

REPORT TO PARISH MEMBERS OF THE HOLY CROSS ARMENIAN CHURCH OF

TORONTO, ONTARIO, CANADA

The following report highlights some of the actions and events which have taken place during the past eighteen (18) months on the part of the Parish Council of Holy Cross Armenian Apostolic Church, and in turn by the Diocesan Assembly and the Diocesan Council.

The items presented herein may help you understand more clearly the facts to be discussed at the special parish assembly on FEBRUARY 21, 1982.

1. On August 21, 1980 the following letter was written to Ms. E. J. Crober of the Taxation Department of Canada by the Parish Council of Holy Cross Church of Toronto:

"The Holy Cross Armenian Church is a recently established parish subject to the Eastern Diocese of the Armenian Church in the United States located in New York, U.S.A. According to circulars and letters that we have received from the Diocese, we are asked to send Diocesan Dues to New York. It is customary for the Diocese to tax its member churches for its financial support. Most of the churches are located in the U.S.A. Our share of the Diocesan tax is a significant sum and with the exchange rate between the Canadian and U.S. dollars becomes even more significant. We do not receive any specific service for the tax, but with the permission of the Diocese, a priest may celebrate mass in our Church. We pay the priest's salary ourselves and we do not receive any financial return for the tax dollars that we send to New York. In fact we do not think that any Canadian charitable organization received any benefits from these tax dollars that go to New York. Keeping in mind that for all donations given to the Church we do issue tax deductible receipts, we would like to know if sending the Diocese dues outside Canada to New York would be within the Canadian, Laws. We would appreciate your response to this letter as soon as possible so that we can make appropriate arrangements to transfer the sum to New York."

2. On November 14, 1980 the Taxation Department of Canada responded to this letter sent by the Holy Cross Parish Council informing them of the requirements necessary for an organization to become classified as charitable in accordance with the Canadian Income Tax Act.
3. When the Primate and the Diocesan Council became aware of the above correspondence, Mr. Edward M. Chapien, Attorney for the Diocese was requested to send a letter to the Taxation Department of Canada on Feb. 2, 1981, explaining the structure of our Diocese in relation to its churches and what the function and services performed for these churches are. In addition, Mr. Chapien also explained what the payment of assessments to the Diocese, from its churches represents and the fact that such payment is in compliance with the Canadian Income Tax Act.
4. The Canadian Department of Taxation on April 1, 1981 acknowledged receipt of Mr. Chapien's letter stating that if the Diocesan dues are payment for services rendered, such would be an acceptable practice under the Tax Law and that Holy Cross Church should verify this contention.

5. At the 79th annual Diocesan Assembly held on April 30, May 1 & May 2, in Watertown, Massachusetts, it was moved on behalf of the Diocesan Council that the delegation of the Holy Cross Armenian Church of Toronto, Ontario, Canada denied representation at the Diocesan Assembly and a committee be appointed by the Assembly to investigate the charges and report to the Assembly, who in turn will make the final decision in this matter of Diocesan Bylaws being violated.

The Committee formed was to consist of seven members comprised of four delegates and two Diocesan Council members, and a representative from Holy Cross Church of which there was none present, so only six members convened.

The findings of the Committee were that the Holy Cross Church of Toronto is in violation of the bylaws of the Diocese of the Armenian Church by virtue of the fact that they paid no assessment. (Holy Cross Church of Toronto became a part of this Diocese in the middle of 1979 and was exempt from any payment during that year. In 1980 the Church received an additional benefit by being assessed half of the normal amount because the figures of the 1979 six monthes financial report were the basis for the calculation. Instead of \$9,117.00, they were assessed \$4,559.00.

The Holy Cross Church of Toronto is in further violation of the spirit and intent of the bylaws of the North American Diocese of the Armenian Apostolic Church by virtue of the letter that was written to the Canadian government authorities.

After the letter written to the Taxation Department of Canada by the Holy Cross Parish Council was read, The Committee recommended that the Diocesan Assembly charge the Primate and Diocesan Council to further investigate this matter and take whatever action they deem necessary.

(It must be duly noted that the partial election of members for the Parish Council of Holy Cross Church in February 1981 was not and is not approved by the Primate because of non-compliance of the Parish Council to directives and decisions of the Diocesan Council.)

6. As a result of the charge set forth by the Diocesan Assembly, the Primate and Diocesan Council sent two (2) representatives from the Council to Toronto on July 1, 1981 to meet with Father Yeghishe Gizirian and members of the Parish Council of Holy Cross Church. The discussion at the meeting was as follows:
- a. The initiative of Holy Cross to inquire about the legality of paying Diocesan assessments was due to the knowledge that they had about the legal problems of another Armenian charity in Toronto which could not transfer funds to its U.S. Headquarters legally.
 - b. According to Canadian laws, every registered charity must file a detailed annual financial-corporate report with the Taxation Department. The total amount of funds "donated" from one charity to another must not exceed fifty per cent (50%) of the donor's income.
 - c. Holy Cross representatives responded affirmatively to the question concerning their acceptance and willingness to abide by the Diocesan Assembly's and Diocesan Council's authority to assess dues.

d. Holy Cross representatives reassured the Council members that they are willing and able to bring their 1980 and 1981 assessments up to date.

7. On October 21, 1981 a letter was sent to Archbishop Torkom Manoogian from Robins and Partners, Barristers and Solicitors, representing Holy Cross Church, to submit evidence of services rendered by the Diocese to Holy Cross Church and the value of such service so as to prevent Holy Cross Church from jeopardizing its charitable status with Revenue Canada. Enclosed with this letter was a check for \$1,000.00 as a gesture of goodwill toward the payment of the Diocesan dues totaling \$17,080.00.
8. On November 17, 1981 a response was sent to Robins and Partners by Frank Avakian Stoneson, Executive Director of the Diocese, returning the check for \$1,000.00 and stating that the Diocese does not require the services of an intermediary to communicate with its parishes and will discuss the next course of action to be taken directly with the Holy Cross Church.
9. The Primate wrote a letter to the Pastor and the Parish Council of Holy Cross Church of Toronto, Canada dated December 21, 1981 stating that he will be present in Toronto on January 6, 1982 and that the Parish Council of Holy Cross be advised to give to the Primate the assessment amounting to \$17,080.00 as approved by the Diocesan Assembly.

Upon receipt of the assessment in the amount of \$17,080.00 the Primate will invite the Parish Council of Holy Cross to be present at a meeting of the Diocesan Council to review those matters which the Parish Council would like to bring to the attention of the Diocesan Council.

The Primate, prior to his arrival in Toronto, informed Mr. Armen Kurkjian by telephone that he hoped the Parish Council of Holy Cross, Toronto, will follow the decisions of the Diocesan Council in order to avoid any new disturbances in the parish.

The Primate and the Chairman of the Diocesan Council, the Reverend Father Mampre Kouzouian, met with Mr. Kurkjian and Mr. Ghevont Shahmelikian of the Holy Cross Parish Council on January 7, 1982, in Toronto, and no check for the assessments was presented to the Primate.

As a result of this non-compliance, the Diocesan Council was prepared to take official action regarding the pastor and the Parish Council members but instead the Primate and Diocesan Council requested this special assembly to allow the parish members a last chance to comply with the decision of the Diocesan Council and the Diocesan Assembly.