



Property Legal Update 2/3/16

On January 8, 2015, the National Grange filed a motion to Require an Undertaking to Stay Enforcement of the Judgment against the California State Guild (a/k/a the McFarland Group).

Why was this filed and what does it really mean?

An “Undertaking” is a bond to ensure that property that has been awarded to a party is still there following the end of an appeal. Since the vast majority of appeals in California are denied (just as the Guild’s will fail), there are rules to make sure that losing parties cannot spend or threaten the property that they hold while the case is on appeal. To protect this property, the Court may order that the losing party take out a bond (essentially, an insurance policy) to ensure that the full value of the property can be collected by the winning party after appeal. If the losing party cannot or does not post the required bond, then the winning party can move immediately to take possession of the property at issue, even while the appeal is pending.

In layman’s terms, I would define the effect of an Undertaking in this case as: “either hand us the keys and all assets that were awarded as of April 5 2013, or take out a bond or insurance policy that will ensure that those assets are 100% available when they are returned to the California State Grange after the appeal is denied.” Simply put, the Court declared that Grange property held by the Guild must be returned to the California State Grange, and the Guild is not free to spend or dispose of that property while its baseless appeal is pending.

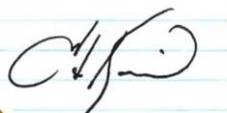
Several months ago, Mr. McFarland threatened to litigate “until one side or the other runs out of money.” Of course, the Guild is funding all of its operations, including its legal bills (which apparently are NOT covered by insurance) with Grange property that must eventually be returned to the California State Grange. Mr. McFarland’s threat needless to say does not sit well with our membership. Thus far, the Guild has refused to comply with the Judgment and return the Grange assets in its possession. The Guild evidently needs to be convinced that

the court orders are binding and enforceable, and the assets of the Grange cannot be used to finance this new, non-Grange enterprise, the Guild. That enterprise is a completely separate venture not tied or connected to The Grange in **ANY** way.

The undertaking motion is intended to protect us against actions by the Guild that result in any decrease in value or spending of Grange assets including real property and Grange financial assets. The California State Grange continues to do everything it can to ensure that Mr. McFarland cannot make good on his threat and spend all the Grange money the Guild has taken while the appeal process plays out.

As always, please call or e-mail me if you have any questions or concerns.

Fraternally,




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[Undertaking Motion](#)

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