



Brothers and Sisters,

I have just learned that the McFarland Group is at it again. As you know, the State Court has ruled that the McFarland Group is not a Grange, it is not affiliated with the Order of Patrons of Husbandry, and the California State Grange is the only State Grange in California. Along with those rulings, the Court has entered a Judgment that all property in the California State Grange's possession as of the revocation of its Charter on April 5, 2013, must be returned. The California State Grange and the National Grange are working to enforce that judgment or to require the McFarland Group to post a bond to guarantee that all of the property will still be there when the McFarland Group loses its appeal, as it undoubtedly will. The Court has even entered a preliminary injunction preventing the transfer of funds held in the Morgan Stanley investment accounts pending enforcement of the Judgment.

Notwithstanding all of this, it has come to my attention that the McFarland Group has hatched a new scheme to get its hands on Grange money subject to the Court's orders. What's worse, it also involves an attempt to get at reverted funds held in trust for an inactive Subordinate Grange while those funds are still within the 7-year trust period.

The scheme is this: in October, Mr. McFarland "reorganized" Ranchito Grange by naming Bob Alvarez as an officer and the agent of service of the Ranchito Grange corporation, and naming Cari DeWolf and Liz Reynolds as two other officers. The Statement of Information filed with the Secretary of State on October 16, 2015, is available below. Mr. Alvarez, of course, was prominently involved in the issue with Fairfax Grange in Bakersfield, where, at Mr. McFarland's behest, he showed up with a business card falsely identifying him as a deputy of the California State Grange, threatened to reorganize Fairfax Grange if the Master did not sign a "lease" to its Grange Hall, and then changed the locks to the Hall without even notifying the Master. Fortunately, the California State Grange was able to assist Fairfax Grange in resisting this aggression from the McFarland Group, getting the locks changed back, and making sure the Hall stayed with its rightful owners. Now the McFarland Group has moved on to easier pickings: an inactive Grange that has nobody to watch out for it. Why the Ranchito Grange? The answer is that there is over \$300,000 in reverted funds held in trust for the Ranchito Grange. [An accounting of the funds held in trust for inactive Granges, including the Ranchito Grange, as of June 30, 2012, is available](#)

[here](#). As you can see from that document, the Ranchito Grange surrendered its Charter and turned over its assets pursuant to the National Grange's Digest of Laws and the California State Grange's Constitution and By-Laws in December 2009. Accordingly, those assets should be held in trust for at least another year, until January 2017, regardless of the Court orders.

It now appears that, in order to get around the trust restriction and the Court's ruling that all property held by the California State Grange as of April 5, 2013 (which the Ranchito Grange funds indisputably were) must be returned to The Grange, the McFarland Group's plan was to "reorganize" the Ranchito Grange under Mr. Alvarez, Ms. DeWolf, and Ms. Reynolds, transfer to them the \$300,000+ held in trust for it a year before the trust was supposed to end, and then have Mr. Alvarez & Co. "donate" the funds back to the McFarland Group for it to use free and clear of the trust restrictions and the Court orders. Mr. McFarland had no authority to reorganize Ranchito Grange because he is no longer a member of The Grange or a State Grange Master, and, in any event, these actions fly in the face of the letter and the spirit of the Court orders.

There is also something very interesting about the date of the Statement of Information (October 16), as well. On that same date, I have learned that the McFarland Group authorized the transfer of approximately \$200,000 to its law firm. This resulted in an overpayment of tens of thousands of dollars to its lawyers. Let me tell you, pre-paying your lawyers in the middle of a case is not normal. It was clearly an attempt to circumvent the preliminary injunction that would be entered just days later (on October 20) and spend Grange assets subject to the Court's Judgment. Evidently, the Ranchito Grange gambit was part and parcel of the same strategy – to transfer as much Grange property to third parties as possible so that it could be spent dragging out the litigation on the McFarland Group's hopeless appeals. All told, that's over \$500,000 of Grange property that the McFarland Group authorized to be spent in one day. Was that discussed at the Banner Grange meeting? I sure didn't see any reference to that in the 2015 budget.

The California State Grange is doing everything in its power to protect the Grange property wrongfully held by the McFarland Group and to ensure that it will still be there when the appellate court ultimately rejects the McFarland Group's appeal. Sadly, it is actions like those involving the Ranchito Grange that requires us to keep going back to the Court to enforce the Judgment that was entered. The McFarland Group has made clear that it will do its utmost to circumvent the Court's orders and the rules of our Fraternal Order, by hook or by crook. So in addition to seeking Court help, I am also hoping that sunshine will help prevent this sort of behavior in the future. I do not believe that most Grangers were aware of the \$200,000 sent to the McFarland Group's law firm or the scheme to access the \$300,000 held in trust for the Ranchito Grange. I do not believe most Grangers would have approved of those actions if they were apprised of them beforehand. As the old saying goes, with knowledge, there is power. I hope you all use that knowledge and power to help restore our Grange and stop the senseless waste of Grange assets by the McFarland Group.

As always, I am available any time by e-mail or phone to discuss or answer any questions you may have.

Fraternally yours,  
 Ed Komski, Master/President  
 760-310-6500  
[ekomski@castategrange.org](mailto:ekomski@castategrange.org)

**California State Grange Web Site**

 <p><b>State of California</b>  <b>Secretary of State</b></p> <p><b>Statement of Information</b>          (Domestic Nonprofit, Credit Union and Consumer Cooperative Corporations)</p> <p>Filing Fee: \$20.00. If this is an amendment, see instructions.  <b>IMPORTANT - READ INSTRUCTIONS BEFORE COMPLETING THIS FORM</b></p>		<p><b>F877560</b>  <b>FILED</b></p> <p>In the office of the Secretary of State          of the State of California</p> <p><b>OCT-16 2015</b></p>
<p>1. CORPORATE NAME          RANCHITO GRANGE NO. 654</p>		<p><small>This Space for Filing Use Only</small></p>
<p>2. CALIFORNIA CORPORATE NUMBER          C0192185</p>		
<p><b>Complete Principal Office Address</b> (Do not abbreviate the name of the city. Item 3 cannot be a P.O. Box.)</p>		
3. STREET ADDRESS OF PRINCIPAL OFFICE IN CALIFORNIA, IF ANY	CITY	STATE ZIP CODE
11280 YANKEE HILL ROAD, YANKEE HILL, CA 95965		
4. MAILING ADDRESS OF THE CORPORATION	CITY	STATE ZIP CODE
ROBERT ALVAREZ 11280 YANKEE HILL ROAD, YANKEE HILL, CA 95965		
<p><b>Names and Complete Addresses of the Following Officers</b> (The corporation must list these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)</p>		
5. CHIEF EXECUTIVE OFFICER/	ADDRESS	CITY STATE ZIP CODE
CARI DEWOLF	PO BOX 221, PLACERVILLE, CA 95667	
6. SECRETARY	ADDRESS	CITY STATE ZIP CODE
LIZ REYNOLDS	159 MORNING STAR AVE, OROVILLE, CA 95965	
7. CHIEF FINANCIAL OFFICER/	ADDRESS	CITY STATE ZIP CODE
ROBERT ALVAREZ	11280 YANKEE HILL ROAD, YANKEE HILL, CA 95965	
<p><b>Agent for Service of Process</b> If the agent is an individual, the agent must reside in California and Item 9 must be completed with a California street address. A P.O. Box address is not acceptable. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 9 must be left blank.</p>		
<p>8. NAME OF AGENT FOR SERVICE OF PROCESS [Note: The person designated as the corporation's agent MUST have agreed to act in that capacity prior to the designation.]          ROBERT ALVAREZ</p>		
9. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL	CITY	STATE ZIP CODE
11280 YANKEE HILL ROAD, YANKEE HILL, CA 95965		
<p><b>Common Interest Developments</b></p>		
<p>10. <input type="checkbox"/> Check here if the corporation is an association formed to manage a common interest development under the Davis-Stirling Common Interest Development Act, (California Civil Code section 4000, et seq.) or under the Commercial and Industrial Common Interest Development Act, (California Civil Code section 6500, et seq.). The corporation must file a Statement by Common Interest Development Association (Form SI-CID) as required by California Civil Code sections 5405(a) and 6700(a). Please see instructions on the reverse side of this form.</p>		
<p>11. THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.</p>		
10/16/2015	CARI DEWOLF	PRESIDENT
DATE	TYPE/PRINT NAME OF PERSON COMPLETING FORM	TITLE SIGNATURE
SI-100 (REV 01/2014)		APPROVED BY SECRETARY OF STATE



