



Brothers and Sisters,

Today, the California state court handed down its final ruling on the parties' motions for summary judgment. I am pleased to report that the Court has granted the National Grange's motion for summary judgment in its entirety, declaring that **1) following revocation of the California State Grange's Charter in April 2013, the McFarland Group is not part of The Grange and cannot retain the California State Grange's property; 2) the California State Grange was properly reorganized in July 2014 and is the only Grange entity entitled to use and control that property; and 3) the Grange property in the McFarland Group's possession and/or control should revert to the California State Grange.** In reaching these rulings, the Court found numerous factual matters to be undisputed and true, including that the California State Grange has always been subject to and bound by the rules in the National Digest of Laws, as well as the California State Grange Constitution and By-Laws. It rejected all of the McFarland Group's desperate and after-the-fact arguments that there was some conflict between California law and Grange rules. Mr. McFarland and the others could not disregard the rules to which the California State Grange had been bound since its formation in 1873, and that they as individuals has sworn to uphold as a condition of membership and holding office in The Grange. Simply put, the Court concluded that the McFarland Group is not free to take Grange property acquired through the blood, sweat, and donations of generations of Grangers and use it for their own purposes, in contravention of the rules of The Grange at all levels. The "status quo" means that The Grange's rules have meaning, and no individual is free to disregard those rules to suit his or her own purposes.

The Court denied the McFarland Group's motion for summary judgment. Although it has not yet posted its final ruling as to our motion, the Court's tentative order denied our motion on procedural grounds. Even assuming that decision stands, it is important to note that none of our claims were dismissed; the Court merely held that they must be decided at trial, not by summary judgment. The rulings as to the National Grange's motion, however, are equally applicable to our claims, and will not be re-litigated. The only issues to be determined at trial are the amount of

damages caused by the McFarland Group's misuse of Grange property since revocation, and whether Mr. McFarland, Mr. Luvaas, and the other leaders of the McFarland Group will be personally liable for those damages. Those issues will be resolved at the trial set to begin on January 26, 2016.

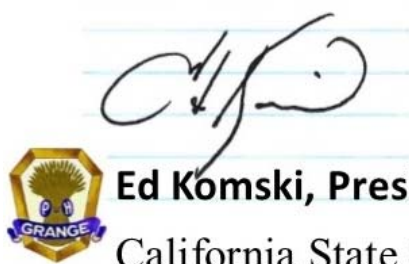
There will be much more to come, but for now, I encourage you to pour a cup of coffee, sit back, and read the Court's orders, which are available, [National Grange](#), and [McFarland](#).

Fraternally yours,

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Ed Kowski, President, Master and CEO

California State Grange

The Grange of the State of California's Order of Patrons of Husbandry, Chartered
a California non-profit Corporation