

PORTER | SCOTT

A PROFESSIONAL CORPORATION

Martin N. Jensen, SBN 232231

Thomas L. Riordan, SBN 104827

350 University Ave., Suite 200

Sacramento, California 95825

TEL: 916.929.1481

FAX: 916.927.3706

Attorneys for Plaintiff

THE NATIONAL GRANGE OF THE ORDER OF PATRONS OF HUSBANDRY

FILED

**Superior Court Of California,
Sacramento**

10/01/2012

awoodward

By [Signature], Deputy

Case Number:

SA-2012-00130439

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN THE COUNTY OF SACRAMENTO

Department
Assignments

Case Management 36

Law and Motion 53

Minors Compromise 24

THE NATIONAL GRANGE OF THE ORDER
OF PATRONS OF HUSBANDRY, a
Washington, D.C. nonprofit corporation,

Case No.

**COMPLAINT FOR DECLARATORY
JUDGMENT AND INJUNCTION [CODE OF
CIVIL PROCEDURE §§ 1060, 526, 527]**

Plaintiff,

vs.

THE CALIFORNIA STATE GRANGE, a
California nonprofit corporation, and ROBERT
McFARLAND, JOHN LUVVAAAS, GERALD
CHERNOFF and DAMIAN PARR,

Defendants.

GENERAL ALLEGATIONS

Plaintiff The National Grange of the Order of Patrons of Husbandry (hereafter "The National Grange") alleges this Complaint for Declaratory Judgment and Injunction as follows:

1. Plaintiff National Grange is a nonprofit corporation organized under the laws of the District of Columbia.

2. Defendant California State Grange, a California nonprofit corporation, is subordinate to The National Grange.

3. Defendant Robert McFarland served as Master of the California State Grange, its highest office, but was suspended in August 2012. He was also on the Executive Committee of the California State Grange.

1 4. Defendants John Luvaas, Gerald Chernoff and Damian Parr were and remain members
2 of the Executive Committee of the California State Grange.

3 5. The National Grange is governed by a Digest of Laws, adopted November 13, 1996,
4 and amended thereafter. The Digest of Laws encompasses a Constitution of the Order, Articles of
5 Incorporation and By-Laws, *inter alia*.

6 6. Under the Constitution of the Order, The National Grange is described as the
7 “controlling and supreme law making body of the Order.” (National Grange Digest of Laws, ¶
8 1.1.1.(E))

9 7. All the other Granges, such as State Granges “shall derive their rights and powers”
10 from The National Grange, which may “adopt laws for the organization, administration and regulation
11 of the affairs of the various Granges,” including that of California. (National Grange Digest of Laws,
12 ¶ 1.3.1)

13 8. The National Grange has the express right to establish Judicial Laws relating to the
14 judicial function of the various Granges. The National Grange may make rulings of construction and
15 interpretation relating to Law and Usage, which rulings “shall be the law of the Order and the various
16 Granges of the divisions of the Order shall conform thereto.” The National Grange may also establish
17 rules and regulations for the conduct of trials of any member charged with violations of the laws.
18 (National Grange Digest of Laws, ¶ 1.3.5)

19 9. The National Grange may also codify parliamentary laws which shall be the law of the
20 Order and various Granges of the Order shall conform thereto. (National Grange Digest of Laws, ¶
21 1.3.6)

22 10. The National Grange issues Charters for the State Granges such as the California State
23 Grange as a division of The National Grange. (National Grange Digest of Laws, ¶ 1.4.1)

24 11. The California State Grange as a chartered division of The National Grange has the
25 right to conduct the affairs of its members so long as they do not conflict with the laws of The
26 National Grange. (Constitution of California State Grange, Article II; National Grange Digest of Laws,
27 ¶ 1.5.1)

28 12. The California State Grange Bylaws recognize that the Master of the State Grange (the

1 highest office) may be suspended for failure or refusal to fulfill his obligations or to obey the laws of
2 The National Grange and that the suspension procedure is provided in the bylaws and laws of The
3 National Grange. (California State Grange By-Laws, ¶ 14.13)

4 13. Robert McFarland had been elected as the Master of the California State Grange, but
5 was suspended for 60 days (June-July 2012) by The National Grange after a judicial proceeding was
6 conducted and adverse findings were made against him. During the course of McFarland's suspension,
7 Matha Stefenoni, Overseer of the California State Grange, served as acting Master.

8 14. Effective August 6, 2012, McFarland was again suspended by the Master of The
9 National Grange, pending a new set of duly filed charges to be adjudicated in The National Grange
10 trial process. (National Grange Digest of Laws, ¶ 4.10.7)

11 15. This time, McFarland refused to accept the suspension and purported to remain acting
12 Master of the California State Grange despite the provision that Masters of the State Granges are
13 answerable to the Master of The National Grange. (National Grange Digest of Laws, ¶ 4.10.4)

14 16. Beginning in late August 2012, the Master of The National Grange contacted members
15 of the Executive Committee of the California State Grange to secure their cooperation in the
16 suspension of McFarland pending adjudication of the new charges, but a majority of the Executive
17 members did not act to enforce the suspension of McFarland, and secure Martha Stefenoni being
18 elevated to acting Master of the California State Grange.

19 17. Specifically, John Luvaas, Gerald Chernoff and Damian Parr declined to enforce the
20 recent suspension of McFarland and recognize Martha Stefenoni as the acting State Master. The
21 remaining three members of the Executive Committee indicated that they would support the action
22 of The National Grange, but they did not constitute a majority.

23 18. Indeed, without a duly-constituted majority of the Executive Committee or the
24 attendance of acting Master Stefenoni, certain members of the Executive Committee with the
25 encouragement of McFarland acted in September 2012 to hire counsel purportedly to represent the
26 California State Grange in opposing the authority of The National Grange.

27 19. On information and belief, legal counsel was engaged on behalf of the California
28 Grange at a meeting of the Executive Committee in early September 2012, during which McFarland,

1 who had already been suspended as Master, was counted as one of the Executive Committee members
2 present so as to constitute the requisite quorum to make a binding decision for the California National
3 Grange. Having thus reached the requisite quorum of four Executive Committee members, a majority
4 of the members present voted in favor of hiring the law firm. The other Executive Committee
5 members were not present.

6 20. On September 17, 2012, Edward L. Luttrell, Master of The National Grange, with the
7 approval of the Executive Committee of The National Grange, formally suspended the Charter of the
8 California State Grange on the basis that the California State Grange was working in violation of the
9 law and usages of the Order of The National Grange and that the suspension was for the good of the
10 Order. (National Grange Digest of Laws, ¶ 4.5.7) Specifically, the California State Grange had failed
11 to acknowledge the authority of the Acting Master of the California State Grange, had refused to
12 respond to the requests of The National Grange and acting State Grange Master for confirmation that
13 it would follow the rules of the Order of The National Grange and the California State Grange Bylaws,
14 and had engaged legal representation with the support McFarland, whose authority as Master had been
15 duly suspended by The National Grange. The bylaws of The National Grange expressly provide for
16 an appeal procedure from the suspension of a Charter. (National Grange Digest of Laws, ¶ 4.5.8)

17 21. On September 19, 2012, Master of The National Grange requested California State
18 Grange Acting Master Stefenoni and Jon Luvaas, Chair of the Executive Committee of the California
19 State Grange, to arrange to turn over the keys, building and computer passwords and other information
20 necessary to facilitate management of the California State Grange to counsel for The National Grange.

21 22. On September 21, 2012, counsel purporting to represent the California State Grange
22 indicated that the California State Grange did not intend to comply with The National Grange's
23 request of September 19, 2012, characterizing the suspension of the Charter as "unwarranted,
24 unmerited and without any due authority."

25 23. McFarland and the Executive Committee of the California State Grange have thus
26 rejected the authority of The National Grange and the State Grange Bylaws regarding the suspension
27 of McFarland pending adjudication of the charges filed against him. McFarland is continuing to act
28 in his capacity of Master of the California State Grange.

1 24. The National Grange maintains that because the Digest of Laws of the Order is the
2 supreme authority over the California State Grange, the charges properly filed against McFarland
3 require his suspension from the powers of the Master of the California State Grange until the charges
4 have been adjudicated.

5 25. On September 20, 2012, the National Master notified all California Granges of the
6 suspension order of the State Grange, that all further State Grange activity would be coordinated
7 through The National Grange and that the State Session scheduled for October 10, 2012 would be
8 cancelled until further notice.

9 26. On September 20, 2012 McFarland notified members of the California Grange of the
10 State Grange's intent to continue to operate by and through its elected officials, despite the suspension
11 order.

12 **FIRST CAUSE OF ACTION**

13 **(For Declaratory Judgment under Code of Civil Procedure section 1060
14 re the Suspension of California State Grange Charter)**

15 27. Plaintiff National Grange re-alleges and incorporates by reference each and every fact
16 alleged previously in paragraphs 1-26 above.

17 28. There is an actual controversy between The National Grange and members of the
18 Executive Committee of the California State Grange and California State Grange, including suspended
19 Master McFarland, regarding whether The National Grange has the rightful authority to suspend the
20 Charter of the California State Grange. The Executive Committee of the California State Grange
21 refuses to accept the authority of The National Grange, National Grange Law and the California
22 Bylaws to suspend McFarland from acting as Master pending the adjudication of the charges filed
23 against him by The National Grange.

24 29. The National Grange maintains that it has the authority under the Digest of Laws of
25 the Order and the California State Bylaws to suspend the Charter of the California State Grange so
26 long as it refuses to accept the suspension of McFarland as Master, and recognize Martha Stefenoni
27 as the acting Master pending the adjudication of the charges filed against him by The National Grange.

28 30. The California State Grange, acting solely through Defendants McFarland, Luvaas,

1 Chernoff and Parr, has purportedly expressed its continued refusal to accept the authority of The
2 National Grange to suspend its Charter.

3 31. Defendants McFarland, Luvaas, Chernoff and Parr continue to act through counsel,
4 even though that law firm was retained without proper authorization. It does not properly act or speak
5 on behalf of the entire California State Grange.

6 32. This situation is creating significant risk of confusion and potential liability for The
7 National Grange, especially as to third persons who are not aware of the California State Grange's lack
8 of proper authority to act while its Charter has been suspended. A binding declaration of rights by the
9 Court is necessary to alleviate this situation. On information and belief, the potential liability is in
10 excess of the jurisdictional minimum.

11 **SECOND CAUSE OF ACTION**

12 **(For an Injunction under Code of Civil Procedure sections 526 and 527 13 re the Suspension of California State Grange Charter)**

14 33. Plaintiff National Grange re-alleges and incorporates by reference each and every fact
15 alleged previously in paragraphs 1-26 above.

16 34. Beginning on or about August 2012, and continuing to the present time, Defendants,
17 and each of them, wrongfully and unlawfully refuses to accept the authority of The National Grange,
18 National Grange Law and the California Bylaws to suspend McFarland from acting as Master pending
19 the adjudication of the charges filed against him by The National Grange.

20 35. The National Grange maintains that it has the authority under the Digest of Laws of
21 the Order and the California State Bylaws to suspend the Charter of the California State Grange so
22 long as it refuses to accept the suspension of McFarland as Master, and recognize Martha Stefenoni
23 as the acting Master pending the adjudication of the charges filed against him by The National Grange.

24 36. The California State Grange, acting solely through Defendants McFarland, Luvaas,
25 Chernoff and Parr, has purportedly expressed its continued refusal to accept the authority of The
26 National Grange to suspend its Charter.

27 37. Plaintiff National Grange has demanded that Defendants stop their conduct.
28 Defendants, through a majority of the Executive Committee, have refused, which has resulted in the

1 necessity for prompt judicial action to protect Plaintiff National Grange and the California State
2 Grange.

3 38. Plaintiff National Grange has no adequate remedy at law for the injuries currently being
4 suffered as it will be impossible for Plaintiff to determine the precise amount of damage that it will
5 suffer if Defendants' conduct is not restrained, or Plaintiff will be forced to institute a multiplicity of
6 suits to obtain adequate compensation for its injuries.

7 **PRAYER**

8 Plaintiff The National Grange therefore requests the Court:

9 1. For a declaration as to the respective rights, duties, obligations of The National Grange
10 and those Defendants purporting to represent the California State Grange;

11 2. For an order requiring Defendants to show cause, if any they have, why they should not
12 be enjoined as set forth in this Complaint, during the pendency of this action;

13 3. For a temporary restraining order, a preliminary injunction, and a permanent injunction,
14 all enjoining Defendants, and each of them, and their agents, servants, and employees, and all persons
15 acting under, in concert with, or for them;

16 4. For costs of suit incurred in this action;

17 5. Monetary damages; and

18 6. For such other and further relief as the Court deems proper under the circumstances.

19 Dated: October 1, 2012

PORTER SCOTT
A PROFESSIONAL CORPORATION

20 By 
21 _____

Martin N. Jensen