

STATE OF SOUTH CAROLINA)
COUNTY OF DORCHESTER)

The Protestant Episcopal)
Church in the Diocese Of)
South Carolina, *et alia*,)

Plaintiffs,)

v.)

The Episcopal Church, *et alius*,)

Defendants.)

_____)

The Episcopal Church,)

Counterclaim-Plaintiff,)

v.)

The Protestant Episcopal)
Church in the Diocese of South Carolina,)
et alius,)

Counterclaim-Defendants.)

_____)

The Episcopal Church in South Carolina,)

Counterclaim-Plaintiff,)

v.)

The Protestant Episcopal)
Church in the Diocese of)
South Carolina, *et alia*,)

Counterclaim-Defendants.)

_____)

IN THE COURT OF COMMON PLEAS
FOR THE FIRST JUDICIAL CIRCUIT

Case No.: 2013-CP-18-00013

**ANSWER, AFFIRMATIVE DEFENSES,
AND COUNTERCLAIMS OF THE
EPISCOPAL CHURCH IN SOUTH
CAROLINA TO SECOND AMENDED
COMPLAINT FOR DECLARATORY
AND INJUNCTIVE RELIEF**

ANSWER

FOR A FIRST DEFENSE

Defendant The Episcopal Church in South Carolina (hereinafter the “Continuing Diocese”), answers Plaintiffs’ Second Amended Complaint as follows:

As is more fully set forth in its responses below, the Continuing Diocese denies each and every allegation of the Complaint not hereinafter specifically admitted.

The introductory paragraph of Plaintiffs’ Second Amended Complaint contains a description of plaintiffs’ claims, which does not require a response.

1. In response to the allegations of Paragraph 1, the Continuing Diocese admits that the entity known by names including the “Diocese of South Carolina,” “The Protestant Episcopal Diocese of South Carolina,” and “The Protestant Episcopal Church in the Diocese of South Carolina” is, and historically has been, a subordinate unit of The Episcopal Church, and is a South Carolina nonprofit charitable corporation that was incorporated on November 14, 1973, as “The Protestant Episcopal Diocese of South Carolina.” The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 1.

2. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 2.

3. The Continuing Diocese admits the allegation of Paragraph 3 that Mark J. Lawrence was the 14th Bishop of the Diocese of South Carolina; denies that Mark J. Lawrence is an employee or Chief Operating Officer of the Continuing Diocese and that he is an *ex officio* member of the Diocese’s Board of Directors; and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

4. In response to the allegations of Paragraph 4, the Continuing Diocese admits that some parishes in the State of South Carolina began meeting in 1785 and ultimately formed a loose association in the years following 1785, and denies the remaining allegations of Paragraph 4.

5. The Continuing Diocese denies the allegations of Paragraph 5.

6. The Continuing Diocese denies the allegation of Paragraph 6 that St. Philip's existed as a parish at any time prior to the 18th century, and admits the remaining allegations of such Paragraph.

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

8. The Continuing Diocese denies that the document that is the subject of Paragraph 8 was signed by all of the parishes that are alleged in Paragraph 8 to have done so, but admits that a document was approved in 1786 by five parishes at a meeting in Charleston, and alleges that such document was never referenced or relied upon thereafter as a source or basis of ecclesiastical or other authority.

9. The Continuing Diocese denies the allegations of Paragraph 9.

10. In response to the allegations of Paragraph 10, the Continuing Diocese admits that drafts of the first Constitution of The Episcopal Church's General Convention were considered before and during 1789 and that the first Constitution was adopted on October 2, 1789, and alleges that the TEC Constitution of 1789 was read at a meeting of the parishes of South Carolina in October 1790, and, according to the Journal of said meeting, was "unanimously agreed to" by those parishes.

11. The Continuing Diocese denies the allegations of Paragraph 11.

12. The Continuing Diocese denies the allegations of Paragraph 12.

13. The Continuing Diocese denies the allegations of Paragraph 13.

14. The Continuing Diocese denies the allegations of Paragraph 14.

15. The Continuing Diocese denies the allegations of Paragraph 15.

16. The Continuing Diocese admits that in 1922 The Episcopal Church's General Convention divided the then Diocese of South Carolina, and established a new diocese, in the upper part of South Carolina, called the "Diocese of Upper South Carolina."

17. The Continuing Diocese admits that, over the past 227 years, former congregations of the Church of England located in South Carolina have been known as or done business under various names, including some or all of the names alleged by the Plaintiffs in Paragraph 17, but lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 17.

18. The Continuing Diocese denies the allegation of Paragraph 18 that the seal of the diocese was in use prior to 1930, denies that the Plaintiffs are entitled to its use, and admits the remaining allegations of such Paragraph.

19. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the allegations of Paragraph 19.

20. The Continuing Diocese admits that the Plaintiffs purported to enact an amendment such as is alleged in Paragraph 20.

21. The Continuing Diocese admits that on October 15, 2010, a majority of the members of the Convention of the Diocese of South Carolina voted in favor of the adoption of measures that purported to amend the Diocese's Constitution as described in Paragraph 21, and denies the remaining allegations of such Paragraph.

22. The Continuing Diocese admits that on October 15, 2010, a majority of the members of the Convention of the Diocese of South Carolina voted in favor of the adoption of measures that purported to amend the Diocese's canons as described in Paragraph 22, and denies the remaining allegations of such Paragraph.

23. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the allegations of Paragraph 23.

24. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the allegations of Paragraph 24.

25. The Continuing Diocese denies the allegations of Paragraph 25.

26. The Continuing Diocese denies the allegations of Paragraph 26.

27. The Continuing Diocese denies the allegations of Paragraph 27.

28. The Continuing Diocese denies the allegations of Paragraph 28.

29. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the allegations of Paragraph 29.

30. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the allegations of the first sentence of Paragraph 30, and denies the remaining allegations of such Paragraph.

31. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the allegations of Paragraph 31.

32. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the allegations of Paragraph 32.

33. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 33.

34. The Continuing Diocese denies the allegations of Paragraph 34.

35. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 35, and admits the allegations of the second sentence of Paragraph 35.

36. In response to the allegations of Paragraph 36, the Continuing Diocese admits that All Saints is a parish and a subordinate unit of the Diocese of South Carolina and the Episcopal Church, denies that All Saints voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

37. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 37.

38. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 38.

39. The Continuing Diocese denies the allegations of Paragraph 39.

40. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 40.

41. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 41.

42. The Continuing Diocese denies the allegations of Paragraph 42.

43. In response to the allegations of Paragraph 43, the Continuing Diocese admits that the name of All Saints has appeared on its website; denies the remaining allegations of Paragraph 43 insofar as they relate to the Continuing Diocese; and lacks knowledge or information suffi-

cient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

44. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 44, and admits the allegations of the second sentence of such Paragraph.

45. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 45.

46. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 46.

47. In response to the allegations of Paragraph 47, the Continuing Diocese denies that Christ Church, Wilton, voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 47.

48. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 48.

49. The Continuing Diocese denies the allegations of Paragraph 49.

50. In response to the allegations of Paragraph 50, the Continuing Diocese admits that Christ St. Paul's is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, denies that St. Paul's Church voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

51. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 51.

52. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 52.

53. The Continuing Diocese denies the allegations of Paragraph 53.

54. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 54.

55. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 55.

56. The Continuing Diocese denies the allegations of Paragraph 56.

57. In response to the allegations of Paragraph 57, the Continuing Diocese admits that the name of Christ St. Paul's has appeared on its website; denies the remaining allegations of Paragraph 57 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

58. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 58, and admits the allegations of the second sentence of Paragraph 58.

59. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 59.

60. In response to the allegations of Paragraph 60, Continuing Diocese admits that Christ the King is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, and denies the remaining allegations.

61. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 61.

62. The Continuing Diocese denies the allegations of Paragraph 62.

63. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 63.

64. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 64.

65. The Continuing Diocese denies the allegations of Paragraph 65.

66. In response to the allegations of Paragraph 66, the Continuing Diocese admits that the name of Christ the King has appeared on its website; denies the remaining allegations of Paragraph 66 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

67. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 67, and admits the allegations of the second sentence of Paragraph 67.

68. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 68.

69. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 69.

70. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 70.

71. The Continuing Diocese denies the allegations of Paragraph 71.

72. In response to the allegations of Paragraph 72, the Continuing Diocese admits that Church of the Cross is a parish and a subordinate unit of the Diocese of South Carolina, and denies the remaining allegations of the Paragraph.

73. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 73.

74. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 74.

75. The Continuing Diocese denies the allegations of Paragraph 75.

76. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 76.

77. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 77.

78. The Continuing Diocese denies the allegations of Paragraph 78.

79. In response to the allegations of Paragraph 79, the Continuing Diocese admits that the name of Church of the Cross has appeared on its website; denies the remaining allegations of Paragraph 79 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

80. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first sentence of Paragraph 80, and admits the allegations of the second sentence of Paragraph 80.

81. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 81.

82. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 82.

83. In response to the allegations of Paragraph 83, the Continuing Diocese admits that Church of the Holy Comforter is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, and denies the remaining allegations.

84. The Continuing Diocese denies the allegations of Paragraph 84.

85. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 85.

86. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 86.

87. The Continuing Diocese denies the allegations of Paragraph 87.

88. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 88.

89. The Continuing Diocese denies the allegations of Paragraph 89.

90. In response to the allegations of Paragraph 90, the Continuing Diocese admits that the name of Church of the Holy Comforter has appeared on its website; denies the remaining allegations of Paragraph 90 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

91. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 91, and denies the allegations of the second sentence of Paragraph 91.

92. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 92.

93. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 93.

94. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 94.

95. In response to the allegations of Paragraph 95, the Continuing Diocese admits that Church of the Redeemer is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church and denies the remaining allegations.

96. The Continuing Diocese denies the allegations of Paragraph 96.

97. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 97.

98. The Continuing Diocese denies the allegations of Paragraph 98.

99. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 99.

100. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 100.

101. The Continuing Diocese denies the allegations of Paragraph 101.

102. In response to the allegations of Paragraph 102, the Continuing Diocese admits that the name of Church of the Redeemer has appeared on its website; denies the remaining allegations of Paragraph 102 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

103. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 103, and admits the allegations of the second sentence of Paragraph 103.

104. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 104.

105. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 105.

106. In response to the allegations of Paragraph 106, the Continuing Diocese admits that Holy Trinity Episcopal Church is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, and denies the remaining allegations.

107. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 107.

108. The Continuing Diocese denies the allegations of Paragraph 108.

109. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 109.

110. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 110.

111. The Continuing Diocese denies the allegations of Paragraph 111.

112. In response to the allegations of Paragraph 112, the Continuing Diocese admits that the name of Holy Trinity Episcopal Church has appeared on its website; denies the remaining allegations of Paragraph 112 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

113. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first sentence of Paragraph 113, and admits the allegations of the second sentence of Paragraph 113.

114. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 114.

115. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 115.

116. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 116.

117. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 117.

118. In response to the allegations of Paragraph 118, the Continuing Diocese admits that St. Luke's Church is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, denies that St. Luke's voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

119. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 119.

120. The Continuing Diocese denies the allegations of Paragraph 120.

121. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 121.

122. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 122.

123. The Continuing Diocese denies the allegations of Paragraph 123.

124. In response to the allegations of Paragraph 124, the Continuing Diocese admits that the name of St. Luke's Church has appeared on its website; denies the remaining allegations of Paragraph 124 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

125. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 125, and admits the allegations of the second sentence of Paragraph 125.

126. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 126.

127. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 127.

128. In response to the allegations of Paragraph 128, the Continuing Diocese admits that Saint Matthew's Church is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, denies that Saint Matthew's voluntarily joined the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

129. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 129.

130. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 130.

131. The Continuing Diocese denies the allegations of Paragraph 131.

132. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 132.

133. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 133.

134. The Continuing Diocese denies the allegations of Paragraph 134.

135. In response to the allegations of Paragraph 135, the Continuing Diocese admits that the name of Saint Matthew's Church has appeared on its website; denies the remaining allegations of Paragraph 135 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

136. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 136, and admits the allegations of the second sentence of Paragraph 136.

137. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 137.

138. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 138.

139. The Continuing Diocese denies the allegations of Paragraph 139.

140. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 140.

141. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 141.

142. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 142.

143. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 143.

144. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 144.

145. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 145.

146. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 146.

147. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 147.

148. The Continuing Diocese admits that by, among other things, their actions alleged in Paragraphs 147 and 148, the Plaintiffs conspired to deprive the Continuing Diocese and The Episcopal Church of their equitable interests in parish real and personal property and other rights, and otherwise denies the allegations of Paragraph 148.

149. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 149.

150. The Continuing Diocese denies the allegations in Paragraph 150.

151. The Continuing Diocese denies the allegations in Paragraph 151.

152. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations in the first and third sentences in Paragraph 152, and admits the allegations of the second sentence.

153. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 153.

154. The Continuing Diocese admits that St. Bartholomew's Church is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, denies that St. Bartholomew's voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 154.

155. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 155.

156. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 156.

157. The Continuing Diocese denies the allegations in Paragraph 157.

158. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 158.

159. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 159.

160. The Continuing Diocese denies the allegations in Paragraph 160.

161. In response to the allegations of Paragraph 161, the Continuing Diocese admits that the name of St. Bartholomew's Church has appeared on its website; denies the remaining allegations of Paragraph 161 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

162. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 162, and admits the allegations of the second sentence of that Paragraph.

163. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 163.

164. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 164.

165. The Continuing Diocese denies the allegations of Paragraph 165.

166. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 166.

167. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 167.

168. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 168.

169. The Continuing Diocese denies the allegations in Paragraph 169.

170. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 170.

171. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 171.

172. The Continuing Diocese denies the allegations in Paragraph 172.

173. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 173.

174. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 174.

175. The Continuing Diocese denies the allegations in Paragraph 175

176. In response to the allegations of Paragraph 176, the Continuing Diocese admits that the name of St. David's Church has appeared on its website; denies the remaining allegations of Paragraph 176 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

177. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 177, and denies the allegations of the second sentence of Paragraph 177.

178. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 178.

179. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 179.

180. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 180.

181. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 181.

182. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 182.

183. The Continuing Diocese denies the allegations of Paragraph 183.

184. In response to the allegations of Paragraph 184, the Continuing Diocese admits that Saint James Church is a parish and a subordinate unit of the Continuing Diocese and The Episcopal Church, denies that Saint James voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

185. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 185.

186. The Continuing Diocese denies the allegations of Paragraph 186.

187. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 187.

188. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 188.

189. The Continuing Diocese denies the allegations of Paragraph 189.

190. In response to the allegations of Paragraph 190, the Continuing Diocese admits that the name of Saint James Church has appeared on its website; denies the remaining allegations of Paragraph 190 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

191. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 191, and admits the allegations of the second sentence of Paragraph 191.

192. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 192.

193. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 193.

194. In response to the allegations of Paragraph 194, Continuing Diocese admits that St. John's Florence is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, and denies the remaining allegations.

195. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 195.

196. The Continuing Diocese denies the allegations of Paragraph 196.

197. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 197.

198. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 198.

199. The Continuing Diocese denies the allegations of Paragraph 199.

200. In response to the allegations of Paragraph 200, the Continuing Diocese admits that the name of St. John's Church has appeared on its website; denies the remaining allegations of Paragraph 200 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

201. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 201, and admits the allegations of the second sentence of Paragraph 201.

202. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 202.

203. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 203.

204. In response to the allegations of Paragraph 204, the Continuing Diocese admits that St. Matthias is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, and denies the remaining allegations.

205. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 205.

206. The Continuing Diocese denies the allegations of Paragraph 206.

207. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 207.

208. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 208.

209. The Continuing Diocese denies the allegations of Paragraph 209.

210. In response to the allegations of Paragraph 210, the Continuing Diocese admits that the name of St. Matthias Episcopal Church has appeared on its website; denies the remaining allegations of Paragraph 210 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

211. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 211, and admits the allegations of the second sentence of Paragraph 211.

212. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 212.

213. In response to the allegations of Paragraph 213, the Continuing Diocese admits that St. Paul's, Bennettsville, is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, denies that St. Paul's, Bennettsville, voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

214. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 214.

215. The Continuing Diocese denies the allegations of Paragraph 215.

216. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 216.

217. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 217.

218. The Continuing Diocese denies the allegations of Paragraph 218.

219. In response to the allegations of Paragraph 219, the Continuing Diocese admits that the name of St. Paul's, Bennettsville has appeared on its website; denies the remaining allegations of Paragraph 219 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

220. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 220, and admits the allegations of the second sentence of Paragraph 220.

221. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 221.

222. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 222.

223. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 223

224. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 224.

225. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 225.

226. The Continuing Diocese denies the allegations of Paragraph 226.

227. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 227.

228. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 228.

229. The Continuing Diocese denies the allegation of Paragraph 229.

230. In response to the allegations of Paragraph 230, the Continuing Diocese admits that the name of St. Paul's, Conway has appeared on its website; denies the remaining allegations of Paragraph 230 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

231. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 231, and admits the allegations of the second sentence of Paragraph 231.

232. The Continuing Diocese admits the allegations of Paragraph 232.

233. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 233.

234. The Continuing Diocese admits that St. Luke's, Charleston, was a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, denies that St. Luke's, Charleston, voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 234.

235. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 235.

236. The Continuing Diocese denies the allegations of Paragraph 236.

237. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 237.

238. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 238.

239. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 239.

240. The Continuing Diocese admits the allegations of Paragraph 240.

241. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 241.

242. The Continuing Diocese denies the allegations of Paragraph 242.

243. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 243.

244. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 244.

245. The Continuing Diocese denies the allegations of Paragraph 245.

246. In response to the allegations of Paragraph 246, the Continuing Diocese admits that the name of the Cathedral of St. Luke and St. Paul has appeared on its website; denies the remaining allegations of Paragraph 246 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

247. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 247, and admits the allegations of the second sentence of Paragraph 247.

248. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 248.

249. In response to the allegations of Paragraph 249, the Continuing Diocese admits that Church of Our Saviour is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, denies that Our Saviour voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

250. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 250.

251. The Continuing Diocese denies the allegations of Paragraph 251.

252. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 252.

253. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 253.

254. The Continuing Diocese denies the allegations of Paragraph 254.

255. In response to the allegations of Paragraph 255, the Continuing Diocese admits that the name of Church of Our Saviour has appeared on its website; denies that such use is improper; denies the remaining allegations of Paragraph 255 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

256. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 256, and denies the allegations of the second sentence of Paragraph 256.

257. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 257.

258. In response to the allegations of Paragraph 258, the Continuing Diocese admits that Church of the Epiphany is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, and denies the remaining allegations.

259. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 259.

260. The Continuing Diocese denies the allegations of Paragraph 260.

261. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 261.

262. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 262.

263. The Continuing Diocese denies the allegations of Paragraph 263.

264. In response to the allegations of Paragraph 264, the Continuing Diocese admits that it has used the name “Historic Church of the Epiphany” on its website; denies the remaining allegations of Paragraph 264 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

265. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 265, and admits the allegations of the second sentence of Paragraph 265.

266. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 266.

267. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 267.

268. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 268.

269. In response to the allegations of Paragraph 269, the Continuing Diocese admits that Church of the Good Shepherd is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, denies that Good Shepherd voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

270. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 270.

271. The Continuing Diocese denies the allegations of Paragraph 271.

272. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 272.

273. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 273.

274. The Continuing Diocese denies the allegations of Paragraph 274.

275. In response to the allegations of Paragraph 275, the Continuing Diocese admits that the name of Church of the Good Shepherd has appeared on its website; denies the remaining allegations of Paragraph 275 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

276. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first sentence of Paragraph 276, and denies the allegations of the second sentence of Paragraph 276.

277. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 277.

278. The Continuing Diocese admits the allegations of Paragraph 278.

279. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 279.

280. In response to the allegations of Paragraph 280, the Continuing Diocese admits that The Church of the Holy Cross is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, and denies the remaining allegations.

281. The Continuing Diocese denies the allegations of Paragraph 281.

282. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 282.

283. The Continuing Diocese denies the allegations of Paragraph 283.

284. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 284.

285. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 285.

286. The Continuing Diocese denies the allegations of Paragraph 286.

287. In response to the allegations of Paragraph 287, the Continuing Diocese admits that it has used the name “The Church of the Holy Cross” on its website; denies the remaining allegations of Paragraph 287 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

288. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 288, and admits the allegations of the second sentence of Paragraph 288.

289. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 289.

290. In response to the allegations of Paragraph 290, the Continuing Diocese admits that Church of the Resurrection is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, denies that Resurrection voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

291. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 291.

292. The Continuing Diocese denies the allegations of Paragraph 292.

293. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 293.

294. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 294.

295. The Continuing Diocese denies the allegations of Paragraph 295.

296. In response to the allegations of Paragraph 296, the Continuing Diocese admits that the name of Church of the Resurrection has appeared on its website; denies the remaining allegations of Paragraph 296 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

297. The Continuing Diocese admits the allegations of Paragraph 297.

298. The Continuing Diocese admits the allegations of Paragraph 298.

299. The Continuing Diocese admits the allegations of Paragraph 299.

300. The Continuing Diocese admits the allegations of Paragraph 300.

301. The Continuing Diocese admits the allegations of Paragraph 301.

302. The Continuing Diocese admits the allegations of Paragraph 302.

303. The Continuing Diocese admits the allegations of Paragraph 303.

304. The Continuing Diocese admits the allegations of Paragraph 304.

305. The Continuing Diocese admits the allegations of Paragraph 305.

306. The Continuing Diocese admits the allegations of Paragraph 306.

307. The Continuing Diocese admits the allegations of Paragraph 307.

308. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 308.

309. In response to the allegations of Paragraph 309, the Continuing Diocese admits that St. Philip's is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, denies that St. Philip's voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

310. The Continuing Diocese denies the allegations of Paragraph 310.

311. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 311.

312. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 312.

313. The Continuing Diocese denies the allegations of Paragraph 313.

314. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 314.

315. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 315.

316. The Continuing Diocese denies the allegations of Paragraph 316.

317. In response to the allegations of Paragraph 317, the Continuing Diocese admits that the name of St. Philip's Church has appeared on its website; denies the remaining allegations of Paragraph 317 insofar as they relate to the Continuing Diocese; and lacks knowledge or in-

formation sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

318. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first sentence of Paragraph 318, and admits the allegations of the second sentence of Paragraph 318.

319. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 319.

320. In response to the allegations of Paragraph 320, the Continuing Diocese admits that St. Michael's is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, denies that St. Michael's voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

321. The Continuing Diocese admits the allegations of Paragraph 321.

322. The Continuing Diocese admits the allegations of Paragraph 322.

323. The Continuing Diocese admits the allegations of Paragraph 323.

324. The Continuing Diocese admits the allegations of Paragraph 324.

325. The Continuing Diocese admits the allegations of Paragraph 325.

326. The Continuing Diocese denies the allegations of Paragraph 326.

327. The Continuing Diocese admits the allegations of Paragraph 327.

328. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 328.

329. The Continuing Diocese denies the allegations of Paragraph 329.

330. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 330.

331. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 331.

332. The Continuing Diocese denies the allegations of Paragraph 332.

333. In response to the allegations of Paragraph 333, the Continuing Diocese admits that the name of St. Michael's Church has appeared on its website; denies the remaining allegations of Paragraph 333 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

334. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 334, and admits the allegations of the second sentence of Paragraph 334.

335. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 335.

336. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 336.

337. In response to the allegations of Paragraph 337, the Continuing Diocese admits that St. Jude's Church is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, denies that St. Jude's voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

338. The Continuing Diocese denies the allegations of Paragraph 338.

339. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 339.

340. The Continuing Diocese denies the allegations of Paragraph 340.

341. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 341.

342. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 342.

343. The Continuing Diocese denies the allegations of Paragraph 343.

344. In response to the allegations of Paragraph 344, the Continuing Diocese admits that the name of St. Jude's Church has appeared on its website; denies the remaining allegations of Paragraph 344 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

345. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first sentence of Paragraph 345, and admits the allegations of the second sentence of Paragraph 345.

346. The Continuing Diocese admits the allegations of Paragraph 346.

347. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 347.

348. The Continuing Diocese admits the allegations of Paragraph 348.

349. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 349.

350. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 350.

351. In response to the allegations of Paragraph 351, the Continuing Diocese admits that Prince George Winyah Episcopal Church is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, denies that Prince George voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

352. The Continuing Diocese denies the allegations of Paragraph 352.

353. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to whether Prince George and its Board of Directors voted as is alleged in Paragraph 353, and denies that Prince George or its board has, or at the time of such alleged votes had, authority to make any declaration or repudiation such as those that are alleged in Paragraph 353.

354. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 354.

355. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 355.

356. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 356.

357. The Continuing Diocese denies the allegations of Paragraph 357.

358. In response to the allegations of Paragraph 358, the Continuing Diocese admits that the name of Prince George Winyah Episcopal Church has appeared on its website; denies the remaining allegations of Paragraph 358 insofar as they relate to the Continuing Diocese; and

lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

359. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first sentence of Paragraph 359, and admits the allegations of the second sentence of Paragraph 359.

360. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 360.

361. In response to the allegations of Paragraph 361, the Continuing Diocese admits that the Episcopal Church of the Parish of St. Helena is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, denies that St. Helena voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

362. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 362.

363. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 363.

364. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 364.

365. The Continuing Diocese admits the allegations of the first sentence of Paragraph 365, and lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the second sentence of Paragraph 365.

366. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first sentence of Paragraph 366. In response to the

allegations of the second sentence of Paragraph 366, the Continuing Diocese admits that St. Helena is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, denies that St. Helena voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

367. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 367.

368. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 368.

369. The Continuing Diocese denies the allegations of Paragraph 369.

370. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 370.

371. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 371.

372. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 372.

373. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 373.

374. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 374.

375. The Continuing Diocese denies the allegations of Paragraph 375.

376. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 376.

377. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 377.

378. The Continuing Diocese denies the allegations of Paragraph 378.

379. In response to the allegations of Paragraph 379, the Continuing Diocese admits that it has used the name “the Episcopal Church of the Parish of St. Helena” on its website; denies the remaining allegations of Paragraph 379 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

380. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first sentence of Paragraph 380, and admits the allegations of the second sentence of Paragraph 380.

381. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 381.

382. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 382.

383. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 383.

384. In response to the allegations of Paragraph 384, the Continuing Diocese admits that Saint Matthew’s Parish Fort Motte is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, and denies the remaining allegations.

385. The Continuing Diocese denies the allegations of Paragraph 385.

386. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 386.

387. The Continuing Diocese denies the allegations of Paragraph 387.

388. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 388.

389. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 389.

390. The Continuing Diocese denies the allegations of Paragraph 390.

391. In response to the allegations of Paragraph 391, the Continuing Diocese admits that the name of St. Matthew's, Fort Motte has appeared on its website; denies the remaining allegations of Paragraph 391 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

392. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first sentence of Paragraph 392, and admits the allegations of the second sentence of Paragraph 392.

393. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 393.

394. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 394.

395. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 395.

396. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 396.

397. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 397.

398. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 398.

399. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 399.

400. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 400.

401. The Continuing Diocese denies the allegations of Paragraph 401.

402. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 402.

403. The Continuing Diocese denies the allegations of Paragraph 403.

404. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 404.

405. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 405.

406. The Continuing Diocese denies the allegations of Paragraph 406.

407. In response to the allegations of Paragraph 407, the Continuing Diocese admits that the name of St. Paul's Summerville has appeared on its website; denies the remaining allegations of Paragraph 407 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

408. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 408, and admits the allegations of the second sentence of Paragraph 408.

409. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 409.

410. In response to the allegations of Paragraph 410, the Continuing Diocese admits that Trinity Church, Myrtle Beach, is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, denies that Church of the Messiah or Trinity voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

411. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 411.

412. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 412.

413. The Continuing Diocese denies the allegations of Paragraph 413.

414. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 414.

415. The Continuing Diocese denies the allegations of Paragraph 415.

416. In response to the allegations of Paragraph 416, the Continuing Diocese admits that the name of Trinity Church, Myrtle Beach has appeared on its website; denies the remaining allegations of Paragraph 416 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

417. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 417, and admits the allegations of the second sentence of Paragraph 417.

418. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 418.

419. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 419.

420. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 420.

421. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 421.

422. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 422.

423. The Continuing Diocese denies the allegations of Paragraph 423.

424. In response to the allegations of Paragraph 424, the Continuing Diocese admits that Trinity, Edisto Island, is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, and denies the remaining allegations.

425. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 425.

426. The Continuing Diocese denies the allegations of Paragraph 426.

427. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 427.

428. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 428.

429. The Continuing Diocese denies the allegations of Paragraph 429.

430. In response to the allegations of Paragraph 430, the Continuing Diocese admits that the name of Trinity, Edisto Island, has appeared on its website; denies the remaining allegations of Paragraph 430 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

431. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 431, and admits the allegations of the second sentence of Paragraph 431.

432. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 432.

433. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 433.

434. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 434.

435. In response to the allegations of Paragraph 435, the Continuing Diocese admits that Trinity, Pinopolis, is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, denies that Trinity, Pinopolis, voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

436. The Continuing Diocese denies the allegations of Paragraph 436.

437. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 437.

438. The Continuing Diocese denies the allegations of Paragraph 438.

439. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 439.

440. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 440.

441. The Continuing Diocese denies the allegations of Paragraph 441.

442. In response to the allegations of Paragraph 442, the Continuing Diocese admits that the name of Trinity, Pinopolis, has appeared on its website; denies the remaining allegations of Paragraph 442 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

443. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first and third sentences of Paragraph 443, and admits the allegations of the second sentence of Paragraph 443.

444. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 444.

445. The Continuing Diocese admits the allegations of Paragraph 445.

446. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 446.

447. In response to the allegations of Paragraph 447, the Continuing Diocese admits that Christ Church, Mt. Pleasant, is a parish and a subordinate unit of the Diocese of South Caro-

lina and The Episcopal Church, denies that Christ Church voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

448. The Continuing Diocese denies the allegations of Paragraph 448.

449. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 449.

450. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 450.

451. The Continuing Diocese denies the allegations of Paragraph 451.

452. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 452.

453. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 453.

454. The Continuing Diocese denies the allegations of Paragraph 454.

455. In response to the allegations of Paragraph 455, the Continuing Diocese admits that the name of Christ Church, Mt. Pleasant, has appeared on its website; denies the remaining allegations of Paragraph 455 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

456. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 456.

457. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 457.

458. In response to the allegations of Paragraph 458, the Continuing Diocese admits that St. John's Parish Church is a parish and a subordinate unit of the Diocese of South Carolina and The Episcopal Church, denies that St. John's Parish Church voluntarily associated with the Diocese of South Carolina, and lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations.

459. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 459.

460. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 460.

461. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 461.

462. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 462.

463. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 463.

464. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 464.

465. The Continuing Diocese denies the allegations of Paragraph 465.

466. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 466.

467. The Continuing Diocese denies the allegations of Paragraph 467.

468. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 468.

469. The Continuing Diocese lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 469.

470. The Continuing Diocese denies the allegations of Paragraph 470.

471. In response to the allegations of Paragraph 471, the Continuing Diocese admits that the name of St. John's Parish Church has appeared on its website; denies the remaining allegations of Paragraph 471 insofar as they relate to the Continuing Diocese; and lacks knowledge or information sufficient to form a belief as to the truth of those allegations as they relate to individuals claiming to be members of The Episcopal Church.

472. The Continuing Diocese admits the allegations of Paragraph 472.

473. The Continuing Diocese denies the allegations of Paragraph 473.

474. The Continuing Diocese admits the allegations of Paragraph 474.

475. The Continuing Diocese denies the allegations of Paragraph 475.

476. The Continuing Diocese denies the allegations of Paragraph 476.

477. The Continuing Diocese denies the allegations of Paragraph 477.

478. The Continuing Diocese denies the allegations of subparagraph iii. of Paragraph 478, and admits the remaining allegations of such Paragraph.

479. In response to the allegations of Paragraph 479, the Continuing Diocese denies that the consent of any of the Plaintiffs is or was required for any of the acts alleged in such Paragraph or in any subparagraph thereof. The allegations of subparagraph i. are admitted; the Continuing Diocese admits that the location of the meeting referenced in subparagraph ii. was changed, but lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations of the subparagraph; the allegations of subparagraphs iii. through x. are admitted; the Continuing Diocese admits that an advertisement was published as is alleged in sub-

paragraph xi., but is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of that subparagraph; the Continuing Diocese denies any improper or unauthorized use by it, or by the Church or any agent thereof, as is alleged in subparagraphs xii. through xiv. and otherwise lacks knowledge or information sufficient to form a belief as to the truth of the remaining allegations of those subparagraphs.

480. The Continuing Diocese denies the allegations of Paragraph 480.

481. The Continuing Diocese denies the allegations of Paragraph 481.

482. In response to the allegations of Paragraph 482, the Continuing Diocese admits that the Right Reverend Charles vonRosenberg is an agent of the Continuing Diocese and denies the remaining allegations.

483. The Continuing Diocese denies the allegations of Paragraph 483.

484. The Continuing Diocese denies the allegations of Paragraph 484.

485. In response to the allegations of Paragraph 485, the Continuing Diocese admits that, at the special meeting of its Convention on January 26, 2013, it adopted a statement expressing the belief of the Continuing Diocese that certain actions purportedly taken by the Diocese of South Carolina in 2009, 2010, and 2011 had been and remained null and void.

486. The Continuing Diocese denies the allegations of Paragraph 486.

487. The Continuing Diocese denies the allegations of Paragraph 487.

488. The Continuing Diocese denies the allegations of Paragraph 488.

489. The Continuing Diocese denies the allegations of Paragraph 489.

490. The Continuing Diocese hereby incorporates by reference its responses to Paragraphs 1-489, inclusive, as though such responses were fully set forth herein.

491. The Continuing Diocese denies the allegations of Paragraph 491.

492. The Continuing Diocese denies the allegations of Paragraph 492.

493. Paragraph 493 states a legal conclusion as to which no response is required. To the extent that any response may be deemed to be required, the allegations of said Paragraph are denied.

494. Paragraph 494 describes Plaintiffs' legal theories under its first cause of action, as to which no response is required. To the extent that any response may be deemed to be required, the allegations of said Paragraph are denied.

495. The Continuing Diocese incorporates by reference its responses to Paragraphs 1-494, inclusive, as though such responses were fully set forth herein.

496. The Continuing Diocese denies the allegations of Paragraph 496.

497. The Continuing Diocese denies the allegations of Paragraph 497.

498. The Continuing Diocese admits the allegations of Paragraph 498.

499. Paragraph 499 describes Plaintiffs' legal theory under their second cause of action and state legal conclusions as to which no response is required. To the extent that any response may be deemed to be required, the allegations of said Paragraph are denied.

500. The Continuing Diocese hereby incorporates by reference its responses to Paragraphs 1-499, inclusive, as though such responses were fully set forth herein.

501. The Continuing Diocese admits the allegation of Paragraph 501 that the Plaintiffs are charitable organizations, but denies any allegations that would characterize the plaintiffs as being independent and autonomous corporations that are not part of an ecclesiastical entity and subject to its discipline and doctrine.

502. The Continuing Diocese denies the allegations of Paragraph 502.

503. The Continuing Diocese denies the allegations of Paragraph 503.

504. Paragraph 504 describes Plaintiffs' legal theory under their third cause of action and state legal conclusions as to which no response is required. To the extent that any response may be deemed to be required, the allegations of said Paragraph are denied.

505. Paragraph 505 further describes Plaintiffs' legal theory under their third cause of action and state legal conclusions as to which no response is required. To the extent that any response may be deemed to be required, the allegations of said Paragraph are denied.

The remainder of the Second Amended Complaint sets out Plaintiffs' prayer for relief and requires no response.

**FOR A SECOND DEFENSE
(Failure to State a Cause of Action)**

506. Plaintiffs are entitled to no relief because the allegations of the Complaint fail to state a claim upon which relief can be granted.

**FOR A THIRD DEFENSE
(Lack of Jurisdiction To Award Extraterritorial Relief)**

507. Plaintiffs seek relief that would restrict activity beyond the State of South Carolina, and such relief is not within the jurisdiction of this Court.

**FOR A FOURTH DEFENSE
(Misrepresentation)**

508. Plaintiffs knowingly and deliberately misrepresented material facts to Defendants, and concealed material facts from Defendants, and therefore are entitled to no relief.

**FOR A FIFTH DEFENSE
(Estoppel)**

509. Plaintiffs, by their own misconduct, are estopped to seek the relief demanded by their Complaint.

**FOR A SIXTH DEFENSE
(Unclean Hands)**

510. Plaintiffs' claims for relief are barred by the equitable doctrine of unclean hands, as Plaintiffs seek to invoke the equitable jurisdiction of this Court in aid of their wrongful conduct.

**FOR A SEVENTH DEFENSE
(Unjust Enrichment)**

511. Plaintiffs have been unjustly enriched by their wrongful misappropriation and conversion of real and personal property, and interests therein, belonging to Defendants, and have no entitlement to invoke the aid of this Court to preserve or further such unjust enrichment.

**FOR AN EIGHTH DEFENSE
(Lack of Subject Matter Jurisdiction)**

512. Plaintiffs are entitled to no relief on the ground that this Court is without jurisdiction over the subject matter hereof.

**FOR A NINTH DEFENSE
(Improper Anticipatory Declaratory Action)**

513. Plaintiffs sought declaratory relief from this Court at a time when there was no actual dispute between Plaintiffs and Defendants over the matters that are the subject hereof, and Plaintiffs therefore have no lawful entitlement to such relief.

**FOR A TENTH DEFENSE
(No Justiciable Controversy)**

514. Plaintiffs have failed to show the existence of an actual, justiciable case or controversy between Plaintiffs and Defendants.

**FOR AN ELEVENTH DEFENSE
(Non-Ownership of Trademarks)**

515. Plaintiffs are not the true and lawful owners of the names, marks, and trademarks in which they claim ownership, and they therefore are entitled to no relief.

**FOR A TWELFTH DEFENSE
(Fair Use)**

516. Any use by any of the Defendants of the names and marks in which Plaintiffs allege they have rights constitutes fair use that is permitted to Defendants, and for which Plaintiffs are entitled to no relief.

**FOR A THIRTEENTH DEFENSE
(Authorization)**

517. Any such use by any of the Defendants of the said names and marks is and has been lawful and authorized use, for which Plaintiffs are entitled to no relief.

**FOR A FOURTEENTH DEFENSE
(Invalidity)**

518. The rights and interests claimed by Plaintiffs in the names and marks that are the subject of the Complaint are and were derived by Plaintiffs wholly from and through Defendants, and the rights and interests therein claimed by Plaintiffs against Defendants therefore are invalid and do not constitute a basis for the relief sought.

**FOR A FIFTEENTH DEFENSE
(Statute of Limitations)**

519. The Plaintiffs' claims are barred by applicable statutes of limitations.

**FOR A SIXTEENTH DEFENSE
(Laches)**

520. The Plaintiffs' claims are barred by the equitable doctrine of laches, inasmuch as Plaintiffs now seek, for the first time, to have this Court award them relief for alleged violations of rights that the Plaintiffs claim to have acquired more than two centuries ago.

**FOR A SEVENTEENTH DEFENSE
(Waiver)**

521. By their knowing failure to assert, or to seek by any means to enforce, the alleged rights that are the subject of this action, Plaintiffs have waived any claims for such relief, and their claims accordingly are barred by waiver.

**FOR AN EIGHTEENTH DEFENSE
(Consent)**

522. Any use by Defendants of any of the names and marks that are the subject of this action has been with the consent of Plaintiffs, who accordingly are barred from seeking any relief therefor.

**FOR A NINETEENTH DEFENSE
(Breach of Fiduciary Duty)**

523. Plaintiffs are fiduciaries of and for each of the Defendants. The claims asserted herein by the Plaintiffs are in flagrant breach of their fiduciary duties, and other duties owed by them to Defendants, and Plaintiffs have no entitlement to invoke the aid of this Court in furtherance of such wrongful conduct.

Defendant the Continuing Diocese hereby expressly reserves the right to amend this pleading to add any other or further defenses or counterclaims, or both, that hereafter may arise or become known upon discovery of material facts.

**COUNTERCLAIMS FOR DECLARATORY AND INJUNCTIVE RELIEF,
AN ACCOUNTING, RESTITUTION, DAMAGES, AND OTHER RELIEF
FOR FRAUDULENT TRANSFERS, MISAPPROPRIATION, CONVERSION,
CIVIL CONSPIRACY, AND BREACH OF FIDUCIARY AND OTHER DUTIES**

The Defendant-Counterclaim Plaintiff The Episcopal Church in South Carolina (the “Continuing Diocese”) hereby alleges as its counterclaims as follows:

524. The Continuing Diocese submits that the facts alleged hereinafter entitle the Continuing Diocese to money damages, an accounting, and declaratory and injunctive relief against the Plaintiffs-Counterclaim Defendants, and to such other, further, and different relief as the Court may deem appropriate and in the interests of justice.

PARTIES

RULE 19(c) REASONS FOR NONJOINER OF INDISPENSABLE PARTIES

With respect to the counterclaims alleged hereinafter, there are certain individuals who are indispensable parties and who therefore should be named as Counterclaim Defendants, but have not yet been so named because their identities presently are not known to Counterclaim Plaintiff, and those individuals will be joined as parties after their identities are obtained through discovery.

525. The Continuing Diocese is a religious organization that is one of the 111 geographically defined subordinate units of Defendant The Episcopal Church (the “Church”). It is part of a hierarchical religious organization and is subject and subordinate to the Church and to the Constitution, bylaws (called “Canons”), and Book of Common Prayer (“Prayer Book”) of the Church, and, in turn, the parishes and missions that are within the Continuing Diocese are subject

and subordinate to the diocese and to its Constitution and Canons. The Presiding Bishop of the Church is its “Chief Pastor and Primate,” elected by its General Convention, and is charged with responsibility for leadership in initiating and developing policy and strategy in the Church, and speaking for the Church as to the policies, strategies, and programs authorized by the General Convention.

526. Plaintiff-Counterclaim Defendant The Protestant Episcopal Church In The Diocese of South Carolina (the “Lawrence Faction”) is a religious organization that was admitted into union with the Church but that is under the management, direction, and control of persons who have abandoned the communion of the Church, including, but not limited to, the Right Reverence Mark J. Lawrence, who, in January 2008, was ordained as Bishop of the Episcopal Diocese of South Carolina, in accordance with the Constitution, Canons, and Prayer Book of the Church, and who, on December 5, 2012, by action of the Presiding Bishop, with the advice and counsel of her Council of Advice, was found, under Canon III.12.7 of the Church, to have renounced the ordained ministry of the Church.

527. As a result, the Presiding Bishop declared that Bishop Lawrence “is, therefore, removed from the Ordained Ministry of this Church and released from the obligations of all Ministerial offices, and is deprived of the right to exercise the gifts and spiritual authority as a Minister of God’s Word and Sacraments conferred on him in Ordinations.”

528. The business and affairs of the Lawrence Faction, while under the control and direction of Bishop Lawrence and his allies and followers, have wrongfully been conducted, and continue to be so conducted, in open and direct contravention of the Constitution, Canons, Prayer Book, and polity of the Church.

529. Plaintiff-Counterclaim Defendant All Saints Protestant Episcopal Church is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Florence, South Carolina.

530. Plaintiff-Counterclaim Defendant Christ St. Paul's Episcopal Church ("Christ St. Paul's") is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located on Yonges Island, South Carolina.

531. Plaintiff-Counterclaim Defendant Christ the King, Waccamaw ("Christ the King"), is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located on Pawleys Island, South Carolina.

532. Plaintiffs-Counterclaim Defendants Church Of The Cross, Inc., and Church Of The Cross Declaration Of Trust (collectively, "Church of the Cross"), is a parish of the Continuing Diocese and a South Carolina nonprofit corporation, and an affiliated trust, located in Bluffton, South Carolina.

533. Plaintiff-Counterclaim Defendant Church Of The Holy Comforter is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Sumter, South Carolina.

534. Plaintiff-Counterclaim Defendant Church of the Redeemer is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Orangeburg, South Carolina.

535. Plaintiff-Counterclaim Defendant Holy Trinity Episcopal Church is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Charleston, South Carolina.

536. Plaintiff-Counterclaim Defendant Saint Luke's Church is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located on Hilton Head Island, South Carolina.

537. Plaintiff-Counterclaim Defendant Saint Matthew's Church ("Saint Matthew's") is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Darlington, South Carolina.

538. Plaintiffs-Counterclaim Defendants St. Andrews Church-Mt. Pleasant and The St. Andrews Church Mt. Pleasant Land Trust are, respectively, a parish of the Continuing Diocese and a South Carolina nonprofit corporation, and an affiliated trust that allegedly was established for the purpose of holding and managing real property for the benefit of St. Andrews-Mt. Pleasant. They are located in Mt. Pleasant, South Carolina.

539. Plaintiff-Counterclaim Defendant St. Bartholomew's Episcopal Church ("St. Bartholomew's") is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Hartsville, South Carolina.

540. Plaintiff-Counterclaim Defendant St. David's Church is a parish of the Continuing Diocese, and a nonprofit corporation, located in Cheraw, South Carolina.

541. Plaintiff-Counterclaim Defendant Saint James Church is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located on James Island, South Carolina.

542. Plaintiff-Counterclaim Defendant St. John's Episcopal Church ("St. John's-Florence") is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Florence, South Carolina.

543. Plaintiff-Counterclaim Defendant St. Matthias Episcopal Church, Inc., is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Summerton, South Carolina.

544. Plaintiff-Counterclaim Defendant St. Paul's Episcopal Church ("St. Paul's- Bennettsville") is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Bennettsville, South Carolina.

545. Plaintiff-Counterclaim Defendant St. Paul's Episcopal Church ("St. Paul's- Conway") is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Conway, South Carolina.

546. Plaintiff-Counterclaim Defendant the Church of St. Luke and St. Paul is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Charleston, South Carolina.

547. Plaintiff-Counterclaim Defendant The Church Of Our Saviour Of The Diocese Of South Carolina is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located on Johns Island, South Carolina.

548. Plaintiff-Counterclaim Defendant The Church Of The Epiphany is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Eutawville, South Carolina.

549. Plaintiff-Counterclaim Defendant The Church of the Good Shepherd is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Charleston, South Carolina.

550. Plaintiff-Counterclaim Defendant The Church of The Holy Cross is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in **Stateburg**, South Carolina.

551. Plaintiff-Counterclaim Defendant Church of the Resurrection is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Surfside Beach, South Carolina.

552. Plaintiff-Counterclaim Defendant The Protestant Episcopal Church, Of The Parish of Saint Philip (“St. Philip’s Church”), is a parish of the Continuing Diocese located in Charleston, South Carolina.

553. Plaintiffs-Counterclaim Defendants The Protestant Episcopal Church, Of The Parish of Saint Michael (“St. Michael’s Church”) and St. Michael’s Church Declaration Of Trust are, respectively, a parish of the Continuing Diocese, and an affiliated trust, located in Charleston, South Carolina.

554. Plaintiffs-Counterclaim Defendants The Vestry And Church Wardens Of St. Jude’s Church of Walterboro are the governing body of a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Walterboro, South Carolina.

555. Plaintiffs-Counterclaim Defendants The Vestry and Church Wardens Of The Episcopal Church Of The Parish of Prince George Winyah (“Prince George”) are the governing body of a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Georgetown, South Carolina.

556. Plaintiffs-Counterclaim Defendants The Vestry And Church Wardens Of The Episcopal Church Of The Parish Of St. Helena and The Parish Church of St. Helena Trust (collectively, “St. Helena”) are, respectively, the governing body of a parish of the Continuing Diocese and a South Carolina nonprofit corporation, and an affiliated trust, located in Beaufort, South Carolina.

557. Plaintiffs-Counterclaim Defendants The Vestry and Church Wardens Of The Episcopal Church of the Parish of St. Matthew are the governing body of a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Fort Motte, South Carolina.

558. Plaintiff-Counterclaim Defendant The Vestry and Wardens of St. Paul's Church, Summerville ("St. Paul's-Summerville"), are the governing body of a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Summerville, South Carolina.

559. Plaintiff-Counterclaim Defendant Trinity Church ("Trinity-Myrtle Beach") is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Myrtle Beach, South Carolina.

560. Plaintiff-Counterclaim Defendant Trinity Episcopal Church, Edisto Island ("Trinity-Edisto"), is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located on Edisto Island, South Carolina.

561. Plaintiff-Counterclaim Defendant Trinity Episcopal Church, Pinopolis ("Trinity-Pinopolis"), is a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located on Pinopolis Island, South Carolina.

562. Plaintiffs-Counterclaim Defendants the Vestry and Church-Wardens Of The Episcopal Church Of The Parish Of Christ Church are the governing body of a parish of the Continuing Diocese, and a South Carolina nonprofit corporation, located in Mt. Pleasant, South Carolina.

563. Plaintiffs-Counterclaim Defendants the Vestry and Church Wardens Of The Episcopal Church Of The Parish of St. John's, Charleston County ("St. John's-Charleston"), are the governing body of a parish of the Continuing Diocese and a South Carolina nonprofit corporation, located on John's Island, South Carolina.

The Governance of The Episcopal Church and Its Subordinate Units

564. The Episcopal Church is governed by a legislative body called its “General Convention,” which generally meets once every three years to establish the general policies, rules, and programs of the Church. The General Convention comprises a House of Bishops, consisting of most of the Church’s active and retired bishops, and a House of Deputies, consisting of lay and clergy representatives elected by each of the Church’s dioceses.

565. The General Convention has adopted, and from time to time amends, the Church’s governing documents—its Constitution, Canons, and Prayer Book—which are binding on every subordinate unit and member of the Church.

566. Since the Church’s first Constitution, adopted by the General Convention in 1789, the Constitution has provided that all dioceses are subject to the authority of the General Convention.

567. Subsequent versions of the Church’s Constitution and Canons have prescribed the methods by which a new diocese of the Church may be formed. Those documents have required, and currently require, that a diocese of the Church can be formed only with the consent of the General Convention, and only if the new diocese accedes, without qualification, to the authority of the General Convention as expressed in the Church’s Constitution and Canons.

568. Each diocese is a subordinate unit of the Church and is bound by the provisions of the Church’s Constitution, Canons, and Prayer Book, which govern both temporal and spiritual matters.

569. The Church’s Constitution and Canons, as well as in some instances the Prayer Book, in part:

- a. govern the ordination, installation, spiritual and temporal duties, discipline, and retirement of bishops and other clergy;

- b. require dioceses and parishes to adopt prescribed business methods, including submission of annual reports to the Church’s Executive Council, having annual audits performed by certified public accountants, and maintaining adequate insurance of all buildings and their contents;
- c. set forth requirements and conditions for the formation and operation of parishes and other worshipping congregations under the oversight of the dioceses;
- d. provide requirements for the care, control, use, and disposition of church property;
- e. provide rules under which dioceses may select, train, ordain, deploy, and supervise the clergy of parishes and other worshipping congregations; and
- f. provide for discipline of bishops and other clergy for, among other things, violation of the Constitutions or Canons of the Church or of the dioceses in which they are resident, violation of the vows taken at ordination, and “abandonment of the Communion” of the Church.

570. The Church also has an Executive Council, consisting of elected bishops, priests, and lay persons, who, under the leadership of the Presiding Bishop, manage the fiscal and programmatic affairs of the Church between meetings of the General Convention.

571. A diocese of The Episcopal Church may be formed only by action of the General Convention, and only if such diocese gives its “unqualified accession to the Constitution and Canons of” the Church.

572. Each diocese exercises authority over the parishes and other congregations within its geographical area, in obedience to the Constitution, Canons, and Prayer Book of the Church.

573. The governing body of each diocese, generally called its “Convention,” is a legis-

lative body consisting of clergy of the diocese and laity elected by their congregations. The governing body of the Diocese of South Carolina is its Diocesan Convention.

574. Each diocesan Convention adopts and from time to time amends its own diocesan Constitution and Canons, which supplement and may not conflict with the Church's Constitution, Canons, or Prayer Book.

575. The principal leader of each diocese is a bishop, who is elected by the diocesan Convention and, only after having received consent from the leadership of a majority of the other dioceses of the Church, is ordained by the Church's Presiding Bishop or his or her designee, and other bishops of the Church, in accordance with the Church's Constitution, Canons, and Prayer Book. The Diocesan Bishop is in charge of both spiritual and temporal affairs within the diocese. The Bishop is advised by, and, as to certain matters, shares authority with, a "Standing Committee" of clergy and lay persons elected by the Diocesan Convention.

576. At the third level of the Church's governance, each of its nearly 7,600 parishes and other worshipping congregations is located in one of the Church's dioceses and is subject to the authority of the Church and its diocese.

577. The Church's hierarchical structure provides for representative participation in each level of governance. Parishes and other congregations send representatives to diocesan Conventions, and dioceses send bishops, other clergy, and lay representatives to the Church's General Convention.

578. Canon I.17(8) of the Church, entitled "Fiduciary Responsibility," which applies to officers at all levels of the Church's governance, provides that "[a]ny person accepting any office in this Church shall well and faithfully perform the duties of that office in accordance with the

Constitution and Canons of [the] Church and of the Diocese in which the office is being exercised.”

579. Article VIII of the Church’s Constitution, and the Ordination Services of its Prayer Book, require all clergy of the Church, as a condition of ordination, to subscribe to the following written declaration:

I do believe the Holy Scriptures of the Old and New Testaments to be the Word of God, and to contain all things necessary to salvation; and I do solemnly engage to conform to the Doctrine, Discipline, and Worship of the Episcopal Church.

This statement is generally referred to as the “Declaration of Conformity.”

580. Under the Church’s Constitution, Canons, and polity, no diocese or parish has the right or authority, acting unilaterally, to divide or separate or otherwise disaffiliate from the Church.

The Rules of The Episcopal Church Governing Property

581. The Church’s Canons govern both temporal and spiritual matters, and include a number of provisions that specifically relate to the use and control of property.

582. Church Canon II.6, adopted in part in 1868 and in part in 1871, provides that parish real property may not be “consecrated,” that is, set aside for worship and other sacred uses by the bishop of the diocese, “until the Bishop shall have been sufficiently satisfied” that the property is “secured for ownership and use by a Parish, Mission, Congregation, or Institution affiliated with this Church and subject to its Constitution and Canons.” Canon II.6 also provides that parishes may not “encumber or alienate any dedicated and consecrated Church or Chapel . . . without the previous consent of the Bishop, acting with the advice and consent of the Standing Committee of the Diocese.”

583. Church Canon III.9(5)(a)(2), adopted in 1904, provides that the rector of each parish shall be entitled “to use and control . . . the Church and Parish buildings together with all appurtenances and furniture,” provided the property is used “[f]or the purposes of the office and for the full and free discharge of all functions and duties pertaining thereto.” Canon III.9(5)(a)(1) provides that the rector shall carry out his or her duties, including those relating to use of parish property, “subject to the Rubrics of the Book of Common Prayer, the Constitution and Canons of [The Episcopal] Church, and the pastoral direction of the Bishop.”

584. Canon I.7(3), adopted in 1940, provides that “[n]o Vestry, Trustee, or other Body, authorized by Civil or Canon law to hold, manage, or administer real property for any Parish, Mission, Congregation, or Institution, shall encumber or alienate” such property “without the written consent of the Bishop and Standing Committee.”

585. Church Canons I.7(4) and (5), adopted in 1979, reflect and confirm the careful attention that the Church and its dioceses historically have given to matters relating to parish property. These Canons provide as follows:

Sec. 4. 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 existence of this trust, however, shall in no way limit the power and authority of the Parish, Mission or Congregation otherwise existing over such property so long as the particular Parish, Mission or Congregation remains a part of, and subject to, this Church and its Constitution and Canons.

Sec. 5. The several Dioceses may, at their election, further confirm the trust declared under the foregoing Section 4 by appropriate action, but no such action shall be necessary for the existence and validity of the trust.

586. The foregoing Canons restate the Church’s historical polity, discipline, and rules, by which (i) all property held by or for any of the Church’s constituent parts is held and must be

used for the Church's mission and may not be diverted to other purposes, and (ii) all dioceses and parishes, and their leaders, are charged with the responsibility of ensuring that these requirements are carried out.

587. Beginning as early as 2010 and continuing to the present, the Plaintiff-Counterclaim Defendant parishes joined and conspired with the Defendant Lawrence Faction, acting through its agent Bishop Lawrence, one or more of the Defendant Trustees, the Board of Directors of the Diocese (also serving as its Standing Committee) and others among the leadership of the Lawrence Faction, and, acting in concert with the Lawrence Faction and its leadership, obtained and received quitclaim deeds, executed by Bishop Lawrence, or others among the aforementioned leadership, on behalf of the diocese, as grantor, and in favor of some or all the Plaintiff-Counterclaim Defendant parishes. Each of the said quitclaim deeds, contrary to, *inter alia*, Church Canons I.7(4) and (5), purports to release and relinquish the interest of the Diocese of South Carolina in the real property of the grantee parish. The quitclaim deeds show on their face that they were executed on the dates given in the subparagraphs of Paragraph 590 hereof below, and, on information and belief, each of them was delivered on the date of execution or shortly thereafter.

588. Each of the purported transfers of interests in real property that are the subjects of the aforementioned quitclaim deeds is and was null and void *ab initio*, because, *inter alia*, under the Constitution and Canons of the Church, neither the diocese, nor any agent or officer thereof, has or had authority to transfer any such interest of the diocese, and any such transfer would have been in breach of the fiduciary duties owed by the diocese, and all of its officers, to The Episcopal Church.

589. On information and belief, the Counterclaim Defendant Lawrence Faction, through Bishop Lawrence and others among its leadership, agreed and conspired with one or more of the Counterclaim Defendant grantee parishes to conceal and hold secret, from members of the Church who now are among the leadership of the Continuing Diocese, from the Church, and from others, the purported property transfers that were the subject of the above-described quitclaim deeds, and agreed between and among themselves to, and did, arrange and carry out such purported transfers in a manner knowingly and deliberately calculated to enable the grantor and the grantees to keep confidential those purported transfers and avoid disclosing or revealing them to others. Such purpose, design, and intent is reasonably inferable from the fact that numerous of the quitclaim deeds were executed many months—some of them as long as twenty-one (21) months—prior to the dates on which they were submitted for filing and recordation in appropriate offices of public property records.

590. The quitclaim deeds described in Paragraphs 587 through 589 hereof were executed by or in the name of the diocese on the dates given in the subparagraphs below, to the grantee shown in each subparagraph, and were recorded on the dates also shown:

- a. To Counterclaim Defendant St. John's-Charleston, executed on February 1, 2010, and recorded on November 17, 2011;
- b. To Counterclaim Defendant St. Philip's Church, quitclaim deeds executed February 1, 2010, and July 11, 2011, both of which were recorded November 17, 2011;
- c. To Counterclaim Defendant Church of the Cross, executed February 1, 2011, and recorded November 16, 2011;
- d. To Counterclaim Defendant Christ St. Paul's, executed March 15, 2010, and recorded November 17, 2011;

- e. To Counterclaim Defendant St. John's-Florence, executed October 28, 2010, and recorded November 16, 2011;
- f. To Counterclaim Defendant The Church Of Our Saviour Of The Diocese Of South Carolina, executed February 1, 2011, and recorded November 22, 2011;
- g. To Counterclaim Defendant The Church of the Good Shepherd, executed July 11, 2011, and recorded November 17, 2011;
- h. To Counterclaim Defendant the Church of St. Luke and St. Paul, executed July 11, 2011, and recorded November 17, 2011;
- i. To Counterclaim Defendant Trinity-Edisto, executed July 11, 2011, and recorded November 17, 2011;
- j. To Counterclaim Defendant Christ the King, executed October 3, 2011, and recorded November 16, 2011;
- k. To Counterclaim Defendant Church of the Resurrection, quitclaim deeds executed October 3 and 4, 2011, both of which were recorded November 16, 2011;
- l. To Counterclaim Defendant St. Paul's-Conway, executed October 4, 2011, and recorded November 16, 2011;
- m. To Counterclaim Defendant The Episcopal Church Of The Parish Of Christ Church, executed October 4, 2011, and recorded November 28, 2011;
- n. To Counterclaim Defendant St. Bartholomew's, executed October 4, 2011, and recorded November 21, 2011;
- o. To Counterclaim Defendant St. Paul's-Summerville, executed October 4, 2011, and recorded January 6, 2012;

- p. To Counterclaim Defendant Saint Matthew's, executed October 9, 2011, and recorded November 23, 2011;
- q. To Counterclaim Defendant St. Helena, executed October 27, 2011, and recorded November 16, 2011;
- r. To Counterclaim Defendant Prince George, executed November 16, 2011, and recorded November 16, 2011; and
- s. To Counterclaim Defendant St. Michael's Church, executed November 21, 2011, and recorded November 22, 2011.

On information and belief, the Lawrence Faction caused quitclaim deeds to be executed and delivered to other Episcopal parishes and missions, which, contrary to the Constitution and Canons of the Church, purported to release and relinquish the interest of the Diocese of South Carolina in real property held by or for such parishes and missions.

591. Counterclaim Defendant St. Andrews Church-Mt. Pleasant executed and delivered several instruments, dated at various times beginning in 2009, that purported to convey and transfer, to Counterclaim Defendant The St. Andrews Church Mt. Pleasant Land Trust, title to real property, including improvements thereon commonly known as or called the Historic Old Church Building and the Ministry Center.

592. On information and belief, the primary purpose, if not the sole purpose, of the execution and delivery alleged in Paragraph 591 hereof was to evade and avoid the requirements under the Constitution and Canons of the Church that must be satisfied in order to effect valid transfers of real property, and to impair, defeat, and destroy the equitable interests of the Continuing Diocese and the Church in such property, to the continuing injury, detriment, and damage of the Continuing Diocese and the Church.

Defendant-Counterclaim Plaintiff The Episcopal Church in South Carolina

593. Between 1785 and 1789, an association of clergy ordained in the Church of England and lay persons in South Carolina sent delegates to meetings of the Church's General Convention, who joined with delegates from other states in adopting the Church's first Constitution, Canons, and Prayer Book.

594. The Journal of a meeting of the parishes of the Church in South Carolina held in October 1790 recorded that, at such meeting, the Constitution and Canons of the Church, "being read, were unanimously agreed to" by such parishes.

595. In 1806, the Convention of The Episcopal Church in South Carolina adopted "Rule XVI," which provided that "the book of common prayer . . . , according to the use of the Prot. Epis. Church, in the U.S.A. shall be used in all the Churches in this association."

596. In 1860, Article 1 of the Constitution of The Episcopal Church in South Carolina declared that the diocese "accedes to, recognizes and accepts the general Constitution and Canons of the Prot. Epis. Church in the United States of America, and acknowledges their authority accordingly."

597. In 1973, the Diocese of South Carolina was incorporated as a South Carolina nonprofit corporation. Paragraph FOURTH of its Certificate of Incorporation provided that the "purpose of the said proposed Corporation is to continue the operation of an Episcopal diocese under the Constitution and canons of the Protestant Episcopal Church in the United States of America." The Continuing Diocese is informed and believes that Paragraph FOURTH still was in effect in 2010 when members of the Board of Directors of the Episcopal Church Diocese, including Bishop Lawrence, purportedly amended the foregoing provision so that it would state,

instead, that the “purpose of the said proposed Corporation is to continue operation under the Constitution and Canons of the Protestant Episcopal Church in the Diocese of South Carolina.”

598. Since its founding, the Diocese of South Carolina has remained a subordinate unit of the Church.

599. Throughout its history, the Diocese has consistently participated in the life of the Church as a subordinate unit and generally has complied with the requirements imposed on it by the Church’s Constitution, Canons, and Prayer Book, as shown by facts and circumstances including, but not limited to, the following:

- a. The Diocese has consistently sent representatives to meetings of both Houses of the Church’s General Convention, including to its most recent meeting, in 2012;
- b. The Diocese and its clergy have participated in and accepted the valuable benefits of the Church Pension Fund, reserved solely for clergy and institutions of the Church, as required by the Church’s Canons;
- c. All bishops of the Diocese have been elected, ordained, and installed pursuant to the requirements of the Church’s Constitution, Canons, and Prayer Book; the clergy of the Diocese have been ordained or received, and parish rectors and other ordained clergy have been elected or installed, pursuant to the requirements of the Church’s Constitution, Canons, and Prayer Book;
- d. The Diocese has adopted and implemented business methods prescribed by the Church’s Canons, submitted annual reports to the Church’s Executive Council, conducted audits, and maintained adequate insurance of buildings and their contents, in compliance with the Church’s requirements;

e. The Diocese has overseen the formation and operation of parishes and other worshipping congregations of the Diocese according to the Church's requirements; and

f. The Diocese has provided for the care, control, use, and disposition of property according to the Church's requirements.

Counterclaim Defendants' Attempts To "Disaffiliate" from the Church

600. At meetings of the Convention of the Diocese in October 2010 and November 2011, a majority of voting delegates present voted for various resolutions that purported to amend the Diocese's Constitution to withdraw its accession to the Constitution and Canons of the Church and to remove all other references to the Church.

601. At a meeting of the Counterclaim Defendants and others that purported to be a special meeting of the Convention of the Diocese in November 2012, a majority of voting delegates present voted to "disaffiliate" from the Church.

602. The actions described in Paragraphs 600 and 601 hereof violated the respective constitutional and canonical obligations and prior commitments of the Diocese and of the members of its Convention, were invalid, and did not alter or affect the status or continuing existence of the Diocese, or its relationship with the Church.

603. Since as early as November 17, 2012, the Counterclaim Defendants, openly, publicly, and repeatedly, have advocated, supported, and promoted the purported withdrawal of the Diocese of South Carolina from the Church. By engaging in those and other acts the Plaintiff-Counterclaim Defendant Trustees and the individuals who held offices in the Diocese or in any of the Plaintiff-Counterclaim Defendant parishes, violated their obligations under the Church's Declaration of Conformity or Church Canon I.17(8), or both, as well as the Constitution and

Canons of the Diocese, and they accordingly ceased to be eligible to hold any office in the Church or the Diocese, or to act as Trustees of the Protestant Episcopal Church in the Diocese of South Carolina; and their offices became vacant.

604. In January 2013, the Continuing Diocese held a special meeting of its Convention to elect persons to fill the vacancies referred to in Paragraph 603 hereof. The Convention at that meeting also elected a Provisional Bishop of the Diocese. The Continuing Diocese is informed and believes that the Church recognizes the persons so elected as the sole leadership of the Diocese of South Carolina.

605. The Continuing Diocese and the Church do not recognize the October 2010, November 2011, and November 2012, meeting votes referred to in Paragraphs 600 and 601 hereof as valid or effective under the polity and rules of the Church, and the Continuing Diocese and the Church dispute and deny that such votes, or any of them, had the effect of removing or disaffiliating the Diocese from the Church.

606. The individual Counterclaim Defendants, and the individuals who held office in the Diocese or any of the Defendant parishes, have vacated their offices as a result of having engaged in the conduct alleged herein, and have wrongfully and without justification asserted authority over Episcopal parishes, congregations, and other organizations in or of the Diocese and continue to assert exclusive possession and control of related corporations and substantially all of the real and personal property of the Diocese. The Counterclaim Defendants accordingly are liable to Counterclaim Plaintiff the Continuing Diocese in damages for misappropriation, conversion, breach of trust, and breach of fiduciary duty. Counterclaim Defendants have been unjustly enriched by their wrongful conduct, to the injury and detriment of the Continuing Diocese, which is entitled to restitution of the property and funds of which it has been unjustly deprived.

607. The actions of the Counterclaim Defendants described in Paragraphs 603, 605, and 606 of these counterclaims are contrary to the Constitution, Canons, and Prayer Book of the Church and are otherwise contrary to law and without any effect. Notwithstanding the machinations undertaken by the Counterclaim Defendants, all property held by or for any parish or mission or the Diocese is held and may be used only for the mission and benefit of the Church and its subordinate Diocese, subject to the Constitutions and Canons of the Church and the Diocese. The Diocese of South Carolina remains a subordinate unit of the Church for all purposes, and the foregoing diocesan corporations remain subordinate parts of the Continuing Diocese.

608. The Continuing Diocese is informed and believes that it is the position of the Counterclaim Defendants that they are entitled to maintain and exercise ownership and control of real and personal property held by or for the Plaintiff-Counterclaim Defendant parishes, and that the actions by which they seek to do so are not in conflict with the Constitution or Canons of the Church or South Carolina law, or the laws of the United States.

609. An actual controversy exists, therefore, between the parties regarding the legal issues arising by reason of, *inter alia*, the allegations of Paragraphs 606 and 607 above. A declaratory judgment is therefore necessary and proper to determine the parties' rights and duties with respect to those issues.

610. As a result of the Counterclaim Defendants' continued control, use, and possession of the real and personal property of the Counterclaim Defendant parishes for purposes other than the mission of the Church and the Continuing Diocese, and their diversion and expenditure of funds, assets, and other personal property of the said parishes, all in derogation of the Constitutions and Canons of the Church and the Continuing Diocese, and in disregard of the rights of the Church and the Continuing Diocese, and Counterclaim Defendants' repeated declarations of

their intentions to continue and persist in their engagement in such acts, Counterclaim Plaintiff the Continuing Diocese has suffered and will continue to suffer irreparable injury. Injunctive relief therefore is necessary and proper to enforce the parties' rights and duties with respect to the issues arising from the facts alleged herein.

COUNT I – DECLARATORY JUDGMENT

611. Counterclaim Plaintiff hereby repeats and realleges the matters set forth in Paragraphs 524 through 610 of these Counterclaims, as though such matters were fully set forth herein.

612. As shown by the foregoing allegations, the Counterclaim Defendants, over a period that commenced more than three years ago, have knowingly, deliberately, and repeatedly engaged in transactions that purported to transfer interests in real property contrary to explicit provisions of the Constitution and Canons of the Church, and contrary to solemn declarations, oaths, and subscriptions made by individuals who held offices in the Church and were and are among the leadership of the said Defendants, all to the injury and detriment of the Church and those in the Church, including the Counterclaim Plaintiff, who seek to uphold its Constitution, Canons, and polity. Through their leaders and agents, the said Defendants have publicly declared, and continue to declare, that their actions were not contrary to the Constitution or Canons of the Church, and that the aforesaid authorities impose no restriction or limitation on their abilities to continue to engage in such transactions.

613. It is the position of the Counterclaim Plaintiff that the aforesaid actions were and are contrary to the Constitution and Canons of the Church, as any future such actions would be, and that the above-described acts of the Counterclaim Defendants were *ultra vires* and of no force and effect, and therefore are due to be set aside by this Court.

614. The foregoing facts present an actual, justiciable case and controversy that, under applicable provisions of the South Carolina Code, appropriately may be heard and determined by this Court.

615. Counterclaim Plaintiff accordingly respectfully requests that the Court enter judgment declaring (1) that each and all of the quitclaim deeds executed by Counterclaim Defendant the Lawrence Faction, for or on behalf of the Diocese of South Carolina, and in favor of any of the other Counterclaim Defendants, and not having been duly authorized in accordance with the Constitution and Canons of the Church, were void *ab initio* and accordingly are declared null, void, and of no force and effect and are set aside; and (2) that all real and personal property held by or for the Counterclaim Defendant Parishes, and each of them, is held in trust for, and is and shall remain, subject to the equitable interests of, The Episcopal Church and the Continuing Diocese.

COUNT II – FRAUDULENT TRANSFERS

616. Counterclaim Plaintiff hereby repeats and realleges the matters set forth in Paragraphs 524 through 615 of these Counterclaims, as though such matters were fully set forth herein.

617. The Counterclaim Defendants' joint participation in purported transfers of parish real property, and in actual or attempted transfers, diversions, and expenditures of personal property, funds, and other assets of the parishes as alleged herein, for little or no consideration, often while retaining possession, use, and control of the purportedly transferred property, and often while concealing such transactions, including, without limitation, the transactions alleged in Paragraphs 590 through 592 and Paragraph 610 hereof, constitute fraudulent transfers within the meaning of S.C. Code Ann. § 27-23-10, and accordingly are due to be declared void and set

aside, and entitle the Continuing Diocese to such other, further, and different relief as the Court may find warranted by the circumstances of such transactions.

COUNT III – INJUNCTIVE RELIEF

618. Counterclaim Plaintiff hereby repeats and realleges the matters set forth in Paragraphs 1 through 94 of these Counterclaims, as though such matters were fully set forth herein.

619. Because Counterclaim Defendants threaten to continue and to repeat their wrongful actions unless restrained by this Court, Counterclaim Plaintiff faces the prospect of irreparable injury, for which there is no adequate remedy at law, and such Plaintiff accordingly is entitled to injunctive relief from this Court.

620. The Continuing Diocese respectfully requests that the Court immediately and permanently enjoin and restrain the Counterclaim Defendants, and each of them, from transferring or purporting to transfer, or receiving any purported transfer of, any interest in parish property or diocesan property that is, was, or shall be, transferred other than in accordance with the provisions of the Constitution and Canons of The Episcopal Church.

COUNT IV – ACCOUNTING

621. Counterclaim Plaintiff hereby repeats and realleges the matters set forth in Paragraphs 524 through 620 of these Counterclaims, as though such matters were fully set forth herein.

622. Counterclaim Defendants, to the extent that they held or continue to hold real property and personal property, including, without limitation, funds, assets, securities, and other investments, are, under South Carolina law and under the Constitution and Canons of the Church, fiduciaries of and for the Church and the Continuing Diocese.

623. The Counterclaim Defendants have transferred and disposed of real property, contrary to the Church's Constitution and Canons, and have diverted and expended funds and other assets in their custody and control for the purpose and with the intent of violating, contravening, and subverting the Constitution, Canons, and polity of the Church, despite their duty to hold, maintain, and use such property and assets solely for the mission and benefit of the Church, and contrary to their fiduciary duties under S.C. Code Ann. § 76-7-103 and Church law.

624. Counterclaim Plaintiff accordingly is entitled to an accounting, and respectfully requests that the Court order each of the Counterclaim Defendants to submit to the Court, and serve upon the Counterclaim Plaintiff, not later than ninety (90) days after the date of the Court's Order, an accounting of all real and personal property, investments, bank accounts, funds, securities, and other property, and all proceeds thereof, in the possession or control of any of the Counterclaim Defendant parishes, the Trustees, or the Lawrence Faction, that is or formerly was held by or for any parish or the diocese, including details of all transfers, dispositions, acquisitions, and exchanges of or for any such property or assets, and all receipts and expenditures of or from any of such funds or other assets, for and during the period commencing on the date on which Bishop Lawrence was ordained as Bishop of South Carolina and continuing through the date of the filing of such accounting.

COUNT V – CONVERSION AND RESTITUTION

625. Counterclaim Plaintiff hereby repeats and realleges the matters set forth in Paragraphs 524 through 624 of these Counterclaims, as though such matters were fully set forth herein.

626. The foregoing allegations show that the Counterclaim Defendants have wrongfully profited and benefited from their unauthorized diversion and appropriation, to their exclusive

use and benefit, of real and personal property and assets which they held in trust for the Church and the Diocese.

627. The Continuing Diocese accordingly is entitled to relief therefor, and respectfully requests that the Court enter an Order directing that each of the Counterclaim Defendants immediately make restitution to the Continuing Diocese of its lawful and proper interests in all real and personal property, funds, and assets, and all proceeds thereof, misappropriated or diverted by any of such Defendants and by them transferred, expended, or otherwise applied for purposes other than furthering the mission of the Church and the Diocese.

COUNT VI – DAMAGES

628. Counterclaim Plaintiff hereby repeats and realleges the matters set forth in Paragraphs 524 through 627 of these Counterclaims, as though such matters were fully set forth herein.

629. The aforesaid conduct of the Counterclaim Defendants constitutes conversion of the Counterclaim Plaintiff's interests in the property held by said Defendants, for which such Plaintiff is entitled to recovery of all damages suffered or incurred by it as a result of Defendants' wrongful conduct.

630. Counterclaim Plaintiff accordingly respectfully requests that the Court enter judgment in its favor and against all Counterclaim Defendants, jointly and severally, in the amount of the value, as proved at trial, of the interests of such Plaintiff that have been converted by said Defendants.

631. Counterclaim Plaintiff the Continuing Diocese further respectfully requests that the Court void and cancel each and all of the quitclaim deeds executed by or on behalf of the

Counterclaim Defendant Lawrence Faction to or for the benefit of any other Counterclaim Defendant or any affiliate thereof.

COUNT VII – CIVIL CONSPIRACY

632. Counterclaim Plaintiff hereby repeats and realleges the matters set forth in Paragraphs 524 through 631 of these Counterclaims, as though such matters were fully set forth herein.

633. The Counterclaim Defendants conspired with and among themselves, and with one or more other persons who will be joined as parties after their identities have been ascertained through discovery, to wrongfully harm Counterclaim Plaintiff by means of the acts alleged hereinabove.

634. Counterclaim Plaintiff accordingly respectfully requests that the Court enter judgment in its favor, and against Counterclaim Defendants who conspired against such Plaintiff, for all damages proximately caused to the Continuing Diocese, as proved at trial, as a result of the wrongful acts of those who joined and participated in such conspiracy.

PRAYER FOR RELIEF

WHEREFORE, Defendant-Counterclaim Plaintiff the Continuing Diocese respectfully requests that the Court enter judgment:

1. Ordering that the Complaint be dismissed with prejudice;
2. In favor of the Defendant-Counterclaim Plaintiff on all claims in the Complaint;
3. In favor of the Defendant-Counterclaim Plaintiff on all counterclaims asserted herein;
4. Awarding to Defendant-Counterclaim Plaintiff actual, consequential, special, and punitive damages as determined by the Court and allowed by law;

5. Awarding to Defendant-Counterclaim Plaintiff injunctive relief as the Court determines is warranted and as is allowed by law; and

6. Awarding to Defendant-Counterclaim Plaintiff such other and further relief as the Court may determine is just, proper, and equitable.

[Signature on following page]

Dated: March 27, 2013

OF COUNSEL

Palmer C. Hamilton
George A. LeMaistre, Jr.
JONES WALKER LLP
254 State Street
Mobile, Alabama 36603
Telephone: (251) 432-1414
Facsimile: (251) 433-4106
phamilton@joneswalker.com
glemaistre@joneswalker.com

Respectfully submitted,



Thomas S. Tisdale (SC Bar #005584)
Jason S. Smith (SC Bar #80700)
HELLMAN YATES & TISDALE
King & Queen Building
145 King Street, Suite 102
Charleston, South Carolina 29401
Telephone: (843) 266-9099
Facsimile: (843) 266-9188
tst@hellmanyates.com
js@hellmanyates.com

Counsel for Defendant The Episcopal Church in South Carolina