

EXHIBIT A

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NO. 141-252083-11

THE EPISCOPAL CHURCH,) IN THE DISTRICT COURT
et al.,)

Plaintiffs,)

VS.) DALLAS COUNTY, TEXAS

FRANKLIN SALAZAR, et al.,)

Defendants.) 141ST JUDICIAL DISTRICT

COPY

ORAL AND VIDEOTAPED DEPOSITION OF

JANE R. PARROTT

MAY 10, 2011

ORAL AND VIDEOTAPED DEPOSITION of JANE
R. PARROTT, produced as a witness at the instance of
the Plaintiffs, and duly sworn, was taken in the
above-styled and numbered cause on the 10th of May,
2011, from 9:01 a.m. to 3:20 p.m., before Audra B.
Paty, CSR in and for the State of Texas, reported by
machine shorthand, at the offices of Sharpe Tillman &
Melton, 6100 Western Place, Suite 1000, in the City of
Fort Worth, County of Tarrant, State of Texas,
pursuant to Notice and the Texas Rules of Civil
Procedure.

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21 Q. And you work for an entity that is affiliate	21
22 with the Southern Cone; is that correct?	22
23 A. Yes, sir, I do.	23
24 Q. And you go to a local congregation that is	24
25 ultimately affiliated with the Southern Cone?	25
31	33
1 A. Yes, sir.	1
2 Q. And you sit on the board of the Anglican	2
3 Church of North America, the board of the provisional	3
4 benefits and risk management committee; is that	4
5 correct?	5
6 A. I'm a member of that board, yes, sir.	6
7 Q. So it's fair to say that all of your	7
8 affiliations in this case, both professional and	8
9 religious, are with the Southern Cone and not with the	9
10 Episcopal Church of North America; is that correct?	10
11 A. Would you rephrase that or repeat that	11
12 question, please?	12
13 Q. So it's fair to say that all of your	13
14 affiliations, both professional and religious	14
15 congregational affiliation, are with the Southern Cone	15
16 and not with the Episcopal Church of the United	16
17 States?	17
18 A. That would be a fair statement.	18
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17 Q. Are you also here today to speak about the	17
18 Defendant Corporation and its business affairs?	18
19 A. No, sir, not totally.	19
20 Q. Okay. So there are 62 defendants in this	20
21 case that have judgments against them and you are only	21
22 prepared today to speak on one of those 62 defendants?	22
23 A. Yes, sir.	23
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21	21 Q. And the risk of dissipation isn't limited to
22	22 these six accounts, is it?
23	23 A. No, sir.
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22 Q. So why did you only show the Court six
23 accounts?
24 A. Those were what I was asked to produce.
25 These are -- this is what I was asked to produce at

1 the time.
2 Q. Okay. Who asked you to produce that?
3 A. I was asked by the attorneys to produce that.

REDACTED

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Jane R. Parrott - May 10, 2011

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21 Q. (BY MR. TOBEY) So you only looked at a third
22 of the accounts in order to make claims about whether
23 or not there had been dissipation; is that correct?
24 A. I looked at the accounts I was asked to look
25 at, those accounts. Those six accounts out of 18,

1 yes; that can be one-third of the accounts, yes, sir.

62	64
1	1 to a total of \$547,030.13 gone between October 31st,
2	2 2008 and February 28th, 2011 from these 12 accounts;
3	3 is that correct?
4	4 A. That's what it adds to, yes, sir.
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5 Q. (BY MR. TOBEY) Okay. So we've talked about	5
6 the first account. There are 11 more to go. If it's	6
7 okay with you, I would just like to go down and read	7
8 the differences between the October statement and the	8
9 November 2011 statement --	9
10 A. Okay.	10
11 Q. -- all together.	11
12 So operating accounts, we're missing	12
13 165,000 give or take. General special fund, we're	13
14 missing 2,500 approximately. Special fund St. Peter,	14
15 we're missing 2,000 approximately. Special fund money	15
16 market, we're missing 74,000 approximately. Revolving	16
17 account, we're missing 37,000 approximately.	17
18 Revolving account MMA, we're missing 25,000. General	18
19 E.D. Farmer, we're missing \$7,600. E.D. Farmer, we're	19
20 missing about \$55,500. Camp Crucis we're missing	20
21 \$42,000. Camp Crucis, operating, we're missing about	21
22 \$6,600. There was a certificate of deposit that was	22
23 \$22,000 back in '08 and it's gone down. There was a	23
24 certificate of deposit revolving that was \$107,000	24
25 back in October of '08, and that's gone, which leads	25

REDACTED

66	68
<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p>1 2 3 4 5 6 7 8 9 10 11 Q. How about in the time that you have been 12 business director of the Diocese? Other than this 13 time period, have those accounts ever been depleted by 14 over half a million dollars in two years? 15 A. Not by over, but close. 16 Q. And when was that? 17 A. The nature of some of these accounts are to 18 make loans to our parishes and missions. 19 Q. And is that your explanation for the missing 20 over half a million dollars in this time period? 21 A. Not for every one of these accounts, no, sir. 22 Q. But some of those were loans that you made to 23 missions and parishes? 24 A. The Diocese makes the loans, sir. I don't 25 make loans.</p>
67	69
<p>1 2 3 4 Q. Have you contacted any potential sureties 5 regarding a possible supersedeas bond in this lawsuit? 6 A. No, sir. 7 Q. So you haven't called anyone up and said, 8 this is what we have got, these are our donors, this 9 is what we typically take in in donations, what sort 10 of security -- what -- strike that. 11 So you didn't call up any surety and say, 12 these are our assets, these are our donors, this is 13 what we typically take in, this is what we take in in 14 donations, what sort of a bond do you think we can 15 get? 16 A. No, sir, I did not. 17 18 19 20 21 22 23 24 25</p>	<p>1 Q. Well, I'm speaking to you in your capacity as 2 business director, CFO, if you will, of the Diocese. 3 A. And that -- the committees of the Diocese 4 have the capability of making loans, yes, sir. 5 Q. And what documents have we seen 6 substantiating that loans have been made to Diocese -- 7 or parishes? 8 A. That you have seen? 9 Q. Yes, ma'am. 10 A. I don't know that you have seen any 11 documents. 12 Q. You haven't produced a single document on 13 loans to parishes, have you? 14 A. I haven't been asked to. 15 Q. I'm talking about defendants. You have 16 reviewed the documents that were produced to us, 17 correct? We have said earlier that you've looked at 18 that. 19 A. I looked at them when I produced them, yes. 20 Q. Yes. So there is not a single document in 21 there regarding any loans made to any missions or 22 parishes? 23 A. Well, yes, sir, there would be. 24 Q. Show me where. 25 A. It would be in the revolving loan financial</p>

70	72
1 statement. There should be a list as part of the	1
2 financial statement. That could have been left off,	2
3 but we report those loans every month to the finance	3
4 committee.	4
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REDACTED

74	76
<p>1 2 3 4 5 Q. Okay. So this entire statement that the 6 Diocese cannot post a bond above zero was based 7 entirely on looking at excess cash; is that correct? 8 A. Looking at cash in general, yes, sir. 9 Q. Okay. Did you look at any other sources of 10 funding? 11 A. No, sir. We had no other sources of funding 12 that I know of. 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 Q. So if you testified about a \$3.5 million line 17 of credit or lien from Jude Funding, that would not be 18 proper testimony because you -- that is not within 19 your purview? Is that what you're saying? 20 A. I'm saying I don't have knowledge of it. 21 That's right. 22 Q. Okay. Let's turn to your affidavit. This is 23 your first affidavit, Exhibit A. I'm looking at the 24 second page. It begins with, the only substantial new 25 encumbrance -- and I'm going to read it. The only</p>
75	77
<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p>1 substantial new encumbrance of any of the property of 2 the Corporation of the Episcopal Diocese of Fort Worth 3 since November 2008 is the lien granted by the 4 Corporation of the Episcopal Diocese of Fort Worth to 5 Jude Funding, Inc. A line of credit was established 6 by the Episcopal Diocese of Fort Worth with Jude 7 Funding, Inc. for a total amount of \$3.5 million. 8 However, the current balance of the indebtedness to 9 Jude Funding is \$94,500. The loan is made for the 10 purpose of supplementing contributions, and it 11 continues on from there. Did I read it correctly? 12 A. Yes, you did. 13 Q. So you've testified quite a bit about Jude 14 Funding, haven't you? 15 A. And I apologize. I mean -- I misrepresented 16 myself as I personally am not involved in Jude 17 18 19 20 21 22 23 24 25</p> <p style="text-align: center;">REDACTED</p>

78	80
1	1 Q. Well, wouldn't you know that as the director
2	2 of business and finance?
3	3 A. I have -- I do not have the documents in hand
4	4 to attest to anything at this point as far as Jude
5	5 Funding is concerned.
6	6 Q. In your history as the director of business
7	7 and finance for the Diocese, how many \$3.5 million
8	8 liens has the Diocese taken out on church property?
9	9 A. How many?
10	10 Q. Uh-huh.
11	11 A. Other than this, none.
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Q. But you are the director of business and finance for the Episcopal Diocese of Fort Worth.

A. That's right.

Q. And this is a \$3.5 million lien on church property; is that right?

A. I assume it is, yes, sir.

REDACTED

82	84
<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p>1 2 3 4 5 6 7 Q. Right. And that was your explanation of why 8 the February 28th, 2011 bank account statements were 9 missing over half a million dollars in cash, right? 10 MR. SHARPE: Objection, form. 11 A. No, that is not. 12 Q. (BY MR. TOBEY) Well, maybe I was confused, 13 so this is good. You -- we established there was over 14 half a million dollars missing from bank accounts, 15 correct? 16 A. Yes, sir. 17 Q. And you said you weren't surprised by that 18 because the Diocese makes loans to parishes and 19 missions? 20 A. I said one of the things that the Diocese 21 does with the revolving fund loan which was set up for 22 that purpose was make loans to parishes and missions. 23 That's one of them. 24 Q. So now let's look at SC 4008. This is the 25 revolving fund loans statement from your internally</p>
83	85
<p>1 2 3 4 5 6 7 8 9 10 11 12 13 Q. Did you put it on the books? 14 A. The -- no, sir, it is -- it's not on the 15 books. 16 17 18 19 20 21 22 23 24 25</p>	<p>1 prepared financials; is that correct? 2 A. Yes, sir. 3 Q. How many loans are still outstanding as of 4 February 28th, 2011 that were made since the November 5 2008 split? 6 A. I would have to go back and look at the 7 records. I'm not sure how many. There were a couple 8 maybe made since then. I don't know. 9 Q. Just a couple. That's consistent with our 10 understanding. St. Mary, Hillsboro that was made. 11 Let's look at 7-15-09. So that was after the split; 12 is that correct? 13 A. Yes, sir. 14 Q. And Holy Apostles, Fort Worth, that date of 15 loan was 3-1-09. That was made after the split? 16 A. Yes. 17 Q. And St. Anne, Fort Worth, 5-1-09, that was 18 made after the split? 19 A. Yes, sir. 20 Q. Okay. Just take a quick look. Is there any 21 other loan on this page that was made before the 22 November 2010 split? I'm sorry. That was made 23 after -- strike that. 24 Take a look at the loans on this page and 25 tell me besides the three we just noted, are there any</p>

86	88
1 other loans that were made after the November of 2008	1
2 split?	2
3 A. According to this statement, I don't see any.	3 Q. Why didn't you tell the Court about the
4 Q. Okay. And this is the statement that the	4 Louisiana bank account?
5 Diocese prepared?	5 A. Because at the time, it did not enter my
6 A. Yes.	6 mind. I forgot.
7 Q. Okay. And by Diocese, I mean Defendant	7
8 Diocese?	8
9 A. Right.	9
10 Q. Okay. So let's look at the total balance	10
11 outstanding as of February 28th, 2011 for the three	11
12 loans made after the split.	12
13 A. Excuse me just a moment.	13
14 Q. So read along with me. St. Mary, Hillsboro,	14
15 there's about a five, six thousand dollar outstanding	15
16 balance. Holy Apostles, Fort Worth, there's about a	16
17 \$14,000 outstanding balance, and St. Anne, Fort Worth,	17
18 there's -- it says, paid in full, doesn't it?	18
19 A. Yes, sir.	19
20 Q. So if we add that up, that's about ballpark	20
21 20,000 in outstanding loans?	21
22 A. Since that date, yes.	22
23 Q. Since the split. And we know that there is	23
24 over \$500,000 in cash missing since the split?	24
25 A. Well, I need clarification what you mean by	25

87	89
1 missing.	1
2 Q. It's not in the bank accounts.	2
3 A. Okay.	3
4 Q. Is that correct?	4
5 A. That's correct.	5
6 Q. Okay.	6
7 A. Not in these bank accounts.	7
8 Q. What other bank accounts does the Defendant	8
9 Diocese have?	9
10 A. We have an account that you should have the	10
11 bank statement for, First Business, Louisiana.	11
12 Q. Okay. What other bank accounts?	12
13 A. Off the top of my head, I think that's it.	13
14 Q. Well, now, we know the First Business	14
15 account -- I think the balance is something like	15
16 \$130,000?	16
17 A. That's probably close, yeah.	17
18 Q. Okay. So that doesn't explain over half a	18
19 million dollars missing, does it?	19
20 A. Well. those funds have been used.	20
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REDACTED

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you,

Q. Okay. And in response to receiving this letter from a lawyer questioning the ownership of the accounts, your – the Diocese's response was to transfer that money out of state?

A. Not immediately, no, sir, but after thought and discussion, that was what the Diocese decided to do.

Q. So you thought that that money would be harder for a court to reach out of state?

A. That is not what I said, but that was the thought of the Diocese, not of me, but of the Diocese, that was the decision that was made.

REDACTED

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19	19 Q. Was it ever on this balance sheet?
20	20 A. Yes, sir.
21	21 Q. What date?
22	22 A. It would have to go back to 2010. All the
23	23 monies were listed under the checking, Frost checking
24	24 account, general funds.
25	25 Q. I'm sorry. All of what monies were listed
95	97
1	1 under Frost checking?
2	2 A. In each one of the financial statements,
3	3 Frost checking was used -- that general ledger account
4	4 is used for the general funds of whatever financial
5	5 statement, whatever set of books we are talking about.
6	6 The First Business bank account on the financial
7	7 statement on the balance sheet, all of those funds are
8	8 in that number.
9	9 Q. So you listed funds on the balance sheet
10	10 under Frost Bank that were not in Frost Bank?
11	11 A. It's just a general ledger account, yes, sir.
12	12 Q. For someone trying to audit or trace where
13	13 their money was, that would make it pretty difficult,
14	14 wouldn't it, to list money in one bank that's really
15	15 in another bank out of state, wouldn't it?
16	16 A. If someone was doing an audit, as are -- all
17	17 of our records have been audited -- the bank
18	18 statements were all available, everything is listed in
19	19 detail on the general ledger. The balance sheet is
20	20 just a summary.
21	21 Q. Are you willing to stipulate -- or we can go
22	22 through -- that the Louisiana bank account that was
23	23 opened out of state was not put on any of these
24	24 financial balance sheets that the Diocese prepared?
25	25 A. The balance sheet -- the Louisiana account

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98	100
1 was probably not listed on the balance sheet, no, sir,	1
2 but the funds were reported, yes, sir.	2
3 Q. Why wasn't it listed on the books?	3
4 A. I don't have an answer to that. It just	4
5 wasn't.	5
6 Q. Did you prepare these books?	6
7 A. Yes.	7
8 Q. So why didn't you mention -- I mean, you	8
9 mentioned Frost checking; you mentioned Frost MMA.	9
10 There's all kinds of bank accounts listed on here.	10
11 Why would you decide to omit the out-of-state bank	11
12 account?	12
13 A. No specific reason other than I just look at	13
14 the general ledger account title of Frost checking.	14
15 It's just my general checking, general funds.	15
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REDACTED

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Q. Okay. What is an assessment?
A. An assessment is an amount that is formulated

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106	108
<p>1 on the basis of income reported to the Diocese through 2 parochial reports from each congregation each year. 3 And per that amount that is reported to the Diocese, 4 there is a formula that comes up with an amount 5 proportionate to each congregation, and they remit 6 that amount monthly to the Diocese. 7 Q. So an assessment is money collected from the 8 congregations by the Diocese? 9 A. Yes, sir. 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p>1 mention substantial economic harm to the Defendant 2 Congregations in your affidavit; is that correct? 3 A. No, sir. 4 Q. And you are not here today to testify about 5 whether there would be substantial economic harm to 6 any Defendant Congregations; is that true? 7 A. That's true. 8 Q. And if I asked you questions about 9 substantial economic harm to Defendant Congregations, 10 you wouldn't really have a basis to answer them, would 11 you? 12 A. Not really, no, sir. 13 Q. Okay. Let's ask the same questions about the 14 individual defendants. You don't make any statements 15 in your affidavit about substantial economic harm to 16 the individual defendants, do you? 17 A. No, sir. 18 Q. And you have told us that you're not here 19 today to speak about substantial economic harm to any 20 individual defendants; is that correct? 21 A. That's correct. 22 Q. Okay. And you've said earlier you have no 23 personal involvement in the finances or financial 24 affairs of the individual defendants; is that correct? 25 A. That's correct.</p>
107	109
<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 Q. (BY MR. TOBEY) Ms. Parrott, let's turn to 17 Exhibit A, your second affidavit, page 2. 18 A. Thank you. 19 Q. And I want to go back to the sentence that 20 says posting a bond. 21 A. Okay. 22 Q. Okay. I'll read it again and correct me if I 23 get it wrong. Posting a bond in anything higher than 24 a nominal amount would cause substantial economic harm 25 to the Diocese and its current operations. You don't</p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p style="text-align: center;">REDACTED</p>

110	112
1	1 Diocese could post any bond at all was done in your
2	2 head?
3	3 A. Pretty much, yes, sir.
4	4 Q. How long did it take you to do that analysis?
5	5 A. It did not take long.
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<p>23 Q. So this is an organization that has about a</p> <p>24 \$1.8 million a year operating budget with several line</p> <p>25 items and your entire analysis on whether or not the</p>	<p>REDACTED</p>

114	116
1	1 couldn't answer for someone else.
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13 Q. Let's talk about the first one. You have	13
14 raised funds for legal defense over the past two years	14
15 of litigation?	15
16 A. There has been pleas for help, yes.	16
17 Q. And those pleas have been answered, haven't	17
18 they?	18
19 A. There has been some donations, yes, sir.	19
20 Q. Well, not just some, substantial donations?	20
21 A. Right.	21
22 Q. If I remember correctly, something like 1.2	22
23 million in donations to the Diocese for legal fees	23
24 since November of 2008; is that correct?	24
25 A. If that's what it says in the financial	25
115	117
1 statement, that sounds correct, yes, sir.	1
2 Q. So you had a need -- the Diocese had a need	2
3 and people responded generously?	3
4 A. Yes, they have.	4
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20 Q. Have you contacted any of those big donors to	20
21 ask if they would be willing to put -- to make any	21
22 contributions towards a bond?	22
23 A. I have not, no, sir.	23
24 Q. Has anybody?	24
25 A. Not to my knowledge. I don't know. I	25

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Q. So you did not consider any property acquired after the split with separate funds to be unencumbered property that could be supported -- that could support a bond?

A. Not at the time I was looking at this, no, sir, I did not.

Q. Have you done it at any time?

A. Not really, no.

REDACTED

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In 2009, the Defendant Congregations brought in over \$10 million in revenue that you tell us is mostly from donations?

A. I would have to assume so. It's what they report to the Diocese as their net disposable income.

Q. Assuming those numbers are correct -- so you don't have to assume in your answer, let's assume that they've provided you accurate numbers. Then you would conclude that in 2009, the Defendant Congregations were able to raise somewhere over \$10 million in donations, correct?

A. Correct.

Q. Do you know if a single defendant congregation has called a donor to say, hey, if we need -- if we want to supersede this judgment against us, we need to raise a bond, can you spare some amount of money for that?

A. I don't know. Not to my knowledge. I don't know.

Q. You said in your affidavit at two, quote, as of the signing of this affidavit, litigation costs have been made mostly from gifts and contributions, which are not assets of the Diocese or the Diocese Corporation; is that correct?

A. Yes, sir.

Q. So you were able to fund a very large litigation without -- strike that.

So you were able to fund a truly large litigation mostly through extraordinary contributions from donors; is that correct?

A. Yes, sir.

Q. Why couldn't you do the same with a bond?

A. I don't -- I can't answer that.

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11	11 Q. Have you approached any of the individual
12	12 defendants about funds to secure a bond?
13	13 A. No, sir, I have not.
14	14 Q. Have you approached Chad Bates, who was able
15	15 to give a \$3.5 million line of credit knowing the
16	16 property was subject to litigation, about helping to
17	17 fund a bond?
18	18 A. No.
19	19
20	20
21	21
22	22
23	23 Q. Is it your position that if the Defendant
24	24 Diocese can't make every expenditure in its proposed
25	25 2011 budget, that constitutes substantial economic
131	133
1	1 harm?
2	2 A. Yes.
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17		17	Q. (BY MR. TOBEY) Right now in your budget you
18		18	have \$86,000 dedicated to a voluntary gift to ACNA.
19		19	If you put that money instead towards a supersedeas
20		20	bond, that would cause no substantial economic harm to
21		21	the Defendant Diocese; isn't that true?
22		22	MR. SHARPE: Objection, form.
23		23	Q. (BY MR. TOBEY) You can answer.
24		24	A. I would say that if the decision was made to
25		25	do that, that it would not harm the Diocese, no.

138	140
<p>1 Q. If you don't give \$86,000 to ACNA and the</p> <p>2 general church in 2011, that will not cause the</p> <p>3 Defendant Diocese any economic harm, will it?</p> <p>4 MR. SHARPE:Objection, form.</p> <p>5 MR. TOBEY:Basis?</p> <p>6 MR. SHARPE:Speculation that the money</p> <p>7 is there.</p> <p>8 Q. (BY MR. TOBEY) Let me lay a foundation.</p> <p>9 This is your budget, correct?</p> <p>10 A. It is a budget, yes.</p> <p>11 Q. And you slated \$86,000 to go to the general</p> <p>12 church as a voluntary donation, correct?</p> <p>13 A. Not quite. 82,500 is a voluntary. The other</p> <p>14 3500 is to – is allowed for reimbursed expenses if</p> <p>15 the money is there, if it is available, and if the</p> <p>16 expenses are used.</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
139	141
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14		14	Q. And litigation expenses are not listed in
15		15	your books as part of operations on the budgets?
16		16	A. No, sir.
17		17	Q. They are instead part of what I believe are
18		18	called special funds; is that correct?
19		19	A. Yes, sir.
20		20	Q. So we won't see a line item for litigation
21		21	under ordinary operating expenses?
22		22	A. Not on this statement, no, sir.
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9		9	Q. (BY MR. TOBEY) You -- you as the director of
10		10	finance and business for the Diocese who prepares
11		11	these financial records would not put litigation
12		12	expenses under operations, you would put them under
13		13	special funds; is that correct?
14		14	A. Litigation, that's right.
15		15	Q. Okay. And so budgeted litigation costs and
16		16	actual litigation expenses appear in the special funds
17		17	balance sheet; is that correct?
18		18	A. The only budget that we use is the operating
19		19	budget. The special funds, there is nothing budgeted
20		20	there. It is just used as a -- a means to collect for
21		21	special funds, for designated giving, that sort of
22		22	thing, which the litigation, the legal expense fund is
23		23	one of those --
24		24	Q. And --
25		25	A. -- but it's not budgeted.

150	152
1 Q. Excuse me for speaking over you.	1
2 A. That's all right.	2
3 Q. And the special funds account is a separate	3
4 reporting entity from operations; is that correct?	4
5 A. Yes, sir.	5
6 Q. And that special funds entity balances out on	6
7 its own at least that -- let me rephrase that. Strike	7
8 what I said.	8
9 When you report on the balance statement	9
10 of the special funds, that is separate and apart from	10
11 operations; is that correct?	11
12 A. Yes, sir.	12
13 Q. Okay. Thank you.	13
14	14
15	15
16	16 Q. So if it was necessary to estimate the value
17	17 of the property that is subject to the court's
18	18 judgment, would this document be a reasonable place to
19	19 look?
20	20 A. In my knowledge it would be the only place to
21	21 look unless each entity was individually assessed or
22	22 whatever. I mean, this is all that we would have.
23	23 Q. And since the plaintiffs haven't to date had
24	24 the opportunity to speak with those other entities,
25	25 this is in fact the only document we have that tells
151	153
1	1 us about the value of the properties; is that correct?
2	2 A. Pretty much, yes, as far as I know.
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13 Q. To the best of your knowledge, the	13
14 information in this insured property value statement	14
15 is true and accurate; is that correct?	15
16 A. To the best of my knowledge.	16
17 Q. And the Defendant Diocese has relied on the	17
18 information in this in order to insure its property?	18
19 A. Yes, sir.	19
20 Q. And the Defendant Diocese has never contested	20
21 or had issue with the values that are in this	21
22 document?	22
23 A. Not that -- to my knowledge, no, sir.	23
24	24 REDACTED
25	25

158	160
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11	11 Q. Okay. So here we have an example of a lease
12	12 that was acquired after the schism; is that correct?
13	13 A. Yes, sir.
14	14 Q. And it says St. Elizabeth's at the top. What
15	15 does that mean?
16	16 A. That means that evidently this property is --
17	17 this lease was acquired because of the St. Elizabeth's
18	18 property there.
19	19
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159	161
1	1 Q. As of the signing of this lease, were they
2	2 associated with you?
3	3 A. No, sir. I mean, they're -- they're one of
4	4 our missions, but they don't -- they don't associate
5	5 with us.
6	6 Q. And yet Chad Bates who is a trustee of the
7	7 Diocese signed this lease?
8	8 A. Yes.
9	9 Q. And the money, \$24,000 plus \$5,000 -- or at
10	10 \$5,000 per net acre, is payable directly to the
11	11 Corporation of the Episcopal Diocese of Fort Worth; is
12	12 that correct?
13	13 A. Yes, sir.
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22	22
23	23
24	24 REDACTED
25	25

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162	164
<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9 Did this money here, the 24 -- \$20,400,</p> <p>10 did it ever go to St. Elizabeth's?</p> <p>11 A. No, it did not.</p> <p>12 Q. So it stayed with the Diocese?</p> <p>13 A. Yes, sir.</p> <p>14 Q. Okay. Let's look -- strike that, please.</p> <p>15 MR. TOBEY: Can I see Exhibit K, please?</p> <p>16 Okay. We are going to mark this as Plaintiffs'</p> <p>17 Exhibit K, please.</p> <p>18 (Exhibit K marked.)</p> <p>19 Q. (BY MR. TOBEY) This is a document that we</p> <p>20 printed off the web site of the Defendant Diocese.</p> <p>21 Are you familiar with this page?</p> <p>22 A. Yes, sir.</p> <p>23 Q. And can you tell us what it is, please?</p> <p>24 A. It is the directory of our participating</p> <p>25 parishes and missions, I believe.</p>	<p>1 A. Yes.</p> <p>2 Q. Mission Santa Cruz Houston?</p> <p>3 A. Yes.</p> <p>4 Q. Cross of Christ Anglican Church in Glen Rose?</p> <p>5 A. Yes.</p> <p>6 Q. And Anglican Church in Waco?</p> <p>7 A. Yes.</p> <p>8 Q. Okay. These are all -- there's ten of these</p> <p>9 I counted -- are new congregations that have joined</p> <p>10 the Defendant Diocese since the schism in November of</p> <p>11 2008?</p> <p>12 A. Yes.</p> <p>13 Q. Does the Defendant Corporation -- well,</p> <p>14 strike that, please.</p> <p>15 Other than the date they became a part of</p> <p>16 the Defendant Diocese, these new congregations are</p> <p>17 just like the congregations that are defendants in</p> <p>18 this lawsuit; is that correct?</p> <p>19 A. I'm not sure I understand your question.</p> <p>20 Q. I'm going to strike that question. I agree</p> <p>21 with you.</p> <p>22 Are these congregations that have joined</p> <p>23 since the schism subject to the same rules as the</p> <p>24 preexisting congregations?</p> <p>25 A. Not all of them.</p>
163	165
<p>1 Q. And some of these parishes and missions were</p> <p>2 not part of the Diocese as of November 15th, 2008; is</p> <p>3 that correct?</p> <p>4 A. That is correct.</p> <p>5 Q. I'm going to read a list of parishes and</p> <p>6 missions that I believe are new congregations since</p> <p>7 November 2008 and let me know if I'm right or wrong on</p> <p>8 these. St. Matthews Anglican Church in Dallas?</p> <p>9 A. That's correct.</p> <p>10 Q. All Saints Anglican Church in Monroe,</p> <p>11 Louisiana?</p> <p>12 A. That is correct.</p> <p>13 Q. St. Francis Anglican Church in Dallas?</p> <p>14 A. Yes.</p> <p>15 Q. St. Gabriel's Anglican Church in</p> <p>16 Springdale -- is that Arizona?</p> <p>17 A. Arkansas.</p> <p>18 Q. Arkansas, thank you. That's a new diocese.</p> <p>19 A. Yes.</p> <p>20 Q. I'm sorry, a new congregation?</p> <p>21 A. Churches.</p> <p>22 Q. Christ the Redeemer Episcopal Church Fort</p> <p>23 Worth?</p> <p>24 A. That's right.</p> <p>25 Q. Church of the Holy Spirit in Tulsa?</p>	<p>1 Q. Can you tell us with regards to property</p> <p>2 ownership what the difference is?</p> <p>3 A. They -- those that have property retain the</p> <p>4 ownership of their property.</p> <p>5 Q. Okay. So title for those new congregations</p> <p>6 is not held by Defendant Diocese or its Corporation?</p> <p>7 A. Right.</p> <p>8 Q. Okay. When were the rules changed regarding</p> <p>9 property ownership within the Diocese?</p> <p>10 A. To be perfectly honest, I don't remember</p> <p>11 exactly what year it was.</p> <p>12 Q. Was it before the schism or after the schism?</p> <p>13 A. It was after.</p> <p>14 Q. After. Okay. In other respects, are these</p> <p>15 ten new congregations a part of the Diocese?</p> <p>16 A. I'm sorry. Can you repeat the question?</p> <p>17 Q. Sure. In other respects besides property</p> <p>18 ownership, are these congregations generally</p> <p>19 congregations of the Diocese?</p> <p>20 A. Yes.</p> <p>21 Q. Just like everyone else?</p> <p>22 A. Yes, sir.</p> <p>23 Q. It's fair to say that they are interested in</p> <p>24 the well-being of the Diocese?</p> <p>25 A. Yes, sir.</p>

166	<p>1 Q. And do they pay assessments to the Diocese?</p> <p>2 A. Not all of them.</p> <p>3 Q. Some do and some don't?</p> <p>4 A. Some are just mission stations that are not</p> <p>5 required to.</p> <p>6 Q. Fair enough. And that's true of any mission</p> <p>7 before or after the split?</p> <p>8 A. Right.</p> <p>9 Q. But the ones that are parishes pay</p> <p>10 assessments just like their preschism parishes would?</p> <p>11 A. Right.</p> <p>12 Q. And are these congregations under the</p> <p>13 Episcopal oversight of Bishop Iker just as the other</p> <p>14 congregations are?</p> <p>15 A. Yes, sir.</p> <p>16 Q. Okay. Do these new congregations participate</p> <p>17 in the life of the Diocese?</p> <p>18 A. As much as they can with their geographic</p> <p>19 locations.</p> <p>20 Q. Right. Okay. So it is fair to say that the</p> <p>21 property -- strike that.</p> <p>22 You have told us that the property held</p> <p>23 by these congregations is their independent property,</p> <p>24 it is -- which is to say it is not held by the</p> <p>25 Diocese; is that correct?</p>	168	<p>1 Q. Would you agree that the property -- let me</p> <p>2 strike that.</p> <p>3 You have agreed that the property held by</p> <p>4 these ten new churches in your opinion is outside the</p> <p>5 scope of this lawsuit?</p> <p>6 A. Right.</p> <p>7 Q. Have you approached any of these new</p> <p>8 congregations about using that separate property to</p> <p>9 secure a bond?</p> <p>10 A. No.</p> <p>11 Q. To your knowledge, has anybody?</p> <p>12 A. Not to my knowledge.</p> <p>13 Q. And who would we ask to know for sure?</p> <p>14 A. I would assume the trustees.</p> <p>15 Q. Okay. And these churches, not all of them --</p> <p>16 strike that.</p> <p>17 At least some of these new churches have</p> <p>18 real property holdings; is that correct?</p> <p>19 A. A few of them, yes.</p> <p>20 Q. Let's go through the list. My understanding</p> <p>21 is that -- excuse me one second. So I'm just going to</p> <p>22 run down this list. St. Matthews Anglican is a new --</p> <p>23 one of these ten new churches. Do they hold real</p> <p>24 property?</p> <p>25 A. St. Matthews Dallas does, yes.</p>
167	<p>1 A. Right.</p> <p>2 Q. Is it your position that the property of</p> <p>3 these ten churches is not subject to this lawsuit?</p> <p>4 A. Yes. I mean, I agree. They are not -- it's</p> <p>5 not subject to the lawsuit.</p> <p>6 Q. So we then can count that property held by</p> <p>7 these ten churches as property that is potentially</p> <p>8 available to support a bond?</p> <p>9 MR. SHARPE: Objection, form.</p> <p>10 MR. TOBEY: I'm sorry, what's the basis</p> <p>11 for that?</p> <p>12 MR. SHARPE: I don't know what -- you</p> <p>13 said we can do this and so and I don't know about we.</p> <p>14 That's speculative.</p> <p>15 MR. TOBEY: Okay. Let me rephrase.</p> <p>16 MR. SHARPE: Thank you.</p> <p>17 Q. (BY MR. TOBEY) In your affidavit you said</p> <p>18 that the Diocese holds no unencumbered real or</p> <p>19 personal property; is that correct?</p> <p>20 A. Yes. As far as I understand, no.</p> <p>21 Q. Yes. And you said as to the defendant</p> <p>22 congregations you were not sure whether they had</p> <p>23 property that was outside the scope of this lawsuit;</p> <p>24 is that correct?</p> <p>25 A. Right.</p>	169	<p>1 Q. And that is a church or cathedral or --</p> <p>2 A. It's a church.</p> <p>3 Q. Do we know that they hold any other property?</p> <p>4 A. I don't know.</p> <p>5 Q. Don't know. Okay. But we know they at least</p> <p>6 have a church building?</p> <p>7 A. Right.</p> <p>8 Q. Have we collected -- or I'm sorry. Have you</p> <p>9 collected any information -- strike that.</p> <p>10 Has the Diocese -- strike that.</p> <p>11 Has the Defendant Diocese collected any</p> <p>12 information on the fair market value or square footage</p> <p>13 of the real property held by St. Matthias Anglican</p> <p>14 Church?</p> <p>15 A. No.</p> <p>16 Q. Have they collected -- has the defendant --</p> <p>17 strike that.</p> <p>18 Has Defendant Diocese collected any</p> <p>19 information on the real or personal property of St.</p> <p>20 Matthias Anglican Church besides its church building?</p> <p>21 A. No. In fact, I'm not even sure. I would</p> <p>22 have to go back and see if they are part of our</p> <p>23 insurance policy. That would be the only information</p> <p>24 I would have.</p> <p>25 Q. Okay. With the exception of the insurance</p>

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170	<p>1 policy that we have already discussed, just in 2 preparation of your affidavit looking to the subject 3 of substantial economic harm, did you assess the real 4 or personal property of any of these new churches? 5 A. No, sir. 6 Q. Okay. All Saints Anglican Church -- let's 7 skip that one. Strike, please. 8 St. Francis Anglican Church has a 9 building? 10 A. Yes, they have a building. 11 Q. St. Gabriel's Anglican Church, do they have a 12 building? 13 A. Yes. 14 Q. Church of the Holy Spirit in Tulsa, do they 15 have a building? 16 A. Yes. 17 Q. Mission -- strike that. 18 Cross of Christ Anglican Church in Gl 19 Rose, do they have a building? 20 A. No, sir. 21 Q. Okay, they do not. Let me make a note of 22 that. Okay. 23 How about Anglican Church in Waco, do 24 they have a building? 25 A. No, sir.</p>	172	<p>1 A. Yes, as defined by our budget. 2 Q. Yes. And the budget specifically for 3 operations. That's the only budget you've told us? 4 A. Pretty much, yes. 5 Q. Okay. And litigation expenses are not part 6 of that budget? 7 A. Not part of the operating budget, no, sir. 8 Q. Okay. These litigation costs are 9 extraordinary, aren't they? 10 A. Uh-huh. 11 Q. They're not part of the ordinary course of 12 business of the Diocese in its history since '83? 13 A. That's correct. 14 Q. In fact, the motion, which is Exhibit A, 15 says, to date, defendants have paid litigation costs 16 mostly from extraordinary gifts and contributions. 17 A. Yes, sir. 18 Q. Do you agree with that? And that sentence 19 cites to your affidavit which says, any appreciable 20 bond would render defendants unable to meet the 21 current operating expenses, much less the 22 extraordinary expenses of this litigation on appeal? 23 A. That's right. Correct. 24 25</p>
171	<p>1 Q. St. Paul's Anglican Church in Midland, do 2 they have a building? 3 A. I think so. I'm not sure. They're a mission 4 station, so I don't know too much about them. 5 Q. So at least four of these new churches have 6 an actual building that is their separate property; is 7 that correct? 8 A. That's right. 9 Q. Okay. And in addition, each of these 10 churches, all ten, has personal property that is their 11 separate property? 12 A. I would assume so, yes, sir. 13 Q. And do you have any knowledge of other real 14 property that any of these ten churches holds? 15 A. No, sir, I don't. 16 Q. Who would we have to -- oh, yes, sir. Who 17 would we have to ask to find that out? 18 A. You would, I assume, have to go directly to 19 the church. 20 Q. Okay. Thank you. 21 You've used the phrase "ordinary course 22 of business" a few times and I think we have a 23 definition on the record, but I just want to clarify. 24 You're using that phrase to mean ordinary operating 25 costs; is that correct?</p>	173	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p style="text-align: center;">REDACTED</p>

178	180
<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p>1 Q. Well, not just that. It says it's not used 2 by the Diocese. I mean, am I reading it correctly? 3 It says, it is not used by the Diocese. 4 A. That's correct. 5 Q. So we can conclude that the Defendant Diocese 6 has used restricted funds set aside for emergency 7 parish expenses in order to pay money to its lawyers; 8 is that correct? 9 A. A loan was made to the special funds account 10 to pay -- help assist pay for attorneys' fees, that is 11 correct. 12 Q. Those are Diocesan attorneys' fees? 13 A. That's right. 14 15 16 17 18 19 20 21 22 23 24 25</p>
179	181
<p>1 2 3 4 5 6 7 8 9 10 11 Q. But it is true that there was a \$100,000 loan 12 made by the revolving fund to the Diocese of special 13 funds; isn't that true? 14 A. That's true. 15 Q. And that largely went to legal fees, didn't 16 it? 17 A. Yes, it did. 18 Q. And those were the Diocese's legal fees? 19 A. The Corporation and the Diocese, yes, sir. 20 21 22 23 24 25</p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p style="text-align: right;">REDACTED</p>

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15			15		Q. And this was the basis to tell the court,
16			16		hey, we don't need a bond; the accounts are bigger
17			17		today than they were back then, correct?
18			18		A. Correct.
19			19		Q. Okay. But if we actually use the October,
20			20		the true before -- you know, before and after and now
21			21		I'm on 3826, that balance was \$217,989, wasn't it?
22			22		A. Yes.
23			23		Q. And it went down in the after column, which
24			24		is 211,000; is that correct?
25			25		A. Yes.

190	192
1 Q. So if you had used the true before and after	1
2 values that we have available in your affidavit, you	2
3 couldn't have said to the court -- or let me strike	3
4 that.	4
5 If you had used the true before and after	5
6 numbers in your affidavit, defendants could not have	6
7 represented to the court accurately that all the	7
8 accounts are bigger today than they were back then; is	8
9 that correct?	9
10 A. You can pick a date at any time and in any	10
11 place in these accounts and it could vary, yes.	11
12 Q. Well, and that's kind of my point. You	12
13 picked this date, didn't you?	13
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8	8 Q. Well, I'm just asking – nothing as
9	9 complicated as that. I'm asking just because the
10	10 accounts got bigger doesn't mean nobody took money out
11	11 of them, does it?
12	12 A. No, it does not.
13	13 Q. In fact, someone could have taken a lot of
14	14 money out of them and all we know is that they're
15	15 bigger, but we don't know if they're as big as they
16	16 should be; is that right?
17	17 A. You can assume that, yeah.
18	18 Q. It's true, right? We have no documents to
19	19 know whether that has happened?
20	20 A. That's correct.
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20	20 Q. And the lease was signed well after the
21	21 split, wasn't it?
22	22 A. I don't remember when the lease was signed,
23	23 but probably.
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1	1 Q. All right. I'm going to represent to you it
2	2 was signed after the split. Now, then, what did y'all
3	3 do with the money?
4	4 A. It went probably into the operating account
5	5 of the Diocese of Fort Worth.
6	6 Q. Didn't go into the All Saints account?
7	7 A. No, sir, it did not.
8	8 Q. Why did y'all keep it in the Diocesan
9	9 account?
10	10 A. If I remember correctly, my recollection was
11	11 that we had several parishes that had not paid their
12	12 assessment and it had gone to repay their assessment
13	13 for that year.
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242

1 CHANGES AND SIGNATURE

2 WITNESS NAME: JANE R. PARROTT MAY 10, 2011

3 PAGE LINE CHANGE REASON

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244

1 NO. 141-252083-11

2 THE EPISCOPAL CHURCH,) IN THE DISTRICT COURT

3 et al.,)

4 Plaintiffs,)

5 VS.) DALLAS COUNTY, TEXAS

6 FRANKLIN SALAZAR, et al.,)

7 Defendants.) 141ST JUDICIAL DISTRICT

8

9 REPORTER'S CERTIFICATION

10 DEPOSITION OF JANE R. PARROTT

11 MAY 10, 2011

12

13 I, Audra B. Paty, Certified Shorthand

14 Reporter in and for the State of Texas, hereby certify

15 to the following:

16 That the witness, JANE R. PARROTT, was duly

17 sworn by the officer and that the transcript of oral

18 deposition is a true record of the testimony given by

19 the witness;

20 That the deposition transcript was submitted

21 on May 11, 2011, to the witness or to the attorney for

22 the witness for examination, signature and return to

23 me by June 1st, 2011; that the amount of time used by

24 each party at the deposition is as follows:

25 Mr. Daniel L. Tobey - 4:12

Mr. Frank Hill - 0:26

243

1 I, JANE R. PARROTT, have read the

2 foregoing deposition and hereby affix my signature

3 that same is true and correct, except as noted above.

4

5 _____

6 JANE R. PARROTT

7

8

9 THE STATE OF _____)

10 COUNTY OF _____)

11 Before me, _____, on

12 this day personally appeared JANE R. PARROTT, known to

13 me (or proved to me under oath or through

14 _____) (description of identity card or

15 other document) to be the person whose name is

16 subscribed to the foregoing instrument and

17 acknowledged to me that they executed the same for the

18 purposes and consideration therein expressed.

19 Given under my hand and seal of office

20 this _____ day of _____, 2011.

21

22 _____

23 NOTARY PUBLIC IN AND FOR

24 THE STATE OF _____

25 My commission expires: _____

245

1 That pursuant to information given to the

2 deposition officer at the time said testimony was

3 taken, the following includes counsel for all parties

4 of record:

5 Mr. Daniel L. Tobey, Mr. Kyle D. Young, Mr. Zach

6 Smith, Ms. Kathleen Wells, Attorneys for The Episcopal

7 Diocese of Fort Worth (Episcopal)

8 Mr. J. Shelby Sharpe, Attorney for The Episcopal

9 Diocese of Fort Worth (Anglican)

10 Mr. Frank Hill and Ms. Anne Michels, Attorneys for

11 Local Congregations Loyal to The Episcopal Church

12 Mr. R. David Weaver, Attorney for the Intervening

13 Congregations

14 I further certify that I am neither counsel

15 for, related to, nor employed by any of the parties or

16 attorneys in the action in which this proceeding was

17 taken, and further that I am not financially or


18 otherwise interested in the outcome of the action.

19 Further certification requirements pursuant

20 to Rule 203 of TRCP will be certified to after they

21 have occurred.

22 Certified to by me this 10th day of May

23 2011. *Audra B. Paty* 

24 Audra B. Paty, Certified

25 Shorthand Reporter No. 5987

Dickman Davenport, Inc.

Firm Registration #312

3131 Turtle Creek Boulevard

Suite 320

Dallas, Texas 75219

(214) 855-5100 (800) 445-9548

e-mail: abp@dickmandavenport.com

My commission expires 12-31-11

Jane R. Parrott - May 10, 2011

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1 FURTHER CERTIFICATION UNDER RULE 203 TRCF

2 The original deposition was/was not returned
3 to the deposition officer on _____;

4 If returned, the attached Changes and
5 Signature page contains any changes and the reasons
6 therefor;

7 If returned, the original deposition was
8 delivered to Mr. Daniel L. Tobey, Custodial Attorney;

9 That \$ _____ is the deposition
10 officer's charges to the The Episcopal Diocese of Fort
11 Worth (Episcopal) for preparing the original
12 deposition transcript and any copies of exhibits;

13 That the deposition was delivered in
14 accordance with Rule 203.3, and that a copy of this
15 certificate was served on all parties shown herein on
16 _____ and filed with the Clerk.

17 Certified to by me this _____ day of
18 _____, 2011.

19
20

21 _____
Audra B. Paty, Certified
22 Shorthand Reporter No. 5987
Dickman Davenport, Inc.
23 Firm Registration #312
3131 Turtle Creek Boulevard
Suite 320
24 Dallas, Texas 75219
(214) 855-5100 (800) 445-9548
e-mail: abp@dickmandavenport.com
25 My commission expires 12-31-11