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9 10	Attorneys for Plaintiffs Anaheim Japanese Free Methodist Church And Debra Chiya							
11								
12	SUPERIOR COURT OF THE STATE OF CALIFORNIA							
13	FOR THE COUN	TY OF ORANGE						
14	NORTH JUSTICE CENTER							
15								
16	ANAHEIM JAPANESE FREE METHODIST CHURCH, a California	CASE NO. 30-2023-01322048-CU-PP- NJC						
17	Nonprofit Religious Corporation, DEBRA CHIYA, member, board member and	DECLARATION OF JAMES K.						
18	corporate treasurer;	KAWAHARA IN SUPPORT OF APPLICATION FOR TEMPORARY						
19	Plaintiffs,	RESTRAINING ORDER						
20	VS.							
21	THE VOICE CHURCH OF ORANGE COUNTY, INC., a California Nonprofit							
22	Religious Corporation, TAKA IGUCHI, as an individual and officer; PACIFIC							
23	COAST JAPANESE CONFERENCE OF FREE METHODIST CHURCH OF							
24	NORTH AMERICA, a California Nonprofit Religious Corporation; and							
25	DOES 1 through 50, inclusive,							
26	Defendants.							
27								
28								
	DECLARATION OF JAMES K. KAWAHARA IN S	UPPORT OF TEMPORARY RESTRAINING ORDER						

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I, JAMES K. KAWAHARA, declare as follows:

I am an adult and I have personal knowledge of the facts set forth herein, and
 if called as a witness, I could and would competently testify thereto, as to those facts which
 I declare on information and belief, I believe them to be true.

5 2. On Friday, April 28, 2023, I received a letter from attorney, Bradley
6 Greenman of Tyler Law LLP, on behalf of Defendant Pacific Coast Japanese Conference
7 of the Free Methodist Church of North America, a California Nonprofit Religious
8 Corporation, also known as "PCJC."

93.A true and correct copy of the April 28, 2023 letter is attached here to as10Exhibit 1.

4. The April 28, 2023 letter from Bradley Greenman was sent in response to my
 April 19, 2023 letter that was addressed to Defendant Taka Iguchi on behalf of himself and
 the Voice Church of Orange County, Inc. and copied to Keith Tanita, Superintendent of
 PCJC. My April 19, 2023 letter asked them to cease and desist their unlawful hostile
 takeover of Plaintiff, Anaheim Japanese Free Methodist Church.

16 I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 30th day of April, 2023 in Los Angeles, California.

Const Fourter

James K. Kawahara

## Exhibit "1"

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REPLY TO: Riverside County Office: 25026 Las Brisas Road Murrieta, California 92562 Telephone: (951) 600-2733 Facsimile: (951) 600-4996



Orange County Office: Telephone: (714) 978-2060 Arkansas Office: Telephone: (479) 377-2059

April 28, 2023

Via Electronic Mail Only

Email: james@kawaharalaw.com

James K. Kawahara, Esq. Howard Hughes Center 6080 Center D., 6th Floor #1 Los Angeles, CA 90045

Re: Response to Cease and Desist; Request to Adhere to Lawful Procedures

Dear Mr. Kawahara:

This firm represents the Pacific Coast Japanese Conference (or "PCJC") in reference to the matters discussed herein. Please direct all communications to the undersigned.

The PCJC is the regional governing body of the Free Methodist Church ("FMC") denomination which oversees the societies (or "Churches") throughout California which are members of the denomination. One of those Churches, the Anaheim Free Methodist Church (or "AFMC") is one of the approximately twenty-one societies within the PCJC's jurisdiction.

This letter is in response to your letter dated April 19, 2023, delivered to Pastor Taka Iguchi ("Pastor Iguchi") of AFMC, (the "Letter"). Before addressing the individual demands of the Letter and why they have no merit in AFMCs guiding document, namely the Book of Discipline, it is important to point out a conceptual error within the letter that informs most, if not all, of the wrongly levied demands. Each individual demand, and the Letter as a whole, assumes a mistaken view as to where power to make decisions concerning AFMC's governance and assets resides. The Letter relies on the false assumption that AFMC, and the governance of FMC generally, resembles a "congregational" model of church polity. Within congregationalism, common among the Baptist traditions, each local church is independent and ecclesiastically sovereign or autonomous. This means within the congregational model, the church usually maintains power and authority over church property, church assets, and church governance. Indeed, if this were the structure of the FMC, the Letter would have merit, however, AFMC follows no such model—nor has it ever. A brief examination of the history of the FMC tradition and the Book of Discipline reveals the FMC operates under a model of church government known as "connectionalism." Further, once this assumption is removed, it negates most of the demands in the Letter.

This "connectional" model of church government is that which the FMC, PCJC, and AFMC are all bound to follow under the Book of Discipline. Within the FMC requirements, the "normative" regional authority is vested in the Annual Conference. (Book of Discipline, \$200(A) at p. 23.) Above the Annual Conferences are the General Conferences which serve as the "governing bodies of the [FMC]." (*Id.*, \$200(B).)

What is relevant to the dispute, is the fact that decisions as to who pastors a society, what the name of a society is, who controls a society's assets, etc., are all determinations that are made at the Annual Conference level—not the society or local church level. (*See* Book of Discipline, \$5220(D), at p. 100 [giving the Ministerial Appointments Committee ("MAC") the authority to appoint pastors at societies]; *Id.*, \$6400(D) at p. 134 [noting the **societies hold assets and property in trust** for the FMC]; *Id.*, \$6700(B)(4) at pp. 141–42 [outlining ultimate authority to make personnel appointments lies with the Annual Conference and the MAC]; *Id.*, \$6420 at p. 136 [noting the power to make decisions regarding church mergers and closings belong to the Annual Conference and its committees].) Importantly, the MAC is a committee that is controlled and appointed by the Annual Conference—not the local societies. (Book of Discipline, \$5220(A) at p. 99.) Further, the Book of Discipline is clear, where it becomes necessary to change pastors, "final authority rests with the [MAC]." (Book of Discipline, \$5220(G) at p. 100.) Here, this means that the authority to engage in the conduct the Letter claims lies with AFMC actually lies with PCJC as the Annual Conference to which AFMC belongs.

With these general principles in mind, each demand in the Letter can be dealt with in turn. Although the Letter is addressed to Pastor Iguchi and calls his actions "unilateral[,]" in fact, all conduct he has engaged in has been in conjunction with the PCJC and in full compliance with the Book of Discipline. The claim that Pastor Iguchi's actions have violated the California Corporations code is baseless. Citing the Corporations Code, section 9210, the Letter asserts "all corporate powers shall be exercised by or under the direction of the board." The Letter seems to imply the Local Board of Administration ("LBA") of AFMC is *the* "board of directors" for the purposes of the statute. Reading the statute in its full context, however, it begins with the clause: "Subject to the provisions of this part and **any provisions in the articles or bylaws**." (Corp. Code, § 9210 (emphasis added).) This means that the powers of the LBA are subject to the governing documents of AFMC, which in this case, is the Book of Discipline. Just because the LBA has "board" in its name does not therefore confer upon it the powers of a board of directors under the statute irrespective of the formative and governing documents of the organization. As discussed herein, the authority of each demand lies not with the AFMC as a society, but with the PCJC as the governing body or "board of directors" the AFMC is subject to.

Addressing each of the demands in turn, we are hopeful that your review will lead to a quick and amicable resolution of this unfortunate dispute within the body.

1. <u>Dismissing the current AFMC treasurer</u>. To the extent the treasurer position is a function under the Book of Discipline, paragraphs 6200–6250, AFMC may appoint a treasurer. The duties of this type of treasurer, however, are restricted to, "keep[ing] a record of all monies raised and of the manner in which they are expended. The treasurer shall provide a detailed monthly financial statement in writing to the Finance Committee and the local Board of Administration, with a full report to the annual society meeting." (Book of Discipline, ¶

6300(G) at p. 128. While the LBA does work with the pastor in "partnership[,]" nothing in the Book of Discipline requires the LBA's approval before terminating the current treasurer of a Society Meeting under the Book of Discipline, paragraphs 6200–6250.

To the extent the treasurer embodies a position governed by Book of Discipline, paragraphs 6700–6720, the final authority of appointment and termination of pastoral staff and personnel lies with the PCJC and its Superintendent. (See id.,  $\P6710(A)$  at p. 141 [the Superintendent shall be "consulted" before any appointment]; id.,  $\P6710(B)$  [selecting personnel must involve the Ministerial Education and Guidance Board (a body of the Annual Conference) and the MAC]; id.,  $\P6720$  et seq [ultimate authority to terminate personnel lies with the PCJC and its relevant boards and committees].)

Therefore, the termination of AMFC's treasurer was/is in full compliance with the Book of Discipline and applicable California law and Pastor Iguchi does not need the approval of the LAB to terminate such position.

2. <u>Appointment of a new AFMC treasurer</u>. To the extent "AFMC treasurer" refers to a treasurer of the Society Meeting under the Book of Discipline, paragraphs 6200–6250, AFMC through the LBA "may elect a treasurer[.]" (*Id.*, ¶6250(J).) The duties of this type of treasurer, however, are restricted to, "keep[ing] a record of all monies raised and of the manner in which they are expended. The treasurer shall provide a detailed monthly financial statement in writing to the Finance Committee and the local Board of Administration, with a full report to the annual society meeting." (Book of Discipline, ¶ 6300(G) at p. 128.

To the extent the treasurer embodies a position governed by Book of Discipline, paragraphs 6700–6720, the final authority of appointment and termination of pastoral staff and personnel lies with the PCJC and its Superintendent. (*See id.*,  $\P6710(A)$  at p. 141 [the Superintendent shall be "consulted" before any appointment]; *id.*,  $\P6710(B)$  [selecting personnel must involve the Ministerial Education and Guidance Board (a body of the Annual Conference) (the "MEGB") and the MAC]; *id.*,  $\P6710(B)(1)$  [the pastor has the sole "privilege" of determining who to nominate for this type of treasurer]; *id.*,  $\P6710(B)(3)$  [the MEGB will review and recommend the applicant]; *id.*,  $\P6710(B)(4)$  [the MAC has final jurisdiction to approve the appointment].)

Therefore, because the role of a "treasurer" under paragraphs 6200–6250 of the Book of Discipline is duly limited, and because the PCJC and its relevant governing bodies possess the authority to appoint treasurers functioning under the Book of Discipline, paragraphs 6700–6720 *et seq*, Pastor Iguchi is not bound to seek the LAB's approval in appointing a new AFMC treasurer.

3. <u>Seeking to transfer control of the AFMC bank accounts, including access to passwords or changes in signature authority</u>. "[A]ny and all property committed" to a society is held in trust by that society for the FMC. (*Id.*, ¶6400(B) at p. 133.) This means any property, real or personal (such as bank accounts and the monies therein, furniture, etc.) are not the Society's.

Therefore, PCJC does not and will not seek the approval of the LBA in changing account passwords or changing signature authority. Further, the AFMC, its treasurer, or any other persons preventing such transfers are liable for any breach of their fiduciary duty to the FMC and its governing bodies.

4. <u>Termination of AFMC personnel</u>. Pursuant to Book of Discipline, paragraphs 6700–6720, the final authority of appointment and termination of pastoral staff and personnel lies with the PCJC, its committees, the Pastor of the society, and the Superintendent of the conference. (*See id.*, ¶6710(A) at p. 141 [the Superintendent shall be "consulted" before any appointment]; *id.*, ¶6710(B) [selecting personnel must involve the MEG and the MAC]; *id.*, ¶6720 *et seq* [placing ultimate authority to terminate personnel with the PCJC and its relevant boards and committees].)

Therefore, Pastor Iguchi does not need LAB approval concerning firing of church personnel.

- 5. <u>Hiring new AFMC personnel</u>. Pursuant to Book of Discipline, paragraph 6700 *et seq*, the final authority of appointment and termination of pastoral staff and personnel lies with the PCJC and its Superintendent. (*See id.*, ¶6700(A) at p. 141 [the Superintendent shall be "consulted" before any appointment]; *id.*, ¶6710(B) [selecting personnel must involve the Ministerial Education and Guidance Board (a body of the Annual Conference) and the MAC]; *id.*, ¶6720 *et seq* [ultimate authority to terminate personnel lies with the PCJC and its relevant boards and committees].) Therefore, Pastor Iguchi does not need LAB approval before hiring church personnel.
- 6. <u>Using any AFMC funds for the benefit of third parties (including VCT)</u>. See response to cease and desist demand three. As the funds are not AFMC's funds, Pastor Iguchi does not need the approval of the LAB as to their use.
- 7. <u>Entering into any contracts that obligate AFMC for payment</u>. See response to cease and desist demands three and six. Seeing as the funds held by AFMC do not belong to AFMC, Pastor Iguchi does not need the approval of the LAB as to incurring obligations related to any funds.
- 8. <u>Closing or altering AFMC's online presence (e.g., website, social media, Google Maps,</u> Yelp. *See* response to cease and desist demands three, six, and seven. As AFMC's website does not belong to AFMC, Pastor Iguchi does not need the approval of the LAB as to closing or altering AFMC's online presence.
- 9. <u>Removing the name of AFMC from the church building</u>. See response to cease and desist demands three, six, seven, and eight. Additionally, under Book of Discipline, paragraph 6420, the closing or merger of a society is at the sole discretion of the PCJC. To those ends, Pastor Iguchi does not need the approval of the LAB as to renaming or removing the sign from AFMC's building. Likewise, the PSJC does not need the permission of the AFMC to close it as a society or to merge it with another society within the conference.

- 10. <u>Removing furniture, kitchen equipment or other property from AFMC buildings</u>. See response to cease and desist demand three, six, seven, eight, and nine *supra*. Seeing as AFMC's website does not belong to AFMC, Pastor Iguchi does not need the approval of the LAB as to closing or altering AFMC's online presence.
- 11. <u>Renaming the AFMC</u>. See response to cease and desist demand nine supra.
- 12. <u>Installing VCT or "Voice" affiliated marketing/informational material within AFMC buildings</u>. *See* response to cease and desists demands three, six, seven, eight, nine (particularly the discussion of closure and merger), and ten.

In conclusion, it is also important to note two things: First, societies are bound to seek approval from the FMC before initiating any litigation. (*Id.*, ¶6430 at p. 137.) To the extent the society is considering initiating litigation in this matter, they must first seek approval of the FMC. Second, to the extent the former pastor of AFMC is involved in the issues herein, he has agreed to "withdrawal from the life of the society" upon the conclusion of his appointment as pastor and to not "re-engage" with that society absent approval from the Superintendent. (*Id.*, Book of Discipline ¶5220(M).) This includes, "communication with staff, constituents or the larger community regarding the society's leadership, practices, or health." (*Ibid.*) PCJC hereby requests that AFMC and its former pastor comply with these provisions in good faith, as they are obligated to do so.

Bearing this in mind and given the strength of our Client's arguments in this case, we request that the lay members and LAB refrain from obstructing the ongoing transitions at AFMC. Please have them confirm their agreement to abide by the Book of Discipline, to refrain from litigating matters discussed herein and/or in the Letter as such matters have no legal merit, and to withdrawal the lawsuit that was filed before this response to the Letter was delivered.

Our Client bears in mind that there are faithful brothers and sisters in Christ on the other side of the Letter. Additionally, PCJC recognizes the long and fruitful contribution AFMC has made in its more than 100-year history. In that spirit, the PCJC submits this letter with respect and with an eye toward amicable resolution.

Sincerely,

**TYLER LAW, LLP** 

Dary R Hamm

Bradley R. Greenman, Esq. Attorney