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July 27, 2007

VIA HAND-DELIVERY

Fairfax County Circuit Court
ATTENTION: Robin Brooks
4110 Chain Bridge Road
Fairfax, Virginia 22030-4009

RE: *Multi-Circuit Episcopal Church Property Litigation, Fairfax County
Circuit Court, CL-2007-0248724*

*The Protestant Episcopal Church in the Diocese of Virginia v. Truro Church
(Circuit Court of Fairfax County Case No. 2007-1236);*

*The Protestant Episcopal Church in the Diocese of Virginia v. Church of the
Apostles (Circuit Court of Fairfax County Case No. 2007-1238);*

*The Protestant Episcopal Church in the Diocese of Virginia v. Church of the
Epiphany, Herndon (Circuit Court of Fairfax County Case No. 2007-1235);*

*The Protestant Episcopal Church in the Diocese of Virginia v. Christ the
Redeemer Church (Circuit Court of Fairfax County Case NO. 2007-1237);*

*The Protestant Episcopal Church in the Diocese of Virginia v. St. Paul's Church,
Haymarket (Circuit Court of Prince William County Case No. CL 73466)(Circuit
Court of Fairfax County Case No. CL 2007-5683);*

*The Protestant Episcopal Church in the Diocese of Virginia v. St. Margaret's
Church (Circuit Court of Prince William Case No. CL 73465)(Circuit Court of
Fairfax County Case No. CL 2007-5682);*

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The Protestant Episcopal Church in the Diocese of Virginia v. Church of the Word (Circuit Court of Prince William County Case No. CL 73464)(Circuit Court of Fairfax County Case No. CL 2007-5684);

The Protestant Episcopal Church in the Dioceses of Virginia v. Potomac Falls Church (Circuit Court of Loudoun County Case No. 44149)(Circuit Court of Fairfax County Case No. CL 2007-5362);

The Protestant Episcopal Church in the Diocese of Virginia v. Church of Our Saviour at Oatlands (Circuit Court of Loudoun County Case. No. 44148)(Circuit Court of Fairfax County Case No. CL 2007-5364);

The Protestant Episcopal Church in the Diocese of Virginia v. The Church at The Falls – The Falls Church (Circuit Court of Arlington County Case No. 07-125)(Circuit Court of Fairfax County Case No. CL 2007-5250); and

The Protestant Episcopal Church in the Diocese of Virginia v. St. Stephen's Church (Circuit Court of Northumberland County Case No. CL 07-16)(Circuit Court of Fairfax County Case No. CL 2007-5902).

The Episcopal Church v. Truro Church et al. (Circuit Court of Fairfax County Case No. 2007-1625),


Dear Ms. Brooks:

I am enclosing for filing in the above-styled case an original Reply Memorandum in Support of the Demurrers and Pleas in Bar and one (1) original and twelve (12) copies of a one-page covers sheet to be placed in the file for the above-styled cases.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

SANDS ANDERSON MARKS & MILLER, PC



George O. Peterson

Letter to Clerk of the Court

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cc: Maia L. Miller, Law Clerk to the Honorable Randy I. Bellows (via hand-delivery) (with
copies of non-Virginia Supreme Court authority cited)
Bradfute W. Davenport, Jr., Esquire
Heather H. Anderson, Esquire
Gordon A. Coffee, Esquire
Steffen N. Johnson, Esquire
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VIRGINIA:

IN THE CIRCUIT COURT FOR FAIRFAX COUNTY

In re:)	
Multi-Circuit Episcopal Church)	Civil Case Numbers:
Litigation	)	CL 2007-248724,
	)	CL 2006-15793,
	)	CL 2006-15792,
	)	CL 2007-556,
	)	CL 2007-1625,
	)	CL 2007-1235,
	)	CL 2007-1236,
	)	CL 2007-1237,
	)	CL 2007-1238,
	)	CL 2007-5249,
	)	CL 2007-5250,
	)	CL 2007-5363,
	)	CL 2007-5364,
	)	CL 2007-5362,
	)	CL 2007-5686,
	)	CL 2007-5685,
	)	CL 2007-5683,
	)	CL 2007-5682,
	)	CL 2007-5684,
	)	CL 2007-5902, and
	)	CL 2007-5903.

REPLY MEMORANDUM IN SUPPORT OF DEMURRERS AND PLEAS IN BAR

COME NOW The Falls Church, Truro Church, Church of Our Saviour at Oatlands, Church of the Apostles, Church of the Epiphany, Church of the Word, St. Margaret's Church, Christ the Redeemer Church, St. Stephen's Church, St. Paul's Church, and Potomac Falls Church (hereinafter collectively, the "CANA Congregations") and each of their Rectors, Vestry Members, and Trustees¹ who are named defendants (hereinafter collectively, "Related Individuals")²

¹ The Trustees of The Falls Church are separately represented and have filed a Special Plea.

and file this joint reply memorandum in support of their demurrers and pleas in bar to the Complaints filed by The Protestant Episcopal Church in the United States of America (“TEC”) (CL 2007-1625) and The Protestant Episcopal Church in the Diocese of Virginia (“Diocese”) (collectively, “plaintiffs”) (CL 2007-1236; CL 2007-1238; CL 2007-1235; CL 2007-1237; CL 2007-5683; CL 2007-5682; CL 2007-5684; CL 2007-5362; CL 2007-5364; CL 2007-5250; CL 2007-5902; and CL 2007-5903).

² The Related Individuals number 185 individuals: the 11 rectors who lead the CANA Congregations and the 174 volunteer vestry members and trustees who hold title to the property for the benefit of the CANA Congregations.

INTRODUCTION

Plaintiffs' overriding theme is that allowing the CANA Congregations to retain properties that they alone built and maintained and to which they alone have always held title—in some cases, since Colonial times—would “divert” property from TEC’s undefined “mission.” This argument assumes that those who supported the Congregations cared more about denominational affiliation than adherence to traditional Christian doctrine—an issue that this Court may not take up. But the fact remains that these properties were conveyed to the Congregations—not to TEC or the Diocese—and that those who donated the properties did so with at least constructive knowledge that Virginia did not recognize denominational trusts. If plaintiffs had the hierarchical authority they allege, they had a statutory option for 60 years to place title to property in their bishop’s name. But having failed to secure their alleged interest, they cannot now insist that the Congregations forfeit their property as the price of remaining in the Anglican Communion.

ARGUMENT

I. Plaintiffs’ Claims Rest On An Invalid Trust Theory.

On at least eight occasions since 1856, the Virginia Supreme Court has explained that neither express nor implied trusts in favor of religious denominations are valid in Virginia. Mem. 8-10. Virginia has a “strong tradition” of “refus[ing] to adopt the ‘implied trust’ theory in favor of hierarchical churches” (*Reid*, 229 Va. at 187 n.11); it “has never adopted the implied trust doctrine to resolve church property disputes” (*Norfolk Presbytery*, 214 Va. at 505).

Faced with this formidable body of law, plaintiffs attempt to retreat from their trust theory. They say that the cases above “are beside the point” because they are relying on “other

theories or authority.” Opp. 16-17. But given the implausibility of this position,³ they advance yet another theory. Everything changed in 1993, they say, when the legislature amended Va. Code § 57-7.1 to broaden the range of conveyances that could be made subject to trusts. *Norfolk Presbytery* allegedly was then “superseded” and “is no longer good law.” Opp. 17, 19 n.15. For several reasons, this argument lacks any merit.

1. Plaintiffs’ reading of the 1993 amendment would effect a major change in Virginia law, yet the legislature stated that its changes were “declaratory of existing law.” Mem. 9 & n.4. Remarkably, plaintiffs say that this language “indicates that Virginia courts were *incorrectly* limiting prior statutes,” and that “the prior statute was *also* a broad validation of religious trusts.” Opp. 19 n.15. But “[w]hen the General Assembly acts in an area in which one of its appellate courts already has spoken, it is presumed to know the law as the court has stated it and to acquiesce therein, and if the legislature intends to countermand such appellate decision it must do so explicitly.” *Weathers v. Com.*, 262 Va. 803, 805 (2001). Here, the Virginia Supreme Court has repeatedly held that trusts in favor of denominations are invalid, but the General Assembly did not disapprove this general rule on any of the numerous occasions when it amended § 57-7. *See Maguire*, 193 Va. at 144 (summarizing earlier changes to § 57-7). Indeed, as recently as 1974, the Court noted 1962 changes to § 57-7 that “broadened the scope of religious trusts to include property conveyed or devised for the use or benefit of a church diocese for certain residential purposes,” but explained that “[t]he General Assembly has not gone beyond this . . . to validate trusts for a general hierarchical church.” *Norfolk Presbytery*, 214 Va. at 506. *See* J. Rodney

³ Plaintiffs’ Complaints assert “trust” interests (Diocese Compl. ¶ 31(d)); their leading canon purports to create a “trust for [TEC] and the Diocese” (TEC Compl. ¶ 47), and they maintain that this canon merely “restate[s]” their “earlier canons” (Opp. 4); they have represented to the Court that “[t]he constitutions and canons of the church refer to trust rights” (Tr. 24 (June 8, 2007)); and their non-Virginia authorities rest on implied trust theories (Opp. 12 n.9).

Johnson, *Virginia Laws Affecting Churches—Restated*, 17 U. Rich. L. Rev. 1, 8 (1982) (“One must remember that the word ‘church’ as used throughout section 57-7 is restricted to a local congregation; therefore, trusts for hierarchical churches continue to be invalid in Virginia”).

Even since 1993, the Virginia Supreme Court has cited *Norfolk Presbytery* for the proposition that “Code § 57-7.1 validates transfers, including transfers of real property, for the benefit of *local* religious organizations.” *Trustees of Asbury United Methodist Church v. Taylor & Parrish, Inc.*, 249 Va. 144, 152 (1995) (emphasis added). And in 1996, the Virginia Attorney General cited *Norfolk Presbytery* and *Moore* in explaining that “the provisions of [§ 57-7.1 that] relate to property held ‘for the benefit of any church, church diocese, religious congregation or religious society,’” although “not defined,” “encompass[] property held for the benefit of a *local* congregation, *as opposed to* property held by a larger *hierarchical* body.” 1996 Va. Op. Atty. Gen. 194, 1996 WL 384493 (Apr. 4, 1996) (emphasis added); see *Tazewell County School Bd. v. Brown*, 267 Va. 150, 163 (2004) (“the General Assembly is presumed to have knowledge of the Attorney General’s interpretation of statutes, and [its] failure to make corrective amendments evinces legislative acquiescence”). In sum, “declaratory of existing law” means exactly what it says—prior precedent invalidating express and implied trusts for denominations remains the law.

2. Even assuming, *arguendo*, that the General Assembly silently overruled 150 years of Virginia Supreme Court precedent, plaintiffs still have not stated a claim. Section 57-7.1 requires an actual conveyance or transfer of property to plaintiffs or for their benefit; it therefore does not validate any form of implied trusts. Moreover, plaintiffs cannot point to any document constituting a conveyance or transfer sufficient to make out an express trust. Indeed, they concede that they “do not allege a ‘conveyance’ (or a contract to convey).” Opp. 23; see also Tr. 24 (June 8, 2007) (conceding that “there are no formal trust documents”).

Plaintiffs' canons are legally insufficient to create a trust. The canons declaring that parishes hold their property in trust were promulgated by the beneficiaries, not the settlors, of the alleged trust. Virginia law, however, looks not to the written aspirations of the alleged beneficiaries, but to the stated intent of the alleged trustor. *Leonard v. Counts*, 221 Va. 582, 588 (1980) (“An express trust is based on the declared intention of the trustor.”). Moreover, such intent cannot be inferred from passivity, as “the declaration must be unequivocal and explicit, and the evidence thereof must be clear and convincing.” *Gibbens v. Hardin*, 239 Va. 425, 431 (1990). Here, plaintiffs cannot point to any clear and convincing evidence that the CANA Congregations unequivocally and explicitly declared an intent to convey their properties to plaintiffs. Indeed, plaintiffs' complaints are devoid of reference to any such evidence.

3. Finally, even if the 1993 amendment changed the law prospectively, it would not apply to pre-1993 conveyances. Plaintiffs say this “misconstrues the interest alleged,” because § 57-7.1 “did not create a trust interest in the properties.” Opp. 20 n.16. But this misses the point, which is simply that—as a matter of *legislative intent*—the amendment recognizes only conveyances effected *after* adoption of the amendment. *Berner*, 265 Va. at 414 (“the phrase ‘declaratory of existing law’ is not a statement of retroactive intent”). The contrast in language between the earlier and later statutes—the prior law validated *both* a conveyance “which hereafter shall be made” *and* a conveyance “which, since January 1, 1777, *has been* made,” and the current laws says that a conveyance “which *is* made ... *shall be* valid”—further confirms that any new aspects of the statute were at most prospective only. Cf. Va. Code § 57-16(C) (deeds to ecclesiastical officers “made prior to March 18, 1942 ... are hereby ratified and declared valid”). And given both the extensive Virginia precedent on implied trusts and the “declaratory of existing law” language, it would raise serious due process concerns—due to lack of notice—to read

§ 57-7.1 as validating alleged trusts that pre-date 1993. *Nunnally v. Artis*, 254 Va. 247, 255 (1997) (discussing due process limitations on legislative changes that affect property rights).⁴

II. Plaintiffs Have Not Stated A Valid Contract or Proprietary Interest.

Lacking any cognizable trust right, plaintiffs “ha[ve] the burden of proving that [defendants] have violated either the express language of the deeds or a contractual obligation.” *Norfolk Presbytery*, 214 Va. at 507. But they ignore the cases holding that a contract requires “a meeting of the minds” as to specific property interests, and *Green*’s indication that only one who has “ownership, title, and possession,” “exercises dominion over,” or “manages and controls” property may assert proprietary rights. 221 Va. at 555. Thus, they have failed to state a claim.⁵

⁴ Citing cases involving religious schools and the Ten Commandments, plaintiffs say it would be *unconstitutional* to read § 57-7.1 to invalidate their alleged trust, as this “would prefer local religious organizations over regional or national ones.” Opp. 20-21. But States may adopt “any one of various approaches for settling church property disputes so long as it involves no consideration of doctrinal matters” (*Jones v. Wolf*, 443 U.S. 595, 602 (1979)), and distinctions among different religious entities that do not have the purpose of advancing a particular religion need only be “rationally related to [a] legitimate purpose” (*Corporation. of Presiding Bp. v. Amos*, 483 U.S. 327, 339 (1987)). In any case, plaintiffs are not burdened by this rule of law: assuming they had the hierarchical authority they allege, they could have avoided the law on implied trusts by requiring affiliated parishes to transfer title to the bishop. Va. Code § 57-16; Diocese Canon 15.4.

Plaintiffs also claim (at 21) that reading § 57-7.1 to prohibit denominational trusts would unconstitutionally favor secular groups over religious ones. But plaintiffs point to no cases holding that national secular groups may rely on implied trusts, created by virtue of voluntary affiliation, to obtain ownership of a local group’s property, so the law is not in fact discriminatory. Moreover, this argument too ignores that States may address church property on a stand-alone basis.

⁵ The deeds at issue do not aid plaintiffs’ effort to avoid the law of implied trusts and establish a contract. Opp. 20 n.16. *First*, plaintiffs concede (at 5) that some of the deeds do not contain the term “Episcopal”—indeed, as of the conveyance of some properties, TEC did not exist. Mem., Exh. 1 (five of The Falls Church deeds, including the initial 1746 conveyances; first deed for Church of the Apostles; first deed for St. Margaret’s Church). *Second*, even where the term “Episcopal” appears in the deed, this reference is consistently used simply to describe the local grantee (often parenthetically); it does not designate TEC or the Diocese as a beneficiary. *Third*, those who donated the property at issue did so against the backdrop of Virginia law, which did not recognize either express or implied trusts such as those being asserted here.

1. Plaintiffs gloss over their failure to allege the elements of a contract (*e.g.*, offer and acceptance), or that representatives of the CANA Congregations signed the canons or expressly assented to their application to specific property. Opp. 22. Citing *Unit Owners' Ass'n v. Gillman*, 223 Va. 752 (1982), plaintiffs assert that “a voluntary association’s constitution, rules, and bylaws [are] a contract between the association and its members.” Opp. 12, 22.

Gillman, however, illustrates why the demurrers must be granted. That case involved the question whether an industrial condo association could fine a member for violating rules barring garbage trucks on the grounds. Notably, a statute authorized the association to regulate *property*; that was the association’s sole purpose; the relevant constitution and bylaws were “recorded with the master deed”; and “the master deed conveyed the units to the [members] with the express understanding that the rules, regulations, and bylaws of the Association were subject to amendment.” *Id.* at 766. Armed with this authority and claiming it was a “self-governing community,” the association argued that “since the bylaws of the Association give its Board of Managers the power to levy a fine against a unit owner, and to collect such fine as if it were a common charge, every unit owner purchased subject to this power.” *Id.* at 763. The Court unanimously disagreed.

Gillman flatly rejected the argument that “there is no limitation inherent in the Condominium Act on powers that may be created by the condominium documents.” *Id.* at 762. “We do not agree that it was ever the intent of the General Assembly,” the court explained, “that the owner of units in a condominium be a completely autonomous body, or that such would be permitted under the federal and state constitutions.” *Id.* at 763. Although “[the Act] does permit the exercise of wide powers by an association,” “these powers are limited by general law” and “no language in the Condominium Act ... authorizes the executive or governing body of a condominium to levy fines, impose penalties, or exact forfeitures for violation of bylaws and regulations

by unit owners.” *Id.* at 763. Noting that enforcing the rule would “encumber[] [the members’] property,” the Court concluded: “We think it clear that the Gillmans were being punished, not assessed, and hold the action of the Association to have been impermissible.” *Id.* at 765. *Gillman* thus shows that under neutral principles of law, a rule imposing what amounts to a financial penalty requires express statutory authorization. In sum, plaintiffs’ own cases foreclose the view that they can enforce a rule requiring forfeiture of members’ property upon disaffiliation.

2. *Buhrman*’s implied contract analysis provides no shelter. In *Buhrman*, the members “[i]n ... writing . . . did ‘solemnly engage and stipulate that [1] all real estate consecrated as a church or chapel, of which the said Parish is or may become possessed, shall be secured against alienation from the [denomination],’” and [2] “the ‘Parish shall forever be held under the Ecclesiastical Authority of the Diocese.’” 1977 WL 191134, at *2; Mem. 13. Plaintiffs respond: “We anticipate the evidence in this case will reflect similar commitments.” Opp. 10 n.6. But they have not *alleged* that defendants made such promises, and they may not speculate about the evidence absent allegations supported by a good faith belief in their truth.⁶

3. Even if plaintiffs had alleged a contract, it would violate the statute of frauds. Plaintiffs say there are writings: “the Constitution and Canons” Opp. 23. But a writing “must contain the essential terms of the agreement” (*Reynolds*, 187 Va. at 106; *Janus v. Sproul*, 250 Va. 90, 91

⁶ Plaintiffs cite a snippet from the vestry members’ oath concerning their “assent and approbation to the doctrine, worship, and discipline of [TEC],” suggesting that this creates a binding contract. Opp. 3, 22. But this language refers only to spiritual oversight, as confirmed by use of the terms “doctrine, worship, and discipline” and by the oath’s first sentence, which plaintiffs omit to quote: “I do believe the Holy Scriptures of the Old and New Testaments to be the Word of God, and to contain all things necessary to salvation.” TEC Compl. ¶ 55. The oath thus is tied to the authority of the Bible, and a court could not constitutionally hold that the oath creates civil duties or liabilities. *E.g.*, *Thomas v. Review Bd.*, 450 U.S. 707, 716 (1981) (“Courts are not arbiters of scriptural interpretation”); *Presbyterian Church v. Hull Church*, 393 U.S. 440, 449 (1969) (civil courts may not resolve “controversies over religious doctrine and practice”).

(Va. 1995)) and be “signed by the party to be charged (Va. Code § 11-2). Further, “a signing consists of both the act of writing a person’s name and the intention, in doing this, to execute and authenticate the instrument signed.” *Falls v. Virginia State Bar*, 240 Va. 416, 420 (1990).

The canons contain no “description of the property sufficient to render it capable of identification” (*Reynolds*, 187 Va. at 108), and plaintiffs point to no other writings that contain *any* essential contract term, let alone all such terms. Without comment, they cite cases involving properties identified by owners’ names or addresses. Opp. 23 n. 21. But the canons contain no names *or* addresses, and thus violate plaintiffs’ own authorities. Nor do plaintiffs point to a document signed by the CANA Congregations, let alone one intended to convey property.

Plaintiffs also say the statute of frauds does not apply because they “do not allege a ‘conveyance’” of “an interest in real estate.” Opp. 23. That is true, but fatal to their contract claim. Plaintiffs cite a Delaware *implied trust* case (Opp. 23 n.22), but ignore Virginia law declaring it “well-settled” that a contract “to become interested in and to share the profits from lands already owned by one of the parties at the time the agreement is formed is ... required by the statute of frauds to be in writing.” *Maier*, 36 Va. Cir. at 284; Mem. 14-15. Next, plaintiffs say that our position is foreclosed by “recognition of ... similar contracts claims” in *Norfolk Presbytery, Green and Buhrman*. Opp. 23. In *Buhrman*, however, the members signed over their property “in writing.” 1977 WL 191134, at *2. And the briefs in *Green* and *Norfolk Presbytery* confirm that the statute of frauds argument was not raised, much less addressed.

In the end, plaintiffs are left claiming (at 23) the statute of frauds does not apply to *trusts*. That may be, but if the contract is an unwritten trust agreement, it is otherwise void. *See* Part I.

III. The Related Individual Defendants’ Immunity From “Civil Liability” Includes Immunity From All Relief Sought By Plaintiffs.

Plaintiffs’ response to the unpaid defendants’ immunity from all “civil liability” under

Va. Code § 8.01-220.1:1(A) is that this term “does not limit declaratory judgment actions,” “but only protects them from ‘liability.’” Opp. 26. Plaintiffs, however, confuse “civil liability” with one remedy that may be available if civil liability is established. Damages, equitable relief, and declaratory relief are all remedies for civil liability. Va.R.Civ.P. 3.1. But even if a declaratory judgment is not *synonymous* with “liability,” one cannot obtain such a judgment without *establishing* liability. Thus, protection from “civil liability” necessarily entails protection from declaratory relief. The difference between subpart A of the statute, which grants immunity from “civil liability,” and subpart B, which limits “the *damages* assessed” on compensated officers “for [official] acts ... for which *liability* was imposed” (emphasis added), evinces a legislative intent to give immunity from all civil liability to unpaid officers and immunity from most money damages to paid officers. *Simon v. Forer*, 265 Va. 483, 490 (2003) (“When the General Assembly uses two different terms in the same act, it is presumed to mean two different things.”).

Plaintiffs try to invoke the statute’s exception for claims of “willful misconduct,” but the fact that the “Complaints allege willful and intentional *acts*” (Opp. 27) does not mean they allege willful *misconduct*. Many acts are intentional *or* wrongful without being *intentionally wrongful*.⁷ In any case, any suggestion that defendants engaged in willful misconduct would be foreclosed by Va. Code § 57-9, which authorized the congregational determinations at issue. It was plainly not willful misconduct for defendants to rely upon it.

IV. The Constitution Does Not Require Recognition Of Plaintiffs’ Claims.

Unable to state claims under Virginia law, plaintiffs resort to arguing that constitutional precedent requires recognition that, by voluntarily affiliating with them, the CANA Congrega-

⁷ The conduct of the Vestry members and Trustees here does not rise to the type of fraud, assault, battery, or rape that overcame immunity in *Doe v. Harris*, 2001 WL 34773877 (April 4, 2001), the decision relied upon by plaintiffs.

tions impliedly consented to the forfeiture of their properties upon disaffiliation. Opp. 5-8. They suggest that *Kedroff v. St. Nicholas Cathedral*, 344 U.S. 94 (1952), “made clear that the deference [*Watson v. Jones*] had shown to a church’s established governance was constitutionally required.” Opp. 6. And citing a passage from *Jones* (443 U.S. at 606), they assert that “the First Amendment requires that a hierarchical church’s determinations and rules be respected.” Opp. 7.

Plaintiffs overstate the extent to which the U.S. Constitution requires deference to their rules. Virginia is “not bound by the rule of *Watson*” or the notion of “implied consent to [hierarchical church] government” embodied in that case. See *Norfolk Presbytery*, 214 Va. at 504. Moreover, *Jones* held that a State may adopt “any one of various approaches for settling church property disputes so long as it involves no consideration of doctrinal matters,” and its statement that civil courts must “give effect to the result indicated by the parties” was immediately followed by the phrase: “provided it is embodied in some legally cognizable form.” 443 U.S. at 602, 606. As shown above, TEC’s internal rules are *not* “legally cognizable” in Virginia.

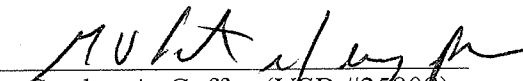
None of this leaves denominations without options. If plaintiffs had the hierarchical authority they allege, then it was formerly within their power under state law to secure an interest in affiliated congregations’ property simply by directing them to transfer title to the bishop—which has been lawful under Va. Code § 57-16 since 1942, is allowed by Diocese Canon 15.4, and is common practice in other denominations. Indeed, such an action would have made irrelevant both Virginia law on implied trusts and § 57-9, which governs only “property ... held by trustees.” But having neglected to take advantage of the opportunities that Virginia law affords, plaintiffs may not nullify 150 years of Virginia law to accommodate that failure.

WHEREFORE, for the foregoing reasons, those stated in their opening brief, and those that may be urged upon the hearing of this matter, the defendant CANA Congregations and the Related Individuals, by counsel, respectfully request that this Honorable Court sustain their Demurrers and grant their Pleas in Bar, and grant such additional relief as the case may require and the Court deems just.

Dated: July 27, 2007

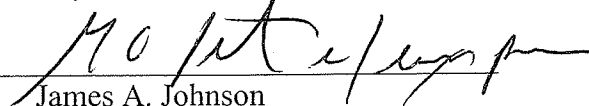
Respectfully submitted,

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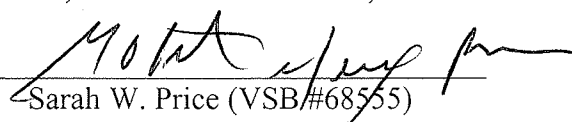
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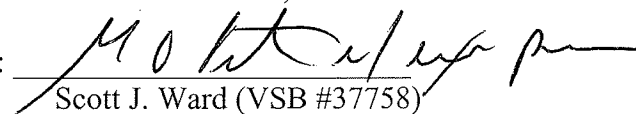
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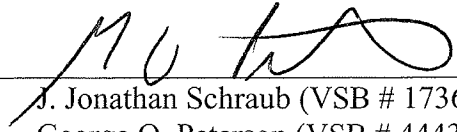
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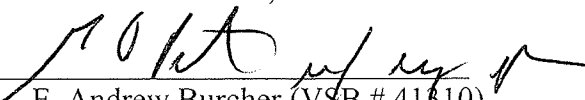
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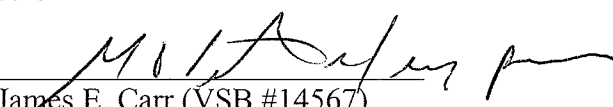
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 27th day of July, 2007 a copy of the foregoing Reply Memorandum in Support of their Demurrers and Pleas in Bar, was sent by electronic mail and first-class mail, postage prepaid, to:

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George O. Peterson

VIRGINIA:

IN THE CIRCUIT COURT FOR FAIRFAX COUNTY

In re:)	
Multi-Circuit Episcopal Church)	Civil Case Numbers:
Litigation	)	CL 2007-248724,
	)	CL 2006-15793,
	)	CL 2006-15792,
	)	CL 2007-556,
	)	CL 2007-1625,
	)	CL 2007-1235,
	)	CL 2007-1236,
	)	CL 2007-1237,
	)	CL 2007-1238,
	)	CL 2007-5249,
	)	CL 2007-5250,
	)	CL 2007-5363,
	)	CL 2007-5364,
	)	CL 2007-5362,
	)	CL 2007-5686,
	)	CL 2007-5685,
	)	CL 2007-5683,
	)	CL 2007-5682,
	)	CL 2007-5684,
	)	CL 2007-5902, and
	)	CL 2007-5903.

REPLY MEMORANDUM IN SUPPORT OF DEMURRERS AND PLEAS IN BAR

This acts as a one-page cover sheet reference pleading to the complete Reply Memorandum in Support of Demurrers and Pleas in Bar filed on behalf of the Defendants, which was filed in CL 2007-248724 (the omnibus case file), filed on July 27, 2007. The Reply Memorandum in Support of the Demurrers and Pleas in Bar and this corresponding one-page reference pleading applies to the Omnibus case number: CL 2007 – 248724 and the following cases:

1. *The Protestant Episcopal Church in the Diocese of Virginia v. Truro Church* (Circuit Court of Fairfax County Case No. 2007-1236);
2. *The Protestant Episcopal Church in the Diocese of Virginia v. Church of the Apostles* (Circuit Court of Fairfax County Case No. 2007-1238);

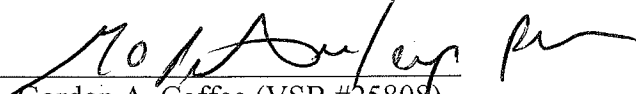
3. *The Protestant Episcopal Church in the Diocese of Virginia v. Church of the Epiphany, Herndon* (Circuit Court of Fairfax County Case No. 2007-1235);
4. *The Protestant Episcopal Church in the Diocese of Virginia v. Christ the Redeemer Church* (Circuit Court of Fairfax County Case NO. 2007-1237);
5. *The Protestant Episcopal Church in the Diocese of Virginia v. St. Paul's Church, Haymarket* (Circuit Court of Prince William County Case No. CL 73466)(Circuit Court of Fairfax County Case No. CL 2007-5683);
6. *The Protestant Episcopal Church in the Diocese of Virginia v. St. Margaret's Church* (Circuit Court of Prince William Case No. CL 73465)(Circuit Court of Fairfax County Case No. CL 2007-5682);
7. *The Protestant Episcopal Church in the Diocese of Virginia v. Church of the Word* (Circuit Court of Prince William County Case No. CL 73464)(Circuit Court of Fairfax County Case No. CL 2007-5684);
8. *The Protestant Episcopal Church in the Dioceses of Virginia v. Potomac Falls Church* (Circuit Court of Loudoun County Case No. 44149)(Circuit Court of Fairfax County Case No. CL 2007-5362);
9. *The Protestant Episcopal Church in the Diocese of Virginia v. Church of Our Saviour at Oatlands* (Circuit Court of Loudoun County Case. No. 44148)(Circuit Court of Fairfax County Case No. CL 2007-5364);
10. *The Protestant Episcopal Church in the Diocese of Virginia v. The Church at The Falls – The Falls Church* (Circuit Court of Arlington County Case No. 07-125)(Circuit Court of Fairfax County Case No. CL 2007-5250); and
11. *The Protestant Episcopal Church in the Diocese of Virginia v. St. Stephen's Church* (Circuit Court of Northumberland County Case No. CL 07-16)(Circuit Court of Fairfax County Case No. CL 2007-5902).
12. *The Episcopal Church v. Truro Church et al.* (Circuit Court of Fairfax County Case No. 2007-1625),

For the complete Reply Memorandum In Support of the Demurrers and Pleas in Bar,
please see the omnibus case file, CL 2007 – 248724.

Dated: July 27, 2007

Respectfully submitted,


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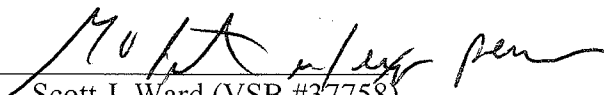
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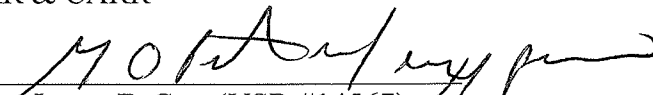
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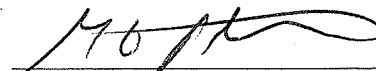
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