

UKRAINIAN ORTHODOX CHURCH OF CANADA
OFFICE OF COMMUNICATIONS
ANNOUNCEMENT – ПОВІДОМЛЕННЯ

Press Release

**The UOCC settles its legal dispute with the Plaintiff Group involved
with the Sts. Peter and Paul Ukrainian Orthodox Church in New Westminster, BC**

May 23, 2014

WINNIPEG, MB – On December 6, 2013, the Ukrainian Orthodox Church of Canada (UOCC) and the group that purported to be the executive of the parish (hereafter, the Plaintiff Group) that assumed control of the former parish of Sts. Peter and Paul in New Westminster, B.C. concluded an agreement to settle their legal dispute. On May 14, 2014 all matters specified in the December 6, 2013 Settlement Agreement were fulfilled and the legal process that began on September 26, 2007, when the Plaintive Group sued the UOCC for the ownership of the parish's assets, was officially terminated.

The Consistory is issuing this public statement to account and report to the membership and faithful of the UOCC as to what had transpired during the 6-year and 2-month period of this dispute.

The Consistory of the UOCC was the defendant in this lawsuit. In total, the Consistory spent \$223,406 carrying out its legal and fiduciary responsibilities pursuant to the *Statutes and Bylaws of the UOCC* (Church's Bylaws). \$181,510 was used to pay defense lawyers hired and directed by the Consistory to respond to the numerous claims over this period of time made by the lawyers for the Plaintiff Group, who initiated this case.

The history of this case began in September 2005. The duly-elected parish council of Sts. Peter and Paul at that time informed the Consistory that they were considering dissolving their congregation because their membership had declined to 24, mostly older people, and that they were no longer capable of financially sustaining the parish. Three months later on December 19, 2005, at the parish's regularly scheduled Annual General Meeting, 77% of the members in attendance voted to close their congregation effective July 9, 2006. This decision was reconfirmed a second time at a specially convened parish general meeting held on June 4, 2006.

On July 21, 2006, the Presidium of the Consistory accepted the parish's request to close their congregation and began the dissolution process according to the Church's Bylaws by appointing three Trustees who were or had been members of the parish to oversee the liquidation of the assets of the congregation.

During this time, a group of individuals from the Vancouver area who were never members of this congregation and several who were never members of any Ukrainian Orthodox parish presented themselves as the 'newly-elected executive' of the parish (they became the Plaintiff Group) and challenged the Consistory's actions regarding the process that had started regarding the liquidation of assets. They assumed control of the church and parish residence from the Consistory's Trustees, changed the locks and proceeded to rent out both the church and the residence and retain the revenues from these rentals.

On two occasions, the Consistory sent delegations to meet with this group and others who were claiming to be the members of the parish. The Consistory representatives stated publicly that the UOCC was not interested in closing the parish, but in fact would prefer to have a viable UOCC congregation continue in New Westminster. The Consistory proposed that the 'new executive' register as a UOCC Mission Parish according to the Church Bylaws and the Consistory would provide them with a priest (part time if necessary) to serve their community. If, after two years, this Mission Parish could prove it could sustain itself, then the Consistory would turn over the title to all the church's properties and assets of the former congregation to this new parish and their executive. The Plaintiff Group emphatically and unanimously declined this offer. Sometime later, a second offer was proposed to resolve this matter through the UOCC Church Court process. This offer was also declined.

On September 26, 2007, this group became the Plaintiff Group by initiating the lawsuit against the Consistory of the UOCC claiming that as the newly formed executive, they were the legal owners of all the parish's assets.

In November 2008, during the process of Examinations for Discovery in Winnipeg, there appeared to be an opportunity to resolve this dispute and end the court case. The Consistory offered to accept the Plaintiff Group as the executive and its membership as a new parish of the UOCC. They were asked to file the same application that any new parish had to complete, to join the UOCC and, by so doing, indicate their acceptance of the Sobor-approved UOCC Parish Bylaws. At the outset, the Plaintiff Group indicated they had a desire to join the UOCC, however they never acted on this intention. The court process resumed following a considerable delay.

During the early period of this court case, the Plaintiff Group transferred the title of the properties into their own names, publicly presented themselves as a parish of the Ukrainian Orthodox Church of the Kyivan Patriarch (UOC-KP) and rented out the church to an Ethiopian Orthodox Church which held regular parish services throughout most of the time of this dispute. On a few occasions, the Plaintiff Group held a Ukrainian Orthodox Liturgy utilizing either a suspended clergyman from the UOCC or a priest from the UOC-KP.

For the duration of this legal dispute, the principal leaders of the Plaintiff Group conducted a continuous public communications campaign aimed at the wider Ukrainian community of Canada and the USA. They attempted to create the impression that it was the Consistory which was suing them with the intention of seizing the assets from their parish. They repeatedly stated that the Consistory of the UOCC was pursuing this legal action because the UOCC was connected to the Ukrainian Orthodox Church – Moscow Patriarchate (UOC – MP) and in conflict with the UOC – KP. Their claims were unfounded. In the case of the latter, the UOC – KP issued two statements, both of which were posted on their website. The first one was published in March 2013 and the other in September 2013. Their statements attested that the UOC – KP had a positive and high regard for the UOCC and these churches were not in conflict with each other.

In the late summer and fall of 2013 both sets of lawyers were preparing to go to trial in November, with the Plaintiff Group estimating this trial would require 15 hearing days, a lengthy block of court time. As the court date approached, the Plaintiff Group increased their estimated trial length to 25 days, which would have caused the loss of the November 2013 trial time and could have pushed the trial back to 2015 or even 2016. As the length of the trial planned by the Plaintiff Group increased substantially, so did the anticipated legal costs. Both the Plaintiffs and the Defendants were facing additional expenses of hundreds of thousands of dollars in legal fees to complete this trial.

In an attempt to avoid the significant additional legal costs, and in response to requests for mediation on the part of the leaders of the Plaintiff Group – public appeals which were being made at various Ukrainian community conferences, congresses and events – the Consistory agreed to pursue a process of mediation to resolve this dispute.

Subsequent to a further adjournment in getting to trial on November 8, 2013, the UOCC engaged in a fervent process of mediation assisted by a Judge of the B.C. Courts to settle the dispute without going to trial. A Judicially approved settlement concluded the lawsuit on December 6, 2013.

In accepting the Settlement Agreement, the Plaintiff Group declined the Consistory's offer to become a congregation of the UOCC as they had rejected on three previous settlement attempts over the years. There were 11 points in the Settlement Agreement and they are summarized as follows:

- Points 1, 2 & 3 state that the Plaintiff Group is buying out the UOCC for \$665,000 on the property secured with a mortgage in favour of the UOCC, based on a total valuation of the properties being \$1.2 million. They had until May 1, 2014 to discharge the mortgage; otherwise the UOCC could foreclose on the property.
- Points 4, 5, 6 & 7 refer to Canada Revenue Agency (CRA) matters, in particular, that the UOCC agreed to assist the 'new' society formed by the Plaintiff Group to get a new charitable number as soon as possible.
- Point 8 refers to a pastoral concern, namely the exclusion of several individuals of the Plaintiff's group from the UOCC who had been 'long-time' members of the UOCC in the lower BC mainland.
- Point 9 refers to the addressing of a claim against former tenants of the Plaintiff's group.
- Point 10 states that both parties agree to cease the court action and that neither side pays anything for the others legal costs.
- Point 11 refers to a Mutual Release document which indicates that (a) the lawsuit is over and that both sides agree to not pursue any further legal action; (b) for the sake of compromise and to conclude the lawsuit, neither side admits liability or wrong-doing; and (c) the relationship between the UOCC and the Plaintiff Group and their new society is over.

Throughout the 6-year and 2-month duration of this lawsuit, the Consistory never made a public statement related to this case. However, on May 14, 2014 when all terms of the December 6, 2013 Settlement Agreement were adhered to including the Plaintiff Group paying the \$665,000 owed to the UOCC, the Consistory approved issuing this statement to its faithful.

Subsequent to settling this matter, the Consistory has learned that the Plaintiff Group has separated the Church property from the Residence. The Hohite Semay St. Mary Ethiopian Orthodox Tewahido Church, Inc. No. S0049993 assumed a $\frac{3}{4}$ interest in the church property at 304–8th Street. The Plaintiff Group then registered a new parish – Sts. Peter and Paul Ukrainian Orthodox Autocephalous Church of New Westminster, Inc. No S0054610 and this corporation retains a $\frac{1}{4}$ interest in the church property at 304–8th Street as well as 100% of the former manse at 302–8th Street, New Westminster, B.C.