

**P O R T E R | S C O T T**

A PROFESSIONAL CORPORATION

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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 LUVAS,  
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

**STIPULATED MOTION TO GRANT  
NATIONAL GRANGE LEAVE TO FILE  
FIRST AMENDED COMPLAINT**

**DATE: July 10, 2013**

**TIME: 2:00 p.m.**

**DEPT: 53**

Original Complaint Filed: October 1, 2012

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1

**STIPULATED MOTION TO GRANT NATIONAL GRANGE LEAVE TO FILE FIRST AMENDED COMPLAINT**

1 Plaintiff and Cross-Defendant, THE NATIONAL GRANGE OF THE ORDER OF  
2 PATRONS OF HUSBANDRY, a Washington, D.C. nonprofit corporation ("National Grange"),  
3 seeks hereby leave to amend its original complaint by filing the attached First Amended  
4 Complaint. Defendants THE CALIFORNIA STATE GRANGE, a California nonprofit  
5 corporation, and ROBERT McFARLAND, JOHN LUVAAS, GERALD CHERNOFF and  
6 DAMIAN PARR, individuals, have filed their respective answers to the original complaint, but  
7 hereby stipulate to amendment of Complaint as set forth below. The stipulation is attached hereto.

8 As required by rule 3.1324 of the California Rules of Court, the National Grange sets forth  
9 the alterations made between its original Complaint and the First Amended Complaint. The main  
10 reason for amending the complaint is that since the original filing of the action, the National  
11 Grange on April 5, 2013, revoked the Charter of the California State Grange in accordance with  
12 the bylaws of the Order, thus superseding the effect of the previous suspension of the Charter. The  
13 National Grange still declines to ask the court to exercise its jurisdiction to determine whether or  
14 not the revocation was justified under the bylaws of the Order, but rather merely requests the court  
15 to compel Defendants to follow the bylaws as they agreed to do. The court need only determine  
16 whether the bylaws authorize the revocation of the Charter and require the return of Grange  
17 property to the National Grange, to be held in trust until the California State Grange can be  
18 rechartered.

18 The following alterations have been made:

- 19 (1) TAKASHI YOGI, KATHY BERGERON and BILL THOMAS, have been added to the  
20 caption and body of the First Amended Complaint (§ 5) because they became members of  
21 the Executive Committee of the California State Grange in the period after the suspension  
22 and leading up to the revocation of its Charter on April 5, 2013.
- 23 (2) Paragraph 3 has been added to the First Amended Complaint to identify pertinent sections  
24 of the Corporations Code defining parent and affiliate nonprofit corporations.
- 25 (3) Paragraph 5 has been added to the First Amended Complaint to identify the past and  
26 present members of the Executive Committee of the California State Grange involved in

1 decisions leading to the April 5, 2013, revocation of the Charter of the California State  
2 Grange.

3 (4) Paragraph 11 has been added to the First Amended Complaint to identify the sections of  
4 the National Grange bylaws establishing its sole authority to charter entities within the  
5 Order.

6 (5) Paragraph 28 has been added to the First Amended Complaint to set forth the election  
7 procedure by which new defendants Yogi, Bergeron and Thomas entered onto the  
8 Executive Committee since October 2012.

9 (6) Paragraph 29 has been added to the First Amended Complaint to set forth the sections of  
10 the bylaws authorizing the National Grange to revoke the Charter of the California State  
11 Grange.

12 (7) Paragraph 30 has been added to the First Amended Complaint to set forth the section of the  
13 bylaws authorizing the National Grange to hold in trust property of the California State  
14 Grange following revocation of its Charter.

15 (8) The parenthetical statement for the First Cause of Action in the First Amended  
16 Complaint now states that the focus is on the revocation rather than the suspension of the  
17 Charter of the California State Grange.

18 (9) Paragraph 32 has been amended in the First Amended Complaint to focus on the  
19 revocation rather than suspension of the California State Grange Charter, including  
20 provisions for property to be held in trust.

21 (10) Paragraph 33 has been amended in the First Amended Complaint to focus on the Charter  
22 revocation, and its authorization under the National Grange bylaws, rather than  
23 suspension of said Charter.

24 (11) Paragraph 34 has been added to the First Amended Complaint to re-emphasize that the  
25 National Grange does not request the court to adjudicate provisions of the bylaws of the  
26 order, because those same bylaws set forth an internal procedure to handle such  
27 substantive adjudication.

1 (12) Paragraph 35 has been amended in the First Amended Complaint to add new defendants  
2 Yogi, Bergeron and Thomas.

3 (13) Paragraph 36 has been amended to add new defendants Yogi, Bergeron and Thomas and  
4 to focus on revocation rather than suspension of the Charter.

5 (14) Paragraph 40 has been amended in the First Amended Complaint to focus on the Charter  
6 revocation, and its authorization under the National Grange bylaws, rather than  
7 suspension of said Charter.

8 (15) Paragraph 41 has been amended to add new defendants Yogi, Bergeron and Thomas.

9 (16) Paragraph 42 has been amended in the First Amended Complaint to focus on the Charter  
10 revocation and placing property in trust as authorized under the National Grange bylaws.

11 (17) Paragraph 45 has been added to the First Amended Complaint to set forth the basis for a  
12 charitable trust to hold property under the bylaws pending re-chartering.

13 (18) Paragraph 46 has been added to the First Amended Complaint to set forth the statutory  
14 basis for a charitable trust to hold property under the Corporations Code.

15 **DECLARATION OF THOMAS L. RIORDAN**

16 I, Thomas L. Riordan, declare as follows,

17 1. The facts set forth herein are personally known to me, and I have firsthand knowledge  
18 thereof. If called upon to do so, I could and would testify competently thereto under oath. I am an  
19 attorney at law duly licensed to practice in the State of California and am employed by the law  
20 firm Porter Scott.

21 2. Defendants have already filed answers to the National Grange's original complaint, but  
22 they have stipulated to the filing of the First Amended Complaint. By stipulation, Defendants will  
23 have 30 days from the date the First Amended Complaint is filed to file any responsive pleading  
24 thereto.

25 3. The amendment of the original complaint is necessary and proper because the National  
26 Grange revoked the Charter of the California State Grange on April 5, 2013, but Defendants have  
27 continued to reject the authority of the National Grange under the bylaws.

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1 4. The facts giving rise to the amended allegations only occurred after April 5, 2013, and thus  
2 there could not have been any earlier amendment.

3 I declare under penalty of perjury of the laws of the State of California that the foregoing is  
4 true and correct. Executed this 10<sup>th</sup> day of June, 2013, at Sacramento, California.


5  
6   
7 THOMAS L. RIORDAN

8  
9 **CONCLUSION**

10 Because Defendants have stipulated to the filing of this First Amended Complaint, the  
11 court should file the amended pleading forthwith.

12 Dated: June 10, 2013

PORTER SCOTT  
A PROFESSIONAL CORPORATION

13  
14 By   
15 Martin N. Jensen  
16 Thomas L. Riordan

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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  
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ROBERT McFARLAND, JOHN LUVAAS,  
GERALD CHERNOFF and DAMIAN PARR,

Defendants.

THE CALIFORNIA STATE GRANGE,  
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Washington, D.C. nonprofit corporation, and  
EDWARD L. LUTTRELL, an individual,  
and ROES 1 through 10, inclusive,

Cross-Defendants.

Case No. 34-2012-00130439

**STIPULATION TO ALLOW LEAVE TO  
AMEND COMPLAINT OF NATIONAL  
GRANGE**

**DATE: July 10, 2013**

**TIME: 2:00 p.m.**

**DEPT: 53**

Complaint Filed: October 1, 2012

1 The undersigned parties hereby stipulate to allow Plaintiff and Cross-Defendant, THE  
2 NATIONAL GRANGE OF THE ORDER OF PATRONS OF HUSBANDRY, a Washington, D.C.  
3 nonprofit corporation ("National Grange"), leave to amend its Complaint.

4 The parties further stipulate that Defendants will file a responsive pleading 30 days after the  
5 filing date for the amended Complaint as determined by the Court.

6 IT IS SO STIPULATED AND AGREED.

7  
8 Dated: 6/10, 2013

PORTER SCOTT  
A PROFESSIONAL CORPORATION

9  
10 By 

Martin N. Jensen  
Thomas L. Riordan  
Counsel for PLAINTIFF and CROSS-  
11 DEFENDANTS THE NATIONAL GRANGE OF  
12 THE ORDER OF PATRONS OF HUSBANDRY  
13 and EDWARD L. LUTTRELL

14  
15 Dated: 6/4/, 2013

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Counsel for ROBERT McFARLAND

17  
18  
19  
20  
21 Dated: \_\_\_\_\_, 2013

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Counsel for THE CALIFORNIA STATE  
23 GRANGE, JOHN LUYAAS, GERALD  
24 CHERNOFF, and DAMIAN PARR  
25  
26  
27  
28

1 The undersigned parties hereby stipulate to allow Plaintiff and Cross-Defendant, THE  
2 NATIONAL GRANGE OF THE ORDER OF PATRONS OF HUSBANDRY, a Washington, D.C.  
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6 IT IS SO STIPULATED AND AGREED.

7  
8 Dated: \_\_\_\_\_, 2013

PORTER SCOTT  
A PROFESSIONAL CORPORATION

9  
10 By

Martin N. Jensen  
Thomas L. Riordan  
Counsel for PLAINTIFF and CROSS-  
DEFENDANTS THE NATIONAL GRANGE OF  
THE ORDER OF PATRONS OF HUSBANDRY  
and EDWARD L. LUTTRELL

11  
12  
13  
14  
15 Dated: \_\_\_\_\_, 2013

ELLIS LAW GROUP LLP

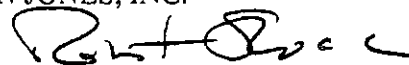
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21 Dated: May 31, 2013

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Attorneys for Plaintiff  
The National Grange of the Order of Patrons of Husbandry

**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,

vs.

THE CALIFORNIA STATE GRANGE, a  
California nonprofit corporation, and  
ROBERT McFARLAND, JOHN  
LUVAAAS, GERALD CHERNOFF,  
DAMIAN PARR, TAKASHI YOGI,  
KATHY BERGERON and BILL  
THOMAS,

Defendants.

Case No. 34-2012-00130439

**FIRST AMENDED COMPLAINT  
FOR DECLARATORY JUDGMENT  
AND INJUNCTION [Code of Civil  
Procedure §§ 1060, 526, 527]**

Complaint Filed: October 10, 2012  
Trial Date: None Set

**GENERAL ALLEGATIONS**

Plaintiff The National Grange of the Order of Patrons of Husbandry (hereafter "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.

1           3.       The National Grange is the parent of the California State Grange as defined in  
2 Corporations Code section 5064. The California State Grange is an affiliate of the National  
3 Grange as defined in Corporations Code section 5031.

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

7           5.       Defendants John Luvaas and Damian Parr were members of the Executive  
8 Committee of the California State Grange who rejected the authority of the National Grange to  
9 suspend McFarland as Master and the Charter of the National Grange in September 2012. Gerald  
10 Chernoff was a member in September 2012 but has since left the Executive Committee of the  
11 California State Grange, and new members Takashi Yogi, Kathy Bergeron and Bill Thomas were  
12 elected to office after the Charter of the California State Grange was suspended. They have  
13 likewise defied the authority of the National Grange to suspend McFarland and the Charter.

14           6.       The National Grange is governed by a Digest of Laws, adopted November 13,  
15 1996, and amended thereafter. The Digest of Laws encompasses a Constitution of the Order,  
16 Articles of Incorporation and By-Laws, *inter alia*.

17           7.       Under the Constitution of the Order, the National Grange is described as the  
18 “controlling and supreme law making body of the Order.” (National Grange Digest of Laws, ¶  
19 1.1.1.(E))

20           8.       All the other Granges, such as State Granges “shall derive their rights and powers”  
21 from the National Grange, which may “adopt laws for the organization, administration and  
22 regulation of the affairs of the various Granges,” including that of California. (National Grange  
23 Digest of Laws, ¶ 1.3.1)

24           9.       The National Grange has the express right to establish Judicial Laws relating to the  
25 judicial function of the various Granges. The National Grange may make rulings of construction  
26 and interpretation relating to Law and Usage, which rulings “shall be the law of the Order and the  
27 various Granges of the divisions of the Order shall conform thereto.” The National Grange may  
28

1 also establish rules and regulations for the conduct of trials of any member charged with violations  
2 of the laws. (National Grange Digest of Laws, ¶ 1.3.5)

3 10. The National Grange may also codify parliamentary laws which shall be the law of  
4 the Order and various Granges of the Order shall conform thereto. (National Grange Digest of  
5 Laws, ¶ 1.3.6)

6 11. The National Grange has the exclusive authority to issue Charters to various  
7 divisions of the Granges of the Order. (National Grange Digest of Laws, ¶ 1.4.1) State and local  
8 Granges may only operate as Granges to the extent they have a valid Charter. All Charters issued  
9 by the National Grange require that all members shall faithfully comply with the Bylaws and other  
10 rules of the Order. (National Grange Digest of Laws, ¶ 1.4.2)

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

15 13. The California State Grange Bylaws recognize that the Master of the State Grange  
16 (the highest office) may be suspended for failure or refusal to fulfill his obligations or to obey the  
17 laws of the National Grange and that the suspension procedure is provided in the Bylaws and laws  
18 of the National Grange. (California State Grange By-Laws, ¶ 14.13)

19 14. Robert McFarland had been elected as the Master of the California State Grange,  
20 but was suspended for 60 days (June-July 2012) by the National Grange after a judicial proceeding  
21 was conducted. During the course of McFarland's suspension, Martha Stefenoni, Overseer of the  
22 California State Grange, served as acting Master.

23 15. Effective August 6, 2012, McFarland was suspended by the Master of the National  
24 Grange, pending a new set of duly filed charges to be adjudicated in the National Grange trial  
25 process. (National Grange Digest of Laws, ¶ 4.10.7)

26 16. This time, McFarland refused to accept the suspension and purported to remain  
27 acting Master of the California State Grange despite the provision that Masters of the State  
28

1 Granges are answerable to the Master of the National Grange. (National Grange Digest of Laws, ¶  
2 4.10.4)

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

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

12 19. Indeed, without a duly-constituted majority of the Executive Committee or the  
13 attendance of acting Master Stefenoni, certain members of the Executive Committee with the  
14 encouragement of McFarland acted in September 2012 to hire counsel purportedly to represent the  
15 California State Grange in opposing the authority of the National Grange.

16 20. On information and belief, legal counsel was engaged on behalf of the California  
17 Grange at a meeting of the Executive Committee in early September 2012, during which  
18 McFarland, who had already been suspended as Master, was counted as one of the Executive  
19 Committee members present so as to constitute the requisite quorum to make a binding decision  
20 for the California State Grange. Having thus reached the requisite quorum of four Executive  
21 Committee members, a majority of the members present voted in favor of hiring the law firm. The  
22 other Executive Committee members were not present.

23 21. On September 17, 2012, Edward L. Luttrell, Master of the National Grange, with  
24 the approval of the Executive Committee of the National Grange, formally suspended the Charter  
25 of the California State Grange on the basis that the California State Grange was working in  
26 violation of the law and usages of the Order of the National Grange and that the suspension was  
27 for the good of the Order. (National Grange Digest of Laws, ¶ 4.5.7) Specifically, the California  
28

1 State Grange had failed to acknowledge the authority of the Acting Master of the California State  
2 Grange, had refused to respond to the requests of the National Grange and acting State Grange  
3 Master for confirmation that it would follow the rules of the Order of the National Grange and the  
4 California State Grange Bylaws, and had engaged legal representation with the support  
5 McFarland, whose authority as Master had been duly suspended by the National Grange. The  
6 Bylaws of the National Grange expressly provide for an appeal procedure from the suspension of a  
7 Charter. (National Grange Digest of Laws, ¶ 4.5.8)

8 22. On September 19, 2012, Master of the National Grange requested California State  
9 Grange Acting Master Stefenoni and Jon Luvaas, Chair of the Executive Committee of the  
10 California State Grange, to arrange to turn over the keys, building and computer passwords and  
11 other information necessary to facilitate management of the California State Grange to counsel for  
12 the National Grange.

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

17 24. McFarland and the Executive Committee of the California State Grange have thus  
18 rejected the authority of the National Grange and the State Grange Bylaws regarding the  
19 suspension of McFarland pending adjudication of the charges filed against him. McFarland is  
20 continuing to act in his capacity of Master of the California State Grange.

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

25 26. On September 20, 2012, the National Master notified all California Granges of the  
26 suspension order of the State Grange, that all further State Grange activity would be coordinated  
27 through the National Grange and that the State Session scheduled for October 10, 2012 would be  
28

1 cancelled until further notice.

2 27. On September 20, 2012, McFarland notified members of the California Grange of  
3 the State Grange's intent to continue to operate by and through its elected officials, despite the  
4 suspension order.

5 28. Despite the suspension orders, McFarland and the purported Executive Committee  
6 continued to operate without a Charter and purport to do business as the California State Grange.  
7 In October 2012, the California State Grange held its annual meeting without authority and elected  
8 certain Executive Committee members despite the suspension of the Charter. Specifically, Takashi  
9 Yogi, Kathy Bergeron and Bill Thomas have been added to the Executive Committee since  
10 McFarland's suspension, but have not changed the policy of continued defiance.

11 29. On or about April 5, 2013, Edward L. Luttrell, Master of the National Grange  
12 officially revoked the Charter of the California State Grange based on the authority of Section  
13 4.5.11 of the National Grange Bylaws, which provides that the remedy of revocation of a Charter  
14 is intended to be used when the judgment of the Master of the Grange having jurisdiction, the  
15 deficiencies in the criteria are incapable of being remedied or may not be remedied within a  
16 reasonable time. Luttrell first noted that the leadership of the California State Grange has sought  
17 to prevent the internal Grange procedures from being conducted to enforce the Constitution and  
18 Bylaws, which itself violates their sworn duty to uphold the rules of the Order. Luttrell also found  
19 that California State Grange leadership had improperly used rules to remove from office any  
20 dissenters to their view, and to attempt to expel from membership other California Grange officers  
21 who stated that they would follow the rules of the Order, which constitutes violation of the law  
22 and usages of the Order under Sections 4.5.7 of the National Grange Bylaws. In addition,  
23 suspended Master McFarland admitted to organizing or re-organizing at least one Community  
24 Grange outside the Chartering process, which is to be conducted exclusively by the National  
25 Grange, and thus constitutes violation of Section 4.3.1 of the National Grange Bylaws. Finally,  
26 the California State Grange became more than two quarters delinquent in paying dues and  
27 submitting quarterly reports in violation of section 4.5.7 of the Bylaws of the National Grange.  
28

1           30. Under the section 4.12.2 Bylaws of the National Grange, the real and personal  
2 property of the California State Grange shall become the property of the National Grange to be  
3 held in trust until the California State Grange is reorganized pursuant to Grange Law.

4                                   **FIRST CAUSE OF ACTION**

5                           **(For Declaratory Judgment under Code of Civil Procedure section 1060**  
6                           **re the Revocation of California State Grange Charter)**

7           31. Plaintiff National Grange re-alleges and incorporates by reference each and every  
8 fact alleged previously in paragraphs 1-30 above.

9           32. There is an actual controversy between the National Grange and members of the  
10 Executive Committee of the California State Grange and California State Grange, as well as  
11 Robert McFarland, regarding whether the National Grange has the rightful authority to revoke the  
12 Charter of the California State Grange and compel it to turn over Grange property under Section  
13 4.12.2 of the National Grange Bylaws. The Executive Committee of the California State Grange  
14 refuses to accept the authority of the National Grange, National Grange Law and the California  
15 Bylaws.

16           33. The National Grange maintains that it has the authority under the Digest of Laws of  
17 the Order and the California State Bylaws to revoke the Charter of the California State Grange.  
18 Section 4.5.11 of the National Grange Bylaws provides the requisite authority to revoke the  
19 Charter and National Master Luttrell explained in writing why the conduct of the putative officers  
20 and board of the California State Grange amounts to violation of the law and usages of the Order  
21 under Sections 4.5.7 of the National Grange Bylaws.

22           34. The National Grange does not hereby request that California courts adjudicate  
23 whether McFarland has violated the Bylaws of the Order as charged in the August 1, 2013,  
24 Grange complaint filed against him. On the contrary, the National Grange has consistently  
25 maintained that the internal Grange procedure set forth in the Bylaws of the National Grange and  
26 California State Grange provides the sole and exclusive means of adjudicating the substantive  
27 claims regarding McFarland's conduct. California courts are requested simply to ensure that  
28 Defendants do not continue to totally disregard or clearly violate the Bylaws of the Order.

35. The California State Grange, acting without a valid Charter through Defendants McFarland, Luvaas, Parr, Yogi, Bergeron and Thomas, has expressed its continued refusal to accept the authority of the National Grange to suspend its Charter.

36. Defendants McFarland, Luvaas, Parr, Yogi, Bergeron and Thomas continue to act through counsel, even though that law firm was retained without proper authorization. The Master and Executive Committee, as presently constituted, do not properly act or speak on behalf of the entire California State Grange, the Charter of which has been duly revoked.

37. This situation is creating significant risk of confusion and potential liability for the National Grange, especially as to third persons who are not aware of the California State Grange's lack of proper authority to act while its Charter has been duly revoked. A binding declaration of rights by the Court is necessary to alleviate this situation.

## SECOND CAUSE OF ACTION

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

38. Plaintiff National Grange re-alleges and incorporates by reference each and every fact alleged previously in paragraphs 1-37 above.

39. Beginning on or about August 2012, and continuing to the present time, Defendants, and each of them, wrongfully and unlawfully refuses to accept the authority of the National Grange, National Grange Law and the California Bylaws.

40. The National Grange maintains that it has the authority under the Digest of Laws of the Order and the California State Grange Bylaws to revoke the Charter of the California State Grange under section 4.5.11 of the National Grange Bylaws, because putative officers of the California State Grange have violated of the law and usages of the Order under Sections 4.5.7 of the National Grange Bylaws..

41. The California State Grange, acting solely through Defendants McFarland, Luvaas, Parr, Yogi, Bergeron and Thomas, has expressed its continued refusal to accept the authority of the National Grange to suspend its Charter.

42. The California State Grange has similarly refused to accept the authority of the



1 National Grange to revoke its charter and has refused to turn over its real property to be held in  
2 trust by the National Grange pending reorganization under Grange Law under section 4.12.2 of the  
3 National Grange Bylaws.

4 43. Plaintiff National Grange has demanded that Defendants stop their conduct.  
5 Defendants, through a majority of the Executive Committee, have refused, which has resulted in  
6 the necessity for prompt judicial action to protect Plaintiff National Grange and the California  
7 State Grange.

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

12 45. To the extent the California State Grange refuses to surrender to the National  
13 Grange deeds and other indicia of the transfer of real or personal property as required by section  
14 4.12.2 of the Bylaws of the National Grange, such property must nevertheless be deemed to be  
15 held in charitable trust. A charitable trust will prevent transfer, waste or damage regarding Grange  
16 property pending rechartering of the California State Grange.

17 46. Because the National Grange has the sole right under the Bylaws to hold such  
18 property in trust, the National Grange is authorized to secure a prohibitory injunction under  
19 Corporations Code section 7142, subdivision (a), to prevent the California State Grange from  
20 breaching the terms of such charitable trust by transferring or burdening such real or personal  
21 property.

## 22 PRAYER

23 Plaintiff National Grange therefore asks the Court:

24 1. For a declaration as to the respective rights, duties, obligations of the National  
25 Grange and those Defendants purporting to represent the California State Grange following  
26 revocation of the Charter;

27 2. For an order requiring Defendants to show cause, if any they have, why they should  
28

1 not be enjoined as set forth in this Complaint, during the pendency of this action;

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

5 4. For establishment of a charitable trust in which to maintain Grange property until  
6 the California State Grange is properly rechartered under the Bylaws of the Order.

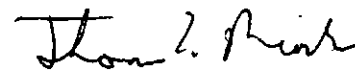
7 5. For costs of suit incurred in this action; and

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

10 Dated: June 10, 2013

PORTER SCOTT  
A PROFESSIONAL CORPORATION

11  
12 By



Martin N. Jensen  
Thomas L. Riordan

1 Re: National Grange, et al. v. Bob McFarland

2 Case No: Sacramento County Superior Court 34-2012-00130439

3 **DECLARATION OF SERVICE**

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

7 I am familiar with this Company's practice whereby the mail, after being placed in a  
8 designated area, is given the appropriate postage and is deposited in a U. S. mailbox in the City of  
9 Sacramento, California, after the close of the day's business.

10 On June 11, 2013, I served a copy of the following document(s):

11 **STIPULATED MOTION TO GRANT NATIONAL GRANGE  
12 LEAVE TO FILE FIRST AMENDED COMPLAINT**

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

14 **Attorneys for Robert McFarland**

15 Mark Ellis  
16 Ellis Law Group  
17 740 University Ave., Suite 100  
18 Sacramento, CA 95814  
19 Fax: (916) 283-8821  
20 MEllis@EllisLawGrp.com

21 **Attorneys for Defendants The California**

22 **State Grange, John Luvaas, Gerald**

23 **Chernoff, and Damian Parr**

24 Robert D. Swanson  
25 Daniel S. Stouder  
26 Boutin Jones  
27 555 Capitol Mall, Suite 1500  
28 Sacramento, CA 95814  
Fax: (916) 441-7597  
rswanson@boutinjones.com  
dstouder@boutinjones.com

- 29 ☒ **By Mail.** I caused such envelope with postage thereon fully prepaid to be placed in the United  
30 States mail at Sacramento, California.
- 31 ☐ **By Personal Service.** I caused such document to be delivered by hand to person(s) listed  
32 below.
- 33 ☐ **By Overnight Delivery.** I caused such document to be delivered by overnight delivery to the  
34 office of the person(s) listed below.
- 35 ☐ **By Facsimile.** I caused such document to be transmitted by facsimile machine to the office  
36 of the person(s) listed below.
- 37 ☐ **By E-Mail.** I caused such document to be transmitted by electronic format to the office of  
38 the person(s) listed below.

39 I declare under penalty of perjury that the foregoing is true and correct.

40 Executed at Sacramento, California on June 11, 2013.

41   
42 \_\_\_\_\_  
43 Desiree Ganzon