

# ACTIVIST INVESTOR TRIGGERS REAL-LIFE K-POP INDUSTRY DRAMA

It is the kind of K-drama that rivets millions of viewers - bitter boardroom battles, expensive lawyers, hostile takeover claims and high-stakes shareholder meetings. Except this is playing out in real life as the godfather of K-pop fights his nephew for control of the music company he founded.

It features HYBE, the agency behind the smash-hit group BTS, and tech giant Kakao in an A-list battle that could also determine the billion-dollar industry's future. And it was triggered largely by one man: South Korean activist investor Lee Chang-hwan.

Lee's fund Align Partners bought a one percent stake early last year in SM Entertainment, one of South Korea's leading music companies that helped bring K-pop to the world, managing early hit groups such as boy bands Super Junior and SHINee. He used that stake to argue for corporate reform, saying that SM founder Lee Soo-man - the so-called Godfather of K-pop - was, in effect, syphoning off millions of dollars every year in bogus consulting fees.

"It didn't make sense," Lee Chang-hwan told AFP in a recent interview, saying the money - six percent of publicly listed SM Entertainment's sales every year - was paid to a private entity called Like Planning, which was entirely owned and controlled by Lee Soo-man.

The 36-year-old self-made investor, who was raised by a single mum and



SEOUL: In this photo taken on March 2023, Lee Chang-hwan, a South Korean activist investor, whose fund Align Partners bought a one percent stake in SM Entertainment, one of South Korea's leading music companies which helped bring K-Pop to the world, uses his computer during an interview with AFP in Seoul. — AFP

first shot to public attention by winning a popular South Korean TV quiz show, started asking uncomfortable questions. Lee Soo-man's pet company had raked in "nearly 160 billion won (\$120 million) over the past 20 years", he said, as SM risked major financial and reputational damage due to the behavior of its founder.

## Creating K-pop

Lee Soo-man not only created individual K-pop bands in the 1990s such as H.O.T. and S.E.S., whose success arguably laid the groundwork for the stratospheric rise of groups like BTS and BLACKPINK, he came up with the industry's whole modus operandi.

He pioneered an obsessive level of training and micro-management of "idols" - trained K-pop stars - and his idea of combining strong visual performances and aggressive overseas marketing helped make SM Entertainment an industry behemoth.

He founded the company in 1989 and took it public in 2000 - so he was predictably outraged last year when SM Entertainment's management, including his nephew, agreed with activist investor Lee Chang-hwan's assessment and moved to terminate the "unfair" deal with Like Planning. In an apparent fit of revenge, Lee Soo-man sold the majority of his stake in SM - 14.8 percent of the company - to one-time rival

HYBE, the agency that manages BTS, for \$325 million.

The move made HYBE the single largest shareholder in SM Entertainment, prompting outraged protests from SM's management that it was a hostile takeover that would create an HYBE monopoly and damage the K-pop industry's massive potential.

In a bid to wrest back control, SM's management brought in South Korea's Kakao, a sprawling cash-rich tech conglomerate that owns the country's most popular messaging app. Kakao is now seeking to buy a controlling share of the company to block HYBE.

## 'Valley of death'

The feud has unleashed a family succession drama, with founder Lee's nephew, Lee Sung-su, who is the company's CEO, taking to YouTube to air their dirty laundry. Accusing his uncle of tax fraud using overseas companies, he demanded the elder Lee "kneel down and apologize" for his alleged crimes.

"Sir, please stop now... It is the only way to save you from the Valley of Death", he said in a video posted online. Lee Soo-man has not responded to his nephew's allegations, and could not be reached for comment by AFP, but Yonhap reported he has said Lee Sung-su is a "good nephew" and that his "heart aches" due to the feud.

Experts say the drama is an illustration of a perennial problem in South Korea's dynastic chaebols: founding families exerting control through a complex web of crossholdings, allowing them to wield unchecked power despite not holding controlling shares.

The chairman of South Korean giant Samsung Electronics, who was also the heir of the founding family, was convicted and jailed in 2017 over corruption, although he was given a presidential pardon last year. Align Partners' Lee Chang-hwan says the SM Entertainment case is similar.

"It was a bad example of a person who runs the company as if it's his private entity... Whether it was legal or not, it is hard to accept as a shareholder," he said. Lee Chang-hwan also opposes HYBE's bid for control, saying their efforts to create a monopoly bode ill for the market.

"We thought there was great potential for further K-pop growth," he said, adding he first started looking at investing in the industry in early 2021. "BTS was already a huge success and we witnessed the formation of a real K-pop fan base in North America and Europe," Lee Chang-hwan said. SM Entertainment was "undervalued" due to its management woes, he said, and seemed a good target. — AFP

## British architect David Chipperfield wins Pritzker prize

British architect and urban planner David Chipperfield won the 2023 Pritzker Prize, organizers of the profession's most prestigious award announced Tuesday. The 69-year-old was honored for "timeless modern design that confronts climate urgencies, transforms social relationships and reinvigorates cities," they said in a statement.

Chipperfield said he was "so overwhelmed" to become the prize's 52nd laureate. "I take this award as an encouragement to continue to direct my attention not only to the substance of architecture and its meaning but also to the contribution that we can make as architects to address the existential challenges of climate change and societal inequality," the statement quoted him as saying.

Chipperfield is renowned for renovations and reconstructions of old buildings, updating them for the modern age while honoring their history and culture and preserving the natural environment. Among his best is a rebuild of the Neues Museum in Berlin, which was built in the 19th century and largely destroyed in



STOCKHOLM: In this file photo taken on May 23, 2016, British architect Sir David Chipperfield presents the future Nobel Center to be built on Blasieholmen, along Stockholm's central waterfront, during a press conference in Stockholm. — AFP

World War II, and reinvention of a 16th century Venice landmark, the Procuratie Vecchie. Other major works include the Museo Jumex in Mexico City; the Museum of Modern Literature in Marbach, Germany; Iowa's Des Moines Public Library; and a new building for the Saint Louis Art Museum in Missouri. The Hyatt Foundation, which sponsors the award, said every work of Chipperfield's "becomes a civic undertaking serving society."

It praised him for his "subtle yet powerful, subdued yet elegant" works that span over four decades and several

continents. "He is assured without hubris, consistently avoiding trendiness to confront and sustain the connections between tradition and innovation, serving history and humanity," said Tom Pritzker, the foundation's chairman.

The Pritzker Prize was first awarded in 1979. Illustrious winners include Britain's Norman Foster, Japanese architect Arata Isozaki, and Balkrishna Vithaldas Doshi of India. Last year, Burkina Faso-born Diebedo Francis Kere became the first African winner.

Chipperfield has completed more than 100 projects across Asia, Europe, and North America. Last month, the National Archaeological Museum in Athens, announced that he would lead a massive upgrade of the institution that is expected to take four years.

It is Greece's largest museum and one of the most important of its kind in the world, housing such antiquities as the prehistoric frescoes of Thera and the Bronze Age gold treasures of Mycenae. Chipperfield said in his statement that architects "can have a more prominent and engaged role in creating not only a more beautiful world but a fairer and more sustainable one too." "We must rise to this challenge and help inspire the next generation to embrace this responsibility with vision and courage," he added. — AFP

## John Williams: Hollywood's maestro goes for more Oscars history

From "Star Wars" to "Jaws" to "Schindler's List," John Williams has written many of the most instantly recognizable scores in cinema history. The 91-year-old is already the oldest person to receive an Oscar nomination for a competitive award, which he earned thanks to his spare yet poignant compositions for Steven Spielberg's "The Fabelmans."

With 53 total nods, Williams has more Academy Award nominations than any other living person, and is second only to Walt Disney, who had 59. And if he gets another statuette on Sunday, which would be his sixth, he will become the oldest person ever to triumph in any competitive category. The record is currently held by screenwriter James Ivory, who was 89 when he won. It "seems unreal that anybody could be that old and working that long," Williams recently told NBC News, adding: "It's very exciting, even after 53 years. I'm very pleased, I think it's a human thing - the gratification of any kind of appreciation of one's work."

Out of the dozens of nominations over the course of his extraordinary career, the composer won Academy Awards for the original "Star Wars," "Fiddler on the Roof" and three films by Spielberg, with whom he is closely associated - "Jaws," "E.T.: The Extra-Terrestrial" and "Schindler's List." He's even competed against himself multiple times for Oscars glory.

Williams is known for his grand neo-Romantic scores in the fashion of Wagner, a contrast to the more experimental fare prevalent among many modern composers outside Hollywood. But his work is also steeped in mid-century influences including jazz and popular American standards.

Williams holds he's not as Wagnerian as his music might indicate, but admits the 19th century German giant's influence on Hollywood's early composers, and therefore his own, is palpable. "Wagner lives with us here - you can't escape it," he told The New Yorker in 2020. "I have been in the big river swimming with all of them."

## 'Single greatest collaboration'

Williams was born on February 8, 1932 in New York's Queens borough to a percussionist father, and was the eldest of four children. The family moved to Los Angeles in 1948, where Williams later studied composition and took a semester of jazz band at Los Angeles City College.

While in the Air Force, he played both piano and brass while arranging music for the service's band. Afterwards, he moved to New York, where he enrolled at the prestigious Juilliard school to study piano. Though he aspired to be a concert pianist, it became clear to Williams that composition was his true forte. He moved back to LA, where he worked on orchestration at film studios - earning plaudits for his range - and as a session pianist, including for the film adaptation of Leonard Bernstein's "West Side Story."

Williams notched his first Oscar nod for the 1967 film "Valley of the Dolls," and won his first in 1972 for "Fiddler on the Roof." His momentous partnership with Spielberg began in the early 1970s, when the soon to be household-name director approached him to score his debut, "The Sugarland Express."

Spielberg approached him once more to work on his second film, "Jaws." The menacing two-note ostinato Williams composed for the film has practically become synonymous with fear itself. "John Williams actually is the teeth of Jaws," Spielberg said last year at a concert for the composer's 90th birthday.

The pair then worked on "Close Encounters of the Third Kind" and a decades-long creative partnership unfurled. At the Williams birthday celebration in Washington, Spielberg dubbed their relationship "the single greatest collaboration of my career and one of the deepest friendships of my life. Through the medium of movies, John has popularized motion picture scores more than any other composer in history."



HOLLYWOOD: In this file photo taken on January 22, 2019, conductor John Williams speaks at conductor Gustavo Dudamel's Hollywood Walk of Fame Star ceremony in Hollywood, California. — AFP

## 'Soundtrack of our lives'

Spielberg also introduced Williams to one George Lucas - it would become another iconic collaboration that spawned perhaps the most recognizable film score ever. Several of Williams' "Star Wars" compositions are prime examples of leitmotif, with musical cues tying together the vast, character-rich story.

"He has written the soundtrack of our lives," conductor Gustavo Dudamel told The New York Times last year. "When we listen to a melody of John's, we go back to a time, to a taste, to a smell. All our senses go back to a moment."

Other credits from Williams' more than 100 film scores include the music for 1978's "Superman," the first three "Harry Potter" films and a number of "Indiana Jones" films. "Harrison Ford made Indiana Jones into an iconic action hero, but John made us believe in adventure again, through that pulse-pounding march," said Spielberg.

Off-screen, he is responsible for the "Olympic Fanfare and Theme" first composed for the 1984 Summer Games in Los Angeles and used ever since on US broadcasts. Williams has recently indicated he might take a step back from film scoring, giving more energy to conducting and composing concert music; he was a longtime leader of the Boston Pops orchestra. But speaking at a panel with Spielberg earlier this year, Williams seemed to walk back the notion of slowing down, vowing to work until he's 100 or so. "So I've got 10 more years to go. I'll stick around for a while!" he told the crowd. "You can't 'retire' from music. It's like breathing." — AFP



## Queen's corgis take center stage at London exhibition

A new exhibition of photographs showing the relationship between Queen Elizabeth II and her beloved corgis opens in London on Wednesday, celebrating her bond with the dogs. The exhibition, titled "The Queen and Her Corgis", features images taken during the late sovereign's life, showcasing her unique bond with her Pembroke Welsh Corgis.

"We've got this very small but really exquisite exhibition that shows nine photographs taken of the queen and her corgis and they chart her life every 10 years," exhibition curator, Xavier Bray, told AFP. The images capture her as a young girl to monarch on official duty, he said. "You also see her up in Balmoral, relaxing with the corgis and even at Windsor giving them a walk," he added, referring to royal estates in Scotland and just west of London, respectively.

The photographs, chosen from a pool of over 5,000 images, range from informal snapshots to formal portraits -- each capturing a moment in the queen's 96-year life and her bond with the breed. The earliest image in the collection dates from July 1936 with a young Princess

Elizabeth playing with a pair of corgis named Jane and Dookie in a garden at the home where she grew up in London. Another photograph features her posing with Susan, the corgi from which many of the dogs she would later have during her reign were descended.

## 'Very intimate'

"You see the queen but from a very different perspective through this extraordinary relationship that she had with her corgis," Bray said. "When you have a dog in the relationship, it's very intimate, it's personal."

The little sandy-colored canines with pointy ears were a constant presence in the queen's court, following her from room to room in Buckingham Palace and often featuring in official photos. As well as corgis, she also kept dorgis, a breed which came about when one of her corgis had a chance encounter with her sister Princess Margaret's dachshund Pipkin. Bray's favorite image in the collection, he said, is "the one of her sitting on a rock by a beautiful cascade up in Balmoral in the Scottish Highlands." — AFP

## Adidas stuck with Yeezy gear after dropping Kanye

Adidas said Wednesday it was still weighing what to do with its huge inventory of Kanye West's Yeezy products after it ended its partnership with the controversial rapper. Potentially not selling the apparel and shoes linked to West would lead to a revenue loss of 1.2 billion euros (\$1.3 billion), the group said, announcing its 2022 full-year results.

Adidas halted its tie-up with West -- now known formally as Ye -- in October after he made a series of anti-Semitic outbursts. As a result, the group ended production of the highly successful Yeezy line designed together with West. "Should the company irrevocably decide not to re-purpose any of the existing Yeezy product going forward," it would have to write-off the entire inventory, it said.



Kanye West

That would lower the company's operating profit by an additional 500 million euros in 2023, it said. Along with one-off costs projected to reach 200 million euros related to a company strategic review, Adidas said it could end up with an operating loss of 700 million euros in 2023. Bjorn Gulden, the group's new chief executive, said the company will use 2023 as a "transition year to build the base for 2024 and 2025." "We need to reduce inventories and lower discounts." — AFP