

IN THE SUPREME COURT OF THE STATE OF NEVADA

Supreme Court Case No.
72261

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Clerk of Supreme Court

MARGARET COTTER, ELLEN COTTER,
GUY ADAMS, EDWARD KANE,
DOUGLAS MCEACHERN, JUDY
CODDING, AND MICHAEL WROTONIAK,

Petitioners,

vs.

THE EIGHTH JUDICIAL DISTRICT
COURT of the State of Nevada, in and
for the County of Clark; and THE
HONORABLE ELIZABETH GONZALEZ,
District Judge, Department 11

Respondents,

and

JAMES J. COTTER, JR., Individually
And Derivatively on Behalf of
READING INTERNATIONAL, INC.,

Real Party in Interest.

District Court No. A-15-719860-B,
coordinated with
No. P-14-082942-E and
No. A-16-735305-B

APPENDIX TO WRIT PETITION
VOLUME 3
PGS. 501-750

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1 Stomp had an agenda to leave because they thought
2 they could make more money in another theater.

3 The net result is that Margaret by
4 herself handled this arbitration with her lawyers,
5 and we just got an award for more than \$2.2 million.

6 So, instead of attacking his sister, he
7 should have supported her at least to a point.

8 I think he was not treating his sisters
9 as executives. This was my thought at the time. He
10 was treating them as the opposition, which was
11 inappropriate.

12 There were other issues. I can't recall
13 all of them right now. But he was not acting like a
14 C.E.O. would act.

15 Q. So was it your view, Mr. Kane, that Jim
16 Cotter, Jr., needed to act as a C.E.O. but Margaret
17 Cotter, Jr., could act as an adversary on account of
18 the disputes the two of them had both at RDI and in
19 the trust and estate case?

20 MR. SEARCY: Objection. Argumentative,
21 mischaracterizes testimony, lacks foundation.

22 THE WITNESS: Absolutely not.

23 I don't --

24 BY MR. KRUM:

25 Q. What did you do, if anything, to

1 board that was mediating and -- or supposedly, Tim
2 Storey.

3 BY MR. KRUM:

4 Q. When was Mr. Storey charged with
5 mediating between Jim Cotter, Jr., on the one hand
6 and Ellen -- either or both Ellen and Margaret
7 Cotter on the other hand?

8 A. When Bill Gould thought we should have
9 this non-Cotter committee, he -- I think
10 Mr. McEachern and Mr. Storey I believe met with
11 Ellen and Margaret and Jimmy to try to create an
12 office relationship that was -- that would move the
13 company forward.

14 Then later Mr. Storey was, in my
15 judgment -- or at least my understanding, he was
16 there to get them to work together. So, that was an
17 ongoing thing.

18 Q. Was Mr. Storey when he was doing this as
19 a committee of one, in effect, referred to as the
20 ombudsman?

21 A. Yes.

22 Q. Do you recall ever being present where
23 one or the other or both of Ellen and Margaret
24 Cotter called Jim Cotter, Jr., a liar?

25 A. I don't remember being present.

EXHIBIT 5

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DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES J. COTTER, JR.,)
individually and)
derivatively on behalf of)
Reading International,)
Inc.,)
Plaintiff,) Case No. A-15-719860-B
vs.) Coordinated with:
MARGARET COTTER, et al.,) Case No. P-14-082942-E
Defendants.)
and)
READING INTERNATIONAL,)
INC., a Nevada)
corporation,)
Nominal Defendant)

VIDEOTAPED DEPOSITION OF EDWARD KANE
TAKEN ON MAY 3, 2016
VOLUME 2

Job no. 305191
REPORTED BY:
PATRICIA L. HUBBARD, CSR #3400

1 Q. Directing your attention to the end of
2 your March 27, 2015 email to Jim Cotter, Jr. --

3 A. Uh-huh.

4 Q. -- as part of Exhibit 110, I
5 particularly direct your attention to the text six
6 lines from the bottom that begins you will -- quote,
7 "You will go a long way toward
8 obviating a need for Tim's
9 intrusion," and so forth.

10 A. Yes.

11 Q. You see that?

12 A. Yes, I do.

13 Q. Were each of the non-Cotter members and
14 the RDI board of directors, including Tim Storey in
15 particular, spending extra time dealing with the
16 issues raised by the disputes among the Cotters,
17 meaning Ellen and Margaret Cotter on one hand and
18 Jim Cotter, Jr., on the other?

19 MR. SEARCY: Objection. Vague.

20 THE WITNESS: The independent committee
21 or so-called independent committee, non-Cotter
22 committee, spent an inordinate amount of time trying
23 to come up with ways of ameliorating the -- the way
24 the company -- the Cotters interacted with each
25 other.

1 BY MR. KRUM:

2 Q. Directing your attention, Mr. Kane, to
3 the last two lines of your May 27 email to Jim
4 Cotter, Jr., as part of Exhibit 110.

5 A. Yes.

6 Q. They read, quote,
7 "There is no downside to this.
8 There is potential downside to
9 letting things fester. Think about
10 it," period.

11 What were you communicating or
12 attempting to communicate to him when you said
13 there's potential downside to letting things fester.

14 A. I think -- and I can't be specific, but
15 I think there was a feeling among most, if not all
16 of the non-Cotter directors that if things didn't
17 improve, we might have to terminate one or more of
18 them.

19 Q. Well, that would be effective only if
20 the person or persons terminated did not control the
21 RDI/Cotter-related class B voting stock, right?

22 MR. SEARCY: Objection. Argumentative,
23 lacks foundation.

24 THE WITNESS: It might. But it would
25 send a message to everyone that there was an

1 alternative that -- I'll point out -- you didn't ask
2 me, but you'll will find out later that
3 Mr. McEachern actually sent around saying all of the
4 directors should resign, all the non-Cotter
5 directors. That was an alternative; either we fire
6 one of them or we all resign.

7 Q. And you understood the point of
8 Mr. McEachern's comment about everyone resigning to
9 acknowledge that some or all of -- well, either
10 Margaret or Margaret and Jim ultimately -- Jim, Jr.,
11 ultimately were going to control the voting stock
12 and be able to elect the board, right?

13 A. Yes.

14 MR. SEARCY: Objection. Lacks
15 foundation.

16 THE WITNESS: Yes.

17 BY MR. KRUM:

18 Q. Take a look back at Exhibit 110.

19 On the second page do you see that it
20 reflects that on March 30 you forwarded to someone,
21 but it doesn't indicate, your March 27 email to Jim
22 Cotter, Jr.?

23 I'm referring, Mr. Kane, to just past
24 halfway down on the second page. It reads on --

25 "On Mar 30, 2015, at 4:39 P.M."

1 Q. Who is the "us" to which you just
2 referred?

3 A. I think that all of the so-called
4 independent directors saw that.

5 Q. When did that become clear to you?

6 A. I can't remember exactly.

7 Q. Can you approximate when that became
8 clear to you whether by a date or by reference to
9 some other event or events?

10 A. I can't.

11 Q. What did any of the other non-Cotter
12 directors say to you or communicate to you that led
13 you to the conclusion that you just articulated to
14 the effect that they had concluded that a resolution
15 of the disputes between the Cotters could not be
16 reached?

17 A. I think all five of us knew that there
18 was no resolution at that point.

19 Q. Isn't it the case that Mr. Gould
20 articulated a position to the effect that the
21 disputes between the Cotters should be resolved in
22 the pending litigation?

23 MR. SEARCY: Objection. Vague, assumes
24 facts.

25 THE WITNESS: I think -- and I'm not

1 entirely clear, I think he wanted to wait until that
2 litigation was concluded. That was his position.

3 BY MR. KRUM:

4 Q. Did you ever tell him that you disagreed
5 other than when you chose to vote to terminate Jim
6 Cotter, Jr.?

7 A. If -- if we had a discussion, I would
8 have told him that -- and I don't know if I did --
9 that we could not wait that long. We had to come to
10 some resolution. If the Cotter -- Cotters couldn't
11 come to one among themselves, we would have to.

12 Q. Why was that?

13 A. Because, as I just said, the company was
14 not moving forward. There was a polarization in the
15 office among the employees, and it had to be
16 resolved one way or another.

17 That was my opinion.

18 Q. So as of the date of -- excuse me.

19 As of the date and time of Exhibit 80,
20 you had determined that, if necessary to carry the
21 vote, you would vote in favor of the termination of
22 Jim Cotter, Jr., as president and C.E.O., correct?

23 A. I don't know if at that time I had that
24 decision. As I said before, I wouldn't have invited
25 him to come to my house if I had had a firm decision

EXHIBIT 6

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DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES J. COTTER, JR.,)	
individually and)	
derivatively on behalf of))	
Reading International,)	
Inc.,)	
	)	Case No. A-15-719860-B
Plaintiff,)	
	)	Coordinated with:
vs.)	
	)	Case No. P-14-082942-E
MARGARET COTTER, et al.,)	
)	
Defendants.)	
and)	
)	
READING INTERNATIONAL,)	
INC., a Nevada)	
corporation,)	
)	
Nominal Defendant))	
)	

VIDEOTAPED DEPOSITION OF EDWARD KANE
TAKEN ON JUNE 9, 2016
VOLUME 3

Job No.: 315759
REPORTED BY:
PATRICIA L. HUBBARD, CSR #3400

1 And you sent it to him on May 9, 2015,
2 right?

3 A. Uh-huh, yes.

4 Q. And your email reads as follows, quote,
5 "I've had it with Bill Gould and
6 Tim Storey. I am seriously
7 considering getting off the
8 so-called independent committee.
9 Your thoughts," question mark.

10 What prompted you to send this email?

11 A. I thought that -- again, that Tim Storey
12 had moved from his role as mediator between the
13 Cotter family to placing himself in management. And
14 I had had complaints throughout the time both from
15 Jim Cotter, Jr., Ellen and Margaret in that regard.
16 And he certainly didn't have experience in cinema or
17 live theaters, as far as I know.

18 And the committee wasn't working. Bill
19 Gould and Tim Storey were doing things without the
20 input or permission of the rest of us. And I didn't
21 see any need to continue on it.

22 Q. What were they doing without the
23 permission of the rest of you?

24 A. Well, for one thing they did is go out
25 and see a psychologist or psychiatrist and wanted us

1 to mandate that Jim Cotter, Jr., visit this
2 psychologist or psychiatrist.

3 Q. That was Bill Gould's second go-around
4 with the psychologist as a -- as a proposed advisor
5 to RDI, wasn't it?

6 MR. SEARCY: Objection.

7 THE WITNESS: This had to do -- this is
8 the only one I know of, and it had to do with Jim
9 Cotter, Jr.

10 BY MR. KRUM:

11 Q. What else, if anything?

12 A. What else -- pardon?

13 Q. What else, if anything, referring to
14 your answer -- go ahead.

15 A. I think they had -- they seemed to have
16 an agenda, and I didn't feel I was part of that
17 agenda.

18 Q. Why do you say that?

19 A. Because they said, for example, that
20 we'll make a decision on Jim Cotter, Jr., on
21 June 30.

22 I never agreed to that. They said we
23 had agreed to it. Guy never remembered that.

24 They were -- I had the feeling they were
25 excluding us from their discussions and they had

1 hostile at the time.

2 Q. "At the time" being when?

3 A. When we had the meetings.

4 Q. Which meetings were hostile? Were they
5 in 2014? 2015?

6 A. Around this time and going forward.

7 Q. May 9th and going forward?

8 A. Yes, yes.

9 Q. So we're clear on the record, May 9th,
10 and going forward?

11 A. Yes, yes.

12 Q. What happened about that time that
13 created, in your view, what you viewed as hostility?

14 A. Well, when we -- when I said -- and I
15 don't know if others said it, but we had never set a
16 date of June 30 for our intervention -- so-called
17 intervention of it -- and Jim Cotter, Jr., 's
18 situation, the tenure. They -- they were upset that
19 I said that, but it happened to be the case.

20 And then it turned out that there was no
21 reason for us to wait until June 30. Our -- our
22 counsel told us --

23 MR. SEARCY: Hold on.

24 THE WITNESS: All right. There was no
25 reason. And we had never agreed to it.

1 So I thought that Bill Gould and -- and
2 Tim Storey were not including the three of us in
3 their discussions and their agenda, so to speak.

4 BY MR. KRUM:

5 Q. Did some -- were there some exigent
6 circumstances that arose in or about May of 2015
7 that required a decision to be made regarding Jim
8 Cotter, Jr.'s remaining C.E.O. or not remaining
9 C.E.O.?

10 MR. SEARCY: Objection. Vague.

11 MR. VERA: Join.

12 THE WITNESS: There were issues. I
13 can't recall -- recall the time line. But there
14 were various issues with regard to Jim Cotter, Jr.,
15 and his remaining as C.E.O.

16 BY MR. KRUM:

17 Q. Did any of those issues arise in or
18 after April 2015?

19 A. I can't remember the date. I can
20 remember some of the issues, but I can't remember
21 the date.

22 Q. Okay. I'm not going to ask you to
23 repeat testimony from your prior sessions. So,
24 subject to that, if you would, please, just identify
25 the issues to which you were referring.

1 A. Okay. One issue was Jim Cotter, Jr.,
2 going to Hawaii, taking pictures of the theaters and
3 trying to use them to show that Ellen was not doing
4 a proper job.

5 Q. That occurred in about December of 2014,
6 correct?

7 A. I don't remember when it occurred.

8 Q. Okay. And what other issues were there?

9 A. I didn't like the way Jim Cotter, Jr.,
10 was handling the Stomp. It appeared -- issue. It
11 appeared to me that he was focusing on Ellen --
12 excuse me -- Margaret in front of the board. I
13 thought that was inappropriate.

14 Q. And by that you're referring to the
15 purported notice of termination by the Stomp
16 producers at the board meeting about which you
17 testified earlier today?

18 A. Yes.

19 Q. Okay. What other issues?

20 A. Then there were issues of -- try to best
21 describe it. What three female employees called
22 harassment by Jim Cotter, Jr.

23 Q. Those were the -- and you're referring
24 to Linda Pham, non-employee Deborah Watson and Ellen
25 Cotter; is that correct?

EXHIBIT 7

1	DISTRICT COURT		
2	CLARK COUNTY, NEVADA		
3			
4	JAMES J. COTTER, JR.,)	
	individually and)	
5	derivatively on behalf of)		
	Reading International,)	
6	Inc.,)	
		)	Case No. A-15-719860-B
7	Plaintiff,)	
		)	Coordinated with:
8	vs.)	
		)	Case No. P-14-082942-E
9	MARGARET COTTER, et al.,)	
)	
10	Defendants.)	
	and)	
11	READING INTERNATIONAL,)	
12	INC., a Nevada)	
	corporation,)	
13)	
	Nominal Defendant))	
14)	

15

16 VIDEOTAPED DEPOSITION OF DOUGLAS McEACHERN

17 TAKEN ON MAY 6, 2016

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24 REPORTED BY:

25 PATRICIA L. HUBBARD, CSR #3400

1 I didn't think they went anywhere, and I
2 was getting sick and tired of the whole lot of
3 everybody in this whole deal, quite frankly.

4 At some point -- I don't know -- in
5 February or March, sometime in that time frame, I
6 was ready to quit the board and just get out of
7 Dodge and say I'm done with all this, and concluded
8 at some point, Mr. Krum -- and I can't tell you
9 when -- in my mind I thought we had to do something.

10 I thought that either we -- we had to do
11 nothing about the situation, we had to terminate
12 Jim, we had to terminate Ellen and Margaret, or fire
13 all three of them and move forward with the company
14 in the best interest of the shareholders, because we
15 weren't getting anywhere.

16 And so when you say -- and by the way, I
17 vocalized that view of the world.

18 And things continued to evolve in my own
19 mind. Started to have further discussions with Jim
20 over his performance as a C.E.O.

21 Mr. Storey was appointed by Mr. Gould,
22 the best I can tell -- I don't think the board ever
23 did this -- to work with Jim to try to help make him
24 a C.E.O.

25 Bear in mind we made -- hope this

1 doesn't get anybody mad -- we made a mistake making
2 Jim Cotter C.E.O. in August of 2014. We made an
3 individual who had no real estate experience, no
4 international experience, no management experience,
5 no cinema experience and no live theater experience.
6 Other than that, in retrospect he was very
7 qualified.

8 (Whereupon Mr. Swanis entered the
9 deposition proceedings at this
10 time.)

11 THE WITNESS: When we met with Jim in
12 the fall it became very, very clear after hearing
13 from some of the executives in the company that Jim
14 was doing an analysis of the cinema operation. That
15 sounded like a pretty good thing to go do.

16 BY MR. KRUM:

17 Q. I'm sorry. I'm sorry. Wait a minute.
18 Where are you in time?

19 A. In the fall of 2014.

20 Jim was doing an examination of the
21 cinema operations. He was going around Ellen Cotter
22 to get information from our then C.F.O. Andrzej
23 Matyczynski and Robert Smerling and others about
24 financial performance of the cinemas.

25 Tim and I found out about this and said,

1 "Jim, we understand you're doing this analysis of
2 the cinemas. Jim, but you're going around Ellen's
3 back. This is not what a C.E.O. should be doing. A
4 C.E.O.'s time is too valuable than to be spending it
5 doing financial analysis of individual cinemas. Go
6 hire a consultant to do this. And by the way, if
7 you continue down the same path you're on, you're
8 going to get perceived as only doing this to try to
9 nail your sister."

10 And by the way, put those words down and
11 attribute it to me, because I think I did say that
12 to him.

13 He continued on doing this and in fact
14 in December went to Hawaii with his family and did a
15 similar review of something -- some of the theaters
16 in Hawaii.

17 The only reason I know about that is I
18 approve his expenses, and the expense came through.

19 But during that time he went and visited
20 cinemas; didn't talk to anybody, just went and took
21 pictures of the cinemas.

22 Now, the comments and the counsel to Jim
23 were, "Jim, it's could quite conceivably be that our
24 cinemas need to be enhanced and operations improved,
25 but we're not going to get there with you going and

1 trying to undercut the person who's doing it."

2 That then translated into other comments
3 to Jim. Jim had a habit of coming into the office,
4 sitting in his office and shutting the door, by
5 himself and being there all day.

6 **Q. How do you know that?**

7 A. Because I saw it. And I counseled with
8 him and I talked to him about it.

9 **Q. How many times did you see that?**

10 A. Every time I went to the office.

11 **Q. How often was that?**

12 A. I couldn't tell you. I didn't keep
13 track. I don't have a calendar that would tell you
14 when.

15 But I also heard from executives in the
16 company that he was doing that.

17 **Q. Let me ask the questions, though.**

18 So, you reside a Rancho Santa Fe,
19 correct?

20 A. I didn't at the time.

21 **Q. Where did you reside?**

22 A. Arcadia.

23 **Q. I lived in Los Angeles for 20 years and**
24 **I'm sorry, sir, I don't know where that is.**

25 Where is Arcadia?

1 ground.

2 Q. When did you first decide,
3 Mr. McEachern, that you would seek or support the
4 termination of Jim Cotter, Jr., as C.E.O.?

5 A. Could you read that question to me
6 again. I'm sorry.

7 MR. KRUM: Sure. I'll have the court
8 reporter read it back.

9 (Whereupon the question was read
10 as follows:

11 "Question: When did you first
12 decide, Mr. McEachern, that you
13 would seek or support the
14 termination of Jim Cotter, Jr., as
15 C.E.O.?"

16 THE WITNESS: I do not have a specific
17 date to give you, Mr. Krum, but it was sometime in
18 mid to late May of 2015.

19 BY MR. KRUM:

20 Q. Can you place it in time relative to an
21 event, conversation or anything else?

22 A. No, I can't.

23 Q. When was the first time you communicated
24 to anyone that you were prepared to support or seek
25 the termination of Jim Cotter, Jr., as C.E.O.?

1 **technique or something in between?**

2 A. I'm trying to think of how I do --
3 sometimes I try to do the normal typing. That's --
4 that may be about 50 percent of the time. And then
5 the other 50 I have to go and find out where the
6 letters are or the numbers.

7 Q. Well, as I said, I'm old enough to ask
8 that question.

9 Did you ever communicate to Jim Cotter,
10 Jr., that you were assessing whether he should
11 remain C.E.O. of RDI?

12 MR. SEARCY: Objection. Vague, vague as
13 to time.

14 THE WITNESS: Sometime in May Jim
15 Cotter, Jr., and I had a discussion about replacing
16 him as C.E.O. And I remember the discussion, I
17 think it was in his office, and he told me that I
18 could not fire him as C.E.O. And he told me that if
19 I were to vote to fire him, he would sue me and ruin
20 me financially, to which my response was "Jim, we
21 have D and O insurance."

22 His response was "I don't think it
23 covers this."

24 "Well, Jim, we have an indemnification
25 from the company."

1 "It's not any good. I'm going after
2 everybody."

3 And that -- because of that discussion,
4 we did talk about it and I remember it. I can't
5 tell you when it happened.

6 BY MR. KRUM:

7 Q. Was it after the first supposed RDI
8 board of directors meeting at which the subject of
9 his termination was raised?

10 MR. SWANIS: Objection. Form.

11 MR. SEARCY: Join.

12 THE WITNESS: I'm sorry. What?

13 MR. SEARCY: He objected to form.

14 THE WITNESS: Oh. I do not know if it
15 was before or after.

16 BY MR. KRUM:

17 Q. So you believe that you may have spoken
18 to Jim Cotter, Jr., and indicated to him that you
19 were prepared to vote to terminate him prior to the
20 subject being raised at an RDI board of directors
21 meeting?

22 MR. SWANIS: Objection. Form.

23 MR. SEARCY: Join. Object that it's
24 vague.

25 THE WITNESS: I don't know that I had

1 THE WITNESS: I don't -- I don't know
2 how to answer the question.

3 BY MR. KRUM:

4 Q. What is --

5 A. You're referring --

6 Q. What is it you investigated -- strike
7 that.

8 What is it that you found troublesome?

9 A. Linda Pham made, I think it was, a phone
10 call to the employee hotline about concerns and
11 issues about what was going on or it was treated as
12 a call to a hotline reporting a trouble.

13 I do recall speaking with Bill Gould
14 about the situation and telling him that I thought
15 that I should meet with Linda Pham and understand
16 what her concerns were, and I did.

17 Q. When?

18 A. That's why I say it's October, November
19 2014.

20 I went to the office. She and I -- she
21 felt very, very uncomfortable. I had not met her
22 before. And we went to the Starbucks across the
23 street and spent an hour or two hours listening to
24 what her concerns were about Jim Cotter, Jr.

25 She asked me to speak with Debbie Watson

1 and a Rick Bruce, who were in the office, about her
2 concerns to validate what she was telling me.

3 A month or so later I had not spoken
4 with Debbie -- two or three weeks later or Rick
5 Bruce, and she chastised me for not following up.

6 I subsequently had a discussion with
7 Debbie Watson and with Rick Bruce. Rick had nothing
8 to add. He said he was not there at the time --
9 period of time.

10 But Debbie Watson, as I recall, her
11 comments were supportive of Linda Pham's concerns.

12 **Q. When did you speak to Ms. Watson?**

13 A. It was an afternoon of a Tuesday or
14 Thursday on my way to a class at Claremont McKenna,
15 and it was by phone. I want to say sometime late
16 November, early December.

17 **Q. What was the resolution of the situation**
18 **with Linda Pham?**

19 A. To the best of my knowledge, we did
20 nothing.

21 **Q. Well, what did you do after you -- if**
22 **anything, after you did what you just described?**

23 A. I reported it back to Bill Gould, the
24 lead director.

25 **Q. And in the course of your conversations**

1 with Linda Pham, what discussions, if any, did you
2 have concerning her relationship with either Ellen
3 or Margaret Cotter?

4 A. I do not recall.

5 Q. And what was her complaint?

6 A. What was her complaint?

7 She felt that Jim was being abusive in
8 his behavior towards her and going through -- as I
9 recall, he was going through her files -- I had
10 difficulty understanding this, but she -- she felt
11 he was going through her files and/or doing things
12 secretively behind his closed doors.

13 She was very, very -- her office was
14 right next to Jim's, and she was very critical of
15 his behavior in the office.

16 Q. Did she say anything substantive to
17 substantiate the claim that he was abusive to her?

18 MR. SEARCY: Objection. Vague.

19 THE WITNESS: I cannot recall.

20 BY MR. KRUM:

21 Q. And your best recollection is that you
22 concluded your -- that you spoke to -- strike that.

23 So your recollection is you spoke to
24 Linda Phan herself --

25 A. Pham, P-h-a-m.

1 president and he didn't have the C.E.O. position, I
2 was fine with that.

3 I recall Margaret at one of these
4 meetings when we -- and this is where it gets
5 muddled. I don't remember what happened at what
6 meeting -- said there would be a position where we
7 hired a C.E.O., bring him in, Jim would be in some
8 role.

9 And Margaret said, "Jim, let's go along
10 with this and in five years maybe figure out how to
11 be a C.E.O., and you can take over as C.E.O. of the
12 company?"

13 Q. Do you recall what -- anybody saying in
14 words or substance during the early evening call on
15 the Friday that we've been discussing that Jim
16 Cotter, Jr., could or would remain as C.E.O., but
17 that in practice or reality he would simply be one
18 member of an executive committee?

19 MR. SEARCY: Objection. Vague.

20 THE WITNESS: I remember discussions
21 about how to not embarrass Jim Cotter, Jr., how to
22 get something transitioned, something that would be
23 palatable, something that we could move forward
24 with.

25 But I do recall some group of people

1 that Jim would be participating in something. I was
2 comfortable with that.

3 I was not comfortable with him having
4 the authority and responsibilities on his own as
5 C.E.O. of Reading.

6 BY MR. KRUM:

7 Q. Do you recall who the group of people
8 was?

9 A. Well, I know I wasn't part of whatever
10 that group was going to be. I suspect it was
11 Margaret and Ellen and potentially Ed or -- or Guy
12 Adams.

13 Q. Let me prompt your -- attempt to prompt
14 your memory.

15 Do you recall that it was Guy Adams
16 along with Margaret, Ellen and Jim, Jr., and that
17 Guy Adams was to be the chair or chairman of this
18 committee?

19 A. I get confused as to who was doing what
20 and what executive committee when. Because we
21 formed a subsequent executive committee after Jim
22 was terminated.

23 That Guy would be on the committee I'm
24 not surprised about. That Guy would share it I'm
25 not surprised about.

1 answered.

2 THE WITNESS: No.

3 BY MR. KRUM:

4 Q. What else, if anything, do you recall
5 from your conversation or conversations with
6 Mr. Adams regarding the termination of Jim Cotter,
7 Jr., prior to the vote to do so, if anything?

8 A. I believe I discussed with him my
9 conversations about voting to terminate Jim Cotter,
10 Jr., with Bill Gould, which I found a little
11 perplexing.

12 As I said, we had four choices: Do
13 nothing, fire Jim, fire the girls, fire all three of
14 the Cotters.

15 And in my discussions with Bill Gould,
16 Bill stated he wanted to do nothing. Bill wanted to
17 sit with the situation as it was, which I found very
18 frustrating, for upwards of two years until some
19 court decided who voted the voting stock.

20 I told Bill that that was not our job to
21 figure out who voted the stock; our responsibility
22 was to the shareholders of this corporation and to
23 do what was in the best interest of the shareholders
24 and that I did not believe waiting two years with
25 the situation we had was -- was possible.

1 THE WITNESS: I think Jim, Jr., knew
2 that his position as C.E.O. was in jeopardy for a
3 longer period of time than just May 21st.

4 BY MR. KRUM:

5 Q. Well, do you base conclusion that on any
6 conversation you had with him?

7 A. Based upon assigning Tim Storey to work
8 with him because of his C.E.O. skills, one would
9 think that he would have figured that out.

10 Q. That's your understanding of what
11 Mr. Storey's role was?

12 A. Yes.

13 Q. And the basis of that understanding is
14 what?

15 A. Discussions with Bill Gould.

16 Q. Do you recall a meeting of the five
17 non-Cotter directors at which Mr. Storey was charged
18 with a function that came to be referred to as
19 ombudsman?

20 A. No, I do not.

21 Q. Do you recall a meeting of five
22 non-Cotter directors of which Mr. Storey was charged
23 with working with Jim Cotter, Jr., as C.E.O. and, in
24 particular, working with him and the Cotter sisters
25 to attempt to enable them to work together as

1 professionals instead of siblings with fights?

2 MR. SEARCY: Objection. Vague,
3 compound, argumentative.

4 MR. SWANIS: Object to form.

5 THE WITNESS: He was to figure out how
6 to do things that were in the best interest of the
7 shareholders. And I recall emails from -- email or
8 emails from Tim about the holes in -- and that's my
9 phrase, not Tim's -- in Jim's expertise or ability
10 to function as a C.E.O. and where he needed further
11 handling.

12 BY MR. KRUM:

13 Q. When was this?

14 A. Sometime after he started working with
15 him.

16 Q. When was that?

17 A. Sometime after the -- I think the end of
18 March.

19 Q. Did you ever hear or learn or were you
20 ever told that the role of Mr. Storey commencing in
21 or after March, whatever it was, was to -- was to
22 continue into June 2015?

23 MR. SWANIS: Objection. Form.

24 THE SEARCY: Join. Also lacks
25 foundation.

1 BY MR. KRUM:

2 Q. Well, we were talking about evaluating
3 the C.E.O. That was my first question. So let me
4 go back to that.

5 What process had been put in place at
6 any time prior to Exhibit 124 to assess or evaluate
7 the performance of the C.E.O. of RDI?

8 MR. SWANIS: Objection. Form.

9 MR. SEARCY: Objection. Also assumes
10 facts.

11 THE WITNESS: The evaluation of
12 performance by executives in a company is an ongoing
13 activity. This is no different than any of the
14 other companies I've been associated with.

15 Typically at the end of the year there
16 is an evaluation done, a process to evaluate the
17 performance, look at compensation and decide how to
18 reward somebody for bonus or not for performance.

19 Here when you've got an individual who
20 we're very concerned about, process or evaluation is
21 constantly going on.

22 BY MR. KRUM:

23 Q. Who was doing that?

24 A. I think the entire board.

25 Q. Well, what was Mr. Kane doing?

1 Q. But you never had any communications
2 with either of them about the subject or the notion
3 that the C.E.O. position was to be reviewed in June?

4 A. I recall some discussion with Tim about
5 an end of June time frame or 90-day time frame when
6 he started, yes.

7 Q. What do you recall about --

8 A. Just that.

9 Q. Nothing else?

10 A. No.

11 Q. That was a bad question and an unclear
12 answer because of the question.

13 Other than what you just said, do you
14 recall anything from your discussion with Tim Storey
15 about an end of June or 90 daytime frame?

16 A. No.

17 Q. Now, there came a point in time,
18 Mr. McEachern, when you became a member of a
19 so-called special nominating committee; is that
20 correct?

21 A. Yes.

22 Q. How did that happen?

23 A. Are we talking about the nominating
24 committee for a member of the board of directors?

25 Q. Well, let me ask the first -- another

1 went around to the theaters, didn't introduce
2 himself to any of the theaters, taking pictures of
3 the state of our theaters in Hawaii where we have a
4 fairly big footprint.

5 I think he was coming back, planning to
6 make some sort of presentation about the ugliness of
7 the theaters which hadn't had any capital put into
8 them for quite a while. That never happened.

9 But as Ed Kane tells me, he had
10 discussions with Jim who showed Ed these pictures,
11 said, "Jim, what are you doing with this? Are you
12 trying to undercut your sister with the board of
13 directors? Why don't you sit down and go to Hawaii
14 with your sister, look at the operations and what
15 can be done to enhance them."

16 At the same time in the fall, hearing
17 that Jim is operating behind closed doors, but,
18 really, how can that possibly be and how do you
19 create trust? And I mentioned that earlier.

20 Jim, as would be reported, would come to
21 the office, go into his office and shut the door and
22 spend all day behind closed doors.

23 The message that he was told by me that
24 he was sending was one of not being engaged with the
25 employees of the company.

1 I said, "Jim, you got to open the door
2 to the office."

3 This went on for a month or two.

4 Finally Jim opens the door to his office, he opens
5 the door to his office one inch. And nominally can
6 you report that the door is open? Yes. In form it
7 is. In substance is it? Not.

8 That really caused some great angst.
9 You go back and start evaluating and you say, "Well
10 we made this guy the C.E.O., and you reflect upon
11 what he had done.

12 Now, my exposure to Jim -- I hope I'm
13 not going on too much.

14 **Q. I want a complete list.**

15 A. My exposure to Jim -- I joined the board
16 in June of 2012 -- had been exposure to him for a
17 couple of years in meetings. He sat in the board
18 meetings. I recall nothing that Jim Cotter, Jr.,
19 ever had to say in any board meeting at all.

20 And when his dad died in early September
21 of 2014, I went to Jim and said, "Listen, Jim, my
22 relationship was with your dad. I knew him for a
23 long period of time. I don't know your three kids,
24 who now seem to be the ones who are running the
25 company. I'll be happy to resign from the board if

1 you want."

2 And he said, "No. Stay on the board.
3 We need you," and some other stuff. So I stayed on
4 the board.

5 But we had these interactions in
6 meetings, and you try to mentor and help somebody
7 move their self along. From that point -- and this
8 is now moving into January, February of 2015,
9 getting to a point where this is just -- I'm pulling
10 my hair out, and I think the other directors were
11 too, a point where it's like why don't we just all
12 resign and call it a day and move on. We're not
13 getting any progress, we're not helping the
14 shareholders of this organization, we're not causing
15 value to be created.

16 And upon reflection, we put a C.E.O. in
17 place who had, as I said earlier, no real estate
18 experience, no management experience, no live
19 theater experience, no cinema experience and no
20 international experience.

21 Yeah, he traveled around with his dad
22 looking at things in Australia and possibly New
23 Zealand, but in terms of any real operational effect
24 or activities impact, nothing.

25 And then we moved into this Stomp

1 situation. The Stomp situation, Jim initially
2 wanted to use that, in my judgment, to case Margaret
3 Cotter in a very negative light with the board. At
4 the same time she was looking to try to get hired by
5 the company and get an employment contract and move
6 from her contractor or outside contractor status to
7 an employee of reading.

8 Talked about what she wanted to do, but
9 that's what she wanted to have happen. That I
10 recall from the fall of 2014.

11 And Ellen wanted to have a similar
12 contract.

13 Jim's comments constantly were to me "I
14 know what my dad wants. I know what my dad wants."
15 It's like the specter of Jim Cotter, Sr., is hanging
16 over all this. I don't know. He never told me what
17 his dad wants. But he would say it on a regular
18 basis.

19 It got to the point where now Ellen and
20 Margaret are trying to get their employment status
21 squared away. And sometime in maybe -- I don't
22 know -- March or April Jim finally sends a contract
23 to Margaret, an employment contract, a draft. And
24 it wasn't long, it was three or four pages as I
25 recall.

1 But as a preamble to it was a cover memo
2 that -- an email that had 23 or 4 or 17 or 20
3 reasons why Margaret should not get an employment
4 contract with the company.

5 And it was like, "Jim, if you're trying
6 to get -- mend fences and move forward. You don't
7 sit there and throw hand grenades in something that
8 you're trying to do on a positive basis."

9 But I know Jim had to do that. And then
10 Stomp happened. And I think that the employment
11 contract business happened before Stomp.

12 And Stomp came to his attention at some
13 point in April, May, and we ended up with a lot of
14 consternation about what went on. People were
15 jumping to conclusions before they had any facts,
16 which Bill Gould, bless his heart, he -- he had us
17 meet -- I don't know if it was the entire board, but
18 we met around the board room.

19 I had a granddaughter did that to me.
20 Scared me.

21 (Whereupon Mr. Rhow left the
22 deposition proceedings at this
23 time.)

24 THE WITNESS: He met around the board
25 room and had a discussion with Margaret on the phone

1 discussions that he had had.

2 The company from August of 2014 until
3 Jim's termination, I cannot tell you one thing that
4 we did that created value for the company, one thing
5 that Jim Cotter, Jr., managed to do. Nothing.

6 He ended up going to Australia and New
7 Zealand sometime in maybe February, but Ed Kane was
8 the one banging on the table saying "You know, you
9 got to get out of the office. We got to get this --
10 this toxic environment where everyone's just at
11 wit's end out of here. And he had numerous
12 discussions telling Jim, "Go to Australia and New
13 Zealand and get out of here."

14 And so now -- Australia and New Zealand
15 was 50 percent of our activities, maybe. Maybe 60.
16 I'm not sure what the percentage is. It's in the
17 10-K.

18 But we had him in place in August.
19 August, September, October, November, December,
20 January, February -- six months goes on and he
21 hasn't gone to visit anybody who has -- connected
22 our big activities that are taking place, which are
23 doing exceedingly in Australia and New Zealand. And
24 we had a lot of great opportunities.

25 All of those things. No -- making no

1 progress. Inability to work with executives.

2 Does that include Ellen and Margaret?

3 Absolutely it includes Ellen and Margaret, but as

4 executives. And I had concluded, Rob, that I did

5 not think that in my judgment Jim Cotter, Jr., was

6 C.E.O. capable. Some of the emails I recall

7 receiving from Tim Storey alluded to that, that we

8 have somebody who was very weak as a C.E.O. or as a

9 manager.

10 Tim at one point said that Jim wants to

11 go to U.C.L.A. to learn how to manage -- get an

12 M.B.A. -- I think it was U.C.R. Get an M.B.A. and

13 learn how to manage people.

14 The comet was waiting. You're 45 or 46

15 years old and you're going to go to school to learn

16 how to manage people?

17 You're not going to change somebody at

18 that point in time. Maybe people are going to alter

19 their behavior five or ten percent, but you're not

20 going to have an entire mind meld to try and get

21 somebody to change their basic DNA in how they

22 relate to people.

23 And you add all these things up -- the

24 Linda Pham, as I said earlier, that was maybe five

25 percent. It wasn't a major component. But it was

1 an inability to operate as a manager, an inability
2 to create trust, an inability to communicate with
3 people. That lack of experience that he had all
4 painted a picture that we're not making progress
5 that our shareholders expect us to make in this
6 organization, and we got to get somebody in here who
7 can help us move the company forward. And I voted
8 to terminate him. So --

9 Q. Just to put this one on a time line, the
10 point in time by which you had reached your
11 conclusion based upon the factors you just described
12 was sometime in late April or May of 2015; is that
13 right?

14 A. I'd say it's probably mostly in the May
15 time frame, I think.

16 I mean I had discussions with -- as I
17 said, with Bill Gould about our options that we had
18 to do something. I discounted one that Bill wanted
19 to pursue as just -- the whole company would have
20 imploded if we had gone down that path.

21 Q. Okay.

22 MR. SEARCY: Let me just -- before you
23 ask another question, Robert, I just want to put on
24 the record that Mr. Rhow left, and when he left it
25 caused the door to make that startling sound that we

1 THE WITNESS: Analyzing the theater
2 operations, absolutely nothing was wrong with doing
3 that. Nothing.

4 I didn't believe -- I thought it was
5 inappropriate that Jim was wasting -- inappropriate
6 in that Jim was wasting his individual C.E.O. time
7 doing it and that his time was better spent in other
8 activities to move the company forward.

9 I felt we could hire a consultant to go
10 do that, to work with Ellen to figure out how do we
11 make it better.

12 BY MR. NATION:

13 Q. And also on that topic, I believe you
14 also mentioned going to Bob -- directly to Bob
15 Smer- -- Smerling rather than going to Ellen, right?

16 A. Yes. And to Andrzej Matyczynski.

17 Q. All right. So, I realize I haven't
18 summarized this, but in the time that we've been
19 asking and discussing this, is there anything else
20 that you would add to the list?

21 A. One thing that came to mind, Jim felt
22 that we should change the food and beverage
23 activities going on at the cinemas.

24 I don't know if you've been to the
25 cinema lately. Popcorn seems to be -- and a Coke

1 seems to be the old passe thing. Now it's gourmet
2 hot dogs and beer and wine and alcohol and all kinds
3 of other things being served, which I think was an
4 appropriate thing.

5 He wanted and was endeavoring to go hire
6 a food and beverage manager around Ellen Cotter,
7 who's in charge of the operations.

8 It's like, well, now, wait a minute. We
9 decide we need to go do this, the individual running
10 that operation is the person that we -- should be in
11 charge of going and figuring out where to go; not
12 the C.E.O. going and undercutting an individual
13 running that operation.

14 **Q. Anything else you can think of?**

15 A. Probably as I leave tonight a couple
16 things will hit me.

17 **Q. We've hit the high spots, I take it.**

18 A. I think so.

19 **Q. Did you become aware from any source**
20 **that Tim Storey disagreed with that assessment? In**
21 **other words, that Tim Storey was giving reports,**
22 **portraying James Cotter, Jr.'s, performance in a**
23 **more favorable light?**

24 MR. SEARCY: Objection. Assumes facts,
25 lacks foundation, it's vague.

EXHIBIT 8

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DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES J. COTTER, JR.,)
individually and)
derivatively on behalf of)
Reading International,)
Inc.,)
Plaintiff,) Case No. A-15-719860-B
vs.) Coordinated with:
MARGARET COTTER, et al.,) Case No. P-14-082942-E
Defendants.)
and)
READING INTERNATIONAL,)
INC., a Nevada)
corporation,)
Nominal Defendant)

VIDEOTAPED DEPOSITION OF MARGARET COTTER
TAKEN ON MAY 12, 2016
VOLUME I

REPORTED BY:
PATRICIA L. HUBBARD, CSR #3400

1 MR. SEARCY: So, Mark, if you're close
2 to finishing, it's about 6:22 right now.

3 MR. KRUM: Yeah. We should finish up by
4 6:30 if not before.

5 BY MR. KRUM:

6 Q. Ms. Cotter, directing your attention to
7 your testimony of a moment ago to the effect that
8 your brother already had been told by the board that
9 he would be terminated, do you have that in mind?

10 A. Do I have my statement in mind?

11 Q. Yeah. I just want to direct your
12 attention to that.

13 A. Yes.

14 Q. And what was it you understood your
15 brother needed to do, if anything, as of June 4,
16 2015, to avoid being terminated?

17 A. I believe at that point there was a --
18 we had collectively agreed that we would resolve
19 this dispute and the lawyers put together a
20 settlement.

21 We told the board that we resolved it
22 and that we're going to put it in the hands of the
23 lawyers. And we revised the settlement.

24 I don't know if it was -- I don't know
25 if we revised it because my brother asked for

1 additional things or if we just decided to throw in,
2 you know, additional elements of the settlement, but
3 that's where we were on June 4th.

4 Q. When you refer to "this dispute," you're
5 referring to the trust disputes?

6 MR. SEARCY: Objection. Vague.

7 BY MR. KRUM:

8 Q. Well, let me ask an open-ended question.

9 In your last response you referred to
10 resolving this dispute.

11 To what were you referring when you said
12 "this dispute"?

13 A. There were elements of the trust dispute
14 and there were also some terms regarding going
15 forward in the company in the settlement.

16 Q. So what had transpired is that at a
17 reconvened -- a supposed reconvened telephonic board
18 meeting, Ellen reported that you and Ellen had
19 reached a resolution with your brother and that the
20 lawyers were going to prepare the paperwork; is that
21 correct?

22 MR. SEARCY: Objection. Vague.

23 THE WITNESS: Which -- when are you
24 referring to?

25 ///

1 BY MR. KRUM:

2 Q. Okay. Do you recall that there was a
3 Friday where there was a board meeting that convened
4 in the morning or early afternoon and that that
5 supposed board meeting adjourned and supposedly
6 reconvened in a telephonic meeting at about
7 6 o'clock in the evening?

8 A. That's correct.

9 Q. And do you recall that on the
10 telephonic -- or on the telephone call, Ellen
11 reported that a tentative agreement had been struck
12 by you and her on one hand and by your brother on
13 the other?

14 A. I don't know if she said "tentative."

15 Q. Okay. Do you recall that she reported
16 that an agreement had been reached?

17 A. Yes.

18 Q. And the agreement was between you and
19 her on one hand and your brother on the other hand?

20 A. Yes.

21 Q. And that in Exhibit 156, when you asked
22 your brother, quote, "What is the status of the
23 paperwork we sent you yesterday," close quote,
24 you're referring to the paperwork that Sussman sent
25 to Streisand about the agreement that Ellen had

1 reported during the 6:00 P.M. telephone call we just
2 discussed, right?

3 MR. SEARCY: Objection. Vague, lacks
4 foundation.

5 THE WITNESS: No.

6 BY MR. KRUM:

7 Q. Okay. To what are you referring, then?

8 A. This is the revised settlement. This
9 was not -- this settlement offer that I'm referring
10 to in this email was not the settlement that my
11 sister was referring to on that telephonic board
12 meeting.

13 Q. Okay.

14 MR. SEARCY: So, Mr. Krum, I can tell by
15 the way my witness is slouching in her seat that
16 we're reaching the end here.

17 MR. KRUM: We'll be there in a minute.

18 BY MR. KRUM:

19 Q. So, that settlement -- that
20 documentation was not accepted by your brother,
21 correct?

22 MR. SEARCY: Objection. Vague.

23 MR. FERRARIO: Obviously. We're here.

24 THE WITNESS: That's correct.

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EXHIBIT 9

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DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES J. COTTER, JR.,)
individually and)
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Reading International,)
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Plaintiff,) Case No. A-15-719860-B
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Defendants.)
and)
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INC., a Nevada)
corporation,)
Nominal Defendant)

VIDEOTAPED DEPOSITION OF MARGARET COTTER
TAKEN ON MAY 13, 2016
VOLUME II

REPORTED BY:
PATRICIA L. HUBBARD, CSR #3400

1 as follows:

2 "Question: Well, independent of
3 what you meant on that particular
4 day, in or about the end of March
5 2015 or early April, 2015, did you
6 have a view or an opinion that
7 your brother had some strategy or
8 some particular purpose that was
9 why he had not then acted to make
10 you an employee of RDI?")

11 BY MR. KRUM:

12 Q. Can you answer that?

13 A. I can speculate as to what I meant on
14 this day. I mean I just felt from the start that my
15 brother was trying to push me off to the side and
16 not be part of this company.

17 Q. Well, there came a time in May of 2015
18 when he sent you a draft of an employment agreement,
19 right?

20 A. I -- I don't know if that was the date,
21 but he sent me a draft, yes.

22 Q. Okay. Did that change your view of
23 whether he was willing to make you an employee of
24 RDI?

25 A. No.

1 Q. Why not?

2 A. I believe that the email had 23 reasons
3 why he shouldn't be giving me this employment
4 agreement. And the employment agreement was very
5 restricted, where if I didn't hand in a report at
6 some particular time, I could be terminated.

7 Q. At any point in time from the time in
8 August of 2014 when your brother became C.E.O. until
9 he was terminated on June 12, 2015, did you develop
10 a view that he wanted or was looking for excuses or
11 reasons to terminate your consulting arrangement?

12 A. You're asking me if I knew of reasons?

13 Q. No. I'm asking you if you had that
14 thought in that time frame.

15 So let me ask the court reporter to read
16 the question back.

17 (Whereupon the question was read
18 as follows:

19 "Question: At any point in time
20 from the time in August of 2014
21 when your brother became C.E.O.
22 until he was terminated on
23 June 12, 2015, did you develop a
24 view that he wanted or was looking
25 for excuses or reasons to

1 you talking about when you received the Stomp
2 producer's letter purporting to terminate the
3 agreement and then sent that along to your brother?

4 A. That's correct.

5 Q. What is it you recall happened
6 between -- if anything that happened between when
7 you sent that letter to your brother and the board
8 meeting with respect to the Stomp matter?

9 A. Just my brother would call, and he
10 wanted all these particulars about this February
11 letter.

12 And at that point we were putting
13 together a preliminary injunction motion to go into
14 the Supreme Court. And he wasn't listening to
15 the -- to me on this injunction saying that we have
16 to get this filed. He was more concerned about why
17 he wasn't notified back in February.

18 And I told him, "Jim, you're missing the
19 point."

20 And he just wanted to find all the fault
21 in what I had done rather than deal with the
22 situation at hand and getting this motion filed to
23 prevent the show from leaving the theater.

24 Q. Ms. Cotter, when you say he wanted to
25 find fault, why do you say that?

1 A. I don't recall.

2 Q. Did you ever have a communication with
3 Guy Adams about him serving as interim C.E.O. of
4 RDI?

5 A. I don't recall that.

6 Q. Did you ever have a conversation with
7 any non-Cotter director about an interim C.E.O. of
8 RDI?

9 A. Prior to June 16th --

10 Q. Prior to June --

11 A. Or 12th?

12 Q. Prior to June 12, 2015, yes.

13 A. I don't recall.

14 Q. What's your best recollection as to how
15 many board meetings, which I'll call supposed board
16 meetings, occurred at which a subject or the subject
17 was the possible termination of your brother as
18 president and C.E.O.?

19 A. I recall three.

20 Q. And if you would, please, whether by
21 date or such other reference as you see fit,
22 describe or identify each of the three.

23 A. There was the first one at some point in
24 May that termination of my brother was discussed.
25 And I believe at that board meeting there was a

1 suggestion by one of the directors, Bill Gould might
2 have said, "Jim, how about we keep you as president
3 and we get a new C.E.O.?"

4 And I then said, "Jim, and then you can
5 get your training over the next five years and gain
6 more experience and possibly you become C.E.O. in
7 another five years."

8 And I remember my brother thanked
9 everyone and said he'll think about it.

10 Q. That's your recollection as to how that
11 meeting ended?

12 A. Yes.

13 Q. And then the next meeting occurred how
14 much later?

15 A. I don't recall the date or how far it
16 was. But I believe at that meeting that there was
17 more discussion on his termination and the reasons
18 why.

19 And there came a time when there was
20 a -- a discussion about possibly ending it all,
21 meaning we would end the trust litigation, we would
22 end, you know, our disputes within the company.

23 And we dismissed the non-Cotters at some
24 point, and my brother, I and my sister sat in a room
25 and we talked about the company, working together.

1 We talked about the -- the trust dispute that we
2 had.

3 And we -- I mean I think this was going
4 on for like three or four hours.

5 And we reached a settlement that we all
6 agreed upon. We called the board back -- or the
7 board told us that we would reconvene at 6:00. And
8 at 6 o'clock we told the board that we all reached
9 an agreement.

10 And the board congratulated us and said
11 let's move forward.

12 **Q. And then what happened?**

13 A. I think that our -- my lawyer, my
14 sister's lawyer and I -- mine, our trust attorney
15 put together a settlement offer that -- that we had
16 given him in writing saying this is what we all
17 decided.

18 He put it -- he put together an
19 agreement, and he forwarded it over to my brother's
20 attorney, to his trust attorney.

21 **Q. Sussman to Streisand, yours to his?**

22 A. Sussman to Streisand, correct.

23 **Q. I'm sorry. Please continue.**

24 A. And I don't -- I don't know what
25 happened with that settlement, but then there was a

1 revised settlement where we, meaning my sister and
2 I, provided things to my brother, additional
3 benefits for my brother. I think we forgave --
4 agreed to forgive a \$1.5 million note, and we
5 allowed him to continue receiving his \$200,000 a
6 year director's fee from Cecelia in that settlement.

7 **Q. Then what happened?**

8 A. And then I don't know if I had a
9 conversation with my brother, and he said, "Let's
10 mediate."

11 **Q. You think that was a conversation?**

12 A. It might have been a conversation, yeah.

13 **Q. What was your response?**

14 A. "Jim, we've given you everything we can.
15 Take this. We've done mediation."

16 **Q. Who else said what, if anything, during
17 that conversation?**

18 A. I don't recall anything else.

19 **Q. So, what happened next?**

20 A. I just -- I remember my sister being in
21 New York with me. And there was a board meeting
22 that was -- that was put on the calendar.

23 **Q. An RDI board meeting?**

24 A. Yes.

25 **Q. Then what happened?**

1 A. And at that board meeting all the
2 directors spoke, and my brother was terminated.

3 Q. So how did it come to pass that the --
4 that supposed board meeting was put on the calendar?

5 A. I don't recall.

6 Q. Who put it on the calendar?

7 A. My sister as chairman.

8 Q. Was the purpose of calling that meeting
9 to vote on the termination of your brother?

10 A. That's correct.

11 Q. What's your understanding as to why your
12 sister put that on the calendar at that time?

13 A. I don't think that the settlement was
14 agreed to after we had all agreed.

15 Q. In other words, your brother didn't
16 agree to the settlement proposal that -- the revised
17 settlement proposal that you had had your lawyer
18 Sussman provide to Streisand? Is that what you're
19 saying?

20 A. That's correct.

21 Q. Directing your attention, Ms. Cotter,
22 back to what you've described as the second meeting,
23 do you have in mind your testimony about you and
24 Ellen spending three or four hours with Jim talking
25 about the trust and estate disputes and the disputes

EXHIBIT 10

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., derivatively
on behalf of Reading International,
Inc.,
Plaintiff,

vs.

Case No.

MARGARET COTTER, ELLEN COTTER, A-15-719860-B
GUY ADAMS, EDWARD KANE, DOUGLAS
McEACHERN, TIMOTHY STOREY,
WILLIAM GOULD, JUDY CODDING,
MICHAEL WROTONIAK, and DOES 1
through 100, inclusive,
Defendants.

and

READING INTERNATIONAL, INC.,
a Nevada corporation,
Nominal Defendant.

(CAPTION CONTINUED ON NEXT PAGE.)

VIDEOTAPED DEPOSITION OF JAMES COTTER, JR.

Los Angeles, California

Monday, May 16, 2016

Volume I

Reported by:

JANICE SCHUTZMAN, CSR No. 9509

Job No. 2312188

Pages 1 - 297

1 T2 PARTNERS MANAGEMENT, LP, a
Delaware limited partnership,
2 doing business as KASE CAPITAL
MANAGEMENT, et al.,
3 Plaintiffs,
4 vs.
5 MARGARET COTTER, ELLEN COTTER,
GUY ADAMS, EDWARD KANE, DOUGLAS
6 McEACHERN, WILLIAM GOULD, JUDY
CODDING, MICHAEL WROTONIAK, CRAIG
7 TOMPKINS, and DOES 1 through 100,
inclusive,
8 Defendants.
9 and
10 READING INTERNATIONAL, INC., a
Nevada corporation,
11 Nominal Defendant.

12
13
14
15 Videotaped Deposition of JAMES COTTER, JR.,
16 Volume I, taken at 865 South Figueroa Street,
17 10th Floor, Los Angeles, California, commencing
18 at 10:09 a.m. and ending at 5:40 p.m., Monday,
19 May 16, 2016, before Janice Schutzman, CSR No. 9509.

20
21
22
23
24
25 PAGES 1 - 297

1 Q. Is that fair to say?

2 MR. KRUM: Same objections.

3 Go ahead.

4 THE WITNESS: Yes.

5 BY MR. TAYBACK: 10:30:57

6 Q. Any other form of redress that you are
7 seeking related to your termination --

8 MR. KRUM: Same objections.

9 BY MR. TAYBACK:

10 Q. -- through this lawsuit? 10:31:04

11 MR. KRUM: Sorry.

12 MR. TAYBACK: That's all right.

13 MR. KRUM: Same objections, same
14 admonition.

15 Go ahead. 10:31:09

16 THE WITNESS: At this point in time, I do
17 not recall any, no.

18 BY MR. TAYBACK:

19 Q. When you were CEO, it was pursuant to a
20 written contract? 10:31:20

21 A. No.

22 Q. So you had no written employment contract
23 with respect to your position as CEO?

24 A. That's a legal question, Mr. Tayback.

25 I had an employment agreement as president 10:31:35

1 that was signed on June -- in June of 2014. I was
2 promoted to president -- to CEO on August 7th, 2014.
3 And whether my position as CEO was subsumed in the
4 employment agreement, I can't tell you.

5 Q. What was your understanding -- when you 10:31:59
6 became CEO, what was your understanding of the terms
7 that governed your employment?

8 A. That governed my employment as CEO?

9 Q. Yes.

10 A. Well, at a minimum, the terms of my 10:32:15
11 employment agreement would continue, and there was
12 an expectation that it might be -- the terms might
13 be amended to reflect the new status as CEO. The
14 terms and compensation might be amended to reflect
15 the status of CEO as well. But that had never been 10:32:34
16 done.

17 Q. So that never did get done; correct?

18 A. That's right.

19 Q. So your compensation as CEO was the same as
20 that which is laid out -- was laid out in the 10:32:46
21 written agreement with respect to you being
22 president; correct?

23 A. Correct.

24 Q. And the other terms that are set forth in
25 that written agreement that governed your position 10:33:00

1 as president so, you believe, stayed in effect while
2 you were CEO; correct?

3 MR. KRUM: Objection, calls for a legal
4 conclusion.

5 THE WITNESS: Could you repeat the 10:33:11
6 question.

7 BY MR. TAYBACK:

8 Q. Sure.

9 The written agreement that you had as
10 president, you believe that that stayed in effect 10:33:16
11 while you were CEO?

12 MR. KRUM: Same objection.

13 THE WITNESS: Yes.

14 BY MR. TAYBACK:

15 Q. And you didn't have some separate written 10:33:22
16 agreement with respect to being CEO?

17 A. No, I did not.

18 Q. And your understanding is that as CEO, you
19 reported to the board; correct?

20 A. Correct. 10:33:33

21 Q. And you had no written guarantee of a
22 specific minimum term for which you would be CEO; is
23 that correct?

24 MR. KRUM: Same objection.

25 THE WITNESS: Well, the expectation that I 10:33:51

1 had was that the employment agreement would at least
2 provide me a certain term as CEO and president.

3 BY MR. TAYBACK:

4 Q. So you believed that the written agreement
5 did govern your term as CEO? 10:34:07

6 MR. KRUM: Same objection.

7 THE WITNESS: I don't know if I can say
8 that I specifically thought that at the time.

9 BY MR. TAYBACK:

10 Q. You know what an employment -- employment 10:34:20
11 at will is?

12 A. I do.

13 Q. And what's your understanding of that?

14 A. A company can terminate an executive at any
15 point in time. 10:34:35

16 Q. Did you believe that you were an employee
17 at will as CEO?

18 MR. KRUM: Same objection.

19 THE WITNESS: Again, I thought that at
20 least my employment agreement as president would 10:34:47
21 cover -- would be subsumed and would deal with my
22 new title as CEO at a minimum.

23 Now, when you discuss being an employee at
24 will, I never thought that the board -- I always
25 assumed that if I was going to be terminated, even 10:35:05

1 if I were an employee at will, that the board would
2 engage in some modicum of process before making a
3 decision to terminate the CEO of a company.

4 BY MR. TAYBACK:

5 Q. Put aside the process -- 10:35:19

6 A. Okay.

7 Q. -- for a minute. I want to understand what
8 your basis is for whether you believed that you
9 could be terminated at will or whether you couldn't
10 be terminated at will. 10:35:29

11 Did you believe you could be?

12 A. I believed that, at a minimum, the company
13 would provide me notice, 12 months' notice under my
14 employment agreement, before terminating me as
15 president and CEO. 10:35:42

16 Q. So you believe the notice provision and the
17 12 months -- the 12-month notice provision --
18 withdraw that.

19 So you believe that certain aspects, at
20 least, of that written agreement also governed your 10:35:59
21 relationship with the company as CEO; is that
22 correct?

23 MR. KRUM: Objection, calls for a legal
24 conclusion, the document speaks for itself.

25 You can answer. 10:36:10

1 THE WITNESS: Could you repeat the
2 question?

3 BY MR. TAYBACK:

4 Q. I'll just ask a different question.

5 It's your understanding that as CEO, if you 10:36:19
6 were terminated for any reason, that you would be
7 entitled to -- withdraw that.

8 It was your understanding as CEO that if
9 you were terminated without cause, that you would be
10 entitled to some compensation, 12 months? 10:36:34

11 MR. KRUM: Same objections.

12 THE WITNESS: With respect to my employment
13 agreement, I expected that, at a minimum, the
14 company would provide me 12 months' notice -- if
15 they wanted to end the relationship, that they would 10:36:55
16 give me 12 months and my status as president and CEO
17 would continue. But that's simply my understanding
18 under the employment agreement.

19 BY MR. TAYBACK:

20 Q. And you believe that that employment 10:37:08
21 agreement governed your tenure as CEO, that written
22 employment agreement?

23 MR. KRUM: Same objections.

24 THE WITNESS: Did I believe my employment
25 agreement governed my status as CEO? 10:37:24

1 BY MR. TAYBACK:

2 Q. Yes.

3 MR. KRUM: Same objections.

4 THE WITNESS: At a minimum, I agree that if

5 I were terminated as president and as CEO, that I 10:37:37

6 would have relief under that employment agreement.

7 BY MR. TAYBACK:

8 Q. And I guess you can't answer the question

9 yes or no as to whether or not you believe that the

10 employment agreement that you had as president 10:37:52

11 governed your relationship with the company as CEO?

12 A. You know --

13 MR. KRUM: Wait.

14 THE WITNESS: -- I'm --

15 MR. KRUM: Wait. Let me interpose my 10:37:57

16 objections.

17 Objection, vague and ambiguous, calls for a

18 legal conclusion.

19 You can answer.

20 THE WITNESS: I'm not a lawyer. I'm not a 10:38:03

21 practicing lawyer.

22 BY MR. TAYBACK:

23 Q. You are a lawyer; correct?

24 A. I am a lawyer. I'm not a practicing

25 lawyer. I'm not qualified in California. 10:38:10

1 I had an employment agreement as president.
2 I became CEO. The employment agreement was not
3 amended to reflect my new status as president and
4 CEO.

5 So did the employment agreement govern now 10:38:24
6 my status as CEO? I don't know. I mean, I can't
7 tell you that as a nonpracticing lawyer. I mean,
8 that's a legal conclusion.

9 Q. So when you became CEO, your compensation
10 stayed the same as it was when you were president? 10:38:43

11 A. It did.

12 Q. And did you do anything to seek to amend
13 your written employment agreement? Did you do
14 anything to do that?

15 A. At the time that I became CEO, in August of 10:38:57
16 2014, there were a lot of more pressing matters
17 confronting the company and confronting myself with
18 my father's death that I was addressing and thought
19 that these items were more important.

20 And so in the fullness of time, I'm sure 10:39:20
21 that would have been addressed, but it wasn't a
22 priority for me at that point in my life and with
23 the matters confronting the company.

24 Q. So the answer to my question is no?

25 A. Okay. 10:39:34

1 moved to California and started becoming involved in
2 attending certain meetings, and 2000 --
3 September 2007 when you became vice chairman --

4 A. Right.

5 Q. -- between 2005 and 2007, did you actually 12:56:47
6 have a position with Reading?

7 A. No. No. Not to my knowledge.

8 Q. You would occasionally attend meetings on a
9 periodic basis.

10 Were they always with your father? 12:56:57

11 A. I mean, it was a long time ago.

12 I can't say definitively. Probably.

13 Q. And did you have actual responsibilities at
14 any of these meetings?

15 A. From 2005 until I was appointed vice 12:57:10
16 chairman in September of 2007, no, I don't believe I
17 did.

18 Q. So you weren't -- actually, you weren't on
19 the board and you weren't on a particular executive
20 committee? 12:57:24

21 A. Oh, no, I was on the board. I was on the
22 board of directors of Reading since March of 2002.

23 Q. Okay. So your first position at Reading
24 was being on the board?

25 A. Yes. 12:57:36

1 Q. And back in 2002, you were living in
2 New York?

3 A. Yes.

4 Q. Did you attend meetings?

5 A. Of course. 12:57:41

6 Q. Had you ever been on the board of a public
7 company prior to being on the board at Reading?

8 A. No.

9 Q. Was -- in 2002, was Reading a public
10 company at that point in time? 12:58:01

11 A. Yes.

12 Q. And the board -- who else was on the board
13 in 2002 when you first joined?

14 A. My father, I believe Bill Gould, Ed Kane,
15 possibly Al Villaseñor. Those are the only names 12:58:38
16 that I can recall.

17 Q. Do you recall how big the board was? That
18 is to say, do you recall whether there were more
19 people but you're not remembering their names or
20 whether that might have been all of them? 12:58:54

21 A. There were certainly more people.

22 Q. Did you attend the board meetings in
23 person?

24 A. Some of them.

25 Q. And did you attend some by telephone? 12:59:00

1 A. Yes.

2 Q. Okay. And did you also miss some board
3 meetings in the early days of being on the board?

4 A. I don't recall why I would have missed
5 meetings. 12:59:13

6 Q. And did you get materials in advance for
7 consideration?

8 A. Absolutely.

9 Q. When would you get them in New York?

10 A. In 2002? 12:59:22

11 Q. Yeah.

12 A. That's a long time. I don't --

13 Q. You don't remember?

14 A. I don't remember.

15 Q. Okay. Did -- do you know -- do you have 12:59:28
16 a --

17 Do you remember having a routine where you
18 would get, in advance of a board meeting, an agenda
19 and what you'd have to understand you would be
20 voting on? 12:59:37

21 A. Again, it's been a long time. I would be
22 surprised if we didn't.

23 Q. Okay. This was your first time being on a
24 board of a public company; correct?

25 A. Yes. 12:59:47

1 Q. And what did you do to understand what your
2 responsibilities were?

3 A. Well, I was also a corporate lawyer at the
4 time, so I had familiarity with the responsibilities
5 of directors of public companies. 12:59:59

6 Q. Okay. So you had kind of your own
7 understanding. You didn't need to do anything in
8 particular to learn what you should -- what your
9 obligations would be as a board member for Reading?

10 A. I mean, I would often, you know, read 01:00:16
11 articles and cases, and aside from that and learning
12 as a corporate lawyer, I don't recall.

13 Q. Do you believe you were qualified to be on
14 the board of Reading at the time you were appointed?

15 A. Yes. 01:00:35

16 Q. Okay. Why? What made you qualified?

17 A. Well, I had stock in the company, I
18 believe, at the time. And I had an interest as a
19 large or potentially a very large stockholder with
20 my dad's interest. So I thought that it was 01:01:07
21 appropriate that I be on the board.

22 Q. How much stock did you own at the time?

23 A. I might not have owned a lot at the time,
24 but I'm -- the expectation was that the stock that
25 my dad owned would ultimately, you know -- or some 01:01:24

1 of the stock would be owned by his three children.

2 Q. And were your -- either of your sisters on
3 the board at the same time?

4 A. I don't believe my sisters were on the
5 board at that time. I think possibly Margaret might 01:01:37
6 have joined afterwards, and I don't think Ellen
7 joined until 2013.

8 Q. And do you agree that at the time they
9 joined, respectively, that they were both equally
10 qualified to be board members of Reading? 01:01:50

11 A. For the same reasons that I listed for
12 myself, as far as having an ownership interest or a
13 potential ownership interest in the company, that --

14 Q. At least for those reasons.

15 A. Yeah, at least for those reasons that it 01:02:04
16 would be appropriate that they be -- that they have
17 a seat on the board, yes.

18 Q. And did you have -- what was the
19 business --

20 How would you describe the business of 01:02:15
21 Reading in 2002 at the time you became on the board?

22 A. I mean, it's -- this goes back.

23 Q. Generally.

24 A. It owned real estate at the time. This was
25 before it had acquired an interest in U.S. cinemas, 01:02:48

1 I believe. But again, this goes back 14 years, so I
2 can't tell you.

3 Q. Had you had any professional experience in
4 real estate acquisition development prior to 2002?

5 A. I certainly had done real estate and other 01:03:14
6 acquisitions and financings as a corporate lawyer at
7 Whitman Breed prior to 2002.

8 Q. Other -- so as the corporate lawyer
9 documenting a real estate transaction --

10 A. Right. 01:03:40

11 Q. -- have you made any -- had you been
12 engaged in any business where the business decisions
13 were acquisitions, real estate development, things
14 like that?

15 A. Prior to 2002, no. 01:03:52

16 Q. Correct.

17 Did you feel that was an impediment to your
18 being an effective board member of Reading when you
19 first joined the board?

20 A. Well, it certainly wasn't preferred. But I 01:04:05
21 felt that while I didn't have the real estate
22 experience that would have been preferred for the
23 board and I didn't have the public company
24 experience that would have been preferred for the
25 board, that my interest as a possibly very large 01:04:19

1 stockholder of Reading outweighed not having the
2 real estate experience and not having the public
3 company experience. So I thought on balance, it was
4 appropriate.

5 Q. So you would agree that in, at least in 01:04:37
6 that instance, the Reading board could properly
7 weigh certain factors against other factors and make
8 a business decision that would -- came -- that
9 concluded that you were suitable for the board even
10 if you didn't have all of the preferred 01:04:54
11 characteristics of a board member; correct?

12 MR. KRUM: Objection, vague and ambiguous.

13 THE WITNESS: Okay.

14 BY MR. TAYBACK:

15 Q. Yes? 01:05:09

16 A. Yes.

17 Q. Once you came on the board, did you
18 participate in the meetings? That is to say, were
19 you an active participant in the meetings?

20 A. Early on? 01:05:20

21 Q. Yes.

22 A. Again, this takes me back many years.
23 Initially, without having the experience, I might
24 not have been as active as I had come to be over the
25 years. 01:05:42

1 Q. And did you feel like you learned on the
2 job as a board member of Reading?

3 A. As a director?

4 Q. As a director.

5 A. Of course. 01:05:53

6 Q. What's the first big decision that you can
7 remember participating in as a director?

8 A. I don't recall.

9 Q. As -- up to present, are there any other
10 publicly -- public company boards that you've served 01:06:33
11 on?

12 A. I served on Gish Biomedical at one point.

13 Q. Any others?

14 A. Not that I recall.

15 Q. How long -- what time period were you on 01:07:03
16 the board of Gish Biomedical?

17 A. I really can't pinpoint how long I served
18 on the board of Gish.

19 Q. Give me an estimate of what years, roughly,
20 it covered? 01:07:28

21 A. 2004/2005.

22 Q. So approximately a year or two?

23 A. Possibly.

24 Q. How did you come to be on the board of Gish
25 Biomedical? 01:07:47

1 A. I think I was appointed by the Reading
2 board because Reading had an interest in that
3 entity.

4 Q. What was the business of Gish Biomedical?

5 A. Biomedical. 01:07:59

6 Q. Was there some specific field, some
7 specific subspecialty or device that it was involved
8 in?

9 A. I can't recall. I mean, it's been many
10 years. But it was in medical products. 01:08:12

11 Q. And did you attend board meetings for Gish
12 Biomedical?

13 A. I did.

14 Q. Can you remember any of the other board
15 members? 01:08:22

16 A. I can't.

17 Q. And did you attend those meetings in
18 person?

19 A. Some of them.

20 Q. And some by telephone? 01:08:29

21 A. Perhaps, yes.

22 Q. Did you miss any?

23 A. I don't recall. I don't see why I would
24 have.

25 Q. Can you describe for me any major decisions 01:08:37

1 that were made while you were on the board of Gish
2 Biomedical?

3 MR. KRUM: Objection, vague.

4 THE WITNESS: Again, it was so many years
5 ago, I can't recall. 01:08:56

6 BY MR. TAYBACK:

7 Q. Did you have any experience in the
8 biomedical industry at the time that you served on
9 the Gish Biomedical board?

10 A. No. 01:09:04

11 Q. What were you -- what were your
12 qualifications for serving on that board?

13 A. I guess my sole qualification was that the
14 board of Reading appointed me, if I remember
15 correctly. 01:09:18

16 Q. Did you believe that that was an adequate
17 basis for you to undertake your fiduciary duties as
18 a board member of Gish Biomedical?

19 MR. KRUM: Objection insofar as it calls
20 for a legal conclusion. 01:09:30

21 THE WITNESS: Could you repeat the
22 question?

23 BY MR. TAYBACK:

24 Q. Sure.

25 Did you feel at the time that you were 01:09:36

1 appointed to that board that you were qualified to
2 discharge your fiduciary duties as a board member of
3 Gish Biomedical?

4 MR. KRUM: Same objection.

5 THE WITNESS: It's been so many years. I 01:09:47
6 can't recall whether I thought that at the time.

7 BY MR. TAYBACK:

8 Q. Well, as you sit here now, do you remember
9 thinking, wow, I'm on a board and I can't do my
10 fiduciary -- I can't live up to my fiduciary duties? 01:09:58
11 You probably would remember that, I think?

12 A. I mean, look- --

13 MR. KRUM: Same objection.

14 THE WITNESS: Looking back on it, I might
15 not have been the best candidate. 01:10:09

16 BY MR. TAYBACK:

17 Q. And did you say anything to anybody about
18 that?

19 A. Not that I recall, no.

20 Q. But that's a view that you look -- that you 01:10:16
21 have now, looking back on it.

22 You can't recall that you actually had that
23 view at the time?

24 MR. KRUM: Asked and answered.

25 THE WITNESS: I can't recall the view that 01:10:24

1 I had at that time.

2 MR. KRUM: Chris, it's 1:10, so whenever
3 it's convenient, why don't we break for lunch.

4 MR. TAYBACK: Now's good.

5 MR. KRUM: Now's good?

6 MR. TAYBACK: That's fine, yeah.

7 MR. KRUM: Okay.

8 THE VIDEOGRAPHER: This marks the end of
9 media No. 2. Going off the record at 1:10 p.m.

10 (The luncheon recess was taken
11 at 1:10 p.m.)

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1 A. In 2007, the position really was to support
2 my father as chairman. And in 2007, I commenced
3 holding executive management meetings with the
4 executives in Australia and New Zealand, both for
5 the property and cinema operations there, and also 02:11:31
6 executive management meetings at -- with the U.S.
7 cinema team.

8 Met with them twice a week, put together
9 agendas for both meetings. Spoke with executives to
10 figure out what should be put on the agenda in order 02:11:55
11 to move the company forward under the direction of
12 the chairman and CEO of the company.

13 Q. And had you had any experience at all in
14 the cinema or theater business of any sort?

15 A. Well, I had been a director of Reading 02:12:27
16 since 2002.

17 Q. Other than your tenure as a director of
18 Reading, had you had any experience with the --

19 A. No.

20 Q. -- business? 02:12:35

21 Is that also true with respect to your
22 experience at that point in time in -- with respect
23 to real estate, your time as a lawyer and then also
24 your time on the board of Reading? Is that your
25 only experience in the real estate business? 02:12:50

1 A. Well, I had worked on a number of real
2 estate transactions as a corporate lawyer, and I
3 also worked on cinema transaction with Reading as a
4 lawyer. But outside of that, that was predominantly
5 the extent of my experience. 02:13:06

6 Q. How about your experience internationally,
7 that is to say, international business? You were
8 working -- I think you said New Zealand?

9 A. No.

10 Q. I'm sorry. Where did you say that your -- 02:13:17
11 so your responsibilities in 2007 as vice chairman
12 involved some international work; correct?

13 A. Well, starting in 2007, I started
14 conducting weekly meetings with the management team
15 in Australia -- 02:13:31

16 Q. Australia.

17 A. -- and New Zealand.

18 Q. And had you had any experience with
19 business in Australia or New Zealand?

20 A. Outside of my experience as a director, 02:13:41
21 since 2002, no.

22 Q. As vice chairman, were you separately
23 compensated? In other words, were you compensated
24 in addition to the amounts that you were paid for
25 being a board member? 02:13:58

1 my activity at those entities because of my
2 appointment as president of RDI.

3 And so while -- and so at the point of
4 becoming president, my father and I had an agreement
5 that I would transition my role as president whereas 02:25:48
6 CEO of Cecelia and the agricultural entities into
7 one as a director, and my activity would be
8 curtailed to reflect the role as a director.

9 Q. And in fact, is that what happened?

10 A. Yes. 02:26:15

11 Q. So when you took on the title of president
12 of Reading, what were the additional
13 responsibilities, job responsibilities as president
14 that you accepted?

15 A. Well, all of the responsibilities that a 02:26:25
16 president would normally accept, and spending, you
17 know, all of -- almost all of my time focused on
18 Reading, beginning, you know, in June of 2013.

19 Q. Okay. But if you could just elaborate for
20 me, what were the -- what were those 02:26:54
21 responsibilities, those typical responsibilities of
22 a president?

23 A. To -- I was reporting to the CEO, so I was
24 helping the CEO implement his short-term and
25 long-term vision. But I was also the primary 02:27:07

1 executive responsible for all of the day-to-day
2 decisions. The executives reported to the
3 president, and I ultimately reported to the CEO.

4 So it was more of an executive role with
5 executive responsibilities because at that time, our 02:27:34
6 chief operating officer had resigned, and I had
7 really stepped into an operating role to fill the
8 void that he left with his resignation.

9 Q. Who was that COO?

10 A. John Hunter. 02:27:53

11 Q. And was he replaced?

12 A. He was not replaced. But I became
13 president either at the same time, shortly after, or
14 before his resignation as chief operating officer.

15 Q. Was there a president before you took the 02:28:07
16 position?

17 A. No.

18 Q. So the position was -- the title, at least,
19 was created for you. That was, you were the first
20 president, there was no prior president? 02:28:17

21 A. I don't know if that's the case. There may
22 have been.

23 Q. But you didn't -- you didn't succeed
24 anybody in that position?

25 A. There wasn't a president at the company at 02:28:29

1 the time I became president.

2 Q. Who were the executives that reported to
3 you when you initially became president of Reading?

4 A. CFO. I don't know if there was a general
5 counsel, but the principal senior executives would 02:28:52
6 have reported to me.

7 Q. But I'm -- guess that's what I'm asking.
8 Who were the principal senior executives?
9 You mentioned the CFO. I'm wondering who
10 else it was. 02:29:04

11 A. Yeah, I mean, technically, all of the
12 principal -- Wayne Smith, Matthew Bourke, Bob
13 Smerling. I mean, I think that's it.

14 Q. What were their job titles?

15 A. Wayne Smith was the managing director of 02:29:23
16 our Australia and New Zealand operation. Andrzej
17 Matyczynski was our chief financial officer. I
18 mean, Craig Tompkins was an outside legal
19 consultant. Bob Smerling was the president of the
20 U.S. cinemas division. And my sister Margaret, 02:29:53
21 technically, who was a consultant in charge of the
22 live theater operation.

23 Q. So and when you say the major company
24 executives reported to you, you're including among
25 those people people who weren't, strictly speaking, 02:30:15

1 significant experience serving as a CFO of a large
2 public REIT.

3 At the time my father wanted to hire a new
4 general counsel, so I hired Bill Ellis, who's a real
5 estate partner at a large law firm here in 03:11:06
6 Los Angeles with a lot of real estate experience.

7 I was in the process of hiring a director
8 of real estate and on the verge of bringing on board
9 an executive who had 25 to 30 years of real estate
10 development experience to preside over our domestic 03:11:28
11 real estate.

12 I -- whether it was as president or as CEO,
13 I was instrumental in the company selling off some
14 of our nonincome-producing properties in Australia
15 and New Zealand. And at that time, I was putting 03:11:59
16 together a business plan for the company and getting
17 management reports from all of the heads of the
18 seven divisions of Reading.

19 Putting to- -- I was on the verge of
20 putting together budgets for the whole company with 03:12:34
21 stretch goals.

22 I had hired a director of real estate --
23 this might have been as president -- a director of
24 real estate for our Australia and New Zealand real
25 estate, who's been very successful in moving all of 03:12:49

1 what the capital needs and what the business plans
2 that each of the divisions had and that that would
3 roll up into a plan for the entire company.

4 Q. So -- and you were -- did you have those
5 bottom-up business plans or not yet by the time you 03:22:15
6 were terminated?

7 A. I don't know exactly when. At some point,
8 maybe it was February, maybe it was March, we
9 completed the business plan for the U.S. cinemas,
10 which was a significant division of the entire 03:22:28
11 company. My sister Margaret was continuing to work
12 on a business plan for the live theaters.

13 But we were almost there in terms of now
14 having each of the divisions preparing business
15 plans and rolling them up into one unified plan for 03:22:44
16 the entire company as well as a unified budget,
17 which Dev had really been tasked with moving forward
18 as well.

19 Q. And did you have a -- I guess my question
20 is, at the time you were terminated, did you have a 03:23:01
21 draft --

22 A. No.

23 Q. -- you had started?

24 A. I did not have a draft.

25 Q. So in terms of putting pen to paper or 03:23:07

1 typewriter keys to the electronic page, you hadn't
2 started writing what would be the business plan that
3 you were contemplating?

4 A. As I said, I was waiting for the completion
5 of all the business plans from the seven divisions 03:23:21
6 of the company.

7 Now, there was some delay in getting those,
8 and I was putting, you know, thought to the overall
9 business plan. But it had not been finalized in a
10 form to be presented to the board. 03:23:36

11 Q. And I understand it hadn't been finalized.
12 My question's a little different. I just want to
13 make sure that I -- that there's not a document out
14 there that I don't recognize, that this is no --

15 A. No. 03:23:45

16 Q. -- draft?

17 A. No, no. No.

18 Q. Okay. In terms of the budget for the -- by
19 the way, was there a date -- had you set an internal
20 deadline for creation of the business plan for the 03:24:00
21 company?

22 A. Did I set a date?

23 Q. Yeah, an internal date.

24 A. No.

25 Q. No? 03:24:10

1 goals as a CEO?

2 A. I do.

3 Q. When you say "Update board to focus on
4 strategy," what did you mean?

5 A. I meant that the board should get involved 04:23:30
6 with creating a strategy and be involved in the
7 process and that the company should operate
8 according to a business plan and that the board
9 should be involved in that process.

10 Q. And was that something that you -- in fact, 04:23:46
11 did you present to the board in a time while you
12 were CEO a business plan with strategy,
13 understanding that you earlier said you didn't write
14 the business plan?

15 A. Right. That was -- I never presented -- 04:24:01

16 MR. KRUM: Object to the characterization
17 of the testimony.

18 THE WITNESS: I never presented a plan to
19 the board prior to being terminated, but that was
20 one of the action items that I thought was important 04:24:10
21 for the company.

22 BY MR. TAYBACK:

23 Q. One of the -- the second one there says,
24 "develop better lines of communication with
25 shareholders." 04:24:20

EXHIBIT 11

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES COTTER, JR., derivatively
on behalf of Reading International,
Inc.,
Plaintiff,

vs.

Case No.

MARGARET COTTER, ELLEN COTTER, A-15-719860-B
Guy Adams, EDWARD KANE, DOUGLAS
McEACHERN, TIMOTHY STOREY,
WILLIAM GOULD, JUDY CODDING,
MICHAEL WROTONIAK, and DOES 1
through 100, inclusive,
Defendants.

and

READING INTERNATIONAL, INC.,
a Nevada corporation,
Nominal Defendant.

(CAPTION CONTINUED ON NEXT PAGE.)

VIDEOTAPED DEPOSITION OF JAMES COTTER, JR.
Los Angeles, California
Tuesday, May 17, 2016
Volume II

Reported by:
JANICE SCHUTZMAN, CSR No. 9509
Job No. 2312191
Pages 298 - 567

1 T2 PARTNERS MANAGEMENT, LP, a
2 Delaware limited partnership,
3 doing business as KASE CAPITAL
4 MANAGEMENT, et al.,
5 Plaintiffs,
6 vs.
7 MARGARET COTTER, ELLEN COTTER,
8 Guy Adams, EDWARD KANE, DOUGLAS
9 McEACHERN, WILLIAM GOULD, JUDY
10 CODDING, MICHAEL WROTONIAK, CRAIG
11 TOMPKINS, and DOES 1 through 100,
12 inclusive,
13 Defendants.
14 and
15 READING INTERNATIONAL, INC., a
16 Nevada corporation,
17 Nominal Defendant.

18 Videotaped Deposition of JAMES COTTER, JR.,
19 Volume II, taken at 865 South Figueroa Street,
20 10th Floor, Los Angeles, California, commencing
21 at 9:38 a.m. and ending at 4:37 p.m., Tuesday,
22 May 17, 2016, before Janice Schutzman, CSR No. 9509.

23
24
25 PAGES 298 - 567

1 THE WITNESS: I thought it was unusual, but
2 I also found Ellen and Margaret basically refusing
3 to report to me unusual. And routine business
4 matters that ordinarily arose in the company were
5 being converted into issues of personal dispute 09:43AM
6 between my sisters and me and issues about control.
7 And someone recommended that this could be helpful
8 to move the company forward and deal with those
9 issues.

10 BY MR. TAYBACK: 09:43AM

11 Q. And was the discussion forum disbanded at
12 some point in time?

13 MR. KRUM: Objection, vague and ambiguous,
14 foundation.

15 THE WITNESS: I don't know if it was ever 09:44AM
16 officially disbanded. I think it more kind of
17 sputtered out.

18 BY MR. TAYBACK:

19 Q. Approximately when did you last -- was the
20 last discussion forum meeting that you recall? 09:44AM

21 A. There could have been one in December.

22 Q. The -- at some point, Mr. Storey took on --
23 Tim Storey took on a position of ombudsman. We
24 discussed that a little bit yesterday.

25 You recall that? 09:45AM

1 A. I do.

2 Q. Do you recall whose suggestion that was?

3 MR. KRUM: Objection, foundation.

4 THE WITNESS: My recollection is that it

5 was recommended by the so-called independent

09:45AM

6 directors.

7 BY MR. TAYBACK:

8 Q. And did you concur in that recommendation?

9 A. Initially, I was not supportive of the
10 idea.

09:45AM

11 Q. Why not?

12 A. Because I didn't think it was necessary.

13 Q. How was it explained to you? How was the
14 proposal explained to you initially?

15 A. The proposal that was explained to me where
16 Tim took on this official role as ombudsman was on,
17 I believe, March 13th, where Bill Gould asked me and
18 my two sisters to his office in Century City and
19 independently described to me with Tim Storey

09:46AM

20 present that the so-called independent directors had
21 decided that Tim Storey would become involved as an
22 ombudsman. There had been complaints raised against
23 me by my two sisters. I had reported complaints
24 against my two sisters.

09:46AM

25 And the board was at a high level and

09:47AM

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1 really wasn't in a position to understand the
2 disputes that were ongoing between me and my two
3 sisters and felt that Tim, who had a lot of
4 experience with corporate governance, could become
5 involved and he would be temporarily given authority 09:47AM
6 to interact with the three of us to investigate what
7 was going on between me and my two sisters and also
8 to help move the business forward.

9 And I understand that that same message was
10 communicated after my meeting with Tim and Bill to 09:47AM
11 my two sisters and that Bill had said that Tim would
12 serve this function at the bequest of the so-called
13 independent directors until sometime in June and
14 would report his findings to either Bill Gould or to
15 the independent committee, and that would be 09:48AM
16 sometime at the end of June.

17 Q. And you said that you initially were not
18 supportive of this.

19 Did you say that to somebody in words or
20 substance, "Hey, this is unnecessary. I don't 09:48AM
21 support this"?

22 A. I don't recall a specific conversation. I
23 felt that.

24 Q. So you felt it, but you can't say that you
25 communicated it? 09:48AM

1 What were you referring to by hating
2 putting him on the spot?

3 MR. KRUM: Objection, asked and answered.

4 If you can answer, go ahead.

5 THE WITNESS: This was just a way of 10:23AM
6 communicating to him an issue that arose or that was
7 continuing between myself and Margaret. And I
8 wanted him to be aware of her expectations so that
9 he could appreciate what was going on at the
10 company. 10:24AM

11 BY MR. TAYBACK:

12 Q. And the question that you ended that email
13 with was, "but if the CEO of DNZ" --

14 That's a company in New Zealand; correct?

15 A. It is. 10:24AM

16 Q. "If the CEO of DNZ came to you as
17 chairman with correspondence like this
18 from one of his lieutenants, what advice
19 would you give him?"

20 Did Mr. Storey respond to your question 10:24AM
21 about what advice he would give to a CEO faced with
22 correspondence from one his lieutenants like this?

23 A. I don't recall.

24 Q. You did find it difficult to run the
25 company with your sisters, Ellen and Margaret, also 10:25AM

1 working at Reading; correct?

2 MR. KRUM: Objection, vague and ambiguous,
3 assumes facts not in evidence.

4 THE WITNESS: I found it difficult working
5 with them because, by that point, the issues that I 10:25AM
6 was having with them relating to the trust and
7 estate matters had permeated the company, spread to
8 employees like Linda Pham and ultimately to the
9 board, and it was difficult because they wanted to
10 run Reading like a family-owned business and really 10:25AM
11 didn't want to be accountable to anyone. And so I
12 found that difficult running the company.

13 BY MR. TAYBACK:

14 Q. And did you trust Mr. Storey's judgment?

15 MR. KRUM: Objection, vague. 10:26AM

16 THE WITNESS: At that point in time?

17 BY MR. TAYBACK:

18 Q. Yes.

19 A. I mean, selectively, I thought he had a lot
20 of experience. I trusted some of the things he said 10:26AM
21 but not everything.

22 Q. You said --

23 (Off the record.)

24 BY MR. TAYBACK:

25 Q. You say at that point in time when I asked 10:26AM

1 Q. Okay. You say in the top part of that
2 email, page 5483, the page ending in that Bates
3 number, the last -- or you say:

4 "Last thing I would want is a
5 board member playing COO." 10:37AM

6 Why is that?

7 A. Because there -- I felt that there was a
8 distinction between the responsibilities of boards
9 and the responsibilities of management.

10 Q. What -- what's the distinction in your 10:38AM
11 mind? What was the distinction at this point in
12 time?

13 A. Well, the board should -- the boards
14 should -- again, I mean, this was also more of a
15 reflection of I wanted to preserve my authority as 10:38AM
16 CEO because I felt that my sisters wanted to hollow
17 out my authority and put limitations and create
18 executive committees that they were reporting to,
19 limit my authorities on approving certain items.

20 And so I wanted to maintain that authority 10:39AM
21 and not have board members playing the role of a
22 chief operating officer.

23 Q. Were you -- do you know of a person named
24 Bryant Crouse, C-R-O-U-S-E?

25 A. I do recall the name. 10:39AM

1 Q. What do you recall?

2 A. I recall that a few years ago, one of the
3 directors -- I believe it was Al Villaseñor -- had a
4 conversation with Bill Gould about this Bryant
5 Crouse, and they had recommended that he become 10:40AM
6 involved with the company and perform an assessment
7 of our corporate governance or management structure.

8 And this was the time that my dad was
9 chairman and CEO of the company, before I became
10 president. And they were both recommending that 10:40AM
11 this individual get involved in the company and
12 perform an assessment and provide recommendations to
13 the company, to the board, to the management team,
14 to my father, on ways to improve the management and
15 corporate governance -- management, I believe, of 10:40AM
16 Reading.

17 Q. Were you aware that Mr. Gould and
18 Mr. Storey met with Mr. Crouse about acting as a
19 management consultant for the counsel senior
20 management in the company? 10:41AM

21 A. I recall that there was a discussion, or I
22 learned about it at some point.

23 Q. Do you recall how you learned about it, who
24 told you?

25 A. It may have been Bill Gould. 10:41AM

1 Q. And was it your understanding that they --
2 that Mr. Crouse had proposed that he could provide
3 30 hours of time meeting with you and bringing his
4 expertise to bear on successful management
5 development for \$15,000?

10:41AM

6 MR. KRUM: Objection, assumes facts not in
7 evidence, foundation.

8 THE WITNESS: I think it was the same type
9 of proposal that they were looking to implement that
10 they had implemented with my father some years back. 10:41AM
11 And given the issues that had arisen with my two
12 sisters, this proposal had arisen again.

13 BY MR. TAYBACK:

14 Q. And the proposal was to meet -- for him to
15 meet with you for a period of time to explore ways 10:42AM
16 that he could assist in the company's continued
17 successful management development, outstanding
18 leadership, and continued implementation of
19 organizationally sound management structures? Was
20 that your understanding as to what he was being -- 10:42AM

21 A. What --

22 MR. KRUM: Let me interpose the objections.

23 Objection, foundation, the document, which
24 the witness does not have, it speaks for itself.

25 BY MR. TAYBACK: 10:42AM

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1 Q. Was that your understanding as to what he
2 was being asked to do by Mr. Gould and Mr. Storey in
3 April of 2015?

4 MR. KRUM: Objection, assumes facts not in
5 evidence, the document speaks for itself, and 10:42AM
6 foundation.

7 THE WITNESS: Again, I had learned that
8 there was a proposal or that there had been
9 discussions with this gentleman that were similar to
10 the proposals that had been made years ago. 10:43AM

11 I don't recall what came of it.

12 THE REPORTER: 185.

13 (Deposition Exhibit 185 was marked for
14 identification.)

15 BY MR. TAYBACK: 10:43AM

16 Q. I'm just going to ask you whether you've
17 ever seen the written proposal that's reflected here
18 at Exhibit 185.

19 A. I can't recall having seen this document.

20 Q. But is it fair to say that in April, or 10:43AM
21 between the time of April 15th, 2015, and the time
22 you were terminated as CEO, you never actually sat
23 down and met with Mr. Crouse?

24 A. No.

25 Q. I'm not going to have any more questions. 10:43AM

1 Q. And are they all in Honolulu?

2 A. They're all on the island of Oahu.

3 Q. Did you visit them all?

4 A. Pretty much. I believe I did.

5 Q. Okay.

6 A. I believe I visited every one of them, yes.

7 Q. Okay. And did you go with anybody.

8 A. On some occasions, I brought my family.

9 On -- for a lot of the theaters, I went alone.

10 Q. When you went with your family, did you 01:55PM
11 actually view a movie, or did you just go and
12 inspect the property?

13 A. We watched a movie.

14 Q. How many did you go with your family to
15 watch a movie? One or two? 01:55PM

16 A. I can't recall. I don't think it was any
17 more than two. I mean, at most.

18 Q. Did -- when you went to the Reading
19 theaters in Hawaii, did you identify yourself to any
20 of the management there as someone who was the CEO 01:55PM
21 of Reading?

22 A. No, I didn't.

23 Q. Okay. Why not?

24 A. Because I wanted to almost be a mystery
25 shopper. I wanted to experience the theater and the 01:56PM

1 theater experience as a normal customer would and as
2 a normal family would. And I did not want any
3 special treatment. I wanted to see how others
4 experienced the theater.

5 Q. And was the trip a business expense? 01:56PM

6 A. The hot- -- one of the hotel rooms that I
7 had during the seven nights, I expensed. I don't
8 believe I expensed any of the dinners or the
9 airfare.

10 Q. Did you write down notes, do a report of 01:56PM
11 what your observations were?

12 A. I did.

13 Q. And whose -- for whose benefit was that?

14 A. It was for my sister's benefit to prompt
15 her to see some of the issues that I had experienced 01:57PM
16 at the theaters and to prompt her to start thinking
17 about addressing the renovation of the theaters and
18 the condition of the theaters in her business
19 report -- business plan that she was preparing.

20 Q. That's your sister Ellen you're talking 01:57PM
21 about?

22 A. Yes.

23 Q. The report that you wrote, did you -- how
24 long after you -- withdraw that.

25 Did you write it while you were in Hawaii, 01:57PM

1 statement there that says:

2 "The board stands behind and
3 supports Jim, Jr. as CEO, however, the
4 board expects him to work respectfully
5 and professionally with his sisters." 02:36PM

6 It then goes on to say:

7 "The office environment and morale
8 must return to normalcy. Independent
9 directors are investigating Linda's
10 claims and, if proven, the independent 02:36PM
11 directors may require Jim, Jr. to take
12 an anger management class."

13 Have you ever taken an anger management
14 class?

15 A. No. 02:36PM

16 Q. Did anybody ever suggest to you you should?

17 A. Never. I mean, outside of this incident
18 with Linda Pham, no.

19 Q. Did you ever hear that the perception at
20 Reading by employees is that you had a volatile 02:36PM
21 temper?

22 A. No.

23 MR. KRUM: Objection, assumes facts.

24 THE WITNESS: I heard it. I heard that.

25 But I believe that those allegations were brought by 02:37PM

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1 individuals like Linda Pham and Deb Watson, who, as
2 I described earlier, had been co-opted into this
3 family dispute, including my sister Ellen.

4 BY MR. TAYBACK:

5 Q. By whom did you hear that there was a 02:37PM
6 perception that you had an anger management problem?

7 A. I heard it from the directors.

8 Q. At a meeting or individually?

9 A. I can't recall. It was either -- it's
10 probably individually or it -- maybe even in some of 02:37PM
11 this correspondence, and a lot of it sprung from the
12 episode with Linda Pham.

13 Q. And you said that there also was -- you had
14 an awareness that Ms. Watson also had expressed that
15 perception? 02:38PM

16 A. Again, I don't think there was any merit at
17 all to the allegations that were made by Linda Pham
18 or Deb Watson.

19 Deb Watson is a -- not even a Reading
20 employee. She works for Ellen and Margaret on the 02:38PM
21 trust and estate matters.

22 Linda Pham was working for Ellen and
23 Margaret on the trust and estate matters at one time
24 and had been going through all of the emails at
25 Reading looking for emails from my father, from me, 02:38PM

1 at El- -- at, I believe, Ellen and Margaret's
2 direction.

3 So as I said, the direc- -- I asked the
4 directors, there is no basis to these claims, and
5 you should all investigate them.

02:38PM

6 Q. When you say "these claims," what was your
7 understanding of Ms. Pham's claim?

8 A. I don't know what her claim was. I know
9 that she had filed a complaint with Doug McEachern
10 saying that I had yelled at her one day. But I've
11 never seen the complaint.

02:39PM

12 And once I heard that, I raised the issue
13 with a number of directors, giving them a full
14 timeline of the events, what I thought was happening
15 between Deb Pham -- Linda Pham, my sister Ellen, and
16 my sister Margaret, and that the board should
17 investigate.

02:39PM

18 Q. So when you say you don't know what her
19 claim was, you haven't seen the claim, but you have
20 some understanding of what the claim was?

02:39PM

21 A. That I raised my voice to her at one point,
22 but I haven't seen the claim, so I can't say.

23 Q. And where did you hear -- your
24 understanding that you -- you're expressing here,
25 where did you get that from?

02:40PM

Page 483

1 A. I can't recall a formal policy being
2 instituted.

3	Q. I'm sorry?
---	---------------

4 A. At some point, my sister Margaret
5 complained about me leaving my door shut.

03 : 29 PM

6 And in response to those complaints, which
7 were communicated to the directors and then
8 communicated to me, I endeavored to keep my door
9 open.

10 Q. So did the directors, then, tell you to
11 keep your door open while you were in the office?

03 : 30 PM

12 A. At some point, someone communicated
13 something to me.

14 Q. Someone from the board?

15 A. I can't recall.

03 : 30 PM

16 Q. I'm going to go back and ask you a few
17 questions about Linda Pham.

18 She had been your father's assistant;
19 correct?

20	A. Yes.
----	---------

03 : 30 PM

21 Q. And then after your father passed away, at
22 some point she also became Bill Ellis's assistant;
23 correct?

24	A. Yes.
----	---------

25 Q. Was she ever your assistant?

03 : 30 PM

1 A. No.

2 Q. Did you ever yell or raise your voice at
3 Guy Adams?

4 A. I did.

5 Q. Describe for me -- well, was it once or 03:40PM
6 more than once?

7 A. I only recall once.

8 Q. Describe for me the instance you recall.

9 A. It was sometime in 2014, and I said that he
10 had just taken too long working on certain matters 03:40PM
11 for my father and he had just let things go.

12 And I was upset with Guy. And before the
13 conversation had concluded, I was behind my desk, I
14 stood up, and I apologized to him for raising my
15 voice. 03:41PM

16 That was the only occasion that I had with
17 Guy before my termination.

18 Q. On the day that you were terminated, did
19 Bill Ellis ask you to leave the Reading office?

20 A. He -- 03:41PM

21 MR. KRUM: When?

22 MR. TAYBACK: On the day he was
23 terminated --

24 MR. KRUM: Well --

25 MR. TAYBACK: -- did Bill Ellis ask him to 03:41PM

1 BY MR. TAYBACK:

2 Q. And do you recall -- the meeting you recall
3 where that happened, was that before or after you
4 were terminated?

5 MR. KRUM: Objection, assumes facts not in 03:53PM
6 evidence.

7 THE WITNESS: I don't recall.

8 BY MR. TAYBACK:

9 Q. Do you remember Ellen Cotter talking to you
10 about the possibility of getting an interim CEO at 03:53PM
11 Reading as early as February 2015, someone to
12 replace you?

13 A. I think they brought it up as early as
14 October 2014.

15 Q. And did you share with Mr. Storey, at 03:54PM
16 least, your concerns about that kind of discussion
17 from Ellen Cotter?

18 A. I may have.

19 Q. And when she brought it up, was her
20 proposal that the company hire an interim CEO that 03:54PM
21 was none of the Cotters?

22 A. I don't recall a specific conversation that
23 I had with Ellen in February relating to that.

24 Q. You said you think they brought it up or
25 she brought it up as early as October. 03:54PM

1 What's your first recollection of what she
2 said?

A. Well, either Ellen and/or Margaret said
that, at some point, hey, you know, we're going to
hire an interim CEO to replace you.

03:55PM

6 Q. And what did you say to her or them?

7 A. I don't recall how I responded.

8 Q. Is it fair to say at the time, as of
9 October at least, you weren't in favor of that?

10	A. As of October of 2014?	03:55PM
----	---------------------------	---------

11	Q. Yes.
----	---------

12	A. Certainly not.
----	-------------------

13 Q. And did you -- by February, did you start
14 to think that maybe that was a more realistic way of
15 Reading managing the business while the trust and 03:55PM
16 estates matters were sorted out?

17	A.	No.
----	----	-----

18 Q. At any point before you were terminated,
19 did you come to that view?

20	A. No.	03:55PM
----	--------	---------

21 Q. I'm going to ask you to take a look at --

22 While she's getting a document, I'll ask

23 you a couple of questions unrelated to the documents

24 in front of you.

25	As a board member at Reading, do you	03:56PM
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EXHIBIT 12

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EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES COTTER, JR., derivatively
on behalf of Reading International,
Inc.,
Plaintiff,

vs.

Case No.

MARGARET COTTER, ELLEN COTTER, A-15-719860-B
GUY ADAMS, EDWARD KANE, DOUGLAS
McEACHERN, TIMOTHY STOREY,
WILLIAM GOULD, JUDY CODDING,
MICHAEL WROTONIAK, and DOES 1
through 100, inclusive,
Defendants.

and

READING INTERNATIONAL, INC.,
a Nevada corporation,
Nominal Defendant.

(CAPTION CONTINUED ON NEXT PAGE.)

VIDEOTAPED DEPOSITION OF JAMES COTTER, JR.
Los Angeles, California
Wednesday, July 6, 2016
Volume III

Reported by:
JANICE SCHUTZMAN, CSR No. 9509
Job No. 2343561
Pages 568 - 838

1 T2 PARTNERS MANAGEMENT, LP, a
2 Delaware limited partnership,
3 doing business as KASE CAPITAL
4 MANAGEMENT, et al.,
5 Plaintiffs,
6 vs.
7 MARGARET COTTER, ELLEN COTTER,
8 GUY ADAMS, EDWARD KANE, DOUGLAS
9 McEACHERN, WILLIAM GOULD, JUDY
10 CODDING, MICHAEL WROTONIAK, CRAIG
11 TOMPKINS, and DOES 1 through 100,
12 inclusive,
13 Defendants.
14 and
15 READING INTERNATIONAL, INC., a
16 Nevada corporation,
17 Nominal Defendant.

18 Videotaped Deposition of JAMES COTTER, JR.,
19 Volume III, taken at 865 South Figueroa Street,
20 10th Floor, Los Angeles, California, commencing
21 at 9:51 a.m. and ending at 5:13 p.m., Wednesday,
22 July 6, 2016, before Janice Schutzman, CSR No. 9509.

23
24
25 PAGES 568 - 838

1 MR. KRUM: This is 90 what?

2 THE REPORTER: 399.

3 MR. TAYBACK: 399.

4 MR. KRUM: 399.

5 MS. LINDSAY: I got it.

6 MR. TAYBACK: And the number is TS_0000697.

7 MR. KRUM: I'm pretty sure that some
8 version of this has been marked previously.

9 MR. TAYBACK: Maybe. I didn't think so.

10 BY MR. TAYBACK:

01:48PM

11 Q. Taking a look at that briefly, had you
12 ever -- I realize you're not on that email, but
13 looking at that email, which purports to describe a
14 conversation between you and your sister Ellen, do
15 you recall her discussing, at least in February of
16 2015, the possibility of an interim CEO?

01:48PM

17 Do you remember having that kind of a
18 conversation with Ellen?

19 A. I remember calling Tim and relating that
20 Ellen had raised this possibility, and that's why I
21 called him.

01:48PM

22 Q. All right. I'm going to show you a
23 document that's been previously marked as Exhibit 11
24 at Mr. Storey's deposition.

25 (Previously marked Deposition Exhibit 11

Page 696

1 was identified.)

2 BY MR. TAYBACK:

3 Q. And this is an email from Mr. Gould to

4 Mr. Adams, Mr. Kane, Mr. McEachern, Mr. Storey.

5 You're, again, not on this, but it attaches a 01:49PM

6 memorandum from Mr. Gould. And I'm going to -- it's

7 dated March 6th, 2015.

8 If I could direct your attention to the

9 third page of the document, which ends in the Bates

10 stamp 249. 01:50PM

11 A. Okay.

12 Q. Mr. Gould, at the very top of that page --

13 A. The top of page 3?

14 Q. The top of the third page of the document,

15 which is page 2 of the memo. 01:50PM

16 A. Okay.

17 Q. You see that?

18 You see it?

19 A. I do.

20 Q. Okay. At the very top, there's a sentence 01:50PM

21 that starts:

22 We cannot accept a dysfunctional

23 management team under any circumstances.

24 Indeed, the company has said in its

25 public filings that the Cotters will 01:50PM

Page 697

1 work together notwithstanding the
2 litigation and they do not believe that
3 the litigation will affect its company's
4 operations. But we must ask ourselves,
5 how can we ensure the three Cotters will 01:50PM
6 work together given the 'thermonuclear'
7 hostility currently existing?"

8 Would you agree that as of March of 2015,
9 Mr. Gould's characterization of the hostility
10 between you and your siblings was properly 01:51PM
11 characterized as thermonuclear?

12 MR. KRUM: Objection, vague.

13 THE WITNESS: No. I wouldn't characterize
14 the relationship as thermonuclear.

15 What I would characterize it as -- Margaret 01:51PM
16 simply refused to report to me. It wasn't just me.
17 She really refused to be accountable to anyone. And
18 that created an issue in the company that I believe
19 Ellen and Margaret artificially created.

20 So when it's described as, well, there's an 01:51PM
21 issue in the relationship amongst the Cotters, I
22 would attribute it to Margaret absolutely refusing
23 to report to me and her being responsible for
24 creating this crisis that is being described.

25 BY MR. TAYBACK: 01:52PM

1 Q. Regardless of whoever's fault you believe
2 it is that you could not get along, would you agree
3 that the relationship between you and your sisters
4 within the management of Reading was dysfunctional
5 by March of 2015?

01:52PM

6 MR. KRUM: Object to the characterization
7 of the testimony.

8 You can answer the question.

9 THE WITNESS: Again, if there's an
10 executive or an independent contractor who
11 completely refuses to report to me as CEO and has
12 done so as early as September/October of 2014 and
13 has literally refused to report to me, that's
14 dysfunctional. That's dysfunctional.

01:52PM

15 BY MR. TAYBACK:

01:53PM

16 Q. And did you report -- when your termination
17 was being discussed, you raised the issue of your
18 perception that Margaret was unwilling to report to
19 you to the board; correct?

20 MR. KRUM: Objection --

01:53PM

21 THE WITNESS: I think my --

22 MR. KRUM: -- assumes facts.

23 THE WITNESS: -- my description might even
24 have been more. It might have been not just that
25 she was unwilling to report to me. She was

01:53PM

Page 699

1 unwilling to report to anyone. And she didn't want
2 to have any accountability to anyone. So --

3 BY MR. TAYBACK:

4 Q. Go ahead. I'm sorry.

5 Is it -- and is it fair to say that you 01:53PM
6 described to the board a situation which was there
7 was a dysfunctional working relationship between you
8 and your sisters and that they effectively needed to
9 pick either you or your sisters?

10 MR. KRUM: Object to the characterization 01:53PM
11 of the testimony --

12 THE WITNESS: I would nev- --

13 MR. KRUM: Let me interpose my objections.

14 Assumes facts not in evidence.

15 Go ahead. 01:54PM

16 THE WITNESS: I would never characterize
17 the issue that I had, especially with Margaret and
18 her abject refusal to report to me, as a
19 dysfunctional relationship because that implies that
20 two people in a relationship are both contributing 01:54PM
21 to the dysfunctionality of their relationship.

22 BY MR. TAYBACK:

23 Q. So you're saying, in your mind at least,
24 the word dysfunctional suggests you would be
25 contributing to dysfunctionality, but you weren't? 01:54PM

1 MR. KRUM: Objection, assumes facts not in
2 evidence, including of the witness seeing
3 Exhibit 11.

4 MR. TAYBACK: Let me -- I'll rephrase the
5 question.

01:58PM

6 BY MR. TAYBACK:

7 Q. Isn't it correct that in March of 2015, you
8 understood that the board would assess how the
9 management of the company was functioning,
10 specifically you and your sisters, to make an
11 assessment about what they should do?

01:58PM

12 A. No.

13 At the meeting on March 13th, Bill Gould
14 and Tim Storey communicated to me and independently
15 to Ellen and Margaret that Tim would make a
16 recommendation as newly appointed ombudsman and
17 would report his findings and his recommendations to
18 the independent directors of the board, not to the
19 full board, but only to the independent directors.
20 And the independent directors would then, based on
21 his findings, possibly take actions in response to
22 those findings and recommendations.

01:58PM

01:59PM

23 Q. And was that agreement, as you understood
24 it, memorialized in writing somewhere?

25 MR. KRUM: Objection, foundation.

01:59PM

Page 704

1 BY MR. TAYBACK:

2 Q. Yes or no?

3 A. Well, I mean, I think there may have been
4 memos to that effect.

5 Q. Have you seen a memo that describes that 01:59PM
6 process that you just described?

7 A. I can't recall, sitting here today,
8 without, you know, going through the emails.

9 But yes, I mean, I -- it was clear to me,
10 to Ellen and Margaret, certainly to Bill Gould and 01:59PM
11 Tim Storey and the other directors, that that was
12 the case.

13 Q. Do you agree with me that the board of a
14 company always has the prerogative to make a
15 decision with respect to the hiring and firing of 02:00PM
16 its executives, the company's executives, subject to
17 whatever contracts might exist.

18 MR. KRUM: Objection, vague and ambiguous,
19 may call for a legal conclusion.

20 THE WITNESS: Do I agree what? 02:00PM

21 BY MR. TAYBACK:

22 Q. That the board of a company --

23 A. Right.

24 Q. -- has the power to hire and fire a CEO?

25 MR. KRUM: Same objections, incomplete 02:00PM

Page 705

1 hypothetical as well.

2 THE WITNESS: Subject to agreements made,
3 written contracts made.

4 BY MR. TAYBACK:

5 Q. Subject to the terms of a contract; 02:00PM
6 correct?

7 A. Subject to the terms of a contract --

8 Q. Yes.

9 A. -- or possibly a resolution. Sure.

10 Q. And is there anything about what you're 02:00PM
11 describing that you think limited the power of the
12 board to terminate you as CEO if it believed doing
13 so was in the best interest of the company?

14 MR. KRUM: Same objections.

15 THE WITNESS: I believe in January of 2015, 02:01PM
16 a resolution was passed at the insistence of my
17 sisters that they couldn't be terminated.

18 Ellen could not be terminated as an
19 executive without the approval of the majority of
20 the independent directors. 02:01PM

21 Margaret's contract with -- for her live
22 theater operation could not be terminated without
23 the majority of the independent directors.

24 And my employment as CEO could not be
25 terminated without a majority of the independent 02:01PM

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EXHIBIT 13

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DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES J. COTTER, JR.,)	
individually and)	
derivatively on behalf of))	
Reading International,)	
Inc.,)	
	)	Case No. A-15-719860-B
Plaintiff,)	
	)	Coordinated with:
vs.)	
	)	Case No. P-14-082942-E
MARGARET COTTER, et al.,)	
)	
Defendants.)	
and)	
)	
READING INTERNATIONAL,)	
INC., a Nevada)	
corporation,)	
)	
Nominal Defendant))	
)	

VIDEOTAPED DEPOSITION OF ELLEN COTTER
TAKEN ON MAY 18, 2016
VOLUME 1

REPORTED BY:
PATRICIA L. HUBBARD, CSR #3400

1 conversation, about a repopulated and newly
2 chartered executive committee of the RDI board of
3 directors prior to the meeting of June 12, 2015?

4 MR. SEARCY: Objection. Asked and
5 answered.

6 THE WITNESS: As I said, I don't recall
7 specific conversations with Craig about this.

8 BY MR. KRUM:

9 Q. You don't recall speaking to him; is
10 that right?

11 A. I don't recall speaking to him. But I
12 speak to Craig a lot, so, very well this -- this
13 subject would have come up.

14 Q. Did you speak to Bill Ellis prior to the
15 meeting of June 12, 2015 with respect to a
16 repopulated and newly chartered executive committee
17 of the RDI board of directors?

18 A. I don't recall if I spoke to Bill.

19 Q. Did you speak to Frank Reddick prior to
20 the meeting of June 12, 2015 about a repopulated and
21 newly chartered executive committee of the RDI board
22 of directors?

23 A. Frank Reddick of Akin Gump?

24 Q. Yes.

25 A. I did.

1 Q. I'm not asking you who said what.

2 When did that conversation or those
3 conversations occur?

4 A. I don't remember.

5 Q. Was it prior to May 21, 2015?

6 A. I don't -- I don't recall.

7 Q. Do you recall that May 21, 2015 was the
8 first supposed meeting of the RDI board of directors
9 where the subject was the termination of Jim Cotter,
10 Jr., as president and C.E.O.? Do you recall that
11 date and that meeting?

12 A. I recall May 21, 2015.

13 Q. Okay. And you do not recall, with that
14 particular meeting and date in mind, whether you had
15 spoken with Frank Reddick about a repopulated and
16 newly chartered RDI board of directors prior to that
17 date May 21?

18 A. I don't remember.

19 Q. I'm not asking you what you said and
20 what he said.

21 Who else was present for or party to
22 that conversation or conversations?

23 A. Conversations about what?

24 Q. Okay. Directing your attention,
25 Ms. Cotter, to your conversation or your

1 conversations with Frank Reddick of Akin Gump about
2 a repopulated and newly chartered executive
3 committee of the RDI board of directors, was anyone
4 else present or privy to that conversation or those
5 conversations?

6 A. I don't remember.

7 Q. Were they in person or by phone or both?

8 A. I don't -- I don't remember.

9 Q. Was Guy Adams either present in person
10 or telephonically for any such conversation with
11 Frank Reddick?

12 A. I don't recall.

13 Q. Was Craig Tompkins either present in
14 person or telephonically during such conversation
15 with Frank Reddick?

16 A. I don't recall.

17 Q. Who retained Akin Gump with respect to
18 or related to the termination of Jim Cotter, Jr., as
19 president and C.E.O. of RDI?

20 MR. SEARCY: Objection. Vague.

21 THE WITNESS: Akin Gump had been our
22 counsel for a long time.

23 BY MR. KRUM:

24 Q. When --

25 A. So --

1 Q. Go ahead.

2 A. Yeah. So I mean they've been -- they've
3 been with us probably for 20 years.

4 Q. Well, is -- so are you saying that they
5 weren't -- that they were on retainer and that there
6 was no new retainer? Is that your point?

7 A. They had been working for us for a long
8 time. We didn't have a retainer with them.

9 Q. Okay. So, who first contacted Akin Gump
10 with respect to or related to the termination of Jim
11 Cotter, Jr., as president and C.E.O. of RDI?

12 MR. SEARCY: Objection. Vague.

13 THE WITNESS: Yeah. I don't -- I don't
14 remember.

15 BY MR. KRUM:

16 Q. Well, how did you first learn or hear
17 that Akin Gump was engaged in connection with or
18 respect to the termination or possible termination
19 of Jim Cotter, Jr., as president and C.E.O. of RDI?

20 MR. SEARCY: Objection. Assumes facts,
21 lacks foundation.

22 THE WITNESS: I don't recall who reached
23 out to Akin Gump first.

24 BY MR. KRUM:

25 Q. I'm asking about when you first learned

1 of something. Okay?

2 And so let me just ask the question --

3 A. Yeah.

4 Q. -- so we have a clear record. And you
5 can answer it or, you know, we'll go to another
6 question.

7 How did you first learn of Akin Gump
8 providing services with respect to or in connection
9 with the termination or possible termination of Jim
10 Cotter, Jr., as president and C.E.O. of RDI?

11 MR. SEARCY: And when you answer that
12 question, only answer it without disclosing the
13 substance of any communications --

14 MR. KRUM: Right.

15 MR. SEARCY: -- that you may have had
16 with Akin Gump.

17 THE WITNESS: Uh-huh. I don't -- sorry,
18 you guys. What --

19 BY MR. KRUM:

20 Q. Do you want me to have the court
21 reporter read it back for you?

22 A. Yeah. Sorry.

23 MR. KRUM: Please.

24 (Whereupon the question was read
25 as follows:

1 "Question: How did you first
2 learn of Akin Gump providing
3 services with respect to or in
4 connection with the termination or
5 possible termination of Jim
6 Cotter, Jr., as president and
7 C.E.O. of RDI?")

8 THE WITNESS: I don't remember how I did
9 it, how I -- if I called or if somebody else called.
10 I don't remember when. But Larry Levien --

11 MR. SEARCY: Okay. You're starting to
12 disclose --

13 THE WITNESS: Oh, okay. Sorry.

14 MR. SEARCY: I don't want you disclosing
15 any -- any conversations that you had.

16 THE WITNESS: Okay.

17 BY MR. KRUM:

18 Q. Well, if you would please continue about
19 Larry Levien, but do so heeding Mr. Searcy's
20 admonition. Because I'm not asking you about
21 anything that anybody said to anybody at Akin Gump
22 or anything that anybody at Akin Gump said to
23 anybody else.

24 A. Larry Levien had been our labor counsel.
25 So, Larry was contacted. And I can't remember who

1 made the first contact. If it was me -- I don't
2 remember.

3 Q. Was it Guy Adams?

4 A. I don't remember.

5 Q. Understand. When I ask a question of
6 that nature, I'm testing and prompting your
7 recollection.

8 A. Yeah.

9 Q. Sometimes it doesn't --

10 A. No. I appreciate that. I don't
11 remember.

12 MR. SEARCY: Mark, when we're at a
13 natural breaking point, let me know.

14 MR. KRUM: Sure. You want to break,
15 right?

16 MR. SEARCY: Yeah.

17 MR. KRUM: Yeah. We'll do it in a
18 minute -- minute or two.

19 VIDEOTAPE OPERATOR: 35 minutes left.

20 BY MR. KRUM:

21 Q. Did there come a point in time when you
22 had -- strike that.

23 Did there come a point in time prior to
24 May 21, 2015, when you had communications with Frank
25 Reddick?

1 A. Prior to May 21, 2015?

2 MR. FERRARIO: On anything or some
3 business --

4 MR. KRUM: Anything. It's a threshold
5 foundational question.

6 THE WITNESS: I did.

7 BY MR. KRUM:

8 Q. And how many such communications were
9 there, as best you can recall?

10 A. I don't remember.

11 Q. When was the first time you communicated
12 with Mr. Reddick?

13 A. I don't remember.

14 Q. Was it within a month prior to May 21,
15 2015?

16 A. I don't recall.

17 Q. Was it in or after September -- well,
18 was it in the fall of 2014?

19 A. No. But I don't remember -- I don't
20 remember our first communication.

21 Q. Okay. When you say "no," does that mean
22 it was after the fall of 2014?

23 A. Yes.

24 Q. Understand I'm just asking for your best
25 recollection of a time frame. Because I heard you

1 when you don't remember the date.

2 A. Uh-huh.

3 Q. So it was at some point in 2015, prior
4 to May 21, 2015; is that right?

5 A. Yes.

6 Q. Was it prior to your meeting with
7 Mr. Adams in Beverly Hills?

8 A. I don't remember.

9 Q. Was anyone else present for or party to
10 the initial communication you had with Mr. Reddick?

11 A. I don't remember.

12 Q. Do you recall ever having -- strike
13 that.

14 At any time prior to May 21, 2015, did
15 you ever have any communications with Mr. Reddick to
16 which any other person was party or privy?

17 A. Guy Adams -- yeah. I don't -- I know
18 Guy spoke to Frank with me, but I don't remember
19 anything else.

20 Q. Do you recall when that was, whether by
21 time frame or point of reference to any other event?

22 A. No.

23 Q. Was that in person or by telephone?

24 A. I don't remember.

25 Q. And do you recall if for any reason

1 other than what was discussed?

2 MR. SEARCY: Objection. Vague.

3 THE WITNESS: What's your question?

4 What did I discuss at these --

5 BY MR. KRUM:

6 Q. No. No. That's not the question.

7 How is it that you -- what is it that
8 prompts you to recall that you did have a
9 conversation with Mr. Reddick to which Mr. Adams was
10 party?

11 Do you remember where you were at the
12 time? Do you remember what was discussed?

13 What enables you to remember that is
14 what I'm asking, not what was discussed.

15 A. I remember Guy because Guy knew who
16 Frank Reddick was. He had worked with him before.
17 So I don't remember the specifics of the
18 conversation.

19 Q. Okay. I'm not asking about the
20 conversation.

21 MR. KRUM: Marshall, why don't we take a
22 break.

23 MR. SEARCY: Thanks. Yes.

24 VIDEOTAPE OPERATOR: We are off the
25 record.

EXHIBIT 14

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DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES J. COTTER, JR.,)
individually and)
derivatively on behalf of)
Reading International,)
Inc.,)
Plaintiff,) Case No. A-15-719860-B
vs.) Coordinated with:
MARGARET COTTER, et al.,) Case No. P-14-082942-E
Defendants.)
and)
READING INTERNATIONAL,)
INC., a Nevada)
corporation,)
Nominal Defendant)

VIDEOTAPED DEPOSITION OF WILLIAM GOULD
TAKEN ON JUNE 8, 2016
VOLUME 1

JOB NUMBER 315485
REPORTED BY:
PATRICIA L. HUBBARD, CSR #3400

1 2015 to terminate Jim Cotter, Jr., as president and
2 C.E.O., that Ellen and Margaret both purported to
3 vote?

4 A. I do have that recollection.

5 Q. Was there any discussion of whether they
6 should vote or whether they had standing to vote?

7 MR. HELPERN: Objection to form.

8 MR. SWANIS: Join.

9 THE WITNESS: I don't -- I actually
10 don't recall that right now. I don't remember it.

11 BY MR. KRUM:

12 Q. What were your thoughts at the time as
13 to whether they should vote or whether they should
14 have been recused or disqualified with re- --
15 regarding the termination of Jim Cotter, Jr.?

16 MR. SWANIS: Same objections.

17 MR. HELPERN: Join.

18 THE WITNESS: My thoughts at the time
19 were that even without their votes, the party -- the
20 parties moving to vote for his termination had
21 sufficient votes to -- to accomplish what they
22 wanted to do.

23 BY MR. KRUM:

24 Q. You mean three -- you mean three of
25 five?

1 A. That would have been in late April,
2 early May 2015.

3 **Q. What happened then?**

4 A. There was a notice sent out to the board
5 indicating there would be a meeting to discuss,
6 among other things, the status of the -- something
7 like this, the status of the C.E.O. or something
8 like that.

9 And I called for an independent board
10 meeting to find out what this was all about and what
11 the issues were.

12 And that's when I first heard it.

13 **Q. How did you first hear?**

14 A. At some meeting we had -- there were
15 several meetings, so excuse me if I'm not specific
16 about which one on which date.

17 But at this meeting I heard the three
18 other directors, Tim -- not Tim Storey, but Guy,
19 Doug and Ed Kane say they felt that -- that Jim's
20 performance was such that he should be replaced.

21 **Q. Was that at the first supposed board**
22 **meeting pursuant to the -- where the agenda item was**
23 **status of president and C.E.O.?**

24 MR. SWANIS: Objection to form.

25 THE WITNESS: No. It was before that.

1 Does that refresh your recollection
2 that -- that it was in March of 2015 that the five
3 non-Cotter directors agreed to Tim Storey being a
4 committee of one or the ombudsman to work with the
5 Cotters?

6 A. Yes.

7 MR. SWANIS: Objection to form.

8 MR. HELPERN: Join.

9 BY MR. KRUM:

10 Q. Now, did the -- did the conference call
11 of March 12 occur that's referenced both in the
12 cover email Exhibit 11 and the --

13 A. Yes, it did.

14 Q. And who said what during that call
15 regarding Tim Storey serving as a committee of one
16 or ombudsman to work with the Cotters?

17 A. Well, I think all the directors felt
18 that that was a reasonable approach to try. And it
19 was felt by -- by everybody that hopefully Tim could
20 accomplish three things. First of all, he would
21 mediate -- help mediate the disputes among the three
22 family members; secondly, he would monitor the
23 progress of how Jim, Jr., was coming along and how
24 the other siblings were doing, as well; and finally
25 he would report back to the board as to how he

1 viewed the progress of -- of these relationships.

2 And everybody seemed to agree with that.

3 Q. When you say "everybody seemed to
4 agree," you mean that no one said anything in words
5 or substance that communicated -- well, strike that.

6 Why do you say everyone seemed to agree?

7 A. Well, the only issue I can remember was
8 the fact that we were worried about Tim's time. He
9 lived in Auckland, and he had to fly over here and
10 spend time. And we knew it would be time consuming
11 and expensive.

12 And he indicated he would be willing to
13 do it.

14 Q. What did -- when you say he would help
15 mediate the disputes among the three family members,
16 to what are you referring?

17 A. I'm referring to the fact that on one
18 hand Jim was saying that Ellen wasn't giving him
19 the -- her business plan, and she -- Margaret was
20 being -- refusing to do -- excuse me -- to provide
21 anything.

22 And they were saying that Jim was making
23 unreasonable demands on them and he was asking them
24 for things that he shouldn't be asking them for.

25 So, Tim, who is a very successful and

1 foundation.

2 MR. HELPERN: Join.

3 THE WITNESS: Yes. We did not wait
4 until the end of June.

5 BY MR. KRUM:

6 Q. Both you and Mr. Storey expressed to
7 Messrs. Kane, Adams and McEachern that the process
8 should be completed, correct?

9 A. Yes.

10 Q. Did any of them provide any response
11 other than to communicate that they were unwilling
12 to allow that to happen?

13 MR. HELPERN: Objection to form.

14 MR. SWANIS: Join.

15 THE WITNESS: They clearly made the
16 statements that you had said, that they -- they felt
17 that they were convinced that Jim's performance was
18 such that it had to be cut off at an earlier point;
19 that the time had come to make a decision, and we
20 should not wait the extra month or so to get Tim
21 Storey's final report.

22 Q. Did any of the -- any of Messrs. Kane,
23 Adams or McEachern ever provide any responses to any
24 interim reports provided by Mr. Storey?

25 MR. HELPERN: Objection. Lacks

1 A. Uh-huh.

2 Q. Do you see that item number one says
3 "Present status"?

4 A. Right.

5 Q. To what did that refer?

6 A. Well, that was intended to refer, as I
7 recall, to how things are going at the company at
8 that time.

9 Q. Item two, "Tim's involvement," to what
10 did that refer?

11 A. That -- that referred to how Tim was
12 coming along in his capacity as what we called at
13 that time ombudsman.

14 Q. Ombudsman being the same role as the
15 committee of one --

16 A. The committee of one.

17 Q. Item three reads, quote,
18 "Face-to-face meeting of
19 independent directors in June
20 before the shareholders meeting to
21 assess status," close quote.

22 Do you see that?

23 A. Yes.

24 Q. To what did that refer?

25 A. That referred to what we had always

1 said, that we were going to get a report from Tim
2 and then make a final decision on whether some or
3 all of the Cotter family members would have to
4 improve their performance or change their -- what
5 they were doing.

6 Q. What does that mean when you say
7 "improve their performance or change what they were
8 doing?

9 A. Well, in other words, if the -- the
10 situation could not continue the way it was
11 indefinitely with this hostile bickering.

12 And at some point, if certain people
13 were chronic offenders, we'd have to consider
14 terminating them.

15 Q. As of April 2, 2015, had you had any
16 communications with any other non-Cotter member of
17 the RDI board of directors about the subject or
18 possibility of terminating one or more of the
19 Cotters?

20 A. The subject came up that we had to be
21 prepared, if the situation did not correct itself
22 within a reasonable period of time, to take drastic
23 steps which might involve terminating one or more of
24 the Cotters.

25 Q. When did that subject first arise?

1 THE WITNESS: I think it was unclear. I
2 think nobody knew the correct answer there.

3 I mean the letter itself on its face,
4 you know, if you had prior dealings with these
5 people, you knew what their style was -- without
6 more information we wouldn't have a defin- -- we
7 couldn't have a definitive answer.

8 So I don't think anybody had a firm
9 feeling as to what the issue was.

10 BY MR. KRUM:

11 Q. If Margaret Cotter had felt vindicated
12 with respect to how she handled it, at the end of
13 that meeting, do you think that she understood what
14 people said to her?

15 MR. SWANIS: Objection. Form,
16 foundation.

17 MR. HELPERN: Join. Calls for
18 speculation.

19 THE WITNESS: No. I can't speculate. I
20 don't know.

21 BY MR. KRUM:

22 Q. Well, did you say anything that you
23 intended to communicate to her that she had been
24 vindicated by the discussion?

25 A. I don't -- I don't remember saying

1 anything at that meeting.

2 But she certainly hadn't been vindicated
3 at that point. But she later was vindicated when
4 the Court ruled in Reading's favor, RDI's favor.

5 Q. When you say she was vindicated, does
6 that mean that it was acceptable to have not
7 previously disclosed the February 6th letter or that
8 on the merits of the issues --

9 A. On the merits.

10 Q. -- she was correct?

11 A. On the merits she was correct.

12 Q. Did any other RDI director other than
13 you and other than Jim Cotter, Jr., say anything
14 during that meeting that led you to believe they
15 understood the distinction between the subject of
16 disclosing the February 6th letter to the C.E.O., at
17 least, if not to the board and the subject of the
18 merits of the dispute with the Stomp producers?

19 MR. HELPERN: Object to form, vague.

20 MR. SWANIS: Join.

21 THE WITNESS: There were general
22 discussions among the others, saying -- you know,
23 questioning whether there was sufficient notice in
24 that original February 6th letter to cause Margaret
25 to turn it over to Jim.

EXHIBIT 15

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DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES J. COTTER, JR.,)	
individually and)	
derivatively on behalf of))	
Reading International,)	
Inc.,)	
	)	Case No. A-15-719860-B
Plaintiff,)	
	)	Coordinated with:
vs.)	
	)	Case No. P-14-082942-E
MARGARET COTTER, et al.,)	
)	
Defendants.)	
and)	
)	
READING INTERNATIONAL,)	
INC., a Nevada)	
corporation,)	
)	
Nominal Defendant))	
)	

VIDEOTAPED DEPOSITION OF WILLIAM D. ELLIS
TAKEN ON JUNE 28, 2016

REPORTED BY:
PATRICIA L. HUBBARD, CSR #3400

1 plan was done by the board to assist Jim with his
2 C.E.O. duties.

3 Q. What plan was that?

4 A. You know, I don't have any details from
5 it. All I know is that apparently Tim Storey was
6 given some kind of mandate to help out Jim.

7 Q. Okay. Do you know what the nature of
8 that mandate was?

9 A. I never saw anything in writing. I
10 don't really know.

11 Q. Other than what you've testified, did
12 you have any other source of information that you
13 characterized as questioning of Jim's performance by
14 the board?

15 A. Just what I heard from board members.

16 Q. What did you hear, if anything, other
17 than what you've already testified?

18 A. Just in meetings some of the stuff he
19 did was questioned, as -- as happens at every board
20 meeting.

21 Q. Do you recall any particular matter or
22 item or issue or subject?

23 A. There were some concerns about Jim's
24 behavior that the board looked at.

25 Q. Anything else?

1 A. Not in terms of any particular decision
2 that he made the board questioned. It was more
3 behavior and experience.

4 Q. Okay. By "behavior," you're referring
5 to what?

6 A. Temperament and what I think people
7 characterized as anger issues.

8 Q. Well, I'm asking who said what.

9 Whether you could characterize it as
10 behavior or temperament or anger issues, I'm asking
11 what did you -- what did you hear or learn, not what
12 did you -- not how do you sum them up today.

13 A. I heard a couple stories about angry
14 outbursts of Jim's that were, I believe, shared with
15 the board; not by me, but I believe shared with the
16 board.

17 Q. Angry outbursts in the presence of you
18 or directed at home?

19 A. Incidents involving people in the
20 office; my former assistant, Linda Pham, accountant,
21 outside estate accountant, Debbie Watson, Ellen.

22 Again, I didn't witness any of these.
23 These were stories that were shared around the
24 office.

25 Q. Did you ever observe an angry outburst

1 by Jim Cotter, Jr.?

2 A. We shared a thin wall. I did hear him
3 yelling at times. I can't pin down the subject or
4 when. Just it's just a recollection. Our walls
5 were very thin.

6 Q. Did you ever tell -- were you ever asked
7 by any member of the RDI board of directors whether
8 you witnessed any angry outbursts by Jim?

9 A. I don't recall.

10 Q. Did you ever tell them whether you had
11 or that you had not?

12 A. I don't recall anyone asking or -- or me
13 telling.

14 Q. And with respect to your testimony that
15 you did hear him yelling at times, do you know
16 whether that was when Margaret Cotter was in his
17 office or on the other phone -- end of the line of
18 the phone?

19 A. I don't -- I don't know that.

20 Q. Did you ever hear or learn or were you
21 ever told that Linda Pham had developed a personal
22 relationship with either or both Margaret and/or
23 Ellen Cotter?

24 A. I don't understand the term "personal
25 relationship."

EXHIBIT 16

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EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES COTTER, JR., derivatively
on behalf of Reading International,
Inc.,
Plaintiff,

vs.

Case No.

MARGARET COTTER, ELLEN COTTER, A-15-719860-B
GUY ADAMS, EDWARD KANE, DOUGLAS
McEACHERN, TIMOTHY STOREY,
WILLIAM GOULD, JUDY CODDING,
MICHAEL WROTONIAK, and DOES 1
through 100, inclusive,
Defendants.

and

READING INTERNATIONAL, INC.,
a Nevada corporation,
Nominal Defendant.

(CAPTION CONTINUED ON NEXT PAGE.)

VIDEOTAPED DEPOSITION OF WHITNEY TILSON
Los Angeles, California
Wednesday, May 25, 2016
Volume I

Reported by:
JANICE SCHUTZMAN, CSR No. 9509
Job No. 2312209
Pages 1 - 216

1 T2 PARTNERS MANAGEMENT, LP, a
2 Delaware limited partnership,
3 doing business as KASE CAPITAL
4 MANAGEMENT, et al.,
5 Plaintiffs,
6 vs.
7 MARGARET COTTER, ELLEN COTTER,
8 GUY ADAMS, EDWARD KANE, DOUGLAS
9 McEACHERN, WILLIAM GOULD, JUDY
10 CODDING, MICHAEL WROTONIAK, CRAIG
11 TOMPKINS, and DOES 1 through 100,
12 inclusive,
13 Defendants.
14 and
15 READING INTERNATIONAL, INC., a
16 Nevada corporation,
17 Nominal Defendant.

18 Videotaped Deposition of WHITNEY TILSON,
19 individually and as Person Most Knowledgeable for
20 certain T2 and Tilson entities, Volume I, taken at
21 865 South Figueroa Street, 10th Floor, Los Angeles,
22 California, commencing at 10:12 a.m. and ending
23 at 3:18 p.m., Wednesday, May 25, 2016, before
24 Janice Schutzman, CSR No. 9509.
25

1 replace the board of directors at RDI?

2 A. Certainly a majority.

3 Q. Would you seek to replace any of the
4 executives at RDI?

5 A. That is quite likely. 01:48PM

6 Q. Would you reinstate Jim Cotter, Jr., as
7 CEO?

8 A. Probably not.

9 Q. Okay. Why wouldn't you reinstate Jim
10 Cotter, Jr., as CEO? 01:49PM

11 A. Because I think the well has been poisoned
12 with the war among the siblings, and to give the
13 company a fresh start, we'd conduct -- we'd rehire
14 Korn Ferry and do -- and pick up the process where
15 we left off and find the very best CEO we could for 01:49PM
16 the company.

17 And if Ellen and Jim Cotter, Jr., wanted to
18 be considered as part of that process, they would be
19 welcome to throw their hats in the ring. But I
20 think it's unlikely, both because I think we could 01:49PM
21 find somebody better, one, and, two, because of the
22 bad blood and the war that's gone on between the
23 siblings, among the siblings, that it would probably
24 be best to bring in an outsider.

25 Q. With respect to the rehiring Jim Cotter, 01:49PM

1 Jr., you said likely wouldn't do it. The reason you
2 gave is that the well is poisoned.

3 A. Yes.

4 Q. Any other reason?

5 A. I'd want to see the other candidates that 01:50PM
6 we can surface for this. It's not clear to me that,
7 in the entire world, that he is the single best
8 qualified person to run this company.

9 Q. It's your expectation there are other
10 candidates who might be more qualified than Jim 01:50PM
11 Cotter, Jr., to act as CEO of the company?

12 A. I think there's a reasonable likelihood.

13 Q. And why do you say that?

14 A. General long experience with nepotism,
15 when, you know, a father appoints his son to fill 01:51PM
16 his shoes. I can't say I've had enormous amounts of
17 experience with this, both directly through my own
18 investing or otherwise, but my general sense is that
19 just because you happen to have the same genetic
20 code of the person who founded and built the company 01:51PM
21 doesn't make you the best qualified CEO.

22 But that's a secondary reason. The primary
23 reason is, is the well is poisoned, and if we're
24 going to get a clean start of this company, that we
25 should bring in an outside CEO who doesn't -- who 01:51PM

1 isn't -- I have to imagine the vast majority of the
2 employees of RDI are on one sibling's side or the
3 other. And so to have one sibling or another be the
4 CEO means you're still going to have a divided
5 company. That's what I mean by the well being 01:52PM
6 poisoned.

7 Q. Have you conducted any investigation to see
8 if anyone at the company is on one sibling's side or
9 the other sibling's side?

10 A. No. I don't know anyone at the company. 01:52PM

11 Q. Have you conducted any investigation or
12 looked into Jim Cotter, Jr.'s record while he was
13 CEO at RDI?

14 A. Not extensive. He was CEO for a couple
15 quarters, maybe two quarters when -- as a public 01:52PM
16 company before he was forced out. The company
17 seemed to be doing okay. I met him once for 20
18 minutes. Seemed to be a reasonable guy. But I
19 don't have deep knowledge or opinion about his
20 tenure as CEO. 01:53PM

21 Q. Other than he seemed to you to be doing
22 generally okay, do you have any knowledge about what
23 he did or didn't accomplish as CEO?

24 A. Not really. The company seemed to be going
25 along, running its cash cow theater operations 01:53PM

1 reasonably well and taking steps to develop the two
2 properties in New York City, for example. There was
3 nothing that was a real outlier, either positive or
4 negative, in the couple quarters that he was the
5 CEO.

01:53PM

6 I certainly didn't see anything that would
7 give grounds for the board coup that ousted him
8 based on any kind of failures that he had as the
9 CEO, and I certainly believe that he was ousted due
10 to a political family struggle and the ultimatum the
11 sisters presented him with, that that was the
12 motivation for his ouster and not any poor
13 performance as CEO.

01:54PM

14 Q. Well, we'll come back to the rest of what
15 you just said. I mean --

01:54PM

16 A. I'm sure.

17 Q. What you said was "not really," right, when
18 it came to your assessment of Jim Cotter, Jr.'s
19 performance as CEO?

20 A. Uh-huh.

01:54PM

21 Q. Is it correct that --

22 THE REPORTER: Was that an answer?

23 THE WITNESS: I'm sorry. I shouldn't have
24 said "uh-huh."

25 Go ahead.

01:54PM

Page 153

1 BY MR. SEARCY:

2 Q. Is it correct that you can't identify
3 really anything positive or negative about his
4 tenure as you previously testified?

5 A. What I said is any -- I believe I said any 01:54PM
6 outliers, anything he did that was shockingly
7 positive or shockingly negative. It was sort of
8 steady as she goes during his tenure as CEO.

9 Q. Other than "steady as she goes," can you
10 identify anything positive? 01:55PM

11 A. Not off the top of my head.

12 Q. And in terms of steady as she goes, are you
13 able to qualify that at all?

14 A. That the business performed in line with my
15 expectations, in line with previous trends, which is 01:55PM
16 the business was doing fairly well.

17 Q. And is -- the business is currently
18 performing in line with previous trends; correct?

19 A. Yes.

20 Q. And with respect to anything negative, did 01:55PM
21 you have any negative observations about Jim Cotter,
22 Jr., as CEO?

23 A. No.

24 Q. You identified Korn Ferry as being the
25 organization that you would look to to conduct a CEO 01:56PM

1 search; correct?

2 A. It was a little bit tongue in cheek, but
3 since we've already hired and paid them a couple
4 hundred thousand dollars, they would be the first
5 phone call I would make if I were making the
6 decision as to who to pick up and continue the CEO
7 search that was aborted.

01:56PM

8 Q. Well, you would expect them to provide an
9 unbiased search for CEO; correct?

10 A. Yes.

01:56PM

11 Q. And you wouldn't have any qualms about
12 using them begin to search for a CEO at RDI;
13 correct?

14 A. Not based on any information I have today
15 to the contrary.

01:56PM

16 Q. And I've been asking you about the
17 potential reinstatement of Jim Cotter, Jr., which
18 you said that you would not be in favor of in
19 connection with this motion for preliminary
20 injunction.

01:57PM

21 A. Uh-huh.

22 Q. Let me ask you a now slightly different
23 question.

24 If T2 were to succeed in its lawsuit --

25 A. Uh-huh.

Page 155

1 Q. -- would --

2 A. Sorry.

3 Q. -- T2 seek the reinstatement or rehiring of
4 Jim Cotter, Jr., as CEO?

5 A. No. 01:57PM

6 Q. Those -- for the same reasons that you
7 previously identified in connection with preliminary
8 injunction?

9 A. Yes.

10 Q. Earlier you talked about a lawsuit -- class 01:57PM
11 action lawsuit that you were the lead plaintiff on
12 against a golf sportswear company?

13 A. Yes.

14 Q. You described that as a friendly lawsuit?

15 A. Yes. 01:58PM

16 Q. Do you consider the current lawsuit to be a
17 friendly suit?

18 A. No.

19 Q. Has there ever been a situation where
20 you've ever opposed the sale of a company? 01:58PM

21 A. No.

22 Q. How many times, as a shareholder in a
23 company. Have you pushed for the sale of a company
24 as best you can recall?

25 A. I'm having trouble thinking of any 01:59PM

1 not the level, certainly, that I once had.

2 Q. And though the amended complaint makes
3 reference to reinstatement of Jim Cotter, Jr.,
4 that's not something you'd seek; correct?

5 A. I personally, speaking only for myself, am 02:30PM
6 not an advocate for returning him to the CEO
7 position.

8 Q. Do you know if Mr. Glaser is?

9 A. I don't believe he is.

10 Q. Okay. Do you know if Mr. Shapiro is? 02:31PM

11 A. I don't know.

12 Q. Okay. So to your knowledge, because you
13 and Mr. Glaser are the plaintiffs in this case, two
14 of the plaintiffs, and seeking a remedy for
15 yourself, you would not be seeking to have 02:31PM
16 Mr. Cotter, Jr., reinstated; correct?

17 A. No.

18 Q. I asked you a question in a negative, and
19 you answered in a negative. So as a result, I have
20 to -- 02:31PM

21 A. Okay.

22 Q. -- reask it again.

23 It's correct that you and Mr. Glaser would
24 not seek reinstatement of Jim Cotter, Jr.?

25 A. That is correct. 02:31PM

1 Q. Well, let me back up because I'm not sure
2 that you actually answered my question. Okay?

3 A. I've been known to do that.

4 Q. And I asked you if the status quo has
5 remained the same at RDI since October of 2014. 02:38PM

6 Do you recall that?

7 A. I do.

8 Q. And you made reference to -- you used the
9 term "thermonuclear war"?

10 A. Again. 02:38PM

11 Q. You used that to describe the dispute
12 between the siblings?

13 A. Yes.

14 Q. Since the termination of Jim Cotter, Jr.,
15 at RDI, has the status quo changed at all? 02:38PM

16 A. Which status quo? Between the war among
17 the siblings or the business operations?

18 Q. The business operations.

19 A. That -- that's remained pretty steady
20 during the entire period. 02:38PM

21 Q. Even enduring the time that you described
22 as the thermonuclear war; correct?

23 A. Correct.

24 Q. Okay.

25 A. Much to my surprise, the company's results 02:38PM

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1 have not been -- appear to the outside, appear to
2 have been crippled by their war going on, which I'm,
3 frankly, pleased by.

4 Q. So though you've used the term
5 "thermonuclear war," the actions of the sisters 02:39PM
6 during the thermonuclear war hasn't had any negative
7 impact on the operations or the business of the
8 company; correct?

9 A. It's hard for me to know what it would have
10 been in the absence of the, I must imagine, 02:39PM
11 significant amount of time that they've been
12 spending at war with their brother.

13 But I will say that I'm pleased and
14 relieved that what I thought could be a war that
15 could spill over and really impair the operations of 02:39PM
16 the business and become a huge distraction does not
17 appear to have been, and I credit them for being
18 able to do that.

19 Q. So the answer is, just to be clear, you
20 haven't observed any negative impact; correct? 02:39PM

21 A. There are a couple things in the filing
22 about, you know, the repayment of some of the
23 interest payments and some of the debts, et cetera.

24 But in terms of the general operations of
25 the business, yes, I have not observed any negative 02:40PM

EXHIBIT 17

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES COTTER, JR., derivatively
on behalf of Reading International,
Inc.,
Plaintiff,

vs.

Case No.

MARGARET COTTER, ELLEN COTTER, A-15-719860-B
GUY ADAMS, EDWARD KANE, DOUGLAS
McEACHERN, TIMOTHY STOREY,
WILLIAM GOULD, JUDY CODDING,
MICHAEL WROTONIAK, and DOES 1
through 100, inclusive,
Defendants.

and

READING INTERNATIONAL, INC.,
a Nevada corporation,
Nominal Defendant.

(CAPTION CONTINUED ON NEXT PAGE.)

VIDEOTAPED DEPOSITION OF JONATHAN GLASER
Los Angeles, California
Wednesday, June 1, 2016

Reported by:
JANICE SCHUTZMAN, CSR No. 9509
Job No. 2312217
Pages 1 - 293

1 T2 PARTNERS MANAGEMENT, LP, a
Delaware limited partnership,
2 doing business as KASE CAPITAL
MANAGEMENT, et al.,
3 Plaintiffs,
4 vs.
5 MARGARET COTTER, ELLEN COTTER,
GUY ADAMS, EDWARD KANE, DOUGLAS
6 McEACHERN, WILLIAM GOULD, JUDY
CODDING, MICHAEL WROTONIAK, CRAIG
7 TOMPKINS, and DOES 1 through 100,
inclusive,
8 Defendants.
9 and
10 READING INTERNATIONAL, INC., a
Nevada corporation,
11 Nominal Defendant.

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16 Videotaped Deposition of JONATHAN GLASER,
17 individually, and as the Person Most Knowledgeable
18 for JMG Capital Management, LLC and Pacific Capital
19 Management, LLC, taken at 865 South Figueroa Street,
20 10th Floor, Los Angeles, California, commencing at
21 9:25 a.m. and ending at 5:03 p.m., Wednesday,
22 June 1, 2016, before Janice Schutzman, CSR No. 9509.

23
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25 PAGES 1 - 293

1 point, we would have looked at it carefully to
2 figure out which -- those were potential folks. We
3 hadn't made any decisions.

4 Q. Have you at any point actually proposed
5 names of potential board members to anyone at 01:39PM
6 Reading?

7 A. I don't believe so. I don't think I
8 mentioned any names in my conversation with Andrzej.

9 Q. Have you discussed with anybody whether
10 there would be -- whether you would like to see 01:39PM
11 changes made in Reading's management, that is to
12 say, a new CEO or --

13 A. No. I -- when -- well, the answer's no, I
14 haven't discussed with anybody changes in
15 management. 01:39PM

16 And when Ellen was named permanent CEO, did
17 I feel like she's the very best candidate out there
18 to run this company? No. But I actually don't
19 really have a problem with Ellen as CEO.

20 Q. Do -- would you want to have James Cotter, 01:40PM
21 Jr. reinstated as CEO?

22 A. I'm indifferent. I mean, we're not
23 advocating that.

24 We want the -- we -- ultimately, we want
25 the best person to run the company, and whether 01:40PM

1 that's Ellen, Jim, or some third party, that's to be
2 determined. But we're not actively lobbying to put
3 anybody in that seat.

4 Q. Okay. Do you know that, in your lawsuit,
5 you asked that he be reinstated; correct? 01:40PM

6 A. I believe initially we did. I don't know
7 if we are still seeking that.

8 MR. TAYBACK: This has previously been
9 marked as 213. Did you get that, 213?

10 (Previously marked Deposition Exhibit 213
11 was identified.)

12 BY MR. TAYBACK:

13 Q. So I'm showing you what has been marked
14 previously as Exhibit 213. And it's the T2
15 Plaintiffs' First Amended Complaint. So it's the 01:41PM
16 one that's on file now.

17 And if you could go to page 37, using the
18 page numbers in the lower center, under the section
19 that says "Prayer for Relief."

20 A. Yeah. 01:41PM

21 Q. Under "Equitable and Injunctive Relief," B,
22 it says:

23 "Including but not limited to, i)
24 an order reinstating James J. Cotter,
25 Jr., as the president and CEO of"

01:41PM

Page 155

1 Reading -- "of RDI."

2 Does that refresh your recollection that
3 that's, in fact, what you're still asking for?

4 A. It is still in there.

5 Q. But is it your understanding that you're 01:42PM
6 not actually seeking that?

7 A. That's correct.

8 Q. Was that a decision that was made by you
9 and Mr. Tilson that that was not something you were
10 seeking? 01:42PM

11 A. Yes.

12 Q. Describe for me how that decision was made.

13 A. I don't recall exactly. It's a body of
14 thought that's emerged over the course of the last
15 few months. 01:42PM

16 Q. And what was that decision based on,
17 generally? Why did you originally think that was
18 something you wanted but now you think that that's
19 not something you want?

20 A. I guess I'd just say it's not a high 01:42PM
21 priority, that I'm personally comfortable with Ellen
22 as CEO or a third party. It's not -- it's just not
23 a high priority to put Jim, Jr. back. And I'm not
24 opining on whether he's a good CEO or not a good
25 CEO. I don't know. But in the scope of what we're 01:43PM

1 after, that's not a priority.

2 Q. Is it fair to say you don't think that
3 whether he is or is not the CEO is going to make a
4 difference to the shareholders of Reading?

5 A. I don't -- at this point, I don't think it 01:43PM
6 would make much difference.

7 Q. Let me -- I'm going to -- I'm going to ask
8 you some questions generally about the complaint,
9 the First Amended Complaint -- the original
10 complaint and the First Amended Complaint. 01:44PM

11 Did you -- I guess before filing that
12 complaint, did you read it?

13 A. The --

14 Q. The document itself?

15 A. I believe so, yeah. 01:44PM

16 Q. And now we'll focus on the First Amended
17 Compliant.

18 A. The first -- okay.

19 Q. Did you read it -- did you have -- when you
20 read it, did you have changes to it, that is to say, 01:44PM
21 I don't think this is accurate or I don't want to
22 say this?

23 A. I don't recall.

24 THE REPORTER: 241.

25 (Deposition Exhibit 241 was marked for 01:44PM

1 A. I can't say for sure. I don't think it
2 helped. And the general turmoil surrounding the
3 termination and the family in-fighting I think has
4 been, on balance, detrimental. But I -- again, I
5 don't know what people are doing out there. I don't 01:47PM
6 know what forces people to hit the sell or buy
7 button.

8 Q. And do you know whether or not -- well, let
9 me back up.

10 Is it your view, though, that if it had an 01:47PM
11 effect on the stock price, it's not based on him
12 per se holding that position such that a
13 reinstatement of him would positively affect the
14 stock price, or do you think that?

15 A. I don't have an opinion on that. I think 01:48PM
16 when he was terminated, I'm guessing it came as a
17 surprise and a negative surprise to the market. If
18 he were reinstated, I have no idea if the market
19 would react positively or not.

20 Q. Do you think it's generally true that the 01:48PM
21 termination of a CEO adversely affects stock prices
22 of the companies?

23 A. It -- I can't -- who knows. It depends on
24 the CEO. It depends on the company. How they've
25 been -- how the company's been doing. It could be 01:48PM

1 fiduciary duty, in your view, to use -- to his -- to
2 the company, to the shareholders, to take action
3 against an independent contractor or employee that
4 may not be in the best interest of the company
5 because of a personal dispute? 03:18PM

6 A. Yeah, I understand your question better.
7 Yes.

8 Q. Have you done anything to look into whether
9 that occurred?

10 A. No. 03:18PM

11 Q. Did you, with respect to -- give me one
12 minute.

13 Do you have a view as to whether or not a
14 CEO could properly be terminated for not getting
15 along with the employees and other executives of the 03:19PM
16 company?

17 A. Sure.

18 Q. And could -- would that be a proper basis
19 for termination?

20 A. It would be a major factor, yeah. 03:19PM

21 Q. And if a personal dispute prevented a CEO
22 from discharging his duties as CEO, would that be a
23 proper basis for termination?

24 A. A personal dispute with somebody in the
25 company or -- 03:19PM

1 retaining a banker or capital markets expert, and
2 then a report would be made to the board.

3 Q. Since you haven't reviewed it, I assume you
4 don't have any opinion on the company's current
5 business plan?

03:44PM

6 A. Well, I don't recall specifically looking
7 at that presentation. I may have because it's --
8 I'm sure it's on the company's website.

9 And, you know, the issue for me -- I don't
10 really have a huge problem with the way the company
11 is running day to day. I do want to make sure that
12 the New York assets are being teed up in the proper
13 way, so to speak. I think the company is doing
14 that. It's taken a very long period of time.

03:44PM

15 I have concerns about where we are on the
16 real estate market and whether the company has, you
17 know, perhaps missed an opportunity to best
18 capitalize on those assets for this cycle. I don't
19 really know.

03:44PM

20 I think -- what I'm -- I'm not necessarily
21 concerned about asset by asset. I'd more like to
22 understand what could be done, if anything, in terms
23 of perhaps monetizing some of the foreign assets or
24 even domestic assets. You know, just having an open
25 mind about what can be done to enhance the price of

03:45PM

03:45PM

1 the stock, which I think is very depressed relative
2 to where it should be.

3 MR. TAYBACK: Can we go off the record for
4 a couple minutes.

5 MR. ROBERTSON: Sure.

6 MR. TAYBACK: Give me a few minutes to look
7 through my outline.

8 THE VIDEOGRAPHER: We are off the record at
9 3:45 p.m.

10 (Recess taken.) 03:49PM

11 THE VIDEOGRAPHER: We are on the record at
12 3:59 p.m.

13 BY MR. TAYBACK:

14 Q. Directing your attention to what's been
15 marked as Exhibit 232, it's the -- one set of 03:59PM
16 interrogatory responses by you.

17 If you go to Exhibit B, which bears the
18 Bates stamp number, you may remember, 101, it starts
19 with -- ending in 101. And it's a fairly long
20 document with a list of trades, I think. 03:59PM

21 I'm trying to figure out how to -- just how
22 to read that. It says, bought, sold, bought, sold.

23 Can you tell by looking at that how many
24 Class A shares your funds currently own?

25 A. Like from this, I couldn't tell you. All I 04:00PM

1 can tell you, it's approximately 500 and -- let's
2 call it 550, give or take 25. I'm not -- I
3 haven't -- I'm not sure exactly, but it's about
4 that.

5 Q. And how many Class B shares? 04:00PM

6 A. I think it's a thousand and one.

7 Q. And has each of the -- your two funds owned
8 some RDI shares during the entire pendency of the
9 litigation?

10 A. Yeah. 04:00PM

11 Q. Okay.

12 A. Yeah.

13 Q. And how about you personally? Have you
14 held Reading funds during the pendency of the
15 litigation? 04:01PM

16 A. Yeah. I mean, the positions are largely --
17 you know, not materially different than where they
18 were way back when.

19 Q. How has your investment in Reading
20 performed compared to, say, your investment in other 04:01PM
21 stocks over the span of time?

22 A. Over which span of time?

23 Q. Over the span of time that you've been
24 invested in Reading.

25 A. I would say okay. It hasn't been bad. 04:01PM

1 cover.

2 Q. Okay. And then, just so we're clear,
3 looking at pages, say, 117 and 118, after each line
4 there's a number which indicates -- I believe on
5 these pages at least, indicates the number of 04:17PM
6 options or shares.

7 A. Yes.

8 Q. Then there's the code name for the company,
9 RDI.

10 A. Yeah. 04:17PM

11 Q. And what's the number --

12 A. That's prob- --

13 Q. -- and the letters that follow?

14 A. That's probably a security ID number. So
15 that's -- that, I'm guessing, is an ID number for 04:17PM
16 the contract, for the specific options contract.

17 Q. And does that include all the way into the
18 letters that end --

19 A. Yeah. And then they -- where you see PCMJ
20 or JMG or Glaser, that would be the account that it 04:17PM
21 goes into.

22 Q. You said at one point that you would not
23 fire Ellen Cotter. Why not?

24 A. I don't have any evidence that she's not a
25 good CEO. I -- in fact, I told -- when the 04:18PM

1 search -- CEO search was concluded and they
2 announced Ellen was becoming the permanent CEO, one,
3 I was not in the least bit surprised and, two, I
4 told Andrzej in the conversation I had with him that
5 I was not necessarily troubled by that either. 04:18PM

6 Q. Did you say to Andrzej, the CFO, why you
7 were not troubled by that?

8 A. I don't recall, no.

9 Q. Why weren't you troubled by that?

10 A. I recognize, one, the difficulty of finding 04:18PM
11 anybody else, particularly with the circus going on;
12 and, two, I think she knows the company pretty well,
13 has been there a long time, probably learned the
14 business from her dad.

15 So I'm not convinced that there's some 04:18PM
16 knight in shining armor out there to come in and be,
17 you know, a great -- you know, a much better CEO of
18 this company. I'm okay with Ellen.

19 Q. Did you -- I believe you indicated that you
20 spoke to someone on behalf of Pico -- 04:19PM

21 A. Yes.

22 Q. -- Pico Holdings?

23 A. Yeah.

24 Q. Do you recall -- you don't remember who the
25 name was? 04:19PM

EXHIBIT 18

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EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES COTTER, JR., derivatively)
on behalf of Reading International,))
Inc.,)
Plaintiff,)
) Case No.
vs.) A-15-719860-B
)
MARGARET COTTER, ELLEN COTTER,) Case No.
GUY ADAMS, EDWARD KANE, DOUGLAS) P-14-082942-E
McEACHERN, TIMOTHY STOREY, WILLIAM)
GOULD, JUDY CODDING, MICHAEL)
WROTONIAK, and DOES 1 through 100,)
inclusive,)
Defendants.)
)
and)
)
READING INTERNATIONAL, INC.,)
a Nevada corporation,)
)
Nominal Defendant.)
)

(CAPTION CONTINUED ON NEXT PAGE.)

VIDEOTAPED DEPOSITION OF ANDREW SHAPIRO
San Francisco, California
Monday, June 6, 2016
Volume I

Reported by:
CARLA SOARES
CSR No. 5908
Job No. 2324228
Pages 1 - 322

1 T2 PARTNERS MANAGEMENT, LP, a)
Delaware limited partnership,)
2 doing business as KASE CAPITAL)
MANAGEMENT, et al.,)
3)
Plaintiff,)
4)
vs.)
5)
MARGARET COTTER, ELLEN COTTER, GUY)
6 ADAMS, EDWARD KANE, DOUGLAS)
McEACHERN, WILLIAM GOULD, JUDY)
7 CODDING, MICHAEL WROTONIAK, CRAIG)
THOMPSON, and DOES 1 through 100,)
8 inclusive,)
9 Defendants.)
and)
10)
READING INTERNATIONAL, INC.,)
11 a Nevada corporation,)
12 Nominal Defendant.)
_____)

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VIDEOTAPED DEPOSITION OF ANDREW SHAPIRO,
Volume I, taken on behalf of Defendants, at 50
California Street, San Francisco, California,
beginning at 9:11 a.m., and ending at 6:15 p.m., on
Monday, June 6, 2016, before CARLA SOARES, Certified
Shorthand Reporter No. 5908.

1 It's -- by the way, one of the reasons I 09:46:26
2 chose not to intervene was, I didn't want this
3 deterioration of relationship to occur. I had hoped
4 that we could remain -- that I would be perceived
5 and we could remain independent of the fight between 09:46:44
6 the siblings over the control of the assets and the
7 control of the company.

8 I just want what's best for the company
9 and all its shareholders in the delivery of its
10 business plan, which I don't have any disagreements 09:47:00
11 with. I haven't had a disagreement with their
12 direction for -- with Senior, with Junior, or with
13 what Ellen has been doing.

14 Q And that business plan hasn't changed over
15 the course of time? 09:47:17

16 A I think it's been fairly -- I think the
17 business plan has been fairly consistent.

18 There was a bias over Senior's earlier
19 years of accumulating. He never met a distressed
20 seller he didn't like. And he -- it's not that he 09:47:33
21 didn't -- it's not that he didn't buy well. He
22 bought well most times. But, you know, he
23 accumulated.

24 Near the last year or two of his life,
25 unfortunately, the last few years, which were the 09:47:51

1 last of his life, unfortunately, he became more of a 09:47:55
2 seller and building upon the value of the assets
3 that had been accumulated than an accumulator.

4 He had a few forays that I think went off
5 the rails and didn't go well that I, at annual 09:48:09
6 meetings, would call him out on and be critical of,
7 that this is a distraction.

8 And now with the current assets that they
9 have, Junior was migrating the company towards
10 building upon what the company had, and I feel Ellen 09:48:27
11 and the new regime is similarly doing that.

12 Q So after the termination of Mr. Cotter
13 Junior, the business plan that you've identified
14 hasn't really changed; is that correct?

15 A Not that I can tell. 09:48:46

16 Q Had the operations of the business at RDI
17 changed?

18 A Yes. Not so much. But in one particular
19 area, the operating costs, the SG&A has gone through
20 the roof. 09:49:03

21 That part is unfortunate, but there's been
22 a substantial hiring of new parties and a --
23 creating redundancies, as well as then the exiting
24 of parties.

25 And so that has increased the SG&A of the 09:49:24

1 company beyond its historical norms. I'm hopeful 09:49:26
2 that it will prove to be non-recurring and that the
3 SG&A operating costs will go back down to their
4 historical levels while the company still continues
5 to grow. 09:49:40

6 Q But the company has continued to grow as
7 between the time that Mr. Cotter Junior was
8 terminated and then Ellen Cotter took over as CEO;
9 is that correct?

10 A I think it's continued along its path. 09:49:51
11 Whether it's grown or not is a function of box
12 office success or not box office success in this
13 short window.

14 I believe Ellen -- Junior was terminated
15 in June, so Ellen has had it for a year. Junior has 09:50:04
16 had it for about nine months of what is alleged in
17 the complaint a tumultuous time period.

18 So during both periods of time, the
19 operating performance of the company has kind of
20 chugged along. I don't feel there's any differences 09:50:21
21 between the operational direction. I can't tell of
22 any difference between the operational direction
23 that Junior was leading the company and that Ellen
24 is leading the company.

25 So I can't tell of any operational 09:50:37

1 differences that have caused this horrible, nasty, 09:50:39
2 childlike dispute.

3 Q You're referring to the litigation now?

4 A The sibling fight over the control of the
5 estate. 09:50:47

6 Q All right. We were talking about
7 Mr. Matyczynski just a minute ago.

8 I think you said that there were instances
9 where you would reach out to Mr. Ghose, and then
10 Mr. Matyczynski would then call you or communicate 09:50:59
11 with you; is that right?

12 A On one or two instances I'd reach out to
13 Dev, or I'd reach out to them both, and Matyczynski
14 would be responsive.

15 Q Did you ask Andrzej why he was 09:51:14
16 communicating with you instead of Mr. Ghose?

17 A I think Andrzej mentioned to me that he
18 was designated to deal with me.

19 Q By the company?

20 A By whoever. Yes. I'm assuming by whoever 09:51:24
21 pays his paycheck. I don't know.

22 Q Did he say that that was a function of
23 your prior involvement in the intervention suit at
24 all?

25 A No. 09:51:36

1 would hire. 09:59:18

2 Q After you graduated from UCLA in 1987,
3 what was your first job after that?

4 A I worked in the leveraged finance
5 division, the acquisition finance group, of 09:59:34
6 Manufacturers Hanover Bank, which is now part of JP
7 Morgan. It was a special unit that originated and
8 structured the financing of the senior debt of all
9 the big buyouts in the late '80s.

10 Q How long did you work at Hanover? 09:59:50

11 A Mani Hani, as we call it, I worked at Mani
12 Hani from 1987, right before the crash, to 1989.

13 Q What was your next job?

14 A I was an officer at the investment
15 management arm or the family office for the Belzberg 10:00:10
16 family at First City Capital, it was called, in New
17 York City. Manufacturers Hanover was in New York
18 City as well.

19 Q How long did you work at First City
20 Capital? 10:00:25

21 A I was at First City from 1989 to 1991.

22 Q What was your next job?

23 A I taught finance at the Haas School of
24 Business as an adjunct professor.

25 And I was a consultant at the same time 10:00:49

Page 50

1 with a now defunct fund of funds that I had. They 10:00:55
2 were a consulting client, that I would help advise
3 them on whether the hedge funds they allocated
4 capital to actually invested consistent with the
5 style and strategy they told the fund of funds that 10:01:11
6 they did.

7 So value -- they said they were a value
8 investor. And if they had a bunch of Amazon or
9 Netflix, although I don't think they existed then,
10 then that would have been examples of investments 10:01:25
11 not consistent with their style and strategy, which
12 is something that I could certainly do.

13 And after teaching and while doing
14 consulting, I basically migrated to found my firm,
15 Lawndale Capital Management, in 1992, and opened up 10:01:43
16 our funds in February of 1993. And I've been doing
17 that ever since. We're in our 24th year.

18 Q What's the business of Lawndale?

19 A Lawndale is an investment advisor that
20 serves as the general partner to some investment 10:02:08
21 limited partnerships.

22 Q What do you mean by that?

23 MR. RAISSI: By what?

24 THE WITNESS: I don't understand your
25 question. 10:02:22

1 BY MR. SEARCY: 10:02:23

2 Q What do you mean when you say it serves as

3 a general partner to some investment limited

4 partnerships?

5 A So Lawndale Capital Management is an 10:02:29

6 investment advisor. It is the general partner in

7 some partnerships. Those partnerships are

8 investment limited partnerships. They make

9 investments.

10 Q And are those investment limited 10:02:42

11 partnerships, are those operated by you?

12 A The general partner, Lawndale Capital

13 Management, which I am the founder, president and

14 portfolio manager of.

15 Q So yes? 10:02:57

16 MR. RAISSI: No. His answer is what his

17 answer was.

18 THE WITNESS: Exactly what my lawyer said

19 on that. It is what my answer is.

20 So if you want to clarify the question, 10:03:06

21 I'll be responsive.

22 BY MR. SEARCY:

23 Q Sure. Happy to work with you on this.

24 A Yeah.

25 Q In terms of the general partnership where 10:03:16

1 Lawndale is serving as a general partnership -- 10:03:17

2 A Lawndale is not a general partnership,
3 okay?

4 Q It's the general partner with the
5 partnership? 10:03:23

6 A Lawndale is the general partner of a
7 partnership which then has limited partners. And
8 that partnership has a brokerage account and makes
9 investments.

10 Q And would those limited partners come from 10:03:35
11 outside of Lawndale?

12 A Yes.

13 Q But Lawndale itself as the general partner
14 would control the partnership, correct?

15 A As general partner and with its power of 10:03:44
16 attorneys or whatever else the legal documents were
17 that gives it discretionary authority on what to buy
18 and sell.

19 Q Has Lawndale been your full-time
20 occupation since 1993? 10:04:03

21 A Um-hum.

22 Q Just for the record, that was a "yes," for
23 the court reporter?

24 A I'm sorry. Yes.

25 Q How many employees does Lawndale have? 10:04:14

1 A Lawndale Capital Management, LLC, only has 10:04:20
2 me as an employee.

3 It has a -- Lawndale -- it has an
4 affiliate, Lawndale Capital Management, Inc., and it
5 has two employees, plus me. 10:04:45

6 Q What are the roles of those two employees?

7 A They assist me in the analysis of
8 companies. They assist in the operational aspects
9 of the business, the regulatory compliance, the
10 day-to-day activities of the business. 10:05:13

11 Q Are they involved -- these two employees,
12 are they involved in making trading decisions?

13 A No.

14 Q Do you make all trading decisions for the
15 Lawndale entities? 10:05:25

16 A I do.

17 Q And Lawndale owns RDI stock; is that
18 right?

19 A Yes.

20 Q What percentage of Lawndale's holdings are 10:05:39
21 in RDI stock?

22 A You know, that's kind of -- that's
23 proprietary data. It's our largest investment. I
24 mean, I'll give you that. But how much we allocate
25 to each individual investment amongst investments is 10:05:56

1 proprietary to our operations and our investment 10:06:04
2 partners.

3 Q All right. We have a protective order in
4 place in this case. Maybe we can designate that
5 information as confidential. 10:06:15

6 MR. RAISSI: We've not seen any protective
7 order, so --

8 MR. SEARCY: Well, maybe we can have a
9 discussion about that over the break.

10 MR. RAISSI: I don't see what the 10:06:25
11 relevance is to this, either. It's proprietary
12 information. It's trade secret.

13 MR. SEARCY: Just so I understand
14 correctly, the position that Mr. Shapiro is taking
15 today at this deposition is that his -- the 10:06:39
16 percentage of RDI stock in the portfolio of Lawndale
17 is proprietary and trade secret?

18 MR. RAISSI: That's correct, and
19 consistent with the written objections we served to
20 the document requests whenever that was, four or 10:07:00
21 five months ago.

22 BY MR. SEARCY:

23 Q And RDI is your largest investment, you
24 said?

25 A Yes. 10:07:09

1 Q What is the amount of Lawndale's 10:07:09
2 investment in RDI?
3 A Can you clarify that? I think you just
4 asked that.
5 Q Sure. How much money does Lawndale have 10:07:20
6 invested in RDI?
7 A I actually don't know exactly. I don't
8 know -- I don't know offhand. It's my largest
9 investment.
10 Q Do you know the approximate value? 10:07:31
11 A Over 13 million.
12 Q What percentage of Lawndale's holdings in
13 RDI are Class A stock?
14 A Almost all of it.
15 Q Does Lawndale hold any RDI Class B stock? 10:08:00
16 A Yes.
17 Q What amount?
18 A A few thousand shares. Very -- very
19 little.
20 Q Do you know what the value of those shares 10:08:20
21 are?
22 A A few thousand times \$13 a share. So
23 13 -- \$26,000, \$30,000. The bulk of our ownership
24 interest, the vast majority of our ownership
25 interest is in the non-voting Class A shares just 10:08:41

1 like the rest of the public. 10:08:46

2 93 percent of all the public shares --

3 sorry -- 93 percent of all the shares of Reading are

4 non-voting shares, and only 7 percent of all the

5 shares of Reading are voting shares. 10:09:00

6 Q Do you have any knowledge as to whether
7 the Class B shares are more valuable than the
8 Class A shares?

9 A Knowledge? No. Cotter Senior has always
10 treated and has represented throughout all these 10:09:30
11 years that he viewed them economically identical,
12 and he treated them in the merger and other time
13 windows economically identical any time he had dual
14 class.

15 My initial investment was in Craig Corp. 10:09:44
16 preferred shares, and he treated those preferred,
17 which were basically non-voting shares of Craig
18 Corp, one of the predecessors -- with respect to the
19 voting shares of Craig, he always treated those
20 identically as well, economically identically. 10:09:59

21 Yes, they provided him voting control of
22 the entity, but economically, on more than one
23 occasion, he represented that he viewed them
24 economically identical and he would treat them
25 economically identical. And in multiple corporate 10:10:17

1 longer than Junior, whether it's because of the 11:31:39
2 litigation, whether it's because I'm viewed
3 adversarial, or it's her own style, I've had less
4 engagement with Ellen in the one-year window than I
5 did with Junior, and my advice and counsel has not 11:31:56
6 been sought.

7 If anything, with respect to Dev Ghose as
8 CFO, I'm reminded by him on multiple occasions how
9 many decades he's been a CFO of larger companies,
10 and a "we don't need your advice" kind of message. 11:32:16

11 Ellen hasn't sent that message, but Ellen
12 hasn't asked for counsel or advice in any way. She
13 didn't seem to really care about my views or
14 opinions about that. So I can't -- I can't say that
15 I come away from a conversation with her -- which 11:32:37
16 has been limited -- that I've come away feeling that
17 they are going to pursue this once the litigation is
18 over.

19 Do I feel that -- are they pursuing that
20 now? I don't really have a bias between Junior's 11:32:57
21 regime or Ellen's regime, if that's what you say. I
22 think that she's been advancing the company forward,
23 similar to what I had observed Junior doing.

24 The only distinction I have is that Junior
25 was doing it without the cloud of litigation, and 11:33:15

1 about buying shares in the sell-off, you didn't 14:49:42
2 alert the board that you were considering filing
3 your own intervention suit, correct?

4 A Correct, other than that email you saw
5 that put them on notice that we will do any and all 14:49:58
6 actions to protect shareholder interests. But no
7 specific, we have or will and are contemplating an
8 intervenors' motion.

9 Q When you -- as of July 27th, 2015, you
10 were actually working with counsel for preparation 14:50:25
11 of an intervention suit, correct?

12 A I don't think that's correct. I was
13 interviewing counsel at that time.

14 On the 27th, we were interviewing counsel
15 and had not resolved on who counsel would be and 14:50:45
16 various issues regarding the intervention. But I
17 was still contemplating being one of the intervenors
18 at that time.

19 Q And you didn't let the board know any of
20 that, though, right? 14:51:03

21 A I did not let the board know -- when I
22 emailed them that they ought to buy back shares, I
23 did not let the board know that I was considering
24 filing an intervenors' motion. I wouldn't want that
25 to frankly taint their decision one way or another 14:51:15

1 on the highly accretive corporate allocation of 14:51:18
2 buying back and retiring shares.

3 Part of the reason I didn't intervene and
4 I was concerned about being a named intervenor was
5 the fact that it would cloud any perception -- the 14:51:32
6 problem with the intervenors' suit was that it, in
7 many ways, was piling on or aligning some of the
8 allegations and remedies with that of Junior, which
9 I was not necessarily in pursuit of, of any and all
10 of those remedies. 14:51:58

11 Q Which remedies of Junior were you not in
12 pursuit of?

13 A I wasn't committed one way or the other
14 that Junior should be reinstated.

15 Again, Junior was the devil I knew, and he 14:52:10
16 was doing things in a manner I had no problems with.
17 I had no idea what or how the sisters or Ellen would
18 manage the company.

19 So it was the devil I knew versus the
20 devil I didn't know. And it was also the fact that, 14:52:26
21 you know, they're having this nasty, horrible,
22 drag-out fight over the family estate.

23 Q But as of the date where you were
24 considering filing the intervention suit, you didn't
25 know whether you had to seek reinstatement of 14:52:38

1	A No.	16:23:55
---	-------	----------

2 Q Have you had any conversations with Mark
3 Krum?

4	A Yes.
---	--------

5	Q	On how many different occasions?	16:24:02
---	---	----------------------------------	----------

6 A On a few occasions when I was making the
7 decision whether or not I wanted to file an
8 intervenors' suit or not. I don't think I've talked
9 with him really since all of that got filed. Just
10 then, I think. So that's on or around July, end of 16:24:19
11 July, early August.

12 I might have talked with him once or twice
13 subsequent, regarding status of the case, basically,
14 of one of the other cases that's not the derivative
15 action. But he's -- you know, I can't talk with 16:24:40
16 Junior. I asked Krum -- I asked Krum in one or two
17 calls what's going on in a certain suit.

18 Q What did you discuss with Mr. Krum about
19 whether or not to file an intervenors' suit?

20 A I told him I was considering filing -- I 16:24:55
21 was considering being an intervenor. I wanted to
22 understand the nature of Junior's claims, why he
23 felt these claims were derivative and not personal
24 or direct.

25	My main issue here was that I told him	16:25:12
----	--	----------

1 that I don't think necessarily Junior is the best 16:25:14
2 adequate representative of mine or other shareholder
3 interests, and I wanted shareholders, myself or
4 shareholder representatives, to have a seat at the
5 table. Because who best to pursue and find out 16:25:28
6 what's been going on at this company above and
7 beyond just the circumstances surrounding Junior's
8 termination than independent shareholders?

9 And so that is why I was very motivated to
10 be the intervenor, to file an intervening action, to 16:25:46
11 create and have remedies employed here at the
12 company that would be protective of and benefit all
13 shareholders. And the rehiring of Cotter Junior
14 solely as a remedy didn't seem to me to be remedy
15 enough for all that had gone on in the last few 16:26:04
16 years of Cotter Senior's life and in the years
17 subsequent.

18 Q So with respect to the items that you've
19 just described, things that have occurred in the
20 last few years of Cotter Senior's life? 16:26:24

21 A Yes, that would be within the statute of
22 limitations.

23 Q That was going to be my question to you,
24 was, with respect to those issues which are now
25 barred by the statute of limitations, why didn't you 16:26:38

EXHIBIT 19

AMENDED AND RESTATED

BYLAWS

OF

Reading International, Inc.

A Nevada Corporation

(formerly Citadel Holding Corporation)

AMENDED AND RESTATED
BYLAWS
OF
READING INTERNATIONAL, INC.
A Nevada Corporation

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AMENDED AND RESTAED
BYLAWS¹
OF
READING INTERNATIONAL, INC.
A Nevada Corporation

**ARTICLE I
STOCKHOLDERS**

SECTION 1 ANNUAL MEETING

Annual meetings of the stockholders, commencing with the year 2000, shall be held each year within 150 days of the end of the fiscal year on the third Thursday in May if not a legal holiday, and if a legal holiday, then on the next secular day following at ten o'clock a.m., or such other date and time as may be set by the Board of Directors² from time to time and stated in the notice of the meeting, at which the stockholders shall elect by a plurality vote a Board of Directors and transact such other business as may properly be brought before the meeting.

SECTION 2 SPECIAL MEETINGS

Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, may be called by the Chairman or Vice Chairman of the Board or the President, and shall be called by the Chairman, Vice Chairman or President at the written request of a majority of the Board of Directors or at the written request of stockholders owning outstanding shares representing a majority of the voting power of the Corporation. Such request shall state the purpose or purposes of such meeting.

SECTION 3 NOTICE OF MEETINGS

Written notice of stockholders meetings, stating the place, date and hour thereof, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder entitled to vote thereat at least ten days but not more than sixty days before the date of the meeting, unless a different period is prescribed by statute. Business transacted any special meeting of the stockholders shall be limited to the purpose or purposes stated in the notice.

¹ These Amended and Restated Bylaws are hereinafter referred to as the Bylaws.

² The "Board" and "Board of Directors" are hereinafter used in reference to the Board of Directors of Reading International, Inc.

SECTION 4 PLACE OF MEETINGS

All annual meetings of the stockholders shall be held in the County of Los Angeles, State of California, at such place as may be fixed from time to time by the Board of Directors, or at such other place within or without the State of Nevada as the directors shall determine. Special meetings of the stockholders may be held at such time and place within or without the State of Nevada as shall be stated in the notice of the meeting, or in a duly executed waiver of notice thereof. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

SECTION 5 STOCKHOLDER LISTS

The officer who has charge of the stock ledger of the Corporation shall prepare and make, not less than ten nor more than sixty days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any proper purpose germane to the meeting, during ordinary business hours for a period not less than ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

SECTION 6 QUORUM; ADJOURNED MEETINGS

The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the Articles of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 7 VOTING

Except as otherwise provided by statute or the Articles of Incorporation or these Bylaws, and except for the election of directors, at any meeting duly called and held at which a quorum is present, a majority of the votes cast at such meeting upon a given matter by the holders of outstanding shares of stock of all classes of stock of the Corporation entitled to vote thereon who are present in person or by proxy shall decide such matter. At any meeting duly called and held for the election of directors at which a quorum is present, directors shall be elected by a plurality of the votes cast by the holders (acting as such) of shares of stock of the Corporation entitled to elect such directors.

SECTION 8 PROXIES

At any meeting of the stockholders any stockholder may be represented and vote by a proxy or proxies appointed by an instrument in writing. In the event that any such instrument in writing shall designate two or more persons to act as proxies, a majority of such persons present at the meeting, or, if only one shall be present, then that one shall have and may exercise all of the powers conferred by such written instrument upon all of the persons so designated unless the instrument shall otherwise provide. No proxy, proxy revocation or power of attorney to vote shall be used at a meeting of the stockholders unless it shall have been filed with the secretary of the meeting; provided, however, nothing contained herein shall prevent any stockholder from attending any meeting and voting in person. All questions regarding the qualification of voters, the validity of proxies and the acceptance or rejection of votes shall be decided by the inspectors of election who shall be appointed by the Board of Directors, or if not so appointed, then by the presiding officer of the meeting.

SECTION 9 ACTION WITHOUT MEETING

Any action which may be taken by the vote of the stockholders at a meeting may be taken without a meeting if authorized by the written consent of stockholders holding at least a majority of the voting power, unless the provisions of the statutes governing the Corporation or of the Articles of Incorporation require a different proportion of voting power to authorize such action in which case such proportion of written consents shall be required. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

SECTION 10 CERTAIN LIMITATIONS

The Board of Directors shall not, without the prior approval of the stockholders, adopt any procedures, rules or requirements which restrict a stockholders right to (i) vote, whether in person, by proxy or by written consent; (ii) elect, nominate or remove directors; (iii) call a special meeting; or (iv) to bring new business before the stockholders, except as may be required by applicable law.

ARTICLE II DIRECTORS

SECTION 1 MANAGEMENT OF CORPORATION

The business of the Corporation shall be managed by its Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the stockholders.

SECTION 2 NUMBER, TENURE, AND QUALIFICATIONS

The number of directors, which shall constitute the whole board, shall be nine (9). Thereafter, the number of directors may from time to time be increased or decreased to not less than one nor more than ten by action of the Board of Directors. The directors shall be elected by

the holders of shares entitled to vote thereon at the annual meeting of the stockholders and, except as provided in Section 4 of this Article, each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.

SECTION 3 CHAIRMAN AND VICE CHAIRMAN OF THE BOARD

The directors may elect one of their members to be Chairman of the Board of Directors and one of their members to be Vice Chairman of the Board of Directors. The Chairman and Vice Chairman shall be subject to the control of and may be removed by the Board of Directors. The Chairman and Vice Chairman shall perform such duties as may from time to time be assigned to them by the Board of Directors.

SECTION 4 VACANCIES; REMOVAL

Vacancies in the Board of Directors, including those caused by an increase in the number of directors, may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until his successor is elected at an annual or a special meeting of the stockholders. The holders of no less than two-thirds of the outstanding shares of stock entitled to vote may at any time peremptorily terminate the term of office of all or any of the directors by vote at a meeting called for such purpose or by written consent filed with the Secretary or, in his absence, with any other officer. Such removal shall be effective immediately, even if successors are not elected simultaneously.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of the death, resignation or removal of any directors, or if the authorized number of directors be increased, or if the stockholders fail at any annual or special meeting of stockholders at which any director or directors are elected to elect the full authorized number of directors to be voted for at that meeting.

If the Board of Directors accepts the resignation of a director tendered to take effect at a future time, the Board or the stockholders shall have power to elect a successor to take office when the resignation is to become effective.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his term of office.

SECTION 5 ANNUAL AND REGULAR MEETINGS

Annual and regular meetings of the Board of Directors shall be held at any place within or without the State of Nevada that has been designated from time to time by resolution of the Board of Directors or by written consent of all members of the Board of Directors. In the absence of such designation, annual and regular meetings shall be held at the registered office of the Corporation. Regular meetings of the Board of Directors may be held without call or notice at such time and at such place as shall from time to time be fixed and determined by the Board of Directors.

SECTION 6 FIRST MEETING

The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting and no notice of such meeting shall be necessary to the directors in order legally to constitute the meeting, provided a quorum is present. In the event of the failure of the stockholders to fix the time and place of such first meeting, or in the event such meeting is not so held, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

SECTION 7 SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by the Chairman or Vice Chairman of the Board or the President upon notice to each director, either personally or by mail or by telegram. Upon the written request of a majority of the directors, the Chairman or Vice Chairman of the Board or the President shall call a special meeting of the Board to be held within two days of the receipt of such request and shall provide notice thereof to each director, either personally or by mail or by telegram.

SECTION 8 BUSINESS OF MEETINGS

The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

SECTION 9 QUORUM; ADJOURNED MEETINGS

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number is required by law or by the Articles of Incorporation. Any action of a majority, although not at a regularly called meeting, and the record thereof, if assented to in writing by all of the other members of the Board shall be as valid and effective in all respects as if passed by the Board of Directors in a regular meeting.

A quorum of the directors may adjourn any directors meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the directors present at any directors' meeting, either regular or special, may adjourn from time to time, without notice other than announcement at the meeting, until a quorum is present.

Notice of the time and place of holding an adjourned meeting need not be given to the absent directors if the time and place are fixed at the meeting adjourned.

SECTION 10 COMMITTEES

The Board of Directors may, by resolution adopted by a majority of the whole Board, designate one or more committees of the Board of Directors, each committee to consist of at least one or more directors of the Corporation which, to the extent provided in the resolution, shall have and may exercise the power of the Board of Directors in the management of the business and affairs of the Corporation and may have power to authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power to amend the Articles of Incorporation, to adopt an agreement or plan of merger or consolidation, to recommend to the stockholders a sale, lease or exchange of all or substantially all of the Corporation's assets, to recommend to the stockholders dissolution or revocation of dissolution, or to amend these Bylaws, and, unless the resolution or the Articles of Incorporation expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Such committee or committees shall have such name or names as may be determined from time to time by the Board of Directors. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The members of any such committee present at any meeting and not disqualified from voting may, whether or not they constitute a quorum, unanimously appoint another member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. At meetings of such committees, a majority of the members or alternate members shall constitute a quorum for the transaction of business, and the act of a majority of the members or alternate members at any meeting at which there is a quorum shall be the act of the committee.

The committees, if required by the Board, shall keep regular minutes of their proceedings and report the same to the Board of Directors.

SECTION 11 ACTION WITHOUT MEETING; TELEPHONE MEETINGS

Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if a written consent thereto is signed by all members of the Board of Directors or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

Nothing contained in these Bylaws shall be deemed to restrict the powers of members of the Board of Directors, or any committee thereof, to participate in a meeting of the Board or committee by means of telephone conference or similar communications equipment whereby all persons participating in the meeting can hear each other.

SECTION 12 SPECIAL COMPENSATION

The directors may be paid their expenses of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director as fixed by the Board of Directors. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of committees may be allowed like reimbursement and compensation for attending committee meetings.

ARTICLE III NOTICES

SECTION 1 NOTICE OF MEETINGS

Whenever, under the provisions of the Articles of Incorporation or applicable law or these Bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholders, at his address as it appears on the records of the Corporation, postage prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

Notices of meetings of stockholders shall be in writing and signed by the President or a Vice-President or the Secretary or an Assistant Secretary or by such other person or persons as the directors shall designate. Such notice shall state the purpose or purposes for which the meeting is called and the time and the place, which may be within or without this State, where it is to be held. Personal delivery of any notice to any officer of a corporation or association, or to any member of a partnership, shall constitute delivery of such notice to such corporation, association or partnership. In the event of the transfer of stock after delivery of such notice of and prior to the holding of the meeting it shall not be necessary to deliver or mail notice of the meeting to the transferee.

SECTION 2 EFFECT OF IRREGULARLY CALLED MEETINGS

Whenever all parties entitled to vote at any meeting, whether of directors or stockholders, consent, either by a writing on the records of the meeting or filed with the secretary, or by presence at such meeting and oral consent entered on the minutes, or by taking part in the deliberations at such meeting without objection, the doings of such meeting shall be as valid as if had at a meeting regularly called and noticed, and at such meeting any business may be transacted which is not excepted from the written consent or to the consideration of which no objection for want of notice is made at the time, and if any meeting be irregular for want of notice or of such consent, provided a quorum was present at such meeting, the proceedings of said meeting may be ratified and approved and rendered likewise valid and the irregularity or defect therein waived by a writing signed by all parties having the right to vote at such meeting; and such consent or approval of stockholders may be by proxy or attorney, but all such proxies and powers of attorney must be in writing.

SECTION 3 WAIVER OF NOTICE

Whenever any notice whatever is required to be given under the provisions of the statutes, the Articles of Incorporation or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE IV OFFICERS

SECTION 1 ELECTION

The officers of the Corporation shall be elected annually at the first meeting by the Board of Directors held after each annual meeting of the stockholders and shall be a President, one or more Vice Presidents, a Treasurer and a Secretary, and such other officers with such titles and duties as the Board of Directors may determine, none of whom need be directors. The President shall be the Chief Executive Officer, unless the Board designates the Chairman of the Board as Chief Executive Officer. Any person may hold one or more offices and each officer shall hold office until his successor shall have been duly elected and qualified or until his death or until he shall resign or is removed in the manner as hereinafter provided for such term as may be prescribed by the Board of Directors from time to time.

SECTION 2 CHAIRMAN AND VICE CHAIRMAN OF THE BOARD

The Board of Directors at its first annual meeting after each annual meeting of the stockholders may choose a Chairman and Vice Chairman of the Board from among the directors of the Corporation. The Chairman of the Board, and in his absence the Vice Chairman, shall preside at meetings of the stockholders and the Board of Directors and shall see that all orders and resolutions of the Board of Directors are carried into effect.

SECTION 3 PRESIDENT

The President shall be the chief operating officer of the Corporation, shall also be a director and shall have active management of the business of the Corporation. The President shall execute on behalf of the Corporation all instruments requiring such execution except to the extent the signing and execution thereof shall be expressly designated by the Board of Directors to some other officer or agent of the Corporation.

SECTION 4 VICE-PRESIDENT

The Vice-President shall act under the direction of the President and in the absence or disability of the President shall perform the duties and exercise the powers of the President. The Vice-President shall perform such other duties and have such other powers as the President or the Board of Directors may from time to time prescribe. The Board of Directors may designate one or more Executive Vice-Presidents or may otherwise specify the order of seniority of the Vice-Presidents. The duties and powers of the President shall descend to the Vice-Presidents in such specified order of seniority.

SECTION 5 SECRETARY

The Secretary shall act under the direction of the President. Subject to the direction of the President, the Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record the proceedings. The Secretary shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all

meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the President or the Board of Directors.

SECTION 6 ASSISTANT SECRETARIES

The Assistant Secretaries shall act under the direction of the President. In order of their seniority, unless otherwise determined by the President or the Board of Directors, they shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary. They shall perform such other duties and have such other powers as the President or the Board of Directors may from time to time prescribe.

SECTION 7 TREASURER

The Treasurer shall act under the direction of the President. Subject to the direction of the President, the Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the President or the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all transactions as Treasurer and of the financial condition of the Corporation.

If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of such person's office and for the restoration to the Corporation, in case of such person's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in such person's possession or under such person's control belonging to the Corporation.

SECTION 8 ASSISTANT TREASURERS

The Assistant Treasurers in the order of their seniority, unless otherwise determined by the President or the Board of Directors, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer. They shall perform such other duties and have such other powers as the President or the Board of Directors may from time to time prescribe.

SECTION 9 COMPENSATION

The Board of Directors shall fix the salaries and compensation of all officers of the Corporation.

SECTION 10 REMOVAL; RESIGNATION

The officers of the Corporation shall hold office at the pleasure of the Board of Directors. Any officer elected or appointed by the Board of Directors, or any member of a committee, may

be removed at any time, with or without cause, by the Board of Directors by a vote of not less than a majority of the entire Board at any meeting thereof or by written consent. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise shall be filled by the Board of Directors for the unexpired portion of the term.

Any director or officer of the Corporation, or any member of any committee, may resign at any time by giving written notice to the Board of Directors, the Chairman of the Board, the President, or the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein or, if the time is not specified, then upon receipt thereof. The acceptance of such resignation shall not be necessary to make it effective.

ARTICLE V CAPITAL STOCK

SECTION 1 CERTIFICATED AND UNCERTIFICATED SHARES OF STOCK

Shares of stock in the Corporation shall be represented by certificates, or shall be uncertificated, as determined by the Board of Directors in its discretion. As to any shares represented by certificates, every stockholder shall be entitled to have a certificate signed by the Chairman or Vice Chairman of the Board of Directors, the President or a Vice-President and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares owned by such person in the Corporation. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the designations, preferences and relative, participating, optional or other special rights of the various classes of stock or series thereof and the qualifications, limitations or restrictions of such rights, shall be set forth in full or summarized on the face or back of any certificate which the Corporation shall issue to represent such stock; provided, however, that except as otherwise provided in NRS 78.242, in lieu of the foregoing requirements, there may be set forth on the face or back of any certificate which the Corporation shall issue to represent such class or series of stock, a statement that the Corporation will furnish without charge to each stockholder who so requests, the designations, preferences and relative, participating, optional or other special rights of the various classes or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

If a certificate representing stock is signed (1) by a transfer agent other than the Corporation or its employees or (2) by a registrar other than the Corporation or its employees, the signatures of the officers of the Corporation may be facsimiles. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall cease to be such officer before such certificate is issued, such certificate may be issued with the same effect as though the person had not ceased to be such officer. The seal of the Corporation, or a facsimile thereof, may, but need not be, affixed to any certificates representing stock.

SECTION 2 SURRENDERED; LOST OR DESTROYED CERTIFICATES

The Board of Directors or any transfer agent of the Corporation may direct a new certificate or certificates to be issued, or, if such stock is no longer certificated, a registration of such stock, in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost or destroyed upon the making of an affidavit of that fact by the person claiming

the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, or new registration of uncertificated stock, the Board of Directors (or any transfer agent of the Corporation authorized to do so by a resolution of the Board of Directors) may, in its discretion and as a condition precedent to the issuance or registration thereof, require the owner, of such lost or destroyed certificate or certificates, or the owner's legal representative, to advertise the same in such manner as it shall require and/or give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

SECTION 3 REGULATIONS

The Board of Directors shall have the power and authority to make all such rules and regulations and procedures as it may deem expedient concerning the issue, transfer and cancellation of stock of the Corporation and replacement of any stock certificates representing stock and registration and re-registration of any uncertificated stock.

SECTION 4 RECORD DATE

The Board of Directors may fix in advance a date not more than sixty days nor less than ten days preceding the date of any meeting of stockholders, or the date for the payment of any distribution, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining the consent of stockholders for any purpose, as a record date for the determination of the stockholders entitled to notice of and to vote at any such meeting, and any adjournment thereof, or entitled to receive payment of any such distribution, or to give such consent, and in such case, such stockholders, and only such stockholders as shall be stockholders of record on the date so fixed, shall be entitled to notice of and to vote at such meeting, or any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid.

SECTION 5 REGISTERED OWNER

The Corporation shall be entitled to recognize the person registered on its books as the owner of the shares to be the exclusive owner for all purposes, including voting and distribution, and the Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Nevada.

ARTICLE VI GENERAL PROVISIONS

SECTION 1 REGISTERED OFFICE

The registered office of the Corporation shall be in the County of Clark, State of Nevada. The principal office of the Corporation shall be located in the County of Los Angeles, State of California.

The Corporation may also have offices at such other places both within and without the State of Nevada as the Board of Directors may from time to time determine or the business of the Corporation may require.

SECTION 2 CHECKS; NOTES

All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

SECTION 3 FISCAL YEAR

The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

SECTION 4 STOCK OF OTHER CORPORATIONS OR OTHER INTERESTS

Unless otherwise ordered by the Board of Directors, the President, the Secretary, and such other attorneys or agents of the Corporation as may be from time to time authorized by the Board of Directors or the President, shall have full power and authority on behalf of the Corporation to attend and to act and vote in person or by proxy at any meeting of the holders of securities of any corporation or other entity in which the Corporation may own or hold shares or other securities, and at such meetings shall possess and may exercise all the rights and powers incident to the ownership of such shares or other securities which the Corporation, as the owner or holder thereof, might have possessed and exercised if present. The President, the Secretary or other such attorneys or agents may also execute and deliver on behalf of the Corporation, powers of attorney, proxies, consents, waivers and other instruments relating to the shares or securities owned or held by the Corporation.

SECTION 5 CORPORATE SEAL

The corporation will have a corporate seal, as may from time to time be determined by resolution of the Board of Directors. If a corporate seal is adopted, it shall have inscribed thereon the name of the corporation and the words "Corporate Seal" and "Nevada." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

SECTION 6 ANNUAL STATEMENT

The Board of Directors shall present at each annual meeting, and at any special meeting of the stockholders when called for by a vote of the stockholders, a full and clear statement of the business and condition of the Corporation.

SECTION 7 DIVIDENDS

Dividends upon the capital stock of the Corporation, subject to the provision of the Articles of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock of the Corporation, subject to the provisions of the Articles of Incorporation.

Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute and sole discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property or the Corporation, or for such other purpose or purposes as the directors believe to be in the interest of the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

SECTION 8 CONFLICTS OF INTEREST

In the event of any proposed transaction which would result in the merger of the Corporation with or into any other company or entity, or the sale, dividend, spin-off or transfer of all or substantially all of the assets of the Corporation, whether in one or more related transactions (a "Covered Transaction"), such Covered Transaction shall require the approval of a two-thirds majority of the Board of Directors after a review and written report of the terms and fairness of such transaction have been conducted and prepared by a special committee of the Board appointed to conduct such review. Such special committee shall consist of not less than two directors and shall be composed entirely of directors who are neither employees, directors, officers, agents or appointees or representatives of any company or entity affiliated with any party to the Covered Transaction, other than the Corporation. Such special committee is authorized to retain such professional advisors, including investment bankers, attorneys, and accountants as it may determine, in its sole discretion, to be appropriate under the circumstances.

ARTICLE VII INDEMNIFICATION

SECTION 1 INDEMNIFICATION OF OFFICERS AND DIRECTORS, EMPLOYEES AND AGENTS

Every person who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person or a person of whom that person is the legal representative is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation or for its benefit as a director, officer, employee or agent of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the NRS from time to time against all expenses, liability and loss (including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith. The expenses of officers, directors, employee or agents incurred in defending a civil or criminal action, suit or proceeding must be paid by the Corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay the amount if it is ultimately determined by a court of competent jurisdiction that such person is not entitled to be indemnified by the Corporation. Such right of indemnification shall be a contract right, which may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers, employees or agents may have or hereafter acquire and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any bylaw, agreement, vote of stockholders, provision of law or otherwise, as well as their rights under this Article VII.

SECTION 2 INSURANCE

The Board of Directors may cause the Corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the Corporation would have the power to indemnify such person.

SECTION 3 FURTHER BYLAWS

The Board of Directors may from time to time adopt further Bylaws with respect to indemnification and may amend these and such Bylaws to provide at all times the fullest indemnification permitted by the laws of the State of Nevada.

ARTICLE VIII AMENDMENTS

SECTION 1 AMENDMENTS BY STOCKHOLDERS

The Bylaws may be amended by the stockholders at any annual or special meeting of the stockholders by a majority vote, provided notice of intention to amend or repeal shall have been contained in the notice of such meeting.

SECTION 2 AMENDMENTS BY BOARD OF DIRECTORS

The Board of Directors at any regular or special meeting by a majority vote may amend these Bylaws, including Bylaws adopted by the stockholders, but the stockholders may from time to time specify particular provisions of the Bylaws, which shall not be amended by the Board of Directors.

CERTIFICATE OF SECRETARY

I, the undersigned, hereby certify that I am the duly elected and qualified Secretary of Reading International, Inc. (formerly Citadel Holding Corporation), a Nevada corporation (the “Company”), and that the foregoing Bylaws, consisting of 17 pages (including cover page and table of contents), constitute the Amended and Restated Bylaws of the Company as duly adopted by the Board of Directors on November 19, 1999 and amended by the Board of Directors on March 21, 2002, September 26, 2002, October 15, 2004, December 27, 2007 and December 28, 2011

IN WITNESS WHEREOF, I have hereunto subscribed my name this 28th of December, 2011.

Andrzej Matyczynski, Secretary

EXHIBIT 20

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of June 3, 2013 by and between Reading International, Inc., a Nevada corporation, (the "Company"), and James J. Cotter, Jr. (the "Executive").

1. Term of Employment

Subject to the provisions of Section 10 below, the Company shall employ the Executive, and the Executive shall serve the Company in the capacity of President for a term commencing as of June 3, 2013 and ending that date which is twelve (12) months after either party provides the other party with written notice of termination (the "Term of Employment").

2. Duties

During the Term of Employment, the Executive will serve as the Company's President and will report directly to the Chief Executive Officer. The Executive shall devote substantially all of his business time to the Company and shall perform such duties, consistent with his status as President of the Company, as he may be assigned from time to time by the Chief Executive Officer.

3. Compensation

During the Term of Employment, the Company shall pay to the Executive as compensation for the performance of his duties and obligations hereunder a salary at the rate of \$335,000 per annum during each year of the term of this Agreement. Such salary shall be paid in accordance with the Company's standard payment practices.

4. Expenses and Other Benefits

All travel, entertainment and other reasonable business expenses incident to the rendering of services by the Executive hereunder will be promptly paid or reimbursed by the Company subject to submission by the Executive in accordance with the Company's policies in effect from time to time. The Executive shall be entitled to a vehicle allowance of \$15,000, per annum.

The Executive shall be entitled during the Term of Employment to participate in employee benefit and welfare plans and programs of the Company including, without any limitation, any key man or executive long term disability insurance and employee stock option plans to the extent that any other senior executives or officers of the Company or its subsidiaries are eligible to participate and subject to the provisions, rules, regulations, and laws applicable thereto. The Executive shall immediately be granted 100,000 employee stock options, which options shall vest annually over a five (5) year period.



5. Death or Disability

This Agreement shall be terminated by the death of the Executive and also may be terminated by the Board of Directors of the Company if the Executive shall be rendered incapable by illness or any physical or mental disability (individually, a "disability") from substantially complying with the terms, conditions and provisions to be observed and performed on his part for a continuous period in excess of three (3) months or ninety (90) days in the aggregate during any twelve (12) months during the Term of Employment.

6. Disclosure of Information; Inventions and Discoveries

The Executive shall promptly disclose to the Company all processes, trademarks, inventions, improvements, discoveries and other information (collectively, "developments") directly related to the business of the Company conceived, developed or acquired by him alone or with others during the Term of Employment by the Company, whether or not during regular working hours or through the use of material or facilities of the Company. All such developments shall be the sole and exclusive property of the Company, and upon request the Executive shall deliver to the Company all drawings, sketches, models and other data and records relating to such development. In the event any such development shall be deemed by the Company to be patentable, the Executive shall, at the expense of the Company, assist the Company in obtaining a patent or patents thereon and execute all documents and do all other things necessary or proper to obtain letters patent and invest the Company with full title thereto.

7. Non-Competition

The Company and the Executive agree that the services rendered by the Executive hereunder are unique and irreplaceable. During his employment by the Company, the Executive shall not provide any type of services to any business that in the reasonable judgment of the Company is, or as a result of the Executive's engagement or participation would become, directly competitive with any aspect of the business of the Company.

8. Non-Disclosure

The Executive will not at any time after the date of this Employment Agreement divulge, furnish or make accessible to anyone (otherwise than in the regular course of business of the Company) any knowledge or information with respect to confidential matters of the Company, except to the extent such disclosure is (a) in the performance of his duties under this Agreement, (b) required by applicable law, (c) authorized in writing by the Company, or (d) when required to do so by legal process, that requires him to divulge, disclose or make accessible such information.

9. Remedies

The Company may pursue any appropriate legal, equitable or other remedy, including injunctive relief, in respect of any failure by the Executive to comply with the provisions of Sections 6, 7 or 8 hereof, it being acknowledged by the Executive that the remedy at law for any such failure would be inadequate.

10. Termination

This Agreement and the Executive's employment with the Company may be terminated by the Board of Directors of the Company (i) in the event of the Executive's fraud, embezzlement or any other illegal act committed intentionally by Executive in connection with Executive's duties as an executive of the Company which causes or may reasonably be expected to cause substantial economic injury to the Company or (ii) upon thirty (30) days' notice to the Executive if the Executive shall be in material breach of any material provision of this Employment Agreement other than as provided in clause (i) above and shall have failed to cure such breach during such thirty (30) day period (the events in (i) and (ii) shall constitute "Cause"). Any such notice to the Executive shall specify with particularity the reason for termination or proposed termination. In the event of termination under this Section 10 or under Section 5 (except as provided therein), the Company's unaccrued obligations under this Agreement shall cease and the Executive shall forfeit all right to receive any unaccrued compensation or benefits hereunder but shall have the right to reimbursement of expenses already incurred. If the Company terminates Executive without Cause, the Executive shall be entitled to compensation and benefits which he was receiving for a period of twelve months from such notice of termination. Notwithstanding any termination of the Agreement pursuant to this Section 10 or by reason of disability under Section 5, the Executive, in consideration of his employment hereunder to the date of such termination, shall remain bound by the provisions of Sections 6, 7 and 8 (unless this Agreement is terminated on account of the breach hereof by the Company) of this Agreement.

In the event of any termination, the Executive shall not be required to seek other employment to mitigate damages, and any income earned by the Executive from other employment or self-employment shall not be offset against any obligations of the Company to the Executive under this Agreement. The Company's obligations hereunder and the Executive's rights to payment shall not be subject to any right of set-off, counterclaim or other deduction by the Company not in the nature of customary withholding, other than in any judicial proceeding or arbitration.

11. Resignation

In the event that the Executive's services hereunder are terminated under Section 5 or 10 of this Agreement (except by death), the Executive agrees that he will deliver his written resignation to the Board of Directors, such resignation to become effective immediately.

12. Data

Upon expiration of the Term of Employment or termination pursuant to Section 5 or 10 hereof, the Executive or his personal representative shall promptly deliver to the Company all books, memoranda, plans, records and written data of every kind relating to the business and affairs of the Company which are then in his possession on account of his employment hereunder, but excluding all such materials in the Executive's possession which are personal and not property of the Company or which he holds on account of his past or current status as a director or shareholder of the Company.

13. Arbitration

Any dispute or controversy arising under this Agreement or relating to its interpretation or the breach hereof, including the arbitrability of any such dispute or controversy, shall be determined and settled by arbitration in Los Angeles, California pursuant to the Rules then obtaining of the American Arbitration Association. Any award rendered herein shall be final and binding on each and all of the parties, and judgment may be entered thereon in any court of competent jurisdiction.

14. Waiver of Breach

Any waiver of any breach of this Employment Agreement shall not be construed to be a continuing waiver or consent to any subsequent breach on the part either of the Executive or of the Company.

15. Assignment

Neither party hereto may assign his or its rights or delegate his or its duties under this Employment Agreement without the prior written consent of the other party; provided, however, that this Agreement shall inure to the benefit of and be binding upon the successors and assignees of the Company, upon (a) a sale of all or substantially all of the Company's assets, or upon merger or consolidation of the Company with or into any other corporation, and (b) upon delivery on the effective day of such sale, merger or consolidation to the Executive of a binding instrument of assumption by such successors and assigns of the rights and liabilities of the Company under this Agreement, provided, however, that no such assignment or transfer will relieve the Company from its payment obligations hereunder in the event the transferee or assignee fails to timely discharge them. No rights or obligations of the Executive under this Agreement may be assigned or transferred other than his rights to compensation and benefits, which may be transferred by will or operation of law or as otherwise specifically provided or permitted hereunder or under the terms of any applicable employee benefit plan.

16. Notices

Any notice required or desired to be given hereunder shall be in writing and shall be deemed sufficiently given when delivered or 3 days after mailing in United States

certified or registered mail, postage prepaid, to the party for whom intended at the following address:

The Company:

Reading International, Inc.
6100 Center Drive, Suite 900
Los Angeles, CA 90045

The Executive:

James J. Cotter, Jr.
Reading International, Inc.
6100 Center Drive, Suite 900
Los Angeles, CA 90045

or to such other address as either party may from time to time designate by like notice to the other.

17. General

The terms and provisions of this Agreement shall constitute the entire agreement by the Company and the Executive with respect to the subject matter hereof, and shall supersede any and all prior agreements or understandings between the Executive and the Company, whether written or oral. This Agreement may be amended or modified only by a written instrument executed by the Executive and the Company, and any such amendment or modification or any termination of this Agreement shall become effective only after written approval thereof has been received by the Executive. This Agreement shall be governed by and construed in accordance with California law. In the event that any terms or provisions of this Agreement shall be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms and provisions hereof. In the event of any judicial, arbitral or other proceeding between the parties hereto with respect to the subject matter hereof, the prevailing party shall be entitled, in addition to all other relief, to reasonable attorneys' fees and expenses and court costs.

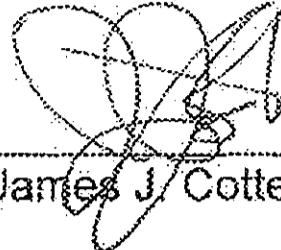
18. Indemnification

The Company shall indemnify the Executive to the fullest extent permitted by law in effect as of the date hereof, or as hereafter amended, against all costs, expenses, liabilities and losses (including, without limitation, attorneys' fees, judgments, fines, penalties, and amounts paid in settlement) reasonably incurred by the Executive in connection with a Proceeding. For the purposes of this section, a "Proceeding" shall mean any action, suit or proceeding, whether civil, criminal, administrative or investigative, in which the Executive is made, or is threatened to be made, a party to, or a witness in, such action, suit or proceeding by reason of the fact that he is or was an

officer, director or employee of the Company or is or was serving as an officer, director, member, employee, trustee or agent of any other entity at the request of the Company.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

READING INTERNATIONAL, INC.

By: 
James J. Cotter, Sr.

AGREED TO AND ACCEPTED:

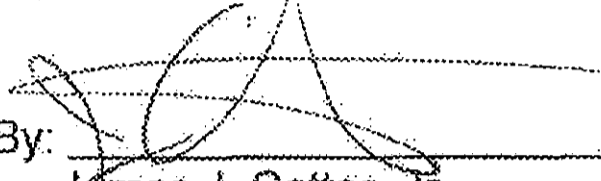
By: 
James J. Cotter, Jr.

EXHIBIT 21

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FORM 10-K

READING INTERNATIONAL INC - RDI

Filed: March 07, 2014 (period: December 31, 2013)

Annual report with a comprehensive overview of the company

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2013 or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 1-8625

READING INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

NEVADA

(State or other jurisdiction of incorporation or organization)

6100 Center Dr., Suite 900

Los Angeles, CA

(Address of principal executive offices)

Registrant's telephone number, including Area Code: (213) 235-2240

Securities Registered pursuant to Section 12(b) of the Act:

95-3885184

(I.R.S. Employer Identification Number)

90045

(Zip Code)

Title of each class	Name of each exchange on which registered
Class A Nonvoting Common Stock, \$0.01 par value	NASDAQ
Class B Voting Common Stock, \$0.01 par value	NASDAQ

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the preceding 12 months (or for shorter period than the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrants knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K of any amendments to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.
Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of March 6, 2014, there were 22,015,738 shares of class A non-voting common stock, par value \$0.01 per share and 1,495,490 shares of class B voting common stock, par value \$0.01 per share, outstanding. The aggregate market value of voting and nonvoting stock held by non-affiliates of the Registrant was \$112,400,258 as of June 30, 2013.

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READING INTERNATIONAL, INC.
ANNUAL REPORT ON FORM 10-K
YEAR ENDED DECEMBER 31, 2013
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PART I

Item 1 – Our Business

General Description of Our Business

Reading International, Inc., a Nevada corporation (“RDI”), was incorporated in 1999 incident to our reincorporation in Nevada. Our class A non-voting common stock (“Class A Stock”) and class B voting common stock (“Class B Stock”) are listed for trading on the NASDAQ Capital Market (Nasdaq-CM) under the symbols RDI and RDIB, respectively. Our principal executive offices are located at 6100 Center Drive, Suite 900, Los Angeles, California 90045. Our general telephone number is (213) 235-2240 and our website is www.readingrdi.com. It is our practice to make available free of charge on our website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Sections 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we have electronically filed such material with or furnished it to the Securities and Exchange Commission. In this Annual Report, we from time to time use terms such as the “Company,” “Reading” and “we,” “us,” or “our” to refer collectively to RDI and our various consolidated subsidiaries and corporate predecessors.

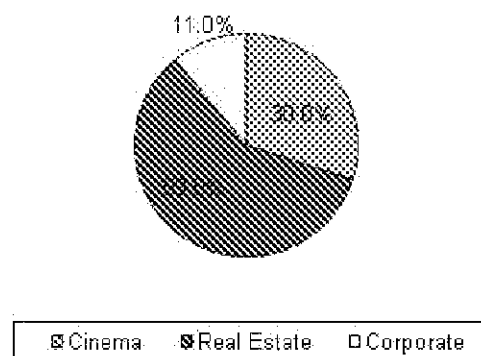
We are an internationally diversified “hard asset” company principally focused on the development, ownership and operation of entertainment and real property assets in the United States, Australia, and New Zealand. Currently, we have two business segments:

1. **Cinema Exhibition, through our 56 cinemas, and**
2. **Real Estate, including real estate development and the rental of retail, commercial and live theater assets.**

We believe that these two business segments complement one another, as the comparatively consistent cash flows generated by our cinema operations allow us to be opportunistic in acquiring and holding real estate assets, and can be used not only to grow and develop our cinema business but also to help fund the front-end cash demands of our real estate development business.

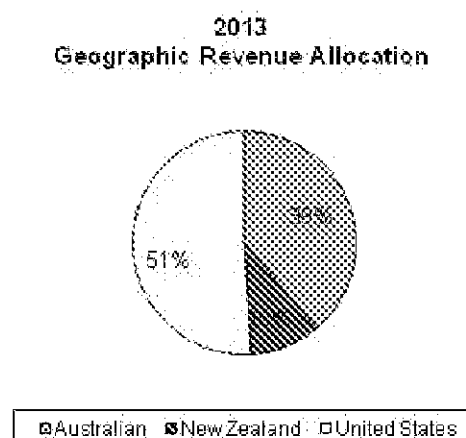
At December 31, 2013, the book value of our assets was \$386.8 million, and, as of that same date, we had a consolidated stockholders’ book equity of \$121.7 million. Calculated based on book value, \$120.7 million or 30%, of our assets relate to our cinema exhibition activities and \$226.9 million or 59%, of our assets relate to our real estate activities. At December 31, 2013, we had cash and cash equivalents of \$37.7 million, which is accounted for as a corporate asset. Our cash included \$23.0 million denominated in the U.S. dollars, \$7.5 million (AUS\$8.4 million) in Australia dollars, and \$7.2 million (NZ\$8.7 million) in New Zealand dollars.

**2013
Business Line Asset Allocation**



For additional segment financial information, please see Note 22 – *Business Segments and Geographic Area Information* to our 2013 Consolidated Financial Statements.

We have diversified our assets among three countries: the United States, Australia, and New Zealand. At December 31, 2013, we had approximately 29% of our assets (based on net book value) in the United States, 51% in Australia and 20% in New Zealand compared to 29%, 53%, and 18% at the end of 2012. For 2013, our gross revenue in these jurisdictions was \$131.5 million, \$100.4 million, and \$26.3 million, respectively, compared to \$121.5 million, \$108.3 million, and \$24.6 million for 2012.



For additional financial information concerning the geographic distribution of our business, please see Note 22 – *Business Segments and Geographic Area Information* to our 2013 Consolidated Financial Statements.

While we do not believe the cinema exhibition business to be a growth business, we do believe it to be a business that will likely continue to generate fairly consistent cash flows in the years ahead even in recessionary or inflationary environments. This is based on our belief that people will continue to spend some reasonable portion of their entertainment dollar on entertainment outside of the home, and, that when compared to other forms of outside the home entertainment, movies continue to be a popular and competitively priced option. As we believe the cinema exhibition business to be a mature business with most markets either adequately screened or over-screened, we see growth in our cinema business coming principally from the enhancement of our current cinemas, the development in select markets of specialty cinemas, and the opportunistic acquisition of already existing cinemas rather than from the development of new conventional cinemas.

In 2012, we essentially completed the conversion of our U.S. cinemas to digital projection, and followed that up with a conversion of our Australia and New Zealand cinemas, which was completed in 2013. In 2013, we took back a cinema in New Zealand that, at the time we acquired the property, was already leased to a competitor. We are now in the process of upgrading that cinema into a state-of-the art facility and plan to begin operations in the 3rd Quarter of 2014. We are also working to expand our Angelika Film Center circuit. In the last quarter of 2013, we and Edens, a nationally known developer, announced our plans to develop a new Angelika style cinema in the Union Market district of Washington D.C. It is currently anticipated that this Angelika will open in mid-2016. Also, we are advancing plans to convert one of our San Diego area cinemas to an upgraded Angelika format, and working on plans to upgrade the food and beverage offerings at a number of our U.S. cinemas. Finally, during 2013, we acquired equity interests in entities holding the leases to two of our Angelika Film Centers.

Given the resurgence of Manhattan commercial real estate values, we intend to redevelop our Cinemas 1, 2 & 3 property and our Union Square property. Overseas, in 2013, we entered into a lease agreement for a new grocery store anchor tenant in our Courtenay Central property in Wellington, New Zealand and are actively pursuing

the development of the next phase of that center. Additionally, we have obtained the necessary land use approvals and are working on plans to add a cinema to our Newmarket shopping center in Brisbane, Australia.

Historically, it has not been our practice to sell assets, except in connection with the repositioning of such assets to a higher and better use. However, in light of the current market conditions and our desire to free up capital and pay down debt, in 2012, we sold our 24,000 square foot office building in Indooroopilly, Australia for \$12.4 million (AU\$12.0 million). In 2013, we entered into a purchase and sale agreement to sell our 3.3-acre properties in Moonee Ponds for AU\$23.0 million which is scheduled to close on April 16, 2015 and is classified as land held for sale on our December 31, 2013 consolidated balance sheet. We are continuing to evaluate our options with respect to our 50.6-acre Burwood property in Australia and our 70.3-acre Manukau property in New Zealand. We may sell all or portions of these properties to provide liquidity for other projects. In evaluating whether to sell a particular property, we consider the potential upside in a particular property and costs required to achieve that upside compared to the opportunities presented by our other properties.

Typically, we have endeavored to match the currency in which we have financed our development with the jurisdiction within which these developments are located. We have followed this approach to reduce our risk to currency fluctuations. This structure has, however, somewhat limited our ability to move cash from one jurisdiction to another. During 2012, we deviated somewhat from this policy by purchasing \$8.0 million in time deposits denominated in U.S. dollars and held by an Australian bank which matured in January 2013. Additionally, at December 31, 2013, we hold \$4.5 million in Australia and \$495,000 in New Zealand denominated in U.S. dollars.

In summary, while we do have operating company attributes, we see ourselves principally as a geographically diversified real estate and cinema company and intend to add to stockholder value by building the value of our portfolio of tangible real estate and entertainment-oriented assets. We endeavor to maintain a reasonable asset allocation between our U.S. and international assets and operations, and between our cash generating cinema operations and our cash consuming real estate development activities. We believe that by blending the cash generating capabilities of a cinema operation with the investment and development opportunities of our real estate operation coupled with our international diversification of assets, our business strategy is unique among public companies. While historically we have retained our properties through development, we continue to evaluate the sale of certain assets to provide capital to develop our remaining properties.

At December 31, 2013, our principal assets included:

- interests in 55 cinemas comprising some 463 screens;
- fee interests in four live theaters (the Union Square, the Orpheum and Minetta Lane in Manhattan and the Royal George in Chicago);
- fee ownership of approximately 24.0 million square feet of developed and undeveloped real estate; and
- cash, cash equivalents, and time deposits aggregating \$37.7 million.

Our Cinema Exhibition Activities

General

We conduct our cinema operations on four basic and rather simple premises:

- first, notwithstanding the enormous advances that have been made in home entertainment technology, humans are essentially social beings, and will continue to want to go beyond the home for their entertainment, provided that they are offered clean, comfortable and convenient facilities, with state of the art technology;
- second, cinemas can be used as anchors for larger retail developments and our involvement in the cinema business can give us an advantage over other real estate developers or redevelopers who must identify and negotiate exclusively with third party anchor tenants;
- third, pure cinema operators can get themselves into financial difficulty as demands upon them to produce cinema based earnings growth tempt them into reinvesting their cash flow into increasingly marginal cinema sites. While we believe that there will continue to be attractive opportunities to acquire cinema assets and/or to develop upper end specialty type theaters (like our Angelika Film Centers) in the future, we do not feel pressure to build or acquire cinemas for the sake of adding units. We intend to focus our use

of cash flow on our real estate development and operating activities, to the extent that attractive cinema opportunities are not available to us; and

- fourth, we are always open to the idea of converting an entertainment property to another use, if there is a higher and better use for the property, or to sell individual assets, if we are presented with an attractive opportunity.

Our current cinema assets that we own and/or manage are as set forth in the following chart:

	Wholly Owned	Consolidated ¹	Unconsolidated ²	Managed ³	Totals
Australia	18 cinemas	2 cinemas	1 cinema ⁴	None	21 cinemas
	138 screens	11 screens	16 screens		165 screens
New Zealand	7 cinemas	None	2 cinemas ⁵	None	9 cinemas
	40 screens		13 screens		53 screens
United States	24 cinemas	1 cinema	None	1 cinema	26 cinemas
	242 screens	3 screens		4 screens	249 screens
Totals	49 cinemas	3 cinemas	3 cinemas	1 cinemas	56 cinemas
	420 screens	14 screens	29 screens	4 screens	467 screens

[1] Cinemas owned and operated through consolidated, but not wholly owned subsidiaries.

[2] Cinemas owned and operated through unconsolidated subsidiaries.

[3] Cinemas in which we have no ownership interest, but which are operated by us under management agreements.

[4] 33.3% unincorporated joint venture interest.

[5] 50% unincorporated joint venture interests.

We focus on the ownership and/or operation of three categories of cinemas:

- first, modern stadium seating multiplex cinemas featuring conventional film product;
- second, specialty and art cinemas, such as our Angelika Film Centers in Manhattan, Dallas, Plano, and Fairfax, Virginia and the Rialto cinema chain in New Zealand; and
- third, in some markets, particularly small town markets that will not support the development of a modern stadium design multiplex cinema, conventional sloped floor cinemas.

We also have various premium class offerings including luxury seating, premium audio, private lounges, café and bar service, and other amenities in certain of our cinemas and are in the process of converting certain of our exiting cinemas to provide this premium offering.

Although we operate cinemas in three jurisdictions, the general nature of our operations and operating strategies does not vary materially from jurisdiction to jurisdiction. In each jurisdiction, our gross receipts are primarily from box office receipts, concession sales, and screen advertising. Our ancillary revenue is created principally from theater rentals (for example, for film festivals and special events), ancillary programming (such as concerts and sporting events), and internet advertising and ticket sales.

Our cinemas generated approximately 67% of their 2013 revenue from box office receipts. Ticket prices vary by location and we offer reduced rates for senior citizens and children.

Show times and features are placed in advertisements in local newspapers, internet sites, and on our various websites. In the United States, film distributors may also advertise certain feature films in various print, radio and television media, as well as on the internet and those costs are generally paid by distributors. In Australia and New Zealand, the exhibitor typically pays the costs of local newspaper film advertisements, while the distributors are responsible for the cost of any national advertising campaign.

Concession sales accounted for approximately 27% of our total 2013 cinema revenue. Although certain cinemas have licenses for the sale and consumption of alcoholic beverages, concession products primarily include popcorn, candy, and soda.

Screen advertising and other revenue contribute approximately 6% of our total 2013 cinema revenue. With the exception of certain rights that we have retained to sell to local advertisers, generally speaking, we are not in the screen advertising business and nationally recognized screen-advertising companies provide such advertising for us.

In New Zealand, we also own a one-third interest in Rialto Distribution. Rialto Distribution, an unincorporated joint venture, is engaged in the business of distributing art film in New Zealand and Australia. The remaining 2/3 interest is owned by the founders of the company, who have been in the art film distribution business since 1993.

Management of Cinemas

With the exception of our three unconsolidated cinemas, we manage all of our cinemas with executives located in Los Angeles, Manhattan, Melbourne, Australia, and Wellington, New Zealand. Approximately 2,311 individuals were employed (on a full time or part time basis) in our cinema operations in 2013. Our two New Zealand Rialto cinemas are owned by a joint venture in which Reading New Zealand is a 50% joint venture partner. While we are principally responsible for the booking of the cinemas, our joint venture partner, Greater Union, manages the day-to-day operations of these cinemas. In addition, we have a 33.3% interest in a 16-screen Brisbane cinema. Greater Union manages that cinema as well.

Licensing/Pricing

Film product is available from a variety of sources ranging from the major film distributors such as Columbia, Disney, Buena Vista, DreamWorks, Fox, MGM, Paramount, Warner Bros, and Universal, to a variety of smaller independent film distributors. In Australia and New Zealand, some of those major distributors distribute through local unaffiliated distributors. The major film distributors dominate the market for mainstream conventional films. Similarly, most art and specialty films come from the art and specialty divisions of these major distributors, such as Fox's Searchlight and Miramax. Generally speaking, film payment terms are based upon an agreed upon percentage of box office receipts which will vary from film to film as films are licensed in Australia, New Zealand and the United States on a film-by-film, theater by theater basis.

While in certain markets film may be allocated by the distributor among competitive cinemas, typically in the markets in which we operate, we have access to all conventional film product. In the art and specialty markets, due to the limited number of prints available, we from time to time are unable to license all of the films that we might desire to play. In summary, while in some markets we are subject to film allocation, on the whole, access to film product has not in recent periods been a major impediment to our operations.

Competition

In each of the United States, Australia, and New Zealand, film patrons typically select the cinema that they are going to go to first by selecting the film they want to see, and then by selecting the cinema in which they would prefer to see it. Accordingly, the principal factor in the success or failure of a particular cinema is access to popular film products. If a particular film is only offered at one cinema in a given market, then customers wishing to see that film will, of necessity, go to that cinema. If two or more cinemas in the same market offer the same film, then customers will typically take into account factors such as the relative convenience and quality of the various cinemas. In many markets, the number of digital "prints" available is less than the number of exhibitors seeking that film for that market, and distributors typically take the position that they are free to provide or not provide their films to particular exhibitors, at their complete and absolute discretion.

Competition for films can be intense, depending upon the number of cinemas in a particular market. Our ability to obtain top grossing first run feature films may be adversely impacted by our comparatively small size, and the limited number of screens we can supply to distributors. Moreover, in the United States, because of the dramatic consolidation of screens into the hands of a few very large and powerful exhibitors such as Regal and AMC, these mega exhibition companies are in a position to offer distributors access to many more screens in major markets than

we can. Accordingly, distributors may decide to give preference to these mega exhibitors when it comes to licensing top grossing films, rather than deal with independents such as ourselves. The situation is different in Australia and New Zealand where typically every major multiplex cinema has access to all of the film currently in distribution, regardless of the ownership of that multiplex cinema. However, we have suffered somewhat in these markets from competition from boutique operators, who are able to book top grossing commercial films for limited runs, thus increasing competition for customers wishing to view such top film product.

Once a patron has selected the film, the choice of cinema is typically impacted by the quality of the cinema experience offered weighed against convenience and cost. For example, most cinema patrons seem to prefer a modern stadium design multiplex, to an older sloped floor cinema, and to prefer a cinema that either offers convenient access to free parking (or public transport) over a cinema that does not. However, if the film they desire to see is only available at a limited number of locations, they will typically choose the film over the quality of the cinema and/or the convenience of the cinema. Generally speaking, our cinemas are modern multiplex cinemas with good and convenient parking. As discussed further below, the availability of 3D or digital technology and/or premium class seating can also be a factor in the preference of one cinema over another.

In recent periods, a number of cinemas have been opened or re-opened featuring expanded food and beverage service, including the sale of alcoholic beverages and food served to the seat. We have for a number of years offered alcoholic beverages in certain of our Australia and New Zealand cinemas and our Angelika cinemas in the U.S. We are currently studying a number of our existing locations as candidates for such expanded food and beverage offerings.

The film exhibition markets in the United States, Australia, and New Zealand are to a certain extent dominated by a limited number of major exhibition companies. The principal exhibitors in the United States are Regal (with 7,342 screens in 576 cinemas), AMC (with 4,950 screens in 343 cinemas), Cinemark (with 4,413 screens in 331 cinemas), and Carmike (with 2,484 screens in 246 cinemas). As of December 31, 2013, we were the 11th largest exhibitor with 1% of the box office in the United States with 249 screens in 26 cinemas.

The principal exhibitors in Australia are Greater Union, which do business under the Event name (a subsidiary of Amalgamated Holdings Limited), Hoyts Cinemas (“Hoyts”), and Village. The major exhibitors control approximately 65% of the total cinema box office: Event 30%, Hoyts 20%, and Village 14%. Event has 478 screens nationally, Hoyts 359 screens, and Village 218 screens. By comparison, our 148 screens represent approximately 6% of the total box office.

The principal exhibitors in New Zealand are Event with 93 screens nationally and Hoyts with 63 screens. Reading has 40 screens (not including partnerships). The major exhibitors in New Zealand control approximately 55% of the total box office: Event 34% and Hoyts 21%. Reading has 12% of the market (Event and Reading market share figures again do not include any partnership theaters).

Greater Union is the owner of Birch Carroll & Coyle in Australia and purchased Sky Cinemas in New Zealand during 2010. In addition, generally speaking, all new multiplex cinema projects announced by Village are being jointly developed by a joint venture comprised of Greater Union and Village. These companies have substantial capital resources. Village had a publicly reported consolidated net worth of approximately \$524.3 million (AUS\$572.1 million) at June 30, 2013. The Greater Union organization does not separately publish financial reports, but its parent, Amalgamated Holdings, had a publicly reported consolidated net worth of approximately \$824.5 million (AUS\$899.6 million) at June 30, 2013. Hoyts is privately held and does not publish financial reports. Hoyts is currently owned by Pacific Equity Partners.

In Australia, the industry is somewhat vertically integrated in that Roadshow Film Distributors, a subsidiary of Village, serves as a distributor of film in Australia and New Zealand for Warner Brothers and New Line Cinema. Films produced or distributed by the majority of the local international independent producers are also distributed by Roadshow Film Distributors. Hoyts is also involved in film production and distribution.

Digital Exhibition

After years of uncertainty as to the future of digital exhibition and the impact of this technology on cinema exhibition, it became clear in 2012 that the industry must go digital. We have now completed the conversion of all

of our U.S., Australian, and New Zealand cinema operations to digital projection. We anticipate that the cost of this conversion, over time, will be covered in substantial part by the receipt of Virtual Print Fees paid by film distributors for the use of such digital projection equipment.

In-Home Competition

The “in-home” entertainment industry has experienced significant leaps in recent periods in both the quality and affordability of in-home entertainment systems and in the accessibility to entertainment programming through cable, satellite, DVD, and internet distribution channels. These alternative distribution channels are putting pressure on cinema exhibitors to reduce the time period between theatrical and secondary release dates, and certain distributors are talking about possible simultaneous or near simultaneous releases in multiple channels of distribution. These are issues common to both our U.S. and international cinema operations.

Competitive issues are discussed in greater detail above under the caption, *Competition*, and under the caption, Item 1A - *Risk Factors*.

Seasonality

Major films are generally released to coincide with holidays. With the exception of Christmas and New Year's Days, this fact provides some balancing of our revenue because there is no material overlap between holidays in the United States and those in Australia and New Zealand. Distributors will delay, in certain cases, releases in Australia and New Zealand to take advantage of Australian and New Zealand holidays that are not celebrated in the United States.

Employees

We have 74 full time executive and administrative employees and approximately 2,311 cinema employees. Our cinema employees in Wellington, New Zealand and our projectionists in Hawaii are unionized. None of our other employees are subject to union contracts. Our one union contract with respect to our projectionists in Hawaii expired on March 31, 2012. Our union contracts with respect to our New Zealand employees have been renewed through to 2015. None of our Australian based employees is unionized. Overall, we are of the view that the existence of these contracts does not materially increase our costs of labor or our ability to compete. We believe our relations with our employees to be generally good.

Our Real Estate Activities

Our real estate activities have historically consisted principally of:

- the ownership of fee or long-term leasehold interests in properties used in our cinema exhibition activities or which were acquired for the development of cinemas or cinema based real estate development projects;
- the acquisition of fee interests in land for general real estate development;
- the leasing to production companies of our live theaters; and
- the redevelopment of our existing fee owned cinema or live theater sites to their highest and best use.

While we report our real estate as a separate segment, it has historically operated as an integral portion of our overall business and, again historically, has principally been in support of that business. In recent periods, however, we have acquired or developed properties which do not have any cinema or other entertainment component. As opportunities for cinema development become more limited, it is likely that our real estate activities will continue to expand beyond the development of entertainment-oriented properties.

Our real estate activities, holdings and developments are described in greater detail in Item 2 – *Properties*.

Item 1A – Risk Factors

Investing in our securities involves risk. Set forth below is a summary of various risk factors that you should consider in connection with your investment in our company. This summary should be considered in the context of our overall Annual Report on Form 10K, as many of the topics addressed below are discussed in significantly greater detail in the context of specific discussions of our business plan, our operating results, and the various competitive forces that we face.

Business Risk Factors

We are currently engaged principally in the cinema exhibition and real estate businesses. Since we operate in two business segments (cinema exhibition and real estate), we discuss separately below the risks we believe to be material to our involvement in each of these segments. We have discussed separately certain risks relating to the international nature of our business activities, our use of leverage, and our status as a controlled corporation. Please note, that while we report the results of our live theater operations as real estate operations – since we are principally in the business of renting space to producers rather than in licensing or producing plays ourselves – the cinema exhibition and live theater businesses share certain risk factors and are, accordingly, discussed together below.

Cinema Exhibition and Live Theater Business Risk Factors

We operate in a highly competitive environment, with many competitors who are significantly larger and may have significantly better access to funds than do we.

We are a comparatively small cinema operator and face competition from much larger cinema exhibitors. These larger exhibitors are able to offer distributors more screens in more markets – including markets where they may be the exclusive exhibitor – than can we. In some cases, faced with such competition, we may not be able to get access to all of the films we want, which may adversely affect our revenue and profitability.

These larger competitors may also enjoy (i) greater cash flow, which can be used to develop additional cinemas, including cinemas that may be competitive with our existing cinemas, (ii) better access to equity capital and debt, and (iii) better visibility to landlords and real estate developers, than do we.

In the case of our live theaters, we compete for shows not only with other “for profit” off-Broadway theaters, but also with not-for-profit operators and, increasingly, with Broadway theaters. We believe our live theaters are generally competitive with other off-Broadway venues. However, due to the increased cost of staging live theater productions, we are seeing an increasing tendency for plays that would historically have been staged in an off-Broadway theater, moving directly to larger Broadway venues.

We face competition from other sources of entertainment and other entertainment delivery systems.

Both our cinema and live theater operations face competition from developing “in-home” sources of entertainment. These include competition from DVDs, cable and satellite television, pay per view, the internet and other sources of entertainment, and video games. The quality of in-house entertainment systems has increased while the cost of such systems has decreased in recent periods, and some consumers may prefer the security of an “in-home” entertainment experience to the more public experience offered by our cinemas and live theaters. The movie distributors have been responding to these developments by, in some cases, decreasing the period of time between cinema release and the date such product is made available to “in-home” forms of distribution.

The narrowing of this so-called “window” for cinema exhibition may be problematic for the cinema exhibition industry. On the other hand, the significant quantity of films produced in recent periods has probably had more to do, at least to date, with the shortening of the time most movies play in the cinemas, than any shortening of the cinema exhibition window. In recent periods, there has been discussion about the possibility of eliminating the cinema window altogether for certain films, in favor of a simultaneous release in multiple channels of distribution, such as theaters, pay-per-view, and DVD. However, again to date, this move has been strenuously resisted by the cinema exhibition industry and we view the total elimination of the cinema exhibition window, while theoretically possible, to be unlikely.

However, there is the risk that, over time, distributors may move towards simultaneous release of motion picture product in multiple channels of distribution. This would adversely affect the competitive advantage enjoyed by cinemas over “in-home” forms of entertainment, as it may be that both the cinema market and the “in-home” market will have simultaneous access to motion picture product.

We also face competition from various other forms of “beyond-the-home” entertainment, including sporting events, concerts, restaurants, casinos, video game arcades, and nightclubs. Our cinemas also face competition from live theaters and vice versa.

Competition from less expensive “in-home” entertainment alternatives may be intensified as a result of the current economic recession.

Our cinema operations depend upon access to film that is attractive to our patrons and our live theater operations depend upon the continued attractiveness of our theaters to producers.

Our ability to generate revenue and profits is largely dependent on factors outside of our control, specifically, the continued ability of motion picture and live theater producers to produce films and plays that are attractive to audiences, the amount of money spent by film distributors to promote their motion pictures, and the willingness of these producers to license their films on terms that are financial viable to our cinemas and to rent our theaters for the presentation of their plays. To the extent that popular movies and plays are produced, our cinema and live theater activities are ultimately dependent upon our ability, in the face of competition from other cinema and live theater operators, to book these movies and plays into our facilities.

We rely on film distributors to supply the films shown in our theatres. In the U.S., the film distribution business is highly concentrated, with six major film distributors accounting for approximately 83.0% of U.S. box office revenues. Numerous antitrust cases and consent decrees resulting from these antitrust cases affect the distribution of films. The consent decrees bind certain major film distributors to license films to exhibitors on a theatre-by-theatre and film-by-film basis. Consequently, we cannot guarantee a supply of films by entering into long-term arrangements with major distributors. We are therefore required to negotiate licenses for each film and for each theatre. A deterioration in our relationship with any of the [six] major film distributors could adversely affect our ability to obtain commercially successful films and to negotiate favorable licensing terms for such films, both of which could adversely affect our business and operating results.

Adverse economic conditions could materially affect our business by reducing discretionary income and by limiting or reducing sources of film and live theater funding.

Cinema and live theater attendance is a luxury, not a necessity. Accordingly, a decline in the economy resulting in a decrease in discretionary income, or a perception of such a decline, may result in decreased discretionary spending, which could adversely affect our cinema and live theater businesses. Adverse economic conditions can also affect the supply side of our business, as reduced liquidity can adversely affect the availability of funding for movies and plays. This is particularly true in the case of Off-Broadway plays, which are often times financed by high net worth individuals or groups of such individuals and which are very risky due to the absence of any ability to recoup investment in secondary markets like DVD or cable.

Our screen advertising revenue may decline.

Over the past several years, cinema exhibitors have been looking increasingly to screen advertising as a way to boost income. No assurances can be given that this source of income will be continuing or that the use of such advertising will not ultimately prove to be counterproductive by giving consumers a disincentive to choose going to the movies over “in-home” entertainment alternatives.

We face uncertainty as to the timing and direction of technological innovations in the cinema exhibition business and as to our access to those technologies.

We have converted all of our cinema auditoriums to digital projection. However, no assurances can be given that other technological advances will not require us to make further material investments in our cinemas or face loss of business. For example, only a limited number of our cinemas are equipped with the 48 frame per second

equipment that is required to show such films as The Hobbit. Also, equipment is currently being developed for holographic or laser projection. The future of these technologies in the cinema exhibition industry is uncertain.

We face competition from new competitors offering food and beverage as an integral part of their cinema offerings.

A number of new entrants, such as Alamo Draft House, offering an expanded food and beverage menu (including the sale of alcoholic beverages) have emerged in recent periods. In addition, some competitors are converting existing cinemas to provide such expanded menu offerings. The existence of such cinemas may alter traditional cinema selection practices of moviegoers, as they seek out cinemas with such expanded offerings as a preferred alternative to traditional cinemas.

Real Estate Development and Ownership Business Risks

We operate in a highly competitive environment, in which we must compete against companies with much greater financial and human resources than we have.

We have limited financial and human resources, compared to our principal real estate competitors. In recent periods, we have relied heavily on outside professionals in connection with our real estate development activities. Many of our competitors have significantly greater resources than do we and may be able to achieve greater economies of scale than can we.

Risks Related to the Real Estate Industry Generally

Our financial performance will be affected by risks associated with the real estate industry generally.

Events and conditions generally applicable to developers, owners, and operators of real property will affect our performance as well. These include (i) changes in the national, regional and local economic climate, (ii) local conditions such as an oversupply of, or a reduction in demand for commercial space and/or entertainment oriented properties, (iii) reduced attractiveness of our properties to tenants, (iv) the rental rates and capitalization rates applicable to the markets in which we operate and the quality of properties that we own, (v) competition from other properties, (vi) inability to collect rent from tenants, (vii) increased operating costs, including labor, materials, real estate taxes, insurance premiums, and utilities, (viii) costs of complying with changes in government regulations, (ix) the relative illiquidity of real estate investments, and (x) decreases in sources of both construction and long-term lending as traditional sources of such funding leave or reduce their commitments to real estate based lending. In addition, periods of economic slowdown or recession, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur, could result in declining rents or increased lease defaults.

We may incur costs complying with the Americans with Disabilities Act and similar laws.

Under the Americans with Disabilities Act and similar statutory regimes in Australia and New Zealand or under applicable state law, all places of public accommodation (including cinemas and theaters) are required to meet certain governmental requirements related to access and use by persons with disabilities. A determination that we are not in compliance with those governmental requirements with respect to any of our properties could result in the imposition of fines or an award of damages to private litigants. The cost of addressing these issues could be substantial.

Illiquidity of real estate investments could impede our ability to respond to adverse changes in the performance of our properties.

Real estate investments are relatively illiquid and, therefore, tend to limit our ability to vary our portfolio promptly in response to changes in economic or other conditions. Many of our properties are either (i) "special purpose" properties that could not be readily converted to general residential, retail or office use, or (ii) undeveloped land. In addition, certain significant expenditures associated with real estate investment, such as real estate taxes and maintenance costs, are generally not reduced when circumstances cause a reduction in income from the investment and competitive factors may prevent the pass-through of such costs to tenants.

Real estate development involves a variety of risks.

Real estate development includes a variety of risks, including the following:

- *The identification and acquisition of suitable development properties.* Competition for suitable development properties is intense. Our ability to identify and acquire development properties may be limited by our size and resources. Also, as we and our affiliates are considered to be “foreign owned” for purposes of certain Australian and New Zealand statutes, we have been in the past, and may in the future be, subject to regulations that are not applicable to other persons doing business in those countries.
- *The procurement of necessary land use entitlements for the project.* This process can take many years, particularly if opposed by competing interests. Competitors and community groups (sometimes funded by such competitors) may object based on various factors including, for example, impacts on density, parking, traffic, noise levels and the historic or architectural nature of the building being replaced. If they are unsuccessful at the local governmental level, they may seek recourse to the courts or other tribunals. This can delay projects and increase costs.
- *The construction of the project on time and on budget.* Construction risks include the availability and cost of finance; the availability and costs of material and labor; the costs of dealing with unknown site conditions (including addressing pollution or environmental wastes deposited upon the property by prior owners); inclement weather conditions; and the ever-present potential for labor related disruptions.
- *The leasing or sell-out of the project.* Ultimately, there are risks involved in the leasing of a rental property or the sale of a condominium or built-for-sale property. For our entertainment themed retail centers (“ETRCs”), the extent to which our cinemas can continue to serve as an anchor tenant will be influenced by the same factors as will influence generally the results of our cinema operations. Leasing or sale can be influenced by economic factors that are neither known nor knowable at the commencement of the development process and by local, national, and even international economic conditions, both real and perceived.
- *The refinancing of completed properties.* Properties are often developed using relatively short-term loans. Upon completion of the project, it may be necessary to find replacement financing for these loans. This process involves risk as to the availability of such permanent or other take-out financing, the interest rates, and the payment terms applicable to such financing, which may be adversely influenced by local, national, or international factors. To date, we have been successful in negotiating development loans with roll over or other provisions mitigating our need to refinance immediately upon completion of construction.

The ownership of properties involves risk.

The ownership of investment properties involves risks, such as: (i) ongoing leasing and re-leasing risks, (ii) ongoing financing and re-financing risks, (iii) market risks as to the multiples offered by buyers of investment properties, (iv) risks related to the ongoing compliance with changing governmental regulation (including, without limitation, environmental laws and requirements to remediate environmental contamination that may exist on a property (such as, by way of example, asbestos), even though not deposited on the property by us), (v) relative illiquidity compared to some other types of assets, and (vi) susceptibility of assets to uninsurable risks, such as biological, chemical or nuclear terrorism. Furthermore, as our properties are typically developed around an entertainment use, the attractiveness of these properties to tenants, sources of finance and real estate investors will be influenced by market perceptions of the benefits and detriments of such entertainment type properties.

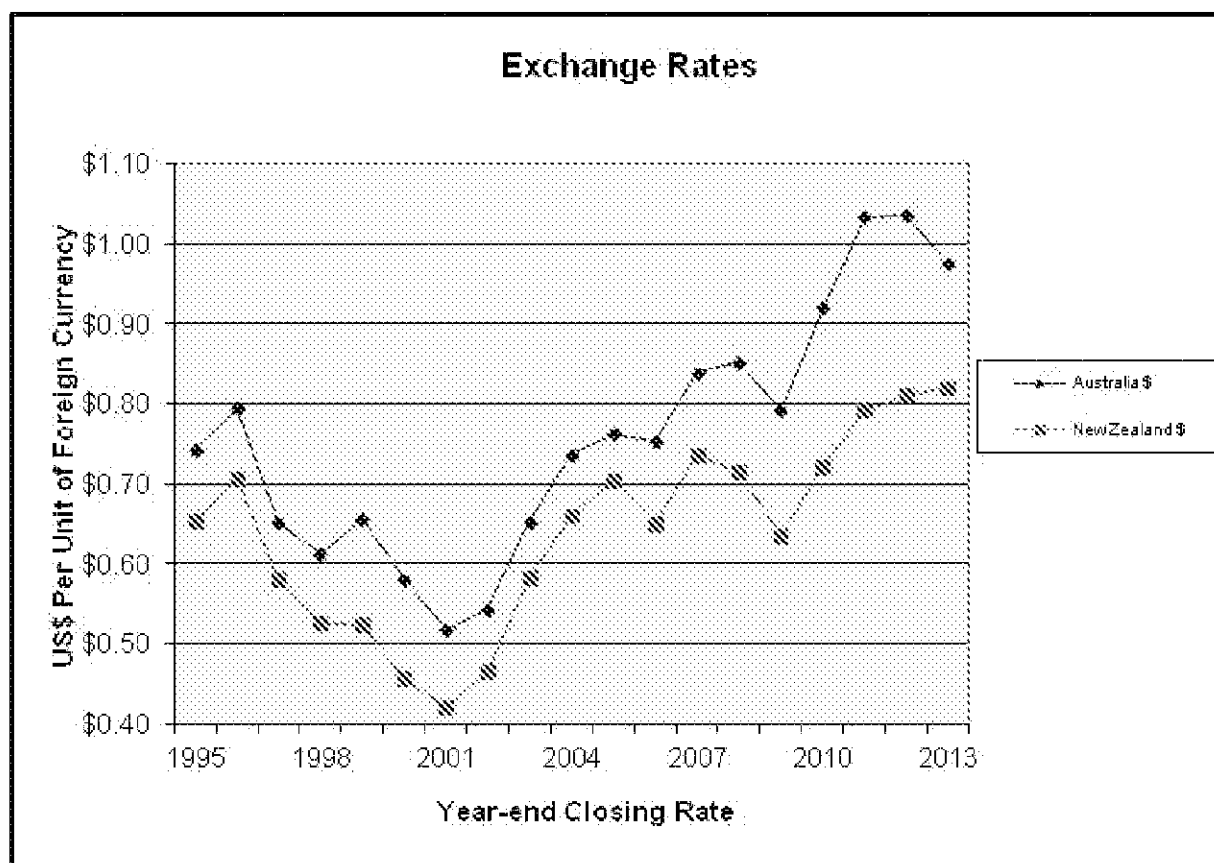
A number of our assets are in geologically active areas, presenting risk of earthquake and land movement.

We have cinemas in California and New Zealand, areas which present a greater risk of earthquake and/or land movement than other locations. New Zealand has in recent periods had several major earthquakes damaging our facilities in Christchurch and Wellington. The ability to insure for such casualties is limited and may become more difficult and/or more expensive in future periods.

International Business Risks

Our international operations are subject to a variety of risks, including the following:

Risk of currency fluctuations. While we report our earnings and assets in US dollars, substantial portions of our revenue and of our obligations are denominated in either Australian or New Zealand dollars. The value of these currencies can vary significantly compared to the US dollar and compared to each other. We typically have not hedged against these currency fluctuations, but rather have relied upon the natural hedges that exist as a result of the fact that our film costs are typically fixed as a percentage of the box office, and our local operating costs and obligations are likewise typically denominated in local currencies. However, we do have debt at our parent company level that is serviced by our overseas cash flow and our ability to service this debt could be adversely impacted by declines in the relative value of the Australian and New Zealand dollar compared to the US dollar. \$7.5 million (AUS\$8.4 million) of our Australian cash and \$7.2 million (NZ\$8.7 million) of our New Zealand cash is denominated in local currencies and subject to the risk of currency exchange rate fluctuations. Also, our use of local borrowings to mitigate the business risk of currency fluctuations has reduced our flexibility to move cash between jurisdictions. Set forth below is a chart of the exchange ratios between these three currencies over the past twenty years:



- *Risk of adverse government regulation.* At the present time, we believe that relations between the United States, Australia, and New Zealand are good. However, no assurances can be given that this relationship will continue and that Australia and New Zealand will not in the future seek to regulate more highly the business done by US companies in their countries.
- *Risk of adverse labor relations.* Our labor relations and costs of labor (including future government requirements with respect to pension liabilities, disability insurance and health coverage, and vacations and leave).

Risks Associated with Certain Discontinued Operations

Certain of our subsidiaries were previously in industrial businesses. As a consequence, properties that are currently owned or may have in the past been owned by these subsidiaries may prove to have environmental issues. Where we have knowledge of such environmental issues and are in a position to make an assessment as to our exposure, we have established what we believe to be appropriate reserves, but we are exposed to the risk that

currently unknown problems may be discovered. These subsidiaries are also exposed to potential claims related to exposure of former employees to coal dust, asbestos, and other materials now considered to be, or which in the future may be found to be, carcinogenic or otherwise injurious to health.

Operating Results, Financial Structure and Borrowing Risk

From time to time, we may have negative working capital.

In recent years, as we have invested our cash in new acquisitions and the development of our existing properties, we have from time to time had negative working capital. This negative working capital is typical in the cinema exhibition industry because our short-term liabilities are in part financing our long-term assets instead of long-term liabilities financing short-term assets as is the case in other industries such as manufacturing and distribution.

We have substantial short to medium term debt.

Generally speaking, we have historically financed our operations through relatively short-term debt. No assurances can be given that we will be able to refinance this debt, or if we can, that the terms will be reasonable. However, as a counterbalance to this debt, we have significant unencumbered real property assets, which could be sold to pay debt or encumbered to assist in the refinancing of existing debt, if necessary.

In February 2007, we issued \$50.0 million in 20-year Trust Preferred Securities ("TPS"), and utilized the net proceeds principally to retire short-term bank debt in New Zealand and Australia. The interest rate on our TPS was only fixed for five years. Additionally, we used US dollar denominated obligations to retire debt denominated in New Zealand and Australian dollars which has increased our exposure to currency risk. In the first quarter of 2009, we repurchased \$22.9 million of our TPS at a 50% discount.

At the present time, corporate borrowers both domestically and internationally are facing greater than normal constraints on liquidity. No assurances can be given that we will be able to refinance these debts as they become due.

We have substantial lease liabilities.

Most of our cinemas operate in leased facilities. These leases typically have cost of living or other rent adjustment features and require that we operate the properties as cinemas. A down turn in our cinema exhibition business might, depending on its severity, adversely affect the ability of our cinema operating subsidiaries to meet these rental obligations. Even if our cinema exhibition business remains relatively constant, cinema level cash flow will likely be adversely affected unless we can increase our revenue sufficiently to offset increases in our rental liabilities. Unlike property rental leases, our newly added digital equipment leases do not have cost of living or other lease adjustment features.

Our stock is thinly traded.

Our stock is thinly traded, with an average daily volume in 2013 of only approximately 33,000 shares. This can result in significant volatility, as demand by buyers and sellers can easily get out of balance.

Ownership and Management Structure, Corporate Governance, and Change of Control Risks

The interests of our controlling stockholder may conflict with your interests.

Mr. James J. Cotter beneficially owns 70.4% of our outstanding Class B Stock. Our Class A Stock is non-voting, while our Class B Stock represents all of the voting power of our Company. As a result, as of December 31, 2013, Mr. Cotter controlled 70.4% of the voting power of all of our outstanding common stock. For as long as Mr. Cotter continues to own shares of common stock representing more than 50% of the voting power of our common

stock, he will be able to elect all of the members of our board of directors and determine the outcome of all matters submitted to a vote of our stockholders, including matters involving mergers or other business combinations, the acquisition or disposition of assets, the incurrence of indebtedness, the issuance of any additional shares of common stock or other equity securities and the payment of dividends on common stock. Mr. Cotter will also have the power to prevent or cause a change in control, and could take other actions that might be desirable to Mr. Cotter but not to other stockholders. In addition, Mr. Cotter and his affiliates have controlling interests in companies in related and unrelated industries. In the future, we may participate in transactions with these companies (see Note 25 – *Related Parties and Transactions* to our 2013 Consolidated Financial Statements).

Since we are a Controlled Company, our Directors have determined to take advantage of certain exemptions provide by the NASDAQ from the corporate governance rules adopted by that Exchange.

Generally speaking, the NASDAQ requires listed companies to meet certain minimum corporate governance provisions. However, a Controlled Corporation, such as we, may elect not to be governed by certain of these provisions. Our board of directors has elected to exempt our Company from requirements that (i) at least a majority of our directors be independent, (ii) nominees to our board of directors be nominated by a committee comprised entirely of independent directors or by a majority of our Company's independent directors, and (iii) the compensation of our chief executive officer be determined or recommended to our board of directors by a compensation committee comprised entirely of independent directors or by a majority of our Company's independent directors. Notwithstanding the determination by our board of directors to opt-out of these NASDAQ requirements, a majority of our board of directors is nevertheless currently comprised of independent directors, and our compensation committee is nevertheless currently comprised entirely of independent directors.

We depend on key personnel for our current and future performance.

Our current and future performance depends to a significant degree upon the continued contributions of our senior management team and other key personnel. The loss or unavailability to us of any member of our senior management team or a key employee could significantly harm us. We cannot assure you that we would be able to locate or employ qualified replacements for senior management or key employees on acceptable terms.

Item 1B - Unresolved Staff Comments

None.

Item 2 – Properties

Executive and Administrative Offices

We lease approximately 11,700 square feet of office space in Los Angeles, California to serve as our executive headquarters. We own an 8,100 square foot office building in Melbourne, Australia, approximately 5,200 square feet of which serves as the headquarters for our Australian and New Zealand operations (the remainder being leased to an unrelated third party). We maintain our accounting personnel and certain IT and operational personnel in approximately 5,900 square foot of offices located in our Wellington Courtenay Central shopping center. We occupy approximately 3,500 square feet at our Village East leasehold property for administrative purposes. We also own a residential condominium unit in Los Angeles, used for offsite corporate meetings and residential space by our Chairman and Chief Executive Officer.

Entertainment Properties

Entertainment Use Leasehold Interests

As of December 31, 2013, we lease approximately 1.8 million square feet of completed cinema space in the United States, Australia, and New Zealand as follows:

	Aggregate Square Footage	Approximate Range of Remaining Lease Terms (including renewals)
United States	942,000	2014 – 2049
Australia	724,000	2017 – 2049
New Zealand	150,000	2024 – 2034

On December 31, 2013, we settled a management fee claim that we had with the owner of the lease interest in the Plano, Texas cinema that we had managed since 2003. As part of the settlement, we acquired that entity. Also, in September 2013, we took back a cinema at one of our fee properties in New Zealand and commenced to refurbish and upgrade that facility with the intent of operating the cinema ourselves. The cinema was already leased to a competitor at the time we acquired it in May 2007. We expect to begin operations of this cinema in the third quarter of 2014. During the first quarter 2014, we entered into a lease for a new Angelika style cinema currently being developed by Edens in the Union Market area of Washington D.C.

Fee Interests

In Australia, as of December 31, 2013, we own approximately 3.2 million square feet of land at nine locations. Most of this land is located in the greater metropolitan areas of Brisbane, Melbourne, Perth, and Sydney, including the 50.6-acre Burwood site. Of these fee interests, approximately 138,000 square feet are currently improved with cinemas. These figures include the 3.3-acre Moonee Ponds property which is under a contract of sale with completion due on April 16, 2015.

In New Zealand, as of December 31, 2013, we own approximately 3.4 million square feet of land at seven locations. This includes the Courtney Central ETRC in Wellington, the 70.3 acre Manukau site, and the fee interests underlying three cinemas in New Zealand, which properties include approximately 21,000 square feet of ancillary retail space.

In the United States, as of December 31, 2013, we own approximately 134,000 square feet of improved real estate comprised of four live theater buildings, which include approximately 58,000 square feet of leasable space, and the fee interest in our Cinemas 1, 2 & 3 in Manhattan (held through a limited liability company in which we have a 75% managing member interest).

Live Theaters (“Liberty Theaters”)

Included among our real estate holdings are four “Off Broadway” style live theaters, operated through our Liberty Theaters subsidiary. We license theater auditoriums to the producers of “Off Broadway” theatrical

productions and provide various box office and concession services. The terms of our licenses are, naturally, principally dependent upon the commercial success of our tenants. STOMP has been playing at our Orpheum Theatre in excess of 17 years. While we attempt to choose productions that we believe will be successful, we have no control over the production itself. At the current time, we have three single auditorium theaters in Manhattan:

- the Minetta Lane (399 seats);
- the Orpheum (347 seats); and
- the Union Square (499 seats).

We also own a four-auditorium theater complex, the Royal George in Chicago (main stage 452 seats, cabaret 199 seats, great room 100 seats and gallery 60 seats). Two of the properties, the Union Square and the Royal George, have ancillary retail and office space.

Liberty Theaters is primarily in the business of renting theater space. However, we may from time to time participate as an investor in a play, which can help facilitate the production of the play at one of our facilities, and do from time to time rent space on a basis that allows us to share in a production's revenue or profits. Revenue, expense, and profits are reported as a part of the real estate segment of our business.

Joint Venture Cinema Interests

We also hold real estate through several unincorporated joint ventures, two 75% owned subsidiaries, and one majority-owned subsidiary, as described below:

- in Australia, we own a 75% interest in a subsidiary company that leases two cinemas with eleven screens in two Australian country towns, and a 33% unincorporated joint venture interest in a 16-screen leasehold cinema in a suburb of Brisbane.
- in New Zealand, we own a 50% unincorporated joint venture interest in two cinemas with 13 screens in the New Zealand cities of Auckland and Dunedin.
- In the United States, we own a 75% managing member interest in the limited liability company that owns our Cinemas 1, 2 & 3 property and a 50% managing member interest in Shadow View Land & Farming, LLC which owns an approximately 202-acre property in Riverside County, California which, while zoned residential and approved for 816 single family lots.

Income Operating Property

As of December 31, 2013, we own fee interests in approximately 1.0 million square feet of income producing properties (including certain properties principally occupied by our cinemas).

Property ⁶	Square Feet of Improvements (rental/entertainment)	Percentage Leased	Gross Book Value (in U.S. Dollars)
Auburn 100 Parramatta Road Auburn, NSW, Australia	60000 / 57000 Plus a 871-space parking structure	100%	\$30,646,000
Belmont Knutsford Avenue and Fulham Street Belmont, WA, Australia	15000 / 45000	100%	\$13,840,000
Cinemas 1, 2 & 3 ⁷ 1003 Third Avenue Manhattan, NY, USA	0 / 21000	N/A	\$23,837,000
Courtenay Central 100 Courtenay Place Wellington, New Zealand	33000 / 76000 Plus a 1,086-space parking structure	70%	\$26,216,000

[6] Rental square footage refers to the amount of area available to be rented to third parties and the percentage leased is the amount of such rental square footage currently leased to third parties. A number of our real estate holdings include entertainment components rented to one or more of our subsidiaries. The rental area to such subsidiaries is noted under the entertainment square footage. The gross book value refers to the gross carrying cost of the land and buildings of the property. Book value and rental information are as of December 31, 2013.

[7] This property is owned by a limited liability company in which we hold a 75% managing interest. The remaining 25% is owned by Sutton Hill Investments, LLC, a company owned in equal parts by our Chairman and Chief Executive Officer, Mr. James J. Cotter, and a third party.

Property	Square Feet of Improvements (rental/entertainment)	Percentage Leased	Gross Book Value (in U.S. Dollars)
Invercargill Cinema 29 Dee Street Invercargill, New Zealand	9000 / 24000	69%	\$3,231,000
Lake Taupo Motel 138-140 Lake Terrace Road Taupo, New Zealand	9000 / 0	Short-term rentals	\$2,304,000
Maitland Cinema Ken Tubman Drive Maitland, NSW, Australia	0 / 22000	N/A	\$2,124,000
Minetta Lane Theatre 18-22 Minetta Lane Manhattan, NY, USA	0 / 9000	N/A	\$8,679,000
Napier Cinema 154 Station Street Napier, New Zealand	12000 / 18000	100%	\$3,530,000
Newmarket 400 Newmarket Road Newmarket, Queensland, Australia	93000 / 0 Plus a 436-space parking structure	100%	\$38,951,000
Orpheum Theatre 126 2 nd Street Manhattan, NY, USA	1000 / 5000	0%	\$3,639,000
Royal George 1633 N. Halsted Street Chicago, IL, USA	37000 / 23000 Plus a 55-space parking structure	91%	\$3,485,000
Rotorua Cinema 1281 Eruera Street Rotorua, New Zealand	0 / 19000	N/A	\$3,030,000
Union Square Theatre 100 E. 17 th Street Manhattan, NY, USA	21000 / 17000	100%	\$8,923,000