

# Messner Reeves LLP Announces Win in California Non-Profit Lawsuit: Removed Board of Director Without Standing to Sue

*Messner Reeves LLP Won a Historic Non-Profit Case in an Orange County Superior Court, Setting Precedent For Future Non-Profit Cases.*

COSTA MESA, CALIFORNIA, UNITED STATES, July 19, 2024

/EINPresswire.com/ -- An Orange County Superior Court ruled in favor of [Messner Reeves LLP](#) client Gregg Gann in a precedent-setting case involving a non-profit. The law firm decisively defeated a lawsuit brought against Mr. Gann by former Westview board member Ned Leiba.

On the court's ruling, Messner Reeves LLP partner [Heather E. Stern](#) commented, "We are pleased that the court agreed that the plaintiff did not have standing to pursue these claims and entered judgment in our worthy client Gregg Gann's favor."

Mr. Leiba filed a lawsuit against Mr. Gann after the Westview board removed Mr. Leiba and prevented him from trying to take over control of the board through his own hand-picked board candidates. In the lawsuit, Mr. Leiba sued Mr. Gann for breach of fiduciary duty, abuse of control, corporate waste, unjust enrichment, and breach of charitable trust.

In 2023, Mr. Gann, a client of Messner Reeves, responded by filing a motion for summary judgment against Mr. Leiba. He asserted that Mr. Leiba did not have standing to bring the claim because he was not a board member when he filed the lawsuit.



Heather E. Stern, Partner with Messner Reeves LLP (Costa Mesa Office)

While the motion was pending, the California Supreme Court weighed in on a similar issue in *Turner v. Victoria*, concerning the standing of former directors to bring suit in a non-profit context. On behalf of Mr. Gann, Messner Reeves used this latest precedent to advocate for Mr. Gann. In 2024, the court sided with Mr. Gann and granted a summary judgment, awarding Mr. Gann all costs incurred in defending against Mr. Leiba's claims.

The judgment dismissed all claims against Mr. Gann. The case also reinforced Westview's long-standing position as a fiscally strong organization that has faithfully served the community.

Before the California Supreme Court's 2023 decision in *Turner v. Victoria*, the question of whether an ousted director of a non-profit had standing to sue was the subject of a split among the California courts of appeal. Messner Reeves attorneys Heather E. Stern and [Andrew S. Hollins](#) worked to successfully establish that Mr. Leiba had no legal standing to file a lawsuit against Mr. Gann or bring a derivative action against a non-profit organization like Westview Services in this evolving area of law.

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*Heather E. Stern*



Andrew S. Hollins, Partner with Messner Reeves LLP  
(Costa Mesa Office)



The court's ruling in *Leiba vs. Gann* provides further clarity on this issue. The handling of this case by Messner Reeves LLP attorneys provides a precedent for legal practitioners on future cases and those interested in non-profit governance and defense. More information about this matter can be found at *Leiba v Gann, et al.*, Orange County Superior Court, Case No. 30-2019-01090586-CU-MC-CJC.

Westview Services, Inc. is a non-profit organization that offers a full range of programs to meet the needs of individuals with disabilities. In nearly 20 years, the

organization has grown from a small center for adults with disabilities to a large-scale non-profit

with over 500 employees and 2,000 clients.

#### ABOUT MESSNER REEVES LLP

Messner Reeves LLP is a national full-service business law firm with over 25 years of experience. The firm provides legal services to a diverse clientele, ranging from individual entrepreneurs to Fortune 500 companies. The firm promotes core values of exceptional counsel, integrity, accountability, and entrepreneurial spirit. It has a distinguished track record of winning monumental cases that impact the legal landscape. Messner Reeves LLP's approach provides creative, customized, and comprehensive legal strategies to help clients maximize their business potential.

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