

***** ** SEO**

Claimant

-and-

The Government of Republic of KOREA

Respondent

**NOTICE OF INTENT TO SUBMIT CLAIM TO ARBITRATION UNDER KOREA
UNITED STATES FREE TRADE AGREEMENT CHAPTER ELEVEN**

***** ** SEO, CLAIMANT (E-mail: Seo*****@yahoo.com)**

CHARLES OWEN VERRILL, Jr., Esq. COUNSEL (E-mail: charlesverrill@gmail.com)

Statement Required by Article 11.16 of the Korea United States Free Trade Agreement with respect to the Dispute between * ** Seo and the Republic of Korea**

Pursuant to Article 11.16 (2) of “Korea Unites States Free Trade Agreement” (hereinafter referred to as “KORUS”) and with a view to resolving this dispute amicably through the consultation and negotiations contemplated by KORUS Article 11.15, the disputing investor and claimant, *** ** Seo, respectfully serves the respondent, the Government of the Republic of Korea with this Notice of Intent to Submit a Claim to Arbitration under Chapter Eleven of the KORUS.

I. Names and Address of Disputing Investor

1. *** ** Seo (hereinafter referred to as “Seo”), as a claimant, is an individual citizen of United States of America. The claimant’s current address is *****, ***** dong, Mapo-gu, Seoul, Korea
2. Seo submits this Notice of Intent to Submit a Claim to Arbitration as an investor on her own behalf.
3. The primary legal counsel for Seo is Charles Owen Verrill, Jr. (c/o International Law Institute, Suite 100, 1055 Thomas Jefferson Street, NW, Washington D.C. 20007, United States of America. E-mail: charlesverrill@gmail.com). Correspondence should be directed to the attention of Charles Owen Verrill, Jr. Esq.

<RELEVANT FACTS>

II. City Redevelopment and Expropriation

4. In 2001, the claimant Seo and her husband Mr. ***** Park (“hereinafter referred to as “Park”) purchased residential property located in **-**, ***** dong, Mapo-gu, Seoul consisting of 188 square meters of land with a house priced at \$330,000 USD (rate: 1,000 KRW:1 USD).
5. In 2013, Seo was naturalized as a U.S. citizen while Park remained as a citizen of Korea. (Please see the copy of the first page of “Seo’s U.S. Passport”). The U.S. citizen, Seo owns 76% interest in the real property while the husband owns 24% of interest.

6. Since the year 2012, 62,245.80 square meters of land in *****-dong area, in which Seo's property is located, has been designated as the area of redevelopment under Mapo-gu municipal government.
7. On March 12, 2015, the final official notice for redevelopment was posted by Mapo-Gu Municipal Office.
8. On February 5, 2016, Seo's interest in the property was duly registered under Seo's U.S. citizen name.

III. Administrative Procedures and Decisions

9. On January 29, 2016, Seoul City Government Land Expropriation Committee (hereinafter referred to as "Seoul Committee") rendered an opinion regarding the amount of compensation when more than a hundred residents complained about the amount of compensation.
10. "Seoul Committee" decided that the amount of compensation for Seo and Park's property at **-**, ***** dong to be the total of \$810,776 USD (\$608,916 USD for Seo and \$201,859 USD for Park) based on several appraisals.
11. In the same decision, Seoul Committee declared that the beginning date of expropriation be March 18, 2016.
12. On January 19, 2017, Central Land Expropriation Committee ("hereinafter referred to as "Central Committee") upheld the decision of Seoul Committee by rendering an administrative decision with a slight increase in the amount of compensation at \$43,588 USD
13. Thereafter, the final compensation amount for Seo and Park's property at \$850,000 USD was placed in a court designated escrow account.
14. Seo did not accept the compensation as the amount of compensation was far below than the fair market value at the time of expropriation.
15. In addition to above mentioned two administrative procedures regarding the compensation amount, the ***** dong, the 2nd Residence Redevelopment Union (hereinafter referred to as "Redevelopment Union") filed a civil complaint against Seo, Park and four (4) other individual residents in the expropriated area for "transfer of real estate ownership and eviction" pursuant to "the Act on the maintenance and improvement of urban areas and dwelling conditions for residents, Article 49, paragraph 6." The case number is listed as "Seoul Western District Court, 2015Gadan*****."
16. The court made a decision on January **, 2017. In its opinion, the court ordered

“the defendant, *** Seo, a citizen of the United States of America to hand over the property.” The same order was made to Seo’s husband as well.

17. Seo and Park received the court’s order to vacate the property. While Seo’s family left the property, the compensation money has been placed in escrow and kept intact up until now.

IV. Mental Distress of Seo

18. Long before the court made a decision on 2015Gada***** on January **, 2017, the Redevelopment Union representatives and a sheriff (Court’s Enforcement Officer) came to Seo’s residence on or around January 19, 2016 in order to post a “Notice of Injunction to prevent the transfer of ownership of the property (“hereinafter referred to as “Notice of Injunction”) on Seo and Park’s property
19. At the time of the above mentioned attempted posting of the Notice of Injunction, Seo was occupying the home alone. However, without warning her and without her permission, the Redevelopment Union representatives and a sheriff broke into Seo’s house with the assistance of a hired locksmith and confronted Seo.
20. As a result of this incident, Seo experienced significant shock and intimidation. Subsequently, Seo suffered from severe mental and emotional distress and sought medical assistance.

V. Forgery

21. Seo and Park have never given consent to join the Redevelopment Union.
22. In March 2004, Seo’s family moved to California and stayed there for about ten (10) years. When they left, they entrusted Seo’s sister to manage the residential property at issue by leaving their personal authorization stamps, which was duly registered with ***** dong office under the law, with Seo’s sister.
23. Seo’s entrustment related only to “management” and provided Seo’s sister with no authority to enter into or agree to any matter affecting or potentially affecting the ownership of the property.
24. On or around March 17, 2008, while Seo’s family resided in the U.S. and without their knowledge, Seo’s sister obtained confirmation certificates for Seo’s and Park’s personal authorization stamps from ***** dong municipal office and submitted them to the Redevelopment Union at Seo’s mother’s request. Seo’s sister did not inform Seo of the action which was unauthorized.
25. Seo’s mother, under coercion by the Redevelopment union, requested Seo’s sister to submit applications for Union membership, requiring Seo and her husband’s

signature. Seo's sister had no authority to do so, but nevertheless proceeded by forging the signature of Seo to join the Union. The signature of Park, who had not given any authority to Seo's sister, was forged by an unknown person. The union later used these forged documents to claim consent by Seo and her husband.

26. In March 2017, Seo and Park made a criminal complaint against Seo's sister and representatives of the Redevelopment Union alleging their Consent to join Redevelopment Union was forged by the Redevelopment Union.

VI. Consultation and Failed Negotiation

27. On February 1, 2017, Seo had a consultation and negotiation meeting at the ***** dong municipal office with Mapo-gu Municipal Government, Redevelopment Team leader, Redevelopment Union Representatives and two mediators from Seoul City Government. During the meeting, the participants discussed the possibility of amicable resolution of the dispute but the attempt failed.
28. Subsequently, on March 23, 2017, another consultation and negotiation meeting was held at the same location but no amicable resolution was reached.

<CLAIMS RAISED BY SEO PURSUANT TO KORUS>

29. In 2012, Korea-US Free Trade Agreement was ratified with chapter 11, Investment Dispute Mechanism called "Investor State Dispute ("ISD")."
30. As stated in the above factual background, Mapo-gu Municipal Government, Seoul City Government and the Korean Government have violated their obligations to Seo, a U.S. investor under the terms of KORUS.

VII. Investment

31. KORUS 11-24 Definition of investment, (h), includes other tangible or intangible, movable or immovable property, and related property rights, such as leases, mortgages, liens, and pledges.
32. The following has been widely accepted by international investment dispute tribunals as typical characteristics of investments: duration, contribution and assumption of risk. The real property at issue has been owned for over fifteen years with substantial amount of money invested and has been exposed to the fluctuation of the

real property market.¹ Seo's real estate property ownership constitutes investment prescribed in KORUS and under relevant arbitral decisions.

VIII. Consent

33. Seo was a United States citizen when KORUS was ratified and thus consent requirement is satisfied under the KORUS, ARTICLE 11.17: CONSENT OF EACH PARTY TO ARBITRATION which states as follows:

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."*

IX. Expropriation

34. Seo's property was expropriated in violation of KORUS, ARTICLE 11.6: EXPROPRIATION AND COMPENSATION which states as follows:

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.*

35. The Korean law for purpose of this Notice is the "ACT ON THE MAINTENANCE AND IMPROVEMENT OF URBAN AREAS AND DWELLING CONDITIONS FOR RESIDENTS."

36. The expropriation for city redevelopment was not for public purpose because its main

¹ See *Salini v Morocco (ICSID Case No Arb/00/04) (Decision on Jurisdiction, 23 July 2001)*

purpose is the re-construction for private citizens seeking redevelopment.

37. Although the Act's main purpose is the improvement of dwelling conditions for residents, the government's decision on the standard of dwelling condition is arbitrary and ambiguous. Further, the government as a public entity, after making an initial decision, assigns the redevelopment project to private entities including the Redevelopment Union and a construction company.
38. The expropriation of Seo's property was not done in a non-discriminatory manner because it was not authorized; and the compensation amount was determined arbitrarily. The expropriation of Seo's property was not equivalent to the fair market value of expropriated investment immediately before the expropriation took place.
39. The expropriation of Seo's property was not in accordance with due process particularly when forgery, coercion and emotional distress were involved.
40. The State is responsible for the acts of its agents who acted wrongfully in inducing acts by Seo's mother and sister that were required by the expropriation process and related activities.

X. Fair and Equitable Treatment

41. During the process of expropriation of Seo's investment property, violation of the fair and equitable treatment standard prescribed in "KORUS Article 11.5. Minimum Standard of Treatment" has occurred based on lack of Consent to join the Redevelopment Union and Forgery.
42. Further, Seo suffered from severe mental and emotional distress during the expropriation process by the act of the Redevelopment Union Representatives and a sheriff (Court's Enforcement Officer).

XI. Consultation and Negotiation

43. Pursuant to KORUS Article 11.15: Consultation and Negotiation, Seo made good faith efforts to resolve the dispute in an amicable way by engaging in consultation and negotiation meeting with Mapo-gu municipal government, the Redevelopment Union and Seoul City Government mediators and yet the efforts have failed up until now although Seo understands that further efforts should be made pursuant to KORUS Article 11.15.

XII. Local Remedy Not Pursued

44. Seo did not seek any local remedy after expropriation was finally declared and the amount of compensation was finally decided by Central Committee, choosing instead to submit this Notice thus satisfying the requirement prescribed in KORUS, ANNEX

11-E: SUBMISSION OF A CLAIM TO ARBITRATION.

XIII. Relief Sought

45. As a result of these violations of KORUS, Seo has suffered billions of Korean won in damages. Seo reserves the right to elaborate and expand on these claims including but not limited to actual damages and moral and/or restitution damages. If the consultations and negotiation are unsuccessful, Seo will submit, in her own right, a claim for arbitration seeking compensation for the damages caused by or arising out of Mapo-gu municipal government, Seoul city government and the Republic of Korea's measures that are inconsistent with their obligations contained in Chapter 11 of KORUS, along with interest and cost. Seo estimates damages in an amount of not less than \$2,000,000 USD.

S/S *** ** Seo, Claimant (Seo*****@yahoo.com)

S/S/ Charles Owen Verrill, Jr., Attorney for Claimant (charlesverrill@gmail.com)

Dated this 7th Day of September 2017

Signature of *** ** Seo

A handwritten signature in black ink, appearing to read "Seo" followed by a stylized flourish.