

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

GREEK COMMUNITY OF TORONTO

Plaintiff

- and -



**SOTIRIOS ATHANASSOULAS (a.k.a. METROPOLITAN SOTIRIOS,
GREEK ORTHODOX METROPOLIS OF TORONTO (CANADA),
FATHER PETER AVGEROPOULOS, FATHER KONSTANTINOS PAVLIDIS,
FATHER SPYRIDON VITOULADITIS, FATHER PHILIP PHILIPPOU, IOANNA
PHILIPPOU, GEORGE PHILIPPOU, MAGGIE PHILIPPOU-INFANTINO,
VASILIKI TSIOLIS, HAIDO CHRISTOFORIDIS, VASILIKI KARSAKI,
APHRODITI SKLAVOS, MARIA DIAKOLOUKAS,
ATHINA PLASSARAS, ATHANASIA GIANNAKOPOULOS
and MARY MANOUKAS**

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANT(S)

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff(s). The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff(s) lawyer(s) or, where the plaintiff(s) do(es) not have a lawyer, serve it on the plaintiff(s), and file it, with proof of service, in this court office, **WITHIN TWENTY DAYS** after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF

YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

DATE:

OCT. 18/2012

Issued by:

Angela Miller
Local Registrar
393 University Avenue
10th Floor
Toronto, Ontario
M5G 1E6

TO:

SOTIRIOS ATHANASSOULAS
a.k.a. METROPOLITAN SOTIRIOS
c/o Greek Orthodox Metropolis of Toronto (Canada)
86 Overlea Blvd. (1 Patriarch Bartholomew Way)
Toronto, ON M4H 1C6

AND TO:

GREEK ORTHODOX METROPOLIS OF TORONTO (CANADA)
86 Overlea Blvd. (1 Patriarch Bartholomew Way)
Toronto, ON M4H 1C6

AND TO:

FATHER PETER AVGEROPOULOS
c/o Virgin Mary Greek Orthodox Cathedral Church
136 Sorauren Avenue
Toronto, ON M6R 2E4

AND TO:

FATHER KONSTANTINOS PAVLIDIS
c/o St. Demetrios Greek Orthodox Church
30 Thorncliffe Park Drive
Toronto, ON M4H 1H8

AND TO:

FATHER SPYRIDON VITOULADITIS
c/o St. Irene Chrisovalantou Greek Orthodox Church
66 Gough Avenue
Toronto, ON M4K 3N8

AND TO: FATHER PHILIP PHILIPPOU
64 Revlis Crescent
Toronto, ON M1V 1E9

AND TO: IOANNA PHILIPPOU
64 Revlis Crescent
Toronto, ON M1V 1E9

AND TO: GEORGE PHILIPPOU
64 Revlis Crescent
Toronto, ON M1V 1E9

AND TO: MAGGIE PHILIPPOU-INFANTINO
50 Ponymill Drive
Toronto, ON M1V 2V1

AND TO: VASILIKI TSIOLIS
87 Clerenton Drive
Richmond Hill, ON L4B 3W5

AND TO: HAIDO CHRISTOFORIDIS
76 Confederation Drive
Toronto, ON M1G 1H3

AND TO: VASILIKI KARSAKI
242 Sloane Avenue
Toronto, ON M4A 2G8

AND TO: APHRODITI SKLAVOS
7 Hollbrook Crescent
Unionville, ON L3R 7P6

AND TO: MARIA DIAKOLOUKAS
23 Burnley Avenue
Toronto, ON M1R 2M3

AND TO: ATHINA PLASSARAS
15 Stevenwod Road
Toronto, ON M1G 1B6

AND TO: ATHANASIA GIANNAKOPOULOS
117 Brantwood Drive
Toronto, ON M1H 2G7

AND TO: MARY MANOUKAS
5 Amberley Avenue
Toronto, ON M1K 4K2

CLAIM

1. The Plaintiff claims as against the Defendants, Sotirios Athanassoulas a.k.a. Metropolitan Sotirios, the Greek Orthodox Metropolis of Toronto, Father Philip Philippou, Father Peter Avgeropoulos, Father Konstantinos Pavlidis, Father Spyridon Vitouladitis, Vasiliki Tsiolis, Haido Christoforidis, Vasiliki Karsaki, Aphroditi Sklavos, Maria Diakouloukas, Athina Plassaras, Athanasia Giannakopoulos, and Mary Manoukas:

- (a) damages in the amount to be proven at Trial, but not less than \$1,000,000, for conversion, fraud, fraudulent misrepresentation, breach of contract, breach of trust, breach of fiduciary duty, inducing breach of contract, inducing breach of fiduciary duty, inducing breach of trust, interference with economic relations, civil conspiracy, and unjust enrichment;
- (b) an Order directing that the Defendants are jointly and severally liable to the Plaintiff for the amounts adjudged owing to the Plaintiff in this action, and such costs and interest as may be awarded on those judgments;
- (c) an accounting of all funds misappropriated by these Defendants;
- (d) an equitable tracing of all funds misappropriated by these Defendants;
- (e) damages for all reasonably foreseeable consequential damages and losses caused as a result of the Defendants' conduct pleaded herein;
- (f) a Declaration that the Plaintiff possesses an equitable interest in the real and personal property of these Defendants, on the basis of a constructive, resulting, implied and/or express trust, the particulars of which will be provided prior to Trial;
- (g) punitive, aggravated, and exemplary damages in an amount to be determined at Trial;
- (h) Pre-judgment and post-judgment interest pursuant to sections 128 and 129 of the *Courts of Justice Act*, R.S.O. 1990, as amended;
- (i) Costs of this action on a substantial basis, including the HST; and
- (j) Such further and other relief as this Honourable Court may deem just.

2. The Plaintiff claims against the Defendants, Ioanna Philippou, George Philippou and Maggie Philippou-Infantino:

- (a) damages in the amount to be proven at Trial for inducing breach of contract, inducing breach of fiduciary duty, inducing breach of trust, civil conspiracy, and unjust enrichment;
- (b) an Order directing that the Defendants are jointly and severally liable to the Plaintiff for the amounts adjudged owing to the Plaintiff in this action, and such costs and interest as may be awarded on those judgments;
- (c) an accounting of all funds misappropriated by these Defendants;
- (d) an equitable tracing of all funds misappropriated by the Defendants;
- (e) damages for all reasonably foreseeable consequential damages and losses caused as a result of the Defendants' conduct pleaded herein;
- (f) a Declaration that the Plaintiff possesses an equitable interest in the real and personal property of the Defendants, on the basis of a constructive, resulting, implied and/or express trust, the particulars of which will be provided prior to Trial;
- (g) punitive, aggravated and exemplary damages in an amount to be determined at Trial;
- (h) Pre-judgment and post-judgment interest pursuant to sections 128 and 129 of the *Courts of Justice Act*, R.S.O. 1990, as amended;
- (i) Costs of this action on a substantial basis, including the HST; and,
- (j) Such further and other relief as this Honourable Court may deem just.

3. The Plaintiff seeks the following Declarations:

- (a) a Declaration that since its founding in 1909 and to the present day, the GCT and the GCT Churches that it owns and operates have never subscribed to or been obliged to submit to and cannot be unilaterally forced to agree to be bound by the Metropolitan's relatively recently created and arbitrarily imposed and administered so-called: *Uniform Community Regulations of the Greek Orthodox Metropolis of Toronto (Canada)*;

- (b) a Declaration that the four GCT Churches have never been and are not currently obliged to pay the so-called mandatory "Sacrament Fees" and "Franchise Fees" (as defined and described in more detail below) unilaterally imposed by the Metropolitan and/or the Metropolis but, rather, any such fees are and always have been a voluntary donation, payment of which is decided and determined by the GCT Board of Directors in consultation with the four GCT Churches and in consultation with the Metropolitan based on the revenues generated and expenses incurred in any given fiscal year, if they can afford to make any donation at all, on an annual basis;
- (c) a Declaration that the Metropolitan's four appointed GCT Priests are not "employees" of the GCT pursuant to either statutory or common law interpretations of Canadian law;
- (d) a Declaration that the Metropolitan's four appointed GCT Priests are responsible for payment of all of the applicable income taxes and statutory deductions (i.e. CPP, EI, etc.) in relation to the donations or stipends paid to them by the GCT and/or GCT congregation, and are required to provide to the GCT an annual sworn statement, confirming that they have filed their annual income tax returns and properly accounted for any funds received from the GCT and/or GCT congregation, directly and/or indirectly, on their income tax returns in accordance with Canadian law.

Parties:

4. The Plaintiff, the Greek Community of Toronto ("GCT"), is a federally registered non-profit charitable corporation and the owner and operator of four Greek Orthodox Churches in Toronto, Ontario: (a) St. Demetrios Greek Orthodox Church; (b) St. John the Baptist Greek Orthodox Church; (c) St. Irene Chrisovalantou Greek Orthodox Church; and (d) Virgin Mary Greek Orthodox Cathedral (collectively, the "GCT Churches").

5. The Defendant, the Greek Orthodox Metropolis of Toronto, Canada (the "Metropolis"), is an eparchy of the Church of Constantinople, headquartered in Toronto.

6. The Defendant, Sotirios Athanassoulas a.k.a. Metropolitan Sotirios (the "**Metropolitan**"), is the Metropolitan Archbishop of the Metropolis and the spiritual leader of the GCT, the GCT Churches and the GCT's congregation. The Metropolitan is also the President and a Director of the board of directors of the Metropolis (the "**Metropolis Council**"). The Metropolitan has an exclusive monopoly over the ordination, recognition, and appointment of all Greek Orthodox priests in Canada, including those priests assigned to the GCT Churches.

7. The Defendants, Father Konstantinos Pavlidis ("**Father Pavlidis**"), Father Philip Philippou ("**Father Philippou**"), and Father Spyridon Vitouladitis ("**Father Vitouladitis**"), and Father Peter Avgeropoulos ("**Father Avgeropoulos**"), are ordained Greek Orthodox priests who were, at all material times, appointed by the Metropolitan as priests of the GTC Churches (the "**Priests**"). The Priests were at all materials times the spiritual leaders of their respective GCT Churches and GCT congregations.

8. The Defendants, Vasiliki Tsiolis, Haido Christoforidis, Vasiliki Karsaki, Aphroditi Sklavos, Maria Diakouloukas, Athina Plassaras, Athanasia Giannakopoulos, and Mary Manoukas, were, at all material times and prior to January 1, 2015, the President, 1st Vice President, 2nd Vice President, Treasurer, Assistant Treasurer, Assistant Secretary, Advisor, and Member of the former all volunteer St. John's Women's Auxiliary, respectively (collectively, the "**Women's Auxiliary**").

9. The Defendants, Ioanna Philippou, George Philippou, Maggie Philippou-Infantino, are Father Philippou's spouse, adult son, and adult daughter, respectively. None of them are Priests or employees of the Metropolitan, the Metropolis or the GCT.

Background:

10. The Priests and the Women's Auxiliaries, in the course of their operations through and/or associated with the GCT Churches and their respective congregations, collect and raise hundreds of thousands of dollars of donations and charitable contributions annually (the "**Donations**").

11. These Donations take various forms, including:

- (a) collection plate donations by GCT congregation members during services held at the GCT Churches;
- (b) donations of goods and services by GCT congregation members;
- (c) revenues and income from fundraisers, church dances, bake sales, garage sales, food drives and outreach programs;
- (d) the sale of icons and religious instructional texts;
- (e) donations by GCT congregation members to the Women's Auxiliary for services performed by them for the GCT congregation;
- (f) payments in recognition of services provided, including "priestly offerings" or "Mysteria" (pronounced: "mee-stee-ree-a" in the Greek language), received by the Priests from GCT congregation members for sacraments, church services, house blessings, graveyard memorials, memorials for the deceased, etc.

12. The Donations total hundreds of thousands of dollars on an annual basis and are collected primarily by the Metropolitan, the Priests, and the Women's Auxiliary.

13. The Donations are intended to go, *inter alia*, towards:

- (a) the delivery of meals, clothing, and shelter for "the Poor", the homeless, widows and orphans, and/or the abused;
- (b) community outreach and social services, especially for the elderly, the illiterate, refugees, new immigrants, the disabled, the widowed and/or the orphaned;
- (c) the delivery of educational, cultural, religious, and social service programs, including Sunday School and Bible study programs, whether through Charter or non-Charter Greek schools or through the four GCT Churches;

- (d) the delivery of religious obligations to "the Poor", including those who cannot afford the holy sacraments of baptism, marriage, or a funeral within the Greek Orthodox Christian faith;
- (e) the support of food banks and missionary work;
- (f) the physical maintenance and improvement of the GCT Churches and their grounds; and,
- (g) the beautification of the GCT Churches during Holy Days.

14. Each Priest assigned to the GCT by the Metropolitan is allowed to receive a modest amount of the Donations as his annual fee for his priestly services, which amount is determined by the GCT, and for which he is provided by the GCT with a T4A Slip and which income he is expected to declare on his annual personal tax return filed with the Canada Revenue Agency in accordance with Canadian law.

15. Charitable tax receipts for any Donation received by the Priests or the Women's Auxiliary operating within any of the GCT Churches have always been and continue to be issued by the GCT, alone.

16. The GCT has always charged a fixed modest service fee to the GCT Laity or Congregationalists for any sacrament in any GCT Church. These service fees are not "Donations" as described above. All service fees collected by the GCT are applied to each individual GCT Church's operating and capital expenditures and are publicly disclosed and available to the GCT Laity or Congregationalists and documented in the GCT's annual filings.

The Improper Conduct:

17. The Metropolitan and the Metropolis have been engaged in an unlawful course of conduct whereby the Metropolitan, personally, and/or on behalf of the Metropolis, would:

- (a) demand and collect a share of the Donations raised by the Women's Auxiliary and/or from each of the four individual Priests assigned to the GCT, from which the

Metropolitan and/or the Metropolis have benefited, and continue to benefit, without disclosing the same to the GCT and without declaring the same as a taxable benefit or income to the Canada Revenue Agency.

18. Father Philippou, since his appointment as a Priest at St. John the Baptist Greek Orthodox Church, has been engaged in an unlawful course of conduct whereby he would:

- (a) demand and collect a share of the Donations raised by the Women's Auxiliary, in cash and/or cheque, from the Women's Auxiliary, from which Father Philippou, personally, and/or his family members, Ioanna Philippou, George Philippou, and/or Maggie Philippou-Infantino, benefited, without disclosing the same to the GCT and without declaring the same as a taxable benefit or income to the Canada Revenue Agency for many years and/or to this day;
- (b) demand and/or collect a share of the Donations raised by the Women's Auxiliary, in cash and/or cheque, from the Women's Auxiliary, on behalf of and/or for the personal benefit of the Metropolitan or the Metropolis, without disclosing the same to the GCT; and,
- (c) demand and/or collect a share of the Donations raised by the Women's Auxiliary in order to, then, donate these funds to the GCT in order to obtain Charitable Tax receipts, recognized by the Canada Revenue Agency, to the benefit of himself and/or the benefit of his family members, the Defendants, Ioanna Philippou, George Philippou, Maggie Philippou-Infantino, thereby creating a benefit in the form of a tax deduction or reduction.

19. Either upon the direct or tacit instructions of the Metropolitan and/or the Metropolis Council or as a result of the willful blindness of the Metropolitan and/or the Metropolis Council, Father Philippou, in particular, and the three other GCT Priests, to a lesser degree, routinely perform funeral sacraments outside of the GCT Churches for GCT Laity or Congregationalists, typically at funeral home chapels, contrary to Greek Orthodox Canonical law and without collecting or, in the alternative, collecting but not remitting to the GCT, the GCT's modest service fee either to damage

the GCT or to benefit themselves, their family members, third parties unknown to the Plaintiff, the Metropolis Council, and/or the Metropolitan. The GCT suspects, but will have to await discovery, to prove whether or not the four GCT Priests collect the Metropolitan's arbitrary and unilateral "Sacramental Fee" from the GCT Laity or Congregationalists in addition to and/or in lieu of the GCT's modest service fee for each of the funeral sacraments both prior to and following the passage of the GCT Bylaw governing the four GCT Women's Auxiliaries.

20. The Plaintiff further pleads that Father Vitouladitis has, also, engaged in further improper conduct whereby he would, regularly, verbally abuse and physically assault the members of the Women's Auxiliary, operating at St. Irene Chrisovalantou Greek Orthodox Church, particularly following the retaliation against the Women's Auxiliary members who were excommunicated, i.e. denied the holy sacraments, by the Metropolitan and the four GCT Priests due to the passage of the GCT Bylaw regarding the operation of the four GCT Women's Auxiliaries and their adherence to same in order to provide better governance, transparency, responsibility, and public accountability by the four GCT Women's Auxiliaries to the GCT and the GCT Laity, i.e. congregations regarding all activities and money matters.

21. The Plaintiff pleads that all Donations, as collected by the Priests and Women's Auxiliaries, operating in the GCT Churches, belong, properly, to the GCT and are to be used for, *inter alia*, the needs of "the Poor", the disabled, the widowed, and the orphaned members of the their respective Greek Orthodox congregations, and, also, for the physical maintenance and beautification of the GCT Churches and for no other or improper purpose or for the personal benefit of any one person or their family or any Spiritual Leader or surrogate Spiritual Leader, personally, including any and all of: the Metropolitan, Sotirios, and Father Philippou.

22. In or about the fourth quarter of 2014, the GCT, in an attempt to prevent or stop the improper conduct pleaded herein, passed a By-Law, which took effect on January 1, 2015, which, amongst other items, required that all persons providing services within the GCT, including the Priests and the Women's Auxiliaries, must maintain a complete written record of their financial activities to ensure compliance with Canadian Revenue Agency regulations and other relevant charitable non-profit corporation laws and regulations of Canada (the "**By-Law**").

23. Following the issuance of the By-Law by the GCT, the Metropolitan and the Metropolis, in retaliation, resorted to:

- (a) making improper allegations and/or threats against the GCT and instructing the four GCT Priests to make similar such improper announcements from the pulpits and to instruct the four GCT Priests to conduct themselves in such a manner as not to promote, benefit, or cooperate with the GCT and the GCT Church Laities;
- (b) improperly conducting religious excommunication of members of the Women's Auxiliary who chose to obey the GCT Bylaw, in breach of their office and contrary to Greek Orthodox Canonical law either directly or through the authority and persons of the four GCT Priests contrary to Greek Orthodox Canonical law;
- (c) unlawfully imposing on and collecting from the GCT Churches "Sacrament Fees" in the amount of \$600.00 for:
 - (i) since November 15, 2014, each transaction/service provided by each of the GCT Churches with respect to the sacrament of funeral(s); and,
 - (ii) since January 15, 2015 each transaction/service provided by each of the GCT Churches with respect to the sacraments of weddings and baptisms,

which fees are over and above the usual sacramental fee charged by the GCT and which are now payable, in advance, directly to the Metropolis before and as a condition precedent to every sacramental service in any GCT Church, and only in GCT Churches, as opposed to the fees charged in any other Greek Orthodox Church in Canada under the authority of the Metropolitan (the "**Sacrament Fees**"); and,

- (d) unlawfully imposed on and have been collecting from the GCT Churches mandatory "Franchise Fees" in the arbitrary amount of \$40,000.00 a year per Church regardless of its ability to afford to "donate" the mandatory arbitrary "Franchise Fee" or any amount at all due to financial distress or lack of funds (the "**Franchise Fees**").

24. The GCT pleads and asserts that the Metropolitan does not have the authority to unilaterally impose and collect mandatory Sacramental Fees either as a "profit making punishment", a levy, or an additional fee for the same basic sacramental services, rendered, upon only the GCT Churches, effective Nov. 15, 2014 and Jan. 15, 2015, respectively, in retaliation for the Bylaw, the sole purpose of which was to avoid corruption and fraud and to uphold the recognized principles of transparency, accountability, responsibility, and governance. The Plaintiff pleads that the Sacramental Fees are unlawful, an abuse of power, an attempt to intimidate and coerce the GCT and the GCT Churches, and to profit the Metropolitan or Metropolis Council and to financially harm the GCT and the GCT Churches.

25. The GCT further pleads and asserts that the Metropolitan's alleged Franchise Fee of \$40,000.00 per Church per annum is not uniformly charged or collected from every one of the alleged sixty-six (66) other Greek Orthodox Christian churches under the Metropolitan's authority across Canada and the GCT demands that the Metropolitan admit and prove the actual amounts charged and collected from all seventy (70) alleged Church Laities under the Metropolitan's authority since his appointment as Metropolitan on an annual basis up to the date of Trial.

26. The Plaintiff pleads that the GCT is under no contractual obligation to comply with the mandatory Sacrament Fees and Franchise Fees, as unlawfully and unilaterally imposed by the Metropolitan and/or the Metropolis, and claims the full recovery of any such fees paid to, and received by, the Metropolitan and the Metropolis to date.

27. The Plaintiff further pleads that, as a direct consequence of the unlawful imposition and collection of the mandatory Sacrament Fees by the Metropolitan and/or the Metropolis, the Plaintiff has suffered and continues to suffer a reduction in its congregation, which congregation, or part of it, has been diverted by the Metropolitan and the Metropolis to non-GCT Churches, to avoid the Sacramental Fees, to the ultimate financial benefit and additional profit of the Metropolitan and the Metropolis and to the detriment of the GCT.

28. The Plaintiff further pleads that St. John's Church urgently requires funds in the approximate amount of \$600,000.00 to repair and renovate its premises. Had the Donations not been diverted from St. John's Church by the Defendants to their personal benefit as a result of their improper

conduct complained of therein, St. John's Church would have been in the position to complete the required repairs and renovations to: the Church roof; the Church steeple, the Church parking lots; and, the broken elevator and disabled elevator lifts.

Further Unlawful Conduct by the Metropolitan:

29. It has been, also, discovered by the GCT that the Metropolitan has been involved in the following further unlawful conduct, which has harmed and damaged the GCT's reputation, as a result of which the GCT has and continues to sustain economic losses:

- (a) Claiming/declaring charitable donations to the GCT when, in fact, no such donation was made to the GCT by the Metropolitan or the Greek Orthodox Metropolis of Toronto (Canada) in 2014; and,
- (b) Engaging in fundraising but using the proceeds received therefrom for the personal benefit of the Metropolitan and/or for the benefit of other charitable organizations owned, controlled and/or operated, in full or in part, directly or indirectly, by the Metropolitan or the Metropolis.

"Baby" Alexander (Karanikas):

30. On October 19, 2012, the Metropolitan, on behalf of the Metropolis, announced to all of approximately seventy (70) Greek Orthodox Churches' congregations in Canada, a fundraiser for the benefit of an infant, Alexander Karanikas (age: eight (8) months old) ("Baby Alexander"), who was suffering from a serious heart condition and needed funds in the approximate amount of \$105,000.00 CDN to pay for an urgent transportation from Greece to Toronto, Canada, with the care of a dedicated medical team and the use of specialized medical equipment, and other associated significant expenses, to undergo heart surgery at The Hospital for Sick Children.

31. The Metropolitan requested that all donations for the benefit of Baby Alexander be made payable to the Metropolis and promised that Charitable Tax Receipts would be issued for all donations. The GCT, through its four Churches, actively participated in the subject fundraiser and

collected \$6,864.00 in donations for the benefit of Baby Alexander. The sum of \$6,864.00 was given by the GCT to Baby Alexander's family, directly, by a cheque, payable to: "Alexander Karanikas".

32. The Plaintiff states that the Metropolitan and the Metropolis, as a result of the subject fundraiser, collected donations from the members of the Greek Orthodox Churches' congregations in Canada in a significant amount (the exact amount is yet to be determined), which was well in excess of \$50,000.00. Following the conclusion of the subject fundraiser, the Metropolitan and the Metropolis announced, without disclosing the actual total amount of the collected donations, that the sum of \$10,000.00 was donated by them to Global Angel Charitable Organization ("**Global Angel**") for the benefit of "Baby Alexander". In fact, Global Angel only received the paltry sum of \$1,450.00 from the Metropolitan and the Metropolis for the benefit of Baby Alexander. Neither Global Angel nor Baby Alexander's family received any other funds from the Metropolitan or the Metropolis.

33. The Plaintiff pleads and asserts that the Metropolitan and the Metropolis unlawfully and fraudulently used the remaining portion of the donations collected by them for the benefit of Baby Alexander for their personal benefit or for the benefit of other charitable organizations, located in the Hellenic Republic, which were owned, controlled, donated to, and/or operated, in full or in part, directly or indirectly, by the Metropolitan and/or the Metropolis.

34. The Plaintiff further states that the Metropolitan and/or the Metropolis failed to issue Charitable Tax Receipts for all or a part of the donations collected by them for the benefit of Baby Alexander, including to members of the GCT Churches who elected to donate to "Baby Alexander" through the Metropolitan and/or the Metropolis, rather than through the GCT.

35. The Plaintiff pleads that the actions of the Metropolitan and/or the Metropolis, in misrepresenting the intended purpose of the subject fundraiser and the amount of the collected donations, from which they then personally benefitted, has harmed and damaged the Greek Orthodox Churches' reputation in Canada, in general, and GCT's reputation, in particular, which, in

turn, resulted in the GCT and the GCT Churches sustaining economic losses and harm in an amount to be proved at trial.

Indecent Sexual Behaviour, Sexual Predators, and Pedophiles:

36. The Plaintiff further pleads that there is history of inappropriate conduct by priests negligently appointed by the Metropolitan and the Metropolis to the GCT Churches, which appointments were either negligent and/or intentionally done to cause damages and harm to the GCT, which in turn has in fact damaged the GCT's reputation and which has resulted in the GCT sustaining economic losses and harm in an amount to be proven at trial. These appointments have included:

- (a) the placement of the Romanian Orthodox Priest, Ioan Popp, at St. John's Church, in 2015, with the assistance, knowledge, and cooperation of Father Philipppou, when the Metropolitan knew that Ioan Popp was a sex offender on bail, at that time. Ioan Popp, after having been placed at St. John's Church, was further charged with sexual offences and breaches of his conditions of bail as a known and registered sex offender under the *Criminal Code*;
- (b) appointing and/or authorizing the placement of Greek Orthodox Priest, Demetre Tsevikos, (now deceased), at St. Irene Chrysovalantou Church, when the Metropolitan knew or ought to have known that Father Tsevikos was a sexual predator and pedophile. In or about 1975, Father Tsevikos sexually abused an Altar Boy at St. Irene Chrysovalantou Church, which abuse lasted over the period of approximately seven (7) years. In 2000, the Altar Boy commenced a civil action against Father Tsevikos, the Metropolitan and the Metropolis, which action settled in March 2013; and,
- (c) authorizing defrocked Bishop Georgije Djokic of the Serbian Orthodox Church in Canada (relieved of his duties in or about May 2015 due to allegations of indecent sexual behaviour involving multiple breaches of his office's vow of chastity) to conduct Mass at various GCT Churches in or about May 2016, as the invited personal guest of the Metropolitan, with the Metropolitan personally present, when the Metropolitan knew or ought to have known that Bishop Djokic was defrocked and no longer ordained.

37. The Plaintiff further states that mandatory background and criminal record searches of all current and future GCT Priests, including the Metropolitan, need to be completed in order to ensure that no Priests, who have been convicted of a criminal offence, especially sexually related criminal offences, and/or who are registered sex offenders, are appointed as Priests to the GCT Churches is an implied term and condition of the relationship between the GCT and the Metropolitan which is clearly not being enforced by the Metropolitan to the detriment of the GCT, the GCT Churches, and, most importantly, the vulnerable children of the GCT congregation.

The Defendants Are Liable To The Plaintiff For Their Wrongful Acts:

(i) Breach of Contract and Breach of Duty of Good Faith:

38. The Metropolitan, the Metropolis, the Priests, and the Women's Auxiliary are in a contractual relationship with the GCT whereby:

- (a) The GCT owns the GCT Churches;
- (b) The Metropolitan ordains and appoints properly qualified and vetted priests to each of the GCT Churches, which priests, together with the Metropolitan and the Women's Auxiliary tend to the needs of the GCT Churches' congregations;
- (c) The Metropolitan, the Metropolis, the Priests, and the Women's Auxiliary are tasked with and trusted to collect Donations made by GCT congregation, which Donations are collected in trust for and on behalf of the GCT, which Donations the GCT uses to provide for the Poor, to pay for the holy sacraments, and to maintain and improve the physical structure and grounds of the GCT Churches and for the GCT Churches' beautification on Holy Days;
- (d) Charitable receipts for the Donations are issued to donors by the GCT, alone;
- (e) Each Priest assigned to the GCT by the Metropolitan is granted a modest amount of the Donations by the GCT as his annual fee for his priestly services; and,

- (f) The Metropolis receives a voluntary donation from each GCT Church, the amount of which donation is decided by the GCT in consultation with the GCT Churches based on the total annual Donations generated and received and annual expenses incurred, and each of the GCT Church's ability to pay (the "Contract").

39. The Defendants were at all times aware of the Contract and its terms, and were at all time aware of the duties and obligations owed to the Plaintiff under the terms of the Contract, and of their duties to act in good faith.

40. In breach of the Contract, and in breach of their duty to act in good faith, the Metropolitan, the Metropolis, the Priests and the Women's Auxiliary have diverted the Donations, or a portion thereof, to themselves or the other Defendants or other persons unknown, causing damages and loss to the Plaintiff.

41. Despite the Plaintiff's repeated demands for an accounting and disgorgement of Donations received by them on the Plaintiff's behalf, the Defendants have failed to properly pay and submit the Donations collected by them to the Plaintiff, which Donations are and continue to be due and owing to the Plaintiff, and for which the Defendants are jointly and severally liable.

42. In further breach of the Contract, the Metropolitan and the Metropolis have improperly sought to charge, and have charged, excessive Franchise Fees and Sacrament Fees, which they are not entitled to charge, and the amounts of which fees they are not entitled to determine or impose, causing the Plaintiff damages and harm, as well as reasonably consequential damages and harm in the form of loss of congregation members and Donations therefrom, for which the Metropolitan and the Metropolis are jointly and severally liable.

43. In yet further breach of the Contract, the Metropolitan has in the past, and at times described and pleaded herein, appointed priests to the GCT Churches that were neither properly qualified nor properly vetted, which priests in turn engaged in conduct that discredited the GCT Churches and affected the GCT Churches' congregations, causing a loss of congregation members and lost or

reduced Donations, all of which were reasonably foreseeable consequences of the Metropolitan's breaches, and as a result of which the GCT has suffered damages and loss.

(ii) Breach of Trust and Breach of Fiduciary Duty:

44. At all material times, the Metropolitan, the Metropolis, the Priests, and the Women's Auxiliary owed duties of trust to the Plaintiff by virtue of their special relationship with the Plaintiff whereby they collected Donations from the GCT's congregation, and were required to hold such Donations in trust for the Plaintiff.

45. The independence of these Defendants and the level of trust placed in them by the Plaintiff to act honourably and honestly, and with the Plaintiff's best interest in mind, which interests were to always precede and be in priority to their own interests, created in these Defendants a fiduciary duty towards the Plaintiff, which fiduciary duty required these Defendants to:

- (a) act with the utmost honesty and good faith;
- (b) collect the Donations on the Plaintiff's behalf;
- (c) fully and accurately account for all the Donations received;
- (d) prioritize the Plaintiff's interests over their own; and,
- (e) not use the Donations for any personal or other improper purposes.

46. The Plaintiff pleads that the Metropolitan, the Metropolis, the Priests, and the Women's Auxiliary breached their duties of trust and their fiduciary duties owed to the Plaintiff as pleaded herein, and more particularly by:

- (a) misdirecting, dissipating and misappropriating the Donations, to each of them or to each other;
- (b) failing to account to the Plaintiff with respect to the Donations;

- (c) using the Donations for their own personal benefit, or the personal benefit of the other Defendants or other persons unknown;
- (d) preferring their own personal interests and gains and completely disregarding the interests of the Plaintiff, which they are duty bound to protect and uphold; and,
- (e) such further particulars as may be advised prior to Trial.

47. As a result of the actions of the Metropolitan, the Metropolis, the Priests, and the Women's Auxiliary as pleaded herein, the Plaintiff has suffered damages and harm in an amount to be proved at Trial and following a full accounting of the Defendants' activities.

48. In yet further breach of his duties of trust and his fiduciary duties, the Metropolitan has in the past, and at times described and pleaded herein, appointed priests to the GCT Churches that were neither properly qualified nor properly vetted, which priests in turn engaged in conduct that discredited the GCT Churches and affected the GCT Churches' congregations, causing a loss of congregation members and lost or reduced Donations, all of which were reasonably foreseeable consequences of the Metropolitan's breaches, and as a result of which the GCT has suffered damages and loss.

(iii) Inducing Breach of Contract, Breach of Fiduciary Duty and Breach of Trust:

49. The Plaintiff pleads that, by engaging in the improper conduct pleaded herein, the Defendants and each of them induced the Metropolitan, the Metropolis, the Priests, and the Women's Auxiliary, to breach their respective contractual duties, fiduciary duties and duties of trust.

50. When the Defendants engaged in the improper conduct pleaded herein, they at all times knew, should have known, or were wilfully blind to, the contractual duties, fiduciary duties and duties of trust that the Metropolitan, the Metropolis, the Priests, and the Women's Auxiliary were subject to.

51. As a result of the Defendants' improper inducements, the Defendants are all jointly and severally liable to the Plaintiff for its losses as pleaded herein flowing from these breaches, including loss of income, reputation and goodwill, and for any and all other reasonably foreseeable consequential losses.

(iv) Fraudulent Misrepresentation:

52. The Plaintiff pleads and relies upon the allegations contained herein and pleads that the Metropolitan, the Metropolis, the Priests, and the Women's Auxiliary fraudulently misrepresented to the Plaintiff that, *inter alia*, they were collecting Donations for the Plaintiff when they at all times knew that the Donations would be diverted for other purposes and/or converted by the Defendants and/or used by them for their own personal gain or use, or for the use and benefit of their family members, the other Defendants or other persons unknown.

53. The Defendants are liable to the Plaintiff for fraud, fraudulent misrepresentation and deceit by reasons of the facts pleaded in this Statement of Claim.

54. The Plaintiff relied on the Defendants' fraudulent misrepresentations and acted upon them by allowing the Defendants access to the GCT Churches and their congregations, without charge, at various times and on various occasions and on an ongoing basis. The Plaintiff has sustained damages as a result of the Defendants' fraud, including but not limited to the amounts of the misappropriated or diverted Donations. Accordingly, the Defendants are liable to the Plaintiff for fraud.

55. The Metropolitan, the Metropolis, the Priests, and the Women's Auxiliary were at all times aided and abetted in the fraud by each other, their respective family members, the other Defendants, and other persons unknown, who were all aware of the fraud and knowingly participated in or received the proceeds of the fraud, or conspired amongst themselves and with each other to effect the fraud.

(v) Interference with Economic Relations:

56. The Defendants have committed injurious acts against the Plaintiff, as pleaded herein, which deprived the Plaintiff of its revenues and proceeds.

57. The Defendants committed these acts with full knowledge of the harm and effect this would have on the Plaintiff.

58. The actions of the Defendants have thereby unlawfully interfered with the Plaintiff's economic interests and the Defendants are liable therefor.

59. By reason of the foregoing, the Defendants are liable for all losses suffered by the Plaintiff as a result of said unlawful interference.

(vi) Conversion:

60. In carrying out their activities as pleaded herein, the Defendants knew that their activities would misappropriate Donations properly payable to the Plaintiff.

61. By their acts, the Defendants have wrongfully converted and usurped to themselves the Donations, and the Plaintiff is entitled to an accounting and disgorgement of all monies received by the Defendants from the wrongful conversion.

(vii) Unjust Enrichment:

62. The Metropolitan, the Metropolis, Father Philippou, along with his family members Ioanna Philippou, George Philippou, and Maggie Philippou-Infantino, have been unjustly enriched as a result of their conduct complained of herein, without any juristic or other reason for the enrichment. These Defendants should not be allowed to retain any sum of monies received by them as a result of such misconduct.

63. The Plaintiff has suffered a deprivation as a result of these Defendants' conduct complained of herein.

(viii) Civil Conspiracy:

64. Beginning at a time unknown, the Defendants conspired by unlawful means with each other, and with other persons unknown to misappropriate funds from, and cause other harm to, the Plaintiff, as pleaded herein.

65. The Defendants agreed to act in concert with, assist, aid and abet each other to, *inter alia*, misappropriate funds from the Plaintiff by converting and encouraging each other to convert and misappropriate the Donations when they knew or ought to have known of the Plaintiff's entitlement to the Donations and that their actions would cause the Plaintiff harm and result in losses and other consequential damages to it.

66. As a result of these acts in furtherance of the conspiracy, the Plaintiff has suffered loss, damage and expense, for which the Defendants and other persons unknown are liable.

67. The damage caused by the acts of the Defendants and other persons unknown was knowingly and intentionally directed towards the Plaintiff, and the Defendants and other persons unknown are liable therefor.

(ix) Constructive Trust and Equitable Tracing:

68. The Defendants received revenues, proceeds, and profits from their improper activities as pleaded herein, with actual or constructive knowledge of the illegality thereof, and used the Donations to purchase various assets, property, and interests, including but not limited to the personal and real property.

69. Accordingly, the Defendants hold their assets, property, and interests in trust for the benefit of the Plaintiff and are liable to the Plaintiff for repayment of these amounts. The Plaintiff claims a constructive trust over and is entitled to trace the misappropriated Donations into the Defendants' assets, property, and interests.

70. The Plaintiff is further entitled to an equitable tracing order to recover all assets, now or previously in the possession of the Defendants, acquired directly or indirectly with the misappropriated Donations.

Metropolitan / Sotirios' Breach of Sacred Oaths of Greek Orthodox Church and His Offices:

71. The Plaintiff further states and/or pleads that the Metropolitan, officially, and Sotirios, personally, is, also, in breach of the sacred oaths of the Greek Orthodox Church and his offices: as Priest; Bishop; and/or Metropolitan Archbishop, based on evidence known to him, alone, and also to these Defendants, but only known to a specific degree by the Plaintiff, at the present time.

Damages:

72. The Defendants' conduct has caused significant harm to the Plaintiff. As a result of the Defendants' conduct, as pleaded herein, the Plaintiff has suffered damage and expense, while the Defendants and other persons unknown have profited from their wrongful activities. As a result of the Defendants' wrongful conduct, the Plaintiff has suffered and continues to suffer loss and damage, which includes the amount of the misappropriated Donations. The Plaintiff undertakes to provide particulars of all damages prior to the Trial of this action.

Punitive Damages:

73. The Defendants have acted in a high-handed, malicious, and reprehensible fashion, and in wanton and reckless disregard for the Plaintiff's rights, which ought not to be countenanced by this Honourable Court. Accordingly, the Plaintiff is entitled to punitive, aggravated, and exemplary damages, the particulars of which will be provided prior to Trial.

Discoverability:

74. The GCT discovered that the Defendants were involved in the misconduct complained of herein, above, on or about October 20, 2015, when it gained access to and produced some of the financial documentation of these individuals and/or entities.

75. The Plaintiff pleads and relies upon the provisions of the following, as amended:

- (a) *Business Corporations Act*, R.S.O. 1990, c. B. 16, as amended;
- (b) *Business Names Act*, R.S.O. 1990, c. B. 17, as amended;
- (c) *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (d) *Criminal Code*, R.S.C. 1985, c. C-46, as amended;
- (e) *Charities Accounting Act*, R.S.O. 1990, c. C. 10, as amended;
- (f) *Corporations Act*, R.S.O. 1990, c. C. 38, as amended;
- (g) *Evidence Act*, R.S.O. 1990, c. E. 23, as amended;
- (h) *Income Tax Act*, R.S.C. 1985, c. 1, as amended;
- (i) *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, S.C. 2000, c. 17, as amended;
- (j) *The Rudder* (Greek Orthodox Canonical Law); and,
- (k) *Uniform Community Regulations of the Greek Orthodox Metropolis of Toronto (Canada)*.

76. The Plaintiff proposes that this action be tried in the City of Toronto, in the Province of Ontario, before a Judge.

DATE:

Oct. 18/2017

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Plaintiff

- and -

METROPOLITAN SOTIRIOS *et al.*
Defendants

Court File No.:

CV-17-58475B

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding Commenced at TORONTO

STATEMENT OF CLAIM

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