

Samsung chairman keeps fortune in inheritance case

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The chairman of Samsung Electronics has kept his fortune and control of the Samsung conglomerate after a South Korean court Friday ruled against his older brother in an inheritance battle.

The case was watched because a ruling against Samsung's chairman Lee Kun-hee could have resulted in the unraveling of a cross-shareholding structure that allows Lee to control the conglomerate as a minority shareholder. He is South Korea's richest person with wealth of \$8 billion, according to Forbes.

The high-stakes fight also highlighted deep discord between sons of Samsung founder Lee Byung-chull, who denounced each other in public as the battle unfolded last year.

Lee Kun-hee's brother, Meng-hee, wanted a bigger share of the Samsung cake but the court ruled that a 10-year period for inheritance claims had expired.

It also said there was not enough evidence to prove that dividends and proceeds from Samsung companies were intended as part of the inheritance from Byung-chull.

On the same grounds, Seoul Central District Court denied inheritance claims from four other family members including Lee Kun-hee's elder sister.

They sought a combined 4.1 trillion won (\$3.7 billion) of stocks and cash from Lee and Samsung Everland Inc., a de facto holding company of the Samsung empire.

Meng-hee's lawyers said they would consider an appeal. Neither brother attended the court hearing.

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The battle brought longstanding family resentments into the open, highlighting the struggles for control that can happen at the heart of South Korea's chaebol as the family-owned conglomerates that dominate the country's economy are known.

Lee Kun-hee, 71, called his older brother "greedy." Meng-hee described Lee as "acting childish."

The 81-year-old Meng-hee, the oldest of three sons, was briefly tapped to lead Samsung but gave up the leadership role that later went to his younger brother. Meng-hee lives in China and until the inheritance battle had kept a low profile. His son heads CJ, a food and entertainment conglomerate that has its roots in Samsung.

Before announcing the ruling, the judge said he wished the brothers would reconcile and live in harmony.

Samsung's vast business empire spans many industries including finance, chemicals and consumer electronics. Samsung Electronics Co. is the world's largest maker of smartphones, imitating and then out-selling the iPhone by Apple Inc.

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