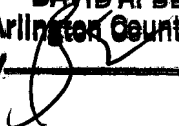


VIRGINIA:

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IN THE CIRCUIT COURT OF ARLINGTON COUNTY JAN 19 2007

THE CHURCH AT THE FALLS –)
 THE FALLS CHURCH,)
)
 Petitioner,)
)
 v.)
)
 THE EPISCOPAL DIOCESE)
 OF VIRGINIA,)
)
 Defendant-Intervenor.)

DAVID A. BELL, CLERK
 Arlington County Circuit Court
 By:  Deputy Clerk

Civil Action No. 06-1751

**ANSWER OF INTERVENING DEFENDANT
 THE EPISCOPAL DIOCESE OF VIRGINIA
 TO PETITION FOR APPROVAL OF REPORT OF
 CONGREGATIONAL DETERMINATION PURSUANT TO VA. CODE § 57-9**

The Protestant Episcopal Church in the Diocese of Virginia, also known as the Episcopal Diocese of Virginia (“Diocese”), defendant-intervenor, answers the allegations of petitioner The Church at the Falls – The Falls Church’s (“The Falls Church”) Petition for Approval of Report of Congregational Determination Pursuant to Va. Code § 57-9 (“Petition for Approval”) as follows:

1. The Diocese admits that The Falls Church is a nonstock corporation under the laws of Virginia. The Diocese is unaware of any meaning attached to the term “nonstock religious corporation” under the laws of Virginia and therefore denies that The Falls Church is such a corporation. The remainder of the first sentence of ¶ 1 describes the nature of this action and requires no response. The second sentence of ¶ 1 sets forth contentions of law and requires no response. To the extent that the contentions set forth in the second sentence

of ¶ 1 are inconsistent with the language of Va. Code § 57-9 (a partial quotation from which is set out in footnote 1 of the Petition for Approval), however, such contentions are denied.

2. The Diocese admits that this Court has jurisdiction of the subject matter of this civil action. The remainder of the first sentence of ¶ 2 sets forth contentions of law and requires no response. To the extent that the contentions set forth in the first sentence of ¶ 2 are inconsistent with the language of Va. Code § 57-9, however, such contentions are denied. The Diocese denies that the current Trustees of The Falls Church properly own or hold legal title to any properties currently possessed by The Falls Church, for the reasons stated in ¶ 8 of this Answer. The Diocese denies that the current Trustees of The Falls Church own or hold legal title to any properties in trust for the congregation of The Falls Church. The Diocese lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations of ¶ 2.

3. Admitted.

4. The Diocese denies that a division has occurred within the Diocese or within the Episcopal Church within the meaning of Va. Code § 57-9. The remaining allegations of ¶ 4 set forth contentions of law and require no response.

5. Admitted.

6. Denied.

7. The Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of ¶ 7.

8. The Diocese denies that the current Trustees of The Falls Church properly own or hold legal title to any properties currently possessed by The Falls Church. The Diocese avers that, as shown by the language of the deeds summarized and referred to in ¶ 8, a

number of the properties referred to therein were conveyed to “Trustees of the **Episcopal** Church known and designated as the ‘Falls Church,’” to “Trustees of the Falls Church **Episcopal** Church,” or to “Trustees of the Falls Church (**Episcopal**)”; and further, that as of the dates of all of the deeds summarized and referred to in ¶ 8, The Falls Church was an Episcopal Church. As shown by the “Report of Congregational Determination Pursuant to Va. Code § 57-9,” which is incorporated by reference in the Petition for Approval, a majority of the congregation of The Falls Church has purportedly “determined to sever ties with [The Episcopal Church] and the Diocese.” Thus, according to the allegations of the petitioner, whose actions are unlawfully controlled by individuals purporting to have severed ties with The Episcopal Church and the Diocese, The Falls Church is no longer an Episcopal Church and therefore would have no claims to the properties identified in ¶ 8. The Diocese lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations of ¶ 8.

9. The Diocese denies that the current Trustees of The Falls Church properly own or hold legal title to any properties currently possessed by The Falls Church. The Diocese lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations of ¶ 9.

10. Denied.

11. The Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of ¶ 11.

12. The Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of ¶ 12.

13. The Diocese denies that a division has occurred within the Diocese or within The Episcopal Church within the meaning of Va. Code § 57-9. The remaining allegations of ¶ 13 are denied.

14. The Diocese denies that a division has occurred within the Diocese or within the Episcopal Church within the meaning of Va. Code § 57-9. The Diocese admits that purported leaders of approximately 15 congregations have notified the Diocese that they have determined to disaffiliate from TEC and the Diocese. The Diocese denies that any of such congregations have notified the Diocese that they have determined to reaffiliate with any entity which is another branch of the Anglican Communion. The Diocese denies the remaining allegations of ¶ 14.

15. The Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of ¶ 15.

16. The Diocese denies that the members of The Falls Church over 18 years of age voted to join any entity which is another branch of the Anglican Communion. The Diocese lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations of ¶ 16.

17. The Diocese admits that two other Virginia congregations (which are included among the 15 congregations referenced in ¶ 14 of this Answer) have notified the Diocese that they have voted in January 2007 to separate from the Diocese and The Episcopal Church. The remaining allegations of ¶ 17 are denied.

18. The Diocese admits that a document styled as a “report” was submitted with the Petition for Approval. The Diocese denies that a division has occurred within the Diocese or within the Episcopal Church within the meaning of Va. Code § 57-9. The

Diocese further denies that The Falls Church's congregation has made a determination to join another branch of any church or religious society to which such congregation previously was attached, within the meaning of Va. Code § 57-9.

19. Any allegations of the Petition for Approval that are not otherwise admitted or denied are hereby denied.

The Diocese denies that The Falls Church is entitled to approval of its alleged congregational determination and entry of that determination in the Court's civil order book, or to any other relief whatever in this action.

AFFIRMATIVE DEFENSES

1. The property held by the trustees for The Falls Church was acquired and has been maintained for hundreds of years through charitable gifts donated to and by members of a parish of the Episcopal Church. Principles of charitable trust law preclude the current membership of The Falls Church from diverting that property to another mission of their own choosing.

2. Pursuant to the Canons of The Episcopal Church and the Diocese, which are binding on The Falls Church, real and personal property held by and for the benefit of churches such as The Falls Church must be used for the mission and ministry of the Episcopal Church and the Diocese and may not be diverted to any other mission.

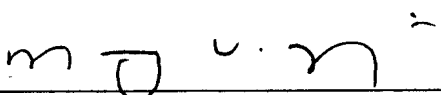
3. The rules of the Episcopal Church and the Diocese of Virginia, by which The Falls Church is bound, do not permit The Falls Church or any other parish to unilaterally "disaffiliate" from the Episcopal Church.

4. If Va. Code § 57-9 is interpreted in the fashion that The Falls Church appears to interpret it, then it is in violation of the Constitution of the United States and the Constitution of Virginia.

WHEREFORE, the Diocese requests that the Petition for Approval be dismissed, with prejudice, and that it be awarded its costs and attorneys' fees and such other and further relief as the Court may deem appropriate in this action.

Respectfully submitted,

THE PROTESTANT EPISCOPAL CHURCH
IN THE DIOCESE OF VIRGINIA

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CERTIFICATE OF SERVICE

I hereby certify that true copies of the foregoing Answer were transmitted by first-class mail, postage prepaid, to counsel for petitioner The Falls Church and to counsel for The Episcopal Church, named below, on this 19th day of January, 2007:

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