

News from St. James Anglican Church

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ST. JAMES CHURCH'S PROPERTY RIGHTS BATTLE WITH THE EPISCOPAL CHURCH
CONTINUES IN CALIFORNIA'S ORANGE COUNTY SUPERIOR COURT; U.S. SUPREME
COURT DENIES PETITION

NEWPORT BEACH, Calif. – October 5, 2009 – The Supreme Court of the United States today denied a petition by St. James Church, Newport Beach, CA to hear its church property rights battle with the Episcopal Diocese of Los Angeles and the national Episcopal Church (TEC). However, the property rights case is far from over and the case continues in the Orange County Superior Court in Santa Ana, CA.

St. James' Senior Pastor, the Rev. Richard Crocker, said, "While it is obviously disappointing, we always felt the court might prefer to wait until the trial proceedings were final. Our battle is far from over. We look forward to having the trial court rule on a written promise from the Episcopal Church in 1991 that they would never lay claim on our property. Our members have engaged in much prayer in order to discern God's will for our congregation and what His call might be for us. We believe God has asked us to stand steadfast for His Gospel as well as to remain steadfast on this legal battlefield."

Following is a statement by John Eastman, counsel of record on The Supreme Court petition:

"The Supreme Court normally considers only cases that are final, so it is not surprising that the Court decided to wait until further developments in this case are completed. There are some exceptions to the finality rule that we believe would have permitted review now, but the Court's decision today does not foreclose review down the road once a full trial of the matter and subsequent appeals in the California Courts have run their course."

In its June 24, 2009 petition for a writ of certiorari, St. James Church asked The Supreme Court to consider whether the California Supreme Court's interpretation of a California statute, as giving special power to certain religious denominations to take property they do not own, unconstitutionally establishes certain forms of religion and infringes upon the freedom of local church congregations to exercise their religion without having their property taken by an affiliated denomination.

The Episcopal lawsuits against St. James stemmed from a decision by the members of St. James Church in August 2004 to align themselves with another branch of the worldwide Anglican Communion, and end the church's affiliation with the Episcopal Church over core theological differences involving the authority of Holy Scripture and the Lordship of Jesus Christ. The Episcopal Diocese of Los Angeles sued St. James Church, All Saints Church, Long Beach, CA, and St. David's Church, No. Hollywood, CA, and over two dozen volunteer board members in September 2004. Subsequently, TEC intervened into the lawsuits against the three local church corporations. Since that time, the case has progressed from the Orange County Superior Court to the California Supreme Court, which decided how such church property disputes would be

resolved in California. After a lengthy appeal from an early victory attacking the Episcopal complaints, the case was recently remanded to the Orange County Superior Court for St. James to answer, engage in discovery, and trial.

Eric C. Sohlgren, lead counsel for St. James in the California courts, said, “St. James has followed a steady course since this lawsuit was first filed against them and its church volunteers over five years ago. The reason is that the principles at stake go to the very heart of what Americans hold dear – the right to own property without outside interference and the right to freely exercise one’s religion regardless of belief or faith group. The Episcopal Church hasn’t contributed a dime toward the purchase or maintenance of St. James’ properties or buildings, and they’ve stood on the sidelines while watching the people of St. James carry all of the burdens and benefits of property ownership for decades. In our diverse and freedom-loving land, no one should have their property confiscated over religious belief.”

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A Brief Recap: St. James Anglican Church’s Fight to Keep its Property

In August 2004 St. James Church ended its affiliation with the Episcopal Diocese of Los Angeles and the Episcopal Church over theological differences involving the authority of Holy Scripture and the Lordship of Jesus Christ. The Episcopal Diocese of Los Angeles brought lawsuits against St. James Church, All Saints Church, Long Beach, CA, and St. David’s Church, No. Hollywood, CA, and their volunteer board members in September of 2004. Subsequently, the national Episcopal Church intervened into the lawsuits against the three local church corporations and their volunteer board members.

In August 2005 the Honorable David C. Velasquez of the Orange County Superior Court ruled in favor of St. James Church and struck the complaint brought by the Diocese of Los Angeles. In October 2005 Judge Velasquez issued a similar ruling in favor of All Saints and St. David’s Churches. These early victories arose from early challenges to the two complaints filed by the Diocese and the Episcopal Church, and as a result, no trial ever occurred. The Episcopalians then appealed to the California Court of Appeal sitting in Orange County on this very limited court record, arguing that under neutral principles of law they had a probability of prevailing and had alleged legally viable claims.

In July 2007 the Court of Appeal rejected nearly thirty years of California church property law by ruling that a secular court must defer to the determinations of the highest level of the church hierarchy regarding ownership of local church property, regardless of any agreements between the parties, the corporate documents, who paid for the property, or who held the deed. The Court of Appeal reversed the trial court judgment in favor of St. James, and ordered the case back to the trial court.

In August 2007 St. James filed a petition with the California Supreme Court, which the Court unanimously and quickly accepted under the name of Episcopal Church Cases. The Court heard oral argument in the case in October 2008.

In January 2009 the California Supreme Court ruled in Episcopal Church Cases that church property disputes in California must be resolved by neutral or non-religious principles of law, not by civil courts merely deferring to the decrees of church “hierarchies” or larger church bodies. As a result, every church property dispute in California now will be resolved based on non-religious factors that are unique to the dispute. While adopting this non-religious method of resolving property disputes between churches, however, the Court seemed to defer to the Episcopal Church’s alleged “trust canon,” which purports to create a trust interest in church property owned by local congregations. The Court made its ruling despite the fact that St. James purchased and maintained its property with its own funds and has held clear record title to its property for over fifty years. St. James believes that this ruling overlooked decades of trust law in California that only allows the owner of property to create a trust in favor of someone else, and will as a result have wide impact for local church property owners throughout California that seek to change their religious affiliation.

In late January 2009 St. James formally asked the California Supreme Court to modify its January decision.

In February 2009 the California Supreme Court granted the St. James request, and modified its decision to confirm both that the suit against St. James is not over and that no decision on the merits of the case has yet been made. Instead, the Court clarified that its decision was only based on the limited record before it, which will now be augmented through the normal discovery and trial process.

In late February 2009, the case against St. James Church corporation, the volunteer board members, and clergy returned to the trial court in Orange County where St. James can assert factual and legal arguments that were not addressed on appeal through discovery, depositions, motions, and trial. Using the legal standard set forth by the California Supreme Court, the Orange County Superior Court will eventually decide the merits of this dispute. For example, St. James has brought a complaint against the Diocese of Los Angeles based on a 1991 written promise that it would not claim a trust over the property of St. James on 32nd Street in Newport Beach.

On June 24, 2009, St. James filed a petition for a writ of certiorari with the United States Supreme Court. A response from the Court regarding its decision to hear St. James’s petition can be expected by October 2009. If the Court takes the case, a decision would be rendered by mid-2010.

On July 13, 2009, St. James Church won a significant legal battle in its property rights case in Orange County Superior Court when Judge Thierry P. Colaw denied two motions brought by the Episcopal Diocese of Los Angeles and The Episcopal Church which sought to end the case in their favor.

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