

*The following case gives us the understanding of the jurisdiction of courts over a corporate church. I simply highlight the word "corporation" to draw the same attention to it that the court wanted drawn. They did not see this as intrusion into a "church," but merely an entity which was under corporate law. Most opinions are lengthy, but this one is not. A good understanding of the difference between how a court views incorporated versus unincorporated churches is clearly seen here. BT*

Donna Matthews, et al., Appellants, v. Vera Adams, et al., Appellees

No. 87-1217

Court of Appeal of Florida, Fifth District

520 So. 2d 334

March 3, 1988, Filed

PRIOR HISTORY:

Appeal from the Circuit Court for Orange County, Lon S. Cornelius, Judge.

#### CASE SUMMARY

PROCEDURAL POSTURE: Appellants, including holdover directors of a nonprofit **corporation**, appealed from a judgment of the Circuit Court for Orange County (Florida), which ordered appellants to make an accounting and future audits, to correct the involuntary dissolution of the **corporation**, to adopt bylaws, and to reveal the contents of a safe deposit box.

OVERVIEW: Appellees, nonprofit **corporation** members, sought an accounting, and to require appellant holdover directors to correct the involuntary dissolution of the **corporation**. The trial judge ordered an accounting and future audits yearly. Additionally, the trial judge required the **corporation** to adopt bylaws and reveal the contents of a safe deposit box. On appeal, appellants contended that the trial court had no authority over them because they were a recognized religious organization, a church. The court affirmed the order directing an accounting, the safe deposit box opening, and the curing of the involuntary dissolution. The court ruled that it was not improperly interfering in a church or ecclesiastical matter, because when the members of the church decided to **incorporate** their body under the laws of the state of Florida, they submitted themselves to the jurisdiction of the state courts in all matters of a **corporate** nature, such as accounting for funds. The court reversed the portions of the judgment that ordered annual, ad infinitum, audits and the enactment of bylaws, because the **corporation** had the right to pass or not pass bylaws, or to voluntarily dissolve.

OUTCOME: The court affirmed in part the trial court judgment that directed an accounting, the safe deposit box opening, and the curing of the involuntary dissolution, because when church members decided to incorporate their body under state law, they submitted themselves to the jurisdiction of the state courts in all **corporate** matters. The remaining portions of the judgment were reversed and remanded, because they involved rights of the **corporation**.

CORE TERMS: accounting, church, bylaws, involuntary dissolution, safe deposit box, audits

COUNSEL: Heidi T. Vonder Heide of Winderweedle, Haines, Ward & Woodman, P.A., for Appellants.

Joseph Morrell of Woolfork, Morrell & Williams, P.A., for Appellees.

JUDGES: Dauksch, J. Sharp, W., C.J., and Daniel, J., concur.

OPINIONBY: DAUKSCH

OPINION: This is an appeal from a judgment in a case involving an accounting. Some members of a nonprofit **corporation** sought an accounting of the funds they donated to the **corporation** and sought to require the holdover directors (trustees) of the **corporation** to cause the involuntary dissolution of the **corporation** to be corrected. The trial judge ordered an accounting and also ordered future audits

yearly forever. Additionally the judge required the **corporation** to adopt bylaws and open a safe deposit box and "make the contents therein known to plaintiffs."

Appellants appeal on the basis that the circuit court had no authority over them because they are a recognized religious organization, a church. On first reflection they appeared to be correct but upon a closer study of the complaint and the judgment we are of the opinion that this is not an improper interference by the government into a church, or ecclesiastical, matter. When the members of the church decided to incorporate their body under the laws of the state of Florida they submitted themselves to the jurisdiction of the state courts in all matters of a **corporate** nature, such as accounting for funds.

We affirm the order of the trial court directing an accounting, opening of the safe deposit box and the curing of the involuntary dissolution. We cannot agree it is proper to order annual, ad infinitum, audits of the books so we reverse that portion of the judgment. Because the **corporation** has the right to pass or not pass bylaws, or even to voluntarily dissolve hereafter, we do not deem it warranted to require the enactment of bylaws, so we reverse that portion of the judgment also. In all other respects the judgment is affirmed.

AFFIRMED in part; REVERSED in part; REMANDED.

SHARP, W., C.J., and DANIEL, J., concur.