

From: Kroener III, William F.
Sent: Friday, July 31, 2015 9:57 AM
To: 'cmatthews@episcopalchurch.org'; 'lemory@episcopalchurch.org'
Cc: 'pbcommasst@episcopalchurch.org'; 'michael.curry@episdionc.org'; 'bishop@indydio.org'; 'dbeers@goodwinproctor.com'; 'mkostel@goodwinproctor.com'
Subject: Re: Supplement to Presentment re Bishop Bruno

By Email: cmatthews@episcopalchurch.org
lemory@episcopalchurch.org

The Right Reverend F. Clay Matthews
The Episcopal Church in the United States
815 Second Avenue
New York, New York

Re: Further Presentment re Bishop Jon Bruno

Dear Reverend Matthews:

This is a further supplement to the Presentment with respect to Bishop Bruno of the Los Angeles Diocese and is submitted in order to identify additional canonical violations by the Bishop that have occurred or become known to the signatories since the last submission on July 16, 2015. The additional violations are set out in detail in Attachment A (relating to fraud, deceit or misrepresentations under Canon IV.4.Sec 1(h)(6)) and Attachment B (relating to conduct unbecoming a member of the clergy under Canon IV.4.Sec. 1(h)(8)). Attachment B includes a description of violations by Bishop Bruno of your specific request to him, in your letter of July 15, 2015, not to make contact with the complainants during your initial investigation. In fact during your investigation Bishop Bruno through his attorney continued his aggressive efforts to take the deposition of the spouse of the St James vicar and threatened sanctions for delay of that deposition and, more astonishingly, on July 21, 2015, in a lengthy letter threatened the entire Save Saint James the Great organization, whose members include most of the signatories, with a new legal action for "malicious prosecution" for continuing its legal case against the Bishop on the basis of a deed restriction that is clear in the public records in Orange County, California. In view of these developments and the efforts by the Bishop and the Diocese to destroy the congregation and divert its assets, the situation has badly deteriorated and the complainants now believe it is very unlikely that any effort at conciliation will prove fruitful in this matter.

Most significantly, Attachment B sets out our view that, even with the support of the current 2015 Standing Committee (we agree with the Bishop that that current 2015 Standing Committee has no jurisdiction over Corp Sole and that it is therefore just "support" and not approval required under Canon II.6.3), it still is conduct unbecoming of the Bishop or any member of the clergy to sell a long time consecrated church property with a viable congregation, such as St James, even if it only has mission status, in order to fund speculative real estate transactions in Corp Sole simply for the benefit of even larger economic profits. And we now know that is what is going on because it is right there in the draft Standing Committee minutes of June 8, 2015 meeting that the Bishop expects to use the proceeds of the sale of the St James building not just to recover the costs of litigation for the four church properties (last overestimated at some \$10 mil by the Bishop and the Diocese) as he indicated in the Episcopal News of July 11, 2015, but in fact in order to obtain funds apparently necessary to achieve a bonanza of up to some \$40 mil in economic profits in Corp Sole through its own additional real estate transactions. It is all well and good that the Bishop, as the Standing Committee notes in its July 8

statement, has regularly bought and sold properties in Corp Sole and been able to do so at a profit for the benefit of the Diocese. We submit, however, that the real estate transactional activities of Corp Sole cross the line into unbecoming behavior by the Bishop when they extend to encompass obtaining funding by selling a long established consecrated church building and uprooting and seeking to systematically destroy a viable and thriving congregation there. In any event, even assuming that the Bishop could otherwise effect such a sale for large economic gains as a primary motivator at the cost of a viable and growing congregation, any such effort to sell the St James building is contrary to the limitation imposed by the Standing Committee in 2009, the only Standing Committee that has had jurisdiction and considered a transfer to Corp Sole, and imposed the limit that the St James property not be sold by Corp Sole if there were a viable Episcopal congregation there. Because such a sale is directly contrary to the terms of the 2009 Standing Committee action, it would violate Canon II.6.3. and derivatively Canon 4.4.1(c) ("not abiding by the promises and vows made when ordained"). In addition, the need to complete the sale of the St James building to provide for the ability to complete the Anaheim transactions was also used by the Bishop and the Diocese in their objection to the motion for a temporary restraining order by Save Saint James in the civil action. All of this directly contradicts Bishop Bruno's original stated reasons for closing the congregation and selling the property stated to the congregation at the May 17 meeting and in the Bishop's letter to Mayor pro tem Diane Dixon of Newport Beach, as well as in several Diocesan and Southern California media publications. The sale clearly has nothing to do with recovering costs from the lawsuits or the parking challenges or the financial sustainability of the congregation which the Bishop has misrepresented continuously, as did at least one Suffragan Bishop in a Deanery meeting. The motivation to sell has been constant and persistent---the reasons for selling and the approvals to sell have been very fluid and shifting as information and evidence to refute the originally stated reasons have surfaced and the bonanza real estate transactions have been revealed

It may already be impossible to really determine what happened at the June 8, 2015 meeting of the Standing Committee---the Bishop has indicated in the Episcopal News on July 11, 2015 that he received "support" although the committee was without jurisdiction over Corp Sole, instead the president of the Standing Committee told Bishop Matthews on July 8, 2015 that the Committee approved the sale of St James the Great although apparently agreeing with the Bishop it was unnecessary to do so because the Standing Committee had no jurisdiction, while the Secretary of the Standing Committee told Bishop Matthews on the same date that she cannot really remember what happened at the June 8 meeting but knows that there was no criticism whatsoever of the Bishop. Apparently the Standing Committee as part of its deliberations considered the title records because it expressed its views on the matter in its later statement of July 8 (point number 1); for reasons best known to the Committee, that statement omitted to mention that a portion of the St James church property remained subject to a use restriction to church purposes on the Orange County records although that fact was well known to the Bishop, the Diocese, the St James congregation and the public many weeks earlier. It is stunning that the Standing Committee would even inquire into title matters with respect to the St James church building while completely ignoring and affirmative rebuffing all efforts to provide information about the congregation and the limitations imposed by the 2009 Standing Committee. The draft minutes are themselves not really useful in sorting out these various versions but of course may be finalized in some yet further variation. While what really happened may already be lost in the fog, it is clear that a completely committed and executed sale agreement was already in place well before this meeting and there is an ex post effort by all involved to somehow justify the sacrifice of church values and the St James congregation for pure economic gains of Corp Sole. There was no effort by the Standing Committee to determine the size or nature or rapid growth of the St James the Great congregation beyond review of a badly outdated official report that was over a year old -- none of the members sought information from the vicar or congregation directly. Not even the presentation to the Diocesan Corporation in

September, 2014, by the vicar, some nine months earlier, on which commentary from the entire Directors of the Diocesan Corporation including Canon Tumilty and Bishop Bruno had been so favorable as to the growth and development of St James congregation, was apparently considered. Nor, we believe, did Bishop Bruno describe to the Standing Committee the multiple reports to him from the Suffragan Bishop with responsibility for congregations in the southern portion of the Diocese, as she reported many times to the vicar, that the congregation was much larger and growing more rapidly than the Bishop believed. And of course the Standing Committee itself flatly refused to hear from the St James the Great congregation and the Bishop was conveniently unable to meet with the Evaluation/Transition Team appointed by the vicar until the day after the Standing Committee meeting; in any event, contrary to the implication of Bishop Bruno's statement to Bishop Matthews, no part of that meeting with the Evaluation/Transition was about the economic viability of the St James congregation and its existing building and instead the sale and loss of the building was a forgone conclusion asserted by Bishop Bruno and not open for discussion. And we are quite certain that the Bishop never told the Standing Committee that the transfer of St James to Corp Sole in 2009 had been conditioned on the St James building not being sold if there were a viable congregation; that never even made it into the 2009 minutes. In sum, there was a systemic effort in the preparations for and at the June 8 Standing Committee by all involved to ignore, disregard, and avoid any information that would get in the way of the goal a sale of the St James building for the benefit of great economic gains for Corp Sole. And the Bishop even told Bishop Matthews on July 20, 2015, that the parochial reports for the congregation after two years showed "little to no growth." This conveniently ignores the facts on the ground readily available to all who care to inquire. And of course these reports cover a period well short of two years. All these circumstances would compel, in any other Diocese, a fundamental reexamination of whether it is appropriate to sell the St James building for the development of upscale townhomes. We believe it should do so in the Los Angeles Diocese as well.

Bishop Bruno, notwithstanding his written commitment to the St James Evaluation/Transition Team on June 17, 2015 to allow the congregation to continue if it wished, is now causing and allowing every Diocesan resource at his command to be deployed against the congregation of St James the Great in an effort to silence, destroy and disperse the St James congregation so it will become non-viable. This will allow him to continue in his effort to sell the St James building in order to fund speculative real estate investment activities in Corp Sole and avoid a violation of Canon II.6.3 and thus Canon IV.4.1(c) because of the limitation imposed by the 2009 Standing Committee. As previously reported the Bishop has locked out the congregation from a usable church building and claimed wrongly that the vicar has resigned. The most recent attacks on the congregation by the Bishop and the Diocese, including the threat by the Bishop through his attorney to sue the Save Saint James the Great organization, whose members include substantially all members of the St James the Great congregation, for malicious prosecution for seeking to benefit from the deed restriction, the incorrect and flatly wrong assertions that the vicar's spouse is a lawyer and is responsible for all the problems delaying the sale of the St James the Great property, the fraudulent access into computers and resulting seizure of the congregation's funds and termination of the payroll of the Vicar, and the civil law fraud of distribution of individualized communications to members of the congregation regarding prior pledges purportedly from the bookkeeper for the St James congregation but sent by the Diocese without the knowledge or consent of the bookkeeper so as to redirect the funds away from use by the congregation, are all detailed in Attachment B.

We would add that the behavior of bullying, intimidation and stonewalling is not new or surprising behavior for the Bishop and the Diocesan staff. Many of the signatories or the Vicar of St James the Great have been contacted voluntarily by other clergy, communicants and congregations in the Los Angeles Diocese who have been victimized in the past in similar ways. Some of these are available on

Facebook (<https://www.facebook.com/pages/St-James-the-Great-Newport-Beach-Episcopal/628622020493466>) and we are prepared to share others with you, or have them shared with you, with the consent of or by those who have contacted us. We also know that you have been the recipient of a number of direct communications of concern from communicants in the Diocese and others in the Newport Beach community and elsewhere. We have discontinued seeking additional signatories but continue to receive some on an unsolicited basis.

It appears from your communication that the appointment of a temporary Bishop for the St. James the Great congregation is not provided for in the circumstances. We strongly suggest in that case that a leave of absence be considered for the duration of this matter for Bishop Bruno. That is something within your power to recommend, and the Presiding Bishop to effect, in the circumstances. Maybe some other temporary relief is available or could be suggested by the Adviser you indicated would be appointed to assist the signatories in this matter.

In all events we would find it very surprising and very unhappy for the greater Episcopal Church that any Bishop, acting under color of authority, can lock a growing, viable worshipful congregation out of a consecrated church property, sue the donor of that church property for "title slander" including damages, threaten the congregation with civil legal action for malicious prosecution for a deed restriction that is a matter of clear public record, and, despite a written promise to the contrary, generally seek to destroy the congregation by callously throwing the congregation out on the street to worship in the summer heat while he is on a month's vacation, permitting the Diocesan staff to allow personal possessions of the congregation to be locked within the premises, terminating leases of service providers without required notice, fraudulently accessing the congregation's computer system and records, and sending out pledge notices falsely claiming to be from the bookkeeper for the church while actually diverting the pledges to the Diocese, manipulating contract labor to access payroll service, all apparently with the full acquiescence of the Standing Committee of the Diocese and in the full glare of increasingly adverse and extensive publicity, all for the sake of economic gains (and presumably some future glory) of Corp Sole, without some form of emergency relief being available from the Episcopal Church.

Respectfully Submitted by the over 80 signatories

cc: The Most Reverend Katharine Jefferts Schori, Presiding Bishop (pbonnasst@episcopalchurch.org)
The Right Reverend Michael Curry, Presiding Bishop-Elect (michael.curry@episdionc.org)
The Right Reverend Catherine M. Waynick (bishop@indydio.org)
David B. Beers (dbeers@goodwinproctor.com)
Mary Kostel (mkostel@goodwinproctor.com)

LA clergy

From: "Kroener III, William F." <kroenerw@sullcrom.com>
Subject: Re: Attachment A
Date: July 31, 2015 6:32:29 AM PDT
To: "Kroener III, William F." <kroenerw@sullcrom.com>

Attachment A

Listed below are numerous additional instances of negligent, grossly negligent, reckless or intentional "misrepresentation" by Bishop Bruno (these to Bishop Matthews) in violation of Canon IV.1.(h).6----

148. Bishop Bruno told Bishop Matthews that he had told the St James vicar of the likelihood that the St James building would be sold so she should not have been surprised but she was. (6/29/15 Conversation at Convention, Bullet 2). In fact in January 2015 when specifically asked by the Vicar as a result of an inquiry by a real estate broker to her, Canon Tumilty assured the Vicar that the St James building was not for sale, that he didn't know anything about a sale and she should not worry about the matter. Bishop Bruno made these very same assurances to the Vicar in March 2015 when the Vicar again inquired about the subject. The Bishop did say he was debating selling St. Michael and All Angels, Corona del Mar, instead. He also tried to get the rector there to retire so he could potentially move the Vicar there. The Vicar told him this was all a terrible idea as both churches were viable.

149. Bishop Bruno told Bishop Matthews that the Vicar has resigned her position without his asking her to do so. (6/29/15 Conversation at Convention, Bullet 3). Apparently this was based solely on a pastoral letter (one of many during this crisis) sent by the Vicar to the congregation and is discussed in number 70 of the original presentment. It was and is untrue. The Vicar when she learned of these false assertions immediately wrote the Bishop twice to confirm that she had not resigned. Neither the Bishop nor the Diocese has bothered to acknowledge those communications. We believe the Bishop has not corrected or clarified the statement he made to Bishop Matthews. The Vicar continues to lead our congregation, which is not in diaspora, but continues to meet weekly for Sunday worship services at the park across the street from the St James building.

150. Bishop Bruno stated to Bishop Matthews that in 2009 properties of the Diocese had been earmarked for sale. (7/20/15 Phone interview, Bullet 1). This omits the highly material fact that the Standing Committee in 2009 had conditioned any sale of the St James building on there not being a viable Episcopal congregation there. (Per Standing Committee President, The Rev. Canon Mark Asman and Mr. Bruce Linsenmayer, 2009 Standing Committee).

151. Bishop Bruno stated to Bishop Matthews that the parochial reports for St James showed "little to no growth" for two years. (7/20/15 Phone Conversation, Bullet 3). This ignores many many facts that especially as Rector of St James the Bishop knew and should have known or inquired about, including multiple reports to him from Suffragan Bishop Diane Bruce, the presentation to the Diocesan Corporation in October 2014, monthly verbal reports to the Bishop by the Vicar before or after Corporation of the Diocese meetings for which she is a current member, and numerous other clear indications that there was an active, growing and dynamic congregation and growing outreach, Holy Coding, feeding the poor at the O.C. Rescue Mission, Second Harvest Food Bank, Brownie Troop, Pacific Symphony, and other activities at St James. The asserted reliance on stale official reports when known to the RECTOR in the face of all the other evidence is willful ignorance at best. The Bishop continues to claim, as he did to the Evaluation/Transition Team for St James on June 9, 2015, that "I only know what I read in the official reports" despite the fact that he has seen, heard, and witnessed but apparently conveniently forgotten many sources of information about the St James congregation.

152. Bishop Bruno told Bishop Matthews that the "due diligence" process was started on May 17 to determine "if the sale of the church was appropriate (7/20/15 Phone Interview, Bullet 4). As presented to the large St James

congregation by the Bishop on May 17 the sale agreement was complete and in place, and the due diligence process was for the buyer/developer to investigate matters and in no way involved the St James congregation or the appropriateness of the sale transaction. Contrary to the clear implication of Bishop Bruno's statement to Bishop Matthews about the transition committee in the same bullet, the Evaluation/Transition team was presented with an agreed sale and no inquiry was made regarding the sale transaction.

153. Bishop Bruno told Bishop Matthews that the Vicar is holding services without permission and without license to do so. (7/20/15 Phone Interview, Bullet 6). In fact the Vicar has not resigned and is forced to hold services for the 200 plus St James congregation outside the church building because the congregation and Vicar have been locked out of the building. Presumably the Bishop is not concerned that the congregation continues to worship together without whatever license is necessary to keep the congregation together as Bishop Bruno promised the Evaluation/Transition Team, but the Diocese has completely stonewalled all efforts by the congregation to communicate with any of its representatives.

154. Bishop Bruno told Bishop Matthews that the Vicar "has gone to the 'cardinal' rectors to solicit their support which they have not given" (7/20/15 Phone Interview, Bullet 6). This is both incorrect and misleading. The Vicar did meet on July 13 with certain of the senior rectors of the Los Angeles Diocese at their express request. The subject of that meeting remains confidential until any of the participants choose to reveal what was discussed. It is also untrue that at this time no cardinal rectors of the Los Angeles Diocese are willing to help as there are three senior rectors and several other priests of the Los Angeles Diocese who have signed the presentment and dozens who have called, emailed or texted the Vicar in support of St. James.

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155. Bishop Bruno apparently told Bishop Matthews that the Vicar's spouse is a lawyer (7/20/15 Phone Interview, Bullet 7). This is untrue. Bishop Bruno also told Bishop Matthews that the Vicar's spouse was a "major player..in creating confusion about the ownership and title to the property". This is not correct. The real and public property records of Orange Country, California create the confusion, and the Vicar alerted the Diocese to the confusion on June 8, 2015 well before the existence of a continuing deed restriction on one of the church building lots was more generally known.

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From: "Kroener III, William F." <kroenerw@sullcrom.com>
Subject: Re: Attachment B
Date: July 31, 2015 6:34:57 AM PDT
To: "Kroener III, William F." <kroenerw@sullcrom.com>

Attachment B

Listed below are numerous additional instances of behavior by Bishop Bruno, either known to the signatories or based on information and belief, that constitutes "conduct unbecoming" by a Bishop of the Episcopal church under Canon IV.1.(h).8---

156. thru 164. The signatories submit that each and every instance of negligent, grossly negligent, reckless or intentional misrepresentation by or caused by Bishop Bruno identified in numbered items 148 through 155 above is also, independently and separate and apart from being a misrepresentation, "conduct unbecoming" a Bishop Diocesan.

164 and 165. The threat by Bishop Bruno made through his attorney as agent on July 21, 2015, to sue the Save St James the Great organization, whose membership includes many of the signatories, for "malicious prosecution" for continuing to seek civil law recognition of the deed restriction limiting the St James property to church use that is a matter of public record is conduct unbecoming in two different respects—first, in and of itself unrelated to its context, and second, as a direct violation of the request by Bishop Matthews in the notification letter of July 15, 2015, that Bishop Bruno not make contact with the "complainant(s) or the "complainant's(s') legal counsel" during his investigation.

166. The actions taken by Bishop Bruno through his attorney as agent to threaten the Vicar's spouse for failure to comply with unreasonable time demands to provide a deposition, made after July 15, 2015, are further violations of the request by Bishop Matthews in the notification letter of July 15, 2015, that Bishop Bruno not make contact with the "complainant(s) or the "complainant's(s') legal counsel" during his investigation.

167. The proposed sale by the Bishop of the St James building, and the related locking out of its large, viable and growing congregation, in order to generate funds for Corp Sole to complete additional speculative real property transactions and realize large additional economic returns, is in the circumstances "conduct unbecoming" under Canon IV.1.(h).8, as well as a violation of Canon II.6.3 and derivatively Canon IV.4.1(c) as set out in item 146 as supplemented by the letter dated July 14, 2015. We expect that the specifics of these additional speculative real estate transactions by the Bishop in Corp Sole will be available to us soon and can be described in much greater detail in another supplement in the near future

168. The numerous recent efforts by Bishop Bruno to allow all the resources of the Diocese to be deployed in attacking the St James congregation, **fraudulent** into its computer systems, the seizure and diversion of its funds, the use of its funds to pay employees of the Diocese after terminating their services to the St James congregation and the large increase in payroll payments from the St James account for unknown reasons, and the distribution of pledge requests seeking to divert additional giving to the Diocese rather than to St James without disclosing that diversion and under the name of the bookkeeper for the congregation without her knowledge or consent all constitute not only violations of civil law but also conduct unbecoming by Bishop Bruno.