IN THE TITLE IV DISCIPLINARY MATTER INVOLVING THE RT. REV. JON BRUNO, RESPONDENT

ORDER OF THE HEARING PANEL

Nature of the Case

This case concerns the conduct of a bishop of the Church. It also involves a congregation and property where that congregation worshipped. The bishop properly exercises authority over that congregation and that property.

Nothing in this Order should be read as limiting or restricting the authority of bishops over missions or congregations or property where they worship. To the contrary, the Hearing Panel emphatically reaffirms that authority. Nor does this Order create a path for congregants displeased with the decision of their bishops over property to challenge or block those decisions merely by initiating Title IV proceedings.

The case does involve conduct of a bishop who decided to sell mission property. The Hearing Panel concludes that he did so without the previous consent

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of the Standing Committee, that along the way he misrepresented certain matters, and that certain features of his conduct are unbecoming of a member of the clergy. By its very nature, the process by which the Hearing Panel reaches those conclusions has entailed careful and detailed consideration of facts, positions, contentions, testimony and documents; it is not a simple parsing of canons. All of that evidence is directly related to the bishop's decision to sell the property. It is not a situation in which complainants attempt to use Title IV to block a bishop's proper exercise of his authority over property unrelated to the Title IV allegations.

The case also directly implicates new (as of 2009) Canon IV.14.6. That canon grants Conference and Hearing Panels broad authority to "provide any terms which promote healing, repentance, forgiveness, restitution, justice, amendment of life and reconciliation among the Complainant[s], Respondent, affected Community and other persons." The Hearing Panel considers this a very salutary and elastic remedy, and this case is an excellent example of why that canon is necessary. From the inception of the case the Hearing Panel has understood its role as one of representing God's Church in a process that promotes those lofty goals.

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Finally, the matters before the Hearing Panel are material and substantial, and of clear and weighty importance to the ministries of not only the Respondent, Complainants and Community, but to the Ministry of the Whole Church.

History of the Case

The Acting Church Attorney submitted this case to the Hearing Panel by a Statement of Alleged Offenses, dated June 24, 2016.

The Hearing Panel issued a Canon IV.13.2 Notice dated July 1, 2016. On July 22, 2016, the President of the Disciplinary Board for Bishops obtained legal counsel to the Hearing Panel pursuant to Canon IV.19.22. The Hearing Panel had its first official meeting on August 11, 2016, at which meeting The Rt. Rev. Herman Hollerith IV was elected President.

On August 26, 2016, the Complainants filed a Motion for Interim Order, which the Church Attorney joined in and adopted on August 29, 2016.

On August 29, 2016, the Respondent, The Rt. Rev. J. Jon Bruno ("Bishop Bruno") submitted his Response to the Statement of Alleged Offenses and a Motion to Dismiss or, in the alternative, to Stay Complainants' Complaints. The Church Attorney filed his Opposition to Bishop Bruno's Motion to Dismiss or Stay

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on September 9, 2016. On September 12, 2016, Bishop Bruno submitted his Response in Opposition to the Motion for Interim Order of Complainants and the Joinder therein by the Church Attorney. All these papers were supported by numerous exhibits.

On September 30, 2016, the President of the Disciplinary Board appointed a clerk for the Hearing Panel pursuant to Canon IV.5.3(g).

On October 26, 2016, the Hearing Panel met with counsel for the parties in Chicago, Illinois to consider the foregoing motions, which it denied on October 28, 2016.

Over the next several months, there were numerous procedural and discovery matters and motions that the President and/or the Hearing Panel conducted and disposed of pursuant to Canon IV.13. Written transcripts of hearings on these matters were prepared and are in the record.

The parties exchanged documents, mandatory disclosures and final pre-hearing disclosures pursuant to Canon IV.13.3 and IV.13.7. Each side deposed two witnesses, pursuant to Canon IV.13.3(d), and legal counsel to the Hearing Panel monitored the depositions by telephone. The President convened a

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Scheduling Conference and issued a Scheduling Order pursuant to Canon IV.13.3(c).

The Hearing Panel conducted the hearing in Pasadena, California on March 28-30, 2017. Thirteen witnesses testified orally, personally and under oath or solemn affirmation and subject to cross-examination, as required by Canon IV.13.8. A written transcript of the hearing, comprising 911 pages, was created and is in the record. At the hearing, the Hearing Panel received approximately 100 exhibits in evidence. After the hearing and receipt of the transcript, the parties submitted post-trial briefs and proposed findings of facts, which were helpful to the Hearing Panel and portions of which are in this Order in original or adapted form.

All proceedings before the Hearing Panel, except for its private deliberations, have been open to the Church Attorney, Bishop Bruno, each Complainant, any Injured Persons, and persons from the public, as required by Canon IV.13.6. The Complainants have been entitled to be, and some of them have been, present throughout and observed the hearings and accompanied by other persons of their own choosing in addition to their own Advisors. The Hearing Panel has closed no part of any proceedings to any persons or group of persons. Bishop Bruno and his Advisor were present during the March 28-30 hearing.

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Prior to the issuance of this Order, the Hearing Panel has afforded the Presiding Bishop and Complainants each with an opportunity to be heard on the proposed terms of the Order, as required by Canons IV.14.7 and IV.17.2.

The Facts

The Church Attorney has proven the following facts by clear and convincing evidence, as required and defined in Canons IV.2, IV.19.16 and IV.19.17. For the sake of clarity and context, and for the most part, the Hearing Panel presents the facts in chronological order.

1. Corporation Sole ("Corp Sole") is a California corporation established by the Bishop of Los Angeles in 1907. Ex. 203.[1] It administers and manages the property and affairs of certain properties of the Diocese. According to Bishop Bruno, it is a "single person corporation." The Bishop is the "single person." Tr. 460. The Consolidated Financial Report of Corp Sole's auditors for December 31, 2015 and 2014 describes Corp Sole as "a unique form of nonprofit corporation, operating with no directors or members other than the Bishop Diocesan and his or her successors." Ex. 175, p. 5. A July 30, 2016 Report of a Special Committee of the Diocese Convention Concerning Corporation Sole says Corp Sole "has just one

[1] "Ex." refers to exhibits the Hearing Panel admitted in evidence. "Tr," refers to the transcript of the March 28-30 hearing. "F" refers to the numbered paragraphs in the Facts section of this Order.

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incumbent – the Bishop." Its "existence … is not contemplated by national Episcopal Church polity," or "consistent with National church policy [or] the policies in the Constitution and Canons of the Diocese of Los Angeles." "Corp sole structures have been the subject of controversy or amendment in other California dioceses. . . . in recent years." It "operates without outside governance oversight, and without transparency," and its "lack of transparency and oversight" pose legal, financial, pastoral and other risks." "In the Diocese of Los Angeles, the Bishop has historically been allocated unilateral decision making power over Corp Sole, its activities, and its assets." According to the 2016 Report, "California courts ruled definitively that corp sole entities were subject to the canons of a diocese" (the Diocese of Los Angeles was not a party in that case), and "recent litigation concerning the Diocese of San Joaquin confirmed that canon law has supremacy over the corporation sole and the incumbent Bishop." Ex. 163, pp. 6-7.

2. In 1941, the Episcopal Diocese of Los Angeles formed a mission church in Newport Beach, California, known as St. James.[2] Ex. 22.

3. In 1945, the Griffith Company donated land in Newport Beach to Corporation Sole for "church purposes exclusively." Ex. 13 paras 6-7. A church

[2] At some point the name was changed to "St. James the Great." The two names are used interchangeably in this Order. The real property where the St. James congregation worships is located on Lido Island in Newport Beach. That real property and related personal property are variously called "St. James, "Newport Beach," "NPB" and "Lido Island" property in these proceedings and this Order.

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was constructed and consecrated on the site, and the St. James congregation applied for and received parish status. Ex. 61 para 52.

4. In 1993, St. James Parish obtained permission from the Diocese to encumber the property with a loan and to undertake a major construction project—to build a new church and parish hall. Ex. 61 para 53. Cindy Evans Voorhees, not yet ordained, was involved in the construction project as a liturgical consultant; she "designed the interior of the sanctuary." Tr. 202-03.

5. In 2001, Bishop Bruno consecrated and dedicated the new St. James church complex. Ex. 61 para 53; Tr. 589.

6. In 2004, part of the St. James congregation disaffiliated from the Episcopal Church and affiliated itself with the Church of Uganda. Ex. 61 paras. 70-74.

7. On August 22, 2004, Bishop Bruno wrote to the "members of St. James' Episcopal Church in Newport Beach" to let them know "how disheartened I am by the decision of your Rector, Wardens, and Vestry to leave the Episcopal Church." Bishop Bruno stated that "the consecrated buildings of your Parish are not the sole possession of the congregation. They belong to the whole Episcopal Church and the Diocese of Los Angeles, where together we serve Christ in this

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place. Soon we hope to return these properties to those faithful Episcopalians in your community who will continue our common mission as a Diocese and a Church." Ex. 60.

8. On September 7, 2004, Bishop Bruno, on behalf of himself and the "faithful congregants and true leadership of St. James Episcopal Parish in Newport Beach," filed suit against the Anglicans. Ex. 61 para 1. In the complaint, which Bishop Bruno swore to under penalty of perjury, he stated that "each day Defendants' wrongful occupation of the Parish premises continues, Plaintiffs suffer irreparable harm. The Parish was built over a 55-year period by and for Episcopalians. The Episcopal Church's assets—including donations of money and irrevocable trusts made on the condition that the Parish would remain forever an Episcopal Parish, as its founders promised it would—are being used to fund an attack on the Episcopal Church." In the same complaint, Bishop Bruno stated that the "faithful members of the Parish are in exile," and that the Diocese is "subordinate to the Constitution, Canons, and General Convention of the Episcopal Church." Ex. 61 paras 9-10, 14; Tr. 660-62.

9. Among those who remained "faithful" to the Episcopal church were Dan and Betty Connolly and their daughter Kathi Liebermann. After the Anglican "takeover" of St. James, the Connolly family worshipped at St. Michael & All

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Angels Church. On the advice of Bishop Bruno, the Connolly family did not change its registration from St. James. The Connolly family and others remained members of the St. James Episcopal congregation. Tr. 444, 504 ("just leave your name there. You don't have to become a member of St. Michael and All Angels").

10. On July 18, 2007, John Cushman, of the real estate firm Cushman & Wakefield, sent a letter to Bishop Bruno regarding a commercial property in Anaheim, California, in which Corp Sole owned at the time a 25% interest. Ex. 41. Mr. Cushman is a parishioner in the Diocese. Bishop Bruno has known him for 30 years. Tr. 520. Cushman recommended that Corp Sole acquire first another 25% interest in the property, and then the remaining 50% interest in the property, as well as the ground leases. "This course of action will give the Diocese 100% ownership and will raise the property valuation near the $19.7 million mark…." Mr. Cushman set out several scenarios, including developing the property with an office building, in which case the "projected resale" value of the property might increase to $140 million. Ex. 41; Tr. 638-39.

11. Bishop Bruno testified that as early as November, 2008, while the Anglican litigation was still active, he told Richard Zevnik (his counsel in this case) of his intention to put the properties at issue, including the St. James property, "on the market" after the litigation concluded. Tr. 491-92, 494.

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12. In January 2009, the California Supreme Court decided a case involving St. James and several other "disaffiliated" congregations in California. Although the Supreme Court ruled in favor of the Episcopal Church on the general issue, that the whole church rather than a single congregation controlled church property, there were specific issues relating to St. James that required further resolution in the lower courts. *Episcopal Church Cases*, 45 Cal.4th 467 (2009).

13. In March 2009, Bishop Bruno discussed with the Standing Committee the four Los Angeles properties that were the subject of the ongoing Anglican litigation: St. David's, North Hollywood; All Saints, Long Beach; St. Luke's, La Crescenta; and St. James, Newport Beach. Bishop Bruno requested and the Standing Committee agreed that all four parishes should be changed "to mission status." The Standing Committee also gave its consent that, upon the conclusion of legal proceedings, title to two of the properties would be held by Corp Sole: St. David's and All Saints. This transfer was to prepare the way for sale, for the next sentence of the minutes states: "if the sale of either or both of these properties occurs, it is the intent of the Bishop to establish a Mission Funding Initiative that will fund new and on-going missions, after all litigation costs related to this issue have been repaid to Corporation Sole." For St. James there was no transfer to Corp Sole and no approval of sale. According to the minutes, Bishop Bruno "noted that it was too soon to discern what may occur." Ex. 35. Two members of the

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Standing Committee remembered that there was a consensus that neither the Diocese nor the Bishop would sell St. James if there was a viable congregation there. Exs. 301, 302.

13A. In March 2013, the Diocese transferred title to the St. David's property to Corp Sole. Ex. 305.

14. In July 2013, as the Anglican litigation neared its end, Cushman & Wakefield appraised St. James Anglican Church, as it was then known, for Corp Sole. The appraisal estimated the value at $7.8 million. Ex. 63.

15. At about that time, Ted Forbath, Chief Financial Officer of the Diocese, prepared a one-page "legal expense summary" of the Anglican litigation as of July 1, 2013. Mr. Forbath included not only actual legal expenses of $4,486,280, but added to these expenses three other items, totaling $5,066,544. First, Mr. Forbath added an "MSF Pledge Recoup," his estimate of the revenue the diocese did not receive because the four congregations ceased to make contributions to the diocese. Ex. 45; Tr. 850-51. Second, Mr. Forbath added an estimate of the "cost" to the diocese of the staff work on the Anglican litigation, although the diocese did not hire any additional employees to handle the Anglican litigation, and there were no time sheets or other documents to support this

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estimate. Mr. Forbath testified that this was "an approximation and a best guess." Tr. 853. Third, Mr. Forbath added an estimate of the income the diocese would have obtained if it had not incurred the legal expenses or lost the donations. Tr. 837-38. In June 2015, Bishop Bruno told the Mayor Pro Tempore of the City of Newport Beach that one reason he had to sell St. James was to help recover "the $9 million in legal costs" incurred in the Anglican litigation. Ex. 29.

16. In the summer of 2013, Corp Sole sold one of the four properties recovered through the Anglican litigation, St. David's North Hollywood, for $5 million. Ex. 66; Tr. 634-35. At about the same time, Corp Sole entered into a long-term lease, with option to purchase, for All Saints, Long Beach. The option was exercised and the property sold for $3.5 million. Tr. 826. Thus, through the St. David's and All Saints sales, Corp Sole recovered $8.5 million.

17. After the California Superior Court ordered the Anglicans to return St. James to the Episcopal Church, Bishop Bruno decided that he would re-open the church as an Episcopal Church and he appointed the Rev. Canon Cindy Evans Voorhees as vicar of the mission congregation. In announcing these decisions to the diocese and inviting people to attend the first services, Bishop Bruno stated that those who gathered there would look back on the history of St. James and look

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forward to the ministry of St. James the Great in the "years to come." Exs. 22, 64 and 65; Tr. 425-28.

18. The parties to the St. James civil litigation reached a settlement agreement on the details of how the Anglicans would return St. James to the Episcopal Church. One provision in the agreement required the Anglicans to pay about $60,000 to the Episcopal diocese. This sum was set aside to help with the start-up costs of the St. James the Great congregation. Tr. 505-506.

19. In a September 12, 2013, email to the diocese, announcing that Canon Voorhees would be the vicar of St. James the Great, Bishop Bruno described her as an "experienced pastor." Ex. 22. Since her ordination, in 2005, she had served in three different churches, ranging from a suburban congregation in Orange County to an inner-city cathedral in Los Angeles. She was elected to the Standing Committee and the Board of the Corporation of the Diocese. Ex. 36; Tr. 198-201. She had also worked as a liturgical consultant for many years in dozens of churches, in the midst of construction and re-construction projects. Tr. 196-97.

20. In his September 12, 2013 email to the diocese, Bishop Bruno "reflect[ed] back "to the events of 1945" referred to in paragraph 3 above and referred to his "forward-looking vision" for the Congregation. Ex. 22.

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21. In his September 12, 2013 email to the diocese, Bishop Bruno did not mention that five years earlier he had decided to sell the property. (See paragraph 11 above.)

22. On October 6, 2013, just before the first service, Bruce Bennett, an experienced businessman and Episcopal Church leader (Ex. 68; Tr. 51-52), who had agreed to serve as Bishop's Warden, met with Bishop Bruno and Canon Voorhees. Bishop Bruno suggested, and the Bennetts agreed, that Mr. Bennett and his wife Merilee Bennett should serve as "co-wardens." For a year after the re-opening of the church, the Bennetts worked approximately eighty hours a week on various tasks, ranging from fixing toilets and the elevator to cleaning out the pool at the vicarage so that it could be rented out to provide income for the congregation. Tr. 46-47, 53-57.

23. Bishop Bruno, assisted by two other Bishops, including Bishop Mary Glasspool, conducted the services on October 6, 2013 to re-open St. James the Great as an Episcopal Church. Ex. 70A.

24. On October 13, 2013, Bishop Bruno returned to St. James the Great, where he led the congregation in Sunday morning services. Ex. 70. Bishop Bruno

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testified that "it was my intent to encourage people to do their best to assist in the formation of this new congregation." Tr. 511-12.

25. One of the "models" for St. James the Great was St. Luke's, La Crescenta, which had re-opened as an Episcopal church in 2009. In an email to Canon Voorhees, which she shared with Mr. Bennett, the vicar of that congregation described how, rather than using a traditional bishop's committee, he worked with "teams." Ex. 71. Canon Voorhees adopted this team approach for St. James the Great, and kept Bishop Bruno informed of the congregation's progress. Tr. 62-64, 176-77, 251-52.

26. Patrick DiGiacomo, a chef who had served in the Marines and had a career in finance, was one of the first "team leaders" recruited by Canon Voorhees. He testified that he and his business partner agreed to rent the church's kitchen, use the kitchen both to cook Sunday meals for the congregation, and as a base for their catering business. Mr. DiGiacomo described the kitchen as a ministry of the church: providing a place for out-of-work chefs to get back on their feet; serving as a base for missions to the local homeless shelter; serving to teach autistic children how to cook; bringing members of the congregation together. On Sunday mornings, Mr. DiGiacomo and the others involved would serve meals to 150 or 160 people, "and nobody would ever leave. They would just stay for a long time."

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Tr. 167. Mr. DiGiacomo's meeting with Canon Voorhees "really and truly changed my life"; he went from being a lapsed Catholic to a faithful member of an Episcopal congregation. Tr. 159-72.

27. On November 13, 2013, Canon Voorhees sent by email to Mr. Forbath and David Tumilty, Chief Operating Officer of the Diocese, a "forecast budget" for St. James the Great for 2014. She projected that there would be $112,000 of "plate and pledge" in 2014 and total income of $256,000. Mr. Forbath responded that "the handout looks good" and offered to make copies for her for distribution at the upcoming meeting of the Board of the Corporation of the Diocese the next week. Ex. 73.

28. In late 2013, Canon Voorhees recruited Evangeline Andersen, an inactive certified public accountant, to head the St. James the Great finance team. Ex. 173. Ms. Andersen knew that the assignment would require a lot of work, but she explained she knew that she had to serve when she learned that Canon Voorhees herself was serving without any compensation. Tr. 84-85. The finance team consisted of several seasoned financial professionals: Mr. Bennett, David Moore, Helen Timpe and Bob Voorhees. Tr. 85. Ms. Andersen testified that she and her family started attending church regularly and her husband was baptized. Tr. 81-82.

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29. In January 2014, Ms. Andersen presented a "vicar's vision" to the St. James the Great congregation. In an effort to engage and challenge the congregation, she presented three alternative budgets for St. James for calendar year 2014, which she described as the "2 am email budget," the "2014 transition budget" and the "functional parish budget." She noted in the "2 am budget" that at present the church had no money from pledges and no money for staff salaries. She noted that the church already had some "creative solutions" in place, including rental income from the parish vicarage and the kitchen lease. She challenged the members of the congregation to commit their time, talent and treasure to St. James the Great. She reminded them that "diocesan contribution should not be counted on. We must become self-sustaining." Ex. 181; Tr. 88-93.

30. After he appointed Canon Voorhees as vicar in September 2013 and opened the church in October 2013, Bishop Bruno never informed any of those involved in starting up St. James the Great—including the Vicar, the Bishop's Wardens or the new donors of operating funds and capital improvements that five years earlier, in 2008, he had decided to sell St. James the Great, or that he was then considering selling St. James the Great. When Mr. Bennett was asked whether Bishop Bruno said "anything like I may sell this place in a year," he responded: "No. Quite to the contrary, he indicated to us that this was a challenge for us to go out and build a parish and build a congregation and make things

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happen for the long run." Mr. Bennett estimated that he sent or received about two thousand emails with Bishop Bruno and his immediate staff: Mr. Tumilty, Mr. Forbath, and Clare Zabala Bangao ("Bangao"), administrator for mission congregations—and there was not a word about sale in these emails. Tr. 48-49, 58-59. Canon Voorhees moved to Newport Beach, "to be closer to the community," and she did not move into the rectory, so that the rectory rental income could support the congregation. Tr. 56-57, 234-36. Ms. Andersen testified that some families accepted the challenge to become "founding members" of St. James the Great, to contribute $25,000 or more per year, even though there was no "t-shirt" or other recognition." Tr. 100-01.

31. On January 28, 2014, Canon Voorhees emailed Ms. Bangao a request for bylaws for St. James the Great. Ex. 77.

32. On February 25, 2014, Canon Voorhees emailed Ms. Bangao a second request for bylaws for St. James the Great. Ms. Bangao responded that the diocese was "still working on the by-laws template for mission congregations." Ex. 78. On this same day, Ms. Bangao sent to Canon Voorhees the "missions manual" for the diocese, stating "here you go." Ms. Bangao did not, in either of these emails, ask Canon Voorhees for her monthly financial reports. Ex. 3; Ex. 4.

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33. On February 28, 2014, St. James the Great submitted its parochial report for 2013. The report showed that, after a few months of operation, St. James the Great had an average Sunday attendance of 92 people, plate and pledge income of $40,000, and more than $55,000 in its bank account. Ex. 11.

34. One of the parishioners at St. James the Great, Michael Strong, was also a parishioner in 2014 at St. Michael & All Angels, where he knew Richard Zevnik, at the time a vice chancellor of the bishop. Mr. Strong and Mr. Zevnik talked from time to time about the Anglican litigation, and especially about what Mr. Strong called the "estoppel issue": why a 1991 letter by a prior bishop did not preclude Bishop Bruno from claiming the St. James property. In the course of this discussion, in June 2014, Mr. Zevnik wrote to Mr. Strong that "no one, including a bishop, can act contrary to the canons, which require that any alienation of property or property rights requires the approval of the Standing Committee, acting on the recommendation of the Board of the Corporation of the Diocese. So, leaving aside the issue whether [Bishop] Borsch's signature on 'the [1991] letter' was procured fraudulently, he had no power to do what they asserted he did." Ex. 82. Mr. Strong testified that this was consistent with what Mr. Zevnik told him at the time; that the diocese could not sell or alienate property without Standing Committee approval. Tr. 431-32. In his testimony at the hearing, Mr. Zevnik did

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not address this exhibit or attempt to contradict Mr. Strong's testimony. Tr. 864-65.

35. On July 1, 2014, the St. James finance team held one of its periodic meetings. The agenda shows that the team discussed several financial documents and issues, including the year-to-date financial results. Among other documents it reviewed, a balance sheet showed that the congregation had more than $100,000 in its checking accounts. Ex. 182; Tr. 99.

36. On July 31, 2014, Canon Voorhees emailed Ms. Bangao and Bishop Bruno a request for a grant for 2015 of $48,000, rather than the $60,000 received in 2014. The documentation included actual results for the first five months of 2014 showing $156,046 in revenues, projected to be $349,680 by year-end. This same email included the budget for St. James the Great for 2015, predicting revenue in 2015 of $387,000, including $105,000 of plate and $170,000 of pledge. On the expense side, the 2015 budget predicted a housing allowance for the vicar of $36,000, along with related pension and education costs. The narrative budget explained that "members feel strongly that we should develop staff and pay them a fair wage" and that the budget included a housing allowance for the vicar of $3,000 per month "based on the documented priority to pay clergy right after Mission Share pledge as well as the congregation feeling a sense of moral responsibility to

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pay some form of compensation." Ex. 10. This was in accord with the "Missions Manual," which declared that the second priority, after the 10% mission share pledge was "clergy compensation." Ex. 3 page 15. In her cover note, Canon Voorhees said "please let me know if there is anything else you need." Ex. 10. Canon Voorhees received no reply asking for monthly financial information.

37. On August 12, 2014, Canon Voorhees reported to the finance team that a recent outside audit of St. James the Great's financial practices "went well." She noted that the audit team had some minor recommendations, such as that St. James should make an inventory of the personal property in the church complex. The audit team overall "felt that there were no inconsistencies and we reported everything to the diocese on time." Ex. 183.

38. In September 2014, Canon Voorhees delivered a PowerPoint presentation to Bishop Bruno, Mr. Tumilty and the Board of the Corporation of the Diocese, in which she discussed in detail the progress of St. James the Great. Canon Voorhees described some of the innovative ministries of St. James the Great: the kitchen and cooking classes, Holy Coding classes, and the "team structure." She noted that St. James would receive "decreased diocesan support" in the next year and hoped by the end of the next year to be "independent" of diocesan support. Ex. 46. The Board, according to Canon Voorhees, was "very,

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very excited" about the progress of St. James the Great, "thought it was amazing," and she "got a long clap at the end." Bishop Bruno told her "very good. Great job." Tr. 257-58.

39. On October 14, 2014, Canon Voorhees received a telephone call from a John McMonigle, a local real estate broker. As she explained in an email to Mr. Tumilty and Mr. Forbath, copied to Bishop Bruno:

> John McMonigle just called the church and asked for Ted's [Forbath's] phone number. [He] said he had talked to Ted about the sale of the church property and had the information for him but lost his number. I know John McMonigle. Is there something I need to know? Because I am devoting my life to this parish and want to know if I am wasting my time. Please advise.

Ex. 21. None of the three recipients answered this email. Canon Voorhees "was pretty shook up" and called Mr. Forbath, who said he was not going to get between a priest and her bishop." She also called Mr. Tumilty, who said "he didn't know anything about it at all." Tr. 277-78. Neither Mr. Tumilty nor Mr. Forbath "alerted [Canon Voorhees] to the fact that there were discussions out there about possible sale." Tr. 280. When asked about this email at the hearing, and whether he was concerned that Canon Voorhees was "devoting my life to this parish and want[ed] to know if I'm wasting my time," Bishop Bruno said "if I answered every email where somebody has a concern or worry, and it's not addressed to me, I would not sleep." Tr. 618-19.

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40. On December 3, 2014, the St. James finance team met. The agenda shows that the number of pledges had increased from 24 to 42, and that the amount pledged for the next year exceeded the budget, $234,000 rather than $170,000. One item on the agenda was to consider a year-end lump-sum payment to the vicar because "working as a volunteer in your place of employment—it's not the right thing." So the finance committee (without Canon Voorhees' husband, Bob Voorhees) approved a payment of $25,000. Ex. 184; Tr. 126-27. Even after this one-time payment, St. James ended the year with more than $120,000 in its bank accounts. Ex. 12. When asked about the financial progress of St. James, Ms. Andersen testified "I thought we were doing great. To be honest. Like to go from zero to $250,000 in pledges, like, I thought we were doing awesome." Tr. 116.

41. On January 5, 2015, Canon Voorhees sent Ms. Bangao what she called a "third request," asking whether the diocese had approved the request for $48,000 in diocesan aid. She said, "I am trying to run a balanced budget." Ms. Bangao responded the same day that the request had been approved. Ex. 93. Ms. Bangao did not request monthly financial information.

42. On January 28, 2015, after several months of work on the parking issue, Canon Voorhees emailed Mr. Tumilty, Mr. Forbath and Chancellor James Prendergast to summarize the status of the parking arrangement. Included in her

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email was a letter to Bishop Bruno, in which Canon Voorhees explained the history, the various parties, the issues and benefits of the proposed parking arrangement. A local developer had agreed to provide parking spaces to the church on Sunday mornings and in return the church would provide the developer with parking spaces during the week. The developer would pay the church $6800 a month for the use of its parking spaces. She attached to the email the most recent draft of the parking license agreement, as revised by a local real estate lawyer, working in consultation with Mr. Prendergast, who had approved the agreement. Ex. 53.

43. On February 3, 2015, Canon Voorhees sent another email to Mr. Tumilty, Mr. Forbath and Mr. Prendergast about the parking arrangement. She pressed them to review and respond; "I would really like to wrap this up as soon as possible." Ex. 53.

44. At about this same time, Canon Voorhees had what she recalled as an "odd" conversation with Bishop Bruno. He asked her: If you had to sell either St. James the Great or St. Michael & All Angels, which would you sell? "I told him neither one. They are both viable with the right leadership." Bishop Bruno asked her to think about the matter. When they next talked about the issue, Bishop Bruno told Canon Voorhees "Don't worry. I'm not doing—I'm not selling St. James.

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I'm not doing anything with it." Tr. 280-81, 283. Bishop Bruno could not recall, then denied, that he had such conversations with Canon Voorhees, Tr. 520-21. Canon Voorhees' testimony on this issue is confirmed by two emails among Bishop Bruno's senior staff members, those of February 4 and February 24, 2015, discussed below.

45. On February 4, 2015, Mr. Forbath emailed Mr. Tumilty a draft email to the Layne Foundation, seeking a loan of $6.3 million to purchase an additional interest in the Anaheim property. The draft email offered, as security, the St. James property and explained that, "Confidentially speaking, the Bishop's Office is putting in place a 1-2 year plan that will involve consolidating our two churches in the area: St. James the Great (Newport Beach) and St. Michael & All Angels (Corona del Mar). The outcome of that consolidation will involve selling one of the two churches and realizing substantial proceeds . . . . At this point, the preference is to sell the Newport Beach site." Mr. Forbath wrote: "my sense is that it would be best to simply state that the NPB church [St. James] will be sold … and not be fuzzy about which church will be sold..." Ex. 55. The St. James congregation had no idea at this time that the "Bishop's Office" had decided to sell St. James or to consolidate the two congregations.

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46. On February 9, 2015, Canon Voorhees emailed Ms. Bangao the annual 2015 budget for St. James the Great. Ex. 95. The attached budget worksheet showed that St. James expected to have in 2015 total revenue of almost $500,000, of which $48,000 would be diocesan support. The budget also showed that the congregation expected to send back to the diocese, in the form of mission share pledge, $40,200, "10% of plate and pledge." On a net basis, then, St. James the Great would cost the diocese less than $10,000 during calendar year 2015. Ex. 186.

47. On February 10, 2015, in response to the St. James the Great budget, Ms. Bangao asked Canon Voorhees "what is the latest on the parking lot?" Ms. Bangao did not ask Canon Voorhees to provide monthly financial information. Canon Voorhees responded: "You tell me Clare. I have been trying to get the lease approved for 5 months. I have now lost about $35,000 in income. . . . I have done 5 revisions, hired a real estate attorney to help write it, had a conference call with everyone and we agreed on a strategy and it is still on their desk." Ex. 95.

48. On February 13, 2015, Tim O'Brien of Legacy Partners Residential, LLC ("Legacy"), the commercial real estate firm that would, in April, 2015, sign an agreement to purchase the St. James site, sent an email to John Cushman summarizing a discussion regarding "Anaheim & Lido Village." Mr. O'Brien sent

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to Mr. Cushman an aerial photo of the St. James property, noting that he lived on Lido Isle and thus drove by the site every day. "It's a terrific site and we're interested in working with you on this one as well." Mr. Cushman noted in handwriting on the printed copy of the email that he called Bishop Bruno to discuss "Lido" on February 22, 2015. Ex. 96. Mr. Tumilty testified Bishop Bruno told Mr. Cushman "that we had received previous offers" on the St. James property "none of which were of interest, and at the right price, Bishop Bruno would seriously consider the sale of the property." Tr. 558.

49. On or about February 22, 2015, Bishop Bruno had a conversation with Mr. Cushman in which Bishop Bruno told Mr. Cushman that although he had received offers to purchase the St. James property, they were not of interest to him but that at the right price he would seriously consider selling the property. Tr. 554, 560-61; Ex. 96.

50. On February 24, 2015, Mr. Forbath emailed Mr. Tumilty, summarizing a conversation between Mr. Forbath and Canon Voorhees, in which she reported that Bishop Bruno had told her that he would not sell St. James the Great. (Ex. 56).

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51. On March 19, 2015, Bishop Bruno, through Corp Sole, entered an agreement with Bank of America to purchase an additional fifty percent interest in commercial real estate in Anaheim. Ex. 40; Ex. 99. As of March 2015, Corp Sole already owned a fifty-percent interest in the Anaheim property, so this purchase agreement would give Corp Sole complete ownership. Ex. 99, recital B. The agreed purchase price was $6.3 million and the closing date was scheduled for early July 2015. Ex. 99 (Effective Date March 19, 2015; Contingency Date ninety days after Effective Date; Closing Date fifteen days after Contingency Date).

52. Corp Sole did not have in its bank accounts in March 2015 $6.3 million in cash to complete the Anaheim purchase. The cash balance as of December 31, 2014, was about $3 million. Ex. 175, p. 3. When asked about how Corp Sole would fund the Anaheim purchase, Bishop Bruno did not mention "cash in the bank": he mentioned only the sale of St. James the Great, a loan from a bank, or a donation. Tr. 579-80.

53. On March 20, 2015, there was a meeting at the Cushman & Wakefield offices to discuss the "Lido Property." Those who attended included Mr. Cushman, Bishop Bruno, Mr. Tumilty and Mr. Forbath. Mr. Cushman and his colleagues agreed on the "splits" for the compensation that they expected to receive from the sale of the St. James the Great property. Ex. 98.

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54. On March 25, 2015, St. James the Great submitted its parochial report for 2014. The report showed that, in its first full year of operation, St. James the Great had total revenues of $467,169, of which $60,000 was diocesan support. The report showed that, as of the end of 2014, St. James the Great had $122,487 in its bank accounts. Ex. 12.

55. On April 1, 2015, Bishop Bruno received a written offer from Legacy to purchase the St. James site for $15 million. Ex. 100.

56. On April 9, 2015, Mr. Forbath emailed Mr. Tumilty, raising a concern about section 3.2 of the draft agreement to sell St. James the Great. "The buyer can extend for 30 days basically at the 11th hour, just before the planned closing. We really would need to know earlier since a 30 day closing delay will have a significant impact on how the Anaheim purchase is funded." Mr. Tumilty responded to Mr. Forbath, with copies to Bishop Bruno, John Cushman, and Pam Andes, the outside lawyer for Corp Sole on the transaction: "Thanks Ted. Your concern is legit. Pam can you see if Buyer can back off this item? In effect it extends the due diligence period to within 5 days of the intended closing." Mr. Cushman forwarded the email to Tim O'Brien of Legacy, saying "I wanted to give you a heads up on this issue. We need to make this problem go away." On the eve of signing the agreement to sell St. James, Bishop Bruno's senior staff was worried

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that a delay in the closing of the St. James sale would have a "significant impact" on "funding" the Anaheim purchase. Ex. 23. The agreement was apparently modified to address Mr. Forbath's concern. See Ex. 25 especially section 3.2.

57. On April 10, 2015, Bishop Bruno signed the agreement to sell the St. James property to Legacy. Ms. Andes, in her cover email distributing the agreement, described it as "fully executed by the parties and effective." The closing date was at first set for June 24, 2015. Ex. 25. Bishop Bruno testified that the due diligence and contingencies in the contract were opportunities for the buyer, not Corp Sole, and that if the buyer were satisfied and tendered him a $15,000,000 check it was a "done deal." Tr. 575-76.

58. On April 13, 2015, Bishop Bruno informed Canon Voorhees that he had sold St. James the Great. He told her "that it was a business decision" and that "it was a done deal." Canon Voorhees was "stunned' and felt "deceived" and "used." She said "It was just so cold, and it was pretty brutal." Bishop Bruno instructed Canon Voorhees that she could not tell anyone, other than her husband, about the sale of St. James the Great. Tr. 285-86. Canon Voorhees obeyed that instruction.

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59. Bishop Bruno testified that in the same conversation he told Canon Voorhees that he wished to be the person who informed the congregation of his decision because he "knew it would be traumatic" and "the fact of life is I said if there's any bad news to tell anybody, I'm going to tell it to them." Tr. 525-26.

60. At about this same time, Bishop Bruno informed his senior staff, including Bishop Mary Glasspool, in their weekly meeting of the sale of St. James the Great. On April 16, 2015, Bishop Glasspool called the Rev. Melissa McCarthy, then President of the Standing Committee, and asked her whether the Standing Committee had approved the sale. The Rev. McCarthy was not aware, before this call, of the sale. When Bishop Glasspool learned that the Standing Committee had not approved the sale, she urged Rev. McCarthy to oppose the sale, and to talk with the chancellor of another diocese. Instead, Rev. McCarthy informed Bishop Bruno that Bishop Glasspool was trying "to undermine what the bishop diocesan was doing." Tr. 706-09.

61. Bishop Bruno met with the Standing Committee on April 22, 2015. The minutes of that meeting (Ex. 303) do not mention St. James.

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62. At about this time, Bishop Bruno offered Canon Voorhees a new position, with a salary of $111,000 per year, as liaison between the diocese and the Compass Rose society. Tr. 286-89; 527-28.

63. On May 11, 2015, Canon Voorhees sent an email to Bishop Bruno outlining topics to discuss with him that day, including the proposed Compass Rose liaison position. She asked, among other questions about the Compass Rose position, what the Bishop Bruno's goals were, and whether she would be a member of the board of the Compass Rose Society. Ex. 18.

64. On May 11, 2015, Mayor Pro Tem Diane Dixon met, at their request, with Tim O'Brien of Legacy and Philip Bettencourt, a local real estate consultant. Mr. O'Brien and Mr. Bettencourt presented their plans for the St. James site, including drawings showing the proposed townhouses on the St. James site. Mayor Dixon's reaction was "Really? You're going to tear down the church to do this?" Mayor Dixon predicted that the plan to tear down the church and put up townhouses would be controversial in the community. Tr. 401-03.

65. On May 13, 2015, Mr. Tumilty and Mr. Forbath discussed the use of the proceeds from the St. James sale. Mr. Tumilty's notes show that he anticipated "fees and costs" of $1 million in connection with the sale, including the fee owed

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to Cushman & Wakefield for its work on the sale. Ex. 44. Bishop Bruno did not dispute that Cushman & Wakefield was to receive $550,000 as its commission for the $15 million sale. Tr. 572. Mr. Tumilty's notes show that the intention was to use $6.3 million out of the $15 million proceeds from the St. James sale to fund the Anaheim purchase. Ex. 44; Tr. 573-74.

66. On May 17, 2015, Bishop Bruno worshipped with the St. James the Great congregation. At the coffee hour after the service, he informed the congregation that he had sold the church. Mr. Bennett recalled that the congregation was "stunned." In his words, "there was indignation. There was anger. There were tears." Tr. 68-69. Ms. Andersen recalled Bishop Bruno saying that the expenses were "high and it is not sustainable"; she knew from her own work that this was not correct. Tr. 129-30. Someone asked whether there was some financial crisis, whether the diocese needed the funds immediately, to which Bishop Bruno responded "no, we don't need the money." Tr. 131. Bishop Bruno testified that he told the congregation that he would establish a trust, in the name of St. James the Great, with $6.3 million for further mission work in the diocese and that he would also provide $1 million of financial assistance to the St. James the Great congregation. Tr. 569-71. Neither of these was mentioned in the "use of proceeds" notes that Mr. Tumilty prepared a few days before. Compare Ex. 44. When Bishop Bruno mentioned parking as one reason he had to sell the church,

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Bruce Bennett challenged him. "I knew for a fact that the parking issue had been resolved, and that if he had real reasons to sell the property, he should give us real reasons and not red herrings such as that." Tr. 66. Kathi Liebermann was not in the room; when she learned of the sale she "felt like we were his faithful followers who had grew the church and did exactly what he asked us to do and then just with no warning [he] came in" and announced the sale. "I was blindsided." Tr. 448.

67. Michael Strong was also at the May 17, 2015 meeting. He recalled Bishop Bruno stating, "Since the property was held in Corp Sole, he didn't need any approval to sell it. He had complete power of it." Tr. 434.

68. Starting on May 18, 2015, Canon Voorhees sent a series of pastoral letters to her congregation. She explained that "the parish was in peril," and she was "overwhelmed with pastoral care" so she saw the letters as an important part of her pastoral role; she wanted to communicate with her congregation, to "keep everyone on the same page." Tr. 293-294, 393; Ex. 179 (third pastoral letter).

69. On May 19, 2015, Bishop Bruno addressed his decision to sell St. James in a memorandum to the Members of the Corporation of the Diocese. Bishop Bruno stated that "two major considerations have changed the outlook for the future of the Newport Beach property. First, the church plant is out of

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compliance with city code due to the lack of 40 parking places to serve the property. While the church has been operating with a conditional-use permit, resolution of the problem would require the purchase of additional land that is unavailable in blocks where a multimillion-dollar boutique hotel is under construction…." Ex. 26.

70. On May 19, 2015, Canon Voorhees sent a further email to Bishop Bruno and Mr. Tumilty regarding Compass Rose and closure of St. James. She noted that Bishop Bruno "made changes on Sunday morning, May 17," so that "we will need to discuss what is what today, i.e., closing date, compensations, letter to parishioners." Ex. 18.

71. According to the minutes of the Standing Committee, at its May 27, 2015 meeting several items concerning St. James were "brought forward" to be brought to the attention of the Bishop. The only action concerning these items recorded in the minutes is that "the Committee shared with Bishop Bruno their understanding of his reasons to sell the property in Newport Beach and will support Corporation Sole's action." There are references to "handouts" enclosed with the original copy of the minutes, but no "handouts" were introduced at the hearing. Ex. 304.

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72. On May 31, 2015, Mayor Pro Tem Dixon announced that the proposed sale of St. James the Great would be one topic for her next town hall meeting on June 15. Ex. 179 page 4 (email from Diane Dixon). Mayor Dixon was hearing from concerned constituents, such as a Catholic resident of Lido, who wrote to Mayor Dixon on May 31 that "although we worship elsewhere we firmly support the very powerful presence of this fine church. It is a constant reminder of God amidst our increasingly secular and troubled area" Ex. 179 pages 170-004, 005 (email to Diane Dixon); Tr. 410 ("I'm getting all these letters regarding the church").

73. On June 3, 2015, Bishop Bruno addressed the sale of St. James through an email to the diocese. Bishop Bruno stated that "this decision was entered prayerfully and practically given the reality that the Corporation Sole and the Corporation of the Diocese can no longer provide assistance for operating expenses. . . [and] the sale proceeds also offer a considerable asset for investment in future mission and clergy support within the Diocese of Los Angeles." Ex. 123.

74. On June 5, 2015, Bishop Bruno wrote a letter to Mayor Pro Tem Dixon concerning the sale of St. James the Great. He wrote that "while it has been a complex decision to enter into a sale agreement for the property owned by the Bishop as Corporation Sole, I have done so knowing that the time is right to

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liquidate this asset for the benefit of the ongoing mission within the church in our diocese. Operating expenses were no longer sustainable at as much as $300,000 annually, and especially after $9 million in legal costs related to securing four parish properties at which members had disaffiliated from the Episcopal Church. While we recognize the dedicated efforts of the current clergy and re-starting congregation of St. James the Great, we must move forward at this time." Ex. 29. Mayor Dixon testified that she had "no context" to consider the claimed operating expenses because she did not know the revenues of the church. Her reaction was that Bishop Bruno was "trying to build a case for why he wants to sell the property." Tr. 407-08. Bishop Bruno's letter did not mention the revenues of St. James the Great, nor did he tell Mayor Dixon that the diocese had already recovered $5 million through the sale of one of the former Anglican churches, and stood to recover $3.5 million through the lease-sale of another. When asked at trial about the accuracy of the $300,000 amount, Ms. Andersen testified that it was not accurate. "In the first year, right, in 2014, pledgers were giving $150,000 of that $300,000. And in the second year we had the stewardship campaign and we had a budget that said pledgers were going to give 250,000 of that $300,000. So I don't—I don't agree with the sentence. I don't agree that that is unsustainable. That is—that is—I mean that's amazing financial growth. Imagine what we could have done." Tr. 133.

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75. On June 8, 2015, Bishop Bruno discussed both the proposed sale of St. James and the proposed purchase of the Anaheim interest with the Standing Committee. The meeting was a special meeting, called by the President at Bishop Bruno's request. Tr. 713. The Standing Committee approved a motion "to support Bishop Bruno in his endeavors with the sale of the Newport Beach property, and to concur with his decision, acknowledging that the Standing Committee has no jurisdiction over Corp Sole." Ex. 19. Both Bishop Bruno and the Rev. Melissa McCarthy, the President, testified that in their view the Standing Committee had no authority over Corporation Sole. Hearing Tr. 716-17; Bruno Depo. Tr. 17 (Ex. 299) (Question: "Did you have an understanding . . . in June of 2015 that the Standing Committee had no authority to help, to decide, or no right to decide, on the sale of a church if it were owned by Corp Sole?" Answer: "That was my understanding"). The Rev. McCarthy could not remember reviewing any documents about the St. James sale at the June 8 Standing Committee meeting. Tr. 721-22.

76. On June 9, 2015, Bishop Bruno and Mr. Tumilty met at St. James the Great with Canon Voorhees and four members of the "transition committee" for St. James. The group discussed, among other issues, whether Canon Voorhees could remain the vicar of St. James the Great; Bishop Bruno said that she "could continue to serve as Vicar for the ongoing congregation." The group also

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discussed whether the congregation could remain in the building after the proposed June 28 final service date; Bishop Bruno said that this would require the consent of the buyer, Legacy, and later said that Legacy was not interested in having any discussions with the congregation. Tr. 302-04; Ex. 17.

77. During this time, Bishop Bruno told Canon Voorhees "You're letting your pastoral brain get in the way of your business brain." Tr. 301.

78. On June 10, 2015, Ronald Pierce, a lawyer for the Griffith Company, wrote to Bishop Bruno to remind him of a 1945 church use restriction on the St. James site. Mr. Pierce wrote that "Griffith Company never released, and never intended to release, the covenant, condition, restriction for 'church purposes exclusively' for the central church building lot or the adjoining lots from their ancillary role to serve 'church purposes' solely. That is what Griffith Company intended in 1945, 1984, and its purpose continues the same today and beyond." Ex. 125.

79. On June 12, 2015, Corp Sole and Legacy amended the Purchase and Sale agreement, to allow time for "determining and addressing issues related to the matters and claims described" in the June 10 Pierce Letter. Ex. 130.

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80. On June 15, 2015, Bishop Bruno wrote a letter to Tom Foss, President and CEO of the Griffith Company. Bishop Bruno wrote that the "June 10 letter has serious implications for two pending real estate transactions that are scheduled to close in the coming days of June." Bishop Bruno urged Griffith Company to change its position about the 1945 church use restriction on the St. James site, so that the Legacy sale transaction could close. Bishop Bruno warned that "the position taken in the June 10 letter could result in millions of dollars of damages to the Church." Ex. 24. Bishop Bruno testified at his deposition and at the hearing that the "two transactions" referenced in his June 15 letter were the St. James and Anaheim transactions. Hearing Tr. 642-43.

81. On June 15, 2015, Mayor Dixon held her town hall meeting, at which the main topic was the proposed sale and demolition of St. James the Great. The room was "completely filled, standing room only." Tr. 411. Some of those present were members of the congregation but others, Mayor Dixon believed, were simply members of the community. Tr. 412-13.

82. On June 16, 2015, Bishop Mary Glasspool spoke with Canon Voorhees in the women's room at diocesan headquarters. At the hearing, in response to questions from Bishop Bruno's counsel, Canon Voorhees testified that Bishop Glasspool told her that "she was very sorry for what was happening" to St.

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James the Great. Tr. 357. Bishop Glasspool told Canon Voorhees that Bishop Glasspool "had gotten into a lot of trouble over this. That she had gone to the Standing Committee to try to talk to them about the sale of Newport Beach and that it upset the bishop [Bruno] so much that they had to have mediation. And I had no idea that that had happened. And I felt terrible for her that . . . she had had to go through that. She said to me that—I guess they went through mediation and came to some agreement. I don't know what that was. And then she just said that the bishop scared the shit out of her and that she needed to get out of here, and she was just trying to make it through General Convention." Tr. 358-61.[3]

83. Also on June 16, 2015, Canon Voorhees told Bishop Bruno that she would not accept the Compass Rose position. Tr. 288-90.

84. On June 21, 2015, Canon Voorhees wrote an open letter to respond to what she described as "misinformation being published by the Los Angeles diocesan leadership about the status of St. James the Great." She stated: "St. James the Great is a financially viable and sustainable congregation that is not expending hundreds of thousands of dollars of diocesan or corporation sole funds per year. The parish has a $530,000 budget and [is] paying ALL its bills."

[3] Bishop Bruno's counsel adduced this testimony from Canon Voorhees. Canon Voorhees did not want to testify about it. The President of the Hearing Panel probed its relevance and took a break in the proceeding. Bishop Bruno's counsel insisted that Canon Voorhees testify. Tr. 357-62. Bishop Bruno did not address, explain or refute it when he testified.

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Second: "I am not non-stipendiary—I am being paid." Third: "There would be no parking issue if the diocese signed the shared parking agreement with a neighboring organization that is sitting on their desk." Ex. 137; Tr. 306-08.

85. On June 22, 2015, Save St. James the Great (an unincorporated association made up of congregants at St. James and residents of Lido Isle and environs living near St. James) filed a civil complaint against Corp Sole and Legacy, seeking to stop the sale of St. James the Great, on the basis of the 1945 deed restriction. Save St. James the Great sought a temporary restraining order to prevent the sale of the property, which Save St. James the Great at that time believed would occur on Friday June 26. Ex. 13, para 9.

86. On June 23, 2015, the City Council of Newport Beach discussed St. James the Great. Mayor Dixon, whose district includes the St. James site, spoke about how the site is restricted by the city's general plan to "private institutions," meaning the site could be used for religious or educational purposes, but not for townhouses. Ex. 139; Tr. 414-16.

87. On June 24, 2015, the Superior Court denied the request of Save St. James the Great for a temporary restraining order. Ex. 30.

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88. On June 25, 2015, Canon Voorhees sent by email to her congregation what she termed "this last pastoral letter." She also included a copy of this letter in the bulletin for the June 28 services. In the letter, Canon Voorhees explained that, through comments by Bishop Bruno's counsel at the hearing on Save St. James the Great's request for a temporary restraining order, she "learned we were part of another land purchase, where St. James the Great's proceeds are intended to complete another transaction." This was the first time that she or others at St. James learned that Bishop Bruno intended to use a substantial part of the proceeds from the sale of St. James to fund a commercial purchase, which since then has been revealed to be Anaheim. Canon Voorhees also said, in her letter, that she did not believe that she could lead the congregation into a "diaspora situation." Ex. 31.

89. Bishop Bruno testified at the hearing that he viewed Canon Voorhees' letter as "a pastor or a shepherd abandoning her sheep." Tr. 547.

90. On June 26, 2015, Bishop Bruno as Corp Sole filed suit against Griffith Company, to quiet title to the St. James property and to obtain damages and punitive damages for alleged slander of title. Tumilty, as attorney-in-fact for Bishop Bruno, verified the complaint. Ex. 140.

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91. On June 28, 2015, Canon Voorhees and the congregation had their final Sunday services at St. James the Great. During the discussion after the service, the congregation asked her to remain as their vicar. Canon Voorhees testified: "I took a vow to take care of the flock that was entrusted to me. And I looked at the whole room and thought I can't abandon them right now." Tr. 311.

92. On June 29, 2015, Tony Crowell, a member of the St. James congregation, wrote to Bishop Bruno. Mr. Crowell said that it seemed, from public records, that the sale had not closed and "so we plan on continuing on in our current church building until you do close your transaction and the developer requires us to leave." Ex. 141. Mr. Tumilty responded, on behalf of Bishop Bruno, saying that Canon Voorhees "has resigned her position as Vicar of St. James the Great mission and congregation and the Bishop has accepted her resignation effective midnight June 28. The Bishop has not made a determination as to whether a member of the clergy will be assigned to the congregation. In any case, the last worship service to be held at the church facility was this past Sunday." Ex. 141 page 2.

93. On June 29, 2015, Bishop Bruno informed Canon Voorhees that "I consider the correspondence [Ex. 31] your letter of resignation as my Vicar for the congregation effective at midnight on Sunday June 28, 2015." Ex. 32. Canon

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Voorhees immediately replied that "there is a clear misunderstanding. I have not resigned, I have not tendered my resignation to you, nor have I ever communicated to you that I was resigning from St. James the Great. I plan to continue to serve as vicar of St. James the Great as long as the congregation continues." Ex. 32.

94. On June 29, 2015, Mr. Tumilty advised Bishop Bruno that "we should stand our ground." He added "I should notify her later this afternoon that the locks have been changed and she will need to make arrangements to access the church to remove her personal belongings." Ex. 33. Canon Voorhees immediately replied, again stating she had not resigned. Ex. 34.

95. On June 29, 2015, Mr. Forbath and Ms. Bangao, with a locksmith, went to St. James the Great and changed the locks. See Ex. 284. Later in the day, Mr. Tumilty informed Canon Voorhees that "we have secured the premises," that she should return all church property, and make arrangements to retrieve her personal property from the locked church. Ex. 34. Canon Voorhees responded to Mr. Tumilty, with a copy to Bishop Bruno, that she had not resigned. "Surely, you understand that you are in unprecedented territory evicting an active congregation and creating a vacant building instead of a sacred space this Sunday with the building still for sale. It is now not the developer wanting the building vacant, it is our diocesan leadership." Ex. 34.

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96. On June 29, 2015, Bishop F. Clayton Matthews spoke with Bishop Bruno in Salt Lake City, where General Convention was meeting, about the "'rumors' that were being spread in the Convention about him not getting the consent of the Standing Committee to sell consecrated property." Bishop Bruno told Bishop Matthews that he did not need the consent of the Standing Committee, because the property was owned by Corp Sole, but "he went to them anyway this past spring to seek their advice and counsel." Ex. 143.[4] Bishop Bruno also told Bishop Matthews "that he had told the Vicar that the likelihood, when she went there, a few years ago, was that the property would be sold" so that she "should not have been surprised by the decision." He further told Bishop Matthews that Canon Voorhees "resigned her position without him asking her to do so." Ex. 143. At the hearing, Bishop Bruno confirmed that Bishop Matthews correctly recorded their brief conversation. Tr. 684-85, 689 ("I think he's pretty trustworthy").

97. On Sunday July 5, 2015, locked out of their church, Canon Voorhees and the St. James the Great congregation held an Episcopal worship service in a nearby park. Since that time, every Sunday, and every religious holiday, they have gathered for Episcopal worship. As Kathi Liebermann testified, St. James the Great is now a "church on wheels," since the parishioners have to bring all the elements of church to and from church every Sunday morning. Tr. 450-51.

[4] There is a word missing in Ex. 143 but it is clear, from the context and from Ex. 19, that the word is "need."

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98. On July 6, 2015, the Purchase and Sale agreement between Corp Sole and Legacy terminated by its terms. The agreement provided that it would terminate if Legacy did not, by the end of the Contingency Date, provide Corp Sole with a Buyer's Approval Notice. Ex. 25 section 4.1.3. The Contingency Date was extended several times, until July 6, 2015. Ex. 138. When that date passed, without Legacy accepting the property, the agreement terminated.

99. On July 20, 2015, Bishop Matthews had a telephone conversation with Bishop Bruno. Bishop Bruno said that "he took the matter of the sale of St. James the Great to the Standing Committee for advice and counsel even though it had been given to Corporation Sole earlier. The Standing Committee voted complete support for the sale in 2015." Bishop Bruno again stated that "the Vicar, Cindy Voorhees, was aware from the time she was placed at the Church that it would likely be sold. After two years the parochial reports showed little to no growth." Bishop Bruno told those on the call that "on May 17th a process of 'due diligence' was started to determine if the sale of the church was appropriate and a transition committee was created." Ex. 152.

100. On September 8, 2015, Save St. James the Great filed a verified amended complaint in the civil litigation. The amended complaint described how Bishop Bruno's staff locked the doors of the church on June 29, 2015, and the

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difficulties the congregation and the community faced thereafter: "On Sunday July 5, 2015, and on every Sunday since then, the St. James the Great congregation has held its Sunday morning worship services in a small park across the street from the Property. This is more than simply an inconvenience for the congregation. The worshippers have no pews in which to sit, they bring folding chairs; they have no fixed sound system, they have to bring and assemble a temporary one which is sometimes hard to hear; they have no aisle, they have to walk to receive communion over the uneven grass, a hazard to the aged and infirm. Several congregants have fallen on the uneven lawn and one congregant has been injured by an SUV driver who didn't see him crossing the street." Ex. 284 para 27.

101. On October 28, 2015, the diocese prepared a spreadsheet showing the pledges by the various missions and parishes to the diocese for 2014 and 2015. According to this spreadsheet, St. James the Great pledged $25,600 to the diocese in 2014 and $35,000 in 2015, its full ten percent. The exhibit shows that St. James pledged more than any other mission in the diocese, except one (St. John Chrysostom in Rancho Santa Margarita), and pledged more than many of the parishes in the diocese. Ex. 158. St. James fulfilled its pledge in 2014 (see Ex. 12 page 3 line 12) and was on course to fulfill its pledge in 2015 but for the closure of the church.

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102. On November 4, 2015, the Reverend Kirby Smith, vicar of St. Luke's La Crescenta, sent Bishop Bruno a request for a diocesan grant of $153,000 for 2016. The request showed that St. Luke's had received $138,000 as a diocesan grant in 2014 and another $122,000 of financial aid in 2015. Ex. 159 page 5, line 10. These sums were in addition to mission development grants of $40,000 for 2014 and $38,000 for 2015 and a requested grant for 2016 of $37,500. Page 5 line 6. In total, over three years, according to this request, St. Luke's received $528,000 from the diocese. Mr. Tumilty was asked at the hearing about the contrast between St. Luke's, receiving subsidies of hundreds of thousands a year, and St. James, receiving minimal financial aid in 2015. "What's your answer to the question of why this [St. Luke's] is a sustainable mission and St. James is not? Answer: I did not say that this was sustainable." Tr. 828-29.

103. On July 5, 2016, the auditors provided Bishop Bruno the audited financial statements of Corp Sole for 2015. Ex. 175. The financial statements show that Corp Sole had, as of December 31, 2015, total assets of more than $56 million, composed mainly of real estate. Page 3. There is a list of churches, both parishes and missions, whose properties were owned by Corp Sole. Pages 18-23. St. James is listed as a mission, and the property is valued at more than $7 million. Page 22. The Anaheim property is valued at $12.6 million. Page 24.

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104. On July 30, 2016, the Special Committee regarding Corp Sole submitted its report. See F.1 above.

105. On November 28, 2016, Corp Sole and Legacy entered into a letter agreement to terminate their escrow arrangements and obtain return of Legacy's deposit. Ex. 164.

106. The St. James the Great congregation continues to meet every Sunday for Episcopal services. The congregation now meets in the community room at the city hall; Canon Voorhees still leads the congregation as its priest. Tr. 393, 439.

Credibility, Reliability and Weight of the Testimony and Other Evidence

The Hearing Panel is mindful of its canonical duty to "determine the credibility, reliability and weight to be given to all testimony and other evidence." Canon IV.13.8. In doing so, the Hearing Panel has taken into account the demeanor of the witnesses on the witness stand; their apparent candor and fairness; their bias, if any; their intelligence; their interest, or lack of it, in the outcome of the case; their opportunity, or lack of it, for knowing the truth and for having observed the facts to which they testified; and prior inconsistent statements by the witnesses contrary to the evidence at the hearing. Based on these considerations the Hearing Panel makes the following observations.

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Bishop Bruno testified that as early as November 2008, while the Anglican litigation was still active, his intention was to put the properties at issue "on the market." Tr. 491-92, 494. There is no credible evidence that he ever told that to anyone at St. James until 6 1/2 years later, in April 2015. If he had he would not have told Canon Voorhees on April 13, 2015 that he knew his decision to sell would be "traumatic" and "bad news" to the congregation. Tr. 525-26. To the contrary, Canon Voorhees testified that during the court hearings in the property litigation, which she and Bishop Bruno attended, they talked about reopening St. James and Bishop Bruno said that he had decided to reopen it and that she would be the Vicar. Tr. 214-17. He never suggested or intimated that he was going to close or sell the property; rather he said that he was very excited about reopening it. Tr. 217-18. When he came to the opening service he was extremely celebratory, and invited the entire Diocese. Many clergy attended. Tr. 229-30; Ex. 22. Bishop Bruno was present when Canon Voorhees gave a PowerPoint presentation to the Corporation of the Diocese in September 2014, and told her that she had done a great job, Ex. 46 Tr. 244-258, and he did not indicate in any way that he was thinking about selling the church.

When John McMonigle contacted Canon Voorhees about a possible sale on October 14, 2014, and she inquired whether she was wasting her time, Mr. Forbath did not give her a straight answer. Instead, he told her, cryptically, that he was not

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going to get between a priest and her Bishop. She then called Mr. Tumilty, who claimed no knowledge of the sale. Tr. 276-9; Ex. 21. Asked about the same exchange, on which he was copied, Bishop Bruno testified that "If I answered every email where somebody had a concern or a worry, and it's not addressed to me, I would not sleep." He then added that "no kind of ministry is wasting time." Tr. 618-19.

On whether he had disclosed the Anaheim deal to the congregation at the May 17, 2015 meeting, Bishop Bruno evaded giving a straight answer. Tr. 582-84. On whether the Cushman offer was "unsolicited," Bishop Bruno avoided answering the question. Tr. 554-63.

In response to the Church Attorney's direct question whether, after recovery of the property in 2013 and up to the time he received and accepted the $15 million offer from Legacy, he promised anyone in the Diocese at any time that he would never sell the property, Bishop Bruno first said "no." He then referred to "sort of a rule of thumb that I would liquidate those properties as they were redundant churches." Tr. 550-51. Previously the Hearing Panel had not heard of any such "rule of thumb." Bishop Bruno also testified that he had "a fiduciary responsibility to the Diocese of Los Angeles to make sure that there were resources going on into

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the future." Tr. 551. Yet, at the May 17, 2015 meeting of the congregation he said that he did not have a fiduciary duty to St. James. Tr. 132.

In attempting to explain his decision to sell the property, Bishop Bruno repeatedly referred to the parking problem. However, that issue had been resolved months before and the resolution was sitting on someone's desk in the Diocesan Office. Bishop Bruno and his staff did not want the problem resolved, so they let the resolution languish, without telling Canon Voorhees or anyone else why. Tr. 266-73.

Finally, Bishop Bruno told both the Hearing Panel and Canon Voorhees that the sale was a "done deal" when he signed the contract with Legacy. Tr. 575-76; 285-86. Yet, for purposes of his defense to the Standing Committee consent charge in this case, where it is undisputed that Bishop Bruno did not obtain the prior consent of the Standing Committee before entering into the contract with Legacy, Bishop Bruno maintains that the deal was not done because it was subject to contingencies, despite the fact that all the contingencies ran in the favor of Legacy, not Corp Sole.

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DECISIONS ON THE CHARGES

Throughout this proceeding and pursuant to Canons IV.19.16 and IV.19.17 the Hearing Panel has presumed that Bishop Bruno did not commit any of the offenses with which he is charged, and required the Church Attorney to carry his burden of proof by clear and convincing evidence, as defined in Canon IV.2. The Hearing Panel concludes that the Church Attorney has carried his burden and now makes the following decisions.

The First Charge

The first charge, made pursuant to Canon IV.4.1(g), is that Bishop Bruno failed to exercise his ministry in accordance with Canon II.6.3, which provides as follows:

> No dedicated and consecrated Church or Chapel shall be removed, taken down, or otherwise disposed of for any worldly or common use, without the previous consent of the Standing Committee of the Diocese.

On page 3 of his Opposition to Bishop Bruno's Motion to Dismiss or Stay, filed on September 9, 2016, on page 1 of his Trial Brief, filed March 17, 2017, and on the first day of the hearing, in his opening remarks, the Church Attorney also invoked Canon II.6.2. Tr.10. Canon II.6.2 states:

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> It shall not be lawful for any Vestry, Trustees, or other body authorized by laws of any State or Territory to hold property for any Diocese, Parish or Congregation, to encumber or alienate any dedicated and consecrated Church or Chapel, or any Church or Chapel which has been used solely for Divine Service, belonging to the Parish or Congregation which they represent, without the previous consent of the Bishop, acting with the advice and consent of the Standing Committee of the Diocese.

Bishop Bruno's counsel did not object to and therefore waived the addition of Canon II.6.2. Moreover, the evidence and arguments are the same with respect to both Canons, consideration of Canon II.6.2 does not prejudice Bishop Bruno, and justice requires the Hearing Panel to consider that Canon.

There is no dispute that Bishop Bruno did not seek or obtain the previous consent of the Standing Committee when he signed the agreement to sell St. James the Great on April 10, 2015.

The canonical provision is clear. Canon II.6.3 provides that "no dedicated and consecrated Church or Chapel shall be removed, taken down, or otherwise disposed of for any worldly or common use, without the previous consent of the Standing Committee." There is no question that St. James the Great was and is a consecrated Church; Bishop Bruno himself consecrated it in 2001, upon completion of the new church complex.

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Bishop Bruno advances several defenses. The first is that he did not *need* the consent of the Standing Committee because the April 10 Legacy Purchase and Sale agreement was just an agreement. He contends he did not need approval unless and until the property was "disposed of." The flaw in his argument is that the agreement which Bishop Bruno signed on April 10 was a full, binding agreement to sell the St. James the Great property. Ex. 25. There were no conditions in the agreement on Bishop Bruno's duty to deliver the church property at closing. His duties were to provide information and access to Legacy so it could perform its due diligence. All the "due diligence" and "contingencies" favored Legacy, not Corp Sole. If Legacy came to closing with the $15 million purchase price, Corp Sole was legally required to transfer the property to Legacy. If it failed to do so Legacy could have sued Corp Sole for specific performance. See Ex. 25, section 16.1.

Previous Standing Committee review and approval is a crucial part of the fabric and polity of the Church, and the Hearing Panel so reaffirms. This case provides an excellent example of why Standing Committee review and approval is required before the sale of consecrated church property. If Bishop Bruno had presented the proposed Legacy agreement to the Standing Committee before he signed the agreement, the Standing Committee would have had the independent opportunity, and duty, to investigate.

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If there were any doubt that Canon II.6.3 requires Standing Committee consent before a binding agreement is signed, the doubt is removed by Canon II.6.2. Canon II.6.2 applies to any "body" authorized by state law to hold property for the Church. Corp Sole is just such a body under California law. Canon II.6.2 provides that such a body may not "encumber or alienate" sacred property "without the previous consent of the Bishop, acting with the advice and consent of the Standing Committee of the Diocese." Even assuming for the sake of argument that signing the binding agreement to sell St. James to Legacy was not "disposal" under Canon II.6.3, it was an "encumbrance" or "alienation" under Canon II.6.2.

The Bishop's own Chancellor, Richard Zevnik, expressed the same view on this issue in 2014 in an email exchange with one of the Complainants, Michael Strong. (Ex. 82.) If Mr. Zevnik believed that the prior bishop needed Standing Committee approval to send a mere letter restricting his rights with respect to church property, Bishop Bruno surely needed Standing Committee approval before signing a legally binding contract to sell a consecrated church building in active congregational use.

Moreover, it is clear that Bishop Bruno himself thought the contract with Legacy was final and binding: he twice referred to it as a "done deal." F.57; F.58.

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Any argument to the contrary thus rings hollow and is the *post hoc* creation of his counsel.

It was only after the contract to sell St. James was signed and effective, and after the sale became public and pressure began to build, that Bishop Bruno discussed the sale with the Standing Committee, on May 27 and June 8, 2015. At neither meeting did the Standing Committee "consent" (the canonical word) to the Purchase and Sale agreement.

In May, six weeks after Bishop Bruno had entered into the sale contract, "items" concerning St. James were" brought forward" at the Standing Committee meeting to be "brought to the attention of the Bishop." F.71. The minutes reflect that after Bishop Bruno joined the meeting and following discussion, the Standing Committee "shared with Bishop Bruno their understanding of his reasons to sell the property in Newport Beach and will support Corporation Sole's action. (See the handouts enclosed with the original copy of these minutes.)" Ex. 304. No "handouts" were introduced in evidence.

In June, two months after Bishop Bruno had entered into the sales contract, the Standing Committee "concur[red]" in the signed Purchase and Sale agreement and noted that "the Standing Committee has no authority over Corporation Sole."

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The President of the Standing Committee could not remember if the committee looked at any documents (e.g., the Purchase and Sale Agreement), in deciding to concur. (Tr. 721-22.) She did not testify at all about the May meeting. F.75.

With respect to the June meeting, two months after what Bishop Bruno described as the "done deal," Bishop Bruno requested, and got, a special meeting of the Standing Committee. Ex. 19. Bishop Bruno offered no explanation of why, in view of his belief that it was not necessary, he requested this special meeting. The answer is obvious. By then, the controversy between Bishop Bruno and the congregation, Canon Voorhees, Bishop Glasspool, Mayor Pro Tem Dixon and others was boiling. F.58-F.64; F.66-F.74. Bishop Bruno wanted to get the Standing Committee approval he should have gotten two months earlier.

Bishop Bruno contends that previous Standing Committee consent was not necessary because the contracting party was Corp Sole, a California corporation, not Bishop Bruno or the Diocese. There are several flaws in this argument.

1. Corp Sole is plainly a "body" authorized by California law to hold property within the meaning of Canon II.6.2.

2. Regardless of local law and understandings or customs, clergy and the other components in the Church, such as Standing Committees, cannot avoid their

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canonical responsibilities and duties, including those arising under Titles II and IV, by acting through other bodies such as Corp Sole.

3. Whatever the distinctions may be, if any, between the Bishop and Corp Sole under California law (a matter on which the Hearing Panel expresses no opinion), they are a unity in the Church. As Bishop Bruno himself testified, Corp Sole is a "single person corporation" and the Bishop is that "single person." Corp Sole has one incumbent – the Bishop. Its existence is not contemplated by the polity or policy of the Church or consistent with the Constitution and Canons of the Diocese of Los Angeles. Corp Sole structures have been the subject of controversy in other California dioceses in recent years. They operate without outside governance, oversight or transparency, or even the advice and consent of canonical bodies such as Standing Committees. As the 2016 Report of the Special Committee said, canon law has supremacy over Corporation Sole and the incumbent Bishop. F.1. In short, what is required by the canons, including previous consent of the Standing Committee, trumps what may have been allowable under Bishop Bruno's and the Standing Committee's "understanding of Corp Sole."[5]

[5] The 2016 Report of the Special Committee was issued over fifteen months after Bishop Bruno entered into the Contract to sell the St. James property. The statements and findings in the Report were not, however, new.

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4. The St. James property was apparently never conveyed to Corp Sole pursuant to the Canons in the first place. By Quitclaim Deed dated May 20, 2014 (Ex. 80) the Diocese purported to convey the St. James property to Corp Sole. There can be no doubt that under Canons II.6.2 and II.6.3 that conveyance required the previous consent of the Standing Committee: at that time the property was owned by the Diocese, not Corp Sole. Yet, Bishop Bruno's counsel has stipulated that the Standing Committee did not approve the conveyance. Ex. 304.

The need for previous Standing Committee consent to that conveyance is further evidenced by the fact that the Standing Committee did, in fact, approve the conveyance to Corp Sole of one of the other properties recovered in the Anglican litigation, but not the St. James property. Ex. 35. The approval of the Standing Committee was given in March, 2009, four years before the conveyance to Corp Sole. Exs. 35 and 305.

In short, the actual course of conduct with respect to that other property shows that Bishop Bruno knew how to comply with the canons, and did not, with respect to the St. James property. The St. James property was not Corp Sole's and the "Corp Sole" defense fails.

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The Second Charge

The second charge is that Bishop Bruno is guilty of conduct involving dishonesty, fraud, deceit or misrepresentation, in violation of Canon IV.4.1(h)(6).

A. BISHOP BRUNO MISREPRESENTED HIS PLANS FOR ST. JAMES BEFORE MAY 17, 2015

As early as November, 2008, Bishop Bruno had formed his intent to sell the property. F.11. Yet, there is no evidence that he disclosed that intent to Canon Voorhees or the St. James community. In the course of the long Anglican litigation, Bishop Bruno repeatedly said that his goal was to recover St. James for the Episcopal Church, so that St. James could once again be used for Episcopal worship services. F.7-9. In response to a question from a member of the Hearing Panel, however, Bishop Bruno claimed at trial that the St. James congregation knew that he would sell rather than re-open the St. James site. Tr.496. There is no evidence to support that claim and much that belies it.

In the summer of 2013, the California Superior Court ordered the Anglicans to return St. James to the Episcopal Church. Bishop Bruno appointed Canon Voorhees as the vicar of the congregation. F.17; F.19. Throughout the testimony it was clear that she had a previous and deep connection to the building. She had worked, as a liturgical consultant, on the redesign and reconstruction in the late

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1990s and early 2000s. Canon Voorhees made several changes to her life so that she could serve the congregation. She and her husband purchased a home in Newport Beach and moved there; they did not move into the vicarage, so that it would be available to be rented and provide income for the congregation. She agreed with Bishop Bruno that her position would be, at least initially, non-stipendiary, because she was confident the congregation would grow to a point where it could compensate its priest. Tr. 236. She would never have taken such life steps if Bishop Bruno had told her on her appointment that he might sell the St. James properties after the congregation was restarted or that the St. James the Great congregation was a "month-to-month" proposition. Bishop Bruno admitted, on questioning by the Hearing Panel, that he did not "explicitly" tell the congregation the church might be sold. Instead, on October 6, 2013, he "was trying to encourage the congregation to make a miracle". Tr. 511-12.

In the fall of 2013, Bishop Bruno, assisted by two other Bishops (including Bishop Glasspool), re-opened St. James the Great as an Episcopal church. Bishop Bruno challenged the congregation to build a new church "for years to come." F.17; F.20; F.20-F.24. The trial testimony was clear. None of those involved in the early days of the congregation would have made their volunteer commitments, financial pledges, or capital improvements if Bishop Bruno had told them that the

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property was for sale or that the congregation was temporary. One does not typically invest one's heart, soul and money into a temporary organization. F.30.

Beginning at the latest in the fall of 2014, Bishop Bruno and his key aides were secretly planning the sale of St. James the Great, if they got the right price. F.11; F.39; F.42-45; F.47-53; F.55-61. Bishop Bruno insists that Canon Voorhees "knew of the consistent interest and offers regarding the NPB Property and Bishop's willingness to consider them." Respondent Pre-Trial Brief 7. Other than his own testimony, Bishop Bruno presented no credible evidence to support that assertion at trial. The evidence is simply overwhelming that, after Bishop Bruno asked Canon Voorhees to become the vicar of St. James the Great, he did the opposite – encouraging her while keeping his intention to sell secret – including not responding to her when possible clues arose. Canon Voorhees was not aware of the Bishop's plans to sell the property. Two specific incidents supported by contemporaneous documents demonstrate this.

The first incident occurred in October 2014. After receiving a telephone call from a real estate broker saying that he had information from Mr. Forbath regarding the sale of St. James, Canon Voorhees asked Bishop Bruno and his senior staff whether there was something she should know, and whether she was wasting her time. If Canon Voorhees had known that Bishop Bruno was

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considering a sale, she would not have been surprised at the inquiry from the broker. Bishop Bruno did not deny or refute that Mr. Forbath and the broker had communicated with each other about selling St. James. He did not respond to Canon Voorhees. At trial, his testimony was "If I answered every email where somebody has a concern or worry, and it's not addressed to me, I would not sleep." F.39. The conclusion is inescapable that Bishop Bruno was considering a sale, and he did not want Canon Voorhees to know.

The second incident occurred in February 2015. After asking Canon Voorhees the "odd question" whether he should sell St. James or St. Michael's, Bishop Bruno reassured her he would not sell St. James the Great. F.44; Exs. 55 and 56.

This is not a situation, then, in which Bishop Bruno was simply silent about his plans, while encouraging the congregation to believe their church would be permanent. To the contrary, Bishop Bruno made misrepresentations to Canon Voorhees, such as his statement that St. James would not be sold, even as his staff was working towards the sale. Bishop Bruno's failure to respond to the October 2014 email, in which Canon Voorhees asked him whether there was something about a sale which she needed to know, is itself a misrepresentation. He had a duty

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to speak, to tell her the true state of affairs. Silence when there is a duty to speak is misrepresentation.

B. BISHOP BRUNO MISREPRESENTED IN MAY AND JUNE OF 2015 THAT ST. JAMES WAS NOT A SUSTAINABLE CONGREGATION

When he announced the sale to the congregation, on May 17, 2015, and in several follow-up communications, Bishop Bruno misrepresented his reasons for making the sale. He claimed St. James was not sustainable for three reasons: parking issues were intractable, the congregation was costing the diocese too much money, and he needed to reimburse Corp Sole for the $9 million spent in legal expenses in the property litigation. He did not mention that $6.3 million of the sale proceeds would go straight into the purchase of the Anaheim commercial property.

(1) PARKING.

As of the winter of 2015, Canon Voorhees, Mr. Tumilty, Mr. Forbath and Chancellor James Prendergast had devoted several months to resolving, and had resolved, the parking issue. F.42-43; F.47. Yet, on May 17, 2015, when he announced to the congregation that he had sold St. James the Great, Bishop Bruno mentioned as one of his reasons that the church did not have enough parking spaces to satisfy city requirements. Mr. Bennett, who had worked on the parking

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issue during his time as Bishop's Warden, and who had kept current on the issue with Canon Voorhees, called Bishop Bruno on this point. He stated that parking was not a serious problem, that there was a solution, and that parking could not be the real reason for the sale. F.66.

Bishop Bruno reiterated and expanded on his parking argument in a letter to the Diocesan Council, sent on May 19, 2015. F.69.

There was an agreement that would have fully resolved the parking issue and it had been in front of Bishop Bruno's senior staff and his chancellor, James Prendergast, for five months. It is clear to the Hearing Panel that Bishop Bruno, Mr. Tumilty and Mr. Forbath delayed signing the parking license agreement because they knew that if there were an agreement that would get in the way of their decision to sell the St. James property. They were using the absence of a signed agreement as an excuse. When Bishop Bruno told the congregation on May 17, and the Diocesan Council on May 19, that parking was a major reason to sell the property, he misrepresented.

(2) ANGLICAN LEGAL COSTS

In an effort to justify selling St. James the Great, Bishop Bruno often mentioned that he had to recoup the legal expenses of the Anglican litigation. His

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June 5, 2015 letter to Mayor Pro Tem Dixon stated that he had incurred "$9 million in legal costs related to securing four parish properties at which members disaffiliated from the Episcopal Church." F.74. But the $9 million "cost" figure was a gross exaggeration. The real legal expense was less than $5 million. The rest was unsubstantiated. F.15. Bishop Bruno's use of it in an effort to persuade a public official was a misrepresentation to the public. Moreover, he omitted to mention that by the summer of 2015 he had already recovered $5 million by sale of one of the properties recovered from the Anglicans (St. David's North Hollywood) and more than $3.5 million through a long-term lease and then sale of another such property (All Saint's Long Beach). F.16.

(3) ANAHEIM

Bishop Bruno was conspicuously silent, both on May 17 and thereafter, about what the record later revealed was a significant reason for selling St. James: he wanted to use $6.3 million from the sale of St. James to purchase commercial real estate in Anaheim. F.10, F.45, F.48, F.51, F.52, F.56, F.65, F.66. When Bishop Bruno signed the agreement on March 20 to purchase the Anaheim interest, Corp Sole did not have $6.3 million in cash to pay the purchase price. F.51-52 . However, on April 1, Corp Sole received an offer of $15 million from Legacy for the Newport Beach property. F.55. The question of how to fund the Anaheim

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purchase was resolved; the Diocese would sell sacred property in Newport Beach to purchase a further interest in commercial property in Anaheim.

Bishop Bruno misled the St. James congregation about the connection between the two transactions. A member of the congregation asked him on May 17 whether there was some urgent financial crisis, some pressing need for the sale proceeds from St. James. Bishop Bruno responded that the Diocese did not need the money. F.66. But Bishop Bruno had recently seen Forbath's April 9 email in which he expressed concern that any delay in closing the St. James sale would have a "significant impact" on funding the Anaheim purchase. F.56. Bishop Bruno clearly was aware of that fact when he answered the question on May 17.

(4) BISHOP BRUNO'S CLAIM THAT ST. JAMES WAS NOT FINANCIALLY SUSTAINABLE WAS FALSE

Bishop Bruno claimed that one reason he had to sell St. James the Great was that the congregation was not financially sustainable. F.74; F.84.

The Hearing Panel heard extensive testimony from Ms. Andersen and Canon Voorhees, but not from Mr. Forbath, about the finances of St. James the Great. Ms. Andersen and Canon Voorhees showed that the finances of St. James the Great were strong; that it was on track to achieve financial independence by the end of 2015 or 2016. F.74. None of the documents from 2014 or early 2015, before the

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Purchase and Sale agreement was signed, suggests that Bishop Bruno or his staff was concerned about the finances of St. James the Great. Surely, if "sustainability" was, as Bishop Bruno later claimed, a major reason to sell the St. James property, there would be some hint of this in Bishop Bruno's files and emails from before he signed the Purchase and Sale agreement.

By its very nature, "sustainability" looks to the future, not just the past. Why didn't Bishop Bruno inform the St. James congregation that he would have to close down its congregation and sell their building *unless* it became financially independent? For example, what would have happened if, instead of granting the $48,000 subsidy to St. James the Great for calendar year 2015, the Diocese had denied the request and told the congregation that it would have to increase contributions and reduce expenses in order to balance its budget? Ms. Andersen testified that the congregation would have found a way to balance the budget, even without the $48,000 subsidy from the diocese. Ms. Andersen testified that "we were going to be in a net position of very, very low dollars in 2015" and that St. James would "maybe go to zero in 2016." In other words, by 2016 there would be no need for diocesan support and St. James could pay its mission share pledge to the diocese. Tr. 133-134. This testimony was not mere wishful thinking. The congregation's ability to stand on its own is proved not just by testimony, but by what has happened since the lockout, when the St. James the Great congregation

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has managed to survive on its own without any financial or other help from the diocese. As Ms. Andersen testified and as shown by documents, St. James was costing the diocese very little. And, it was contributing its full Mission Share Pledge. Ex. 158. Ms. Anderson's projections of the future were based on solid and reliable past performance; they were not pipedreams.

The claim that St. James was costing the diocese too much money and was unsustainable was substantially refuted by credible evidence. It was an excuse devised after the Purchase and Sale agreement was signed and it does not hold up.

(5) BISHOP BRUNO MISREPRESENTED THAT CANON VOORHEES HAD RESIGNED HER POSITION AS VICAR OF ST. JAMES THE GREAT

The day after the sale was announced on May 17, 2015, Canon Voorhees began to write a series of pastoral letters to her congregation. F.68. She testified that, by late June, she was "overwhelmed with pastoral care," talking with the upset, tearful members of her flock. Tr. 293 - 294.

On June 25, on the eve of what she believed would probably be the last church services in the building, she sent, and included in the bulletin, what she termed her "last pastoral letter" to the congregation. F.88. After the June 28 services, the congregation asked her to remain its vicar, and she agreed. F.91.

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On June 29, Bishop Bruno emailed Canon Voorhees a letter in which he said "I consider the correspondence your letter of resignation as my Vicar for the congregation effective at midnight on Sunday June 28, 2015." Three hours later, Canon Voorhees emailed Bishop Bruno: "I have not resigned, I have not tendered my resignation to you, nor have I ever communicated to you that I was resigning from St. James the Great. I intend to continue to serve as vicar of St. James the Great as long as the congregation continues." F.93. When they received this letter in Salt Lake City, Mr. Tumilty advised Bishop Bruno that he should "stand his ground" on the resignation issue. Later in the day, the same day that Bishop Bruno locked the church and grounds, Canon Voorhees received an email from Mr. Tumilty, referring to her resignation, telling her that the locks on the building had been changed. "Any and all church property, including but not limited to books, minutes, passwords, rosters, records, stationery, business cards and the like, as well as any vestments or liturgical hardware etc. that are in your possession are to be returned directly..." Canon Voorhees replied immediately, insisting that she had not resigned. F.94-95.

Although Bishop Bruno, in his email letter to Canon Voorhees, said that he would "consider" her letter a resignation, he and his staff stated it as a fact that she had resigned in other communications. On June 29, in a conversation in Salt Lake City, Bishop Bruno told Bishop Matthews that Canon Voorhees had resigned

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"without his asking her to do so." F.96. Bishop Bruno did not tell Bishop Matthews that Canon Voorhees denied she had resigned or that Bishop Bruno had unilaterally deemed her pastoral letter to her congregation a resignation.

Resignation involves intent to resign. If Canon Voorhees' letter of June 25 had used the words "resign" or "resignation," that would have cinched the question of her intent. But she did not use those words, and Bishop Bruno recognized the distinction when he wrote that he "considered" her letter a resignation. After she sent two emails within nine hours negating that intent, there was no doubt that she had not resigned.

Canon Voorhees did not resign. She was terminated. Canon Voorhees did not send a resignation letter to Bishop Bruno, and when he claimed that she had resigned, she immediately disputed that. In Bishop Bruno's own words, "Rev. Voorhees was terminated." Respondent Pre-Trial Brief 11. But resignation, under the Diocese's own Missions Manual, requires a resignation letter from the vicar to the bishop and sixty days notice. Ex. 3 page 003-014. Canon Voorhees sent no such letter. When a member of the Hearing Panel asked Canon Voorhees whether she believed she had been terminated, she responded "It felt like that, yes. And so I wrote back and said 'I think there's a misunderstanding'". Tr. 385-86. Resignation and termination are different, and this was plainly a termination. And,

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in his deposition, Bishop Bruno admitted that Canon Voorhees was "effectively fired". Depo. Tr. (Ex. 299) 200-01.

The question in this Title IV case is not whether Bishop Bruno was within his rights to terminate Canon Voorhees as his vicar (although he did not follow the proper procedures). The question is whether, when Bishop Bruno told Bishop Matthews and others that Canon Voorhees had resigned, he was misrepresenting the facts. He was. And he has now admitted she was terminated.[6]

* * *

The hearing Panel finds that the foregoing are misrepresentations, but not dishonesty, fraud or deceit, within the meaning of Canon IV.4.1(h)(6).

The Third Charge

The third charge is that Bishop Bruno is guilty of Conduct Unbecoming a Member of the Clergy, defined as follows in Canon IV.2:

> **Conduct Unbecoming a Member of the Clergy** shall mean any disorder or neglect that prejudices the reputation, good order and discipline of the Church, or any conduct of a nature to bring material

[6] On page 4 of his Closing Brief, Bishop Bruno states that Canon Voorhees admitted during the hearing that her last pastoral letter "was in fact a resignation." He has two citations to the hearing transcript to support that statement. Neither does.

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discredit upon the Church or the Holy Orders conferred by the Church.

The facts and findings of the Hearing Panel regarding misrepresentation apply with equal force to the Conduct Unbecoming charge, and are accordingly adopted and incorporated by reference.

Bishop Bruno also engaged in Conduct Unbecoming when he locked St. James the Great and has kept the doors locked for nearly two years. F.95, F.97, F.100, F.106. Church buildings do not belong to any one priest, congregation, bishop or diocese; they belong to the entire Church. The Dennis Canon declares that "all real and personal property held by or for the benefit of any Parish, Mission or Congregation is held in trust for this Church and the Diocese thereof in which such Parish, Mission or Congregation is located." Canon I.7.4. Bishop Bruno himself relied upon the Dennis Canon in his 2004 lawsuit against the St. James Anglicans, and in the other lawsuits he filed against the other seceding congregations. In the verified complaint in the St. James case, Bishop Bruno wrote movingly about the plight of the Episcopal congregation in exile, denied the use of the St. James church for baptisms, weddings and funerals. F.8.

Bishop Bruno's current conduct is inconsistent with his sworn verified complaint in 2004. Kathi Liebermann provided a concrete, human example of the continuity of the St. James congregation, from the Episcopal congregation in the

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building before 2004, to the Episcopal congregation in exile during the Anglican litigation, to the Episcopal congregation back in the building from late 2013 through early 2015, and now in exile again. F.9.

In his deposition, Bishop Bruno testified, correctly, that "the building is the asset. The church is the people." Depo Tr. (Ex. 299) 126. Although the building is an asset, Bishop Bruno is not the CEO of a commercial, for-profit company. The "asset" is a consecrated church that should be used for the glory of God and worship by a congregation, rather than sold to build condos and then left idle and useless after the sale fell through, almost two years ago. To keep a consecrated church building locked for no reason is to engage in Conduct Unbecoming. Bishop Bruno's conduct has created immense public outcry, town hall meetings, city council meetings, neighborhood surveys, breaking of contracts, lawsuits and media attention. F.67-68, F.70-71, F.73, F.75-77, F.79-82, F.85, F.90, F.92, F.99. Having the church locked has created disorder and prejudiced the reputation of the Episcopal Church.

There was no good reason to lock the church on June 29, 2015. The congregation could have remained there while the legal issues played out in the two court cases pending at that time. That indeed was the request of one lay leader of St. James, Tony Crowell, in an email on the morning of June 29 to Bishop

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Bruno. Ex.141. The response from Mr. Tumilty, on behalf of Bishop Bruno, was curt. "The date for the last service was set by Cindy+ as June 28th. She has resigned her position as Vicar of the St. James the Great mission congregation and the Bishop has accepted her resignation effective midnight Sunday June 28. The Bishop has not made a determination as to whether a member of the clergy will be assigned by him to the congregation. In any case, the last worship service to be held at the church facility was this past Sunday." Ex.141.

Bishop Bruno also testified that he has kept the Church closed because of Canon Voorhees' "disobedience"[7]. Depo Tr. (Ex. 299) 158-159. Further, he strongly suggested his intent to punish her when this proceeding is over. Depo. Tr. (Ex. 299) 165-166. Bishop Bruno's conduct, locking the St. James the Great congregation out of their church, and keeping them locked out month after month, has been the subject of extensive press coverage, both local and national. Almost all of this coverage has been critical of Bishop Bruno and some has been critical of the Episcopal Church generally. None of it is good for the Church. It is hard for anyone to understand why a Bishop would lock a congregation out of a church. The Hearing Panel concludes that one of the reasons Bishop Bruno keeps the doors

[7] Canon Voorhees has been remarkably obedient, and the Hearing Panel so finds. A good example of that occurred when Bishop Bruno instructed her at the April 13 meeting not to talk about the "done deal" to sell the property. She obeyed him. Tr. 285-86. It was not until a month later, when Bishop Bruno informed the congregation of his decision that Canon Voorhees' flock learned of his decision. She kept her mouth shut, as Bishop Bruno had instructed her.

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locked is to punish Canon Voorhees and the St. James congregation for what he views as their defiance of him. More recently, the testimony of Canon Voorhees, elicited by Bishop Bruno's own counsel, that Bishop Bruno "scared the shit" out of Bishop Glasspool, has also been the subject of extensive press coverage. See Episcopal News Service March 30, 2017.

After the trial and briefing of this case one of the Complainants informed the President of the Hearing Panel that Bishop Bruno may have entered into a contract to sell the St. James property. Exs. 306 and 307. By email dated June 14, 2017, legal counsel to the Hearing Panel, acting for the President, circulated the Complainant's emails to counsel for Bishop Bruno, the Church Attorney and the members of the Hearing Panel, and directed that counsel express their views on the matters referred to in the emails from the Complainant by 5:00 p.m. Eastern Time on June 15, 2017, including the exact status and related documentation of the alleged sales contract. Ex. 308

Both counsel submitted timely responses. Exs. 309 and 310. Most of Bishop Bruno's response focused on and objected to the screen shot attached to Exhibit 307. He did not address the substance of the Complainant's allegation that there is a pending sale, or furnish any documentation. Nor did he make any reference to a need for confidentiality. The Church Attorney stated that the

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Respondent did not comply with the Hearing Panel's directive and observed that Bishop Bruno's counsel either knew or could learn the exact status of any pending sale from Bishop Bruno. The Church Attorney also argued that if it were true that Bishop Bruno had entered into a sales agreement that is an act of defiance and should be enjoined.

The Hearing Panel considered these matters and took them extremely seriously. Bishop Bruno's efforts to sell the St. James property have been at the heart of this case from the beginning. If Bishop Bruno entered into a contract to sell the St. James property before the Hearing Panel decided the case, that conduct is disruptive, dilatory and otherwise contrary to the integrity of the proceeding. The same applies to his failure to supply information concerning the alleged sale. Canon IV.13.9(a).

Thus, acting under the authority of Canons 13.9(a) and IV.14.6, on June 17, 2017, the Hearing Panel imposed the following sanctions on Bishop Bruno, acting individually, or as Bishop Diocesan, or as Corp Sole, or in any other capacity: he was prohibited from selling or conveying or contracting to sell or convey the St. James Property until further order of the Hearing Panel. Ex. 311. The imposition of sanctions was effective immediately.

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Four days later, by email dated June 21, 2017, legal counsel to the Hearing Panel, again acting for the President, asked Bishop Bruno's counsel if Bishop Bruno intended to respond on the merits to the June 17, 2017 request, *i.e.,* whether there was a pending sale or contract to sell, and, if so, to provide all relevant documentation. Ex. 312. Thus, the Hearing Panel gave Bishop Bruno a second opportunity to address the alleged sales contract on the merits.

Bishop Bruno's counsel responded by email dated June 22, 1017 (Ex. 313). The response did the following: (1) It constituted an acknowledgment that the Complainant's claim that Bishop Bruno may have entered into a contract to sell the St. James property was true. (2) It stated that Bishop Bruno, acting as Corp Sole, had entered into a confidentiality agreement and a contract to sell the property on April 19 and May 20, 2017, respectively. (3) It identified the prospective purchaser, Burnham-Ward Properties LLC. (4) It said the Standing Committee had authorized a sale five months earlier, on November 16, 2016. (5) It attached the Standing Committee minutes of November 16, 2016, which contain no reference to Burnham-Ward Properties LLC or any specific contract. That consent was thus uninformed, a blank check to Bishop Bruno and not in compliance with Canons II.6.2 or .3[8]. (6) It referred to, but did not include, a Confidentiality Agreement

[8] It also shows that even when he acts as Corp Sole, Bishop Bruno knows how to seek Standing Committee consent, when he chooses to.

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between the buyer and Bishop Bruno or any modification of that agreement. (7) It stated that the buyer and Bishop Bruno had fully complied with the sales contract, that escrow on the sale of the property was scheduled to close on July 3, 2017, that Bishop Bruno, as Corp Sole, had to sign documents for the escrow to close, and that if Bishop Bruno refused to sign the documents he would be in default under paragraph 16, which allows the buyer the option to terminate the agreement, seek specific performance in court within 60 days, and seek out-of-pocket costs. These admissions by Bishop Bruno mooted and made irrelevant his objections in Exhibit 310.

Legal counsel to the Hearing Panel immediately informed (Ex. 314) Bishop Bruno's counsel that the Hearing Panel would want copies of the sales contract and other documentation referred to in Exhibit 313. This was the same information the Hearing Panel had requested eight days earlier, in Exhibit 308, and which Bishop Bruno had ignored in his response. Ex. 310.

The next day, June 23, 2017, legal counsel to the Hearing Panel sent another request for further information and sought the view of the Church Attorney on these matters. Ex. 315. The Church Attorney responded the same day (Ex. 316) that none of these matters, including the November 16, 2016 minutes of the Standing Committee, had been provided in the pre-hearing disclosures mandated

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by Canons IV.13.3 and .7, and that he had not seen the November 16, 2016 Standing Committee minutes and its attachment until June 23, 2017.

Later in the day on June 23, 2017, Bishop Bruno's counsel stated that most of the documents the Hearing Panel requested were subject to a Confidentiality Agreement, and asked whether the Hearing Panel would agree to be bound by its terms. Ex. 317. The Hearing Panel declined on June 26, 2017. Ex. 318.

Also on June 23, 2017, Bishop Bruno appealed the imposition of Sanctions to the Disciplinary Board for Bishops (Ex. 321). Among other attachments to his appeal, Bishop Bruno included a letter from the Recording Secretary of the Standing Committee and minutes of a Special Meeting of the Standing Committee, both dated two days earlier, June 21, 2017 (Ex. H to Ex. 321). It is clear from the text of both documents and the timing of the Special Meeting that the impetus for the Special Meeting was to support Bishop Bruno's appeal to the Disciplinary Board. In the documents, the Standing Committee renewed its consent to sale of the St. James property in the November 16, 2016 minutes. As noted above, that consent was not in compliance with Canons II.6.2 or .3. Moreover, the Standing Committee's action of June 21, 2017 is not a proper consent on its own, for it does not refer to any specific sale and was given a month after the May 20, 2017

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contract with Burnham-Ward Properties LLC, and is therefore not a "previous" consent to that contract.

On June 28, 2017, the Church Attorney submitted an amendment to his post-trial brief in which he recommended that Bishop Bruno be deposed (he had recommended against deposition and suspension in his earlier post-trial brief) and that the Hearing Panel recommend a forensic audit of Corp Sole. One June 30, 2017, Bishop Bruno responded. Among other things, he referred to a conversation among the Chair of the Conference Panel, Bishop Bruno, his Advisor and counsel at the conclusion of the Conference Panel proceedings over a year ago, on June 30, 2016. He invited the Hearing Panel "to inquire of the circumstances with the Disciplinary Board." Aside from the facts that Bishop Bruno's counsel's statement was not supported by statements from any of the other alleged participants in this conversation, and that he had never before referred to this alleged conversation in the history of this case before the Hearing Panel, Canon IV.12.8 ("Proceedings before the Conference Panel shall be confidential except as may be provided in an Order or Accord or as provided elsewhere in this Title. No statements made by any participant in such proceeding may be used as evidence before the Hearing Panel") expressly forbids any consideration by the Hearing Panel of the alleged conversation.

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Applying the *de novo* standard of review mandated by Canon IV.13.9(c), the Disciplinary Board sustained the Hearing Panel's imposition of sanctions and denied and dismissed Bishop Bruno's appeal on July 7, 2017. Ex. 322. On the basis of its independent review, the Disciplinary Board reached the same conclusion that the Hearing Panel reached on June 17, 2017. The Disciplinary Board stated:

> By contracting to sell the St. James property while the conflicts involving that property were still under review and consideration by the Hearing Panel, Respondent disrupted and interfered with the integrity of the process of the Title IV proceeding. Respondent's actions undermined what the canons intend to be a process of reconciliation.

Bishop Bruno's secret efforts to sell the St. James property have been at the heart of this case since the beginning. The details, and particularly the connection with the Anaheim property, were revealed only through discovery. Bishop Bruno kept his most recent effort to sell the property secret from the Hearing Panel. It was only because one of the Complainants read something or otherwise got wind that there might be a sale and informed the Hearing Panel that it knew of these developments. The Hearing Panel gave Bishop Bruno an opportunity to explain. He objected. He obfuscated. He did not respond on the merits. The Hearing Panel thus imposed sanctions, but also gave him another chance. He then disclosed the essential and critical fact that yes, he is trying to sell the property, and who the

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buyer is. Having disclosed the identity of the prospective buyer, the date of the contract, alleged penalties in the contract if the seller does not perform, and the status of the escrow or closing, he hid behind an alleged confidentiality agreement, which he would not disclose. He refused to provide any information that would enable the Hearing Panel to assess his position. He then sought to put the Hearing Panel on terms: agree to confidentiality or you do not get the information you want.[9]

Bishop Bruno's actions are contemptuous of the Hearing Panel, Title IV and the Canons of the Church. They are disruptive. They are dilatory. They infringe on the integrity of these proceedings. They prejudice the good order and discipline of the Church. They bring material discredit upon the Church and the Holy Orders conferred by the Church. They are material and substantial and of clear and weighty importance to the ministry of the Church. They are Conduct Unbecoming a Member of the Clergy. Canons IV.2; IV.3; IV.13.9.

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[9] That he had entered into a confidentiality agreement with the buyer is no answer. Bishop Bruno knew that the proposed sale was highly relevant to these proceedings. The alleged confidentiality agreement was an excuse to hide the facts from the Hearing Panel and to put the Hearing Panel in a box. Similarly, if the sales contract contained penalties if Bishop Bruno or Corp Sole failed to close that is a problem of Bishop Bruno's own making.

Decision as to All Charges

The Hearing Panel finds that all the offenses committed by Bishop Bruno are "material and substantial or of clear and weighty importance to the Ministry of the Church." Canon IV.3.3.

Bishop Bruno's Further Defenses

In footnote 16 on page 16 of his Closing Brief, Bishop Bruno "reserves his objections to [certain identified alleged] procedural violations of the Church in this proceeding." Bishop Bruno has not proven any such violations. Moreover, the allegations, even if they had been proven, are, by Bishop Bruno's own characterization, "procedural," and would not and did not cause material or substantial injustice to be done or seriously prejudice Bishop Bruno's rights. Canon IV.19.28. The Hearing Panel accordingly overrules these "objections."

REMEDIES

Under the Canons the Hearing Panel's task is not simply to determine whether Bishop Bruno has violated the Canons. The Panel is charged with fashioning an appropriate remedy. The Hearing Panel has broad authority. Canon

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IV.17.6 allows for suspension or deposition of a Bishop. Canon IV.14.6, as it applies to Bishops by operation of Canon IV.17, provides that

> An Order issued by a Conference Panel or Hearing Panel may (a) provide any terms which promote healing, repentance, forgiveness, restitution, justice, amendment of life and reconciliation among the Complainant, Respondent, affected Community and other persons; (b) place restrictions on the Respondent's exercise of ministry; … (d) limit the involvement, attendance or participation of the Respondent in the Community; or (e) any combination of the foregoing.

It is the decision and sentence of the Hearing Panel that:

(A) Bishop Bruno is suspended for three years. During the period of his suspension Bishop Bruno shall refrain from the exercise of the gifts of the ministry conferred by ordination (Canon IV.2, definition of "Sentence") and not exercise any authority over the real or personal property or temporal affairs of the Church (Canon IV.19.7).

(B) The Hearing Panel declines to depose Bishop Bruno.

(C) The Hearing Panel is not aware of any evidence supporting a need for a forensic accounting. If the Church Attorney possesses such evidence he should present it to the appropriate authorities.

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(D) After thorough and detailed consideration of facts, positions, contentions, testimony and documents, the Hearing Panel has concluded that the scope and severity of Bishop Bruno's misconduct, as described above, have unjustly and unnecessarily disturbed the ministry of a mission of the Church. St. James the Great is a casualty of Bishop Bruno's misconduct acting as Diocesan and Corp Sole. While it is beyond the authority and ability of the Hearing Panel to fully assess what might have happened if St. James the Great had been allowed to continue its ministry in its church facility, there is ample evidence of its viability and promise to convince the Hearing Panel that St. James the Great was robbed of a reasonable chance to succeed as a sustainable community of faith.

While Canon IV.14.6 would allow the Hearing Panel to take action for the benefit of St. James the Great, the Hearing Panel has concluded that Title IV disciplinary actions are not designed to address the complexities of the specific diocesan property issues that are before it. The Hearing Panel believes that bishops do and should have authority over mission property and that Standing Committee review and approval is a crucial part of the fabric and polity of the Church. But, more importantly, the Hearing Panel is convinced that the Diocese of Los Angeles, particularly its Standing Committee with the supportive leadership of its newly ordained Coadjutor, must consciously *choose* to take part in a process of self-examination and truth telling around these unfortunate and tragic events.

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Otherwise, justice, healing, restitution and reconciliation, the hallmarks of Canon IV.1, will not be possible in the long run in the Diocese of Los Angeles, no matter what might be imposed from the outside by force of canon.

After hearing this entire unfortunate case and after prayerful deliberation the Hearing Panel reaches a definite and clear conclusion: **The Hearing Panel strongly recommends to the Diocese of Los Angeles that as a matter of justice it immediately suspend its efforts to sell the St. James property, that it restore the congregation and vicar to the church building and that it reassign St. James the Great appropriate mission status.**

This Order does not supersede the Partial Restriction on the Ministry of Bishop Bruno placed by the Presiding Bishop on Bishop Bruno on June 28, 2017. Canon IV.7.13.

These measures are necessary and proper to the Hearing Panel's exercise of its jurisdiction and to accomplish the purposes and goals of Title IV.

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Issued this ___ day of July, 2017

The Rt. Rev. Herman Hollerith, IV, President

The Rt. Rev. Nicholas Knisely

The Rev. Erik Larsen

Ms. Deborah Stokes

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