

SB 586 - Testimony.pdf

Uploaded by: C. Anthony Muse

Position: FAV



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony

SB 586: Corporations and Associations - Methodist Church Trust Requirement - Repeal

Good afternoon, Chairman Smith, Vice Chair, and members of the Senate Judicial Proceedings Committee.

SB 586, *Corporations and Associations - Methodist Church Trust Requirement - Repeal*, removes the current requirement that all assets owned by any United Methodist Church must be held in trust for the United Methodist Church's General Conference. Under current law, these assets are subject to the church's discipline, practices, and ministerial appointments, as determined by the United Methodist Church's General Conference.

SB 586 repeals these provisions, meaning that local Methodist churches would no longer be required to hold their assets in trust for the denomination or follow its governance and ministerial appointment practices. The bill has no direct financial impact on the state or local governments, nor does it affect small businesses. Its primary impact is on the legal and organizational structure of local United Methodist churches and their relationship with the United Methodist Conference, which is a matter that the state should not be involved in.

Furthermore, forcing a congregation to pay a substantial financial sum to leave the conference creates an ethical dilemma. This exit fee is often viewed as punitive rather than compensatory. It places small churches in an untenable position, where they must either pay a significant portion of their resources to disaffiliate or remain in a denomination with which they no longer agree.

In many cases, local churches owned their properties long before they became affiliated with the United Methodist Church. These churches did not purchase or maintain their buildings with the denomination's resources. Often, properties were donated to them prior to their affiliation. Therefore, requiring these churches to **pay an exit fee sometimes as high as 50% of the value of their property is unfair**. The denomination never contributed to the purchase or maintenance of these buildings, and yet, the churches are being asked to pay a substantial fee for property they have largely funded and maintained on their own.

The financial penalty for disaffiliation serves as an unnecessary obstacle to religious freedom and creates an unfair advantage for the denomination, as it can compel churches to remain even when doctrinal differences are irreconcilable. Smaller churches are often more focused on local ministry and community outreach than on legal disputes or financial settlements. Therefore, the time, money, and energy spent on fighting over property ownership or negotiating exit fees

detracts from the church's ability to carry out its primary mission of serving its members and the community.

Repealing the trust clause in Maryland for United Methodist churches would give local churches the freedom to govern themselves and control their own property without facing unfair financial and legal burdens. It would allow small congregations to leave the denomination peacefully, without the requirement to pay large exit fees, and foster healthier relationships between churches and conferences. Repealing this law would uphold the principles of religious freedom, fairness, and autonomy.

Therefore, I respectfully urge a favorable report for SB 586.

SB586_FAV_ACLUMD.pdf

Uploaded by: Dara Johnson

Position: FAV



Testimony for the Senate Judicial Proceedings Committee

February 13, 2025

SB 586 – Corporations and Associations – Methodist Church Trust Requirement – Repeal

DARA JOHNSON
INTERIM POLICY
COUNSEL

FAVORABLE

AMERICAN CIVIL
LIBERTIES UNION
OF MARYLAND

3600 CLIPPER MILL
ROAD
SUITE 200
BALTIMORE, MD 21211
T/410-889-8555
F/410-366-7838

WWW.ACLU-MD.ORG

OFFICERS AND
DIRECTORS
HOMAYRA ZIAD
PRESIDENT

DANA VICKERS
SHELLEY
EXECUTIVE DIRECTOR

ANDREW FREEMAN
GENERAL COUNSEL

The ACLU of Maryland supports SB 586, which would repeal provisions under Sections 5-326 and 5-327 of the Corporations and Associations Article of the Maryland Code. These provisions currently require that all assets owned by any local Methodist church—including unincorporated or abandoned churches, or certain other affiliated churches—be held in trust for the United Methodist Church. This may even apply if no trust clause existed in any deed or other conveyance executed by the local church prior to the implementation of this legislation in 1953.

These statutory provisions appear to codify a religious rule from the Book of Discipline of the United Methodist Church requiring that “All properties of United Methodist local churches and other United Methodist agencies and institutions are held, *in trust*, for the benefit of the entire denomination, and ownership and usage of church property is subject to the *Discipline*.”¹ We understand that, as a result, local churches seeking to disaffiliate from the United Methodist Church denomination have sometimes been subject to heavy costs and other trust-related limitations that have impaired their ability to use their assets toward freely exercising their separate religious beliefs.

We support SB 586 as a means to disentangle the state from prescribing the conduct of one specific religious group, and to allow such groups to determine their affiliation or disaffiliation without government interference. The separation of church and state is a fundamental

¹ The United Methodist Church. (2024). *The Book of Discipline of The United Methodist Church 2020/2024* (Chap. 6, Sec. 1, ¶ 2501). The United Methodist Publishing House. https://issuu.com/cokesbury/docs/the_book_of_discipline_of_the_united_methodist_chu?fr=xKAE9_zU1NQ.

element of both our national and state constitutions, as it is not the role of the government to interfere with or preference a particular faith.

While churches, like other organizations, may engage in legal relationships, financial transactions, or property disputes that can be subject to certain state rules and procedures, maintaining a law that preemptively dictates the internal structure of only one particular religious group goes far beyond the state's neutral role. SB 586 would remedy this overreach, and help ensure the state does not become enmeshed in ecclesiastical governance.

For the foregoing reasons, we urge a favorable report on SB 586.

Judy Broadwater Testimony.pdf

Uploaded by: Judy Broadwater

Position: FAV

Good morning, my name is Judy Broadwater – Millers UMC, Millers, MD. Thank you to the Members of the State Committee and all the people representing the many Methodist Churches. To begin I truly respect the Methodist roots with John Wesley for the leader that he was for all of us. I respect and thank our many ministers who lead by the Word of God.

I do not know any of the legal aspects of the paper that was signed in 1968. In which, Millers United Brethren Church became Millers United Methodist Church, but I do know the descendants now, George and Ralph Miller. The property was donated by their great-great grandfather Aaron Miller in 1884. Much Love, Songs, and Hard Work has gone into the building and upkeep of our church.

Since the signing of that paper in 1968, not ONE bit of help, money, or inquiry has been offered for any maintenance, additions, or restorations from the Baltimore Washington Conference. The signing was apparently only for the use of the name “Methodist.” And YES, we have inquired for some help especially when it was desperately needed. Only to be turned down!

For that reason, I wonder why the Conference has the nerve or heart to expect over \$400,000 for us to purchase our property from them!!! I also feel that we have already paid plenty to the Conference through our annual apportionments. But I do believe we need to fulfill our obligations of apportionments and paying toward the ministers’ retirements.

I also feel that any amount after that should not be more than 1% of the value of our properties. Other districts have been very understanding and mindful of the hardships on small churches.

We may not have a huge attendance but we do many services and fellowship with many people in our area.

Please know and open your hearts to know how very important our buildings and church are to helping our neighbors to see and know the Love of our God and Savior through us.

Thank you.

Bill SB0586-Kevin Beall-BUMC.pdf

Uploaded by: Kevin Beall

Position: FAV

Witness Testimony

Before

The Senate Judicial Proceedings Committee

February 13, 2025

Good afternoon. I am Kevin Beall, a former pastor at Bethesda United Methodist Church in Damascus, Maryland. I grew up in a farming family in that area, and I enjoyed the farming life until I chose to serve the Lord full-time as a pastor. I pastored at Bethesda United Methodist Church until June 30, 2023, when the Baltimore Washington Conference of the United Methodist Church no longer recognized me as such in the Conference when I acknowledged that I supported disaffiliation from the Conference.

The Baltimore-Washington Conference has used, in part, the Trust Clause text in the Maryland Code that Senate Bill 586 proposes repealing to thwart efforts to disaffiliate or separate from them. Therefore, I fully support Senate Bill 586, as do all Bethesda United Methodist Church members. My support is based on both religious and secular principles.

My religious perspective involves the United Methodist Church and the Baltimore-Washington Conference's acceptance of LGBTQ practices as part of their functional operations, including leadership roles and ceremonies, which defied the Book of Discipline requirements at that time. I respectfully disagree with that position based on my understanding of scripture in 1 Corinthians 6:9-10 where Paul describes immoral human behavior that God rejects, and in Matthew 19:4-6 where Jesus defines marriage. I do, however, fully adhere to what Jesus taught, which was one of the two most important laws: that we need to love one another, which I seek to apply in all circumstances. This difference with the Baltimore-Washington Conference helped form my view that separation was warranted in order for us to have the inalienable religious freedom involving our beliefs and practices.

My secular perspective involves the actions used by the Baltimore-Washington Conference to impose an unreasonable payment as a condition to separate of 50% of a church's taxable property value, or about \$1.7 million in our case. Then, when we could not pay that ransom, the Baltimore-Washington Conference closed the period allowed to separate. This meant that we had to either stay in the Conference against our will or

abandon our property without any assets since The Conference alleges that the Trust Clause grants their possession of all local church's assets. These actions by the Conference run counter to my sense of fairness and equity since local, rural Christians in the Damascus community have built and maintained our church since 1808 until today, and the Baltimore-Washington Conference has not. Again, the Baltimore-Washington Conference has referred to the text in the Maryland Code that Senate Bill 586 proposes to repeal as a basis to support their ownership of local church assets.

Though I am not a constitutional scholar, this text seems unconstitutional to this country pastor. For example, the Establishment Clause and the Free Exercise Clause in the First Amendment to the United States Constitution prohibit governmental interference in religious beliefs and practices. A common-sense reading of these Clauses supports what is being proposed in Senate Bill 586.

Another essential principle is the need to help our fellow citizens, especially our youth, live moral, ethical lives for the betterment of our country. Bethesda United Methodist Church and its members host and participate in homeschooling, scouting, sports, and 4-H activities that teach character, integrity, and wholesome behavior to more than 500 young boys and girls. Leaders in these organizations have indicated they would no longer remain a part of Bethesda United Methodist Church if we stayed in the Baltimore-Washington Conference because of its LGBTQ posture. As a result, this wonderful outreach effort in our community and state would be jeopardized if we were not separated from the Baltimore-Washington Conference.

For the reasons I have outlined, I fully support the passage of Senate Bill 586. I am reminded of the 7th verse in 2 Chronicles 15, which says, "But you, take courage! Do not let your hands be weak, for your work shall be rewarded". I pray that this will apply to your work on Senate Bill 586.

Thank you for the opportunity to speak with this Committee. God bless!

Testimony to the Maryland Senate Judicial Proceedi

Uploaded by: Matthew Sichel

Position: FAV

Testimony to the Maryland Senate Judicial Proceedings Committee

SB 0586

February 13, 2024, 1:00pm

Rev. Matthew S. Sichel

I am the Rev. Matthew Sichel, and I live in Manchester, Maryland. I am now clergy in the *Global* Methodist Church. However, up until July 1 of 2023, I was clergy in the *United* Methodist Church, in the Baltimore-Washington Conference, serving in Hampstead, Maryland. Today, I represent the Baltimore-Washington Chapter of Wesleyan Covenant Association, a caucus group within the United Methodist Church (UMC) that advocates for traditional Christian belief. It is well known that the UMC is going through a schism over theology, especially as it relates to teachings on human sexuality.

Some have noted that this is the largest church schism in America since the Civil War, and that is true. 25% of the churches in the United States have already left the denomination, in what has become a costly method called disaffiliation.

The process for disaffiliation was costly and cumbersome because the denomination owns all local church property. Other Conferences were very gracious in their terms for churches to depart. Not so in the Baltimore-Washington Conference. To leave, the Conference demanded churches pay 50% of their local church's assessed property value. For many congregations, this was impossible.

Note, that though the denomination claims ownership of these properties, it is the *local church* which purchased, improved, and maintained them for decades. The Conference has been reticent and obstinate to any negotiation lowering this cost, and one of the things they consistently point to is this text in the Corporations and Associations Regulations in Maryland's Code, which I believe is an illegal intrusion of government into the life of a church. In the United States, religious organizations are promised freedom from government intervention into their ability to order their religious life. We understand this to be Jefferson's "wall of separation between church and state," to which he referred in his 1802 letter to the Danbury Baptist Association. Yet, here in this law, Maryland has deemed it the *government's business* to regulate the relationship between a local congregation and the denominational leadership. This should not be. The Conference cannot both appeal to the law for their case to keep church property, and then at the same moment complain that the government cannot have a say into the way they do their business.

This should be a disagreement between the local congregations and the denomination in which the State has little to say, other than what is fair and just. The Conference should not be able to point to some item in the Maryland Code which, on its face, looks like an "establishment of religion." For this reason, I urge you all to vote in favor to repeal these items from the Maryland Code.

Thank you, and God bless you.

SB613 The Senate of Maryland

Uploaded by: Michael Jackson

Position: FAV

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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401
PRINCE GEORGE'S COUNTY SENATE DELEGATION

February 6, 2025

Senator William C. Smith, Jr., Chair
Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, MD 21401

Dear Chair Smith:

Please let this letter serve as official notice of the support of the Prince George's County Senate Delegation for Senate Bill 613 (Montgomery and Prince George's Counties – Distracted Driving Pilot Program).

Sincerely,

A handwritten signature in black ink, appearing to be "Michael A. Jackson", written in a cursive style.

Senator Michael A. Jackson, Chair
Prince George's County Senate Delegation

Witness Testimony.pdf

Uploaded by: Philip Sewell

Position: FAV

Witness Testimony
Before
The Senate Judicial Proceedings Committee
February 13, 2025

Good afternoon. I am Philip Sewell, lay leader of the Bethesda United Methodist Church near Damascus, Maryland.

Our church supports enactment of Senate Bill 586.

The basis for our support of this bill is because the Baltimore Washington Conference of the United Methodist Church is using the Trust Clause language that is being proposed for repeal to hold our church hostage, despite our desire to disaffiliate, or separate, from the Baltimore Washington Conference and to be free to worship in a manner consistent with Biblical Scripture. This hostage situation is caused by the application of that Trust Clause language to justify the position that all of our assets, including the church property, buildings and monies belong to the Baltimore Washington Conference and not our church. Their position is that we either have to remain in the Conference against our will or separate by abandoning the church property and forfeiting all of our assets to the Conference.

This is an untenable position for a country church near Damascus, Maryland that was founded in 1808, incorporated in 1857 and maintained to this day by community Christians, the charitable ceding of property by many local people and the individual and collective

contributions in terms of monies and sweat capital to make a thriving church for Christ.

When our beliefs and freedom to worship consistent with scriptural teachings were compromised by positions taken by the United Methodist Church, we intended to separate from the Baltimore Washington Conference of the United Methodist Church. The reaction by the Baltimore Washington Conference in June of 2021 to our church, and other churches who shared our posture, was to establish onerous conditions in order to separate.

The most egregious condition was a requirement to pay the Baltimore Washington Conference 50% of our church's assessed property value, or about \$1.7 million. When the Baltimore Washington Conference leaders were asked if they would reduce that penalty to a more reasonable amount, their response was that they were being gracious because the Trust Clause gave them the right to access 100% of a local church's assets. Our church could not make the 50% ransom payment and the time period the Baltimore Washington Conference allowed churches to meet their onerous separation conditions was closed after December 2023. Subsequently, the Baltimore Washington Conference stated that no other separation path was available and our church was trapped as an unwilling member of the Conference.

Therefore, our church, along with more than 30 others, was forced to seek legal recourse to separate and try to protect our property rights. In the meantime, the Baltimore Washington Conference has maintained that the Trust Clause language in the Maryland Code helps support their right to all of our assets and their ability to retain the church no matter what we do.

The protection of individual property rights was a fundamental tenet in the United States Constitution, along with the avoidance of governmental interference in religious matters, as stated in the Free Exercise Clause in the First Amendment to the United States Constitution.

I would like to offer that the removal of the Trust Clause text in Senate Bill 586 supports the avoidance of governmental interference in relation to our current interaction with the Baltimore Washington Conference.

Since we are currently being held hostage by the Baltimore Washington Conference, the biblical passage in Exodus 9 :1 seems appropriate to our situation, where God says to Moses, “Go to Pharaoh and say to him, let my people go, so that they can worship me”.

Enacting Senate Bill 586 will certainly help us to work in a gracious and loving manner with the Baltimore Washington Conference in letting God’s people go, so that we can continue to worship him in a manner consistent with His word.

Thank you for your time and may God bless you today and always!

Written Testimony of Thomas Starnes on SB586.pdf

Uploaded by: Thomas E. Starnes

Position: UNF

Testimony of Thomas E. Starnes, Chancellor
The Baltimore-Washington Conference of The United Methodist Church
Re: SB0586 (Unfavorable)

My name is Thomas Starnes. I serve as Chancellor of the Baltimore-Washington Conference of The United Methodist Church (“Conference”), which oversees the ministry of more than 600 local United Methodist churches that conduct ministry in Maryland, the District of Columbia, and the eastern panhandle of West Virginia. On behalf of the Conference, I submit this written testimony in opposition to Senate Bill 586, which seeks to repeal §§ 5-326 and 5-327 of the Corporations and Associations Article, provisions that accommodate the longstanding principle of United Methodist Church governance that all local United Methodist churches hold their property in trust for the benefit of the denomination as a whole and subject to the terms *The Book of Discipline of The United Methodist Church* (“Discipline”).

This represents the fourth session of the Maryland Legislature in the last 15 years in which a bill has been introduced to repeal of the Methodist “trust clause” provisions in the Maryland Code. The first of those took place in 2010, when the Senate passed a bill to repeal those sections, but the House of Delegates declined to adopt it. The most recent effort to repeal §§ 5-326 and 5-327 took place just last year, when House Bill 1382 – an exact replica of the pending Senate Bill 586 – received an unfavorable report from the Economic Matters Committee’s Subcommittee on Banking, Consumer Protection, and Commercial Law.

As outlined below, there are no new circumstances or facts that now justify passage of a bill the Maryland Legislature has wisely declined to adopt on three prior occasions, including just last year. On the contrary, every factor that counseled against repealing HB 1382 during the 2024 Regular Session remains in place. Most importantly:

The Methodist Trust Provisions are Constitutional

1. It remains the case that §§ 5-326 and 5-327 serve the perfectly constitutional purpose of accommodating the longstanding, doctrinally rooted principle of United Methodist church governance that all local United Methodist congregations hold their property in trust for the mission and ministry of the denomination as a whole.
2. In the wake of the 2010 effort to repeal those provisions, Counsel to the General Assembly undertook a careful review of the United Methodist-specific code provisions and upheld their constitutionality, reasoning (a) that the statute recognizes the free exercise right of The

United Methodist Church “to organize in a manner of its choosing,”¹ and (b) that it “does not force a church to transfer control over its property to another church,” but “merely requires that a church which chooses to affiliate with the United Methodist Church abide by the rules of the United Methodist Church regarding the control of church property.”²

3. As Counsel to the General Assembly has further explained, “Maryland is not the only state that has a religious corporations law that contains provisions specific to certain denominations.”³ Rather, “[f]ourteen other states have provisions that govern the incorporation of specific denominations or govern the holding of property by specific denominations,” and “nine [such] states have provisions that apply to the Methodist Church” in particular.⁴

The Maryland Code Provides Essentially Identical Protection to Trust Requirements Imposed by The Episcopal Church and The Presbyterian Church

4. There is nothing anything unusual, arbitrary, or oppressive about the United Methodist practice of requiring local congregations to hold their property in trust for the benefit of the denomination as a whole. The very same rule applies, for example, in The Episcopal Church and The Presbyterian Church.
5. Moreover, and most significantly, just as §§ 5-326 and 5-327 reinforce the Methodist principle that all local church property is held in trust for the benefit of The United Methodist Church as a whole, the Maryland Code provisions that relate specifically to Presbyterian and Episcopal congregations both operate to make the trust obligations imposed in those denominations’ constitutions and canons enforceable against their local congregations as a matter of Maryland statutory law. More specifically:

a. Presbyterian Congregations:

- i. The Maryland Code provides that local Presbyterian churches “may be incorporated only in conformity with the constitution of the United Presbyterian Church in the United States of America.” Md. Code, Corp. & Ass'ns § 5-330.
- ii. In turn, the Constitution of the Presbyterian Church provides, “All property held by or for a particular church, . . . whether legal title is lodged in a corporation, a trustee or trustees, or an unincorporated association, . . . is held in trust nevertheless for the use and benefit of the Presbyterian Church (U.S.A.)” [The Constitution of the Presbyterian Church \(U.S.A.\), Part II \(Book of Order 2023-2025\)](#), G-4.0203, at 64.

¹ See Letter to the Hon. Dionna M. Stifler from Assistant Attorney General Dan Friedman, Counsel to the General Assembly (July 20, 2010) (Ex. A hereto) at 3 (citing *Kedroff v. St. Nicholas Cathedral of the Russian Orthodox Church in North America*, 344 U.S. 94, 107-08 (1952)).

² Ex. A at 3-4.

³ Id. at 4-

⁴ Id. at 5.

b. Episcopal Congregations:

- i. The Maryland Code provisions governing local Episcopal churches provides that they are “subject at all times to (1) The organization, government, and discipline of the Protestant Episcopal Church in the United States of America; and (2) The constitution and canons of that church and of the convention of the Protestant Episcopal Church in the Diocese of [Maryland or Easton, as the case may be].” Md. Code, Corp. & Ass'ns § 5-334(b) (Diocese of Maryland); *Id.* § 5-338(b) (Diocese of Easton); *Id.* § 5-342(b) (Diocese of Washington).
- ii. In turn, the Canons of the Episcopal Church provide, “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.” [The Constitution and Canons of The Episcopal Church](#), Title I, Canon 7, § 4 (2022).

It Would Violate the Free Exercise and Establishment Clauses of the First Amendment to Repeal the Code Provisions Relating to United Methodist Trusts, While Leaving Intact the Code Provisions that Make Episcopal and Presbyterian Trusts Statutorily Enforceable

6. Senate Bill 586 takes no issue with the Maryland Code provisions that make trust obligations imposed on Episcopal and Presbyterian churches statutorily enforceable. Rather, that bill—like its predecessors in three prior sessions—targets for repeal only those provisions that relate to United Methodist congregations that conduct ministry in Maryland. Such selective, discriminatory targeting of a single denomination’s rules is itself forbidden by the First Amendment. Longstanding precedent of the U.S. Supreme Court holds that the “clearest command of the Establishment Clause is that one religious denomination cannot be officially preferred over another,” *Larson v. Valente*, 456 US 228, 244 (1982), and that the “constitutional prohibition of denominational preferences is [also] inextricably connected with the continuing vitality of the Free Exercise Clause.” *Id.* at 245.

The Code Provisions that Senate Bill 586 Seeks to Repeal are Directly at Issue in Litigation That is Currently Pending Before the Appellate Court of Maryland

7. In an Amended Complaint appended hereto as Exhibit B, thirty-eight local United Methodist churches sued the Conference, claiming that the Conference was applying rules for local church “disaffiliation” that were inconsistent with the denomination’s Book of Discipline.
8. The Amended Complaint in that lawsuit makes explicit reference to the two Maryland Code provisions that Senate Bill 586 seeks to repeal. See Amended Complaint, ¶¶ 79, 98.
9. In an Order dated October 11, 2024, the Circuit Court for Anne Arundel County granted summary judgment to the Conference, dismissing all of the plaintiffs’ claims with prejudice. See Exhibit C.
10. The plaintiffs have appealed the Circuit Court’s decision to the Appellate Court of Maryland, where the appeal is now pending.

EXHIBIT A

The Honorable Donna M. Stifler

July 20, 2010

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freedoms guaranteed by Article 36 of the Maryland Declaration of Rights and the First Amendment to the U.S. Constitution, the legislature must be permitted to adopt such neutral statutes without violating these freedoms either. *Id.* Senate Bill 1091 was subsequently amended to simply repeal CA §§ 5-326 to 5-328, which require all local churches affiliated with the United Methodist Church to hold their assets in trust for the parent church. I gave my opinion that this amendment cured the constitutional defects in the original bill. *Letter to the Honorable C. Anthony Muse from Assistant Attorney General Dan Friedman* (Apr. 2, 2010). The amended bill passed the Senate on April 6, 2010; however, the House of Delegates failed to adopt it.

You have now asked me whether the existing law, Part III of Subtitle 3 of Title 5 of the Corporations and Associations Article ("Part III") violates either Article 36 of the Maryland Declaration of Rights or the First Amendment to the United States Constitution. Your request allows me the opportunity to reconsider the advice that I gave to Senator Frosh regarding SB 1091. While my conclusions have not changed, the rationale behind them has broadened.

Your inquiry contains two separate issues: (1) whether the statute infringes upon the free exercise rights of Sunnyside or the United Methodist Church, thereby violating the Free Exercise Clause and (2) whether the statute violates the Establishment Clause. It is my opinion that the statute in question violates neither. Part III does not violate the free exercise rights of either church because it does not interfere with the ability of Sunnyside or the United Methodist Church to organize as they choose. The statute also does not violate the Establishment Clause because it has a secular purpose, its principal effect is not to advance or inhibit religion, and it does not lead to excessive entanglement between the government and religion. *Lemon v. Kurtzman*, 403 U.S. 602, 612-13 (1971). I explain these conclusions below.

I. The Free Exercise Clause

The first issue that your inquiry raises is whether Part III infringes upon the free exercise rights of Sunnyside or the United Methodist Church in violation of the Free Exercise Clause. The free exercise of religion is guaranteed by both Article 36 of the Maryland Declaration of Rights and the First and Fourteenth Amendments to the United States Constitution. Although Article 36 and the First Amendment are not identical in their terms, they both guarantee the free exercise of religion and prohibit the establishment of religion. *Levitsky v. Levitsky*, 231 Md. 388, 397 (1963) (stating that that the provisions of Article 36 of the Declaration of Rights are "unexceptionable" under the First and Fourteenth Amendments). Therefore, the following analysis regarding the

The Honorable Donna M. Stifler

July 20, 2010

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constitutionality of Part III under the First and Fourteenth Amendments applies equally to the statute's compliance with Article 36 of the Declaration of Rights.

It is my opinion that Part III complies with the Free Exercise Clause because it does not regulate religious beliefs, and it does not interfere with the ability of a church to organize as it chooses. In prior cases interpreting the Free Exercise Clause, the United States Supreme Court has stated that the First Amendment treats the regulation of beliefs and actions differently. *Cantwell v. Connecticut*, 310 U.S. 296, 303 (1940); see also *Craig v. State*, 220 Md. 590, 599 (1959). While the First Amendment provides an absolute bar against the regulation of religious beliefs, it does allow for some regulation of actions based on religious belief. Compare *Reynolds v. United States*, 98 U.S. 145 (1878) (holding that a religious belief exhorting men to practice polygamy does not exempt Mormons from the application of a law making bigamy a crime) with *West Virginia State Bd. of Educ. v. Barnette*, 319 U.S. 624 (1943) (holding that a state law compelling children, including Jehovah's Witnesses, to salute the flag at school violated the free exercise clause). In disputes over church property, the First Amendment's ban on regulating religious beliefs prohibits courts from deciding such disputes by interpreting religious doctrine. *Jones v. Wolf*, 443 U.S. 595, 602 (1979). However, where a court can apply neutral principles of law in deciding church property disputes, to do so does not violate the free exercise clause of the First Amendment because these decisions apply to the actions of the parties not their religious beliefs. *Presbyterian Church v. Hull Church*, 393 U.S. 440, 449 (1969); *From the Heart v. A.M.E. Zion Church*, 370 Md. 152, 179 (2002).

Because courts can decide disputes over religious property without violating the Free Exercise Clause, so long as they rely on neutral principles of law, state legislatures, by implication, can enact neutral laws concerning religious property. Therefore, if Part III constitutes a neutral law, its enactment should not violate the Free Exercise Clause. For laws governing the incorporation of religious organizations, a court will evaluate their neutrality on the basis of whether they interfere with the ability of the church to organize in a manner of its choosing. *Kedroff v. St. Nicholas Cathedral of the Russian Orthodox Church in North America*, 344 U.S. 94, 107-08 (1952). In *Kedroff*, the Court held that Article 5-C of New York's Religious Corporations Law, which, in effect, required the Russian Orthodox Church to transfer control over churches affiliated with it to the governing authorities of the Russian Church in America, was unconstitutional because it interfered with the church's organizational autonomy. *Id.* Here, Part III differs significantly from the statute in *Kedroff* because Maryland's statute does not force a church to transfer control over its property to another church; it merely requires that a church which chooses to affiliate with the United Methodist Church abide by the rules of

the United Methodist Church regarding the control of church property. CA § 5-322; see *The Maryland and Virginia Eldership of the Churches of God v. The Church of God at Sharpsburg*, 254 Md. 162 (1969) (stating that the Act of 1802, which led to the current Religious Corporations Law, was not intended to interfere with the doctrines or discipline of any religious body, but it left religious corporations free to agree with the general church on a specific organizational structure).

As stated above, Subtitle 3 regulates the incorporation of religious organizations. It contains a general provision, Part I, followed by five denomination-specific provisions, Parts II through VI. Part I allows all churches to incorporate independently and retain control over their property. CA § 5-306. Parts II through VI, the denomination-specific provisions, are tailored to more closely follow the internal rules of the general church. See e.g. CA § 5-322. One such internal rule for the United Methodist Church is that all local churches must hold their property in trust for the general church. The United Methodist Book of Discipline § 2501 (“title to all properties held ... by a local church ... shall be held in trust for the United Methodist Church and subject to the provisions of its *Discipline*”). Therefore, when Sunnyside chose to incorporate in Maryland, it had the option of incorporating as an independent church under Part I, which would have allowed it to retain control over its property, or it could incorporate as a member of the United Methodist Church under Part III, which would require it to follow the rules of the United Methodist Church with respect to ownership and control of church property. However, once Sunnyside incorporated under Part III, it in effect entered into an agreement with the United Methodist Church to hold its property in trust for the general church. Because, to the best of our current understanding, Sunnyside entered into this agreement by its own choosing, Maryland’s law requiring that Sunnyside abide by its agreement does not limit Sunnyside’s ability to organize as it chooses, and therefore, it does not violate the Free Exercise Clause.²

Maryland is not the only state that has a religious corporations law that contains provisions specific to certain denominations. Indeed, most states have statutes that govern the incorporation of religious organizations. Among these, some states require religious organizations to incorporate as a non-profit corporation organized for a religious purpose³ while other states have general religious corporations statutes⁴ and still others

² I understand that there is currently pending litigation concerning whether Sunnyside’s entry into this agreement was volitional. My comments are not intended to express views about the proper resolution of that litigation.

³ See, e.g., Cal. Corp. Code §§9110-9690; Ill. Ann. Stat. ch. 805, para. 105/103.05.

⁴ See, e.g., Ala. Code §10-4-20 (1987); Colo. Rev. Stat. §7-50-101 (1990).

provide for specific denominations.⁵ Maryland is among this third group of states. Fourteen other states have provisions that govern the incorporation of specific denominations or govern the holding of property by specific denominations,⁶ but only nine states have provisions that apply to the Methodist Church.⁷ Even among these nine states, the regulations vary considerably, with some requiring the local church to hold its property in trust for the general church,⁸ others only requiring the trustees of the local church to follow the rules of the general church with respect to the use of its property,⁹ and still others providing that the property of abandoned local churches will vest in the general church.¹⁰ Although all of these provisions involve the State in the organization of religious groups, only Maryland's statute has been challenged on First Amendment grounds. See *The Maryland and Virginia Eldership of the Churches of God v. The Church of God at Sharpsburg*, 254 Md. 162 (1969) ("Eldership I"); *Smith v. The Church of God at Locust Valley Bethel of Frederick County, Maryland*, 326 F.Supp. 6 (D. Md. 1971). That no other state with a denomination-specific religious incorporation statute has had to decide a challenge under the First Amendment suggests that these statutes enjoy general acceptance as being constitutional.

In *The Maryland and Virginia Eldership of the Churches of God v. The Church of God at Sharpsburg*, 249 Md. 650 (1968) ("Eldership P") (vacated for further consideration, 393 U.S. 528 (1969) in light of *Presbyterian Church v. Hull Church*, 393 U.S. 440 (1969), and reaffirmed by the Court of Appeals in *Eldership II*, 254 Md. 162

⁵ Md. Code Ann., Corps. & Ass'ns §§5-314-5-338; Conn. Gen. Stat. Ann. §33-264.

⁶ Ill. Ann. Stat. ch. 805, para. 110/50; La. Rev. Stat. Ann. §§ 12:481-12:483; Minn. Stat. Ann. §§315.17-.19; N.H. Rev. Stat. Ann. §§292:15-:17; N.Y. Relig. Corp. Law, art. 3 to 20; Del. Code Ann. Tit. 27, §§17-1711-13c, 17-1716a-16c, 17-1732-33, 17-1753-55; Mass. Gen. Laws Ann. Ch. 67, §§39-61; Me. Rev. Stat. Ann. Tit. 13, §2982; Vt. Stat. Ann. Tit. 27, §§781-944; Wis. Stat. Ann. §§187.01-.19; Mich. Stat. Ann. §§21.1691-.2021; Conn. Gen. Stat. Ann. §§33-277-78; N.J. Stat. Ann. §§16:5-1 to 27.

⁷ Wis. Stat. Ann. §187.15; N.Y. Relig. Corp. Law, art. 17 §§320-335; Mass. Gen. Laws Ann. Ch. 68, §6; Me. Rev. Stat. Ann. Tit. 13, §2982; Vt. Stat. Ann. Tit. 27, §§861-866; Mich. Stat. Ann. §§458.21-.33; N.J. Stat. Ann. §§10A-1 to 5; Conn. Gen. Stat. Ann. §§33-268-76.

⁸ Md. Code Ann., Corps. & Ass'ns §§5-314-5-338; Conn. Gen. Stat. Ann. §§33-268-76.

⁹ Me. Rev. Stat. Ann. Tit. 13, §2982; Mich. Stat. Ann. §§21.1691-.2021.

¹⁰ Vt. Stat. Ann. Tit. 27, §§861-866; N.J. Stat. Ann. §§10A-1 to 5; Wis. Stat. Ann. §187.15.

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(1969)), the Maryland Court of Appeals was faced with a challenge to Part I of the Corporations and Associations Article on the grounds that it violated the First and Fourteenth Amendments. There, the Church of God sought control over a local church's property after the local church chose to withdraw from the organization. *Id.* at 655-56. The general church had not contributed any money towards the purchase of the disputed property, nor did it require in its constitution that local churches hold their property in trust for the general church. *Id.* at 654. After considering the organizational structure of the Church of God and its relationship with its local churches, the Court held that Part I vested ownership of the land in the local church. *Id.* at 664-66.

In *Eldership II*, the Court considered whether Part I violated the First Amendment. The Court noted that the original Act of 1802, a predecessor of the current religious corporations law, contained a provision which stated "[n]othing therein contained shall be construed...to alter or change the religious constitution or government of any church, congregation or society..." *Eldership II*, 254 Md. at 174. The Court interpreted this provision to mean that the statute was not intended to require a religious organization to adopt a specific organizational structure to incorporate under the law. Although the Court explicitly did not rule on the constitutionality of the denomination-specific sections of Maryland's Religious Corporation Law, *id.* at 168, the Court did state that local and general churches are free to establish the organizational structure between them by contract. *Id.* at 174. Therefore, where a church chooses to place limitations on its ability to organize, those limitations are constitutional.

Three years later, the U.S. District Court of Maryland decided a similar challenge in *Smith v. The Church of God at Locust Valley Bethel of Frederick County, Maryland*, 326 F.Supp. 6 (D. Md. 1971) ("*Smith*"). In this case, the court determined that the Maryland General Religious Corporations Law does not violate the First Amendment, in part, because it "leaves the distribution of control over local church property entirely to the voluntary arrangements entered into by and within each denomination." *Id.* at 13. There, the members of two churches belonging to the Church of God voted to withdraw from the general church. *Id.* at 8. Upon their withdrawal, the Church of God sought to control the property of the local churches. *Id.* The dispute focused on whether the local church retained the right to control its property upon its withdrawal from The Church of God. *Id.* Relying heavily on the decision of the Court of Appeals in *Eldership II*, the court determined that the local church retained control over its property upon withdrawing from the Church of God because the parties had not explicitly or implicitly provided for the general church to exert control over the local church's property. *Id.* at 9. The court also held that Maryland's General Religious Corporations Law does not violate the First Amendment because it does not interfere with the relationship between the

general and local churches but instead allows those churches to determine the nature of their relationship. *Id.* at 12-13.

Because Part III does not impose a specific type of relationship on the local churches that choose to incorporate under it, but instead mirrors the relationship required by the general church, it is my opinion that Part III would survive a challenge under the Free Exercise Clause.

II. The Establishment Clause

Part III of Subtitle 3 of Title 5 of Maryland's Corporations and Associations Article does not violate the Establishment Clause because it survives the test set out in *Lemon v. Kurtzman*, 403 U.S. 602 (1971). In that seminal case, the U.S. Supreme Court established a three-part test to determine when a particular statute violates the Establishment Clause.¹¹ *Id.* at 612-13. Under this test, the court first determines if the statute has a secular purpose. *Id.* Second, it determines if the principal or primary effect of the statute is to advance or inhibit religion. *Id.* Third, it determines if the statute leads to excessive entanglement of the government with religion. *Id.* Regarding this third prong, the Court further laid out three factors that determine whether a particular

¹¹ The Court later modified the *Lemon* test in *Agostini v. Felton*, 521 U.S. 203 (1997); however, these modifications do not affect my analysis of Maryland's religious corporations law. Specifically, in *Agostini*, the Court held that its prior decisions had resulted in a change in the criteria that the Court uses to determine whether aid to religious schools has the effect of advancing religion. *Id.* at 223. In reaching this conclusion, the Court rejected the presumption that placing public employees in parochial schools would result in state-sponsored indoctrination or constitute a symbolic union between the government and religion. *Id.* Because Maryland's religious corporations law does not require the State to place public employees at churches that choose to incorporate under the law, the Court's rejection of this presumption has no effect on my analysis. In *Agostini*, the Court also held that the Establishment Clause does not prohibit the State from giving aid to religious organizations where "the aid is allocated on the basis of neutral, secular criteria," because using secular criteria removes the incentive to change religious views in order to benefit from the state sponsored program. *Id.* at 231. Because Maryland's religious corporations law does not provide financial assistance to religious organizations, there is no reason to believe that the law would influence a church to adopt one set of religious beliefs over another. Finally, although the *Agostini* Court subsumed the entanglement prong of the *Lemon* test within the effects test of the second prong, Maryland's religious corporations law survives the entanglement prong under both *Agostini* and *Lemon* because it does not have as an effect the involvement of the State in significant oversight of religious organizations.

statute leads to excessive entanglement: (1) the character and purpose of the benefitted institution, (2) the nature of the aid that the state is providing to the institution, and (3) the resulting relationship between the government and the religion. *Id.* at 615. Where these factors lead to significant involvement of the State in religious affairs, the statute is unconstitutional.

Part III passes the three-pronged *Lemon* test. The statute satisfies the first prong because its purpose is to regulate the ownership of property by religious organizations, not to regulate religious belief. In *Presbyterian Church v. Hull Church*, 393 U.S. 440, 445 (1969), the Court stated that “the State has a legitimate interest in resolving property disputes.” Moreover, the Court held that where civil courts applied neutral principles of law to decide church property disputes, they did not violate the First Amendment. *Id.* at 449. Here, Part III regulates the ownership of property by religious organizations that choose to affiliate with the United Methodist Church. Because this section mirrors the requirements of the United Methodist Church, Part III does not require that the state become involved in deciding religious doctrine nor does it seek to grant financial support to one group over another; it simply seeks to codify the agreement between the local church and the general church. As a result, it satisfies the first prong of the *Lemon* test.

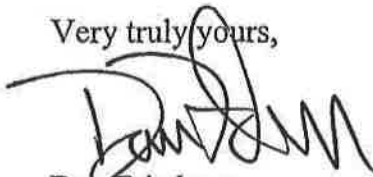
Part III satisfies the second prong of the *Lemon* test because it does not have as its principal or primary effect the advancement or inhibition of religion. Nothing in Part III makes it any easier or more difficult for the United Methodist Church to organize as it chooses. *Cf. Eldership II*, 254 Md. at 174. Because the section specific to the United Methodist Church simply follows the internal structure of the church, it does not grant the United Methodist Church any rights beyond what it would have under the general provision of the statute. Moreover, because the Religious Corporations Law applies generally to all religious organizations and the denomination-specific sections follow the structure of those denominations, the law does not advance or inhibit any particular denomination over the others.

Finally, Part III satisfies the third prong of the *Lemon* test. Although it aids the United Methodist Church by codifying the Church’s requirement that local churches hold their property in trust for the general church, the resulting relationship does not involve substantial interaction between the government and the United Methodist Church, thus causing no excessive entanglement with religion. Here, like in *Lemon*, the state is providing a benefit to a religious organization. However, unlike in *Lemon*, that benefit is not financial and it does not require substantial oversight of religious activity. The only benefit that Sunnyside and the United Methodist Church receive through Part III is the ability to create a legal personality as a member of the United Methodist Church. Once a

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religious organization incorporates under Part III, the government is not required to become involved in religious activities or conduct oversight of church decisions. Therefore, because Part III does not involve financial support of religious organizations nor does it require substantial government involvement in religious activity, the statute does not result in excessive entanglement. Because Part III passes all three parts of the *Lemon* test, it does not violate the Establishment Clause. For all of the above reasons, it is my view that Part III is constitutional.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Dan Friedman', written over a horizontal line.

Dan Friedman
Counsel to the General Assembly

cc: The Honorable Brian E. Frosh
The Honorable C. Anthony Muse

EXHIBIT B

Bedington United Methodist Church
580 Bedington Rd.
Martinsburg, WV 25404-6514

*
*
*

Bentley Springs United Methodist Church	*
419 Bentley Rd.	*
Parkton, MD 21120-9092	*
	*
Bethesda United Methodist Church	*
of Browningsville, Montgomery County	*
Maryland	*
11901 Bethesda Church Rd.	*
Damascus, MD 20872-1540	*
	*
Bixlers United Methodist Church	*
3372 Bixler Church Rd.	*
Westminster, MD 21158-2302	*
	*
Cabin John United Methodist Church	*
7703 Macarthur Blvd.	*
Cabin John, MD 20818-1702	*
	*
Calvary United Methodist Church	*
220 W. Burke St.	*
Martinsburg, WB 25401-3322	*
	*
Cedar Grove United Methodist Church	*
2015 Mt. Carmel Rd.	*
Parkton, MD 21120-9792	*

Flintstone, MD 21530	*
	*
Ganotown United Methodist Church	*
1018 Winchester Ave.	*
Martinsburg, WV 25401-1650	*
	*
Grace United Methodist Church	*
4618 Black Rock Rd.	*
Upperco, MD 21155-9545	*
	*
Highland Greensburg United Methodist	*
Church	
1302 Valley 2203 Greensburg Rd.	*
Berkeley Springs Martinsburg, WV	*
25411-4801 25404-0364	
	*
Ijamsville United Methodist Church, Inc.	*
4746 Mussetter Rd.	*
Ijamsville, MD 21754-9627	*
	*
Inwood United Methodist Church	*
62 True Apple Way	*
Inwood, WV 25428	*
	*
Libertytown United Methodist Church	*
12024 Main St.	*
Libertytown, MD 21762	*
	*

~~Melville Chapel United Methodist Church~~ *

~~5660 Furnace Ave.~~ *

~~Elkridge, MD 21075~~ *

*

Melvin Methodist Church of Cumberland, *

Maryland *

100 Reynolds St. *

Cumberland, MD 21502 *

*

Michaels United Methodist Church *

884 Michaels Chapel Road *

Hedgesville, WV 25427 *

*

Middleway United Methodist Church *

7435 Queen St. *

Kearneysville, WV 25430 *

*

Millers United Methodist Church *

3435 Warehime Rd. *

Manchester, MD 21102-2017 *

*

Mt. Hermon United Methodist Church *

13200 Williams Rd., SE *

Cumberland, MD 21502 *

*

Nichols Bethel United Methodist Church *

1239 Murray Rd. *

Martinsburg, WV 25405-5854 *

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Pikeside United Methodist Church	*
25 Paynes Ford Rd.	*
Martinsburg, WV 25405-5854	*
	*
Rock Run United Methodist Church	*
4102 Rock Run Rd.	*
Havre De Grace, MD 21078-1215	*
	*
	—
Shiloh United Methodist Church	*
3100 Shiloh Rd.	*
Hampstead, MD 21074-1625	*
	*
Stablers Methodist Church	*
1233 Stablers Church Rd.	*
Parkton, MD 21120	*
	*
Trinity-Asbury United Methodist Church	*
106 Wilkes St.	*
Berkeley Springs, WV 25411-1557	*
	*
Waters Memorial Methodist Church	*
5400 Mackall Road	*
St. Leonard, MD 20685-2307	*
	*
Wesley Chapel Methodist Church	*
7745 Waterloo Rd.	*
Jessup, MD 20794-9793	*

FIRST AMENDED COMPLAINT

Plaintiffs, each church entity set forth in the caption above (“Plaintiff Churches”) submit this Amended Complaint, including a verified claim to quiet title by Plaintiff The Methodist Church of Cape St. Claire, and allege and state as follows:

INTRODUCTION

1. Plaintiff Churches wish to disaffiliate from the United Methodist Church (“UMC”) to pursue their deeply held religious beliefs. Defendants want to force Plaintiff Churches to stay affiliated with the UMC and violate those beliefs by holding their church buildings and property hostage. Defendants claim Plaintiff Churches’ property is encumbered by an irrevocable trust for the benefit of the UMC and the only way for Plaintiff Churches to disaffiliate without surrendering the buildings and property that are central to their congregations is by the permission of the UMC and payment of a financial ransom.

2. This position is inconsistent with the decades-long pattern and practice of the UMC to allow local churches to disaffiliate and retain their church property without paying a ransom. What is more, it reflects a substantial material change in circumstances that was not anticipated by either Plaintiff Churches or Defendants at the time Plaintiff Churches affiliated with the UMC. Continued enforcement of the alleged trust as a

mechanism to penalize Plaintiff Churches for disaffiliating is unlawful and contrary to the intent of the parties and the Gospel mission of each church.

3. Plaintiff Churches bring this action to (1) seek relief from the uncertainty, insecurity, and controversy arising from Defendants' refusal to allow them to disaffiliate from the UMC and retain their property, (2) reform or terminate the trust to conform to their original intent, and (3) most importantly, protect their freedom to worship as they see fit. Indeed, like all Marylanders, the thousands of members of Plaintiff Churches believe “[T]hat as it is the duty of every man to worship God in such manner as he thinks most acceptable to Him, all persons are equally entitled to protection in their religious liberty. . .” Maryland Decl. Rights Art. 36. Further, “no person. . . shall infringe the laws of morality, or injure others in their natural, civil or religious rights.” *Id.*

PARTIES, JURISDICTION, AND VENUE

4. Plaintiff The Methodist Church of Cape St. Claire is a Maryland non-profit corporation located, conducting operations, and with its principal or registered office at 855 Chestnut Tree Drive, Annapolis, MD 21409.

5. Plaintiff, Asbury United Methodist Church, is a church organization with its principal office at 110 W. North St., Charlestown, WV 25414-1524.

5-6. Plaintiff, Bedington United Methodist Church, is a church organization with its principal office at 580 Bedington Rd, Martinsburg, WV, 25404-6514.

6-7. Plaintiff, Bentley Springs United Methodist Church, is a Maryland non-profit corporation located, conducting operations, and with its principal or registered office at 419 Bentley Rd, Parkton, MD, 21120-9092.

~~7.8.~~ Plaintiff, Bethesda United Methodist Church of Browningsville, Montgomery County Maryland is a Maryland non-profit corporation located, conducting operations, and with its principal or registered office at 11901 Bethesda Church Rd, Damascus, MD, 20872-1540.

~~8.9.~~ Plaintiff, Bixlers United Methodist Church, is a church organization with its principal office at 3372 Bixler Church Rd, Westminster, MD, 21158-2302.

~~9.10.~~ Plaintiff, Cabin John United Methodist Church, is a Maryland non-profit corporation located, conducting operations, and with its principal or registered office at 7703 Macarthur Blvd, Cabin John, MD, 20818-1702.

~~10.11.~~ Plaintiff, Calvary United Methodist Church, is a church organization with its principal office at 220 W Burke St., Martinsburg, WV, 25401-3322.

~~11.12.~~ Plaintiff, Cedar Grove United Methodist Church, is a Maryland non-profit corporation located, conducting operations, and with its principal or registered office at 2015 Mt. Carmel Rd., Parkton, MD, 21120-9792.

~~12.13.~~ Plaintiff, Chestnut Hill United Methodist Church, is a church organization with its principal office at 1523 Hostler Rd., Harpers Ferry, WV, 25425-7155.

~~13.14.~~ Plaintiff, Clarks Chapel United Methodist Church, is a church organization with its principal office at 2001 Kalmia Road, Bel Air, MD 21015-1017.

~~14.15.~~ Plaintiff, Darkesville United Methodist Church, is a church organization with its principal office at 6705 Winchester Ave, Inwood, WV, 25428.

~~15.16.~~ Plaintiff, Dorsey Emmanuel United Methodist Church, is a church organization with its principal office at 6951 Dorsey Road, Elkridge, MD 21075-6210.

~~16.17.~~ Plaintiff, First United Methodist Church of Laurel, Maryland, Inc., is a Maryland non-profit corporation located, conducting operations, and with its principal or registered office at 424 Main St, Laurel, MD, 20707-4116.

~~17.18.~~ Plaintiff, Flint Hill United Methodist Church, is a church organization with its principal office at 2732 Park Mills Rd, Adamstown, MD, 21710-9103.

~~18.19.~~ Plaintiff, Flintstone United Methodist Church, Inc., is a Maryland non-profit corporation located, conducting operations, and with its principal or registered office at 21613 Old National Pike, Flintstone, MD, 21530.

~~19.20.~~ Plaintiff, Ganotown United Methodist Church, is a church organization with its principal office at 1018 Winchester Ave, Martinsburg, WV, 25401-1650.

~~20.21.~~ Plaintiff, Grace United Methodist Church, is a church organization with its principal office at 4618 Black Rock Rd, Upperco, MD, 21155-9545.

~~21.22.~~ Plaintiff, ~~Highland~~Greensburg United Methodist Church, is a church organization with its principal office at ~~1302 Valley~~2203 Greensburg Rd., ~~Berkeley Springs~~ Martinsburg, WV, ~~25411-4801~~ 25404-0364.

~~22.23.~~ Plaintiff, Ijamsville United Methodist Church, Inc., is a Maryland non-profit corporation located, conducting operations, and with its principal or registered office at 4746 Mussetter Rd, Ijamsville, MD, 21754-9627.

~~23.24.~~ Plaintiff, Inwood United Methodist Church, is a church organization with its principal office at 62 True Apple Way, Inwood, WV, 25428.

~~24.25.~~ Plaintiff, Libertytown United Methodist Church, is a Maryland non-profit corporation located, conducting operations, and with its principal or registered office at 12024 Main St., Libertytown, MD, 21762.

~~25. Plaintiff, Melville Chapel United Methodist Church, is a Maryland non-profit corporation located, conducting operations, and with its principal or registered office at 5660 Furnace Ave., Elkridge, MD 21075.~~

26. Plaintiff, Melvin Methodist Church of Cumberland, Maryland, is a Maryland non-profit corporation located, conducting operations, and with its principal or registered office at 100 Reynolds St., Cumberland, MD, 21502-2526.

27. Plaintiff, Michaels United Methodist Church, is a church organization with its principal office at 884 Michaels Chapel Road, Hedgesville, WV 25427.

28. Plaintiff, Middleway United Methodist Church, is a church organization with its principal or registered office at, 7435 Queen St, Kearneysville, WV, 25430.

29. Plaintiff, Millers United Methodist Church, is a Maryland non-profit corporation located, conducting operations, and with its principal or registered office at 3435 Warehime Rd, Manchester, MD, 21102-2017

30. Plaintiff, Mt. Hermon United Methodist Church, is a church organization with its principal office at 13200 Williams Road SE, Cumberland, MD, 21502.

31. Plaintiff, Mt. Zion United Methodist Church of Lothian, Inc., is a Maryland non-profit corporation located, conducting operations, and with its principal or registered office at, 122 Bayard Rd, Lothian, MD, 20711-9601.

32. Plaintiff, Nichols Bethel United Methodist Church, is a church organization located at 1239 Murray Road, Odenton, MD 21113-1603.

~~32.~~33. Plaintiff, Pikeside United Methodist Church, is a church organization with its principal office at 25 Paynes Ford Rd, Martinsburg, WV, 25405-5854.

~~33.~~34. Plaintiff, Rock Run United Methodist Church, is a church organization with its principal office at 4102 Rock Run Rd, Havre De Grace, MD, 21078-1215.

~~34.~~35. Plaintiff, Shiloh United Methodist Church, is a Maryland non-profit corporation located, conducting operations, and with its principal or registered office at 3100 Shiloh Rd, Hampstead, MD, 21074-1625.

~~35.~~36. Plaintiff, Stablers Methodist Church, is a Maryland non-profit corporation located, conducting operations, and with its principal or registered office at 1233 Stablers Church Rd, Parkton, MD, 21120.

~~36.~~37. Plaintiff, Trinity United Methodist Church, Annapolis, is a Maryland non-profit corporation located, conducting operations, and with its principal or registered office at 1300 West Street, Annapolis, MD, 21401-3612.

~~37.~~38. Plaintiff, Trinity-Asbury United Methodist Church, is a church organization with its principal office at 106 Wilkes St, Berkeley Springs, WV, 25411-1557.

~~38.~~39. Plaintiff, Waters Memorial Methodist Church, is a Maryland non-profit corporation located, conducting operations, and with its principal or registered office at 5400 Mackall Rd., St. Leonard, MD, 20685-2307.

~~39.40.~~ Plaintiff, Wesley Chapel Methodist Church, is a Maryland non-profit corporation located, conducting operations, and with its principal or registered office at 7745 Waterloo Road, Jessup, MD, 20794-9793.

~~40.41.~~ Plaintiff, Wesley Chapel United Methodist Church, is a church organization with its principal office at 165 Pious Ridge Rd, Berkeley Springs, WV, 25411-4837.

~~41.42.~~ Plaintiff, Wesley Chapel United Methodist Church of Lothian, Maryland, is a Maryland non-profit corporation located, conducting operations, and with its principal or registered office at 1010 Wrighton Rd., Lothian, MD, 20711-9735.

~~42.43.~~ Plaintiffs, collectively, are referred to herein as “Plaintiff Churches.”

~~43.44.~~ The United Methodist Church (“The UMC”) is an unincorporated denomination founded in 1968 in Dallas, Texas, by the union of the Methodist Church and the Evangelical United Brethren Church.

~~44.45.~~ The UMC is unincorporated and incapable of holding property.

~~45.46.~~ The UMC is not named as a Defendant herein because it is not a legal entity that can sue or be sued.

~~46.47.~~ The UMC does not own any of Plaintiff Churches’ property.

~~47.48.~~ Plaintiff Churches are local churches affiliated with the UMC through their annual conference, Defendant, the Baltimore Washington Conference of the United Methodist Church.

~~48.49.~~ The UMC is not a hierarchal religious organization but rather a covenant-based organization where the church and the Defendant are in an ecclesiastical covenant-based relationship.

49.50. The Plaintiff Churches have been paying annual apportionments to Defendants for decades, totaling in millions of dollars.

50.51. Defendant, the Baltimore Washington Conference of the United Methodist Church (the “Conference”), is a ~~non-incorporated, non-profit association located at 11711 E.~~ corporation organized under the laws of the State of Maryland, with a principal office at 11711 E. Market Place, Fulton, MD 20759.

51.52. Defendant Board of Trustees of the Baltimore Washington Conference of the United Methodist Church (“Board”) has the authority to settle litigation, remove churches from their denomination, and release property and assets on behalf of the Conference.

52.53. Defendant Board owes the Conference a statutorily imposed fiduciary duty.

53.54. Defendant Bishop LaTrelle Easterling, in her official capacity as Bishop of the Baltimore Washington Conference of the United Methodist Church, presides over Conference Defendant and has a place of business at 11711 E. Market Place, Fulton, MD 20759.

54.55. All Plaintiff Churches are properly and legally constituted and in existence and have the authority and capacity to sue and be sued.

55.56. All conditions precedent to bringing this suit, if any, have been satisfied or otherwise occurred.

56.57. This matter is a money and real property dispute between Plaintiff Churches and Defendants.

~~57.~~58. This Court has subject matter jurisdiction over this action pursuant to Md. Code Ann. Cts. & Jud Proc. §§ 1-501, 3-403, 3-406, 3-407, 3-408, and 3-409.

~~58.~~59. This Court has personal jurisdiction over the Defendants pursuant to, *inter alia*, Md. Code Ann., Courts & Jud. Proc. § 6-102, because they are residents of the State of Maryland and organized under the laws of Maryland.

~~59.~~60. Venue is proper in this Court pursuant to Md. Code Ann., Courts & Jud. Proc. § 6-201 and §6-202(7) because part of the subject trust property is in Anne Arundel County and Plaintiff Churches The Methodist Church of Cape St. Claire, Trinity United Methodist Church, Annapolis, Mt. Zion United Methodist Church of Lothian, Inc., and Wesley Chapel United Methodist Church are residents of said County.

~~60.~~61. Jurisdiction and Venue are also appropriate in the Circuit Court for Anne Arundel County pursuant to Md. Code Ann., Real Property §14-108.

~~61.~~62. The supposed trusts which allegedly encumber the religious liberty and real property of Trinity United Methodist Church, Mt. Zion United Methodist Church, Wesley Chapel United Methodist Church of Lothian, Maryland, and Cape St. Charles Claire United Methodist Church are administered in Anne Arundel County.

FACTS

~~62.~~63. Plaintiff Churches are local churches spread throughout Maryland and West Virginia.

~~63.~~64. The UMC purports to govern itself pursuant to a document titled the Book of Discipline of The United Methodist Church (2016) (the “Discipline”).

65. The Discipline is the connectional covenant to which all persons or entities within the UMC agree to be bound. Defendants are subject to the terms of the connectional covenant.

66. The Discipline constitutes the terms of the shared contract entered by all individuals and entities associated with the UMC. Defendants are subject to the terms of this shared contract.

67. The General Conference is the only body within the UMC with the authority to pass legislation binding the entire UMC. No other body within the UMC has law-making authority, and no entity, body, or person other than the General Conference can either amend the Discipline or negate any portion of the Discipline. This exclusive authority has been repeatedly affirmed by the UMC Judicial Council and is not a matter in dispute.

68. All UMC sub-divisions, clergy, agents, lay members, and local churches covenant to abide by the will of the body as determined by the General Conference. All Defendants herein are bound by this covenant.

~~64.69.~~ Baltimore-Washington Conference developed a standard set of terms for disaffiliation per the rubric presented in the Discipline Paragraph 2553. Though Paragraph 2553 was adopted by the General Conference of the United Methodist Church in February 2019, Baltimore-Washington Conference did not finalize those terms for its use until the Annual Conference session held in May-June 2021. Those terms included onerous and punitive payments for real property not listed in nor required by Paragraph 2553 (specifically 50% of the current county tax assessor's value for the county in which

the church is located). Neither are those terms being required by numerous other Annual Conferences within the United Methodist Church, including for a certain significant number of churches in the State of Maryland in the Peninsula-Delaware Conference, over which Bishop Latrelle Easterling also presides.

~~65.70.~~ The Plaintiff Churches have paid for their properties. –The Plaintiff Churches have maintained their properties, parsonages, cemeteries and ministry facilities.

~~66.71.~~ The Plaintiff Churches have paid for their ministers and all of their benefits.

~~67.72.~~ In addition to paying all of their costs and expenses to operate their local churches for the benefit of their local communities, the Plaintiff Churches have voluntarily donated back to the Conference to help fund their institutional infrastructure as a charitable donation with no services being rendered by the Conference in exchange for the financial support.

~~68.73.~~ Plaintiff Churches want to amicably disaffiliate from the UMC and Defendants to pursue their deeply held religious beliefs.

~~69.74.~~ Paragraphs 2553 and 2549 of the Discipline provide clear and non-doctrinal principles of decision, not involving any religious or ecclesiastical questions, which the secular courts of Maryland may and indeed must apply to protect the interests of the Plaintiff Churches. Though there are significant theological reasons behind any church's decision to disaffiliate, the Court need not delve into those as Paragraphs 2553 and 2549 are neutral principles of law that can be determined by this court without offending the

First Amendment.

~~70.~~75. Plaintiff Churches have all made requests for and received required terms for disaffiliation from the Baltimore-Washington Conference per Paragraph 2553, which include onerous and punitive financial payments which the Baltimore-Washington Conference is aware that Plaintiff Churches cannot feasibly provide.

~~71.~~76. In April 2022, certain members of the Baltimore-Washington Conference met with Bishop Latrelle Easterling on behalf of the Plaintiff Churches to discuss the terms of disaffiliation from the Baltimore-Washington Conference, requesting either use of Paragraph 2548.2 or modifications to the Standard Paragraph 2553 disaffiliation agreement which the Conference had developed. Bishop Easterling stated that the terms of the disaffiliation agreement had been created by the Conference Board of Trustees and that she had no authority to modify or remove them. Bishop Easterling also stated that she would refuse any use of Paragraph 2548.2 under any circumstances, noting that the Paragraph was not appropriate for use under current circumstances. She referred those representatives directly to the Conference Board of Trustees for discussions in which she also said that she would participate but noted that she would neither endorse the requests of the representatives nor facilitate the meeting.

~~72.~~77. In May 2022, certain members of the Baltimore-Washington Conference met with the Baltimore-Washington Conference Board of Trustees on behalf of the Plaintiff Churches to discuss the terms of the Standard Paragraph 2553 disaffiliation agreement which the Conference had developed, including the onerous property payment requirements. The Conference Board of Trustees refused to modify or eliminate the payments. The Conference Board of Trustees justified their requirement of the payments

as a “fair and gracious” requirement, noting that they could have required payment for 100% of the property value, but instead required only 50% of the assessed value. The Conference Board of Trustees provided no rationale for their determination that 50% of the assessed value was an appropriate amount to require of disaffiliating churches and refused to provide any rationale other than the above justification.

~~73.78.~~ 73.78. The Maryland Code Ann. Corps. & Ass’ns § 5-326 provides, among other things, that “[a]ll assets owned by any Methodist Church, including any former Methodist Episcopal Church,... whether incorporated, unincorporated, or abandoned:

(1) *Shall* be held by the *trustees* of the Church *in trust* for the United Methodist Church; and

(2) Are subject to the discipline, usage, and ministerial appointments of the United Methodist Church, as from time to time authorized and declared by the general conference of that church.”

~~74.79.~~ 74.79. Both the Maryland Code and the Discipline further provide that a local church’s duty to hold its property in trust for the entire denomination applies even when deeds to the property in question contain no trust clause in the denomination's favor, provided only that one of the following three conditions is satisfied: (1) the property was conveyed to the trustees of the local church; (2) the local church had accepted the pastors appointed by a United Methodist bishop, or (3) the local church used the name, customs, and polity of The United Methodist Church or any predecessor to The United Methodist Church in such a way as to be known in the community as part of the denomination. See Md. Code Ann. Corps & Ass’ns § 5-327; Discipline ¶ 2503.6.

~~75.80.~~ 75.80. A local church’s charter “must be considered when there is a question

raised as to the adequacy of the proof that the parent church has acted, consistent with its form of church government, to maintain ownership or control over local church property.” *Mt. Olive African Methodist Episcopal Church of Fruitland, Inc. v. Board of Incorporators of African Methodist Episcopal Church Inc.*, 348 Md. 299, 326 n. 14 (1997). In other words, “[t]he office of the charter ..., ordinarily, is to provide evidence of the local church's consent to be bound by the parent church’s polity.” *Id.*

76:81. The UMC and Defendants have historically acknowledged multiple pathways under the Discipline for local churches in this situation to disaffiliate without paying a financial ransom for their church property.

77:82. In their requests, Plaintiff Churches invoked one such pathway - Paragraph 2548.2 of the Book of Discipline. That Paragraph provides, in pertinent part, as follows:

With the consent of the presiding bishop and of a majority of the district superintendents and of the district board of church location and building and at the request. . . of a meeting of the membership of the local church, . . . the annual conference may instruct and direct the board of trustees of a local church to deed church property to. . . another evangelical denomination under all. . . comity agreement, provided that such agreement shall have been committed to writing and signed and approved by the duly qualified and authorized representatives of both parties concerned.

78:83. Paragraph 2549 is an example of another pathway local churches have used to disaffiliate. It provides that if the local church is no longer “maintained by its membership as a place of divine worship of The United Methodist Church,” the church

may be closed according to a “(4) a plan of transfer of the membership of the local church.” This plan has included the setup of a new corporate entity and all properties transferred to this new entity.

~~79-84.~~ Paragraphs 2548.2, 2549, and others have been used for decades as pathways for local churches to disaffiliate from the UMC, while retaining their church buildings and property. The repeated use of these paragraphs for that purpose is a custom, pattern, and practice of the UMC and Defendants. Plaintiff Churches relied on these pathways in maintaining their affiliation with the UMC and Defendants.

~~80-85.~~ Defendants refused Plaintiff Churches’ requests to disaffiliate.

~~81-86.~~ In an August 17, 2022 denial letter, Defendants argued that, at the time Plaintiff Churches affiliated with the UMC, they placed their church property in trust for the benefit of the UMC denomination. Defendants further argued that local churches have no right to disaffiliate and cannot leave the UMC to pursue their religious beliefs without permission of the UMC and Defendants and without a release from the denominational trust.

~~82-87.~~ Defendants also argued that Paragraph 2548.2 was not a pathway for Plaintiff Churches to disaffiliate. Yet, they acknowledged that the Judicial Council of the United Methodist Church had been petitioned to clarify alleged ambiguity around whether Paragraph 2548.2 remained a pathway to disaffiliate and was in the process of deliberating on that exact question. Defendants also conceded that it was possible that the Judicial Council would ultimately hold that “Paragraph 2548.2 may be used as a method of disaffiliation.”

~~83.~~88. On August 23, 2022, after Plaintiff Churches had submitted their requests for disaffiliation, Conference Defendants wrote to Plaintiff Churches and informed them that the Judicial Council had issued a declaratory ruling clarifying that “the use of paragraph 2548.2 as a disaffiliation pathway has been definitively closed.”

~~84.~~89. Defendants contend that all of the disaffiliation pathways previously available to local churches are now closed and that only one remains available to Plaintiff Churches, Paragraph 2553, and only until December 2023. After December 2023, Defendants contend, Plaintiff Churches will be barred from disaffiliating, despite the fact that they no longer share the UMC’s religious beliefs.

~~85.~~90. Paragraph 2553 did not exist when Plaintiff Churches affiliated with the UMC. In response to a “deep conflict within The United Methodist Church” regarding issues of “conscience,” the UMC amended the Discipline in 2019 to add Paragraph 2553. See **Exhibit A**.

~~86.~~91. Disaffiliation under Paragraph 2553 will require Plaintiff Churches to fulfill burdensome and previously non-existent “financial obligations” and other requirements if they want to disaffiliate without surrendering their property.

~~87.~~92. These “financial obligations” are excessive, punitive, and unappealable. They are also completely unnecessary.

~~88.~~93. First, Plaintiff Churches have been paying annual apportionments to the Conference Defendant for decades, totaling millions of dollars.

~~89.~~94. Second, Defendants sell closed or abandoned churches in coordination with the Duke Endowment Grant for the Church Legacy Initiative with monies that are

made available to the Conference for discretionary use.

~~90.95.~~ 91.95. Third, Defendants have discretionary funds that are available for use by the Conference and could be used to fund a portion if not all of the unfunded pension liability that the Defendants claim to exist.

~~94.96.~~ 91.96. Fourth, the “unfunded pension obligations” which Defendants cite as a basis for the financial requirements do not exist as described by the Defendants. Wespath Benefits and Investments, a general agency of the UMC and operator of its pension funds, has more than \$29 Billion in assets, an amount more than sufficient to cover pension liabilities for current enrollees for decades to come.

~~92.97.~~ 92.97. To the extent that Defendants are facing an unfunded liability in their conference pension fund, despite the aforementioned substantial assets, the liability is the result of Defendants’ grossly negligent financial mismanagement.

~~93.98.~~ 93.98. Upon information and belief, Defendants are inflicting these financial obligations on Plaintiff Churches not because there is a financial need or a legitimate contractual basis, but instead to (1) penalize Plaintiff Churches for disaffiliating, (2) restrict Plaintiff Churches’ freedom of religion, and (3) to the extent there are unfunded liabilities in the conference pension fund, compensate for Defendants’ grossly negligent mismanagement of that fund.

~~94.99.~~ 94.99. The use of the alleged denominational trust to force unnecessary financial obligations on Plaintiff Churches serves no valid purpose, is unlawful, and is against Maryland public policy. It infringes on Plaintiff Churches’ fundamental rights to property and freedom of religion.

~~95.100.~~ What is more, Defendants incorrectly claim that Plaintiff Churches have no recourse in the courts of this State because they claim all of their actions are ecclesiastical in nature and thus unreviewable by any Maryland court.

~~96.101.~~ In sum, according to Defendants:

- a. Plaintiff Churches are trustees, holding their church buildings, land and personal property in an irrevocable trust for the benefit of the UMC and Conference Defendants;
- b. The UMC recently closed one of the pathways that had previously been used by local churches to disaffiliate from the UMC without paying “financial obligations”;
- c. The newly-enacted Paragraph 2553 or Paragraph 2549 are the only practical remaining pathways for Plaintiff Churches to disaffiliate;
- d. As a result, Plaintiff Churches can only disaffiliate from the UMC if they either (1) abandon their personal property, church buildings, and land, or (2) obtain the permission of Defendants and pay substantial financial obligations;
- e. If Plaintiff Churches do not elect one of these choices by December 2023, they will lose all ability to disaffiliate and retain their church buildings and personal property under Paragraph 2553; and
- f. Plaintiff Churches have no recourse in the courts of this State.

~~97.102.~~ This cannot be.

~~98.103.~~ Regardless of how any particular provision of the Discipline is interpreted, Defendants’ conduct confirms that there has been a substantial change - or attempted

change - in how much freedom local churches maintain to disaffiliate, the disaffiliation procedure, and in their relationship with Defendants and the UMC denomination more broadly.

~~99~~104. At the time Plaintiff Churches affiliated with the UMC and continuing throughout their affiliation, they never intended to permanently subjugate their freedom of religion to the approval of the UMC and Defendants. Nor did Plaintiff Churches intend for their church property to remain encumbered by an irrevocable trust even after their disaffiliation for religious reasons unless they paid a substantial ransom.

~~400~~105. Plaintiff Churches, who are settlors of the alleged denominational trust, intended to affiliate with the UMC and to use their property in accordance with their affiliation so long as the affiliation was consistent with their deeply held religious beliefs. It was their intent and understanding that the terms of any trust created by the Discipline allowed them to disaffiliate and retain their property in the event that the UMC adopted doctrines, usages, customs, and practices radically and fundamentally opposed to those in existence at the time Plaintiff Churches affiliated with the UMC. To the extent any term of the Discipline limits such disaffiliation, that term was affected by a mistake of fact or law.

~~404~~106. Plaintiff Churches also intended that they would be the trustee of any trust in which they placed their church property and as such would be able to exercise all authority and powers vested in trustees under Maryland law. To the extent any term of the Discipline allegedly empowers the UMC or Defendants to interfere in the exercise of those powers, that term was affected by a mistake of fact or law and is unlawful.

CLAIM I
(Plaintiffs v. Defendants)
Declaratory Judgment

~~402.107.~~ Plaintiff Churches restate, re-allege, and incorporate by reference the foregoing paragraphs as if the same were set forth herein verbatim.

~~403.108.~~ An actual dispute exists between Plaintiff Churches and Defendants with respect to Plaintiff Churches' authority to own, use, or otherwise convey property deeded, titled, or otherwise owned by Plaintiff Churches.

~~404.109.~~ Plaintiff Churches wish to have all uncertainty and insecurity as to the legal and equitable ownership of their church property removed by way of judicial declaration, for which there is a bona fide, actual, present, practical need.

~~405.110.~~ Defendants claim that language from Paragraphs 2501 and 2502 of the Book of Discipline creates an irrevocable trust for the benefit of the UMC.

~~406.111.~~ Plaintiff Churches are the settlors as to their respective church property.

~~407.112.~~ Plaintiff Churches are also the trustees of the trust allegedly created by the Discipline.

~~408.113.~~ The language of Paragraph 2502 is inconsistent with the language in Paragraph 2501 in that it does not expressly provide that the trust is irrevocable.

~~409.114.~~ In combination with recent material changes to the disaffiliation process, Defendants are using the trust for the purposes of, among other things, blocking Plaintiff Churches from disaffiliating with the UMC, penalizing them for their deeply held religious beliefs, and raising funds to compensate for their gross mismanagement of Defendants' pension fund.

~~410.115.~~ These purposes were not contemplated by Plaintiff Churches at the time they affiliated with the UMC and are contrary to their intent when any alleged trust was formed. Moreover, the purposes of the alleged trust have become unlawful, contrary to public policy, and impossible to achieve.

~~411.116.~~ Accordingly, absent the Court's intervention in this ongoing, active controversy, Plaintiff Churches will be prevented from disaffiliating from the UMC and will have their property held hostage. The Court's intervention is necessary to enable the free exercise of Plaintiff Churches' constitutional religious and property rights.

~~412.117.~~ Accordingly, Plaintiff Churches are entitled to a declaratory judgment from the Court declaring:

- a. That the trust has terminated because the purposes of the trust have become unlawful, contrary to public policy, or impossible to achieve;
- b. That, to the extent the trust has not terminated, it is revocable; and
- c. That Plaintiff Churches are entitled to the quiet, exclusive, uninterrupted, and peaceful possession of their respective properties (real and personal) without any interference from Defendants.

CLAIM II
(Plaintiffs v. Defendants)
Judicial Modification of Trust

~~413.118.~~ Plaintiff Churches restate, re-allege, and incorporate by reference the foregoing paragraphs as if the same were set forth herein verbatim.

~~414.119.~~ Plaintiff Churches are the settlors as to their respective church property.

~~415.120.~~ Plaintiff Churches are also the trustees of the trust allegedly created by the

Discipline.

~~416.121.~~ Under Md. Code Ann., Estates & Trusts, § 14.5-409 a trust terminates when the purposes of the trust have become unlawful, contrary to public policy, or impossible to achieve.

~~417.122.~~ Md. Code Ann., Estates & Trusts, § 14.5-411 empowers this Court to modify or terminate a trust when, because of circumstances not anticipated by the settlor, modification or termination will further the purpose of the trust.

~~418.123.~~ Md. Code Ann., Estates & Trusts, § 14.5-413 empowers this Court to “reform the terms of a trust, even if unambiguous, to conform the terms to the intention of the settlor if it is proved by clear and convincing evidence that both the intent of the settlor and the terms of the trust were affected by a mistake of fact or law, whether in expression or inducement.”

~~419.124.~~ At the time Plaintiff Churches affiliated with the UMC, it was not their intent that they would be unable to disaffiliate, and retain their church buildings and property, without paying a large sum of money. It was their intent that there would remain a pathway to disaffiliate to pursue their deeply held religious beliefs without having to either abandon their long-held church property or pay a large fine.

~~420.125.~~ In that regard, Paragraph 2548.2 is a material provision of the Discipline that Plaintiff Churches relied upon when agreeing to hold their own property in trust for the UMC.

~~424.126.~~ The current circumstances were not, and could not have been, anticipated by Plaintiff Churches when they put their property in trust for what was supposed to be

the benefit of a church denomination that shared their beliefs.

~~122.~~127. Maryland Courts have abstained from interfering with disputes among religious corporations that involve strictly doctrinal issues. *From the Heart Church Ministries, Inc. v. Philadelphia-Baltimore Ann. Conf.*, 184 Md. App. 11, 27 (2009). However, Maryland Courts have afforded judicial review in matters involving disputes of the ownership of church property where relief is sought on both secular and doctrinal issues. *Id.*

~~123.~~128. The Defendants intended to block Plaintiff Churches from obtaining judicial review by restricting the pathway of disaffiliation to Paragraph 2553, which is based on religious views concerning sexuality, whereas Paragraphs 2548.2 and 2549 are based on religiously neutral grounds. By affirming that Paragraph 2553 is the sole mechanism for disaffiliation, judicial abstention would impede the Plaintiff Churches' Freedom of Religion under Article 36 of the Maryland Declaration of Rights, and under the First Amendment of the United States Constitution.

~~124.~~129. As a result, the current situation is unconscionable and inequitable, and Plaintiff Churches wish to have their respective trusts terminated, or alternatively, to have themselves clearly established as the trustee of each respective trust with all power to revoke the trust and/or dispose of the property as Maryland law allows.

CLAIM III

**(Plaintiffs, Individually and on Behalf of the Conference v. Defendants
Board and Bishop Easterling)**

Constructive Fraud

**~~(Plaintiffs, individually and on behalf of the Conference v. Defendants
Board and Bishop Easterling)~~**

~~125.~~130. Plaintiff Churches restate, re-allege, and incorporate by reference the

foregoing paragraphs as if the same were set forth herein verbatim.

~~126.~~131. Plaintiff Churches paid the Conference millions of dollars in apportionments and also entrusted it with the use of their real and personal property, including real property that, in some cases, had been in their congregations for generations. Plaintiff Churches have also devoted decades of ministerial services in support of the Conference and UMC.

~~127.~~132. The Board has the authority to manage convey, buy, sell, and release property and assets on behalf of the Conference.

~~128.~~133. Bishop Easterling is the Resident Bishop and Principal presiding over the Conference.

~~129.~~134. The Board and Bishop Easterling were in a position of power, authority, and influence over Plaintiff Churches and the Conference.

~~130.~~135. Plaintiff Churches placed special trust and confidence in Defendant Board and Bishop Easterling to manage these resources, and the Conference in general, for the best interest of Plaintiff Churches and the Conference, and in accordance with the long-held characteristic doctrines, usages, customs, and practices of the UMC.

~~131.~~136. Defendant Board and Bishop Easterling owed Plaintiff Churches and the Conference a duty to act in good faith and with due regard to their interests, and a duty to disclose all material facts related to the management of the Conference and its resources.

~~132.~~137. Thus, Defendant Board and Bishop Easterling owed a fiduciary duty to the Conference and Plaintiff Churches.

~~133-138.~~ Defendant Board, in particular, owes the Conference a statutorily imposed fiduciary duty and is accountable to the Conference and Plaintiff Churches for the use and management of the Conference and its property.

~~134-139.~~ The Board and Bishop Easterling used their position as fiduciaries to the detriment of Plaintiff Churches and the Conference and to their own benefit, financial and otherwise.

~~135-140.~~ Defendants leveraged their alleged control over the denominational trust, and Plaintiff Churches' property, to penalize Plaintiff Churches for their religious beliefs, impede their disaffiliation, and extract a ransom from Plaintiff Churches to unjustly enrich the bank accounts under their control.

~~136-141.~~ Defendants have also withheld from Plaintiff Churches material facts related to the use and purpose of the discretionary funds controlled by the Defendants including the management of the conference pension funds.

~~137-142.~~ The Board and Bishop Easterling have also made false statements to Plaintiff Churches, including that the conference pension funds have unfunded liabilities, in order to increase the ransom and enrich the bank accounts under their control.

~~138-143.~~ In the alternative, to the extent the conference pension fund actually has unfunded liabilities, said liabilities are the result of gross mismanagement.

~~139-144.~~ Upon information and belief, Defendants concealed from Plaintiff Churches material facts about that mismanagement.

~~140-145.~~ The Board's and Bishop Easterling's actions were in bad faith and constituted willful and wanton misconduct.

~~141.146.~~The Board and Bishop Easterling have benefited from these abuses because they enabled Board and Bishop Easterling to conceal their gross mismanagement of the Conference and thereby preserve their positions of power.

CLAIM IV
(Plaintiffs, Individually and on Behalf of the Conference v. Defendants
Board and Bishop Easterling)
Breach of Fiduciary Duty
(Plaintiffs, individually and on behalf of the Conference v. Defendants
Board and Bishop Easterling)

~~142.147.~~Plaintiff Churches restate, re-allege, and incorporate by reference the foregoing paragraphs as if the same were set forth herein verbatim.

~~143.148.~~Plaintiff Churches paid the Conference millions of dollars in apportionments and also entrusted it with the use of their real and personal property, including real property that, in some cases, had been in their congregations for generations. Plaintiff Churches have also devoted decades of ministerial services in support of the Conference and UMC.

~~144.149.~~The Board Defendant has the authority to manage, convey, buy, sell, and release property and assets on behalf of the Conference.

~~145.150.~~Bishop Easterling is the Resident Bishop and Principal presiding over the Annual Conference.

~~146.151.~~The Board and Bishop Easterling were in a position of power, authority, and influence over Plaintiff Churches and the Conference.

~~147.152.~~Plaintiff Churches and the Conference placed special trust and confidence in Defendant Board and Bishop Easterling to manage these resources, and the Conference

in general, for the best interest of Plaintiff Churches and the Conference, and in accordance with the long-held characteristic doctrines, usages, customs and practices of the UMC.

~~148-153.~~ Defendant Board and Bishop Easterling owed Plaintiff Churches and the Conference a duty to act in good faith and with due regard to their interests, and a duty to disclose all material facts related to the management of the Conference and its resources.

~~149-154.~~ Thus, Defendant Board and Bishop Easterling owed a fiduciary duty to the Conference and Plaintiff Churches.

~~150-155.~~ Defendant Board, in particular, owes the Conference a statutorily imposed fiduciary duty and is accountable to the Conference and Plaintiff Churches for the use and management of the Conference and its property.

~~151-156.~~ The Board and Bishop Easterling used their position as fiduciaries to the detriment of Plaintiff Churches and the Conference and to their own benefit, financial and otherwise.

~~152-157.~~ Defendants leveraged their alleged control over the denominational trust and Plaintiff Churches' property, to penalize Plaintiff Churches for their religious beliefs, impede their disaffiliation, and extract a ransom from Plaintiff Churches to unjustly enrich the bank accounts under their control.

~~153-158.~~ Defendants have also withheld from Plaintiff Churches material facts related to the use and purpose of the discretionary funds available to Defendants and the management of the conference pension funds.

~~154-159.~~The Board and Bishop Easterling have also made false statements to Plaintiff Churches, including that the conference pension funds have unfunded liabilities, in order to increase the ransom and enrich the bank accounts under their control.

~~155-160.~~In the alternative, to the extent the conference pension fund actually has unfunded liabilities, said liabilities are the result of gross mismanagement, and upon information and belief, Defendants concealed from Plaintiff Churches material facts about that mismanagement.

~~156-161.~~The Board's and Bishop Easterling's actions were in bad faith and constituted willful and wanton misconduct.

CLAIM V
~~Demand for an Accounting~~
(Plaintiffs v. Defendants)
Demand for an Accounting

~~157-162.~~Plaintiff Churches restate, re-allege, and incorporate by reference the foregoing paragraphs as if the same were set forth herein verbatim.

~~158-163.~~Defendants have also withheld from Plaintiff Churches material facts related to the use and purpose of the discretionary funds controlled by the Defendants including the management of the conference pension funds, as described *supra*.

~~159-164.~~The Board and Bishop Easterling have also made false statements to Plaintiff Churches, including that the conference pension funds have unfunded liabilities, in order to increase the ransom and enrich the bank accounts under their control.

~~160-165.~~In the alternative, to the extent the conference pension fund actually has unfunded liabilities, said liabilities are the result of gross mismanagement.

~~161-166.~~Upon information and belief, Defendants concealed from Plaintiff

Churches material facts about that mismanagement.

~~162.167.~~The Board's and Bishop Easterling's actions were in bad faith and constituted willful and wanton misconduct.

~~163.168.~~The Board and Bishop Easterling have benefited from these abuses because they enabled Board and Bishop Easterling to conceal their gross mismanagement of the Conference and thereby preserve their positions of power.

~~164.169.~~Plaintiffs, on behalf of the Conference, are entitled to true and full information of all things affecting the management of the pension funds, and Defendants should be required to provide a full accounting thereof.

~~165.170.~~Plaintiffs have no adequate remedy at law.

CLAIM VI
~~Quantum Meruit~~
(Plaintiffs v. Defendants)
Quantum Meruit

~~166.171.~~Plaintiff Churches restate, re-allege, and incorporate by reference the foregoing paragraphs as if the same were set forth herein verbatim.

~~167.172.~~Plaintiff Churches have spent decades performing ministerial services for Defendants and UMC. Plaintiff Churches have also used their real and personal property in service of Defendants and the UMC and paid Defendants and the UMC millions of dollars in apportionments.

~~168.173.~~Defendants and UMC voluntarily accepted these services and their benefits.

~~169.174.~~Plaintiff Churches did not intend to gratuitously relinquish title to their real and personal property to the Defendants and UMC, and Defendants and UMC knew

Plaintiff Churches did not intend to do so.

~~470.175.~~ Defendants will unjustly enrich the bank accounts under their control in the amount of the value of Plaintiff Churches' property if they are allowed to retain Plaintiff Churches' real and personal property after Plaintiff Churches' disaffiliation.

CLAIM VII
~~Unjust Enrichment~~
(Plaintiffs v. Defendants)
Unjust Enrichment

~~474.176.~~ Plaintiff Churches restate, re-allege, and incorporate by reference the foregoing paragraphs as if the same were set forth herein verbatim.

~~472.177.~~ Plaintiff Churches have also used their real and personal property in service of Defendants and the UMC and paid Defendants and the UMC millions of dollars in apportionments.

~~473.178.~~ If Plaintiff Churches are found to have conveyed their church buildings and other property to Defendants, then Plaintiff Churches have conferred a benefit upon Defendants in the form of Plaintiff Churches' respective church buildings and property.

~~474.179.~~ Plaintiff Churches did not confer these benefits gratuitously.

~~475.180.~~ Plaintiff Churches did not confer these benefits officiously.

~~476.181.~~ Defendants and UMC consciously and voluntarily accepted these benefits.

~~477.182.~~ Defendants will be unjustly enriched in the measurable amount of the value of Plaintiff Churches' property if they are allowed to retain Plaintiff Churches' real and personal property after Plaintiff Churches' disaffiliation.

CLAIM VIII
~~Premissory Estoppel~~

(Plaintiffs v. Defendants)
Promissory Estoppel

~~178-183.~~ Plaintiff Churches restate, re-allege, and incorporate by reference the foregoing paragraphs as if the same were set forth herein verbatim.

~~179-184.~~ Paragraphs 2548.2, 2549, and others have been used for decades as pathways for local churches to disaffiliate from the UMC while retaining their church buildings and property. The repeated use of these Paragraphs for that purpose is a custom, pattern, and practice of the UMC and Defendants. Plaintiff Churches relied on these pathways in maintaining their affiliation with the UMC and Defendants.

~~180-185.~~ Plaintiff Churches reasonably relied on Defendants to honor their word and commitment concerning the pathways of disaffiliation.

~~181-186.~~ Plaintiff Churches' reliance on Defendants' commitments concerning the pathways of disaffiliation was justified.

~~182-187.~~ Defendants refused Plaintiff Churches' requests to disaffiliate unless they did so under Paragraph 2553, paid previously non-existent "financial obligations" and relinquished their real property.

~~183-188.~~ Defendants' refusal to allow Plaintiff Churches to disaffiliate without paying the burdensome and previously non-existent "financial obligations" and surrendering their property was wrongful. Injustice will result if the obligations imposed by the Defendants are enforced.

~~184-189.~~ As a result of the Defendants' failure to honor their commitment to the Plaintiff Churches, Plaintiff Churches have suffered damages.

CLAIM IX

(Plaintiffs v. Defendants)
Breach of Contract

190. Plaintiff Churches restate, re-allege, and incorporate by reference the foregoing paragraphs as if the same were set forth herein verbatim.

191. The Discipline is a contract entered into by units of the UMC, including Plaintiff Churches and Defendants, and by their actions and their oaths of ministry or membership, all parties have agreed to be bound by the provisions thereof as alleged hereinabove.

192. Under Maryland law, every contract imposes upon each party a duty of good faith and fair dealing in its promise and enforcement. This implied duty requires both parties to a contract to perform their promises and provide such cooperation as is required for the other party's performance.

193. Defendants have breached the contract, specifically the provisions of Paragraph 2553, the process Defendants themselves established for disaffiliation, and the implied duty of good faith and fair dealing by imposing on the Plaintiff Churches additional onerous and punitive payments for real property not listed in nor required by Paragraph 2553 (specifically 50% of the current county tax assessor's value for the county in which the church is located). Neither are those terms being required by numerous other Annual Conferences within the United Methodist Church, including for a certain significant number of churches in the State of Maryland in the Peninsula-Delaware Conference, over which Bishop Latrelle Easterling also presides.

194. Defendants have also breached the contract by mismanaging the conference pension fund, creating liabilities that they are imposing upon the Plaintiff

Churches as a basis for the aforementioned punitive payments for real property neither listed in nor required by Paragraph 2553.

195. As the result of the conduct of the Defendants, Plaintiff Churches have suffered damages, including the deprivation of valuable property rights and other damages.

PRAYER FOR RELIEF AS TO CLAIMS I THROUGH ~~VHIX~~

WHEREFORE, Plaintiff Churches pray for relief as to each and/or some of Counts I through ~~VHIX~~ as follows:

1. Declare that:
 - a. Any trust encumbering Plaintiff Churches' property for the benefit of UMC is terminated;
 - b. That, to the extent the trust has not terminated, it is revocable; and
 - c. That Plaintiff Churches are entitled to the quiet, exclusive, uninterrupted, and peaceful possession of their respective properties (real and personal) without any interference from Defendants.
2. To the extent the trust is not terminated, issue an order modifying any trust encumbering Plaintiff Churches' property for the benefit of UMC to clarify that the trust is revocable and that Plaintiff Churches can exercise authority as Trustees free from any interference by Defendants or the UMC;
3. Issuance of an order requiring the Defendants to provide an accounting as demanded in Claim V, *supra*;

4. An award of pre-judgment and post-judgment interest as permitted by law;
5. An award of attorneys' fees and costs as permitted by law; and
6. Such other and further relief as is just and proper.

CLAIM X
~~CLAIM IX~~
(Plaintiff The Methodist Church of Cape St. Claire v. Defendants)
Quiet Title

~~185-196.~~ Plaintiff Churches restate, re-allege, and incorporate by reference the foregoing paragraphs as if the same were set forth herein verbatim.

~~186-197.~~ The Methodist Church of Cape St. Claire was organized in 1955 and received its real property from The Methodist Missionary Church and Church Extension Society of the Baltimore Districts pursuant to a deed recorded among the lands of Anne Arundel County Maryland, on August 22, 1956, at Liber 1060, Folio 264, *et seq.*; and from Russell E. West, Jr., and Mary Alice West pursuant to a deed recorded among the lands of Anne Arundel County Maryland, on February 13, 1959, at Liber 1275, Folio 213, *et seq.*; from George H. Woodward and Helen A. Woodward pursuant to a deed recorded among the lands of Anne Arundel County Maryland, on January 7, 1961, at Liber 1450, Folio 512, *et seq.* Additionally, The Methodist Church of Cape St. Claire purchased certain real property from The Secretary of Housing and Urban Development of the United States on April 12, 1999, pursuant to a deed recorded among the lands of Anne Arundel County Maryland at Liber 9272, Folio 151, *et seq.*

~~187-198.~~ The real property belonging to The Methodist Church of Cape St. Claire, as described above, is more commonly known as 855 Chestnut Tree Drive, Annapolis, MD

21409.

~~188.199.~~The Methodist Church of Cape St. Claire held title to the majority of the property described in the preceding paragraphs prior to the formation of the UMC.

~~189.200.~~The Methodist Church of Cape St. Claire acquired and maintained its property without any assistance from Defendants or UMC.

~~190.201.~~Paragraph 2501 of the Discipline provides, in pertinent part, as follows:

1. All properties of United Methodist local churches and other United Methodist agencies and institutions are held, in trust, for the benefit of the entire denomination, and ownership and usage of church property is subject to the Discipline.

* * *

The United Methodist Church is organized as a connectional structure, and titles to all real and personal, tangible and intangible property held . . . by a local church or charge, or by an agency or institution of the Church, shall be held in trust for The United Methodist Church and subject to the provisions of its Discipline.

* * *

~~191.202.~~Paragraph 2502 of the Discipline sets forth the following trust language to be incorporated into the deeds to real property owned by the local churches:

In trust, that said premises shall be used, kept, and maintained as a place of divine worship of the United Methodist ministry and members of The United Methodist Church; subject to the Discipline, usage, and ministerial appointments of said Church as from time to time authorized and declared by the General Conference and by the annual conference within whose bounds the said premises are situated.

(Italics in original.)

~~192.203.~~ Defendants assert that this alleged denominational trust grants them control over Plaintiff Churches' real property and that, absent Defendants' approval, such control will continue even after Plaintiff Churches' disaffiliation. This creates a cloud on the title to Plaintiff Churches' real and personal property, including the real property of The Methodist Church of Cape St. Claire.

~~193.204.~~ This cloud on the real property owned by The Methodist Church of Cape St. Claire is invalid because, as set forth above:

- a. Any denominational trust has been terminated because the purposes of the trust have become unlawful, contrary to public policy, or impossible to achieve;
- b. Defendants' use of the denomination trust to penalize The Methodist Church of Cape St. Claire and impede their disaffiliation is inconsistent with The Methodist Church of Cape St. Claire's intent at the time it affiliated with the UMC and allegedly placed its real property in trust;
- c. The terms of the denominational trust are ambiguous and were affected by a mistake of fact or law; and
- d. There is no trust language contained in the deed to The Methodist Church of Cape St. Claire real property, including the real property described in Paragraph 149, *supra*.

~~194.205.~~ As a result of the invalid cloud created by the trust on The Methodist

Church of Cape St. Claire's real property, The Methodist Church of Cape St. Claire is entitled to have title to that real property quieted in its name.

PRAYER FOR RELIEF AS TO CLAIM ~~IXX~~

WHEREFORE, Plaintiff, The Methodist Church of Cape St. Claire, prays for relief as to Claim ~~IXX~~ as follows:

1. Declare that:
 - a. Any trust encumbering Plaintiff's property for the benefit of UMC is terminated;
 - b. That, to the extent the trust has not terminated, it is revocable; and
 - c. That Plaintiff is entitled to the quiet, exclusive, uninterrupted, and peaceful possession of its properties (real and personal) without any interference from Defendants.
2. To the extent the trust is not terminated, issue an order modifying any trust encumbering Plaintiff's properties for the benefit of UMC to clarify that the trust is revocable and that Plaintiff can exercise authority as Trustee free from any interference by Defendants or the UMC;
3. An award of pre-judgment and post-judgment interest as permitted by law;
4. An award of attorneys' fees and costs as permitted by law; and
5. Such other and further relief as is just and proper.

VERIFICATION:

I solemnly affirm under the penalties of perjury and upon personal knowledge that the contents of this Claim IX to Quiet Title are true.

Tracie M. Aquino

On Behalf of The Methodist Church of Cape St. Claire

Respectfully Submitted:

By: /s/ Derek A. Hills
Derek A. Hills, Esq.
The Law Office of Derek A. Hills, LLC
129 N. West St., Suite 1
Easton, MD 21601
Phone: 443-239-4626
dhills@dahlawoffice.com
AIS No.: 1506160146
Attorney for Plaintiffs

And

/s/ David C. Gibbs, III
David C. Gibbs, III
Attorney for Plaintiffs
National Center for Liber & Liberty
13790 Roosevelt Blvd., Suite A
Clearwater, FL 33762
(732) 362-3700
dgibbs@gibbsfirm.com
*Admitted Pro Hac Vice

JURY TRIAL DEMAND

Plaintiff Churches demand a trial by jury for all issues so triable.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on May 19, 2023, a copy of the foregoing First Amended Complaint, Comparison Copy, and Exhibit A were served electronically via MDEC to Anthony Janoski and Brian Coleman Counsel for Defendants Baltimore Washington Conference of the United Methodist Church and Bishop LaTrelle Easterling, and by First Class Mail, postage prepaid, to Defendant Board of Trustees of the United Methodist Church, Attn. Sheridan Allmond, 11711 E. Market Pl., Fulton, MD 20759.

/s/ Derek A. Hills

CERTIFICATE OF REDACTION

This submission does not contain restricted information as defined under Maryland Rule 20-201.1.

/s/ Derek A. Hills

EXHIBIT C

THE METHODIST CHURCH OF
CAPE ST. CLAIRE, *et al.*
Plaintiffs

vs.

THE BALTIMORE WASHINGTON
CONFERENCE OF THE UNITED
METHODIST CHURCH, *et al.*
Defendants

* IN THE
* CIRCUIT COURT
* FOR
* ANNE ARUNDEL COUNTY
* Case No.: C-02-CV-23-000500

* * * * *

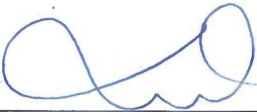
ORDER

UPON CONSIDERATION of the Defendants' Amended Motion for Summary Judgment, docketed February 29, 2024, Plaintiffs' Opposition docketed March 14, 2024, Defendants Reply docketed May 20, 2024, and the Notice of Supplemental Authority in Support of Defendants Amended Motion for Summary Judgment docketed July 15, 2024, for the reasons stated in the accompanying Memorandum Opinion, it is, this 11th day of October 2024, by the Circuit Court for Anne Arundel County, Maryland hereby

ORDERED, that the Defendants Amended Motion for Summary Judgment is **GRANTED**. Claims I, III, IV, IX, and X are **DISMISSED**; and it is further

ORDERED, that Claim V is **DISMISSED** pursuant to Plaintiffs stipulations which are accepted and adopted by this Court.

October 11, 2024
Date



Judge Michael Malone
Circuit Court for Anne Arundel County

10/11/2024 SMB