NOTICE OF ARBITRATION UNDER THE ARBITRATION RULES OF THE UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW AND CHAPTER 11 OF THE FREE TRADE AGREEMENT BETWEEN THE UNITED STATES AND THE REPUBLIC OF KOREA

BETWEEN:

MR. HUN WON (A/K/A JASON H. WON)

(CLAIMANT)

-AND-

THE REPUBLIC OF KOREA

(RESPONDENT)

NOTICE OF ARBITRATION

AHNE & JI, LLP
By: Younghoon Ji, Esq., Lead Counsel
By: Bo-Ah Lee, Esq., Associate
Counsel for Claimant Hun Won
(a/k/a Jason H. Won)
1220 Broadway, Suite 502
New York, New York 10001
United States
Tel.: (212) 594-1035
Fax: (212) 967-1112
Direct: (917) 671-7077
Email: youngjiesq@gmail.com
Email: boahlynnlee@gmail.com

May 6, 2021

I. INTRODUCTION.

1. This Notice of Arbitration, together with its Exhibits numbered from **"A"** to **"J"** and the Declaration of Hun Won, is submitted on behalf of Mr. Hun Won (a/k/a Jason H. Won) (hereinafter, the "Claimant" or "Mr. Won") pursuant to Article 3 of the Arbitration Rules of the United Nations Commission on International Trade Law in force as from 15 August 2010 (the "UNCITRAL Arbitration Rules"), administered by the International Centre for Settlement of Investment Disputes (the "ICSID"), against the Republic of Korea (hereinafter, the "Respondent," "Republic of Korea," or "South Korea"), (hereinafter, collectively referred to as the "Parties").

2. Claimant contends that the instant Notice of Arbitration is timely and appropriate pursuant to Article 11.16(2) of the Free Trade Agreement between the United States and the Republic of Korea (the "KORUS FTA") on the grounds that the ninety (90) days period has elapsed since the service of a written notice of intent to submit dispute to arbitration. KORUS FTA Sec. B, Art. 11.16(2).

3. This Notice of Arbitration contains information concerning the following:

i. The name, description, and address of each of the Parties (II);

ii. The Parties' contractual relationship and the nature and circumstances of the Parties' dispute giving rise to the Claimant's claims (III);

iii. The dispute resolution clause, the proposed governing law, and the seat and language of the arbitration (IV);

iv. Claimant's position as regards the composition of the arbitral tribunal (V);

v. Claimant's damages (VI); and

vi. A statement of the relief sought (VII).

4. Heralded as one of "the world's largest free-trade agreement,"[1] the Free Trade Agreement between the United States and the Republic of Korea united the world's largest and fifteenth largest economies, respectively.[2]

5. "The United States' first free trade agreement with a major Asian economy [was] expected to increase annual American exports to South Korea by $10 billion annually, an exciting prospect for U.S. business interests." Katherine Wang, *The Korea-U.S. Free Trade Agreement: Motivations for Investor-State Dispute Settlement Provisions*, 18 U.C. Davis J. Int'l L. & Pol'y 505, 507 (2012).

6. "As business transactions between the United States and South Korea have increased in numbers and complexity, U.S. investors expressed strong concerns over the investment environment in South Korea." *Id.*; *see also, U.S.-Korea Free Trade Agreement: Potential Economy-wide and Selected Sectoral Effects*, Inv. No. TA-2104-24 (2007), USITC Pub. 3949 (Sept. 20, 2007) (Corrected New Printing), at 6-5 available at http:// www.usitc.gov/publications/332/pub3949.pdf [hereinafter Potential Economy-wide and Selected Sectoral Effects].

7. "In the KORUS-FTA, the U.S. government sought to strengthen protections for U.S. investors by establishing rules on expropriation, performance requirements, transparency, and non-discriminatory national treatment standards while safeguarding investment revenues against potential political disruptions." Katherine Wang, *The Korea-U.S. Free Trade Agreement: Motivations for Investor-State Dispute Settlement Provisions*, 18 U.C. Davis J. Int'l L. & Pol'y at 507 (2012).

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[1] Sang-Hun Choe, U.S. and South Korea Sign Free Trade Agreement, N.Y. Times, Apr. 2, 2007, available at http:// www.nytimes.com/2007/04/02/world/asia/02iht-fta.1.5110252.html; reprinted and also available at http://tech.mit.edu/V127/N15/long4.html (last visited Aug. 28, 2012).

[2] All Countries, GDP, Current Prices, and U.S. Dollars, International Monetary Fund Report for Selected Countries and Subjects, http:// www.imf.org/external/pubs/ft/weo/2010/02/weodata/weorept.aspx (last visited Aug. 28, 2012).

8. To resolve investor-state disputes, the United States and the Republic of Korea agreed to provide for investor-state dispute settlement mechanism. U.S.-Korea Free Trade Agreement Final Text: Chapter Twenty-Two Institutional Provisions and Dispute Settlement (2007), http:// www.ustr.gov/sites/default/files/uploads/agreements/fta/korus/asset_upload_ file973_12721.pdf.

9. This mechanism enables private investors from the United States or the Republic of Korea to seek arbitration against the government of a host state before an international tribunal if an amicable settlement does not yield sufficient results. *See* William S. Dodge, *Investor-State Dispute Settlement Between Developed Countries: Reflections on the Australia-United States Free Trade Agreement*, 39 Vand. J. Transnat'l L. 1, 1-37 (2006).

10. This dispute principally concerns the Respondent's breach of Chapter 11, Section A-B of the KORUS FTA.

11. Respondent's said breach resulted in the Claimant's foreign investment expropriation without just compensation based on the fair market value, and the Respondent is now forcing the Claimant to accept an appraisal value that is unfair and way below the current market price.

12. Said expropriation is portrayed to serve public purpose when, in reality, it does not because it ultimately harms the affected property owners and only benefits the Redevelopment Union and private construction companies.

13. Upon information and belief, the process of getting the consents of the affected property owners, which will be elaborated in section III part (c), involves misrepresentation and in some cases even threat, duress, harassment, and/or undue influence by a group of street gangsters disguised as members of the Redevelopment Union.

14. This undermines one of democracy's guaranteed rights: an individual's right to ownership and use of private property for personal benefit.

15. Upon information and belief, there were some past instances where affected property owners turned to extreme measures, such as taking their own lives, once they realized that they were worse off after the redevelopment project and could lose everything that they have established thus far in their lives.

16. Respondent cannot, and should not, justify this process by calling it "public purpose."

17. It should come as no surprise to the Respondent that the destruction of a foreign investor's investment, without the payment of prompt, adequate, and effective relief, is impermissible under international law, especially under the KORUS FTA. *See generally*, KORUS FTA.

18. Notably, such treatment of a foreign investor is in plain violation of Article 11.6 of the KORUS FTA, which is the basis of which the Claimant brings this arbitration claims against the Respondent. *See* KORUS FTA Sec. A, Art. 11.6.

19. Although the Respondent claims that it respects the rule of law, and although it promotes itself as a safe destination for foreign investment, its treatment of the Claimant's investment conclusively shows the perils of investing in the Republic of Korea.

20. No one, and especially not a foreign investor contributing to the economic development and wellbeing of the Respondent and its citizens, should be subjected to such treatment.

21. We expect that the circumstances of the Claimant's expropriation of his investment, even after his expression of objection, will, at the very least, serve as a cautionary tale for businessmen considering investing in the Republic of Korea.

22. Through the instant arbitration proceeding, the Claimant will show that the Respondent's expropriation system is in plain violation of the KORUS FTA and that the Respondent's expropriation appraisal and assessment system is unlawful in contravention of the terms and conditions of the KORUS FTA. *See generally*, KORUS FTA Art. 11.

II. THE PARTIES.

A. Claimant.

23. Mr. Hun Won (a/k/a Jason H. Won), the Claimant in this proceeding, is an individual citizen of the United States of America. A true and accurate copy of his United States passport is attached hereto as "**Exhibit A**." On or about May 3, 2011, the Claimant purchased a building, located at 22 Hoam-ro 25 beon-gil, Gwangan-dong, Suyeong-gu, Busan, Republic of Korea (the "Chelsea Studio"), for approximately $895,812.52[3].

24. Claimant's current address is:

Hun Won (a/k/a Jason H. Won)
512-2 Samsung-ri, Yongmun-myeon
Yangpyeong, Gyeonggi-do, Republic of Korea
Tel.: (212) 594-1035 (contact through the undersigned)
Email: youngjiesq@gmail.com (contact through the undersigned)

[3] 1,000,000,000 Won in USD as of April 30, 2021.

25. Claimant's representative/legal counsel, to whom all correspondence should be sent in this arbitration, is:

AHNE & JI, LLP
By: Younghoon Ji, Esq., Lead Counsel
By: Bo-Ah Lee, Esq., Associate
1220 Broadway, Suite 502
New York, New York 10001
Tel.: (212) 594-1035
Fax: (212) 967-1112
Email: youngjiesq@gmail.com
Email: boahlynnlee@gmail.com

B. Respondent.

26. Respondent is the Republic of Korea.

27. Respondent, the Republic of Korea, is a signatory to the KORUS FTA.

28. Respondent's representative/legal counsel, to whom all correspondence should be sent in this arbitration, is:

Prosecutor Changwan Han & Prosecutor Heungsae Oh
Ministry of Justice
International Dispute Settlement Division
47 Gwanmunro Gwacheon-si
Gyeonggi-do, 13809
Republic of Korea
Tel.: (+82)-2-2110-4321
Fax: (+82)-2-2110-0327
Email: oh716@korea.kr
cwhan@korea.kr

III. THE PARTIES' CONTRACT AND THE NATURE AND CIRCUMSTANCES OF THE PARTIES' DISPUTE GIVING RISE TO THE CLAIMS.

(a) Factual Background.

29. On or about May 3, 2011, the Claimant purchased the Chelsea Studio for about $895,812.52[4].

[4] 1,000,000,000 Won in USD as of April 30, 2021.

30. The building the Claimant purchased is located at 22 Hoam-ro 25 beon-gil, Gwangan-dong, Suyeong-gu, Busan, Republic of Korea. The building is named "Chelsea Studio" and is a residential building. The Chelsea Studio was a newly built building, at the time of the purchase, unlike the older buildings in the neighborhood.

31. Claimant owned 100% interest in the real property until it was unilaterally expropriated by the Respondent without just compensation on or about April 7, 2021.

32. When the Chelsea Studio was purchased, it was purchased for the purpose of investment.

33. At no point did the Claimant ever reside at the Chelsea Studio or any apartment unit(s) thereof because it was not purchased for the Claimant's residency purposes.

34. Upon the acquisition of the building, the Claimant expanded his investment by improving the building through: (a) renovating the building and its structures, both internal and external; (b) replacing furniture, washers, and dryers in the building; (c) fixing and maintaining heating, air conditioning, and ventilation systems in the building; (d) painting the walls; (e) changing doors and door locks for tenants; (f) renovating kitchens for tenants; (g) installing air purifiers, new refrigerators, and other kitchen appliances; (h) fixing and maintaining water pumps and pipes for the building; (i) and cleaning the building and its structures on a regular basis.

35. Claimant briefly occupied one of the apartment units of the Chelsea Studio, prior to filing this Notice of Arbitration, for the purpose of protecting his investment property from unauthorized actions, which have been taken and might again be taken in near future, during the pendency of the instant arbitration proceeding.

36. In 2018, the Claimant was naturalized as a U.S. citizen while relinquishing his citizenship in the Republic of Korea. *See* "**Exhibit A**."

37. Claimant had eighteen (18) tenants who each rented a studio apartment unit from him for a security deposit of about $4,479.06[5] and monthly rent of about $358.33[6].

38. As the owner of the building, the Claimant had family members take care of the building, as the Claimant resided in the United States, and did all his responsibilities by making sure that the building is well maintained.

39. Claimant's entrustment related only to "management" and provided the Claimant's family members with no authority to enter into or agree to any matter affecting or potentially affecting the ownership of the property.

40. Mr. Won, time to time, traveled to, and visited, South Korea, as he had continuously resided in the United States, and each time he traveled to South Korea, he checked upon his investment property – the Chelsea Studio – and its physical conditions in order to make sure that the building is well maintained.

41. In or about the end of March 2020, the Claimant rushed back to the Republic of Korea when he was informed that a redevelopment union was about to be created and formed for a redevelopment project, which included the Chelsea Studio.

42. Claimant was very upset and surprised at this abrupt news that he asked his counsel in New York to draft notices in English and Korean to post them in front of his building, objecting to the redevelopment project as a foreign investor. A true and accurate copy of the Notice, both in English and Korean, is attached hereto as "**Exhibit B**."

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[5] 5,000,000 Won in USD as of April 30, 2021.
[6] 400,000 Won in USD as of April 30, 2021.

43. However, in or about October 2020, the Claimant received a final official notice for redevelopment by the Busan-si municipal office – the Busan Regional Construction and Management Administration (the "BRCMA") – informing him of a redevelopment project that will include the Claimant's investment property. A true and accurate copy of the Notice from the BRCMA is attached hereto as "**Exhibit C**."

44. Upon information and belief, the BRCMA is an organization affiliated with the Korean Ministry of Land, Infrastructure and Transport (the "MOLIT"), which is a government agency.

45. Subsequently, the Claimant notified the BRCMA by sending a Notice, both in English and Korean, stating that the real property is owned by the Claimant, who is a United States citizen, and that the real property is protected by the KORUS FTA. The Notice clearly stated that the Claimant's property cannot be part of the redevelopment project, as it is foreign investment under the KORUS FTA. Said Notice was also posted at the Chelsea Studio. *See* "**Exhibit B**."

46. In or about October 2020, the Redevelopment Union, which is a subpart of the BRCMA, filed a suit in the Busan District Court against the Claimant, as the Claimant's foreign investment became an obstacle to the redevelopment project.

47. Upon receipt of the Complaint, the Claimant hired an attorney in the Republic of Korea and filed an Answer to the Complaint stating that on the basis of Chapter 11 of the KORUS FTA, the Chelsea Studio cannot, and should not, be subjected to expropriation, unless it is for a public purpose with just compensation.

48. Claimant actively, clearly, and continuously expressed his objections to the redevelopment project by posting formal Notices at the Chelsea Studio, sending formal Notices to the BRCMA, and raising objections to the BRCMA and Redevelopment Union.

49. Despite the Claimant's objections, he was forced to become a member of the redevelopment union of all affected property owners (the "Redevelopment Union").

50. Claimant has never given consent to join the Redevelopment Union, and once he opposed the redevelopment project, the Redevelopment Union unilaterally kicked him out from its membership.

51. The BRCMA proceeded with the project and applied for an injunction prohibiting the transfer of possession to force the Claimant's tenants out of his property, which was then granted by the Busan District Court.

52. Subsequently, the Redevelopment Union and its administrators burglarized and trespassed on the Claimant's property, destroying about nine (9) door locks and installing new ones, which was a horrific experience for the tenants of the Chelsea Studio.

53. A criminal action is currently pending due to said burglary and trespass without the consent of the Claimant and/or his tenants. A true and accurate copy of the Criminal Complaint is attached hereto as "**Exhibit D**."

54. Upon information and belief, the BRCMA or its administrators have previously sent out numerous letters and made phone calls to the Claimant's tenants, requesting and encouraging their move-out, providing them with about $2,687.44[7] of moving expenses.

55. This resulted in five (5) tenants moving out in 2017, four (4) tenants moving out in 2018, another four (4) tenants moving out in 2019, two (2) tenants moving out in 2020, and three (3) tenants moving out in 2021.

[7] 3,000,000 Won in USD as of April 30, 2021.

56. When the Claimant rushed back to the Republic of Korea in or about March 2020, the Claimant learned for the first time that most, if not all, of his tenants were forced to move out by the administrators of the BRCMA and/or Redevelopment Union.

57. From the eighteen (18) tenants that were living in the Claimant's building, none of them currently occupy the building because they were all forced out of the building by the administrators of the Redevelopment Union.

58. A total of eighteen (18) tenants moved out due to the redevelopment project.

59. This caused enormous financial damages to the Claimant.

60. The rental income from the Chelsea Studio was the only source of income for the Claimant.

61. When discussions about appraisal value began between the Redevelopment Union and the BRCMA, the Claimant, once again, strongly objected to participating in such discussions, as he believed that his property should not be subjected to the redevelopment project.

62. Despite the Claimant's strong objection, the BRCMA requested an appraisal, and the appraisal was done by a third party appraiser selected by the Mayor of Busan, who considered the published land price as the standard instead of the fair market value.

63. The BRCMA, in conjunction with the Busan-si municipal office, rendered an opinion regarding the amount of compensation for the Claimant's property, located at 22 Hoam-ro 25 beon-gil, Gwangan-dong, Suyeong-gu, Busan, Republic of Korea, to be the total of $1,236,221.28[8]. A true and accurate copy of the Adjudication is attached hereto as "**Exhibit E**."

64. This amount the BRCMA, and/or the Redevelopment Union, offered to the Claimant for his investment property was not even forty percent (40%) of the market value of the

[8] 1,380,000,000 Won in USD as of April 30, 2021.

property, which, upon information and belief, is approximately between $4,031,156.34[9] and $4,479,062.60[10].

(b) Legal Basis of Claim.

65. The actions of the Respondent described above violate a number of the Respondent's obligations under the KORUS FTA, notably those obligations concerning the just treatment of foreign investors and investments, and the just and prompt compensation based on the fair market value in case of expropriation for public purpose. *See generally*, KORUS FTA Art. 11.

66. "The principle of national treatment is a key factor in the chapter 11 discussion of the protections offered to investments by one party in the territory of the other." Louis D. Victorino, *FEATURE COMMENT: The U.S.-Korea Free Trade Agreement – Expanding Business Opportunities in Asia*, 54 No. 28 Gov't Contractor ¶ 231.

67. "That is, each party is required to accord to such investments treatment no less favorable than that accorded under like circumstances to its own investors with respect to the establishment, management, conduct, sale and the like, of investments in its territory." *Id.*

68. "Chapter 11 also contains minimum standards of treatment of covered investments. These standards envision fair and equitable treatment in accordance with customary international law." *Id.*

69. "In addition, the usual limitations are placed on the expropriation or nationalization of covered investments. Such actions are only permitted for public purposes and in a nondiscriminatory manner, and there must be 'prompt, adequate, and effective compensation' paid in case of such actions." *Id.*

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[9] 4,500,000,000 Won in USD as of April 30, 2021.
[10] 5,000,000,000 Won in USD as of April 30, 2021.

70. "Finally, both parties are required to permit all transfers into and out of their territory relating to a covered investment to be made freely and without delay." *Id.*

71. "National" means, with respect to South Korea, a Korean national within the meaning of the Nationality Act, and with respect to the United States, "national of the United States" as defined in the Immigration and Nationality Act. KORUS FTA Sec. A, Art. 1.4.

72. "Covered investment" means, with respect to a Party, an investment, as defined in Article 11.28 (Definitions), in its territory of an investor of the other Party that is in existence as of the date of entry into force of this Agreement or established, acquired, or expanded thereafter. *Id.*

73. Article 11.28 of the KORUS FTA states, in pertinent part, that "investment"

> means every asset that an investor owns or controls, directly or indirectly, that has the characteristics of an investment, including such characteristics as the commitment of capital or other resources, the expectation of gain or profit, or the assumption of risk.
>
> KORUS FTA Sec. B, Art. 11.28.

74. As the chapeau makes clear, this definition encompasses "every asset" that an investor owns or controls, directly or indirectly, that has the characteristics on an investment. Article 11.28 further states that the "[f]orms that an investment may take include" the assets listed in the subparagraphs. Subparagraph (h) of the definition lists, among forms that an investment may take, "tangible or intangible, movable or immovable property." *Id.* The enumeration of a type of an assets in Article 11.28, however, is not dispositive as to whether a particular assets, owned or controlled by an investor, meets the definition of investment; it must still always possess the characteristics of an investment, including such characteristics as the commitment of capital or other resources, the expectation of gain or profit, or the assumption of risk. Lee M. Caplan & Jeremy K. Sharpe, *Commentary on the 2012 U.S. Model BIT, in*

COMMENTARIES ON SELECTED MODEL INVESTMENT TREATIES 755, 767, 768 (Chester Brown ed., 2013).

i. Just Treatment of Foreign Investors and Investments.

75. Under Article 11.3 of the KORUS FTA, each Party shall accord to investors of the other Party and covered investment treatment no less favorable than that it accords, in like circumstances, to investments in its territory or investors. KORUS FTA Sec. A, Art. 11.3.

76. Further, under Article 11.4, each Party shall accord to investors of the other Party and covered investments treatment no less favorable than any non-Party or the investment of a non-Party. KORUS FTA Sec. A, Art. 11.4.

77. Article 11.5 states that each Party shall accord to covered investments treatment in accordance with customary international law, including fair and equitable treatment and full protection and security. KORUS FTA Sec. A, Art. 11.5. "Fair and equitable treatment" includes the obligation not to deny justice in criminal, civil, or administrative adjudicatory proceedings in accordance with the principle of due process embodied in the principal legal system of the worlds; and "full protection and security" requires each Party to provide the level of police protection required under customary international law. *Id.*

78. Certain cases have given the tribunals a guideline to define or identify fair and equitable treatment, or unfair and inequitable treatment:

a. The host state must act in good faith (*Tecmed*,[11] and *Waste Management*[12]);

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[11] *Técnicas Medioambientales Tecmed, S.A. v. United Mexican States*, ICSID Case No ARB(AF)/00/2, Award 29 May 2003, ¶ 153, Available at https://www.italaw.com/sites/default/files/case-documents/ita0854.pdf.

[12] *Waste Management, Inc. v. United Mexican States*, ICSID Case Np. ARB(AF)/00/03, Award, 30 April 2004, ¶ 138, Available at https://www.italaw.com/sites/default/files/case-documents/ita0900.pdf.

b. The host state's conduct cannot be arbitrary, grossly unfair, unjust, idiosyncratic, discriminatory, or lacking in due process (*Waste Management*,[13] *SD Myers*,[14] and *Occidental*[15]);

c. The host state must act in a transparent manner (*Metalcad*,[16] *Siemens*,[17] *LG&E*,[18] *Saluka*,[19] *Tecmed*,[20] *Maffezini*,[21] and *Waste Management*[22]); and

d. The host state's conduct cannot breach the investor's legitimate expectations (*Tecmed*,[23] *Saluka*,[24] *Azurix*,[25] and *ADC*[26]).

ii. Expropriation.

79. Under Annex 11-B of the KORUS FTA, the Parties agree that an expropriation involves interference with a tangible or intangible property right in an investment. *See generally*, KORUS FTA Sec B, Art. 11.

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[13] *Supra* note 12, ¶ 98.
[14] *SD Myers Inc. v. Government of Canada* (UNCITRAL), First Partial Award, 13 November 2000, ¶ 263, Available at https://www.italaw.com/sites/default/files/case-documents/ita0747.pdf.
[15] *Occidental Exploration and Production Company v. The Republic of Ecuador*, LCIA Case No. UN3467, Final Award, 1 July 2004, ¶¶ 162-63, Available at https://www.italaw.com/sites/default/files/case-documents/ita0571.pdf.
[16] *Metalclad Corporation v. United Mexican States*, ICSID Case No. ARB(AF)/97/1, Awardm 30 August 2000, ¶ 99, Available at https://www.italaw.com/sites/default/files/case-documents/ita0510.pdf.
[17] *Siemens A.G. v. The Argentine Republic*, ICSID Case No. ARB/02/8, Award (February 6, 2007), at ¶¶ 308-09, Available at https://www.italaw.com/sites/default/files/case-documents/ita0790.pdf.
[18] *LG&E Energy Corp., LG&E Capital Corp., and LG&E International Inc. v. Argentine Republic*, ICSID Case No. ARB/02/1, Decision of Liability (October 3, 2006), at ¶ 128, Available at https://www.italaw.com/sites/default/files/case-documents/ita0460.pdf.
[19] *Saluka Investments v. Czech Republic*, UNCITRAL, Partial Award (March 17, 2006), at ¶ 307, Available at https://www.italaw.com/sites/default/files/case-documents/ita0740.pdf.
[20] *Supra* note 11, ¶154.
[21] *Emilio Agustín Maffezini v. The Kingdom of Spain*, ICSID Case No. ARB/97/7, Award (November 13, 2000), at ¶ 83, Available at https://www.italaw.com/sites/default/files/case-documents/ita0481.pdf.
[22] *Supra* note 12, ¶138.
[23] *Supra* note 11, ¶154.
[24] *Supra* note 19, ¶ 301-02.
[25] *Azurix Corp. v. Argentina*, ICSID Case No. ARB/01/12, Final Award (July 14, 2006), at ¶ 372, Available at https://www.italaw.com/sites/default/files/case-documents/ita0061.pdf.
[26] *ADC Affiliate Limited and ADC & ADMC Management Limited v. Hungary*, ICSID Case No. ARB/03/16, Award (October 2, 2006), at ¶ 424, Available at https://www.italaw.com/sites/default/files/case-documents/ita0006.pdf.

80. Article 11.6(1) states as follows:

> "Neither Party may expropriate or nationalize a covered investment either directly or indirectly through measures equivalent to expropriation or naturalization (expropriation), except:
> (a) for public purpose;
> (b) in a non-discriminatory manner;
> (c) on payment of prompt, adequate, and effective compensation; and
> (d) in accordance with due process of law and Article 11.5.1 through 11.5.4."
>
> KORUS FTA Sec. A, Art. 11.6(1).

81. Under Article 11.6(2), compensation for expropriation has to be made without delay in an amount that is equivalent to the fair market value of the expropriated investment immediately before the expropriation took place (the date of expropriation). KORUS FTA Sec. A, Art. 11.6(2).

82. The form of expropriation is of no importance; international law looks to the effect of the expropriation on the investor's property -- the "sole effect doctrine."[27] The intent of the government is less important than the effects of the measures on the owner, and the form of the measures of control or interference is less important than the reality of their impact.[28]

83. An expropriation does not have to be for the benefit of the host State for it to be unlawful. A state can expropriate an investment, or take measures equivalent to an expropriation in connection with an investment, for the benefit of a third-party. The arbitral tribunal in *Metalclad* clearly recognized that expropriation could also include "covert or incidental interference with the use of property which has the effect of depriving the owner, in whole or in significant part, of the use or reasonably-to-be expected economic benefit of property even if not necessarily to the obvious benefit of the host State."[29]

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[27] Andrew Newcombe and Lluis Paradell, *Law and Practice of Investment Treaties; Standards of Treatment*, (Kluwer Law International 2009), pp. 325 and 326.
[28] *Id.*
[29] *Supra* note 16.

(c) Respondent's Violations of Its Legal Obligations.

84. Respondent, as the host State of investment, did everything but act in good faith. It has failed to thoroughly investigate before granting the BRCMA the power to proceed with the redevelopment project. If it did, then it would have known that there was foreign investment at stake.

85. Upon information and belief, the process of getting the affected property owners' consent for the redevelopment project routinely involves misrepresentation and sometimes even threats, duress, undue influence, and/or harassment.

86. Upon information and belief, when the BRCMA and/or Redevelopment Union reached out to the affected property owners for their consent regarding the redevelopment project, its members visited such property owners with a consent form and small gifts.

87. Upon information and belief, during their visits, the members of the BRCMA and/or Redevelopment Union made misrepresentations tricking the affected property owners into believing that consenting to the redevelopment project would financially benefit them and will make them wealthier.

88. Upon information and belief, the affected property owners were told that they will receive compensation based on the fair market value of their property and given priority to purchase one or several apartment units of the newly built apartment complex, usually with famous brand names.

89. This offer seems like a golden ticket for the affected property owners, as they will be receiving money and the priority to purchase an apartment unit of a big famous apartment complex, which will have more value than their old property.

90. Upon information and belief, however, the members of the BRCMA and/or Redevelopment Union intentionally concealed the reality to such affected property owners because once the reality is revealed, the affected property owners would be discouraged to consent to the redevelopment project.

91. The reality is that the affected property owners will receive the value of their property based on the published land price rather than the fair market value. The published land price of a property is way less than its fair market value. Further, having the priority to purchase a newly built apartment unit does not mean that the affected property owners will be able to purchase it.

92. For example, imagine that an affected property owner consents to the redevelopment project and receives $1,000,000 for his or her affected property, as valued based on the published land price, and gets the priority to purchase an apartment unit in the newly built apartment complex which even has brand value. However, he or she later finds out that one apartment unit in the newly built apartment complex costs $2,000,000 or more due to the brand value, size, and other factors. Now, even though he or she has the priority to purchase an apartment unit in the newly built apartment complex, he or she will not be able to purchase it and would have to take out a loan for the purchase, give up the apartment unit, or move into a substantially smaller space.

93. Ultimately, he or she is worse off than before the redevelopment project because he or she at least had his or her own property previously, but now he or she is left with only three options: (1) to take out a loan and become indebted; (2) to rent an apartment unit with the compensation that he or she received; or (3) find a substantially smaller and cheaper space to purchase.

94. Upon information and belief, this is where many affected property owners realize that they have been tricked by the BRCMA and/or Redevelopment Union into signing the consent form through a series of misrepresentations procured upon them.

95. Upon information and belief, the affected property owners were promised cash compensation and a new home, but ultimately, they are left with less than the fair market value of their property and nowhere else to move because the redevelopment and other factors already increased the real estate prices in the same neighborhood, and the compensation based upon the published land price is insufficient to secure them a new home in the same neighborhood.

96. The affected property owners, who established their lives and livelihood in the neighborhood, now would have to move to different neighborhoods where the compensation that they received is enough to purchase a new home.

97. Upon information and belief, this puts many of them in despair and some of them even commit suicide in thought that they lost their homes and established lives.

98. Upon information and belief, the affected property owners, who do not consent to the redevelopment project, have it worse, as they are subject to threat, duress, undue influence, and/or harassment and end up signing the consent form against their will.

99. Upon information and belief, this is because when the affected property owners objected and opposed the redevelopment project, the members of, or street gangsters employed by, the Redevelopment Union reached out to said affected property owners or paid them a visit, threatening them physically or harassing them until they sign the consent form.

100. Ultimately, the affected property owners have no other choice but to sign the consent form unwillingly, which then results in most of the affected property owners signing the consent form.

101. Therefore, it may appear that all the affected property owners agree to the redevelopment project when, in fact, that is not the case.

102. The question then would be: whether the redevelopment project and the process involved can be justified as "public purpose" when they ultimately harm the affected property owners and only benefit the Redevelopment Union and private construction companies involved. The answer is: no, it cannot be justified as "public purpose."

103. Upon information and belief, the private construction company and the Redevelopment Union will build bigger and newer apartment complexes with brand names. Consequently, the value of the area becomes much higher due to the redevelopment, and the private construction company and the Redevelopment Union are able to sell the new apartment units in said higher value, making much profit out of the transactions.

104. Upon information and belief, corruption within redevelopment unions and private construction companies has been an issue for a long time in the Republic of Korea. This is evident from numerous news articles concerning said issue.

105. The question then becomes: whether this process benefits the public, including the affected property owners, as much as it benefits the private construction company and the Redevelopment Union. The answer to that question is: no, it does not benefit the public, including the affected property owners, but it benefits the private construction company and the Redevelopment Union.

106. The financial profit that will be made by the Redevelopment Union and the private construction company dominates the redevelopment project.

107. Clearly, the redevelopment project was not designed to serve the public, but private companies and organizations.

108. Then, the next question would be: whether the Respondent was or is aware of these problems and issues, and if so, whether it conveniently decided to ignore them.

109. Upon information and belief, the Respondent's regulation related to redevelopment requires the consent of only seventy-five percent (75%) of the affected property owners to proceed with the redevelopment project.

110. Completely ignoring the twenty-five percent (25%) of the affected property owners and proceeding with demolitions and the redevelopment project undermines the personal and private rights of ownership and use of private property for personal benefit, which should be protected in democratic societies.

111. Respondent may claim that it cannot satisfy every single affected property owner and may have to sacrifice a small number for greater good. However, it is the Claimant's position that the Respondent did not even attempt to resolve the present issue with the Claimant, as the Respondent did not even attempt to reach out to the Claimant or his counsel while having had a chance to do so.

112. Respondent never attempted to initiate any negotiation with the Claimant or his counsel after the Claimant's express, clear, and continuous objections.

113. Respondent refused to stay other court proceedings against the Claimant in relation to the redevelopment project stating that there were no legal or jurisdictional grounds.

114. Respondent failed to engage in effective preliminary negotiation, as it refused and failed to produce basic documents, such as a copy of the Appraisal Report, based on the fair market value, for the Claimant's building, when requested.

115. Further, the Respondent failed to make sure that the BRCMA, or its subpart, the Redevelopment Union, offered the foreign investor at least the fair market value of the

Claimant's investment. By offering the Claimant an amount based on the published land price, rather than the fair market value, the Respondent acted in violation of the KORUS FTA. *See* KORUS FTA Art. 11.

116. This was a decision made by the government alone. *See* KORUS FTA Sec. A, Art. 11.6(2)(b) (the compensation referred to herein shall "be equivalent to the fair market value of the expropriated investment immediately before the expropriation took place [the date of expropriation]").

117. Despite the fact that the KORUS FTA clearly mandates the compensation to be based on the fair market value, the Respondent completely ignored such mandates and offered to compensate the Claimant based on the published land price, which can be three to four times less than the actual fair market value of the property.

118. Allowing the BRCMA to proceed with the redevelopment project without clearly addressing the Claimant's issues and objections was arbitrary, grossly unfair, unjust, idiosyncratic, discriminatory, and lacking due process.

119. Claimant was discriminated against because he was a foreign investor, living abroad, without the means and time to be engaged in this matter as much as other Korean nationals.

120. Claimant's tenants were forced to move out without the Claimant's knowledge or notice to him.

121. The BRCMA and/or Redevelopment Union did not even attempt to negotiate or discuss numerous issues regarding this redevelopment project with the Claimant or his counsel.

122. Further, the Respondent has failed to act transparently. When the BRCMA and/or Redevelopment Union presented the Claimant with an appraisal value, which was based on the

published land price, and not the fair market value, said figure was not even close to the property's current market value.

123. The appraisal was done by an appraiser selected by the Mayor of Busan, who holds a governmental position. Claimant was not involved in the selection of an appraiser, the method of the appraisal, and negotiations regarding his property's value.

124. As mentioned above, the Claimant was not provided with sufficient information as to why his property was subjected to the Respondent's redevelopment project without just compensation based on the fair market value at the time of the expropriation. *See* KORUS FTA Sec. A, Art. 11.6(2)(b).

125. Without resolving the issue of foreign investment property under the KORUS FTA, the Respondent just proceeded with the redevelopment project without just compensation, subjecting the Claimant, who is a foreign investor, to grave financial damages. *Id.*

126. Claimant's investment property was taken from him without his consent, and against his clear objection, without just compensation. *Id.*

127. Respondent's expropriation of property that belonged to a United States corporations or individuals, without just compensation, is in plain violation of the KORUS FTA. *See generally*, KORUS FTA Sec. A, Art. 11.6.

128. "The international society has looked to customary international law to determine the relevant standard for takings in violation of international law." Françoise N. Djoukeng, *Genocidal Takings and the FSIA: Jurisdictional Limitations*, 106 Geo. L.J. 1883, 1895 (2018).

129. "The standard interpretation for an expropriation that violates international law requires a foreign state to expropriate property that is unaccompanied by prompt, adequate, and

effective compensation, which includes takings that serve no public purpose or are discriminatory in nature." Restatement (Third) of Foreign Relations Law § 712 (AM. Law Inst. 1987).

130. "[A] state is responsible under international law for injury resulting from: (1) a taking by the state of the property of a national of another state that (a) is not for a public purpose, or (b) is discriminatory, or (c) is not accompanied by provision for just compensation..." *Id.*

131. For compensation to be just, it must "be in an amount equivalent to the value of the property taken and be paid at the time of the taking or within a reasonable time thereafter with interest from the date of takings, and in a form economically usable by the foreign national." *Id.*

132. Compensation has long been accepted as required under international law. Press Release, U.S. Dep't of State, Mexico: Expropriation of American Properties 135-36 (Aug. 25, 1938).

133. Had the Redevelopment Union or the Respondent offered an amount based on the fair market value at the time of the expropriation, or thereafter when the Claimant served his Notice of Intent to Submit Dispute to Arbitration, the Parties would not have had to come this far.

134. However, at no point did the Redevelopment Union or the Respondent mention anything about, nor did they offer anything based on, the fair market value of the Claimant's property.

135. It is undisputed that the Respondent played a key part in this redevelopment project when the BRCMA requested the MOLIT for an appraisal based on the published land price, and not the fair market value, without any discussions with the Claimant.

136. Under these circumstances, and upon information and belief, the Mayor of Busan unilaterally selected a third party who appraised the Claimant's investment property based on the published land price as the standard instead of the fair market value.

137. The BRCMA, the MOLIT, the Redevelopment Union, and the Republic of Korea did not even try to remediate the errors that they have made even after the Claimant expressed his objections on multiple occasions regarding the appraised value of his investment property based on the published land price.

138. The BRCMA, the MOLIT, the Redevelopment Union, and the Republic of Korea already started with the project demolishing buildings around the Claimant's building, rendering the Claimant's investment property improper for its intended use.

139. Tenants were forced to move out, and the Claimant has been suffering enormous financial loss.

140. For that reason, the Claimant had no choice but to serve the Respondent with his Notice of Intent to Submit Dispute to Arbitration (the "Notice of Intent") through his counsel in New York. A true and accurate copy of the Notice of Intent is attached hereto as "**Exhibit F**."

141. However, even after the Respondent was served with the Notice of Intent and the Claimant notified the relevant individuals and agencies of the redevelopment project, nothing has changed and the Respondent continued with the project.

142. In response to the lawsuit brought by the BRCMA, or its subpart, the Redevelopment Union, against the Claimant regarding the transfer of title of the Claimant's investment property, the Claimant not only emphasized the fact that the appraisal should have been conducted based on the fair market value, and not based on the published land price, but

also requested that the lawsuit pending in the Busan District Court be stayed pending determination of the instant Investor-State Dispute proceeding.

143. In response, the Busan District Court, as well as the Respondent, stated that there were no jurisdictional or legal grounds for staying the lawsuit, which was pending in the Busan District Court.

144. The continuance of the pending lawsuit in the Busan District Court, and the Respondent's refusal to stay the Busan District Court proceeding, was also a contributing factor to the Claimant's financial damages.

145. As evident from above, the Respondent did not even attempt to temporarily stay the Busan District Court proceeding after a foreign investor's request to lessen damages to his investment.

146. On or about April 7, 2021, the Busan District Court rendered its final decree of expropriation against the Claimant, transferring title to the Claimant's investment property to the Redevelopment Union.

147. This caused even more damages to the Claimant because now the Korean National Tax Service is demanding Capital Gains Tax from the Claimant.

148. However, the Claimant has never transferred his ownership or sold his property to the Redevelopment Union.

149. Respondent and the Busan District Court unilaterally deprived the Claimant of his right to his investment property for their redevelopment project.

150. If this can happen to the Claimant, how can other foreign investors or potential investors be assured that their investment property will be protected and not be taken from them?

151. During the process of expropriation of the Claimant's investment property, the Respondent committed a violation of the fair and equitable treatment standard prescribed in Article 11.5 of the KORUS FTA, the Minimum Standard of Treatment. KORUS FTA Sec. A, Art. 11.5.

152. The actions or inactions of the Respondent violated the Claimant's legitimate expectations that his investment property will be protected by the KORUS FTA and that he could rely on the Respondent for the protection of his investment property.

153. As a matter of fact, the fact that the offered amount of $1,236,221.28 was based on the published land price, rather than the fair market value, was admitted and conceded by the Respondent.

154. In the Adjudication, dated November 23, 2020, the Redevelopment Union clearly stated that the amount of compensation was based on the published land price, and the offered amount based on the published land price was listed as $1,236,221.28. Further, it unilaterally set the date of expropriation to be January 18, 2021. *See* "**Exhibit E**."

155. Subsequently, the Redevelopment Union unilaterally deposited the offered amount of $1,236,221.28, which was based on the published land price, rather than the fair market value, into a third-party depository and notified the Claimant that he may take the offered compensation from said third-party depository. A true and accurate copy of the Money Deposit Certificate is attached hereto as "**Exhibit G**."

156. To date, the Claimant has not taken any of the offered compensation from the third-party depository.

157. Where, at the time of the expropriation, a host State does not compensate or make provision for the prompt determination of compensation, the breach occurs at the time of the

taking.[30] In contrast, "when a State provides a process for fixing adequate compensation, but then ultimately fails to promptly determine and pay such compensation," a breach of the compensation obligation may occur later, subsequent to the time of the taking.[31]

158. Thus, with respect to an expropriation claim, a claimant has actual or constructive knowledge of the "alleged breach" once it has knowledge of all elements required to make a claim under Article 11.6. The operative date is the date on which the Claimant first acquired actual or constructive notice of facts sufficient to make a claim under Article 11.6 – here, on the date of the Busan District Court's final decree of expropriation, dated April 7, 2021, or arguably

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[30] *See Mondev International Ltd. v. United States of America*, NAFTA/ICSID Case No. ARB(AF)/99/2, Award ¶ 72 (Oct. 11, 2002) ("Article 1110 requires that the nationalization or expropriation be 'on payment of compensation in accordance with paragraphs 2 through 6.' The word 'on' should be interpreted to require that the payment be clearly offered, or be available as compensation for taking through a readily available procedure, at the time of the taking. That was not the case here, and accordingly, if there was an expropriation, it occurred at or shortly after the rights in question were lost."). A breach of KORUS Article 11.6 will occur unless a State Party observes its obligation to refrain from an uncompensated taking at the time of the expropriation by, for example, fixing, guaranteeing, or offering compensation. *See Mondev International Ltd. v. United States of America*, ICSID Case No. ARB(AF)/99/2, Rejoinder on Competence and Liability of Respondent United States of America, at 43 (Oct. 1, 2001) (citing authorities); *see also SEDCO, Inc. v. National Iranian Oil Co.*, Award No. 59-129-3, 10 IRAN-U.S. CL. TRIB. REP. 180, 204 n.34 (Mar. 27, 1986) (describing a "taking itself" as wrongful "[i]f . . . no provision for compensation is made contemporaneously with the taking, or one is made which clearly cannot produce the required compensation, or unreasonably insufficient compensation is paid at the time of taking") (Sep. Op. of Judge Brower); *Liberian Eastern Timber Corp. (LETCO) v. Government of the Republic of Liberia*, Award (Mar. 31, 1986), *in* 2 ICSID REP. 343, 366 (1994) (finding Liberian Government deprived LETCO of its concession unjustifiably for failure to be "accompanied by payment (or at least the offer of payment) of appropriate compensation").

[31] *See* Comments of the United Kingdom on the Draft Articles on State Responsibility ¶ 59 ("the breach does not arise until local procedures have definitively failed to deliver *proper compensation*," *e.g.*, "have so failed within the time limits implied by the requirement of promptness") (emphasis added); *OI European Group B.V. v. Bolivarian Republic of Venezuela*, ICSID Case No. ARB/11/25, Award ¶¶ 422, 425 (Mar. 10, 2015) ("The Tribunal has already established that the LECUPS is a modern law, compliance with which in principle meets the requirements of Art. 6(c) of the BIT. Nevertheless, . . . the Tribunal concludes that the Bolivarian Republic has failed to offer a plausible explanation to justify the delay of more than four years in setting and paying the fair value due in compliance with the LECUPS, which in turn implies that the requirement under Art. 6(c) of the BIT that compensation be paid 'without undue delay' has not been met."); *Goldenberg Case (Germany v. Romania)*, 2 R.I.A.A. 901, 909 (Sept. 27, 1928) ("[T]he requisition carried out by the German military authorities did not *initially* constitute an 'act contrary to the law of nations'. In order for this situation to continue, it was necessary, however, that within a reasonable delay, the claimants obtain equitable compensation. But such was not the case, the compensation, allocated several years after the requisition, amounting to barely a sixth of the value of the expropriated goods.") (translation by counsel; emphasis in original) ("[L]a réquisition opérée par l'autorité militaire allemande ne constituait pas *initialement* un 'acte contraire au droit des gens'. Pour qu'il continuât à en être ainsi, il fallait, cependant, que dans un délai raisonnable, les demandeurs obtinissent une indemnité équitable. Or tel n'a pas été le cas, l'indemnité, allouée plusieurs années après la réquisition, atteignant à peine le sixième de la valeur des biens expropriés.").

on the date of the money deposit into a third-party depository, which was January 11, 2021. *See* "**Exhibit G**."

(d) Respondent's Refusal to Provide Relevant Documents and Information.

159. On or about February 18, 2021, the Respondent requested certain documents and information.

160. On or about March 8, 2021, the undersigned provided the documents and information requested by the Respondent to the extent that those documents and information were in the custody, possession, or control of the Claimant and/or the undersigned so that the Parties can engage in meaningful settlement discussions.

161. On or about March 24, 2021, New York Time: 8 P.M.; March 25, 2021, Korea Time: 9 A.M., counsel for the Parties held a Preliminary Settlement Conference through the Microsoft Team virtual meeting.

162. During said Preliminary Settlement Conference, several issues were discussed, and one of the main issues was whether the offered amount of compensation was based on the published land price or fair market value on the date of the expropriation and whether the offered amount was sufficient for the purpose of the KORUS FTA.

163. During said Preliminary Settlement Conference, the undersigned specifically asked counsel for the Respondent if he has a copy of the actual Appraisal Report based on the fair market value.

164. In response, counsel for the Respondent – Prosecutor Changwan Han – answered in the affirmative and stated that he was in possession of the actual Appraisal Report based on the fair market value.

165. When the undersigned inquired into the actual fair market price, counsel for the Respondent stated that the offered amount of $1,236,221.28 was based on the fair market value.

166. In response, the undersigned raised an objection to such representation, as it was clear from the records produced by the Claimant that said offered amount was based on the published land price, and not based on the fair market value.

167. The representation made by counsel for the Respondent is simply inaccurate, as conceded by the Redevelopment Union in the Adjudication that was submitted to the Busan District Court. *See* "**Exhibit E**."

168. There are buildings near the Claimant's building which are similar in use, structure, and size. The real estate price in the Claimant's neighborhood has steadily increased over time, as reflected in the attached numerous news articles regarding the substantial real estate market price increase in the neighborhood. *See* "**Exhibit H**."

169. Even the published land price of apartment units in buildings similar to the Claimant's building range from $179,162.50[32] to $250,827.51.[33] *See* "**Exhibit I**."

170. Subsequently, on or about March 25, 2021, the undersigned served counsel for the Respondent with a Request for Production of Documents and Information, a copy of which is attached hereto as "**Exhibit J**," and requested certain documents and information that are relevant and material to the instant dispute.

171. Surprisingly, the Respondent refused to provide the requested documents or information, and none of the requested documents or information was produced by the Respondent to date.

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[32] 200,000,000 Won in USD as of April 30, 2021.
[33] 280,000,000 Won in USD as of April 30, 2021.

172. As one can assume for the purpose of the instant Investor-State Dispute matter, one of the most important documents that were requested was a copy of the actual Appraisal Report.

173. As emphasized above, the instant matter did not have to come this far; the Respondent could have simply offered the fair market value of the investment property, as this is not a situation where the Claimant is seeking to recover certain sum that is unconscionable under the KORUS FTA.

174. Rather, what the Claimant is seeking is very simple and reasonable – just compensation for taking of his investment property based on the fair market value, as mandated by the KORUS FTA. *See* KORUS FTA Sec. A, Art. 11.6(2)(b).

175. Upon information and belief, the Respondent, or its counsel, not only made a misrepresentation as to the actual amount of the fair market value during the March 24, 2021 Preliminary Settlement Conference, regardless of whether it was intentional or not, but also refused to provide a copy of the actual Appraisal Report to date.

176. Despite the Claimant's good faith efforts to engage in meaningful settlement negotiations, the Respondent and its counsel have not been cooperative.

177. It is baffling that the Respondent would not engage in good-faith discussions by refusing such a basic and non-controversial request to advance the instant matter efficiently.

178. To reiterate, counsel for the Respondent stated and conceded that he was in possession of the Appraisal Report, generated based on the fair market value of the Claimant's property, during the March 24, 2021 Preliminary Settlement Conference.

179. We hereby renew our request that the Respondent simply serve the undersigned with a copy of the Appraisal Report, generated based on the fair market value of the Claimant's investment property, which is typically a *pro forma* request.

180. Respondent's refusal to provide the requested Appraisal Report leads the Claimant and undersigned to believe that no appraisal based on the fair market value was ever conducted by the Respondent, and in that event, the Respondent will not be able to escape liability for such failure.

IV. DISPUTE RESOLUTION CLAUSE, GOVERNING LAW, AND SEAT AND LANGUAGE OF THE ARBITRATION.

(a) The Arbitration Clause.

181. This arbitration is initiated pursuant to the arbitration agreement found in Article 11.16(1), (2), and (3) of Section B in Chapter 11 of the KORUS FTA, which provide as follows:

> "11.16(1) In the event that a disputing party considers that an investment dispute cannot be settled by consultation and negotiation:
> (a) the claimant, on its own behalf, may submit to arbitration under this Section a claim
> (i) that the respondent has breached
> (A) an obligation under Section A,
> (B) an investment authorization, or
> (C) an investment agreement;
> and
> (ii) that the claimant has incurred loss or damage by reason of, or arising out of that breach; and
> (b) the claimant, on behalf of an enterprise of the respondent that is a juridical person that the claimant owns or controls directly or indirectly, may submit to arbitration under this Section a claim
> (i) that the respondent has breached
> (A) an obligation under section A,
> (B) an investment authorization, or
> (C) an investment agreement;
> and
> (ii) that the enterprise has incurred loss or damage by reason of, or arising out of, that breach,

provided that a claimant may submit pursuant to subparagraph (a)(i)(C) or (b)(i)(C) a claim for breach of an investment agreement only if the subject matter of the claim and the claimed damages directly relate to the covered investment that was established or acquired, or sought to be established or acquired, in reliance on the relevant investment agreement."

"11.16(2) At least 90 days before submitting any claim to arbitration, a claimant shall deliver to the respondent a written notice of its intention to submit the claim to arbitration (notice of intent).
The notice shall specify:
(a) the name and address of the claimant and, where a claim is submitted on behalf of an enterprise, the name, address, and place of incorporation of the enterprise;
(b) for each claim, the provision of this Agreement, investment authorization, or investment agreement alleged to have been breached and any other relevant provisions;
(c) the legal and factual basis for each claim; and
(d) the relief sought and the approximate amount of damaged claimed."

"11.16(3) Provided that six months have elapsed since the events giving rise to the claim, a claimant may submit a claim referred in paragraph 1:
(a) under the ICSID Convention and the ICSID Rules of Procedure for Arbitration Proceedings, provided that both the respondent and the non-disputing Party are parties to the ICSID Convention;
(b) under the ICSID Additional Facility Rules, provided that either the respondent or the non-disputing Party is a party to the ICSID Convention;
(c) under the UNCITRAL Arbitration Rules; or
(d) if the claimant and respondent agree, to any other arbitration institution or under any other arbitration rules."

(b) The Place of Arbitration.

182. Pursuant to Article 11.20(1) of Section B in Chapter 11 of the KORUS FTA, the disputing parties may agree on the legal place of any arbitration under the arbitral rules applicable under Article 11.16.3. KORUS FTA Sec. B, Art. 11.20(1), Art. 11.16.3.

183. Article 11.16(3)(c) provides that a claimant may submit a claim arising under the KORUS FTA to the United Nations Commission on International Trade Law. KORUS FTA Sec. B, Art. 11.16(3)(c).

184. Pursuant to Article 16 of the UNCITRAL Arbitration Rules, the Claimant proposes to set the place of arbitration as Washington, D.C., United States, under the United

Nations Commission on International Trade Law, as the Republic of Korea and the United States are parties to the United Nations Commission on International Trade Law.

(c) Governing Law.

185. Article 11.22(1) of Section B in Chapter 11 of the KORUS FTA states as follows:

> "Subject to paragraph 3, when a claim is submitted under Article 11.16.1(a)(i)(A) or Article 11.16.1(b)(i)(A), the tribunal shall decide the issues in dispute in accordance with this Agreement and applicable rules of international law."
>
> KORUS FTA Sec. B, Art. 11.22(1).

(d) The Language of Arbitration

186. Pursuant to Article 11.20(3) of Section B in Chapter 11 of the KORUS FTA, English and Korean shall be the official languages to be used in the entire arbitration proceedings, including all hearings, submissions, decisions, and awards. KORUS FTA Sec. B, Art. 11.20(3).

V. THE ARBITRAL TRIBUNAL.

187. Pursuant to Article 11.19(1) of Section B in Chapter 11 of the KORUS FTA, unless the parties otherwise agree, the tribunal shall comprise of three arbitrators, one arbitrator appointed by each of the disputing parties and the third, who shall be the presiding arbitrator, appointed by agreement of the disputing parties. KORUS FTA Sec. B, Art. 11.19(1).

188. Pursuant to Article 11.19(2) of Section B in Chapter 11 of the KORUS FTA, the Secretary-General shall serve as appointing authority for arbitration. KORUS FTA Sec. B, Art. 11.19(2).

189. Pursuant to Article 11.19(3) of Section B in Chapter 11 of the KORUS FTA, if a tribunal has not been constituted within 75 days of the date a claim is submitted to arbitration under this Section, the Secretary-General, on the request of a disputing party, shall appoint, in his

or her discretion, the arbitrator or arbitrators not yet appointed. KORUS FTA Sec. B, Art. 11.19(3).

190. The Secretary-General shall not appoint a national of either Party as the presiding arbitrator unless the disputing parties otherwise agree. *Id.*

191. Pursuant to Article 11.19(1) of Section B in Chapter 11 of the KORUS FTA, the Claimant recommends and proposes Mr. Barton Legum of Dentons for confirmation as one of the Arbitrators. KORUS FTA Sec. B, Art. 11.19(1). To the best of the Claimant's knowledge, Mr. Barton Legum is independent of the Parties involved in this arbitration proceeding. Mr. Barton Legum's contact details are as follows:

Mr. Barton Legum
5 Boulevard Malesherbes,
75008 Paris
France
+33-142684870
barton.legum@dentons.com

VI. CLAIMANT'S DAMAGES.

192. As mentioned above, the Claimant has suffered enormous financial damages due to the redevelopment project and the Respondent's failure to comply with the terms and conditions set forth in the KORUS FTA, especially when the Respondent failed and refused to provide just compensation based on the fair market value to the Claimant.

193. Eighteen (18) tenants used to occupy the Claimant's building.

194. Now, none of them are left.

195. Each tenant was charged a security deposit fee of about $4,479.06[34] and a monthly rent of about $358.33[35].

[34] 5,000,000 Won in USD as of April 30, 2021.
[35] 400,000 Won in USD as of April 30, 2021.

196. In 2017, five (5) tenants were forced to move out due to the disruption caused by the redevelopment project. The loss amounts to approximately $64,499.40 only in rent for the past 36 months.

197. In 2018, four (4) tenants were forced to move out due to the disruption caused by the redevelopment project. The loss amounts to approximately $34,399.68 only in rent for the past 24 months.

198. In 2019, four (4) tenants were forced to move out due to the disruption caused by the redevelopment project. The loss amounts to approximately $17,199.84 only in rent for the past 12 months.

199. In 2020, two (2) tenants were forced to move out due to the disruption caused by the redevelopment project. The loss amounts to approximately $4,299.96 only in rent for the past 6 months.

200. In 2021, three (3) tenants were forced to move out due to the disruption caused by the redevelopment project. The loss amounts to approximately $3,224.97 for the past 3 months.

201. Consequently, due to the Respondent's redevelopment project, the Claimant incurred rent damages of approximately $123,623.85.

202. Further, the amount the Respondent offered to the Claimant for his investment property is about $1,236,221.28[36], which is not even forty percent (40%) of the fair market value of the property, which, upon information and belief, is approximately between $4,031,156.34[37] and $4,479,062.60[38].

203. In addition to the rent damages and fair market value of the Claimant's investment property, the Redevelopment Union and its administrators burglarized and trespassed

[36] 1,380,000,000 Won in USD as of April 30, 2021.
[37] 4,500,000,000 Won in USD as of April 30, 2021.
[38] 5,000,000,000 Won in USD as of April 30, 2021.

on the Claimant's property, destroying about nine (9) door locks and installing new ones, which was a horrific experience for the tenants and the Claimant.

204. Because of these circumstances surrounding the Claimant's investment property, and the Respondent's taking of his investment property without just compensation, the Claimant was in great distress, which developed cardiovascular disease. Due to his cardiovascular disease, the Claimant had to undergo cardiovascular surgery, and it affected his health in a very negative way.

205. Due to the Busan District Court's decision, which was rendered on or about April 7, 2021, the Claimant now also owes Capital Gains Tax to the Korean National Tax Service even though he never transferred his ownership or sold his investment property to the Redevelopment Union.

206. Therefore, the Claimant's total damages are currently estimated at $5,374,875.12[39] USD.

VII. RELIEF SOUGHT.

207. As a result, the Claimant respectfully requests the arbitral tribunal to issue an award:

i. Declaring that the arbitral tribunal has jurisdiction to consider the dispute described herein between the Parties;

ii. Declaring that the Respondent violated its obligations by breaching Chapter 11, Section A-B of the KORUS FTA;

iii. Ordering the Respondent to compensate the Claimant for the damages and losses suffered as a result of the Respondent's breaches of the KORUS FTA, currently estimated to be in the amount of $5,374,875.12; and

[39] 6,000,000,000 Won in USD as of April 30, 2021.

iv. Ordering the Respondent to pay all arbitration costs, including the Claimant's representative's costs and expenses; AND

208. For the avoidance of doubt, the Claimant reserves its right to:

i. Raise any and all further claims arising out of or in connection with the disputed matters described in this Notice of Arbitration or otherwise arising between the Parties;

ii. Amend and/or supplement the relief sought herein;

iii. Produce such factual or legal arguments or evidence (including witness testimony, expert testimony, and documents) as may be necessary to present his case or rebut any case which may be put forward by the Respondent; and

iv. Seek interim and provisional measures before this arbitral tribunal or any competent national court.

Respectfully submitted,

AHNE & JI, LLP

By: Younghoon Ji, Esq.
Attorneys for Claimant Hun Won a/k/a Jason H. Won
1220 Broadway, Suite 502
New York, NY 10001
Tel.: (212) 594-1035
Fax: (212) 967-1112
Direct: (917) 671-7077
Email: youngjiesq@gmail.com

cc: *Via Email & Fedex (International)*
Prosecutor Changwan Han
Prosecutor Heungsae Oh
Ministry of Justice
International Dispute Settlement Division
Attorneys for Respondent
Republic of Korea
47 Gwanmunro Gwacheon-si
Gyeonggi-do, 13809
Republic of Korea
Tel.: (+82)-2-2110-4321
Fax: (+82)-2-2110-0327

ARBITRATION PROCEEDING UNDER THE ARBITRATION RULES OF THE UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW AND CHAPTER 11 OF THE FREE TRADE AGREEMENT BETWEEN THE UNITED STATES AND THE REPUBLIC OF KOREA

BETWEEN:

MR. HUN WON (A/K/A JASON H. WON)

(CLAIMANT)

-AND-

THE REPUBLIC OF KOREA

(RESPONDENT)

DECLARATION OF HUN WON (A/K/A JASON H. WON)

Hun Won (a/k/a Jason H. Won), under penalty of perjury, deposes and says:

1. I submit this declaration in support of my Notice of Arbitration that is being submitted to the International Centre for Settlement of Investment Disputes in the Investor-State Dispute arbitration proceeding brought against the Respondent, the Republic of Korea.

2. I am the Claimant in the above-captioned Investor-State Dispute arbitration proceeding.

3. I have personal knowledge of the facts, and I submit this declaration based on my own personal knowledge.

4. I am an individual citizen of the United State of America.

5. In or about 2018, I was naturalized as a U.S. citizen while relinquishing my citizenship in the Republic of Korea.

6. On or about May 3, 2011, I purchased a building, located at 22 Hoam-ro 25 beon-gil, Gwangan-dong, Suyeong-gu, Busan, Republic of Korea (the "Chelsea Studio"), for approximately $896,371.30 USD.

7. I owned 100% interest in the Chelsea Studio.

8. When I purchased the Chelsea Studio, it was purchased for the purpose of investment in the Republic of Korea.

9. Upon the acquisition of the building, I expanded my investment by improving the building through: (a) renovating the building and its structures, both internal and external; (b) replacing furniture, washers, and dryers in the building; (c) fixing and maintaining heating, air conditioning, and ventilation systems in the building; (d) painting the walls; (e) changing doors and door locks for tenants; (f) renovating kitchens for tenants; (g) installing air purifiers, new refrigerators, and other kitchen appliances; (h) fixing and maintaining water pumps and pipes for the building; (i) and cleaning the building and its structures on a regular basis.

10. I never resided at the Chelsea Studio or any apartment unit(s) thereof since the date of the purchase because it was not purchased for my own residency purposes.

11. However, I briefly occupied one of the apartment units of the Chelsea Studio, prior to filing the Notice of Arbitration, because the administrators of the Redevelopment Union previously entered the Chelsea Studio without my permission or consent and caused significant physical and structural damages to the building and its structures.

12. There were eighteen (18) tenants who each rented a studio apartment unit from me for a monthly rent of about $358.55 USD.

13. As the owner of the building, I had my family members take care of the building, as I continuously resided in the United States.

14. I performed all of my responsibilities by making sure that the building was well maintained.

15. My entrustment related only to management of the building while I was in the United States, and I provided my family members with no authority to enter into or agree to any matter affecting or potentially affecting the ownership of the property.

16. In or about the end of March 2020, I rushed back to the Republic of Korea when I was informed that a redevelopment union was about to be created and formed for a redevelopment project, which included my investment property.

17. I was very upset and surprised at this abrupt news, so I asked my lawyer in New York to prepare written notices in English and Korean so that I can post them in front of my building, objecting to the redevelopment project as a foreign investor.

18. Despite my effort and objection, in or about October 2020, I received a final official notice for redevelopment by the Busan-si municipal office – the Busan Regional Construction and Management Administration (the "BRCMA") – informing me of a redevelopment project that will include my investment property – the Chelsea Studio.

19. I notified the BRCMA by sending a Notice, both in English and Korean, stating that the real property is owned by me, who is a United States citizen, and that the real property is protected by the KORUS FTA.

20. In or about October 2020, the BRCMA filed a lawsuit against me in the Busan District Court because my investment property became an obstacle to the redevelopment project.

21. Upon receipt of the Complaint, I had no choice but to hire an attorney in the Republic of Korea for my defense.

22. Through my attorney in the Republic of Korea, I filed an Answer to the Complaint stating that on the basis of Chapter 11 of the KORUS FTA, my investment property, the Chelsea Studio, cannot, and should not, be subjected to expropriation, unless it is for a public purpose with just compensation.

23. I actively, clearly, and continuously expressed my objection to the redevelopment project.

24. Despite my objection, I was forced to become a member of the redevelopment union of all affected property owners (the "Redevelopment Union").

25. I have never given consent to join the Redevelopment Union, and once I opposed the redevelopment project, the Redevelopment Union unilaterally kicked me out from its membership.

26. Subsequently, the Redevelopment Union and its administrators burglarized and trespassed on my investment property, destroying about nine (9) door locks and installing new ones, which was a horrific experience for the tenants of the Chelsea Studio.

27. A criminal action is currently pending due to said burglary and trespass without my or the tenants' consent.

28. It is my understanding that the Redevelopment Union has previously sent out numerous letters and made phone calls to my tenants, requesting and encouraging their move-out, providing them with monetary compensation for moving expenses.

29. I learned of this fact when I rushed to the Republic of Korea in or about March 2020. When I rushed to the Republic of Korea, I learned for the first time that most, if not all, of my tenants were forced to move out by the administrators of the Redevelopment Union.

30. From the eighteen (18) tenants that were living in my investment property, none of them currently occupy the building because they were all forced out of the building by the administrators of the Redevelopment Union, presumably by physical force or threats of physical force, and the demolition of neighboring buildings made the Chelsea Studio unfit for its intended purpose.

31. This caused me enormous financial harm because, as an elderly individual, the rental income from the Chelsea Studio was the only source of income for me.

32. It is my understanding that the amount the BRCMA offered to me for taking my investment property was based on the published land price, as opposed to the fair market value, which was not even forty percent (40%) of the fair market value of my investment property.

33. In addition to my New York lawyer's explanations, I have done my own research and study on the KORUS FTA.

34. Based on my research, it is my understanding that under Article 11.6(2), compensation for expropriation has to be made without delay in an amount that is equivalent to the fair market value of the expropriated investment immediately before the expropriation took place.

35. Despite that, my investment property was taken from me without my consent, and against my clear objections, without just compensation.

36. The BRCMA already started with its project demolishing buildings around the Chelsea Studio, rendering my investment property improper and unfit for its intended use.

37. The Redevelopment Union unilaterally deposited the offered amount of $1,236,992.39, which was based on the published land price, rather than the fair market value, into a third-party depository and notified me that I may take the offered compensation from said third-party depository.

38. However, I have not taken any of the offered compensation from the third-party depository, nor did I sign any paperwork or documents waiving my right to raise an objection to the sufficiency of the offered amount.

39. The instant matter did not have to come this far. The Republic of Korea could have simply offered the fair market value of my investment property, as this is not a situation where I am seeking to recover an amount of money to which I am not entitled.

40. Rather, what I am seeking is very simple and reasonable – just compensation for taking my investment property, which I owned for approximately ten (10) years, based on the fair market value, as mandated by the KORUS FTA.

41. Because of these circumstances surrounding my investment property, and the Republic of Korea's taking of my investment property without just compensation, I was in great distress, which developed cardiovascular disease. Due to my cardiovascular disease, I had to undergo cardiovascular surgery, which affected my health in a very negative way.

42. For these reasons, I respectfully request the arbitral tribunal to issue an award:

i. Declaring that the arbitral tribunal has jurisdiction to consider the dispute described herein between the Parties;

ii. Declaring that the Respondent violated its obligations by breaching Chapter 11, Section A-B of the KORUS FTA;

iii. Ordering the Respondent to compensate the Claimant for the damages and losses suffered as a result of the Respondent's breaches of the KORUS FTA, currently estimated to be in the amount of $5,378,227.80; and

iv. Ordering the Respondent to pay all arbitration costs, including the Claimant's representative's costs and expenses.

I certify, under penalty of perjury, that the foregoing statements by me are true and correct.

Dated: April 23, 2021

Hun Won

Hun Won (a/k/a Jason H. Won)

AHNE & JI, LLP
ATTORNEYS AT LAW
1220 Broadway, Suite 502
New York, New York 10001
Tel.: (212) 594-1035 Fax: (212) 967-1112
Email: info@ahnejilaw.com
Website: www.ahnejilaw.com

RETAINER AGREEMENT

The undersigned, Hun Won, with an address at [redacted] **("you," "your," or "CLIENT"),** hereby retains and employs AHNE & JI, LLP, **("we," "us," or "ATTORNEY")**, and any attorneys, law clerks, paralegals, and legal assistants, hired (as employees or independent contractors) now or in the future by AHNE & JI, LLP, to do the following legal work and/or represent you in all matters with regard to: Preparation of written Notice pursuant to Korea-U.S. Free Trade Agreement and negotiation of sales price for CLIENT's building in Busan, South Korea (the **"Engagement Matter"**).

In consideration of the services that are to be rendered by us, the parties agree as follows:

A. Compensation.

[x] You will pay for services rendered a fee calculated on the basis of our hourly charges in accordance with our normal billing practices. These charges are based upon each professional's years of experience, specialization in practice, and level of professional attainment. Records will be kept of all time expended by our personnel. You shall pay a retainer of $[redacted] before any action is taken on said matter. Our current hourly rates, which are subject to change during the course of the Engagement Matter, are as follows:

Partners:	$[redacted]
Associates:	$[redacted]
Paralegal:	$[redacted]

You will be billed at this rate anytime we work on your file, including but not limited to, time spent writing, reviewing and signing letters, file review, legal research, preparing or responding to interrogatories or other information gathering procedures, preparation of court papers, telephone or conference time with CLIENT, relatives, friends or other persons involved in the case, depositions, meetings with experts, travel time from the office and return, court appearances (which includes waiting time for a judge, the opposing attorney or a courtroom to open up) and any other time spent and/or work performed relating to CLIENT's case.

CLIENT is primarily responsible for all attorney fees and costs incurred in this matter and said fees will be paid pursuant to this Agreement, even if the court should award the attorneys fees to CLIENT from an adverse party.

B. **Billing Cycle**. CLIENT billing statements will be run at the discretion of the ATTORNEY or by request of the CLIENT, however, no later than every 60 days. **CLIENT agrees that all legal fees earned and costs incurred during such period may be deducted upon billing from the retainer on deposit.** If the retainer runs out, CLIENT MUST advance further funds to be placed on retainer prior to the ATTORNEY continuing with representation.

C. **Expenses**. Certain expenses (the "**Expenses**") may be incurred by us on your behalf during the course of the Engagement Matter. You will reimburse us for all Expenses, which may include but are not limited to filing fees, postage, expenses for recording documents, obtaining deposition transcripts or abstracts, travel, computerized research, long distance telephone calls, photocopies, courier deliveries and secretarial overtime, as well as the fees and expenses of experts whose services may be engaged by us on your behalf, and all other expenses reasonably necessary for the proper performance of legal services. Expenses will be billed to you monthly. You may be billed a reasonable photocopy charge (at present, $.15 per page) for these materials which will be included in your periodic billing. We reserve the right to have you pay Expenses directly to the service provider.

D. **Payment**. Payment of legal fees and Expenses is due within thirty (30) days after the date of the invoice. Invoices that are unpaid after thirty (30) days will be subject to a late charge of 1.0% per month (12% per year) on unpaid balances commencing from the date of the invoice and continuing until paid. If any invoice remains unpaid for more than sixty (60) days, we may, consistent with our obligations under the New York Rules of Professional Conduct, cease performing services until arrangements satisfactory to us have been made for payment of the arrearages as well as future fees and Expenses. CLIENT agrees to pay a $20.00 service charge, in addition to any and all bank charges, if CLIENT writes a check that is returned for any reason whatsoever, including insufficient funds or stop payment order.

E. **Arbitration of Fee Disputes.** In the event that a dispute arises between us relating to our fees, you may have the right to arbitration of the dispute pursuant to Part 137 of the Rules of the Chief Administrator of the Courts, a copy of which will be provided to you upon request.

F. **Attorney's Lien**. We have a lien against any sums recovered or otherwise arising out of the Engagement Matter in an amount equal to the legal fee then earned and Expenses incurred for which payment has not been received. Our files are our work product and need not be turned over to you until full payment of any outstanding invoices and until the legal fee then earned and all Expenses have been paid.

G. **Offers of Compromise.** If the Engagement matter involves any offer of compromise or settlement is received, such offer shall be conveyed by us to you together with our recommendations, or by you to us with your instructions or recommendations. Neither party shall enter into any agreement for the compromise and settlement of any claim arising out of or based upon the Engagement Matter without the written consent of the other.

H. **Our Representation of You**. We will represent you to the best of our ability, consistent with all professional standards of competence and integrity. We have not made any warranties or given any guaranty regarding the ultimate success or outcome of our services.

I. **Termination.** You may terminate our representation at any time. We have the same right if we determine that our representation of you becomes infeasible for any reason, subject to reasonable notice for you to arrange other counsel, in compliance with the New York Rules of Professional Conduct. Upon termination, files shall be turned over to you upon payment of all legal fees and Expenses, as set forth above.

J. **Electronic Mail and Cellular Telephones.** Although I may have given you my email address, and although we may discuss matters on cellular telephones, I must caution you that neither medium is private or confidential. You should therefore be discreet in discussing private matters in email or by cellular telephone.

K. **File Materials.** We will store at our expense documents and materials pertaining to the Engagement Matter for a period of at least three (3) years following termination of the representation, after which period we may destroy all such documents and materials without prior notice to you. Therefore, upon termination of the Engagement Matter, you should request copies of any documents and materials that you wish to retain.

CLIENT agrees that they have read the above information, and they understand it.

Thank you for requesting us to represent you in the Engagement Matter. Please sign below to acknowledge your acceptance of this Agreement and your receipt of a duplicate copy of it. This agreement executed in counterparts and facsimile signatures shall be deemed valid.

Dated: 3/5/2020

Hun Won

CLIENT: Hun Won

Dated: 3/5/2020

AHNE & JI, LLP
By: Younghoon Ji, Esq.

Statement of Client's Rights and Responsibilities

Your attorney is providing you with this document to inform you of what you, as a client, are entitled to by law or by custom. To help prevent any misunderstanding between you and your attorney, please read this document carefully.

If you ever have any questions about these rights, or about the way your case is being handled, do not hesitate to ask your attorney. He or she should be readily available to represent your best interests and keep you informed about your case.

An attorney may not refuse to represent you on the basis of race, creed, color, sex, sexual orientation, age, national origin or disability.

You are entitled to an attorney who will be capable of handling your case; show you courtesy and consideration at all times; represent you zealously; and preserve your confidences and secrets that are revealed in the course of the relationship.

You are entitled to a written retainer agreement which must set forth, in plain language, the nature of the relationship and the details of the fee arrangement. At your request, and before you sign the agreement, you are entitled to have your attorney clarify in writing any of its terms, or include additional provisions.

You are entitled to fully understand the proposed rates and retainer fee before you sign a retainer agreement, as in any other contract.

You may refuse to enter into any fee arrangement that you find unsatisfactory.

Your attorney may not request a fee that is contingent on the securing of a divorce or on the amount of money or property that may be obtained.

Your attorney may not request a retainer fee that is nonrefundable. That is, should you discharge your attorney, or should your attorney withdraw from the case, before the retainer is used up, he or she is entitled to be paid commensurate with the work performed on your case and any expenses, but must return the balance of the retainer to you. However, your attorney may enter into a minimum fee arrangement with you that provides for the payment of a specific amount below which the fee will not fall based upon the handling of the case to its conclusion. You are entitled to know the approximate number of attorneys and other legal staff members who will be working on your case at any given time and what you will be charged for the services of each.

You are entitled to know in advance how you will be asked to pay legal fees and expenses, and how the retainer, if any, will be spent.

At your request, and after your attorney has had a reasonable opportunity to investigate your case, you are entitled to be given an estimate of approximate future costs of your case, which estimate shall be made in good faith but may be subject to change due to facts and circumstances affecting the case.

You are entitled to receive a written, itemized bill on a regular basis, at least every 60 days.

You are expected to review the itemized bills sent by counsel, and to raise any objections or errors in a timely manner. Time spent in discussion or explanation of bills will not be charged to you.

You are expected to be truthful in all discussions with your attorney, and to provide all relevant information and documentation to enable him or her to competently prepare your case. You are entitled to be kept informed of the status of your case, and to be provided with copies of correspondence and documents prepared on your behalf or received from the court or your adversary.

You have the right to be present in court at the time that conferences are held.

You are entitled to make the ultimate decision on the objectives to be pursued in your case, and to make the final decision regarding the settlement of your case.

Your attorney's written retainer agreement must specify under what circumstances he or she might seek to withdraw as your attorney for nonpayment of legal fees. If an action or proceeding is pending, the court may give your attorney a "charging lien," which entitles your attorney to payment for services already rendered at the end of the case out of the proceeds of the final order or judgment.

You are under no legal obligation to sign a confession of judgment or promissory note, or to agree to a lien or mortgage on your home to cover legal fees. Your attorney's written retainer agreement must specify whether, and under what circumstances, such security may be requested. In no event may such security interest be obtained by your attorney without prior court approval and notice to your adversary. An attorney's security interest in the marital residence cannot be foreclosed against you.

You are entitled to have your attorney's best efforts exerted on your behalf, but no particular results are guaranteed.

If you entrust money with an attorney for an escrow deposit in your case, the attorney must safeguard the escrow in a special bank account. You are entitled to a written escrow agreement, a written receipt, and a complete record concerning the escrow. When the terms of the escrow agreement have been performed, the attorney must promptly make payment of the escrow to all persons who are entitled to it.

In the event of a fee dispute, you may have the right to seek arbitration. Your attorney will provide you with the necessary information regarding arbitration in the event of a fee dispute, or upon your request.

Receipt Hereof is Hereby Acknowledged:

Dated: 3/5/2020

Hun Won

CLIENT: Hun Won

CHAPTER ELEVEN
INVESTMENT

Section A: Investment

ARTICLE 11.1: SCOPE AND COVERAGE

1. This Chapter applies to measures adopted or maintained by a Party relating to:

   (a) investors of the other Party;

   (b) covered investments; and

   (c) with respect to Articles 11.8 and 11.10, all investments in the territory of the Party.

2. For greater certainty, this Chapter does not bind either Party in relation to any act or fact that took place or any situation that ceased to exist before the date of entry into force of this Agreement.

3. For purposes of this Chapter, **measures adopted or maintained by a Party** means measures adopted or maintained by:

   (a) central, regional, or local governments and authorities; and

   (b) non-governmental bodies in the exercise of powers delegated by central, regional, or local governments or authorities.

ARTICLE 11.2: RELATION TO OTHER CHAPTERS

1. In the event of any inconsistency between this Chapter and another Chapter, the other Chapter shall prevail to the extent of the inconsistency.

2. A requirement by a Party that a service supplier of the other Party post a bond or other form of financial security as a condition of the cross-border supply of a service does not of itself make this Chapter applicable to measures adopted or maintained by the Party relating to such cross-border supply of the service. This Chapter applies to measures adopted or maintained by the Party relating to the posted bond or financial security, to the extent that such bond or financial security is a covered investment.

3. This Chapter does not apply to measures adopted or maintained by a Party to the extent that they are covered by Chapter Thirteen (Financial Services).

ARTICLE 11.3: NATIONAL TREATMENT[1]

1. Each Party shall accord to investors of the other Party treatment no less favorable than that it accords, in like circumstances, to its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments in its territory.

2. Each Party shall accord to covered investments treatment no less favorable than that it accords, in like circumstances, to investments in its territory of its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments.

3. The treatment to be accorded by a Party under paragraphs 1 and 2 means, with respect to a regional level of government, treatment no less favorable than the most favorable treatment accorded, in like circumstances, by that regional level of government to investors, and to investments of investors, of the Party of which it forms a part.

ARTICLE 11.4: MOST-FAVORED-NATION TREATMENT

1. Each Party shall accord to investors of the other Party treatment no less favorable than that it accords, in like circumstances, to investors of any non-Party with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments in its territory.

2. Each Party shall accord to covered investments treatment no less favorable than that it accords, in like circumstances, to investments in its territory of investors of any non-Party with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments.

3. For greater certainty, the treatment referred to in this Article does not encompass international dispute resolution procedures or mechanisms, such as those included in Section B.

ARTICLE 11.5: MINIMUM STANDARD OF TREATMENT[2]

1. Each Party shall accord to covered investments treatment in accordance with customary international law, including fair and equitable treatment and full protection and security.

2. For greater certainty, paragraph 1 prescribes the customary international law minimum standard of treatment of aliens as the minimum standard of treatment to be afforded to covered

[1] For greater certainty, whether treatment is accorded in "like circumstances" under Article 11.3 or Article 11.4 depends on the totality of the circumstances, including whether the relevant treatment distinguishes between investors or investments on the basis of legitimate public welfare objectives.

[2] Article 11.5 shall be interpreted in accordance with Annex 11-A.

investments. The concepts of "fair and equitable treatment" and "full protection and security" do not require treatment in addition to or beyond that which is required by that standard, and do not create additional substantive rights. The obligation in paragraph 1 to provide:

(a) "fair and equitable treatment" includes the obligation not to deny justice in criminal, civil, or administrative adjudicatory proceedings in accordance with the principle of due process embodied in the principal legal systems of the world; and

(b) "full protection and security" requires each Party to provide the level of police protection required under customary international law.

3. A determination that there has been a breach of another provision of this Agreement, or of a separate international agreement, does not establish that there has been a breach of this Article.

4. For greater certainty, the mere fact that a Party takes or fails to take an action that may be inconsistent with an investor's expectations does not constitute a breach of this Article, even if there is loss or damage to the covered investment as a result.

5. Notwithstanding Article 11.12.5(b), each Party shall accord to investors of the other Party, and to covered investments, non-discriminatory treatment with respect to measures it adopts or maintains relating to losses suffered by investments in its territory owing to war or other armed conflict, or revolt, insurrection, riot, or other civil strife.

6. Notwithstanding paragraph 5, if an investor of a Party, in the situations referred to in paragraph 5, suffers a loss in the territory of the other Party resulting from:

(a) requisitioning of its covered investment or part thereof by the latter's forces or authorities; or

(b) destruction of its covered investment or part thereof by the latter's forces or authorities, which was not required by the necessity of the situation,

the latter Party shall provide the investor restitution, compensation, or both, as appropriate, for such loss. Any compensation shall be prompt, adequate, and effective in accordance with paragraphs 2 through 4 of Article 11.6, *mutatis mutandis*.

7. Paragraph 5 does not apply to existing measures relating to subsidies or grants that would be inconsistent with Article 11.3 but for Article 11.12.5(b).

ARTICLE 11.6: EXPROPRIATION AND COMPENSATION[3]

1. Neither Party may expropriate or nationalize a covered investment either directly or indirectly through measures equivalent to expropriation or nationalization (expropriation), except:

[3] Article 11.6 shall be interpreted in accordance with Annexes 11-A and 11-B.

(a) for a public purpose;

(b) in a non-discriminatory manner;

(c) on payment of prompt, adequate, and effective compensation; and

(d) in accordance with due process of law and Article 11.5.1 through 11.5.4.

2. The compensation referred to in paragraph 1(c) shall:

(a) be paid without delay;

(b) be equivalent to the fair market value of the expropriated investment immediately before the expropriation took place (the date of expropriation);

(c) not reflect any change in value occurring because the intended expropriation had become known earlier; and

(d) be fully realizable and freely transferable.

3. If the fair market value is denominated in a freely usable currency, the compensation referred to in paragraph 1(c) shall be no less than the fair market value on the date of expropriation, plus interest at a commercially reasonable rate for that currency, accrued from the date of expropriation until the date of payment.

4. If the fair market value is denominated in a currency that is not freely usable, the compensation referred to in paragraph 1(c) – converted into the currency of payment at the market rate of exchange prevailing on the date of payment – shall be no less than:

(a) the fair market value on the date of expropriation, converted into a freely usable currency at the market rate of exchange prevailing on that date, plus

(b) interest, at a commercially reasonable rate for that freely usable currency, accrued from the date of expropriation until the date of payment.

5. This Article does not apply to the issuance of compulsory licenses granted in relation to intellectual property rights in accordance with the TRIPS Agreement, or to the revocation, limitation, or creation of intellectual property rights, to the extent that such issuance, revocation, limitation, or creation is consistent with Chapter Eighteen (Intellectual Property Rights).

ARTICLE 11.7: TRANSFERS[4]

[4] For greater certainty, Annex 11-G applies to this Article.

1. Each Party shall permit all transfers relating to a covered investment to be made freely and without delay into and out of its territory. Such transfers include:

(a) contributions to capital, including the initial contribution;

(b) profits, dividends, capital gains, and proceeds from the sale of all or any part of the covered investment or from the partial or complete liquidation of the covered investment;

(c) interest, royalty payments, management fees, and technical assistance and other fees;

(d) payments made under a contract, including a loan agreement;

(e) payments made pursuant to Article 11.5.5 and 11.5.6 and Article 11.6; and

(f) payments arising out of a dispute.

2. Each Party shall permit transfers relating to a covered investment to be made in a freely usable currency at the market rate of exchange prevailing at the time of transfer.

3. Each Party shall permit returns in kind relating to a covered investment to be made as authorized or specified in a written agreement between the Party and a covered investment or an investor of the other Party.

4. Notwithstanding paragraphs 1 through 3, a Party may prevent a transfer through the equitable, non-discriminatory, and good faith application of its laws relating to:

(a) bankruptcy, insolvency, or the protection of the rights of creditors;

(b) issuing, trading, or dealing in securities, futures, options, or derivatives;

(c) criminal or penal offenses;

(d) financial reporting or record keeping of transfers when necessary to assist law enforcement or financial regulatory authorities; or

(e) ensuring compliance with orders or judgments in judicial or administrative proceedings.

ARTICLE 11.8: PERFORMANCE REQUIREMENTS

1. Neither Party may, in connection with the establishment, acquisition, expansion, management, conduct, operation, or sale or other disposition of an investment in its territory of an

investor of a Party or of a non-Party, impose or enforce any requirement or enforce any commitment or undertaking:[5]

(a) to export a given level or percentage of goods or services;

(b) to achieve a given level or percentage of domestic content;

(c) to purchase, use, or accord a preference to goods produced in its territory, or to purchase goods from persons in its territory;

(d) to relate in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with such investment;

(e) to restrict sales of goods or services in its territory that such investment produces or supplies by relating such sales in any way to the volume or value of its exports or foreign exchange earnings;

(f) to transfer a particular technology, a production process, or other proprietary knowledge to a person in its territory; or

(g) to supply exclusively from the territory of the Party the goods that such investment produces or the services that it supplies to a specific regional market or to the world market.

2. Neither Party may condition the receipt or continued receipt of an advantage, in connection with the establishment, acquisition, expansion, management, conduct, operation, or sale or other disposition of an investment in its territory of an investor of a Party or of a non-Party, on compliance with any requirement:

(a) to achieve a given level or percentage of domestic content;

(b) to purchase, use, or accord a preference to goods produced in its territory, or to purchase goods from persons in its territory;

(c) to relate in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with such investment; or

(d) to restrict sales of goods or services in its territory that such investment produces or supplies by relating such sales in any way to the volume or value of its exports or foreign exchange earnings.

[5] For greater certainty, a condition for the receipt or continued receipt of an advantage referred to in paragraph 2 does not constitute a "commitment or undertaking" for purposes of paragraph 1.

3. (a) Nothing in paragraph 2 shall be construed to prevent a Party from conditioning the receipt or continued receipt of an advantage, in connection with an investment in its territory of an investor of a Party or of a non-Party, on compliance with a requirement to locate production, supply a service, train or employ workers, construct or expand particular facilities, or carry out research and development, in its territory.[6]

(b) Paragraph 1(f) does not apply:

(i) when a Party authorizes use of an intellectual property right in accordance with Article 31 of the TRIPS Agreement, or to measures requiring the disclosure of proprietary information that fall within the scope of, and are consistent with, Article 39 of the TRIPS Agreement; or

(ii) when the requirement is imposed or the commitment or undertaking is enforced by a court, administrative tribunal, or competition authority to remedy a practice determined after judicial or administrative process to be anticompetitive under the Party's competition laws.[7]

(c) Provided that such measures are not applied in an arbitrary or unjustifiable manner, and provided that such measures do not constitute a disguised restriction on international trade or investment, paragraphs 1(b), (c), and (f), and 2(a) and (b), shall not be construed to prevent a Party from adopting or maintaining measures, including environmental measures:

(i) necessary to secure compliance with laws and regulations that are not inconsistent with this Agreement;

(ii) necessary to protect human, animal, or plant life or health; or

(iii) related to the conservation of living or non-living exhaustible natural resources.

(d) Paragraphs 1(a), (b), and (c), and 2(a) and (b), do not apply to qualification requirements for goods or services with respect to export promotion and foreign aid programs.

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[6] For greater certainty, nothing in paragraph 1 shall be construed to prevent a Party, in connection with the establishment, acquisition, expansion, management, conduct, operation, or sale or other disposition of an investment of an investor of a Party or of a non-Party in its territory, from imposing or enforcing a requirement or enforcing a commitment or undertaking to locate production, supply a service, train or employ workers, construct or expand particular facilities, or carry out research and development, in its territory, provided that such activity is consistent with paragraph 1(f).

[7] The Parties recognize that a patent does not necessarily confer market power.

(c) Paragraphs 1(b), (c), (f), and (g), and 2(a) and (b), do not apply to government procurement.

(f) Paragraphs 2(a) and (b) do not apply to requirements imposed by an importing Party relating to the content of goods necessary to qualify for preferential tariffs or preferential quotas.

4. For greater certainty, paragraphs 1 and 2 do not apply to any commitment, undertaking, or requirement other than those set out in those paragraphs.

5. This Article does not preclude enforcement of any commitment, undertaking, or requirement between private parties, where a Party did not impose or require the commitment, undertaking, or requirement. For purposes of this Article, private parties include designated monopolies or state enterprises, where such entities are not exercising delegated governmental authority.

ARTICLE 11.9: SENIOR MANAGEMENT AND BOARDS OF DIRECTORS

1. Neither Party may require that an enterprise of that Party that is a covered investment appoint to senior management positions natural persons of any particular nationality.

2. A Party may require that a majority of the board of directors, or any committee thereof, of an enterprise of that Party that is a covered investment, be of a particular nationality, or resident in the territory of the Party, provided that the requirement does not materially impair the ability of the investor to exercise control over its investment.

ARTICLE 11.10: INVESTMENT AND ENVIRONMENT

Nothing in this Chapter shall be construed to prevent a Party from adopting, maintaining, or enforcing any measure otherwise consistent with this Chapter that it considers appropriate to ensure that investment activity in its territory is undertaken in a manner sensitive to environmental concerns.

ARTICLE 11.11: DENIAL OF BENEFITS

1. A Party may deny the benefits of this Chapter to an investor of the other Party that is an enterprise of such other Party and to investments of that investor if persons of a non-Party own or control the enterprise and the denying Party:

(a) does not maintain normal economic relations with the non-Party; or

(b) adopts or maintains measures with respect to the non-Party or a person of the non-Party that prohibit transactions with the enterprise or that would be violated or

circumvented if the benefits of this Chapter were accorded to the enterprise or to its investments.

2. A Party may deny the benefits of this Chapter to an investor of the other Party that is an enterprise of such other Party and to investments of that investor if the enterprise has no substantial business activities in the territory of the other Party and persons of a non-Party, or of the denying Party, own or control the enterprise. If, before denying the benefits of this Chapter, the denying Party knows that the enterprise has no substantial business activities in the territory of the other Party and that persons of a non-Party, or of the denying Party, own or control the enterprise, the denying Party shall, to the extent practicable, notify the other Party before denying the benefits. If the denying Party provides such notice, it shall consult with the other Party at the other Party's request.

ARTICLE 11.12: NON-CONFORMING MEASURES

1. Articles 11.3, 11.4, 11.8, and 11.9 do not apply to:

(a) any existing non-conforming measure that is maintained by a Party at

(i) the central level of government, as set out by that Party in its Schedule to Annex I,

(ii) a regional level of government, as set out by that Party in its Schedule to Annex I,[8] or

(iii) a local level of government;[9]

(b) the continuation or prompt renewal of any non-conforming measure referred to in subparagraph (a); or

(c) an amendment to any non-conforming measure referred to in subparagraph (a) to the extent that the amendment does not decrease the conformity of the measure, as it existed immediately before the amendment, with Article 11.3, 11.4, 11.8, or 11.9.

2. Articles 11.3, 11.4, 11.8, and 11.9 do not apply to any measure that a Party adopts or maintains with respect to sectors, subsectors, or activities, as set out in its Schedule to Annex II.

3. Neither Party may, under any measure adopted after the date of entry into force of this Agreement and covered by its Schedule to Annex II, require an investor of the other Party, by reason of its nationality, to sell or otherwise dispose of an investment existing at the time the measure becomes effective.

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[8] For greater certainty, Annex 12-C (Consultations Regarding Non-Conforming Measures Maintained by a Regional Level of Government) is incorporated into and made part of this Chapter.

[9] For Korea, **local level of government** means a local government as defined in the *Local Autonomy Act*.

4. Articles 11.3 and 11.4 do not apply to any measure that is an exception to, or derogation from, the obligations under Article 18.1.6 (General Provisions) as specifically provided in that Article.

5. Articles 11.3, 11.4, and 11.9 do not apply to:

(a) government procurement; or

(b) subsidies or grants provided by a Party, including government-supported loans, guarantees, and insurance.

ARTICLE 11.13: SPECIAL FORMALITIES AND INFORMATION REQUIREMENTS

1. Nothing in Article 11.3 shall be construed to prevent a Party from adopting or maintaining a measure that prescribes special formalities in connection with covered investments, such as a requirement that covered investments be legally constituted under its laws or regulations, provided that such formalities do not materially impair the protections afforded by the Party to investors of the other Party and covered investments pursuant to this Chapter.

2. Notwithstanding Articles 11.3 and 11.4, a Party may require an investor of the other Party or its covered investment to provide information concerning that investment solely for informational or statistical purposes. The Party shall protect any confidential business information from any disclosure that would prejudice the competitive position of the investor or the covered investment. Nothing in this paragraph shall be construed to prevent a Party from otherwise obtaining or disclosing information in connection with the equitable and good faith application of its law.

ARTICLE 11.14: SUBROGATION

1. If the Korea Export Insurance Corporation or the Overseas Private Investment Corporation makes a payment to an investor of the Party in which the respective Corporation is established under a guarantee or a contract of insurance it has entered into in respect of an investment, the Corporation shall be considered the subrogee of the investor and shall be entitled to the same rights that the investor would have possessed under this Chapter but for the subrogation, and the investor shall be precluded from pursuing such rights to the extent of the subrogation.

2. For greater certainty, nothing in this Article shall be construed to be incompatible with the rights and obligations of any Party under the *Investment Incentive Agreement Between the Government of the United States of America and the Government of the Republic of Korea* (July 30, 1998).

Section B: Investor-State Dispute Settlement

ARTICLE 11.15: CONSULTATION AND NEGOTIATION

In the event of an investment dispute, the claimant and the respondent should initially seek to resolve the dispute through consultation and negotiation, which may include the use of non-binding, third-party procedures.

ARTICLE 11.16: SUBMISSION OF A CLAIM TO ARBITRATION

1. In the event that a disputing party considers that an investment dispute cannot be settled by consultation and negotiation:

(a) the claimant, on its own behalf, may submit to arbitration under this Section a claim

(i) that the respondent has breached

(A) an obligation under Section A,

(B) an investment authorization, or

(C) an investment agreement;

and

(ii) that the claimant has incurred loss or damage by reason of, or arising out of, that breach; and

(b) the claimant, on behalf of an enterprise of the respondent that is a juridical person that the claimant owns or controls directly or indirectly, may submit to arbitration under this Section a claim

(i) that the respondent has breached

(A) an obligation under Section A,

(B) an investment authorization, or

(C) an investment agreement;

and

(ii) that the enterprise has incurred loss or damage by reason of, or arising out of, that breach,

provided that a claimant may submit pursuant to subparagraph (a)(i)(C) or (b)(i)(C) a claim for breach of an investment agreement only if the subject matter of the claim and the claimed damages

directly relate to the covered investment that was established or acquired, or sought to be established or acquired, in reliance on the relevant investment agreement.

2. At least 90 days before submitting any claim to arbitration under this Section, a claimant shall deliver to the respondent a written notice of its intention to submit the claim to arbitration (notice of intent). The notice shall specify:

(a) the name and address of the claimant and, where a claim is submitted on behalf of an enterprise, the name, address, and place of incorporation of the enterprise;

(b) for each claim, the provision of this Agreement, investment authorization, or investment agreement alleged to have been breached and any other relevant provisions;

(c) the legal and factual basis for each claim; and

(d) the relief sought and the approximate amount of damages claimed.

3. Provided that six months have elapsed since the events giving rise to the claim, a claimant may submit a claim referred to in paragraph 1:

(a) under the ICSID Convention and the ICSID Rules of Procedure for Arbitration Proceedings, provided that both the respondent and the non-disputing Party are parties to the ICSID Convention;

(b) under the ICSID Additional Facility Rules, provided that either the respondent or the non-disputing Party is a party to the ICSID Convention;

(c) under the UNCITRAL Arbitration Rules; or

(d) if the claimant and respondent agree, to any other arbitration institution or under any other arbitration rules.

4. A claim shall be deemed submitted to arbitration under this Section when the claimant's notice of, or request for, arbitration (notice of arbitration):

(a) referred to in paragraph 1 of Article 36 of the ICSID Convention is received by the Secretary-General;

(b) referred to in Article 2 of Schedule C of the ICSID Additional Facility Rules is received by the Secretary-General;

(c) referred to in Article 3 of the UNCITRAL Arbitration Rules, together with the statement of claim referred to in Article 18 of the UNCITRAL Arbitration Rules, are received by the respondent; or

(d) referred to under any arbitral institution or arbitral rules selected under paragraph 3(d) is received by the respondent.

A claim asserted by the claimant for the first time after such notice of arbitration is submitted shall be deemed submitted to arbitration under this Section on the date of its receipt under the applicable arbitral rules.

5. The arbitration rules applicable under paragraph 3, and in effect on the date the claim or claims were submitted to arbitration under this Section, shall govern the arbitration except to the extent modified by this Agreement.

6. The claimant shall provide with the notice of arbitration:

(a) the name of the arbitrator that the claimant appoints; or

(b) the claimant's written consent for the Secretary-General to appoint that arbitrator.

ARTICLE 11.17: CONSENT OF EACH PARTY TO ARBITRATION

1. Each Party consents to the submission of a claim to arbitration under this Section in accordance with this Agreement.

2. The consent under paragraph 1 and the submission of a claim to arbitration under this Section shall satisfy the requirements of:

(a) Chapter II (Jurisdiction of the Centre) of the ICSID Convention and the ICSID Additional Facility Rules for written consent of the parties to the dispute; and

(b) Article II of the New York Convention for an "agreement in writing."

ARTICLE 11.18: CONDITIONS AND LIMITATIONS ON CONSENT OF EACH PARTY

1. No claim may be submitted to arbitration under this Section if more than three years have elapsed from the date the claimant first acquired, or should have first acquired, knowledge of the breach alleged under Article 11.16.1 and knowledge that the claimant (for claims brought under Article 11.16.1(a)) or the enterprise (for claims brought under Article 11.16.1(b)) has incurred loss or damage.

2. No claim may be submitted to arbitration under this Section unless:

(a) the claimant consents in writing to arbitration in accordance with the procedures set out in this Agreement; and

(b) the notice of arbitration is accompanied,

(i) for claims submitted to arbitration under Article 11.16.1(a), by the claimant's written waiver, and

(ii) for claims submitted to arbitration under Article 11.16.1(b), by the claimant's and the enterprise's written waivers

of any right to initiate or continue before any administrative tribunal or court under the law of either Party, or other dispute settlement procedures, any proceeding with respect to any measure alleged to constitute a breach referred to in Article 11.16.

3. Notwithstanding paragraph 2(b), the claimant (for claims brought under Article 11.16.1(a)) and the claimant or the enterprise (for claims brought under Article 11.16.1(b)) may initiate or continue an action that seeks interim injunctive relief and does not involve the payment of monetary damages before a judicial or administrative tribunal of the respondent, provided that the action is brought for the sole purpose of preserving the claimant's or the enterprise's rights and interests during the pendency of the arbitration.

4. (a) An investor of a Party may not initiate or continue a claim under this Section if a claim involving the same measure or measures alleged to constitute a breach under Article 11.16 and arising from the same events or circumstances is initiated or continued pursuant to an agreement between the respondent and a non-Party by:

(i) a person of a non-Party that owns or controls, directly or indirectly, the investor of a Party; or

(ii) a person of a non-Party that is owned or controlled, directly or indirectly, by the investor of a Party.

(b) Notwithstanding subparagraph (a), the claim may proceed if the respondent agrees that the claim may proceed, or if the investor of a Party and the person of a non-Party agree to consolidate the claims under the respective agreements before a tribunal constituted under this Section.

ARTICLE 11.19: SELECTION OF ARBITRATORS

1. Unless the disputing parties otherwise agree, the tribunal shall comprise three arbitrators, one arbitrator appointed by each of the disputing parties and the third, who shall be the presiding arbitrator, appointed by agreement of the disputing parties.

2. The Secretary-General shall serve as appointing authority for an arbitration under this Section.

3. If a tribunal has not been constituted within 75 days of the date a claim is submitted to arbitration under this Section, the Secretary-General, on the request of a disputing party, shall

appoint, in his or her discretion, the arbitrator or arbitrators not yet appointed. The Secretary-General shall not appoint a national of either Party as the presiding arbitrator unless the disputing parties otherwise agree.

4. For purposes of Article 39 of the ICSID Convention and Article 7 of Schedule C to the ICSID Additional Facility Rules, and without prejudice to an objection to an arbitrator on a ground other than nationality:

(a) the respondent agrees to the appointment of each individual member of a tribunal established under the ICSID Convention or the ICSID Additional Facility Rules;

(b) a claimant referred to in Article 11.16.1(a) may submit a claim to arbitration under this Section, or continue a claim, under the ICSID Convention or the ICSID Additional Facility Rules, only on condition that the claimant agrees in writing to the appointment of each individual member of the tribunal; and

(c) a claimant referred to in Article 11.16.1(b) may submit a claim to arbitration under this Section, or continue a claim, under the ICSID Convention or the ICSID Additional Facility Rules, only on condition that the claimant and the enterprise agree in writing to the appointment of each individual member of the tribunal.

ARTICLE 11.20: CONDUCT OF THE ARBITRATION

1. The disputing parties may agree on the legal place of any arbitration under the arbitral rules applicable under Article 11.16.3. If the disputing parties fail to reach agreement, the tribunal shall determine the place in accordance with the applicable arbitral rules, provided that the place shall be in the territory of a State that is a party to the New York Convention.

2. At the request of a disputing party, and unless the disputing parties otherwise agree, the tribunal may determine the place of meetings, including consultations and hearings, taking into consideration appropriate factors, including the convenience of the parties and the arbitrators, the location of the subject matter, and the proximity of evidence. The preceding sentence is without prejudice to any appropriate factors a tribunal may consider under paragraph 1.

3. Unless the disputing parties otherwise agree, English and Korean shall be the official languages to be used in the entire arbitration proceedings, including all hearings, submissions, decisions, and awards.

4. The non-disputing Party may make oral and written submissions to the tribunal regarding the interpretation of this Agreement. On the request of a disputing party, the non-disputing Party should resubmit its oral submission in writing.

5. After consulting the disputing parties, the tribunal may allow a party or entity that is not a disputing party to file a written *amicus curiae* submission with the tribunal regarding a matter

within the scope of the dispute. In determining whether to allow such a filing, the tribunal shall consider, among other things, the extent to which:

(a) the *amicus curiae* submission would assist the tribunal in the determination of a factual or legal issue related to the proceeding by bringing a perspective, particular knowledge, or insight that is different from that of the disputing parties;

(b) the *amicus curiae* submission would address a matter within the scope of the dispute; and

(c) the *amicus curiae* has a significant interest in the proceeding.

The tribunal shall ensure that the *amicus curiae* submission does not disrupt the proceeding or unduly burden or unfairly prejudice either disputing party, and that the disputing parties are given an opportunity to present their observations on the *amicus curiae* submission.

6. Without prejudice to a tribunal's authority to address other objections as a preliminary question, a tribunal shall address and decide as a preliminary question any objection by the respondent that, as a matter of law, a claim submitted is not a claim for which an award in favor of the claimant may be made under Article 11.26 or that a claim is manifestly without legal merit.

(a) Such objection shall be submitted to the tribunal as soon as possible after the tribunal is constituted, and in no event later than the date the tribunal fixes for the respondent to submit its counter-memorial or, in the case of an amendment to the notice of arbitration, the date the tribunal fixes for the respondent to submit its response to the amendment.

(b) On receipt of an objection under this paragraph, the tribunal shall suspend any proceedings on the merits, establish a schedule for considering the objection consistent with any schedule it has established for considering any other preliminary question, and issue a decision or award on the objection, stating the grounds therefor.

(c) In deciding an objection under this paragraph that a claim submitted is not a claim for which an award in favor of the claimant may be made under Article 11.26, the tribunal shall assume to be true claimant's factual allegations in support of any claim in the notice of arbitration (or any amendment thereof) and, in disputes brought under the UNCITRAL Arbitration Rules, the statement of claim referred to in Article 18 of the UNCITRAL Arbitration Rules. The tribunal may also consider any relevant facts not in dispute.

(d) The respondent does not waive any objection as to competence or any argument on the merits merely because the respondent did or did not raise an objection under this paragraph or make use of the expedited procedure set out in paragraph 7.

7. In the event that the respondent so requests within 45 days of the date the tribunal is constituted, the tribunal shall decide on an expedited basis an objection under paragraph 6 and any objection that the dispute is not within the tribunal's competence. The tribunal shall suspend any proceedings on the merits and issue a decision or award on the objection(s), stating the grounds therefor, no later than 150 days after the date of the request. However, if a disputing party requests a hearing, the tribunal may take an additional 30 days to issue the decision or award. Regardless of whether a hearing is requested, a tribunal may, on a showing of extraordinary cause, delay issuing its decision or award by an additional brief period, which may not exceed 30 days.

8. When it decides a respondent's objection under paragraph 6 or 7, the tribunal may, if warranted, award to the prevailing disputing party reasonable costs and attorney's fees incurred in submitting or opposing the objection. In determining whether such an award is warranted, the tribunal shall consider whether either the claimant's claim or the respondent's objection was frivolous, and shall provide the disputing parties a reasonable opportunity to comment.

9. For greater certainty, if an investor of a Party submits a claim under Section B, including a claim alleging that a Party breached Article 11.5, the investor has the burden of proving all elements of its claims, consistent with general principles of international law applicable to international arbitration.

10. A respondent may not assert as a defense, counterclaim, or right of set-off, or for any other reason, that the claimant has received or will receive indemnification or other compensation for all or part of the alleged damages pursuant to an insurance or guarantee contract, except with respect to any subrogation as provided for in Article 11.14.

11. A tribunal may order an interim measure of protection to preserve the rights of a disputing party, or to ensure that the tribunal's jurisdiction is made fully effective, including an order to preserve evidence in the possession or control of a disputing party or to protect the tribunal's jurisdiction. A tribunal may not order attachment or enjoin the application of a measure alleged to constitute a breach referred to in Article 11.16. For purposes of this paragraph, an order includes a recommendation.

12. (a) In any arbitration conducted under this Section, at the request of a disputing party, a tribunal shall, before issuing a decision or award on liability, transmit its proposed decision or award to the disputing parties and to the non-disputing Party. Within 60 days after the date the tribunal transmits its proposed decision or award, the disputing parties may submit written comments to the tribunal concerning any aspect of its proposed decision or award. The tribunal shall consider any such comments and issue its decision or award not later than 45 days after the date the 60-day comment period expires.

(b) Subparagraph (a) shall not apply in any arbitration conducted pursuant to this Section for which an appeal has been made available pursuant to paragraph 13 or Annex 11-D.

13. If a separate, multilateral agreement enters into force between the Parties that establishes an appellate body for purposes of reviewing awards rendered by tribunals constituted pursuant to international trade or investment arrangements to hear investment disputes, the Parties shall strive to reach an agreement that would have such appellate body review awards rendered under Article 11.26 in arbitrations commenced after the multilateral agreement enters into force between the Parties.

ARTICLE 11.21: TRANSPARENCY OF ARBITRAL PROCEEDINGS

1. Subject to paragraphs 2, 3, and 4, the respondent shall, after receiving the following documents, promptly transmit them to the non-disputing Party and make them available to the public:

(a) the notice of intent;

(b) the notice of arbitration;

(c) pleadings, memorials, and briefs submitted to the tribunal by a disputing party and any written submissions submitted pursuant to Article 11.20.4 and 11.20.5 and Article 11.25;

(d) minutes or transcripts of hearings of the tribunal, where available; and

(e) orders, awards, and decisions of the tribunal.

2. The tribunal shall conduct hearings open to the public and shall determine, in consultation with the disputing parties, the appropriate logistical arrangements. However, any disputing party that intends to use information designated as protected information in a hearing shall so advise the tribunal. The tribunal shall make appropriate arrangements to protect the information from disclosure.

3. Nothing in this Section requires a respondent to disclose protected information or to furnish or allow access to information that it may withhold in accordance with Article 23.2 (Essential Security) or Article 23.4 (Disclosure of Information).

4. Any protected information that is submitted to the tribunal shall be protected from disclosure in accordance with the following procedures:

(a) Subject to subparagraph (d), neither the disputing parties nor the tribunal shall disclose to the non-disputing Party or to the public any protected information where the disputing party that provided the information clearly designates it in accordance with subparagraph (b);

(b) Any disputing party claiming that certain information constitutes protected information shall clearly designate the information at the time it is submitted to the tribunal;

(c) A disputing party shall, at the time it submits a document containing information claimed to be protected information, submit a redacted version of the document that does not contain the information. Only the redacted version shall be provided to the non-disputing Party and made public in accordance with paragraph 1;

(d) The tribunal shall decide any objection by a disputing party regarding the designation of information claimed to be protected information. If the tribunal determines that such information was not properly designated, the disputing party that submitted the information may (i) withdraw all or part of its submission containing such information, or (ii) agree to resubmit complete and redacted documents with corrected designations in accordance with the tribunal's determination and subparagraph (c). In either case, the other disputing party shall, whenever necessary, resubmit complete and redacted documents which either remove the information withdrawn under (i) by the disputing party that first submitted the information or redesignate the information consistent with the designation under (ii) of the disputing party that first submitted the information; and

(e) At the request of a disputing Party, the Joint Committee shall consider issuing a decision in writing regarding a determination by the tribunal that information claimed to be protected was not properly designated. If the Joint Committee issues a decision within 60 days of such a request, it shall be binding on the tribunal, and any decision or award issued by the tribunal must be consistent with that decision. If the Joint Committee does not issue a decision within 60 days, the tribunal's determination shall remain in effect only if the non-disputing Party submits a written statement to the Joint Committee within that period that it agrees with the tribunal's determination.

5. Nothing in this Section requires a respondent to withhold from the public information required to be disclosed by its laws.

ARTICLE 11.22: GOVERNING LAW

1. Subject to paragraph 3, when a claim is submitted under Article 11.16.1(a)(i)(A) or Article 11.16.1(b)(i)(A), the tribunal shall decide the issues in dispute in accordance with this Agreement and applicable rules of international law.

2. Subject to paragraph 3 and the other terms of this Section, when a claim is submitted under Article 11.16.1(a)(i)(B) or (C), or Article 11.16.1(b)(i)(B) or (C), the tribunal shall apply:

(a) the rules of law specified in the pertinent investment authorization or investment

agreement, or as the disputing parties may otherwise agree; or

(b) if the rules of law have not been specified or otherwise agreed,

(i) the law of the respondent, including its rules on the conflict of laws;[10] and

(ii) such rules of international law as may be applicable.

3 A decision of the Joint Committee declaring its interpretation of a provision of this Agreement under Article 22.2.3(d) (Joint Committee) shall be binding on a tribunal, and any decision or award issued by a tribunal must be consistent with that decision.

ARTICLE 11.23: INTERPRETATION OF ANNEXES

1. Where a respondent asserts as a defense that the measure alleged to be a breach is within the scope of an entry set out in Annex I or Annex II, the tribunal shall, on request of the respondent, request the interpretation of the Joint Committee on the issue. The Joint Committee shall submit in writing any decision declaring its interpretation under Article 22.2.3(d) (Joint Committee) to the tribunal within 60 days of delivery of the request.

2. A decision issued by the Joint Committee under paragraph 1 shall be binding on the tribunal, and any decision or award issued by the tribunal must be consistent with that decision. If the Joint Committee fails to issue such a decision within 60 days, the tribunal shall decide the issue.

ARTICLE 11.24: EXPERT REPORTS

Without prejudice to the appointment of other kinds of experts where authorized by the applicable arbitration rules, a tribunal, at the request of a disputing party or, unless the disputing parties disapprove, on its own initiative, may appoint one or more experts to report to it in writing on any factual issue concerning environmental, health, safety, or other scientific matters raised by a disputing party in a proceeding, subject to such terms and conditions as the disputing parties may agree.

ARTICLE 11.25: CONSOLIDATION

1. Where two or more claims have been submitted separately to arbitration under Article 11.16.1 and the claims have a question of law or fact in common and arise out of the same events or circumstances, any disputing party may seek a consolidation order in accordance with the agreement of all the disputing parties sought to be covered by the order or the terms of paragraphs 2 through 10.

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[10] For purposes of clause (i), the **law of the respondent** means the law that a domestic court or tribunal of proper jurisdiction would apply in the same case.

2. A disputing party that seeks a consolidation order under this Article shall deliver, in writing, a request to the Secretary-General and to all the disputing parties sought to be covered by the order and shall specify in the request:

(a) the names and addresses of all the disputing parties sought to be covered by the order;

(b) the nature of the order sought; and

(c) the grounds on which the order is sought.

3. Unless the Secretary-General finds within 30 days after receiving a request under paragraph 2 that the request is manifestly unfounded, a tribunal shall be established under this Article.

4. Unless all the disputing parties sought to be covered by the order otherwise agree, a tribunal established under this Article shall comprise three arbitrators:

(a) one arbitrator appointed by agreement of the claimants;

(b) one arbitrator appointed by the respondent; and

(c) the presiding arbitrator appointed by the Secretary-General, provided, however, that the presiding arbitrator shall not be a national of either Party.

5. If, within 60 days after the Secretary-General receives a request made under paragraph 2, the respondent fails or the claimants fail to appoint an arbitrator in accordance with paragraph 4, the Secretary-General, on the request of any disputing party sought to be covered by the order, shall appoint the arbitrator or arbitrators not yet appointed. If the respondent fails to appoint an arbitrator, the Secretary-General shall appoint a national of the disputing Party, and if the claimants fail to appoint an arbitrator, the Secretary-General shall appoint a national of the non-disputing Party.

6. Where a tribunal established under this Article is satisfied that two or more claims that have been submitted to arbitration under Article 11.16.1 have a question of law or fact in common, and arise out of the same events or circumstances, the tribunal may, in the interest of fair and efficient resolution of the claims, and after hearing the disputing parties, by order:

(a) assume jurisdiction over, and hear and determine together, all or part of the claims;

(b) assume jurisdiction over, and hear and determine one or more of the claims, the determination of which it believes would assist in the resolution of the others; or

(c) instruct a tribunal previously established under Article 11.19 to assume jurisdiction over, and hear and determine together, all or part of the claims, provided that:

(i) that tribunal, at the request of any claimant not previously a disputing party before that tribunal, shall be reconstituted with its original members, except that the arbitrator for the claimants shall be appointed pursuant to paragraphs 4(a) and 5; and

(ii) that tribunal shall decide whether any prior hearing shall be repeated.

7. Where a tribunal has been established under this Article, a claimant that has submitted a claim to arbitration under Article 11.16.1 and that has not been named in a request made under paragraph 2 may make a written request to the tribunal that it be included in any order made under paragraph 6, and shall specify in the request:

(a) the name and address of the claimant;

(b) the nature of the order sought; and

(c) the grounds on which the order is sought.

The claimant shall deliver a copy of its request to the Secretary-General.

8. A tribunal established under this Article shall conduct its proceedings in accordance with the UNCITRAL Arbitration Rules, except as modified by this Section.

9. A tribunal established under Article 11.19 shall not have jurisdiction to decide a claim, or a part of a claim, over which a tribunal established or instructed under this Article has assumed jurisdiction.

10. On application of a disputing party, a tribunal established under this Article, pending its decision under paragraph 6, may order that the proceedings of a tribunal established under Article 11.19 be stayed, unless the latter tribunal has already adjourned its proceedings.

ARTICLE 11.26: AWARDS

1. Where a tribunal makes a final award against a respondent, the tribunal may award, separately or in combination, only:

(a) monetary damages and any applicable interest; and

(b) restitution of property, in which case the award shall provide that the respondent may pay monetary damages and any applicable interest in lieu of restitution.

2. A tribunal may also award costs and attorney's fees in accordance with this Section and the applicable arbitration rules.

3. Subject to paragraph 1, where a claim is submitted to arbitration under Article 11.16.1(b):

(a) an award of restitution of property shall provide that restitution be made to the enterprise;

(b) an award of monetary damages and any applicable interest shall provide that the sum be paid to the enterprise; and

(c) the award shall provide that it is made without prejudice to any right that any person may have in the relief under applicable domestic law.

4. A tribunal may not award punitive damages.

5. An award made by a tribunal shall have no binding force except between the disputing parties and in respect of the particular case.

6. Subject to paragraph 7 and the applicable review procedure for an interim award, a disputing party shall abide by and comply with an award without delay.

7. A disputing party may not seek enforcement of a final award until:

(a) in the case of a final award made under the ICSID Convention,

(i) 120 days have elapsed from the date the award was rendered and no disputing party has requested revision or annulment of the award; or

(ii) revision or annulment proceedings have been completed; and

(b) in the case of a final award under the ICSID Additional Facility Rules, the UNCITRAL Arbitration Rules, or the rules selected pursuant to Article 11.16.3(d),

(i) 90 days have elapsed from the date the award was rendered and no disputing party has commenced a proceeding to revise, set aside, or annul the award; or

(ii) a court has dismissed or allowed an application to revise, set aside, or annul the award and there is no further appeal.

8. Each Party shall provide for the enforcement of an award in its territory.

9. If the respondent fails to abide by or comply with a final award, on delivery of a request by the non-disputing Party, a panel shall be established under Article 22.9 (Establishment of Panel). The requesting Party may seek in such proceedings:

(a) a determination that the failure to abide by or comply with the final award is inconsistent with the obligations of this Agreement; and

(b) in accordance with Article 22.11 (Panel Report), a recommendation that the respondent abide by or comply with the final award.

10. A disputing party may seek enforcement of an arbitration award under the ICSID Convention or the New York Convention regardless of whether proceedings have been taken under paragraph 9.

11. A claim that is submitted to arbitration under this Section shall be considered to arise out of a commercial relationship or transaction for purposes of Article I of the New York Convention.

ARTICLE 11.27: SERVICE OF DOCUMENTS

Delivery of notice and other documents on a Party shall be made to the place named for that Party in Annex 11-C.

Section C: Definitions

ARTICLE 11.28: DEFINITIONS

For purposes of this Chapter:

Centre means the International Centre for Settlement of Investment Disputes (ICSID) established by the ICSID Convention;

claimant means an investor of a Party that is a party to an investment dispute with the other Party;

disputing parties means the claimant and the respondent;

disputing party means either the claimant or the respondent;

enterprise means an enterprise as defined in Article 1.4 (Definitions), and a branch of an enterprise;

enterprise of a Party means an enterprise constituted or organized under the law of a Party, and a branch located in the territory of a Party and carrying out business activities there;

ICSID Additional Facility Rules means the *Rules Governing the Additional Facility for the Administration of Proceedings by the Secretariat of the International Centre for Settlement of Investment Disputes*;

ICSID Convention means the *Convention on the Settlement of Investment Disputes between States and Nationals of Other States*, done at Washington, March 18, 1965;

investment means every asset that an investor owns or controls, directly or indirectly, that has the characteristics of an investment, including such characteristics as the commitment of capital or other resources, the expectation of gain or profit, or the assumption of risk. Forms that an investment may take include:

(a) an enterprise;

(b) shares, stock, and other forms of equity participation in an enterprise;

(c) bonds, debentures, other debt instruments, and loans;[11]

(d) futures, options, and other derivatives;

(e) turnkey, construction, management, production, concession, revenue-sharing, and other similar contracts;

(f) intellectual property rights;

(g) licenses, authorizations, permits, and similar rights conferred pursuant to domestic law;[12] [13] and

(h) other tangible or intangible, movable or immovable property, and related property rights, such as leases, mortgages, liens, and pledges.[14]

For purposes of this Agreement, a claim to payment that arises solely from the commercial sale of goods and services is not an investment, unless it is a loan that has the characteristics of an investment.

investment agreement means a written agreement[15] between a national authority[16] of a Party and

[11] Some forms of debt, such as bonds, debentures, and long-term notes, are more likely to have the characteristics of an investment, while other forms of debt are less likely to have such characteristics.

[12] Whether a particular type of license, authorization, permit, or similar instrument (including a concession, to the extent that it has the nature of such an instrument) has the characteristics of an investment depends on such factors as the nature and extent of the rights that the holder has under the law of the Party. Among the licenses, authorizations, permits, and similar instruments that do not have the characteristics of an investment are those that do not create any rights protected under domestic law. For greater certainty, the foregoing is without prejudice to whether any asset associated with the license, authorization, permit, or similar instrument has the characteristics of an investment.

[13] The term "investment" does not include an order or judgment entered in a judicial or administrative action.

[14] For greater certainty, market share, market access, expected gains, and opportunities for profit-making are not, by themselves, investments.

[15] "Written agreement" refers to an agreement in writing, executed by both parties, whether in a single instrument or in multiple instruments, that creates an exchange of rights and obligations, binding on both parties under the law

a covered investment or an investor of the other Party, on which the covered investment or the investor relies in establishing or acquiring a covered investment other than the written agreement itself, that grants rights to the covered investment or investor:

(a) with respect to natural resources that a national authority controls, such as for their exploration, extraction, refining, transportation, distribution, or sale;

(b) to supply services to the public on behalf of the Party, such as power generation or distribution, water treatment or distribution, or telecommunications; or

(c) to undertake infrastructure projects, such as the construction of roads, bridges, canals, dams, or pipelines, that are not for the exclusive or predominant use and benefit of the government;

investment authorization means an authorization that the foreign investment authority of a Party grants to a covered investment or an investor of the other Party;[17] [18]

investor of a non-Party means, with respect to a Party, an investor that attempts to make[19], is making, or has made an investment in the territory of that Party, that is not an investor of either Party;

investor of a Party means a Party or state enterprise thereof, or a national or an enterprise of a Party, that attempts to make, is making, or has made an investment in the territory of the other Party; provided, however, that a natural person who is a dual national shall be deemed to be exclusively a national of the State of his or her dominant and effective nationality;

New York Convention means the *United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards*, done at New York, June 10, 1958;

non-disputing Party means the Party that is not a party to an investment dispute;

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applicable under Article 11.22.2. For greater certainty, (a) a unilateral act of an administrative or judicial authority, such as a permit, license, or authorization issued by a Party solely in its regulatory capacity, or a decree, order, or judgment, standing alone; and (b) an administrative or judicial consent decree or order, shall not be considered a written agreement.

[16] For purposes of this definition, **national authority** means an authority at the central level of government.

[17] For greater certainty, actions taken by a Party to enforce laws of general application, such as competition laws, are not encompassed within this definition.

[18] The Parties recognize that, as of the date of signature of this Agreement, neither Party has a foreign investment authority that grants investment authorizations.

[19] For greater certainty, the Parties understand that, for purposes of the definitions of "investor of a non-Party" and "investor of a Party," an investor "attempts to make" an investment when that investor has taken concrete action or actions to make an investment, such as channeling resources or capital in order to set up a business, or applying for a permit or license.

protected information means confidential business information or information that is privileged or otherwise protected from disclosure under a Party's law;

respondent means the Party that is a party to an investment dispute;

Secretary-General means the Secretary-General of ICSID; and

UNCITRAL Arbitration Rules means the arbitration rules of the United Nations Commission on International Trade Law.

ANNEX 11-A
CUSTOMARY INTERNATIONAL LAW

The Parties confirm their shared understanding that "customary international law" generally and as specifically referenced in Article 11.5 and Annex 11-B results from a general and consistent practice of States that they follow from a sense of legal obligation. With regard to Article 11.5, the customary international law minimum standard of treatment of aliens refers to all customary international law principles that protect the economic rights and interests of aliens.

ANNEX 11-B
EXPROPRIATION

The Parties confirm their shared understanding that:

1. An action or a series of actions by a Party cannot constitute an expropriation unless it interferes with a tangible or intangible property right in an investment.

2. Article 11.6.1 addresses two situations. The first is direct expropriation, where an investment is nationalized or otherwise directly expropriated through formal transfer of title or outright seizure.

3. The second situation addressed by Article 11.6.1 is indirect expropriation, where an action or a series of actions by a Party has an effect equivalent to direct expropriation without formal transfer of title or outright seizure.

(a) The determination of whether an action or a series of actions by a Party, in a specific fact situation, constitutes an indirect expropriation, requires a case-by-case, fact-based inquiry that considers all relevant factors relating to the investment, including:

(i) the economic impact of the government action, although the fact that an action or a series of actions by a Party has an adverse effect on the economic value of an investment, standing alone, does not establish that an indirect expropriation has occurred;

(ii) the extent to which the government action interferes with distinct, reasonable investment-backed expectations;[20] and

(iii) the character of the government action, including its objectives and context. Relevant considerations could include whether the government action imposes a special sacrifice on the particular investor or investment that exceeds what the investor or investment should be expected to endure for the public interest.

(b) Except in rare circumstances, such as, for example, when an action or a series of actions is extremely severe or disproportionate in light of its purpose or effect, non-discriminatory regulatory actions by a Party that are designed and applied to protect legitimate public welfare objectives, such as public health, safety, the

[20] For greater certainty, whether an investor's investment-backed expectations are reasonable depends in part on the nature and extent of governmental regulation in the relevant sector. For example, an investor's expectations that regulations will not change are less likely to be reasonable in a heavily regulated sector than in a less heavily regulated sector.

environment, and real estate price stabilization (through, for example, measures to improve the housing conditions for low-income households), do not constitute indirect expropriations.[21]

[21] For greater certainty, the list of "legitimate public welfare objectives" in subparagraph (b) is not exhaustive.

ANNEX 11-C
SERVICE OF DOCUMENTS ON A PARTY UNDER SECTION B

Korea

Notices and other documents in disputes under Section B shall be served on Korea by delivery to:

Office of International Legal Affairs
Ministry of Justice of the Republic of Korea
Government Complex, Gwacheon
Korea

United States

Notices and other documents in disputes under Section B shall be served on the United States by delivery to:

Executive Director (L/EX)
Office of the Legal Adviser
Department of State
Washington, D.C. 20520
United States of America

ANNEX 11-D
POSSIBILITY OF A BILATERAL APPELLATE MECHANISM

Within three years after the date this Agreement enters into force, the Parties shall consider whether to establish a bilateral appellate body or similar mechanism to review awards rendered under Article 11.26 in arbitrations commenced after they establish the appellate body or similar mechanism.

ANNEX 11-E
SUBMISSION OF A CLAIM TO ARBITRATION

Korea

1. Notwithstanding Article 11.18.2, an investor of the United States may not submit to arbitration under Section B a claim that Korea has breached an obligation under Section A either:

(a) on its own behalf under Article 11.16.1(a); or

(b) on behalf of an enterprise of Korea that is a juridical person that the investor owns or controls directly or indirectly under Article 11.16.1(b),

if the investor or the enterprise, respectively, has alleged that breach of an obligation under Section A in any proceedings before a court or administrative tribunal of Korea.

2. For greater certainty, where an investor of the United States or an enterprise of Korea that is a juridical person that the investor owns or controls directly or indirectly makes an allegation that Korea has breached an obligation under Section A before a court or administrative tribunal of Korea, that election shall be final, and the investor may not thereafter allege that breach, on its own behalf or on behalf of the enterprise, in an arbitration under Section B.

ANNEX 11-F
TAXATION AND EXPROPRIATION

The determination of whether a taxation measure, in a specific fact situation, constitutes an expropriation requires a case-by-case, fact-based inquiry that considers all relevant factors relating to the investment, including the factors listed in Annex 11-B and the following considerations:

(a) The imposition of taxes does not generally constitute an expropriation. The mere introduction of a new taxation measure or the imposition of a taxation measure in more than one jurisdiction in respect of an investment generally does not in and of itself constitute an expropriation;

(b) A taxation measure that is consistent with internationally recognized tax policies, principles, and practices should not constitute an expropriation. In particular, a taxation measure aimed at preventing the avoidance or evasion of taxation measures generally does not constitute an expropriation;

(c) A taxation measure that is applied on a non-discriminatory basis, as opposed to a taxation measure that is targeted at investors of a particular nationality or at specific taxpayers, is less likely to constitute an expropriation; and

(d) A taxation measure generally does not constitute an expropriation if it was already in force when the investment was made and information about the measure was publicly available.

ANNEX 11-G
TRANSFERS

1. Nothing in this Chapter, Chapter Twelve (Cross-Border Trade in Services), or Chapter Thirteen (Financial Services) shall be construed to prevent Korea from applying measures pursuant to Article 6 of the *Foreign Exchange Transactions Act*, provided that such measures:[22]

(a) are in effect for a period not to exceed one year; however, if extremely exceptional circumstances arise such that Korea seeks to extend such measures, Korea will coordinate in advance with the United States concerning the implementation of any proposed extension;

(b) are not confiscatory;

(c) do not constitute a dual or multiple exchange rate practice;

(d) do not otherwise interfere with investors' ability to earn a market rate of return in the territory of Korea on any restricted assets;[23]

(e) avoid unnecessary damage to the commercial, economic, or financial interests of the United States;

(f) are temporary and phased out progressively as the situation calling for imposition of such measures improves;

(g) are applied in a manner consistent with Articles 11.3, 12.2, and 13.2 (National Treatment) and Articles 11.4, 12.3, and 13.3 (Most-Favored-Nation Treatment) subject to the Schedules of Korea to Annex I, Annex II, and Annex III; and

(h) are promptly published by the Ministry of Finance and Economy or the Bank of Korea.

2. Paragraph 1 does not apply to measures that restrict:

(a) payments or transfers for current transactions, unless:

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[22] Korea shall endeavor to provide that such measures will be price-based.

[23] For greater certainty, the term "restricted assets" in subparagraph (d) refers only to assets invested in the territory of Korea by an investor of the United States that are restricted from being transferred out of the territory of Korea.

(i) the imposition of such measures complies with the procedures stipulated in the *Articles of Agreement of the International Monetary Fund*;[24] and

(ii) Korea coordinates any such measures in advance with the United States; or

(b) payments or transfers associated with foreign direct investment.

[24] **Current transactions** shall have the meaning set forth in Article 30(d) of the *Articles of Agreement of the International Monetary Fund* and, for greater certainty, shall include interest pursuant to a loan or bond on any restricted amortization payments coming due during the period that controls on capital transactions are applied.

ANNEX 11-H
JOINT COMMITTEE

Consistent with Article 22.2, the Joint Committee shall, as appropriate, initiate discussions regarding the operation of this Chapter, and consider any potential improvements, to ensure that this Chapter continues to meet the objectives of the Parties, including providing meaningful procedures for resolving investment disputes and effective mechanisms to eliminate frivolous claims and to deter the filing of frivolous claims.

United Nations General Assembly elects new UNCITRAL Members

On December 17, the General Assembly elected 30 members to the United Nations Commission on International Trade Law (UNCITRAL).

Belgium, Canada, China, Finland, France, Germany, Indonesia, Japan, Malaysia, Republic of Korea, Singapore, Switzerland, United Kingdom, and Viet Nam were elected by secret ballot to be members of the UNCITRAL for a six-year term beginning on 8 July 2019.

Additionally, since the number of candidates nominated by the African States, the Eastern European States and the Latin American and Caribbean States corresponded to the seats to be filled by each group, the General Assembly declared that Algeria, Cameroon, Côte d'Ivoire, Croatia, Dominican Republic, Ecuador, Ghana, Honduras, Hungary, Mali, Mexico, Peru, the Russian Federation, South Africa, Ukraine and Zimbabwe were elected members of UNCITRAL for a six-year term also beginning on 8 July 2019.

The term of the following 30 States members of the Commission continues until 2022: Argentina, Australia, Austria, Belarus, Brazil, Burundi, Chile, Colombia, Czechia, India, Iran, Israel, Italy, Kenya, Lebanon, Lesotho, Libya, Mauritius, Nigeria, Pakistan, Philippines, Poland, Romania, Spain, Sri Lanka, Thailand, Turkey, Uganda, United States, and Venezuela.

The UNCITRAL secretariat wishes to congratulate and welcome the new members of the United Nations Commission on International Trade Law.

We look forward to working with you and are the entire disposal of the newly elected members to help them fully and effectively participate in forthcoming working groups and Commission meetings.

The UNCITRAL secretariat also avails itself of the opportunity to wish all happy Holidays and a prosperous new year.

NOTICE OF ARBITRATION UNDER THE ARBITRATION RULES OF THE UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW AND CHAPTER 11 OF THE FREE TRADE AGREEMENT BETWEEN THE UNITED STATES AND THE REPUBLIC OF KOREA

BETWEEN:

MR. HUN WON (A/K/A JASON H. WON)

(CLAIMANT)

-AND-

THE REPUBLIC OF KOREA

(RESPONDENT)

CERTIFICATE OF SERVICE

I hereby certify that on May 6, 2021, a copy of the Notice of Arbitration in the above-caption matter was served upon the Respondent, the Republic of Korea, by Fedex (international), and by causing a scanned copy to be sent, to its representative/legal counsel at the address and email addresses listed below:

Prosecutor Changwan Han & Prosecutor Heungsae Oh
Ministry of Justice
International Dispute Settlement Division
Counsel for Respondent
47 Gwanmunro Gwacheon-si
Gyeonggi-do, 13809
Republic of Korea
Email: oh716@korea.kr
cwhan@korea.kr

Dated: May 6, 2021

AHNE & JI, LLP

By: Younghoon Ji, Esq.
Counsel for Claimant Hun Won
1220 Broadway, Suite 502
New York, NY 10001

Tel.: (212) 594-1035
Fax: (212) 967-1112
Direct: (917) 671-7077
Email: youngjiesq@gmail.com

EXHIBIT A

We the People

Of the United States,
in Order to form a more perfect Union,
establish Justice, insure domestic Tranquility,
provide for the common defence,
promote the general Welfare, and secure
the Blessings of Liberty to ourselves and
our Posterity, do ordain and establish this
Constitution for the United States of America.

Hun Won

SIGNATURE OF BEARER / SIGNATURE DU TITULAIRE / FIRMA DEL TITULAR

PASSPORT
PASSEPORT
PASAPORTE

USA

UNITED STATES OF AMERICA

Type / Type / Tipo
P

Code / Code / Codigo
USA

Passport No. / No. du Passeport / No. de Pasaporte
[redacted]

Surname / Nom / Apellidos
WON

Given Names / Prénoms / Nombres
HUN

Nationality / Nationalité / Nacionalidad
UNITED STATES OF AMERICA

Date of birth / Date de naissance / Fecha de nacimiento
21 Apr 1955

Place of birth / Lieu de naissance / Lugar de nacimiento
KOREA

Sex / Sexe / Sexo
M

Date of issue / Date de délivrance / Fecha de expedición
09 Mar 2020

Authority / Autorité / Autoridad
United States
Department of State

Date of expiration / Date d'expiration / Fecha de caducidad
08 Mar 2030

Endorsements / Mentions Spéciales / Anotaciones
SEE PAGE 51

USA

[redacted]<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<

[redacted]

UNITED STATES OF AMERICA

★ PASSPORT CARD ★

★ ★

★ ★ ★ ★ ★ Nationality USA

Passport Card no. [redacted] ★

USA

Surname
WON

Given Names
HUN

Sex M

Date of Birth
21 APR 1955

Place of Birth
KOREA

Issued On
09 MAR 2020

Expires On
08 MAR 2030

[redacted]

UNITED STATES DEPARTMENT OF STATE

1-06244-2

EXHIBIT B

NOTICE

We are the New York counsel to Mr. Hun Won who is a United States citizen.

PLEASE BE ADVISED THAT this Building is owned by Mr. Won, who is a United States citizen, and is protected by the Free Trade Agreement between the Republic of Korea and the United States of America (the "KORUS FTA").

The relevant portions of Chapter Eleven of the KORUS FTA provide:

CHAPTER ELEVEN
INVESTMENT

****

Article 11.6: EXPROPRIATION AND COMPENSATION

1. Neither Party may expropriate or nationalize a covered investment either directly or indirectly through measures equivalent to expropriation or nationalization (expropriation), except:

   (a) for a public purpose;
   (b) in a non-discriminatory manner;
   (c) on payment of prompt, adequate, and effective compensation; and
   (d) in accordance with due process of law and Article 11.5.1 through 11.5.3.

2. The compensation referred to in paragraph 1(c) shall:

   (a) be paid without delay;
   (b) be equivalent to the fair market value of the expropriated investment immediately before the expropriation took place (the date of expropriation);
   (c) not reflect any change in value occurring because the intended expropriation had become known earlier; and
   (d) be fully realizable and freely transferable.

****

It has come to our attention that Mr. Won's Building may have been subjected to expropriation efforts in a manner contrary to the rules and regulations set forth in the KORUS FTA.

In that case, please cease and desist all efforts to expropriate Mr. Won's Building in a manner contrary to the relevant terms and conditions of the KORUS FTA and contact our office immediately.

PLEASE BE FURTHER ADVISED THAT in the event Mr. Won's Building is expropriated in a manner contrary to, or in violation of, the KORUS FTA, Mr. Won will proceed to file a Notice of Intent to Submit a Claim to Arbitration and request arbitration through the Investor-State Dispute procedures set forth in the KORUS FTA and commence a lawsuit, if necessary.

AHNE & JI, LLP
New York Counsel to Hun Won
1220 Broadway, Suite 502
New York, New York 10001
Tel.: (212) 594-1035

NOTICE

이 건물은 미국 시민권자인 원훈님의 투자 자산이었으나, 시가를 토대로 한 제대로 된 보상을 받지 못한 채 대한민국 정부에 의해 강제수용 되었습니다. 현재 한미 자유 무역 협정 제 11.16 장에 의거 Investor-State Dispute 국제 중재 소송이 제기된 상태입니다.

수용 및 보상에 관한 한미 자유 무역 협정 협정문상의 관련 조항:

협정문 제 11 장
투자

****

제 11.6 조: 수용 및 보상

1. 어떠한 당사국도 다음을 제외하고 적용대상투자를 직접적으로 또는 수용이나 국유화 (수용) 와 동등한 조치를 취하여 간접적으로 수용하거나 국유화 할 수 없다.

   가. 공공 목적을 위할 것;
   나. 비차별적 방식일 것;
   다. 신속하고 적절하며 효과적인 보상을 지불할 것; 그리고
   라. 적법절차와 제 11.5 조 제 1 항 내지 제 3 항을 따를 것.

2. 제 1 항 다호에 언급된 보상은

   가. 지체 없이 지불되어야 한다;
   나. 수용이 발생하기 직전의 (수용일) 수용된 투자의 공정한 시장가격과 동등하여야 한다;
   다. 수용 의도가 미리 알려졌기 때문에 발생하는 가치의 어떠한 변동도 반영하지 아니하여야 한다; 그리고
   라. 충분히 실현가능하고 자유롭게 송금가능하여야 한다.

****

재판의 쟁점이 되는 현 건물에 강제 침입하거나 혹은 강제 철거가 이루어질 시 회복될 수 없는 금전적인 피해가 발생할 우려가 있으니 국제 중재 재판이 마무리 될 때까지 현 건물을 보존해 주시기 바랍니다.

만약 현 건물의 강제 철거를 통해 투자 재산이 훼손되거나 금전적인 손해가 발생할 시 외국인 투자자이신 원훈님께서는 법내에서 허용하는 모든 법적 조취를 취할 것이며 징벌적 손해배상 역시 청구할 것임을 알려드리는 바입니다.

현재 진행중에 있는 모든 위법한 절차를 당장 중단하여 주시기 바랍니다.

EXHIBIT C

Busan Regional Construction and Management Administration

To: Reference for Receiver
(Via)
Subject: Request for Cooperation in Expropriation Decision and Appraisal
[Gwangan District 2 Housing Redevelopment Project (2nd)]

1. Thank you for your cooperation in the development of our city.

2. The appraisal for the expropriation decision for "Gwangan District 2 Housing Redevelopment Project" is made by the Busan Regional Construction and Management Administration based upon the owners' opinion collected during the announcement of expropriation decision for public review that the compensation is low.

3. If not appraised or appraisal is refused, [we] cannot consider the owners' opinion in making the decision and thus request your cooperation in the appraisal.

※ Appraisal Company for Expropriation Decision: Samchang Appraisal Co., Ltd. Busan Gyeongnam Branch, Daehwa Appraisal Co. Ltd. Busan Gyeongnam Branch

4. Further, [we] will try our best to get a fair appraisal reflecting the owners' opinion and thus request your cooperation in appraisal when the project contractor or appraiser contacts or visits you. If not appraised or appraisal is refused, a decision will be made based on documents related to the application for expropriation decision.

[Official Seal Affixed]
Chairman of the Busan Regional Construction and

Management Administration

To: Owners, Samchang Appraisal Co., Ltd. Busan Gyeongnam Branch, Daehwa Appraisal Co., Ltd. Busan Gyeongnam Branch, Gwangan District 2 Housing Redevelopment Union

Manager	Expropriation Compensation Team Supervisor	Construction Section Chief
[redacted]	[redacted]	[redacted]

Construction Section – 12109 (2020. 10. 5) Received

Postal Code 47545 1001 Jungangdae-ro (Yeonsan-dong), Yeonje-gu, Busan Metropolitan City
http://www.busan.go.kr

Telephone: [redacted] Fax: [redacted] / [redacted]

Guide to Appraisal for Expropriation Decision

Date and Hour: **October 16, 2020 (Friday) 2:00 P.M.**

(Subject to change depending on progress)

Please direct inquiry at:

Telephone: [redacted]

Gwangan District 2 Housing Redevelopment Union

부산광역시지방토지수용위원회

수신 수신자 참조
(경유)
제목 수용재결 감정평가 협조 요청[광안2구역 주택재개발정비사업(2차)]

1. 평소 시정발전을 위해 협조하여 주심에 감사드립니다.

2. 『광안2구역 주택재개발정비사업(2차)』의 **수용재결을** 위한 감정평가는 수용재결 열람공고 기간 중에 소유자 등이 제출한 보상금 저렴 등의 의견서를 근거로 부산지방토지수용위원회에서 시행하는 감정평가입니다.

3. **감정평가를 받지 않거나 거부할 경우 소유자 등이 제출한 의견서의 내용을 재결에 반영할 수 없으므로 이를 감안하시어 적극적으로 감정평가에 협조하여 주시기 바랍니다.**
   ※ 수용재결 감정평가법인 : ㈜삼창감정평가법인 부산경남지사, ㈜대화감정법인 부산경남지사

4. 아울러, 수용재결 감정평가 시 소유자 등이 제출한 의견이 반영되어 공정한 평가가 될 수 있도록 최선을 다하겠사오니 **사업시행자 또는 감정평가사가 일정을 조정하여 연락, 방문 시 감정평가에 적극 협조를 당부드리며, 감정평가를 받지 않거나 거부할 경우에는 수용재결 신청 관계 서류 등을 근거로 평가할 수 있음을 알려 드립니다.** 끝.

부산광역시지방토지수용위원회위원장

부산광역시 지방토지수용위원회 위원장인

수신자 소유자 귀하, (주)삼창감정평가법인 부산경남지사, 주식회사 대화감정평가법인 부산경남지사, 광안2구역 주택재개발정비사업조합

주무관	[redacted]	수용보상 팀장	[redacted]	건설행정 전결 2020. 10. 5. 과장	[redacted]
협조자					

시행 건설행정과-12109 (2020. 10. 5.) 접수

우 47545 부산광역시 연제구 중앙대로 1001, (연산동) / http://www.busan.go.kr

전화번호 [redacted] 팩스번호 [redacted] / [redacted] / 부분공개(6)

수용재결을 위한 감정평가 시간안내

평가시간 : **20년 10월 16일(금) 오후 2시**

(진행상황에 따라 조정될 수 있습니다)

문의사항은 아래 전화번호로 연락하세요.

전화번호: [redacted]

광안2구역주택재개발정비사업조합

STATE OF NEW YORK)
) ss.:
COUNTY OF QUEENS)

AFFIDAVIT OF TRANSLATOR

Stephen K. Kim, being duly worn, deposes and says:

1. That the translation of the accompanying *Gwangan District 2 Housing Redevelopment Union*, which is written in a foreign language, *i.e.* Korean, was made by the deponent at the request of Younghoon Ji, Esq.

2. That deponent is ably qualified to make the translation of the document from Korean into English by virtue of the following qualifications:

   I was born in Korea and lived there until I finished my college education and fulfilled military service. I lived in Korea for 27 years. Korean is my first language. Then I studied in Taiwan and received a master's degree in political science. I came to the United States in 1979 to study at Arizona State University in Tempe, Arizona where I completed the Ph.D. program in political science.

   I am fluent in the languages of English and Korean. I have been managing and operating a company, called Han Young Translation Service, since 1992, rendering translation services in the Korean-American community of the greater New York area.

3. That deponent's translation is a true and accurate and complete translation of the document.

STEPHEN K. KIM

Subscribed and sworn to before me
this 28th day of April, 2021

PAUL M. CHIN
Notary Public, State of New York
No. 41-4779337
Qualified in Queens County
Commission Expires 2/28/2022

Busan Regional Construction and Management Administration

To: Reference for Receiver
(Via)
Subject: Delivery of Original Decision [2020 10th]

---

1. With respect to application for decision on land, etc. expropriation for public works Busan Regional Constructio and Management Administration has made a decision on November 23, 2020 as attached. [We] deliver the original Decision in accordance with the provisions of Section 34 of "Land, etc. Acquisition for Public Works and Compensation Act."

2. You may raise an objection, if any, within 30 days of the receipt of the original Decision in accordance with the provisions of Section 83 of "Land, etc. Acquisition for Public Works and Compensation Act" to the Local Land Expropriation Committee providing name, address, and summary of objection with a copy of the original Decision. You may also file for administrative litigation within 90 days of the receipt of the same.

3. If you note "received compensation having objections reserved" when you request compensation, you may go through objection raising process, but if you received compensation without having reserved objections, your objection will be dismissed.

4. The ownership of the land to be expropriated shall be transferred to the project contractor on the expropriation start date, and the rights other than ownership shall cease to exist. Therefore, the parties concerned, in order to exercise his mortgage rights, must seize the property before receiving the compensation. For the process and payment method of the compensation owners may ask the below project contractors for more information.

No.	Project Name	Inquiry
1	Gwangan District 2 Housing Redevelopment Project (2nd)	Gwangan District 2 Housing Redevelopment Association [redacted]
2	Road work between Daejeo 2-dong BonmaekdoMaeul Entrance and Baeyeong Elementary School (5th Compensation)	Gangseo-gu Ward Office Construction Section (Seon Yu Park) [redacted]
3	Remainder of land expropriation and compensation for value decrease (Yeonsan District 3 Housing Redevelopment Project)	Yeonsan District 3 Housing Redevelopment Association [redacted]

Attachment: Adjudication, 1 copy (mail separately)

[Official Seal Affixed]

Chairman of the Busan Regional Construction and

Management Administration

To: Owners and parties concerned, Gwangan District 2 Housing Redevelopment Association, Busan Metropolitan City Gangseo-gu Ward President (Construction Section Chief), Yeonsan District 3 Housing Redevelopment Association

---

Manager	Expropriation Compensation Team Supervisor	Construction Section Chief
[redacted]	[redacted]	[redacted]

Construction Section – 14652 (2020. 11. 25) Received

1001 Jungangdae-ro (Yeonsan-dong), Yeonje-gu, Busan Metropolitan City http://www.busan.go.kr

시민이 행복한 동북아 해양수도 부산

부산광역시지방토지수용위원회

수신자 수신자 참조
(경유)
제목 재결서 정본 송달[2020년 제10차]

1. 공익사업에 편입된 토지 등의 수용재결 신청에 대하여 2020. 11. 23.자 부산광역시 지방토지수용위원회에서 붙임과 같이 재결하였기에 『공익사업을 위한 토지 등의 취득 및 보상에 관한 법률』 제34조의 규정에 따라 재결서 정본을 송부합니다.

2. 재결에 대하여 이의가 있을 때에는 『공익사업을 위한 토지 등의 취득 및 보상에 관한 법률』 제83조의 규정에 따라 **재결서의 정본을 받은 날부터 30일 이내에 당사자의 성명 및 주소, 이의신청의 요지 및 이유를 기재하고 재결서 정본의 사본을 첨부하여 당해 지방토지수용위원회에 이의신청을 할 수 있으며, 또한, 재결서 정본을 받은 날부터 90일 이내에 행정소송을 제기할 수 있습니다.**

3. 손실보상금을 청구할 때 『이의를 유보하고 보상금을 수령함』이라고 기재하면 이의신청 절차를 진행할 수 있으나, **이의유보 없이 보상금을 수령할 경우 이의신청이 각하**됨을 알려드리며,

4. 수용되는 토지 등에 대하여 **수용개시일에 소유권은 사업시행자로 이전되고, 소유권 이외의 권리는 소멸**하게 되므로, 관계인은 보상금에 대하여 당보물권(저당권 등)을 행사하기 위해서는 보상금 지급 전에 압류를 해야 하며, **소유자는 보상금을 수령하는 절차와 방법 등에 대하여 아래 해당 사업시행자에게 문의**하시기 바랍니다.

연번	사 업 명	문 의 처
1	광안2구역 주택재개발정비사업(2차)	광안2구역 주택재개발정비사업조합 [redacted]
2	대저2동 본맥도마을입구~배영초교간 도로개설공사(5차보상)	강서구청 건설과(박선유) [redacted]
3	잔여지 수용 및 가치하락보상 청구 (연산3구역 주택재개발정비사업)	연산3구역 주택재개발정비사업조합 [redacted]

붙임 재결서 정본 각 1부 (별송). 끝.

부산광역시지방토지수용위원회위원장

수신자 소유자 및 관계자, 광안2구역 주택재개발정비사업조합, 부산광역시 강서구청장(건설과장), 연산3구역 주택재개발정비사업조합

주무관 [redacted] 수용보상팀장 [redacted] 건설행정과장 [redacted] 전결 2020. 11. 25.

협조자

시행 건설행정과-14652 (2020. 11. 25.) 접수

우 47545 부산광역시 연제구 중앙대로 1001, (연산동) / http://www.busan.go.kr

전화번호 [redacted] 팩스번호 [redacted] / ddudi22@korea.kr / 부분공개(6)

STATE OF NEW YORK)
) ss.:
COUNTY OF QUEENS)

AFFIDAVIT OF TRANSLATOR

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1. That the translation of the accompanying *Busan Regional Construction and Management Administration*, which is written in a foreign language, *i.e.* Korean, was made by the deponent at the request of Younghoon Ji, Esq.

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   I am fluent in the languages of English and Korean. I have been managing and operating a company, called Han Young Translation Service, since 1992, rendering translation services in the Korean-American community of the greater New York area.

3. That deponent's translation is a true and accurate and complete translation of the document.

STEPHEN K. KIM

Subscribed and sworn to before me
this 28th day of April, 2021

PAUL M. CHIN
Notary Public, State of New York
No. 41-4779339
Qualified in Queens County
Commission Expires 2/28/2022

EXHIBIT D

Case: Property Damage
Defendant: Chigon Kim and 3 others

CRIMINAL COMPLAINT

2021. 1.

Complainant: Hun Won
Attorney for Complainant
Younguk Kim, Esq.

Investigation Section
Busan Nambu Police Station

CRIMINAL COMPLAINT

Complainant: Hun Won (550421-1023211)
22 Hoam-ro 25-beon gil (Chelsea Studio) Suyeong-gu, Busan
Contact: 010-2282-0421

Defendant:

Address unknown

2. [redacted] (Resident Reg. No. unknown) Real property provisional disposition execution Agent:
   Address unknown

3. [redacted] (Resident Reg. No. unknown) Real property provisional disposition participant
   Address: [redacted]

4. [redacted] (Resident Reg. No. unknown) Real property provisional disposition participant
   Address: [redacted]

Charge: Property Damage

Object of Complaint

The complainant brings property damage charges against the defendants and requests your investigation and severe punishment.

Facts of Complaint

1. Relationship to Defendants

(a) The complainant is the owner of the building located at 22 Hoam-ro 25-beon gil (Chelsea Studio), Suyeong-gu.

(b) The defendant, [redacted] is the officer of Busan District Court Dongbu Branch Office of Execution in the execution of Real Property Provisional Disposition (2020 카단 103394); [redacted] is the execution agent; [redacted] and [redacted] are the participants in [the execution of] the provisional disposition.

2. Content of Complaint

(a) The complainant, on September 18, 2020 at around 11:00 a.m., received a phone call from his building manager that unknown people were breaking the building and hurried to the building.

(b) The complainant arrived at the building around 12:20 p.m. and saw 7-8 people of unknown identity breaking the entrance on the 4th floor of the complainant's building. He asked, "Who are you? What are you doing?" and noticed that they wore name tags and realized that they were the executor and participants.

(c) The complainant has never received [from omitted] about the Real Property Provisional Disposition and was not made aware of it until that time.

(d) At that time the defendants showed me the Real Property Provisional Disposition execution record that read:

╓ 1.At the authorization of the creditor by the writ of execution [we went to the place] but was unable to meet the debtor or his family or co-habitants, and **had a locksmith open the entrance**, and in the presence of two witnesses and, [redacted], the debtor's agent, relieved the debtor from the possession of the object of execution and [I] have it in my custody.
2. [I] let the debtor to use it on condition that he does not alter the existing condition; explained the object of execution that the debtor cannot transfer the possession and ownership of the real property; and posted indoors the Notice containing the same object of execution and completed the execution of the provisional disposition. ╛ (Evidence No. 1 Real Property Provisional Disposition execution record and Real Property Provisional Disposition Non-disposable record, 1 copy each)

(e) Even though the defendants, pursuant to the execution of the Real Property Provisional Disposition by the writ of execution, were **limited to the opening the entrance**, they changed the lock device willingly, at their choice. (Evidence No. 2 (1) or (2) Entrance Door Lock picture, 1 copy)

(f) Explanation about Evidence No. 2 (1) or (2)

(1) The upper part of Evidence No. 2 (1) picture is the existing automatic door lock device installed at the existing entrance door; the lower part shows the existing lock which can be unlocked by key.

(2) The upper part of Evidence No. 2 (2) picture is the existing automatic door lock device installed at the existing entrance door; the lower part shows a new lock device installed after the defendants broke the lock device in Evidence No. 2 (1).
(Because the pictures in Evidence No. 2 (1) and (2) are each that of different entrance door the upper part automatic door locks are different.)

(3) As can be seen, the defendants **removed the existing lock device at their own will, went beyond the scope of "Opening Door" as designated in the Real Property Provisional Disposition, and installed a new lock device; and they did not give the keys to the complainant or tenants; and made them unable to use the entrance door damaging its utility**.

(4) In that way the defendants caused damage to lock devices at nine units – No. 206, 301, 302, 303, 304, 306, 401, 402, 405– of the complainant's building and incurred

monetary damage in the amount of ₩247,500 (₩25,000 x 9, value added tax separate) (Evidence No. 3 Key Mart Installation Estimate, 1 copy)

(5) As a result, tenants now demand their security deposits and want to move out [of the building] because [the defendants] broke the existing lock devices and changed them in their absence, without giving the keys to the complainant or tenants, placing the tenants in fear of their apartment being broken into.

3. Conclusion

[The defendants] removed the existing lock device at their own will, went beyond the scope of "Opening Door" as designated in the Real Property Provisional Disposition, and installed a new lock device; and they didn't give the keys to the complainant or tenants which damaged the door's utility. Therefore, the complainant requests a rigorous investigation.

Evidence

1. Evidence No. 1 Real Property Provisional Disposition Execution Record and Real Property Provisional Disposition Non-disposable Record, 1 copy each.

2. Evidence No. 2 (1) and (2) Picture of Lock Device on the Entrance Door, 1 copy each

3. Evidence No. 3 Key Mart Installation Estimate, 1 copy

2021. 1

Attorney for Complainant

Younguk Kim, Esq.

사 건 재물손괴

피고소인 [redacted] 외 3명

고소장

2021. 1.

고소인

원 훈

고소인의 대리인

변호사 김 영 욱

부산남부경찰서 수사과 귀중

고 소 장

고소인 원 훈 (550421-1023211)

부산 수영구 호암로25번길 22(쉘시스튜디오)

연락처 010 – 2282 - 0421

피고소인

주거 불상

2. [redacted](주민등록번호 불상) 부동산가처분집행 대리인
주거 불상

3. [redacted] (주민등록번호 불상) 부동산가처분집행 참여자
주거 [redacted]

4. [redacted](주민등록번호 불상) 부동산가처분집행 참여자
주거 [redacted]

죄 명 : 재물손괴

고소취지

고소인은 피고소인들을 상대로 아래와 같이 재물손괴죄로 고소를 제기하오니 철저히 수사하여 엄벌하여 주시기 바랍니다.

고 소 사 실

1. 피고소인과의 관계

가. 고소인은 수영구 호암로25번길 22(첼시스튜디오) 소재 건물의 건물주입니다.

나. 피고소인 [redacted]은 부동산가처분집행(2020카단103394호) 관련하여 부산지방법원 동부지원 집행관실의 집행관이고, 피고소인 [redacted]은 위 가처분의 대리인, 피고소인 [redacted]와 [redacted]은 위 가처분의 참여자들이었습니다.

2. 고소내용

가. 2020. 9. 18. 11:00경 고소인은 고소인의 건물을 관리하는 관리자로부터 불상의 사람들이 건물을 부수고 있다는 전화를 받고 고소인의 건물로 달려갔습니다.

나. 같은 날 12:20경 고소인은 현장에 도착하여 고소인 건물 4층에서 불상의 사람 7-8명 가량이 세입자들의 출입문을 부수고 있는 것을 보고 불상의 사람들에게 '당신들 누구냐, 대체 뭐하는 사람들이냐'고 따지며 물었는데, 그러면서 보니 불상의 사람 1명을 비롯한 사람들은 패찰을 착용하고 있었고, 그제서야 고소인은 집행관과 그 참여자라는 사실을 알게 되었습니다.

으로부터 부동산가처분에 관한 어떠한 서류도 송달받은 사실이 없으며, 이에 대하여 전혀 알지 못하고 있다가 그 때 비로소 사실을 알게 되었습니다.

라. 당시 피고소인들은 고소인에게 부동산가처분 집행조서를 보여 주었는데, 그 조서 내용을 읽어보니,

『1. 위 집행권원에 의한 채권자의 위임에 의하여 집행장소에서 채무자 또는 그 가족 및 동거인 등을 만나지 못하였으나 열쇠공으로 하여금 개문하게 한 다음 증인2명과 채권자 대리인 [redacted]을 참여시키고 집행목적물에 대한 채무자의 점유를 해제하고 본직이 이를 보관하였다.

2. 위 정본의 취지에 따라 현상을 변경하지 않을 조건으로 하여 채무자에게 사용케 하고, 채무자는 위 부동산에 대한 점유, 명의의 이전을 하여서는 아니 된다는 가처분 집행취지를 고지하고 위 집행취지와 같은 내용을 기재한 고시문을 실내에 부착한 후 가처분 집행을 마쳤다.』 고 기재 되어 있었습니다.(증제1호 부동산가처분집행조서 및 부동산가처분불능조서 각 1부),

마. 위 조서 내용과 같이 만약 집행권원에 의하여 부동산가처분집행을 하더라도, 출입문 개문 만에 대하여 한정되어 있음에도, 당시 피고소인들은 출입문 시정장치를 임의로 제거한 후, 다른 자물쇠로 교체하였던 것입니다. (증제2호 1 내지 2 출입문 자물쇠 사진 각1부)

바. 증제2호 1 내지 2에 대한 설명

(1) 증제2호 1의 사진 촬영본의 윗부분은 기존 출입문에 장착되어 있는 자동 도어락 장치이고, 아랫부분**은 열쇠로 잠금장치를 해제하는 기존 설치 자물쇠**입니다.

(2) 증제2호 2의 사진 촬영본의 윗부분은 기존 출입문에 장착되어 있는 자동 도어락 장치이고, 아랫부분**은 증제2호 1의 잠금장치를 피고소인들이 파손하여 새로이 장착한 자물쇠**입니다.

(증제2호의 1 및 2의 사진은 각각 다른 호실의 출입문 사진이기 때문에 윗부분의 자동 도어락은 서로 다릅니다.)

(3) 위와 같이 피고소인들은 **부동산가처분집행조서 상의 "개문"의 범위를 넘어 기존 자물쇠를 임의로 제거하고 새로운 자물쇠를 장착한 것이고, 이에 더하여 새로이 장착한 자물쇠의 열쇠를 고소인이나 세입자들에게 교부**

어 출입문을 전혀 사용할 수 없도록 만들어 그 효용을 해한 것입니다.

(4) 위와 같은 방법으로 고소인의 건물 206호, 301호, 302호, 303호, 304호, 306호, 401호, 402호, 405호 등 모두 9개 호실의 자물쇠의 효용을 해하여 손괴한 것으로 시가 247,500원 상당(25,000원 * 9개, 부가세 별도)의 재물을 손괴하였습니다. (증제3호 열쇠마트 시공견적서 1부)

(5) 이에 따른 부작용으로 세입자들은 자신들이 주거지에 없을 때, 기존 자물쇠를 파손하고 새로운 자물쇠를 장착하였을 뿐만 아니라 더군다나 자물쇠 열쇠를 피고소인들이 고소인이나 세입자들에게 교부하지 않고 피고소인들 측이 소지하고 있는 상태이므로, 세입자들은 만약 누군가가 자신들의 주거지에 침입할 수 있다는 공포에 보증금 반환을 요구하고 이사를 하려는 사태가 속출하고 있습니다.

3. 결론

부동산가처분집행조서 상의 개문 범위를 넘어 임의로 기존의 자물쇠를 파손한 후, 새로운 자물쇠를 장착하였을 뿐만 아니라, 자물쇠 열쇠 또한 교부하지 않아 그 효용의 가치를 해하였으므로, 이 건 재물손괴 사건에 대하여 엄중히 수사하여 주시기 바랍니다.

입증서류

1. 증제1호 부동산가처분집행조서 및 부동산가처분불능조서 각1부
2. 증제2호 1 내지 2 출입문 자물쇠 사진 각1부
3. 증제3호 열쇠마트 시공견적서 1부

2021. 1. .

고소인의 대리인

변호사 김 영욱

STATE OF NEW YORK)
) ss.:
COUNTY OF QUEENS)

AFFIDAVIT OF TRANSLATOR

Stephen K. Kim, being duly worn, deposes and says:

1. That the translation of the accompanying *Criminal Complaint*, which is written in a foreign language, *i.e.* Korean, was made by the deponent at the request of Younghoon Ji, Esq.

2. That deponent is ably qualified to make the translation of the document from Korean into English by virtue of the following qualifications:

   I was born in Korea and lived there until I finished my college education and fulfilled military service. I lived in Korea for 27 years. Korean is my first language. Then I studied in Taiwan and received a master's degree in political science. I came to the United States in 1979 to study at Arizona State University in Tempe, Arizona where I completed the Ph.D. program in political science.

   I am fluent in the languages of English and Korean. I have been managing and operating a company, called Han Young Translation Service, since 1992, rendering translation services in the Korean-American community of the greater New York area.

3. That deponent's translation is a true and accurate and complete translation of the document.

STEPHEN K. KIM

Subscribed and sworn to before me
this 27th day of April, 2021

PAUL M. CHIN
Notary Public, State of N...
No. 41-4779039
Qualified In Queens County
Commission Expires 2/28/2022

EXHIBIT E

ADJUDICATION

Expropriation Adjudication: Redevelopment Project

[Gwangan District 2 Housing Redevelopment Project (2nd)]

BUSAN REGIONAL CONSTRUCTION AND MANAGEMENT ADMINISTRATION

ADJUDICATION

Case Number:	20 Suyong 0089
Project Name:	Redevelopment Project [Gwangan District 2 Housing Redevelopment Project (2nd)]
Project Contractor:	Gwangan District 2 Housing Redevelopment Union
Owner:	[redacted] and 35 others
Parties Concerned:	Gwangan 2 and 4-dong Saemaeul Geumgo (or Saemaeul Credit Corporation) and 21 others
Date of Adjudication:	November 23, 2020

A decision has been made on the application for expropriation as follows:

ORDER

1. The project contractor expropriates for the above project the land, etc. listed in the accompanying paper, and compensation shall be as stated in the annexed paper.

2. The expropriation start day shall be January 18, 2021.

GROUNDS

1. The Circumstances of Application for Adjudication and Judgment of Legality

(A) Circumstances

For the redevelopment project at 1240-38 Gwangan-dong, Suyeong-gu, Busan [Gwangan District 2 Housing Redevelopment Project (2nd)], the project contractor has received from Jungang Land Expropriation Committee on July 13, 2017 that it has no opinion in accordance with Section 21 (2) of the Land, etc. Acquisition for Public Work and Compensation Act (hereinafter referred to as "Land Compensation Act"); that it has received approval of project plan in accordance with the provisions of Section 50 of the Urban and Living Environment Improvement Act (hereinafter referred to as "Urban Improvement Act"); that it was announced

(Busan Metropolitan City Suyeong-gu Notice No. 2017-107-Ho, 2017.10.25) in accordance with Section 50 (7) of the same Act; that project contractor has attempted to negotiate with owners to acquire land to be expropriated for the project; that the negotiation failed for the reason that the compensation is low, and Gwangan District 2 Housing Redevelopment Association has applied for adjudication.

(B) Judgment of Legality

The redevelopment project contractor can expropriate or use the land and ground structures necessary for the project and the ownership and other rights in accordance with Sections 63 and 65 of the Urban Improvement Act. Section 65 (2) of the Urban Improvement Act prescribe that the notice of the approval of the project plan in accordance with Section 50 (7) of the same Act is considered the approval of the project and its notice pursuant to Sections 20 and 22 of the Land Compensation Act.

Therefore, the application for adjudication in this matter is legal, satisfying all the requirements, and it is valid to allow the project contractor to expropriate land, etc.

2. Claims of the Parties Concerned

(A) Owners' Claims

Owners claimed as follows during the period of announcement of application for adjudication for public review in accordance with Section 31 of the Land Compensation Act.

1) [redacted], [redacted], and [redacted] demand parking lot construction costs be reflected in the land appraisal;
2) [redacted] claims that the project contractor did not negotiate in earnest;
3) [redacted] requests the pre-construction purchase right;
4) [redacted] demands compensation for real estate rental business;
5) [redacted], [redacted], and [redacted] request that the adjudication be delayed until the lawsuit on the legality of the redevelopment project is concluded;
6) [redacted] demands remodeling costs be reflected in the appraisal;
7) [redacted] demands the intangible asset of the social welfare facilities be included in the appraisal;
8) [redacted], [redacted], and [redacted] demand the compensation be increased so that they can move to places comparable to their present location; and [redacted], [redacted], [redacted], and [redacted] demand the compensation be increased on the realistic basis reflecting current market price;

(B) The Project Contractor's Opinion

1) The parking lot business profit [*sic*] and moving expenses have been compensated at the time of adjudication of expropriation for Gwangan District 2 Housing Redevelopment Project (1st);
2) [The project contractor] negotiated during the compensation negotiation period;
3) Pre-construction purchase right cannot be afforded because [she] is not qualified under the Urban Improvement Act;
4) Compensation is not applicable to real estate rental business;
5) This redevelopment project is conducted legally in accordance with the Urban Improvement Act;
7) Business loss was reflected in the compensation;
6) 8) The compensation amount was calculated properly in accordance with relative laws.

3. The Administration's Judgment

(A) As to the claims of [redacted], [redacted], and [redacted] to have parking lot construction cost reflected, after reviewing the relative materials (Gwangan Disrict 2 Housing Redevelopment Project (1st), Adjudication on the Appraisal, Project Contractor's Opinion), it is confirmed that compensation had been paid for parking lot business loss and moving expenses at the time of adjudication of expropriation for Gwangan District (1st), and the parking lot construction cost is not the subject of compensation under the same Act. Therefore, the applicants' claims have no merit.

(B) As to [redacted]'s claim that the project contractor did not negotiate [with them] in earnest during the negotiation period, after reviewing the relative materials (Compensation plan notice, Compensation negotiation documents, Written Report of negotiation circumstances), it is confirmed that the project contractor engaged in compensation negotiation notifying owners by registered mail for more than three times during a period of over 30 days from February 1, 2020 until May 22, 2020. Therefore, the applicant's claim is without merit.

(C) As to [redacted]'s request for the pre-construction purchase right, it is not a matter for adjudication under Section 50 (1) of the Land Compensation Act, and the Administration decided not to deal with it.

(D) As to [redacted]'s claim for compensation for real estate rental business, real estate rental income is considered an asset income and, when proper compensation is paid for the subject real property there can be no further loss. Therefore, the applicant's claim is without merit.

(E) As to the claims of [redacted], [redacted], and [redacted] that the adjudication be delayed until the lawsuit for the illegality [*sic*] of the redevelopment project is concluded, since the Land Compensation Act leaves the approval of project, which is the first stage of expropriation to be decided based upon its public interest, to the authorities concerned the decision for expropriation thereafter is up to the Land Expropriation Committee. The approval of project and adjudication of land expropriation are two different issues, and therefore lawsuit for the approval of project doesn't cause the land expropriation process to be interrupted. The application for adjudication of expropriation that satisfied requirements under Section 28 should not be held over. Therefore, the applicants' claims cannot be accepted.

(F) As to [redacted]'s claim that remodeling costs be included in the appraisal, it is confirmed that the appraisal was appropriately set based on the relative materials (Appraisal Report, Project Contractor's Opinion), in which costs of repairing the structures, their condition and maintenance were taken into account.

(G) As to [redacted]'s claim that the intangible asset in social welfare facilities be evaluated, after reviewing the relative materials (Appraisal Report, Project Contractor's Opinion), the applicant's claim cannot be accepted because the intangible asset in business is not subject of compensation under the law. Therefore, the applicant's claim cannot be accepted.

(H) The compensation for land is to be made in accordance with Section 70 (1) of the Land Compensation Act based upon the published land price under the Real Property Price Publication Act. The proper compensation amount is to be assessed taking into consideration the use plan from the announcement start date to appraisal time, the rate of change in land prices in other area not affected by the public work, consumer price index, and the location, shape, environment, and usage of the land.

The compensation for structures is to be set taking into consideration its structure, usage, size, durability, usefulness and movability, and price forming factors in accordance with Section 75 of the Land Compensation Act and Section 33 of its Enforcement Regulations.

The compensation for personal effects is to be made as moving expenses in accordance with Section 75 (1) of the Land Compensation Act and, if moving is difficult or moving will render the structures, etc. unusable as in the past, the compensation for such things is to be made according to their price.

The compensation for business loss is to be set in accordance with Section 47 (1) of the Enforcement Regulations of the same Act, which consists of business profit [*sic*] during suspension of its operation, fixed cost such as decrease in business profit after moving, depreciation, moving expense of business facilities, raw materials, products and the loss incurred by moving, and incidental expenses.

Therefore, the Administration, in accordance with Section 58 (1) (2) of the Land Compensation Act and Section 16 (6) of its Enforcement Regulations, had two appraisers to appraise and applied arithmetical mean of the appraisal amount in computing the compensation. The compensation is shown in the annexed paper.

4. Expropriation Start Date

The expropriation start date is fixed for January 18, 2021 considering the project's nature of public interest and its urgency.

Busan Regional Construction and Management Administration

Acting Chairman [redacted]

Member [redacted]

Member [redacted]

Member [redacted]

Member [redacted]

Member [redacted]

This is the original.

November 23, 2020

[Official Seal Affixed]

Busan Regional Construction and Management Administration

Secretary [redacted] *[Seal]*

Details of Compensation (Land)

Gwangan District 2 Housing Redevelopment Project (2nd) — Hun Won

Manifestation Land to be Expropriated				Compensation	Owner		Person Concerned	
Location	Lot #	Land Category	Size (㎡)	Unit Price/ Amount	Name	Address	Name / Nature of Right	Address
Gwangan-dong, Suyeong-gu, Busan Metropolitan City	772-12	Lot	237.8 ㎡	3,547,200 843,524,160	Hun Won	6-dong 108-ho, 366 Gucheonmyeon-ro,,Gangdong-gu, Seoul (Cheongho-dong, Woosung Apt.) 52 66-beon gil, Yongmun Samsung-ro, Yongmun-myeon, Gyeonggi-do	Nambusan Agricultural Cooperative Association (Yongho Branch)	329-15 Daeyeon-dong, Nam-gu, Busan Metropolitan City
Land Total	1 parcel		237.800	843,524,160				

Details of Compensation (Building)

Gwangan District 2 Housing Redevelopment Project (2nd)

Manifestation Building to be Expropriated				Compensation	Owner		Person Concerned	
Location	Lot #	Item and Structure	Quantity Size (m^2)	Unit Price/ Amount	Name	Address	Name Nature of Right	Address
Gwangan-dong, Suyeong-gu, Busan Metropolitan City	772-12	Stairway (1st fl) Reinforced Concrete	11.16 m^2	1,180,000 13,168,800	Hun Won	6-dong 108-ho, 366 Gucheonmyeon-ro,,Gangdong-gu, Seoul (Cheongho-dong, Woosung Apt.) 52 66-beon gil, Yongmun Samsung-ro, Yongmun-myeon, Gyeonggi-do JangsanDongguk Apt. 102-502 1182-1 Jaesong-dong, Haeunde-gu, Busan Metropolitan City	Nambusan Agricultural Cooperative Association (Yongho Branch) Fixed collateral	329-15 Daeyeon-dong, Nam-gu, Busan Metropolitan City
		Single Hone (2nd fl) Reinforced concrete	136.94 m^2	1,180,000 161,589,200				
		Single home (3rd fl) Reinforced concrete	136.94 m^2	1,180,000 161,589,200				
		Single home (4th fl) Reinforced concrete	136.94 m^2	1,300,000 178,022,000				
		Room and stairways Reinforced concrete slab	31.28 m^2	740,000 23,147,200				
		Warehouse Panel	3 m^2	206,667 620,000				
		Ladder Sash	1 set	 450,000				
		Water tank FRP	1 set	 250,000				
Building	8 items			 538,836,400				

재 결 서

수용재결 : 재개발사업

【광안2구역 주택재개발정비사업(2차)】

갑제 1 호증

부산광역시지방토지수용위원회

재 결 서

사건 번호 20수용0089

사 업 명 재개발사업[광안2구역 주택재개발정비사업(2차)]

사업시행자 광안2구역 주택재개발정비사업조합

소 유 자 [redacted] 외 35명

관 계 인 광안2,4동새마을금고 외 21명

재 결 일 2020. 11. 23.

이 건 수용재결신청에 대하여 다음과 같이 재결한다.

주 문

1. 사업시행자는 위 사업을 위하여 별지 기재 토지 등을 수용하고, 손실보상금은 별지 기재의 금액으로 한다.

2. 수용의 개시일은 2021. 1. 18.로 한다.

이 유

1. 재결신청의 경위 및 적법성 판단

가. 경위

이 건 사업시행자가 부산 수영구 광안동 1240-38번지 일원에서 재개발사업[광안2구역 주택재개발사업(2차)]를 하기 위하여 「공익사업을 위한 토지 등의 취득 및 보상에 관한 법률」(이하 "토지보상법"이라 한다) 제21조제2항에 따라 2017. 7. 13. 중앙토지수용위원회로부터 의견 없다는 취지의 회신을 받았고, 「도시 및 주거환경정비법」(이하 "도시정비법"이라 한다) 제50조의 규정에 의하여 사업시행계획인가를 받았고, 같은 법 제50조제7항의 규정에 의하여 이를 고시(부산광역시 수영구 고시 제2017-107호, 2017. 10. 25.)하였으며, 이 건 재개발사업에 편입되는 토지 등을 취득하기 위하여 소유자와 협의를 시도하였으나 보상금 저렴 등의 사유로 협의가 성립되지 아니하여 재결 신청하였다.

나. 적법성 판단

재개발사업의 사업시행자는 도시정비법 제63조 및 제65조에 따라 사업에 필요한 토지나 토지에 정착된 물건 및 그 토지나 물건에 관한 소유권 이외의 권리를 수용 또는 사용할 수 있고, 같은 법 제65조제2항에 따르면 같은 법 제50조제7항의 규정에 의한 사업시행계획인가의 고시가 있은 때에는 토지보상법 제20조 및 제22조에 따른 사업인정 및 그 고시로 보고 있다.

따라서 이 건 재결신청은 그 요건을 모두 갖춘 적법한 것이라 할 것이고, 사업시행자로 하여금 토지 등을 수용하게 함이 타당하다 할 것이다.

2. 당사자의 주장

가. 소유자 등의 주장

토지보상법 제31조에 따라 재결신청서류 열람공고 기간 중에 제시된 소유자

동의 의견을 보면,

1) [redacted], [redacted], [redacted]은 토지 평가 시 주차장 건립비용을 반영하여 줄 것을,

2) [redacted]는 사업시행자의 성실한 보상협의가 없었음을,

3) [redacted]은 분양권을 달라는 주장을,

4) [redacted]은 부동산 임대사업에 대하여 보상하여 줄 것을,

5) [redacted], [redacted], [redacted]은 본 재개발사업의 위법성에 대하여 소송이 진행 중이므로 판결이 날 때까지 재결을 미루어 줄 것을,

6) [redacted]은 리모델링 수리비용을 반영하여 평가하여 줄 것을,

7) [redacted]은 사회복지시설의 무형의 자산을 평가하여 줄 것을,

8) [redacted], [redacted], [redacted]은 현위치와 비슷한 곳으로 수평이동 할 수 있도록 보상금을 인상하여 줄 것을, [redacted], [redacted], [redacted], [redacted]은 현시세를 반영하여 보상금을 현실에 맞게 인상하여 줄 것을 주장하고 있다.

나. 사업시행자의 의견

1) 광안2구역 주택재개발정비사업(1차) 수용재결 시 주차장 영업이익과 시설이전비에 대하여 보상하였고,

2) 보상협의 기간 동안 협의를 진행하였고,

3) 도시정비법에 따른 분양대상자가 아니어서 분양권을 줄 수가 없고,

4) 부동산 임대사업은 보상대상에 해당하지 아니하고,

5) 본 재개발사업은 도시정비법에 따라 적법하게 진행 중이고,

7) 영업손실 보상대상으로 평가하였고,

6) 8) 보상금은 관계 법령에 따라 적정하게 산정한 가격이라는 의견을 제출하였다.

3. 위원회의 판단

가. [redacted], [redacted], [redacted]의 토지 평가 시 주차장 건립비용을 반영하여 달라는 주장에 대하여는,

관계 자료(광안2구역 주택재개발정비사업(1차) 재결서, 감정평가서, 사업시행자 의견 등)를 검토한 결과, 광안2구역 주택재개발정비사업(1차) 수용재결 시 주차장 영업이익과 시설이전비에 대하여 보상하였음이 확인되고, 이전할 주차장의 건립비용은 동 법률에서 규정하고 있는 보상대상이 아니므로 신청인의 주장은 받아들일 수 없고,

나. [redacted]의 협의기간 동안 사업시행자의 성실한 협의가 없었다는 주장에 대하여는,

사업시행자가 제출한 수용재결 신청 관련 자료(보상계획공고문, 보상협의문서, 협의경위서 등)를 검토한 결과, 사업시행자는 2020. 2. 1.부터 5. 22.까지 30일 이상 등기우편 등에 의한 방법으로 3회 이상 통지하여 소유자와 보상협의를 실시한 사실이 확인되므로 신청인의 주장은 받아들일 수 없고,

다. [redacted]의 분양권을 달라는 주장에 대하여는,

분양권에 관한 사항은 토지보상법 제50조제1항에서 정한 재결사항이 아니므로 우리 위원회에서 이를 다루지 아니하기로 하고,

라. [redacted]의 부동산 임대사업에 대하여 보상하여 달라는 주장에 대하여

는,

부동산 임대료 수입은 부동산 원물에 대한 자산소득이므로 당해 부동산에 대하여 정당한 보상을 한 경우에는 별도의 손실이 있다고 볼 수 없으므로 신청인의 주장은 받아들일 수 없고,

마. [redacted], [redacted], [redacted]의 재개발사업의 위법성에 대하여 소송이 진행중이니 판결이 날 때까지 재결을 미루어 달라는 주장에 대하여는,

토지보상법은 수용의 일차단계인 사업인정에 속하는 부분은 사업의 공익성 판단으로 사업인정기관에 일임하고 그 이후의 구체적인 수용의 결정은 토지수용위원회에 맡기고 있는 바, 위와 같이 사업인정처분과 토지수용재결은 이분화 되어 있고 사업인정의 소송다툼으로 토지수용재결절차를 중단하여야 할 의무가 발생하는 것은 아니므로 법 제28조에서 정한 수용재결신청의 요건을 갖춘 수용재결신청에 대하여는 그 진행을 유보할 수 없다할 것이므로 신청인의 주장은 받아들일 수 없고,

바. [redacted]의 리모델링 수리비용을 반영하여 평가하여 달라는 주장에 대하여는,

관계자료(감정평가서, 사업시행자 의견 등)를 검토한 결과, 지장물은 보수비 등을 반영하여 현황, 관리상태 등을 종합 참작하여 적정하게 평가되었음이 확인되고,

사. [redacted]의 사회복지시설의 무형의 자산을 평가하여 달라는 주장에 대하여는,

관계자료(감정평가서, 사업시행자 의견 등)를 검토한 결과, 영업시설 무형의

자산은 동 법률에서 규정하고 있는 보상대상이 아니므로 신청인의 주장은 받아들일 수 없고,

아. 당사자간에 다투고 있는 보상금에 대하여는,

토지에 대한 보상은 토지보상법 제70조제1항에 따라 「부동산 가격공시에 관한 법률」에 따른 공시지가를 기준으로 하여 보상하되, 그 공시기준일부터 가격시점까지의 관계 법령에 의한 당해 토지의 이용계획, 당해 공익사업으로 인한 지가의 영향을 받지 아니하는 지역의 지가변동률, 생산자물가상승률, 그 밖에 당해 토지의 위치·형상·환경·이용상황 등을 참작하여 평가한 적정 가격으로 보상하도록 되어 있고,

건축물에 대한 보상은 같은 법 제75조 및 같은 법 시행규칙 제33조에 따라 구조·이용상태·면적·내구연한·유용성 및 이전가능성 그 밖에 가격형성에 관련되는 제 요인을 종합적으로 고려하여 평가하도록 되어 있고,

물건에 대한 보상은 같은 법 제75조제1항에 따라 이전비로 보상하되, 이전이 어렵거나 그 이전으로 인하여 건축물 등을 종래의 목적대로 사용할 수 없게 된 경우 등에는 당해 물건의 가격으로 보상하도록 되어 있고,

영업손실보상은 같은 법 시행규칙 제47조제1항에 따라 휴업기간에 해당하는 영업이익과 영업장소 이전 후 발생하는 영업이익 감소액에 휴업기간 중의 영업용 자산에 대한 감가상각비·유지관리비와 인건비 등 고정적인 비용과 영업시설·원재료·제품의 이전에 소요되는 비용 및 그 이전에 따른 감손 상당액과 영업 장소를 이전함으로 인하여 소요되는 부대비용 등을 합한 금액으로 평가하도록 되어 있다.

따라서, 우리 위원회는 토지보상법 제58조제1항제2호, 같은 법 시행규칙 제16조제6항에 따라 감정평가업자 2인으로 하여금 평가하게 하고 그 평가한 금액을 산술평균하여 보상금을 산정한 결과 손실보상금은 별지의 소유자 해당란 기재 금액으로 보상함이 적정한 것으로 판단되므로 위와 같이 보상하기로 한다.

4. 수용의 개시일

수용의 개시일은 본 사업의 공익성과 시급성을 감안하여 2021. 1. 18.로 한다.

보 상 금 내 역(토 지)

[보지 계] [부산] 광안2구역 주택재개발정비사업(2차) (20수용0083) 원훈

수용토지의 표시					보상액(원)	소유자		관계인	
소재지	지번	지목 공부	지목 실제	면적(㎡)	단가/ 금액	성명	주소	성명/ 권리의종류	주소
부산광역시 수영구 광안동	772-13	대	대	237.8㎡	3,547,200 843,524,160	원훈	서울특별시 강동구 구천면로 366 6동 108호(천호동, 우성아파트), 송2)경기도 용인면 용인 상성로 66번길52(상성리) (동)부산광역시 해운대구 재송동 1182-1 장산동국아파트 102동 502호	남부산농업협동조합(용호지점) 근저당	부산광역시 남구 대연동 329-15
							- 이하여백 -		
토지합계	1필지			237.800	843,524,160				

보 상 금 내 역(지 장 물)

[별지 부산광역시 광안2구역 주택재개발정비사업(2차)(20수용0083)

원훈

수용지장물의 표시				보상액	소유자		관계인	
소재지	지번	물건의 종류 구조및 규격	수량 면적(㎡)	단가/ 금액	성 명	주 소	성명/ 권리의종류	주 소
부산광역시 수영구 광안동	772-12	계단실(1층) 철근콘크리트조	11.16㎡	1,180,000 13,168,800	원훈	서울특별시 강동구 구천면로 366 6동 108호(천호동, 우성아파트), 송2)경기도 용문면 용문 삼성로 66번길52(삼성리) (등)부산광역시 해운대구 재송동 1182-1 장산동국아파트 102동 502호	남부산농업협동조합(용호지점) 근저당	부산광역시 남구 대연동 329-15
"	"	단독주택(2층) 철근콘크리트조	136.94㎡	1,180,000 161,589,200	"	"		
"	"	단독주택(3층) 철근콘크리트조	136.94㎡	1,180,000 161,589,200	"	"		
"	"	단독주택(4층) 철근콘크리트조	136.94㎡	1,300,000 178,022,000	"	"		
"	"	방 및 계단실 철근콘크리트조 슬라브	21.28㎡	740,000 23,147,200	"	"		
"	"	창고 판넬조	3㎡	206,667 620,000	"	"		
"	"	사다리 샷시	1식	일식 450,000	"	"		
"	"	물탱크 FRP	1식	일식 250,000	"	"		
						- 이하여백 -		
물건의 합계	8건			538,836,400				

부산광역시지방토지수용위원회

위 원 장
직무대행 [redacted]

위 원 [redacted]

위 원 [redacted]

위 원 [redacted]

위 원 [redacted]

위 원 [redacted]

위는 정본 입니다.

2020년 11월 23일

부산광역시지방토지수용위원회

간사 [redacted]

STATE OF NEW YORK)
) ss.:
COUNTY OF QUEENS)

AFFIDAVIT OF TRANSLATOR

Stephen K. Kim, being duly worn, deposes and says:

1. That the translation of the accompanying *Adjudication*, which is written in a foreign language, *i.e.* Korean, was made by the deponent at the request of Younghoon Ji, Esq.

2. That deponent is ably qualified to make the translation of the document from Korean into English by virtue of the following qualifications:

   I was born in Korea and lived there until I finished my college education and fulfilled military service. I lived in Korea for 27 years. Korean is my first language. Then I studied in Taiwan and received a master's degree in political science. I came to the United States in 1979 to study at Arizona State University in Tempe, Arizona where I completed the Ph.D. program in political science.

   I am fluent in the languages of English and Korean. I have been managing and operating a company, called Han Young Translation Service, since 1992, rendering translation services in the Korean-American community of the greater New York area.

3. That deponent's translation is a true and accurate and complete translation of the document.

STEPHEN K. KIM

Subscribed and sworn to before me
this 27th day of April, 2021

PAUL M. CHIN
Notary Public, State of New York
No. 41-4779339
Qualified in Queens County
Commission Expires 2/28/2022

EXHIBIT F

IN THE MATTER OF THE DISPUTE UNDER THE U.S.-KOREA FREE TRADE AGREEMENT OF JUNE 30, 2007 AND DECEMBER 2010 BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF KOREA

BETWEEN

MR. JASON H. WON

Investor

-and-

THE REPUBLIC OF KOREA

Contracting Party

NOTICE OF INTENT TO SUBMIT DISPUTE TO ARBITRATION

AHNE & JI, LLP

By: Younghoon Ji, Esq.

Counsel for Investor Hun Won

1220 Broadway, Suite 502

New York, New York 10001

United States

Tel.: (212) 594-1035

Fax: (212) 967-1112

Direct: (917) 671-7077

Email: youngjiesq@gmail.com

I. PRELIMINARY STATEMENT OF INTENT.

1. In accordance with Chapter 11 of the U.S. – Korea Free Trade Agreement (the "KORUS FTA"), which went into effect on March 15, 2012 following ratification, Mr. Jason H. Won ("Mr. Won") submits this Notice of Intent to Submit Dispute to Arbitration, as required by Article 11.16.2 of the KORUS FTA, and hereby gives you notice of the existence of a dispute between Mr. Won, on the one hand, and the Republic of Korea ("Korea"), on the other.

2. Mr. Won hereby submits this Notice of Intent to Submit Dispute to Arbitration of his claim arising out of breaches of Chapter 11, Section A-B of the KORUS FTA. Mr. Won is a citizen of the United States and submits this Notice of Intent to Submit Dispute to Arbitration averring that Korea has breached its obligations under KORUS FTA Chapter 11, Section A, specifically Articles 11.5 and 11.6 and that Mr. Won incurred loss or damage by reason of, or arising out of, said breaches.

3. Not only did Korea subject Mr. Won's foreign investment to expropriation, but now is forcing him to accept an appraisal value that is unfair and way below the current market price.

4. It should come as no surprise to Korea that the destruction of a foreign investor's investment, without the payment of prompt, adequate, and effective relief is impermissible under international law. Notably, such treatment of a foreign investor is in plain violation of Article 11.6 of the KORUS FTA, which is the basis of which Mr. Won intends to bring his arbitration claims against Korea.

5. Mr. Won intends to bring this arbitration in a well-established and transparent forum, such as the International Center for Settlement of Investment Disputes (the "ICSID") in

Washington, D.C., which is possible since Korea and the United States are parties to the Convention on the Settlement of Investment Disputes between States and Nationals of other States (the "ICSID Convention").

6. On the basis of Korea's breach of the KORUS FTA, our client is entitled to no less than $4,224,628.00 USD in damages in compensation on the basis of direct loss.

7. Although Korea claims that it respects the rule of law, and although it promotes itself as a safe destination for foreign investment, its treatment of Mr. Won's investment in Korea conclusively shows the perils of investing in the country. No one, and especially not a foreign investor contributing to the economic development and well being of Korea and its citizens, should be subjected to such treatment.

8. To date, a total of seven (7) Investor State Dispute Settlement cases have been filed against Korea through the United Nations, among which 57 percent of them were initiated recently, since 2018.[1] This shows a sharp increase from two (2) cases in 2015.

9. We expect that the circumstances of Mr. Won's expropriation of his investment, even after his expression of objection, will, at the very least, serve as a cautionary tale for businessmen considering investing in Korea, and we expect any arbitral proceedings to be followed with great interest by other potential investors in the country.

10. Should Korea be unwilling to negotiate, please have no doubt that Korea will be facing its first international arbitration of 2021 brought on the basis of the KORUS FTA before the ICSID in Washington, D.C.

11. Our notice of dispute will begin by explaining the facts of Mr. Won's case against Korea (II), before explaining why an investment arbitration tribunal has jurisdiction to rule on

[1] UNCTAD, *Investment Dispute Settlement Navigator, Korea, Republic of*, updated as of July 31, 2020, https://investmentpolicy.unctad.org/investment-dispute-settlement/country/111/korea-republic-of.

this dispute (III). It will then examine Korea's breaches (IV), prior to turning to the issue of the compensation Mr. Won is seeking to repair his harm (V).

II. FACTUAL HISTORY REGARDING MR. WON'S INVESTMENT IN THE REPUBLIC OF KOREA.

12. Mr. Won is an individual citizen of the United States of America, and his United States passport is attached hereto as **Exhibit A**.

13. Mr. Won's current address is 22 Hoam-ro 25 beon-gil, Suyeong-gu, Busan (Chelsea Studio Apt. 301), Korea.

14. Mr. Won submits this Notice of Intent to Submit Dispute to Arbitration as an investor on his own behalf.

15. The legal counsel for Mr. Won is AHNE & JI, LLP, c/o Younghoon Ji, Esq., 1220 Broadway, Suite 502, New York, New York 10001, United States, Email: youngjiesq@gmail.com. All correspondence should be directed to the attention of Younghoon Ji, Esq. at the above address.

16. The Contracting Party, and a potential respondent, is the Republic of Korea, represented by the Ministry of Justice, Office of International Legal Affairs, Government Complex, Gwacheon, Korea. For the avoidance of doubt, the term Contracting Party as used in this Notice includes all subordinate agencies of the Republic of Korea, as well as private parties acting under its direction.

A. Mr. Won invests in Korea.

17. On or about May 3, 2011, Mr. Won purchased a building in Busan, Korea for about $911,552.90 USD[2].

[2] South Korean Won and United States Dollar currency rate as of January 14, 2021.

18. The building Mr. Won purchased is located at 22 Hoam-ro 25 beon-gil, Gwangan-dong, Suyeong-gu, Busan, Korea. The building is named Chelsea Studio and is a residential building.

19. In 2018, Mr. Won was naturalized as a U.S. citizen while relinquishing his citizenship in Korea. His passport is attached hereto as **Exhibit A**. Mr. Won owns 100% interest in the real property.

20. Mr. Won had eighteen (18) tenants who each rented a studio apartment from him for a security deposit of about $4,558 USD[3] and monthly rent of about $365 USD[4].

21. As the owner of the building, Mr. Won had family members take care of the building whenever he was abroad and did all his responsibilities by making sure the building is well maintained.

B. Korea Expropriates Mr. Won's Investment.

22. Since 2013, Mr. Won was alerted of talks regarding a potential redevelopment project under Busan-si municipal government in the area where he had his investment property. However, Mr. Won did not pay much attention since they were only discussions regarding the possibility of a project, and as a foreign investor, his property was not subject to such redevelopment project.

23. However, in or about October 2020, Mr. Won received a final official notice for redevelopment by the Busan-si municipal office – the Busan Regional Construction and Management Administration (the "BRCMA") – informing him of a redevelopment project that will include Mr. Won's investment property. *See* **Exhibit B**.

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[3] *Id.*
[4] *Id.*

24. The BRCMA is an organization affiliated with the Korean Ministry of Land, Infrastructure and Transport ("MOLIT"), which is a government agency.

25. Subsequently, Mr. Won notified the BRCMA by sending a Notice, both in English and Korean, stating that the real property is owned by Mr. Won, who is a United States citizen, and that the real property is protected by the KORUS FTA. The Notice clearly stated that Mr. Won's property cannot be part of the redevelopment project as it is foreign investment under the KORUS FTA. Said Notice was also posted at the real property at issue here. *See* **Exhibit C**.

26. In or about October 2020, the BRCMA filed a suit in the Busan District Court against Mr. Won due to the fact that such foreign investment property cannot be expropriated for private purposes.

27. In other words, the BRCMA filed a suit against Mr. Won and his foreign investment property because it became an obstacle to the redevelopment project.

28. Upon receipt of the Complaint, Mr. Won filed an Answer to the Complaint stating that on the basis of Chapter 11 of the KORUS FTA, such foreign investment cannot be subject to expropriation unless it is for a public purpose, which is not the case here.

29. Mr. Won actively and clearly expressed his objection to the redevelopment project including his investment property by posting formal Notice, which is attached hereto as **Exhibit C**, prepared by his New York counsel.

30. Despite Mr. Won's objection, he was forced to become a member of the union of all affected property owners (the "Redevelopment Union").

31. Mr. Won has never given consent to join the Redevelopment Union and once he opposed the redevelopment project, the Redevelopment Union kicked him out from its membership.

32. As the owner of the building, Mr. Won had family members take care of the building whenever he was abroad and did all his responsibilities by making sure the building is well maintained.

33. Mr. Won's entrustment related only to "management" and provided Mr. Won's family members with no authority to enter into or agree to any matter affecting or potentially affecting the ownership of the property.

34. Neither Mr. Won nor his attorneys ever received communication from the BRCMA regarding the redevelopment project, his investment property, and/or his objection.

35. On the contrary, the BRCMA proceeded with the project and applied for an injunction prohibiting the transfer of possession to force Mr. Won's tenants out of his property, which was then granted by the Busan District Court.

36. The BRCMA, in conjunction with the Busan-si municipal office, rendered an opinion regarding the amount of compensation for Mr. Won's property at 22 Hoam-ro 25 beon-gil, Gwangan-dong, Suyeong-gu, Busan, Korea to be the total of $1,257,943.00.[5]

37. Subsequently, the Redevelopment Union and its administrators trespassed on Mr. Won's property, destroying about nine (9) door locks and installing new ones, which was a horrific experience for the tenants.

38. A criminal action is currently pending due to said trespass and burglary without Mr. Won and the tenants' consent.

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[5] *Id.*

39. Since 2017, the Redevelopment Union has sent out numerous letters and made phone calls to Mr. Won's tenants, requesting and encouraging their move-out, providing them with about $2,700 USD[6] of moving expenses.

40. This resulted in five (5) tenants moving out in 2017, four (4) tenants moving out in 2018, another four (4) tenants moving out in 2019, and two (2) tenants moving out in 2020.

41. From the eighteen (18) tenants that were living in Mr. Won's building, only three (3) tenants currently occupy the building.

42. A total of 15 tenants moved out due to the redevelopment project.

43. This caused enormous financial difficulty to Mr. Won.

44. When discussions about appraisal value began between the Redevelopment Union and the BRCMA, Mr. Won, once again, strongly objected to participating in such discussions, as his property is not subject to the redevelopment project.

45. Despite Mr. Won's strong objection, the BRCMA requested an appraisal, and the appraisal was done by a third party appraiser selected by the Mayor of Busan, who considered the published land price as the standard instead of the market value.

46. The BRCMA, in conjunction with the Busan-si municipal office, rendered an opinion regarding the amount of compensation for Mr. Won's property at 22 Hoam-ro 25 beon-gil, Gwangan-dong, Suycong-gu, Busan, Korea to be the total of $1,257,943.00 USD.

47. Under Article 11.6(2) of the KORUS FTA, the compensation for appropriation has to be an amount equivalent to the fair market value of the expropriated investment immediately before the expropriation took place (the date of expropriation).

48. The amount the BRCMA offered to Mr. Won for his investment property is about $1,257,943.00 which is not even forty percent (40%) of the market value of the property,

[6] *Id.*

which, upon information and belief, is approximately between $4,101,988.00 and $4,557,765.00 USD[7].

III. AN ARBITRAL TRIBUNAL HAS JURISDICTION TO HEAR THIS DISPUTE UNDER THE KORUS FTA.

49. On March 15, 2012, the KORUS FTA went into effect following ratification. Among its provisions is Chapter 11, Investment Dispute Mechanism called "Investor State Dispute" (the "ISD"). As stated above factual background, Busan-si Municipal Government and the Korean Government have violated their obligations to Mr. Won, a U.S. investor under the terms of the KORUS FTA.

50. Article 11.28 of the KORUS FTA defines investment to include "every asset that an investor owns or controls, directly or indirectly, that has every characteristic of an investment" including "other tangible, movable or immovable property, and related property rights, such as leases, mortgages, liens, and pledges."

51. The following has been widely accepted by international investment dispute tribunals as typical characteristics of investments; duration, contribution, and assumption of risk.[8] The real property at issue has been owned for over nine years with substantial amount of money invested. Mr. Won's real property ownership constitutes an investment.

52. Mr. Won's ownership of the property is a "covered investment" within the meaning of Chapter 1, Section A, Article 1.4, which provides that a "covered investment" means, with respect to a Party, an investment, as defined in Article 11.28… in its territory of an investor of the other Party that is in existence as of the entry in force of this Agreement or established, acquired or expanded thereafter…"

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[7] *Id.*

[8] *See Salini v. Morocco* (ICSID Case No. Arb/00/04) (Decision on Jurisdiction, 23 July 2001).

53. Under Article 11.1, the scope of Chapter 11 is set as to measures adopted or maintained by a Party relating to: (a) investors of the other Party; (b) covered investments; and (c) with respect to Articles 11.8 and 11.10, all investments in the territory of the Party. The terms "measures adopted or maintained by a Party" refers to measures adopted or maintained by: (a) central, regional, or local governments and authorities; and (b) non-governmental bodies in the exercise of powers delegated by central, regional, or local governments or authorities.

54. Here, as explained above, the BRCMA is acting under the supervision of MOLIT, which is a government agency, because without the consent or involvement of such governmental authorities, the redevelopment project would not be able to proceed.

55. Under Article 11.17 of the KORUS FTA, each Party to the KORUS FTA consents to the submission of a claim to arbitration and the consent and the submission of a claim to arbitration shall satisfy Chapter II (Jurisdiction of the Centre) of the ICSID Convention, the ICSID Additional Facility Rules, and Article II of the New York Convention.

56. Therefore, this case has sufficient jurisdictional basis under the KORUS FTA to be submitted for international arbitration.

IV. THE REPUBLIC OF KOREA CLEARLY BREACHED THE INVESTMENT TREATY IT SIGNED AND RATIFIED.

57. The actions of Korea described above violate a number of Korea's obligations under the KORUS FTA, notably those obligations concerning the just treatment of foreign investors and investments.

A. Just Treatment of Foreign Investors and Investments

58. Under Article 11.3 of the KORUS FTA, each Party shall accord to investors of the other Party and covered investments treatment no less favorable than that it accords, in like circumstances, to investments in its territory or investors.

59. Further, under Article 11.4, each Party shall accord to investors of the other Party and covered investments treatments no less favorable than any non-Party or the investment of a non-Party.

60. Article 11.5 states that each Party shall accord to covered investments treatment in accordance with customary international law, including fair and equitable treatment and full protection and security. "Fair and equitable treatment" includes the obligation not to deny justice in criminal, civil, or administrative adjudicatory proceedings in accordance with the principle of due process embodied in the principal legal systems of the worlds; and "full protection and security" requires each Party to provide the level of police protection required under customary international law.

61. Certain cases have given the tribunals a guideline to define or identify fair and equitable treatment, or unfair and inequitable treatment:

    a. The host state must act in good faith (*Tecmed,*[9] and *Waste Management*[10]);

    b. The host state's conduct cannot be arbitrary, grossly unfair, unjust, idiosyncratic, discriminatory, or lacking in due process (*Waste Management,*[11] *SD Myers,*[12] and *Occidental*[13]);

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[9] *Técnicas Medioambientales Tecmed, S.A. v. United Mexican States*, ICSID Case No ARB(AF)/00/2, Award 29 May 2003, ¶ 153, Available at https://www.italaw.com/sites/default/files/case-documents/ita0854.pdf.
[10] *Waste Management, Inc. v. United Mexican States*, ICSID Case Np. ARB(AF)/00/03, Award, 30 April 2004, ¶ 138, Available at https://www.italaw.com/sites/default/files/case-documents/ita0900.pdf.
[11] *Supra* note 4, ¶ 98
[12] *SD Myers Inc. v. Government of Canada* (UNCITRAL), First Partial Award, 13 November 2000, ¶ 263, Available at https://www.italaw.com/sites/default/files/case-documents/ita0747.pdf.

c. The host state must act in a transparent manner (*Metalclad*,[14] *Sienens*,[15] *LG&E*,[16] *Saluka*,[17] *Tecmed*,[18] *Maffezini*,[19] and *Waste Management*[20]); and

d. The host state's conduct cannot breach the investor's legitimate expectations (*Tecmed*,[21] *Saluka*,[22] *Azurix*,[23] and *ADC*[24]).

62. As demonstrated above, the host State of investment, which here is Korea, did anything but act in good faith. It did not thoroughly investigate before granting the BRCMA the power to proceed with the redevelopment project. If it did, then it would have found that there was foreign investment at stake.

63. Further, Korea, as the host State of investment, failed to make sure that the BRCMA offered the foreign investor at least the market value of his investment. By offering Mr. Won an amount based on the published land price instead of the market value was a decision made by the government alone. Mr. Won, the property owner, was never involved in any value negotiation.

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[13] *Occidental Exploration and Production Company v. The Republic of Ecuador*, LCIA Case No. UN3467, Final Award, 1 July 2004, ¶¶ 162-63, Available at https://www.italaw.com/sites/default/files/case-documents/ita0571.pdf.
[14] *Metalclad Corporation v. United Mexican States*, ICSID Case No. ARB(AF)/97/1, Awardm 30 August 2000, ¶ 99, Available at https://www.italaw.com/sites/default/files/case-documents/ita0510.pdf.
[15] *Siemens A.G. v. The Argentine Republic*, ICSID Case No. ARB/02/8, Award (February 6, 2007), at ¶¶ 308-09, Available at https://www.italaw.com/sites/default/files/case-documents/ita0790.pdf.
[16] *LG&E Energy Corp., LG&E Capital Corp., and LG&E International Inc. v. Argentine Republic*, ICSID Case No. ARB/02/1, Decision of Liability (October 3, 2006), at ¶ 128, Available at https://www.italaw.com/sites/default/files/case-documents/ita0460.pdf.
[17] *Saluka Investments v. Czech Republic*, UNCITRAL, Partial Award (March 17, 2006), at ¶ 307, Available at https://www.italaw.com/sites/default/files/case-documents/ita0740.pdf.
[18] *Supra* note 3, ¶ 154
[19] *Emilio Agustín Maffezini v. The Kingdom of Spain*, ICSID Case No. ARB/97/7, Award (November 13, 2000), at ¶ 83, Available at https://www.italaw.com/sites/default/files/case-documents/ita0481.pdf.
[20] *Supra* note 4, ¶ 138
[21] *Supra* note 3, ¶ 154
[22] *Supra* note 11, ¶¶ 301-02
[23] *Azurix Corp. v. Argentina*, ICSID Case No. ARB/01/12, Final Award (July 14, 2006), at ¶ 372, Available at https://www.italaw.com/sites/default/files/case-documents/ita0061.pdf.
[24] *ADC Affiliate Limited and ADC & ADMC Management Limited v. Hungary*, ICSID Case No. ARB/03/16, Award (October 2, 2006), at ¶ 424, Available at https://www.italaw.com/sites/default/files/case-documents/ita0006.pdf.

64. Allowing the BRCMA to proceed with the redevelopment project without clearly addressing Mr. Won's issues and objections was arbitrary, grossly unfair, unjust, idiosyncratic, discriminatory, and lacking in due process. The foreign investor was discriminated against because he was a foreign investor, living abroad, without the means and time to be engaged in this matter as much as other Korean nationals. The BRCMA did not even attempt to negotiate or discuss numerous issues regarding this redevelopment project with Mr. Won or his counsel.

65. Korea subjected Mr. Won's investment property to its redevelopment project that violates Chapter 11 of the KORUS FTA.

66. Korea has failed to act transparently. When the BRCMA presented Mr. Won with an appraisal value, said number was not even close to the property's current market value. The appraisal was done by an appraiser selected by the Mayor of Busan, who holds a governmental position. Mr. Won was not involved in the selection of an appraiser, the method of the appraisal, and negotiations regarding the property value.

67. As mentioned above, Mr. Won was not provided with sufficient information as to why his property was subjected to Korea's redevelopment project. Without resolving the issue of foreign investment property under the KORUS FTA, Korea just proceeded with the redevelopment project without just compensation, subjecting Mr. Won, who is a foreign investor, to grave financial damages.

B. Expropriation

68. Under Annex 11-B, the Parties agree that an expropriation involves interference with a tangible or intangible property right in an investment.

69. Here, Mr. Won's building is the subject of expropriation, which is tangible property.

70. The property was taken from him without his consent and against his clear objection without just compensation.

71. Under Article 11.6(2), compensation for expropriation has to be made without delay with an amount that is equivalent to the fair market value of the expropriated investment immediately before the expropriation took place (the date of expropriation).

72. Korea played a part in this redevelopment project when the BRCMA requested MOLIT for an appraisal based on published land price and not fair market value without any discussions with Mr. Won.

73. Under these circumstances, the Mayor of Busan unilaterally selected a third party who appraised Mr. Won's investment property based on the published land price as the standard instead of the market value.

74. In any case, the form of expropriation is of no importance; international law looks to the effect of the expropriation on the investor's property – the "sole effect doctrine."[25] It is mentioned that the intent of the government is less important than the effects of the measures on the owner, and the form of the measures of control or interference is less important than the reality of their impact.[26]

75. An expropriation does not have to be for the benefit of the host State for it to be unlawful. A state can expropriate an investment, or take measures equivalent to an expropriation in connection with an investment, for the benefit of a third-party. The arbitral tribunal in *Metalclad* clearly recognized that expropriation could also include "covert or incidental interference with the use of property which has the effect of depriving the owner, in

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[25] Andrew Newcombe and Lluís Paradell, *Law and Practice of Investment Treaties: Standards of Treatment*, (Kluwer Law International 2009), pp. 325 and 326.
[26] *Id.*

whole or in significant part, of the use or reasonably-to-be expected economic benefit of property even if not necessarily to the obvious benefit of the host State."[27]

76. The expropriation of Mr. Won's property occurred when the Korean Government authorized the BRCMA to proceed with its redevelopment project and unfair appraisal.

77. It is noteworthy that the BRCMA did not stop or show well-intended steps to compensate Mr. Won properly even after he objected several times to the redevelopment project. The BRCMA already started with its project demolishing buildings around Mr. Won's building, making Mr. Won's property improper for its intended use.

78. Tenants were forced to move out, and Mr. Won is suffering enormous financial loss.

79. During the process of expropriation of Mr. Won's investment property, Korea and/or its agents committed a violation of the fair and equitable treatment standard prescribed in the KORUS FTA Article 11.5, the Minimum Standard of Treatment.

80. The action of Korea and/or its agents violated Mr. Won's expectations that he could rely on Korea or its agents to avoid reliance on lack of actual consent to join the Redevelopment Union. These actions violated Mr. Won's legitimate expectations.

C. Mr. Won is owed at least $4,224,628.00 USD in Compensation for Direct Economic Harm.

81. As mentioned above, Mr. Won has suffered enormous financial damages due to this redevelopment project.

82. Eighteen (18) tenants used to occupy Mr. Won's building.

83. Now, only three (3) of them are left.

84. Each tenant was charged a security deposit fee of about $4,558 USD and a monthly rent of about $365 USD.

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[27] *Supra* note 14.

85. In 2017, five (5) tenants moved out due to the disruption caused by the redevelopment plan. This amounts to about $65,700 USD[28] only in rent for the past 36 months.

86. In 2018, four (4) tenants moved out due to the disruption caused by the redevelopment plan. This amounts to about $35,040 USD[29] only in rent for the past 24 months.

87. In 2019, four (4) tenants moved out due to the disruption caused by the redevelopment plan. This amounts to about $17,520 USD[30] only in rent for the past 12 months.

88. In 2020, two (2) tenants moved out due to the disruption caused by the redevelopment plan. This amounts to about $4,380 USD[31] only in rent for the past 6 months.

89. Consequently, since 2017 when Korea and the BRCMA commenced with the redevelopment plan, Mr. Won accrued rent damages of about $122,640 USD.

90. Further, the amount the BRCMA offered to Mr. Won for his investment property is about $1,257,943.00 USD, which is not even forty percent (40%) of the market value of the property, which, upon information and belief, is approximately between $4,101,988.00 USD and $4,557,765.00 USD.

91. In total, Mr. Won has suffered monetary damages of at least $4,224,628.00 USD.[32]

V. AMICABLE SETTLEMENT.

92. Given the prior treatment of Mr. Won, **PLEASE BE ADVISED** that the slightest procedure continuing the redevelopment project and subjecting Mr. Won's investment to expropriation **WILL NOT BE TOLERATED**, and we intend to exercise every legal, diplomatic, political, and economic means available to ensure Mr. Won's rights as a foreign investor.

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[28] *Supra* note 2.
[29] *Id.*
[30] *Id.*
[31] *Id.*
[32] *Id.*

93. If settlement fails, then we, on behalf of Mr. Won, will immediately initiate an investment treaty arbitration to recover in full the amounts owed to Mr. Won under the KORUS FTA, in non-confidential ICSID proceedings that will also serve to warn other foreign investors of the dangers of investing in Korea.

94. Based on this, we trust that you will be willing to negotiate an amicable resolution to this dispute in good faith, and we look forward to hearing from you.

Dated: January 14, 2021
New York, New York

AHNE & JI, LLP

By: Younghoon Ji, Esq.
Counsel for Investor Hun Won
1220 Broadway, Suite 502
New York, New York 10001
Tel.: (212) 594-1035
Fax: (212) 967-1112
Direct: (917) 671-7077
Email: youngjiesq@gmail.com

EXHIBIT A

Hun Won

SIGNATURE OF BEARER / SIGNATURE DU TITULAIRE / FIRMA DEL TITULAR

PASSPORT
PASSEPORT
PASAPORTE

USA

UNITED STATES OF AMERICA

Type / Type / Tipo: P

Code / Code / Codigo: USA

Passport No. / No. du Passeport / No. de Pasaporte: [redacted]

Surname / Nom / Apellidos
WON

Given Names / Prénoms / Nombres
HUN

Nationality / Nationalité / Nacionalidad
UNITED STATES OF AMERICA

Date of birth / Date de naissance / Fecha de nacimiento
21 Apr 1955

Sex / Sexe / Sexo
M

Place of birth / Lieu de naissance / Lugar de nacimiento
KOREA

Date of issue / Date de délivrance / Fecha de expedición
09 Mar 2020

Authority / Autorité / Autoridad
United States
Department of State

Date of expiration / Date d'expiration / Fecha de caducidad
08 Mar 2030

Endorsements / Mentions Spéciales / Anotaciones
SEE PAGE 51

USA

[redacted]<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<

UNITED STATES OF AMERICA

★ PASSPORT CARD ★

★

★ ★ ★ ★ ★

Nationality
USA

Passport Card no.
[redacted]

Surname
WON

Given Names
HUN

Sex
M

Date of Birth
21 APR 1955

Place of Birth
KOREA

Issued On
09 MAR 2020

Expires On
08 MAR 2030

[redacted]

UNITED STATES DEPARTMENT OF STATE

EXHIBIT B

NOTICE

We are the New York counsel to Mr. Hun Won who is a United States citizen.

PLEASE BE ADVISED THAT this Building is owned by Mr. Won, who is a United States citizen, and is protected by the Free Trade Agreement between the Republic of Korea and the United States of America (the "KORUS FTA").

The relevant portions of Chapter Eleven of the KORUS FTA provide:

CHAPTER ELEVEN
INVESTMENT

****

Article 11.6: EXPROPRIATION AND COMPENSATION

1. Neither Party may expropriate or nationalize a covered investment either directly or indirectly through measures equivalent to expropriation or nationalization (expropriation), except:

   (a) for a public purpose;
   (b) in a non-discriminatory manner;
   (c) on payment of prompt, adequate, and effective compensation; and
   (d) in accordance with due process of law and Article 11.5.1 through 11.5.3.

2. The compensation referred to in paragraph 1(c) shall:

   (a) be paid without delay;
   (b) be equivalent to the fair market value of the expropriated investment immediately before the expropriation took place (the date of expropriation);
   (c) not reflect any change in value occurring because the intended expropriation had become known earlier; and
   (d) be fully realizable and freely transferable.

****

It has come to our attention that Mr. Won's Building may have been subjected to expropriation efforts in a manner contrary to the rules and regulations set forth in the KORUS FTA.

In that case, please cease and desist all efforts to expropriate Mr. Won's Building in a manner contrary to the relevant terms and conditions of the KORUS FTA and contact our office immediately.

PLEASE BE FURTHER ADVISED THAT in the event Mr. Won's Building is expropriated in a manner contrary to, or in violation of, the KORUS FTA, Mr. Won will proceed to file a Notice of Intent to Submit a Claim to Arbitration and request arbitration through the Investor-State Dispute procedures set forth in the KORUS FTA and commence a lawsuit, if necessary.

AHNE & JI, LLP
New York Counsel to Hun Won
1220 Broadway, Suite 502
New York, New York 10001
Tel.: (212) 594-1035

NOTICE

저희는 미국 시민권자인 원훈님의 뉴욕 변호인입니다.

이 건물은 미국 시민권자인 원훈님의 소유이며, 한미 자유 무역 협정에 의해 보호받고 있습니다.

수용 및 보상에 관한 한미 자유 무역 협정 협정문상의 관련 조항:

협정문 제 11 장
투자

****

제 11.6 조: 수용 및 보상

1. 어떠한 당사국도 다음을 제외하고 적용대상투자를 직접적으로 또는 수용이나 국유화 (수용) 와 동등한 조치를 취하여 간접적으로 수용하거나 국유화 할 수 없다.

   가. 공공 목적을 위할 것;
   나. 비차별적 방식일 것;
   다. 신속하고 적절하며 효과적인 보상을 지불할 것; 그리고
   라. 적법절차와 제 11.5 조 제 1 항 내지 제 3 항을 따를 것.

2. 제 1 항 다호에 언급된 보상은

   가. 지체 없이 지불되어야 한다;
   나. 수용이 발생하기 직전의 (수용일) 수용된 투자의 공정한 시장가격과 동등하여야 한다;

다. 수용 의도가 미리 알려졌기 때문에 발생하는 가치의 어떠한 변동도 반영하지 아니하여야 한다; 그리고

라. 충분히 실현가능하고 자유롭게 송금가능하여야 한다.

****

원훈님의 건물 수용을 위해 현재 진행되고 있는 절차가 한미 자유 무역 협정 규정 위반 및 위법하게 이루어지고 있을 가능성이 제기 되었습니다.

만약 그러할 시, 현재 진행중에 있는 모든 위법한 절차를 당장 중단하여 주시고, 저희 사무실로 연락하여 주십시요.

만약 원훈님의 건물이 한미 자유 무역 협정 규정 위반 및 위법하게 수용 될 시, 한미 자유 무역 협정 협정문상의 투자자-국가소송제 (Investor-State Dispute) 를 활용해 중재의향서를 제출할 것이며 필요할 시 소송 역시 진행할 것임을 알려 드립니다.

AHNE & JI, LLP
New York Counsel to Hun Won
1220 Broadway, Suite 502
New York, New York 10001
Tel.: (212) 594-1035

EXHIBIT C

수용재결을 위한 감정평가 시간안내

평가시간 : 20년 10월 16일(금) 오후 2시

(진행상황에 따라 조정될 수 있습니다)

문의사항은 아래 전화번호로 연락하세요.

전화번호: [redacted]

광안2구역주택재개발정비사업조합

부산광역시지방토지수용위원회

등록필

수신 수신자 참조
(경유)
제목 수용재결 감정평가 협조 요청[광안2구역 주택재개발정비사업(2차)]

1. 평소 시정발전을 위해 협조하여 주심에 감사드립니다.

2. 「광안2구역 주택재개발정비사업(2차)」의 수용재결을 위한 감정평가는 수용재결 열람공고 기간 중에 소유자 등이 제출한 보상금 저렴 등의 의견서를 근거로 부산지방토지수용위원회에서 시행하는 감정평가입니다.

3. 감정평가를 받지 않거나 거부할 경우 소유자 등이 제출한 의견서의 내용을 재결에 반영할 수 없으므로 이를 감안하시어 적극적으로 감정평가에 협조하여 주시기 바랍니다.
   ※ 수용재결 감정평가법인 : ㈜삼[illegible]감정평가법인 부산경남지사, ㈜대화감정법인 부산경남지사

4. 아울러, 수용재결 감정평가 시 소유자 등이 제출한 의견이 반영되어 공정한 평가가 될 수 있도록 최선을 다하겠사오니 사업시행자 또는 감정평가사가 일정을 조정하여 연락, 방문 시 감정평가에 적극 협조를 당부드리며, 감정평가를 받지 않거나 거부할 경우에는 수용재결 신청 관계 서류 등을 근거로 평가할 수 있음을 알려 드립니다. 끝.

부산광역시지방토지수용위원회위원장

수신자 [illegible]

수신자 [redacted]
경유지
시행 [illegible]
우 47545 [illegible]
전화번호 [redacted]

EXHIBIT G

Certificate of Deposit (Reimbursement, etc.)

Deposit No.	2021 Geum No. **78**	01/11/2021	Law	Section 40 (2)(1) of Land, etc. Acquisition for Public Work and Compensation Act
Depositor			Owner	
Name	Gwangan District 2 Housing Redevelopment Union President, [redacted]		Name	Hun Won
Corp. Reg. No.	[redacted]		Resident Reg. No.	550421-1023211
Address	[redacted]		Address	(Last Address) 52 Yongmunsamseong-ro, 66 beon-gil, Yongmun-myun, Yangpyeong-gun, Gyeonggi-do
Telephone	[redacted]		Telephone	
Deposit Amount	₩1,382,360,560		Custodian Bank	Shinhan Bank Busan Beobjo Town Dongbu Branch
Cause of Deposit	The depositor is the project contractor of Gwangan District 2 Housing Redevelopment Project (2nd), which is a public work pursuant to Section 4 (5) of the Land, etc. Acquisition for Public Work and Compensation Act. The Busan Regional Construction and Management Administration has decided on 11/23/2020 to pay ₩1,382,360,560 (₩843,524,160 for land and ₩538,836,400 for bldg.) to be expropriated for the foregoing project – 237.8 ㎡ at 772-12 Gwangan-dong, Suyeong-gu, Busan Metropolitan City. However, Hun Won, the owner, his [Korean] nationality having been renounced and resident register deleted, is unable to receive the same, and thus the depositor deposits the money.			
Remarks Attachments	Copy of Adjudication (2021 Geum No. 58), Court Certification of Register, Certificate of Register, Land Register, Building Register, Resident Registration (for the deleted), Detailed Notice of Delivery, Detailed Post Office Delivery, Power of Attorney			
1. Right of pledge, leasing right or mortgage to cease to exist by deposit 2. Nature of Consideration				

Application submitted as above.

Agent Address: [redacted]

Depositor Name: Gwangan District 2 Housing Redevelopment Union [redacted], President

Phone: [redacted]
Jung Pyung Judicial Scrivener Office [redacted] Judicial Scrivener [Seal]

The above deposit application is approved.
Please deposit the above in depositor's account at the above bank by January 18, 2021.
This approval becomes null and void unless the deposit is made by deposit date.

January 11, 2021
Busan District Court Dongbu Branch
[redacted] Deposit Officer [Seal]

(Receipt) This is to certify that the above money has been deposited.

January 13, 2021
Bank (Deposit Officer) [redacted] [Seal]

[제1-1호 양식]

금전 공탁서(변제 등)

공탁번호	2021년 금 제 78 호	2021년 1월 2021.01.11 일 신청		법령조항	공익사업을위한토지등의취득및보상에관한법률 제40조제2항제1호
공탁자	성명 (상호, 명칭)	광안2구역주택재개발정비사업조합 조합장 [redacted]	피공탁자	성명 (상호, 명칭)	원훈
	주민등록번호 (법인등록번호)	[redacted]		주민등록번호 (법인등록번호)	550421-1023211
	주소 (본점, 주사무소)	[redacted]		주소 (본점, 주사무소)	(최종주소) 경기도 양평군 용문면 용문삼성로7번길 52
	전화번호	[redacted]		전화번호	
공탁금액	금일십삼억팔천이백삼십육만오백육십원정 금1,382,360,560원		보관은행	신한은행 부산법조타운 동부지원출장소	
공탁원인사실	공탁자는 공익사업을 위한 토지등의 취득 및 보상에 관한 법률 제4조 제5호에 의거 공익사업인 광안2구역주택재개발정비사업(2차)의 사업시행자로써 동 사업부지에 편입되는 피공탁자 소유 부산광역시 수영구 광안동 772-12 대 237.8㎡ 및 위지상 지장물에 대하여 부산광역시지방토지수용위원회가 2020년 11월 23일 재결한 금1,382,360,560원(토지 금843,524,160원, 지장물 538,836,400원)을 현실제공하고자 하였으나, 피공탁자의 국적상실로 주민등록이 말소되어 사실상 수령불능 상태이므로 공탁자는 수용보상금 전부를 공탁합니다.				
비고(첨부서류 등)	재결서사본(2021년 금제 58 호 원용), 법인등기사항증명서, 등기사항증명서, 토지대장, 건축물대장, 주민등록(말소자)초본, 공시송달공고내역, 우편발송내역, 위임장		☑ 계좌납입신청 ☐ 공탁통지 우편료 4,880원		
1. 공탁으로 인하여 소멸하는 질권, 전세권 또는 저당권 2. 반대급부 내용					

위와 같이 신청합니다.

대리인 주소 [redacted]

전화번호 [redacted]

성명 정명법무사법인 법무사 [redacted]

공탁자 성명 광안2구역주택재개발정비사업조합 조합장 [redacted]

위 공탁을 수리합니다.

공탁금을 2021.01.18 일까지 위 보관은행의 공탁관 계좌에 납입하시기 바랍니다.

위 납입기일까지 공탁금을 납입하지 않을 때는 이 공탁 수리결정의 효력이 상실됩니다.

2021년 1월 일

부산지방법원 동부지원 공탁관 [redacted]

(영수증) 위 공탁금이 납입되었음을 증명합니다.

2021년 2021.01.13

공탁금 보관은행(공탁관) [redacted] (인)

※ 1. 서명 또는 날인을 하되, 대리인이 공탁할 때에는 대리인의 성명, 주소(자격자대리인은 사무소)를 기재하고 대리인이 서명 또는 날인하여야 합니다. 전자공탁시스템을 이용하여 공탁하는 경우에는 날인 또는 서명은 공인인증서에 의한 전자서명 방식으로 합니다.
2. 공탁당사자가 국가 또는 지방자치단체인 경우에는 법인등록번호란에 '고유번호'를 기재하시기 바랍니다.
3. 공탁당사자가 국가인 경우 소관청도 기재하시기 바랍니다(예 : 대한민국(소관청 : OOO)).
4. 피공탁자의 주소를 기재하는 경우에는 피공탁자의 주소를 소명하는 서면을 첨부하여야 하고, 피공탁자의 주소를 알 수 없는 경우에는 그 사유를 소명하는 서면을 첨부하여야 합니다.
5. 공탁통지서를 발송하여야 하는 경우, 공탁금을 납입할 때 우편료(피공탁자 수 × 1회 발송)를 납부하여야 합니다(공탁신청이 수리된 후 해당 공탁사건번호로 납부하여야 하며, 미리 예납할 수 없습니다).
6. 공탁금 회수청구권은 소멸시효 완성으로 국고에 귀속될 수 있습니다.
7. 공탁서는 재발급 되지 않으므로 잘 보관하시기 바랍니다.

가 제10호증

STATE OF NEW YORK)
) ss.:
COUNTY OF QUEENS)

AFFIDAVIT OF TRANSLATOR

Stephen K. Kim, being duly worn, deposes and says:

1. That the translation of the accompanying *Certificate of Deposit (Reimbursement, etc.)*, which is written in a foreign language, *i.e.* Korean, was made by the deponent at the request of Younghoon Ji, Esq.

2. That deponent is ably qualified to make the translation of the document from Korean into English by virtue of the following qualifications:

   I was born in Korea and lived there until I finished my college education and fulfilled military service. I lived in Korea for 27 years. Korean is my first language. Then I studied in Taiwan and received a master's degree in political science. I came to the United States in 1979 to study at Arizona State University in Tempe, Arizona where I completed the Ph.D. program in political science.

   I am flucnt in the languages of English and Korean. I have been managing and operating a company, called Han Young Translation Service, since 1992, rendering translation services in the Korean-American community of the greater New York area.

3. That deponent's translation is a true and accurate and complete translation of the document.

STEPHEN K. KIM

Subscribed and sworn to before me
this 27th day of April, 2021

PAUL M. CHIN
Notary Public, State of New York
No. 41-4779337
Qualified in Queens County
Commission Expires 2/28/2022

EXHIBIT H

'Gone up to 1.3 billion, and how!' ...Busan 'Suyeong-gu' outrun Seoul?

Reporter Heungrok Kim rok@sedaily.com 2021. 02. 06 17:00:00 Economy Trend

House prices in Suyeong-gu, Busan exceed the average fair market value in the Seoul metropolitan area. Apartment prices in Seoul and the metropolitan areas skyrocketed; it is a new trend that other metropolitan areas such as Hae · Su · Dong (each refers to Haeundae-gu, Suyeong-gu, Donglae-gu) in Busan face. It can be said that a balloon effect occurred throughout the nation as a result of the repetition of designation – repeal – re-designation of regulated areas in addition to a shortage of 'Jeonse' apartments (renting apartment for a certain amount of money, security deposit, which is to be paid back at the end of the fixed term) and housing redevelopment in the old metropolitan cities.

According to KB House Price Trend, as of January, the average sale price per ㎡ of apartments in Suyeong-gu, Busan, reached ₩7,589,000 surpassing that of the Seoul metropolitan area, which marks ₩7,540,000. This phenomenon in which the house prices of Suyeong-gu surpass the average house price of the Seoul metropolitan area first emerged in November last year and have continued for three months. Especially, the average apartment sales price per ㎡ in Suyeong-gu, about one year ago, was more than ₩1,000,000 less than that of the Seoul metropolitan area. It went up steeply last year. Especially, it was higher than that of Geumcheon-gu, Seoul, which is ₩7,502,000, for two months in succession from December last year.

109 ㎡ of Centum Vista Dongwon, an apartment in Minlak-dong, Suyeong-gu, recently sold for 1.3 billion [Korean won], a record breaker. For Gwangan Aileen Yard's 84 ㎡ in Gwangan-dong, where moving-in is scheduled to start in March, the move-in right was sold last December for ₩890,000,000. It reached the threshold of high-priced housing (₩900,000,000).

The increase in house prices in Suyeong-gu was affected by the balloon effect as a result of the repetition of designation and repeal and re-designation of regulated areas. The government released Busan's Suyeong-gu as well as Donglae-gu and Haeundae-gu from the regulated areas in November 2019. Therefore, while the Seoul metropolitan areas face stiff regulations [Busan] was swarmed by out-of-town investors, a balloon effect, that pulled up the house prices in Hae · Su · Dong. According to the house price increase rate at KB standard for the past one year, Haeundae-gu recorded 23.25%. It surpasses Seoul (14.2%) and is about the same as that of Nowon-gu (23.8%), Seoul. Suyeong-gu, Busan, at 16.67%, is the second highest area following Haeundae-gu.

The government, in about one year on November 20, re-designated Haeunde-gu, Suyeong-gu, Donglae-gu, Yeonje-gu, Busan as well as Gimpo-si as regulated areas. Transactions have somewhat shrunk since but the market maintains high prices because sellers won't lower their asking prices.

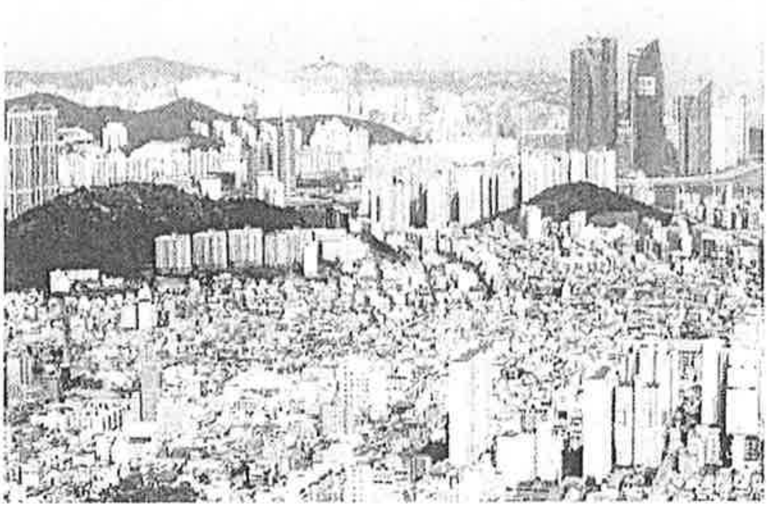
A real estate broker in Suyeong-gu says, "It is not that demand shrank but actual buyers would wait and see how the wind blows because loans are tightened up as a result of the designation in November of the regulated areas. Owners won't lower the asking prices." Another broker doing business in front of an apartment complex where 84 ㎡ of an apartment sells for ₩900,000,000 also says, "With heavy transfer taxes to be imposed in June, multi-home owners would put apartments on the market but won't lower the asking prices."

Reporter Heunrok Kim rok@sedaily.com

수영구 집값 상승

'13억까지 와이래 올랐는교'...부산 '수영구' 서울 추월?

김흥록 기자 rok@sedaily.com 2021-02-06 17:00:00 경제동향



부산 수영구 평균 집값이 수도권 주택 평균 시세를 앞지르고 있다. 서울과 수도권의 아파트값 상승이 가팔랐지만 이른바 부산의 해·수·동(해운대구·수영구·동래구)을 중심으로 한 지방 광역시 집값도 급등하면서 나타난 새로운 집값 지형이다. 조정지역 지정과 해제, 재지정을 반복하면서 전국 각지에서 나타난 풍선효과에다 전세난, 지방광역시 구도심 재건축 이슈가 맞물린 결과다.

KB주택가격동향에 따르면 1월 기준 부산 수영구의 ㎡당 아파트 평균매매가격은 758만9,000원을 기록해 수도권 전체 평균매매가(754만원)를 앞서고 있다. 수영구 집값이 수도권 전체 평균을 앞서는 현상은 지난해 11월 처음 발생한 이후 석달 째 이어지고 있다. 특히 1년여 전까지만 해도 부산 수영구의 ㎡당 아파트 평균매매가는 수도권보다 100만원 이상 뒤처졌지만 지난해 가격이 급등했다. 특히 지난해 12월부터는 두달 연속 서울 금천구(750만2,000원)보다도 높다.

수영구 민락동의 센텀비스타동원 전용 109㎡는 최근 13억원에 거래되며 신고가를 기록했다. 오는 3월 입주를 앞두고 있는 광안동 광안에일린의뜰 전용 84㎡는 지난 12월 8억9,800만원에 입주권이 팔리며 사실상 고가주택(9억) 기준에 닿았다.

수영구 집값도 [illegible] 풍선효과가 [illegible]

이후 수도권 지역은 오히려 규제가 강화되면서 이에 따른 풍선효과로 외지 투자가 몰리는 등 해수동 집값이치솟았다. KB부동산 자료에 따르면 올 상승률은 해운대구가 23.25%로 서울(14.12%)은 물론 서울에서 가장 많이 오른 노원구(23.82%)와 비슷한 수준이다.부산 수영구도 20.57%로 해운대구에 이어 두번째를 기록.

정부는 이에 1년만인 11월 20일 부산 해운대와 수영, 동래, 연제, 등을 김포시와 함께 조정대상지역으로 다시 지정했다. 이후 거래량은 다소 줄었으나 매도자들의 호가가 떨어지지 않으면서 시세는 높게 유지되고 있다.

수영구의 한 공인중개사는 "수요가 줄었다기 보다 11월 조정지역이 되면서 대출 규제를 받는 바람에 실수요자들이 눈치를 보고 있다"며 "집주인들이 호가를 낮추지는 않는 분위기"라고 전했다. 전용 84㎡가 약 9억원대에 거래되는 한 단지 앞의 또다른 공인중개사 역시 "6월 양도세 중과를 앞두고 다주택자 매물이 나오긴 하는데 가격을 낮춰 내놓지는 않는다"고 말했다.

/김흥록 기자 rok@sedaily.com

STATE OF NEW YORK)
) ss.:
COUNTY OF QUEENS)

AFFIDAVIT OF TRANSLATOR

Stephen K. Kim, being duly worn, deposes and says:

1. That the translation of the accompanying *Gone up to 1.3 Billion, and how?...Busan 'Suyeong-gu' Outrun Seoul*, which is written in a foreign language, *i.e.* Korean, was made by the deponent at the request of Younghoon Ji, Esq.

2. That deponent is ably qualified to make the translation of the document from Korean into English by virtue of the following qualifications:

   I was born in Korea and lived there until I finished my college education and fulfilled military service. I lived in Korea for 27 years. Korean is my first language. Then I studied in Taiwan and received a master's degree in political science. I came to the United States in 1979 to study at Arizona State University in Tempe, Arizona where I completed the Ph.D. program in political science.

   I am fluent in the languages of English and Korean. I have been managing and operating a company, called Han Young Translation Service, since 1992, rendering translation services in the Korean-American community of the greater New York area.

3. That deponent's translation is a true and accurate and complete translation of the document.

STEPHEN K. KIM

Subscribed and sworn to before me
this 27th day of April, 2021

PAUL M. CHIN
Notary Public, State of New York
No. 41-4779333
Qualified in Queens County
Commission Expires 7/25/2022

Busan Suyeong, 'Re-designated' as Regulated Area, Will House Prices Surpass Seoul?

Out-of-Town Investors Surge causing 'Balloon Effect'
Average Sale Price per ㎡ is ₩7,580,000
Outran Seoul Geumcheon-gu for two months
Surpassed Seoul in Overall Average Price

Reporter Heungrok Kim rok@sedaily.com 2021. 02. 08 18:40:00 Economy Trend

Apartment prices in Suyeong-gu, Busan surpass not just the fair market value in Seoul but also Geumcheon-gu, Seoul. The apartment prices in the Seoul metropolitan area skyrocketed but this is a new phenomenon appearing in Busan following the steep increase in house prices in Hae · Su · Dong (each stands for Haeundae-gu, Suyeong-gu, Donglae-gu). Suyeong-gu had repeatedly been designated – repealed – re-designated as a regulated area [to curb house prices].

According to KB House Price Trend on the 8th, as of January, the sale price per ㎡ of apartments in Suyeong-gu hit ₩7,589,000 which is higher than that of Geumcheon-gu, Seoul (₩7,502,000) for two successive months. It is the first time in two years, since 2018, that Suyeong-gu apartment prices beat that of Geumcheon-gu, Seoul.

The sale price per ㎡ in Suyeong-gu exceeds the average price (₩7,540,000) in the Seoul metropolitan area. This phenomenon in which the house prices of Suyeong-gu beat the average house price of the Seoul metropolitan area first appeared in November last year and has continued for three months. About a year ago, the average apartment sales price per ㎡ in Suyeong-gu, Busan, was more than ₩1,000,000 less than that of the Seoul metropolitan area. However, it skyrocketed last year.

Analysis shows that skyrocketing house prices in Suyeong-gu attributes to the balloon effect caused by the repetition of designation – repeal – re-designation of regulated areas.

As the apartment prices in Hae · Su · Dong swung upwardly in full-scale in 2016, the government designated Suyeong-gu as a regulated area in November that year. When the apartment prices were going down the government released Suyeong-gu along with Donglae-gu, Haeundae-gu from the regulated areas in November 2019. That is when the house prices in Hae · Su · Dong skyrocketed. At that time the government tightened regulations in the Seoul metropolitan areas causing the balloon effect that drove out-of-town investors to Hae · Su · Dong, which resulted in the skyrocketing house prices.

In about a year, on November 20 last year, the government again designated Haeundae-gu, Suyeong-gu, Donglae-gu, Yeonje-gu along with Gimpo-si as regulated areas. Transactions have somewhat shrunk since but the market continues with similarly high prices because sellers are not willing to lower their asking prices.

If we look at major apartment complexes, 109 ㎡ of Centum Vista Dongwon apartment in Minlak-dong, Suyeong-gu was recently sold for 1.3 billion [Korean won], a record breaker. 84 ㎡ of Gwangan Aileen Yard in Gwangan-dong, where the first move-in is scheduled in March, the move-in right was sold last December for ₩890,000,000. It reached the threshold of high-priced residential house (₩900,000,000).

A real estate agent in Suyeong-gu says, "It is not that demand shrank but actual buyers would wait and see which way the wind blows because loan is tightened up as a result of the designation in November of the regulated areas. Owners won't lower the asking prices." Another agent also says, "With heavy transfer taxes to be imposed in June, multi-home owners would put apartments on the market but won't lower the asking prices." "Home owners anticipate the prices to go up after the special election."

Some apartment complexes become restless for redevelopment issues. For instance, at Samik Beach in Namcheon-dong, an apartment of 42 ㎡ was sold for 900 million [Korean Won] and 131 ㎡ for 2 billion [Korean Won]. A real estate agent nearby says, "30 pyeong (or 99 ㎡) apartment would not sell below 15 billion [Korean won]." The price for Geukdong apartment in Minlak-dong, a 25-unit apartment building that was built 25 years ago, increased by two-fold in four months. A 82 ㎡ apartment was sold for ₩253,000,000 last September, and the same size apartment was sold at ₩500,000,000 on the 31st day of last month.

Ji Hye Yoon, senior research fellow at Realty 114, says, "As Samik Beach in Suyeong-gu became the symbol of redevelopment, if redevelopment projects are pushed ahead at apartment complexes in the five metropolitan cities, those old downtown areas will have high hopes. It can be anticipated that the housing market will be revitalized around the old downtown areas of ancient metropolitan cities where redevelopment projects have not yet started."

Reporter Heungrok Kim rok@sedaily.com

규제지역 '해제-재지정' 부산 수영, 서울 집값 앞지르나

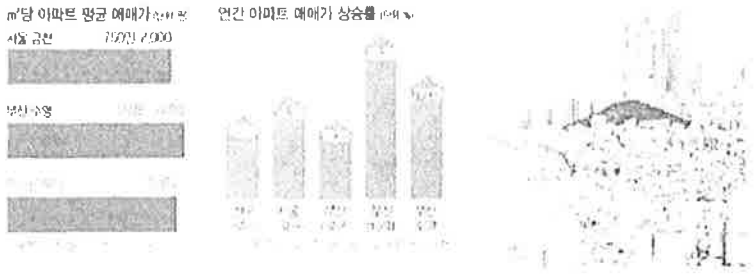
외지투자 몰리며 '풍선효과'
㎡당 매매 평균가 758만원
서울 금천구보다 두달째 앞서
수도권 전체 평균가격도 추월

김흥록 기자 rok@sedaily.com 2021-02-08 18:40:00 경제동향

부산 아파트 전경./서울경제DB

부산 수영구 평균 아파트 값이 수도권 전체 평균은 물론 서울 금천구 시세를 앞서고 있다. 서울 등 수도권 아파트 값 상승세가 가팔랐지만 이른바 부산의 '해·수·동(해운대구·수영구·동래구)'을 중심으로 집값이 급등하면서 나타난 새로운 현상이다. 수영구는 규제 지역 지정과 해제, 재지정을 반복한 지역이다.

8일 KB주택가격동향에 따르면 1월 서울 부산 수영구의 ㎡당 아파트 평균 매매가격은 758만 9,000원을 기록해 서울 금천구(750만 2,000원)보다 높다. 지난달에 이어 두 달째 연속이다. 수영구 아파트 값이 서울 금천구보다 높은 시세를 보이는 것은 지난 2018년 이후 2년 여 만이다.



수영구 ㎡당 매매가는 수도권 전체 평균 매매가(754만 원)도 앞서고 있다. 수영구 집값이 수도권 전체 평균을 앞서는 현상은 지난해 11월 처음 발생한 후 석 달째 이어지고 있다. 특히 1년여 전까지만 해도 부산 수영구의 ㎡당 아파트 평균 매매가는 수도권보다 100만 원 이상 뒤처졌지만 지난해 가격이 급등했다.

수영구 집값의 상승에는 규제 지역 지정, 해제와 재지정을 거치면서 발생한 풍선 효과가 영향을 미쳤다는 분석이다.

정부는 앞서 2016년 해수동의 상승세가 본격화하자 같은 해 11월 수영구를 조정대상지역으로 지정했다. 이후 아파트 값이 하락하자 2019년 11월 동래구, 해운대구와 함께 규제 지역에서 해제했다. 해수동의 집값이 급등한 것은 이때다. 당시 정부가 수도권 지역의 규제를 강화하면서 이에 따른 풍선 효과로 해수동에 외지 투자가 몰리는 등 집값이 치솟았다.

정부는 이에 따라 1년 만인 지난해 11월 20일 부산 해운대와 수영, 동래, 연제, 등을 김포시와 함께 조정대상지역으로 다시 지정했다. 이후 거래량은 다소 줄었으나 매도자들의 호가가 떨어지지 않으면서 시세는 높게 유지되고 있다.

주요 단지를 보면 수영구 민락동의 '센텀비스타동원' 전용 109㎡는 최근 13억 원에 거래되며 신고가를 기록했다. 오는 3월 입주를 앞두고 있는 광안동 '광안에일린의뜰' 전용 84㎡는 지난해 12월 8억 9,800만 원에 입주권이 팔리며 사실상 고가 주택(9억 원) 기준에 닿았다. ↳ hear our client's premises

수영구의 한 공인중개사는 "수요가 줄었다기보다 11월 조정지역이 되면서 대출 규제를 받는 바람에 실수요자들이 눈치를 보고 있다"며 "집주인들이 호가를 낮추지는 않는 분위기"라고 전했다. 다른 공인중개사 역시 "6월 양도세 중과를 앞두고 다주택자 매물이 나오기는 하는데 가격을 낮춰 내놓지는 않는다"며 "집주인들은 보궐선거 이후 가격이 더 오를 것으로 전망하고 있다"고 말했다.

일부 단지는 재건축 이슈로 인해 들썩거리고 있다. 남천동 '삼익비치' 의 경우 전용 42㎡가 9억 원대, 전용 131㎡가 20억 원대에 거래됐다. 인근 부동산 관계자는 "30평대는 15억 원 이하로는 거래가 어렵다"고 했다. 민락동의 50가구 규모의 준공 25년차 '극동'은 넉 달 만에 두배가 올랐다. 지난해 9월 전용 82㎡가 2억 5,300만 원에 매매됐으나 지난달 31일 같은 평형이 5억 원에 실거래됐다.

STATE OF NEW YORK)
) ss.:
COUNTY OF QUEENS)

AFFIDAVIT OF TRANSLATOR

Stephen K. Kim, being duly worn, deposes and says:

1. That the translation of the accompanying *Busan Suyeong, 'Re-designated' as Regulated Area, Will House Prices Surpass Seoul?* , which is written in a foreign language, *i.e.* Korean, was made by the deponent at the request of Younghoon Ji, Esq.

2. That deponent is ably qualified to make the translation of the document from Korean into English by virtue of the following qualifications:

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3. That deponent's translation is a true and accurate and complete translation of the document.

STEPHEN K. KIM

Subscribed and sworn to before me
this 28th day of April, 2021

PAUL M. CHIN
Notary Public, State of New York
No. 41-4779339
Qualified in Queens County
Commission Expires 7/27/2022

[Check Closely on Busan Real Property – Regulation Target] "Redevelopment · Rebuilding, Commonly Take Over 10 Years ... Need to Check Closely on Location · School District"

Sujeong Kang, President, Korea Association of Realtors (KAR) Busan Suyeong-gu Branch

Watch closely Suyeong Hyundai, Minlak District 2 · Gwangan District 3

Out-of-Town People prefer Long-term Investment Aiming at House Price Increase

Transactions shrank 70% after Regulated Area Designation

Houses Gain Popularity to avoid Floor Noise

It is so called the 'Hae Su Dong' region (which refers to Haeundae-gu, Suyeong-gu, and Donglae-gu) that plays a leading role in pulling up house prices in Busan. Suyeong-gu boasts the highest house prices in Busan. Apartment complexes record high competition rate of application [for pre-construction sale], and the fair market value of the existing apartments and officetels continues going up.

Suyeong-gu is conveniently located. It has the Gwanganri beach, Busan's leading tourist attraction, Namcheon harbor, and Minlak harbor. There are good news for development – Minlak-dong seaside redevelopment, water hotel whale cruise development, seaside strip mall construction, etc.

Suyeong-gu, having a good living environment, won the 2020 Korea Urban Comprehensive Evaluation Award. This award considers the sustainability in general and the level of living infrastructures. Suyeong-gu demonstrated high satisfaction marks in social welfare, cultural facilities, transportation, economy, and living environment. Thanks to that, Suyeong-gu was selected again as a regulated area in November last year. [I] wonder how real estate experts evaluate Suyeong-gu.

I paid a visit to Sujeong Kang (58 · Female), a certified real estate broker. She has been operating 'SK Realty' for 11 years near the Gwangan District 2 Housing Redevelopment site. She has also been working as president of the Korea Association of Realtors Busan Suyeong-gu Branch since August 2019. Ms. Kang said that she considers branch president a public service position. She feels good when she walks around town, every nook and cranny, to offer assistance to welfare recipients and single parent families so that they receive help they are entitled to from Suyeong-gu ward office. The following is our conversation about the real estate market in Suyeong-gu.

- Suyeong-gu real estate market has gained enormous popularity since the year before. Why do people want to live in Suyeong-gu?

First and foremost, it has an ocean view that everybody loves, I guess. People can go to Gwanganri beach in 10 minutes on foot, and can get to the subway within 10 minutes.

- Suyeong-gu was designated again as a regulated area last November. How did Suyeong-gu real estate market react?

Presently, Suyeong-gu's house prices keep balance without going down. As a matter of fact, the price went down when it was designated as a regulated area in 2019. However, it was removed from the regulated area list in November 2019 and the price skyrocketed as demand soared. Now house owners know prices will go up when regulated area is repealed and won't lower the asking price. Real estate price won't go down readily.

- How did regulated area designation affect transaction volume?

Although actual prices remain the same, transaction volume has decreased by 70%. Once designated as a regulated area, prospective buyers are unable to buy because getting loans is not easy; and owners wouldn't sell in fear of high transfer taxes. Moreover, owners who own more than one house, will face stiff taxes that they cannot think of selling their houses easily. For that reason transaction volume shrank considerably.

- How about rental – Jeonse · Weolse?

Jeonse · weolse tend to be recurring. Those who rented two years ago would go out upon expiration of contract to find a new house and, therefore, it recurs periodically. Therefore, the volume of Jeonse · Weolse remains the same. *Jeonse is a long-term rental on a lump-sum payment which is to be paid back at the end of the term; and Weolse is monthly rental.

- What part of Suyeong-gu do you recommend?

In Suyeong-gu there are plenty of newly built and redeveloped apartments for sale. I would recommend Suyeong Hyundai apartment, Minlak District 2 Redevelopment and Gwangan District 2 Redevelopment considering the fact that actual buyers are very concerned about the location and school district.

- It might differ from *dong* (or village) to *dong* in Suyeong-gu. Please explain. Let's take Namcheon-dong, Gwangan-dong, and Minlak-dong first.

Namcheon-dong is the typical affluent village in Suyeong-gu. Old apartments like Samik Beach and Beach Town hold the price structure. It is the place to grow more by redevelopment and rebuilding. Gwangan-dong is not just known for Gwanganri beach but also Gwangan · Suyeong subway lines run nearby that make people think it is a good place to live. Gwangan Xi apartment is leading the bull market, and SsangyongYega, the Sharp also gain popularity. Minlak-dong is gaining reputation as a place for younger people with newly built apartment ePyeonHanSeSang into which residents moved the year before. The apartment, with prices 2 – 300,000,000 lower than that of Gwangan-dong apartments, seems to appeal to young people.

- What about Suyeong-dong and Mangmi-dong?

No newly built apartments in Suyeong-dong. The leading apartment in Suyeong-dong is Hyundai apartment which is considered the number one candidate for redevelopment. It all depends on how Hyundai apartment is redeveloped. Also, since this area is close to Haeundae Centum there is unlimited room for improvement. Mangmi-dong is a bit of a remote area, for it is far from the ocean. However, as the real estate prices as a whole in Suyeong-gu go up, people watch it with growing interest. The area attracted public interest as residents moved into the SK apartment the year before.

- What sort of real properties are popular among prospective buyers?

First and second floor commercial spaces in residential-commercial apartment buildings near the ocean are in great demand. Commercial spaces are usually used for coffee shops or restaurants. Also, mixed-use houses, 1st floor of which is for commercial use and 2nd floor residential, are very popular. More and more people now look for houses because of floor noise. Young people look for houses to provide their child with an environment where they can play as much as they like without caring about noises.

- Apartment remodeling seems booming with large apartment complexes taking the lead in the Seoul metropolitan area. Same trend appears in Busan, and how about Suyeong-gu?

It takes time and money to replace old apartments with new ones. Therefore, people seem to prefer remodeling because they can add the number of floors or expand the floor size without demolishing apartment buildings. In Suyeong-gu Dongwon Vist and Hanshin ePyeonHanSeSang are remodeling apartments. Of course, some residents prefer redevelopment. It is yet to be seen.

- Out-of-town investors are growing in Suyeong-gu focusing on Namcheon-dong redevelopment area. What is the actual ratio of out-of-town people to local people?

Out-of-town people seem to have found out more quickly than Suyeong-gu residents, who don't care much, about the possibility of rising house prices. About 3 transactions out of 10 are made by out-of-town buyers. Inquiry from Seoul and the vicinity is steady. Actually, the majority of units of Samik Beach in Namcheon-dong are owned by out-of-town owners. Those apartments would easily sell well over 1 billion Korean won, and it is not easy for ordinary people to have such a large amount in cash. That's why many out-of-town people with ready money invest in apartments. Namcheon-dong and Gwangan-dong are the popular areas.

- Are there gap investors who raise the price in a short period of time and get away?

Out-of-town buyers who invest in Suyeong-gu don't seem to sell in a short period of time. The real estate prices steadily go up in Suyeong-gu; and people know it will continue to go up. They seem to hold on to their real properties.

- What is the ratio of investors to actual owners?

If 3 transactions out of 10 are for investment by out-of-town people, 3 transactions out of the remaining 7 are for investment purposes and 4 for residence in Busan.

- It is said there are 16 apartments that sell over 1 billion Korean won in Suyeong-gu. How much do you think it cost in general to buy an apartment in Suyeong-gu?

Gwangan Xi apartment units, into which residents began to move last August, were sold over 1.2 billion Korean won. It would be fair to say that the deal was made with 60% mortgage and the rest cash payment. I think old apartments of 34 pyeong (or 112 ㎡) sell at 800 million – 1 billion Korean won.

- What's your advice to ordinary people who want to buy a house or apartment?

Many people want to know about redevelopment and rebuilding. Some people would recklessly go after redevelopment or rebuilding. That's not the way to do it. In general, redevelopment would take more than 10 years from beginning to end. Buyers would often overlook it and only think about moving into new apartments. One must carefully check on the duration of construction and conditions of location – the distance to the subway and school – when buying redeveloped real property.

- How do you view the future of Suyeong-gu's real estate market?

It may remain as a regulated area until the presidential election next year. There is a possibility it will be removed from the regulated area list the following year. I would expect a change in December at the earliest. Public sentiment is no good because of bungled real estate policies. And there is the LH incident. It would be difficult to get the area removed from the regulated area list as things go. I expect real estate prices in Suyeong-gu to remain pretty much the same.

- The real estate market led by Hae Su Dong go strong. Also, the old downtown will improve thanks to the development of the North port. How do you look over the future of the real estate market of Busan?

It would take 10-20 years for the development of North port and laying the infrastructures. For that reason, I think that Haeundae-gu, Suyeong-gu, and Nam-gu will lead the real estate market in the Busan area.

- Any suggestions on the government real estate policies?

In Suyeong-gu's case, Mangmi-dong is considered an alienated area. It is hard for people to buy and sell real properties in Mangmi-dong because the entire Suyeong-gu is bound as the regulated area. I would hope for *pincette* (or tweezers) regulations for *dong* by *dong*. Further, it is hard for those who don't own a house or newly married couples to buy a house or an apartment because loans are restricted. If the government tightens loans, there should be tax incentives. However, the transfer taxes went up, leaving people in dilemma – can't buy and sell. Despite that, real estate prices go up. I hope the government designs real estate policies for the public.

Reporter Cheong Hee Jang

[조정대상 부산 부동산 점검] "재개발·재건축, 10년 이상 걸리는 일 다반사…입지·학군 꼼꼼히 따져야"

A 정형희 기자 승인 2021.03.18 09:45

강수정 한국공인중개사협회 부산지회 수영구지회장

수영현대, 민락2구역·광안3구역 '주목'

집값 상승에 외지인 장기투자 선호

조정지역 후 체감 거래량 70% 하락

최근 층간소음 문제로 주택도 인기

부산 집값 상승을 주도하는 지역은 해운대와 수영구, 동래구 등 이른바 '해수동' 지역이다. 이 중 수영구는 부산 집값 1위 지역으로 꼽힌다. 분양 단지들은 높은 청약경쟁률을 기록하고 기존 입주한 아파트와 오피스텔의 시세도 꾸준히 상승 중이다.

수영구는 입지여건이 탄탄하다. 부산의 대표적인 관광지 광안리해수욕장을 비롯해 남천항, 민락항을 끼고 있다. 민락동 해안가 재개발, 수상호텔 웨일크루즈 개발, 해안도로변 스트리트 상권 조성 계획 등 다양한 개발 호재가 있다.

정주여건도 좋아 '2020대한민국 도시대상' 종합평가 1위를 기록했다. 이 상은 도시의 전반적인 지속가능성과 생활 인프라 수준을 평가하는 상으로 수영구는 사회복지, 문화시설, 교통, 산업경제, 생활환경 등에서 만족도가 높았다. 덕분에 수영구는 지난해 11월 일찌감치 조정대상지역으로 재선정됐다. 부산 부동산전문가들은 수영구에 대해 어떻게 평가하고 있을까.

대답을 듣기 위해 강수정(58·여) 공인중개사를 만났다. 그는 광안2구역 주택재개발 정비사업지 주변에서 11년째 'SK부동산'을 운영 중이다. 2019년 8월부터는 한국공인중개사협회 부산시지부 수영구지회장으로도 활동하고 있다. 강 대표는 지회장 자리가 봉사직이라고 생각한다고 했다. 특히 동네 구석구석을 다니며 도움이 필요한 기초수급자나 한부모 가정을 구청에 연결하는 중간통로로 활약할 때는 뿌듯하다고 했다. 그에게 수영구 부동산 시장에 대해 묻자 기다렸다는 듯이 물음에 답했다.

- 수영구 부동산 시장이 재작년부터 인기가 급상승하고 있다. 사람들이 수영구에 살고 싶어하는 이유는 무엇일까.

"사람들이 선호하는 바다뷰를 가지고 있다는 점이 가장 클 것 같다. 10분 정도면 광안리 바닷가를 갈 수 있고 10분 이내에 지하철을 이용할 수 있다는 점이 크게 작용했다."

수영구가 지난해 11월 다시 조정대상지역으로 묶였다. 이후 수영구 부동산 가격이 어떻게 유지되고 있는가.

"현재 수영구 주택가격은 떨어지지 않고 보합세를 유지하고 있다. 사실 2019년 조정대상지역으로 묶이기 전에 가격이 내려갔었다. 하지만 2019년 11월 조정대상지역이 해제되면서 수요가 폭발해 가격이 급등했다. 이제 집주인들은 조정대상지역이 묶인 후 풀리면 가격이 오른다는 것을 알기 때문에 쉽게 가격을 내리지는 않는다. 그래서 부동산 가격이 쉽게 떨어지지는 않을 것 같다."

- 조정대상지역 선정 후 거래량에 어떤 변화가 있었는지 궁금하다.

"실제 가격은 거의 같은데 거래량은 70% 정도 줄었다. 조정대상지역으로 선정되면 수요자들은 집을 사고 싶어도 대출이 쉽지 않아 집을 못 사고 집주인은 집을 팔고 싶어도 양도세가 부담이 되니까 쉽게 팔 수 없는 것 같다. 또 2주택자 부터는 세금이 크게 오르니까 집을 쉽게 못사는 것 같다. 그러다보니 거래량이 많이 줄었다."

- 전월세 물량은 어떠한가.

"전월세 물량은 순환되는 속성을 가지고 있다. 2년 전 전월세 계약을 했던 사람들이 2년 후 계약이 만기돼 새로운 집을 구해야하기 때문에 자연스럽게 순환이 이뤄진다. 그래서 전월세 물량은 그대로 유지가 되고 있다."

- 최근 수영구에서 추천할만한 지역은 어디인가.

"수영구에는 신축 물량도 있지만 재개발·재건축 물량이 많은 편이다. 실소유자들은 입지나 학군을 많이 보는 편인데 이를 고려해 수영현대아파트, 민락2구역재개발, 광안3구역재개발 등을 추천하고 있다."

- 수영구 내에서도 동별로 차이가 있을 것이다. 동별로 나눠서 설명해 달라. 먼저 남천동, 광안동, 민락동을 부탁드린다.

"남천동은 수영구 전체를 대표하는 지역으로 대표적인 부촌이다. 삼익비치나 비치타운과 같은 구축 아파트들이 가격을 크게 형성하고 있다. 앞으로 재개발·재건축이 돼 더 발전할 수 있는 지역이다. 광안동은 광안리 바닷가도 있지만 광안, 수영 지하철이 가까워 사람들에게 살기 좋은 곳이라는 인식이 있다. 광안자이아파트가 대장아파트로 상승세를 이끌고 있고 쌍용예가, 더샵 등이 뒤이어서 인기를 얻고 있다. 민락동은 e편한세상아파트 등 신축 아파트가 재작년부터 입주를 하면서 젊은 층이 많이 사는 동네라는 느낌이 있다. 광안동 아파트보다 2~3억원 정도 싼 것이 젊은 층에게 많이 작용한 것 같다"

- 수영동과 망미동은 어떤가.

"수영동은 신축은 거의 없다. 수영동 대장아파트는 현대아파트로 재건축 1순위로 꼽힌다. 현대아파트가 어떻게 재건축되느냐에 따라 많이 달라질 것 같다. 또 이 지역은 해운대 센텀과 가까워 발전가능성이 무궁무진하다. 망미동은 바다에서 조금 멀다보니까 조금 소외되는 지역이다. 하지만 수영구 전체 부동산 가격이 오르니까 사람들의 관심이 커지고 있다. 재작년에 SK아파트가 입주하면서 관심을 받기도 했다."

- 수요자들에게 인기가 있는 부동산 물건은 어떤 것인가.

"바닷가 쪽에 있는 주상복합건물 중 1~2층 상가들은 꾸준히 수요가 있다. 상가는 보통 커피숍이나 음식점으로 활용한다. 또 1층은 상가, 2층은 주택으로 사용하는 상가주택도 인기다. 최근에는 주택을 찾는 고객들도 늘어나고 있다. 층간 소음이 사회문제이지 않나. 아이들이 층간 소음에 신경 안 쓰고 뛰어놀 수 있는 환경을 만들어주려는 젊은 층이 주택을 찾고 있다."

- 최근 수도권 대형아파트 단지를 중심으로 아파트 리모델링도 활발한 것 같다. 부산도 리모델링 열풍이 불고 있는데 수영구는 어떤가.

"낡은 아파트를 바꾸기에는 비용이 많이 들고 시간이 오래 걸리다 보니 아파트를 부수지 않고 자체 층수를 높이거나 면적을 넓힐 수 있는 리모델링을 선호하는 주민들이 늘어나고 있다. 수영구에도 동원비스트나 한신 e편한세상 등이 리모델링 아파트로 거론되고 있다. 하지만 한편에서는 재건축을 원하는 주민들도 있기 때문에 두고 봐야할 것 같다."

- 남천동 재개발지역을 중심으로 수영구에 외지인 투자가 늘어나고 있다. 실제 외지인 비율은 어느 정도인가.

"수영구에 살고 있는 주민들은 정작 집값을 잘 모르는데 외지인들은 집값이 오르는 것을 더 빨리 아는 것 같다. 실제 10건 정도 거래를 하면 3건 정도는 외지인이다. 서울을 비롯한 수도권에서 오는 문의가 꾸준하다. 실제도 남천동 삼익비치아파트는 외지인 소유인 경우가 많다. 사실 이런 아파트들은 10억원이 훌쩍 넘는데 일반인이 현금 10억원을 가지고 있기란 쉽지 않다. 그러다보니 현금을 보유한 외지인들이 투자하는 경우가 많다. 남천동, 광안동이 특히 인기지역이다."

- 외지인 투자자 중 단기간에 가격을 올리고 빠지는 갭투자자들이 많나.

"수영구에 투자한 외지인들은 단기간에 사고 팔지는 않는 것 같다. 수영구 부동산 가격이 꾸준히 오르다 보니까 계속 오른다는 생각을 가지고 있어서 (부동산 물건을) 들고 있는 경우가 많다."

- 투자자와 실소유자 비율은 어떻게 되나.

"실제 거래 10건 중 3건이 외지인 투자면 나머지 7건 중 3건은 부산 내에서 투자를 목적으로 집을 구입하는 사람들이고 나머지 4건은 수영구 내에서 거주 목적으로 집을 구입하는 사람들이라고 볼 수 있다."

- 수영구에 실거래가가 10억원 이상인 아파트가 16곳이라고 한다. 수영구에서 일반적으로 아파트를 구입하려면 어느 정도 비용이 드나.

"지난해 8월 입주를 시작한 광안자이아파트가 12억원에 거래가 됐다. 12억원 중 대출이 60%이고 나머지는 현금으로 계산했다고 보면 된다. 34평 기준 구축아파트도 최소 8억원~10억원 선은 하는 것 같다."

- 일반인들이 주택이나 아파트를 살 때 주의해야할 점이 있다면 무엇인가.

"문의를 해오는 사람들 중에 재개발·재건축 관련이 많다. 재개발·재건축이라고 하면 묻고 따지지 않고 바로 계약하는 경우가 많은데 그러면 안 된다. 일반적으로 재개발은 재개발구역지정부터 관리처분인가까지 10년 이상 걸리는 경우가 다반사다. 고객들이 오래 걸린다는 점을 간과하고 새 아파트에 간다는 생각에 섣부르게 판단하는 경향이 있다. 재개발 부동산을 살 때는 재개발 기간이 얼마가 걸리는지, 지하철역과는 몇 분 거리인지, 학교는 얼마나 가까운지 등과 같은 기간과 입지조건을 꼼꼼히 따져봤으면 한다."

- 향후 수영구 부동산 시장이 어떻게 될 것으로 예상하나.

"내년 대통령 선거 전까지는 조정대상지역으로 그대로 갈 것 같다. 그 이후에 조정대상지역 해제 가능성도 있다. 빠르면 12월에도 변화가 예상된다. 최근 부동산 관련으로 민심이 좋지 않다. LH사태도 있고 하니까. 이런 분위기로는 (조정대상지역 해제가) 무리다. 수영구 부동산 가격은 떨어지지 않고 보합세를 유

지할 것으로 본다."

- '해수동' 중심의 부동산 시장 강세가 이어지고 있다. 북항 재개발로 원도심의 발전이 예상되는데 향후 부산지역 부동산 시장을 어떻게 전망하나.

"북항 재개발이 이뤄지고 기반시설이 조성되기까지는 10~20년이 걸린다. 그래서 향후에도 해운대구, 수영구, 남구가 부산지역 부동산 시장을 끌고 나갈 것이라고 예상한다."

- 정부의 부동산 정책과 관련해 건의사항이 있다면.

"수영구의 경우 망미동은 소외지역이라고 볼 수 있다. 그런데 수영구 전체가 조정대상지역으로 묶여서 망미동도 물건을 사고 파는데 제한이 많다. 정부차원에서 동 단위의 핀셋규제가 있었으면 한다. 또 무주택자나 신혼부부들은 대출이 쉽지 않아 '내집마련'이 쉽지 않다. 대출을 막았으면 세금 혜택이 있어야하는데 양도세를 대폭 올려 팔지도 못하고 사지도 못하는 딜레마에 빠져있다. 그 가운데 부동산 가격만 오르는 모양새다. 정부가 좀 더 서민들을 위한 부동산 정책을 마련했으면 좋겠다."

장청희 기자 sweetpea@leaders.kr

장청희 기자 sweetpea@leaders.kr

STATE OF NEW YORK)
) ss.:
COUNTY OF QUEENS)

AFFIDAVIT OF TRANSLATOR

Stephen K. Kim, being duly worn, deposes and says:

1. That the translation of the accompanying *Check Closely on Busan Real Property – Regulation Target*, which is written in a foreign language, *i.e.* Korean, was made by the deponent at the request of Younghoon Ji, Esq.

2. That deponent is ably qualified to make the translation of the document from Korean into English by virtue of the following qualifications:

   I was born in Korea and lived there until I finished my college education and fulfilled military service. I lived in Korea for 27 years. Korean is my first language. Then I studied in Taiwan and received a master's degree in political science. I came to the United States in 1979 to study at Arizona State University in Tempe, Arizona where I completed the Ph.D. program in political science.

   I am fluent in the languages of English and Korean. I have been managing and operating a company, called Han Young Translation Service, since 1992, rendering translation services in the Korean-American community of the greater New York area.

3. That deponent's translation is a true and accurate and complete translation of the document.

STEPHEN K. KIM

Subscribed and sworn to before me
this 27th day of April, 2021

PAUL M. CHIN
Notary Public, State of New York
No. 41-4779339
Qualified in Queens County
Commission Expires 1/28/2022

How about getting a Lottery Apartment in the High-priced Purchase Right Control Area – Busan Suyeong-gu?

Money S Reporter In Gwi Kang 2020.11.04 17:35

As Busan's leading counties Haeundae-gu, Suyeong-gu, Donglae-gu (hereinafter referred to as "Hae Su Dong") maintain the high-priced purchase right control area status, buyers' interests are high for new apartment complexes. It is because, even though new apartment prices tend to be reasonable in the high-priced purchase right control areas, the house prices in Hae Su Dong are going up steadily.

Korea Housing and Urban Guarantee Corporation (HUD) designated in April 2018 Haeundae-gu, Suyeong-gu, Donglae-gu, Nam-gu, and Yeonje-gu of Busan as high-priced purchase right control areas. Since then, Nam-gu and Yeonje-gu have been removed from the control area list in September last year, and now only Haeunde-gu, Suyeong-gu, and Donglae-gu maintain the control area status.

A person familiar with the housing market explains that high-priced purchase right control areas are the popular areas that need to be regulated due to the continued increase in sale prices. Haeundae-gu, Suyeong-gu, and Donglae-gu in Busan are actual hot residential areas, and therefore, have potential for more increase in fair market value.

After being designated as high-priced purchase right control area, the purchase price for 84 ㎡ of 'Gwangan Aileen Yard' (sold in 12/2018) was set for ₩539,000,000 (10^{th} floor basis). According to actual transaction price published by the Ministry of Land, Infrastructure and Transport, 84 ㎡ of the nearby 'Gwangan-dong SsangyongYega the Ocean' (move-in in 11/2014) was sold (in 11/2018) for ₩570,000,000 (10^{th} floor), which shows that 'Gwangan Aieen Yard' was sold for lower than the fair market value. After that, 84 ㎡ of 'Gwangan Aileen Yard' has recently been sold for ₩785,800,000 (10^{th} floor).

The initial sale price of 84 ㎡ of 'Namcheon the Sharp Prestige' (sold in 09/2018) in Namcheon-dong, Suyeong-gu was ₩549,600,000 (8^{th} floor – 22^{nd} floor basis). The sale price was set cheaper than the fair market value compared to 84 ㎡ of the nearby 'Namcheon GeumhoEoullim Beach' (move-in in 09/2019) which was sold for ₩600,000,000 (11^{th} floor – 16^{th} floor) in September 2019. Presently, the purchase right for 84 ㎡ of 'Namcheon the Sharp Prestige' is sold for ₩1,051,100,000, which shows an increase by ₩500,000,000.

As the purchase right prices are reasonable in contrast to local fair market value, there would be room for price increase. According to the Korea Appraisal Board, 'Ssangyong the Platinum

Haeundae' (move-in being in 02/2022) in Jung-dong, Haeunde-gu, Busan, which was sold last March, marked the average competition rate of 226:1. The sale price of 3.3 ㎡ of this apartment complex was ₩17,490,000 that was cheaper compared to 3.3 ㎡ of the neighboring Jung-dong Apartment, the average sale price of which was ₩17,680,000 - ₩17,570,000 (February – March 2020 basis).

People in real estate business say, "The high-priced purchase right control areas, in other words, are attractive areas where prices would go up steeply," and "being very popular residential areas, now apartments are supplied at a reasonable price because price is controlled, prospective buyers would have no reason to hesitate to apply for pre-construction sales."

'Hillstate Namcheonyeok the First,' which will be offered by Hyundai Engineering at 340-1 Namcheon-dong, Suyeong-gu, Busan Metropolitan City coming November, is one of the high-priced purchase right control apartment complexes. It sits in Suyeong-gu, known as one of the best residential areas in Busan, and its location can offer a one-stop living environment. Moreover, the price seems to be reasonable which will attract prospective buyers' interest.

This year, Suyeong-gu had two apartment complexes that successfully closed pre-construction sales. Namcheon Woosung Smart Cityview marked a 11:1 competition rate for first round in June, and Gwangan Kyeongdong Liin a 35:1 competition rate for first round in July. According to reports of Real Estate 114, the prices for 3.3 ㎡ of the two complexes were ₩15,060,000 and ₩17,540,000 respectively, which is reasonable compared to that of the neighborhood.

'Hillstate Namcheonyeok the First' is conveniently located near Busan's No. 2 Subway Line Namcheonyeok Exit 4 – station influenced area with the best access to transportation – and Namcheon Elementary School is 400m away from the apartment complex. The complex has a good educational environment with Namcheon Middle School, Busan Dong Girls' High School, and Suyeong-gu Library around; and Lotte Hi Mart (Namcheon branch), Mega Mart, Pukyong University shopping district, and Namcheon beach market nearby.

'Hillstate Namcheonyeok the First' has two buildings – each 34 stories and 5 basement floors – with 217 units of exclusive area of 70 - 84 ㎡. There shall be an arcade in the size of 3,572 ㎡ on the 1st and 2nd floors, and residential apartments from the 3rd floor to 34th floor.

고분양가 관리지역 '부산 수영구'서 로또 아파트 잡아볼까?

머니S 강인귀 기자 | 입력 : 2020.11.04 17:35

부산광역시 대표 도시인 해운대구 수영구 동래구(이하 해수동)가 여전히 고분양가 관리지역을 유지하고 있어 앞으로 나올 신규 단지에 대한 수요자들의 관심이 높다. 고분양가 관리지역 지정으로 신규 아파트 분양가가 합리적으로 나올 수 밖에 없는 상황에서 부산 해수동 지역 집값은 꾸준히 오르고 있기 때문이다.

주택도시보증공사(HUG)는 2018년 4월 부산 해운대구, 수영구, 동래구를 비롯해 남구와 연제구를 고분양가 관리지역으로 지정했다. 이후 지난해 9월 남구와 연제구가 고분양가 관리지역에서 해제되면서 현재는 해운대구와 수영구, 동래구만 고분양가 관리지역을 유지하고 있는 상황이다.

주택시장에서는 고분양가 관리지역은 정책으로 규제를 가해야 할 만큼 수요자들에게 인기가 많고, 매매가 상승이 지속적으로 이뤄지는 곳이라 설명하고 있다. 실제로 부산 해운대구와 수영구, 동래구는 주거선호도가 높고 시세 상승 여력이 높다는 공통점을 갖추고 있다.

고분양가 관리지역으로 지정 된 후 수영구 광안동에 공급된 '광안 에일린의 뜰'(2018년 12월 분양) 분양가는 전용 84㎡ 기준으로 5억 3920만원~5억 4420만원(10층 기준)에 책정됐다. 국토교통부 실거래가에 따르면, 인근에 위치한 '광안동 쌍용 예가 디오션'(2014년 11월 입주) 전용 84㎡가 당시(2018년 11월) 5억 7000만원(10층)에 매매거래 돼 시세 보다 저렴하게 공급됐다는 걸 알 수 있다. 분양 후 '광안 에일린의 뜰' 전용 84㎡ 분양권은 최근 7억 8580만원(10층)에 거래됐다.

수영구 남천동에서 공급된 '남천 더샵 프레스티지'(2019년 9월 분양) 전용84㎡ 기준 초기 분양가는 5억 4960만원(8층~22층 기준)이다. 인근에 위치한 '남천 금호어울림 더 비치'(2019년 9월 입주) 전용 84㎡가 2019년 9월 6억원(11~16층)대에 매매거래 된 것과 비교하면 시세보다 저렴하게 분양가격이 책정됐다. 현재 '남천 더샵 프레스티지'의 전용 84㎡ 분양권은 9월 10억 5110만원(8층)에 거래돼 약 5억원 가량이 상승했다.

이처럼 지역시세 대비 합리적인 가격으로 분양가가 책정되다 보니 분양 후 가격 상승여력이 높다는 업계 관계자의 설명이다. 한국감정원에 따르면, 지난 3월 부산 해운대구 중동에서 분양한 '쌍용 더 플래티넘 해운대'는(2022년 2월 입주예정) 평균경쟁률 226대 1로

세자리 수 경쟁률을 기록했다. 이 단지의 3.3㎡당 분양가는 1749만원으로 단지가 위치한 중동 아파트의 3.3㎡당 평균 매매가 1768만원~1757만원(2020년 2월~3월 기준)보다 저렴했다.

업계관계자는 "고분양가 관리지역은 비교 생각하면 부동산 시장 인기 지역이라 해석할 수 있고 수요자들의 선호도가 높은 만큼 시세 상승도 가파른 곳이다"라며 "기존에도 주거지로 인기가 좋은 곳인데 고분양가 제한으로 다른 곳보다 합리적인 분양가로 공급 되니 수요자 입장에선 큰 호재라 청약을 망설일 이유가 없다"고 설명했다.

다가오는 11월 부산광역시 수영구 남천동 340-1번지 일대 현대엔지니어링에서 공급에 정인 '힐스테이트 남천역 더퍼스트'도 고분양가 관리를 받는 단지 중 하나다. 부산 대표 주거지역으로 불리는 수영구에 들어서며 원스톱 생활이 가능한 입지를 지닌데다, 합리적인 분양가로 공급될 것으로 보여 수요자들의 관심이 높은 상황이다.

단지가 들어서는 수영구는 올해 2개의 단지가 분양을 마쳤으며, 모두 준수한 성적을 나타냈다. 6월 분양한 '남천 우성스마트 시티뷰' 11대 1의 1순위 청약경쟁률, 7월 분양한 '광안경동리인'은 35대 1로 1순위 마감에 성공했다. 부동산114에 자료에 따르면, 두 단지의 3.3㎡당 분양가는 각각 1506만원, 1754만원으로 주변시세 대비 합리적인 가격으로 공급됐다.

힐스테이트 남천역 더퍼스트는 부산지하철 2호선 남천역 4번 출구가 단지 바로 앞에 있는 초역세권 단지이며, 남천초등학교가 단지 약 400m거리에 위치해 있다. 남천중, 부산동여고, 수영구 도서관 등 교육환경 인프라를 갖췄으며, 롯데하이마트(남천점), 메가마

트, 부경대 쇼핑거리, 남천해변시장 등 편의시설이 가까이 있어 편리한 이용이 가능하다.

힐스테이트 남천역 더퍼스트는 지하 5층~지상 34층 2개동 전용면적 70~84㎡ 총 217가구로 이뤄져 있다. 지상 1~2층에는 3,572㎡ 규모의 단지 내 상업시설이 조성되며, 지상 3층부터 34층까지는 아파트가 들어선다.

이 기사 주소 | https://news.mt.co.kr/newsView.php?no=2020110417358083602

STATE OF NEW YORK)
) ss.:
COUNTY OF QUEENS)

AFFIDAVIT OF TRANSLATOR

Stephen K. Kim, being duly worn, deposes and says:

1. That the translation of the accompanying *How about getting a Lottery Apartment in the High-priced Purchase Right Control Area?*, which is written in a foreign language, *i.e.* Korean, was made by the deponent at the request of Younghoon Ji, Esq.

2. That deponent is ably qualified to make the translation of the document from Korean into English by virtue of the following qualifications:

   I was born in Korea and lived there until I finished my college education and fulfilled military service. I lived in Korea for 27 years. Korean is my first language. Then I studied in Taiwan and received a master's degree in political science. I came to the United States in 1979 to study at Arizona State University in Tempe, Arizona where I completed the Ph.D. program in political science.

   I am fluent in the languages of English and Korean. I have been managing and operating a company, called Han Young Translation Service, since 1992, rendering translation services in the Korean-American community of the greater New York area.

3. That deponent's translation is a true and accurate and complete translation of the document.

STEPHEN K. KIM

Subscribed and sworn to before me
this 27th day of April, 2021

PAUL M. CHIN
Notary Public, State of N
No. 41-4779382
Qualified in Queens County
Commission Expires 2/28/2022

EXHIBIT I

Published Apartment Price

For 19 Hoam-ro 25-beon gil, Suyeong-gu, Busan Metropolitan City
(755-19 Gwangan-dong, Suyeong-gu)

Date of Disclosure	Complex Name	Bldg Name	Unit No	Exclusive Area (m^2)	Apt. Price (₩)
1/1/2020	Gwangan Art Village	None	302	81.07	190,000,000
1/1/2019	Gwangan Art Village	None	302	81.07	165,000,000
1/1/2018	Gwangan Art Village	None	302	81.07	172,000,000
1/1/2017	Gwangan Art Village	None	302	81.07	169,000.000
1/1/2016	Gwangan Art Village	None	302	81.07	156,000,000
1/1/2015	Gwangan Art Village	None	302	81.07	130,000,000
1/1/2014	Gwangan Art Village	None	302	81.07	120,000,000
1/1/2013	Gwangan Art Village	None	302	81.07	120,000,000
1/1/2012	Gwangan Art Village	None	302	81.07	120,000,000
1/1/2011	Gwangan Art Village	None	302	81.07	90,000,000
1/1/2010	Gwangan Art Village	None	302	81.07	70,000,000

Published Apartment Price

For 27 Hoam-ro 25-beon gil, Suyeong-gu, Busan Metropolitan City
(755-16 Gwangan-dong, Suyeong-gu)

Date of Disclosure	Complex Name	Bldg Name	Unit No	Exclusive Area (m^2)	Apt. Price (₩)
1/1/2020	GeumyangTowerville	None	302	84.71	282,000,000
1/1/2019	GeumyangTowerville	None	302	84.71	252,000,000
1/1/2018	GeumyangTowerville	None	302	84.71	271,000,000
1/1/2017	GeumyangTowerville	None	302	84.71	251,000.000
1/1/2016	GeumyangTowerville	None	302	84.71	205,000,000
1/1/2015	GeumyangTowerville	None	302	84.71	159,000,000
1/1/2014	GeumyangTowerville	None	302	84.71	154,000,000
1/1/2013	GeumyangTowerville	None	302	84.71	154,000,000
1/1/2012	GeumyangTowerville	None	302	84.71	147,000,000
1/1/2011	GeumyangTowerville	None	302	84.71	116,000,000
1/1/2010	GeumyangTowerville	None	302	84.71	91,000,000

Published Apartment Price

For 18-5 Hoam-ro 25-beon gil, Suyeong-gu, Busan Metropolitan City
(772-11 Gwangan-dong, Suyeong-gu)

Date of Disclosure	Complex Name	Bldg Name	Unit No	Exclusive Area (m^2)	Apt. Price (₩)
1/1/2020	Ilgwang Villa	None	302	76.17	171,000,000
1/1/2019	Ilgwang Villa	None	302	76.17	150,000,000
1/1/2018	Ilgwang Villa	None	302	76.17	153,000,000
1/1/2017	Ilgwang Villa	None	302	76.17	130,000.000
1/1/2016	Ilgwang Villa	None	302	76.17	115,000,000
1/1/2015	Ilgwang Villa	None	302	76.17	104,000,000
1/1/2014	Ilgwang Villa	None	302	76.17	102,000,000
1/1/2013	Ilgwang Villa	None	302	76.17	104,000,000
1/1/2012	Ilgwang Villa	None	302	76.17	110,000,000
1/1/2011	Ilgwang Villa	None	302	76.17	68,000,000
1/1/2010	Ilgwang Villa	None	302	76.17	62,000,000

☑ 공동주택 공시가격 ☑ 열람지역 : 부산광역시 수영구 호암로25번길 19(수영구 광안동 755-19)

공시기준	단지명	동명	호명	전용면적(㎡)	공동주택가격(원)
2020.1.1	광안아트빌리지	동명없음	302	81.07	190,000,000
2019.1.1	광안아트빌리지	동명없음	302	81.07	165,000,000
2018.1.1	광안아트빌리지	동명없음	302	81.07	172,000,000
2017.1.1	광안아트빌리지	동명없음	302	81.07	169,000,000
2016.1.1	광안아트빌리지	동명없음	302	81.07	156,000,000
2015.1.1	광안아트빌리지	동명없음	302	81.07	130,000,000
2014.1.1	광안아트빌리지	동명없음	302	81.07	120,000,000
2013.1.1	광안아트빌리지	동명없음	302	81.07	120,000,000
2012.1.1	광안아트빌리지	동명없음	302	81.07	120,000,000
2011.1.1	광안아트빌리지	동명없음	302	81.07	90,000,000
2010.1.1	광안아트빌리지	동명없음	302	81.07	70,000,000

☑ 공동주택공시가격 ☑ 열람지역 : 부산광역시 수영구 호암로25번길 27(수영구 광안동 755-16)

공시기준	단지명	동명	호명	전용면적(㎡)	공동주택가격(원)
2020.1.1	금양타워빌	동명없음	302	84.71	282,000,000
2019.1.1	금양타워빌	동명없음	302	84.71	252,000,000
2018.1.1	금양타워빌	동명없음	302	84.71	271,000,000
2017.1.1	금양타워빌	동명없음	302	84.71	251,000,000
2016.1.1	금양타워빌	동명없음	302	84.71	205,000,000
2015.1.1	금양타워빌	동명없음	302	84.71	159,000,000
2014.1.1	금양타워빌	동명없음	302	84.71	154,000,000
2013.1.1	금양타워빌	동명없음	302	84.71	154,000,000
2012.1.1	금양타워빌	동명없음	302	84.71	147,000,000
2011.1.1	금양타워빌	동명없음	302	84.71	116,000,000
2010.1.1	금양타워빌	동명없음	302	84.71	91,000,000

▷ 공동주택공시가격 ▷ 열람지역 : 부산광역시 수영구 호암로25번길 18-5(수영구 광안동 772-11)

공시기준	단지명	동명	호명	전용면적(㎡)	공동주택가격(원)
2020.1.1	일광빌라	동명없음	302	76.17	171,000,000
2019.1.1	일광빌라	동명없음	302	76.17	150,000,000
2018.1.1	일광빌라	동명없음	302	76.17	153,000,000
2017.1.1	일광빌라	동명없음	302	76.17	130,000,000
2016.1.1	일광빌라	동명없음	302	76.17	115,000,000
2015.1.1	일광빌라	동명없음	302	76.17	104,000,000
2014.1.1	일광빌라	동명없음	302	76.17	102,000,000
2013.1.1	일광빌라	동명없음	302	76.17	104,000,000
2012.1.1	일광빌라	동명없음	302	76.17	110,000,000
2011.1.1	일광빌라	동명없음	302	76.17	68,000,000
2010.1.1	일광빌라	동명없음	302	76.17	62,000,000

STATE OF NEW YORK)
) ss.:
COUNTY OF QUEENS)

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1. That the translation of the accompanying *Published Apartment Price*, which is written in a foreign language, *i.e.* Korean, was made by the deponent at the request of Younghoon Ji, Esq.

2. That deponent is ably qualified to make the translation of the document from Korean into English by virtue of the following qualifications:

   I was born in Korea and lived there until I finished my college education and fulfilled military service. I lived in Korea for 27 years. Korean is my first language. Then I studied in Taiwan and received a master's degree in political science. I came to the United States in 1979 to study at Arizona State University in Tempe, Arizona where I completed the Ph.D. program in political science.

   I am fluent in the languages of English and Korean. I have been managing and operating a company, called Han Young Translation Service, since 1992, rendering translation services in the Korean-American community of the greater New York area.

3. That deponent's translation is a true and accurate and complete translation of the document.

STEPHEN K. KIM

Subscribed and sworn to before me
this 27th day of April, 2021

PAUL M. CHIN
Notary Public, State of New York
No. 41-4779339
Qualified in Queens County
Commission Expires 2/28/2022

EXHIBIT J

AHNE & JI, LLP
ATTORNEYS AT LAW
1220 Broadway, Suite 502
New York, New York 10001
Tel.: (212) 594-1035 Fax: (212) 967-1112
Email: info@ahnejilaw.com
Website: www.ahnejilaw.com

March 25, 2021

Via Email Only
Mr. Changwan Han, Public Prosecutor
Mr. Heungsae Oh, Public Prosecutor
Ministry of Justice
International Dispute Settlement Division
47 Gawnmunro Gwacheon-si
Gyeonggi-do, 13809
Email: oh716@korea.kr
cwhan@korea.kr

Re: Request for Production of Documents and Information
Hun Won a/k/a Jason H. Won v. Republic of Korea

Dear Mr. Han & Mr. Oh:

As you know, we are the attorneys for Mr. Hun Won (a/k/a Jason H. Won) in the above-referenced Investor-State Dispute matter. As per our discussion during the Preliminary Conference, which was held on March 24, 2021 (NY Time) and March 25, 2021 (Korea Time), we respectfully request that the Ministry of Justice, International Dispute Settlement Division, provide the following documents and information that are in its custody, possession, or control:

1. Documents pertaining to your investigation regarding the market price (시가) of Mr. Hun Won's building (hereinafter, the "Chelsea Studio");

2. Documents pertaining to your investigation regarding the published land price (공시지가) of the Chelsea Studio;

3. Documents pertaining to the 13 억 8000 만원 offered to Mr. Hun Won as compensation;

4. Documents pertaining to the identities of the institutions, companies, or individuals that were involved in the Chelsea Studio's appraisal;

5. A copy of the actual appraisal report of the Chelsea Studio;

6. Documents pertaining to the process of choosing the appraisal institution(s), companies, or individual(s) in Request #4 above;

7. Documents pertaining to the factors that were considered when appraising the Chelsea Studio;

8. The date of the Busan redevelopment project's official commencement;

9. Records and methods related to notices given to Mr. Hun Won regarding the redevelopment project;

10. Documents and records related to the date of demolitions of the buildings around, or near, the Chelsea Studio;

11. Documents and records related to rules, regulations, policies, and law regarding real property owned by foreign investor(s); and

12. Documents and records related to policies regarding property owners who oppose redevelopment projects.

We request that the Ministry of Justice, International Dispute Settlement Division, provide the requested documents and/or information above by April 2, 2021.

Should you have any questions or concerns, please feel free to contact our office.

Sincerely,

/s/ Younghoon Ji
AHNE & JI, LLP
By: Younghoon Ji, Esq.