

# MEETING SCHEDULE

Coordinator: Brian Curtis, VP, Bayside

Zoom Manager: Gregg Moore, Director, Bayside

Intro to the Lawsuits: Tamara Myers, President, Freshwater

Bayside since 2018: Carolyn Jones, President, Bayside

Accomplishments

Running a Community Hall

Options for Lawsuit Resolution

Questions

## Structure of the Grange

National Grange Order Of the Patrons of Husbandry



State Grange Order of the Patrons of Husbandry



Pomona Grange



Subordinate Chapter

More info at their website:  
<https://www.nationalgrange.org/>

More info for CA State Grange:  
<https://www.castategrange.org/>

Typically the leadership of subordinates  
granges in a geographic region

In Grange language, the leader of a chartered group is the Master and the Second in Command is the Overseer. Many granges now use President/Vice President for these roles.

# Key Dates in National vs CA State Grange Dispute

2006-8	Local CA halls make complaint to National Grange about CA State Master Stefanoni. He dies, and Overseer Lewis becomes CA Master. In a property dispute, Lewis suspends Vista Grange and files a lawsuit.
2009	CA granges elect a new Master (McFarland). He resolves the Vista lawsuit out of court and works to grow grange membership and charter new chapters in CA.
2011	CA Master McFarland is re-elected. The National Grange amends their Digest of Laws to give the National Master broad authority to suspend the charters of State Granges. Complaints are made against CA Master McFarland over the Vista settlement and other matters.
2012-13	National Grange suspends CA Master McFarland. The CA Executive Committee investigates, determines that the suspension was unlawful, and rejects the suspension. National Grange revokes the charter of the CA State Grange and files a lawsuit. National Grange begins to threaten local chapters. At annual convention, delegates from CA granges accept the charter revocation and agree to continue to act together as the CA State Grange, independent from the National.

# Key Dates in National vs CA State Grange Dispute

2014	National Grange charters a new CA State Grange. There are now two CA State Granges. Of 150 halls in CA, 12 are with the New CA State Grange and the rest with the original CA State Grange. The New CA State Grange joins the National in the lawsuit.
2015	Rulings favor the National and New CA State Grange in both pending cases. The original CA State Grange must turn over all assets to a receiver. The original CA State Grange and its affiliates may not use the name “grange”. The National and New CA State Grange ask that all subordinate property be included in the ruling, but this is denied. The original CA State Grange changes its name to the CA Guild and files appeals on other matters.
2015-18	Appeals work their way through the courts. The CA Guild ultimately loses and turns over all state property in the settlement. No local hall property is included.

# PART 2

The situation at Bayside

Presented by Carolyn Jones of Bayside Hall.

# Bayside Legal History

- 11/7/2016 Approved joining Guild Legal Coop
- April 2017 Approved change of legal name & amended Articles of Incorporation
- 6/5/2017 Recorded change of name to Bayside Community Hall on Grant Deed
- 9/9/2017 Declared voluntary disassociation from Grange, staying with original parent organization (renamed Guild)
- 9/12/2017 Approved new signage. Changed name on website, social media. New url.

## **BEGAN RECRUITING NEW MEMBERS AND BOARD. SEVEN OF THE NINE CURRENT BOARD MEMBERS JOIN IN 2018 & LATER**

- 3/21/2018 CA Guild loses appeal, ceases to exist. Bayside's tax-exempt status becomes unclear.
- 3/27/2018 Approved new Bylaws in prep for 501c3 application
- 10/5/2018 Approved & submitted changes to Articles of Incorporation in prep for 501c3 application
- 3/18/2020 Applied for federal 501c3 non-profit status (approved retro to this date)
- 4/21/2020 Bayside Charter revoked, demand turnover of all property to new State Grange
- 9/29/2020 Grange files Motion for Summary Judgment (MSJ) against Bayside, Bayside counter-files
- 12/27/2020 Hearing on Grange MSJ via zoom
- 4/28/2021 Judge rules in favor of Grange MSJ and judgment is entered, no response to Bayside's counter-filing
- 6/28/2021 Deadline for filing notice to appeal

# PROPERTY TITLE

Bayside's Hall has always been titled to the local group

- Bayside Grange #500 (BSG) was chartered in 1932, before it had a hall
- Original land purchase (for \$10!) and title documents are all in the name Bayside Grange #500
- BSG incorporated in 1947 with Federal Tax ID 23-7529744
- It has been the same organization with the same Tax ID since incorporation. Also registered with State of CA as Corporation 0237495, State Charity registration CT0267790
- Name was changed in 2017 by Amending Articles of Incorporation and filing that with the State of CA. Name change was then recorded on all bills, tax forms, property deed, etc.
- Local individuals are listed as the officers on state and federal documents, and on bank accounts
- BG500 and BCH have always paid all bills, filed all tax returns, etc.

# FRATERNAL LAW

When Bayside residents chartered their grange chapter in 1932, they agreed to abide by the “laws” of the fraternal organization

Those laws prescribe much about how the local chapter must be run, and require approval of organizational changes by the State Grange.

The Grange’s fraternal laws currently say that if a grange chapter loses its charter, all of its property must revert to the State Grange.

Bayside’s charter has been revoked.

# Over \$400,000 in Community Investments since 2018

(in addition to routine repairs & maintenance)

WHEN	WHAT	INVESTMENT
Oct/Nov 2018	New Roof	\$54,155
Fall 2018	New Mounted Projector & Electric Screen	\$4,450
Spring 2019	Lobby renovation, new locks, hydration stations and custom Wallace & Hinz bar (all funded by Arcata Sunrise Rotary)	\$60,000
Fall 2019	Foundation work – now earthquake safe!	\$138,623
February 2020	Kitchen Renovation	\$123,069
May 2020	Security System	\$1,250
Summer 2020	Backyard Fencing	\$2,487
May 2021	Backyard Storage Barn (project of Arcata Noon Rotary)	\$13,641
Ongoing	New furniture, including folding & cocktail tables, padded chairs	\$3,500
Ongoing	New kitchen equipment	\$6,000

## Dues Paid to Grange/Guild since 2012

\*Starting in 2018, we gave the community the option of joining the Grange/Guild, making a donation in the same amount to hall, or doing both.  
Nearly everyone chose to make only a local donation.

YEAR	DUES COLLECTED FROM LOCAL MEMBERSHIPS	DUES PAID TO STATE GRANGE/GUILD
2012	\$2,330	\$2,566
2013	\$4,110	\$2,193
2014	\$1,188	\$1,664
2015	\$2,844	\$1,341
2016	\$2,448	\$1,904
2017	\$3,388	\$2,238
2018*	\$420	\$1,610
2019	\$70	
TOTAL	\$16,728	\$13,516

# OPTIONS FOR RESOLVING LAWSUIT

THREE KNOWN POSSIBILITIES  
according to our lawyers:

1. Walk Away: Turn over hall & accounts to Grange
2. “Rejoin” the Grange
3. Appeal

# SCENARIO 1: Walk Away

Turn over Hall and Accounts to the Grange.

Grange would be responsible for all costs of maintenance and management, and for honoring existing debts and obligations.

According to Grange Digest of Laws, Bayside property would be managed and held in trust for 7 years, while they attempt to reorganize and charter a new Bayside grange.

If new group successfully chartered, property would be turned back to them for management.

If no new charter, property could be put up for sale.

# SCENARIO 2: “Rejoin” the Grange

Unknown how this would work.

Grange membership is individual.

Requires at least 14 people to formally join the Grange, take the oath of fealty, and get back “in good standing”.

That group would be responsible for managing the property and meeting the requirements of both the Grange, and of local, state and federal non-profit law.

Dependent upon Grange acceptance of the group; possible additional requirements like payment of back dues, attorney fees, etc.

# SCENARIO 3: Appeal

Appeal would be heard by a 3-judge panel in San Francisco district.

If successful, case would go to jury trial in Humboldt.  
If unsuccessful, probably back to Scenario 1 as “rejoining”  
would likely not be an option.

Appeal could take up to 2 years  
during which time the Hall would operate as it does now.

Appeal may require posting of bond  
We would be responsible for putting up an as-yet undetermined  
amount. If the appeal is lost, this money goes to the Grange.  
Judge has not set bond amount.

ADDITIONAL  
CONSIDERATIONS 1

A 90-year old building needs constant care.

Current to-do list includes:

Required ADA improvements to parking lot & restrooms.

Renovation of wood frame windows.

Water heater is ready to fail.

Both washer & dryer need replacing.

Both refrigerators have required repair in past year.

Stage lighting and lightboard need new electrical wiring.

Entire exterior of building due for painting.

Backyard and Landscaping require at least monthly mowing/pruning.

ADDITIONAL  
CONSIDERATIONS 2

Managing the operations of a community hall is complex.

Requires strong policies & financial practices.

Lots of compliance with local, state and federal requirements including lots of paperwork and periodic filings.

Rental Operations require oversight & steady presence. Now, a volunteer checks in on hall business (email, etc) and physically at the Hall nearly every day, including on weekends, and is on call 24/7.

Business practices have been substantially strengthened and improved since 2017, but require constant vigilance.

ADDITIONAL  
CONSIDERATIONS 3

Being a Grange also has many requirements

Monthly meetings

Minimum membership of 14

Quarterly reports and dues payments

Formal processes for voting in new members  
& administering the grange oath

Compliance with State Grange rules and National Digest of Laws.

Significant changes to organizational practices  
must be submitted to the State for approval

Expectation of participation in Pomona and State activities,  
and in formation and review of policy resolutions

Grange chapters may be visited by “deputies” who assess  
compliance with Grange rules. Failure to comply with rules  
can result in revocation of the grange’s charter.

# NON-PROFIT STATUS & TAX ISSUES

The former CA State Grange was a 501c8 tax exempt organization. It was required to provide payment of life, sickness, accident or other benefits to its members, and, in return, was allowed to lobby.

The new CA State Grange has been organized as a 501c10. It has no requirement to provide benefits to members and is not allowed to engage in lobbying activities

Dues to these organizations are not tax-deductible. They are generally not eligible for the types of grants and programs that are crucial to 501c3 non-profits.

Both the CA State and National Granges have established 501c3 Foundations to help support themselves.

When grange properties are sold, funds can be used for any purpose that “benefits the order” as chosen by the National Grange.

Bayside’s 501c3 Bylaws require that, should the organization be dissolved, proceeds from assets must go to a local non-profit of similar purpose.

# FINAL THOUGHTS

before we open for questions & comments

More info about the lawsuits  
and about the grange are on the tables.

Check out grange websites:

[www.castategrange.org](http://www.castategrange.org)

[www.nationalgrange.org](http://www.nationalgrange.org)

Is there other info we need  
as a community to make a decision?

We have a draft petition for your consideration.

# DRAFT PETITION

The Bayside, Fieldbrook, Freshwater, Redcrest, and Van Duzen halls recognize our history of being Granges.

We seek a path forward that will honor that history, while providing the most viable future for our community halls.

Our halls seek to serve our local communities for many years to come. Grange membership is not the best fit for all communities.

As supporters of these organizations, we petition the State and National Grange:

to cease any claims of ownership of local halls, their land, their bank accounts, and their other possessions, and to work with local halls to find a resolution that will be beneficial to all.

We suggest one possibility below.

# PROPOSED MUTUALLY BENEFICIAL COMPROMISE

- **Implement a “Historic Grange” role.**

A former chartered grange whose community is no longer interested in maintaining a grange charter, but who is willing and able to maintain and manage a community hall, could become an historic grange, an autonomous 501c3 non-profit organization that would:

- Pay annual organization-level dues to the state grange in honor of their grange heritage,
- Serve as a meeting place for any future re-organized grange chapter (without that chapter having to take on the burdens of hall maintenance and management),
- Agree that, should property be sold in the future, some percent would go to the grange organization and the rest to local non-profits per 501c3 requirements.