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**FOR IMMEDIATE RELEASE**

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The Bishop and Diocese of Colorado today filed an answer and counterclaim in response to the complaint filed in El Paso County by a secessionist congregation on Good Friday (April 6). The response asserts that the real property of Grace and St. Stephen's Episcopal Church belongs to the loyalist Episcopal congregation, and that the secessionist congregation has "wrongfully taken steps to take possession of and exercise control over the Property." It cites the long history of the parish in the Episcopal Church and the Diocese of Colorado, and the established legal precedent that Grace Church and St. Stephen's holds legal title of record to the property for the mission of, and in trust for the Episcopal Diocese of Colorado and The Episcopal Church.

The counterclaims included in the court filing include several key components:

- A history of the Diocese of Colorado, and of the parishes of Grace and St. Stephen's, and the combined parish, and their existence as entities of the Episcopal Church and the Diocese of Colorado;
- Substantial information about structure and canons of the Episcopal Church and the Diocese of Colorado that establish the real property of any parish as being held in trust for the Episcopal Diocese of Colorado and the Episcopal Church; and
- More detailed information about the investigation into allegations of misconduct against the Rev. Donald Armstrong, about events leading to the former Vestry's vote to secede from the Episcopal Church.

The counterclaim seeks a declaration as to the rightful ownership of the church property, and asserts that, when they voted to leave the Episcopal Church, the members of the former Vestry vacated their positions and that Armstrong remains a priest of the Diocese of Colorado under inhibition from his Bishop. Armstrong cannot function,

therefore, as a priest or engage in any ministry activities or serve as rector. Today's filings also ask the court uphold the principle that the Episcopal Church is a hierarchical church, and as such, the decisions of that hierarchy – in this case, the Bishop and the Standing Committee of the Diocese of Colorado – validly establish the leadership of Grace and St. Stephen's Episcopal Church. Based on decisions by the Bishop and Diocese of Colorado, Father Donald Armstrong and the members of the secessionist vestry have no authority to direct,

supervise, or act on behalf of the corporation known as Grace Church and St. Stephen's or the Parish its serves, and they have had no such authority since the acts of secession.

The Chancellor of the Diocese, Lawrence R. Hitt II, said "It is a shame that a small, misguided group has forced this litigation by illegally taking possession of the church property. This litigation is not about theology or differences of opinion in the church, it is an effort by that break-away group to distract attention from the very serious charges of theft and misconduct against Armstrong. The charges against Armstrong will be prosecuted in a trial before the Diocese's Ecclesiastical Trial Court, according to the disciplinary process established in the Church's canons."

Hitt went on to say that "the law in Colorado-- and in most states, including many cases decided in the last few weeks -- is clear that all Episcopal churches hold their property in trust for the diocese and the national church. Time after time courts have ruled that while individuals can leave the church, it is illegal for them to take the property with them. Grace and St. Stephen's has been an Episcopal church for over 130 years and it will continue to be an Episcopal church."

In similar disputes in other dioceses, two recent cases – one in Florida, and one in South Carolina – have been concluded in favor of the dioceses.

Tim Fuller, who was recently appointed to the Vestry of Grace Episcopal, said that the filing shows "with utter clarity that Grace Episcopal Church from the earliest beginnings to the present moment has been constituted by, and has gained her identity through, the Episcopal Church."

The former Vestry – or lay leadership board – of Grace and St. Stephen's illegally voted to secede from the Episcopal Church on March 26, the same day the Diocesan Review Committee for the Diocese reviewed an investigation into allegations of financial

misconduct and issued a Presentment of charges against The Rev. Don Armstrong. Armstrong remains an Episcopal priest under inhibition by his bishop, facing trial on several charges of financial and other misconduct in Ecclesiastical Court. The Presentment prepared by the Church Attorney and the Diocesan Review Committee, which outlines these charges and the evidence supporting them, is a public document and available from the diocese upon request.

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