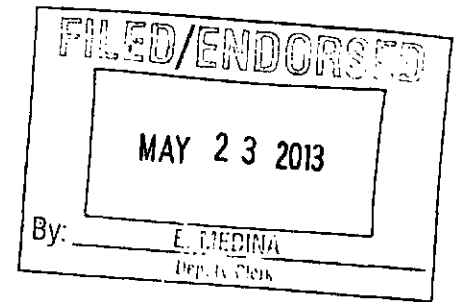


P O R T E R | S C O T T
A PROFESSIONAL CORPORATION
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Attorneys for Plaintiffs and Cross-Defendants
THE NATIONAL GRANGE OF THE ORDER OF PATRONS OF HUSBANDRY and
EDWARD L. LUTTRELL

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN THE COUNTY OF SACRAMENTO

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

Plaintiff,

v.

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

Defendants.

THE CALIFORNIA STATE GRANGE,
a California nonprofit,

Cross-Complainant,

v.

THE NATIONAL GRANGE OF THE ORDER
OF PATRONS OF HUSBANDRY, a
Washington, D.C. nonprofit corporation, and
EDWARD L. LUTTRELL, an individual,
and ROES 1 through 10, inclusive,

Cross-Defendants.

Case No. 34-2012-00130439

**NATIONAL GRANGE AND EDWARD
LUTTRELL'S ANSWER TO THE
CALIFORNIA STATE GRANGE'S CROSS-
COMPLAINT**

Complaint Filed: October 1, 2012

1 Cross-defendants THE NATIONAL GRANGE OF THE ORDER OF PATRONS OF
2 HUSBANDRY and EDWARD L. LUTTRELL hereby answer the unverified cross-complaint of the
3 California State Grange as follows:

4 **GENERAL DENIAL**

5 Pursuant to Code of Civil Procedure section 431.30, subdivision (d), Cross-defendants deny
6 each and every allegation contained in the cross-complaint of the California State Grange, including
7 each of the causes of actions set forth therein, and deny that the California State Grange has been
8 damaged in any amount in either law or equity.

9 **FIRST AFFIRMATIVE DEFENSE**

10 The cross-complaint of the California State Grange, and each cause of action alleged therein,
11 fails to state facts sufficient to constitute a cause of action.

12 **SECOND AFFIRMATIVE DEFENSE**

13 The cross-complaint of the California State Grange, and each cause of action alleged therein, is
14 uncertain under section 430.10, subdivision (f), of the Code of Civil Procedure.

15 **THIRD AFFIRMATIVE DEFENSE**

16 The Superior Court of California lacks subject matter jurisdiction to determine the substantive
17 issues of disagreement that should be decided internally through procedures established by the
18 Constitution and Bylaws of the Order of the National Grange, of which the California State Grange is a
19 constituent part.

20 **FOURTH AFFIRMATIVE DEFENSE**

21 The cross-complaint, and each cause of action alleged therein, bars relief to the California State
22 Grange based upon the doctrine of waiver.

23 **FIFTH AFFIRMATIVE DEFENSE**

24 The cross-complaint, and each cause of action alleged therein, bars relief to the California State
25 Grange based upon the doctrine of consent.

26 **SIXTH AFFIRMATIVE DEFENSE**

27 The cross-complaint, and each cause of action alleged therein, bars relief to the California State
28 Grange based upon the doctrine of estoppel.

1 **SEVENTH AFFIRMATIVE DEFENSE**

2 The cross-complaint, and each cause of action alleged therein, bars relief to the California State
3 Grange based upon the doctrine of laches.

4 **EIGHTH AFFIRMATIVE DEFENSE**

5 The cross-complaint, and each cause of action alleged therein, bars equitable relief to the
6 California State Grange because it has faith to do equity and has unclean hands.

7 **NINTH AFFIRMATIVE DEFENSE**

8 The cross-complaint, and each cause of action alleged therein, bars equitable relief to the
9 California State Grange because it has adequate legal remedies available and the balance of equities
10 favor the National Grange and Edward L. Luttrell.

11 **TENTH AFFIRMATIVE DEFENSE**

12 The cross-complaint, and each cause of action alleged therein, bars relief to the California State
13 Grange based upon its failure to mitigate its damages

14 **ELEVENTH AFFIRMATIVE DEFENSE**

15 The cross-complaint, and each cause of action alleged therein, bars relief to the California State
16 Grange because provisions of the California Corporations Code allow a nonprofit California
17 corporation to delegate its authority to a parent affiliate within the same organization and to be bound
18 by a charitable trust as authorized by the bylaws.

19 **TWELFTH AFFIRMATIVE DEFENSE**

20 The cross-complaint, and each cause of action alleged therein, bars damages relief to the
21 California State Grange based the doctrine of complete or partial set-off.

22 **THIRTEENTH AFFIRMATIVE DEFENSE**

23 The cross-complaint, and each cause of action alleged therein, bars damages relief to the
24 California State Grange regarding intentional interference with prospective economic advantage
25 because cross-defendants did not act with intent to disrupt the economic prospects of the California
26 State Grange, but rather to enforce the discipline of the Order as set forth in the bylaws.

27 WHEREFORE, Cross-defendants pray for judgment as follows:

- 28 1. The California State Grange take nothing by way of its cross-complaint;

2. That the cross-complaint be dismissed;
3. For costs of suit;
4. For other proper relief.

Dated: May 23, 2013

PORTER SCOTT
A PROFESSIONAL CORPORATION

By Thomas L. Riordan
Martin N. Jensen
Thomas L. Riordan

3 **DECLARATION OF SERVICE**

4 I am a resident of the United States and of the County, of Sacramento, California. I am over the
5 age of eighteen years and not a party to the within above-entitled action. My business address is 350
6 University Avenue, Suite 200, Sacramento, California.

7 That on the date below, I served the following:

8 **NATIONAL GRANGE AND EDWARD LUTTRELL'S**
9 **ANSWER TO THE CALIFORNIA STATE GRANGE'S CROSS-COMPLAINT**

10 on all parties in the said action as addressed below by causing a true copy thereof to be:

11 ☒ **BY MAIL.** I am familiar with this Company's practice whereby the mail, after being placed in
12 a designated area, is given the appropriate postage and is deposited in a U. S. mailbox in the
13 City of Sacramento, California, after the close of the day's business.

14 ☐ **BY PERSONAL SERVICE.** I caused such document(s) to be delivered by hand to the office of
15 the person(s) listed below

16 ☐ **BY OVERNIGHT DELIVERY.** I caused the above-listed document(s) to be delivered by
17 overnight delivery to the office of the person(s) listed below:

18 ☐ **BY FACSIMILE.** I caused the above-listed document(s) to be transmitted by facsimile
19 transmission from (916) 927-3706 to the facsimile number listed below. The transmission was
20 reported as completed and without error. A copy of the transmission report is attached. The
21 transmission report was properly issued by the transmitting facsimile machine.


22 ***Attorneys for Robert McFarland***

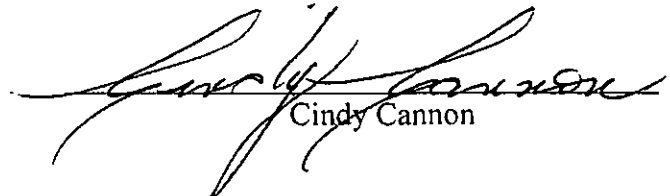
23 Mark Ellis
24 ELLIS LAW GROUP
25 640 University Avenue, Suite 100
26 Sacramento, CA 95814

27 ***Attorneys for Defendants The California State Grange,***
28 ***John Luvaas, Gerald Chernoff and Damian Parr***

Robert D. Swanson
Daniel S. Stouder
BOUTIN JONES
555 Capitol Mall, Suite 1500
Sacramento, CA 95814

29 I declare under penalty of perjury that the foregoing is true and correct. Executed at Sacramento,
30 California, on May 23, 2013.

31 

32 
Cindy Cannon

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IN DROP BOX

2013 MAY 23 PM 2:43

GRASSO COURTHOUSE
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SACRAMENTO