

CAUSE NO. \_\_\_\_\_

UNITED METHODIST RIO TEXAS  
CONFERENCE BOARD OF  
TRUSTEES

V.

FIRST METHODIST CHURCH OF  
ALICE, TEXAS; FIRST UNITED  
METHODIST CHURCH OF ARANSAS  
PASS; ART UNITED METHODIST  
CHURCH; ASBURY UNITED  
METHODIST CHURCH; FIRST  
UNITED METHODIST CHURCH OF  
BARKSDALE; BELMONT UNITED  
METHODIST CHURCH; FIRST  
METHODIST CHURCH OF BURNET  
TEXAS F/K/A FIRST UNITED  
METHODIST CHURCH OF BURNET,  
TEXAS; DEWVILLE UNITED  
METHODIST CHURCH; DRIPPING  
SPRINGS FIRST UNITED METHODIST  
CHURCH, INC.; IGLESIA METODISTA  
EL BUEN PASTOR; EL DIVINO  
REDENTOR UNITED METHODIST  
CHURCH; FIRST UNITED  
METHODIST CHURCH OF  
ELDORADO; FIRST METHODIST  
CHURCH GANADO INC.; FIRST  
UNITED METHODIST CHURCH OF  
GONZALES; FIRST METHODIST  
CHURCH HARLINGEN, TEXAS, INC.  
F/K/A FIRST UNITED METHODIST  
CHURCH OF HARLINGEN, TEXAS,  
INC.; FIRST UNITED METHODIST  
CHURCH OF HONDO; INGLESIDE  
UNITED METHODIST CHURCH,  
INGLESIDE, TEXAS; FIRST UNITED  
METHODIST CHURCH OF JUNCTION;  
UNITED METHODIST CHURCH  
INCORPORATED, KARNES CITY,  
TEXAS; FIRST UNITED METHODIST  
CHURCH OF LA GRANGE, TEXAS;  
LA SANTÍSIMA TRINIDAD UNITED  
METHODIST CHURCH; FIRST

IN THE DISTRICT COURT OF

BEXAR COUNTY, TEXAS

UNITED METHODIST CHURCH OF	§	
LAMPASAS, INCORPORATED;	§	
LONDON UNITED METHODIST	§	
CHURCH; LUTIE WATKINS	§	
MEMORIAL METHODIST CHURCH	§	
F/K/A LUTIE WATKINS MEMORIAL	§	
UNITED METHODIST CHURCH;	§	
LOUISE UNITED METHODIST	§	
CHURCH; FIRST UNITED	§	
METHODIST CHURCH OF LYFORD;	§	
LYTEL UNITED METHODIST	§	
CHURCH; FIRST METHODIST	§	
CHURCH OF MARBLE FALLS F/K/A	§	
FIRST UNITED METHODIST CHURCH	§	
OF MARBLE FALLS, TEXAS; FIRST	§	
UNITED METHODIST CHURCH OF	§	
MERTZON, TEXAS; FIRST UNITED	§	
METHODIST CHURCH OF MISSION,	§	
TEXAS, INC.; MONTHALIA UNITED	§	
METHODIST CHURCH; FIRST	§	
UNITED METHODIST CHURCH OF	§	
NIXON; OAK ISLAND UNITED	§	
METHODIST CHURCH; FIRST	§	
UNITED METHODIST CHURCH OF	§	
RAYMONDVILLE; FIRST UNITED	§	
METHODIST CHURCH OF RIO	§	
GRANDE CITY; FIRST METHODIST	§	
CHURCH, ROCKSPRINGS, TEXAS	§	
F/K/A FIRST UNITED METHODIST	§	
CHURCH, ROCKSPRINGS, TEXAS;	§	
ST. JOHN UNITED METHODIST	§	
CHURCH OF RIO GRANDE CITY;	§	
FIRST UNITED METHODIST CHURCH	§	
OF SAN SABA; SOMERSET UNITED	§	
METHODIST CHURCH; FIRST	§	
UNITED METHODIST CHURCH, INC.	§	
OF TAFT, TEXAS; and VALLEY	§	
PRAISE UNITED METHODIST	§	_____ JUDICIAL DISTRICT
CHURCH		

**PLAINTIFF'S ORIGINAL PETITION**

TO THE HONORABLE JUDGE OF THIS COURT:

The United Methodist Rio Texas Board of Trustees ("Plaintiff") files this Original Petition against Defendants First Methodist Church of Alice, Texas ("Alice FMC"); First United Methodist Church of Aransas Pass ("Aransas Pass UMC"); Art United Methodist Church ("Art UMC"); Asbury United Methodist Church ("Asbury UMC"); First United Methodist Church of Barksdale ("Barksdale FUMC"); Belmont United Methodist Church ("Belmont UMC"); First Methodist Church of Burnet Texas f/k/a First United Methodist Church of Burnet, Texas ("Burnet FMC"); Dewville United Methodist Church ("Dewville UMC"); Dripping Springs First United Methodist Church, Inc. ("Dripping Springs FUMC"); Iglesia Metodista El Buen Pastor U ("El Buen Pastor UMC"); El Divino Redentor United Methodist Church ("El Divino Redentor UMC"); First United Methodist Church of Eldorado ("Eldorado FUMC"); First Methodist Church Ganado Inc. ("Ganado FMC"); First United Methodist Church of Gonzales ("Gonzales FUMC"); First Methodist Church Harlingen, Texas, Inc. f/k/a First United Methodist Church of Harlingen, Texas, Inc. ("Harlingen FMC"); First United Methodist Church of Hondo ("Hondo FUMC"); Ingleside United Methodist Church, Ingleside, Texas ("Ingleside UMC"); First United Methodist Church of Junction ("Junction FUMC"); United Methodist Church Incorporated, Karnes City, Texas ("Karnes City UMC"); First United Methodist Church of La Grange, Texas ("La Grange FUMC"); La Santísima Trinidad United Methodist Church ("La Santísima Trinidad UMC"); First United Methodist Church of Lampasas, Incorporated ("Lampasas FUMC"); London United Methodist Church ("London UMC"); Lutie Watkins Memorial Methodist Church f/k/a Lutie Watkins Memorial United Methodist Church ("Lutie Watkins Memorial MC"); Louise United Methodist Church ("Louise UMC"); First United Methodist Church of Lyford ("Lyford FUMC"); Lytel United Methodist Church ("Lytel UMC"); First Methodist Church of

Marble Falls f/k/a First United Methodist Church of Marble Falls, Texas (“Marble Falls FMC”); First United Methodist Church of Mertzon, Texas (“Mertzon FUMC”); First United Methodist Church of Mission, Texas, Inc. (“Mission FUMC”); Monthalia United Methodist Church (“Monthalia UMC”); First United Methodist Church of Nixon (“Nixon FUMC”); Oak Island United Methodist Church (“Oak Island UMC”); First United Methodist Church of Raymondville (“Raymondville FUMC”); First United Methodist Church of Rio Grande City (“Rio Grande City FUMC”); First Methodist Church, Rocksprings, Texas f/k/a First United Methodist Church, Rocksprings, Texas (“Rocksprings FMC”); St. John United Methodist Church of Rio Grande City (“St. John UMC”); First United Methodist Church of San Saba (“San Saba FUMC”); Somerset United Methodist Church (“Somerset UMC”); First United Methodist Church, Inc. of Taft, Texas (“Taft FUMC”); and Valley Praise United Methodist Church (“Valley Praise UMC”) (collectively, “Defendants”), and for cause of action would show as follows:

#### **I. DISCOVERY CONTROL PLAN**

1. Plaintiff intends for discovery in this case to be conducted under Tex. R. Civ. P. 190.4 (Level 3).

#### **II. CLAIMS FOR RELIEF**

2. Plaintiff seeks monetary relief over \$1,000,000, and non-monetary relief. Tex. R. Civ. P. 47(c).

#### **III. PARTIES**

3. Plaintiff is a Texas non-profit corporation with its principal place of business located at 16400 Huebner Road in San Antonio, Texas.

4. Defendant Alice FMC is a Texas non-profit corporation with its principal place of business located in Alice, Texas. Defendant may be served with process by serving its registered agent, David K. Baxter, at 111 N. Adams, Alice, Texas 78332.

5. Defendant Aransas Pass UMC is a Texas non-profit corporation with its principal place of business located in Aransas Pass, Texas. Defendant may be served with process by serving its registered agent, Ronnie Sanders, at 931 S. 9th St., Aransas Pass, Texas 78336.

6. Defendant Art UMC is a Texas unincorporated non-profit association with its principal place of business located at 7399 E. State Highway 29 E., Art, Texas 76820. Defendant does not maintain a registered agent for service of process and therefore may be served with process pursuant to Section 252.013 of the Texas Business Organizations Code by serving its Lead Pastor, Tim Fahrenthold, at 7399 E. State Highway 29 E., Art, Texas 76820.

7. Defendant Asbury UMC is a Texas non-profit corporation with its principal place of business located at 7501 South Staples St., Corpus Christi, Texas 78413. Defendant may be served with process by serving its registered agent, Catherine A. Chaloupka, at 7501 South Staples St., Corpus Christi, Texas 78413.

8. Defendant Barksdale FUMC is a Texas non-profit corporation with its principal place of business located at Rhodes St. @ Beck St., Barksdale, Texas 78828. Defendant may be served with process by serving its registered agent, Cindy Meadors, at P.O. Box 9, Barksdale, Texas 78828.

9. Defendant Belmont UMC is a Texas non-profit corporation with its principal place of business located at 14348 Hwy. 90A West, Belmont, Texas 78614. Defendant

may be served with process by serving its registered agent, Mike W. Bond, at 17083 N. Hwy. 80, P.O. Box 906, Belmont, Texas 78604.

10. Defendant Burnet FMC is a Texas non-profit corporation with its principal place of business located at 301 E. Graves St., Burnet, Texas 78611. Defendant may be served with process by serving its registered agent, Douglas Allen, at 301 E. Graves St., Burnet, Texas 78611.

11. Defendant Dewville UMC is a Texas non-profit corporation with its principal place of business located at 5755 County Road 121, Nixon, Texas 78140. Defendant may be served with process by serving its registered agent, Shirley W. Hester, at 5665 County Road 121, P.O. Box 404, Nixon, Texas 78140.

12. Defendant Dripping Springs FUMC is a Texas non-profit corporation with its principal place of business located at 28900 Ranch Road 12, P.O. Box 99, Dripping Springs, Texas 78620. Defendant may be served with process by serving its registered agent, Karen Thompson, at 28900 Ranch Road 12, P.O. Box 99, Dripping Springs, Texas 78620.

13. Defendant El Buen Pastor UMC is a Texas unincorporated non-profit association with its principal place of business located at 435 Boca Chica Blvd., Brownsville, Texas 78520. Defendant does not maintain a registered agent for service of process and therefore may be served with process pursuant to Section 252.013 of the Texas Business Organizations Code by serving its Lay-Person in Charge (Supply Pastor), Santos Ortiz, at 435 Boca Chica Blvd., Brownsville, Texas 78520.

14. Defendant El Divino Redentor UMC is a Texas unincorporated non-profit association with its principal place of business located at 2421 W. Maple Ave., McAllen,

Texas 78501. Defendant does not maintain a registered agent for service of process and therefore may be served with process pursuant to Section 252.013 of the Texas Business Organizations Code by serving its Lead Pastor, Samuel Blanco, at 2421 W. Maple Ave., McAllen, Texas 78501.

15. Defendant Eldorado FUMC is a Texas non-profit corporation with its principal place of business located at 15 North Divide St., Eldorado, Texas 76936. Defendant may be served with process by serving its registered agent, Clint Griffin, at 15 North Divide St., P.O. Box 678, Eldorado, Texas 76936.

16. Defendant Ganado FMC is a Texas non-profit corporation with its principal place of business located at 200 Twin Oaks Blvd., Ganado, Texas 77962. Defendant may be served with process by serving its registered agent, Registered Agent Solutions, Inc., at Corporate Center One, 5301 Southwest Parkway, Suite 400, Austin, Texas 78735.

17. Defendant Gonzales FUMC is a Texas non-profit corporation whose corporate existence has been terminated, but which has continued thereafter to function as a Texas unincorporated non-profit organization, with its principal place of business located at 426 Saint Paul St., Gonzales, Texas 78629. Defendant may be served with process by serving its registered agent, Rosemary S. Hindman Jr., at 426 Saint Paul St., Gonzales, Texas 78629.

18. Defendant Harlingen FMC is a Texas non-profit corporation with its principal place of business located at 321 E. Harrison, Harlingen, Texas 78550. Defendant may be served with process by serving its registered agent, Tom McLemore, at 321 E. Harrison, Harlingen, Texas 78550.

19. Defendant Hondo FUMC is a Texas non-profit corporation whose corporate duration expired on March 7, 2006, but which has continued to function as a Texas unincorporated non-profit organization since that date. In the alternative, if Hondo FUMC continued as a corporation after that date, its corporate existence was purportedly terminated on April 12, 2023, and it therefore may still be sued in its corporate form under Tex. Bus. Orgs. Code § 11.356. Hondo FUMC's principal place of business is located at 1006 16th St., Hondo, Texas 78861. Defendant may be served with process by serving its registered agent, Ted Lindeman, at 1006 16th St., Hondo, Texas 78861.

20. Defendant Ingleside UMC is a Texas non-profit corporation whose corporate duration expired on April 19, 2004, but which has continued to function as a Texas unincorporated non-profit organization since that date, with its principal place of business located at 2572 Church St., Ingleside, Texas 78362. Defendant may be served with process by serving its registered agent, Kelli L. Williamson, at Box 688, Ingleside, Texas 78362, or its Lead Pastor, Gail Danforth, at 2572 Church St., Ingleside, Texas 78362.

21. Defendant Junction FUMC is a Texas unincorporated non-profit association with its principal place of business located at 902 Main St., Junction, Texas 76849. Defendant does not maintain a registered agent for service of process and therefore may be served with process pursuant to Section 252.013 of the Texas Business Organizations Code by serving its Lead Pastor, Stephen A. Curry, at 902 Main St., Junction, Texas 76849.

22. Defendant Karnes City UMC is a Texas non-profit corporation with its principal place of business located at 201 N. Esplanade St., Karnes City, Texas 78118.



Defendant may be served with process by serving its registered agent, Terry L. Johnson, at 201 N. Esplanade St., Karnes City, Texas 78118.

23. Defendant La Grange FUMC is a Texas non-profit corporation with its principal place of business located at 1215 N. Von Minden, La Grange, Texas 78945. Defendant may be served with process by serving its registered agent, William Koenig, at 1215 N. Von Minden, La Grange, Texas 78945.

24. Defendant La Santísima Trinidad UMC is a Texas unincorporated non-profit association with its principal place of business located at 409 E. 2nd St., Weslaco, Texas 78596. Defendant does not maintain a registered agent for service of process and therefore may be served with process pursuant to Section 252.013 of the Texas Business Organizations Code by serving its Lead Pastor, Osvaldo Casimir Benitez, at 409 E. 2nd St., Weslaco, Texas 78596.

25. Defendant Lampasas FUMC is a Texas non-profit corporation with its principal place of business located at 2 Alexander Ln., Lampasas, Texas 76550. Defendant may be served with process by serving its registered agent, Matt Karcher, at 2 Alexander Ln., Lampasas, Texas 76550.

26. Defendant London UMC is a Texas unincorporated non-profit association with its principal place of business located at 306 W. Mabry St., London, Texas 76854. Defendant does not maintain a registered agent for service of process and therefore may be served with process pursuant to Section 252.013 of the Texas Business Organizations Code by serving its Lead Pastor, Stephen A. Curry, at 306 W. Mabry St., London, Texas 76854.

27. Defendant Lutie Watkins Memorial MC is a Texas non-profit corporation with its principal place of business located at 800 Wright St., Llano, Texas 78643. Defendant may be served with process by serving its registered agent, Janet Brown, at 800 Wright St., Llano, Texas 78643.

28. Defendant Louise UMC is a Texas unincorporated non-profit association with its principal place of business located at 207 N. Center St., Louise, Texas 77455. Defendant does not maintain a registered agent for service of process and therefore may be served with process pursuant to Section 252.013 of the Texas Business Organizations Code by serving its Lead Pastor, Paul Beard, at 207 N. Center St., Louise, Texas 77455.

29. Defendant Lyford FUMC is a Texas unincorporated non-profit association with its principal place of business located at 13258 Glen Lofton Ave., Lyford, Texas 78569. Defendant does not maintain a registered agent for service of process and therefore may be served with process pursuant to Section 252.013 of the Texas Business Organizations Code by serving its Supply Pastor, Rene Lizcano, at 13258 Glen Lofton Ave., Lyford, Texas 78569.

30. Defendant Lytle UMC is a Texas non-profit corporation whose corporate duration expired on February 9, 2019, but which has continued to function as a Texas unincorporated non-profit organization since that date, with its principal place of business located at 19341 Somerset Rd., Lytle, Texas 78052. Defendant may be served with process by serving its registered agent, Glenn Norton, at Box 608, Lytle, Texas 78052.

31. Defendant Marble Falls FMC is a Texas non-profit corporation with its principal place of business located at 1101 Bluebonnet Dr., Marble Falls, Texas 78654.

Defendant may be served with process by serving its registered agent, Sharon Pehl, at 1101 Bluebonnet Dr., Marble Falls, Texas 78654.

32. Defendant Mertzon FUMC is a Texas non-profit corporation with its principal place of business located at 105 W. Juanita Ave., Mertzon, Texas 76941. Defendant may be served with process by serving its registered agent, Judy Wilkerson, at 105 Juanita, Box 583, Mertzon, Texas 76941.

33. Defendant Mission FUMC is a Texas non-profit corporation with its principal place of business located at 1101 Doherty Ave., Mission, Texas 78572. Defendant may be served with process by serving its registered agent, Lisa L. Keller, at 1309 E. 29th St., Mission, Texas 78574.

34. Defendant Monthalia UMC is a Texas non-profit corporation with its principal place of business located at 1926 Co. Rd. 112, Cost, Texas 78614. Defendant may be served with process by serving its registered agent, Noel Lindmann, at 1952 Co. Rd. 112, Cost, Texas 78614.

35. Defendant Nixon FUMC is a Texas non-profit corporation with its principal place of business located at 400 N. Franklin, Nixon, Texas 78140. Defendant may be served with process by serving its registered agent, Rhonda G. Troll, at 400 N. Franklin, Nixon, Texas 78140.

36. Defendant Oak Island UMC is a Texas non-profit corporation with its principal place of business located at 2970 Devilbiss Lane, San Antonio, Texas 78264. Defendant may be served with process by serving its registered agent, William F. Overstreet III, at 2970 Devilbiss Lane, San Antonio, Texas 78264.

37. Defendant Raymondville FUMC is a Texas non-profit corporation whose corporate existence has been terminated, but which has continued thereafter to function as a Texas unincorporated non-profit organization, with its principal place of business located at 192 South 3rd St., Raymondville, Texas 78580. Defendant may be served with process by serving its registered agent, Glenn Harding, at Box. 825, 192 South 3rd St., Raymondville, Texas 78580.

38. Defendant Rio Grande City FUMC is a Texas unincorporated non-profit association with its principal place of business located at the corner of E. Canales St. & N. Washington St., Rio Grande City, Texas 78582. Defendant does not maintain a registered agent for service of process and therefore may be served with process pursuant to Section 252.013 of the Texas Business Organizations Code by serving its Lead Pastor, Gricelda B. Careaga, at E. Canales St. & N. Washington St., Rio Grande City, Texas 78582.

39. Defendant Rocksprings FMC is a Texas non-profit corporation with its principal place of business located at 208 W. Austin Street, Rocksprings, Texas 78880. Defendant may be served with process by serving its registered agent, Souli A. Shanklin, at 206 W. Austin Street, Rocksprings, Texas 78880.

40. Defendant St. John UMC is a Texas non-profit corporation whose corporate existence has been terminated, but which has continued thereafter to function as a Texas unincorporated non-profit organization, with its principal place of business located at 109 N. FM 3167, Rio Grande City, Texas 78582. Defendant may be served with process by serving its registered agent, Boone Lagrange, at RR 3 Box 17T, Rio Grande City, Texas 78582.

41. Defendant San Saba FUMC is a Texas non-profit corporation with its principal place of business located at 204 West Brown St., San Saba, Texas 76877. Defendant may be served with process by serving its registered agent, W. Owen Parks, at 204 West Brown St., P.O. Box 487, San Saba, Texas 76877.

42. Defendant Somerset UMC is a Texas non-profit corporation with its principal place of business located at 8175 7th St., Somerset, Texas 78069. Defendant may be served with process by serving its registered agent, Roy J. Brown, at 8175 7th St., Somerset, Texas 78069.

43. Defendant Taft FUMC is a Texas non-profit corporation with its principal place of business located at 302 McIntyre Ave., Taft, Texas 78390. Defendant may be served with process by serving its registered agent, Mary Garrett, at 302 McIntyre Ave., Taft, Texas 78390.

44. Defendant Valley Praise UMC is a Texas non-profit corporation with its principal place of business located at 1927 W. Jefferson Ave., Harlingen, Texas 78550. Defendant may be served with process by serving its registered agent, James Kevin Harden, at 8122 W. 83, Suite C, Harlingen, Texas 78552.

#### **IV. VENUE AND JURISDICTION**

45. Venue is proper because all or a substantial part of the events or omissions giving rise to Plaintiff's claims occurred in Bexar County, Texas. Tex. Civ. Prac. & Rem. Code §15.002(a)(1). This Court has jurisdiction because the amount in controversy greatly exceeds the minimum jurisdictional limits.

#### **V. FACTUAL BACKGROUND**

46. This lawsuit involves Defendants' stated intent to disaffiliate from The United Methodist Church (the "Church"). The Church is a worldwide religious

denomination organized by conferences, “each covering a wider geographic scope, beginning with the local church and charge conference and extending through the district, annual, jurisdictional (regional), and [g]eneral [c]onferences.” The United Methodist Rio Texas Conference (“Rio Texas Conference”) is the annual conference of the Church that represents South Texas. Defendants are local churches within the Rio Texas Conference’s jurisdiction.

**A. The Law of the Church and the Disaffiliation Process**

47. The General Conference is the Church’s top lawmaking assembly and has the sole authority to speak on behalf of the Church. The *2016 Book of Discipline* (the “Discipline”) is the book of law of the Church and is “the instrument for setting forth the laws, plan, polity, and process by which United Methodists govern themselves.” (the Discipline, p. V). Each General Conference of the Church amends the Discipline, and the actions of the General Conference are codified in quadrennial revisions. Local United Methodist churches, including Defendants, are subject to the Discipline and the Church hierarchy.

48. In 2019, the General Conference adopted ¶ 2553 of the Discipline, which created a process under Church law for local churches to disaffiliate from the Church and obtain a release of property from the Trust Clause (as defined in para. 50 hereof). A copy of the Addendum to the Discipline, which includes ¶ 2553, is attached hereto as Exhibit A. In addition thereto, the Rio Texas Conference adopted a policy for disaffiliation under ¶ 2553, “Discerning Pathways,” a copy of which is attached hereto as Exhibit B.

49. ¶ 2553 of the Discipline requires that, following the vote of a local church to disaffiliate, the terms of the disaffiliation be memorialized in a disaffiliation agreement

between the local church and the annual conference (“Disaffiliation Agreement”). The Disaffiliation Agreement is required to include, among other things, that the local church shall pay unpaid apportionments for the 12-month period prior to disaffiliation, as well as an additional 12 months of apportionments, and a contribution of withdrawal liability in an amount equal to its pro rata share of any aggregate unfunded pension obligations to the annual conference (the “Unfunded Pension Liability”). Ex. A.

50. Pursuant to the Discerning Pathways, the apportionments and Unfunded Pension Liability must be paid, and the local church must execute the Disaffiliation Agreement, before the Rio Texas Conference may vote to release the local church from any obligations under the trust clause in ¶ 2503 of the Discipline (the “Trust Clause”).

51. Additionally, ¶ 1504.23 of the Discipline requires that a local church in the United States that changes its relationship to the Church through closure, abandonment, or release from the Trust Clause shall contribute its Unfunded Pension Liability. See Ex. A. ¶ 1504.23 further provides that the annual conference shall determine this liability from the aggregate funding obligations of the annual conference, as determined by the General Board of Pension and Health Benefits using market factors similar to a commercial annuity provider.

52. Pursuant to ¶ 2601 of the Discipline, the Judicial Council is the highest judicial body in the Church. As set forth in ¶ 2610 of the Discipline, the Judicial Council has the authority “to make a ruling in the nature of a declaratory decision as to the constitutionality, meaning, application, or effect of the Discipline or any portion thereof or any act or legislation of a General Conference; and the decision of the Judicial Council thereon shall be binding and effectual as a decision made by it on appeal.”

53. On August 22, 2022, the Judicial Council issued Decision No. 1449, a copy of which is attached hereto as Exhibit C. In Decision No. 1449, the Judicial Council held that the process set forth in ¶ 2548.2 of the Discipline “may not be used as a pathway for local churches to disaffiliate from” the Church. In so holding, the Judicial Council stated the following:

It stands to reason that, if disaffiliation of local churches could be accomplished under ¶ 2548.2 or *any* other provision of the *Discipline*, the special session of General Conference in 2019 would not have gone through the trouble of enacting ¶ 2553 and (redundantly) labeling it “Disaffiliation of Local Churches Over Issues Related to Human Sexuality.” The rational conclusion must be that, in adopting ¶ 2553, the 2019 General Conference intended that the process set forth therein be used for the stated purpose because there is no other provision available in the *Discipline*.

Under a long-standing rule of statutory interpretation, special legislation supersedes general legislation. JCD 424 (holding that “there is another rule of statutory construction that as between general and special legislation the latter controls.”). Undoubtedly, ¶ 2553 is a *special* legislation adopted by a *special* General Conference for the *specific* purpose of permitting local churches to disaffiliate from The United Methodist Church with their property under certain terms and conditions. Consequently, ¶ 2553 controls in matters of local church disaffiliation.

Ex. C, at 8 (emphasis added). Thus, as declared by the Judicial Council, any disaffiliation from the Church must be accomplished under ¶ 2553 of the Discipline, including obtaining Plaintiff’s consent to the same in accordance with ¶ 2529.1(b)(3).<sup>1</sup>

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<sup>1</sup> The requirement of consent is emphasized in the Judicial Council’s Decision No. 1379, and is also noted in both ¶ 2553 of the Discipline and in the Discerning Pathways.



54. On April 25, 2023, the Judicial Council issued Decision No. 1480, a copy of which is attached hereto as Exhibit D, in which it unequivocally states that “[i]t will be unlawful for an annual conference to ratify a local church disaffiliation for any reason other than those specified in ¶ 2553.1 of the Discipline.” Ex. D, at 5.

55. The following local churches in the Rio Texas Conference have complied with ¶ 2553 and have disaffiliated from the Church as of May 6, 2023: Barnhart United Methodist Church; First United Methodist Church of Big Lake; Blanco United Methodist Church; St Luke’s United Methodist Church (Corpus Christi); First United Methodist Church of Cotulla; Dilley United Methodist Church; Driftwood United Methodist Church; First United Methodist Church of El Campo; Flatonia United Methodist Church; Freyburg United Methodist Church; Goldthwaite United Methodist Church; Jourdanton United Methodist Church; Kingsbury United Methodist Church; Lytton Springs United Methodist Church; Martindale United Methodist Church; Medina United Methodist Church; Miles United Methodist Church; Montell United Methodist Church; New Fountain United Methodist Church; Pawnee United Methodist Church; Pearsall United Methodist Church; Robert Lee United Methodist Church; First United Methodist Church of Sabinal; Northwest Hills United Methodist Church (San Antonio); St Andrew’s United Methodist Church (San Antonio); Schulenburg United Methodist Church; Smiley United Methodist Church; First United Methodist Church of Sterling City; Christ United Methodist Church (Stockdale); Three Rivers United Methodist Church; First United Methodist Church of Uvalde; Utopia United Methodist Church; and John Wesley United Methodist Church (Victoria).

**B. Defendants' Declarations to Disaffiliate and Defiance of the Disaffiliation Process**

56. Defendants have advised the Rio Texas Conference of their intent to disaffiliate from the Church and have declared that they do not intend to abide by the disaffiliation process set forth in ¶¶ 2553 and 1504.23 of the Discipline. Specifically, Defendants have stated that they do not intend to enter into a Disaffiliation Agreement or pay the required apportionments and Unfunded Pension Liability, nor will they relinquish to the Rio Texas Conference their possession of Church property consisting of buildings and other assets.

57. Counsel representing all Defendants, in a letter to the Rio Texas Conference dated April 26, 2023, stated the following:

As we discussed my clients are seeking an amicable parting from the United Methodist Rio Conference which does not involve the terms set out in 2553.

All the churches have voted overwhelmingly to leave the conference. None of them have signed the 2553 Disaffiliation Agreement and do not intend to sign it.

Accordingly, my clients propose an agreement where they keep all their personal and real property in exchange for a mutual release and quitclaim deed from the conference.

Additionally, my clients have no intention to pay any "underfunded" pension amount and will address this issue directly with Wespeth in the future. However, the churches are open to paying a portion of the apportionments including any owed amounts to date as part of any mutual agreement.

A copy of the letter sent on behalf of Defendants is attached hereto as Exhibit E.

58. Unless and until Defendants execute the Disaffiliation Agreement and pay the required apportionments and Unfunded Pension Liability as required by ¶¶ 2553 and

1504.23, the Rio Texas Conference cannot lawfully ratify their disaffiliation or vote to release its rights in and claim to Church property in the possession of Defendants.

59. Despite consultation with Defendants and their counsel, the Rio Texas Conference has been unable to obtain Defendants' compliance with the requirements of ¶¶ 2553 and 1504.23 of the Discipline.

60. Defendants' refusal to comply with ¶¶ 2553 and 1504.23 have created confusion, as the Rio Texas Conference is left not knowing whether the pastors and/or lay persons from these churches remain part of the Church or have resigned from Conference boards and committees, if and when it should appoint and send pastors to these churches, when to terminate insurance coverages, etc. As a result, the Conference is unable to budget for future operations due to the uncertainty, unable to determine its own future staffing needs and unable to plan pastoral assignments. This creates an enormous amount of confusion in the operation of the Conference, which the Church sought to avoid in planning a graceful, fair and efficient exit.

61. Plaintiff, the Board of Trustees for the Rio Texas Conference, is charged with safeguarding the rights and interests of the Church and the Rio Texas Conference. ¶ 2512 of the Discipline requires Plaintiff to "intervene and take all necessary legal steps to safeguard and protect the interests and rights of the annual conference anywhere and in all matters relating to property and rights to property whether arising by gift, devise, or otherwise, or where held in trust or established for the benefit of the annual conference or its membership."

## **VI. CAUSES OF ACTION**

### **COUNT 1 – DECLARATORY JUDGMENT**

62. Plaintiff incorporates paragraphs 1-61 by reference.

63. Plaintiff requests a declaratory judgment that Defendants must comply with the disaffiliation procedure set forth in ¶ 2553 of the Discipline, including the execution of a Disaffiliation Agreement and payment of the required apportionments and Unfunded Pension Liability, in order to retain possession of Church property and other assets in their possession.

COUNT II – REPUDIATION / BREACH OF CONTRACT / ANTICIPATORY BREACH  
OF CONTRACT

64. Plaintiff incorporates paragraphs 1-63 by reference.

65. The Discipline is a contractual agreement between the Church and Defendants. Its enforcement does not require the interpretation of doctrinal or theological matters.

66. As indicated above, Defendants have stated their intent to disaffiliate from the Church. See Ex. E. Such disaffiliation must be conducted in accordance with the requirements of ¶¶ 2553 and 1504.23 of the Discipline, as stated in the Judicial Council's Decision No. 1449 and as otherwise described in the Discerning Pathways.

67. Defendants have indicated, both through their statements and actions, that despite their obligations under ¶¶ 2553 and 1504.23, Defendants refuse to enter into a Disaffiliation Agreement, and intend to retain Church property and assets without making the required apportionment and Unfunded Pension Liability payments for release of such property under the Trust Clause. See Ex. E. In doing so, Defendants have repudiated their obligations under the Discipline.

68. Defendants' repudiation of their obligations under ¶¶ 2553 and 1504.23 constitutes a violation of the Discipline and, therefore, a breach of contract or, alternatively, an anticipatory breach of contract. Plaintiff has been damaged by

Defendants' failure and refusal to pay the required apportionments and Unfunded Pension Liability in exchange for the release of the Rio Texas Conference's rights in and to Church property and assets in the possession of Defendants. The Rio Texas Conference is entitled to such payments from each of the Defendants in connection with such breach, as calculated in accordance with ¶¶ 2553 and 1504.23 of the Discipline.

### **COUNT III - REQUEST FOR INJUNCTIVE RELIEF**

69. Plaintiff incorporates paragraphs 1-68 by reference.

70. Plaintiff seeks injunctive relief. Specifically, Plaintiff seeks to enjoin Defendants from disaffiliating from the Church without complying with the requirements of the Discipline, and specifically ¶¶ 2553 and 1504.23 thereof, and the Discerning Pathways.

### **VII. DAMAGES, ATTORNEYS' FEES, AND COSTS**

71. Plaintiff incorporates paragraphs 1-70 by reference.

72. Plaintiff is entitled to recover its reasonable and necessary attorney's fees incurred in pursuing its claims in this lawsuit, pursuant to the provisions of Tex. Civ. Prac. & Rem. Code § 37.009.

73. Plaintiff respectfully requests that the Court enter judgment for its actual damages, consequential damages, special damages, reasonable and necessary attorneys' fees, interest and costs. Plaintiff also seeks for such other and further relief to which it may be justly entitled at both at law and equity.

### **PRAYER**

Plaintiff United Methodist Rio Texas Conference Board of Trustees respectfully prays that this Court grant judgment against Defendants for all of the relief requested herein, and for such other and further relief to which Plaintiff may be justly entitled.

Respectfully submitted,

**CLARK HILL PLC**

By: /s/ James M. Kimbell

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**ATTORNEYS FOR PLAINTIFF  
UNITED METHODIST RIO TEXAS  
CONFERENCE BOARD OF TRUSTEES**

# **Exhibit A**

## **Addendum to *The Book of Discipline of The United Methodist Church, 2016***

The action of the 2019 General Conference affected the following portions of the *Book of Discipline*. The new text of each paragraph or subparagraph is printed below. These will replace the corresponding portions printed in the 2016 *Book of Discipline*, and should be used when preparing petitions to the 2020 General Conference. The majority of these changes will become effective on January 1, 2020 for annual conferences in the United States of America, and will become effective twelve months after the close of the 2020 General Conference for those in central conferences. The new subparagraph 1504.23, new paragraph 2553, and the amended Clergy Retirement Security Program (CRSP) became effective at the close of the 2019 General Conference.

### **¶ 304.3, page 226, footnote 1.**

1. “*Self-avowed practicing homosexual*” is understood to mean that a person openly acknowledges to a bishop, district superintendent, district committee of ordained ministry, Board of Ordained Ministry, or clergy session that the person is a practicing homosexual; or is living in a same-sex marriage, domestic partnership or civil union, or is a person who publicly states she or he is a practicing homosexual. See Judicial Council Decisions 702, 708, 722, 725, 764, 844, 984, 1020, 1341.

### **¶ 304.5, page 226.**

5. In all votes regarding license, ordination, or conference membership, the requirements set forth herein are minimum requirements. Each person voting is expected to vote prayerfully based on personal judgment of the applicant’s gifts, evidence of God’s grace, and promise of future usefulness for the mission of the Church. The district committee on ordained ministry and the Board of Ordained Ministry shall not approve or recommend any person for candidacy, licensing, commissioning, or ordination who does not meet the qualifications of ¶ 304.1-3, based on the full examination and thorough inquiry into the person’s fitness by the committee and board (see Judicial Council Decisions 1343 and 1344). The bishop presiding in the clergy session shall rule any such unqualified candidate out of order and not eligible to be acted upon.

### **¶ 362, pages 314-317.**

¶ 362. *Complaint Procedures*—1. Ordination and membership in an annual conference in The United Methodist Church is a sacred trust. The qualifications and duties of local pastors, associate members, provisional members, and full members are set forth in *The Book of Discipline of The United Methodist Church*, and we believe they flow from the gospel as taught by Jesus the Christ and proclaimed by his apostles. Whenever a person in any of the above categories, including those on leaves of all types, honorable or administrative location, or retirement, is accused of violating this trust, the membership of his or her ministerial office shall be subject to review.

This review shall have as its primary purpose a just resolution of any violations of this sacred trust, in the hope that God’s work of justice, reconciliation and healing may be realized in the body of Christ.

A just resolution is one that focuses on repairing any harm to people and communities, achieving real accountability by making things right in so far as possible and bringing healing to all the parties. Just resolutions shall state all identified harms and how they shall be addressed by the Church and other parties to the complaint. In appropriate situations, processes seeking a just resolution as defined in ¶ 362.1c may be pursued. Special attention should be given to ensuring that cultural, racial, ethnic and gender contexts are valued throughout the process in terms of their understandings of fairness, justice, and restoration.

A complaint is a written and signed statement claiming misconduct as defined in ¶ 2702.1. When a complaint is received by the bishop, both the person making the complaint and the person against whom the complaint is made will be informed in writing of the process to be followed at that stage. When and if the stage changes, those persons will continue to be informed in writing of the new process in a timely fashion. All original time limitations may be extended for one 30-day period upon the consent of the complainant and the respondent.

a) *Supervision*—In the course of the ordinary fulfillment of the superintending role, the bishop or district superintendent may receive or initiate complaints about the performance or character of a clergyperson. A complaint is a written and signed statement claiming misconduct or unsatisfactory performance of ministerial duties.<sup>78</sup> The person filing the complaint and the clergyperson shall be informed by the district superintendent or bishop of the process for filing the complaint and its purpose.



*b) Supervisory Response*—The supervisory response of the bishop shall begin upon receipt of a formal complaint. The response is pastoral and administrative and shall be directed toward a just resolution among all parties. It is not part of any judicial process. The complaint shall be treated as an allegation or allegations during the supervisory process. At all supervisory meetings no verbatim record shall be made and no legal counsel shall be present. The person against whom the complaint was made may choose another person to accompany him or her with the right to voice; the person making the complaint shall have the right to choose a person to accompany him or her with the right to voice.

The supervisory response shall be carried out by the bishop or the bishop's designee in a timely manner, with attention to communication to all parties regarding the complaint and the process. At the determination of the bishop, persons with qualifications and experience in assessment, intervention, or healing may be selected to assist in the supervisory response. The bishop also may consult with the committee on pastor-parish relations for pastors, the district committee on superintendency for the district superintendents, appropriate personnel committee, or other persons who may be helpful.

When the supervisory response is initiated, the bishop shall notify the chairperson of the Board of Ordained Ministry that a complaint has been filed, of the clergyperson named, of the general nature of the complaint, and, when concluded, of the disposition of the complaint.

*c) Just Resolution*—The supervisory response may include a process that seeks a just resolution in which the parties are assisted by a trained, impartial third party facilitator(s) or mediator(s), in reaching an agreement satisfactory to all parties.<sup>7</sup> If the bishop chooses to initiate a mediated attempt to produce a just resolution, then the bishop, the person filing the complaint, the respondent, and other appropriate persons shall enter into a written agreement outlining the process, including any agreements on confidentiality. A process seeking a just resolution may begin at any time in the supervisory, complaint, or trial process. No matter where in the process a just resolution is achieved, the complainant(s) shall be a party to the resolution process and every effort shall be made to have the complainant(s) agree to the resolution before it may take effect. If resolution is achieved, a written statement of resolution, including any terms and conditions, shall be signed by the parties and the parties shall agree on any matters to be disclosed to third parties. A just resolution agreed to by all parties shall be a final disposition of the related complaint.

A process seeking a just resolution may begin at any time in the supervisory or complaint process. This is not an administrative or judicial proceeding.

*d) Suspension*—When deemed appropriate, to protect the well-being of the person making the complaint, the congregation, annual conference, other context for ministry, and/or clergy, the bishop, with the recommendation of the executive committee of the Board of Ordained Ministry, may suspend the person from all clergy responsibilities, but not from an appointment, for a period not to exceed ninety days. With the agreement of the executive committee of the Board of Ordained Ministry, the bishop may extend the suspension for only one additional period not to exceed thirty days. During the suspension, salary, housing, and benefits provided by a pastoral charge will continue at a level no less than on the date of suspension.<sup>8</sup> The person so suspended shall retain all rights and privileges as stated in ¶ 334. The cost of supply of a pastor during the suspension will be borne by the annual conference.<sup>9</sup>

*e) Referral or Dismissal of a Complaint*—Upon receiving a written and signed complaint, the Bishop shall, within 90 days, carry out the supervisory response process outlined above. If within 90 days after the receipt of the complaint resolution is not achieved, the bishop shall either:

(1) Dismiss the complaint as having no basis in law or fact, with the consent of the cabinet, giving the reasons therefore in writing, copies of which shall be placed in the clergyperson's file and shared with the complainant; or

(2) Refer the matter to the counsel for the Church as a complaint.

*f) Supervisory Follow-up and Healing*—The bishop and cabinet shall provide a process for healing within the congregation, annual conference, or other context of ministry if there has been significant disruption by the complaint. This process may include sharing of information by the bishop or the bishop's designee about the nature of the complaint without disclosing alleged facts, which may compromise any possible forthcoming administrative or judicial process. When facts are disclosed, due regard should be given to the interests and needs of all concerned, including the respondent and complainant who may be involved in an administrative or judicial process. This process for healing may include a process of a just resolution, which addresses unresolved conflicts, support for victims, and reconciliation for parties involved.<sup>10</sup> This can take place at any time during the supervisory, complaint, or trial process.

*g)* A complaint may be held in abeyance with the approval of the Board of Ordained Ministry if civil authorities are involved or their involvement is imminent on matters covered by the complaint. The

status of complaints held in abeyance shall be reviewed at a minimum of every 90 days by the bishop and the executive committee of the Board of Ordained Ministry to ensure that the involvement of civil authorities is still a valid impediment for proceeding with the resolution of a complaint. Abeyance of a complaint may be terminated by either the bishop or the Board of Ordained Ministry. The time in which a complaint is held in abeyance shall not count toward the statute of limitations. A clergyperson shall continue to hold his or her current status while a complaint is held in abeyance.

78. See Judicial Council Decisions 763, 777.

79. See Judicial Council Decisions 691, 700, 751, 763, 768.

80. See Judicial Council Decision 776.

81. See Judicial Council Decisions 534, 836.

82. See Judicial Council Decision 763.

**¶ 413.3.c, page 337.**

c) The supervisory response may include a process seeking a just resolution in which the parties are assisted by a trained, impartial third party facilitator(s) or mediator(s) in reaching an agreement satisfactory to all parties. (See ¶ 362.1b, c.) The appropriate persons, including the president of the College of Bishops, or the secretary if the complaint concerns the president, should enter into a written agreement outlining such process, including an agreement as to confidentiality. No matter where in the process a just resolution is achieved, the complainant(s) shall be a party to the resolution process and every effort shall be made to have the complainant(s) agree to the resolution before it may take effect. If resolution is achieved, a written statement of resolution, including terms and conditions, shall be signed by the parties and the parties shall agree on any matters to be disclosed to third parties. Such written statement of resolution shall be given to the person in charge of that stage of the process for further action consistent with the agreement. Just resolutions shall state all identified harms and how they shall be addressed by the Church and other parties to the complaint.

**¶ 413.3.d.i, page 337.**

d) (i) If the supervisory response results in the resolution of the matter, the bishop in charge of the supervisory response and the two episcopacy committee members appointed to the supervisory process (¶ 413.3) shall monitor the fulfillment of the terms of the resolution. If the supervisory response does not result in resolution of the matter, the president or secretary of the College of Bishops may either dismiss the complaint as having no basis in law or fact, with the consent of the College of Bishops and the committee on episcopacy, giving the reasons therefore in writing, copies of which shall be placed in the bishop's file and shared with the complainant, refer the matter to the committee on episcopacy as an administrative complaint pursuant to ¶ 413.3e, or refer the matter to counsel for the Church pursuant to ¶ 2704.1 to prepare a complaint to forward to the committee on investigation.

**¶ 415.6, page 341.**

6. To consecrate bishops; to ordain elders and deacons; to commission deaconesses, home missionaries, and missionaries; and to see that the names of the persons commissioned and consecrated are entered on the journals of the conference and that proper credentials are furnished to these persons. Bishops are prohibited from consecrating bishops who are self-avowed practicing homosexuals, even if they have been duly elected by the jurisdictional or central conference. Bishops are prohibited from commissioning those on the deacon or elder track if the Board of Ordained Ministry has determined the individual is a self-avowed practicing homosexual or has failed to certify it carried out the disciplinarily mandated examination, even if the individual has been recommended by the Board of Ordained Ministry and approved by the clergy session of the annual conference. Bishops are prohibited from ordaining deacons or elders if the Board of Ordained Ministry has determined the individual is a self-avowed practicing homosexual or has failed to certify it carried out the disciplinarily mandated examination, even if the individual has been recommended by the Board of Ordained Ministry and approved by the clergy session of the annual conference.

As these services are acts of the whole Church, text and rubrics shall be used in the form approved by the General Conference.

**¶ 543.17, page 388.**

17. In a central conference or provisional central conference using a language other than English, legislation passed by a General Conference shall not take effect until 18 months after the close of that General Conference in order to afford the necessary time to make adaptations and to publish a translation

of the legislation that has been enacted, the translation to be approved by the resident bishop or bishops of the central conference. This provision, however, shall not exclude the election of delegates to the General Conference by annual conferences within the territory of central conferences or provisional central conferences. Legislation passed at the 2019 called session of General Conference shall not take effect in central conferences until twelve months after the close of the 2020 General Conference in order to afford the necessary time to organize a central conference and “to make such rules and regulations for the administration of the work within their boundaries including such changes and adaptations of the General *Discipline* as the conditions in the respective areas may require, subject to the powers that have been or shall be vested in the General Conference” (§ 31.5 of the Constitution), without regard to the language used in a central conference.

**NEW § 1504.23, page 676.**

**[This new subparagraph became effective at the close of the 2019 General Conference.]**

23. If a local church or charge in the United States changes its relationship to The United Methodist Church through closure, abandonment, or release from the trust clause pursuant to § 2548, § 2549, or otherwise, notwithstanding whether property with title held by the local church is subject to the trust (under the terms of § 2501), the local church shall contribute a withdrawal liability in an amount equal to its pro rata share of any aggregate unfunded pension obligations to the annual conference. The General Board of Pension and Health Benefits shall determine the aggregate funding obligations of the annual conference using market factors similar to a commercial annuity provider, from which the annual conference will determine the local church’s share. Nothing in the foregoing prevents an annual conference from collecting other obligations from a church or charge.

**NEW § 2553, page 776.**

**[This new paragraph became effective at the close of the 2019 General Conference.]**

Section VIII. Disaffiliation of Local Churches Over Issues Related to Human Sexuality

§ 2553. *Disaffiliation of a Local Church Over Issues Related to Human Sexuality*—1. Basis—Because of the current deep conflict within The United Methodist Church around issues of human sexuality, a local church shall have a limited right, under the provisions of this paragraph, to disaffiliate from the denomination for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.

2. *Time Limits*—The choice by a local church to disaffiliate with The United Methodist Church under this paragraph shall be made in sufficient time for the process for exiting the denomination to be complete prior to December 31, 2023. The provisions of § 2553 expire on December 31, 2023 and shall not be used after that date.

3. *Decision Making Process*—The church conference shall be conducted in accordance with § 248 and shall be held within one hundred twenty (120) days after the district superintendent calls for the church conference. In addition to the provisions of § 246.8, special attention shall be made to give broad notice to the full professing membership of the local church regarding the time and place of a church conference called for this purpose and to use all means necessary, including electronic communication where possible, to communicate. The decision to disaffiliate from The United Methodist Church must be approved by a two-thirds (2/3) majority vote of the professing members of the local church present at the church conference.

4. *Process Following Decision to Disaffiliate from The United Methodist Church*—If the church conference votes to disaffiliate from The United Methodist Church, the terms and conditions for that disaffiliation shall be established by the board of trustees of the applicable annual conference, with the advice of the cabinet, the annual conference treasurer, the annual conference benefits officer, the director of connectional ministries, and the annual conference chancellor. The terms and conditions, including the effective date of disaffiliation, shall be memorialized in a binding Disaffiliation Agreement between the annual conference and the trustees of the local church, acting on behalf of the members. That agreement must be consistent with the following provisions:

a) Standard Terms of the Disaffiliation Agreement. The General Council on Finance and Administration shall develop a standard form for Disaffiliation Agreements under this paragraph to protect The United Methodist Church as set forth in § 807.9. The agreement shall include a recognition of the validity and applicability of § 2501, notwithstanding the release of property therefrom. Annual conferences may develop additional standard terms that are not inconsistent with the standard form of this paragraph.

b) Apportionments. The local church shall pay any unpaid apportionments for the 12 months prior to disaffiliation, as well as an additional 12 months of apportionments.

c) Property. A disaffiliating local church shall have the right to retain its real and personal, tangible and intangible property. All transfers of property shall be made prior to disaffiliation. All costs for transfer of title or other legal work shall be borne by the disaffiliating local church.

d) Pension Liabilities. The local church shall contribute withdrawal liability in an amount equal to its pro rata share of any aggregate unfunded pension obligations to the annual conference. The General Board of Pension and Health Benefits shall determine the aggregate funding obligations of the annual conference using market factors similar to a commercial annuity provider, from which the annual conference will determine the local church's share.

e) Other Liabilities. The local church shall satisfy all other debts, loans, and liabilities, or assign and transfer them to its new entity, prior to disaffiliation.

f) Payment Terms. Payment shall occur prior to the effective date of departure.

g) Disaffiliating Churches Continuing as Plan Sponsors of the General Board of Pension and Health Benefits Plans. The United Methodist Church believes that a local church disaffiliating under ¶ 2553 shall continue to share common religious bonds and convictions with The United Methodist Church based on shared Wesleyan theology and tradition and Methodist roots, unless the local church expressly resolves to the contrary. As such, a local church disaffiliating under ¶ 2553 shall continue to be eligible to sponsor voluntary employee benefit plans through the General Board of Pension and Health Benefits under ¶ 1504.2, subject to the applicable terms and conditions of the plans.

h) Once the disaffiliating local church has reimbursed the applicable annual conference for all funds due under the agreement, and provided that there are no other outstanding liabilities or claims against The United Methodist Church as a result of the disaffiliation, in consideration of the provisions of this paragraph, the applicable annual conference shall release any claims that it may have under ¶ 2501 and other paragraphs of *The Book of Discipline of The United Methodist Church* commonly referred to as the trust clause, or under the agreement.

#### ¶ 2701.5, pages 787-788.

5. *A Just Resolution in Judicial Proceedings*—A just resolution is one that focuses on repairing any harm to people and communities, achieving real accountability by making things right in so far as possible and bringing healing to all the parties. Just resolutions shall state all identified harms and how they shall be addressed by the Church and other parties to the complaint. Special attention should be given to ensuring that cultural, racial, ethnic, age, and gender contexts are valued throughout the process in terms of their understandings of fairness, justice, and restoration. During the just resolution process, the parties may be assisted by a trained, impartial third party facilitator(s) or mediator(s), in reaching an agreement satisfactory to all parties. Processes that seek a just resolution are encouraged at any time, including through the judicial proceedings. After the referral of a matter as a judicial complaint from counsel for the Church to the committee on investigation, if a process seeking a just resolution is used, the appropriate persons, including the counsel for the Church, the complainant(s), and the counsel for the respondent, should enter into a written agreement outlining such process, including any agreement on confidentiality. No matter where in the process a just resolution is achieved, the complainant(s) shall be a party to the resolution process and every effort shall be made to have the complainant(s) agree to the resolution before it may take effect. If resolution is achieved, a written statement of resolution, including terms and conditions, shall be signed by the same persons who signed the written agreement outlining the process, and they shall agree on any matters to be disclosed to third parties. If the resolution results in a change of ministerial status, the disclosure agreement shall not prevent the disciplinary disclosures required for possible readmission.

#### ¶ 2706.5.c.3, pages 799-800.

(3) Upon recommendation of the counsel for the Church and the counsel for the respondent, the committee may refer the matter to the resident bishop as deemed appropriate for a process seeking a just resolution. The bishop shall institute such a process and may use the assistance of a trained, impartial third party facilitator(s) or mediator(s). Such referral will not constitute a dismissal or double jeopardy under ¶ 2701.2d. The appropriate persons, including the counsel for the Church, the complainant, and counsel for the respondent, should enter into a written agreement outlining the process, including any agreements on confidentiality. No matter where in the process a just resolution is achieved, the complainant(s) shall be a party to the resolution process and every effort shall be made to have the complainant(s) agree to the resolution before it may take effect. If resolution is achieved, a



written statement, affirming such resolution, including any terms and conditions, shall be signed by the same persons who signed the written agreement outlining the process, and they shall agree on any matters to be disclosed to third parties. Just resolutions shall state all identified harms and how they shall be addressed by the Church and other parties to the complaint. If the resolution results in a change of ministerial status, the disclosure agreement shall not prevent the disciplinary disclosures required for readmission. The committee on investigation shall retain jurisdiction for the period of time stated for the implementation of the resolution agreement. The committee shall periodically monitor the progress of the completion of the terms and conditions of the resolution agreement, and shall certify when the terms and conditions of the agreement are completed. When the terms and conditions of the agreement are completed, the committee on investigation shall report its certification, and the status of the respondent as a result of completing the terms and conditions of the resolution agreement, to the resident bishop. If the process does not result in resolution, the matter shall be returned to the committee on investigation for further consideration. Also, decision(s) of a trial court that call for certification as to the completion of terms and conditions of the trial court's decision(s) after the end of a trial are to be assigned to the committee on investigation for monitoring and certification of completion of the decision. If the respondent fails to complete the terms and conditions of a trial court decision, the committee shall notify the presiding officer of the trial, who may reconvene the trial court for its further consideration.

**¶ 2711.3, page 809.**

*3. Penalties—If the Trial Results in Conviction.*—Further testimony may be heard and arguments by counsel presented regarding what the penalty should be. The trial court shall determine the penalty, which shall require a vote of at least seven members. The trial court shall have the power to remove the respondent from professing membership, terminate the conference membership, and revoke the credentials of conference membership and licensing, commissioning, ordination, or consecration of the respondent, suspend the respondent from the exercise of the functions of office, or to fix a lesser penalty. However, where the conviction is for conducting ceremonies that celebrate homosexual unions or performing same-sex wedding ceremonies under ¶ 2702.1(b) or (d), the trial court does not have the power to and may not fix a penalty less than the following:

- a) First (1st) offense – One (1) year's suspension without pay.
- b) Second (2nd) offense – Not less than termination of conference membership and revocation of credentials of licensing, ordination, or consecration.

The penalty fixed by the trial court shall take effect immediately unless otherwise indicated by the trial court. Should any penalty fixed by a trial court be altered or reduced as a result of the appellate process, the respondent shall be restored and/or compensated as appropriate, provided that in no instance and under no circumstances shall the respondent be entitled to receive an award of compensation for or reimbursement of any expenses or fees associated with the respondent's use of an attorney.<sup>23</sup>

23. See Judicial Council Decision 1201.

**¶ 2715.10, pages 813-814.**

10. The Church shall have no right of appeal from findings of fact of the trial court. The Church shall have a right of appeal to the committee on appeals and then to the Judicial Council from findings of the trial court based on egregious errors of Church law or administration that could reasonably have affected the findings of the trial court. When the committee on appeals or the Judicial Council shall find egregious errors of Church law or administration under this part, it may remand the case for a new trial, along with a statement of the grounds of its action. This is not to be double jeopardy. In regard to cases where there is an investigation under ¶ 2702, but no trial is held, egregious errors of Church law or administration may be appealed to the jurisdictional or central conference committee on appeals and then to the Judicial Council by counsel for the Church. The committee on investigation's decision not to certify a bill of charges does not alone constitute an egregious error of Church law or administration. When the committee on appeals or the Judicial Council shall find egregious errors of Church law or administration under this part, it may remand the case for a new hearing, in which event it shall return to the chair of the committee on investigation a statement of the grounds of its action. This is not to be double jeopardy.<sup>27</sup>

27. See Judicial Council Decision 985.

### **Clergy Retirement Security Program**

**[This action became effective at the close of the 2019 General Conference.]**

The 2019 General Conference adopted petition 90017, which stated:

The General Board of Pension and Health Benefits is directed by the General Conference to amend the Clergy Retirement Security Program such that active clergy participants who terminate their annual conference relationship under ¶ 360 of the *Book of Discipline* will be treated as terminated vested participants under the Clergy Retirement Security Program. The terminated vested participant's accrued pension benefits shall be secured and protected from future disruptions by converting such benefits to an actuarially equivalent account balance, using factors corresponding to those used when determining annual conference plan sponsor contributions to the Clergy Retirement Security Program. Such converted benefits, along with all other retirement account balances, shall be transferred to the United Methodist Personal Investment Plan, a voluntary defined contribution plan maintained by the General Board of Pension and Health Benefits under ¶ 1504.2. The General Board of Pension and Health Benefits is directed, authorized, and empowered to amend the Clergy Retirement Security Program, effective as of the close of the 2019 General Conference and in the manner described above.

The General Board of Pension and Health Benefits (Wespath) is amending the Clergy Retirement Security Program (CRSP) as directed, and the plan document amendment will be publicly available.

# **Exhibit B**



## **Discerning Pathways: Guidelines for disaffiliation under ¶ 2553**

The Rio Texas Conference Bishop, Cabinet, and Board of Trustees hope that congregations remain affiliated with The United Methodist Church and the Rio Texas Conference. We believe there is room for you in The United Methodist Church. However,

- Because the 2019 Called Session of the General Conference approved the minority report for petition 90066, “Minority Report on Disaffiliation,” and the Judicial Council ruled in decision 1379 (April 25, 2019) that the petition is constitutional as amended, and
- Because this new paragraph in the Discipline, 2553, allows for a local church to disaffiliate from the denomination “over issues related to human sexuality,” and states that “annual conferences may develop additional standard terms that are not inconsistent with the standard form of this paragraph,” and
- Because such a decision has significant impact on the local church or ministry setting, the community in which the ministry is located, the Annual Conference, and the strategy and witness of the Church of Jesus Christ in contexts local and regional, and therefore must be undertaken with the greatest sensitivity to matters both spiritual and temporal,

Therefore, the following procedure governing the process and conditions for churches and ministry settings within Rio Texas for discernment about disaffiliation under ¶2553 from The United Methodist Church:

1. When the local church or ministry setting considers disaffiliation, it shall contact the District Superintendent in writing expressing its intent to consider disaffiliation. Once the District Superintendent has been contacted, a discernment period of no less than six months shall begin.
2. During this discernment time the local church/ministry shall:
  - Enter into an intentional time of prayer
  - Assess the impact of their decision upon the church, community, and conference and share a written assessment with its congregation and the District Superintendent.



- Consider how the church will deal with practical concerns including, but not limited to 1) the incorporation or reincorporation of the church, 2) how designated funds and endowed funds will be handled, including notification, or if required, obtaining the consent of donors, 3) the resolution of any unpaid loans, 4) the effect of the decision, if any, on any outstanding or pending grants for ministry, 5) the source and cost of future employee health insurance, workers compensation insurance, general liability and property insurance and either tail insurance or suitable indemnification of the Rio Texas Conference for any past liabilities, 6) the process for pastoral succession going forward, and the congregation's plans if the current pastor decides not to continue with the church, and 7) continued participation in an employee or pastoral benefits plan, if any. For other considerations see the attached agreement.
  - Develop and make available to the congregation and the District Superintendent a plan for either independent operation or affiliation with another denominational entity and include the theological tenets of the new entity, the governance structure, the missional goals, and anticipated costs.
  - Develop a statement articulating their theological and missional foundations in seeking disaffiliation for reasons of conscience "related to human sexuality"
  - The local church shall hold a minimum of three listening sessions, advertised to and open to the full professing membership, at least one of which is also advertised and open to those beyond professing membership, who participate in the ministries of the church/ministry setting. These sessions shall solicit the input of these constituents and shall report their findings in the assessment referenced above. The sessions shall be facilitated by the district superintendent or their designee. The sessions shall include a discussion of the theological and missional issues referenced above as well as the practical considerations set forth above.
3. At the conclusion of this time of discernment, the church may request a church conference from the district superintendent. With an affirmative 2/3 vote of the professing members present the Disaffiliation Agreement may be formulated in accordance with ¶2553.
- After the church conference votes to disaffiliate, the annual conference will calculate apportionment and unfunded pension liability estimates for that local church.
  - The local church must pay in full the previous year's apportionments and the current year's apportionments.
  - The local church must pay in full the unfunded pension liability, as calculated by the Rio Texas Conference Board of Pensions in accordance with Wespeth's guidance.
    - The valuation is based on a market valuation of unfunded liability
    - The valuation takes in to account the local church's share of the liability calculated through the apportionment decimal for the local church.
  - The local church must complete all forms in accordance with GCFA's disaffiliation guidance and the agreement must be signed by all parties.

- (See Attached)
- After all the foregoing steps have been completed, the RTX may vote to release the local church from any obligations under the trust clause in ¶2503 in accordance with the then applicable *Book of Discipline*.

Since ¶2553 is no longer valid after December 31, 2023, disaffiliations after that date will be handled under ¶2548 with the process outlined above required for the necessary bishop's approval. This includes a 2/3 vote of the charge conference, a period of discernment, and apportionment and liability payments.



## Disaffiliation Agreement

This Disaffiliation Agreement (“Disaffiliation Agreement”), made pursuant to ¶ 2553 of *The Book of Discipline of The United Methodist Church* (the “*Discipline*”) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 202\_, by and between \_\_\_\_\_ UNITED METHODIST CHURCH (“Local Church”) and the RIO TEXAS ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH (“Annual Conference”).

WHEREAS, Local Church is a United Methodist church within the boundaries of Annual Conference;

WHEREAS, Local Church has held a church conference, in compliance with ¶¶ 246.8, 248, and 2553.2-.3 of the *Discipline*, at which at least two-thirds (2/3) of the professing members of Local Church present voted to disaffiliate from The United Methodist Church for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues, and

WHEREAS, pursuant to ¶ 2501.1 of the *Discipline*, Local Church holds its real and personal, tangible and intangible property (together, the “Property”) in trust for The United Methodist Church and subject to the provisions of its *Discipline*.

WHEREAS, pursuant to ¶ 2501.1 the Property can be released from the trust, transferred free of trust or subordinated to the interests of creditors and other third parties only to the extent authority is given by the *Discipline*. (¶ 2501.2)

WHEREAS, ¶ 2553 provides a specific circumstance in which property subject to ¶ 2501.1 can be released from the trust imposed by that paragraph.

WHEREAS, ¶ 2553.4 requires the terms and conditions of Local Church’s disaffiliation from The United Methodist Church to be memorialized in a binding Disaffiliation Agreement.

WHEREAS, United Methodist Church Judicial Council Decision 1379, which concerned Petition 90066, provides additional guidance regarding the process and requirements for disaffiliation of a Local Church over issues related to human sexuality; and

WHEREAS, Local Church and Annual Conference wish to (1) resolve all matters between them,

and Local Church wishes to acquire from Annual Conference all of Annual Conference's interest, on behalf of The United Methodist Church, in the real and personal, tangible and intangible property held by Local Church and (2) comply with the requirements of ¶ 2553 and Judicial Council Decision 1379.

NOW, THEREFORE, in consideration of the foregoing and all the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Local Church and Annual Conference agree as follows:

1. Conditions Precedent. Local Church and Annual Conference acknowledge and agree:

- a. *Church Conference Vote.* At least two-thirds (2/3) of the professing members present at a church conference of Local Church must vote to disaffiliate from The United Methodist Church "for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow." Local Church must provide documentation, to the satisfaction of Annual Conference, of the result of the disaffiliation vote taken at the church conference. Such documentation must be certified by an authorized officer of Local Church and shall be included as an exhibit to this Disaffiliation Agreement.
- b. *Annual Conference Vote.* This Disaffiliation Agreement must be ratified by a simple majority of the members . . . present and voting" at a duly-called session of Annual Conference, as required by Judicial Council *Decision* 1379 and ¶ 2529.1(b)(3).

Should either of the above not occur, this Disaffiliation Agreement shall immediately become null and void.

2. Applicability of ¶ 2501. Local Church acknowledges and agrees that pursuant to ¶ 2501 of the *Discipline*, Local Church holds all property, real and personal, tangible and intangible, in trust for the benefit of The United Methodist Church.

3. Date of Disaffiliation. Should Local Church timely comply with all of its obligations as set forth herein, Local Church's disaffiliation from The United Methodist Church will be effective on \_\_\_\_\_, 202\_\_ ("Disaffiliation Date").<sup>1</sup> Such Disaffiliation Date must be subsequent to the Annual Conference's ratification referenced in Section 1 above. Assuming Local Church remains current in payment of premiums to Annual Conference for insurances and pension, Local Church's pastor will continue to be covered by Annual Conference's health program as well as the pension program through the General Board of Pensions and Health Benefits; Local Church's staff will continue to be covered by Annual Conference's Worker's Compensation program; Local Church's Treasurer(s) will continue to be bonded; and Local Church's real property will continue to be covered by Annual Conference's Unit Insurance program until the actual date of disaffiliation.

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<sup>1</sup> Per ¶ 2553.2, this date cannot be later than December 31, 2023.

4. Local Church's Obligations. Unless a different date is specified, Local Church shall, by no later than the Disaffiliation Date, do the following:

a. *Retention of Property*. Local Church shall have the right to retain its real and personal, tangible and intangible property without charge. Any costs relating to Local Church's retention of its property will be borne by Local Church.

b. *Payments*. On or before the Disaffiliation Date, Local Church shall pay to Annual Conference, in a manner specified by Annual Conference, the following:

i. Any unpaid apportionments for the twelve (12) months immediately prior to the Disaffiliation Date, as calculated by Annual Conference, totaling \$\_\_\_\_\_;

ii. An additional twelve (12) months of apportionments, as calculated by Annual Conference, totaling \$\_\_\_\_\_;

iii. An amount equal to Local Church's pro rata share, as determined by Annual Conference, of Annual Conference's unfunded pension obligations, based on the Annual Conference's aggregate funding obligations as determined by Wespeth Benefits and Investments using market factors similar to a commercial annuity provider, totaling \$\_\_\_\_\_. This obligation will be calculated on the Wespeth report to the Conference immediately prior to the creation of this Disaffiliation Agreement;

iv. Any unpaid salary and/or benefits due to the appointed clergy of the Local Church through the date of disaffiliation.

v. Annual Conference and Local Church acknowledge that the dollar amounts recited in paragraph. 4 (b) (ii) and (iii) above are the most accurate figures available at the time of execution of this Disaffiliation Agreement. To the extent that more accurate figures may become available prior to Date of Disaffiliation, the parties will supplement this agreement with a written amendment reciting those more accurate figures.

c. *Other Liabilities*. Local Church shall either satisfy all of its debts, loans, and liabilities (including to the Texas Methodist Foundation) or assign or transfer such obligations to its new entity. Local Church must provide sufficient documentation of same to Annual Conference, including, but not limited to, an unlimited indemnification of the Conference for liabilities arising before the disaffiliation effective date.

d. *Intellectual Property*. Local Church shall cease all use of "United Methodist," the Cross & Flame insignia, and any other intellectual property of the denomination and Annual Conference, including the removal of all signage containing the same.

e. *Group Tax Exemption Ruling.* As of the Disaffiliation Date, Local Church shall cease to use, and also shall ensure that any affiliates of Local Church which have been included in the group tax exemption ruling shall cease to use, any and all documentation stating that Local Church is included in the denomination's group tax exemption ruling administered by the General Council on Finance and Administration of The United Methodist Church. Local Church and any of its affiliates which have been included in the group tax exemption ruling will be removed from the list of approved entities without additional notice as of the Disaffiliation Date. Local Church or its successors shall be solely responsible for obtaining its own IRS ruling regarding tax exempt status.

f. *Historical Records.* Local Church shall give to Annual Conference all Membership Books (containing Church Membership Records, baptisms, wedding and funerals), as well as the most recent seven (7) years copies of W-2, W-3 and Form 941.<sup>2</sup> Annual Conference shall place those records with the Annual Conference Archives.

5. Organizational Transition. Local Church shall take all steps necessary to close and/or dissolve any legal entities under which it or its affiliates have operated, and to settle, liquidate, or transfer all assets and obligations of such entities, establish any new legal entities, or modify its current organizing documents, as needed to effectuate its disaffiliation from The United Methodist Church, to the satisfaction of Annual Conference. Local Church shall indemnify, defend, and hold harmless Annual Conference and its officers, directors, agents, and employees from any liability or costs (including reasonable attorney fees) resulting from any claim, action, or cause of action for damages to persons or property resulting from Local Church's failure to take all necessary steps as required by this Section 5.

6. Property. On the Disaffiliation Date, Local Church will have full ownership and assume full responsibility for the Property and assets listed on Exhibit B-1 and Exhibit B-2 hereto, which shall include any cemetery of Local Church. The parties shall ensure all necessary transfers or other transactions relating to the above properties are completed prior to the Disaffiliation Date. Any costs resulting from such transfers or other transactions shall be borne by Local Church. Annual Conference shall fully cooperate with Local Church, as needed and applicable, to ensure that such transfers and other transactions convey all of Annual Conference's interest – both for itself and on behalf of The United Methodist Church – in the real and personal, tangible and intangible property of Local Church.

7. Release of Claims. Upon the completion of all of their respective obligations herein, Annual Conference and Local Church, for themselves and their agents, representatives, members, trustees, employees, successors, attorneys, and assigns, hereby fully and forever covenant not to sue each other, and releases and discharges the other, and their current and former trustees, officers, representatives, employees, and assigns, in both their official and individual capacities, from any liability for any and all causes of action and claims, including any statutory or common law cause of action, tort or contractual claims, any claims for attorneys' fees, expenses and all other damages, whether known or unknown, foreseen or unforeseen, which Annual Conference or Local Church ever had, now has, hereafter may have or claim to have against any of the

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<sup>2</sup> Local Church may photocopy these records before turning them over to the Annual Conference.

above-named entities or persons in any way arising out of their relationship with each other. The parties further represent they have no pending lawsuits, charges, complaints, or other actions against each other. Notwithstanding the foregoing releases and covenants not to sue, nothing set forth herein shall prevent either party from taking legal action to enforce this Disaffiliation Agreement in any court where jurisdiction and venue are proper.

8. Time Limit. Should the Local Church fail to satisfy all of its obligations set forth herein by December 31, 2023, unless extended by mutual agreement, this Disaffiliation Agreement shall be null and void.

9. Continuing as Plan Sponsor. Nothing in this Disaffiliation Agreement shall prevent Local Church, after the Disaffiliation Date, from continuing to sponsor benefit plans from the General Board of Pension and Health Benefits, to the extent permitted by federal law, and provided that Local Church has not expressly resolved that it no longer shares common religious bonds with The United Methodist Church.

10. Non-Severability. Each of the terms of this Disaffiliation Agreement is a material and integral part hereof. Should any provision of this Disaffiliation Agreement be held unenforceable or contrary to law, the entire Disaffiliation Agreement shall be deemed null and void.

11. Execution. This Disaffiliation Agreement may be signed on any number of identical counterparts, such as a faxed or electronic copy, with the same binding effect as if the signatures were on one instrument. Original, faxed or electronically scanned signatures shall be binding.

IN WITNESS THEREOF, the Parties set their hands and seals on the date set forth above.

LOCAL CHURCH

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Chair \_\_\_\_\_ UMC Trustees

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Vice-Chair \_\_\_\_\_ UMC  
Trustees

RIO TEXAS ANNUAL CONFERENCE  
OF THE UNITED METHODIST  
CHURCH

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Witness

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Rev. \_\_\_\_\_  
District Superintendent

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Witness

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Kevin Reed  
Rio Texas Conference Board of Trustees  
President

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Witness

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Richard Irizarry  
Rio Texas Conference Board of Trustees  
Vice President



# APPENDIX

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## **i ¶ 2501**

*All properties of local churches and other United Methodist agencies and institutions are held, in trust, for the benefit of the entire denomination, and ownership and usage of church property is subject to the Discipline -2501.1 The trust is and always has been irrevocable, except as provided in the Discipline. Property can be released from the trust, transferred free of trust, or subordinated to the interests of creditors and other third parties only to the extent authority is given by the Discipline.*

## **ii ¶ 1504.23**

*If a local church or charge in the United States changes its relationship to The United Methodist Church through closure, abandonment, or release from the trust clause pursuant to ¶ 2548, ¶ 2549, or otherwise, notwithstanding whether property with title held by the local church is subject to the trust (under the terms of ¶ 2501), the local church shall contribute a withdrawal liability in an amount equal to its pro rata share of any aggregate unfunded pension obligations to the annual conference. The General Board of Pension and Health Benefits shall determine the aggregate funding obligations of the annual conference using market factors similar to a commercial annuity provider, from which the annual conference will determine the local church's share. Nothing in the foregoing prevents an annual conference from collecting other obligations from a church or charge.*

## **iii ¶ 2553**

*Basis—1. Because of the current deep conflict within The United Methodist Church around issues of human sexuality, a local church shall have a limited right, under the provisions of this paragraph, to disaffiliate from the denomination for reasons of conscience regarding a change in the requirements and provisions of the Book of Discipline related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow. 2. Time Limits—The choice by a local church to disaffiliate with The United Methodist Church under this paragraph shall be made in sufficient time for the process for exiting the denomination to be complete prior to December 31, 2023. The provisions of ¶ 2553 expire on December 31, 2023, and shall not be used after that date. 3. Decision Making Process—The church conference shall be conducted in accordance with ¶248 and shall be held within one hundred twenty (120) days after the district superintendent calls for the church conference. In addition to the provisions of ¶ 246.8, special attention shall be made to give broad notice to the full professing membership of the local church regarding the time and place of a church conference called for this purpose and to use all means necessary, including electronic communication where possible, to communicate. The decision to disaffiliate from The United Methodist Church must be approved by a two-thirds (2/3) majority vote of the professing members of the local church present at the church conference. 4. Process Following Decision to Disaffiliate from The United Methodist Church—If the church conference votes to disaffiliate from The United Methodist Church, the terms and conditions for that disaffiliation shall be established by the board of trustees of the applicable annual conference, with the advice of*

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*the cabinet, the annual conference treasurer, the annual conference benefits officer, the director of connectional ministries, and the annual conference chancellor. The terms and conditions, including the effective date of disaffiliation, shall be memorialized in a binding Disaffiliation Agreement between the annual conference and the trustees of the local church, acting on behalf of the members. That agreement must be consistent with the following provisions: a) Standard Terms of the Disaffiliation Agreement. The General Council on Finance and Administration shall develop a standard form for Disaffiliation Agreements under this paragraph to protect The United Methodist Church as set forth in ¶ 807.9. The agreement shall include a recognition of the validity and applicability of ¶ 2501, notwithstanding the release of property therefrom. Annual conferences may develop additional standard terms that are not inconsistent with the standard form of this paragraph. 5 b) Apportionments. The local church shall pay any unpaid apportionments for the 12 months prior to disaffiliation, as well as an additional 12 months of apportionments. c) Property. A disaffiliating local church shall have the right to retain its real and personal, tangible, and intangible property. All transfers of property shall be made prior to disaffiliation. All costs for transfer of title or other legal work shall be borne by the disaffiliating local church. d) Pension Liabilities. The local church shall contribute withdrawal liability in an amount equal to its pro rata share of any aggregate unfunded pension obligations to the annual conference. The General Board of Pension and Health Benefits shall determine the aggregate funding obligations of the annual conference using market factors similar to a commercial annuity provider, from which the annual conference will determine the local church's share. e) Other Liabilities. The local church shall satisfy all other debts, loans, and liabilities, or assign and transfer them to its new entity, prior to disaffiliation. f) Payment Terms. Payment shall occur prior to the effective date of departure. g) Disaffiliating Churches Continuing as Plan Sponsors of the General Board of Pension and Health Benefits Plans. The United Methodist Church believes that a local church disaffiliating under ¶ 2553 shall continue to share common religious bonds and convictions with The United Methodist Church based on shared Wesleyan theology and tradition and Methodist roots, unless the local church expressly resolves to the contrary. As such, a local church disaffiliating under ¶ 2553 shall continue to be eligible to sponsor voluntary employee benefit plans through the General Board of Pension and Health Benefits under ¶ 1504.2, subject to the applicable terms and conditions of the plans. h) Once the disaffiliating local church has reimbursed the applicable annual conference for all funds due under the agreement, and provided that there are no other outstanding liabilities or claims against The United Methodist Church as a result of the disaffiliation, in consideration of the provisions of this paragraph, the applicable annual conference shall release any claims that it may have under ¶ 2501 and other paragraphs of The Book of Discipline of The United Methodist Church commonly referred to as the trust clause, or under the agreement.*

**iv ¶ 2548**

*With the consent of the presiding bishop and of a majority of the district superintendents and of the district board of church location and building and at the request of the charge conference or of a meeting of the membership of the local church, where required by local law, and in accordance with said law, the annual conference may instruct and direct the board of trustees of a local church to deed church property to one of the other denominations represented in the Pan-Methodist Commission or to another evangelical denomination under an allocation, exchange of property, or comity agreement, provided that such agreement shall have been committed to writing and signed and approved by the duly qualified and authorized representatives of both parties concerned.*

# **Exhibit C**

## JUDICIAL COUNCIL OF THE UNITED METHODIST CHURCH

### DECISION NO. 1449

(Docket No. 0522-2)

IN RE: Petition for Declaratory Decision from the Council of Bishops on Questions Related to ¶ 2548.2 of the *2016 Book of Discipline*.

#### DIGEST

Paragraph 2548.2 establishes a process for the limited purpose of deeding and transferring church property to another denomination but does not apply to the membership of a local church. It may be used only together with or after processes effectuating fundamental changes in the membership and ministries of local churches, such as interdenominational local church mergers (¶ 2547) and ecumenical shared ministries (¶¶ 207-209). Subject to General Conference approval and ratification, the Council of Bishops is the body authorized to determine if an entity qualifies as “denomination” and to negotiate and enter into “an allocation, exchange of property, or comity agreement” within the meaning of ¶ 2548.2. Under ¶ 2548.2, an annual conference, by simple majority vote, may direct the board of trustees of a local church to transfer property to another denomination on four conditions precedent:

1. A written allocation, exchange of property, or comity agreement between The United Methodist Church and the other denomination must already exist that has been signed by the Council of Bishops and approved and ratified by the General Conference. The property transfer is not permitted if The United Methodist Church does not have a pre-existing agreement with the recipient denomination.
2. The agreement must comply with the connectional polity of the United Methodist Church and may not contain provisions not authorized or prohibited by Church law.
3. A charge or church conference must be conducted in accordance with ¶¶ 247-248. A resolution requesting the property transfer must be passed by a majority vote of the members present and voting pursuant to ¶ 2540.2 (unincorporated local church) or ¶ 2541.2 (incorporated local church).
4. The presiding bishop and a majority of the district superintendents and of the district board of church location and building must give their consent to the property transfer.

All four conditions must be met before an annual conference can exercise this right. Any use, implementation, or application of ¶ 2548.2, or exercise of this right by an annual conference without, apart from, prior to, or contrary to those four conditions would be unconstitutional, null and void, and of no legal force or effect. The General Conference enacted ¶ 2553 with the intent that the process set forth therein be used for the stated purpose of “Disaffiliation of Local Churches Over Issues Related to Human Sexuality.” Therefore, the process in ¶ 2548.2 may not be used as a pathway for local churches to disaffiliate from The United Methodist Church.

## STATEMENT OF FACTS

At their meeting of May 12, 2022, the Council of Bishops [hereinafter Petitioner] voted to submit a Petition for Declaratory Decision with the following questions:

**Question 1:** What bodies within the United Methodist Church are “duly qualified and authorized representatives of both parties concerned” who must sign and approve a comity agreement under ¶ 2548.2?

**Question 2:** What bodies within the United Methodist Church are required to determine and approve whether an entity is “another evangelical denomination” within the meaning of ¶ 2548.2?

**Question 3:** What is required under the 2016 Book of Discipline to determine what is a “denomination” within the meaning of ¶ 2548.2?

**Question 4:** Does the provision of ¶ 2548.2 that “the annual conference may instruct and direct the board of trustees of a local church to deed property to one of the other denominations represented in the Pan-Methodist Commission or to another evangelical denomination” violate the constitutional authority of an annual conference under ¶ 33 with respect to local church property, including the “constitutionally embedded separation of executive and legislative powers” noted as “settled principles of church law and polity” acknowledged in Judicial Council Decision 1257?

**Question 5:** If ¶ 2548.2 is constitutional, may ¶ 2548.2’s authority to direct the local church to deed its property in accordance with that paragraph be exercised separately from any other process that results in the merger of the local church pursuant to ¶ 2547, disaffiliation pursuant to ¶ 2553, closure pursuant to ¶ 2549, or some other disposition of the local church deeding the property that results in termination of the local church as a unit of the United Methodist Church?

**Question 6:** Must “an allocation, exchange of property, or comity agreement” within the meaning of ¶ 2548.2 comply with the connexional polity of the United Methodist Church as set forth in the 2016 Book of Discipline, including ¶¶ 206 – 213 of the Discipline?

**Question 7:** May a comity agreement within the meaning of ¶ 2548.2 include provisions not authorized or prohibited by the 2016 Book of Discipline?

**Question 8:** What vote is required for an annual conference to “instruct and direct the board of trustees of a local church to deed property” under the authority of ¶ 2548.2?

Nine interested parties and *amici curiae* filed separate and joint briefs with the Judicial Council for this case.

## Jurisdiction

The Judicial Council has jurisdiction pursuant to ¶ 2610.1 of *The Book of Discipline, 2016* [hereinafter *The Discipline*].

## Analysis and Rationale

### Question 1

Paragraph 2548.2 reads in full:

2. With the consent of the presiding bishop and of a majority of the district superintendents and of the district board of church location and building and at the request of the charge conference or of a meeting of the membership of the local church, where required by local law, and in accordance with said law, the annual conference may instruct and direct the board of trustees of a local church to deed church property to one of the other denominations represented in the Pan-Methodist Commission or to another evangelical denomination under an allocation, exchange of property, or comity agreement, provided that such agreement shall have been committed to writing and signed and approved by the duly qualified and authorized representatives of both parties concerned.

“The starting point of legal interpretation is the text of the relevant provisions in *The Discipline*, particularly the words used therein and their plain meaning.” JCD 1328, *aff’d*, JCD 1366. Though not defined in ¶ 2548.2, the meaning of the phrase “the duly qualified and authorized representatives of both parties concerned” can be inferred from the preceding terms “one of the **other** denominations” and “**another** evangelical denomination.” Grammatically speaking, the adjective ‘other’ and the determiner ‘another’ preceding a noun refer to an *additional* person, group, or object of the *same type or category* as one already mentioned, known, or implied. The counterpart to ‘another evangelical denomination’ can only be a denomination, not its sub-unit. Had the General Conference intended for the annual conference to be included in the phrase “both parties concerned,” it would not have used the terms “one of the other” and “another” to refer to its counterpart because the annual conference is *not* a denomination and, therefore, cannot be considered a group of the same type or category as ‘another evangelical denomination.’ In this context, the group already mentioned, known, or implied is The United Methodist Church so that “the duly qualified and authorized representatives of both parties concerned” refer to the representatives of The United Methodist Church and of one of the denominations mentioned in ¶ 2548.2. For The United Methodist Church, the duly qualified and authorized representatives who can sign a comity agreement are the Council of Bishops. “The Council of Bishops shall have the authority to enter into ecumenical agreements with other Christian bodies.” ¶ 431.1. However, this authority is not unrestricted but subject to the oversight authority of the General Conference. That same provision also states that such ecumenical agreements “must be approved and ratified by General Conference, before coming into effect.” *Id.* See Question 2.

**Answer to Question 1: The duly qualified and authorized representatives of The United Methodist Church who can sign a comity agreement are the Council of Bishops. Any such agreement must be approved and ratified by the General Conference before coming into effect.**

### Question 2

Under the correct grammatical construction, the term “both parties concerned” denotes The United Methodist Church and one of the other denominations listed in ¶ 2548.2. See *supra* Question 1. The question then arises as to *who* has the authority to determine whether an entity is “another evangelical denomination” within the meaning of ¶ 2548.2. The right to make this determination necessarily entails the authority to engage in

ecumenical relations. This authority has been entrusted to the Council of Bishops by the General Conference. *The Discipline* unequivocally states that, “[i]n formal relations with other churches and/or ecclesial bodies, the Council of Bishops shall be the primary liaison for The United Methodist Church. The ecumenical officer of the Council of Bishops shall be responsible for these relationships.” ¶ 431.2. Further, the “Council of Bishops shall have the authority to enter into ecumenical agreements with other Christian bodies.” ¶ 431.1. But *The Discipline* also requires that all such ecumenical agreements “be approved and ratified by General Conference, before coming into effect.” *Id.*

The objection was raised that, since “allocation, exchange of property, and comity agreement” is not listed in ¶ 431.1, it is exempt from the approval/ratification requirement. According to this theory, only agreements of formal ‘full communion’ relationships and permanent membership in ecumenical organizations must be approved and ratified by the General Conference, the consequence being that an annual conference is entirely free to negotiate and enter into a comity agreement with any denomination without, apart from, and prior to General Conference action. However, this argument misses the point. Whether they are enumerated in ¶ 431.1 or not is immaterial because allocation, exchange of property, and comity agreements involve ecumenical relations with churchwide implications and, therefore, by their very nature are ‘matters distinctively connectional’ over which the General Conference has full legislative power under ¶ 16. Put differently, the Constitution, *not* a statute, is the source of General Conference’s full legislative power in matters of ecumenical relations. Thus construed, ¶ 431 stipulates that the Council of Bishops is the body authorized to make this kind of determination subject to the approval and ratification by the General Conference.

**Answer to Question 2: Subject to General Conference approval and ratification, the Council of Bishops determines which entities qualify as “another evangelical denomination.”**

### **Question 3**

The General Conference did not define “denomination,” nor did it establish criteria for making such determination. As explained above in Question 2, this question is left to the discretion of the Council of Bishops subject to the approval and ratification by the General Conference.

**Answer to Question 3: Subject to General Conference approval and ratification, the Council of Bishops determines which entities qualify as “another evangelical denomination.”**

### **Question 4**

The Constitution vests the General Conference with the power to define and fix the powers and duties of annual conferences (¶ 16.3), of the episcopacy (¶ 16.5), and the power to enact such other legislation as may be necessary (¶ 16.16). In exercising its constitutional powers, the General Conference adopted legislation in 1948 (now codified as ¶ 2548.2 in *The Discipline*), granting annual conferences the right to direct the board of trustees of a local church to deed church property to another evangelical denomination under an allocation, exchange of property, or comity agreement.

The cited Decision 1257 has no bearing on this case because of the different factual circumstances. At issue there was the improper delegation of power *by* an annual conference *to* its committees, which was held to

be a breach of the separation of powers doctrine. Under scrutiny here is a General Conference legislation conferring authority on an annual conference to enforce the transfer of church property. However, this annual conference authority is neither unrestricted nor unqualified. Under ¶ 2548.2, an annual conference may exercise this right on **four conditions precedent**:

First, a written allocation, exchange of property, or comity agreement between The United Methodist Church and the other denomination must already exist that has been signed by the Council of Bishops and approved and ratified by the General Conference. The conditional clause “provided that such agreement *shall have been* committed to writing and signed and approved” is cast in the present perfect continuous tense, which means that an agreement was written, signed, and approved sometime in the past and continues to exist in the present time. The property transfer under ¶ 2548.2 is not permitted if The United Methodist Church does not have a pre-existing agreement with the recipient denomination.

Second, the agreement must comply with the connectional polity of the United Methodist Church and may not contain provisions not authorized or prohibited by *The Discipline*. See *infra* Questions 6 and 7.

Third, a charge or church conference must be conducted in accordance with ¶¶ 247-248. A resolution requesting the property transfer must be passed by a majority vote of the members present and voting pursuant to ¶ 2540.2 (unincorporated local church) or ¶ 2541.2 (incorporated local church).

Fourth, the presiding bishop and a majority of the district superintendents and of the district board of church location and building must give their consent to such request. They may not approve the property transfer if *any* of the first three conditions are not met at the time when they consider the request.

The record shows that, to this date, no such allocation, exchange of property, or comity agreement exists between The United Methodist Church and the Global Methodist Church. The language of ¶ 2548.2 makes it clear that all four conditions must be met cumulatively *before* the annual conference can invoke and exercise this right. This would exclude any interpretation to the effect that ¶ 2548.2 permits the unilateral and simultaneous approval of the comity agreement *and* property transfer by the annual conference. With these four conditions tightly circumscribing the authority of an annual conference, ¶ 2548.2 does not violate the separation of powers and, therefore, is constitutional. Conversely, any use, implementation, or application of ¶ 2548.2, or exercise of this right by an annual conference **without, apart from, prior to, or contrary to** the four conditions would be unconstitutional, null and void, and of no legal force or effect.

Answer to Question 4: **NO.**

## Question 5

Prefaced by the heading “Deeding Church Property to Federated Churches or Other Evangelical Denominations,” ¶ 2548.2 pertains solely to the deeding and transfer of church property. Notably, this provision does **not** address the question of local church **membership**, which is clearly distinct from and cannot be equated with “property.” Therefore, it would flout conventional rules of statutory construction to read “membership” into ¶ 2548.2. Disaffiliation under ¶ 2553 involves *both* church membership *and* property, with the main difference



that the membership departs from The United Methodist Church, whereas in ¶ 2548.2 the property is the object of the transfer. Hence, this begs the question of whether ¶ 2548.2 is an appropriate pathway for local churches seeking to exit from the connection. The missing membership element leads to the conclusion that ¶ 2548.2 was not intended to be used as a stand-alone and self-contained process, but is a supplementary procedure for the limited purpose of deeding/transferring church property that may be used only together with or subsequent to processes effectuating fundamental changes in the membership and ministries of local churches, such as interdenominational local church mergers under ¶ 2547, of which § 6 references ¶ 2548 (“Where property is involved, the provisions of ¶ 2548 obtain.”), and ecumenical shared ministries under ¶¶ 207- 209, which also references ¶ 2548. Any use or application of ¶ 2548.2 to accomplish the disaffiliation of local churches would not only defy logic but also subvert the clearly stated purpose of this disciplinary paragraph.

It stands to reason that, if disaffiliation of local churches could be accomplished under ¶ 2548.2 or *any* other provision of *The Discipline*, the special session of General Conference in 2019 would not have gone through the trouble of enacting ¶ 2553 and (redundantly) labeling it “Disaffiliation of Local Churches Over Issues Related to Human Sexuality.” The rational conclusion must be that, in adopting ¶ 2553, the 2019 General Conference intended that the process set forth therein be used for the stated purpose because there is no other provision available in *The Discipline*.

Under a long-standing rule of statutory interpretation, special legislation supersedes general legislation. JCD 424 (holding that “there is another rule of statutory construction that as between general and specific legislation the latter controls.”). Undoubtedly, ¶ 2553 is a *special* legislation adopted by a *special* General Conference for the *specific* purpose of permitting local churches to disaffiliate from The United Methodist Church with their property under certain terms and conditions. Consequently, ¶ 2553 controls in matters of local church disaffiliation.

Answer to Question 5: **NO.**

### **Question 6**

“All decisions and actions by official bodies and their representatives must be based on and limited by the Constitution and *The Discipline*.” JCD 1366. Consequently, all persons and bodies involved in the process under ¶ 2548.2 must adhere to Church law in discharging their duties. Likewise, any allocation, exchange of property, or comity agreement must comply with the connectional polity of the United Methodist Church as set forth in *The Discipline*.

Answer to Question 6: **YES.**

### **Question 7**

Any allocation, exchange of property, or comity agreement containing provisions not authorized or prohibited by *The Discipline* would be contrary to the principles of connectionalism and legality. All persons and bodies involved in the process under ¶ 2548.2 are prohibited from signing, approving, ratifying, and enforcing any agreement that violates Church law and polity.

Answer to Question 7: **NO.**

## Question 8

“Where there is no stipulation regarding the number of votes required, simple majority vote is all that is necessary to approve an action.” JCD 1076, *aff’d*, JCM 1442. Paragraph 2548.2 contains no stipulation regarding the number of votes required to approve an annual conference action.

Answer to Question 8: **Simple majority vote is all that is necessary for an annual conference to “instruct and direct the board of trustees of a local church to deed property” under the authority of ¶ 2548.2.**

### Decision

Paragraph 2548.2 establishes a process for the limited purpose of deeding and transferring church property to another denomination but does not apply to the membership of a local church. It may be used only together with or after processes effectuating fundamental changes in the membership and ministries of local churches, such as interdenominational local church mergers (¶ 2547) and ecumenical shared ministries (¶¶ 207-209). Subject to General Conference approval and ratification, the Council of Bishops is the body authorized to determine if an entity qualifies as a “denomination” and to negotiate and enter into “an allocation, exchange of property, or comity agreement” within the meaning of ¶ 2548.2. Under ¶ 2548.2, an annual conference, by simple majority vote, may direct the board of trustees of a local church to transfer property to another denomination on four conditions precedent:

1. A written allocation, exchange of property, or comity agreement between The United Methodist Church and the other denomination must already exist that has been signed by the Council of Bishops and approved and ratified by the General Conference. The property transfer is not permitted if The United Methodist Church does not have a pre-existing agreement with the recipient denomination.
2. The agreement must comply with the connectional polity of the United Methodist Church and may not contain provisions not authorized or prohibited by Church law.
3. A charge or church conference must be conducted in accordance with ¶¶ 247-248. A resolution requesting the property transfer must be passed by a majority vote of the members present and voting pursuant to ¶ 2540.2 (unincorporated local church) or ¶ 2541.2 (incorporated local church).
4. The presiding bishop and a majority of the district superintendents and of the district board of church location and building must give their consent to the property transfer.

All four conditions must be met before an annual conference can exercise this right. Any use, implementation, or application of ¶ 2548.2, or exercise of this right by an annual conference without, apart from, prior to, or contrary to those four conditions would be unconstitutional, null and void, and of no legal force or effect. The General Conference enacted ¶ 2553 with the intent that the process set forth therein be used for the stated purpose of “Disaffiliation of Local Churches Over Issues Related to Human Sexuality.” Therefore, the process in ¶ 2548.2 may not be used as a pathway for local churches to disaffiliate from The United Methodist Church.

## Separate Opinion

Although I concur with the essential elements and result of the majority's decision, I write separately because I take different approach in my analysis. When the Council of Bishops submitted their petition for a declaratory decision, they set forth the crux of the issue in the following paragraph:

Various annual conferences have pending resolutions related to ¶ 2548.2. Examples of these annual conference resolutions are attached hereto collectively as Exhibit D. All of the resolutions seem to characterize ¶ 2548.2 as a means of disaffiliation or separation of a local church from the UMC. However, ¶ 2548.2 does not expressly pertain to, or authorize, the disaffiliation or separation of a local church. Instead, that paragraph appears limited to the deeding of property without any reference to what may happen to the local church after the property is deeded. Paragraph 2547.6, which is related to interdenominational local church mergers, provides that “[w]hen property is involved, the provisions of ¶2548 obtain.” That paragraph appears to confirm that ¶ 2548.2 addresses only issues of property and not a process for disaffiliation or separation.

The Council of Bishops is correct. Paragraph 2548.2 does not expressly pertain to, nor authorize, the disaffiliation of a local church. Paragraph 2548.2 addresses only issues of property and not a process for disaffiliation. The various Resolutions that were annexed to their petition erroneously cite and rely upon paragraphs in the *Discipline* which are wholly unrelated to the disaffiliation process.

Further, there is no “separation” process in our polity for churches in the United States. There is only the process of disaffiliation which was afforded to local churches by the 2019 Special Session of General Conference for a specific and limited period of time. Additionally, local church mergers are *not* akin to disaffiliation, nor is a Federated Churches akin to a disaffiliated church.

It is apparent from the Resolutions that there are some congregations who seek to disaffiliate from the United Methodist denomination by circumventing the requirements set forth in ¶ 2553. Any such actions are impermissible. The General Conference has provided a specific method of departure for a local church to depart and be released of its connectional relationship and obligations under the Trust Clause [¶ 2501 et seq] and that method is set forth in the 2016 *Discipline* in Chapter Six — Church Property — *Section VIII. Disaffiliation of Local Churches Over Issues Related to Human Sexuality*, ¶ 2553. Disaffiliation of a Local Church Over Issues Related to Human Sexuality. Local churches may not circumvent the requirements of ¶ 2553 by arguing that their departure comes under some other paragraph in the *Discipline*. Nor may they rely upon potential proposed legislation that might be considered at a future General Conference (such as those references that were made to the *Protocol for Reconciliation and Grace through Separation*). Proposed legislation has no bearing or effect.

As such those Resolutions pertaining a local congregation's denominational severance, including a *release of its connectional obligations under the Trust Clause*, which rely upon paragraphs other than ¶ 2553, are improper, null and void. A congregation may not circumvent the action of the 2019 Special Session of the General Conference and subvert the requirements that the General Conference has set forth in Section VIII of Chapter Six in the *2016 Discipline*.

It must be emphasized that ¶¶ 2547, 2548, and 2549 are wholly unrelated to ¶ 2553, which always involves an on-going active congregation and which was enacted for the limited and narrow purpose of providing qualified congregations with a brief opportunity to disaffiliate from the UMC *pursuant to issues related to human sexuality*. The act of disaffiliation is in direct contradiction to this denomination's long-standing polity of connectionalism. It is an anathema to that connectional cornerstone which distinguishes our denomination from most other Protestant Churches.

Given that the paragraphs referenced in the Resolutions are predicated upon a mistaken or erroneous application and interpretation of the *Discipline*, the questions that arose from their misapplication are likewise flawed and irrelevant in these circumstances wherein local churches are seeking to disaffiliate from the denomination.

Furthermore, there are multiple paragraphs throughout the *Discipline* that are related to these matters of local church relationship changes and ecumenical affiliations which bear upon the context and interpretation of the paragraphs at issue herein and, when read and understood together, provide greater clarity and clearly distinguishes the disaffiliation process provided in ¶2553 by the 2019 Special Session of General Conference from those provisions that were already set forth in the *Discipline*. [see, *e.g.*, ¶ 6, ¶13.2, ¶13.3, ¶¶207-211 Ecumenical Shared Ministries, ¶ 227, ¶ 339 footnote 33, ¶¶ 431-442 Ecumenical Relationships, ¶ 502.1b, **¶¶ 570-575 Autonomous Methodist Churches, Affiliated Autonomous Methodist Churches, Affiliated United Churches, Covenanting Churches, Concordat Churches**]. It is particularly in reference to ¶¶ 570-575 that my interpretation differs somewhat from the majority, albeit with the same net result.

As set forth in an amicus brief submitted by one of our denomination's chancellors:

If ¶ 2548.2, which had been in the *Discipline* for 70 years at that time, had already established a process for local church disaffiliation, then adding a paragraph like ¶ 2553 (or any of the numerous alternative disaffiliation proposals presented for action at the 2019 Special Session and thereafter to the since-postponed 2020 General Conference) was wholly unnecessary. The undeniable fact is that nearly everyone—including the advocates for each of the competing plans to address the denominational impasse on human sexuality issues—concurred at the time that new General Conference legislation would be

required if congregational disaffiliation (while retaining all assets) was to be allowed, because no such provision had ever previously been included in the *Discipline*.

In truth, it is only more recently that the argument that ¶ 2548.2 provides an alternative pathway to disaffiliation gained any traction. The timing of this emerging reliance on ¶ 2548.2 is perhaps explained by disappointment among those that are planning to withdraw that the terms imposed by ¶ 2553 are more rigorous than those they hoped would be adopted at the repeatedly continued General Conference of 2020. But such factors hardly justify adopting a construction of ¶ 2548.2 that (a) contradicts the intent of the General Conference in adopting that provision for entirely distinct purposes in 1948; (b) exceeds the limited reach of the express terms of ¶ 2548.2; and (c) all but nullifies the General Conference's direction in ¶ 2553, which conditions disaffiliation upon the satisfaction of terms that are entirely absent from ¶ 2548.2.

The Council of Bishops was correct in their initial understanding that there was a misplaced reliance upon other sections in Chapter Six of the *2016 Book of Discipline*. In the matters at hand, only Section VIII of Chapter Six controls. Any Resolutions that do not comport fully with the General Conference mandates found in Section VIII, ¶ 2553, and their Annual Conference's requirements compiled thereto, must be ruled null and void.

Resolutions pertaining to a local congregation's disaffiliation, including release of its connectional obligations under the Trust Clause, which are predicated upon disciplinary paragraphs other than ¶ 2553, are improper. A congregation seeking to disaffiliate from The United Methodist Church may not subvert the action of the 2019 Special Session of the General Conference and circumvent the disaffiliation mandates and minimum requirements that the General Conference has set forth in Section VIII of Chapter Six in the *2016 Discipline*. Any Resolutions that do not comport fully with the General Conference disaffiliation mandates found in Section VIII, ¶2553, and their Annual Conference's requirements compiled thereto, must be ruled null and void.

Beth Capen  
August 22, 2022

### **Dissenting Opinion**

I appreciate and applaud the work of my Judicial Council colleagues for rendering Decision 1449. However, I respectfully dissent from their holding. Paragraph 431.1 does not give the Council of Bishops, as the ruling suggests, the authority to define an evangelical denomination, to determine what constitutes a denomination nor sign a comity agreement. Rather, ¶ 431.1 authorizes the Council of Bishops to submit to General Conference recommendations for approval. The majority's ruling invests authority within the Council of Bishops that the General Conference has not given them in the *Book of Discipline*. Furthermore, the holding fails to acknowledge that ¶ 1504.23 provides that ¶ 2548.2 is an additional option for congregations to change their connectional relationship with the United Methodist Church. On this basis, I dissent.

Dennis L. Blackwell  
August 22, 2022

# **Exhibit D**

SUBJECT TO FINAL EDITING

## JUDICIAL COUNCIL OF THE UNITED METHODIST CHURCH

### DECISION NO. 1480

[Docket No. 0423-10]

**IN RE: Review of a Bishop's Ruling on Questions of Law raised during the North Carolina Annual Conference Concerning Compliance with Conference Procedural Requirements by Local Churches Seeking to Disaffiliate as well as the Sufficiency of the Information Provided to Annual Conference Members Prior to their Vote.**

#### DIGEST

It will be unlawful for an annual conference to ratify a local church disaffiliation for any reason other than those specified in ¶ 2553.1 of *The Book of Discipline*.

Annual conferences are free to require by policy that a local church seeking disaffiliation demonstrate its reasons of conscience “related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals” pursuant to ¶ 2553.1.

Paragraph 2553.1 does not require or mandate that the reasons of conscience for a local church's disaffiliation be stated or given to the delegates of the annual conference. Moreover, the Judicial Council will not question the reasons of conscience behind a church's decision to disaffiliate and will uphold a board of trustees or annual conference decision not to question a church's decision to disaffiliate.

In discharging their duties under ¶ 2553, bishops, district superintendents, conference boards of trustees, and agencies must strike a careful balance between maintaining confidentiality and transparency and protect the rights of annual conference members to be informed on and to participate fully in all legislative decisions, including the ratification of local church disaffiliations.

The decision of Bishop Leonard E. Fairley is affirmed.

#### STATEMENT OF FACTS

On June 16, 2022, at the North Carolina Annual Conference, the presiding bishop announced a special called session of the North Carolina Annual Conference to be held

**EXHIBIT D**

on November 19, 2022, for the purpose of ratification of churches who had completed the process of disaffiliation as determined by the North Carolina Annual Conference Board of Trustees.

At the special called session, the Board of Trustees presented its report and move for the ratification of the Disaffiliation Agreements of the churches. Two delegates spoke against the Board of Trustees' motion. Before the vote was taken on the motion, a clergy member presented a request for a ruling of law. The request for a ruling of law was as follows:

I write to submit a question in the form of a request for you to make a decision of law. I do so out of respect for, and in accordance with, the established Division Three, Article VII, of the Constitution of The United Methodist Church (published as paragraph 51 in the 2016 DISCIPLINE) and paragraph 2609.6 in our church law.

The request that I submit is for you to make a ruling of law concerning the following, which is a question with two parts:

1. First, is it lawful for an annual conference to approved [*sic.*] a local church for disaffiliation under paragraph 2553 of The DISCIPLINE for any reasons other than the “reasons of conscience regarding a change in the requirements and provisions of the Book of Discipline related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues...”?
2. Second, does the annual conference, all lay and clergy members present and voting in this Special Session for this sole purpose, have the right to receive in writing all the available information on the reasons of conscience each church seeking to disaffiliate has given to the district superintendent conducting their Church Conference, as their reasons for doing this?

This two-part question of law arises in the context of procedures that have been used to implement paragraph 2553. In the North Carolina Annual Conference, we have only been given the name of the church and its district whereas our sister conferences adjoining us in Virginia and Western North Carolina have each been given voluminous information on each local church requesting disaffiliation. Given that the Annual Conference is the body that has final authority for making its decision as paragraphs 2529.1B(3) and 2553.4 make clear and as multiple Judicial Council decisions affirm (for example, 1371, 1379, 1421, 1424, 1425), it seems reasonable that those voting at the annual conference special session should have before them all pertinent information.

In the case of the North Carolina Annual Conference, that has not been provided.



Further, at least one church has proclaimed widely that its decision to disaffiliate is not for “reasons of conscience” pertaining to policies on homosexuality but other issues. Exactly two months ago in an interview published on the front page of a local newspaper, one of our pastors said of his church's vote to disaffiliate: “Trinity's vote was not about homosexuality; however, it was about maintaining a belief that the Bible should be read literally as the inerrant and infallible word of God.” He further stated that “Methodists with similar views as him and his church have been ‘accused of being anti-homosexual and that’s the furthest thing from the truth.’”

The presiding bishop gave his decision of law on December 6, 2022. His ruling was as follows:

#### Decision of Law

I am issuing this decision of law pursuant to the authority given to me as a presiding officer on Paragraph 51 of The Book of Discipline 2016. The decision is made within the time prescribed by Paragraph 2609.6 of The Discipline.

The question of law complies with the requirements of Decisions 799, 1103 and 1279. Therefore, it is properly before me and I have jurisdiction to issue a decision of law.

#### Ruling

In response to your first question, “is it lawful for an annual conference to approve a local church for disaffiliation under paragraph 2553 of The Discipline for any reason other than ‘the reasons of conscience regarding a change in the requirements and provisions of The Book of Discipline related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues ....’” – No it would not be lawful for the NC Conference to act to ratify a local church’s disaffiliation for any reasons other than those specified in Paragraph 2553. All of the churches whose requests for disaffiliation were before the NCC Special Called Session had approved requests to disaffiliate for the very reasons stated in Paragraph 2553 in their various church conferences which were properly and fairly conducted so those actions were properly before us. Regardless of what other actions or statements members and/or clergy of those local churches may have made, the motion approved at their church conference was based on stating their reasons for requesting disaffiliation were the exact same requirements stipulated in Paragraph 2553. Reference Judicial Council Decision 1422.

Second: “does the annual conference, all lay and clergy members present and voting in this Special Session for this sole purpose, have the right to receive in writing all the available information on the reasons of conscience each church

seeking to disaffiliate has given to the district superintendent conducting their Church Conference, as their reasons for doing this?” Paragraph 2553 of The Book of Discipline and Paragraph 2529.1(b) (3) do not state what, if any, information must be supplied to an annual conference considering the disaffiliation of a local church. The list of those churches requesting disaffiliation was made known well in advance of the meeting as was the statement that the churches whose requests for disaffiliation were to be submitted for ratification had all satisfied The NC Conference Board of Trustees’ requirements of churches seeking such action. Foundational to those requirements was that each local church seeking disaffiliation must approve a motion asking for disaffiliation by a two-thirds vote of those professing members present and voting that disaffiliation was sought on the grounds specified in Paragraph 2553, “reasons of conscience regarding a change in the requirements and provisions of The Book of Discipline related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the action or inactions of its annual conference related to these matters.” Each local church seeking to disaffiliate from the NCC had satisfied that requirement. Other details about those churches seeking disaffiliation are available in the NC Journal and available to anyone seeking that data. Various annual conferences will present such information in different ways.

Therefore, in regards [*sic.*] to both your questions:

It is lawful that the NC Annual Conference proceeded to consider whether or not to ratify the disaffiliation of each local church as it did in the Special Session on November 19, 2022.

### **Jurisdiction**

The Judicial Council has jurisdiction pursuant to ¶¶ 2609.6 of *The 2016 Book of Discipline* [hereinafter the *Discipline*].

### **Analysis and Rationale**

Paragraph 2553.1 of the *Discipline* gives local churches a limited right to disaffiliate for reasons of conscience. It reads thus:

Because of the current deep conflict within The United Methodist Church around issues of human sexuality, a local church shall have a limited right, under the provisions of this paragraph, to disaffiliate from the denomination for reasons of conscience regarding a change in the requirements and provisions of the Book of Discipline related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019

General Conference, or the actions or inactions of its annual conference related to these issues which follow. ¶ 2553.1 [emphasis ours]

In a recent similar case, the Judicial Council held that “[a]nnual conferences are free to require by policy that a local church seeking disaffiliation demonstrate its reasons of conscience ‘related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals’ pursuant to ¶ 2553.1.” JCD 1476. The record shows that the North Carolina Annual Conference did adopt such a policy.<sup>i</sup> Therefore, the answer to the first question is NO. It will be unlawful for an annual conference to ratify a local church disaffiliation for any reason other than those specified in ¶ 2553.1 of the *Discipline*. The bishop’s ruling of law on the first question is affirmed.

With respect to the second question, ¶ 2553.1 does not require or mandate that the reasons of conscience for a local church’s disaffiliation be stated or given to the members of the annual conference. Moreover, the Judicial Council will not question the reasons of conscience behind a church’s decision to disaffiliate and will uphold a board of trustees or annual conference decision not to question a church’s decision to disaffiliate. The bishop was correct in ruling that “Paragraph 2553 of The Book of Discipline and Paragraph 2529.1(b)(3) do not state what, if any, information must be supplied to an annual conference considering the disaffiliation of a local church.” Decision of Law, *supra*.

However, the validity of that statement is not absolute but must be weighed against other protected rights in Church law. In JCD 367, the Judicial Council held that “[a]ny organizational structure in an Annual Conference dealing with legislative matters must protect: ... the rights of individual members of the conference to be informed on and to participate fully in all legislative decisions.” [emphasis added]

While it is true that neither ¶ 2553 nor ¶ 2529.1(b)(3) requires the dissemination of any disaffiliation-related information prior to ratification, bishops, district superintendents, conference boards of trustees, and all involved agencies must carefully balance between maintaining confidentiality and transparency while protecting the rights of the members of an annual conference “to be informed on and to participate fully in all legislative decisions,” including the ratification of local church disaffiliations. With this caveat in mind, we affirm the second part of the bishop’s ruling.

### **Decision**

It will be unlawful for an annual conference to ratify a local church disaffiliation for any reason other than those specified in ¶ 2553.1 of *The Book of Discipline*.

Annual conferences are free to require by policy that a local church seeking disaffiliation demonstrate its reasons of conscience “related to the practice of

homosexuality or the ordination or marriage of self-avowed practicing homosexuals” pursuant to ¶ 2553.1.

Paragraph 2553.1 does not require or mandate that the reasons of conscience for a local church’s disaffiliation be stated or given to the delegates of the annual conference. Moreover, the Judicial Council will not question the reasons of conscience behind a church’s decision to disaffiliate and will uphold a board of trustees or annual conference decision not to question a church’s decision to disaffiliate.

In discharging their duties under ¶ 2553, bishops, district superintendents, conference boards of trustees, and agencies must strike a careful balance between maintaining confidentiality and transparency and protecting the rights of annual conference members to be informed on, and to participate fully in, all legislative decisions, including the ratification of local church disaffiliations.

The decision of Bishop Leonard E. Fairley is affirmed.

April 25, 2023

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<sup>i</sup> §1.a of the *Disaffiliation Agreement* adopted by the North Carolina Annual Conference reads:

1. Conditions Precedent. Local Church and Annual Conference acknowledge and agree:
  - a. Church Conference Vote. At least two-thirds (2/3) of the professing members present at a church conference of Local Church must vote to disaffiliate from The United Methodist Church “for reasons of conscience regarding a change in the requirements and provisions of the *Book of Discipline* related to the practice of homosexuality or the ordination or marriage of self-avowed practicing homosexuals as resolved and adopted by the 2019 General Conference, or the actions or inactions of its annual conference related to these issues which follow.” The church conference vote on disaffiliation must be taken by written ballot. Local Church must provide documentation, to the satisfaction of Annual Conference, which evidences the result of the disaffiliation vote taken at the church conference. Such documentation must be certified by an authorized officer of Local Church and is attached to this Disaffiliation Agreement and labeled as “Exhibit A.”

# **Exhibit E**



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April 26, 2023

**Via Email:** [kreed@reedclaymon.com](mailto:kreed@reedclaymon.com)

Kevin Reed, Chairman of the Board of Trustees  
RIO TEXAS CONFERENCE OF THE UNITED METHODIST CHURCH  
16400 Huebner Rd.  
San Antonio, Texas 78248

RE: Representation of Methodist Churches.

Kevin,

In accordance with our discussion of April 25, 2023, I am providing you with the current names of the churches that have retained me:

1. Alice
2. Aransas Pass
3. Art United
4. Asbury-Corpus Christi
5. Barksdale
6. Belmont
7. Burnet
8. Dewville MC (Seguin, TX)
9. Dripping Springs
10. El Buen Pastor (Brownsville, Tx)
11. El Divino Redentor (McAllen, Tx)
12. El Dorado
13. Ganado
14. Gonzales
15. Harlingen FMC
16. Hondo
17. Industry
18. Ingelside
19. Junction
20. Karnes City
21. La Grange
22. La Santisima Trinidad (Weslaco, Tx)
23. Lampasas

**EXHIBIT E**

Established 1917

24. Lutie Watkins Memorial Methodist (Llano, Tx)
25. Louise
26. Lyford
27. Lytle
28. Marble Falls
29. Mertzon
30. Mission
31. Monthalia
32. Nixon
33. Oak Island MC (San Antonio, Tx)
34. Raymondville
35. Rio Grande City
36. Rocksprings
37. San Saba
38. Somerset
39. Taft
40. Valley Praise Church MC (Harlingen, Tx)

As we discussed my clients are seeking an amicable parting from the United Methodist Rio Conference which does not involve the terms set out in 2553.

All the churches have voted overwhelmingly to leave the conference. None of them have signed the 2553 Disaffiliation Agreement and do not intend to sign it.

Accordingly, my clients propose an agreement where they keep all their personal and real property in exchange for a mutual release and quitclaim deed from the conference.

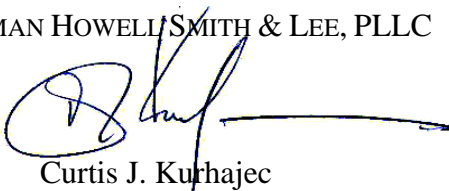
Additionally, my clients have no intention to pay any “underfunded” pension amount and will address this issue directly with Wespeth in the future. However, the churches are open to paying a portion of the apportionments including any owed amounts to date as part of any mutual agreement.

It is my understanding that you will forward this letter to your legal counsel for further follow-up regarding this proposal. I certainly appreciate your cordiality to date and sincerely hope that this matter can be resolved calmly and without any need for legal action or controversy.

Thank you for time and immediate attention to this matter.

Very truly yours,

NAMAN HOWELL SMITH & LEE, PLLC

By:   
Curtis J. Kuthajec

CJK/rg