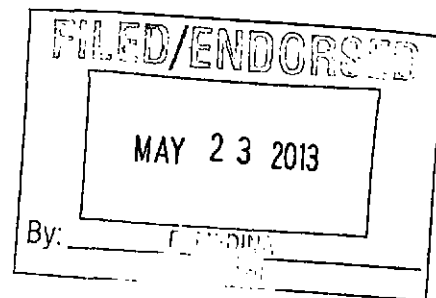


1 **P O R T E R | S C O T T**
2 A PROFESSIONAL CORPORATION
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5 350 University Ave., Suite 200
6 Sacramento, California 95825
7 TEL: 916.929.1481
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7 **Attorneys for Plaintiffs and Cross-Defendants**
8 THE NATIONAL GRANGE OF THE ORDER OF PATRONS OF HUSBANDRY and
9 EDWARD L. LUTTRELL

10 **IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA**

11 **IN THE COUNTY OF SACRAMENTO**

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

15 Plaintiff,

16 v.

17 THE CALIFORNIA STATE GRANGE, a
18 California nonprofit corporation, and
19 ROBERT McFARLAND, JOHN LUVAAAS,
20 GERALD CHERNOFF and DAMIAN PARR,

21 Defendants.

22 ROBERT MCFARLAND, an individual,

23 Cross-Complainant,

24 v.

25 THE NATIONAL GRANGE OF THE ORDER
26 OF PATRONS OF HUSBANDRY, a
27 Washington, D.C. nonprofit corporation,
28 MARTHA STEFENONI, an individual,
EDWARD L. LUTTRELL, an individual,
SHIRLEY BAKER, an individual and ROES 1
through 10, inclusive,

Cross-Defendants.

Case No. 34-2012-00130439

**NATIONAL GRANGE AND EDWARD
LUTTRELL'S ANSWER TO ROBERT
MCFARLAND'S FIRST AMENDED
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
3 ROBERT MCFARLAND 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 Robert McFarland, including each of the
7 causes of actions set forth therein, and deny that Robert McFarland has been damaged in any amount in
8 either law or equity.

9 **FIRST AFFIRMATIVE DEFENSE**

10 The cross-complaint of Robert McFarland, and each cause of action alleged therein, fails to
11 state facts sufficient to constitute a cause of action.

12 **SECOND AFFIRMATIVE DEFENSE**

13 The cross-complaint of Robert McFarland, and each cause of action alleged therein, is uncertain
14 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, and Robert McFarland was elected its Master.

20 **FOURTH AFFIRMATIVE DEFENSE**

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

23 **FIFTH AFFIRMATIVE DEFENSE**

24 The cross-complaint, and each cause of action alleged therein, bars relief to Robert McFarland
25 based upon the doctrine of consent, including to critique of his performance in office.

26 **SIXTH AFFIRMATIVE DEFENSE**

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

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SEVENTH AFFIRMATIVE DEFENSE

The cross-complaint, and each cause of action alleged therein, bars relief to Robert McFarland based upon the doctrine of laches.

EIGHTH AFFIRMATIVE DEFENSE

The cross-complaint, and each cause of action alleged therein, bars equitable relief to Robert McFarland because he has failed to do equity and has unclean hands.

NINTH AFFIRMATIVE DEFENSE

The cross-complaint, and each cause of action alleged therein, bars equitable relief to Robert McFarland because he has adequate legal remedies available and the balance of equities favor the National Grange and Edward L. Luttrell.

TENTH AFFIRMATIVE DEFENSE

The cross-complaint, and each cause of action alleged therein, bars relief to Robert McFarland based upon his failure to mitigate its damages

ELEVENTH AFFIRMATIVE DEFENSE

The cross-complaint, and each cause of action alleged therein, bars relief to Robert McFarland because provisions of the California Corporations Code, for which McFarland served as Master, allow a nonprofit California corporation to delegate its authority to a parent affiliate within the same organization and to be bound by a charitable trust as authorized by the bylaws.

TWELFTH AFFIRMATIVE DEFENSE

The cross-complaint, and each cause of action alleged therein, bars damages relief to Robert McFarland based the doctrine of complete or partial set-off.

THIRTEENTH AFFIRMATIVE DEFENSE

The cross-complaint, and each cause of action alleged therein, bars relief to Robert McFarland because the statements made by the National Grange and Edward Luttrell were true and cannot be deemed defamatory.

FOURTEENTH AFFIRMATIVE DEFENSE

The cross-complaint, and each cause of action alleged therein, bars relief to Robert McFarland because the statements made by the National Grange and Edward Luttrell were made without malice

1 and are conditionally privileged as made on subjects of mutual interest under Civil Code section 47,
2 subdivision (c).

3 **FIFTEENTH AFFIRMATIVE DEFENSE**

4 The cross-complaint, and each cause of action alleged therein, bars relief to Robert McFarland
5 because the statements made by the National Grange and Edward Luttrell were statements of opinion
6 rather than facts capable of being proved true or false.

7 **SIXTEENTH AFFIRMATIVE DEFENSE**

8 The cross-complaint, and each cause of action alleged therein, bars relief to Robert McFarland
9 because the statements made by the National Grange and Edward Luttrell did not violate his privacy
10 and were justifiable critiques of his performance in office.

11 **SEVENTEENTH AFFIRMATIVE DEFENSE**

12 The cross-complaint, and each cause of action alleged therein, bars relief to Robert McFarland
13 because the statements made by the National Grange and Edward Luttrell were intended to uphold the
14 discipline of the Order, not to gain competitive advantage or limit the economic opportunities of
15 McFarland.

16 **PRAYER**

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

- 18 1. Robert McFarland take nothing by way of its cross-complaint;
19 2. That the cross-complaint be dismissed;
20 3. For costs of suit;
21 4. For other proper relief.

22 Dated: May 23, 2013

23 PORTER SCOTT
A PROFESSIONAL CORPORATION

24 By Thomas L. Riordan
25 Martin N. Jensen
26 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 ROBERT MCFARLAND'S FIRST AMENDED 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

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


Cindy Cannon

RECEIVED
IN DROP BOX

2013 MAY 23 PM 2:43

GDJSC COURTHOUSE
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SACRAMENTO