

IN THE SUPREME COURT OF THE STATE OF NEVADA

Supreme Court Case No.
72261

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Elizabeth A. Brown
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 6
Pgs. 1251-1500**

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1 MR. TAYBACK: Objection. Asked and
2 answered.

3 A No.

4 Q So when you use the same phraseology
5 status to refer to the president and CEO in
6 Item 1 as you use to refer to Craig Tomkins and
7 Robert Smerling in Item 6, and yourself and
8 Margaret Cotter in Item 7, were you attempting
9 to obscure or conceal the fact that Item 1 was
10 actually about terminating Jim Cotter as
11 president and CEO?

12 MR. TAYBACK: Objection; argumentative,
13 compound.

14 You can answer.

15 A I mean, there was no intention on my part
16 to deceive anybody.

17 Q Well, in point of fact, prior to
18 distributing Exhibit 338, you already had had
19 discussions with Ed Kane, Guy Adams,
20 Doug McEachern and Margaret Cotter about
21 terminating Jim Cotter, Jr. as president and
22 CEO, correct?

23 A Prior to this meeting we did have
24 discussions about whether Jim would remain as
25 the CEO and president.

1 Q Well, you had discussions with each of --
2 Guy Adams, Ed Kane, Doug McEachern and
3 Margaret Cotter about terminating Jim Cotter,
4 Jr. as CEO prior to distributing Exhibit 338 on
5 May 19th, correct?

6 MR. TAYBACK: Objection. Asked and
7 answered.

8 A Yes.

9 Q You had no such discussions with
10 Tim Storey, correct?

11 A I did have discussions with Tim Storey.

12 Q What discussions did you have with
13 Tim Storey and when did you have them?

14 A I had had discussions with Tim Storey
15 about Jim and his performance.

16 Q Okay. The question is: What discussions
17 did you have with Tim Storey, if any, prior to
18 distributing Exhibit 338 on May 19, 2015, about
19 terminating Jim Cotter, Jr. as president and
20 CEO?

21 A I don't remember the specific discussion
22 that I had with Tim.

23 Q Did you have any conversation with
24 Tim Storey prior to distributing Exhibit 338 on
25 May 19, 2015, in which the subject of

1 MR. KRUM: Sure.

2 **Q Did you discuss anything other than how to**
3 **potentially resolve the intervening plaintiff's**
4 **derivative action?**

5 A No.

6 MR. KRUM: Okay. And I have an
7 instruction, so I'm going to move on.

8 MR. TAYBACK: Yeah.

9 I suppose the record should reflect that
10 Mr. Tilson is no longer in the room. He was
11 here at the beginning of deposition and he left
12 after the lunch break.

13 MR. KRUM: I'll ask the court reporter to
14 mark as Exhibit 340, what purports to be a
15 May 27 e-mail from Ellen Cotter to other
16 members of the RDI board of directors, carbon
17 copy to Bill Ellis. Subject is "Board
18 Meeting," May 29, 11:00 a.m., Production No.
19 GA5341.

20 (Deposition Exhibit 340, E-mail dated May
21 27, 2015, from Ellen Cotter Ellen Cotter to
22 Other Members of the RDI Board of Directors,
23 marked for identification as of this date.)

24 **Q Ms. Cotter, do you recognize Exhibit 340?**

25 A I do.

1 Q What is it?

2 A It's a note to the board from me.

3 Q Did you send it on May 27, 2015, at
4 7:10 p.m.?

5 A I assume I did.

6 Q And you're calling for the directors to
7 meet on Friday, May 29th at 11:00 a.m., at RDI
8 offices, correct?

9 A Yes.

10 Q What communications, if any, did you have
11 with anyone about scheduling this meeting?

12 A About this May 29th meeting?

13 Q Correct, yes.

14 A I would have talked to the board members
15 to make sure they were going to be available.

16 Q Anything else?

17 A I don't recall.

18 Q Directing your attention back to the
19 May 21st meeting, do you recall how that ended
20 or concluded?

21 A Yes.

22 Q How?

23 A That the board agreed to take all the
24 discussions, think about them, and meet again
25 on May -- well, whatever the next meeting was,

1 **Mr. Susman, pursuant to his first e-mail at the**
2 **bottom of Exhibit 341 was not going to expire**
3 **on 9:00 a.m. on May 29th?**

4 A I don't remember my conversations with
5 Jim.

6 Q Directing your attention, Ms. Cotter, to
7 the top e-mail on the chain of Exhibit 341, you
8 see that, "11:50"; is that right, 11:50 p.m.,
9 you asked for this to be printed, or is that
10 a.m.?

11 A I have no idea.

12 Q Okay. Let me show what, and actually I'll
13 ask you to look at what previously was marked
14 as Exhibit 322. It's in the stack in front of
15 you.

16 MR. TAYBACK: Which one?

17 MR. KRUM: 322.

18 MR. TAYBACK: This one?

19 MR. KRUM: Yes.

20 BY MR. KRUM:

21 Q You'll see, Ms. Cotter, that the first
22 page of Exhibit 322 is the same e-mail that's
23 at the bottom of Exhibit 341, and the
24 difference is 322 has the document attached.
25 It also has another e-mail that's redacted on

1 the first page.

2 So my question is: Do you recognize
3 Exhibit 322?

4 A Yes.

5 Q What is it?

6 A It's a copy of a settlement proposal that
7 Margaret and I sent to Jim and his attorneys.

8 Q Is this the settlement proposal that -- to
9 which you were referring a few minutes ago when
10 you said that following the meeting that was
11 scheduled to commence in the morning on the
12 29th, you and Ellen had discussions with Jim?

13 MR. TAYBACK: Margaret.

14 Q You and Margaret had discussions with Jim?

15 A Yes, some version of this.

16 Q So -- well, do you recall that on the
17 29th, at some point at or after 11:00 a.m., the
18 meeting you called pursuant to Exhibit 340
19 commenced?

20 A Yes.

21 Q And that meeting adjourned in early
22 afternoon that day, right?

23 A Right.

24 Q And before the meeting adjourned, Jim was
25 told in words or substance that he needed to

1 Q And Jim was told, in words or substance,
2 that absent an agreement between him and you
3 and Margaret, that the vote on his termination
4 would proceed at the -- on the six o'clock
5 call, right?

6 A As I said, I don't recall that.

7 Q Okay.

8 A I think the board was trying to encourage
9 us to come to a settlement.

10 Q I heard that. Okay.

11 So in any event, in the afternoon of
12 May 29th you and Ellen and Jim sat down -- I'm
13 so sorry.

14 I haven't called you Mr. Kane or
15 Mr. Adams. So it could be worse. All right.
16 Let me try that again.

17 On May 29th, after the meeting had
18 adjourned in the early afternoon and before the
19 telephonic call at about 6:00 in the evening,
20 you and Margaret met with Jim, correct?

21 A Yes.

22 Q And you discussed some or all of the
23 matters that are set out in Exhibit 322, right?

24 A Yes.

25 Q And then when the call occurred at or

1 about 6:00 that evening, you reported to the
2 other members of the RDI board of directors
3 that you and Ellen had reached a -- you and
4 Margaret had reached an agreement with Jim,
5 correct?

6 A Yes.

7 Q And you read portions of a document, or
8 all of a document to the directors to share
9 with them some or all of that agreement, right?

10 A My recollection is that I read to them the
11 provisions that dealt with Reading. There are
12 obviously provisions in here that dealt with
13 other issues that didn't involve Reading, so I
14 focused it on the Reading portion.

15 Q Okay. So we have a clear record, your
16 recollection is that you -- that six o'clock
17 call on May 29th with you and Margaret and Jim,
18 and the other five non-Cotter directors, you
19 read the portions of Exhibit 522 [sic] that
20 concerned Reading, but not the portions that
21 don't?

22 A That's my recollection.

23 Q And if you would, please, just looking at
24 Exhibit 522, identify the portions you recall
25 having read.

1 C E R T I F I C A T E

2 STATE OF NEW YORK)

3 :ss

4 COUNTY OF NEW YORK)

5

6 I, MICHELLE COX, a Notary Public within
7 and for the State of New York, do hereby
8 certify:

9 That ELLEN COTTER, the witness whose
10 deposition is hereinbefore set forth, was duly
11 sworn by me and that such deposition is a true
12 record of the testimony given by the witness.

13 I further certify that I am not related to
14 any of the parties to this action by blood or
15 marriage, and that I am in no way interested in
16 the outcome of this matter.

17 IN WITNESS WHEREOF, I have hereunto set my
18 hand this 29th day of June 2016.

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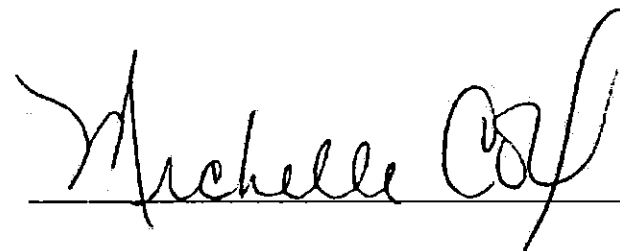

MICHELLE COX, CLR

EXHIBIT 2

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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 **Q. Anything else?**

2 A. Well, Margaret was a consultant, and she
3 had wanted her status to change to an employee.

4 **Q. Okay. Anything else?**

5 A. We were looking for employment
6 contracts.

7 **Q. Anything else?**

8 A. I can't think of anything right now.

9 **Q. Were you look for a different title?**

10 A. I was.

11 **Q. What title was that?**

12 A. President of U.S. cinemas.

13 **Q. Was that not the title that Mr. Smerling**
14 **held?**

15 A. He did.

16 **Q. Did you view that title as a promotion**
17 **for you?**

18 A. No.

19 **Q. Why did you want it?**

20 A. We were in, you know, a period of
21 transition with my father passing away. I think the
22 management team, the company viewed me as running
23 those theaters. And I thought it was important for
24 me to have a title that was actually reflective of
25 my role.

1 **Q. What was going to happen with**
2 **Mr. Smerling?**

3 A. I talked to him about it. At one point
4 I had said we could be co-presidents. And he said
5 he didn't -- he didn't need the title of president.

6 **Q. Did you also want a raise?**

7 A. At what point in time?

8 **Q. Any point in time in 2014.**

9 A. I did look for a raise at some point in
10 2014.

11 **Q. Okay. And did you understand that your**
12 **brother Jim as C.E.O. opposed providing that raise?**

13 A. I don't think he opposed giving me a
14 raise.

15 **Q. Did you understand that he opposed**
16 **providing you the title of president?**

17 A. Ultimately I don't know what Jim's
18 position was on -- on that title.

19 **Q. But at least in 2014 the two of you had**
20 **come to no resolution with respect to either your**
21 **title or a raise; is that correct?**

22 MR. SEARCY: Objection. Vague.

23 THE WITNESS: By the end of 2014 my
24 title and salary were the same.

25 ///

1 BY MR. KRUM:

2 Q. I'm just asking for what you heard,
3 learned or were told.

4 A. I -- I don't know what their discussions
5 were. But Margaret wanted to be an employee, and
6 she didn't -- she didn't become an employee.

7 Q. Did you ever hear or learn or were you
8 ever told at any time in 2014, whether by Margaret,
9 by Jim, by Tim Storey or by any other person, that
10 Jim held the view that Margaret did not have the
11 experience or expertise to be the senior person or
12 executive at RDI responsible for development of the
13 Union Square and Cinemas 1, 2 and 3 properties in
14 New York?

15 MR. VERA: Objection. Compound.

16 MR. SEARCY: Join.

17 THE WITNESS: Are you referring to the
18 period of time 2014?

19 BY MR. KRUM:

20 Q. Yes.

21 A. I had understood that Jim did not think
22 that Margaret had the requisite experience in his
23 mind to run those two New York developments.

24 Q. Do you recall when you first Service
25 came to have that understanding?

1 A. No.

2 Q. Sometime in 2014, but you can't say
3 when?

4 A. Exactly.

5 Q. Do you recall how you came to have that
6 understanding?

7 A. No.

8 Q. Okay. When you testified earlier to the
9 effect that you and Margaret were trying to figure
10 out how you would work with Jim, to what were you
11 referring?

12 A. Jim was the new C.E.O. of the company,
13 and we wanted to make sure that for the benefit of
14 the company and the benefit of the people that
15 worked underneath us, that we had a good
16 relationship with Jim.

17 Q. Did there come a time when you sought to
18 report to an executive committee of the RDI board of
19 directors rather than report to your brother Jim as
20 C.E.O.?

21 A. Yes.

22 Q. When did that happen?

23 A. I don't remember. Well, it never
24 happened.

25 Q. No. No. The question was when did you

1 **seek to report to an executive committee of the RDI**
2 **board of directors rather than to report to your**
3 **brother Jim as C.E.O.?**

4 A. I don't remember exactly when that
5 request was developed, but it was sometime during
6 the fourth quarter of 2014.

7 Q. How did it come to pass that you
8 developed that request?

9 A. We were having issues with Jim, and we
10 wanted to figure out a way to have a structure in
11 place that would be almost transitional that would
12 help us work together so that we could work through
13 any issues that we would have.

14 Q. Prior to your father's resignation as
15 C.E.O., to whom had you reported during the time you
16 had been an executive at RDI?

17 A. Jim was the president at the time. My
18 father was the chairman and C.E.O. So, technically
19 I probably reported to Jim; or probably technically
20 to Bob.

21 But we never operated that way.

22 Q. Was the way you operated since 2000 and
23 up to the point when your father resigned as C.E.O.
24 that you reported to him?

25 MR. SEARCY: Objection. Vague.

1 A. I don't -- I don't recall.

2 Q. Okay. Did there come a point in time in
3 2014 when you did not want to report to your brother
4 as C.E.O.?

5 A. Well, we developed this structure with
6 the executive committee at some point in 2014.

7 Q. So does that mean the answer is yes and
8 that your proposal to go forward was this executive
9 committee proposal?

10 A. Yes.

11 Q. And did you understand that the same --
12 strike that.

13 Did you understand at the time that
14 Margaret also did not want to report to her brother
15 as C.E.O.?

16 A. Well, Margaret was part of the
17 discussion when we proposed that structure.

18 Q. So, is the answer yes, with that by way
19 of explanation?

20 A. Yes.

21 Q. Whose idea was the executive committee
22 structure?

23 A. I don't know if it was mine or if it was
24 Margaret's. I don't know whose idea it was.

25 Q. Prior to proposing it did you have any

1 2014.

2 Q. But it wasn't in 2014, is that the
3 distinction --

4 A. It was paid in the beginning of 2015.

5 Q. Did you discuss the fact that you had
6 not received a bonus with Ed Kane when you drove to
7 San Diego to meet with him on a weekend?

8 A. I don't remember.

9 Q. Let me show you what previously has been
10 marked as Exhibit 61.

11 MR. KRUM: Does everybody have their set
12 or do I need to pass copies?

13 MR. SEARCY: I need a copy.

14 MR. KRUM: Can you guys share one?
15 Because I'm apparently one short on the old ones.

16 MR. FERRARIO: Sure.

17 (Whereupon the document previously
18 marked as Plaintiffs' Exhibit 61
19 was referenced and is attached
20 hereto.)

21 BY MR. KRUM:

22 Q. Ms. Cotter, take such time to review
23 Exhibit 61 and let me know when you've reviewed it
24 to your satisfaction.

25 A. Okay.

1 Q. Do you recognize Exhibit 61?

2 A. Yes.

3 Q. What do you recognize it to be?

4 A. It's an email that I prepared and sent
5 to Guy Adams, Tim Storey and Bill Gould.

6 Q. Is this the -- the document that
7 communicates the proposal you -- about which you
8 testified earlier as having made in the fourth
9 quarter of 2014 to form an executive committee of
10 the board of directors?

11 A. Yes.

12 Q. I direct your attention, Ms. Cotter, to
13 the sub head which is the third of three in the
14 lower half of the first page of Exhibit 61 and which
15 reads, quote,

16 "Actions that would require the
17 prior approval of the executive
18 committee," close quote.

19 Do you see that sub head?

20 A. Yes.

21 Q. I direct your attention in particular to
22 point 1(B) -- excuse me -- 1(A) beneath that which
23 has the executive committee as the body to determine
24 role, compensation, reporting lines.

25 Do you see that?

1 A. Yes.

2 Q. And then there are three bullet points,
3 and the first one is the new title you're -- you
4 were requesting, right?

5 A. Correct.

6 Q. And for Margaret Cotter, you have a
7 heading for her below, and then near the bottom of
8 the page it says -- paragraph begins, "Specifics of
9 Margaret Cotter's employment agreement."

10 You see that?

11 A. Yes.

12 Q. And the first point is a title for her,
13 correct?

14 A. Yes.

15 Q. And then point two at the top of the
16 last page of Exhibit 61 describes what were proposed
17 to be Margaret's responsibilities, correct?

18 A. Correct.

19 Q. And those include, quote,
20 "Oversight of development
21 activities related to the company's
22 Union Square and Cinemas 1, 2, 3
23 properties in Manhattan," close
24 quote.

25 Right?

1 A. Right.

2 Q. And did oversight mean that Margaret was
3 to be the senior executive at RDI with
4 responsibility for those activities?

5 MR. SEARCY: Objection. Vague.

6 THE WITNESS: Yes.

7 BY MR. KRUM:

8 Q. Now, when you prepared Exhibit 61, did
9 you separately prepare the text that begins on the
10 first page, "Proposal for a Reconstituted Reading
11 International, Inc. Executive Committee" and all the
12 text that follows as a separate document and then
13 drop it into this email?

14 A. I don't remember.

15 Q. Okay. Were there drafts of the proposal
16 that's contained in Exhibit 61?

17 A. I don't remember.

18 Q. With whom did you confer or consult, in
19 anyone, in the course of preparing it?

20 MR. SEARCY: Objection. Vague.

21 THE WITNESS: I don't remember.

22 BY MR. KRUM:

23 Q. In particular, did you confer with
24 Margaret?

25 A. I don't remember specific conversations

1 about preparing this document.

2 Q. I'm not asking about whether you recall
3 specific conversations or the specifics of any
4 conversation.

5 I'm simply asking to the best of your
6 recollection today, did you communicate with
7 Margaret Cotter about the proposal that is found in
8 Exhibit 61 before you sent it to Messrs. Adams,
9 Storey and Gould on or about October 14, 2014?

10 A. I don't remember who I specifically
11 spoke to about this document.

12 Q. Well, I'll just ask it this way: Did
13 you speak with Margaret about any of the contents of
14 the proposal that is made by Exhibit 61 prior to
15 sending it on October 14, 2014?

16 MR. SEARCY: Objection. Vague.

17 BY MR. KRUM:

18 Q. Just did you speak with her. That's all
19 I'm asking.

20 A. Yeah. I suspect I did. I don't
21 remember the specific conversations.

22 But this document involved her. So, I
23 would have involved her in this process.

24 Q. As you sit here today do you recall that
25 you did so or are you inferring that you did so

1 **because of the nature of the contents of Exhibit 61?**

2 A. I am inferring that I did.

3 Based on the way I operate, I wouldn't
4 have prepared a document that involved Margaret
5 without consulting her.

6 Q. I understand that. That's why I asked
7 the question I just asked.

8 A. Yeah. And I don't recall specific
9 conversations with her about it.

10 Q. Did you have specific conversations with
11 any of the addressees, Adams, Storey and Gould,
12 about the proposal prior to transmitting it on the
13 14th of October 2014?

14 A. I don't remember.

15 Q. Did you have any communications with
16 your brother Jim Cotter, Jr., about the proposal
17 found in Exhibit 61 before you transmitted it on or
18 about October 14, 2014?

19 A. I don't remember.

20 Q. Did you have any communications with
21 Craig Tompkins with respect to the proposal that is
22 found in Exhibit 61?

23 A. I don't remember.

24 Q. Did you ever have any communications
25 with Craig Tompkins about whether or how an

1 That the foregoing pages contain a full,
2 true and accurate record of the proceedings and
3 testimony to the best of my skill and ability;

4
5 I further certify that I am not a relative
6 or employee or attorney or counsel of any of the
7 parties, nor am I a relative or employee of such
8 attorney or counsel, nor am I financially interested
9 in the outcome of this action.

10

11 IN WITNESS WHEREOF, I have subscribed my
12 name this 23rd day of May, 2016.

13

14

15



PATRICIA L. HUBBARD, CSR #3400

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EXHIBIT 3

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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 MARGARET COTTER
TAKEN ON MAY 12, 2016
VOLUME I

REPORTED BY:
PATRICIA L. HUBBARD, CSR #3400

1 consultant to RDI?

2 MR. SEARCY: Objection. Vague.

3 Can we have that question read back.

4 Quest.

5 (Whereupon the question was read
6 as follows:

7 "Question: Well, as you sit here
8 today do you recall to you any
9 reasons why in -- at any point in
10 time in 2014 it would be
11 preferable from your perspective
12 to be an RDI employee than to be
13 an employee of Liberty Theatres
14 and effectively a consultant to
15 RDI?")

16 THE WITNESS: On August 18th?

17 BY MR. KRUM:

18 Q. I'll ask -- I'll restate the question.

19 As you sit here today, do you recall any
20 reasons why it was preferable for you as of
21 August 18, 2014, to be an RDI employee than to
22 continue to -- in your position at Liberty Theatres?

23 A. As I said, I don't quite understand your
24 question.

25 Q. Okay. Well, let me ask you a different

1 question.

2 A. Okay.

3 Q. One of the differences between being an
4 employee of RDI and being a consultant, meaning
5 being employed by Liberty Theatres, is that you
6 would have a fixed salary rather than have income
7 predicated upon a percentage of revenues generated
8 by Liberty Theatres, correct?

9 MR. SEARCY: Objection. Vague and
10 assumes facts.

11 THE WITNESS: As a consultant I was --
12 my current arrangement was -- was based on incentive
13 fees.

14 BY MR. KRUM:

15 Q. Right. And your expectation was that if
16 you became an RDI employee, you'd have a salary,
17 right?

18 A. Yeah.

19 Q. So, the -- one difference between being
20 an RDI employee and continuing the position you had
21 at Liberty Theatres was that you'd have a salary
22 instead of what amounted to an incentive commission,
23 right?

24 A. That's correct.

25 Q. Did Liberty Theatres provide you

1 **benefits of any kind?**

2 A. No.

3 Q. So, did you anticipate that if you
4 became an employee of RDI, you'd receive benefits?

5 A. Yes.

6 Q. What benefits did you then anticipate?

7 MR. SEARCY: Objection. Lacks
8 foundation.

9 THE WITNESS: Health insurance.

10 BY MR. KRUM:

11 Q. Okay. So, directing your attention back
12 to the conversation you had with Jim Cotter, Jr., in
13 his office at RDI on the 18th of August 2014, what
14 else did you say and what else did he say, if
15 anything, beyond what you've already testified?

16 A. I've testified everything that was said.

17 Q. Okay. And then when you arrived at the
18 hospital to speak with your father and found Jim
19 Cotter, Jr., there, what did you say and what did
20 Jim Cotter, Jr., say?

21 A. I said, "You raced me to the hospital.
22 What are you hiding?"

23 Q. What else, if anything, did you say?

24 A. I don't recall.

25 Q. What did -- what did he say?

1 A. I don't recall.

2 Q. Okay. What's your best recollection
3 about the next communication you had about you
4 becoming an employee which you believe occurred in
5 September or October of 2018?

6 A. I thought I was talking to Tim Storey.
7 Tim Storey was out after my father's memorial, and
8 he would talk to all three of the -- the kids.

9 Q. Okay.

10 MR. KRUM: Marshall, you want to take a
11 break?

12 MR. SEARCY: Yeah. Thanks.

13 VIDEOTAPE OPERATOR: We are off the
14 record.

15 The time is 11:15.

16 (Brief recess.)

17 VIDEOTAPE OPERATOR: We are on the
18 record.

19 The time is 11:29.

20 BY MR. KRUM:

21 Q. Ms. Cotter, directing your attention to
22 the time frame of September or October of 2014, and
23 the conversation you believe you had with Tim Storey
24 regarding you becoming -- that included discussing
25 you becoming a -- an employee of RDI, what did you

1 say and what did he say as best you can recall?

2 A. I believe I just expressed my interest
3 in becoming an employee and working on the New York
4 properties.

5 Q. When you say "working on the New York
6 properties," what does that mean?

7 A. Working on the development of the
8 New York properties.

9 Q. And you're talking about Union Square
10 and Cinemas 1, 2 and 3, yes?

11 A. That's correct.

12 Q. And what else, if anything, did you say
13 to Mr. Storey during that conversation?

14 A. I don't recall.

15 Q. What did he say to you?

16 A. I don't recall.

17 Q. Did you attend the RDI annual
18 shareholders meeting in May of 2014?

19 A. Yes.

20 Q. Did you have any conversations with any
21 RDI director at or about that time regarding your
22 work at Liberty Theatres, the two New York
23 properties, meaning Union Square and Cinemas 1, 2 or
24 3, or anything related to them?

25 A. I may have. I don't recall.

1 But one of them was the control of the
2 RDI class B voting stock, correct?

3 A. That's correct.

4 Q. And during this conversation with Tim
5 Storey, what did you say to him about your role in
6 the company going forward?

7 A. I don't recall.

8 Q. Did you tell him that you wanted to be
9 an RDI employee?

10 A. Oh, I brought out documents that my
11 father wanted me to become an employee. Yep.

12 Q. Okay. And what did you discuss with
13 Mr. Storey, if anything, about what position you
14 would hold?

15 A. I was speaking about the New York
16 properties and running the development of those
17 properties.

18 Q. Did you discuss that particular subject,
19 meaning you running the development of the New York
20 properties, Union Square and Cinemas 1, 2 and 3,
21 with Jim Cotter, Jr., on August 18, 2014?

22 MR. SEARCY: Objection. Vague.

23 THE WITNESS: No.

24 BY MR. KRUM:

25 Q. When was the first -- did you ever have

1 communications at any time in 2014 with Jim Cotter,
2 Jr., about what role, if any, you would have with
3 respect to development of the New York properties?

4 A. I don't recall.

5 Q. What did you tell Mr. Storey during the
6 conversation you had with him in or about September
7 of -- or October of 2014 about the role you wanted
8 to have in development of the New York properties?

9 MR. SEARCY: Objection. Vague.

10 THE WITNESS: I don't recall the whole
11 conversation.

12 BY MR. KRUM:

13 Q. Did you tell him that you wanted to be
14 involved -- strike that.

15 Did you tell Mr. Storey during this
16 conversation in September or October 2014 that you
17 wanted to be the senior person involved in the
18 development of the New York properties?

19 A. I told him I wanted to lead the
20 development, yes.

21 Q. And when you say "lead the development"
22 of the New York properties, what do you mean by
23 that?

24 A. Be the -- the point person at Reading.
25 We were working with Edifice at that point. And I

1 Q. Who is the "we" who had been negotiating
2 it?

3 A. Craig Tomkins was involved, I believe --
4 I can't remember if Bill Ellis -- I think Bill Ellis
5 was involved.

6 And I don't know -- I think my brother
7 was involved.

8 Q. Did there come a time, Ms. Cotter, when
9 you heard or learned or were told that your brother
10 as C.E.O. was of the view that Reading needed to
11 hire a person with real estate development
12 experience or expertise to assist, among other
13 things, with the development of the New York
14 properties?

15 MR. SEARCY: Objection. Vague.

16 THE WITNESS: I heard that.

17 BY MR. KRUM:

18 Q. When did you first hear or learn that?

19 A. I don't recall.

20 Q. Did your brother ever say to you,
21 whether in a conversation or an email or otherwise,
22 that he thought RDI needed an employee with real
23 estate development expertise that you did not have?

24 MR. SEARCY: Objection. Vague, lacks
25 foundation.

1 THE WITNESS: At some point I believe he
2 said that, yeah.

3 BY MR. KRUM:

4 Q. What's your best recollection as to when
5 he communicated that to you?

6 A. I --

7 MR. SEARCY: Objection. Lacks
8 foundation, it's vague.

9 Let me finish my objection.

10 Go ahead.

11 THE WITNESS: I don't know.

12 BY MR. KRUM:

13 Q. Directing your attention, Ms. Cotter, to
14 your prior testimony regarding a conversation you
15 had with Jim Cotter, Jr., in his office at RDI on
16 August 18, 2014 --

17 Do you have that in mind?

18 A. Yes.

19 Q. And do you recall whether during that
20 conversation he communicated to you the notion that
21 he wanted to hire someone with real estate
22 development or expertise to assist the company in
23 developing the New York properties?

24 A. You're asking if he brought that up in
25 that meeting?

1 Q. Well, if he said anything about that
2 subject.

3 A. I don't recall.

4 Q. Okay. At any time prior to your
5 father's passing in September of 2014, did you have
6 any communications with Jim Cotter, Jr., regarding
7 the subject of RDI developing the New York
8 properties?

9 MR. SEARCY: Objection. Vague.

10 THE WITNESS: Before my father died?

11 BY MR. KRUM:

12 Q. Yes.

13 A. I don't recall.

14 Q. By the way, when I refer to the New York
15 properties, I'm referring to Union Square and
16 Cinemas 1, 2 and 3.

17 You understand that, right?

18 A. Okay.

19 Q. Well, I think you said that, and that's
20 why I'm -- I'm just making sure we're talking about
21 the same thing.

22 A. Yes.

23 Q. Okay. So, at any time --

24 Well, what's your best recollection as
25 to when you first had a communication with Jim

1 Cotter, Jr., in which he indicated in words or
2 substance that he thought that RDI needed to hire
3 someone with real estate development experience or
4 expertise that you did not have?

5 A. I don't -- I have no idea when he
6 brought that up.

7 Q. Okay. When did you first hear or learn
8 that RDI was going to look for a -- a person, senior
9 executive with real estate development experience or
10 expertise?

11 MR. SEARCY: Objection. Vague, lacks
12 foundation.

13 THE WITNESS: I believe it was one time
14 in 2015.

15 Q. Okay.

16 MR. SEARCY: Mr. Ferrario occasionally
17 gets up to go get a water, walk around. Don't be
18 distracted by his movements.

19 MR. FERRARIO: I'm sorry. I'll ask
20 permission next time.

21 BY MR. KRUM:

22 Q. What was Craig Tomkins's position, if
23 any, at RDI in 2014?

24 A. I don't know exact -- the exact title he
25 had. He would work in a lot of different areas of

1 Ms. Cotter, to the last email in this chain of
2 three.

3 At the top of the first page of
4 Exhibit 145 your brother responds to in the first
5 sentence as follows, quote,

6 "You have heard about my concerns
7 about you leading our two
8 developments in New York valued at
9 over \$200 million and my intentions
10 to hire a director of real estate,"
11 period, close quote.

12 Do you see that?

13 A. Yes.

14 Q. What did you understand to him -- him to
15 be saying or referencing by that sentence?

16 A. He wasn't going to budge and give me
17 this role.

18 Q. Prior to receipt of Exhibit 145 had you
19 had communications with your brother either directly
20 or indirectly regarding RDI hiring a director of
21 real estate?

22 MR. SEARCY: Objection. Vague.

23 THE WITNESS: I don't recall prior to
24 this email, no.

25 ///

1 BY MR. KRUM:

2 Q. Okay. Did you understand -- what was
3 your understanding as to what he was telling you
4 when he referenced his intentions to hire a director
5 of real estate?

6 That he was going to hire somebody else
7 to be the senior person at RDI with respect to the
8 real estate development of the two New York
9 properties?

10 MR. SEARCY: Objection. Vague.

11 THE WITNESS: He was going to hire
12 somebody else, yes.

13 BY MR. KRUM:

14 Q. So he concludes by asking whether your
15 expectations have changed; and if so, how.

16 Did you respond to that?

17 A. I don't recall.

18 Q. I mean your expectations never changed,
19 did they?

20 MR. SEARCY: Objection. Argumentative
21 and vague.

22 BY MR. KRUM:

23 Q. Well, did your -- did you desire to be
24 the person leading the real estate development of
25 RDI's two properties in New York ever change?

1 A. No.

2 MR. SEARCY: Margaret, how are you
3 doing? Do you need a break?

4 THE WITNESS: How long are we going to
5 go till?

6 MR. SEARCY: Why don't we take our break
7 and maybe we can have that discussion.

8 MR. KRUM: Let's see what time it is
9 here.

10 MR. SEARCY: It's 4:15.

11 MR. FERRARIO: 4:15.

12 MR. KRUM: Well, we can take a break.
13 I'm prepare to proceed and break later, whatever we
14 need to do.

15 MR. SEARCY: Let's take a break right
16 now.

17 And then you and I can have a discussion
18 about how we proceed.

19 MR. KRUM: All right.

20 VIDEOTAPE OPERATOR: And we are off the
21 record.

22 The time is 4:15.

23 (Brief recess.)

24 VIDEOTAPE OPERATOR: We are on the
25 record.

1 Q. Do you see that on the second page of
2 the job description there is a bullet point followed
3 by the underscored words "Construction Oversight
4 Responsibilities"?

5 A. Underneath "Construction Oversight
6 Responsibilities."

7 Q. Okay.

8 A. Uh-huh.

9 Q. And you see those include,
10 "Selection and supervision of
11 general contractors, architects,
12 engineers and other construction
13 professionals"?

14 A. Yes.

15 Q. And other than what you've done with
16 respect to the Union Square property and working
17 with Edifice, have you ever done any of those
18 activities?

19 MR. SEARCY: Objection. Vague.

20 BY MR. KRUM:

21 Q. Well, I'll ask the question. Other than
22 anything you've done with Edifice with respect to
23 Union Square, have you ever overseen the selection
24 and supervision of general contractors?

25 A. Yes.

1 Q. What --

2 A. I'm sorry. Of general contractors, no.

3 Q. Other than what you've done with Union
4 Square --

5 A. Other than what I've done.

6 Q. Right. Right. I want -- just listen to
7 my question, please.

8 Other than what -- other than anything
9 you've done with respect to Union Square and working
10 with Edifice, have you ever overseen the selection
11 and supervision of architects --

12 A. Yes.

13 Q. -- in a real estate development context?

14 MR. SEARCY: Objection. Vague.

15 Wait for him to finish his question.

16 Okay? And let me get my objection in.

17 MR. KRUM: I'll ask it again and we'll
18 each try to let each of us do our things, so to
19 speak?

20 MR. SEARCY: Right.

21 BY MR. KRUM:

22 Q. All right. Ms. Cotter, excluding
23 anything you've done with respect to the Union
24 Square property and working with Edifice, have you
25 ever overseen the selection and supervision of any

1 of general contractors, architects, engineers or
2 other construction professionals with respect to any
3 real estate development?

4 MR. SEARCY: Objection. Vague.

5 THE WITNESS: With a development, no.

6 BY MR. KRUM:

7 Q. I direct your attention, Ms. Cotter,
8 further down that page, the third page of
9 Exhibit 149.

10 Do you see there are boldface words on
11 the left-hand side called "Skill Set"?

12 A. Yes.

13 Q. Do you see the second bullet point
14 includes the words "Project design and land use
15 planning" -- well, in the entirety, "including
16 experience dealing with government authorities."

17 Do you see that?

18 A. Yes.

19 Q. Excluding anything you've done with
20 Edifice with respect to the Union Square project,
21 have you ever done any of those kind of activities
22 with respect to any real estate development?

23 A. I worked on the Union Square project
24 without Edifice.

25 Q. Okay. Otherwise have you ever done any

1 of those activities --

2 MR. SEARCY: Objection. Vague.

3 BY MR. KRUM:

4 Q. -- with respect to real estate
5 development?

6 MR. SEARCY: Objection. Vague.

7 THE WITNESS: What do you mean by "real
8 estate development"? Do you mean a property that we
9 have?

10 BY MR. KRUM:

11 Q. With respect to any piece of real
12 property, meaning commercial real property and
13 excluding residential real property and excluding
14 anything you've done on the Union Square project,
15 have you ever supervised or performed anything you
16 understood to be either project design or land use
17 planning?

18 A. Yes.

19 Q. What?

20 A. The Minetta Lane, that property, the
21 district was going to be landmarked, so I worked on
22 that. The Orpheum Theatre. The Marquis was going
23 to be landmarked and I work on that, and I succeeded
24 in having Landmarks refuse to landmark the Marquis.

25 Also, I just want to go back and clarify

1 something.

2 If you regard talking about development
3 as just a property, I have overseen general
4 contractors and architects and engineers on
5 renovations and work -- and structural work that
6 we've done in our theaters in the past.

7 Q. Take a look, please, Ms. Cotter, at the
8 last page of Exhibit 149.

9 And the last paragraph begins as
10 follows, quote,

11 "The executive should also have an
12 appreciation for the financing
13 elements of the real estate
14 development project," and so forth.

15 And let me know when you've read the
16 balance of that paragraph.

17 A. Yes. I'm finished.

18 Q. Do you have any experience in those
19 activities?

20 MR. SEARCY: Objection. Vague.

21 THE WITNESS: I'm working with a broker
22 right now.

23 BY MR. KRUM:

24 Q. Okay. Anything else?

25 A. No.

1 **Q. So, with respect -- with respect to**
2 **Minetta Lane, you worked on opposing the designation**
3 **of that property as a landmark; is that correct?**

4 A. Not quite. The landmark committee, they
5 decided to designate the neighborhood as a
6 historical district. And the property was located
7 within that district.

8 We succeeded in having the actual
9 property as a -- classified as a no-style building.
10 So that means that most likely we'll be able to tear
11 it down when we decide to develop it.

12 **Q. With whom did you work on that?**

13 A. Bob Davis, a landmark attorney.

14 MR. SEARCY: Ferrario's on the run.

15 (Whereupon Mr. Ferrario left the
16 deposition proceedings at this
17 time.)

18 MR. KRUM: I'll ask the court reporter
19 to mark as Exhibit 150 a document bearing production
20 numbers MC7647 through 50.

21 (Whereupon the document referred
22 to was marked Plaintiffs'
23 Exhibit 150 by the Certified
24 Shorthand Reporter and is attached
25 hereto.)

1 MR. KRUM: I'll ask the court reporter
2 to read it back.

3 (Whereupon the question was read
4 as follows:

5 "Question: Was it not the case,
6 Ms. Cotter, that you held the view
7 that the hiring of Jon Genovese or
8 anyone else for the director of
9 real estate position would have a
10 consequence of you not leading the
11 real estate development of the two
12 New York properties?")

13 MR. SEARCY: I'm going to object again,
14 vague and argumentative.

15 THE WITNESS: Yes.

16 BY MR. KRUM:

17 Q. I direct your attention, Ms. Cotter, to
18 the first page of Exhibit 152, and the emails at the
19 top of the page.

20 First I direct your attention to the
21 June 4, 2015, 8:03 P.M. email from your brother to
22 you. It reads as follows, quote,

23 "Any response on Jon? We are going
24 to lose this candidate if we sit
25 around and do nothing. I tried

1 A. That's correct.

2 Q. Okay. At any point in time in the time
3 frame of January 1st, 2015, through June 12, 2015,
4 was it your desire to sign an agreement with Edifice
5 before someone was hired for the position of
6 director of real estate at RDI?

7 A. I can't answer that question. I don't
8 recall.

9 Q. At any point in that time frame did it
10 ever occur to you that if a person was hired for the
11 position of director of real estate at RDI, they
12 would by virtue of having that position weigh in on
13 whether to sign a contract with Edifice?

14 A. I don't know if I was thinking about
15 that.

16 Q. Okay. What's your best recollection as
17 to why you said what you said in this May 28 email
18 that before hiring anyone, you think we need to get
19 Edifice's agreement signed?

20 A. I believe I testified I don't recall
21 what I was thinking when I wrote this.

22 Q. Okay. Let's look at the first page of
23 Exhibit 156.

24 You see at the bottom of the first page
25 there's an email response from your brother to your

1 email that we just discussed. In fact, this is one
2 at which we've looked previously.

3 A. Right. Right.

4 Q. Okay. So then let's go to your email
5 reply in the middle of the first page of
6 Exhibit 156. It's the one dated June 4, 2015, time
7 stamped 11:11 A.M. It reads as follows, quote,

8 "Frankly, I would be more concerned
9 about yourself and getting your
10 position squared away than dealing
11 with another employee. I think
12 your priorities are a little
13 skewed. What is the status of the
14 paperwork we sent to you
15 yesterday," close quote.

16 Do you see that?

17 A. Yes.

18 Q. To what were you referring, Ms. Cotter,
19 when you said to your brother that he should be --
20 that if you were him, you would be more concerned
21 about getting your position squared away?

22 A. I believe he was already told by the
23 board that he would be terminated.

24 Q. And to what were you referring in the
25 last sentence when you said,

1 "What is the status of the
2 paperwork we sent to you
3 yesterday?"

4 A. It was the revised settlement.

5 Q. Meaning the revised settlement agreement
6 that Sussman sent to Streisand?

7 A. That's correct.

8 Q. And so was the point of this your
9 telling your brother that he needed to finalize the
10 settlement paperwork or he would be terminated --

11 MR. SEARCY: Objection.

12 BY MR. KRUM:

13 Q. -- and that he should be focused on --
14 let me finish.

15 Okay. Was the point of this email to
16 tell your brother he should be focused on completing
17 a settlement and preserving his job rather than hire
18 another employee?

19 MR. SEARCY: Objection. Misstates the
20 testimony, lacks foundation, is argumentative.

21 THE WITNESS: Can you repeat the
22 question.

23 BY MR. KRUM:

24 Q. Sure.

25 MR. KRUM: Actually I'll have the court

1 reporter read it back for you.

2 THE WITNESS: Okay.

3 (Whereupon the question was read
4 as follows:

5 "Question: Was the point of this
6 email to tell your brother he
7 should be focused on completing a
8 settlement and preserving his job
9 rather than hire another
10 employee?"

11 MR. SEARCY: Objection. Argumentative,
12 vague, lacks foundation.

13 THE WITNESS: No.

14 BY MR. KRUM:

15 **Q. What was the point?**

16 A. To focus on himself and -- to focus on
17 himself and try and save his job.

18 **Q. By doing what?**

19 MR. SEARCY: Objection. Vague, plus
20 argumentative.

21 MR. KRUM: It's actually an open-ended
22 question.

23 BY MR. KRUM:

24 **Q. But go ahead, Ms. Cotter?**

25 A. I don't put by doing what in here.

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.

25 ///

1 BY MR. KRUM:

2 Q. And then -- and then he was terminated
3 after that, right?

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

6 THE WITNESS: My brother was terminated
7 on June 12th.

8 MR. KRUM: Okay. So let's adjourn for
9 the day.

10 VIDEOTAPE OPERATOR: This concludes the
11 deposition of Margaret Cotter, volume one, May 12,
12 2016, which consists of four media files.

13 The original media files will be
14 retained by Hutchings Litigation Services.

15 Off the video record at 6:30 P.M.

16
17 (Whereupon at 6:30 P.M. the
18 deposition proceedings were
19 continued to May 13, 2016 at
20 9:00 A.M.)

21 * * *

22

23

24

25

1 That the foregoing pages contain a full,
2 true and accurate record of the proceedings and
3 testimony to the best of my skill and ability;

4

5 I further certify that I am not a relative
6 or employee or attorney or counsel of any of the
7 parties, nor am I a relative or employee of such
8 attorney or counsel, nor am I financially interested
9 in the outcome of this action.

10

11 IN WITNESS WHEREOF, I have subscribed my
12 name this 16th day of May, 2016.

13

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PATRICIA L. HUBBARD, CSR #3400

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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 13, 2016
VOLUME II

REPORTED BY:
PATRICIA L. HUBBARD, CSR #3400

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 terminate your consulting
2 arrangement?")

3 THE WITNESS: Yes.

4 BY MR. KRUM:

5 Q. When did you first have that thought or
6 view?

7 A. I don't know when I first had that view,
8 but the Stomp matter set it in stone for me.

9 Q. When you say it set it in stone, does
10 that mean that you had developed a view at some
11 point previously, but you became confident of it at
12 the time of the Stomp matter?

13 A. No.

14 MR. SEARCY: Objection. Vague.

15 BY MR. KRUM:

16 Q. What is -- what do you mean when you say
17 "set it in stone"?

18 A. The Stomp matter to me was clear that he
19 was trying to -- to possibly terminate my contract.

20 Q. And when you say "the Stomp matter," are
21 you referring to the telephonic board meeting about
22 which you testified earlier?

23 A. It started back in April, the Stomp
24 matter. I wasn't just the board meeting.

25 Q. When you say it started in April, are

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 **Q. What did -- what, if anything, did Ed**
2 **Kane say after Ellen had read the terms of the**
3 **settlement?**

4 A. I don't recall what he said.

5 MR. KRUM: What's our next number?

6 THE REPORTER: 167.

7 MR. KRUM: I'll ask the court reporter
8 to mark as Exhibit 167 a multi-page document bearing
9 production numbers MC435 to 439.

10 It's time stamped June 3, 2015. I'll
11 let the witness identify it.

12 (Whereupon the document referred
13 to was marked Plaintiffs'
14 Exhibit 167 by the Certified
15 Shorthand Reporter and is attached
16 hereto.)

17 THE WITNESS: Thank you. Okay.

18 BY MR. KRUM:

19 **Q. Ms. Cotter, do you recognize**
20 **Exhibit 167?**

21 A. Yes.

22 **Q. What do you recognize it to be?**

23 A. This is the settlement that my attorney
24 prepared on June 3rd.

25 **Q. This is the one you described previously**

1 That the foregoing pages contain a full,
2 true and accurate record of the proceedings and
3 testimony to the best of my skill and ability;

4
5 I further certify that I am not a relative
6 or employee or attorney or counsel of any of the
7 parties, nor am I a relative or employee of such
8 attorney or counsel, nor am I financially interested
9 in the outcome of this action.

10
11 IN WITNESS WHEREOF, I have subscribed my
12 name this 17th day of May, 2016.

13
14 

15 PATRICIA L. HUBBARD, CSR #3400

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EXHIBIT 4

1	DISTRICT COURT	
2	CLARK COUNTY, NEVADA	
3	JAMES J. COTTER, JR.)
4	individually and derivatively)
5	on behalf of Reading)
6	International, Inc.,)
7	Plaintiff,)
8	vs.)
9	Index No.)
10	A-15-179860-B)
11	MARGARET COTTER, ELLEN)
12	COTTER, GUY ADAMS, EDWARD)
13	KANE, DOUGLAS WILLIAM GOULD,)
14	and DOES 1 through 100,)
15	inclusive,)
16	Defendants.)
17	-----)
18	READING INTERNATIONAL, INC.,)
19	a Nevada corporation,)
20	Nominal Defendant.)
21	-----)
22	VIDEOTAPED DEPOSITION OF MARGARET COTTER	
23	New York, New York	
24	Wednesday, June 15, 2016	
25	Reported by:	
	MICHELLE COX	
	JOB NO. 316939	

1 about it. I can't speak about it any more,
2 because I don't know any of the particulars.

3 **Q What is your general understanding of the**
4 **deferral of tax with regard to Sutton Hill**
5 **Capital LLC?**

6 A I can't answer that question. As I said,
7 I don't know the particulars today.

8 **Q Is it correct to say that you know in**
9 **general that there is a lease loan structure in**
10 **place that allows Sutton Hill Capital LLC to**
11 **defer payment of capital gains tax, but you're**
12 **not aware of the particulars?**

13 MR. SEARCY: Objection. Lacks foundation.

14 A I don't know if I can even comment on your
15 question since I don't know the particulars at
16 this -- today. I would have to review it.

17 **Q How would you go about reviewing it?**

18 A This dates back a few years. And so I
19 would have to go back. I'm sure there's plenty
20 of minutes in the audit committee regarding
21 this.

22 **Q Okay. Other than what you've already**
23 **indicated or stated, do you have any other**
24 **information regarding Sutton Hill Capital LLC's**
25 **deferral of tax payments?**

1 MR. SEARCY: Objection. Lacks foundation.

2 Assumes facts.

3 A No.

4 MR. NATION: Okay. Well, that's all I
5 have.

6 MR. SEARCY: Thanks, Rob.

7 MR. NATION: Yep.

8 MR. KRUM: All right. So we have an open
9 discussion regarding handling the transcripts.
10 I don't think we need to address it right now.
11 We'll agree that we'll otherwise agree and then
12 we'll take care of it.

13 (Continued on the following page to
14 include jurat.)

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1 C E R T I F I C A T E

2 STATE OF NEW YORK)

3 :ss

4 COUNTY OF NEW YORK)

5

6 I, MICHELLE COX, a Notary Public within
7 and for the State of New York, do hereby
8 certify:

9 That MARGARET COTTER, the witness whose
10 deposition is hereinbefore set forth, was duly
11 sworn by me and that such deposition is a true
12 record of the testimony given by the witness.

13 I further certify that I am not related to
14 any of the parties to this action by blood or
15 marriage, and that I am in no way interested in
16 the outcome of this matter.

17 IN WITNESS WHEREOF, I have hereunto set my
18 hand this 27th day of June 2016.

19

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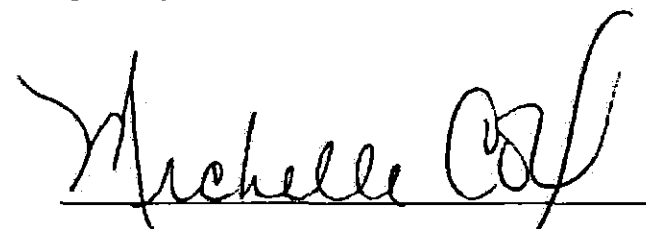
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MICHELLE COX, CLR

EXHIBIT 5

1	DISTRICT COURT		
2	CLARK COUNTY, NEVADA		
3			
4	JAMES J. COTTER, JR., individually and)		
	derivatively on behalf of Reading)		
5	International, Inc.,)		
6	Plaintiff,)		
7	vs.)	No. A-15-719860-B	
		Coordinated with:	
8	MARGARET COTTER, ELLEN COTTER, GUY)	P-14-082942-E	
	ADAMS, EDWARD KANE, DOUGLAS McEACHERN,)		
9	TIMOTHY STOREY, WILLIAM GOULD, and)		
	DOES 1 through 100, inclusive,)		
10			
	Defendants.)		
11	and)		
12	READING INTERNATIONAL, INC., a)		
13	Nevada corporation,)		
14	Nominal Defendant.)		
15			
16	DEPOSITION OF TIMOTHY STOREY, a defendant herein,		
17	noticed by LEWIS ROCA ROTHGERBER CHRISTIE LLP, at		
18	1453 Third Street Promenade, Santa Monica,		
19	California, at 9:28 a.m., on Friday, February 12,		
20	2016, before Teckla T. Hollins, CSR 13125.		
21			
22	Job Number 291961		
23			
24			
25			

1 got lost.

2 MR. KRUM: I'll just repeat it.

3 MR. FERRARIO: Yeah.

4 MR. KRUM:

5 **Q. When did you first hear or learn or when were**
6 **you first told that any of the non-Cotter directors had**
7 **concluded that Jim Cotter should be removed as CEO?**

8 A. About a week before the meeting, I would say,
9 mid- -- around about the 15th of May, I got a phone call
10 from Doug McEachern, who informed me that there had been
11 various discussions. It was intended to remove Jim at
12 the board meeting. That he had been in discussions with
13 Guy Adams, and that Guy Adams was -- my recollection,
14 was leading the charge or was involved with it.

15 I made some commentary on the procedure. And
16 Mr. McEachern said he was aware of that, but that's
17 where things stood. And the next day, I got a phone
18 call -- the next day, I had a phone call from Guy Adams,
19 who basically affirmed that.

20 **Q. And what did Mr. Adams say, in sum and**
21 **substance, unless you actually remember the words?**

22 A. I think he said, in substance, that the time
23 had come for the matter to be dealt with, that they had
24 the legal advice that they could do that, that it
25 shouldn't be an issue. My recollection is, it was a

1 pretty short conversation.

2 Q. And when you say "the matter" should be dealt
3 with, what was "the matter"?

4 A. The removal of the CEO.

5 Q. Did he indicate from whom they had received
6 legal advice?

7 A. No.

8 Q. Did you ever subsequently learn who that was?

9 MR. FERRARIO: Object that --

10 MR. KRUM: I'm not asking for the substance. I'm
11 asking --

12 MR. FERRARIO: Assumes he got any legal advice.

13 MR. KRUM: Okay. He testified that Adams said he
14 had legal advice. So I'm not doing anything other than
15 following on that testimony.

16 Q. So did you ever hear or learn or did you ever
17 otherwise develop an understanding as to whom Mr. Adams
18 was referring when he talked about legal advice?

19 A. I don't recollect.

20 Q. Was it Akin Gump?

21 A. I don't know.

22 Q. It's just an appropriate follow-up question.

23 MR. RHOW: The reason I have a problem with the
24 question, sometimes when you say, "Did you ever
25 subsequently learn," first, I don't know if what his --

1 what the relevance is of his current knowledge, but I
2 understand why you're asking.

3 MR. KRUM: I just want to know who it was.

4 MR. RHOW: My other concern in general is, if he's
5 learning from me or other sources, that's not
6 necessarily something I can object to, since I'm not
7 sure if he currently knows. But anyway, that question
8 is fine.

9 MR. KRUM: Well, I assume you prepared him, but let
10 me make it clear.

11 Q. Mr. Storey, when I ask questions that in any
12 respect call for anything touching on legal advice, I'm
13 not asking you to disclose the substance of any legal
14 advice, whether it was provided to you as a director of
15 the company by in-house or outside counsel representing
16 the company, whether it was provided to you by your own
17 counsel. If the question calls for information of that
18 type, all I want to hear is the identity of the lawyer
19 and the subject matter of the advice, not the substance.

20 A. Thank you.

21 Q. So the call with Adams was -- when in time was
22 it relative to the -- to your receipt of the notice from
23 Ellen Cotter of the special meeting?

24 A. From recollection, prior to.

25 Q. And the call from Adams was the day after you

1 spoke to McEachern; correct?

2 A. Correct.

3 Q. And in the McEachern call, he told you that he,
4 Adams, and Kane had determined to vote to remove Jim
5 Cotter, Jr. as CEO; is that correct?

6 MR. SEARCY: Objection. Vague.

7 THE WITNESS: For some reason, my recollection of
8 the conversation is that it was going to be -- that the
9 time had come to remove the CEO, or to that effect.

10 MR. KRUM:

11 Q. Well, when you hung up from the call with
12 Mr. McEachern that you just described, did you
13 understand that he had communicated to you that he had
14 decided to vote to remove Jim Cotter, Jr. as CEO?

15 A. Yes.

16 Q. The next day when you hung up the call from
17 Mr. Adams, did you understand that Mr. Adams had told
18 you that he also had decided to vote to remove Jim
19 Cotter, Jr. as CEO?

20 MR. SEARCY: Objection. Lacks foundation.

21 THE WITNESS: Yes.

22 MR. KRUM: Okay.

23 Q. And as best you can recall, what were the words
24 Mr. Adams used that led you to that conclusion?

25 A. I don't recollect specific words.

1 Q. Okay.

2 Then in substance, what did he say?

3 A. That the time had come to remove the CEO.

4 Q. And what was the substance of what

5 Mr. McEachern had said to you the day before that --

6 from which you concluded that he had determined to vote

7 to remove Jim Cotter, Jr. as the CEO?

8 A. Similar comment.

9 Q. Okay.

10 Now, did either of those two gentlemen in either of

11 those calls indicate to you anything about what Ed Kane

12 intended to do or had decided to do?

13 A. I don't recollect.

14 Q. Did you have any impression, after either or

15 both of those calls, of what Ed Kane had decided to do,

16 if anything?

17 A. Did I have any impression of what Ed Kane had

18 decided to do. I think prior to that point, I was aware

19 that Ed Kane was of the view that a change should be

20 made.

21 Q. And how did you develop that awareness?

22 A. I think that was just the outcome discussed

23 earlier -- as I mentioned earlier, it was the outcome of

24 where things had got to by late April, early May.

25 Q. Did there come a time when either Mr. Kane told

1 our somebody else told you that Mr. Kane had decided to
2 vote to remove Jim Cotter, Jr. as president and CEO?

3 MR. SEARCY: Objection. Vague.

4 THE WITNESS: You'll have to repeat the question.

5 MR. KRUM: Sure.

6 Q. When did you first learn or were you first told
7 that Ed Kane had decided to vote to remove Jim
8 Cotter, Jr. as president and CEO?

9 A. I don't recollect.

10 Q. Okay.

11 A. Obviously, prior to those discussions.

12 Q. Right. Now, during your call with
13 Mr. McEachern about what you've testified already, what
14 did you say to him?

15 A. I don't recollect that I said much. I think I
16 talked about adopted process, and looking at the matter
17 properly as a board. As I said earlier, my recollection
18 is that Mr. McEachern said "yes," he understood that
19 position.

20 I didn't see it as my position, at that point or at
21 any point, to be an advocate one way or another. My
22 concern was around adopting a robust procedure to go
23 through that process.

24 Q. Did you say to Mr. McEachern, in words or
25 substance, that there had not been to that point in time

1 Q. Okay.

2 And that's true for the entirety of Exhibit 17;
3 correct?

4 A. Yes, I would say so.

5 Q. Okay.

6 So if you would, beneath the handwritten date on
7 the first page of Exhibit 17, be so kind as to read for
8 us the handwritten notes, just on the first page of
9 Plaintiff's 17.

10 A. "Long board discussion ended with basically a
11 comment from majority, 'Jim, go settle something with
12 sisters in next day or you will be terminated.' It has
13 to go to doc by 2:00 p.m. Had to fly to San Diego, so
14 put off to 6:00 p.m., conference call. Had conference
15 call at 6:00 p.m. EC," being Ellen Cotter, "reported
16 attempted agreement between the three of them to be
17 documented over the weekend. Jim reserves right to talk
18 to lawyers. EC read over the terms that affected
19 company, as she stated it. Terms are under management,
20 but all conditional on board approval after the Cotters
21 had a deal."

22 On this, I said, "Wait and see. Ed said, 'Great,
23 hope now Jim would be CEO for 30 years and do a great
24 job.'" And I say, "Complete change to earlier saying he
25 would never be a good CEO," exclamation mark.

1 with respect to trust and estate matters that was
2 reported on or about 6:00 o'clock in the evening on
3 May 29th, had not come to fruition?

4 A. Yes, I had understood that it didn't come to
5 fruition.

6 Q. How did you learn that or what were you told?

7 A. I don't recollect.

8 Q. Do you recall that a board meeting was convened
9 on or about June 12?

10 A. I do.

11 Q. That was a Friday; correct?

12 A. Was it telephonic or in person?

13 Q. I believe it was in person.

14 Do you recall -- Okay. I believe it was
15 telephonic. I misspoke. You're correct.

16 A. I think.

17 Q. Thank you.

18 And do you recall that --

19 A. Telephonic for me, I think. I don't know about
20 anybody else.

21 Q. Understood. Thank you for the clarification.

22 Do you recall that there was a vote to terminate
23 Jim Cotter, Jr. as president and CEO?

24 A. I do.

25 Q. And what was the outcome of that?

1 A. I think that two voted against it, and the
2 others -- Two voted against; is that right? I have to
3 look at the record, but certainly I voted against.

4 **Q. Is it your best recollection that Mr. Gould**
5 **also voted against?**

6 A. Yes. I was just thinking about Mr. Cotter.
7 Perhaps it was three against.

8 **Q. And the votes for termination were by**
9 **Messrs. Kane, Adams and McEachern, and by Ellen and**
10 **Margaret Cotter; correct?**

11 A. Correct.

12 Actually, on reflection, perhaps Mr. Cotter
13 abstained and didn't vote because he was interested. I
14 don't recollect.

15 **Q. Or at least he acknowledged that he was**
16 **interested?**

17 A. Yes.

18 **Q. Do you recall learning at some point that on or**
19 **about June 15th, Ellen Cotter had sent a letter to Jim**
20 **Cotter, Jr. asserting that, pursuant to his executive**
21 **employment agreement, he was required to resign as a**
22 **director upon termination as an officer?**

23 A. Yes, I do.

24 **Q. When did you first learn that?**

25 A. I think at or shortly after the termination

1 I, Teckla T. Hollins, CSR 13125, do hereby declare:

2 That, prior to being examined, the witness named in
3 the foregoing deposition was by me duly sworn pursuant
4 to Section 30(f)(1) of the Federal Rules of Civil
Procedure and the deposition is a true record of the
testimony given by the witness.

5 That said deposition was taken down by me in
6 shorthand at the time and place therein named and
thereafter reduced to text under my direction.

7 _____ That the witness was requested to review the
8 transcript and make any changes to the
9 transcript as a result of that review
pursuant to Section 30(e) of the Federal
Rules of Civil Procedure.

10 _____ No changes have been provided by the witness
11 during the period allowed.

12 _____ The changes made by the witness are appended
13 to the transcript.

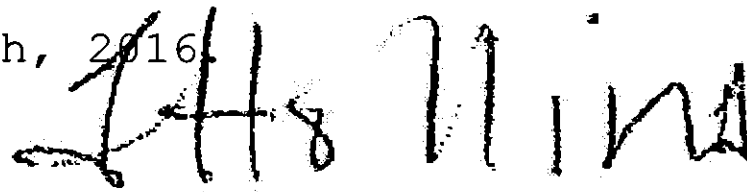
14 _____ No request was made that the transcript be
15 reviewed pursuant to Section 30(e) of the
Federal Rules of Civil Procedure.

16 I further declare that I have no interest in the
event of the action.

17 I declare under penalty of perjury under the laws
18 of the United States of America that the foregoing is
true and correct.

19 WITNESS my hand this 3rd day of

20 March, 2016.



21 _____
22 Teckla T. Hollins, CSR 13125

23

24

25

EXHIBIT 6

1	DISTRICT COURT		
2	CLARK COUNTY, NEVADA		
3	JAMES J. COTTER, JR.,)	
4	individually and derivatively)	
	on behalf of Reading)	
5	International, Inc.,)	
)	
6	Plaintiff,	)	Case No.
		)	A-15-719860-B
7	VS.)	
		)	Coordinated with:
8	MARGARET COTTER, ELLEN COTTER,)	
	GUY ADAMS, EDWARD KANE, DOUGLAS	)	Case No.
9	McEACHERN, TIMOTHY STOREY,	)	P-14-082942-E
	WILLIAM GOULD, and DOES 1	)	Case No.
10	through 100, inclusive,	)	A-16-735305-B
)	
11	Defendants.)	
)	
12	and)	
)	
13	_____)	
	READING INTERNATIONAL, INC., a)	
14	Nevada corporation,)	
)	
15	Nominal Defendant.		

16	(Caption continued on next		
17	page.)		
18			
19	VIDEOTAPED DEPOSITION OF TIMOTHY STOREY		
20	Wednesday, August 3, 2016		
21	Wednesday, California		
22			
23	REPORTED BY:		
24	GRACE CHUNG, CSR No. 6426, RMR, CRR, CLR		
25	Job No.: 323867		

1 place for Jim Cotter, Jr. And she wanted a -- or
2 looked for a formal employment contract.

3 Secondly, I think that there was a
4 discussion around what her role actually was. I
5 think her designation was Vice President of U.S.
6 Cinemas, and Bob Smerling, who was in his 80s, was
7 nominally president, and I think there was a view
8 around how best to describe or how Ellen should be
9 described. Talked about the issues around
10 employment, and also, of course, issues around
11 remuneration and the fact that she felt that she was
12 underpaid, given the job that she was doing and had
13 been for some time.

14 **Q. What were the issues regarding the**
15 **employment or lack of employment status for**
16 **Margaret Cotter?**

17 A. As it became clearer, Margaret was, in
18 fact, in my view, not employed by the company, but
19 was, in fact, providing services to the company
20 through a company called "Liberty." So Liberty had
21 a contract to manage the live theaters on behalf of
22 Reading, and she was remunerated through that. So
23 on analysis, it became clear that she wasn't
24 employed by the -- by the company.

25 THE REPORTER: She was or wasn't?

1 THE WITNESS: She wasn't, was not employed
2 by the company.

3 A. And she wanted to be employed by the
4 company. Part of it, as I understood it, was
5 around wanting to have medical insurance coverage.

6 BY MR. KRUM:

7 Q. Was one of the issues, with respect to the
8 employment status of Margaret Cotter, what role, if
9 any, she would have on a going-forward basis
10 regarding any development activities of the Union
11 Square and Cinemas 1, 2, 3 properties?

12 A. Yes, on the face of it, she was contracted
13 through Liberty to manage the live theaters. And,
14 of course, one of the issues that came to mind is,
15 well, if that is the status, then on what basis is
16 she providing advice or services to Reading in
17 relation to development of those sites.

18 And I guess it seemed to me that it could
19 be explained as part of her role as managing the
20 live theaters. But it seemed -- but it also seemed
21 to me that now was -- then was the time to address
22 her and make sure that we had a clearer
23 understanding of what Margaret's role would be.

24 Margaret had been involved for some years,
25 alongside Jim Cotter, Sr., her father, in looking at

1 executives met with Mr. Genovese and expressed any
2 views of him?

3 A. My sense is that someone like Dave
4 Gellers, some senior executive, met with him and
5 had thought he was a good candidate. My
6 recollection, at this stage, is that none of the
7 executives had any -- had any negative view about
8 Mr. Genovese. At some stage, I think, following
9 that -- I was going to say I think Bob Smerling
10 made some -- made some comment. I'm pretty sure
11 that was with regard to Mr. Genovese, but I don't
12 recall that clearly.

13 Q. At any time prior to the end of your
14 tenure as a director at RDI, which occurred in or
15 about October 2015, did any other non-Cotter
16 director ever communicate to you, in words or
17 substance, a view that Margaret Cotter either was
18 capable of being the senior person overseeing
19 actual development of the Union Square and/or
20 Cinemas 1, 2, and 3 property or should be given
21 that job, in any event?

22 MR. SEARCY: Objection. Lacks foundation.
23 Vague.

24 A. I think pretty soon after the interview
25 that I had in the -- in the circumstance I just

1 mentioned, it became pretty apparent that Margaret
2 and Ellen did not wish to proceed with employing
3 Mr. Genovese, or I suspect anybody, into that role.
4 It was also, from my recollection, very close to
5 the time where all sorts of issues were coming to a
6 head. And I suspect that the focus of the board
7 and the executives no longer remained employing
8 somebody like Mr. Genovese.

9 I think from recollection, the company --
10 from recollection, the company, I think, didn't say
11 anything, didn't -- didn't get back to Mr. Genovese
12 and just left the matter. I think the sentiment
13 from some independent directors was that Margaret
14 had been doing the job she had done for some time,
15 and what was the harm in just letting her do what
16 she was doing.

17 BY MR. KRUM:

18 Q. Why do you think -- why did you say what
19 you just said about the sentiment of some
20 non-Cotter directors? Did someone say to you, in
21 words or substance, "Let her give it a try, "or
22 something of that nature?

23 MR. SEARCY: Objection. Vague.

24 A. Well, I think that was the clear
25 alternative to employing an experienced development

1 director, was to leave it in the hands of Margaret;
2 pull it together and to -- and to manage the
3 development with the use of consultants, which is
4 where the process had moved to over the proceeding
5 period.

6 BY MR. KRUM:

7 Q. Did you ever have or develop a sense of
8 whether the company would save money in terms of
9 paying consultants if the company hired someone
10 with experience or an expertise as a real -- in
11 real estate development?

12 MR. SEARCY: Objection. Vague. Lacks
13 foundation. Calls for an opinion.

14 A. In my experience, and I have been involved
15 in a number of developments, a very experienced
16 development manager or director can be invaluable
17 in adding -- in -- in completing a development.
18 And, you know, with the depth of knowledge comes
19 all the opportunities to control costs, to make
20 sure the design is the best design, to ensure that
21 there was a -- the design reflects what would be a
22 strong income stream.

23 You know, by that stage, Margaret and her
24 team had developed some plans around what could be
25 done. But to my way of thinking, at that point,

1 paragraph?

2 A. I do.

3 Q. And do you see that in the third line, and
4 carrying over to the fourth line, you say as
5 follows: "As directors, we can't just do what a
6 shareholder asks or do what we think a shareholder
7 might want, not to mention that at the moment there
8 remains significant uncertainty as to the ultimate
9 identity of some shareholders."

10 Do you see that?

11 A. I do.

12 Q. Was it your view that one or more of the
13 non-Cotter directors were, in part, or in total,
14 doing what they thought Ellen and Margaret wanted?

15 MR. SEARCY: Objection. Lacks foundation.
16 Calls for speculation.

17 A. Ed Kane had expressed to me, on a number
18 of occasions, that we should -- that Margaret and
19 Ellen were the shareholders and that they had
20 control and that we needed to take direction from
21 shareholders. And my point was that -- or my view
22 to that was that we weren't to act at the direction
23 of shareholders and that we needed to make
24 decisions as a board.

25 And as I say in this part of the comment

1 in this note, is to say we need to act as a board,
2 and we need to act properly to come to a decision.
3 And we need to address ourselves to the appropriate
4 question. So, yes, my view was, at times, Mr. Kane
5 was of the view that we would simply -- we should
6 just simply be acting as director -- well, acting
7 in a manner consistent with what he believed the
8 shareholder required.

9 BY MR. KRUM:

10 Q. And by the shareholders -- shareholder,
11 you are referring to Ellen and Margaret?

12 MR. SEARCY: Objection. Argumentative and
13 vague. Lacks foundation.

14 A. Well, he -- I think he took that view, but
15 as I say here, there remains uncertainty as to the
16 ultimate identity of some shareholders. It seemed
17 to me that it was a difficult proposition to do,
18 even if that was an appropriate response. At this
19 point, given litigation, we didn't know who the --
20 we didn't know for certain who the shareholder was.

21 BY MR. KRUM:

22 Q. Mr. Storey, I show you what previously was
23 marked at Exhibit 131.

24 A. Yes, I have read the document.

25 Q. Did you send Exhibit 131 on or about the

1 how best to develop those two sites and other sites.
2 And as I understood it, she spent some time going to
3 meetings and coordinating some of the early stage
4 work that's done in relation to developments.

5 But the -- again, clearly, the business was
6 moving to more a active position, into a more active
7 stage of looking to develop those two sites. And, of
8 course, she was interested in remaining involved, one
9 way or another, in doing that.

10 **Q. Margaret Cotter had no experience in real**
11 **estate development; correct?**

12 MR. SEARCY: Objection. Misstates
13 testimony. Lacks foundation.

14 A. To the best of my knowledge, other than
15 helping her father in those early -- those early
16 stages, based on my knowledge, she had no
17 experience in real estate development.

18 BY MR. KRUM:

19 **Q. You also referred to issues concerning**
20 **putting processes in place to develop business**
21 **plans and budgets. To what were you referring to?**

22 A. It seemed to me any independent directors
23 that could practice. The companies dictated that
24 we had a clear view, or there was clear view held
25 about the strategic plan of the business, and the

1 **date it bears, May 20, 2015?**

2 A. I did.

3 **Q. At the end of the first paragraph, you**
4 **refer to Guy's apparent view that no discussion is**
5 **necessary. Do you see that?**

6 A. I do.

7 **Q. To what does that refer?**

8 A. I think the sequence here is that I spoke
9 to Doug McEachern, and as I said earlier, he
10 proffered his view, and I said to him, "You should
11 talk to our lawyer to understand our duties as
12 directors," which is why I have given him Neil --
13 Neil's number.

14 And, secondly, I assume or I suspect that
15 this e-mail follows the discussion I had with Guy,
16 that I discussed earlier, about Guy's -- about his
17 view, even as both Ed and Guy were of the view that
18 there was no point in any discussion at all, that
19 the matter was simply going to be put, and that was
20 that.

21 **Q. Let me show you what previously has been**
22 **marked as Exhibit 98.**

23 A. You wish me to read this document?

24 **Q. Let me ask you a question first, and you**
25 **can take such time as you wish to read it.**

1 THE VIDEOGRAPHER: We are on the record.

2 The time is 12:03.

3 BY MR. KRUM:

4 Q. Mr. Storey, the court reporter has handed
5 you what's been marked as Exhibit 416. Take as
6 much time as you would like to review the document.
7 The only portion I'm going to inquire is on page 6
8 of 8. That is the approval of the minute section,
9 so you would want to read that.

10 (Deposition Exhibit 416 was marked for
11 identification by the reporter and is
12 attached hereto.)

13 A. Yes, I have read that section.

14 BY MR. KRUM:

15 Q. Okay. First of all, do you recall any of
16 the RDI board of directors, on or about August 4,
17 2015, the supposed minutes from prior meetings,
18 including May 21, and 29, and June 12, and 30, were
19 presented for approval?

20 A. I remember in general terms, yes.

21 Q. Do you recall Mr. Cotter making comments
22 to the effect that the minutes were not -- were not
23 accurate and that insufficient time had been
24 provided to reviewing comment on it?

25 A. I do.

1 **Q. And what, if anything, did you say with**
2 **respect to the minutes?**

3 A. From memory, my view was that we were
4 receiving complex minutes a long time after the
5 meetings were held. The minutes had clearly been
6 reviewed by a number of parties, including, as I
7 understood, legal counsel; and that, frankly, I
8 neither had the time nor the inclination to go
9 through and attempt to change them so they
10 reflected more accurately what I thought had
11 occurred.

12 My view was that they had been unprepared
13 purposely, and not a lot of benefit was going to be
14 there, if I sat there and spent a considerable
15 amount of time trying to adjust them. So I didn't
16 want to do so and simply abstained for that reason.

17 **Q. When you said, Mr. Storey, that you**
18 **thought they had been prepared purposely, you mean**
19 **purposely for some purpose other than to simply**
20 **memorialize what transpired?**

21 MR. SEARCY: Objection. Calls for
22 opinion. Calls for speculation.

23 MS. HENDRICKS: Join.

24 A. I thought that they had been written
25 carefully, to ensure they properly reflected the

1 A. You mean internal counsel or external?

2 Q. **Either one.**

3 A. My recollection is that I spoke -- I think
4 I spoke to Craig Tompkins to see where are the
5 minutes, or maybe Bill Ellis, I guess. But my
6 recollection is that the reason the minutes weren't
7 being distributed was that they were going to --

8 MS. BANNETT: I'm just going to interrupt
9 to the extent that it reflects any conversation
10 that you had with counsel, don't reveal any
11 attorney-client communications.

12 THE WITNESS: No. No. You can -- you can
13 jump in.

14 A. Anyway, so I was told that the reason that
15 I wasn't seeing, or the minutes weren't available
16 promptly, is that they were going through an
17 approval process and equally, I think so, was going
18 to the chairman.

19 THE REPORTER: Going to?

20 THE WITNESS: The chairman, chairperson.

21 BY MR. KRUM:

22 Q. **So did you look at the draft minutes for**
23 **the meetings of May 21, and 29, and June 12, 2015?**

24 A. Yes, I recollect I looked at them, and I
25 thought that it would take me a considerable amount

1 of time to try and make them reflect what I thought
2 had been said. And it seemed to me that I could do
3 all that and probably get nowhere. And it was
4 going to be a pointless exercise for me, sitting on
5 the airplane for three hours or whatever, and that
6 it seemed better to simply abstain.

7 MR. KRUM: I will ask the court reporter
8 to mark as Exhibit 417 a one-page document bearing
9 production number GA 1439. It purports to be an
10 October 19th e-mail from Ed Kane.

11 (Deposition Exhibit 417 was marked for
12 identification by the reporter and is
13 attached hereto.)

14 A. Yes, I have read that.

15 BY MR. KRUM:

16 Q. Do you recognize the subject matter of
17 Exhibit 417?

18 A. Yes, I do.

19 Q. What's your recollection as to, if any,
20 independent of Exhibit 417, as to how it came --
21 whether and how -- whether it came to pass that
22 Ellen Cotter was paid an extra \$50,000 on account
23 of matters referenced in Exhibit 417?

24 A. My recollection is that it was a view that
25 the company had given incorrect advice on various

1 STATE OF CALIFORNIA)
) SS.
2 COUNTY OF LOS ANGELES)
3

4 I, GRACE CHUNG, RMR, CRR, CSR No. 6246, a
5 Certified Shorthand Reporter in and for the County
6 of Los Angeles, the State of California, do hereby
7 certify:

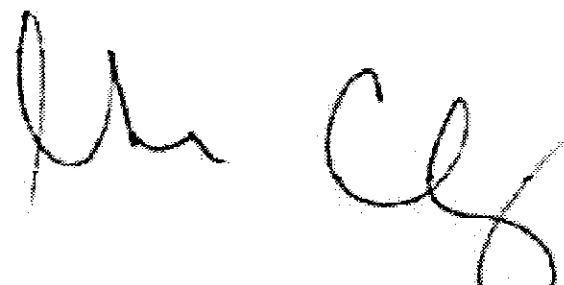
8 That, prior to being examined, the witness
9 named in the foregoing deposition was by me duly
10 sworn to testify the truth, the whole truth, and
11 nothing but the truth;

12 That said deposition was taken down by me
13 in shorthand at the time and place therein named,
14 and thereafter reduced to typewriting by
15 computer-aided transcription under my direction.

16 I further certify that I am not interested
17 in the event of the action.

18 In witness whereof, I have hereunto subscribed my
19 name.

20 Dated: August 10, 2016

21 
22

23 GRACE CHUNG, CSR NO. 6246
24 RMR, CRR, CLR
25

EXHIBIT 7

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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 GOULD
TAKEN ON JUNE 8, 2016
VOLUME 1

JOB NUMBER 315485
REPORTED BY:
PATRICIA L. HUBBARD, CSR #3400

1 A. I learned that in Guy Adams's deposition
2 he admitted that a great percentage of his net worth
3 had come from the corporate -- not his net worth,
4 but his earnings had been derived from the
5 corporation and from the Cotter family.

6 **Q. And by "the corporation" you're**
7 **referring to RDI?**

8 A. RDI.

9 **Q. What, if anything, did you do as a**
10 **consequence of learning that information?**

11 A. I was asked whether Guy Adams was -- if
12 I considered him independent for the purposes of his
13 service on the comp committee.

14 **Q. Who asked you that?**

15 A. Craig Tompkins and Ellen Cotter.

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

17 MR. SWANIS: I just want to object to
18 this line of questioning, object on attorney-client
19 privilege.

20 I didn't know if you were heading into
21 the -- the person that asked him that.

22 MR. KRUM: Well, no. I haven't asked
23 about what Mr. Tompkins said --

24 MR. SWANIS: Let me finish.

25 MR. KRUM: I'm sorry. Go ahead.

1 MR. SWANIS: To the extent that
2 communications with Mr. Tompkins for the purposes of
3 soliciting or providing information is providing
4 legal advice to the company, those communications
5 are privileged.

6 To the extent the purpose was not for
7 the purpose of providing -- or communications were
8 not for the purpose of providing advice, then you
9 may answer the question.

10 THE WITNESS: Thank you. This was not
11 really legal advice. He asked -- They asked my
12 opinion, how I felt about it.

13 BY MR. KRUM:

14 Q. What did you tell him?

15 A. I told him that I did not believe he was
16 independent for the purpose of serving on the
17 audit -- on the nomination -- on the compensation
18 committee.

19 Q. Did you explain why you thought that?

20 A. Yes, I did.

21 Q. What did you tell him?

22 A. I said that even though he did not
23 violate the test -- the concrete test laid out by
24 the Exchange, that there is an overriding test on
25 particular types of transactions where a person

1 might be not independent for that type of
2 transaction.

3 And clearly if Mr. Adams's income was
4 substantially derived from Reading and the Cotter
5 family, if his whole livelihood depended on them, he
6 could not be independent in passing on the
7 compensation of the Cotter family members.

8 **Q. What other types of transactions were**
9 **you referencing in your last answer, if any, beyond**
10 **passing on compensation of Cotter family members?**

11 A. That -- that's what I was referencing,
12 just that particular matter.

13 **Q. What types of transactions are subject**
14 **to the overriding test you just described?**

15 MR. HELPERN: Objection. Form.

16 MR. SWANIS: Join. Foundation.

17 THE WITNESS: Well, if a question -- a
18 party, for example, was totally independent, has a
19 separate business relationship or transaction
20 proposed with the company, even though that person
21 might otherwise be independent for all other
22 purposes, that transaction brings into question that
23 person's independence with respect to that
24 transaction. That's what I was referring to.

25 ///

1 BY MR. KRUM:

2 Q. Mr. Gould, what other discussions, if
3 any, have you had with anyone regarding the subject
4 of Mr. Adams's independence or lack of independence?

5 A. The only people I talked to about that
6 were Ellen and Craig Tompkins. I don't recall
7 discussing it with anybody else.

8 Q. Mr. Adams has resigned from the RDI
9 board of directors compensation committee, correct?

10 A. Yes.

11 Q. But he was on the RDI board of directors
12 compensation committee when it approved the
13 compensation packages -- the new compensation
14 packages for Ellen Cotter and Margaret Cotter
15 earlier in calendar year 2016, correct?

16 MR. HELPERN: Objection to form.

17 MR. SWANIS: Join.

18 BY MR. KRUM:

19 Q. Mr. Adams also was a vocal proponent in
20 support of terminating Jim Cotter, Jr., correct?

21 MR. SWANIS: Objection to form.

22 THE WITNESS: Yes.

23 MR. HELPERN: Join.

24 MR. RHOW: I'm --

25 ///

1 BY MR. KRUM:

2 Q. Beware of the staple.

3 Take whatever time you need, Mr. Gould,
4 to review Exhibit 271. I'm only going to ask you
5 about the portion of it beneath the sub head
6 "Directors Session" on the page that bears
7 production number WG410?

8 A. Uh-huh.

9 Q. And let me know when you're ready.

10 A. I'm ready.

11 Q. Okay. Do you recognize Exhibit 271?

12 A. I do.

13 Q. What do you recognize it to be?

14 A. The independent directors session of the
15 board meeting.

16 Q. You're referring to the -- to page 410,
17 right?

18 A. Yes.

19 Q. And is that the resolution you just
20 described?

21 A. Yes, it is.

22 Q. And was that resolution passed on or
23 about January 15, 2015?

24 A. Yes, it was.

25 Q. Do you recall that at the vote in June

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. Correct.

2 Q. So, did you have any thoughts at the
3 time of the vote to terminate Jim Cotter, Jr.,
4 regarding whether Ellen and Margaret should have
5 been recused or disqualified from voting other than
6 the thought you just articulated?

7 MR. SWANIS: Same objections.

8 THE WITNESS: No. That was -- that was
9 my thought at the time. It didn't make any
10 difference, because they were -- they had enough
11 votes without Ellen and Margaret's votes.

12 BY MR. KRUM:

13 Q. Have you subsequently had any different
14 thoughts about that?

15 A. I haven't thought about it.

16 Q. Did you ever hear or learn or were you
17 ever told that Margaret had engaged in rude and/or
18 unprofessional behavior directly toward Jim Cotter,
19 Jr.?

20 A. Yes.

21 MR. SWANIS: Objection. Form,
22 foundation.

23 MR. HELPERN: Join.

24 BY MR. KRUM:

25 Q. What did you hear or learn in that

1 VIDEOTAPE OPERATOR: We are on the
2 record.

3 The time is 4:16.

4 MR. KRUM: Okay. What's our next in
5 order?

6 THE REPORTER: 228.

7 MR. KRUM: I'll ask the court reporter
8 to mark as Exhibit 282 an email chain of May 19 and
9 20 to which Mr. Gould is a party. It bears
10 production number TS69 through 71.

11 MR. RHOW: Do you have copies, Mark?

12 MR. KRUM: I'm sorry.

13 (Whereupon the document referred
14 to was marked Plaintiffs'
15 Exhibit 282 by the Certified
16 Shorthand Reporter and is attached
17 hereto.)

18 THE WITNESS: Yeah. Unfortunately I
19 remember this.

20 BY MR. KRUM:

21 **Q. Okay. Tell me when you're ready.**

22 **A. I'm ready.**

23 (Whereupon Mr. Swanis re-entered
24 the deposition proceedings at this
25 time.)

1 BY MR. KRUM:

2 Q. Mr. Gould, do you recognize Exhibit 282?

3 A. I do.

4 Q. What is it?

5 A. This is an email from Ed Kane to me.

6 The top one is -- it's a chain of emails, but the
7 top email is a chain -- is an email from Ed Kane to
8 me, basically criticizing me on many fronts.

9 Q. Okay. And then prior to that there are
10 at least two emails -- or two emails in which you
11 indicate a request --

12 A. Yes.

13 Q. -- that the non-Cotter directors meet
14 before the special meeting set for May 21, correct?

15 A. That's correct.

16 Q. And so what communications did you have
17 with any other non-Cotter director about the subject
18 of the non-Cotter directors meeting prior to May 21
19 beyond that set out in this o r-- and/or other
20 mails?

21 MR. SWANIS: Objection. Form.

22 BY MR. KRUM:

23 Q. Did you speak to Mr. Kane --

24 MR. KRUM: Let me just ask you him --

25 ///

1 REPORTER'S CERTIFICATE

2

3 I, PATRICIA L. HUBBARD, do hereby certify:

4

5 That I am a duly qualified Certified
6 Shorthand Reporter in and for the State of California,
7 holder of Certificate Number 3400, which is in full
8 force and effect, and that I am authorized to
9 administer oaths and affirmations;

10

11 That the foregoing deposition testimony of
12 the herein named witness, to wit, WILLIAM GOULD, was
13 taken before me at the time and place herein set
14 forth;

15

16 That prior to being examined, WILLIAM
17 GOULD was duly sworn or affirmed by me to testify the
18 truth, the whole truth, and nothing but the truth;

19

20 That the testimony of the witness and all
21 objections made at the time of examination were
22 recorded stenographically by me and were thereafter
23 transcribed by me or under my direction and
24 supervision;

25

1 That the foregoing pages contain a full,
2 true and accurate record of the proceedings and
3 testimony to the best of my skill and ability;

4
5 I further certify that I am not a relative
6 or employee or attorney or counsel of any of the
7 parties, nor am I a relative or employee of such
8 attorney or counsel, nor am I financially interested
9 in the outcome of this action.

10

11 IN WITNESS WHEREOF, I have subscribed my
12 name this 13th day of June, 2016.

13

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PATRICIA L. HUBBARD, CSR #3400

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EXHIBIT 8

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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 GOULD
TAKEN ON JUNE 29, 2016
VOLUME 2

Job No.: 319129
REPORTED BY:
PATRICIA L. HUBBARD, CSR #3400

1 backed down. They said they weren't going to be
2 interested if Ellen was interested.

3 Q. What is your best recollection as to
4 when in time Ellen announced her candidacy?

5 A. My best recollection would be sometime
6 in December of 2015, maybe in November.

7 Q. Do you actually have any recollection of
8 the C.E.O. search committee, either independently or
9 in conjunction with Korn Ferry, having any
10 discussions or communications regarding a method or
11 process to hire -- excuse me -- to process or
12 consider internal candidates for the position of
13 C.E.O.?

14 A. I do remember there was a -- a
15 discussion with Korn Ferry. And I -- I don't
16 remember how we decided to process the internal
17 candidates.

18 Q. Well, do you know whether there was a
19 decision?

20 A. I can't recall.

21 Q. Do you -- the discussion you remember
22 with Korn Ferry, who was party to that?

23 A. I think Mr. Mayes.

24 Q. Okay. Who on behalf of the C.E.O.
25 search committee?

1 That the foregoing pages contain a full,
2 true and accurate record of the proceedings and
3 testimony to the best of my skill and ability;

4
5 I further certify that I am not a relative
6 or employee or attorney or counsel of any of the
7 parties, nor am I a relative or employee of such
8 attorney or counsel, nor am I financially interested
9 in the outcome of this action.

10

11 IN WITNESS WHEREOF, I have subscribed my
12 name this 6th day of July, 2016.

13

14

15


PATRICIA L. HUBBARD, CSR #3400

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EXHIBIT 9

1 EIGHTH JUDICIAL DISTRICT COURT

2 CLARK COUNTY, NEVADA

3

4 JAMES J. COTTER, JR.,)
derivatively on behalf of)
5 Reading International, Inc.,)

6 Plaintiff,) Case No.
A-15-719860-B

7 vs.)

8 MARGARET COTTER, ELLEN) Case No.
COTTER, GUY ADAMS, EDWARD) P-14-082942-E

9 KANE, DOUGLAS McEACHERN,)
TIMOTHY STOREY, WILLIAM) Related and
10 GOULD, and DOES 1 through) Coordinated Cases
100, inclusive,)

11 Defendants,)

12 and)

13 READING INTERNATIONAL, INC.,)
a Nevada corporation,)

14)
Nominal Defendant.)

15)

16 Complete caption, next page.

17

18

19 VIDEOTAPED DEPOSITION OF GUY ADAMS

20 LOS ANGELES, CALIFORNIA

21 THURSDAY, APRIL 28, 2016

22 VOLUME I

23

24 REPORTED BY: LORI RAYE, CSR NO. 7052

25 JOB NUMBER: 305144

1 THE WITNESS: Okay.

2 BY MR. KRUM:

3 Q. That is GWA Capital Partners, LLC, a
4 California limited liability company?

5 A. Yes, it is.

6 Q. And what is your position in that
7 company?

8 A. I'm the only employee. I'm the managing
9 member.

10 Q. Has the company ever employed anyone
11 else?

12 A. Yes.

13 Q. When was the last time the company
14 employed anyone else?

15 A. 2009.

16 Q. What is the business of GWA Capital
17 Partners, LLC?

18 A. It's a registered investment advisor.

19 Q. Now, is that a registration in the name
20 of the company or in your name personally?

21 A. The company.

22 Q. And presently, what are your sources of
23 income?

24 A. Which year?

25 Q. Presently --

1 A. Presently?

2 Q. -- so this year.

3 A. Presently, Jim -- Jim Cotter Farms or
4 Cotter Family Farms, Reading International and GWA
5 Capital. There's another company, GWA Advisors,
6 LLC. It's an investment -- it's not a registered
7 investment advisor but I do some private equity
8 deals in that one as well. So those two entities,
9 Cotter Family Farms and Reading International.

10 Q. And so far this year, how much money have
11 you been paid by each of the four entities you just
12 identified?

13 A. Well, the -- it's easier to answer GWA
14 Capital and GWA Advisors was zero so far this year.
15 I don't know the exact amount for Cotter Farms and
16 Reading.

17 Q. In 2015, did you have any sources of
18 income other than those four entities, Cotter
19 Family Farms, Reading, GWA Capital and GWA
20 Advisors?

21 A. 2015, I had an investment that was sold
22 and there was the proceeds from that.

23 Q. What was that investment?

24 A. Real estate. It was in my name. It
25 wasn't in the name of the company.

1 Q. Okay. So in 2015, when you netted
2 approximately \$300,000 from the sale of that condo,
3 the buyer was your wife pursuant to the divorce or
4 dissolution?

5 A. Correct.

6 Q. And prior to the sale by you and purchase
7 by your ex-wife of that condominium, was it used
8 for income purposes, meaning, did you rent it to
9 third parties?

10 A. No, we didn't rent it.

11 Q. So directing your attention back to 2015,
12 Mr. Adams, what was your gross revenue? And by
13 "gross revenue," I'm talking about what you would
14 have reported on a tax return or similar such
15 document.

16 MR. TAYBACK: Object to the form of the
17 question; compound.

18 You can answer.

19 THE WITNESS: Net of my expenses?

20 BY MR. KRUM:

21 Q. No, gross.

22 A. Gross. Maybe -- an estimate on my part,
23 \$200,000.

24 Q. And what's your estimate, Mr. Adams, of
25 your net revenue in 2015?

1 A. Probably --

2 Q. If any.

3 A. Net revenue, 100, 120.

4 Q. Of that approximate \$200,000, how much of
5 that was paid to you by Cotter Family Farms?

6 A. Family Farms? \$52,000.

7 Q. Is that the amount you're paid annually
8 by Cotter Family Farms?

9 A. Yes.

10 Q. When did that start?

11 A. 2012, in probably -- 2012, maybe
12 September.

13 Q. Okay. And what were the sources of the
14 other approximate \$148,000 in gross revenue you had
15 in 2015?

16 A. Reading board fees, and I exercised some
17 options in 2015. I don't remember the exact number
18 but I exercised options and that came to -- came
19 across as ordinary income to me.

20 Q. And those options were Reading or RDI?

21 A. Reading, RDI, yes.

22 Q. Okay. Any other sources of income in
23 2015?

24 A. None that I can think of.

25 Q. Correct me if I misunderstood.

1 BY MR. KRUM:

2 Q. All right. 2014, what were your sources
3 of income?

4 A. 2014 was predominantly the Cotter Family
5 Farms, RDI for a partial year. I had a consulting
6 contract with a junk bond fund. '14? And I would
7 believe in 2014, I had a bonus from Jim Senior.

8 Q. Jim Cotter Senior?

9 A. Jim Cotter Senior, I'm sorry. Which
10 would also be under the -- I presume the Cotter
11 Family Farms, I can't remember, but it was from
12 Senior.

13 Q. I'm sorry. I didn't mean to interrupt.
14 Are you done?

15 A. Yes.

16 Q. Okay. With respect to each of those four
17 items, Mr. Adams, approximately how much were you
18 paid? And by "four items," I'm referring first to
19 Cotter Family Farms --

20 A. Well --

21 Q. -- and so forth.

22 A. Yeah. \$100,000.

23 Q. Total?

24 A. Maybe 105, 110, yes. I'm sorry.
25 Counting -- I'm sorry, 110.

1 Q. Okay. So there was 52,000 from Cotter
2 Family Farms in 2014; correct?

3 A. Yes.

4 Q. And how much was the bonus from Jim
5 Cotter Senior?

6 A. I believe it was 20,000.

7 Q. What was the amount of the consulting
8 contract with the junk bond fund, the amount
9 being --

10 A. 12,000.

11 Q. 12? Okay. And so the difference between
12 the -- so from Reading, the approximate amount was
13 how much? By my math --

14 A. 50.

15 Q. Okay.

16 MR. TAYBACK: Just note, the witness seemed to
17 be indicating it was an estimate.

18 BY MR. KRUM:

19 Q. That's an estimate?

20 A. It was an estimate, sure. All these
21 numbers are estimates.

22 Q. Understood. Thank you. Let's go through
23 2013.

24 What was your estimated gross income?

25 A. For 2013, I'm not a hundred percent sure

1 Q. With the benefit of hindsight, Mr. Adams,
2 do you now think or believe that any of that
3 information was not true and correct?

4 MR. TAYBACK: Object to the form of the
5 question.

6 You can -- I don't know the last time you
7 reviewed it but you can answer the question.

8 THE WITNESS: No, I believe it was correct.

9 BY MR. KRUM:

10 Q. Okay. How did it come to pass -- well,
11 strike that.

12 For how long -- did you work either for
13 Jim Cotter Senior or any entity you understood him
14 to own or control prior to commencing work for
15 Cotter Family Farms?

16 A. Ever?

17 Q. Yes.

18 A. I worked for Jim Cotter when he was an
19 employee of Pacific Theatres, 1988, maybe.

20 Q. Let me back up, then.

21 When did you first meet Jim Cotter
22 Senior?

23 A. 1988.

24 Q. How did that happen?

25 MR. TAYBACK: That they met?

1 MR. KRUM: Yes.

2 Q. If you recall.

3 A. I presented an investment to him. I
4 didn't know him. I called and made an appointment
5 and took it from there.

6 Q. Did he make that investment?

7 A. No, he did not.

8 Q. And what was his position or what was
9 your position when you worked for him in or about
10 1988 at Pacific Theatres?

11 A. My recollection is he did not make the
12 investment. I was working for myself doing this
13 sort of thing, investment banking, people buying
14 stocks and bonds. I presented the deal, he didn't
15 take it, but he expressed great interest in it.
16 And he called me back about a month later and
17 wanted to get a follow-up to the presentation.
18 Still thinking he was going to invest in it.

19 And then after that presentation, he
20 said, Come in my office. And he asked me a lot of
21 questions about what I was doing. He said, I'm
22 thinking about hiring someone. Would you be
23 interested?

24 Q. Your answer ultimately was affirmative, I
25 gather?

1 A. Yes. I told him I'd think about it and
2 then ultimately I said yes.

3 **Q. What was his position and what was your**
4 **position?**

5 A. He was technically CFO of Pacific
6 Theatres, I believe. And they had an investment
7 subsidiary called Hecco Ventures that was -- Jim
8 Cotter was the managing member of that entity. And
9 there was someone there already as like vice
10 president and I came into -- Ty Howard. And then I
11 came in as an analyst, an analyst for Hecco
12 Ventures under Ty Howard and reporting to Jim
13 Cotter.

14 **Q. How long did you hold that position, or**
15 **any other position with --**

16 A. Approximately six years.

17 **Q. Was it an analyst position throughout or**
18 **did your responsibilities change?**

19 A. No, I became an analyst and then I became
20 the -- the manager of assets and I became -- then
21 Decurion made me chairman of their -- the Decurion
22 retirement plan. And then Chris Forman used me for
23 a while as his advisor, financial advisor.

24 And then Jim Cotter left to do Craig
25 Corporation and Citadel Holdings and Reading. I

1 stayed a short while there after Jim had left, and
2 then I left.

3 **Q. And when did you leave, approximately?**

4 A. Approximately 1995.

5 **Q. So what dealings did you have with Jim**
6 **Cotter Senior in or after 1995, up until the point**
7 **in time where you joined the Reading board?**

8 A. We had lunch, I'd say twice a year,
9 sometimes more frequent. And we enjoyed each
10 other's company and conversation. He liked
11 investments. That's what I was doing a lot of.
12 And he -- we got along well and we met and talked
13 and we were always friendly over those years.

14 **Q. When did you start GWA Capital and the**
15 **other GWA entity?**

16 A. Approximately 2003.

17 **Q. What is the reason you have two different**
18 **entities?**

19 A. One is regulated as an investment advisor
20 and one is nonregulated.

21 **Q. As a practical matter, what difference**
22 **does that make to how you do business through one**
23 **or the other?**

24 A. Private equity investments is easier for
25 me through GWA Advisors, not being regulated,

1 MR. TAYBACK: Object to the form of the
2 question; vague.

3 You can answer the question.

4 THE WITNESS: I don't think I thought of him
5 as my boss, no. He was -- I think of him more like
6 a partner. If he needed help doing something, I
7 told him I would do it and he said he would
8 remunerate me for it.

9 BY MR. KRUM:

10 Q. Let me ask you a more precise question.

11 A. Okay.

12 Q. So the person who made the decision that
13 you would be paid \$52,000 a year by Cotter Family
14 Farms was Jim Cotter Senior; correct?

15 A. Correct.

16 Q. And who is the person or who were the
17 persons who make the decision today as to whether
18 you will continue to be paid 52,000 a year by
19 Cotter Family Farms?

20 A. I presume the estate that controls Cotter
21 Family Farms.

22 Q. And by "the estate," you're referring to
23 the estate of Jim Cotter Senior; right?

24 A. Yes.

25 Q. And the co-executors of the estate are

1 **Margaret Cotter and Ellen Cotter; correct?**

2 A. To my understanding, yes.

3 Q. Have you had any communications with them
4 about continuing or not continuing the work you've
5 been doing for which you're paid \$52,000 a year by
6 Cotter Family Farms?

7 A. No.

8 Q. Have you ever had any conversations with
9 either both Margaret and/or Ellen Cotter about any
10 work you did for any Cotter Family owned or
11 controlled entities, whether Cotter Family Farms or
12 some other entity?

13 A. Yes.

14 Q. And give me the list of entities to
15 start, please.

16 A. Well, the -- there's, within the -- not
17 the Cotter estate but outside of the Cotter estate
18 are these captive insurance companies that are
19 owned by -- my understanding, they're owned by a
20 trust. And Margaret is president of that. Those
21 insurance -- captive insurance companies, I'm CFO.
22 There's filing, reporting, things that need to be
23 done and administered, so I talk to Margaret about
24 that.

25 Q. What are the -- well, first of all, how

1 A. Roughly?

2 Q. Yes.

3 MR. TAYBACK: I'm going to designate this as
4 confidential private information under the
5 protective order.

6 MR. KRUM: That's fine.

7 THE WITNESS: I just want to reiterate to you,
8 I'm not comfortable with this. I will answer it.

9 BY MR. KRUM:

10 Q. Here is what we're doing. Mr. Tayback
11 has designated your testimony about your --

12 MR. TAYBACK: Personal finances.

13 BY MR. KRUM:

14 Q. -- personal finances as confidential.
15 That means we handle it in a different way. It's
16 not going to be floating around in public so you
17 don't have to worry about that.

18 A. Approximately \$900,000.

19 Q. And in May of last year, May of 2015,
20 what was your approximate net worth?

21 A. Approximately \$900,000.

22 Q. Okay. And is it correct --

23 A. Maybe -- maybe it was a little more.

24 Q. I understand. It's approximate.

25 A. Yeah.

1 Q. Is it correct, Mr. Adams, that in the
2 last five years, the only change in your net worth
3 that was more than, say, a \$50,000 change was when
4 you received proceeds from the sale by you to your
5 wife of your interest in the Santa Barbara
6 condominium?

7 MR. TAYBACK: Object to the form of the
8 question as vague and confusing.

9 You can answer.

10 THE WITNESS: Not completely. There were
11 stock sales involved there.

12 BY MR. KRUM:

13 Q. Okay. So let me just let you answer it
14 with dates instead of me trying to cut through it,
15 which didn't work.

16 So as of the time you joined -- did you
17 tell me that? When did you join the Reading board,
18 approximately?

19 A. It was February 2014.

20 Q. Okay. So at that point in time, what was
21 your approximate net worth?

22 A. When I joined the board, that would have
23 been before the distribution on the house in Santa
24 Barbara. Well, 900 minus 300 and change. 500,000,
25 say.

1 like? What do you not like? Have you heard about
2 this, heard about that? And we shared that. He
3 liked that discussion. He was very interested in
4 those kind of things. But he asked me what I was
5 doing and said it doesn't look like you're doing
6 very much, but we didn't talk financial --

7 BY MR. KRUM:

8 Q. Okay.

9 A. -- at all. None that I recall.

10 Q. What other business dealings, if any,
11 have you ever had with Jim Cotter Senior?

12 A. He invested in my fund, GWA Capital. He
13 invested in my fund. He was one of my first
14 investors. I had probably eight or ten people and
15 Jim Cotter Senior -- I told him what I was doing
16 and he said, It sounds interesting. And I can't
17 remember the amount he put in. I would guess half
18 a million dollars in the fund.

19 Q. Approximately when was that?

20 A. The fund started in 2003, so it would be
21 two thousand -- the fund started in December --
22 November 2003 so it would be like early 2004.

23 Q. How much money did you raise in 2004
24 beyond Mr. Cotter Senior's investment?

25 A. 2004, probably three and a half,

1 \$4 million, something like that.

2 **Q. So somewhere in or around 2008,**
3 **Mr. Cotter also took his money out of your fund?**

4 A. Oh, no. His money was in for a short
5 period of time. I was working on a couple things
6 that he thought were interesting. He got in and
7 when those things were sold, he said, When can I
8 get my money out?

9 I said, You can take your money out at
10 the end of the quarter. So I would say he wasn't
11 in not even a year. It was a very fortuitous
12 investment. It worked out. For a fund starting
13 out, the first year is important and that was a
14 good investment for me. And Mr. Cotter asked for
15 his money out and I redeemed him.

16 **Q. Okay. So what other business dealings,**
17 **if any, have you ever had with Jim Cotter Senior?**

18 A. He's bought some real estate and that's
19 part of the farm management payment as well, is to
20 look after these real estate investments he made.
21 And when he hired me and brought me aboard, he had
22 already made -- he had already made three of them
23 with a man named Tom Riley in Orange County. He's
24 a developer.

25 Mr. Cotter told me about the real estate

1 investments. I told him they sounded interesting
2 and he says, I need your help with them to oversee
3 them. I said, I'm not a real estate guy. This
4 isn't what I -- my strong suit, I'm sorry. He knew
5 that. He said, I don't care. I want you to help
6 me with them. And he said, You'll learn something.
7 It will be fun.

8 And candidly, working with Mr. Cotter,
9 even if I didn't know it, I'd learn about it along
10 the way.

11 But the point is that there were real
12 estate investments that Mr. Cotter made and three
13 of them were made before I got there, or maybe one
14 of them was made the week I walked in the door. I
15 had no involvement in it. And then one was made
16 approximately a year later.

17 **Q. So how were you paid or what was the**
18 **compensation arrangement, if any, for you to do**
19 **what you did with respect to these four real estate**
20 **investments?**

21 A. Mr. Cotter included the thousand dollars
22 a week from Family Farms and he said, I'm going to
23 make you my partner, a 5 percent partner on my real
24 estate ventures. I didn't bargain. I didn't
25 debate. I just said, Yes, thank you.

1 investments. I told him they sounded interesting
2 and he says, I need your help with them to oversee
3 them. I said, I'm not a real estate guy. This
4 isn't what I -- my strong suit, I'm sorry. He knew
5 that. He said, I don't care. I want you to help
6 me with them. And he said, You'll learn something.
7 It will be fun.

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9 even if I didn't know it, I'd learn about it along
10 the way.

11 But the point is that there were real
12 estate investments that Mr. Cotter made and three
13 of them were made before I got there, or maybe one
14 of them was made the week I walked in the door. I
15 had no involvement in it. And then one was made
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18 **compensation arrangement, if any, for you to do**
19 **what you did with respect to these four real estate**
20 **investments?**

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22 a week from Family Farms and he said, I'm going to
23 make you my partner, a 5 percent partner on my real
24 estate ventures. I didn't bargain. I didn't
25 debate. I just said, Yes, thank you.

1 2019 before the first -- according to the
2 pro forma, before the first -- first you have to
3 pay out Stern. And after he's paid out, then the
4 subordinated loan can get paid out, and I think
5 that's a 2019 economic event before that happens.

6 Q. So just for the purposes of understanding
7 how you would be paid, I'm not arguing about when
8 it might occur.

9 A. Okay.

10 Q. Let me pose the question this way.

11 A. Okay.

12 Q. So if it were today instead of 2019 or
13 later, the money would be paid to the entity that
14 is owned by Mr. Cotter and Mr. Riley --

15 A. Yes.

16 Q. -- and then through that entity, money
17 would go to Mr. Cotter, today his estate?

18 A. Yes.

19 Q. And then to you through the estate?

20 A. Yes.

21 Q. What was his investment in that, by the
22 way?

23 A. One point --

24 MR. TAYBACK: Objection; foundation; calls for
25 speculation.

1 **Q. What was that period of time?**

2 A. 2013, 2014 or 2014, 2015.

3 **Q. But are there still pieces remaining to**
4 **be sold?**

5 A. There are not but there is a clause in
6 the agreement that says -- it's called a bonus
7 payment. And if the developer can sell his homes,
8 when he pro formas the sale, if he can meet his
9 pro forma, then he's good. If he can sell the
10 homes at a higher value, we get a lookback for a
11 quote, bonus payment, and that's to be determined
12 upon lookback.

13 **Q. Which will be when?**

14 A. I'm hoping the end of the year, that
15 calculation will be made, or the first part of next
16 year the calculation will be made. If any, if
17 there is a bonus payment.

18 **Q. And the monies that you received from**
19 **this investment totaled to date -- totaled**
20 **approximately how much?**

21 A. A little under \$30,000, maybe 29, 28,
22 something like that.

23 **Q. And how did those monies flow to you?**

24 A. I believe I asked for a check to put in
25 GWA Advisors.

1 **Q. Who wrote the check?**

2 A. I think maybe the first check, a Cotter
3 entity did. The second check, the Tom and Jim LLC
4 did.

5 **Q. With whom did you interact to --**

6 A. Ellen and Margaret.

7 **Q. I didn't finish the question.**

8 **So Ellen and Margaret were the persons**
9 **with whom you interacted to see to it that you**
10 **received your 5 percent?**

11 A. Yes.

12 **Q. Was that informally or did they have some**
13 **particular capacity, such as co-executors of the**
14 **estate?**

15 MR. SWANIS: Objection; form.

16 MR. TAYBACK: Join.

17 THE WITNESS: Well, it was formulated that
18 there was a calculation. I mean, there's closing
19 costs of each section and all that in the
20 calculation. Informally, they -- they authorized
21 it.

22 BY MR. KRUM:

23 **Q. Okay. What's the fourth piece of real**
24 **estate?**

25 A. It's called Leander Holdings,

1 L-e-a-n-d-e-r. It's also in Austin, Texas and it's
2 on the west side, the desirable side of Austin.

3 **Q. What's the status of that?**

4 A. It's being developed and we have buyers
5 for the first part of it and it's the same sort of
6 takedown. Developers agree to take down certain
7 parts of it. So Tom Riley builds it, puts the
8 gutters and power all in. They buy it and then Tom
9 has to get the second phase ready for them.
10 Leander, unlike Sorento, will go down in two phases
11 and there is no lookback, no bonus payment.

12 **Q. How much money did Mr. Cotter invest in**
13 **Leander Holdings?**

14 MR. TAYBACK: Objection; foundation.

15 You can answer.

16 THE WITNESS: He invested approximately
17 \$2.4 million.

18 BY MR. KRUM:

19 **Q. And so when do you expect the -- that's**
20 **not right.**

21 **Have any payouts been made yet?**

22 A. No.

23 **Q. When do you anticipate the first payout**
24 **to occur?**

25 A. Fourth quarter of this year, fourth

1 quarter next year, if there are no delays with
2 building, et cetera, putting the roads in.

3 **Q. Those are the two payments, first and**
4 **second, that you anticipate in the fourth**
5 **quarter --**

6 A. I'm -- I'm not being completely accurate
7 there. There's more one developer that's buying
8 these lots and they're not all doing it the same
9 day, but they're within like two months of each
10 other. So I'd say the fourth quarter -- there's
11 three developers. The three developers are going
12 to close their lots. Tom has to get other lots
13 ready for the next closing from these three guys,
14 and their spacing isn't all in one month. It's
15 spread out. So fourth quarter is -- kind of
16 captures when the flow of funds would happen.

17 **Q. And how will those funds flow to you?**

18 A. I don't know. I presume just like
19 before, I would -- we would get the closing
20 statement, we'd look at the analysis, we'd
21 carefully check all the numbers and make the
22 calculation and I'd show them to Ellen and Margaret
23 Cotter of the estate and say, How would you like
24 the money wired in?

25 **Q. How much money do you anticipate**

1 **receiving from the Leander development?**

2 MR. TAYBACK: Objection; vague as to the
3 "you." Mr. Adams personally?

4 MR. KRUM: Yes, thank you.

5 THE WITNESS: Honestly, I don't know. I can
6 think for a minute about it. We think about two --
7 maybe two, so five -- in two payments, 100,000.
8 Both payments, 50,000 each.

9 BY MR. KRUM:

10 **Q. Okay. Thanks.**

11 **Have you done any other business beyond**
12 **what you've described today with or for Mr. Cotter**
13 **Senior?**

14 A. None that I can think of at this time.

15 **Q. Have you done any other business with or**
16 **for either both Ellen Cotter and/or Margaret**
17 **Cotter, whether as individuals, as co-executors of**
18 **the estate or in any other capacity?**

19 MR. TAYBACK: Other than what he's already
20 mentioned?

21 BY MR. KRUM:

22 **Q. Other than what you've already mentioned,**
23 **yeah.**

24 A. Other than what I already mentioned,
25 thank you.

1 **time?**

2 A. I strongly suspected she had spoken with
3 Ed Kane.

4 Q. And had either you or Ed Kane spoken to
5 Doug McEachern about that?

6 A. I haven't, no. I don't know if Ed did.

7 Q. Okay. When was the first time you spoke
8 with Doug McEachern about either terminating Jim
9 Junior as CEO or about a subject of -- the subject
10 of an interim CEO?

11 A. That I talked to McEachern? I would say
12 it was maybe -- again, I can only approximately
13 guess. Maybe two weeks before the meeting.

14 Q. And you're referring to the May 18th --
15 May 21st meeting, it was, wasn't it?

16 A. Yes. I don't know the exact date, but
17 yeah.

18 Q. So what else did Ellen say and what else
19 did you say during this approximate hour-plus
20 breakfast meeting?

21 A. My recollection, we talked about Jim
22 Junior and the CEO position, and Ellen, I guess,
23 talked to other people because she was feeling that
24 there was support for Jim Junior to be removed.

25 Q. What did she say that caused you to

1 **conclude she had talked to other people about Jim**
2 **Junior being removed?**

3 A. I don't know specifically what she said.
4 Maybe it was innuendos that she maybe talked to
5 McEachern, maybe. But it wasn't specific.

6 Q. **Did you ever learn after the fact whether**
7 **that was the case?**

8 A. Considering McEachern, when I did call
9 him, like two weeks before the vote, he said he was
10 on board with that. I suspect she called and
11 talked to him. I sure didn't. So I suspect -- I
12 suspect she did or maybe Ed Kane did. I don't
13 know.

14 Q. **What else, if anything, did you discuss**
15 **with Ellen Cotter at the breakfast meeting at the**
16 **Peninsula in April?**

17 A. Nothing further that I can remember at
18 this time.

19 Q. **What, if anything, did she say about why**
20 **she wanted Jim Junior removed as CEO?**

21 A. I think she felt he wasn't doing an
22 adequate job as CEO.

23 Q. **Excuse me. My question is, what did she**
24 **say?**

25 A. What did she say about -- I'm sorry.

1 MR. KRUM: I'll ask the court reporter to mark
2 as Exhibit 53, multi-page document bearing
3 production numbers JCOTTER014954 through 73.

4 (Exhibit 53 was marked for
5 identification.)

6 BY MR. KRUM:

7 Q. Mr. Adams, take such time as you need to
8 review the document and familiarize yourself with
9 it. For this document and most, if not all
10 documents, the first question I will ask you is
11 whether you recognize this. Tell me when you're
12 ready to go.

13 A. I recognize it.

14 Q. Okay. What do you recognize it to be?

15 A. A document from my divorce petition dated
16 2013.

17 Q. I direct your attention to the third page
18 of the document ending in production numbers 956.

19 Do you have that?

20 A. Yes.

21 Q. And I direct your attention to the bottom
22 of that page, Item 11, "Assets," and Subparagraphs
23 A, B and C beneath that.

24 Do you see that?

25 A. Yes.

1 **Exhibit 55?**

2 A. Yes.

3 Q. **What do you recognize it to be?**

4 A. My D&O questionnaire dated 2015.

5 Q. **For RDI; correct?**

6 A. For RDI, yes, correct.

7 Q. **By the way, do you serve -- presently**
8 **serve on the board of directors of any other public**
9 **company?**

10 A. No, I don't.

11 Q. **Have you done so during the time you've**
12 **been an RDI director?**

13 A. No, I don't -- no, I haven't.

14 Q. **I direct your attention, Mr. Adams, to**
15 **the page ending in production number 298. Let me**
16 **know when you have that.**

17 A. 298?

18 Q. **8, correct.**

19 A. Yes.

20 Q. **In particular, I direct your attention to**
21 **Question 11G in the middle of the page and I'm**
22 **going to skip the parentheticals. It says:**

23 **"Do you have any other relationships that**
24 **could interfere with your exercise of independent**
25 **judgment carrying out the responsibilities as**

1 process to recruit a director of real estate? And
2 by "at the time," I mean in 2015 into May.

3 A. I did. I felt that was the CEO's job.
 4 That's how he drew the org chart. That's how he
 5 was filling it. He would interview people, much
 6 like he did Bill Ellis, and say here is my pick,
 7 here is my candidate, and we would look at it and
 8 approve. I wasn't involved in a screening, if you
 9 will, of it.

10 Q. You were a party to communications from
11 the fall of 2014 through at least May of 2015 about
12 finding a role for Margaret in the company's real
13 estate development; right?

14 MR. SWANIS: Objection; form.

15 THE WITNESS: We were finding a role for
 16 Margaret, right. Was it going to be exclusive in
 17 real estate? I wasn't sure of that. Would it be
 18 tangential to real estate and somebody else have a
 19 major part in real estate? I didn't know the
 20 answer to that, either. The CEO would have to work
 21 out how they'd prepare the organizational chart.

22 BY MR. KRUM:

23 Q. What sort of experience does Margaret
24 Cotter have in real estate development?

25 A. In real estate development, I don't think

1 she's developed real estate before in her career.

2 **Q. Right. Her job has been to manage the**
3 **live theatre operations; correct?**

4 A. In part. The other part of what she's
5 been in charge with is for the last at least two
6 years, maybe more, is with her father's help,
7 picking architects, going to the historical
8 planning session and getting approval for the
9 buildings, talking to people that were thinking
10 about joint venturing with us, interviewing
11 contractors that she would line up.

12 So she was doing a lot with the Greeks,
13 our potential partners on a piece of real estate in
14 New York. She was actually -- after her father
15 passed away, she got them to agree to a joint
16 venture for a feasibility study. So she was
17 involved in real estate, doing real estate things
18 in New York prior to her father passing away and
19 after her father passed away.

20 **Q. Those were all pre-development**
21 **activities; correct?**

22 A. I was going to say, but I don't -- to my
23 knowledge, I don't think she's done any [corrected]
24 development activities.

25 MR. TAYBACK: Tell me when a good time to take

1 a couple-minutes' break is.

2 MR. KRUM: Now is fine.

3 THE VIDEOGRAPHER: We're off the record. The
4 time is 2:42.

5 (Recess.)

6 THE VIDEOGRAPHER: We're on the record. The
7 time is 2:54.

8 BY MR. KRUM:

9 Q. Mr. Adams, I think that there might have
10 been a mistranscription of the last question and
11 answer, so I'm going to ask the court reporter to
12 read my question and your answer to afford you the
13 opportunity to correct it if you believe that's
14 appropriate.

15 A. Okay. Thank you.

16 (Record read as follows:

17 "A. I was going to say, but I don't --
18 to my knowledge, I don't think she's
19 done any pre-development activities.")

20 THE WITNESS: She hasn't -- thank you. She
21 hasn't done any development activities.

22 MR. KRUM: Guys my age don't typically catch
23 those, so...

24 I'll ask the court reporter to mark as
25 Exhibit 57, a two-page document bearing production

1 Q. Did you vote Margaret president as well?

2 A. Yes, I did.

3 Q. Jim Junior did not participate; correct?

4 A. My recollection is he chose not to
5 participate.

6 Q. And what did they say to you at this
7 lunch in Beverly Hills, if anything, with regard to
8 your ongoing interest in these real estate
9 projects?

10 A. They didn't say anything.

11 Q. What else, if anything, was discussed at
12 this lunch in Beverly Hills in August of 2014?

13 A. My recollection is those were the two
14 issues we talked about.

15 Q. Other than what you've already described,
16 Mr. Adams, in terms of your communications with
17 Ellen and/or Margaret Cotter regarding your
18 interest in these four real estate projects and
19 payment of monies to you, have you had any other
20 communications with either Ellen or Margaret Cotter
21 about either the real estate projects generally, or
22 particularly payments of money to you from them?

23 A. I go to Austin, Texas, generally once a
24 year and review the project and where we are and
25 find out how the economics are, and I talk to them

1 about that occasionally.

2 Q. Okay. Does that include talking about
3 when -- when proceeds from the project could be
4 expected by the Cotter estate or entity and the
5 estate, as the case may be, and you?

6 A. They have asked me that question, when
7 the proceeds from these developments will come
8 about. My recollection is I gave them a schedule.

9 Q. A written schedule?

10 A. Yeah.

11 Q. When was that?

12 A. Maybe 2014. Late 2014.

13 Q. Have you ever had any other conversations
14 with them beyond what you've already told us about
15 the real estate, those four real estate ventures or
16 payment of monies to the Cotter estate and/or you?

17 A. No, none that I recall.

18 MR. KRUM: I'll ask the court reporter to mark
19 as Exhibit 58, a two-page document bearing
20 production numbers GA00001613 and 14.

21 (Exhibit 58 was marked for
22 identification.)

23 BY MR. KRUM:

24 Q. Mr. Adams, do you recognize Exhibit 58?

25 A. Yes, I do.

1 A. After at least two meetings that I'm
2 aware of, he said it wasn't accomplishing very
3 much, yes.

4 MR. KRUM: I'll ask the court reporter to mark
5 as Exhibit 61, a document bearing production
6 numbers GA00001789 through 91.

7 (Exhibit 61 was marked for
8 identification.)

9 BY MR. KRUM:

10 **Q. Mr. Adams, do you recognize Exhibit 61?**

11 A. Yes, I -- I recall this.

12 **Q. What do you recognize Exhibit 61 to be?**

13 A. Email from Ellen Cotter to Tim Storey,
14 Bill Gould and myself, and it appears to be a
15 follow-up to the exhibit you just handed me, based
16 off of Bill Gould's rendition of his four points.
17 This now looks like an Ellen's rendition of how she
18 interpreted her conversations with Bill Gould.

19 **Q. Did you receive Exhibit 61 on or about**
20 **the date it bears, October 14 --**

21 A. Yes.

22 **Q. -- 2014?**

23 A. Yes.

24 **Q. And you recognize it -- well, it's**
25 **entitled, quote, Proposal For a Reconstituted**

1 Reading International, Inc. Executive Committee,
2 closed quote.

3 Do you see that?

4 A. Yes.

5 Q. Did you -- did you understand when you
6 read this that by such a proposed executive
7 committee, Ellen was proposing that each of she and
8 Margaret report to the executive committee instead
9 of to Jim Junior as CEO?

10 A. Yes.

11 Q. Did you know, prior to receiving
12 Exhibit 61, that Ellen Cotter and Margaret desired
13 to report to an executive committee instead of to
14 Jim Junior?

15 A. Yes.

16 Q. And I don't mean to put too fine a point
17 on this, but tell me when you first learned that
18 and how.

19 MR. TAYBACK: Object to the form of the
20 question.

21 You can answer.

22 THE WITNESS: The two-day meeting with all
23 three of them for hours, it was clear that what you
24 indicated earlier, that they preferred to not
25 report to Jim Junior.

CERTIFICATE OF REPORTER

STATE OF CALIFORNIA)
)SS:
COUNTY OF LOS ANGELES)

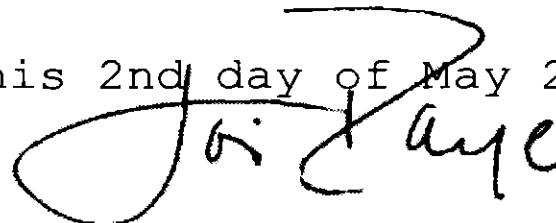
I, Lori Raye, a duly commissioned and
licensed court reporter for the State of
California, do hereby certify:

That I reported the taking of the deposition
of the witness, GUY ADAMS, commencing on Thursday,
April 28, 2016, at 10:13 a.m.;

That prior to being examined, the witness was,
by me, placed under oath to testify to the truth;
that said deposition was taken down by me
stenographically and thereafter transcribed;
that said deposition is a complete, true and
accurate transcription of said stenographic notes.

I further certify that I am not a relative or
an employee of any party to said action, nor in
anywise interested in the outcome thereof; that a
request has been made to review the transcript.

In witness whereof, I have hereunto
subscribed my name this 2nd day of May 2016.



LORI RAYE
CSR No. 7052

1 EIGHTH JUDICIAL DISTRICT COURT

2 CLARK COUNTY, NEVADA

3

4 JAMES J. COTTER, JR.,)
derivatively on behalf of)
5 Reading International, Inc.,)

6 Plaintiff,) Case No.
A-15-719860-B

7 vs.)

8 MARGARET COTTER, ELLEN) Case No.
COTTER, GUY ADAMS, EDWARD) P-14-082942-E

9 KANE, DOUGLAS McEACHERN,)
TIMOTHY STOREY, WILLIAM) Related and
10 GOULD, and DOES 1 through) Coordinated Cases
100, inclusive,)

11 Defendants,)

12 and)

13 READING INTERNATIONAL, INC.,)
a Nevada corporation,)

14 Nominal Defendant.)

15)

16 Complete caption, next page.

17

18

19 VIDEOTAPED DEPOSITION OF GUY ADAMS

20 LOS ANGELES, CALIFORNIA

21 FRIDAY, APRIL 29, 2016

22 VOLUME II

23

24 REPORTED BY: LORI RAYE, CSR NO. 7052

25 JOB NUMBER 305149

1 I'm not interested at this time. And if the
2 lawsuits ever get settled and things calm down,
3 please keep me in mind.

4 Q. And you weren't party to that
5 conversation?

6 A. No, I was not.

7 Q. Mr. McEachern reported that to you?

8 A. Yes.

9 Q. What else, if anything else, did you or
10 Kane or McEachern or the three of you do before
11 selecting Judy Coddling?

12 A. Other than --

13 Q. This is just a wrap-up question. I don't
14 mean to imply anything.

15 A. Okay. I don't remember anything else at
16 this time.

17 MR. KRUM: I'll ask the court reporter to mark
18 as Exhibit 68, a document bearing production
19 numbers GA00005529 through 32.

20 (Exhibit 68 was marked for
21 identification.)

22 MR. TAYBACK: Is this 68, is that what you
23 said?

24 MR. KRUM: 68.

25 Q. Mr. Adams, take whatever time you need.

1 I only have a question or two about 68.

2 Do you recognize it?

3 A. Yes.

4 Q. What do you recognize it to be?

5 A. It's an email from me to Ellen talking
6 about some appraisal work being done and a copy of
7 an agreement between Jim Cotter Senior and myself.

8 Q. Now, the agreement between you and Jim
9 Cotter Senior is the document bearing production
10 numbers ending in 5530 through 32; correct?

11 A. Yes.

12 Q. Is this the document you referred to
13 yesterday when you testified to the effect that you
14 had an agreement with Mr. Cotter that he had
15 memorialized in a memorandum?

16 A. Yes, it is.

17 Q. Is there any other written agreement --

18 A. Not that I know of.

19 MR. KRUM: I'll ask the court reporter to mark
20 as Exhibit 69, a two-page document bearing
21 production numbers GA00005236 and 37.

22 (Exhibit 69 was marked for
23 identification.)

24 BY MR. KRUM:

25 Q. This, too, will be brief, Mr. Adams. Let

1 THE REPORTER: Wait, this is 81.

2 MR. KRUM: 81? I apologize.

3 (Exhibit 81 was marked for
4 identification.)

5 BY MR. KRUM:

6 Q. Mr. Adams, do you recognize Exhibit 81?

7 A. Yes.

8 Q. Is that an email that you received from
9 Mr. Kane on May 18, 2015?

10 A. Yes.

11 Q. Had you previously -- well, first of all,
12 what was your understanding, if any, as to what he
13 was referring when he says, quote, See if you can
14 get someone else to second the motion, closed
15 quote?

16 A. To terminate Jim Junior.

17 Q. Had you and Mr. Kane previously discussed
18 that subject, meaning --

19 A. Yes.

20 Q. -- who's going to move and who's going to
21 do what?

22 A. Yes.

23 Q. And when did you do that?

24 A. May 17th or 18th is my guess.

25 Q. Was anyone else privy or party to that

1 **conversation?**

2 A. No.

3 **Q. Was it telephonic?**

4 A. Yes.

5 **Q. What did he say and what did you say?**

6 A. Which of us should make the motion, and I
7 told him I would. And I asked if he would second
8 it. And then he had a change of heart with this
9 email. He was very emotionally distraught with
10 this, and even in here he alludes to possibly
11 abstaining. So he -- he -- this is on May 18th.
12 He was very distressed about it.

13 **Q. Did you have an understanding as to why**
14 **he might want to abstain?**

15 A. His relationship with the three Cotter
16 siblings and his prior relationship with Jim Cotter
17 Senior.

18 **Q. So that's what you understood him to be**
19 **referring when he said, quote, It's personal and**
20 **goes back 51 years, closed quote?**

21 A. Exactly.

22 MR. KRUM: I'll ask the court reporter to mark
23 as Exhibit 82, a one-page document bearing
24 production number GA00005501.

25 ///

1 (Exhibit 82 was marked for
2 identification.)

3 THE WITNESS: Yes, I remember this.

4 BY MR. KRUM:

5 Q. You recognize Exhibit 82?

6 A. Yes.

7 Q. This is an email exchange you had with
8 Mr. Kane on May 18 and 19?

9 A. Yes.

10 Q. During the telephone conversation you had
11 with him on May -- Sunday or Monday, May 17 or 18,
12 did the two of you discuss other motions?

13 A. Evidently not.

14 Q. What was your understanding as of the
15 date of -- as of May 18 and 19, what the other
16 motions were or might be?

17 A. Well, there were like two other motions.
18 One was the removal of Jim Junior as CEO and
19 president. Another motion -- there were three
20 motions. One of them was to -- if you remove the
21 CEO, you have to appoint an interim CEO. And there
22 was a third motion which, I apologize, for the life
23 of me, I can't remember what it is. There must be
24 a board agenda or something with those items.

25 Q. The subject of interim CEO, where did

1 **that stand as of May 19th?**

2 A. Ellen, Margaret and Ed and Doug McEachern
3 were of the opinion, yes, on an interim basis.

4 **Q. Yes what?**

5 A. Yes to Guy Adams being the interim CEO on
6 a short-term basis.

7 **Q. What about Ed Kane?**

8 A. As interim?

9 **Q. Okay. I'm sorry.**

10 So how did you know that each of Ellen,
11 Margaret, Ed Kane and Doug McEachern were agreeable
12 to you being appointed CEO on an interim -- interim
13 CEO or a short-term basis?

14 MR. TAYBACK: Objection to the extent it's
15 asked and answered.

16 You can answer.

17 THE WITNESS: My recollection -- and I can't
18 remember if it was Ellen or Ed Kane -- one of them
19 told me and I followed up with a phone call to Doug
20 McEachern to confirm it. So that's how I knew.

21 BY MR. KRUM:

22 **Q. Okay. When did you have the follow-up**
23 **phone call with Doug McEachern?**

24 A. Help me -- what was the date of the
25 meeting, that meeting? We're up to May 19. What

1 A. No.

2 Q. Did you have a practice of sitting down
3 and chatting with Ellen when you were in the
4 office?

5 A. Yes, when she'd come in my office.

6 Q. So directing your attention to those
7 three or four conversations when you were in RDI's
8 offices and you spoke to Ellen about the status of
9 the CEO search, doing them sequentially, if you're
10 able to do so, who said what in the first
11 conversation?

12 A. That's a real test of my memory but I'll
13 try.

14 I remember when she was -- we talked
15 about how we were paying for it and there was like
16 a psychological profile they would do in addition.
17 Since we weren't hiring the real estate guy, there
18 was some things about the financial arrangement
19 there. And she told me about that. That was one
20 conversation, probably one of the earlier ones.

21 Then the -- I had another conversation
22 with her about the candidates that were -- the
23 résumés that were coming in, and she commented to
24 me about the, quote, Some of them want more than a
25 million dollars.

1 And then maybe the third conversation we
2 had about it was, I'm not on the committee, it's
3 not my business, but I gave her my thoughts about
4 it, as I mentioned yesterday in my testimony, that
5 the only concern I had was the person we get would
6 be with us for a while and not just looking to make
7 a notch on his belt, come aboard -- for example,
8 come aboard, stay for a year or two, sell an asset,
9 do something to jazz the stock up and then he would
10 leave and go to a bigger company; we'd be his
11 training ground.

12 And I just suggested to her that she look
13 for a candidate who would have longevity of these
14 candidates that she was looking at. When I had
15 that conversation, I had no notion she was putting
16 her name in the hat at the time. That was the last
17 conversation I had with her.

18 I'm sorry. Then a period of time, which
19 I don't remember, went by and she says, You know,
20 I'm looking at these people and I think I can do
21 the job. I want to put my name in the hat.

22 I said, Well, you can't be on the
23 committee if you do that. She says, Yeah, I'm
24 going to resign. I said, Okay, it's up to the
25 committee.

1 Q. I'm asking you how you recall that, from
2 a conversation with Ellen or --

3 A. A conversation, yes.

4 MR. KRUM: I'll ask the court reporter to mark
5 as Exhibit 85, a two-page document bearing
6 production numbers GA00005544 and 45.

7 (Exhibit 85 was marked for
8 identification.)

9 BY MR. KRUM:

10 Q. Mr. Adams, you'll see Exhibit 85 is a
11 copy of an email chain, parts of which you've
12 reviewed today.

13 A. Yes.

14 Q. The only part you haven't seen, at least
15 from me today, is your email on the first page,
16 that is, the May 19th email to Mr. Adams.

17 So with that by way of explanation, take
18 whatever time you need to review Exhibit 85 and let
19 me know when you've done so to your satisfaction.

20 A. Yes, I remember this.

21 Q. Okay. Is the email dated May 19th, from
22 you to Mr. Kane on the first page of Exhibit 85, an
23 email you sent on that date?

24 A. Yes.

25 Q. Why did you send it?

1 A. Yes.

2 Q. Approximately when was that?

3 A. May I ask for clarification? When you
4 say brought to Reading, I worked for Mr. Cotter
5 individually and then I got on the board. When you
6 say I came to Reading, you mean from the time I
7 came on the board or do you mean when I first
8 started working for Mr. Cotter?

9 Q. When did you have your first introduction
10 to Reading? That would be a better way to ask it.
11 There was a time when you were conversing with
12 Mr. Cotter about Reading, working for Mr. Cotter,
13 talking about Reading and hadn't yet come onto the
14 board. I mean, when was that?

15 A. I worked directly for Mr. Cotter in 1988,
16 '89, and Reading was one of his companies as was
17 Citadel Holdings and Craig Corporation.

18 Q. So --

19 A. So I knew of Reading then. I mean,
20 that's the only point I want to make. I knew them
21 way back in the day.

22 Q. Then coming forward to 2013 or 2014 --

23 A. Yes.

24 Q. -- briefly describe how you came onto the
25 board at Reading.

CERTIFICATE OF REPORTER

STATE OF CALIFORNIA)
)SS:
COUNTY OF LOS ANGELES)

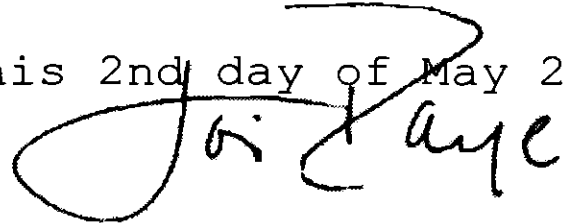
I, Lori Raye, a duly commissioned and
licensed court reporter for the State of
California, do hereby certify:

That I reported the taking of the deposition
of the witness, GUY ADAMS, commencing on Friday,
April 29, 2016 at 9:10 a.m.;

That prior to being examined, the witness was,
by me, placed under oath to testify to the truth;
that said deposition was taken down by me
stenographically and thereafter transcribed;
that said deposition is a complete, true and
accurate transcription of said stenographic notes.

I further certify that I am not a relative or
an employee of any party to said action, nor in
anywise interested in the outcome thereof; that a
request has been made to review the transcript.

In witness whereof, I have hereunto
subscribed my name this 2nd day of May 2016.



LORI RAYE
CSR No. 7052

EXHIBIT 10

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 DEPOSITION OF: EDWARD KANE

17 TAKEN ON: MAY 2, 2016

18

19

20

21

22

23

24 REPORTED BY:

25 PATRICIA L. HUBBARD, CSR #3400

1 In 1987 at the request of James Cotter,
2 Sr., I became president of Craig Corporation. And I
3 remained president of Craig Corporation -- I
4 can't -- don't know how long that was.

5 I -- at the same time but later on I
6 became president of Reading, which was a separate
7 company before it was merged into Craig Corporation.

8 From time to time I had -- I had
9 resigned -- I must have resigned from Craig or
10 Reading at least three or four times.

11 I took a position -- the first time I
12 resigned I was offered a position as chairman and
13 C.E.O. of an outpatient surgery center company, ASMG
14 Outpatient Services. They had three outpatient
15 centers in San Diego area. And while I was there I
16 obtained a contract to do the outpatient services in
17 a hospital in Palm Springs.

18 At the request of the company I sold
19 that -- the shareholders, I sold that to a company
20 that later became Health South.

21 I also became a -- tough to describe,
22 but I was a non-director/director of an 800-person
23 independent practice association, 800 physicians.

24 I say "non-director/director" because
25 since I wasn't a physician, I couldn't be a director

1 of the company, but I was treated as such and paid
2 as such and went to the weekly executive committee
3 meetings and also monthly board meetings of that
4 company. It was called Sharp Community Medical
5 Group.

6 In 2000 -- god, I can't remember the
7 date. I think it was 2004 Mr. Cotter called me and
8 asked me to come back on the board of what was now
9 Reading. And I did that.

10 I also during all this period of time
11 taught tax, various tax courses, at local law
12 schools here.

13 Starting probably around 1969 I
14 taught -- taught some tax courses at University of
15 San Diego. And then I taught almost every year at
16 least one course at California Western School of
17 Law, various tax courses, partnership tax, corporate
18 tax, individual income tax. And thought about
19 teaching full time, but I didn't.

20 And I also taught -- my most recent
21 teaching position was at Thomas Jefferson School of
22 Law. I taught income tax courses there for two
23 years. And I think the last time was about three or
24 four years ago.

25 **Q. Are you done, sir?**

1 We were too good friends to let that
2 thing fester too long.

3 Q. Mr. Kane, does the name "Citadel" mean
4 anything to you?

5 A. Oh, sure.

6 Q. Tell us --

7 A. Citadel, that was the holding company
8 for Fidelity Federal Savings and loan.

9 Q. And did you have positions with Citadel,
10 Fidelity or both?

11 A. Yes.

12 Q. How did that come to pass?

13 A. Well, Mr. Cotter had bought stock, and
14 together -- I say "together," I shouldn't use that
15 word.

16 But he had been introduced to it by a
17 fellow named Fred Rovin who had a position in the --
18 in the company. And I think he persuaded Mr. Cotter
19 to have Craig or Reading -- I forget who was
20 involved at the time -- to take a position in it.

21 And so it got to the point where
22 Mr. Cotter was -- and Mr. Rovin both had enough
23 stock to appoint directors to the board. Mr. Rovin
24 appointed his brother and a lawyer and Mr. Cotter
25 got Ralph Perry, who was a lawyer, and myself on the

1 and it became in- -- difficult.

2 And so the regulators came down and they
3 suggested that I leave, and I did.

4 **Q. When did you first meet Jim Cotter, Sr.?**

5 A. He was in the master's of tax program
6 with me in 1963. So I met him in the fall of 1963.

7 **Q. When did you and he become friends?**

8 A. Very shortly thereafter. We found that
9 we had similar backgrounds even though we don't --
10 didn't have similar religions.

11 But we were both middle class, lower
12 middle class. We lived in that neighborhood. We
13 didn't have any money when we went to college or law
14 school.

15 And we just -- just became fast friends.

16 He was the first person I invited to my
17 house for dinner.

18 I was married. I had gotten married in
19 the summer of '63. And we started socializing with
20 he and his, I guess, fiance, Mary Ellen Cotter, went
21 to the World's Fair with them, because Mary was
22 working for American Airlines, could get us free
23 tickets.

24 And then I got the position with Donovan
25 Leisure. And he joined the -- the IRS as a trial

1 And he called me up and said, "The partnership is
2 over because Bill Foreman has offered me four times
3 what I'm making here to come in."

4 And so I said "Okay."

5 And I left Gray, Cary and joined with
6 these other guys who -- they were from back east and
7 fine lawyers. It was a very small firm. But four
8 of them became Superior Court judges and one of them
9 became a Court of Appeals judge.

10 **Q. Let me interject a question, Mr. Kane.**

11 A. Sure.

12 **Q. I thought you said something to the**
13 **effect that he said the partnership was over.**

14 **To what were you referring there?**

15 A. Our -- our dream of becoming partners in
16 a law firm, he and I. That was over.

17 **Q. Okay. I'm sorry. Please continue.**

18 A. Sure. So I joined the firm as equal
19 partner.

20 And I guess I've covered the rest of it
21 except that Jim and I had a very close relationship,
22 even then. And he called me up, and he had a tax
23 problem at Pacific Theatres, a personal tax problem.
24 And he said there are some -- "We have some theaters
25 up in the Fresno area and we could -- maybe we

1 Q. Do your children know the three Cotter
2 children?

3 A. I -- I think they do, yes. Yes.

4 Q. Do any of Ellen Cotter, Margaret Cotter
5 or Jim Cotter call you Uncle Ed?

6 A. All of them, including their mother and
7 their father.

8 Q. But for the three kids, has that been
9 how they've addressed you since they were able to
10 speak?

11 MR. SEARCY: Objection. Vague.

12 THE WITNESS: I think that's true. And
13 they still do except for Mr. Cotter, Jr. He stopped
14 calling me Uncle Ed when he was terminated.

15 BY MR. KRUM:

16 Q. In your decision-making with respect to
17 any or all of the three Cotter children since the
18 passing of Jim Cotter, Sr., have you attempted to do
19 what you thought he would have wanted you to do?

20 MR. SEARCY: Objection. Vague and lacks
21 foundation.

22 THE WITNESS: What I do does not take
23 into account The Cotter children.

24 I'm a director of this company. And I
25 do what I think is in the best interest of the

1 issues within the family are
2 resolved and all litigation pending
3 or proposed is terminated, there
4 should be no Cotter increases."

5 You see that?

6 A. Yes.

7 Q. When you refer to "all issues within the
8 family," to what were you referring?

9 A. I can't recall. I see "litigation"
10 there. That was one thing. But I can't recall what
11 the other issues were at the time.

12 Q. Well, one of the issues was the lack of
13 agreement regarding whether Margaret or Jim and
14 Margaret would be the trustees of the voting trust,
15 correct?

16 MR. SEARCY: Objection. Lacks
17 foundation.

18 THE WITNESS: Well, that's litigation in
19 my mind.

20 BY MR. KRUM:

21 Q. Okay. So let me ask a different
22 question.

23 Were you referring to the disputes or,
24 as the case may be, litigation involving the
25 question of whether it would be Margaret Cotter,

1 lacks foundation.

2 THE WITNESS: I didn't -- I don't recall
3 that part of the -- of the meeting after we were --
4 ended.

5 BY MR. KRUM:

6 Q. Do you recall that the -- that that
7 evening there was a conference call during which
8 Ellen Cotter reported that she and Margaret on one
9 hand and Jim Cotter, Jr., on the other hand had
10 reached a tentative settlement that resolved the
11 trust and estate litigation and disputes between
12 them and included certain items relating to the
13 governance of RDI?

14 MR. SEARCY: Objection. Vague.

15 THE WITNESS: I recall a phone call or
16 something saying they had reached an agreement. I
17 don't recall what they had reached or what it
18 involved, but an agreement whereby they would work
19 together going forward.

20 BY MR. KRUM:

21 Q. And do you recall that as a result of
22 that, the vote to terminate Jim Cotter, Jr., as
23 president and C.E.O. was not had?

24 A. Correct, it was not had then.

25 Q. And do you recall that a week or ten

1 days later when no agreement between Ellen and
2 Margaret Cotter on one hand and Jim Cotter, Jr., on
3 the other had come to pass or into existence that
4 the supposed board meeting was reconvened on
5 June 12, comma -- June 12, 2015 and that the vote
6 was had and he was terminated as president and
7 C.E.O.?

8 A. Yes.

9 MR. SEARCY: Objection. Vague, assumes
10 facts.

11 THE WITNESS: I recall that, yes.

12 BY MR. KRUM:

13 Q. And did you ever communications with
14 Ellen or Margaret Cotter during the course of these
15 supposed board meetings regarding whether a
16 settlement of any sort had been reached with Jim
17 Cotter, Jr.?

18 MR. SEARCY: Objection. Argumentative.

19 THE WITNESS: I may have.

20 BY MR. KRUM:

21 Q. What's your best recollection about what
22 you communicated with them and what they
23 communicated to you?

24 A. I can't recall directly. My
25 communications by that time were all with Jim

1 Cotter, Jr.

2 But I know there were other emails.

3 Q. And what communications did you have
4 with Jim Cotter, Jr., regarding a resolution with
5 his sisters during the time frame commencing with
6 the supposed board meeting of May 20, 2015, through
7 the supposed board meeting of June 12, 2015?

8 MR. SEARCY: Objection. Argumentative.

9 THE WITNESS: I was told that -- and it
10 may have been by one of the Cotter sisters, that --
11 and in fact at a meeting, one of the last meetings
12 we had, my recollection is Bill Gould suggested that
13 Jim take the title of president, giving up the
14 C.E.O. He refused.

15 Then Margaret Cotter -- and that may
16 have been the May 29th -- said, "No. Keep the title
17 of C.E.O., and we'll have a committee, executive
18 committee, Margaret, Ellen, Jimmy" -- and initially
19 they said Guy Adams -- and he would keep the title
20 because it was important to him.

21 And I communicated with him. He --
22 usually my communications were not me advising. It
23 was him asking my advice or they'd ask my advice. I
24 didn't want to lecture them and tell them what to
25 do.

1 I -- I said to him at one point, "Take
2 it. You have nothing to lose. You're going to get
3 terminated if you don't. If you can work it out
4 with your sisters, it will go on and I will support
5 you. I'll even make a motion to see if the company
6 will reimburse the legal fees."

7 I did not want him to go.

8 And you, I'm sure, see emails in there
9 to that effect. Even though I voted -- was voting
10 against him, I wanted him to stay as C.E.O.

11 BY MR. KRUM:

12 Q. If you wanted him to stay as C.E.O. --

13 A. Right.

14 Q. -- why did you vote against him?

15 A. Because I wanted him to stay as C.E.O.,
16 working with his sisters who were work -- willing to
17 work with him for the benefit of the company.

18 And to me it was a wonderful solution,
19 and it had no adverse impact. If it didn't work
20 out, then we would deal with it. But he would work
21 with them and -- as an executive committee.

22 He told me that he didn't want Guy Adams
23 on there. And I told him, "I'll do my best to make
24 sure that he isn't on that; just you and your
25 sisters."

1 And if they could work together, that's
2 all we wanted.

3 Q. Are you drawing a distinction, Mr. Kane,
4 between Ellen and Margaret working with Jim
5 Cotter, Jr., as distinct from working for him?

6 MR. SEARCY: Objection. Vague.

7 THE WITNESS: I don't think I ever made
8 that distinction, but I think he would glean and
9 learn a lot working with them.

10 After all they were the operating
11 executives of this company.

12 BY MR. KRUM:

13 Q. And did you understand that -- strike
14 that.

15 But that resolution did not come to pass
16 because Jim Cotter, Jr., rejected it, correct?

17 MR. SEARCY: Objection. Vague.

18 THE WITNESS: He rejected it, yes.

19 (Whereupon Ms. Bannett left the
20 deposition proceedings at this
21 time.)

22 BY MR. KRUM:

23 Q. And he got himself terminated, right?

24 MR. SEARCY: Objection. Vague.

25 THE WITNESS: Yes.

1 That the foregoing pages contain a full,
2 true and accurate record of the proceedings and
3 testimony to the best of my skill and ability;

4
5 I further certify that I am not a relative
6 or employee or attorney or counsel of any of the
7 parties, nor am I a relative or employee of such
8 attorney or counsel, nor am I financially interested
9 in the outcome of this action.

10
11 IN WITNESS WHEREOF, I have subscribed my
12 name this 4th day of May, 2016.

13
14 

15 PATRICIA L. HUBBARD, CSR #3400

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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 MAY 3, 2016
VOLUME 2

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

1 So, directing your attention to the
2 period of time from September 2015 through June --
3 excuse me. Let's start that again.

4 Directing your attention, Mr. Kane, to
5 the period of time from September 2014 through June
6 2015, do you recall that you and some, if not all,
7 of the other four non-Cotter directors devoted
8 substantial time to attempting to enable or
9 encourage the three Cotter siblings to work together
10 professionally and politely?

11 A. Yes.

12 MR. SEARCY: Objection. Vague.

13 THE WITNESS: Oh, sorry.

14 MR. SEARCY: That's all right.

15 BY MR. KRUM:

16 Q. Is it correct to say in your view,
17 Mr. Kane, that those efforts were largely
18 unsuccessful?

19 A. Yes.

20 Q. With respect to your understanding as to
21 the matters in dispute between Jim Cotter, Jr., on
22 one hand and either or both Ellen and Margaret
23 Cotter on the other hand, did you understand that
24 one of the issues in dispute was who would control
25 the -- the trust that held class B voting stock;

1 that is, RDI class B voting stock?

2 MR. SEARCY: Objection. Vague.

3 THE WITNESS: Yes.

4 BY MR. KRUM:

5 Q. You understood that there was a 2000 --
6 a so-called 2013 amendment to the trust
7 documentation of James Cotter, Sr., that provided
8 that Margaret Cotter would be the sole trustee of
9 the trust that held and voted the class B RDI voting
10 stock, right?

11 A. Correct.

12 Q. You also understood that the so-called
13 2014 amendment to the trust documentation of James
14 Cotter, Sr., provided that Margaret Cotter and Jim
15 Cotter, Jr., would in some manner, whether jointly
16 or alternatively, vote the RDI class B voting stock,
17 right?

18 A. Correct.

19 Q. Was there a point in time, Mr. Kane,
20 when you concluded that that dispute needed to be
21 resolved in order for the siblings, meaning Jim
22 Cotter, Jr., on one hand and Ellen and Margaret
23 Cotter on the other hand, to get along and work
24 together?

25 MR. SEARCY: Objection. Vague.

1 foundation.

2 BY MR. KRUM:

3 Q. Was it your understanding that he did
4 intend for Margaret to become an employee of RDI?

5 A. I had no understanding either way.

6 Q. Now, directing your attention, Mr. Kane,
7 to your prior testimony regarding Margaret being the
8 sole trustee of the voting trust under the 2013
9 amendment and something to the effect that that was
10 part of Jim Cotter, Sr.'s plan to cause the Cotter
11 children to work together, in that context, learning
12 whatever you learned about the 2013 amendment, did
13 you have any understanding as to what Jim Cotter,
14 Sr.'s intentions regarding whether Margaret Cotter
15 would become an employee of RDI?

16 MR. SEARCY: Objection. Vague.

17 THE WITNESS: I had no understanding.

18 BY MR. KRUM:

19 Q. Now, I'm not going to sum up again your
20 prior testimony. I'm just going to refer you to the
21 subject matter.

22 Referring you, Mr. Kane, to your
23 testimony about your understanding as to why in the
24 2013 amendment Margaret had been designated as
25 trustee of the voting trust, how did you come to

1 **have that understanding?**

2 A. Mr. Cotter informed me. In one of our
3 conversations he said he was making Margaret the
4 trustee of the voting stock.

5 And I asked him why. And he told me --
6 and it's right in my brain, it's imprinted on it --
7 that "that will force them to work together."

8 That's a quote.

9 **Q. What else did you say or what else did**
10 **he say in that conversation about either the trust**
11 **documentation or The Cotter children working**
12 **together?**

13 A. Excuse me. Repeat that, please.

14 **Q. What else did he say, if anything,**
15 **during that conversation about the trust**
16 **documentation?**

17 A. Nothing that I can recall.

18 **Q. What else, if anything, did he say**
19 **during that conversation about prompting or forcing**
20 **the three -- his three Cotter children to work**
21 **together?**

22 A. He didn't need to say anything. I knew
23 what he was talking about.

24 **Q. What was your understanding at the time?**

25 A. Understanding was that their diverse

1 personalities, and there had been some incidents --
2 I call incidents, nothing specific or difficult --
3 at board meetings that I thought it was a good idea
4 to make Margaret, given the background -- I was
5 surprised, but I thought it was a good idea that he
6 make Margaret the sole trustee.

7 **Q. Were you present for what you have**
8 **called incidents at board meetings?**

9 A. Yes.

10 **Q. To what are you referring?**

11 A. When we had board meetings Mr. -- excuse
12 me. Get a little water.

13 Margaret and Ellen Cotter would give
14 reports. Jim Cotter, Jr., was not the president at
15 that time, and he would always have questions for
16 them. It appeared to me that he would have
17 questions that he was seeking to embarrass them
18 before the other directors.

19 And he asked questions that he knew the
20 answer to, because he was being paid to run a weekly
21 executive committee meeting.

22 But it was like brother/sister fighting.
23 He knew the answer and there was no reason to ask
24 those questions.

25 And that's about the only input he ever

1 **have wanted?**

2 A. I think I knew better than anybody what
3 he would have wanted. I've known him for -- I knew
4 him for 50 years.

5 We would have regular meetings in Laguna
6 just the two of us, talk over strategy, talk over
7 his children, talk over all issues.

8 And it was reflected in his comment to
9 me that he was giving Margaret the voting power to
10 force them to work together.

11 So, I knew that's what he wanted.

12 MR. KRUM: I'll ask the court reporter
13 to mark as Exhibit 111 a two-page document bearing
14 production number 5488 and 89.

15 (Whereupon the document referred
16 to was marked Plaintiffs'
17 Exhibit 111 by the Certified
18 Shorthand Reporter and is attached
19 hereto.)

20 THE WITNESS: (Indicating.)

21 MR. SEARCY: That's for the court
22 reporter.

23 THE WITNESS: Oh.

24 BY MR. KRUM:

25 **Q. Do you recognize Exhibit 111?**

1 A. That and the fact that he made Margaret
2 the trustee of the voting stock and told me it was
3 to force them to work together.

4 Q. You understood, by the way, sir, that
5 the 2014 amendment made Margaret and Jim, Jr.,
6 co-trustees of the voting trust, right?

7 A. It purports to do that, yes.

8 Q. When you say "it purports to do that,"
9 I'm not asking whether you agree with it. I'm
10 asking if you understood what it provides by its
11 terms --

12 A. I know --

13 Q. Let's not speak over each other. Let me
14 ask the question and then you can respond.

15 You understand, Mr. Kane, that the
16 so-called 2014 amendment by its terms makes Margaret
17 Cotter and Jim Cotter, Jr., the co-trustees of the
18 voting trust that would vote the RDI class B voting
19 stock, right?

20 A. Yes.

21 Q. You also understand that that
22 documentation provides that if they -- to the effect
23 that if Margaret and Jim, Jr., cannot agree, they
24 will each be the trustee in alternating years?

25 A. Yes.

1 Q. Now, we began to talk over each other.

2 Were you about to tell me something
3 about whether you thought the 2014 amendment
4 reflected what you understand to be Jim Cotter,
5 Sr.'s wishes?

6 MR. SEARCY: Objection. Vague.

7 THE WITNESS: That's what the Court will
8 decide.

9 I don't -- I try to stay out of that. I
10 have my own opinion, but I don't have all the facts.

11 BY MR. KRUM:

12 Q. What's the basis for your opinion?

13 The conversation that you described to
14 us already?

15 A. Yes.

16 Q. Anything else?

17 A. 50 years of friendship. And so I think
18 I knew him in some respects better than any member
19 of his family.

20 Q. Okay. And your opinion is that based on
21 the facts you have --

22 A. Yes.

23 Q. -- and not considering the facts you
24 acknowledge you do not have --

25 A. I don't know if there are any.

1 Q. Right. But based on the facts you have,
2 you think it's the 2013 amendment that reflects Jim
3 Cotter, Sr.'s wishes?

4 A. Yes.

5 Q. So, returning to your May 9, 2015 email
6 that's part of Exhibit 111, it continues where we
7 left off with the words, quote,

8 "Second, because it is in the best
9 interest of the company," close
10 quote.

11 You see that?

12 A. Yes.

13 Q. And are you referring there to what
14 you've described earlier in terms of how important
15 you thought it was Jim Cotter, Jr., succeed at
16 repairing his relationship with Ellen and Margaret
17 Cotter?

18 MR. SEARCY: Objection. Vague.

19 THE WITNESS: Of course it would be in
20 the best interest of the company if they were
21 working together.

22 BY MR. KRUM:

23 Q. Continuing on, Mr. Kane, the text in
24 that same paragraph of Exhibit 111 says,
25 "Third, because it will safeguard

1 I think it would be naive to think he
2 wouldn't know that. Why else would it be on there?
3 It's clear on its face.

4 Q. I apologize if I asked you this. Had
5 you had any conversations with Tim Storey prior to
6 the supposed May 21 board meeting regarding the
7 possible termination of Jim Cotter, Jr., as
8 president and C.E.O.?

9 A. I can't recall any, but I may have.

10 Q. Well, as you sit here today, Mr. Kane,
11 what's your best recollection as to whether you did?

12 A. I don't have any recollection.

13 MR. KRUM: I'll ask the court reporter
14 to mark as Exhibit 116 a two-page document bearing
15 production numbers GA5417 and 18.

16 (Whereupon the document referred
17 to was marked Plaintiffs'
18 Exhibit 116 by the Certified
19 Shorthand Reporter and is attached
20 hereto.)

21 BY MR. KRUM:

22 Q. Do you recognize Exhibit 116?

23 A. Yes, I do.

24 Q. This is an email from Tim Storey to you
25 and Bill Gould and a copied to the other RDI

1 **directors on May 19, 2015, correct?**

2 A. Correct.

3 Q. Did you receive it on or about the date
4 it bears, May 19?

5 A. I would assume so.

6 Q. Do you see in the third paragraph that
7 begins, "my understanding," Mr. Storey recites his
8 understanding as to what he thought was going to
9 happen at the meeting scheduled for the coming
10 Thursday?

11 A. I see what he says his understanding is.

12 Q. Did you ever tell him whether by way of
13 email response or otherwise that his understanding
14 as stated in that paragraph was mistaken?

15 MR. SEARCY: Objection. Assumes facts,
16 vague.

17 THE WITNESS: I don't -- I don't -- I
18 don't have any recollection of telling him one thing
19 or the other.

20 BY MR. KRUM:

21 Q. In the next paragraph do you see that
22 there's a sentence that reads in part, quote,

23 "I have just seen the agenda for
24 the meeting, and that simply has an
25 agenda item captioned" -- sub

1 A. I had no recollection of that.

2 Q. What steps, if any, did you take to
3 review that issue and determine whether or not that
4 in fact had been determined and/or communicated to
5 Jim Cotter, Jr.?

6 MR. SEARCY: Objection. Assumes facts,
7 calls for speculation, it's also vague.

8 THE WITNESS: I don't recall any at that
9 time.

10 BY MR. KRUM:

11 Q. I direct your attention, Mr. Kane, back
12 to Exhibit 115 that you should have in front of you.

13 Do you have it, sir?

14 A. 116 or 115?

15 Q. 115.

16 THE WITNESS: Is this 115 or 175?

17 THE REPORTER: 115.

18 THE WITNESS: 115. Okay.

19 BY MR. KRUM:

20 Q. I direct your attention, Mr. Kane, to
21 the email from Bill Gould -- strike that.

22 We're not going to bother with that.

23 MR. KRUM: I'll ask the court reporter
24 to mark as Exhibit 117 a multi-page document bearing
25 production numbers TS69 through 71.

1 (Whereupon the document referred
2 to was marked Plaintiffs'
3 Exhibit 117 by the Certified
4 Shorthand Reporter and is attached
5 hereto.)

6 BY MR. KRUM:

7 Q. Mr. Kane, the court reporter has
8 provided you what has been marked as Exhibit 117.

9 A. Uh-huh.

10 Q. I will represent to you, sir, that this
11 is a continuation of the email chain that was marked
12 Exhibit 115 and that the new items, meaning the
13 difference between 117 and 115, are the two emails
14 at the top of 117.

15 And I'm going to ask you, sir, about
16 your May 19 email to Mr. Gould that begins "As of
17 now."

18 Let me know when you've reviewed that to
19 your satisfaction.

20 A. Yes.

21 Q. Okay. Do you recognize Exhibit 117?

22 A. Yes.

23 Q. Is this a series of emails including an
24 email from you to Bill Gould on --

25 A. Yes.

1 Q. -- May 19?

2 A. Yes.

3 MR. SEARCY: Let him finish his question
4 before you answer.

5 Okay.

6 THE WITNESS: Okay.

7 BY MR. KRUM:

8 Q. I direct your attention, Mr. Kane, to
9 the first sentence of Exhibit 117. It reads, quote,

10 "As of now and after your
11 astonishing and ridiculous
12 assertion that Margaret cost this
13 company \$20 million, I see no
14 reason to meet," period, close
15 quote.

16 Do you see that?

17 A. Yes.

18 Q. What -- to what are you referring by
19 that sentence?

20 A. My recollection is that he did some kind
21 of analysis for the loss of the revenue we earned
22 from Stomp, and he extrapolated it into 10 or 20 --
23 I don't remember -- times what we were earning every
24 year, under the assumption that it was Margaret's
25 fault that the Stomp people were going -- were going

1 I don't remember the dates of those at
2 this particular point.

3 Q. Do you recall hearing, learning or being
4 told that Ellen and Margaret Cotter had delivered a
5 proposal or had their counsel deliver a proposal to
6 Jim Cotter, Jr., to resolve, among other things, the
7 disputes raised in the California trust and estate
8 litigation?

9 MR. SEARCY: Objection. Vague and lacks
10 foundation.

11 THE WITNESS: I didn't -- I don't recall
12 that they ever provided the specifics.

13 I do recall Ellen saying they had
14 settled issues. I don't know to the extent they
15 were settled. She thought there had been a
16 resolution.

17 MR. KRUM: I'll ask the court reporter
18 to mark as Exhibit 118 a multi-page document bearing
19 EK396 through 398.

20 (Whereupon the document referred
21 to was marked Plaintiffs'
22 Exhibit 118 by the Certified
23 Shorthand Reporter and is attached
24 hereto.)

25 ///

1 BY MR. KRUM:

2 Q. Mr. Kane, do you recognize Exhibit 118?

3 A. Yes, I do.

4 Q. And Exhibit 118 is an email exchange
5 between Jim Cotter, Jr., and you on May 27 and 28,
6 2015, correct?

7 A. Yes.

8 Q. The first email on the second page of
9 Exhibit 118 is an email from Jim Cotter, Jr., to you
10 on May 27 in which he recites points of a proposal
11 he had made to Margaret Cotter the evening before,
12 right?

13 A. That's what it says.

14 Q. Okay. Did you ever discuss with him or
15 Margaret or anybody else the proposal he recited in
16 this email?

17 A. No. Not to my knowledge.

18 Q. And then at the bottom of page one and
19 the top of the second page of Exhibit 118 is your
20 email response, correct?

21 A. Yes.

22 Q. The first sentence reads, quote,
23 "Ellen is going to present you with
24 a global plan to end the litigation
25 and move the company forward,"

1 close quote.

2 Do you see that? At the top --

3 A. Yes.

4 Q. -- of the second page?

5 A. Yes, I do.

6 Q. How did you know that?

7 A. I probably had a telephone call with
8 her.

9 Q. What did she say; what did you say?

10 A. I don't recall what I said, but she must
11 have told me that she's going to give him a
12 proposal.

13 I didn't care to hear it.

14 Q. The next sentence -- in the next
15 sentence you wrote, quote,

16 "If you agree to it, you, Ellen,
17 Margaret" --

18 Strike that. Let me try it again.

19 Quote,

20 "If you agree to it, you, Ellen and
21 Margaret will work in a
22 collaborative manner and you will
23 retain your title," close quote.

24 You see that?

25 A. Yes.

1 That the foregoing pages contain a full,
2 true and accurate record of the proceedings and
3 testimony to the best of my skill and ability;

4
5 I further certify that I am not a relative
6 or employee or attorney or counsel of any of the
7 parties, nor am I a relative or employee of such
8 attorney or counsel, nor am I financially interested
9 in the outcome of this action.

10

11 IN WITNESS WHEREOF, I have subscribed my
12 name this 10th day of May, 2016.

13

14



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PATRICIA L. HUBBARD, CSR #3400

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EXHIBIT 11

1

2

3

DISTRICT COURT

4

CLARK COUNTY, NEVADA

5

JAMES J. COTTER, JR.,)
individually and)
derivatively on behalf of)
Reading International,)
Inc.,)

8

Plaintiff,)

Case No. A-15-719860-B

9

vs.)

Coordinated with:

10

MARGARET COTTER, et al.,)

Case No. P-14-082942-E

11

Defendants.)

12

and)

13

READING INTERNATIONAL,)
INC., a Nevada)
corporation,)

14

15

Nominal Defendant)

16

17

VIDEOTAPED DEPOSITION OF EDWARD KANE

18

TAKEN ON JUNE 9, 2016

19

VOLUME 3

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Job No.: 315759

24

REPORTED BY:

25

PATRICIA L. HUBBARD, CSR #3400

1 email on the first page of Exhibit 305, there's a
2 sentence that carries onto the next to last line
3 that reads as follows, quote,

4 "I truly believe that your sisters
5 are at the end of their rope, if
6 not their sanity, as a result of
7 this. So the best thing you can do
8 is accept and move on," close
9 quote.

10 Do you see that?

11 A. Yes.

12 Q. What did you mean when you said "at the
13 end of their rope, if not their sanity"?

14 A. I didn't know the particulars, but -- of
15 the agreement, but I think -- I seem to recall that
16 Ellen told me that they -- they had made concessions
17 to him, and every time they did he would ask for
18 more, and this was the end, words to that effect.

19 MR. KRUM: I'll ask the court reporter
20 to mark as Exhibit 306 --

21 MR. SEARCY: So, Mark, we're coming up
22 on our 20-minute mark.

23 MR. KRUM: This is the last exhibit. So
24 let me go through this, and then we'll -- then we'll
25 talk, if you don't mind.

1 A one-page document that purports to be
2 a June 11 email from Mr. Kane to Jim Cotter, Jr. It
3 bears production number EK1613.

4 (Whereupon the document referred
5 to was marked Plaintiffs'
6 Exhibit 306 by the Certified
7 Shorthand Reporter and is attached
8 hereto.)

9 THE WITNESS: Yes.

10 BY MR. KRUM:

11 Q. Do you recognize Exhibit 0306?

12 A. Yes, I do.

13 Q. Is this an email you sent to Jim Cotter,
14 Jr. on June 11, 2015?

15 A. Yes.

16 Q. You recall that on June 12, 2015,
17 Mr. Cotter was terminated as president and C.E.O.?

18 A. Yes.

19 Q. So was this an effort by you to implore
20 him or, as the case may be, persuade him to strike a
21 deal to avoid that vote?

22 A. Sitting here I'm not sure that I knew
23 that that vote was coming on that date, but it was
24 my last effort to get him to -- in this -- in the
25 interim from the last one I had understood or found

1 that Margaret be the sole trustee of the voting
2 trust that held --

3 A. Yes.

4 Q. -- the class B voting stock?

5 A. Yes.

6 Q. Do you recall how you learned that?

7 A. I don't.

8 Q. And the next sentence reads, quote,

9 "As I said, your dad told me that
10 giving Margaret the vote was his
11 way of, sub quote, forcing, close
12 sub quote, the three of you to work
13 together," close quote.

14 Does that refer to discussions about
15 which I believe you've already testified, Mr. Kane,
16 you had with Jim Cotter, Sr.?

17 A. Yes.

18 Q. And the next sentence in paragraph
19 numbered one in Exhibit 306 reads as follows, quote,

20 "Asking to change that is a
21 nonstarter," close quote, with
22 "nonstarter" being italicized.

23 Do you see that?

24 A. Yes.

25 Q. Why did you say that?

1 That the foregoing pages contain a full,
2 true and accurate record of the proceedings and
3 testimony to the best of my skill and ability;

4
5 I further certify that I am not a relative
6 or employee or attorney or counsel of any of the
7 parties, nor am I a relative or employee of such
8 attorney or counsel, nor am I financially interested
9 in the outcome of this action.

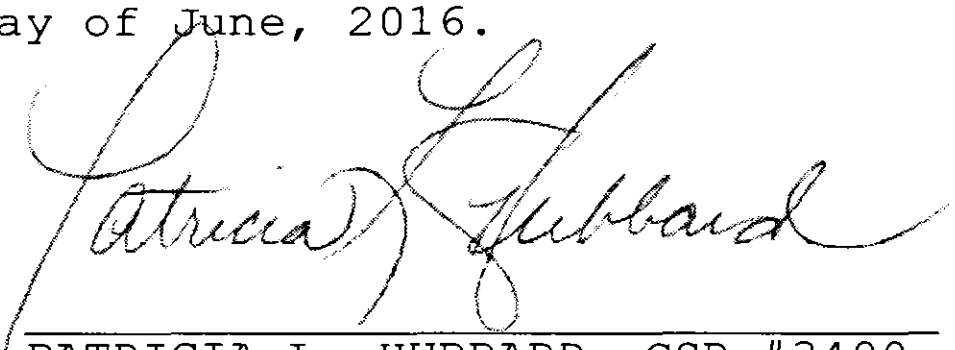
10

11 IN WITNESS WHEREOF, I have subscribed my
12 name this 15th day of June, 2016.

13

14

15


PATRICIA L. HUBBARD, CSR #3400

16

17

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EXHIBIT 12

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)	
	<u>READING INTERNATIONAL,</u>)	
12	INC., a Nevada)	
	corporation,)	
13)	
	Nominal Defendant))	
14)	

15

16 VIDEOTAPED DEPOSITION OF DOUGLAS McEACHERN

17 TAKEN ON MAY 6, 2016

18

19

20

21

22

23

24 REPORTED BY:

25 PATRICIA L. HUBBARD, CSR #3400

1 **your testimony is that you do not recall?**

2 A. Correct. And by the way, what I do
3 recall is this was a unanimous vote of the board of
4 directors to purchase D and O insurance.

5 MR. KRUM: Does someone know our next
6 number?

7 (Off-the-record discussion.)

8 MR. KRUM: So I'll ask the court
9 reporter to mark as Exhibit 119 a multi-page
10 document bearing production numbers GA5325 through
11 35.

12 (Whereupon the document referred
13 to was marked Plaintiffs'
14 Exhibit 119 by the Certified
15 Shorthand Reporter and is attached
16 hereto.)

17 BY MR. KRUM:

18 **Q. Mr. McEachern, take such time as you**
19 **need to review Exhibit 119 and let me know when**
20 **you're ready to speak about it.**

21 A. Okay. Yep.

22 **Q. Do you recognize Exhibit 119?**

23 A. It -- they are minutes of a January 2015
24 board minute -- meeting.

25 **Q. Direct your attention, Mr. McEachern, to**

1 the text on the first page of Exhibit 119.

2 Between the two largest redacted stamps

3 it begins,

4 "Mr. McEachern moved the board to
5 approve the purchase of a directors
6 and officers insurance policy," so
7 forth and so on.

8 Do you see that?

9 A. Yes, I do.

10 Q. Is that correct, that you were the
11 person who made that motion?

12 A. It says it. And I presume so, yes.

13 Q. But do you recall whether you did?

14 A. No, I don't. But it says I did.

15 Q. Okay. Does that refresh your
16 recollection about whether you had a particular
17 interest in D and O insurance?

18 MR. SEARCY: Objection. Vague.

19 THE WITNESS: No. I merely moved a
20 motion to approve the purchase.

21 BY MR. KRUM:

22 Q. Is the fact that you moved the motion an
23 indication of nothing more than that you thought the
24 discussion was ready to be voted?

25 A. That is correct.

1 Q. Is that generally the case?

2 A. Yes.

3 Q. And of course that you supported it,
4 right, whatever the -- whatever it was?

5 A. Yes.

6 Q. Take a look at the second page of
7 Exhibit 119.

8 You'll see about three quarters of the
9 way down the page there's a sub head that reads
10 "director option grants."

11 Do you see that?

12 A. Yes, I do.

13 Q. Do you see in the next to last line it
14 indicates that you seconded that motion?

15 You don't recall -- do you see that?

16 A. Yes.

17 Q. You don't recall doing that, do you?

18 A. No, I don't.

19 Q. Okay. And that doesn't indicate
20 anything more than you supported it and were
21 prepared to have a vote?

22 A. Yes.

23 Q. I direct your attention to the top of
24 the third page of Exhibit 119.

25 You see that it's entitled "shareholder

1 meeting"?

2 A. Yes.

3 Q. You see it talks about Ellen Cotter
4 noting that the shareholder meeting would be
5 scheduled for May or June?

6 A. Yes, I do.

7 Q. And you recall that the shareholder
8 meeting actually did not occur until in or about
9 November of 2015, correct?

10 A. I know that it was later in the year,
11 yes.

12 Q. When was the first time you heard or
13 learned or were told that the RDI 2015 annual
14 shareholders meeting would not occur in May or June
15 2015?

16 A. I do not remember.

17 Q. Do you remember any particular
18 circumstances that account for why that did not
19 occur?

20 MR. SEARCY: Objection. Vague, lacks
21 foundation.

22 THE WITNESS: No, I do not.

23 BY MR. KRUM:

24 Q. Did you ever hear or learn or were you
25 ever told why the meeting was not going to proceed

1 in May or June of 2015?

2 A. Not that I recall.

3 Q. I direct your attention to the next sub
4 head on the third page of Exhibit 119. It's
5 entitled "delegated authority."

6 Do you see that?

7 A. Yes, I do.

8 Q. You see that the second paragraph
9 beneath that reads,

10 "The board discussed this proposed
11 delegation of authority and asked a
12 few questions, which Mr. Cotter
13 answered to their satisfaction."

14 Do you see that?

15 A. Yes, I do.

16 Q. And of course if you want to review the
17 prior paragraph to which it refers, let me know, but
18 do you recall there being a discussion at a board
19 meeting with respect to the scope of the C.E.O.'s
20 delegated authority and that following the
21 discussion the board approved what Mr. Cotter had
22 proposed?

23 MR. SEARCY: Objection. Vague.

24 THE WITNESS: I remember a discussion.
25 I remember that what we ended up with is not what

1 deemed to incorporate any changes of which the
2 parties have been properly notified pursuant to the
3 stipulation.

4 So that's the typical --

5 MR. SEARCY: All right. That sounds
6 good to me.

7 MR. NATION: Okay.

8 VIDEOTAPE OPERATOR: All right. And the
9 this concludes the deposition -- this concludes the
10 deposition of Mr. Douglas McEachern on May 6, 2016,
11 which consists of five media files.

12 The original media files will be
13 retained by Hutchings Litigation Services.

14 Off the video record at 5:54 P.M.

15

16 (Whereupon at 5:54 P.M. the
17 deposition proceedings were
18 concluded.)

19 * * *

20

21

22

23

24

25

EXHIBIT 13

1 Margaret G. Lodise, SBN 137560
Kenneth M. Glazier, SBN 57116
2 SACKS, GLAZIER, FRANKLIN & LODISE LLP
350 South Grand Avenue, Suite 3500
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Telephone: (213) 617-2950
4 Facsimile: (213) 617-9350

5 Attorneys for Ann Margaret Cotter and Ellen Cotter
6
7

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Superior Court of California
County of Los Angeles
FEB 05 2015
Sherril R. Carter, Executive Officer/Clerk
By: Betzaida F. Mendez, Deputy

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF LOS ANGELES, CENTRAL DISTRICT
10

11 In re

12 JAMES J. COTTER
13 LIVING TRUST dated August 1,
14 2000

CASE NO. BP **BP159755**

PETITION FOR ORDER
DETERMINING VALIDITY OF
TRUST AMENDMENT AND
FORGIVENESS OF LOAN
[Prob. C. § 17200(b)(1), (3)]

15 Date: **APR 1 2015**
16 Time: 8:30 AM
Dept: **9**

17 Petitioners Ann Margaret Cotter ("Margaret") and Ellen Cotter ("Ellen")
18 (collectively "Petitioners") petition this Court for an Order determining the validity of a
19 trust amendment and forgiveness of a loan, and allege as follows.

20 **JURISDICTION AND VENUE**

21 1. The Court has jurisdiction over this matter under Prob. C. §17000 (a) and
22 (b).

23 2. Venue is properly in Los Angeles County under Prob. C. §17005 as the
24 principal place of administration of the trust is Los Angeles County.

25 **PARTIES**

26 3. Petitioners are the daughters of James J. Cotter, Sr. ("James Sr.").
27 James Sr. passed away on September 13, 2014. James Sr. was a resident of Nevada at his
28 death.

1 4. In addition to Petitioners, James Sr. is survived by his son, James J. Cotter,
2 Jr. ("JR").

3 **BACKGROUND FACTS**

4 5. James Sr. was the former Chief Executive Officer, Chairman of the Board
5 and the controlling shareholder of Reading International Inc. ("RDI") and held numerous
6 real estate investments including, in particular, citrus farm operations in Fresno and
7 Tulare Counties. RDI is a publicly-traded company with two classes of stock; James Sr.
8 controlled over 70% of the voting shares and also owned a significant amount of non-
9 voting stock. Petitioner Ellen, RDI's Chief Operating Officer (for US cinemas), has been
10 an executive at RDI for over 17 years. In March 2013, Ellen was appointed to the Board
11 of Directors of RDI. Petitioner Margaret, who has been a long-time Board member of
12 RDI, has also been the head of RDI's live theater operations for 15 years and has been
13 heading up the day to day pre-development process and transition of RDI's New York
14 theater properties to major realty developments. Until 2013, when he was made President
15 of RDI, JR worked for the Cotter family citrus farm operations, and was a member of the
16 Board of RDI.

17 6. On or about August 1, 2000, James Sr. created the James J. Cotter Living
18 Trust ("Original Trust"). On May 17, 2006, James Sr. executed the First Amendment to
19 and Complete Restatement of the Original Trust. Between 2006 and 2013, James Sr.
20 made various partial amendments to the Original Trust.

21 7. In the spring of 2013, James Sr. was diagnosed with metastatic prostate
22 cancer. Because Margaret was pregnant at the time (with a high-risk pregnancy),
23 James Sr. did not share his diagnosis with Petitioners until the fall of 2013—after Margaret
24 had delivered her child. James Sr. also did share information concerning his cancer with
25 JR during the spring of 2013.

26 8. On June 5, 2013, James Sr. executed the 2013 Amendment to and Complete
27 Restatement of Declaration of Trust (the "2013 Trust"). A true and correct copy of the
28 2013 Trust is attached hereto as Exhibit A. The 2013 Trust provided for the following

1 distributions of James Sr.'s primary assets upon his death. First, the voting stock of RDI
2 would be distributed to a separate trust (the "RDI Voting Trust") for the benefit of
3 James Sr.'s grandchildren. Margaret and JR have children; Ellen does not. The sole
4 trustee of the RDI Voting Trust would be Margaret. Because James Sr.'s voting stock
5 controlled RDI, Margaret as Trustee of the RDI Voting Trust would have effective
6 control over RDI under the terms of the 2013 Trust. The 2013 Trust also expressed
7 James Sr.'s wish that Margaret would become the "chairperson" of RDI and that she
8 would support JR as President of RDI.

9 9. Second, the 2013 Trust provided that the citrus farm operations (which were
10 now defined as Cecilia Packing Corporation ("Cecilia"), James J. Cotter Management, an
11 interest in South Hill Partnership, and 1,700 acres in Tulare, Kern and Fresno Counties)
12 were to be divided equally among James Sr.'s three children. The 2013 Trust provided
13 for no further limitations or restrictions on what each child could do with his or her
14 respective interests in the citrus farm operations upon distribution. Importantly, JR had
15 used the citrus operations as a means of funding his lifestyle. For example, Cecilia
16 provided essentially free financing to JR to purchase citrus orchards in his own name.
17 Cecilia also provided JR with financial assistance, which was taken out of the citrus
18 operations, to purchase a Los Angeles residence. In addition, during the spring of 2014,
19 when JR allegedly was devoting all his time to running RDI, JR convinced James Sr. to
20 give JR a 10-year employment agreement to pay JR \$200,000 annually for serving as a
21 "director" of Cecilia. Obviously, the terms of the 2013 Trust would have allowed
22 Margaret and Ellen to put a stop to this conduct after James Sr.'s death and would have
23 put JR at great risk because Ellen and Margaret would control Cecilia by virtue of their
24 joint 2/3rds ownership.

25 10. Third, the 2013 Trust provided that the residue of James Sr.'s estate—as well
26 as his retirement benefits from RDI—would go to the James J. Cotter Foundation. Of
27 course, this donation would have provided a significant tax deduction for the Estate of
28 James Sr.

1 11. Fourth, the 2013 Trust provided that Margaret and Ellen would serve as the
2 trustees of the 2013 Trust after James Sr.'s death.

3 12. The documents described in paragraphs 6 through 11, above, were drafted
4 by attorneys at Gibson, Dunn & Crutcher and, later, by Charles A. Larson, a former
5 partner at Gibson, Dunn & Crutcher. Petitioners are informed and believe that all of the
6 pre-2014 estate planning documents were drafted by Charles Larson after he had spoken
7 directly with James Sr.

8 13. In November 2013, James Sr. finally informed Margaret and Ellen of his
9 medical diagnosis, at which time he told them about the seriousness of his condition.
10 Ellen promptly made arrangements to move to James Sr.'s apartment and she began
11 caring for him in mid-December 2013.

12 14. Although Charles Larson had been responsible for most of James Sr.'s prior
13 estate planning, James Sr. decided to change lawyers in early 2014. In February 2014,
14 James Sr. began working with Scot Kirkpatrick, an estate planning attorney in Atlanta, to
15 create a tax-advantaged estate plan. James Sr., Petitioners, and JR all attended a meeting
16 with Scot Kirkpatrick concerning James Sr.'s estate planning in or about February 2014.

17 15. In May and early June 2014, Scot Kirkpatrick corresponded with James Sr.
18 about proposed changes to James Sr.'s estate plan, including the need to revise the plan to
19 reflect James Sr.'s residence in Nevada. Based on these discussions, Kirkpatrick began
20 drafting a new trust to replace the 2013 Trust.

21 16. On June 9, 2014, James Sr. provided JR with a packet of documents which
22 included changes to James Sr.'s estate plan that James Sr. had been discussing with
23 Scot Kirkpatrick, as well as a copy of the 2013 Trust. Petitioners are informed and
24 believe that JR had not previously seen the 2013 Trust. Upon information and belief,
25 Petitioners allege that included in the packet was a draft amended and restated trust
26 prepared by Kirkpatrick which would have made changes to James Sr.'s estate plan that
27 were not favorable to JR.

28 //

1 17. Two days later, on June 11, 2014, JR arranged a dinner with James Sr. and
2 Margaret. James Sr. had received several hours of radium treatment earlier that day. At
3 the dinner, JR discussed James Sr.'s assets and urged James Sr. to take action to benefit
4 his grandchildren. JR also stated that Margaret and JR should both be co-trustees of the
5 RDI Voting Trust. (Under the then-current 2013 Trust, Margaret would be sole trustee of
6 the RDI Voting Trust.)

7 18. On or about June 14, 2014, James Sr. contacted Scot Kirkpatrick and said
8 that JR was pressuring him about his estate planning. In response to the call, Kirkpatrick
9 made changes to the draft amended and restated trust that he had sent to James Sr. the
10 week before. James Sr. and Kirkpatrick agreed that Kirkpatrick would travel to Los
11 Angeles on June 30 to meet with James Sr. to execute the new estate plan.

12 19. On June 16, 2014, James Sr. was admitted to the hospital after having
13 suffered a fall at his Los Angeles apartment. At the time of his hospital admission, there
14 was no determination as to what had caused his fall. James Sr.'s mental health had been
15 deteriorating over the preceding weeks. An initial neurological examine at the hospital
16 reported that James Sr. was unable to remember the month or to provide the name of the
17 hospital to which he had been admitted. Moreover, a neuropsychiatric evaluation of
18 James Sr. conducted on June 24, 2014 - - eight days after his admission - - concluded that
19 James Sr. had serious cognitive deficits, which deficits appear to have occurred in the
20 weeks immediately prior to June 24, 2014. The neuropsychiatric evaluation concluded
21 that James Sr. "experiences major cognitive compromise." Doctors ultimately concluded
22 that James Sr. had suffered a stroke.

23 20. On June 19, 2014 Kirkpatrick—who did not know that James Sr. had been
24 admitted to the hospital—sent a revised trust (the "Kirkpatrick Trust") to James Sr. for his
25 signature in anticipation of their June 30 meeting. Kirkpatrick believed the Kirkpatrick
26 Trust reflected the testamentary intent of James Sr. as expressed to Kirkpatrick over the
27 previous few weeks—prior to James Sr.'s hospitalization. James Sr. never had an
28 opportunity to sign the Kirkpatrick Trust.

1 21. Also, on June 19, 2014, less than a week prior to the June 24
2 neuropsychiatric evaluation which concluded that James Sr. had major cognitive
3 impairment, JR made his own arrangements to try to get James Sr. to amend the 2013
4 Trust in a manner favoring JR.

5 22. At 7:14 a.m. on June 19, 2014, JR sent Charles Larson (the estate planning
6 attorney that James Sr. had replaced with Scot Kirkpatrick) an email titled "Amendment,"
7 with an attached chart detailing various changes JR wanted made to the 2013 Trust.
8 Petitioners are informed and believe, and thereupon allege, that Charles Larson had had
9 no communication with James Sr. during the prior six months about changes to the Trust
10 (or anything else), and took all his instructions concerning the proposed amendment from
11 JR. Less than two hours later, at 9:03 a.m., Charles Larson emailed a draft amendment to
12 JR with a note saying, "let me know if this properly reflects his wishes *as you have*
13 *relayed them to me.*" [Emphasis added.] JR then brought the draft amendment he had just
14 received from Charles Larson to James Sr.'s hospital room, where Petitioner Margaret
15 was present. JR informed Margaret that Charles Larson had prepared the amendment
16 based on Larson's review of videos that JR had allegedly taken of James Sr. expressing
17 his desires for revisions to his estate plan. Upon information and belief, Petitioners
18 allege that JR never provided such videos to Larson, and that Larson simply relied on
19 instructions from JR. (When Margaret later asked Larson for such videos, Larson told her
20 that he had none.) JR explained to Margaret that he had asked Larson to draft the
21 amendment because Scot Kirkpatrick was "too slow" in preparing amendment
22 documents. JR further explained that the primary purpose of the amendment was to
23 provide that the residue of James Sr.'s estate would go to his three children rather than to
24 the Foundation—something that Margaret believed was consistent with James Sr.'s wishes.
25 Margaret was severely distressed about her father's condition and had not slept much the
26 previous three nights because she had stayed with her father in the hospital room. As a
27 result, Margaret merely scanned the proposed amendment. JR asked Margaret to try to
28 get James Sr. to sign the proposed amendment, since Margaret and JR both knew that

1 James Sr. would be reluctant to sign a document presented to him by JR. JR sat in a
2 corner of James Sr.'s hospital room, and (Margaret was subsequently informed)
3 surreptitiously videotaped the events on his iPhone. Margaret then read James Sr. a
4 bullet-point summary provided to her by JR of the terms of the proposed amendment.
5 When Margaret asked James Sr. to sign, he initially refused. Margaret then begged him
6 to sign because "otherwise everything would be going to the Foundation." After tears
7 were shed, James Sr. signed the amendment Charles Larson had drafted that morning at
8 JR's request (the "2014 Hospital Amendment"). The 2014 Hospital Amendment was
9 neither notarized nor witnessed by any third-party. A true and correct copy of the 2014
10 Hospital Amendment is attached hereto as Exhibit B.

11 23. Immediately after the 2014 Hospital Amendment was signed, JR took
12 possession of the document and left the hospital room. JR did not leave a copy of the
13 2014 Hospital Amendment with Margaret or with James Sr. Despite repeated requests
14 from Margaret to JR for a copy, Margaret did not see a copy of the 2014 Hospital
15 Amendment until nearly six weeks later, on August 29, 2014.

16 24. The 2014 Hospital Amendment made significant changes to the 2013 Trust,
17 changes which were different from the changes reflected in the draft Kirkpatrick Trust
18 which Scot Kirkpatrick had discussed directly with James Sr. First, the 2014 Hospital
19 Amendment made JR and Margaret co-trustees of the RDI Voting Trust instead of
20 Margaret being the sole trustee. The 2014 Hospital Amendment also provided that if JR
21 and Margaret could not agree in their capacities as co-trustees of the RDI Voting Trust,
22 voting control would alternate every year. This unconventional dispute resolution
23 mechanism had never appeared in any previous document relating to James SR's estate
24 planning. Suddenly, JR went from having zero voting power over RDI in the 2013 Trust
25 to having an effective veto right over any decisions relating to RDI in the 2014 Hospital
26 Amendment.

27 25. Second, the 2014 Hospital Amendment provided that the citrus operations
28 assets would go into a newly-created Cotter Citrus Trust ("Citrus Trust"), of which all

1 three children would serve as co-trustees. The 2014 Hospital Amendment also provided
2 that the citrus operations, which were the part of James Sr.'s business empire with which
3 JR had been most involved, should be maintained as a single business and that none of
4 the assets of the Citrus Trust could be disposed of unless the trustees agreed unanimously.
5 This marked a major change from the 2013 Trust, which had simply gifted the citrus
6 operations evenly to the three children without further restriction.

7 26. Third, the 2014 Hospital Amendment made multiple specific bequests of
8 property to be divided among the three children and also provided that the Trust residue
9 would go equally to the three children. In contrast, under the 2013 Trust, all the specific
10 bequest properties and the entire Trust residue would have gone to the Foundation.

11 27. Fourth, the 2014 Hospital Amendment added JR as a co-trustee of the Trust
12 along with Petitioners, a significant change since California law requires unanimous
13 trustee consent for action. Under the 2013 Trust, only the Petitioners were named as co-
14 trustees. As a result, the 2014 Hospital Amendment gave JR a veto power over trustee
15 decision-making.

16 28. The 2014 Hospital Amendment was not the only document JR arranged for
17 James Sr. to sign while James Sr. was in the hospital. Back in 2013, shortly after JR
18 learned of James Sr.'s cancer diagnosis, JR borrowed \$1.5 million from James Sr. to
19 purchase a home in Brentwood, California. While JR was supposed to pay interest on the
20 loan, upon information and belief, Petitioners allege that JR never paid any interest. On
21 June 9, 2014, James Sr., JR and Margaret were at James Sr.'s apartment when JR asked
22 James Sr. to sign a letter forgiving the \$1.5 million loan. James Sr. adamantly refused to
23 sign the loan forgiveness. But after James Sr. was hospitalized, JR was able to get James
24 Sr. to sign a note "forgiving" the \$1.5 million loan for no consideration.

25 29. Following the execution of the 2014 Hospital Amendment, James Sr.
26 purportedly signed a number of other documents specifically impacting the citrus
27 operations. After consultation with Charles Larson, JR informed Ellen and Margaret that
28 he was going to implement a plan to help save taxes regarding the citrus assets. The plan

1 required the execution of various legal documents, all of which are tainted. On July 21,
2 2014, a registration for Cotter Family Farms LLC was filed. On July 23, 2014, quitclaim
3 deeds for properties in Fresno and Tulare Counties were "signed" (with a signature
4 stamp) quitclaiming assets from James Sr. to his Trust. Upon information and belief,
5 Petitioners allege that JR used a stamp to mark James Sr.'s signature. These deeds were
6 ineffective, both because the statutory requirements for a stamp signature for James Sr.
7 were not met, and because the use of a signature stamp triggers special notarization rules
8 which were not followed. On July 25, 2014, an Operating Agreement for Cotter Family
9 Farms LLC was created with James Sr., as Trustee of the 2013 Trust, as the sole initial
10 member. The Cotter Family Farms LLC Agreement contains a schedule which indicates
11 that various properties were contributed by James Sr.'s Trust to the LLC.

12 30. On August 1, 2014, James Sr., purported to resign as Trustee of his Trust,
13 and Petitioners and JR took over as successor Co-Trustees, each signing a document
14 entitled "Acceptance of Co-Trustee James J. Cotter Living Trust." At the time of
15 Petitioners' signatures, neither of them had seen a copy of the 2014 Hospital Amendment.
16 Also on August 1, 2014, James Sr. executed a general power of attorney in favor of Ellen,
17 Margaret, and JR. On August 1, 2014, Ellen, Margaret, and JR, exercising their power of
18 attorney, then re-executed certain quitclaim deeds from James Sr. to the Trust.

19 31. On August 5, 2014, Petitioners and JR, acting in their capacities as
20 Co-Trustees, quitclaimed the Trust's interests in certain real properties in Fresno and
21 Tulare Counties to Cotter Family Farms, LLC.

22 32. On August 6, 2014, despite the fact that he purportedly had resigned as
23 Trustee of the Trust on August 1, 2014, James Sr. purportedly executed (via signature
24 stamp) a First Amendment to and Complete Restatement of Limited Liability Operating
25 Agreement for Cotter Family Farms LLC ("Amended LLC Agreement") in his capacity
26 as "Trustee of the James J. Cotter Living Trust dated August 1, 2000." While the
27 Amended LLC Agreement refers to additional assets contributed to the LLC by the Trust
28 in connection with the amendment, Petitioners are informed and believe that the

1 referenced schedule does not exist. The Amended LLC Agreement essentially purports to
2 give JR veto power over all decisions relating to the citrus operations. Moreover, while
3 the Amended LLC Agreement appoints Ellen, Margaret, and JR as co-managers over the
4 LLC, it prohibits them from taking salaries as "managers." Of course, JR had previously
5 signed with Cecilia an undisclosed 10-year employment agreement to pay him \$200,000 a
6 year as a "director," in violation of the corporate by-laws.

7 33. The Amended LLC Agreement purports to restrict severely disposition and
8 operation of the Trust's citrus assets. However, the Amended LLC Agreement cannot be
9 effective since the only signature on behalf of the Trust is James Sr.'s (stamped)
10 "signature" as "trustee" when he had "resigned" as the trustee days before—even assuming
11 he had capacity to sign (which he did not). Moreover, all of the purported transfers of
12 Trust assets to Cotter Family Farms, LLC, are ineffective because they all were
13 effectuated pursuant to documents that were tainted by James Sr.'s lack of capacity or
14 were a product of undue influence.

15 34. During August 2014, Petitioners began to come to terms with their father's
16 impending death and realized that they needed to pay more attention to their father's
17 estate planning and to evaluate and examine the actions taken by JR. Petitioners began to
18 ask JR for various documents. JR repeatedly refused to provide the requested documents
19 and grew increasingly hostile. Petitioners began to realize that they had been unwittingly
20 coopted into JR's plan to hijack James Sr.'s estate plan. Petitioners therefore stopped
21 cooperating with JR's plans and started investigating what had occurred over the previous
22 few months.

23 35. On September 13, 2014, James Sr. died.

24 36. James Sr.'s will had been executed in 2013, at the same time as the 2013
25 Trust. Significantly, the will was not changed at the time the 2014 Hospital Amendment
26 was signed. The will made Ellen and Margaret co-executors, not JR. The will has been
27 admitted to probate in Nevada, and Ellen and Margaret have been appointed as co-
28 executors.

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FIRST CAUSE OF ACTION

(Lack of Capacity)

37. Petitioners incorporate the allegations of Paragraphs 1 through 36 above.

38. At the time that James Sr. purported to execute the 2014 Hospital Amendment, he lacked the capacity to do so, lacking the knowledge and understanding necessary to understand the transactions into which he purportedly entered at that time.

39. The 2014 Hospital Amendment should be declared invalid due to James Sr.'s lack of capacity at the time of its execution.

40. At the time that James Sr. (a) purported to execute the loan forgiveness in favor of JR, (b) executed the Cotter Family Farms, LLC Agreement (and formed the entity), (c) executed a power of attorney on August 1, 2014, and (d) signed a resignation of trustee, he lacked the capacity to do so, lacking the knowledge and understanding necessary to understand the transactions into which he purportedly entered at that time. As a result, all of these documents as well as any subsequent documents signed pursuant to these documents should be declared invalid due to James Sr.'s lack of capacity.

SECOND CAUSE OF ACTION

(Undue Influence)

41. Petitioners incorporate the allegations of Paragraphs 1 through 36 and 38 through 40, above.

42. At the time James Sr. purported to execute the 2014 Hospital Amendment, he was subject to the undue influence of JR. JR was intimately involved in the drafting of the 2014 Hospital Amendment, having had the only communications with Charles Larson as the estate planning attorney to dictate the terms and conditions of the 2014 Hospital Amendment. JR brought the 2014 Hospital Amendment to James Sr.'s hospital room and caused him to execute the 2014 Hospital Amendment. As James Sr.'s son, JR was in a confidential relationship with James Sr., and JR unduly benefitted from the document in that it put JR into a position of control over the RDI Voting Trust (as opposed to his prior lack of a role); put JR in a position of control over the Citrus Trust, by designating him as

1 a co-trustee with his sisters, rather than providing for outright distribution; provided that
2 the residue of the property would be distributed to JR and to his siblings, rather than to
3 the Foundation established by James Sr.; and included JR as a co-trustee of the Trust
4 (which in California would require unanimous action of trustees).

5 43. Given that JR was in a confidential relationship, participated in the drafting
6 of the 2014 Hospital Amendment, and unduly benefitted from the 2014 Hospital
7 Amendment, the 2014 Hospital Amendment was the subject of undue influence and
8 should be overturned.

9 44. As James Sr. had no role in the drafting of the 2014 Hospital Amendment
10 and did not even review the 2014 Hospital Amendment before it was signed, the entire
11 2014 Hospital Amendment is tainted by undue influence and must be overturned.

12 45. At the time James Sr. executed the forgiveness of the \$1.5 million loan to
13 JR, he was similarly subject to the undue influence of JR. James Sr. had refused to
14 forgive the loan just days before. The transaction unduly benefits JR by permitting him to
15 keep \$1.5 million of James Sr.'s money and imposes a large gift tax obligation on the
16 2013 Trust as well as depriving the Estate of an asset with which to pay taxes. JR
17 prepared the instrument that purported to forgive the loan. At the time of its execution,
18 JR was in a confidential relationship with James Sr. As a result, the forgiveness of the
19 \$1.5 million loan should be set aside.

20 THIRD CAUSE OF ACTION

21 (Fraud)

22 46. Petitioners incorporate the allegations of Paragraphs 1 through 36, 38
23 through 40, and 42 through 45, above.

24 47. Petitioners were harmed because JR misrepresented to Margaret the
25 circumstances under which the 2014 Hospital Amendment had been created.
26 Specifically, JR misrepresented to Margaret that the 2014 Hospital Amendment was
27 created by Charles Larson based on his review of videotapes of James Sr. expressing his
28 desires for revisions to his estate plan. This representation was false because Larson did

1 not rely on any such videotapes and never communicated with James Sr. regarding the
2 2014 Hospital Amendment. In fact, Larson simply relied on JR's instructions about what
3 to include in the 2014 Hospital Amendment. JR knew these representations to Margaret
4 were false when he made them and made the misrepresentations with the intent to deceive
5 Margaret. JR further omitted to tell Margaret that he gave Larson the instructions as to
6 what to include in the 2014 Hospital Amendment, and made this material omission with
7 the intent to deceive Margaret. JR knew that Margaret would not ask James Sr. to sign a
8 trust instrument unless she believed that it reflected James Sr.'s true desires.

9 48. As their brother, JR had a duty not to make misrepresentations or material
10 omissions to Petitioners.

11 49. The misrepresentations of fact and material omissions by JR were likely to
12 and did in fact mislead Margaret into convincing James Sr. to sign the 2014 Hospital
13 Amendment, which he would not have signed if JR alone had asked him to sign.
14 Margaret took action in reliance on JR's statements and omissions, and was ignorant of
15 their falsity at the time.

16 50. Petitioners were proximately harmed by JR's misstatements because the
17 misstatements directly led to James Sr.'s signing the 2014 Hospital Amendment, which
18 significantly harms Petitioners. As a result of the above fraud, the 2014 Hospital
19 Amendment should be declared void because it is the product of fraud. Alternatively,
20 Petitioners seek recovery of actual damages. The above described acts by JR were willful,
21 wanton, malicious, and oppressive, were undertaken with the intent to defraud, and justify
22 the awarding of exemplary and punitive damages.

23 NOTICE

24 51. The following persons are entitled to notice of this petition.

25 Ann Margaret Cotter

26 Ellen Marie Cotter

27 James J. Cotter, Jr.

28 Gerard Cotter

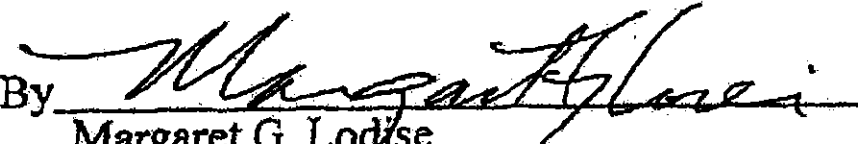
1 Victoria Heinrich
2 Susan Heierman
3 Eva Baragon
4 Mary Cotter
5 Duffy James Drake Cotter
6 Margot James Drake Cotter
7 Sophia I. Cotter
8 Brook E. Cotter
9 James J. Cotter
10 James J. Cotter Foundation

11 WHEREFORE, Petitioner prays for an order of this Court:

- 12 1. Determining that the 2014 Hospital Amendment is invalid;
13 2. Determining that the James Sr.'s forgiveness of the \$1.5 million loan to JR
14 is invalid;
15 3. Double damages pursuant to California Code Section 849;
16 4. Actual and punitive damages according to proof;
17 5. Awarding Petitioners their fees and costs of suit; and
18 6. Granting such other and further relief as this Court deems proper.

19
20 DATED: February 5, 2015

SACKS, GLAZIER, FRANKLIN & LODISE LLP

21 By 
22 Margaret G. Lodise
23 Attorneys for Ann Margaret Cotter and
24 Ellen Cotter
25
26
27
28

VERIFICATION

I have read the foregoing PETITION FOR ORDER DETERMINING
VALIDITY OF TRUST AMENDMENT AND FORGIVENESS OF LOAN and I
know its contents.

I am a party to this action. The matters stated in the foregoing document are
true of my own knowledge except as to those matters which are stated on information and
belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that
the foregoing is true and correct.

Executed on February 5, 2015, at New York, New York
California.


Ann Margaret Cotter

VERIFICATION

I have read the foregoing PETITION FOR ORDER DETERMINING
VALIDITY OF TRUST AMENDMENT AND FORGIVENESS OF LOAN and I
know its contents.

I am a party to this action. The matters stated in the foregoing document are
true of my own knowledge except as to those matters which are stated on information and
belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that
the foregoing is true and correct.

Executed on February 5, 2015, at New York, New York, California.


Ann Margaret Cotter

EXHIBIT 14

8-K 1 rdi-20160315x8k.htm 8-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 10, 2016

Reading International, Inc.
(Exact name of registrant as specified in its charter)

<u>Nevada</u>	<u>1-8625</u>	<u>95-3885184</u>
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
<u>6100 Center Drive, Suite 900, Los Angeles, California</u>	<u>90045</u>	
(Address of principal executive offices)	(Zip Code)	

Registrant's telephone number, including area code: (213) 235-2240

Not applicable.
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.**New Compensatory Arrangements for Executive and Management Employees**

See Item 5.02 below with respect to certain new compensation arrangements for executive and management employees and outside directors of Reading International, Inc. ("Reading," "Registrant" or the "Company").

Amendment to 2010 Stock Incentive Plan

On March 10, 2016, Reading's Board of Directors approved an amendment to the 2010 Stock Incentive Plan to permit the award of restricted stock units.

The foregoing description of the amendment to the 2010 Stock Incentive Plan is qualified in its entirety by reference to the provisions of the amendment to the 2010 Stock Incentive Plan as exhibit 10.1 to this Current Report on Form 8-K, which is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**Item 5.02 (c)****Andrzej Matyczynski**

On March 10, 2016, the Company's Board of Directors (the "Board") appointed Andrzej Matyczynski, 63, as Executive Vice President—Global Operations.

From May 11, 2015 until March 10, 2016, Andrzej Matyczynski has acted as corporate advisor to the Company. Mr. Matyczynski served as our Chief Financial Officer and Treasurer from November 1999 until May 11, 2015 and Corporate Secretary from May 10, 2011 to October 20, 2014. Prior to joining our Company, he spent 20 years in various senior roles throughout the world at Beckman Coulter Inc., a U.S. based multi-national. Mr. Matyczynski earned a Master's Degree in Business Administration from the University of Southern California.

See Item 5.02(e) below with respect to the compensation arrangements for Mr. Matyczynski.

Margaret Cotter

On March 10, 2016, the Board appointed Margaret Cotter, 48, as Executive Vice President-Real Estate Management and Development-NYC.

Margaret Cotter has been a Director of the Company since September 27, 2002, and on August 7, 2014 was appointed Vice Chairperson of our Board. Ms. Cotter is the owner and President of OBI, LLC ("OBI"), which has, since 2002, managed our live-theater operations. Pursuant to the OBI management arrangement, Ms. Cotter also served as the President of Liberty Theaters, LLC, the subsidiary through which we own our live theaters. Operating and overseeing these properties for over 16 years, Ms. Cotter contributes to the strategic direction for our developments. Until her appointment on March 10, 2016, while she received management fees through OBI, Ms. Cotter received no compensation for her duties as President of Liberty Theaters, LLC, other than the right to participate in our Company's medical insurance program. Ms. Cotter, through OBI and Liberty Theaters, LLC, managed the real estate which houses each of our four live theaters in Manhattan and Chicago. Based in New York, Ms. Cotter secures leases, manages tenancies, oversees maintenance and regulatory compliance of these properties and heads up the re-development process with respect to these properties and our Cinemas 1, 2 & 3 property. Ms. Cotter is also a theatrical producer who has produced shows in Chicago and New York and a board member of the League of Off-Broadway Theaters and Producers. Ms. Cotter, a former Assistant District Attorney for King's County in Brooklyn, New York, graduated from Georgetown University and Georgetown University Law Center. She is the sister of Ellen M. Cotter, a director and our President and Chief Executive Officer, and James J. Cotter, Jr., a director. Ms. Margaret Cotter is a Co-Executor of her father's estate, which is the record owner of 427,808 shares of our Class B Voting Stock (representing 25.5% of such Class B voting Stock). Ms. Margaret Cotter is also a Co-Trustee of the James J. Cotter, Sr. Trust, which is the record owner of 696,080 shares of Class B Voting Common Stock (representing an additional 44.0% of such Class B Stock). In addition, with her direct ownership of 804,173 shares of Class A Stock and 35,100 shares of Class B Stock and her positions as Co-Executor of her father's estate and Co-Trustee of the James J. Cotter, Sr. Trust, Ms. Cotter is a significant stockholder in our Company.

In connection with her appointment and employment as Executive Vice President of the Company, the Company's Audit and Conflicts Committee authorized the mutual termination of the Theater Management Agreement dated January 1, 2002, between the Company's subsidiary, Liberty Theaters, Inc. (predecessor to Liberty Theaters, LLC) and OBI, LLC, an entity wholly-owned by Ms. Cotter, (the "Theater Management Agreement"). The termination agreement is currently being negotiated by OBI, LLC and Liberty Theaters, LLC and finalized, will be filed on Form 8-K. While Ms. Cotter is the President of Liberty Theaters, LLC, Liberty Theaters, LLC is being separately represented in these negotiations and the final termination agreement will be subject to the review and approval of our Audit and Conflicts Committee.

The Compensation Committee and the Audit and Conflicts Committee each approved additional consulting fee compensation to Margaret Cotter totaling \$200,000 for services rendered by her to the Company in recent years outside of the scope of the Theater Management Agreement, including, but not limited to: (i) predevelopment work on the Company's Union Square and Cinemas 1, 2 & 3 properties, (ii) management of the New York properties, and (iii) management of Union Square tenant matters. The Compensation Committee also noted, when considering this additional consulting fee, that OBI, LLC had agreed to include as a part of its termination agreement with the Company certain waivers and releases including the termination of any rights it might have to receive compensation with

respect to any show continuing at any of our theaters after the date of such termination.

The Theater Management Agreement generally provided for the payment of a combination of fixed and incentive fees for the management of our four live theaters. Historically, these fees have equated to approximately 21% of the net cash flow generated by these properties. We currently estimate that fees to be paid to OBI for 2015 will be approximately \$390,000. We paid \$397,000 and \$401,000 in fees with respect to 2014, and 2013, respectively. We also reimbursed OBI for certain travel expenses.

As Executive Vice-President Real Estate Management and Development - NYC, Ms. Cotter will continue to be responsible for the management of our live theater assets and business, will continue her role heading up the pre-redevelopment of our New York Properties and will become our senior executive responsible for the actual redevelopment of our New York properties.

Ms. Cotter's compensation as Executive Vice-President was set as part of the extensive executive compensation process described in Item 5.02(e) below. For 2016, Ms. Cotter's base salary will be \$350,000, she will have a short term incentive target bonus opportunity of \$105,000 (30% of her base salary), and she was granted a long term incentive of a stock option for 19,921 shares of Class A common stock and 4,184 restricted stock units under the Company's 2010 Stock Incentive Plan, as amended, which long term incentives vest over a four year period.

Item 5.02(e)

Compensation Arrangements

Background

The Executive Committee ("Executive Committee") of the Board of Directors (the "Board"), upon the recommendation of our Chief Executive Officer, requested the Compensation Committee to evaluate the Company's compensation policy for executive officers and outside directors and to establish a plan that encompasses sound corporate practices consistent with the best interests of the Company. The Compensation Committee undertook to review, evaluate, revise and recommend the adoption of new compensation arrangements for executive and management officers and outside directors of the Company. In January 2016, the Compensation Committee retained the international compensation consulting firm of Willis Towers Watson as its advisor in this process and also relied on the Company's legal counsel, Greenberg Traurig, LLP.

Going forward, the Board of Directors has adopted a formal charter for our Compensation Committee a copy of which has been posted on our website, www.ReadingRDI.com.

Executive Compensation

From late January to late February 2016, the Compensation Committee met five separate times with Willis Towers Watson, the Chief Executive Officer, and legal counsel. Except for the first meeting, each meeting exceeded three hours and was fully focused on the assessments

EXHIBIT 15

Filed Separately Under Seal

pp. 1487-1491 Filed Under Seal

EXHIBIT 16

ORIGINAL

FL-150

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): William P. Glavin, Esq., SBN: 138132 Law Offices of William P. Glavin 841 Apollo Street, Suite 450 El Segundo, CA 90245 TELEPHONE NO.: (310) 882-0000 E-MAIL ADDRESS (Optional): ATTORNEY FOR (Name): Petitioner, Guy W. Adams		FOR COURT USE ONLY FILED Superior Court of California County of Los Angeles OCT 09 2013 John A. Clarke, Executive Officer/ Clerk By, <i>K. Sells</i> , Deputy
SUPERIOR COURT OF CALIFORNIA, COUNTY OF Los Angeles STREET ADDRESS: 111 North Hill Street MAILING ADDRESS: 111 North Hill Street CITY AND ZIP CODE: Los Angeles, CA 90012 BRANCH NAME: Central District		CASE NUMBER: 30590599
PETITIONER/PLAINTIFF: Guy W. Adams RESPONDENT/DEFENDANT: Lois M. Kwasigroch OTHER PARENT/CLAIMANT:		
INCOME AND EXPENSE DECLARATION		

1. Employment (Give information on your current job or, if you're unemployed, your most recent job.)

Attach copies
of your pay
stubs for last
two months
(black out
social
security
numbers).

- Employer: GWA Advisors, LLC
- Employer's address: 433 No. Camden Drive, Suite 810, Beverly Hills, CA 90210
- Employer's phone number: (310) 385-1951
- Occupation: Investment Advisor
- Date job started: November 2002
- If unemployed, date job ended:
- I work about 25 - 40 hours per week.
- I get paid \$ 5,000 gross (before taxes) ☒ per month ☐ per week ☐ per hour.

(If you have more than one job, attach an 8 1/2-by-11-inch sheet of paper and list the same information as above for your other jobs. Write "Question 1—Other Jobs" at the top.)

2. Age and education

- My age is (specify): 62
- I have completed high school or the equivalent: ☒ Yes ☐ No (If no, highest grade completed (specify):
- Number of years of college completed (specify): 4 ☒ Degree(s) obtained (specify):
- Number of years of graduate school completed (specify): 2 ☒ Degree(s) obtained (specify):
- I have: ☐ professional/occupational license(s) (specify):
☐ vocational training (specify):

3. Tax information

- ☒ I last filed taxes for tax year (specify year): 2012
- My tax filing status is ☐ single ☐ head of household ☐ married, filing separately
☒ married, filing jointly with (specify name): Lois M. Kwasigroch
- I file state tax returns in ☒ California ☐ other (specify state):
- I claim the following number of exemptions (including myself) on my taxes (specify): 1
- Other party's income. I estimate the gross monthly income (before taxes) of the other party in this case at (specify): \$61,836/mo.
This estimate is based on (explain): W-2 for 2012 shows \$742,035

(If you need more space to answer any questions on this form, attach an 8 1/2-by-11-inch sheet of paper and write the question number before your answer.) Number of pages attached: _____

I declare under penalty of perjury under the laws of the State of California that the information contained on all pages of this form and any attachments is true and correct.

Date: October 7, 2013

Guy W. Adams
(TYPE OR PRINT NAME)

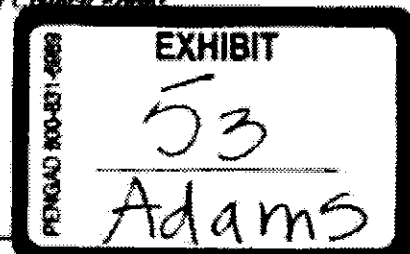
(SIGNATURE OF DECLARANT)

Form Adopted for Mandatory Use
Judicial Council of California
FL-150 (Rev. January 1, 2007)

INCOME AND EXPENSE DECLARATION

Page 1 of 4
Family Code, §§ 2070-2072,
2100-2113, 3552, 3620-3634,
4050-4076, 4300-4339
www.courtinfo.ca.gov

LexisNexis & Automated California Judicial Council Forms



JCC00014094954
247

- Attach copies of your pay stubs for last two months (black out social security numbers).

- a. Employer: GWA Advisors, LLC
b. Employer's address: 433 No. Camden Drive, Suite 810, Beverly Hills, CA 90210
c. Employer's phone number: (310) 385- 1951
d. Occupation: Investment Advisor
e. Date job started: November 2002
f. If unemployed, date job ended:
g. I work about 25 - 40 hours per week.
h. I get paid \$ 5,000 gross (before taxes) ☒ per month ☐ per week ☐ per hour.

(If you have more than one job, attach an 8½-by-11-inch sheet of paper and list the same information as above for your other jobs. Write "Question 1—Other Jobs" at the top.)

- a. My age is (specify): 62
- b. I have completed high school or the equivalent: ☒ Yes ☐ No If no, highest grade completed (specify):
- c. Number of years of college completed (specify): 4 ☒ Degree(s) obtained (specify):
- d. Number of years of graduate school completed (specify): 2 ☒ Degree(s) obtained (specify):
- e. I have: ☐ professional/occupational license(s) (specify):
☐ vocational training (specify):

- a. ☒ I last filed taxes for tax year (specify year): 2012
- b. My tax filing status is ☐ single ☐ head of household ☐ married, filing separately
☒ married, filing jointly with (specify name): Lois M. Kwanaigroch
- c. I file state tax returns in ☒ California ☐ other (specify state):
- d. I claim the following number of exemptions (including myself) on my taxes (specify):

4. Other party's income. I estimate the gross monthly income (before taxes) of the other party in this case at (specify): \$61,836/mo. This estimate is based on (explain): W-2 for 2012 shows \$742,035

(If you need more space to answer any questions on this form, attach an 8½-by-11-inch sheet of paper and write the question number before your answer.) Number of pages attached: _____

I declare under penalty of perjury under the laws of the State of California that the information contained on all pages of this form and any attachments is true and correct.

Guy W. Adams
(TYPE OR PRINT NAME)

[Signature]
DIRECTOR OF SURVEILLANCE

Form Adopted by Ministry (the
Judicial Council) of October
FL-400 (Rev. January 1, 2007)

INCOME AND EXPENSE DECLARATION

Family Code, §§ 2000-2002;
 2000-2003, 2004, 2005-2006;
 2006-2007, 2008-2009;
 2009-2010, 2011-2012;
 2012-2013, 2014-2015;
 2015-2016, 2017-2018;
 2018-2019, 2020-2021;
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 2357-2358, 2359-2360;
 2360-2361, 2362-2363;
 2363-2364, 2365-2366;
 2366-2367, 2368-2369;
 2369-2370, 2371-2372;
 2372-2373, 2374-2375;
 2375-2376, 2377-2378;
 2378-2379, 2380-2381;
 2381-2382, 2383-2384;
 2384-2385, 2386-2387;
 2387-2388, 2389-2390;
 2390-2391, 2392-2393;
 2393-2394, 2395-2396;
 2396-2397, 2398-2399;
 2399-2400, 2401-2402;
 2402-2403, 2404-2405;
 2405-2406, 2407-2408;
 2408-2409, 2410-2411;
 2411-2412, 2413-2414;
 2414-2415, 2416-2417;
 2417-2418, 2419-2420;
 2420-2421, 2422-2423;
 2423-2424, 2425-2426;
 2426-2427, 2428-2429;
 2429-2430, 2431-2432;
 2432-2433, 2434-2435;
 2435-2436, 2437-2438;
 2438-2439, 2440-2441;
 2441-2442, 2443-2444;
 2444-2445, 2446-2447;
 2447-2448, 2449-2450;
 2450-2451, 2452-2453;
 2453-2454, 2455-2456;
 2456-2457, 2458-2459;
 2459-2460, 2461-2462;
 2462-2463, 2464-2465;
 2465-2466, 2467-2468;
 2468-2469, 2470-2471;
 2471-2472,

PETITIONER/PLAINTIFF: Guy W. Adams	CASE NUMBER:
RESPONDENT/DEFENDANT: Lois M. Kwasigroch	
OTHER PARENT/CLAIMANT:	

Attach copies of your pay stubs for the last two months and proof of any other income. Take a copy of your latest federal tax return to the court hearing. (Black out your social security number on the pay stub and tax return.)

5. Income (For average monthly, add up all the income you received in each category in the last 12 months and divide the total by 12)
- | | Last month | Average monthly |
|--|------------|-----------------|
| a. Salary or wages (gross, before taxes) | \$ 8,472* | 8,472* |
| b. Overtime (gross, before taxes) | \$ 0 | 0 |
| c. Commissions or bonuses | \$ 2,083* | 2,083* |
| d. Public assistance (for example: TANF, SSI, GA/GR) <input type="checkbox"/> currently receiving | \$ 0 | 0 |
| e. Spousal support <input type="checkbox"/> from this marriage <input type="checkbox"/> from a different marriage | \$ 0 | 0 |
| f. Partner support <input type="checkbox"/> from this domestic partnership <input type="checkbox"/> from a different domestic partnership | \$ 0 | 0 |
| g. Pension/retirement fund payments | \$ 0 | 0 |
| h. Social security retirement (not SSI) | \$ 0 | 0 |
| i. Disability: <input type="checkbox"/> Social security (not SSI) <input type="checkbox"/> State disability (SDI) <input type="checkbox"/> Private insurance | \$ 0 | 0 |
| j. Unemployment compensation | \$ 0 | 0 |
| k. Workers' compensation | \$ 0 | 0 |
| l. Other (military BAQ, royalty payments, etc.) (specify): | \$ 0 | 0 |
6. Investment Income (Attach a schedule showing gross receipts less cash expenses for each piece of property.)
- | | | |
|---------------------------------|------|---|
| a. Dividends/interest | \$ 0 | 0 |
| b. Rental property income | \$ 0 | 0 |
| c. Trust income | \$ 0 | 0 |
| d. Other (specify): | \$ 0 | 0 |

(*) See Attachment 9

7. Income from self-employment, after business expenses for all businesses. \$ 4,667 2,011*
- I am the ☒ owner/sole proprietor ☐ business partner ☐ other (specify):
- Number of years in this business (specify): 11
- Name of business (specify): GWA Capital Partners, LLC and GWA Advisors, LLC
- Type of business (specify): Investment Manager and Investment Advisor

Attach a profit and loss statement for the last two years or a Schedule C from your last federal tax return. Black out your social security number. If you have more than one business, provide the information above for each of your businesses.

See Attached Exhibit 1

8. ☐ Additional Income. I received one-time money (lottery winnings, inheritance, etc.) in the last 12 months (specify source and amount):
9. ☒ Change in income. My financial situation has changed significantly over the last 12 months because (specify):
- See Attachment 9 (Exhibit 2)

10. Deductions
- | | Last month |
|---|------------|
| a. Required union dues | \$ 0 |
| b. Required retirement payments (not social security, FICA, 401(k), or IRA) | \$ 0 |
| c. Medical, hospital, dental, and other health insurance premiums (total monthly amount) | \$ 0 |
| d. Child support that I pay for children from other relationships | \$ 0 |
| e. Spousal support that I pay by court order from a different marriage | \$ 0 |
| f. Partner support that I pay by court order from a different domestic partnership | \$ 0 |
| g. Necessary job-related expenses not reimbursed by my employer (attach explanation labeled "Question 10g") | \$ 0 |

11. Assets
- | | Approx. | Total |
|---|--------------|-----------|
| a. Cash and checking accounts, savings, credit union, money market, and other deposit accounts | \$ 96,000 | 96,000 |
| b. Stocks, bonds, and other assets I could easily sell | \$ 243,000 | 243,000 |
| c. All other property, <input checked="" type="checkbox"/> real and <input checked="" type="checkbox"/> personal (estimate fair market value minus the debts you owe) | \$ 2,802,798 | 2,802,798 |

PETITIONER/PLAINTIFF: Guy W. Adams RESPONDENT/DEFENDANT: Lois M. Kwasigroch OTHER PARENT/CLAIMANT:	CASE NUMBER:
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12. The following people live with me: During Marriage

Name	Age	How the person is related to me? (ex: son)	That person's gross monthly income	Pays some of the household expenses?
a. Lois M. Kwasigroch		Wife	61,836	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
b.				<input type="checkbox"/> Yes <input type="checkbox"/> No
c.				<input type="checkbox"/> Yes <input type="checkbox"/> No
d.				<input type="checkbox"/> Yes <input type="checkbox"/> No
e.				<input type="checkbox"/> Yes <input type="checkbox"/> No

See Exhibit 3 (Combined Expenses/Spending)

13. Average monthly expenses ☐ Estimated expenses ☐ Actual expenses ☐ Proposed needs

- a. Home:
- (1) ☐ Rent or ☐ mortgage... \$ _____
- If mortgage:
- (a) average principal: \$ _____
- (b) average interest: \$ _____
- (2) Real property taxes... \$ _____
- (3) Homeowner's or renter's insurance (if not included above)... \$ _____
- (4) Maintenance and repair... \$ _____
- b. Health-care costs not paid by insurance... \$ _____
- c. Child care... \$ _____
- d. Groceries and household supplies... \$ _____
- e. Eating out... \$ _____
- f. Utilities (gas, electric, water, trash)... \$ _____
- g. Telephone, cell phone, and e-mail... \$ _____
- h. Laundry and cleaning... \$ _____
- i. Clothes... \$ _____
- j. Education... \$ _____
- k. Entertainment, gifts, and vacation... \$ _____
- l. Auto expenses and transportation (insurance, gas, repairs, bus, etc.)... \$ _____
- m. Insurance (life, accident, etc.; do not include auto, home, or health insurance)... \$ _____
- n. Savings and investments... \$ _____
- o. Charitable contributions... \$ _____
- p. Monthly payments listed in item 14 (itemize below in 14 and insert total here)... \$ _____
- q. Other (specify):... \$ _____
- r. TOTAL EXPENSES (a-q) (do not add in the amounts in a(1)(a) and (b)) \$ _____
- s. Amount of expenses paid by others \$ _____

14. Installment payments and debts not listed above

Paid to	For	Amount	Balance	Date of last payment
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	

15. Attorney fees (This is required if either party is requesting attorney fees.):

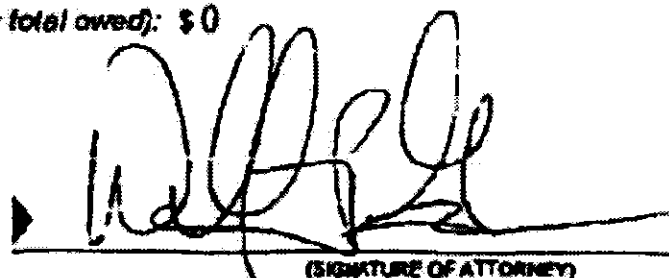
- a. To date, I have paid my attorney this amount for fees and costs (specify): \$ 10,000
- b. The source of this money was (specify): Savings account.
- c. I still owe the following fees and costs to my attorney (specify total owed): \$ 0
- d. My attorney's hourly rate is (specify): \$ 450/hr

I confirm this fee arrangement.

Date: October 7, 2013

William P. Glavin

(TYPE OR PRINT NAME OF ATTORNEY)



(SIGNATURE OF ATTORNEY)

PETITIONER/PLAINTIFF: Guy W. Adams	CASE NUMBER:
RESPONDENT/DEFENDANT: Lois M. Kwasigroch	
OTHER PARENT/CLAIMANT:	

CHILD SUPPORT INFORMATION

(NOTE: Fill out this page only if your case involves child support.)

16. Number of children

- a. I have (specify number): 0 children under the age of 18 with the other parent in this case.
- b. The children spend _____ percent of their time with me and _____ percent of their time with the other parent.
(If you're not sure about percentage or it has not been agreed on, please describe your parenting schedule here.)

17. Children's health-care expenses

- a. ☐ I do ☐ I do not have health insurance available to me for the children through my job.
- b. Name of insurance company:
- c. Address of insurance company:
- d. The monthly cost for the children's health insurance is or would be (specify): \$
(Do not include the amount your employer pays.)

18. Additional expenses for the children in this case

Amount per month

- a. Child care so I can work or get job training. \$ _____
- b. Children's health care not covered by insurance. \$ _____
- c. Travel expenses for visitation. \$ _____
- d. Children's educational or other special needs (specify below): \$ _____

19. Special hardships. I ask the court to consider the following special financial circumstances (attach documentation of any item listed here, including court orders):

Amount per month

For how many months?

- a. Extraordinary health expenses not included in 18b. \$ _____
- b. Major losses not covered by insurance (examples: fire, theft, other insured loss) \$ _____
- c. (1) Expenses for my minor children who are from other relationships and are living with me. \$ _____
- (2) Names and ages of those children (specify):

(3) Child support I receive for those children. \$ _____

The expenses listed in a, b, and c create an extreme financial hardship because (explain):

20. Other information I want the court to know concerning support in my case (specify):
Moving into my rental apartment and furnishing it, I spent over \$15,000.

Exhibit 1

**Attachment No. 9 and GWA Consulting Income Schedule
(Exhibit 1)**

The attached schedule reflects my change in income. I no longer receive an income from Mercer (Column C) and included in my average monthly income Line 5(a), page 2, is a one time fee that I will not receive in the future and is not indicative of my regular/average income.

9. Change in Income.

Column A - is "at will" on a monthly basis

Column B - is "at will" and is on a short-term basis that can end abruptly

Column C - This income ended May 31, 2013

Column D - This income was a one-time fee. No further compensation is expected from this source.

GWA Consulting Income
9/1/2012 through 8/31/2013

Column	Column	Column	Column	TOTAL
A	B	C	D	
JJC Farms	Tiedeman	Mercer	Captive Ins.	Amount
\$48,000	\$8,000	\$45,667	\$25,000	\$126,667
4,000	667	3,806	2,083	10,556
TOTAL INCOME				
Per Month				
Total Expenses LTM				
Total Expenses LTM				
TOTAL BUSINESS EXPENSES				
Per Mo				
LTM Net Income				
Per Mo				