# SEOUL CENTRAL DISTRICT COURT

## CIVIL DIVISION 31

# JUDGMENT

Case No.
2024Gahap110222, Claim for Payment of Share Purchase Price

**Plaintiffs**
1. A (MHJ)
2. B
3. C

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**Defendant**
Company D Co., Ltd. (HYBE)

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**Date of Conclusion of Oral Argument**: January 15, 2026
**Date of Judgment**: February 12, 2026

# DISPOSITION

1. The Defendant shall pay:
- KRW 25,594,889,670 to Plaintiff A;
- KRW 1,725,498,180 to Plaintiff B; and
- KRW 1,437,915,150 to Plaintiff C.

2. All litigation costs shall be borne by the Defendant.
3. Paragraph 1 shall be subject to provisional execution.

# CLAIM

As stated in the Disposition.

(Although Plaintiffs originally sought future performance effective December 19, 2024, the due date had already arrived by the close of oral argument; therefore, the Court construes the claim as one for present performance.)

# REASONS

## I. Summary of the Parties' Arguments

### A. Plaintiffs

The Plaintiffs entered into the Shareholders' Agreement at issue (the "Shareholders' Agreement") with the Defendant (formerly Company E Co., Ltd., hereinafter the "Defendant").

Pursuant to that Agreement, the Plaintiffs exercised their put option with respect to shares issued by Company F Co., Ltd. ("F"). As a result, share purchase agreements were formed between the Plaintiffs and the Defendant.

Accordingly, the Defendant is obligated to pay the corresponding purchase price.

### B. Defendant

#### 1. Termination of the Shareholders' Agreement

The Defendant asserts that prior to the Plaintiffs' exercise of the put option, the Shareholders' Agreement had already been terminated for the following reasons:

#### (a) Contractual Termination Grounds

Plaintiffs:
Attempted to weaken Defendant's control over F by pressuring Defendant to sell F shares, and explored and executed methods to independently control F; or
Planned and executed actions to remove G from Defendant's control and the corporate group;

thereby materially breaching:
- the Preamble Article 2 of the Agreement,
- Article 2.3 (latter clause and Item 1),
- Article 10.3(a) and (d),
- Article 12.9, and
- Article 12.10.

Such conduct allegedly rendered achievement of the essential purpose of the Agreement impossible and constitutes a contractual termination ground under Article 11.2(a).

### (b) Statutory Termination Grounds

Plaintiffs allegedly:

- Developed and executed plans to remove G from Defendant's control or independently control F;
- Refused legitimate business reporting requests from Defendant's Audit Committee;
- Publicly raised groundless suspicions against Defendant and affiliated labels and artists;

thereby seriously destroying the mutual cooperation and trust underlying the Agreement.

## 2. Exercise of Defendant's Call Option

On September 20, 2024, Defendant exercised its call option under Article 11.4(b) of the Agreement regarding shares held by Plaintiffs A and B.

Following completion of the fair value determination process on November 11, 2024, a share purchase agreement was formed.

Because Defendant first validly exercised its call option, Plaintiffs could not subsequently exercise their put option for the same shares.

# II. Undisputed Facts

## A. Status of the Parties

1. Defendant was established on February 4, 2005, for music production, record production, and distribution.
2. Company H Co., Ltd. is a subsidiary of Defendant.
3. F was established on November 2, 2021, through a corporate split of H.
4. Plaintiff A served as Representative Director and Inside Director of F from establishment until dismissal on August 27, 2024, and again as Inside Director from October 17 to November 20, 2024.
5. Plaintiffs B and C served as Inside Directors of F from April 25, 2023 to May 31, 2024.
6. I served as head of Defendant's IR and Global Strategy Teams and later as Vice President of F.
7. "G" is a five-member female idol group under F.

## B. Establishment of F and Business Cooperation Agreement

Defendant acquired 100% of F shares from H for KRW 5 billion and F conducted capital increases in November 2021 and July 2022.

On November 11, 2021, Defendant, Plaintiff A, and F executed a Business Cooperation Agreement granting Plaintiff A:

- Stock options equivalent to 10% of F shares;
- The right to sell acquired shares to Defendant at 13x average operating profit;
- Bonus compensation or additional stock options under specified conditions.

## C. Exclusive Contracts of G and Debut

G members signed Exclusive Management Agreements with F on April 21, 2022.

G debuted on July 22, 2022.

F achieved:

- 2022 revenue: approx. KRW 18.6 billion (operating loss KRW 4 billion)
- 2023 revenue: approx. KRW 110.2 billion (operating profit KRW 33.5 billion)
- 2024 revenue: approx. KRW 111.1 billion (operating profit KRW 30.8 billion)

Total 3-year operating profit: KRW 60.3 billion.

Defendant's total investment in G: approx. KRW 21 billion.

### D. Execution of the Shareholders' Agreement

On March 27, 2023, Defendant sold F shares to Plaintiffs:

- A: 573,160 shares (17.8%)
- B: 38,640 shares (1.2%)
- C: 32,200 shares (1%)

The parties executed the Shareholders' Agreement the same day.

Plaintiff A later demanded modification of:

- the non-competition clause;
- the 13x operating profit multiple for put option pricing.

Negotiations continued until March 25, 2024.

### E. Dispute Developments

- March 25, 2024: Group R (under Q, Defendant subsidiary) debuted.
- April 3 & April 16, 2024: Plaintiff A sent protest emails alleging copying and improper album sales practices.
- April 22, 2024: Audit initiated by F and Defendant.
- April 25, 2024: Plaintiff A held a press conference raising allegations.
- May 7, 2024: Defendant sent formal warning notice.
- August 27, 2024: Plaintiff A removed as Representative Director.

### F. Termination Notices & Put Option Exercise

- July 8, 2024: Defendant issued termination notice.
- September 20, 2024: Defendant exercised call option.
- November 4, 2024: Plaintiffs exercised put option (483,000 shares at KRW 59,541 per share).
- November 11, 2024: Defendant notified pricing under call option (KRW 5,000 per share).
- November 20, 2024: Plaintiffs issued termination notice against Defendant.

### G. Related Proceedings

1. Injunction decision: dismissal insufficiently supported by KakaoTalk evidence.
2. Criminal complaint for breach of trust: non-prosecution decision issued July 14, 2025.
3. G members attempted exclusive contract termination; court confirmed contracts valid.

## III. Determination on the Cause of Action

Based on the foregoing undisputed facts and the evidence submitted, the Court finds that pursuant to Article 5 of the Shareholders' Agreement, upon the lapse of ten (10) business days from the date of Plaintiffs' notice exercising the put option, namely November 19, 2024, a share purchase agreement was validly formed between the Plaintiffs and the Defendant with respect to the shares subject to the put option (75% of each Plaintiff's holdings).

The purchase price per share shall be calculated as follows:

Average operating profit for 2022 and 2023 × 13
= KRW 14,748,041,551.5 × 13
= KRW 191,724,540,169.5

Divided by total outstanding shares (3,220,000 shares)
= KRW 59,541 per share (rounded down to the nearest won).

Accordingly, unless special circumstances exist, Defendant is obligated to pay:

- Plaintiff A: KRW 25,594,889,670
- Plaintiff B: KRW 1,725,498,180
- Plaintiff C: KRW 1,437,915,150

## IV. Material Breach as Grounds for Termination

### A. Applicable Legal Principles

Where parties have stipulated grounds for rescission or termination in a contract, whether termination is permissible and its legal effect shall be determined according to the terms of the contract.

If the objective meaning of written contractual language is clear, it shall be enforced as written. However, where ambiguity exists, the contract must be interpreted in light of:

- The context and purpose of the agreement
- The motive and background of its formation
- The parties' true intent
- Commercial practices
- Principles of equity and social justice

Particularly where one party's interpretation would impose substantial liability upon the other, the contractual language must be interpreted strictly.

In the case of a continuing contract founded upon mutual trust, if the trust relationship forming the basis of the contract is destroyed to such an extent that continuation can no longer reasonably be expected, termination may be permitted.

Under Article 544 of the Korean Civil Act, rescission for non-performance requires that the breached obligation be an essential obligation indispensable to achieving the contractual purpose.

### B. Application to the Present Case

The July 8, 2024 termination notice invoked both:
1. Contractual termination under Article 11.2(a)
2. Destruction of mutual trust (statutory termination ground)

Article 11.2(a) provides termination where a party "materially breaches the Agreement to the extent that its purpose can no longer be achieved."

If "destruction of trust" were interpreted broadly to include non-material breaches, Article 11.2(a) would become meaningless. Therefore, even termination based on destruction of trust must rise to the level of a material breach impairing the contractual purpose.

#### 1. Protection of Plaintiff A's Director Position

Article 2.1 of the Agreement restricts Defendant's ability to remove Plaintiff A as Representative Director except for:

- Violation of laws or articles of incorporation
- Material breach of the Agreement
- Intentional or grossly negligent harm exceeding KRW 1 billion
- Breach of fiduciary duties
- Other serious disqualifying events

Given that Defendant held 80% equity in F and could otherwise remove directors under the Korean Commercial Act, the contractual restriction demonstrates the parties' intent to require a material breach.

### 2. Economic Structure of the Agreement

The Agreement involved substantial financial interests:

- Put option exercisable after 3 years
- 13× operating profit multiple guaranteed
- Estimated value of KRW 25.6 billion at time of termination notice
- Potential KRW 100 billion+ valuation in 2025

This was not a mere mandate relationship but a long-term equity-linked structure with escalating financial exposure.
Thus, termination requires strict interpretation.

## V. KakaoTalk Messages and Evidentiary Issues

### A. Admissibility

Plaintiffs argued that KakaoTalk messages and emails obtained through Defendant's audit were illegally obtained and inadmissible.

However, under the principle of free evaluation of evidence in civil procedure, evidence is admissible unless obtained in violation of specific statutory prohibitions (e.g., illegal interception under the Protection of Communications Secrets Act).

The messages were:

- Obtained through audit rights over a subsidiary
- Voluntarily surrendered devices
- Collected with consent of one party to the conversation
- Largely business-related

Therefore, admissibility is recognized.

### B. Substance of KakaoTalk Messages

The Court acknowledges that Plaintiff A and I discussed potential "F independence strategies."

However, the discussions:

- Assumed negotiation failure
- Presupposed post-2025 put option exercise
- Presumed Defendant's consent for share transfer
- Focused primarily on exit strategies

The prior injunction case and criminal investigation already examined similar KakaoTalk evidence and found insufficient grounds for:

- Dismissal of Plaintiff A
- Criminal breach of trust

The police decision explicitly found that "Exit" did not mean hostile management takeover but post-maturity put option exercise.

Thus, merely exploring independence strategies does not constitute a material breach of the Shareholders' Agreement.

## VI. Independence Plan Analysis

The discussions reflected:

- Hypothetical valuation of F
- Possible external investment scenarios
- Negotiation leverage strategies

However:

- Article 4 prohibits transfer without prior written consent.
- Discussions assuming such consent do not inherently violate the clause.
- Put option exercise itself is contractually permitted.

The Court therefore finds that:
Exploration of independence strategies alone does not amount to a material breach sufficient to justify termination.

## VII. Impact of Plaintiff A's Potential Departure and Negotiation Context

### 1. Duration of Service and Put Option Timing

Plaintiff A's contractual service period extends until November 2, 2026.
The put option became exercisable beginning November 3, 2024 (three years after F's establishment).

If exercised in 2025, the estimated payout would reach approximately KRW 100 billion, based on projected operating performance.

Accordingly, Defendant faced:

- Put option execution risk beginning late 2024
- Recontracting risk in 2026
- Valuation volatility tied to Plaintiff A's continued involvement

The Court recognizes that Plaintiff A's departure could materially affect F's enterprise value, though the extent of such impact cannot be conclusively determined from the evidence.

### 2. Negotiation Leverage and "Empty Shell" Statement

The evidence shows that Plaintiff A stated during negotiations:
"If I exercise the put option and leave, F will become an empty shell."
This statement was made in the context of:

- Dispute over non-compete obligations
- Disagreement over put option pricing multiple
- Proposed revision of the Shareholders' Agreement

The Court finds that this remark functioned as negotiation leverage rather than an implemented action.

Whether F would truly become an "empty shell" depends on multiple factors, including:

- Continued activity of G
- Brand value
- Corporate governance
- Market perception

Thus, the statement alone does not establish material breach.

### 3. Market Valuation Evidence

A securities analysis report dated April 16, 2024 estimated:

- Potential operating profit of KRW 100 billion annually
- Enterprise valuation of approximately KRW 2 trillion within two years
- Comparison to peer group AI and company AJ

This valuation presupposed the continued alliance of:

- G (talent)
- Plaintiff A (production leadership)
- Defendant (corporate management)

Therefore, enterprise value projections were contingent upon cooperation among all three actors.

### 4. Market Reaction and Stock Price Decline

Defendant alleged indirect damages including:

- Approximate KRW 800 billion decline in market capitalization
- Increased trading volume following public conflict

The Court notes that:

Stock volatility may reflect market concern regarding potential leadership departure, rather than proof of actual breach.

Market fluctuation does not automatically establish contractual violation.

## VIII. Analysis of the Alleged "Independence Plan"

### 1. Nature of Discussions

- KakaoTalk messages indicate hypothetical scenarios including:
- External investment
- Strategic investors ("white knight")
- Share exchange negotiation
- Acquisition of Defendant's stake
- IPO strategy

However, these discussions were:

- Conditional
- Hypothetical
- Dependent on Defendant's consent
- Centered on potential future exit post-put-option

The Court emphasizes that contractual prohibition under Article 4 concerns actual transfer of shares without prior written consent.

Mere exploration of strategies assuming such consent does not constitute violation.

### 2. Criminal Investigation Findings

The police non-prosecution decision dated July 14, 2025 found:

- No evidence of occupational breach of trust
- "Exit" referred to post-maturity put option exercise
- Share sale scenarios assumed Defendant approval

The criminal standard was not met.

While civil standards differ, the investigative findings reinforce that discussions were forward-looking and conditional.

### 3. Prior Injunction Decision

In the prior injunction proceeding:

The Court determined that KakaoTalk messages alone were insufficient to establish:

- Material breach
- Justifiable dismissal of Plaintiff A

Although injunction proceedings apply a prima facie standard, the reasoning is relevant.

## IX. Interpretation of Article 11.2(a) — Material Breach Standard

Article 11.2(a) allows termination where a party "materially breaches this Agreement to the extent that its purpose can no longer be achieved."

The Court interprets this clause strictly because:

1. The Agreement restricts Defendant's removal rights.
2. Substantial financial consequences attach to termination.
3. The Agreement is long-term and equity-linked.

Thus, not every deterioration of trust qualifies.

Only conduct that:

- Fundamentally undermines the contractual purpose
- Makes continued cooperation objectively impossible

can justify termination.

## X. Whether Plaintiffs' Conduct Constituted Material Breach

The Court evaluates the following allegations:

1. Weakening Defendant's control
2. Planning G's separation
3. Damaging Defendant's reputation
4. Refusing audit cooperation
5. Public statements harming multi-label structure

Court's Findings:

- No completed transfer of shares occurred.
- No removal of G occurred.
- No illegal diversion of assets occurred.
- Audit refusal did not rise to obstruction level shown in evidence.
- Public criticism, while confrontational, related to business disputes.

The conduct reflects:

- Escalated corporate conflict
- Negotiation breakdown
- Breakdown of cooperative relationship

But does not reach the threshold of material breach impairing contractual purpose.

## XI. Distinction Between Trust Breakdown and Contractual Breach

A continuing contractual relationship requires trust.

However, the Agreement expressly sets a higher threshold for termination.

The Court holds:

Destruction of trust alone is insufficient unless it constitutes material breach under Article 11.2(a).

To hold otherwise would nullify the express contractual standard.

## XII. Priority Between the Call Option and the Put Option

### 1. Defendant's Exercise of the Call Option

Defendant asserts that on September 20, 2024, it exercised its call option under Article 11.4(b) of the Shareholders' Agreement with respect to the shares held by Plaintiffs A and B.

Defendant further contends that upon completion of the fair value determination process on November 11, 2024, a binding share purchase agreement was formed at KRW 5,000 per share.

Accordingly, Defendant argues that Plaintiffs were precluded from subsequently exercising their put option with respect to the same shares.

### 2. Legal Structure of Option Exercise

Under Korean contract law principles:

- An option right constitutes a formative right (Gestaltungsrecht).
- Upon valid exercise, a purchase agreement is formed automatically in accordance with the contractual terms.
- Priority is determined by the timing and validity of exercise.

Thus, the key issues are:

1. Whether Defendant's call option was validly exercisable at the time;
2. Whether the Agreement remained in force at that time;
3. Whether termination had already occurred;
4. Whether Defendant satisfied contractual prerequisites.

### 3. Effect of Defendant's July 8, 2024 Termination Notice

If Defendant's termination was invalid, the Agreement remained effective.
As determined in Sections IV through XI above, the Court finds that:
The termination notice dated July 8, 2024 did not validly terminate the Shareholders' Agreement.
Therefore, the Agreement remained in force when the call option was exercised.
However, this alone does not determine priority.

### 4. Preconditions for Call Option Exercise

Article 11.4(b) provides that the call option may be exercised under specific triggering conditions, including:

- Occurrence of termination grounds;
- Certain breach events;
- Defined circumstances outlined in the Agreement.

Because the Court has determined that no material breach justifying termination occurred, the contractual triggering conditions for the call option were not satisfied.

Therefore, Defendant's call option exercise lacks contractual basis.

### 5. Fair Value Determination and Formation Date

Even assuming arguendo that the call option were validly exercised, the Agreement provides that:

- A fair value determination procedure must be completed;
- The purchase agreement is formed only upon completion of that procedure.

Evidence shows that the fair value process concluded on November 11, 2024.

By contrast, Plaintiffs exercised their put option on November 4, 2024.

Under Article 5 of the Agreement:

- A share purchase agreement is formed upon lapse of ten (10) business days after notice of exercise.

That date was November 19, 2024.

Thus, the sequence is:

- September 20: Defendant's call notice
- November 4: Plaintiffs' put notice
- November 11: Fair value completion (call option process)
- November 19: Formation date under put option

However, because the call option lacked a valid triggering ground, its procedural progression does not defeat the put option.

## XIII. Whether Plaintiffs' Put Option Was Validly Exercised

### 1. Contractual Requirements

Article 5 of the Agreement provides:

- Plaintiffs may exercise their put option after three years from establishment of F;
- Notice must be given in writing;
- Defendant must designate a purchaser within ten (10) business days;
- The purchase price shall be calculated as 13× average operating profit.

Evidence establishes:

- Notice was delivered on November 4, 2024;
- No procedural defect exists;
- Exercise fell within permitted timeframe.

### 2. Calculation of Purchase Price

The Agreement expressly fixes the multiple at 13× average operating profit.

The calculation method is mechanical and not subject to renegotiation at time of exercise.

Therefore:

KRW 59,541 per share is the contractually determined price.

Defendant's assertion of KRW 5,000 per share under the call option cannot override the put option mechanism.

## XIV. Defendant's October 30, 2024 Termination Notice to Plaintiff C

Defendant issued a separate termination notice to Plaintiff C on October 30, 2024.

However:

- The alleged violations mirror those already analyzed;
- No independent material breach was established;
- The notice therefore lacks valid contractual basis.

Accordingly, termination as to Plaintiff C is ineffective.

## XV. Plaintiffs' November 20, 2024 Termination Notice

Plaintiffs later issued their own termination notice alleging Defendant breached its obligation to maintain Plaintiff A's Representative Director position.

Because the Court finds that:

- Plaintiffs validly exercised their put option;
- A binding share purchase agreement was formed on November 19, 2024;

The legal relationship was already converted into a purchase obligation.

Therefore, subsequent termination notice does not alter the formation of the purchase agreement.

## XVI. Nature of the Shareholders' Agreement

The Court emphasizes that this Agreement is not merely:

- A director mandate;
- A simple employment arrangement.

It is:

- A capital transaction;
- A structured equity participation arrangement;
- A long-term profit-sharing mechanism.

The put option is a core economic component of the Agreement.

To allow termination on loosely defined "trust breakdown" grounds would:

- Undermine the risk allocation agreed by the parties;
- Nullify the bargained-for multiple;
- Rewrite the contract.

Contractual autonomy must be respected.

## XVII. Conclusion on Liability

The Court concludes:

1. Defendant's termination notice was ineffective;
2. Defendant's call option exercise lacked contractual grounds;
3. Plaintiffs validly exercised their put option;
4. A share purchase agreement was formed on November 19, 2024;
5. Defendant is obligated to pay the purchase price.

## XVIII. Whether Plaintiffs Refused a Lawful Audit and Reporting Request

### 1. Audit Initiation and Official Notices

On April 22, 2024:

- The auditor of F issued an official letter stating that an investigation into F's business operations and financial condition would be conducted and requesting Plaintiff A to submit a business report.
- On the same day, Defendant's Audit Committee sent an official communication asserting that F's management, including Plaintiff A, might have violated the duty of due care and duty of loyalty, thereby posing a risk of significant harm to F's corporate value, and demanded a report on F's operations.

Defendant further issued a notice to Plaintiffs alleging violation of Article 10.3(a) and (d) of the Shareholders' Agreement and requested cessation of unlawful conduct pursuant to Article 402 of the Commercial Act.

### 2. Plaintiffs' Response

Plaintiff A subsequently held a press conference on April 25, 2024, raising issues including:

- Alleged impropriety of the audit;
- Alleged copying of G's concept;
- Alleged "album push" practices by Defendant.

The record does not establish that Plaintiffs categorically refused to submit any report whatsoever.

Rather, the evidence suggests:

- A dispute regarding the legitimacy and scope of the audit;
- Objections to the timing and manner of Defendant's demand;
- A conflict over authority and governance structure.

The Court finds insufficient evidence that Plaintiffs' conduct rose to the level of willful obstruction of lawful audit rights.

## XIX. Public Statements and Media Escalation

### 1. Chronology of Public Disclosure

The conflict escalated publicly beginning April 22, 2024, when:

- A media outlet published an exclusive article suggesting that F's management attempted to seize management control.
- Plaintiff A responded through press statements denying such allegations.

The Court observes that prior to the media report, the dispute remained internal.

The April 22 media publication marked the point at which the conflict became public.

### 2. Right of Reply and Counter-Statements

Following the initial media report:

- Plaintiff A held a press conference;
- Both parties issued statements defending their respective positions.

The Court holds:

The mere exercise of the right of reply cannot, in itself, be deemed improper.

Unless the statements contain demonstrably false facts, public rebuttal during an escalating corporate dispute does not constitute material breach.

## XX. Allegations Concerning "Copying" and "Album Push" Practices

Plaintiff A sent protest emails on April 3 and April 16, 2024, alleging:

- Similarity between R and G in concept, styling, and choreography;
- Use of "album push" practices (conditional bulk sales to overseas affiliates to inflate first-week album numbers).

These emails were directed internally to Defendant and relevant parties.

The Court notes:

- Raising internal concerns regarding corporate conduct does not inherently constitute breach;
- Shareholder agreements do not prohibit internal objection or criticism.

Such conduct may have contributed to tension, but does not satisfy the threshold of material breach.

## XXI. Removal of Plaintiff A as Representative Director

On August 27, 2024:

- F removed Plaintiff A from the position of Representative Director;
- On the same day, S was appointed as new Representative Director.

The Court distinguishes between:

- Corporate governance decisions made by the board; and
- Contractual termination rights under the Shareholders' Agreement.

Even if removal from office is legally permissible under corporate law, it does not automatically establish:

- Material breach by Plaintiffs;
- Grounds to invalidate the put option mechanism.

The Agreement explicitly regulates termination and option rights independently from director appointment matters.

## XXII. Overall Assessment of Defendant's Alleged Termination Grounds

Defendant asserts that Plaintiffs:

- Planned independence from Defendant's control;
- Attempted to take G outside Defendant's control;
- Destroyed mutual trust;
- Refused audit cooperation;
- Damaged Defendant's reputation publicly.

After reviewing all documentary and testimonial evidence, the Court concludes:

- No executed plan of separation was proven;
- No transfer of shares occurred;
- No unlawful diversion of assets was established;
- Audit non-cooperation was not proven at a level constituting breach;
- Public disputes arose within the context of an escalating governance conflict.

The Court characterizes the events as:
A severe breakdown in corporate relationship and trust,
but not conduct amounting to a material contractual breach under Article 11.2(a).

## XXIII. Evaluation of KakaoTalk Messages and "Independence" Discussions

### 1. IPO and External Investment Scenarios

The evidence includes KakaoTalk conversations discussing:

- Potential IPO of F;
- Enterprise valuation estimates (e.g., KRW 4 trillion);
- Possibility of partial share disposal by Defendant;
- Outside investment (VC participation);
- "Plan B" scenarios.

One message states, in substance:
"If F goes public at a valuation similar to E (e.g., KRW 4 trillion), the value of the shares held by D would become approximately KRW 2.5 trillion, and even selling half would yield another substantial profit. This is only Plan B."

The Court interprets such statements as:
Forward-looking financial projections,
not evidence of implemented separation.

### 2. Discussion of Contractual Termination Costs

Certain conversations estimated potential termination amounts under G's exclusive contracts, calculating:

- Remaining contract duration;
- Monthly average revenue;
- Hypothetical termination compensation per member;
- Aggregate termination exposure.

These calculations included references to:

- Board approval requirements for modification or termination of important contracts under the Shareholders' Agreement;
- Approval mechanisms embedded in F's governance structure.

The Court finds that:
Discussion of financial implications does not constitute execution of unlawful action.
Such internal analysis may be part of risk assessment.

### 3. "Bring Them Out" Statements

Some messages reference language such as:
"Bring them out,"
"People there would want that,"
"VCs would hope A comes out and establishes a new company."

The Court emphasizes:
The evidentiary record does not demonstrate that:

- Any member of G was actually removed;
- Any transfer of exclusive contracts occurred;
- Any share transfer was consummated;
- Any concrete step toward independence was implemented.

Hypothetical language, even if emotionally charged, is insufficient to establish material breach.

## XXIV. Legal Characterization of Strategic Exit Discussions

Under Korean contract law principles:

A material breach requires:

- A concrete violation of a contractual obligation;
- Substantial impairment of contractual purpose;
- Objective impossibility of continued cooperation.

The Shareholders' Agreement does not prohibit:

- Discussion of potential future restructuring;
- Exploration of investment opportunities;
- Financial scenario modeling.

Absent execution of prohibited acts,
strategic discussions alone do not satisfy Article 11.2(a).

## XXV. Stock Price Decline and Market Reaction

Defendant alleges that the public dispute resulted in:

- Approximately KRW 800 billion market capitalization loss;
- Significant trading volume spike.

The Court observes:
Stock market reaction reflects market perception,
not necessarily proof of contractual breach.

Corporate conflict between majority shareholder and minority shareholder
may create volatility independent of wrongdoing.

Market fluctuation does not automatically equate to legal liability.

## XXVI. Effect of G's Exclusive Contract Litigation

G members sent a notice demanding correction of alleged unfair treatment and warning of termination.

F subsequently filed a lawsuit seeking confirmation of validity of the exclusive contracts.

The Seoul Central District Court later ruled in favor of F,
and the judgment became final.

This confirms that:
The exclusive contracts remained valid.
However, this litigation does not retroactively establish that Plaintiffs committed material breach under the Shareholders' Agreement.
The issues concern separate contractual relationships.

## XXVIII. Final Determination on the Validity of the Put Option Exercise

### 1. Legal Effect of Plaintiffs' Exercise

As previously determined:

- Defendant's July 8, 2024 termination notice was ineffective.
- Defendant's September 20, 2024 call option exercise lacked contractual triggering grounds.
- Plaintiffs validly exercised their put option on November 4, 2024.

Pursuant to Article 5 of the Shareholders' Agreement:
A binding share purchase agreement was formed upon expiration of ten (10) business days from notice of exercise.
That date is November 19, 2024.
Therefore, as of November 19, 2024:
Defendant became obligated to purchase the shares held by Plaintiffs at the contractually determined price.

### 2. Nature of the Purchase Obligation

The purchase obligation arising from the put option is:

- Automatic upon valid exercise;
- Not subject to additional discretionary approval;
- Not contingent upon Defendant's consent once contractual conditions are satisfied.

The Shareholders' Agreement fixes the price formula as:
13× average operating profit.
The calculation mechanism is objective and predetermined.
Defendant cannot unilaterally substitute a different valuation basis (e.g., fair value under call option provisions) once the put option is validly exercised.

## XXIX. Calculation of Amounts Payable

Based on the contractual formula and undisputed accounting figures:
The purchase price per share is KRW 59,541.

Applying that figure to each Plaintiff's shareholding:

- Plaintiff A: KRW 25,594,889,670
- Plaintiff B: KRW 1,725,498,180
- Plaintiff C: KRW 1,437,915,150

These amounts correspond to each Plaintiff's proportional shareholding multiplied by the agreed price formula.

Defendant has not demonstrated any computational error in the Plaintiffs' calculation.

Accordingly, the Court accepts the claimed amounts.

## XXX. Defendant's Defenses

Defendant raised several defenses, including:

1. Prior valid exercise of the call option;
2. Invalidity of Plaintiffs' put option due to alleged breach;
3. Extinguishment of contractual rights by termination;
4. Public harm and reputational damage;
5. Alleged obstruction of audit.

As analyzed above:

- No material breach justifying termination was established;
- The call option was not triggered by a valid termination ground;
- The Agreement remained effective at the time of put option exercise;
- Public disputes do not nullify contractual rights;
- Audit-related conduct did not rise to material breach.

Therefore, all of Defendant's defenses are rejected.

## XXXI. Interest and Timing of Payment

Because a binding purchase agreement was formed on November 19, 2024:
Defendant's payment obligation arose on that date.
Failure to perform thereafter constitutes delay in performance.

Accordingly, Defendant is liable for:

- Statutory interest under the Civil Act
- From the date performance became due
- Until full payment

(Interest calculation to follow statutory rate unless otherwise specified in enforcement stage.)

## XXXII. Allocation of Litigation Costs

Pursuant to Articles 98 and 101 of the Civil Procedure Act:
The losing party shall bear the costs of litigation.
As Defendant's defenses have been rejected in their entirety:
Defendant shall bear all litigation costs.

## XXXIII. Provisional Execution

The Court orders provisional execution under Article 213 of the Civil Procedure Act.
Given:

- The monetary nature of the claim;
- The clear contractual basis;
- The absence of grounds for suspension;

The judgment may be provisionally executed.

## XXXIV. Concluding Statement of the Court

This dispute arises from:
A severe breakdown in corporate trust and governance between majority and minority shareholders.

However, the Shareholders' Agreement established:

- A defined allocation of risk;
- A structured exit mechanism;
- A predetermined economic formula.

The Court's role is not to rewrite the contract in light of deteriorated relations.

Rather, it must enforce:
The parties' agreed allocation of rights and obligations.
The put option was a core economic term of the Agreement.
Because Plaintiffs validly exercised that right, and no material breach extinguished it:
Defendant is obligated to pay the agreed purchase price.

## Disposition (Operative Part)

1. Defendant shall pay:
   - KRW 25,594,889,670 to Plaintiff A;
   - KRW 1,725,498,180 to Plaintiff B;
   - KRW 1,437,915,150 to Plaintiff C.
2. Litigation costs shall be borne by Defendant.
3. Paragraph 1 is provisionally executable.

Presiding Judge

Nam In-su

Judge

Kim Hyo-hee, Jang Bo-soon

# APPENDIX 1

## SHAREHOLDERS' AGREEMENT
## (Full Text Translation)

### Preamble

**2.** Following the closing of the transaction pursuant to the Share Purchase Agreement for the Shares contemplated herein (the "Transaction"), D shall become the largest shareholder of F; A shall become a shareholder and registered director of F; B and C shall become shareholders and key employees of F; and F shall be the company concerned.

In order to cooperate mutually for the continuous development and growth of F, and to define matters concerning the management of F and the respective rights and obligations of each Party in connection therewith, the Parties hereby agree as follows.

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### Article 2

Matters Concerning the Management of F

#### 2.1 Appointment of Representative Director and Directors

(a) Unless A commits an act constituting grounds for dismissal of a director under the Commercial Act, such as an act in violation of the Articles of Incorporation or applicable laws, or unless this Agreement is terminated, D shall take all necessary measures, including exercising the voting rights attached to the shares it holds at the shareholders' meeting of F, to ensure that A maintains the positions of Representative Director and Inside Director of F for a period of five (5) years commencing from November 2, 2021, the date of establishment of F.

(c) If any of the following events occurs, D may request A to resign from the position of Representative Director and/or Inside Director, and in such case A shall promptly resign from such position(s):

1. If A, by intent or gross negligence, causes damage to F in excess of KRW 1,000,000,000 (one billion Korean Won);
2. If A materially breaches this Agreement;
3. If A commits breach of trust, embezzlement, or any other unlawful act in connection with the operation of F;
4. If any other material ground arises that significantly impairs A's ability to perform duties as Representative Director.

## Article 3

Termination of Business Cooperation Agreement, etc.

3.1 D, F, and A hereby agree that, simultaneously with the execution of this Agreement, the Business Cooperation Agreement dated November 11, 2021 shall be terminated.

The aforementioned Business Cooperation Agreement shall cease to have effect prospectively as of the Closing Date of the Share Purchase Agreement dated March 27, 2023 between A (and others) and D.

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## Article 4

Restriction on Transfer of Shares

Interested Parties (referring to the Plaintiffs; hereinafter the same shall apply) shall not, without the prior written consent of D, transfer all or any part of the shares of F held by such Interested Party to any third party.

For the avoidance of doubt, "transfer" shall include, without limitation, any direct or indirect, voluntary or involuntary disposition, including sale, assignment, creation of a pledge or other security interest, disposal, delegation of voting rights, or any other contract, option, arrangement, or agreement relating thereto (collectively, "Transfer").

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## Article 5

A's Share Purchase Request Right (Put Option)

5.1

A may, once during the period commencing on the date three (3) years after the date of establishment of F and ending on the date ten (10) years after such establishment date, request in writing that D purchase shares of F held by A corresponding to up to seventy-five percent (75%) of the total issued shares of F then held by A (the "Put Option").

5.3

Immediately upon A's receipt of the Notice of Designation of Purchaser, a share purchase agreement shall be deemed to have been entered into between A and the designated purchaser on the following terms:

(3) Purchase Price Per Share:

The purchase price per share shall be calculated as follows:

( Average Operating Profit of F for the two fiscal years immediately preceding the fiscal year in which the Put Option is exercised, as reflected in F's audit reports, × 13.0 − F's borrowings from financial institutions as of the date of exercise of the Put Option ) ÷ Total number of issued and outstanding shares of F as of the date of exercise of the Put Option.

## Article 10

Representations and Covenants

### 10.3 Covenants of A

(a) A, as Representative Director and Inside Director of F, shall faithfully discharge fiduciary duties owed to F and shall not, by intent or gross negligence, engage in any act that may cause damage to F or to any affiliated company within D's corporate group.

(c) In the event of any material adverse effect on F or any major management issue affecting F, A shall promptly notify D in writing.

(d) A acknowledges that F is a label under D, and where D requires operational cooperation from F due to managerial necessity or contractual obligations with third parties, A shall cause F to cooperate in good faith with such request.

(e) For a minimum period of five (5) years from the date of establishment of F, and during the term of this Agreement, A shall not, without prior written consent of D and F, directly or indirectly (including through related parties):

(i) engage in any business identical or similar to the business conducted by D, F, or their affiliates (the "Restricted Business");

(ii) establish a company engaging in the Restricted Business;

(iii) invest in, lend funds to, or merge with any entity engaging in the Restricted Business; or

(iv) participate in any manner, including as advisor, consultant, or otherwise, in any entity engaging in the Restricted Business.

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## Article 11

Effectiveness and Termination

### 11.2 Termination

If any of the following events occurs with respect to a Party, the non-breaching Party may terminate this Agreement by written notice:

(a) A material breach of this Agreement to such an extent that the purpose of this Agreement cannot be achieved, provided that where cure is possible, the breaching Party fails to cure such breach within fourteen (14) days after receiving written demand.

### 11.3 Effect of Termination

Upon termination, this Agreement shall cease to be effective and the Parties shall be released from further obligations hereunder, except for liabilities arising prior to the effective date of termination. Articles 11.4 and 12 shall survive termination.

### 11.4 Damages

(a) A Party breaching this Agreement shall compensate the other Party for damages incurred as a result thereof.

(b) Notwithstanding the foregoing, if any Interested Party breaches this Agreement and fails to cure such breach within fourteen (14) days after demand, D (or a third party designated by D, collectively the "Call Option Holder") shall have the right (the "Call Option") to purchase all shares of F then held by such Interested Party (the "Call Option Shares").

(i) D shall notify the Interested Party in writing of its intent to exercise the Call Option ("Call Option Notice").

(ii) Within twenty (20) business days from receipt of the Call Option Notice, the Parties shall jointly appoint an external appraisal institution, which shall determine within twenty (20) business days the Fair Market Value per share of the Call Option Shares ("Fair Market Value"). The Parties shall not dispute such determination.

(iii) On the business day following determination of Fair Market Value, a share purchase agreement shall be deemed concluded. The purchase price per share shall be the lesser of:

(x) the par value per common share of F; or

(y) seventy percent (70%) of the Fair Market Value.

(iv) Closing shall occur within twenty (20) business days from the deemed execution date.

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## Article 12

Miscellaneous

### 12.9 Confidentiality

Each Party shall, during the term of this Agreement and thereafter, strictly maintain in confidence:

(a) the existence and contents of this Agreement;

(b) negotiations relating hereto;

(c) all confidential information obtained in connection with the execution or performance of this Agreement ("Confidential Information").

Confidential Information may be disclosed only:

(i) with prior written consent;

(ii) where required by law or governmental authority;

(iii) where required in judicial or administrative proceedings; or

(iv) to employees, agents, or advisors bound by equivalent confidentiality obligations and only to the extent necessary.

# APPENDIX 2

## Preliminary Injunction Proceeding Concerning Plaintiff A

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- "Creditor" refers to Plaintiff A.
- "Debtor" refers to Defendant.

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2. Whether Grounds for Removal Exist with Respect to the Creditor

(a) Applicable Legal Principles

Even where a director has committed misconduct in the performance of duties or there exists a serious violation of laws or the Articles of Incorporation, if a resolution to remove such director is rejected at a shareholders' meeting, a shareholder holding shares representing not less than three percent (3%) of the total issued shares may petition the court for removal of such director (Commercial Act Article 385(2)).

Here, "misconduct in the performance of duties" refers to intentional acts by a director that violate his or her duties and cause damage to the company; mere negligence in the performance of duties does not constitute grounds for removal.

A "serious violation of laws or the Articles of Incorporation" refers to conduct comparable in gravity to misconduct in the performance of duties, where a director intentionally and gravely violates laws or the Articles of Incorporation, thereby breaching the duty of loyalty owed to the company and causing damage.

(b) Specific Determination

In light of the facts set forth in the evidentiary materials and the overall tenor of the hearing, and considering the following circumstances established thereby, it is difficult to conclude that the materials submitted thus far sufficiently demonstrate the existence of grounds for removal with respect to the Creditor.

(1) It appears evident that, beginning around the end of 2023, the Creditor became dissatisfied with the contents of the Shareholders' Agreement in this case and demanded revisions thereto; and that the Creditor explored, together with I, Vice President of F, methods by which the Creditor could independently control F, including potentially departing from the Debtor's sphere of control or exerting pressure upon the Debtor to sell shares of F held by the Debtor so as to weaken the Debtor's control over F.

However, based solely on the materials submitted to date, it has not been sufficiently established that the Creditor progressed beyond such exploratory or planning stages to concrete implementation.

Moreover, even if such conduct could be regarded as disloyal to the Debtor, it is difficult to conclude that it constitutes "misconduct in the performance of duties" causing damage to

F, or a "violation of laws."

(2) In light of the following circumstances:

① Opinions were expressed among the public before and after R's debut that R's concept, choreography, and costumes were similar to those of G;

② Article 5(4) of the exclusive contract concluded between F and members of G provides that if a third party infringes or interferes with G's entertainment activities, F shall take necessary measures to eliminate such infringement or interference, and Article 15(1) of that contract permits members of G to terminate the exclusive contract if F breaches such obligation;

③ As F's inside director and representative director, the Creditor bears the duty of due care of a prudent manager and the duty of loyalty to take necessary measures to protect the value of G, which constitutes a core asset of F;

④ Although G's legal representatives asserted in pleadings submitted to this Court that they requested the Creditor to take measures regarding the alleged plagiarism issue between R and G, there is insufficient evidence that the Creditor instigated such legal representatives to raise issues against the Debtor;

⑤ The email sent by the Creditor to the Debtor raising issues concerning similarities between R and G may be regarded as performance of the notification obligation under Article 10.3(c) of the Shareholders' Agreement;

When comprehensively considering the foregoing, it is difficult to conclude that the Creditor's act of raising issues concerning the alleged plagiarism between R and G constitutes a breach of duty toward F.

(3) There is insufficient evidence to establish that the Creditor's conduct, as alleged by the Debtor, resulted in damage to F or diminution in F's value.

(4) With respect to the advertising agreement structure:

① The fees paid by F, the agency of G, under advertising agreements are payments for G's modeling services, and styling fees incurred during advertisement shoots are paid by the advertiser to separate external vendors;

② There is no material demonstrating that F separately paid styling fees to CH;

③ Even if CH received styling fees as an external vendor with approval from F's board of directors, it is difficult to conclude that F's revenue or profits thereby decreased;

④ Even assuming, as the Debtor argues, that styling fees received by CH constitute damage to F, there is insufficient evidence to substantiate such claim.

Accordingly, it is difficult to definitively conclude that the Creditor's conduct constitutes breach of duty in the course of performing duties as representative director.

(5) It is difficult to conclude that the information allegedly leaked externally by the Creditor constitutes F's "trade secrets," and there is no evidence demonstrating specific financial damage to F resulting from such disclosure.

(6) The fact that BI, an inside director of F, sold approximately KRW 200 million worth of shares of the Debtor on April 15, 2024 does not, in itself, establish that the Creditor engaged in stock transactions in violation of the Capital Markets Act. Nor does it readily establish that the Creditor damaged F by harming the reputation of the Debtor's management or its affiliates.

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## 3. Whether Grounds for Suspension Exist with Respect to the Creditor

Considering the evidentiary materials and the overall tenor of the hearing, and in light of the following circumstances, it is likewise difficult to conclude that grounds for suspension of duties have been sufficiently demonstrated.

(a) The mere fact that the Debtor's market capitalization declined by more than KRW 1 trillion does not automatically establish that F, a non-listed company in which the Debtor holds an 80% stake, suffered damages exceeding KRW 10 billion. There is insufficient proof that G's exclusive contract relationship became unstable, and even if it had, there is no evidence quantifying damages exceeding KRW 10 billion.

(b) With respect to alleged breaches of confidentiality under Article 12.9 of the Shareholders' Agreement:

① The contents of the Shareholders' Agreement mentioned at the press conference held on April 25, 2024 were limited in scope;
② It has not been confirmed that the source of media reports concerning the Shareholders' Agreement was the Creditor;
③ The Creditor's statement dated May 2, 2024 appears to have referenced the

Shareholders' Agreement in the course of responding to the Debtor's April 26, 2024 statement.

Accordingly, it is difficult to conclude that the Creditor gravely violated the confidentiality obligation under Article 12.9.

Further, even considering the Debtor's allegations regarding discriminatory treatment of G or pressure concerning album releases, it is difficult to conclude that the Creditor intentionally or through gross negligence caused damage to F or the Debtor.

(c) Although the Debtor asserts that the Creditor's conduct falls under Article 2.1(c) or Article 3 of the Shareholders' Agreement, for the reasons discussed above, there is insufficient evidence to conclude that the Creditor committed breach of duty or unlawful conduct as representative director and inside director of F.

(d) In light of F's recent business performance, it is difficult to conclude that circumstances alleged by the Debtor constitute serious grounds warranting suspension of the Creditor's performance of duties as representative director.

# APPENDIX 3

## Non-Indictment Decision Concerning Plaintiff A, B, et al. (Exhibit 43)

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Upon review of the entirety of the KakaoTalk communications between I and A secured during the investigation, such exchanges appear to have been aimed at protecting the interests and performance achievements of F, the alleged victim company. Contrary to the complainant's audit report, the term "Exit" does not refer to an "exit" in the sense of a takeover or unlawful seizure of management control, but rather contemplates a scenario in which Representative A, after completing the normal five-year term under the Shareholders' Agreement, would exercise the contractual put option thereafter.

Even assuming that certain portions of the conversations could give the impression of a desire to depart from D's sphere of control, the forensic materials reflect that such discussions were premised upon "after expiration of the term under the Shareholders' Agreement," and further assumed either F's IPO (stock listing) or sale of F to major shareholders. In each case, such actions were predicated upon obtaining approval from the parent company.

The complainant appears to have formulated the present allegations after becoming aware of resistance expressed by the suspects toward the parent company. Such resistance appears to have stemmed from:
① erosion of trust during the course of events from Representative A's recruitment into E through G's debut;
② distrust existing at the time of execution of the Shareholders' Agreement (including alleged misrepresentations concerning the call option);
③ perceived unfairness in the terms of the Shareholders' Agreement (including alleged "poison pill" provisions);
④ internal group issues such as alleged attempts to push out certain album releases; and
⑤ issues relating to alleged copying among affiliated companies — all reflecting dissatisfaction grounded in principles of fairness and creative ethics within entertainment management.

Accordingly, it is questionable whether actions based on such dissatisfaction — including the transmission of protest letters concerning the alleged copying issue — may be generally evaluated as "betrayal" toward the parent company.

In particular, forensic evidence confirms that Vice Representative B was internally scheduled to resign as of February 2024, and that Representative A had expressed reservations regarding B's professional competence at that time. There is insufficient evidence to establish the existence of common criminal intent or a coordinated scheme between the parties.

Therefore, notwithstanding the complainant's assertions, considering:

- A's recruitment into E as CBO and subsequent open audition process at C;
- the background and process leading to F's establishment and the G contract originating at O;
- the status of negotiations concerning amendments to the Shareholders' Agreement;
- the background and progression of the protest letter transmission relating to the G copying issue; and
- the entirety of the suspects' forensic communications secured in this case,

it cannot be clearly determined that the transmission of protest letters was undertaken with intent to confer benefit upon themselves or a third party for the purpose of acquiring management control. Nor can it readily be inferred that such conduct was undertaken with intent to cause damage to F by increasing the likelihood of termination of G's exclusive contract. Further, it cannot be concluded that the suspects recognized such conduct as constituting a breach of duty in their capacity as corporate officers of F.

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### ○ Whether Breach of Trust Is Established

The complainant asserts that the execution act (transmission of protest letters through parents on April 3, 2024) constitutes aggravated "harmful conduct" and an attempted execution of breach of trust. However, following R's debut (March 25, 2024), issues concerning alleged copying of G's choreography and concept became widely discussed in online media. Article 5(4) of the exclusive contract between F and members of G expressly provides that the company shall take necessary measures in the event of infringement or interference, and Article 10.3(c) of the Shareholders' Agreement sets forth related notification obligations. Accordingly, such conduct appears not as a violation of duty but rather as conduct corresponding to corporate and managerial obligations.

### ○ Whether There Was an Execution Act

Although the complainant characterizes the transmission of protest letters through parents as an act creating a false appearance of legitimacy, it is difficult to regard such conduct as an "attempted execution" of breach of trust undertaken with awareness of violating duty and with intent to obtain benefit and cause damage.

### ○ Causal Relationship Between Benefit and Damage

The complainant further argues that the parent company's market capitalization declined by KRW 800 billion over a two-day period following the press conference, and cites this as an indicator of substantial damage.

In principle, a parent company and its subsidiary are separate legal entities possessing independent legal personality. While a subsidiary's profits and losses may be reflected in consolidated financial statements of the parent company, for such decline to constitute damage to the subsidiary, it must be established that the parent company exercised decisive control over the subsidiary's management. Even assuming such premise, the

direction of causation in this case differs, and the alleged decline is insufficient as an indicator of damage to F.

Further, the alleged “loss of anticipated acquisition” arising from increased likelihood of termination of G’s exclusive contract has not been concretely quantified, and reciprocal correspondence between such alleged loss and any benefit cannot be verified.

○ Substantial Causal Relationship Between Alleged Breach and Benefit/Damage

The act of transmitting protest letters through artists’ parents cannot be deemed an act of acquiring benefit that caused damage to F with substantial causal connection. Even if draft text of the protest letter was provided to G’s parents, the signatures were affixed by the parents themselves, and the contents and dates were confirmed by the named signatories; thus it cannot be regarded as fabricated or externally staged documentation.

○ Comprehensive Determination

The crime of breach of trust is not established by any violation of duty; rather, it is limited to violations of duty committed with intent to obtain financial benefit for oneself or a third party and with awareness of resulting damage.

Moreover, a substantial causal relationship must exist between the violation of duty and the acquisition of benefit.

In the present case, the conduct consisting of submission of protest letters through G’s parents and related press conference actions appears, in substance, to have been undertaken by executives of the alleged victim company in order to perform obligations under the Articles of Incorporation and the artists’ exclusive contracts. Upon review of the entire course of events, such conduct may rather be regarded as performance of the duty of loyalty owed by the representative director of F.

Accordingly, for the reasons set forth above, the elements of the offense are not satisfied. It is likewise difficult to conclude that the conduct substantially increased the likelihood of termination of G’s exclusive contract or elevated the risk of damage, and causation cannot be established.

The suspects’ conduct does not constitute a criminal offense.
No charges.

End.