of the allegations in the Complaint that are directed toward other Defendants, and therefore denies those allegations.

Dr. Moon responds to Plaintiffs' allegations in like numbered paragraphs as follows:

I. INTRODUCTION

1. Paragraph 1 of the Complaint, including footnote 1, states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 1 of the Complaint.

2. Paragraph 2 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 2 of the Complaint. Dr. Moon admits, however, that UCI was incorporated in 1977. Dr. Moon also admits that Reverend Sun Myung Moon founded a religious movement.

3. Paragraph 3 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 3 of the Complaint. Dr. Moon admits, however, that he was duly elected President and Chairman of the UCI Board of Directors in April 2006.

4. Paragraph 4 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 4 of the Complaint. Dr. Moon admits, however, that Reverend Sun Myung Moon is his and Sean Moon's (Hyung Jin Moon's) father, and that Sean Moon (Hyung Jin Moon) purports to be the future spiritual leader and head of the worldwide Unification Church and International President of the Family Federation.

5. Paragraph 5 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 5 of

the Complaint. Dr. Moon admits, however, that UCI's Articles of Incorporation were duly amended and updated in 2010.

6. Paragraph 6 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 6 of the Complaint. Dr. Moon admits, however, that Hyung Jin Moon (Sean Moon) addressed a letter, dated April 18, 2011, to him, but denies the allegations in Paragraph 6 of the Complaint to the extent that they purport to summarize or characterize that letter and refers to the document for the full text thereof. Dr. Moon also admits that control of UCI has not been turned over to Dr. Peter H. Kim.

7. Paragraph 7 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 7 of the Complaint.

II. JURISDICTION

8. Paragraph 8 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 8 of the Complaint.

9. Paragraph 9 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 9 of the Complaint. Dr. Moon admits, however, that UCI is a non-profit corporation incorporated in the District of Columbia.

10 Paragraph 10 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 10

of the Complaint. Dr. Moon admits, however, that UCI is incorporated in the District of Columbia.

III. THE PARTIES

11. Dr. Moon denies the allegations in Paragraph 11 of the Complaint. Dr. Moon admits, however, that the Family Federation purports to be an entity within the Unification religious movement that provides direction to other church entities within the movement. Dr. Moon also admits that Hyung Jin Moon (Sean Moon)) purports to be the International President of the Family Federation.

12. Paragraph 12 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 12 of the Complaint. Dr. Moon admits, however, that UCI made contributions to the Universal Peace Federation (“UPF”) prior to 2009 and that UPF is a District of Columbia non-profit corporation and charitable organization. Dr. Moon also admits that UCI has, in the past, contributions to UPF.

13. Paragraph 13 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 13 of the Complaint. Dr. Moon admits, however, that UCJ is a Japanese religious corporation with its principal place of business in Tokyo, Japan, and that Japanese entities and individuals made substantial donations to UCI prior to 2009. Dr. Moon is also without knowledge or information sufficient to form a belief as to the truth of whether UCJ is the corporate embodiment of the Unification religious movement in Japan.

14. Dr. Moon denies the allegations in Paragraph 14 of the Complaint. Dr. Moon admits, however, that Dr. Douglas D. M. Joo is a U.S. citizen, a resident of Maryland, served on

the UCI Board of Directors from July 1992 until August 2009, and served as President of UCI from July 1992 until March 2005. Dr. Moon also admits that Reverend Chun Hwan Kwak is his father-in-law and became in the President of UCI after May 2005.

15. Dr. Moon denies the allegations in Paragraph 15 of the Complaint. Dr. Moon admits, however, that Dr. Peter H. Kim served on the UCI Board of Directors from October 2003 until August 2009. Dr. Moon is without knowledge or information sufficient to form a belief as to the truth of the allegations concerning Dr. Peter H. Kim's current citizenship and residency, and therefore denies them.

16. Dr. Moon denies the allegations in Paragraph 16 of the Complaint. Dr. Moon admits, however, that UCI is a non-profit corporation and charitable organization incorporated in the District of Columbia.

17. Paragraph 17 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 17 of the Complaint. Dr. Moon admits, however, that he is currently the President of UCI and Chairman of its Board of Directors.

18. Paragraph 18 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 18 of the Complaint. Dr. Moon admits, however, that Richard J. Perea was duly elected as a director of UCI in January 2009.

19. Paragraph 19 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 19 of the Complaint. Dr. Moon admits, however, that Michael Sommer was duly elected as a director of UCI in January 2009.

20. Paragraph 20 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 20 of the Complaint. Dr. Moon admits, however, that Jinman Kwak is his brother-in-law, and was duly elected as a director of UCI in August 2009.

21. Paragraph 21 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 21 of the Complaint. Dr. Moon admits, however, that Youngjun Kim is his brother-in-law, and was duly elected as a director of UCI in August 2009.

IV. FACTUAL ALLEGATIONS

22. Dr. Moon admits that Reverend Sun Myung Moon founded a religious movement and was, at all relevant times, the spiritual leader of the Unification religious movement. Dr. Moon is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 22 of the Complaint and therefore denies them.

23. Dr. Moon is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 23 of the Complaint and therefore denies them.

24. Dr. Moon admits that followers of Reverend Sun Myung Moon came to the United States in or before 1961 and promoted the Unification religious movement.

25. Dr. Moon admits that, in 1961, followers of Reverend Sun Myung Moon in the United States incorporated the Holy Spirit Association for the Unification of World Christianity (“HSA-UWC (USA)”) under the Nonprofit Corporation Law of the State of California, and that the HSA-UWC (USA) purports to be the corporate embodiment of the Unification religious movement in the United States.

26. Dr. Moon admits that Reverend Sun Myung Moon and Dr. Bo Hi Pak were in the United States in the early 1970s and promoted the Unification religious movement. Except as

specifically admitted, Dr. Moon is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 26 of the Complaint and therefore denies them.

27. Paragraph 27 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 27 of the Complaint. Dr. Moon admits, however, that, in 1975, Dr. Bo Hi Pak opened a bank account in the name of the Holy Spirit Association for Unification of World Christianity (t/a Unification Church International), a Virginia association, with the Diplomat National Bank in the District of Columbia, and that monies held in a bank account in Reverend Sun Myung Moon's name were deposited into the Diplomat National Bank account.

28. Paragraph 28 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 28 of the Complaint.

29. Paragraph 29 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 29 of the Complaint.

30. Dr. Moon denies the allegations in Paragraph 30 of the Complaint. Dr. Moon admits, however, that, between 1975 and 1977, millions of dollars were deposited and withdrawn from the Diplomat National Bank account, and that a District of Columbia non-profit corporation named Unification Church International was incorporated in 1977.

31. Dr. Moon denies the allegations in Paragraph 31 of the Complaint. Dr. Moon admits, however, that Dr. Bo Hi Pak was a member of the UCI's President from February 1977 until July 1991 and was a member of the UCI Board of Directors starting in February 1977.

32. Dr. Moon is without knowledge or information sufficient to form a belief as to the truth of the allegations in the first sentence of Paragraph 32 of the Complaint and therefore denies them. Dr. Moon admits, however, that UCI's original Articles of Incorporation identify the original purposes of UCI. Dr. Moon denies the remaining allegations in Paragraph 32 of the Complaint to the extent they purport to summarize or characterize UCI's original Articles of Incorporation, and refers to the document for the full text thereof.

33. Dr. Moon denies the allegations in Paragraph 33 of the Complaint. Dr. Moon admits, however, that UCI amended its Articles of Incorporation in 1980, and refers to the document for the full text thereof.

34. Dr. Moon denies the allegations in Paragraph 34 of the Complaint.

35. Dr. Moon denies the allegations in Paragraph 35 of the Complaint.

36. Dr. Moon denies the allegations in Paragraph 36 of the Complaint.

37. Dr. Moon denies the allegations in Paragraph 37 of the Complaint.

38. Dr. Moon denies the allegations in Paragraph 38 of the Complaint. Dr. Moon admits, however, that Dr. Douglas D. M. Joo served on the UCI Board of Directors from July 1992 until August 2009 and was the President of UCI from July 1992 until he resigned in early 2005.

39. Dr. Moon denies the allegations in Paragraph 39 of the Complaint. Dr. Moon admits, however, that UCI received donations of hundreds of millions of dollars from Japanese entities and individuals and that UCI made contributions to UPF prior to 2009.

40. Dr. Moon denies the allegations in Paragraph 40 of the Complaint.

41. Dr. Moon denies the allegations in Paragraph 41 of the Complaint.

42. Dr. Moon denies the allegations in Paragraph 42 of the Complaint. Dr. Moon admits, however, that Dr. Peter H. Kim was duly elected to the UCI Board of Directors in 2003.

43. Dr. Moon denies the allegations in Paragraph 43 of the Complaint. Dr. Moon admits, however, that Reverend Chung Hwan Kwak is his father-in-law, and was duly elected President of UCI in May 2005.

44. Paragraph 44 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 44 of the Complaint. Dr. Moon admits, however, that, over a period of years, UCI received donations of hundreds of millions of dollars from Japanese entities and individuals.

45. Dr. Moon denies the allegations in Paragraph 45 of the Complaint. Dr. Moon admits, however, that Dr. Bo Hi Pak and Dr. Douglas D. M. Joo communicated about UCI's operations with Japanese entities and individuals who made, or were involved in the making of, donations to UCI.

46. Dr. Moon denies the allegations in Paragraph 46 of the Complaint. Dr. Moon admits, however, that he is the son of Reverend Sun Myung Moon and that in the spring of 2006 he was duly elected to the UCI Board of Directors.

47. Paragraph 47 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 47 of the Complaint.

48. Paragraph 48 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 48 of the Complaint.

49. Dr. Moon denies the allegations in Paragraph 49 of the Complaint. Dr. Moon admits, however, that True World Group LLC purchased property located at 24 Link Drive, Rockleigh, New Jersey from UV Sales, Inc.

50. Dr. Moon denies the allegations in Paragraph 50 of the Complaint.

51. Dr. Moon denies the allegations in Paragraph 51 of the Complaint. Dr. Moon admits, however, that UVG Strategic Consulting LLC (“UVGSC”) and One Up Enterprises (“One Up”) entered an agreement.

52. Paragraph 52 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 52 of the Complaint.

53. Dr. Moon is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 53 of the Complaint and therefore denies them.

54. Dr. Moon denies the allegations in Paragraph 54 of the Complaint. Dr. Moon, however, admits that Hyung Jin Moon (Sean Moon) purports to be the future spiritual leader and head of the worldwide Unification religious movement and the International President of the Family Federation.

55. Dr. Moon denies the allegations in Paragraph 55 of the Complaint.

56. Paragraph 56 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 56 of the Complaint.

57. Dr. Moon denies the allegations in Paragraph 57 of the Complaint. .

58. Dr. Moon denies the allegations in Paragraph 58 of the Complaint. Dr. Moon admits, however, that he, as Chairman of UCI, nominated Michael Sommer and Richard Perea to

serve as members of the UCI Board of Directors and each was duly elected at a meeting held on January 12, 2009 in Arizona.

59. Dr. Moon is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 59 of the Complaint and therefore denies them.

60. Dr. Moon denies the allegations in Paragraph 60 of the Complaint. Dr. Moon admits, however, that Thomas Walsh resigned as a director of UCI on January 12, 2009.

61. Dr. Moon denies the allegations in Paragraph 62 of the Complaint. Dr. Moon admits, however, that Victor Walters resigned as a director of UCI on January 12, 2009.

62. Dr. Moon is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 62 of the Complaint and therefore denies them.

63. Dr. Moon is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 63 of the Complaint and therefore denies them.

64. Dr. Moon denies the allegations in Paragraph 64 of the Complaint.

65. Dr. Moon denies the allegations in Paragraph 65 of the Complaint.

66. Dr. Moon denies the allegations in Paragraph 66 of the Complaint. Dr. Moon admits, however, that Dr. Douglas D. M. Joo and Dr. Peter H. Kim were duly removed from the UCI Board of Directors on August 2, 2009.

67. Dr. Moon denies the allegations in Paragraph 67 of the Complaint.

68. Dr. Moon is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 68 of the Complaint and therefore denies them.

69. Dr. Moon denies the allegations in the first sentence of Paragraph 69 concerning Dr. Douglas D. M. Joo's alleged consultation with Reverend Sun Myung Moon. Dr. Moon admits, however, that Dr. Douglas D. M. Joo sent a letter addressed to the Directors of UCI

relating, in part, to the August 2, 2009 UCI Board of Directors meeting, and refers to the document for the full text thereof. Except as specifically admitted or denied, Dr. Moon is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 69 of the Complaint and therefore denies them.

70. Dr. Moon denies the allegations in Paragraph 70 of the Complaint.

71. Paragraph 71 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 71 of the Complaint.

72. Dr. Moon denies the allegations in Paragraph 72 of the Complaint.

73. Dr. Moon denies the allegations in Paragraph 73 of the Complaint. Dr. Moon admits, however, that UCI received communications in 2009 requesting that Dr. Douglas D. M. Joo and Dr. Peter H. Kim be reinstated to the UCI Board of Directors.

74. Dr. Moon denies the allegations in Paragraph 74 of the Complaint. Dr. Moon admits, however, that Jinman Kwak and Youngjun Kim were duly elected to the UCI Board of Directors in late August 2009.

75. Dr. Moon is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 75 of the Complaint and therefore denies them.

76. Dr. Moon denies the allegations in Paragraph 76 of the Complaint.

77. Dr. Moon admits that a statement was issued on August 9, 2009 relating, in part, to the August 2, 2009 UCI Board of Directors meeting, and refers to the documents for the full text thereof. Except as specifically admitted, Dr. Moon is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 77 of the Complaint and therefore denies them.

78. Dr. Moon denies the allegations of Paragraph 78 of the Complaint. Dr. Moon admits, however, that Dr. Peter H. Kim addressed letters to him dated August 14 and 19, 2009, and refers to the documents for the full text thereof.

79. Paragraph 79 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 79 of the Complaint.

80. Paragraph 80 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 80 of the Complaint. Dr. Moon admits, however, that donations from Japanese entities and individuals to UCI ceased in 2009.

81. Dr. Moon denies the allegations in Paragraph 81 of the Complaint. Dr. Moon admits, however, that he resigned from UPF and was removed from the HSA-UWC (USA) Board of Directors.

82. Dr. Moon denies the allegations in Paragraph 82 of the Complaint. Dr. Moon admits, however, that he has held Global Peace Festivals through the Global Peace Festival Foundation ("GPFF") and that GPFF has received donations from UCI.

83. Paragraph 83 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 83 of the Complaint. Dr. Moon admits, however, that the UCI Articles of Incorporation were duly amended and updated in April 2010, and refers to the document for the full text thereof.

84. Dr. Moon denies the allegations in Paragraph 84 of the Complaint. Dr. Moon admits, however, that the amended and updated UCI Articles of Incorporation were duly filed with the District of Columbia.

85. Dr. Moon denies the allegations in Paragraph 85 of the Complaint.

86. Paragraph 86 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 86 of the Complaint.

87. Paragraph 87 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 87 of the Complaint.

88. Dr. Moon denies the allegations in Paragraph 88 of the Complaint.

89. Dr. Moon denies the allegations in Paragraph 89 of the Complaint.

90. Dr. Moon denies the allegations in Paragraph 90 of the Complaint. Dr. Moon admits, however, that Hyung Jin Moon (Sean Moon), among others, addressed a letter to him, dated August 11, 2010, and refers to the document for the full text thereof.

91. Paragraph 91 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 91 of the Complaint.

92. Dr. Moon denies the allegations in Paragraph 92 of the Complaint.

93. Dr. Moon denies the allegations in Paragraph 93 of the Complaint. Dr. Moon admits, however, that a building owned by Washington Television Center LLC and located at 650 Massachusetts Avenue N.W. in Washington, District of Columbia was sold in December 2010.

94. Dr. Moon denies the allegations in Paragraph 94 of the Complaint. Dr. Moon admits, however, that a property owned by News World Communications, Inc. and located at 6032 Crimson Court in McLean, Virginia was sold in March 2001.

95. Dr. Moon denies the allegations in Paragraph 95 of the Complaint. Dr. Moon admits, however, that Hyung Jin Moon (Sean Moon) addressed a letter to him, dated April 2011, and refers to the document for the full text thereof.

96. Dr. Moon denies the allegations in Paragraph 96 of the Complaint.

97. Dr. Moon denies the allegations in Paragraph 97 of the Complaint.

98. Paragraph 98 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 98 of the Complaint.

V. STATEMENT OF CLAIMS

Count I – Breach of Trust and Aiding and Abetting Same
(Plaintiffs Douglas D. M. Joo, Peter H. Kim, the Family Federation, UPF, and UCJ against
Defendants Preston Moon, Michael Sommer, Richard J. Perea, Jinman Kwak, and
Youngjun Kim)

99. Dr. Moon denies the allegations in Paragraph 99 of the Complaint, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

100. Paragraph 100 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 100 of the Complaint.

101. Dr. Moon denies the allegations in Paragraph 101 of the Complaint.

102. Dr. Moon denies the allegations in Paragraph 102 of the Complaint.

103. Dr. Moon denies the allegations in Paragraph 103 of the Complaint.

104. Paragraph 104 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 104 of the Complaint.

105. Paragraph 105 of the Complaint states conclusions of law to which no response is required, but, to the extent a response is required, Dr. Moon denies the allegations in Paragraph 105 of the Complaint.

106. Paragraph 106 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 106 of the Complaint.

107. Paragraph 107 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 107 of the Complaint.

108. Paragraph 108 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 107 of the Complaint.

109. Paragraph 109 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 108 of the Complaint.

110. Dr. Moon denies the allegations in Paragraph 110 of the Complaint.

111. Paragraph 111 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 111 of the Complaint.

112. Paragraph 112 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 112 of the Complaint.

Count II – Breach of Fiduciary Duties, Ultra Vires Acts and Aiding and Abetting Same (Plaintiffs the Family Federation, UPF, UCJ, Douglas D. M. Joo, Peter H. Kim, individually and derivatively on behalf of Nominal Plaintiff UCI against Defendants Preston Moon, Michael Sommer, Richard J. Perea, Jinman Kwak, and Youngjun Kim)

113. Dr. Moon denies the allegations in Paragraph 113 of the Complaint, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

114. Paragraph 114 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 114 of the Complaint.

115. Paragraph 115 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 115 of the Complaint.

116. Paragraph 116 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 116 of the Complaint.

117. Paragraph 117 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 117 of the Complaint.

118. Paragraph 118 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 118 of the Complaint.

119. Paragraph 119 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 119 of the Complaint.

120. Paragraph 120 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 120 of the Complaint.

121. Paragraph 121 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 121 of the Complaint.

122. Paragraph 122 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 122 of the Complaint.

123. Paragraph 123 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 123 of the Complaint.

**Count III – Breach of Fiduciary Duty as Agent and Aiding and Abetting Same
(Plaintiff the Family Federation against Defendants Preston Moon, Michael Sommer,
Richard J. Perea, Jinman Kwak, and Youngjun Kim)**

124. Dr. Moon denies the allegations in Paragraph 124 of the Complaint, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

125. Dr. Moon denies the allegations in Paragraph 125 of the Complaint.

126. Paragraph 126 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 126 of the Complaint.

127. Paragraph 127 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 127 of the Complaint.

128. Paragraph 128 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 128 of the Complaint.

129. Dr. Moon denies the allegations in Paragraph 129 of the Complaint.

130. Paragraph 130 of the Complaint states conclusions of law to which no response is required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 130 of the Complaint.

Count IV – Breach of Contract
(Plaintiff UCJ against Defendant UCI)

131. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 131 of the Complaint, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

132. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 132 of the Complaint, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

133. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 133 of the Complaint, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

134. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Paragraph 134 of the Complaint states conclusions of law to which no response is required, but, to the extent that Paragraph 134

of the Complaint contains any allegations, Dr. Moon denies them, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

135. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Paragraph 135 of the Complaint states conclusions of law to which no response is required, but, to the extent that Paragraph 135 of the Complaint contains any allegations, Dr. Moon denies them, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

136. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Paragraph 136 of the Complaint states conclusions of law to which no response is required, but, to the extent that Paragraph 136 of the Complaint contains any allegations, Dr. Moon denies them, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

137. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Paragraph 137 of the Complaint states conclusions of law to which no response is required, but, to the extent that Paragraph 137 of the Complaint contains any allegations, Dr. Moon denies them, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

Count V – Promissory Estoppel
(Plaintiff UCJ against Defendant UCI)

138. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 138 of the Complaint, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

139. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 139 of the Complaint, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

140. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 140 of the Complaint, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

141. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 141 of the Complaint, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

142. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 142 of the Complaint, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

143. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Paragraph 143 of the Complaint states conclusions of law to which no response is required, but, to the extent that Paragraph 143 of the Complaint contains any allegations, Dr. Moon denies them, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

144. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Paragraph 144 of the Complaint

states conclusions of law to which no response is required, but, to the extent that Paragraph 144 of the Complaint contains any allegations, Dr. Moon denies them, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

145. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 145 of the Complaint, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

146. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Paragraph 146 of the Complaint states conclusions of law to which no response is required, but, to the extent that Paragraph 146 of the Complaint contains any allegations, Dr. Moon denies them, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

147. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Paragraph 147 of the Complaint states conclusions of law to which no response is required, but, to the extent that Paragraph 147 of the Complaint contains any allegations, Dr. Moon denies them, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

Count VI – Unjust Enrichment
(Plaintiff UCJ against Defendant UCI)

148. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 148 of the Complaint, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

149. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 149 of the Complaint, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

150. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 150 of the Complaint, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

151. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 151 of the Complaint, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

152. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Dr. Moon denies the allegations in Paragraph 152 of the Complaint, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

153. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Paragraph 153 of the Complaint states conclusions of law to which no response is required, but, to the extent that Paragraph 153 of the Complaint contains any allegations, Dr. Moon denies them, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

154. This count is pleaded against a defendant other than Dr. Moon and therefore a response is not required. To the extent a response is required, Paragraph 154 of the Complaint

states conclusions of law to which no response is required, but, to the extent that Paragraph 154 of the Complaint contains any allegations, Dr. Moon denies them, except insofar as such allegations may have been specifically admitted in response to the previous allegations.

VI. PRAYER FOR RELIEF

To the extent that any response is required to the Prayer for Relief, Dr. Moon denies the allegations contained therein.

Dr. Moon is entitled to, and hereby demands, a trial by a jury on any and all issues so triable.

VII. JURY DEMAND

Dr. Moon admits that Plaintiffs demand a jury trial on all issues so triable.

AFFIRMATIVE DEFENSES

Dr. Moon sets forth below his affirmative defenses. Each affirmative defense is asserted as to all claims against him. By setting forth these affirmative defenses, Dr. Moon does not assume the burden of proving any fact, issue, or element of a cause of action where such burden properly belongs to Plaintiffs. Moreover, nothing stated herein is intended or shall be construed as an acknowledgement that any particular issue or subject matter is relevant to Plaintiffs' allegations.

As separate and distinct affirmative defenses, Dr. Moon avers as follows:

First Affirmative Defense

Plaintiffs have failed to state claims upon which relief can be granted.

Second Affirmative Defense

Plaintiffs' claims must be dismissed for lack of subject matter jurisdiction.

Third Affirmative Defense

Plaintiffs' claims are barred, in whole or in part, from being heard by this Court by the religion clauses of the First Amendment of the United States Constitution.

Fourth Affirmative Defense

Plaintiffs' claims are barred, in whole or in part, from being heard by this Court by the doctrine of ecclesiastical bar or abstention.

Fifth Affirmative Defense

Plaintiffs' claims must be dismissed because Plaintiffs have failed to join indispensable parties.

Sixth Affirmative Defense

Plaintiffs' claims must be dismissed for lack personal jurisdiction over Dr. Moon.

Seventh Affirmative Defense

Plaintiffs lack standing to bring the claims they have asserted in the Complaint.

Eighth Affirmative Defense

Plaintiffs lack capacity under District of Columbia law to file suit in the Superior Court of the District of Columbia.

Ninth Affirmative Defense

Plaintiffs' claims are barred, in whole or in part, by the doctrine of unclean hands.

Tenth Affirmative Defense

Plaintiffs' claims are barred, in whole or in part, by the doctrine of laches.

Eleventh Affirmative Defense

Plaintiffs' claims are barred, in whole or in part, by the applicable statutes of limitations.

Twelfth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because Plaintiffs cannot prove the existence of an oral charitable trust.

Thirteenth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because the alleged creation of the purported "Unification Church International Trust" (the "Trust") did not satisfy any of the requisite elements of trust creation, as articulated by the common law in 1975, when the alleged Trust was formed, or as set forth in D.C. Code § 19-1304.02.

Fourteenth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because the purported settlor of the Trust, Reverend Sun Myung Moon, did not possess a legal transferrable ownership interest in the trust res.

Fifteenth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because the purported settlor of the Trust, Reverend Sun Myung Moon, never transferred title of the trust res to a purported trustee of the Trust.

Sixteenth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because the creation of the purported Trust was induced by fraud, duress, or undue influence.

Seventeenth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because even if the alleged Trust was formed, the Trust terminated upon the transfer of the trust res to UCI or sometime thereafter.

Eighteenth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because even if the alleged Trust was formed, it was revoked thereafter by the Trust's purported settlor(s).

Nineteenth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because Dr. Moon did not knowingly agree to become a trustee of the alleged Trust.

Twentieth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because Dr. Moon was induced to become an alleged co-trustee of the Trust by fraud, duress, or undue influence.

Twenty-First Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because even if the alleged Trust was formed, neither Dr. Douglas D. M. Joo nor Dr. Peter H. Kim are current co-trustees of the Trust.

Twenty-Second Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because Dr. Moon did not breach any duty he owed as a trustee of the Trust and none of the other Individual Defendants aided or abetted any such breach of trust.

Twenty-Third Affirmative Defense

Plaintiffs' claims are barred by D.C. Code § 29-403.04.

Twenty-Fourth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because Dr. Moon's actions were not *ultra vires*.

Twenty-Fifth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because UCI has not taken any action contrary to its Articles of Incorporation, Bylaws, or any applicable law.

Twenty-Sixth Affirmative Defense

Plaintiffs' claims are barred, in whole or in part, by the business judgment rule.

Twenty-Seventh Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because Dr. Moon and the other Individual Defendants acted in good faith with respect to the conduct at issue.

Twenty-Eighth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because Dr. Moon and the other Individual Defendants, individually or collectively, did not breach or aid or abet a breach of any fiduciary duty owed to UCI.

Twenty-Ninth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because neither Dr. Moon nor the other Individual Defendants is presently, or was at any time in the past, an agent of any of the Plaintiffs.

Thirtieth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because even if Dr. Moon or any of the other Individual Defendants are agents of any Plaintiff, neither Dr. Moon nor any of the other Individual Defendants breached any fiduciary duty owed to any Plaintiff and neither Dr. Moon nor the other Individual Defendants aided or abetted a breach of any such fiduciary duty.

Thirty-First Affirmative Defense

Plaintiffs' claims are barred, in whole or in part, by the doctrines of waiver, ratification, and/or estoppel.

Thirty-Second Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because the parties to the alleged contract did not reach agreement on all material terms.

Thirty-Third Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because there was no mutual assent, or "meeting of the minds," as to the terms of the alleged contract.

Thirty-Fourth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because Dr. Moon did not manifest an intent to be bound by any oral agreement.

Thirty-Fifth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because UCI received inadequate legal consideration for any alleged promise or agreement.

Thirty-Sixth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because the parties to the alleged contract did not assume mutual obligations.

Thirty-Seventh Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because the alleged contract is too indefinite to be enforceable.

Thirty-Eighth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because any alleged contract, promise, or agreement was induced by fraud, duress, or undue influence.

Thirty-Ninth Affirmative Defense

Plaintiffs' claims are barred, in whole or in part, by the statute of frauds.

Fortieth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, due to UCJ's anticipatory breach of contract.

Forty-First Affirmative Defense

Plaintiffs' claims fail, in whole or in part, due to UCJ's failure to perform under the alleged contract.

Forty-Second Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because UCI did not materially breach any term of the alleged agreement.

Forty-Third Affirmative Defense

Plaintiffs' claims are barred, in whole or in part, because Plaintiffs must elect a remedy for UCI's alleged breach of contract.

Forty-Fourth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because UCJ did not reasonably rely on any promise or conduct by UCI.

Forty-Fifth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because they were released as part of the purchase of The Washington Times, LLC from News World Communications LLC on November 1, 2010.

Forty-Sixth Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because Plaintiffs have suffered no damages or actual losses.

Forty-Seventh Affirmative Defense

Plaintiffs' claims fail, in whole or in part, because any alleged damages were not directly or proximately caused by Defendants.

Forty-Eighth Affirmative Defense

Plaintiffs have failed to mitigate their damages, if any.

Forty-Ninth Affirmative Defense

Plaintiffs' claims are barred, in whole or in part, by the doctrine of recoupment.

Fiftieth Affirmative Defense

Plaintiffs' claims are barred, in whole or in part, by the doctrine of set off.

Fifty-First Affirmative Defense

Plaintiffs are not entitled to recover attorneys' fees.

Fifty-Second Affirmative Defense

Plaintiffs are not entitled to punitive damages.

Fifty-Third Affirmative Defense

Plaintiffs are not entitled to any remedies under the District of Columbia Uniform Trust Code.

Fifty-Fourth Affirmative Defense

Plaintiffs are not entitled to injunctive or other equitable relief.

Fifty-Fifth Affirmative Defense

Dr. Moon does not allege or admit that he bears the burden of proof with respect to any of the foregoing defenses, nor does Dr. Moon assume the burden of proof of any matters that would otherwise rest on Plaintiffs.

Fifty-Sixth Affirmative Defense

Dr. Moon reserves and asserts all affirmative defenses available under any applicable law. Dr. Moon presently has insufficient knowledge or information upon which to form a belief as to whether he may have other, as yet unstated, defenses available. Accordingly, Dr. Moon reserves the right to assert supplement this Answer and assert additional affirmative defenses or other defenses at such time and to such extent as warranted by discovery and the factual development of this case.

COUNTERCLAIM

Plaintiffs have alleged that Dr. Moon is a co-trustee of the alleged Unification Church International Trust (or the Trust). If a Trust is established and if Dr. Moon is established to be a co-trustee of that Trust, Dr. Moon, by and through undersigned counsel, asserts, in the alternative, the following counterclaim:

I. INTRODUCTION

1. Dr. Moon brings a claim, in the alternative, for damages and other relief against Dr. Douglas D. M. Joo, Dr. Peter H. Kim, and Dr. Bo Hi Pak (collectively "Alternative Counterclaim Defendants") for breach of their fiduciary duties as purported co-trustees of the alleged Unification Church International oral charitable trust (the "Trust").

II. JURISDICTION

2. The Court has subject matter jurisdiction over these counterclaims pursuant to D.C. Code § 11-921.

3. The Court has personal jurisdiction over Alternative Counterclaim Defendants Dr. Douglas D. M. Joo and Dr. Peter H. Kim, because they are Plaintiffs in this action and have thereby subjected themselves to the jurisdiction of this Court.

4. The Court has personal jurisdiction over Alternative Counterclaim Defendants Dr. Bo Hi Pak under D.C. Code §§ 13-423(a)(1), (3) and (4), because the Counterclaim against him arises from his acts and omissions in the District of Columbia (a) as a purported co-trustee of the alleged Trust, which was purportedly formed in the District of Columbia, and (b) as the former President and a former director of UCI, which Dr. Bo Hi Pak formed in the District of Columbia purportedly to implement the purposes of the alleged Trust.

III. PARTIES

5. Alternative Counterclaim Defendant Dr. Douglas D. M. Joo is a citizen of the United States and a resident of Maryland. As a self-identified current co-trustee of the alleged Trust, and as former President and Director of UCI, Dr. Douglas D. M. Joo, through his acts and omissions, has breached his fiduciary duties as a co-trustee of the alleged Trust.

6. Alternative Counterclaim Defendant Dr. Peter H. Kim is currently a citizen of Korea and resident of South Korea, though at certain times relevant herein, he was a citizen of the United States and a resident of New York. As a self-identified current co-trustee of the alleged Trust, and as a former Director of UCI, Dr. Peter H. Kim, through his acts and omissions, has breached his fiduciary duties as a co-trustee of the alleged Trust.

7. Alternative Counterclaim Defendant Dr. Bo Hi Pak is a citizen of the United States and a resident of the United States. As a purported current co-trustee of the alleged Trust, and as a former Director of UCI, Dr. Bo Hi Pak, through his acts and omissions, has breached his fiduciary duties as a co-trustee of the alleged Trust.

IV. FACTUAL ALLEGATIONS

A. The Creation of UCI

8. In September 1961, followers of Reverend Sun Myung Moon in the United States incorporated the Holy Spirit Association for the Unification of World Christianity, or HSA-UWC (USA), under the Nonprofit Corporation Laws of the State of California. The purpose and mission of this corporation, as set forth in its Articles of Incorporation, included “the worship of God and the study, teaching and practical application of Divine Principles.” In 1963, HSA-UWC (USA) was granted an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code, as the purported corporate embodiment of the Unification Church in the United States.

9. On March 20, 1963, Dr. Bo Hi Pak, established as an entity separate and apart from HSA-UWC (USA), an association under Virginia law with the same name as the church, i.e., the Holy Spirit Association for the Unification of World Christianity (the “Virginia Association”). This association was granted an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code, based on its representation that it was independent of any other Unification religious movement organization, whether in the United States or abroad.

10. After receiving federal tax exemption, the Virginia Association founded by Dr. Bo Hi Pak did not file any required reports with the Internal Revenue Service or otherwise comply with the restrictions imposed by Section 501(c)(3) and, instead, engaged in numerous commercial and other activities that were inconsistent with those restrictions.

11. On February 10, 1975, the Internal Revenue Service terminated the tax-exempt status of HSA-UWC (USA), and thereafter conducted an exhaustive examination to determine whether HSA-UWC (USA) was, in fact, a church and whether it had complied with the

requirements for maintaining its federal tax exempt status. This examination included a review of HSA-UWC (USA)'s bank account at the Chase Manhattan Bank in New York and the associated bank account of Reverend Sun Myung Moon, the founder of the Unification religious movement.

12. Thereafter, in December 1975, Dr. Bo Hi Pak and Reverend Sun Myung Moon opened a checking account for the Virginia Association at Diplomat National Bank in Washington, D.C., in the name of Unification Church International ("Diplomat Bank Checking Account"). The bank account did not name any beneficiaries or otherwise indicate that the assets in the account belonged to a trust. From December 15, 1975, until February 2, 1977, millions of dollars were deposited into and withdrawn from the Diplomat Bank Checking Account for various purposes that were inconsistent with the federal tax-exempt status that had previously been granted to the Virginia Association.

13. Because of the then ongoing IRS examination of HSA-UWC (USA) and concerns related to the failure of the Virginia Association to comply with its own tax-exempt status, Dr. Bo Hi Pak incorporated a new District of Columbia non-profit corporation in February 1977, and named it Unification Church International ("UCI"). Immediately after UCI's formation, the directors of the new District of Columbia corporation, all of whom had been directors of the Virginia Association: (1) ratified the Virginia Association's prior opening of the Diplomat Bank Checking Account in December 1975 as an act of UCI, (2) ratified all disbursements that had been made by the Virginia Association from the Diplomat Bank Checking Account since December 1975 as acts of UCI, and (3) caused UCI to file corporate tax returns for the tax years 1975 and 1976, periods prior to its incorporation. The directors also subsequently decided not to apply for federal tax exemption.

14. Through all of their actions, the original incorporators and directors of UCI created a District of Columbia non-profit corporation – as a successor to the Virginia Association – that was separate and independent from the control of all other Unification religious movement organizations, whether in the United States or abroad.

B. Mismanagement of UCI's Assets from 1977 to 2005

15. In March 1977, One Up Enterprises, Inc. (“One Up”) was established as a for-profit corporation under Delaware law and UCI acquired 100% of its stock. From this point forward, One Up became the holding company for UCI's various subsidiary for-profit enterprises, which were to be operated for the purpose of creating a dividend payable to UCI to be used by UCI to realize its non-profit mission and purposes.

16. Dr. Bo Hi Pak was UCI's President, and he remained President until January 1, 1992, when Dr. Douglas D. M. Joo succeeded him. Dr. Bo Hi Pak remained a Director of UCI at least through 2003. As President, Dr. Bo Hi Pak was responsible for making investments in and advancing money to One Up and its subsidiaries and for spending UCI funds, including donations and gifts that UCI received, to further UCI's mission and purposes. Instead, Dr. Bo Hi Pak's tenure as President of UCI was marked by the mismanagement and waste of UCI's assets for purposes unrelated to its mission, including the expenditure of UCI's funds for his personal benefit.

17. For instance, at the time of UCI's incorporation, Dr. Bo Hi Pak was the subject of multiple government investigations. The Securities and Exchange Commission investigated Dr. Bo Hi Pak for illegally acquiring and controlling stock in the Diplomat National Bank. The Internal Revenue Service investigated Dr. Bo Hi Pak's personal tax returns. He also was investigated by the United States House of Representatives Subcommittee on International

Organizations as a foreign agent of the Korean intelligence services. In connection with these and other investigations, Dr. Bo Hi Pak used UCI funds to pay his legal fees and expenses.

18. In addition, Dr. Bo Hi Pak made numerous wasteful and inappropriate uses of UCI funds, including, but not limited to, investments in and loans and other disbursements to companies and organizations in which he, his children, or close associates either had a personal financial interest or controlled. Among the inappropriate uses of UCI funds that Dr. Bo Hi Pak caused were:

a. The transfer of more than \$20 million to the Korean Culture and Freedom Foundation (“KCFF”), a non-profit, tax-exempt organization headquartered in Washington, D.C. Dr. Bo Hi Pak founded KCFF and, on information and belief, beginning in 1977 and continuing thereafter, misused KCFF’s funds for his personal purposes and wasted KCFF funds. In 2004, at a time when UCI was still donating over \$1 million annually to KCFF, Dr. Bo Hi Pak was convicted in South Korea of defrauding Korean businessmen in connection with a scheme to raise money for projects sponsored by KCFF. Dr. Bo Hi Pak served over two years in prison for the fraud offense.

b. The expenditure of millions of dollars on a real estate venture based in New Haven, Connecticut, named Oceanic Landing, Inc., which was owned and controlled by a close associate and friend of Dr. Bo Hi Pak.

c. The allocation of tens of millions of dollars to support the operations of Atlantic Video, Inc., a media company headed by Dr. Bo Hi Pak’s son, Jonathan Park. Atlantic Video, Inc. suffered annual losses in the millions of dollars during Dr. Bo Hi Pak’s tenure as President of UCI

19. In 1992, Dr. Douglas D. M. Joo became President of UCI, and he served in that capacity until 2005. Also from September 2005 to November 2009, Dr. Douglas D. M. Jo served as President of several UCI subsidiaries. Much like Dr. Bo Hi Pak's tenure as President of UCI, Dr. Douglas D. M. Joo's tenure with UCI and its subsidiaries was marked by the mismanagement and waste of UCI's assets, including related-party transactions. Among the imprudent and wasteful expenditures that Dr. Douglas D. M. Joo caused were:

a. The loss of hundreds of millions of dollars to purchase and fund the operations of The Nostalgia Network, Inc., a cable television network that also operated under the names Goodlife TV and American Life TV, and whose primary programming included re-broadcasts of syndicated shows, such as "L.A. Law," "Hill Street Blues," and "St. Elsewhere." After becoming Chairman and President of UCI, Dr. Moon caused the termination of financial support for the operations of The Nostalgia Network, concluding that it was a wasteful use of UCI funds and inconsistent with UCI's stated mission and goals.

b. The disbursement in 2003 of a \$15 million loan to St. George, Ltd., a South American enterprise controlled and operated by a relative of Dr. Douglas D. M. Joo. St. George did not repay any portion of and did not pay any interest on the loan.

c. The continued expenditure of tens of millions of dollars to support the operations of Atlantic Video, Inc., even though the company continued to lose millions of dollars annually.

C. Dr. Moon Institutes Reforms at UCI

20. Dr. Moon graduated from Columbia University in New York City, New York, in 1995, and earned his M.B.A. from Harvard Business School in 1998. In 2006, at the urging of leaders of the Unification religious movement, Dr. Moon agreed to join the Board of UCI, whereupon he was duly elected as a Director of UCI and as its President (a title later changed to

President and CEO). He became the duly elected Chairman of UCI shortly thereafter, effective as of April 2006. At no point was Dr. Moon informed of, nor did he otherwise become aware of, the existence of the alleged oral charitable Trust, until Plaintiffs pled its alleged formation in this lawsuit.

21. Upon becoming the Chief Executive Officer of UCI, Dr. Moon began a series of reforms designed both to reverse the poor business practices and financial mismanagement of his predecessors, Dr. Bo Hi Pak and Dr. Douglas D. M. Joo, and to implement modern business practices within the companies that UCI owned and controlled through One Up. He also commissioned business analyses and evaluations to minimize cash expenditures on UCI's operations that annually lost money, such as The Washington Times and other media properties. Dr. Moon instituted these changes at UCI to improve the profitability of the corporation so that it could more effectively carry out Reverend Sun Myung Moon's vision, reflected in UCI's amendment of its Articles of Incorporation in April 2010, "conduct educational, cultural, and religious programs for the purposes of furthering world peace, harmony of all humankind, interfaith understanding among all races, colors, and creeds throughout the world"

22. In addition to reforming UCI's business and financial practices, Dr. Moon also sought to better serve the corporation's purpose of furthering "world peace, harmony of all mankind and interfaith understanding between all races, colors, and creeds throughout the world" by founding the Global Peace Festival Foundation ("GPF") and by designating GPF as the primary recipient of charitable donations from UCI and its various subsidiary corporations. GPF is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. GPF's mission is to celebrate and promote "the vision of One Family Under God through building interfaith partnerships, vibrant families, and a culture of service and peace."

GPIFF sponsors numerous initiatives throughout the world that are designed to promote and develop, among other things, leadership, character, and peace education; social entrepreneurship and community development; interfaith partnerships and conflict resolution; and stronger families.

23. Since Dr. Moon has become Chief Executive Officer of UCI and begun reforming UCI's practices, Dr. Douglas D. M. Joo and Dr. Peter H. Kim have undertaken efforts to disrupt the operations and business activities of UCI's for-profit subsidiaries. Dr. Douglas D. M. Joo and Dr. Peter H. Kim, among others, have directed or caused by the following actions, including:

a. In the summer of 2009, Dr. Douglas D. M. Joo, who was then a purported co-trustee of the alleged Trust and a director and officer of multiple wholly owned subsidiaries of UCI, and Dr. Peter H. Kim, who was then a purported co-trustee of the alleged Trust and "Secretary General" of the Mission Foundation, along with others, caused the cessation of millions of dollars of donations to UCI from Japanese entities and individuals. Dr. Douglas D. M. Joo and Dr. Peter H. Kim knew that such donations were used, in the sole discretion of UCI, to fund the operations of UCI and its wholly owned subsidiaries and knew that the cessation of such donations would impair UCI's commercial activities and charitable purposes.

b. In November 2009, without the knowledge or authorization of UCI, and without the knowledge or authorization of other purported co-trustees of the alleged Trust, including Dr. Moon, Dr. Douglas D. M. Joo caused the unlawful transfer of \$21 million from a wholly owned subsidiary of UCI, Washington Times Aviation USA LLC ("WTA"), to the Mission Foundation, whose Board of Directors included Dr. Peter H. Kim. Dr. Douglas D. M. Joo and Dr. Peter H. Kim were criminally indicted by the Seoul Central District Prosecutor's Office and are currently

facing a criminal trial in South Korea in connection with this \$21 million transfer from WTA to the Mission Foundation.

V. STATEMENT OF CLAIMS

**Count I – Breach of Trust
(Against All Alternative Counterclaim Defendants by UCI)**

24. The allegations in paragraphs 1-23 are repeated and realleged as if set forth fully herein.

25. Plaintiffs have alleged that Alternative Counterclaim Defendants Dr. Bo Hi Pak, Dr. Peter H. Kim, and Dr. Douglas D. M. Joo, were, at all times relevant to this Alternative Counterclaim, co-trustees of the alleged Trust.

26. Plaintiffs have also alleged that Alternative Counterclaim Plaintiff Dr. Moon is a co-trustee of the alleged Trust.

27. In the event that the Trust is deemed to exist, UCI, as an entity that was allegedly formed “to implement the purposes of the trust,” served and continues to serve as both a corporate co-trustee of the Trust. Additionally, and in the alternative, UCI is a beneficiary of the Trust because in “implement[ing] the purposes of the Trust,” it holds a power of appointment over trust property, including the authority to designate recipients of the beneficial interest of the Trust’s property.

28. In the event that the Trust is deemed to exist, the Alternative Counterclaim Defendants owe, and have owed since they allegedly became co-trustees, fiduciary duties, described below, to effectuate the purposes of the Trust and to ensure that the assets of the Trust are used consistent with those purposes.

29. The Alternative Counterclaim Defendants owe, and have owed since they allegedly became trustees, a duty to administer the Trust, which includes and encompasses,

among others, the following duties: the duty to ascertain the responsibilities of trusteeship; the duty to collect and preserve Trust property; the duty to promptly inform Trust beneficiaries of the existence of the Trust and any significant developments concerning the Trust; the duty to maintain records regarding Trust property and the administration of the Trust and, at reasonable intervals, to provide beneficiaries with reports or accountings; and, the duty to identify and refrain from commingling trust property with any other property not subject to the Trust.

30. The Alternative Counterclaim Defendants owe, and have owed since they allegedly became trustees a duty to administer the Trust as a prudent person would by exercising reasonable care, skill and caution in all matters affecting the Trust.

31. The Alternative Counterclaim Defendants owe, and have owed since they allegedly became trustees, a duty to administer the Trust solely in the interests of Trust beneficiaries by refraining from self-dealing or related-party transactions, avoiding conflicts of interest, and disclosing all material facts to Trust beneficiaries.

32. The Alternative Counterclaim Defendants owe, and have owed since they allegedly became trustees, a duty to determine whether certain administrative responsibilities with respect to the Trust should be delegated to others and then to supervise or monitor the selected agents as a prudent person of comparable skill would do.

33. The Alternative Counterclaim Defendants owe, and have owed since they allegedly became trustees, a duty to use reasonable care to prevent another co-trustee from committing a breach of trust and, if a breach of trust occurred, to obtain appropriate redress against the co-trustee or a former trustee known to have committed a breach of trust.

34. The Alternative Counterclaim Defendants owe, and have owed since they allegedly became trustees, a duty to Trust beneficiaries to invest and manage funds in the Trust

as a prudent investor would, in light of the purposes, terms, distribution requirements and other circumstances of the Trust, and in the context of an overall investment strategy that incorporates risk and return objectives reasonably suited to the Trust.

35. Dr. Bo Hi Pak breached his fiduciary duties as a purported trustee of the alleged Trust by, among other actions: mismanaging the Trust's assets, including through the expenditure of Trust funds to pay his personal legal fees and to benefit companies and organizations in which he, his close associates or his children had a personal financial interest or which they controlled; failing to follow basic formalities of trust administration, such as filing tax returns on behalf of the Trust, identifying trust property, maintaining records of the Trust and providing reports to Trust beneficiaries; failing to use reasonable care to prevent other alleged co-trustees from committing a breach of trust; commingling the assets of the Trust with the assets of UCI, as evidenced by UCI reporting the Trust's assets on its own tax return; and generally failing to act as if the Trust existed.

36. Dr. Douglas D. M. Joo breached his fiduciary duties as a purported trustee of the alleged Trust by, among other actions: mismanaging and wasting the Trust's assets on ventures such as The Nostalgia Network, St. George, Ltd., and Atlantic Video, Inc.; interfering with donations to UCI that historically have funded its and its subsidiaries' operations; causing the unlawful transfer of \$21 million from WTA to the Mission Foundation; failing to follow basic formalities of trust administration, such as filing tax returns on behalf of the Trust, identifying trust property, maintaining records of the Trust and providing reports to Trust beneficiaries; failing to use reasonable care to prevent other alleged co-trustees from committing a breach of trust; commingling the assets of the Trust with the assets of UCI, as evidenced by UCI reporting the Trust's assets on its own tax return; and generally failing to act as if the Trust existed.

37. Dr. Peter H. Kim breached his fiduciary duties as a purported trustee of the alleged Trust by, among other actions: interfering with donations to UCI that historically have funded its and its subsidiaries operations; participating in the unlawful transfer of \$21 million from WTA to the Mission Foundation; failing to follow basic formalities of trust administration, such as filing tax returns on behalf of the Trust, identifying trust property, maintain records of the Trust, and providing reports to Trust beneficiaries; failing to use reasonable care to prevent other alleged co-trustees from committing a breach of trust; commingling the assets of the Trust with the assets of UCI, as evidenced by UCI reporting the Trust's assets on its own tax return; and generally failing to act as if the Trust existed.

38. UCI's Board of Directors, including Dr. Moon, became aware of the alleged oral charitable Trust for the first time when Plaintiffs pled its formation and existence in their complaint.

39. The Trust and UCI, as its beneficiary, have been damaged in an amount to be determined as a direct and proximate result of the Alternative Counterclaim Defendants' breaches of their fiduciary duties as co-trustees of the Trust, including by the long-term mismanagement and waste of the Trust's assets.

VI. PRAYER FOR RELIEF

WHEREFORE Alternative Counterclaim Plaintiff Dr. Moon prays that this Court enter judgment against all of the Alternative Counterclaim Defendants and in favor of the Alternative Counterclaim Plaintiff:

1. If the Trust is found to exist, awarding UCI all damages incurred as a result of the Alternative Counterclaim Defendants' breach of their fiduciary duties as co-trustees of the alleged Trust benefitting UCI, including punitive damages, costs and expenses, and reasonable attorneys' fees;

2. If the Trust is found to exist, removing Dr. Bo Hi Pak, Dr. Peter H. Kim, and Dr. Douglas D. M. Joo as co-trustees of the alleged Trust and any other equitable relief deemed appropriate by the Court; and

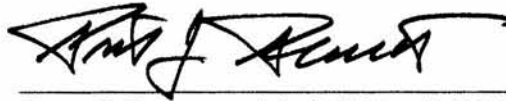
3. Granting any and all such other relief that the Court deems appropriate.

VII. JURY DEMAND

Alternative Counterclaim Plaintiff Dr. Moon hereby demands a trial by jury on all counts so triable.

Dated: August 24, 2012

Respectfully submitted,



Peter J. Romatowski (DC Bar # 400471)
E-mail: pjromatowski@jonesday.com

Adrian Wager-Zito (DC Bar # 413287)
E-mail: adrianwagerzito@jonesday.com

Sean Thomas Boyce (D.C. Bar # 986235)
E-mail: sboyce@jonesday.com

JONES DAY
51 Louisiana Avenue, N.W.
Washington, D.C. 20001-2113
Telephone: (202) 879-3939
Facsimile: (202) 626-1700

Attorneys for Defendant
HYUN JIN (PRESTON) MOON

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing Answer, Affirmative Defenses, and Counterclaim of Defendant Hyun Jin (Preston) Moon to be served by CaseFileXpress electronic mail this 24th day of August, 2012 upon:

Steven M. Salky, Esq.
Blair B. Brown, Esq.
Amit P. Mehta, Esq.
ZUCKERMAN SPAEDER LLP
1800 M Street, N.W.
Suite 1000
Washington, DC 20036
E-mail: ssalky@zuckerman.com
E-mail: bgbrown@zuckerman.com
E-mail: amehta@zuckerman.com

Counsel for Defendant UCI

James A. Bensfield, Esq.
Emmett B. Lewis, Esq.
Brian A. Hill, Esq.
John C. Eustice
Erik B. Nielsen
Alan L. Horowitz, Esq.
MILLER & CHEVALIER CHARTERED
655 15th Street, N.W.
Suite 900
Washington, DC 20005
E-mail: jbensfield@milchev.com
E-mail: elewis@milchev.com
E-mail: bhill@milchev.com
E-mail: jeustice@milchev.com
E-mail: enielsen@milchev.com
E-mail: ahorowitz@milchev.com

*Counsel for Plaintiffs The Family Federation
for World Peace and Unification International,
The Universal Peace Federation, and The Holy
Spirit Association for the Unification of World
Christianity (Japan)*

W. Gary Kohlman, Esq.
Jeffrey R. Freud, Esq.
Ramya Ravindran, Esq.
Philip C. Andonian, Esq.
BREDHOFF & KAISER, PLLC
805 15th Street, N.W.
Suite 1000
Washington, DC 20005
E-mail: gkohlman@bredhoff.com
E-mail: jfreund@bredhoff.com
E-mail: rravindran@bredhoff.com
E-mail: pandonian@bredhoff.com

Counsel for Plaintiff Dr. Peter H. Kim

Thomas C. Green, Esq.
Frank R. Volpe, Esq.
Meghan Delaney-Berroya, Esq.
George W. Jones, Esq.
Chanda Betourney, Esq.
SIDLEY AUSTIN LLP
1501 K Street, N.W.
Washington, DC 20005-1401
E-mail: tcgreen@sidley.com
E-mail: fvolpe@sidley.com
E-mail: mberroya@sidley.com
E-mail: gjones@sidley.com
E-mail: cbetourney@sidley.com

*Counsel for Plaintiff and Alternative
Counterclaim Defendant Dr. Douglas D. M.
Joo*

And by electronic mail and first class mail upon:

Francis D. Carter, Esq.
ATTORNEY AT LAW
101 S Street, N.W.
Washington, DC 20001
E-mail: Frank@fdcarter.com

*Counsel for Individual Defendants Michael
Sommer, Richard J. Perea, Jinman Kwak, and
Youngjun Kim*

Benjamin P. De Sena, Esq.
LAW OFFICES OF DE SENA & PETRO
197 Lafayette Avenue
Hawthorne, NJ 07506
E-mail: bdesena@aol.com

*Counsel for Plaintiffs The Family Federation
for World Peace and Unification International,
The Universal Peace Federation, and The Holy
Spirit Association for the Unification of World
Christianity (Japan)*



Sean Thomas Boyce