



Brothers and Sisters,

As some of you may know, in connection with the state court lawsuit, the McFarland Group filed a complaint earlier this year against the California State Grange's holding corporation, me, and Lillian Booth alleging defamation (i.e., slander and libel) and unfair competition, among other things. The main claims in the complaint are that (1) Lillian and I have held ourselves out as representing the California State Grange and said that the McFarland Group is not a Grange, and (2) the McFarland Group is entitled to any Grange dues and GIA funds that the California State Grange has received. In its ruling on the National Grange's motion for summary judgment, the Court held that the McFarland Group is not part of The Grange and that only the California State Grange is entitled to Grange property, such as Grange dues and GIA funds. This ruling is completely dispositive of the claims made by the McFarland Group in its complaint.

In an effort to conserve Grange resources and limit the amount of money paid to lawyers on both sides, we contacted the McFarland Group in September and offered to allow them to dismiss their complaint "without prejudice" – that means that they would be free to re-file the complaint at any time, which would allow them to pursue their appeal (hopeless though it may be) of the National Grange ruling and preserve their rights against the California State Grange if they somehow should win. This is not something we had to offer, as we would have been within our rights to demand a dismissal "with prejudice" – i.e., final and unable to be re-filed later. But the McFarland Group rejected this offer, and forced us to file a motion for summary judgment, which we did yesterday just before the deadline for such motions. [You can read the brief here.](#) We will win this motion, but more Grange money will have to be spent on legal fees.

Needless to say, I am disappointed with the McFarland Group's scorched-earth litigation strategy. I know that Mr. McFarland has told many of you that his plan going forward is to make the litigation as expensive as possible and to delay with

fruitless appeals. But the fact is that the courts have spoken, and the rulings in the trademark lawsuit and the state court lawsuit are not going to be overturned. To use Grange money simply to fund needless litigation is senseless and spiteful, and it goes against everything that our Order stands for. And that strategy also cuts both ways. Mr. McFarland claims that his legal fees are covered by insurance. If that is true, then why does his proposed budget for 2016 include \$200,000 for legal fees? We know that the McFarland Group is paying its attorneys as much as \$365 per hour to litigate this case. See paragraph 14 on page 4 of the [attached declaration from one of the McFarland Group attorneys here](#). Those lawyers are happy to collect their fees, even if they know the motions they file won't win.

I hope that those of you who choose to attend the gathering at the Banner State Grange this week raise these issues, and those I mentioned in my message on Monday. As a Grange member, I hate the fact that so much Grange money acquired through the blood, sweat, and hard work of members of our Order since 1873 is going to line the pockets of lawyers, instead of to the good works that define who we are as a fraternal organization. I am sure that many of you feel this way, too. I hope that cooler heads can prevail and that we can begin in earnest the healing that our State Grange needs.

Of course, if you have any questions or would like to discuss, you can call or e-mail me any time.

Fraternally yours,



Ed Kowski, President, Master and CEO

California State Grange

The Grange of the State of California's Order of Patrons of Husbandry, Chartered
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