

IN THE SUPREME COURT OF THE STATE OF NEVADA

MARGARET COTTER, ELLEN
COTTER, GUY ADAMS,
EDWARD KANE; DOUGLAS
MCEACHERN, JUDY, CODDING,
AND MICHAEL WROTNIAK.,

Petitioners,

v.

THE EIGHTH JUDICIAL
DISTRICT COURT OF THE
STATE OF NEVADA, IN AND
FOR THE COUNTY OF CLARK,
AND THE HONORABLE
ELIZABETH GONZALEZ,
DISTRICT JUDGE, DEPT. 11,

Respondents,

JAMES J. COTTER, JR.
INDIVIDUALLY AND
DERIVATIVELY ON BEHALF
OF, READING
INTERNATIONAL, INC.,
Real Parties in Interest,

Electronically Filed
Feb 07 2017 10:58 a.m.
Elizabeth A. Brown
Clerk of Supreme Court

Supreme Court Case No.: 72261

Dist. Ct. Case No.: A-15-719860-B,
jointly administered with
Case No. P 14-082942-E and
Case No. A-16-735305-B

**RDI'S APPENDIX IN SUPPORT
OF JOINDER TO THE
PETITION FOR WRIT OF
PROHIBITION OR, IN THE
ALTERNATIVE, MANDAMUS**

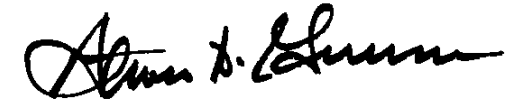
VOLUME I

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**APPENDIX
JOINDER TO WRIT PETITION
VOLUME I
PGS. 1-175**

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CLERK OF THE COURT

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9 PARTNERS MANAGEMENT, LP, a Delaware
limited partnership, doing business as KASE
10 CAPITAL MANAGEMENT; T2 ACCREDITED
FUND, LP, a Delaware limited partnership, doing
11 business as KASE FUND; T2 QUALIFIED
FUND, LP, a Delaware limited partnership, doing
12 business as KASE QUALIFIED FUND; TILSON
OFFSHORE FUND, LTD, a Cayman Islands
13 exempted company; T2 PARTNERS
MANAGEMENT I, LLC, a Delaware limited
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MANAGEMENT; T2 PARTNERS
15 MANAGEMENT GROUP, LLC, a Delaware
limited liability company, doing business as
16 KASE GROUP; JMG CAPITAL
MANAGEMENT, LLC, a Delaware limited
17 liability company; PACIFIC CAPITAL
MANAGEMENT, LLC, a Delaware limited
18 liability company,

19 Derivatively On Behalf of Reading International,
Inc.

20

21 DISTRICT COURT

22 CLARK COUNTY, NEVADA

23 JAMES J. COTTER, JR., individually and
derivatively on behalf of Reading
24 International, Inc.

25 Plaintiff,

26 vs.

27 MARGARET COTTER, ELLEN COTTER,
GUY ADAMS, EDWARD KANE,

28 *et al.*

Case No. A-15-719860-B
Dept. No. XI

**MOTION TO INTERVENE ON ORDER
SHORTENING TIME**

ROBERTSON
& ASSOCIATES, LLP

08/06/15 05:06:27 PM

1 DOUGLAS McEACHERN, TIMOTHY
2 STOREY, WILLIAM GOULD, and DOES 1
through 100, inclusive,

3 Defendants,

4 and,

5 READING INTERNATIONAL, INC., a
6 Nevada corporation,

7 Nominal Defendant.

8
9
10 COMES NOW, Plaintiffs, T2 PARTNERS MANAGEMENT, LP, a Delaware limited
11 partnership, doing business as KASE CAPITAL MANAGEMENT; T2 ACCREDITED FUND,
12 LP, a Delaware limited partnership, doing business as KASE FUND; T2 QUALIFIED FUND, LP,
13 a Delaware limited partnership, doing business as KASE QUALIFIED FUND; TILSON
14 OFFSHORE FUND, LTD, a Cayman Islands exempted company; T2 PARTNERS
15 MANAGEMENT I, LLC, a Delaware limited liability company, doing business as KASE
16 MANAGEMENT; T2 PARTNERS MANAGEMENT GROUP, LLC, a Delaware limited liability
17 company, doing business as KASE GROUP; JMG CAPITAL MANAGEMENT, LLC, a Delaware
18 limited liability company; PACIFIC CAPITAL MANAGEMENT, LLC, a Delaware limited
19 liability company, derivatively On Behalf of Reading International, Inc. , by and through their
20 attorneys of record, Robertson & Associates, LLP, and hereby moves this Court for Leave to
21 Intervene.

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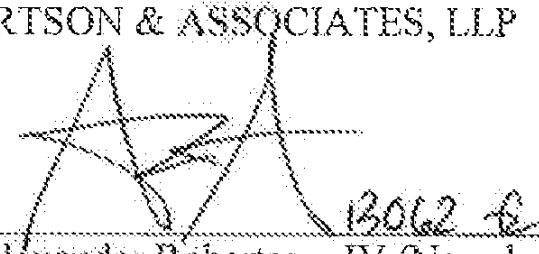
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1 This motion is made pursuant to N.R.C.P. 24 and N.R.S. 12.130, the accompanying Points
2 and Authorities, the attached Exhibits, the pleadings and papers filed herein, and any arguments
3 that may be allowed at the time of hearing.

4 DATED this 6th day of August, 2015. ROBERTSON & ASSOCIATES, LLP

5
6 By:


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25 GROUP; JMG CAPITAL MANAGEMENT,
26 LLC, a Delaware limited liability company;
27 PACIFIC CAPITAL MANAGEMENT, LLC, a
28 Delaware limited liability company; Derivatively
On Behalf of Reading International, Inc.

1 ORDER SHORTENING TIME

2 It appearing to the satisfaction of the Court and good cause appearing therefore,
3 IT IS HEREBY ORDERED, that the hearing on Motion to Intervene shall be heard before the
4 above-entitled Court in Department XI, before Judge Elizabeth Gonzalez on the 11th day of
5 August, 2015, at 8³⁰ a.m./p.m., or as soon thereafter as counsel may be heard.

6 IT IS FURTHER ORDERED that Defendants shall file any opposition brief by
7 _____, 2015. Plaintiffs-in-Intervention shall file any reply brief by _____
8 2015.

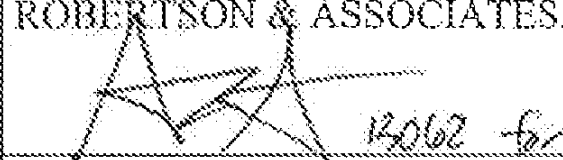
9 DATED this 10th day of August, 2015.

10 By: 

11 DISTRICT COURT JUDGE

12 Respectfully Submitted:

13 ROBERTSON & ASSOCIATES, LLP

14  12062 for
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20 Delaware limited partnership, doing business as
21 KASE CAPITAL MANAGEMENT; T2
22 ACCREDITED FUND, LP, a Delaware limited
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24 QUALIFIED FUND, LP, a Delaware limited
25 partnership, doing business as KASE
26 QUALIFIED FUND; TILSON OFFSHORE
27 FUND, LTD, a Cayman Islands exempted
28 company; T2 PARTNERS MANAGEMENT I,
LLC, a Delaware limited liability company, doing
business as KASE MANAGEMENT; T2
PARTNERS MANAGEMENT GROUP, LLC, a
Delaware limited liability company, doing
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liability company; PACIFIC CAPITAL
MANAGEMENT, LLC, a Delaware limited
liability company; Derivatively On Behalf of
Reading International, Inc.

1 **DECLARATION OF ALEXANDER ROBERTSON, IV IN SUPPORT OF ORDER**
2 **SHORTENING TIME TO SET A HEARING ON MOTION TO INTERVENE**

3 Alexander Robertson, IV, Esq., being duly sworn, deposes and says that:

4 1. I am a partner with the law firm of Robertson & Associates, LLP, attorneys for
5 Intervenors, T2 PARTNERS MANAGEMENT, LP, a Delaware limited partnership, doing
6 business as KASE CAPITAL MANAGEMENT; T2 ACCREDITED FUND, LP, a Delaware
7 limited partnership, doing business as KASE FUND; T2 QUALIFIED FUND, LP, a Delaware
8 limited partnership, doing business as KASE QUALIFIED FUND; TILSON OFFSHORE FUND,
9 LTD, a Cayman Islands exempted company; T2 PARTNERS MANAGEMENT I, LLC, a
10 Delaware limited liability company, doing business as KASE MANAGEMENT; T2 PARTNERS
11 MANAGEMENT GROUP, LLC, a Delaware limited liability company, doing business as KASE
12 GROUP; JMG CAPITAL MANAGEMENT, LLC, a Delaware limited liability company;
13 PACIFIC CAPITAL MANAGEMENT, LLC, a Delaware limited liability company, derivatively
14 On Behalf of Reading International, Inc., as plaintiffs in the above-captioned matter.

15 2. I make this declaration based upon personal knowledge, except where stated to be
16 upon information and belief, and as to that information, I believe it to be true. If called upon to
17 testify as to the contents of this Declaration, I am legally competent to testify to the contents of
18 this Declaration in a court of law.

19 3. There exists good cause to hear this motion on shortened time.

20 4. As averred in the attached Complaint-In-Intervention, and James J. Cotter's verified
21 complaint filed herein, Reading International, Inc. ("RDI") is a publicly traded company, whose
22 corporate governance has been hijacked by a family dispute involving control of the Class B
23 voting shares of stock in certain trust and estate litigation involving Ellen and Margaret Cotter, on
24 the one hand, and James J. Cotter, Jr. on the other hand. Specifically, the attached complaint
25 alleges that Director Defendants Ellen Cotter, Margaret Cotter, Guy Adams, Edward Kane and
26 Douglas McEachern voted to terminate RDI's President and CEO, James J. Cotter, Jr. on June 12,
27 2015 because he refused to accept a "take-it-or-leave-it" settlement offer made by his sisters, Ellen
28 Cotter and Margaret Cotter, in the trust and estate litigation. Further, as alleged in a motion for

1 expedited discovery and a preliminary injunction filed August 3, 2015, James J. Cotter, Jr. alleges
2 that since the date of his termination, Defendants Ellen and Margaret Cotter, Kane and Adams
3 have formed an "executive committee" of the Board, effectively reducing the number of directors
4 from eight to four. More specifically, James J. Cotter, Jr.'s motions claim that these defendants
5 have cut out the remaining three directors, namely William Gould, Timothy Storey and James J.
6 Cotter, Jr. from all participation with and communication from the board of directors of RDI in
7 violation of the Bylaws and corporate governance of this publicly traded company.

8 5. Although the Company was scheduled to hold its annual meeting in May of 2015,
9 the family disputes alleged herein have prevented the Company from preparing and filing a proxy
10 statement with the SEC and holding its annual meeting. The failure to hold its annual meeting
11 jeopardizes the Company's continued listing on NASDAQ pursuant to NASDAQ's Continued
12 Listing rule 5620(a), and therefore jeopardizes the Company's cost of capital.

13 6. Further, the failure to have truly independent directors jeopardizes the Company's
14 continued listing on NASDAQ pursuant to NASDAQ Continued Listing Rule 5605(b).

15 7. Plaintiffs-in-Intervention own millions of dollars of Class A stock in RDI and are
16 gravely concerned that this publicly-traded company is being run like a closely-held family
17 business to the detriment of the company and its public shareholders. Since the Director
18 Defendants terminated James J. Cotter, Jr. as the President and CEO of RDI, and filed a Form 8-K
19 with the SEC disclosing his termination and resulting litigation in this case to the market, RDI's
20 stock price has fallen from \$13.88 per share to \$11.78 as of July 31, 2015. Additionally, the
21 dispute between Directors has prevented the Company from holding its annual meeting,
22 jeopardizing the Company's continued listing on the NASDAQ exchange. Plaintiffs-In-
23 Intervention have standing to intervene because they have an interest in this matter, the corporate
24 governance and waste of corporate assets of RDI and the relief requested by James J. Cotter in this
25 action.

26 8. Plaintiff James J. Cotter, Jr. filed his motions for expedited discovery and
27 preliminary injunction on August 3, 2015, and this Court has scheduled an expedited hearing on
28 those motions for Tuesday, August 11, 2015. Plaintiffs-In-Intervention hereby respectfully

1 request that the Court grant their motion for an order shortening time and schedule the hearing on
2 this motion to intervene for Tuesday, August 11, 2015 at 8:30 a.m. so that Plaintiffs-In-
3 Intervention may be heard on James J. Cotter Jr.'s motions.

4 9. This request for an order shortening time is made in good faith and without dilatory
5 motive.

6 10. As such, Plaintiffs-In-Intervention believes that an order shortening time for
7 hearing on this Motion is warranted. There is not adequate time for the motion to be heard in the
8 ordinary course before the August 11th hearing on James J. Cotter, Jr.'s motions. Therefore, it is
9 necessary for the Court to shorten time for said hearing accordingly.

10 11. Plaintiffs-In-Intervention respectfully request that this Court set a hearing date for
11 the motion to intervene for August 11, 2015 at 8:30 a.m., or as soon thereafter as time permits.

12 I declare under penalty of perjury that the foregoing is true and correct, under the laws of
13 the State of Nevada.

14 DATED this 5th day of August, 2015.

15 
16 ALEXANDER ROBERTSON, IV, Declarant

1 MEMORANDUM OF POINTS AND AUTHORITIES

2 I. FACTUAL BACKGROUND

3 Plaintiffs bring this derivative action to police the behavior of RDI's board of directors,
4 who have breached their fiduciary duties of due care and loyalty to the shareholders by allowing
5 family disputes between directors Margaret and Ellen Cotter, on the one hand, and their brother,
6 James J. Cotter, Jr., on the other hand, to spill over into the boardroom, which have infected the
7 corporate governance of this publicly-traded company and resulted in self-dealing by Cotter
8 family members and corporate waste through excessive compensation for the directors and the
9 payment of personal expenses of Cotter family members from the Company's treasury.

10 Nominal Defendant RDI is a Nevada corporation and, according to its public filings with
11 the SEC, is an internationally diversified company principally focused on the development,
12 ownership and operation of entertainment and real estate assets in the United States, Australia and
13 New Zealand. RDI reportedly employs approximately 2,300 people and operates in two business
14 segments, namely, cinema exhibition, through approximately 58 multiplex cinemas, and real
15 estate, including real estate development and the rental of retail, commercial and live theatre
16 assets. The company manages world-wide cinemas in the United States, Australia and New
17 Zealand. For the fiscal year ending March 31, 2015, RDI reported total operating revenue of
18 \$60,585,000.

19 RDI has two classes of stock. Class A stock is held by the investing public, which holds
20 no voting rights. As of May 6, 2015, there were 21,745,484 shares of Class A non-voting
21 common stock (NASDAQ: RDI). The RDI non-voting shares of Class A stock represent 93% of
22 the economics of the Company. Class B stock is the sole voting stock with respect to the election
23 of directors. As of May 6, 2015, there were 1,580,590 shares of Class B voting common stock
24 (NASDAQ: RDIB). Approximately 80% of the Class A stock is legally or beneficially owned by
25 shareholders unrelated to Cotter family members. Approximately 70% of the Class B stock is
26 subject to disputes between Defendants Margaret Cotter and Ellen Cotter, on the one hand, and
27 their brother James J. Cotter, Jr., on the other hand. These disputes involve trust and probate
28 litigation, entitled, *In Re James J. Cotter, Living Trust, dated August 1, 2000*, Los Angeles

1 Superior Court Case No. BP159755 and *In the Matter of the Estate of James J. Cotter, Sr.*, Clark
2 County District Court Case No. P-14-082942-E (hereinafter referred to collectively as the "Trust
3 and Estate Litigation").

4 From between 2000 up until he resigned on or about August 7, 2014, James J. Cotter, Sr.
5 was the CEO and Chairman of the Board of RDI. Based upon filings with the SEC, James J.
6 Cotter, Sr. controlled approximately 70% of the Class B voting stock of RDI. Accordingly, James
7 J. Cotter, Sr. unilaterally selected and elected the board of directors. Based upon the allegations
8 contained in the complaint filed in this action by James J. Cotter, Jr. (JJC's Complaint), his father
9 ran the company as he saw fit, "without meaningful oversight or input from the board of
10 directors." JJC's Complaint further alleges that his father "did not seek directors that could add
11 significant value but sought out friends to fill out the 'independent' member requirements." JJC's
12 Complaint also alleges that in December of 2006, his father submitted a succession plan to the
13 board, which entailed James Cotter, Jr. assuming his father's position as CEO and Chairman upon
14 his father's retirement or death. According to JJC's Complaint, the board approved of his father's
15 succession plan in December of 2006.

16 James J. Cotter, Jr. was appointed Vice-Chairman of the board in 2007. The RDI board
17 appointed him president of RDI on or about June 1, 2013.

18 On or about September 13, 2014, James J. Cotter, Sr. passed.

19 According to JJC's Complaint, shortly after the passing of their father, James J. Cotter, Jr.'s
20 sisters, Defendants Margaret and Ellen Cotter, initiated the Trust and Estate Litigation over who
21 should control the RDI voting stock previously controlled by their father.

22 JJC alleges that his sisters, Margaret and Ellen Cotter, conspired with directors Kane,
23 Adams and McEachern to terminate him as the president and CEO of RDI, because he refused to
24 acquiesce to threats to settle the Trust and Estate Litigation on terms demanded by his sisters.
25 James J. Cotter, Jr. also alleges that on June 12, 2015, Defendants Ellen Cotter, Margaret Cotter,
26 Adams, Kane and McEachern each voted to terminate him as President and CEO of RDI because
27 he refused to accept his sisters' "take-it-or-leave-it" settlement offer made in the Trust and Estate
28 Litigation.

1 JJC's Complaint further alleges that outside directors, Margaret Cotter, Kane, Adams and
2 McEachern, and inside director Ellen Cotter, breached their fiduciary duties owed to RDI and its
3 shareholders by threatening, and later terminating him as the President and CEO of RDI, because
4 he refused to accept his sisters' "take-it-or-leave-it" settlement offer in the Trust and Estate
5 litigation.

6 On or about August 3, 2015, James J. Cotter, Jr. filed a motion to expedite discovery and a
7 motion for preliminary injunction in this action ("JJC's Motion"). JJC's Motion alleges that
8 subsequent to the filing of his complaint on June 12, 2015, Defendants, Ellen Cotter, Margaret
9 Cotter, Kane and Adams formed an "executive committee" of the board, and have frozen out the
10 remaining three directors from all participation and communication with the board of directors of
11 RDI. JJC's Motion claims that Defendants Ellen and Margaret Cotter, together with Kane and
12 Adams, have effectively reduced the size of the board from eight members to four members, in
13 violation of the Company's Bylaws.

14 Although the Company was scheduled to hold its annual meeting in May of 2015, the
15 family disputes alleged herein have prevented the Company from preparing and filing a proxy
16 statement with the SEC and holding its annual meeting. The failure to hold its annual meeting
17 jeopardizes the Company's continued listing on NASDAQ pursuant to NASDAQ's Continued
18 Listing rule 5620(a), and therefore jeopardizes the Company's cost of capital.

19 Further, the failure to have truly independent directors jeopardizes the Company's
20 continued listing on NASDAQ pursuant to NASDAQ Continued Listing Rule 5605(b).

21 **II. AUTHORITY**

22 Intervention is governed by N.R.S. 12.130 and N.R.C.P. 24. N.R.S. 12.130 provides that
23 any person may intervene in an action or proceeding "who has an interest in the matter in
24 litigation, in the success of either of the parties, or an interest in both." That statute further
25 provides that intervention is made as provided by the N.R.C.P. N.R.C.P. 24 provides, in pertinent
26 part:

27 (a) Intervention of Right. Upon timely application anyone shall be permitted to
28 intervene in an action: (1) when a statute confers an unconditional right to intervene; or (2)

1 when the applicant claims an interest relating to the property or transaction which is the
2 subject of the action and the applicant is so situated that the disposition of the action may
3 as a practical matter impair or impede the applicant's ability to protect that interest, unless
4 the applicant's interest is adequately represented by existing parties.

5 (b) Permissive Intervention. Upon timely application anyone may be permitted to
6 intervene in an action: (1) when a statute confers a conditional right to intervene; or (2)
7 when an applicant's claim or defense and the main action have a question of law or fact in
8 common. In exercising its discretion that court shall consider whether the intervention will
9 unduly delay or prejudice the adjudication of the rights of the original parties.

10 (c) Procedure. A person desiring to intervene shall serve a motion to intervene upon
11 the parties as provided in Rule 5. The motion shall state the grounds therefore and shall be
12 accompanied by a pleading setting forth the claim or defense for which intervention is
13 sought. The same procedure shall be followed when a statute gives a right to intervene.

14 The Nevada Supreme Court has indicated under N.R.C.P. 24(a)(2), a petitioner has a right
15 to intervene where its rights are impacted by the subject litigation, its interests are not being
16 adequately represented, and the application is timely. *SHS v. Eighth Judicial District Ct.*, (1995)
17 111 Nev. 28, 32-33.

18 **III. ARGUMENT**

19 Plaintiffs may intervene as a matter of right under N.R.C.P. 24(a), because they are
20 shareholders of publicly-traded Class A stock of RDI and as such have an interest in the subject
21 matter of this litigation. Further, disposition of the claims alleged by James J. Cotter, Jr. in his
22 verified complaint could impair or impede the shareholders' ability to protect their interests. For
23 example, if James J. Cotter, Jr. were to settle his claims with his sisters in exchange for
24 reinstatement of his position as President and CEO of RDI, this would not rectify all of the
25 corporate governance problems, the corporate waste alleged by the Plaintiffs in the form of
26 excessive director compensation, payment by the Company for the memorial of James Cotter, Sr.,
27 including payment by the Company for a reception, dining and lodging expenses of out-of-town
28

1 guest, etc. Therefore, the interests of the public shareholders may not be adequately represented
2 by James J. Cotter, Jr.

3 **IV. PLAINTIFFS' APPLICATION IS TIMELY**

4 N.R.C.P. 24(a) requires that an application to intervene be timely. Timeliness has been
5 interpreted to mean prior to trial. See, generally, *Stephens v. First Nat'l Bank of Nevada* (1947) 64
6 Nef. 292. The timeliness of a motion to intervene is not "the length of the delay by the intervenor
7 but the extent of prejudice to the rights of existing parties resulting from the delay." *Dangberg*
8 *Holdings v. Douglas County* (1999) 115 Nev. 129. The timeliness of a motion to intervene lies
9 within the sound discretion of the trial court. *Id.*

10 In this case, the litigation was filed on June 12, 2015 and no discovery has yet occurred.
11 Accordingly, none of the existing parties should suffer any prejudice if intervention is granted.

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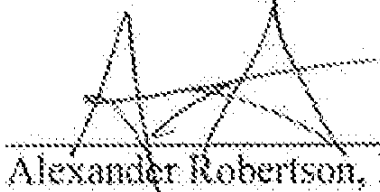
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1 **V. CONCLUSION**

2 Wherefore, Plaintiffs respectfully request leave to intervene in this action, as a Plaintiff-
3 Intervention, and for leave to file the proposed Complaint-In-Intervention attached hereto as
4 Exhibit "A".

5 DATED this 6th day of August, 2015. ROBERTSON & ASSOCIATES, LLP

6
7 By:

 13062 *for*
Alexander Robertson, IV (Nevada Bar No. 8642)

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EXHIBIT "A"

1 **COMP**
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8 Attorneys for Plaintiffs and Intervenors, T2
9 PARTNERS MANAGEMENT, LP, a Delaware
limited partnership, doing business as KASE
10 CAPITAL MANAGEMENT; T2 ACCREDITED
FUND, LP, a Delaware limited partnership, doing
11 business as KASE FUND; T2 QUALIFIED
FUND, LP, a Delaware limited partnership, doing
12 business as KASE QUALIFIED FUND; TILSON
OFFSHORE FUND, LTD, a Cayman Islands
13 exempted company; T2 PARTNERS
MANAGEMENT I, LLC, a Delaware limited
14 liability company, doing business as KASE
MANAGEMENT; T2 PARTNERS
15 MANAGEMENT GROUP, LLC, a Delaware
limited liability company, doing business as
16 KASE GROUP; JMG CAPITAL
MANAGEMENT, LLC, a Delaware limited
17 liability company; PACIFIC CAPITAL
MANAGEMENT, LLC, a Delaware limited
18 liability company,

19 Derivatively On Behalf of Reading International,
Inc.
20

21 DISTRICT COURT

22 CLARK COUNTY, NEVADA

23 T2 PARTNERS MANAGEMENT, LP, a
Delaware limited partnership, doing business
24 as KASE CAPITAL MANAGEMENT; T2
ACCREDITED FUND, LP, a Delaware
25 limited partnership, doing business as KASE
FUND; T2 QUALIFIED FUND, LP, a
26 Delaware limited partnership, doing business
as KASE QUALIFIED FUND; TILSON
27 OFFSHORE FUND, LTD, a Cayman Islands
exempted company; T2 PARTNERS
28 MANAGEMENT I, LLC, a Delaware limited

Case No. A-15-719860
Dept. No. XI

**VERIFIED SHAREHOLDER
DERIVATIVE COMPLAINT**

DEMAND FOR JURY TRIAL

1 liability company, doing business as KASE
2 MANAGEMENT; T2 PARTNERS
3 MANAGEMENT GROUP, LLC, a Delaware
4 limited liability company, doing business as
5 KASE GROUP; JMG CAPITAL
6 MANAGEMENT, LLC, a Delaware limited
7 liability company; PACIFIC CAPITAL
8 MANAGEMENT, LLC, a Delaware limited
9 liability company; Derivatively On Behalf of
10 Reading International, Inc.

11 Plaintiffs,

12 vs.

13 MARGARET COTTER, ELLEN COTTER,
14 GUY ADAMS, EDWARD KANE,
15 DOUGLAS McEACHERN, TIMOTHY
16 STOREY, WILLIAM GOULD, AND DOES 1
17 THROUGH 100, inclusive,

18 Defendants,

19 And,

20 READING INTERNATIONAL, INC., a
21 Nevada corporation,

22 Nominal Defendant.

23 Plaintiffs, T2 PARTNERS MANAGEMENT, LP, a Delaware limited partnership, doing
24 business as KASE CAPITAL MANAGEMENT; T2 ACCREDITED FUND, LP, a Delaware
25 limited partnership, doing business as KASE FUND; T2 QUALIFIED FUND, LP, a Delaware
26 limited partnership, doing business as KASE QUALIFIED FUND; TILSON OFFSHORE FUND,
27 LTD, a Cayman Islands exempted company; T2 PARTNERS MANAGEMENT I, LLC, a
28 Delaware limited liability company, doing business as KASE MANAGEMENT; T2 PARTNERS
MANAGEMENT GROUP, LLC, a Delaware limited liability company, doing business as KASE
GROUP; JMG CAPITAL MANAGEMENT, LLC, a Delaware limited liability company;
PACIFIC CAPITAL MANAGEMENT, LLC, a Delaware limited liability company, derivatively
On Behalf of Reading International, Inc. (hereinafter "Plaintiffs"), by and through their attorneys,
individually and derivatively on behalf of Reading International, Inc. ("RDI" or the "Company")
submit this shareholder derivative complaint (the "complaint") against the defendants named

1 herein based upon their personal knowledge as to those allegations concerning themselves and
2 based upon information and belief as to all other allegations, based upon, among other things, the
3 investigation made by their attorneys, the pleadings filed in this action, a review of the United
4 States Securities and Exchange Commission ("SEC") filings, press releases, and other public
5 records.

6 INTRODUCTION

7 1. This is a shareholder derivative action brought on behalf of Nominal Defendant
8 RDI against members of its Board of Directors, which include MARGARET COTTER, ELLEN
9 COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY
10 and WILLIAM GOULD (hereinafter collectively referred to as the "Director Defendants"), by
11 Plaintiffs, who are now, and at all relevant times herein have been shareholders of RDI.

12 2. Plaintiff T2 ACCREDITED FUND, L.P., is a Delaware limited partnership doing
13 business as KASE CAPITAL, which owns 174,019 shares of Class A non-voting stock of RDI,
14 with an estimated market value as of August 5, 2015 of \$2,110,850. Plaintiff T2 PARTNERS
15 MANAGEMENT I, LLC., is Delaware limited liability company and general partner of Plaintiff,
16 T2 ACCREDITED FUND, L.P.

17 3. Plaintiff T2 QUALIFIED FUND, L.P., is a Delaware limited partnership doing
18 business as KASE QUALIFIED FUND, which owns 53,817 shares of Class A non-voting stock of
19 RDI, with an estimated market value as of August 5, 2015 of \$652,800.21. Plaintiff T2
20 PARTNERS MANAGEMENT I, LLC., is Delaware limited liability company and general partner
21 of Plaintiff, T2 QUALIFIED FUND, L.P.

22 4. Plaintiff TILSON OFFSHORE FUND, Ltd., is an exempted company organized in
23 the Cayman Islands and owns 291,406 shares of Class A non-voting stock of RDI, with an
24 estimated market value as of August 5, 2015 of \$771,104.10.

25 5. Plaintiff T2 PARTNERS MANAGEMENT, L.P., is a Delaware limited partnership
26 doing business as KASE CAPITAL MANAGEMENT, and is the investment manager of
27 Plaintiffs, TILSON OFFSHORE FUND, Ltd., T2 ACCREDITED FUND, L.P., and T2

28

1 QUALIFIED FUND, L.P. Whitney Tilson, a nationally known hedge fund manager, is a resident
2 of the State of New York and is the managing member and CCO of all three of these Plaintiffs.

3 6. Plaintiff T2 PARTNERS MANAGEMENT GROUP, LLC., is a Delaware limited
4 liability company and general partner of T2 PARTNERS MANAGEMENT, L.P.

5 7. Plaintiff JMG CAPITAL MANAGEMENT, LLC., is a limited liability company
6 organized in the State of Delaware, which owns 10,000 shares of Class A non-voting stock of
7 RDI, with an estimated market value as of August 5, 2015 of \$121,300.

8 8. Plaintiff PACIFIC CAPITAL MANAGEMENT, LLC., is a Delaware limited
9 liability company, which owns 515,934 shares of Class A non-voting stock of RDI, with an
10 estimated market value as of August 5, 2015 of \$6,258,279.40.

11 9. JONATHAN M. GLASER is the managing member of both JMG CAPITAL
12 MANAGEMENT, LLC., and PACIFIC CAPITAL MANAGEMENT, LLC.

13 10. Nominal Defendant RDI is a Nevada corporation and, according to its public filings
14 with the SEC, is an internationally diversified company principally focused on the development,
15 ownership and operation of entertainment and real estate assets in the United States, Australia and
16 New Zealand. RDI reportedly employs approximately 2,300 people and operates in two business
17 segments, namely, cinema exhibition, through approximately 58 multiplex cinemas, and real
18 estate, including real estate development and the rental of retail, commercial and live theatre
19 assets. The company manages world-wide cinemas in the United States, Australia and New
20 Zealand. For the fiscal year ending March 31, 2015, RDI reported total operating revenue of
21 \$60,585,000.

22 11. RDI has two classes of stock. Class A stock is held by the investing public, which
23 holds no voting rights. As of May 6, 2015, there were 21,745,484 shares of Class A non-voting
24 common stock (NASDAQ: RDI). The RDI non-voting shares of Class A stock represent 93% of
25 the economics of the Company. Class B stock is the sole voting stock with respect to the election
26 of directors. As of May 6, 2015, there were 1,580,590 shares of Class B voting common stock
27 (NASDAQ: RDIB). Approximately 80% of the Class A stock is legally or beneficially owned by
28 shareholders unrelated to Cotter family members. Approximately 70% of the Class B stock is

1 subject to disputes between Defendants Margaret Cotter and Ellen Cotter, on the one hand, and
2 their brother James J. Cotter, Jr., on the other hand. These disputes involve trust and probate
3 litigation, entitled, *In Re James J. Cotter, Living Trust, dated August 1, 2000*, Los Angeles
4 Superior Court Case No. BP159755 and *In the Matter of the Estate of James J. Cotter, Sr.*, Clark
5 County District Court Case No. P-14-082942-E (hereinafter referred to collectively as the "Trust
6 and Estate Litigation").

7 12. Plaintiffs bring this derivative action to police the behavior of RDI's board of
8 directors, who have breached their fiduciary duties of due care and loyalty to the shareholders by
9 allowing (1) family disputes between directors Margaret and Ellen Cotter, on the one hand, and
10 their brother, James J. Cotter, Jr., on the other hand, to spill over into the boardroom, infecting the
11 corporate governance of this publicly-traded company, imperiling the immediate and long term
12 prospects of the Company; (2) resulted in self-dealing by Cotter family members; and (3)
13 corporate waste through excessive compensation for the directors and the payment of personal
14 expenses of Cotter family members from the Company's treasury.

15 13. From between 2000 up until he resigned on or about August 7, 2014, James J.
16 Cotter, Sr. was the CEO and Chairman of the Board of RDI. Based upon filings with the SEC,
17 James J. Cotter, Sr. controlled approximately 70% of the Class B voting stock of RDI.
18 Accordingly, James J. Cotter, Sr. unilaterally selected and elected the board of directors. Based
19 upon the allegations contained in the complaint filed in this action by James J. Cotter, Jr. (JJC's
20 Complaint), his father ran the company as he saw fit, "without meaningful oversight or input from
21 the board of directors." JJC's Complaint further alleges that his father "did not seek directors that
22 could add significant value but sought out friends to fill out the 'independent' member
23 requirements." JJC's Complaint also alleges that in December of 2006, his father submitted a
24 succession plan to the board, which entailed James Cotter, Jr. assuming his father's position as
25 CEO and Chairman upon his father's retirement or death. According to JJC's Complaint, the board
26 approved of his father's succession plan in December of 2006.

27 14. James J. Cotter, Jr. was appointed Vice-Chairman of the board in 2007. The RDI
28 board appointed him president of RDI on or about June 1, 2013.

1 15. On or about September 13, 2014, James J. Cotter, Sr. passed.

2 16. According to JJC's Complaint, shortly after the passing of their father, James J.
3 Cotter, Jr.'s sisters, Defendants Margaret and Ellen Cotter, initiated the Trust and Estate Litigation
4 over who should control the RDI voting stock previously controlled by their father.

5 17. JJC alleges that his sisters, Margaret and Ellen Cotter, conspired with directors
6 Kane, Adams and McEachern to terminate him as the president and CEO of RDI, because he
7 refused to acquiesce to threats to settle the Trust and Estate Litigation on terms demanded by his
8 sisters. James J. Cotter, Jr. also alleges that on June 12, 2015, Defendants Ellen Cotter, Margaret
9 Cotter, Adams, Kane and McEachern each voted to terminate him as President and CEO of RDI
10 because he refused to accept his sisters' "take-it-or-leave-it" settlement offer made in the Trust and
11 Estate Litigation.

12 18. JJC's Complaint further alleges that outside directors, Margaret Cotter, Kane,
13 Adams and McEachern, and inside director Ellen Cotter, breached their fiduciary duties owed to
14 RDI and its shareholders by threatening, and later terminating him as the President and CEO of
15 RDI, because he refused to accept his sisters' "take-it-or-leave-it" settlement offer in the Trust and
16 Estate litigation.

17 19. On or about August 3, 2015, James J. Cotter, Jr. filed a motion to expedite
18 discovery and a motion for preliminary injunction in this action ("JJC's Motion"). JJC's Motion
19 alleges that subsequent to the filing of his complaint on June 12, 2015, Defendants, Ellen Cotter,
20 Margaret Cotter, Kane and Adams formed an "executive committee" of the board, and have frozen
21 out the remaining three directors from all participation and communication with the board of
22 directors of RDI. JJC's Motion claims that Defendants Ellen and Margaret Cotter, together with
23 Kane and Adams, have effectively reduced the size of the board from eight members to four
24 members, in violation of the Company's Bylaws.

25 20. Although the Company would normally hold its annual meeting in May of 2015,
26 the family disputes alleged herein and/or the current parties controlling the Company have
27 prevented the Company from preparing and filing a proxy statement with the SEC and holding its
28 annual meeting. The Company's last annual meeting was held nearly 15 months ago on May 15,

1 2014. The failure to hold its annual meeting in the near future jeopardizes the Company's
2 continued listing on NASDAQ pursuant to NASDAQ's Continued Listing rule 5620(a), and
3 therefore greatly imperils the Company's market valuation and its cost of capital.

4 21. Further, the failure to have truly independent directors puts at risk the Company's
5 continued listing on NASDAQ pursuant to NASDAQ Continued Listing Rule 5605(b) similarly
6 threatening the Company's market valuation and its cost of capital.

7 **DEMAND IS EXCUSED**

8 22. Demand upon the board of directors required by NRCP 23.1 is excused under
9 *Shoen v. SAC Holding Corporation*, 137 P. 3d 1171, because the protection normally afforded
10 directors under the business judgment rule is inapplicable to protect the Director Defendants
11 herein. Specifically, a majority of the Director Defendants have put their own personal financial
12 interests ahead of the public shareholders' interests in making the decision to fire James J. Cotter,
13 Jr. as CEO and President of RDI, and/or were controlled and unduly influenced by directors
14 Margaret and Ellen Cotter, who have a pecuniary interest in the outcome of the Trust and Estate
15 litigation. The Trust and Estate Litigation is not the business of RDI, or its board of directors, and
16 the decision on June 12, 2015 to fire James J. Cotter, Jr., because he refused to accept a settlement
17 offer his sisters made to him in the unrelated Trust and Estate Litigation was not based upon James
18 J. Cotter, Jr.'s performance as President and CEO of RDI. Since he became President and CEO,
19 RDI's stock price had risen from \$8.17 per share to \$13.88 per share on the day he was fired. Since
20 he was fired, RDI's stock price has dropped significantly to 11.78 per share as of July 31, 2015.

21 23. Further, as alleged more fully below, on or about November 13, 2014, two months
22 after the passing of James J. Cotter, Sr., the Director Defendants voted to raise their annual
23 directors' fees by 43% and gave each non-employee director additional compensation in the form
24 of stock options and one-time cash compensation. Additionally, in or about March of 2015, the
25 Directors Defendants approved payment to Defendants Kane, Adams, McEachern and Gould of an
26 extra \$25,000 for the first six months of 2015. The Director Defendants also approved the
27 payment of \$75,000 to Defendant Storey for the first six months of 2015. The Director
28 Defendants promoted their own personal interests over the interests of the Company and its

1 shareholders by approving the above-described excessive compensation to themselves at a time
2 when the Company's stock price had dramatically fallen and the corporate governance of the
3 Company was out of control. These acts of wasting the corporate assets to promote their own
4 personal financial interests further makes these Defendants "interested directors".

5 **Edward Kane is an "Interested" Director:**

6 24. As alleged in JJC's Complaint, Defendant Edward Kane was a life-long friend of
7 James J. Cotter, Sr., and Defendants Margaret and Ellen Cotter refer to him as "Uncle Ed." James
8 Cotter, Jr. alleges that based upon this quasi-familial intimate relationship, Defendant Kane sought
9 a raise for Ellen Cotter shortly after her father passed, in order for Ellen Cotter to qualify for a loan
10 to purchase a condominium in Laguna Beach, California. Cotter, Jr. alleges that Kane wrote a
11 letter to Ellen Cotter's lender in order to help her qualify for her loan, claiming that he was the
12 Chairman of the RDI Compensation Committee, which "anticipate[d] a total cash compensation
13 increase of no less than 20%" for Ellen Cotter, when in fact he had no authority to do so and the
14 study that had been commissioned to justify Ellen Cotters' pay increase failed to justify the
15 increase. Further, James Cotter, Jr. alleges that on January 16, 2015, Kane sent him an email
16 suggesting that Ellen Cotter be given the title she wanted and that Margaret Cotter be treated as a
17 "co-equal with [a] new head of domestic real estate [and] [t]hat she and the new head will report to
18 you and you will resolve any conflicts between them that they cannot resolve themselves [and]
19 you will make a title for Margaret Cotter as a new employee of the Company...."

20 25. James Cotter, Jr. further alleges that Defendant Kane has made "rants to JJC about
21 'The Godfather' and the Corleone family from that series of movies, even including a suggestion
22 that termination of JJC would be analogous to the murder of someone disrespecting a Corleone
23 family member."

24 26. Defendant Kane was clearly controlled and unduly influenced by Defendants Ellen
25 Cotter and Margaret Cotter when he voted to terminate James J. Cotter, Jr. as President and CEO
26 of RDI.

27 27. Further, Defendant Kane is alleged to have committed corporate waste by voting
28 for and receiving excessive compensation.

1 Guys Adams is an "Interested" Director:

2 28. James Cotter, Jr. further alleges that Adams' sworn testimony in his divorce
3 proceedings indicated he lost approximately 70% of his investments in 2007-2008 and that he
4 derives approximately 70% - 80% of his income from entities which Ellen and Margaret Cotter
5 exercise control. Further, James Cotter, Jr. alleges that Ellen Cotter promised Adams he would be
6 appointed CEO of RDI upon James J. Cotter's termination, which promise was made prior to
7 Adams voting to fire Cotter, Jr.

8 29. James Cotter, Jr. also alleges that on or about May 2013, Adams entered into an
9 agreement with James Cotter, Sr., whereby Adams received a carried interest in certain real estate
10 projects and alleges that the decision on whether Adams' interests will be monetized and the extent
11 to which they will be monetized rests with Ellen Cotter and Margaret Cotter, the administrators of
12 the estate of James Cotter, Sr. Defendant Adams was clearly controlled and unduly influenced by
13 Defendants Ellen Cotter and Margaret Cotter when he voted to terminate James J. Cotter, Jr. as
14 President and CEO of RDI.

15 30. Further, Defendant Adams is alleged to have committed corporate waste by voting
16 for and receiving excessive compensation.

17 Margaret Cotter is an "Interested" Director:

18 31. As alleged in JJC's Complaint, Margaret Cotter is an outside director of RDI and is
19 currently engaged in the Trust and Estate Litigation, whereby it is alleged she and her sister, Ellen,
20 seek to invalidate James Cotter, Sr.'s trust document in order to obtain voting control of RDI's
21 Class B stock sufficient to elect RDI's directors. James Cotter, Jr. alleges that Margaret Cotter,
22 together with her sister, threatened to and then later did have him fired as President and CEO of
23 RDI because he refused to accept a "take-it-or-leave-it" settlement offer made by Margaret and
24 Ellen Cotter in the Trust and Estate Litigation. Margaret Cotter was clearly "interested" in the
25 decision to fire her brother, James J. Cotter, Jr. as President and CEO of RDI.

26 Ellen Cotter is an "Interested" Director:

27 32. As alleged in JJC's Complaint, Ellen Cotter is an inside director of RDI and is
28 currently engaged in the Trust and Estate Litigation whereby it is alleged she and her sister,

1 Margaret, seek to invalidate James Cotter, Sr.'s trust document in order to obtain voting control of
2 RDI's Class B stock sufficient to elect RDI's directors. James Cotter, Jr. alleges that Ellen Cotter,
3 together with her sister, threatened to and then later did have him fired as President and CEO of
4 RDI because he refused to accept a "take-it-or-leave-it" settlement offer made by Margaret and
5 Ellen Cotter in the Trust and Estate Litigation. Ellen Cotter was clearly "interested" in the
6 decision to fire her brother, James J. Cotter, Jr. as President and CEO of RDI.

7 **Ellen Cotter, Margaret Cotter, Edward Kane and Guy Adams Are Interested**

8 **Directors Because They Have Illegally Reduced the Number of Directors from Eight**
9 **to Four:**

10 33. As alleged in JJC's Motion, Defendants Ellen and Margaret Cotter, together with
11 Kane and Adams have formed an "Executive Committee" of the board, the practical effect of
12 which has been to freeze out directors James J. Cotter, Jr., William Gould and Timothy Storey (the
13 same directors who voted not to terminate James J. Cotter, Jr. as President and CEO of RDI), from
14 any participation on the board of directors of the Company. Plaintiffs are informed and believe,
15 and thereon allege that the Bylaws of the Company require eight directors. Further, NASDAQ's
16 Continuing Listing Rule 5605(b) requires the Company's board of directors to have a majority of
17 independent directors. By effectively reducing the number of directors from eight to four on an *ad*
18 *hoc* basis, these Director Defendants have violated NASDAQ's Rule 5605(b) and jeopardized the
19 Company's continued listing on that exchange. Further, these Defendants are clearly "interested
20 directors" and any demand upon them to restore James J. Cotter, Jr. as the President and CEO of
21 the Company, disgorge their excessive compensation, cease other manners of self-dealing and
22 follow proper corporate governance practices would be futile.

23 **FIRST CAUSE OF ACTION**

24 **(Breach of Fiduciary Duty – Against Director Defendants)**

25 34. Plaintiffs repeat and re-allege paragraphs 1 through 33, inclusive, of the complaint
26 and incorporate them herein by this reference.

27 ///

28 ///

1 35. Each of the Director Defendants were directors of RDI at all relevant times alleged
2 herein. As such, each owed fiduciary duties, including duties of due care and loyalty, to the
3 Company and to Plaintiffs and other RDI shareholders.

4 36. The duty of due care owed by each Director Defendant required the directors to
5 exercise that care that a reasonably prudent person in a similar position would use under similar
6 circumstances. This duty of due care required the Director Defendants to not act with undue
7 haste, a lack of board preparation or a failure of deliberation with respect to the merits of every
8 business decision and to not take sides in a family dispute between directors.

9 37. The duty of loyalty owed by each Director Defendant requires directors to act in
10 good faith and in the best interest of the Company and the shareholders and to refrain from acts
11 which advance their own personal or financial interests over the interest of the Company and its
12 shareholders.

13 38. By taking sides in a family dispute between Ellen and Margaret Cotter, on the one
14 hand, against James J. Cotter, Jr., on the other hand, because James J. Cotter, Jr. refused to accept
15 a "take-it-or-leave-it" settlement offer made by his sisters in the Trust and Estate Litigation, the
16 Directors Defendants breached their duties of due care and loyalty owed to the Company,
17 Plaintiffs and other RDI shareholders.

18 39. On or about June 12, 2015, the Director Defendants caused to be filed with the SEC
19 a Form 8-K, which disclosed to the market that the Director Defendants had terminated the
20 employment of James J. Cotter, Jr. as President and CEO of the Company, and that the Directors
21 Defendants had appointed Ellen Cotter as Chairperson and CEO. That 8-K also disclosed to the
22 market that on June 12, 2015 James J. Cotter, Jr. filed a lawsuit against the Director Defendants
23 alleging that they had breached their fiduciary duties in terminating him. On June 12, 2015 RDI's
24 Class A stock price was \$13.88 per share. Since the Form 8-K was filed, RDI's stock price has
25 dropped dramatically to \$11.78 as of July 31, 2015.

26 40. Further, on or about November 13, 2014, two months after the passing of James J.
27 Cotter, Sr., the Director Defendants voted to raise their annual directors' fees by 43% and gave
28 each non-employee director additional compensation in the form of stock options and one-time

1 cash compensation. Additionally, in or about March of 2015, the Directors Defendants approved
2 payment to Defendants Kane, Adams, McEachern and Gould of an extra \$25,000 for the first six
3 months of 2015. The Director Defendants also approved the payment of \$75,000 to Defendant
4 Storey for the first six months of 2015. The Director Defendants promoted their own personal
5 interests over the interests of the Company and its shareholders by approving the above-described
6 excessive compensation to themselves at a time when the Company's stock price had dramatically
7 fallen and the corporate governance of the Company was out of control. Accordingly, the Director
8 Defendants further breached their duties of due care and loyalty owed to the Company and its
9 shareholders.

10 41. Further, Plaintiffs are informed and believe, and thereon allege that some time
11 subsequent to the filing of JJC's Complaint, Defendants, Ellen Cotter, Margaret Cotter, Kane and
12 Adams formed an ad hoc "Executive Committee", and have frozen out directors James J. Cotter,
13 Jr., William Gould and Timothy Storey from any participation on the board of directors, thereby
14 effectively reducing the number of directors from eight to four.

15 42. As a direct and proximate result of the breaches of fiduciary duties alleged herein,
16 Company and its shareholders have suffered and continue to suffer damages.

17 43. Plaintiffs cannot ascertain at this time the full nature, extent or amount of damages
18 suffered by the Plaintiffs and the Company, which are in excess of \$50,000. Plaintiffs will amend
19 this complaint when the amount of damages is ascertained according to proof at the time of trial.

20 SECOND CAUSE OF ACTION

21 (Aiding and Abetting Breach of Fiduciary Duty --

22 Against Defendants Margaret Cotter and Ellen Cotter)

23 44. Plaintiffs repeat and re-allege paragraphs 1 through 43, inclusive, of this complaint
24 and incorporate them herein by this reference as though fully set forth herein.

25 45. As more fully alleged in JJC's Complaint, Defendants Margaret and Ellen Cotter
26 solicited Defendants Kane, Adams and McEachern to threaten to fire James J. Cotter, Jr. as
27 President and CEO of RDI during the few hours between the adjournment of the RDI board
28 meeting on Friday, May 29, 2015 and the resumption of that board meeting at 6:00 p.m. that same

1 day if James J. Cotter, Jr, did not accept a "take-it-or-leave-it" settlement offer made by Ellen and
2 Margaret Cotter in the Trust and Estate Litigation. Defendants Ellen and Margaret Cotter aided
3 and abetted the Director Defendants to breach their fiduciary duties owed to the Company,
4 Plaintiffs and the other RDI shareholders by firing James J. Cotter, Jr. as President and CEO of
5 RDI on June 12, 2015 because he refused to accept a "take-it-or-leave-it" settlement offer made by
6 Ellen and Margaret Cotter in the Trust and Estate Litigation.

7 46. Defendants Ellen and Margaret Cotter acted with knowledge of the fiduciary duties
8 of the other Director Defendants. Ellen and Margaret Cotter acted with knowledge of the manner
9 in which those fiduciary duties were breached, and aided and abetted and continue to aid and abet
10 said breaches. Accordingly, Ellen and Margaret Cotter are liable for aiding and abetting those
11 fiduciary breaches.

12 47. Further, Defendants Kane, Adams, and McEachern also aided and abetted the
13 breach of fiduciary duties of each other by approving and ratifying the waste of corporate assets in
14 the form of excessive compensation for themselves as alleged herein.

15 48. As a direct and proximate result of the acts and omissions of said defendants as
16 described herein, the Company and its shareholders have suffered damages in excess of \$50,000.

17 49. Plaintiffs cannot ascertain at this time the full nature, extent or amount of damages
18 suffered by virtue of the acts alleged herein. Plaintiffs will amend this complaint to set forth such
19 damages when they are ascertained according to proof at the time of trial.

20 **THIRD CAUSE OF ACTION**

21 **(Abuse of Control by Director Defendants)**

22 50. Plaintiffs repeat and re-allege paragraphs 1 through 43, inclusive, of this complaint
23 and incorporate them herein by this reference as though fully set for in full.

24 51. Director Defendants' misconduct alleged herein constituted an abuse of their
25 ability to control and influence RDI, for which they are legally responsible.

26 52. As a direct and proximate result of the Director Defendants' abuse of control, RDI
27 has suffered and continues to suffer substantial monetary damages, including damage to RDI's
28

1 reputation and good will. Director Defendants are liable to the Company as a result of the
2 misconduct alleged herein.

3 53. Plaintiffs have no adequate remedy at law.

4 **FOURTH CAUSE OF ACTION**

5 **(Gross Mismanagement by Director Defendants)**

6 54. Plaintiffs repeat and re-allege paragraphs 1 through 43, inclusive, of this complaint
7 and incorporate them herein by this reference as though fully set for in full.

8 55. By their actions alleged herein, Director Defendant, either directly or through
9 aiding and abetting, abandoned and abdicated their responsibilities and fiduciary duties with
10 regard to prudently managing the assets and business of RDI in a manner consistent with the
11 operations of a publicly traded corporation.

12 56. As a direct and proximate result of Director Defendants' gross mismanagement and
13 breaches of their fiduciary duties alleged herein, RDI has suffered substantial monetary damages,
14 as well as damage to RDI's reputation and good will. Director Defendants are liable to the
15 Company as a result of the misconduct alleged herein.

16 57. Plaintiffs have no adequate remedy at law.

17 **FIFTH CAUSE OF ACTION**

18 **(Corporate Waste by Director Defendants)**

19 58. Plaintiffs repeat and re-allege paragraphs 1 through 43, inclusive, of this complaint
20 and incorporate them herein by this reference as though fully set for in full.

21 59. Plaintiffs are informed and believe, and thereon allege that the Director Defendants
22 caused to be filed with the SEC an amended 10-K filing on or about March 31, 2015, which
23 disclosed that decedent James J. Cotter, Sr.'s Supplemental Retirement Plan ("SERP" aka "Golden
24 Coffin") would reward his service for the previous 25 years (including predecessor companies and
25 service for which he presumably had already been compensated), based upon a formula that would
26 effectively continue his salary for 180 months (15 years!) after his death. Plaintiffs are informed
27 and believe that under the terms of the revised SERP, the Company is obligated to pay to the
28 estate of James J. Cotter, Sr. a monthly payment of \$56,944, which commenced October 1, 2014

1 for a period of 180 months, or the total sum of approximately \$10,249,920. Plaintiffs allege that
2 this term of the SERP is excessive, unwarranted and constitutes corporate waste.

3 60. Further, on or about November 13, 2014, two months after the passing of James J.
4 Cotter, Sr., the Director Defendants voted to raise their annual directors' fees by 43% and gave
5 each non-employee director additional compensation in the form of stock options and one-time
6 cash compensation. Additionally, on or about March of 2015, the Directors Defendants approved
7 payment to Defendants Kane, Adams, McEachern and Gould of an extra \$25,000 for the first six
8 months of 2015. The Director Defendants also approved the payment of \$75,000 to Defendant
9 Storey for the first six months of 2015.

10 61. Plaintiffs are informed and believe and thereon allege that in 2014, the Director
11 Defendants approved the reimbursement of Defendant Ellen Cotter the sum of \$50,000 for income
12 taxes she incurred as a result of exercising stock options that were deemed to be non-qualified
13 stock options for income tax purposes.

14 62. Plaintiffs are further informed and believe, and thereon allege that the Director
15 Defendants approved payment of the expenses associated with the memorial of James J. Cotter,
16 Sr., and the reception at the Bel Air Hotel in Los Angeles, California, which included payment of
17 out-of-town guests dining and lodging at the Bel Air Hotel, payment of chartered bus
18 transportation, etc. Such expenses were clearly of a personal nature to the Cotter family and were
19 not a legitimate Company expense.

20 63. Plaintiffs are informed and believe, and thereon allege that the Director Defendants
21 approved the shifting or elimination of performance thresholds to justify payment of bonuses to
22 James J. Cotter, Sr., when the original performance thresholds were not achieved.

23 64. As a result of the improper conduct alleged herein, and by failing to properly
24 consider the interests of the Company and its public shareholders, the Director Defendants have
25 committed waste of corporate assets to the damage of the Company and its shareholders.

26 65. Plaintiffs have no adequate remedy at law.
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28

1 PRAYER FOR RELIEF

2 WHEREFORE, Plaintiff, on his own behalf, and derivatively on behalf of RDI, prays for
3 judgment as follows:

4 A. An award of monetary damages to Plaintiff, on behalf of RDI, against all Director
5 Defendants and in favor of the Company for the amount of damages sustained by RDI as a result
6 of the Director Defendants' breaches of fiduciary duties, abuse of control, gross mismanagement,
7 and corporate waste, together with prejudgment interest thereon, in an amount to be proven at
8 trial;

9 B. Equitable and injunctive relief, including but not limited to:

- 10 i) an order disbanding the "Executive Committee" and enjoining any action by
11 any director to "freeze out" or otherwise restrict the participation of all eight
12 directors in corporate decisions;
- 13 ii) an order reinstating James J. Cotter, Jr. as the President and CEO of RDI;
- 14 iii) an order appointing a temporary receiver to cause (a) a proxy statement be
15 prepared and filed with the SEC; (b) to schedule and hold an annual shareholders'
16 meeting; and (c) such further relief as the Court may deem necessary for the
17 ongoing management and control of the Company;
- 18 iv) an order collapsing the Class A and B stock structure into a single class of
19 voting stock such that the Cotter family can no longer abuse public shareholders by
20 running RDI as a personal fiefdom and to prevent the Cotter family disputes
21 between the Cotter-family Class B shareholders or the inequitable Cotter family
22 control of the Company as a whole from further damaging the Company and the
23 public shareholders;

24 ///

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- 1 C. For attorney's fees and costs of suit herein; and
2 D. For such other and further relief as the Court may deem just and proper.

3 DATED this 5th day of August, 2015.

4 ROBERTSON & ASSOCIATES, LLP

5
6 By: 

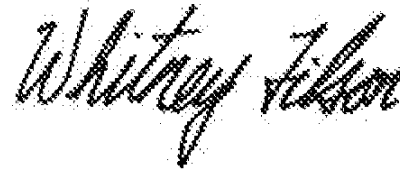
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13 CAPITAL MANAGEMENT; T2 ACCREDITED
14 FUND, LP, a Delaware limited partnership, doing
15 business as KASE FUND; T2 QUALIFIED
16 FUND, LP, a Delaware limited partnership, doing
17 business as KASE QUALIFIED FUND; TILSON
18 OFFSHORE FUND, LTD, a Cayman Islands
19 exempted company; T2 PARTNERS
20 MANAGEMENT I, LLC, a Delaware limited
21 liability company, doing business as KASE
22 MANAGEMENT; T2 PARTNERS
23 MANAGEMENT GROUP, LLC, a Delaware
24 limited liability company, doing business as KASE
25 GROUP; JMG CAPITAL MANAGEMENT,
26 LLC, a Delaware limited liability company;
27 PACIFIC CAPITAL MANAGEMENT, LLC, a
28 Delaware limited liability company;

Derivatively On Behalf of Reading International,
Inc.

WHITNEY TILSON VERIFICATION

I, Whitney Tilson, hereby verify that I am managing member and CCO of Plaintiffs, Tilson Offshore Fund, Ltd.; T2 Accredited Fund, L.P., doing business as Kase Fund; and T2 Qualified Fund, L.P., doing business as Kase Qualified Fund, and that each of these entities are shareholders of Reading International, Inc. ("RDI"). I am ready, willing and able to pursue this action in the hope of improving the corporate governance of RDI and recovering damages for RDI caused by the defendants' conduct. I have reviewed the allegations in the Complaint-in-Intervention and to those allegations of which I have personal knowledge I believe those allegations to be true. As to those allegations of which I do not have personal knowledge, I rely upon my counsel and their investigation and believe them to be true. Having received a copy of this Complaint-in-Intervention, reviewed it with my counsel, I hereby authorize its filing.



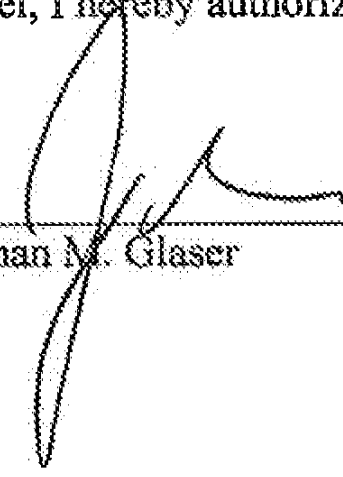
Dated: August 5, 2015

Whitney Tilson

JONATHAN M. GLASER VERIFICATION

I, Jonathan M. Glaser, hereby verify that I am managing member of Plaintiffs, Pacific Capital Management, LLC. and JMG Capital Management, LLC., and that each of these entities are shareholders of Reading International, Inc. ("RDI"). I am ready, willing and able to pursue this action in the hope of improving the corporate governance of RDI and recovering damages for RDI caused by the defendants' conduct. I have reviewed the allegations in the Complaint-in-Intervention and to those allegations of which I have personal knowledge I believe those allegations to be true. As to those allegations of which I do not have personal knowledge, I rely upon my counsel and their investigation and believe them to be true. Having received a copy of this Complaint-in-Intervention, reviewed it with my counsel, I hereby authorize its filing.

Dated: August __, 2015



Jonathan M. Glaser

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CERTIFICATE OF SERVICE

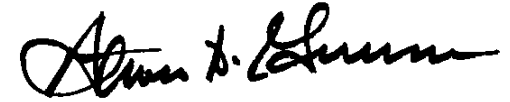
The undersigned, an employee of Robertson & Associates, LLP, hereby certifies that on the 6th day of August, 2015, I served a true and correct copy of Plaintiffs-In-Intervention's **MOTION TO INTERVENE ON ORDER SHORTENING TIME** by electronic service by submitting the foregoing to the Court's E-filing System for Electronic Service upon the Court's Service List pursuant to EDCR 8. The copy of the document electronically served bears a notation of the date and time of service.

PLEASE SEE THE E-SERVICE MASTER LIST

I declare under penalty of perjury that the foregoing is true and correct.

Dated: August 6, 2015


An employee of ROBERTSON & ASSOCIATES, LLP



CLERK OF THE COURT

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Attorneys for Defendants Margaret Cotter,
Ellen Cotter, Guy Adams, Edward Kane, and Douglas McEachern

EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

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

Plaintiff,

v.

MARGARET COTTER, ELLEN COTTER,
GUY ADAMS, EDWARD KANE, DOUGLAS
McEACHERN, TIMOTHY STOREY,
WILLIAM GOULD, and DOES 1 through 100,
inclusive;

Defendants.

Case No.: A-15-719860-B
Dept. No.: XI

Case No.: P-14-082942-E
Dept. No.: XI

Related and Coordinated Cases

BUSINESS COURT

**MOTION TO DISMISS FIRST AMENDED
COMPLAINT**

COHEN-JOHNSON, LLC
255 E. Warm Springs Road, Suite 100
Las Vegas, Nevada 89119
(702) 823-3500 FAX: (702) 823-3400

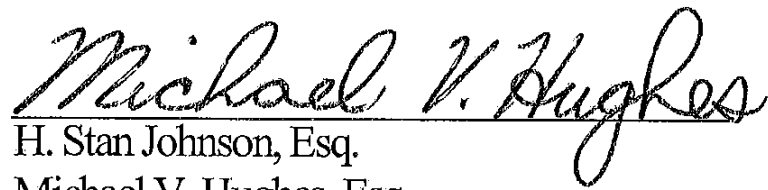
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COMES NOW, Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, and Douglas McEachern, by and through their counsel of record, Cohen-Johnson, LLC and Quinn Emanuel Urquhart & Sullivan, LLP, and hereby submit this Motion to Dismiss the First Amended Complaint.

This Motion is based upon the following Memorandum of Points and Authorities, the pleadings and papers on file, and any oral argument at the time of a hearing on this motion.

DATED this 12th day of November, 2015.

COHEN-JOHNSON, LLC

By: 
H. Stan Johnson, Esq.
Michael V. Hughes, Esq.

Christopher Tayback
Marshall M. Searcy
QUINN EMANUEL
URQUHART & SULLIVAN,
LLP

*Attorneys for Defendants
Margaret Cotter, Ellen Cotter,
Guy Adams, Edward Kane and
Douglas McEachern*

COHEN-JOHNSON, LLC
255 E. Warm Springs Road, Suite 100
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NOTICE OF MOTION

TO: MARK G. KRUM, LEWIS ROCA ROTHBERGER LLP, Attorneys for Plaintiff.


PLEASE TAKE NOTICE that the above Motion will be heard on the 15
day of Dec, 2015 at 8 : 3 0 a m in Department XI of the
above designated Court or as soon thereafter as counsel can be heard.

Dated this 12th day of November, 2015.

Respectfully Submitted,

COHEN-JOHNSON, LLC

By:


H. Stan Johnson, Esq.
Michael V. Hughes, Esq.

Christopher Tayback
Marshall M. Searcy
QUINN EMANUEL
URQUHART & SULLIVAN,
LLP

Attorneys for Defendants
Margaret Cotter, Ellen Cotter,
Guy Adams, Edward Kane, and Douglas McEachern

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

In this derivative suit, Plaintiff James J. Cotter, Jr. still cannot identify any injury to Reading. Plaintiff's First Amended Complaint ("FAC") continues to allege that the Reading Board of Directors breached its fiduciary duties by firing him as CEO. The FAC further sets forth a laundry list of additional, supposedly objectionable actions taken by the Board since it terminated him, including appointing new members he believes are unqualified, allowing options to be exercised with stock instead of cash, and delaying the issuance of board minutes. As set forth in detail below, none of these new allegations amount to more than an improper second-guessing of the Board's exercise of its business judgment.

Even with all his new allegations, however, Plaintiff's lengthy FAC devotes only four paragraphs to identifying any injuries that were supposedly incurred by the company. None of these alleged injuries are sufficient to support Plaintiff's asserted causes of action.

First, Plaintiff alleges that stock prices fell after the Board fired him as CEO. To the contrary, Reading's shareholders have seen double-digit gains in stock price since Plaintiff was removed as President and CEO.

Second, Plaintiff speculates about possible reputational harm to Reading resulting from his termination and the search for a replacement. But the FAC contains *not one* factual allegation about such harm beyond Plaintiff's conclusory statement that it has occurred.

Third, Plaintiff alleges that Reading was injured because shareholders were not provided with his view of the facts surrounding his termination. Yet, Plaintiff cannot identify any way in which the omitted "information" was material, and fails to allege even how shareholders would have benefited from being provided it.

Fourth, Plaintiff alleges that a \$50,000 payment was made to Ellen Cotter to reimburse her, according to Plaintiff, for an error in connection with the exercise of stock options. Notably, this payment predates Plaintiff's termination by months. Moreover, Plaintiff provides no explanation whatsoever why this alleged payment, unlike any other payment made by the company to an officer or director, would injure Reading.

1 Plaintiff has now had ample opportunity to identify an injury to Reading, and has failed to
2 do so. Based on the fatal flaws in his FAC, Defendants Margaret Cotter, Ellen Cotter, Guy Adams,
3 Edward Kane, and Douglas McEachern (the “Moving Defendants”) respectfully request that the
4 FAC be dismissed in its entirety.

5 **II. BACKGROUND**

6 A. Procedural History

7 Plaintiff filed his original Complaint on June 12, 2015, the same day he was terminated as
8 President and CEO of Reading. As more fully described below, the original Complaint purported
9 to bring both direct and derivative claims relating to this termination, with Plaintiff primarily
10 seeking his own reinstatement.

11 On or about August 10, 2015, Reading filed a motion to compel arbitration of the dispute
12 between Plaintiff and the company relating to his termination. Reading noted that Plaintiff’s
13 employment with the company was governed by an Employment Agreement pursuant to which
14 any disputes regarding Plaintiff’s employment are subject to arbitration. *See* Reading’s Motion to
15 Compel Arbitration at 3. Plaintiff opposed this motion, emphasizing the purportedly derivative
16 nature of his claims and that they were based on alleged breaches of fiduciary duty by Reading’s
17 directors. *See* Plaintiff’s Opposition to Reading’s Motion to Compel Arbitration at 8-9. In his
18 opposition—and many times since—Plaintiff has abandoned any individual, direct claims and
19 purported to bring this action purely on behalf of Reading shareholders. *See id.*

20 Also on August 10, 2015, Moving Defendants moved to dismiss Plaintiff’s Complaint
21 based on his failure to sufficiently allege damages, failure to plead demand futility with
22 particularity, and the inadequacy of James Cotter, Jr. as a representative of all Reading’s
23 shareholders. *See* Moving Defendants’ Motion to Dismiss at 7-17. Plaintiff opposed this Motion,
24 taking the position that despite his strong familial ties to Reading and his role as an ousted
25 employee seeking to regain his role as CEO, he could fairly represent the interests of Reading
26 shareholders in this dispute. *See* Plaintiff’s Opposition to Moving Defendants’ Motion to Dismiss
27 at 18-26. The Court granted the Motion to Dismiss in part, finding that Plaintiff had not
28

1 sufficiently alleged damages resulting from his termination to Reading, as opposed to injury to
2 him personally.

3 On October 22, 2015, Plaintiff filed a First Amended Complaint seeking to cure this defect
4 and adding myriad allegations about conduct supposedly occurring after his termination. Despite
5 the prior dismissal, Plaintiff continues to emphasize the impact his termination had on him
6 personally. He complains in the FAC that, after he was fired, he was denied access to his Reading
7 email account; he was denied access to Reading's offices; he was purportedly the intended target
8 of a new corporate policy regarding insider trading; he was unable to sell his Reading shares; he
9 was asked to resign from Reading's Board; and his company-provided insurance was terminated.
10 FAC, ¶¶ 116-18, 128-29. These grievances are, on their face, not of a derivative nature.

11 B. Facts as Alleged in First Amended Complaint¹

12 1. Reading International

13 Reading International is a Nevada corporation principally engaged in the development,
14 ownership, and operation of entertainment and real estate assets in the United States, Australia,
15 and New Zealand. FAC., ¶ 25. Reading's Board of Directors appointed Plaintiff James Cotter, Jr.
16 as President of Reading on June 1, 2013, and as CEO on August 7, 2014, after his father retired
17 from the position due to health reasons. *Id.*, ¶¶ 17, 27. Plaintiff claims to be a holder of non-
18 voting shares of Reading stock and also claims to be a co-trustee of a trust which owns a large
19 number of both voting and non-voting shares of Reading stock. *Id.*, ¶ 17. Plaintiff was, as of the
20 time of his termination, one of eight members of Reading's Board of Directors. *Id.*

21 Besides Plaintiff, the seven remaining members of Reading's Board of Directors at the time
22 of his termination were: (1) Margaret Cotter, Plaintiff's sister, who has served as a director since
23 2002 and runs Reading's live theater division, manages certain live theater real estate, and has
24 been responsible for pre-development work on Reading's Manhattan theater properties; (2) Ellen

25
26
27 ¹ Nearly all of the allegations and insinuations in the FAC are false. However, solely for the
28 purpose of this Motion and as required by Nevada law, Plaintiff's baseless allegations are accepted
as pleaded and summarized herein. *See Pemberton v. Farmers Ins. Exch.*, 109 Nev. 789, 792
(1993).

Cotter, Plaintiff's sister, who has served as a director since March 2013, been a Reading employee since 1998, and runs the day-to-day operations of Reading's domestic cinema operations; (3) Edward Kane ("Kane"), who has served as a director since October 2004² (and before that from 1985-1998) and serves as Chair of the Tax Oversight Committee and the Compensation and Stock Option Committee; (4) Guy Adams ("Adams"), who has served as a director since January 2014 and is a registered investment advisor and experienced independent director on public company boards; (5) Douglas McEachern ("McEachern"), who has served as a director since May 2012 and was an audit partner of Deloitte & Touche from 1985-2009; (6) Timothy Storey ("Storey"), who has served as a director since December 2011; and (7) William Gould ("Gould"), who has served as a director since October 2004. *See* FAC., ¶¶ 18-24; Ex. A attached hereto (Form 10-K/A Amendment No. 1 filed by Reading International, Inc.) at 1-3 (providing biographies of each director and a breakdown of their committee memberships).

2. Termination of Plaintiff's Employment and Position as President and CEO

According to the allegations in the FAC, beginning in late 2014, tensions began to rise between Plaintiff and the other Reading directors, including his siblings Ellen and Margaret Cotter. FAC, ¶¶ 44-46. Plaintiff, on the one hand, and Ellen and Margaret Cotter, on the other hand, were engaged in trust and estate litigation initiated after the death of their father in September 2014. *Id.*, ¶¶ 31-32. In recognition of these boardroom and familial tensions, in January 2015 the Reading Board of Directors approved a measure providing that none of Plaintiff, Ellen Cotter, or Margaret Cotter could be terminated from their employment without the approval of a majority of the non-Cotter-family directors. *Id.*, ¶ 51. Plaintiff, Ellen Cotter, and Margaret Cotter abstained from voting on this measure. *Id.* According to the FAC, in March 2015 the non-Cotter members of the Board appointed an independent committee consisting of directors Storey and Gould to work on behalf of the Board directly with Plaintiff in his role as CEO, as the full Board and Plaintiff had been struggling to work productively with Plaintiff. *Id.*, ¶¶ 59-60.

² The FAC erroneously states that Mr. Kane has served on the Board since October 2009.

1 Despite these months-long efforts to address and alleviate the ongoing conflicts between
2 Plaintiff and the company's other directors, these issues could not be effectively resolved.
3 Accordingly, at a May 21, 2015, meeting of the full Board of Directors, Plaintiff's continuing role
4 as President and CEO was put on the agenda as a discussion item. *Id.*, ¶ 86. Corporate counsel
5 for Reading was present at this May 21 meeting. *Id.*, ¶ 89. At this meeting, the Board invited
6 Plaintiff to discuss his performance as CEO so that the Board could fully evaluate his role. *Id.*, ¶
7 93. Plaintiff unilaterally declined to participate in any such discussion and complained about the
8 lack of process surrounding his termination. *Id.* Despite Plaintiff's failure to honor the Board's
9 request or engage in any discussions about his performance as Reading's President and CEO, the
10 Board determined that no final decision would be made about Plaintiff's employment at the May
11 21 meeting and that additional time would be taken to consider the matter. *Id.*, ¶ 94. The Board
12 agreed to reconvene on May 29, 2015, for further consideration of the issue. *Id.*

13 At the May 29 meeting, Adams made a motion to terminate Plaintiff as Reading's President
14 and CEO. *Id.*, ¶ 101. The Board engaged in extensive discussions about this motion both in and
15 outside the presence of Plaintiff. *Id.*, ¶¶ 102-05. Ultimately, Plaintiff was not terminated on May
16 29, and the Board adjourned, again allowing for additional time for evaluation and assessment of
17 the issues at hand by Plaintiff and the Board. *Id.*, ¶¶ 106-07.

18 The Board reconvened on June 12, 2015, to address Plaintiff's potential termination. *Id.*,
19 ¶ 113. At this meeting—the third time Reading's Board of Directors met to evaluate Plaintiff's
20 continued employment—the Board ultimately voted to terminate Plaintiff. Ellen and Margaret
21 Cotter, Kane, Adams, and McEachern (each of the Moving Defendants) all voted in favor of
22 termination. *Id.* Storey and Gould voted against termination. *Id.* Plaintiff was therefore,
23 according to his own allegations, terminated based on a majority vote of the full Board **and**, as
24 required by prior Board resolution, a majority vote of the non-Cotter directors. After Plaintiff's
25 termination, Ellen Cotter was appointed interim CEO and President of Reading. *Id.* On the day
26 of Plaintiff's termination, Reading's share price closed at \$13.88. Today, the price is \$15.45. Ex.
27 C attached hereto at 1, 4 (listing historical share prices of RDI shares).

3. The FAC's New Allegations of Conduct Since Plaintiff's Termination

Whether as the basis for purported claims for breach of fiduciary duty or simply to provide his perspective regarding the current state of affairs at the company, Plaintiff includes in the FAC numerous allegations about conduct of Reading's Board of Directors that has supposedly taken place since his termination. These allegations fall broadly into the following categories:

- **Adverse actions against Plaintiff.** Plaintiff alleges that, since his termination, he has been denied access to Reading's offices; had his Reading email address deactivated; had his Reading-provided insurance terminated; had his personal ability to exercise stock options impaired; and been asked to resign from the Board. *See* FAC, ¶¶ 116-118, 128-129.
- **Withholding and manipulating Board minutes and materials.** Moving Defendants have allegedly "created and/or approved fictional Board minutes" and delayed the distribution of Board minutes, agendas, and materials. FAC, ¶¶ 8, 121. The FAC does not identify any particular Board minutes or materials that have been delayed, withheld, or fictionalized.
- **Use of an Executive Committee.** Moving Defendants have allegedly seized full control of Reading through the use of an Executive Committee consisting of Ellen Cotter, Margaret Cotter, Kane, and Adams. *See* FAC, ¶¶ 9, 119-120. Plaintiff was Chairman of the Executive Committee prior to his termination. Ex. A at 5. The FAC does not identify any particular improper actions allegedly taken by the Executive Committee. Both Reading's bylaws and Nevada law explicitly authorize the formation of board committees to manage affairs of a company. *See* Nev. Rev. Stat. § 78.125(1) ("[T]he board of directors may designate one or more committees which, to the extent provided in the resolution or resolutions or in the bylaws of the corporation, have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation."); Ex. B attached hereto at 6 (Reading's Amended and Restated Bylaws).
- **Exercise of stock options by Ellen and Margaret Cotter.** Ellen and Margaret Cotter, allegedly with the approval of a Compensation Committee vote by Kane and Adams, exercised an option held by the Estate of James Cotter, Sr. to acquire 100,000 shares of Reading Class B voting stock. *See* FAC, ¶¶ 10, 123-127, 132. Ellen and Margaret Cotter were allegedly

1 improperly permitted to use Reading Class A stock to effect this transaction, and Plaintiff
2 claims that Reading “received no benefit from receiving class A stock (rather than cash).” *Id.*,
3 ¶ 10. Reading Class A stock currently trades at \$15.45. Ex. C at 1.

4 • **Addition of new Board members.** Moving Defendants have allegedly proposed and/or
5 approved the addition of two new members to Reading’s Board who have personal ties to
6 members of the Cotter family. *See* FAC, ¶¶ 12-15, 146-160.

7 • **Fraudulent statements.** Certain of Moving Defendants—it is not specified which—have
8 allegedly caused Reading to make materially misleading statements and omissions in SEC
9 filings, press releases, and its proxy statement. *See* FAC, ¶¶ 16, 122, 134-145, 161. Plaintiffs
10 does not identify any shareholders who purchased shares based on the statements, or how the
11 statements would have affected a purchaser.

12 • **Executive search.** Ellen Cotter has allegedly been empowered to control the search for a
13 permanent CEO. *See* FAC, ¶ 114. Plaintiff expects that Ms. Cotter “will select a [search] firm
14 and direct it to present candidates who she can be assured will possess unwavering fealty to
15 EC and MC, without regard to the interests of RDI and its other shareholders.” *Id.* Plaintiff
16 also alleges that the search for an executive with extensive experience in New York real estate
17 has been terminated “as a practical matter.” *Id.*, ¶ 115. Plaintiff’s FAC does not identify any
18 suitable candidates, other than himself, for either of these positions.

19 **III. LEGAL STANDARD**

20 Nevada Rule of Civil Procedure (“NRCP”) 12(b)(5) provides for the dismissal of a claim
21 when a party has failed to state a claim upon which relief can be granted. On a motion to dismiss,
22 the trial court “is to determine whether or not the challenged pleading sets forth allegations
23 sufficient to make out the elements of a right to relief.” *Pemberton*, 109 Nev. at 792 (internal
24 quotations omitted). A complaint should be dismissed if it appears beyond a doubt that a plaintiff
25 can prove no set of facts that would entitle a plaintiff to relief. *See Buzz Stew, LLC, v. City of N.*
26 *Las Vegas*, 181 P.3d 670, 672 (Nev. 2008).

27 To survive a motion to dismiss, a claim must be pleaded showing a party’s entitlement to
28 relief. This “requires more than labels and conclusions, and a formulaic recitation of a cause of

1 action's elements will not do." *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007).³ Bald
2 contentions, unsupported characterizations, and legal conclusions are not well-pleaded allegations,
3 and will not suffice to defeat a motion to dismiss. *See G.K. Las Vegas Ltd. P'ship v. Simon Prop.*
4 *Grp., Inc.*, 460 F. Supp. 2d 1246, 1261 (D. Nev. 2006); *see also Sprewell v. Golden State Warriors*,
5 266 F.3d 979, 988 (9th Cir. 2001) *opinion amended on denial of reh'g*, 275 F.3d 1187 (9th Cir.
6 2001); *Huck v. Countrywide Home Loans, Inc.*, No. 3:09-CV-553 JCM VPC, 2011 WL 3274041,
7 at *1 (D. Nev. July 29, 2011).

8 **IV. ARGUMENT**

9 **A. The First Amended Complaint Again Fails to Sufficiently Allege Damages to** 10 **Reading, as Opposed to Plaintiff Personally**

11 Plaintiff's original Complaint was dismissed because it failed to sufficiently allege damage
12 to Reading or any of its stockholders (besides Plaintiff himself) proximately caused by Plaintiff's
13 termination. In an effort to cure this fatal deficiency, Plaintiff now claims four categories of
14 damage to Reading: monetary damages from a decrease in stock price (FAC, ¶ 162); damages to
15 Reading's reputation and goodwill (*id.*, ¶ 163); loss of shareholder rights (*id.*, ¶ 164); and money
16 damages from an allegedly improper payment to Ellen Cotter (*id.*, ¶ 165). These allegations are
17 inadequate as a matter of law and fail to show that anyone but Plaintiff has been harmed by his
18 firing. *See Bd. of Managers of Foundry at Wash. Park Condo. v. Foundry Dev. Co., Inc.*, No.
19 4484/2010, 2013 WL 4615000, at *2-3 (N.Y. Sup. Ct. Aug. 23 2013) (granting motion to dismiss
20 breach of fiduciary duty claim where allegations failed to make a connection of harm to nominal
21 defendant in derivative action); *Stafford v. Reiner*, 804 N.Y.S.2d 114, 114-15 (N.Y. App. Div.
22 2005) ("[E]ven accepting as true the facts alleged in the complaint and affording [plaintiff] the
23 benefit of every possible favorable inference, [plaintiff's] claim that the defendants' breach of
24

25
26 ³ Nevada courts often look to interpretations of analogous federal rules as persuasive
27 authority. *Exec. Mgmt., Ltd. v. Ticor Title Ins. Co.*, 118 Nev. 46, 53 (2002) ("Federal cases
28 interpreting the Federal Rules of Civil Procedure are strong persuasive authority, because the
Nevada Rules of Civil Procedure are based in large part upon their federal counterparts.") (internal
quotations omitted).

1 fiduciary duty and/or negligence was a proximate cause of the [alleged damages] remains entirely
2 speculative and finds no support in the record.”) (citations omitted).

3 1. Reading’s Share Price Has Increased Dramatically Since Plaintiff’s
4 Termination

5 Plaintiff claims that Reading’s share price has “dropped” based on his termination and
6 related conduct. *Id.*, ¶ 162. This is simply untrue. **Reading’s share price today is nearly 14%**
7 **above the price on the day of Plaintiff’s termination** and has outperformed each of the major
8 indices by more than 10% over that same time period.⁴ Plaintiff cannot plausibly contend that
9 shareholder value has suffered when the stock price has actually increased.

10 There have, of course, been interim fluctuations in Reading’s share price over the last
11 several months – stock prices shift all the time. These fluctuations could be due to any number of
12 economic and market factors, such as the crash of the Chinese stock market, which began on the
13 same day as Plaintiff’s termination.⁵ There is no reasonable basis for Plaintiff’s unsupported
14 conclusion that these fluctuations show damages to Reading, particularly given the stock’s
15 overwhelmingly positive performance since he was fired.

16 2. Plaintiff Speculates About Potential Future Reputational Damage to
17 Reading But Does Not Allege Any Actual Injury

18 Plaintiff claims defendants’ conduct has caused injury to Reading’s “reputation and
19 goodwill” and lists various potential future consequences of such injury, including a diminished
20 ability to retain top executives, increased costs, and lower stock value to investors. FAC, ¶ 163.
21 Notably absent from the FAC, though, is a single factual allegation relating to any supposed
22 reputational harm that has *actually occurred*. The FAC’s damages allegations are based on
23 Plaintiff’s speculation about what *might* occur if his conjecture about harm to Reading’s goodwill
24 is true. These conclusory statements about possible future damages lack any factual support in the

25 ⁴ Ex. D attached hereto at 1.

26 ⁵ See, e.g., Keith Bradsher & Chris Buckley, *China’s Market Rout Is a Double Threat*, New
27 York Times, July 5, 2015, retrieved from [http://www.nytimes.com/2015/07/06/business/](http://www.nytimes.com/2015/07/06/business/international/chinas-market-rout-is-a-double-threat.html?_r=0)
28 [international/chinas-market-rout-is-a-double-threat.html?_r=0](http://www.nytimes.com/2015/07/06/business/international/chinas-market-rout-is-a-double-threat.html?_r=0) (“About \$2.7 trillion in value has
evaporated since the Chinese stock market peaked on June 12.”).

1 FAC and are not a proper basis for this derivative action. *See Huck*, 2011 WL 3274041, at *1
2 (bald contentions, unsupported characterizations, and legal conclusions are not well-pleaded
3 allegations, and will not suffice to defeat a motion to dismiss); *see also Twombly*, 550 U.S. at 556-
4 57.

5 3. Allegations Regarding Loss of Shareholder Rights Go to the Existence of
6 a Breach, Not the Resulting Injury

7 Plaintiff alleges that Reading has suffered damages proximately caused by defendants'
8 conduct because its shareholders have effectively lost certain rights, including "the right not to be
9 misled," "the right to rely on timely and accurate SEC filings," and "the right to have elections for
10 directors that are not manipulated and not rigged." FAC, ¶ 164. Here, Plaintiff simply conflates
11 the FAC's alleged breaches of fiduciary duty (*e.g.*, untimely SEC filings) with the supposed
12 resulting damages (*e.g.*, loss of the right to timely SEC filings). This circular reasoning effectively
13 eliminates the required separate damages element of a claim for breach of fiduciary duty. *See*
14 *Brown v. Kinross Gold U.S.A., Inc.*, 531 F. Supp. 2d 1234, 1245 (D. Nev. 2008) (A claim for
15 breach of fiduciary duty requires a plaintiff to demonstrate "the existence of a fiduciary duty, the
16 breach of that duty, and that the breach proximately caused the damages.") (applying Nevada law).

17 In order to state a derivative claim for breach of fiduciary duty based on allegedly improper
18 disclosures, **Plaintiff must explain how Reading was harmed**; simply repeating the allegations
19 that a breach occurred is not enough. *See O'Reilly v. Transworld Healthcare, Inc.*, 745 A.2d 902,
20 916-917 (Del. Ch. 1999) (a claim for breach of duty of disclosure must "plead causation and
21 identify actual quantifiable damages in order to survive a motion to dismiss"). Further, even if
22 certain shareholders were somehow damaged (as opposed to the company itself), such damage
23 would only properly be the subject of a direct claim rather than a derivative action. *See Lapidus*
24 *v. Hecht*, 232 F.3d 679, 683 (9th Cir. 2000) (allegations that assert an injury to contractual rights
25 of stockholders, such as the right to vote, make a direct claim) *citing, inter alia, Sarin v. Ochsner*,
26 48 Mass. App. Ct. 421, 721 N.E.2d 932, 934 (Mass. App. Ct. 2000) (applying Delaware law to
27 determine whether claims were direct or derivative).

28 4. The FAC Alleges a \$50,000 Payment to Ellen Cotter But Fails to State a
Claim for Any Associated Breach of Fiduciary Duty

1 Plaintiff claims defendants' conduct "has literally cost RDI money, meaning has caused
2 monetary damages to RDI," citing one supposedly improper transaction: a \$50,000 "bonus" paid
3 to Ellen Cotter "on account of a supposed error by the Company in connection with the issuance
4 of RDI stock options EC had exercised in 2013." FAC, ¶¶ 40, 165. But corporations make
5 payments to officers all the time, even in the form of bonus payments. This particular one was
6 made while Plaintiff was still Reading's President and CEO. To show an injury to the corporation
7 from this allegedly improper payment, the FAC must allege it is a "rare, 'unconscionable case
8 where directors irrationally squander[ed] or [gave] away corporate assets[']" under circumstances
9 "so one sided that no business person of ordinary, sound judgment could conclude that" the
10 transaction was acceptable. *See In re Walt Disney Co. Derivative Litig.*, 906 A.2d 27, 74 (Del.
11 2006). These allegations are absent from the FAC.

12 Indeed, despite being listed as an "injury" to shareholders, the FAC does not even
13 sufficiently allege a basic breach of fiduciary duty relating to this payment. The \$50,000 is
14 mentioned only twice, in passing, and is not specifically cited in any of the FAC's three causes of
15 action. FAC, ¶¶ 40, 65. Plaintiff has not made a demand on Reading's Board with respect to this
16 payment or alleged that pre-suit demand would be futile in connection with an action to recoup
17 these funds. (Plaintiff's only demand futility allegations relate to his termination). The FAC does
18 not allege which Board members (if any) voted in favor of this payment, whether Plaintiff (as a
19 Board member or as CEO) supported or opposed this payment, the nature of the "supposed error"
20 at issue, or why this payment was not proper. The FAC offers no allegations as to why such
21 payment to Ellen Cotter does not fall squarely within the protections of the business judgment rule.
22 *See Nev. Rev. Stat. § 78.138(7)* (a director is not individually liable for a breach of fiduciary duty
23 unless it is proven that the breach involved "intentional misconduct, fraud or a knowing violation
24 of the law"). If Plaintiff seeks to recoup \$50,000 for Reading shareholders based on a single
25 payment to Ellen Cotter, he needs to appropriately plead that claim.

1 B. **The Purported Wrongdoing Alleged in the First Amended Complaint Does**
2 **Not Constitute a Breach of Fiduciary Duty**

3 Plaintiff's failure to plead injury to Reading with particularity is dispositive of each of his
4 causes of action for breach of fiduciary duty, which requires damages as an essential element. *See*
5 *Brown*, 531 F. Supp. 2d at 1245. Putting aside this fatal flaw in his claims, however, Plaintiff's
6 FAC has also failed to sufficiently allege any breach of a fiduciary duty. The FAC, while still
7 largely focused on Plaintiff's own termination, contains numerous allegations regarding actions
8 taken or decisions made by Reading's Board since his termination that Plaintiff does not like. This
9 laundry list of grievances includes:

- 10 (a) eliminating Plaintiff's access to a Reading email account, Reading's offices, and
11 Reading medical insurance after his termination;
12 (b) preventing Plaintiff from selling Reading shares;
13 (c) asking Plaintiff to resign from Reading's Board;
14 (d) Reading's new insider trading policy;
15 (e) allegedly untimely Board minutes and materials;
16 (f) allegedly inaccurate Board minutes and materials;
17 (g) the role of the Executive Committee;
18 (h) Reading's search for a permanent CEO;
19 (i) Reading's search for an executive with real estate experience;
20 (j) allegedly misleading public statements;
21 (k) allegedly untimely public disclosures;
22 (l) Cotter family stock option exercises;
23 (m) Storey's resignation from Reading's Board; and
24 (n) the addition of new members to Reading's Board.

25 *See, e.g.*, FAC, ¶¶ 8-10, 12-17, 114-22, 127-33, 137-38, 143-44, 148-50, 154-58, 160-61, 164. It
26 is unclear if Plaintiff intends each of these various complaints to constitute separate claims for
27 breach of fiduciary duty. As with the original Complaint, Plaintiff's own termination is the only
28 supposed wrongdoing specifically referenced in any of the FAC's three causes of action. *See* FAC,

¶¶ 174, 185-87. Similarly, though he makes general reference to his other allegations, Plaintiff's termination is the only alleged Board wrongdoing specifically cited in the FAC's "Irreparable Harm" and demand futility sections. *See* FAC, ¶¶ 166, 168, 192. However, to the extent Plaintiff intends to state distinct claims for breach of fiduciary duty based on these items, each such claim fails as a matter of law. Though Plaintiff clearly disagrees with numerous decisions made by the Board, this does not give him license to ignore the presumptions of the business judgment rule and second-guess the Board's every move in court. *See Shoen v. SAC Holding Corp.*, 137 P.3d 1171, 1181 (Nev. 2006) ("[E]ven a bad decision is generally protected by the business judgment rule's presumption that the directors acted in good faith, with knowledge of the pertinent information, and with an honest belief that the action would serve the corporation's interests."); *Cede & Co. v. Technicolor, Inc.*, 634 A.2d 345, 360 (Del. 1993), *decision modified on reargument*, 636 A.2d 956 (Del. 1994) ("The [business judgment] rule operates to preclude a court from imposing itself unreasonably on the business and affairs of a corporation.").

1. Plaintiff Seeks to Improperly Convert Personal Grievances to Derivative Claims

Many of the FAC's allegations are simply an opportunity for Plaintiff to air his personal grievances and have nothing to do with the broader group of stockholders he purports to represent. For example, Plaintiff complains about a Reading insider trading policy that he believes was specifically targeted to impact his personal ability to sell company shares: "Plaintiff is informed and believes that this supposed [insider trading] policy was created to impair his ability to generate liquidity through the sale of or borrowing against RDI stock, the principal source of Plaintiff's net worth." FAC, ¶ 117. Even taking Plaintiff's allegations at face value, this has no impact on any other Reading shareholder. The same is true of the FAC's allegations that, since his termination, Plaintiff has been asked to resign from the Board and has lost access to company email, health and medical benefits, and office facilities. *See id.*, ¶¶ 116, 118. Plaintiff's personal issues with the company are not appropriate fodder for a derivative claim.

2. The FAC Does Not Plead Allegations of Fraudulent Misrepresentations with the Required Specificity

1 The FAC alleges that some or all of the Moving Defendants breached their fiduciary duties
2 by making fraudulent misrepresentations or omissions in SEC filings, a press release, and the 2015
3 Proxy Statement. To state a claim for breach of fiduciary duty based on fraud, Plaintiff must plead
4 such claims with specificity, including “averments to the time, the place, the identity of the parties
5 involved, and the nature of the fraud.” *Rocker v. KPMG LLP*, 148 P.3d 703, 708 (Nev. 2006),
6 *abrogated on other grounds by Buzz Stew*, 181 P.3d at 672 n.6; *see also In re Amerco Derivative*
7 *Litig.*, 252 P.3d 681, 700 (Nev. 2011) (“Because appellants’ claims of breach of the fiduciary duty
8 are, in this instance, allegations of fraud committed by respondent officers and directors, for those
9 causes of action, appellants must satisfy the heightened pleading requirement of NRCP 9(b).”);
10 *Vess v. Ciba-Geigy Corp. USA*, 317 F.3d 1097, 1106-08 (9th Cir. 2003) (affirming dismissal of
11 claims under [Federal Rule of Civil Procedure] 9(b) and noting that “[a]verments of fraud must be
12 accompanied by the who, what, when, where, and how of the misconduct charged”) (internal
13 quotations omitted). Plaintiff’s allegations of fraud do not come close to meeting this standard.

14 Plaintiff alleges that Reading’s October 20 Proxy Statement is materially misleading and
15 cites various supposedly misleading or inaccurate statements therein. *See* FAC, ¶ 161. Yet the
16 FAC does not allege which defendant or defendants supposedly made these statements. *See Snyder*
17 *v. U.S. Bank, N.A.*, No. 2:14-CV-01697-MMD-PA, 2015 WL 3400512, at *3 (D. Nev. May 27,
18 2015) (“[W]hen a fraud suit involves multiple defendants [Federal Rule of Civil Procedure] 9(b)
19 does not allow a complaint to merely lump [the] defendants together but requires plaintiffs to
20 differentiate their allegations ... and inform each defendant separately of the allegations
21 surrounding his alleged participation in the fraud.”) (citation and internal quotation marks
22 omitted). Nor does the FAC offer any non-conclusory explanation as to why numerous of these
23 statements are false. *See Vess*, 317 F.3d at 1106 (9th Cir. 2003) (“[A] plaintiff must set forth *more*
24 than the neutral facts necessary to identify the transaction. The plaintiff must set forth what is
25 false or misleading about a statement, and why it is false.”) (italics in original and citation omitted).
26 For many of the supposedly fraudulent statements, the FAC offers no explanation whatsoever as
27 to the basis of their falsity. *See* FAC, ¶ 161(a)-(c). Where the FAC does include some explanation,
28 it consists of nothing more than Plaintiff’s speculation.

1 For example, unspecified defendants supposedly engaged in fraud by claiming in the Proxy
2 Statement that “EC has been appointed as interim President and CEO and that the Board has
3 established an Executive Search Committee comprised of EC, MC, Adams, Gould and
4 McEachern” which “will consider both internal and external candidates.” FAC, ¶ 161(d). This
5 statement is “materially misleading if not inaccurate” according to the FAC because “Plaintiff is
6 informed and believes that the undisclosed plan is to make EC President and CEO after conducting
7 a search the purpose of which is to create the misimpression of a bona fide process[.]” *Id.* Plaintiff
8 cannot satisfy the heightened pleading standards of Rule 9(b) though conjecture about what he
9 suspects some unidentified defendants’ secret motivations might be. *See Seibert v. Harper & Row,*
10 *Publishers, Inc.*, No. CIV. A. 6639, 1984 WL 21874, at *6 (Del. Ch. Dec. 5, 1984) (“Proxy
11 materials are only required to disclose all germane *facts*. They need not include opinions or
12 possibilities, legal theories or plaintiff’s characterization of the facts.”); *In re John Q. Hammons*
13 *Hotels Inc. S’holder Litig.*, No. CIV. A. 758-CC, 2009 WL 3165613, at *15 (Del. Ch. Oct. 2, 2009)
14 (plaintiffs did not state a claim based on defendants’ failure to disclose in proxy materials the
15 “subservient, deferential approach adopted by the Special Committee” because defendants were
16 not required to disclose their “characterization of the special committee process” or engage in self-
17 flagellation).

18 The FAC’s allegations regarding other statements by the company follow a similar pattern.
19 Plaintiff’s claims about supposed fraud in Reading press releases and SEC filings fail to identify
20 the responsible defendant, do not explain why the statement or omission was misleading, do not
21 support the conclusory claim of materiality,⁶ do not allege how defendants supposedly benefitted
22

23 ⁶ “An omitted fact is material if there is a substantial likelihood that a reasonable shareholder
24 would consider it important in deciding how to vote. . . . It does not require proof of a substantial
25 likelihood that disclosure of the omitted fact would have caused the reasonable investor to change
26 his vote. What the standard does contemplate is a showing of a substantial likelihood that, under
27 all the circumstances, the omitted fact would have assumed actual significance in the deliberations
28 of the reasonable shareholder. Put another way, there must be a substantial likelihood that the
disclosure of the omitted fact would have been viewed by the reasonable investor as having
significantly altered the ‘total mix’ of information made available.” *TSC Indus., Inc. v. Northway,*
Inc., 426 U.S. 438, 449 (1976).

1 from these statements, and do not identify any damage resulting from the supposedly false
2 statements. *See In re Amerco*, 252 P.3d at 701 (affirming dismissal of breach of fiduciary duty
3 claim where plaintiffs “offered no explanation as to why or how [defendants] personally
4 benefited”); *Pfeffer v. Redstone*, 965 A.2d 676, 685 (Del. 2009) (“To state a claim for breach of
5 the fiduciary duty of disclosure on the basis of a false statement or representation, a plaintiff must
6 identify (1) a material statement or representation in a communication contemplating stockholder
7 action (2) that is false.”); *In re Ebix, Inc. Stockholder Litig.*, No. CIV.A. 8526-VCN, 2014 WL
8 3696655, at *24 (Del. Ch. July 24, 2014) (“[A] stockholder plaintiff seeking compensatory
9 damages for a material misstatement or omission must allege ‘some reasonable relationship
10 between the alleged disclosure claims and harm suffered . . . individually by the shareholders.’”).
11 Plaintiff cannot base a claim for breach of fiduciary duty on allegations that Reading’s public
12 disclosures were not written to his liking. *See In re Amerco*, 252 P.2d at 701 (“[S]imply alleging
13 that the public filings did not contain enough information . . . does not demonstrate that respondents
14 engaged in intentional misconduct or fraud.”); *Backman v. Polaroid Corp.*, 910 F.2d 10, 16 (1st
15 Cir. 1990) (“revealing one fact” does not mean that “one must reveal all others that, too, would be
16 interesting, market-wise, but means only such others, if any, that are needed so that what was
17 revealed would not be so incomplete as to mislead”) (internal quotations omitted); *Khanna v.*
18 *McMinn*, No. CIV.A. 20545-NC, 2006 WL 1388744, at *32 (Del. Ch. May 9, 2006) (holding that
19 the plaintiffs’ claim that the “real reasons” behind the termination of one of the plaintiffs should
20 have been disclosed would require that the board “engage in classic ‘self-flagellation’” because it
21 would “constitute admissions of wrongdoing, which the Defendants contest, before a final
22 adjudication on the merits”).

23 3. The FAC’s Allegations About Reading’s Executive Search Are Pure
24 Speculation

25 Plaintiff’s complaints about Reading’s search for a permanent CEO are typical of the non-
26 fraud allegations added to the FAC. Plaintiff alleges that “EC has been empowered to select the
27 search firm to conduct a search for a supposed new CEO” and “[w]ith such unfettered power, she
28 will select a firm and direct it to present candidates who she can be assured will possess

1 unwavering fealty to EC and MC, without regard to the interests of RDI and its other shareholders,
2 if she allows it to proceed at all opting instead to remain CEO.” FAC, ¶ 114. This allegation is
3 plainly insufficient to state a claim for breach of fiduciary duty. Plaintiff does not allege that Ellen
4 Cotter (or any defendant) has actually breached a fiduciary duty with respect to the CEO search,
5 but rather that she *could* breach her duty and Plaintiff expects she *might* do so. Plaintiff cannot
6 state a claim for breach of fiduciary duty based on what he suspects Ellen Cotter might do in the
7 future. *See Atlantis Info. Tech., GmbH v. CA, Inc.*, 485 F. Supp. 2d 224, 234 (E.D.N.Y. 2007)
8 (“[T]he Plaintiff may not plead a speculative claim that did not exist at the time of the filing of the
9 complaint and as of the present time, still does not exist.”).

10 4. Plaintiff Improperly Speculates About the Loyalties of Two New Board
11 Nominees Based Purely on the Fact That They Are Friendly With
12 Members of the Cotter Family

13 The FAC contains no factual allegations—as opposed to Plaintiff’s own conclusions—
14 supporting the claim that Moving Defendants breached their fiduciary duties by nominating Judy
15 Coddington and Michael Wrotniak to the Board. Plaintiff alleges that Ms. Coddington is a “long-
16 standing friend” of his mother and that he is “informed and believes that Ms. Coddington was selected
17 because she is expected to be loyal to EC and MC.” FAC, ¶ 12. Plaintiff offers no factual basis
18 for this belief. The same is true of the FAC’s allegations with respect to Mr. Wrotniak: “Plaintiff
19 is informed and believes that Wrotniak was chosen because MC and EC expect him to be loyal to
20 them.” *Id.*, ¶ 14. This unfounded belief is based entirely on the fact that, according to the FAC,
21 “Wrotniak is the husband of MC’s best friend.” *Id.*, ¶ 157.

22 Plaintiff’s baseless speculation about the potential future loyalties of Reading Board
23 nominees derives entirely from what he alleges to be preexisting relationships with members of
24 the Cotter family. Such preexisting relationships are common in the context of corporate boards
25 and are not disqualifying, nor do they demonstrate a breach of fiduciary duty by either the
26 nominating directors or the nominees themselves. *See In re W. Nat. Corp. Shareholders Litigation*,
27 No. 15927, 2000 WL 710192, at *15-16 (Del. Ch. May 22, 2000) (holding that nomination of
28 directors “known and trusted” to key stakeholders was not improper; “Directors must be nominated
and elected to the board in one fashion or another. The fact that a company’s executive chairman

1 or a large shareholder played some role in the nomination process should not, without additional
2 evidence, automatically foreclose a director's potential independence."); *see also La. Mun. Police*
3 *Emps. Ret. Sys. v. Wynn*, No. 2:12-CV-509 JCM GWF, 2014 WL 994616, *5-7 (D. Nev. March
4 13, 2014) ("lengthy personal and business relationships between board members" and the
5 defendant who allegedly dominated the board of directors, including decades-long friendships,
6 political contributions, a threat against an opponent in an election, a million dollar charitable
7 contribution, and outside business relationships did not rebut presumption of independence); *Beam*
8 *ex rel. Martha Stewart Omnimedia, Inc. v. Stewart*, 845 A.2d 1040, 1051 (Del. 2004) ("Allegations
9 that Stewart and the other directors moved in the same social circles, attended the same weddings,
10 developed business relationships before joining the board, and described each other as 'friends,'
11 even when coupled with Stewart's 94% voting power, are insufficient, without more, to rebut the
12 presumption of independence.").

13 5. Plaintiffs Seeks to Convert a Trust and Estate Dispute With His Sisters to
14 a Derivative Claim by Complaining About the Estate's Exercise of Stock
15 Options

16 The FAC alleges that on September 17, 2015, "EC and MC acted to exercise an option held
17 by the Estate, of which they are executors, to acquire 100,000 shares of RDI class B voting stock."
18 *See* FAC, ¶ 10. The FAC further alleges that Reading's Compensation Committee authorized
19 Ellen and Margaret Cotter, acting on behalf of the Estate of James Cotter, Sr., to exercise the option
20 using Reading Class A shares. *See id.* This dispute over control of the Estate and its assets is not
21 the proper subject of a derivative claim; Plaintiff can seek to invalidate this exercise in the ongoing
22 trust and estate litigation, but it is not a breach of fiduciary duty.

23 The only supposed basis for "breach" Plaintiff alleges in connection with this option
24 exercise is that Kane and Adams, as members of the Compensation Committee, authorized the use
25 of Class A stock instead of cash. *See id.*, ¶ 10. To the extent the FAC seeks to characterize this
26 as a claim for corporate waste, Plaintiff's allegations do not meet the exceedingly high standard
27 required for such a claim, *i.e.*, "an exchange that is so one sided that no business person of ordinary,
28 sound judgment could conclude that the corporation has received adequate consideration." *Brehm*
v. Eisner, 746 A.2d 244, 263 (Del. 2000); *see also In re Walt Disney*, 906 A.2d at 74 ("A claim of

1 waste will arise only in the rare, unconscionable case where directors irrationally squander or give
2 away corporate assets. This onerous standard for waste is a corollary of the proposition that where
3 business judgment presumptions are applicable, the board's decision will be upheld unless it
4 cannot be attributed to any rational business purpose.") (internal citations and quotation marks
5 omitted). Indeed, since the value of Reading Class A shares has increased more than 20% since
6 Plaintiff alleges Kane and Adams voted to authorize this transaction, it appears to have been a
7 savvy business decision, earning far more value for Reading than a cash payment would have.⁷

8 6. The FAC Fails to Identify a Single Improper Set of Board Meeting
9 Minutes

10 Plaintiff alleges that, since his termination, Board meeting minutes have been delayed and
11 misleading, but the FAC does not identify a single set of improper minutes. *See* FAC, ¶¶ 8, 121.
12 This does not satisfy even the most basic pleading standard. *See In re Sony Grand Wega KDF-E*
13 *A10/A20 Series Rear Projection HDTV Television Litig.*, 758 F. Supp. 2d 1077, 1093-94 (S.D.
14 Cal. 2010) (dismissing false advertising claim because "[w]hether governed by Rule 9(b) or Rule
15 8's more lax pleading standards, Plaintiffs' failure to identify specific advertisements does not
16 provide . . . adequate notice of its alleged violations[.]").

17 7. The FAC Fails to Identify Any Improper Action Taken by the Executive
18 Committee

19 The FAC repeatedly cites the Executive Committee as an example of Board misconduct
20 and even seeks an injunction relating to that committee (*see* FAC, ¶¶ 9, 11, 119-20). However,
21 the only factual allegation relating to the Executive Committee's conduct is that it approved a
22 Board nominee whose nomination was ultimately withdrawn—there is no allegation of any actual
23 breach or resulting damages. *See* FAC, ¶ 11; *see also In re Resorts Int'l S'holders Litig. Appeals*,
24 570 A.2d 259, 266-67 (Del. 1990) (affirming that business judgment rule applied to challenged
25 actions of special committee).

26
27 ⁷ *See* FAC, ¶ 132 (authorization vote occurred on September 21, 2015); Ex. C at 1-2
28 (September 21, 2015 share price: \$12.54; November 12, 2015 share price: \$15.45; 23.2% increase).

8. Plaintiff Has Not Even Pled a Breach of Fiduciary Duty With Respect to His Own Termination

Plaintiff fails to identify how his own firing was a breach of Moving Defendants' fiduciary duty to Reading. Plaintiff alleges that Moving Defendants improperly considered the ongoing animosity between the Cotters as a factor in deciding to vote in favor of his termination. *See* FAC, ¶¶ 2-4. The fact that a company's CEO cannot work well with its directors is a valid basis for terminating the executive and is a decision protected by the business judgment rule. *See In re Walt Disney*, 906 A.2d at 69-73 (holding that termination of President because CEO could not "work well" with President was within the protection of the business judgment rule and was not a breach of fiduciary duties); *see also Carlson v. Hallinan*, 925 A.2d 506, 540 (Del. Ch. 2006), *opinion clarified*, No. CIV. A. 19466, 2006 WL 1510759 (Del. Ch. May 22, 2006) ("The decision to remove an officer is a business judgment to which the presumptions of the business judgment rule attach absent gross negligence or proof that the action was not taken in an honest attempt to foster the corporation's welfare.").

C. Plaintiff Has Not Attempted to Allege Demand Futility with Respect to Any Board Conduct Except for His Own Termination, and His Allegations Do Not Address the New Board Members

As discussed extensively in connection with Moving Defendants' Motion to Dismiss Plaintiff's original Complaint, a derivative plaintiff must either make a pre-suit demand on a company's board of directors to remedy the conduct at issue or plead **with particularity** why such demand would be futile. *See* Nev. Rev. Stat. § 41.520(2); NRCp 23.1; *Shoen*, 137 P.3d at 1179-1180 & n.21. Here, Plaintiff has done neither. Plaintiff claims demand would be futile only with respect to his demand that he be reinstated a Reading's President and CEO; he does not even allege, let alone with the required particularity, that demand would be futile with respect to any of the other purportedly wrongful conduct described in the FAC. *See Khanna*, 2006 WL 1388744, at *14 (Demand futility "analysis is fact-intensive and proceeds **director-by-director and transaction-by-transaction**." (emphasis added); *MCG Capital Corp. v. Maginn*, No. CIV.A. 4521-CC, 2010 WL 1782271, at *7 (Del. Ch. May 5, 2010) ("Each derivative claim for which no

1 demand was made on the board must be evaluated independently to determine whether demand
2 was futile as to that claim.”).

3 Nevada’s pre-suit demand requirement recognizes that a company’s board should be given
4 the “opportunity to control any acts needed to correct improper conduct or actions” and is meant
5 to “protect[] clearly discretionary directorial conduct and corporate assets by discouraging
6 unnecessary, unfounded, or improper shareholder actions.” *See Shoen*, 137 P.3d at 1179. Plaintiff
7 has not, by virtue of his allegedly wrongful termination, been given the power to circumvent the
8 business judgment of the entire Board of Directors with respect to all corporate decisions, no matter
9 how small, from the content of a press release to the timing of meeting minutes to reimbursement
10 of business expenses. He is not excused from the requirements of a pre-suit demand.

11 Nor does Plaintiff make any demand futility allegations with respect to the Board as
12 currently composed, with Ms. Coddington and Mr. Wrotniak added and Mr. Storey having resigned.
13 A different demand futility test applies where demand would be made on a board of directors
14 distinct from the one that engaged in the challenged transaction. *See id.* at 1182-84 (describing
15 different demand futility tests where the allegedly improper action was taken by former as opposed
16 to current board members). Despite bearing the “heavy burden” of showing why demand on
17 Reading’s Board would be futile, Plaintiff does not even attempt to satisfy the applicable test. *See*
18 *id.* at 1181. The FAC should therefore be dismissed.

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1 **V. CONCLUSION**

2 WHEREFORE, based on the foregoing, Moving Defendants respectfully request the Court
3 dismiss the First Amended Complaint in its entirety.

4 Dated this 12th day of November, 2015.

5 COHEN-JOHNSON, LLC

6 By Michael V. Hughes
7 H. Stan Johnson, Esq.
8 Michael V. Hughes, Esq.

9 Christopher Tayback
10 Marshall M. Searcy
11 QUINN EMANUEL URQUHART &
12 SULLIVAN, LLP
13 Attorneys for Defendants
14 Margaret Cotter, Ellen Cotter,
15 Guy Adams, Edward Kane and
16 Douglas McEachern

CERTIFICATE OF MAILING

I hereby certify that, on the 12th day of November, 2015, I served a copy of the foregoing
MOTION TO DISMISS FIRST AMENDED COMPLAINT upon each of the parties via
Odyssey E-Filing System pursuant to NRCP 5(b)(2)(D) and EDCR 8.05:

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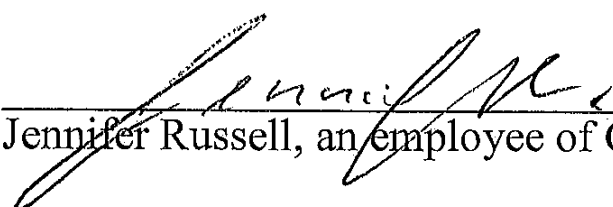

Jennifer Russell, an employee of Cohen-Johnson, LLC

EXHIBIT A

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**Form 10-K/A
Amendment No. 1**

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transaction period from _____ to _____

Commission file number: 1-8625

Reading International, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Nevada
(State or Other Jurisdiction of
Incorporation or Organization)

95-3885184
(I.R.S. Employer
Identification No.)

6100 Center Drive, Suite 900
Los Angeles, CA
(Address of Principal Executive Offices)

90045
(Zip Code)

(213) 235-2240
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Name Of Each Exchange On Which Registered</u>
Class A Nonvoting Common Stock, \$0.01 Par Value per Share	NASDAQ
Class B Voting Common Stock, \$0.01 Par Value per Share	NASDAQ

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that

the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer or non-accelerated filer (See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act) (Check one).

Large accelerated filer ☐

Accelerated filer ☒

Non-accelerated filer ☐ (Do not check if a smaller reporting company)

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of voting and nonvoting stock held by non-affiliates of the Registrant was \$139,379,701 as of June 30, 2014.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of May 6, 2015, there were outstanding 21,745,484 shares of class A non-voting common stock, par value \$0.01 per share, and 1,580,590 shares of class B voting common stock, par value \$0.01 per share.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (this “Amendment”) amends Reading International, Inc.’s Annual Report on Form 10-K for the year ended December 31, 2014, originally filed with the Securities and Exchange Commission, or SEC, on March 7, 2015 (the “Original Filing”). We are amending and refiling Part III to include information required by Items 10, 11, 12, 13 and 14 because our definitive proxy statement will not be filed within 120 days after December 31, 2014, the end of the fiscal year covered by our Annual Report on Form 10-K.

In addition, pursuant to the rules of the SEC, we have also included as exhibits currently dated certifications required under Section 302 of The Sarbanes-Oxley Act of 2002. Because no financial statements are contained within this Amendment, we are not including certifications pursuant to Section 906 of The Sarbanes-Oxley Act of 2002. We are amending Part IV to reflect the inclusion of those certifications.

Except as described above, no other changes have been made to the Original Filing. Except as otherwise indicated herein, this Amendment continues to speak as of the date of the Original Filing, and we have not updated the disclosures contained therein to reflect any events that occurred subsequent to the date of the Original Filing. The filing of this Annual Report on Form 10-K/A is not a representation that any statements contained in items of our Annual Report on Form 10-K other than Part III, Items 10 through 14, and Part IV are true or complete as of any date subsequent to the Original Filing.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth the name, age and position held by each of our executive officers and directors as of April 30, 2015. Directors are elected for a period of one year and thereafter serve until the next annual meeting at which their successors are duly elected by the stockholders.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Ellen M. Cotter	49	Chair of the Board and Chief Operating Officer – Domestic Cinemas
James J. Cotter, Jr.	45	President, Chief Executive Officer and Director (1)(2)
Margaret Cotter	47	Vice Chair of the Board(1)
Guy W. Adams	64	Director(1)(5)
William D. Gould	76	Director (3)
Edward L. Kane	77	Director (1)(2)(4)(5)
Douglas J. McEachern	63	Director (4)
Tim Storey	57	Director (4)(5)

-
- (1) Member of the Executive Committee.
 - (2) Member of the Tax Oversight Committee.
 - (3) Lead independent director.
 - (4) Member of the Audit and Conflicts Committee.
 - (5) Member of the Compensation and Stock Options Committee.

The following sets forth information regarding our directors and our executive officers:

Ellen M. Cotter. Ellen M. Cotter has been a member of the board since March 7, 2013, and on August 7, 2014 was appointed as Chair of our board. She joined our company in March 1998, is a graduate of Smith College and holds a Juris Doctorate from Georgetown Law School. Prior to joining our Company, Ms. Cotter spent four years in private practice as a corporate attorney with the law firm of White & Case in Manhattan. Ms. Cotter is the sister of James J. Cotter, Jr. and Margaret Cotter.

Ms. Cotter brings to the board her 16 years of experience working in our company's cinema operations, both in the United States and Australia. For the past 13 years, she has served as the senior operating officer of our company's domestic cinema operations. She has also served as the Chief Executive Officer of our subsidiary, Consolidated Entertainment, LLC, which operates substantially all of our cinemas in Hawaii and California. Ms. Cotter also is a significant stockholder in our company.

James J. Cotter, Jr. James J. Cotter, Jr. has been a director of our company since March 21, 2002, and was appointed Vice Chair of the Board in 2007. The board appointed Mr. Cotter, Jr. to serve as our President, beginning June 1, 2013. On August 7, 2014, he resigned as Vice Chair and was appointed to succeed his late father, James J. Cotter, Sr., as our Chief Executive Officer. He served as Chief Executive Officer of Cecelia Packing Corporation (a Cotter family-owned citrus grower, packer, and marketer) from July 2004 until 2013. Mr. Cotter, Jr. served as a director to Cecelia Packing Corporation from February 1996 to September 1997 and as a director of Gish Biomedical from September 1999 to March 2002. He was an attorney in the law firm of Winston & Strawn, specializing in corporate law, from September 1997 to May 2004. Mr. Cotter, Jr. is the brother of Margaret Cotter and Ellen M. Cotter.

Mr. Cotter, Jr. brings to the board his experience as a business professional, including as chief Executive Officer of Cecelia Packing Corporation, and corporate attorney, and his operating experience as the Chief Executive Officer of Cecelia. As the Vice Chair of our company, since 2007 he has chaired the weekly

Australia/New Zealand Executive Management Committee and the weekly U.S. Executive Management Committee meetings. In addition, he is a significant stockholder in our company.

Margaret Cotter. Margaret Cotter has been a director of our company since September 27, 2002, and on August 7, 2014 was appointed as Vice Chair of our board. Ms. Cotter is the owner and President of OBI, LLC, a company that provides live theater management services to our live theaters. Pursuant to that management arrangement, Ms. Cotter also serves as the President of Liberty Theaters, LLC, the subsidiary through which we own our live theaters. Ms. Cotter receives no compensation for this position, other than the right to participate in our company's medical insurance program. Ms. Cotter manages the real estate which houses each of the four live theaters under our Theater Management Agreement with Ms. Cotter's company, OBI LLC. Ms. Cotter secures leases, manages tenancies, oversees maintenance and regulatory compliance of these properties as well as heads the day to day pre-development process and transition of our properties from theater operations to major realty developments. Ms. Cotter was first commissioned to handle these properties by Sutton Hill Associates, which subsequently sold the business to our company along with other real estate and theaters in 2000. 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 James J. Cotter, Jr. and Ellen M. Cotter.

Ms. Cotter brings to the board her experience as a live theater producer, theater operator and an active member of the New York theatre community, which gives her insight into live theater business trends that affect our business in this sector. Operating and overseeing our theater these properties for over 16 years, Ms. Cotter contributes to the strategic direction for our developments. In addition, she is a significant stockholder in our company.

Guy W. Adams. Guy W. Adams has been a director of the Company since January 14, 2014. He is a Managing Member of GWA Capital Partners, LLC, a registered investment adviser managing GWA Investments, LLC. The fund invests in various publicly traded securities. Over the past eleven years, Mr. Adams has served as an independent director on the boards of directors of Lone Star Steakhouse & Saloon, Mercer International, Exar Corporation and Vitesse Semiconductor having served in various capacities as lead director, Audit Committee Chair and/or Compensation Committee Chair. Prior to this time, Mr. Adams provided investment advice to various family offices and invested his own capital in public and private equity transactions. Mr. Adams received his Bachelor of Science degree in Petroleum Engineering from Louisiana State University and his Masters of Business Administration from Harvard Graduate School of Business Administration.

Mr. Adams brings many years of experience serving as an independent director on public company boards, and in investing and providing financial advice with respect to investments in public companies.

William D. Gould. William D. Gould has been a director of our company since October 15, 2004 and has been a member of the law firm of TroyGould PC since 1986. Previously, he was a partner of the law firm of O'Melveny & Myers. We have from time to time retained TroyGould PC for legal advice. As an author and lecturer on the subjects of corporate governance and mergers and acquisitions, Mr. Gould brings to the board specialized experience as a corporate attorney. Mr. Gould's corporate transactional experience and expertise in corporate governance matters ensures that we have a highly qualified advisor on our board to provide oversight in such matters.

Edward L. Kane. Edward L. Kane has been a director of our company since October 15, 2004. Mr. Kane was also a director of our company from 1985 to 1998, and served as President from 1987 to 1988. Mr. Kane currently serves as the Chair of our Tax Oversight Committee and of our Compensation and Stock Option Committee (which we refer to as our Compensation Committee). He also serves as a member of our Executive Committee and our Audit and Conflicts Committee. Since 1996, Mr. Kane's principal occupation has been healthcare consultant and advisor. In that capacity, he has served as President and sole shareholder of High Avenue Consulting, a healthcare consulting firm, and as the head of its successor proprietorship. At various times during the past three decades, he has been Adjunct Professor of Law at two of San Diego's Law

Schools, most recently in 2008 and 2009 at Thomas Jefferson School of Law, and prior thereto at California Western School of Law.

Mr. Kane brings to the board his many years as a tax attorney and law professor, which experience well-serves our company in addressing tax matters. Mr. Kane also brings his experience as a past President of Craig Corporation and of Reading Company, two of our corporate predecessors, as well as a former member of the boards of directors of several publicly held corporations.

Douglas J. McEachern. Douglas J. McEachern has been a director of our company since May 17, 2012 and Chair of our Audit and Conflicts Committee since August 1, 2012. He has served as a member of the board and of the Audit and Compensation Committee for Willdan Group, a NASDAQ listed engineering company, since 2009. Mr. McEachern is also the Chair of the board of Community Bank in Pasadena, California and a member of its Audit Committee. He also is a member of the Finance Committee of the Methodist Hospital of Arcadia. Since September 2009, Mr. McEachern has also served as an instructor of auditing and accountancy at Claremont McKenna College. Mr. McEachern was an audit partner from July 1985 to May 2009 with the audit firm, Deloitte and Touche, LLP, with client concentrations in financial institutions and real estate. Mr. McEachern was also a Professional Accounting Fellow with the Federal Home Loan Bank board in Washington DC, from June 1983 to July 1985. From June 1976 to June 1983, Mr. McEachern was a staff member and subsequently a manager with the audit firm, Touche Ross & Co. (predecessor to Deloitte & Touche, LLP). Mr. McEachern received a B.S. in Business Administration in 1974 from the University of California, Berkeley, and an M.B.A. in 1976 from the University of Southern California.

Mr. McEachern brings to the board his more than 37 years' experience meeting the accounting and auditing needs of financial institutions and real estate clients, including our company. Mr. McEachern also brings his experience reporting as an independent auditor to the boards of directors of a variety of public reporting companies and as a board member himself for various companies and not-for-profit organizations.

Tim Storey. Tim Storey has been a director of our company since December 28, 2011. Mr. Storey has served as the sole outside director of our company's wholly-owned New Zealand subsidiary since 2006. He has served since April 1, 2009 as a director of DNZ Property Fund Limited, a commercial property investment fund based in New Zealand and listed on the New Zealand Stock Exchange, and was appointed Chair of the board of that company on July 1, 2009. Since July 28, 2014, Mr. Storey has served as a director of JustKapital Litigation Partners Limited, an Australian Stock Exchange-listed company engaged in litigation financing. From 2011 to 2012, Mr. Storey was a director of NZ Farming Systems Uruguay, a New Zealand-listed company. NZ Farming Systems Uruguay owns and operates dairy farms in Uruguay. Prior to being elected Chair of DNZ Property Fund Limited, Mr. Storey was a partner in Bell Gully (one of the largest law firms in New Zealand). Mr. Storey is also a principal in Prolex Advisory, a private company in the business of providing commercial advisory services to a variety of clients and related entities.

Mr. Storey brings to the board many years of experience in New Zealand corporate law and commercial real estate matters. He serves as a director of our New Zealand subsidiary.

Andrzej Matyczynski. Andrzej Matyczynski has served as our Chief Financial Officer since November 1999. Mr. Matyczynski resigned as our Chief Financial Officer effective May 11, 2015, but will continue as an employee until April 15, 2016 in order to assist in the transition of our new Chief Financial Officer, Mr. Ghose, whose information is set forth below.

Robert F. Smerling. Robert F. Smerling has served as President of our domestic cinema operations since 1994. Mr. Smerling has been in the cinema industry for 57 years and, immediately before joining our company, served as the President of Loews Theatres Management Corporation.

William D. Ellis. William D. Ellis was appointed our General Counsel and Secretary in October 2014. Mr. Ellis has more than 30 years of hands-on legal experience as a real estate lawyer. Before joining our company, he was a partner in the real estate group at Sidley Austin LLP for 16 years. Before that, he worked at the law firm of Morgan Lewis & Bockius LLP. Mr. Ellis began his career as a corporate and securities lawyer

(handling corporate acquisitions, IPO's, mergers, etc.) and then moved on to real estate specialization (handling leasing, acquisitions, dispositions, financing, development and land use and entitlement across the United States). He had a substantial real estate practice in New York and Hawaii, which experience will help us with our real estate and cinema developments there. Mr. Ellis graduated Phi Beta Kappa from Occidental College with a B.A. degree in Political Science. He received his J.D. degree in 1982 from the University of Michigan Law School.

Wayne D. Smith. Wayne D. Smith joined our company in April 2004 as our Managing Director - Australia and New Zealand, after 23 years with Hoyts Cinemas. During his time with Hoyts, he was a key driver, as Head of Property, in growing that company's Australian and New Zealand operations via an AUD\$250 million expansion to more than 50 sites and 400 screens. While at Hoyts, his career included heading up the group's car parking company, cinema operations, representing Hoyts as a director on various joint venture interests, and coordinating many asset acquisitions and disposals the company made.

Devasis ("Dev") Ghose. On April 20, 2015, we agreed to retain Devasis Dev Ghose to be our new Chief Financial Officer and Treasurer, effective May 11, 2015. Mr. Ghose served as Executive Vice President and Chief Financial Officer and in a number of senior finance roles for 25 years with three NYSE-listed companies: Shurgard Storage Centers, Inc. (an international company focused on the acquisition, development and operation of self-storage centers in the US and Europe; now part of Public Storage), Skilled Healthcare Group (a health services company, now part of Genesis HealthCare), and HCP, Inc., (which invests primarily in real estate serving the healthcare industry), and as Managing Director-International for Green Street Advisors (an independent research and trading firm concentrating on publicly traded real estate corporate securities in the US & Europe). Earlier, Mr. Ghose worked for 10 years for PricewaterhouseCoopers in the US & KPMG in the UK. He qualified as a Certified Public Accountant in the U.S. and a Chartered Accountant in the U.K., and holds an Honors Degree in Physics from the University of Delhi, India and an Executive M.B.A. from the University of California, Los Angeles.

Relationships

Ellen M. Cotter, Margaret Cotter and James J. Cotter, Jr. are directors and officers of our company and of various of its subsidiaries, affiliates or consultants. According to their respective Schedules 13D filed with the SEC, all three consider their beneficial stock holdings in our company to be long-term family assets, and they intend to continue our company in the direction established by their father.

Committees of the Board of Directors

Our board has a standing Executive Committee, Audit and Conflicts Committee, Compensation and Stock Options Committee, and Tax Oversight Committee. These committees are discussed in greater detail below.

The Cotter family members who serve as directors and officers of our company collectively own beneficially shares of our Class B Stock representing more than 70% of the voting power for the election of directors of our company. Therefore, our board has determined that our company is a "Controlled Company" under section 5615(c)(1) of the listing rules of The NASDAQ Capital Stock Market (the "NASDAQ Rules"). After reviewing the benefits and detriments of taking advantage of the exceptions to the corporate governance rules set forth in section 5605 of the NASDAQ Rules, our board has unanimously determined to take advantage of all of the exceptions from the NASDAQ Rules afforded to our company as a Controlled Company.

A Controlled Company is not required to have an independent nominating committee or independent nominating process. It was noted by our directors that the use of an independent nominating committee or independent nominating process would be of limited utility, since any nominee would need to be acceptable to James J. Cotter, Sr., our former controlling stockholder, in order to be elected. The Cotter family, as the holders of a majority of the voting power of our company, are able under Nevada corporations law and our charter documents to elect candidates to our board and to remove a director from the board without the vote of

our other stockholders. Historically, Mr. Cotter, Sr. identified and recommended all nominees to our board in consultation with our other incumbent directors.

Our directors have not adopted any formal criteria with respect to the qualifications required to be a director or the particular skills that should be represented on our board, other than the need to have at least one director and member of our Audit and Conflicts Committee who qualifies as an “audit committee financial expert,” and have not historically retained any third party to identify or evaluate or to assist in identifying or evaluating potential nominees. We have no policy of considering diversity in identifying director nominees.

James J. Cotter, Sr. served as our Chair and Chief Executive Officer until August 7, 2014, when he stepped down for health reasons. Mr. Cotter, Sr. subsequently passed away on September 13, 2014. In connection with his passing, our board determined to appoint Ellen M. Cotter as Chair of the Board with a view to rotating the office of Chair annually among the Cotter family members. The board also has designated William D. Gould to serve as our lead independent director. In that capacity, Mr. Gould chairs meetings of the independent directors and acts as liaison between our Chair and our Chief Executive Officer and our independent directors.

Our board oversees risk by remaining well-informed through regular meetings with management and the personal involvement of our Chief Executive Officer in our day-to-day business, including any matters requiring specific risk management oversight. Our Chief Executive Officer chairs regular senior management meetings addressing domestic and overseas issues. The risk oversight function of our board is enhanced by the fact that our Audit and Conflict Committee is comprised entirely of independent directors.

Executive Committee

A standing Executive Committee, currently comprised of Mr. Cotter, Jr., who serves as Chair, Ms. Margaret Cotter and Messrs. Adams and Kane, is authorized, to the fullest extent permitted by Nevada law, to take action on matters between meetings of the full board. Mr. Cotter, Sr. also served on the Executive Committee until May 15, 2014.

In 2014, the Executive Committee did not take any action with respect to any company matter. With the exception of matters delegated to the Audit and Conflicts Committee or the Compensation and Stock Options Committee, all matters requiring board approval during 2014 were considered by the entire board.

Audit and Conflicts Committee

Our board maintains a standing Audit and Conflicts Committee, which we refer to as the “Audit Committee.” The Audit Committee operates under a Charter adopted by our board that is available on our website at www.readingrdr.com. Our board has determined that the Audit Committee is comprised entirely of independent directors (as defined in section 5605(a)(2) of the NASDAQ Rules), and that Mr. McEachern, the Chair of our Audit Committee, is qualified as an Audit Committee Financial Expert. During 2014, our Audit and Conflicts Committee was comprised of Mr. McEachern, who served as Chair, and Messrs. Kane and Storey.

Compensation and Stock Options Committee

Our board has a standing Compensation and Stock Options Committee, which we refer to as the “Compensation Committee,” comprised entirely of independent directors. The current members of Compensation Committee are Mr. Kane, who serves as Chair, and Messrs. Adams and Storey. Mr. Adams replaced our former director, Alfred Villaseñor, on the Compensation Committee following his election to our board in June 2014.

The Compensation Committee evaluates and makes recommendations to the full board regarding the compensation of our Chief Executive Officer and other Cotter family members and performs other compensation related functions as delegated by our board.

Tax Oversight Committee

Given our operations in the United States, Australia, and New Zealand and our historic net operating loss carry forwards, our board formed a Tax Oversight Committee to review with management and to keep the board informed about our company's tax planning and such tax issues as may arise from time to time. This committee is comprised of Mr. Kane, who serves as Chair, and Mr. Cotter, Jr.

Code of Ethics

We have adopted a Code of Ethics applicable to our principal executive officer, principal financial officer, principal accounting officer or controller and Company employees. The Code of Ethics is available on our website at www.readingrdi.com.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who own more than 10% of our common stock, to file reports regarding ownership of, and transactions in, our securities with the Securities and Exchange Commission (the "SEC") and to provide us with copies of those filings. Based solely on our review of the copies received by us and on the written representations of certain reporting persons, we believe that the following Forms 3 and 4 for transaction that occurred in 2014 were filed later than is required under Section 16(a) of the Securities Exchange Act of 1934:

- James J. Cotter, Sr. failed to timely file 16 Forms 4 with respect to 70 transactions in our common stock;
- James J. Cotter, Jr. failed to timely file one Form 4 with respect to one transaction in our common stock;
- Ellen M. Cotter failed to timely file one Form 4 with respect to one transaction in our common stock;
- Margaret Cotter failed to timely file one Form 4 with respect to one transaction in our common stock;
- Mr. Storey failed to timely file one Form 4 with respect to one transaction in our common stock.

All of the transactions involved were between the individual involved and our company or related to certain inter-family or estate planning transfers, and did not involve transactions with the public. Insofar as we are aware, all required filings have now been made.

ITEM 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Role and Authority of the Compensation Committee

Our board has established a standing Compensation Committee consisting of two or more of our non-employee directors. As a Controlled Company, we are exempt from the NASDAQ Rules regarding the determination of executive compensation. The Compensation Committee has no formal charter, and acts pursuant to the authority delegated to the Compensation Committee from time to time by our board.

The Compensation Committee recommends to the full board the compensation of our Chief Executive Officer and of the other Cotter family members who serve as officers of our company. Our board with the Cotter family directors abstaining, typically has accepted without modification the compensation recommendations of the Compensation Committee, but reserves the right to modify the recommendations or

take other compensation actions of its own. Prior to his resignation as our Chair and Chief Executive Officer on August 7, 2014, during 2014, as in prior years, James J. Cotter, Sr. was delegated by our board responsibility for determining the compensation of our executive officers other than himself and his family members. The board exercised oversight of Mr. Cotter, Sr.'s executive compensation decisions as a part of his performance as our former Chief Executive Officer.

On August 7, 2014, James J. Cotter, Jr. was appointed to succeed Mr. Cotter, Sr. as our Chief Executive Officer. Mr. Cotter, Sr. subsequently passed away on September 13, 2014. No discretionary annual bonuses have yet been awarded to our executive officers, including the Cotter family executives for 2014.

Throughout this section, the individuals named in the Summary Compensation Table, below, are referred to as the "named executive officers."

CEO Compensation

The Compensation Committee recommends to our board the annual compensation of our Chief Executive Officer, based primarily upon the Compensation Committee's annual review of peer group practices and the advice of an independent third-party compensation consultant. The Compensation Committee has established three components of our Chief Executive Officer's compensation -- a base cash salary, a discretionary annual cash bonus, and a fixed stock grant. The objective of each element is to reasonably reward our Chief Executive Officer for his performance and leadership.

In 2007, our board approved a supplemental executive retirement plan ("SERP") pursuant to which we agreed to provide Mr. Cotter, Sr. supplemental retirement benefits as a reward for his more than 25 years of service to our company and its predecessors. Neither Mr. James J. Cotter, Jr., Mr. Cotter, Sr.'s successor as our Chief Executive Officer, nor any of our other current or former officers or employees, is eligible to participate in the SERP, which is described in greater detail below under the caption "Supplemental Executive Retirement Plan." Because this plan was adopted as a reward to Mr. Cotter, Sr. for his past services and the amounts to be paid under that plan are determined by an agreed-upon formula, the Compensation Committee did not take into account the benefits under that plan in determining Mr. Cotter, Sr.'s annual compensation for 2014 or previous years. The amounts reflected in the Executive Compensation Table under the heading "Change in Pension Value and Nonqualified Deferred Compensation Earnings" reflect any increase in the present value of the SERP benefit based upon the actuarial impact of the payment of Mr. Cotter, Sr.'s cash compensation and changes in interest rates. Since the SERP is unfunded, this amount does not reflect any actual payment by our Company into the plan or the value of any assets in the plan (of which there are none). The benefits to Mr. Cotter, Sr. under the SERP were tied to the cash portion only of his compensation, and not to compensation in the form of stock options or stock grants.

2014 CEO Compensation

The Compensation Committee originally engaged Towers Watson, executive compensation consultants, in 2012 to analyze our Chief Executive Officer's total direct compensation compared to a peer group of companies. In preparing the analysis, Towers Watson, in consultation with our management, including James J. Cotter, Sr., identified a peer group of companies in the real estate and cinema exhibition industries, our two business segments, based on market value, industry, and business description.

For purposes of establishing our Chief Executive Officer's 2014 compensation, the Compensation Committee engaged Towers Watson to update its analysis of Mr. Cotter, Sr.'s compensation as compared to his peers, which updated report was received on February 26, 2014. The company paid Towers Watson \$11,461 for the updated report.

The Towers Watson analysis focused on the competitiveness of Mr. Cotter, Sr.'s annual base salary, total cash compensation and total direct compensation (i.e., total cash compensation plus expected value of long-term compensation) relative to a peer group of United States and Australian companies and published compensation survey data, and to our company's compensation philosophy, which was to target Mr. Cotter, Sr.'s total direct compensation to the 66th percentile of the peer group.

The peer group consisted of the following 18 companies:

Acadia Realty Trust	Inland Real Estate Corp.
Amalgamated Holdings Ltd.	Kite Realty Group Trust
Associated Estates Realty Corp.	LTC Properties Inc.
Carmike Cinemas Inc.	Ramco-Gershenson Properties Trust
Cedar Shopping Centers Inc.	Regal Entertainment Group
Cinemark Holdings Inc.	The Marcus Corporation
Entertainment Properties Trust	Urstadt Biddle Properties Inc.
Glincher Realty Trust	Village Roadshow Ltd.
IMAX Corporation	

Towers Watson predicted 2014 pay levels by using regression analysis to adjust compensation data based on estimated annual revenues of \$260 million (i.e., our company's approximate annual revenues) for all companies, excluding financial services companies. Towers Watson did not evaluate Mr. Cotter, Sr.'s SERP, because the SERP is fully vested and accrues no additional benefits, except as Mr. Cotter, Sr.'s annual cash compensation may change.

The Towers Watson analysis indicated that the peer group data, with the exception of annual base salary, was above Mr. Cotter, Sr.'s pay levels in 2013. The peer group is partially comprised of companies that are larger than our company, and the 66th percentile level tends to reflect the larger peers. However, Towers Watson analysis also indicated that the size of the peers does not materially affect the pay levels at the peer companies. The published survey data of companies of comparable size reviewed by Towers Watson was below our Chief Executive Officer pay levels.

Towers Watson averaged the data from the peer group and the published survey data to compile "blended" market data. As compared to the blended market data, Mr. Cotter, Sr.'s 2013 cash compensation and total direct compensation, which includes the expected value of long-term incentive compensation, was in line with the 66th percentile.

Because our company is comparable to the smaller companies in the peer group, Towers Watson reviewed whether the size of the proxy peer group of companies had a meaningful impact on reported CEO pay levels, and concluded that there is a weak correlation between company size and CEO compensation. It concluded, therefore, that it was not necessary to separately adjust the peer group data based on the size of our company.

The Compensation Committee met on February 27, 2014 to consider the Towers Watson analysis. At the meeting, the Compensation Committee determined to recommend to our board the following compensation for Mr. Cotter, Sr. for 2014 and on March 13, 2014, our board accepted the Compensation Committee's recommendation without modification:

Salary: \$750,000

The Compensation Committee recommended maintaining Mr. Cotter, Sr.'s 2014 annual base salary at its 2013 level of \$750,000, which approximates the 75th percentile of the peer group.

Discretionary Cash Bonus: Up to \$750,000.

In 2013, the Compensation Committee recommended and our board approved a total cash bonus to Mr. Cotter, Sr. of \$1,000,000, as compared to the target bonus of \$500,000. This resulted in total 2013 compensation to Mr. Cotter, Sr. above the 75th percentile of the peer group and total direct compensation near the 66th percentile. At its meeting on February 27, 2014, the Compensation Committee determined to increase the upper range of Mr. Cotter, Sr.'s discretionary cash bonus for 2014 to \$750,000 from the 2013 target level of \$500,000. The bonus was subject to Mr. Cotter, Sr. being employed by our Company at year-end, unless

his employment were to terminate earlier due to his death or disability. No other benchmarks, formulas or quantitative or qualitative measurements were specified for use in determining the amount of cash bonus to be awarded within this range. As in 2013, the Compensation Committee also reserved the right to increase the upper range of discretionary cash bonus amount based upon exceptional results of our company or Mr. Cotter, Sr.'s exceptional performance, as determined in the Compensation Committee's discretion.

At its meeting on August 14, 2014, the Compensation Committee determined that Mr. Cotter, Sr.'s successful completion of our sale of the Burwood property in Australia and other accomplishments in 2014 justified the award to Mr. Cotter, Sr. of the full \$750,000 cash bonus, plus an additional cash bonus of \$300,000. The Compensation Committee's determination to award the extraordinary cash bonus was based in part on the advice of Towers Watson.

Stock Bonus: \$1,200,000 (160,643 shares of Class A Stock).

At its meeting on February 27, 2014, the Compensation Committee determined that, so long as Mr. Cotter, Sr.'s employment with the Company is not terminated prior to December 31, 2014 other than as a result of his death or disability, he was to receive 160,643 shares of our Company's Class A Stock; the number of shares of Class A nonvoting common stock equal to \$1,200,000 divided by the closing price of the stock on February 27, 2014, the date the Committee approved the stock bonus. This compares to a similar stock bonus to Mr. Cotter, Sr. of \$750,000 in 2013.

The stock bonus was paid to the Estate of Mr. Cotter, Sr. in February 2015.

Following his appointment on August 7, 2014 as our Chief Executive Officer, James J. Cotter, Jr. continued to receive the same base salary of \$335,000 that he had previously been receiving in his capacity as our President.

Mr. Cotter, Jr. has not yet been awarded a discretionary cash bonus for 2014.

Total Direct Compensation

We and our Compensation Committee have no policy regarding the amount of salary and cash bonus paid to our Chief Executive Officer or other named executive officers in proportion to their total direct compensation.

Compensation of Other Named Executive Officers

The compensation of Mr. James J. Cotter, Jr. and Ms. Ellen M. Cotter as executive officers of our company is determined by the Compensation Committee based on the same compensation philosophy used to determine Mr. Cotter, Sr.'s 2014 compensation. The Cotter family members' respective compensation consists of a base cash salary, discretionary cash bonus and periodic discretionary grants of stock options.

Mr. Cotter, Sr. set the 2014 base salaries of our executive officers other than himself and members of his family. Mr. Cotter, Sr.'s decisions were not subject to approval by the Compensation Committee or our board, but our Compensation Committee and our board considered Mr. Cotter, Sr.'s decisions with respect to executive compensation in evaluating his performance as our Chief Executive Officer. Mr. Cotter, Sr. informed us that he did not use any formula, benchmark or other quantitative measure to establish or award any component of executive compensation, nor did he consult with compensation consultants on the matter. Mr. Cotter, Sr. also advised us that he considered the following guidelines in setting the type and amount of executive compensation:

1. Executive compensation should primarily be used to:
 - attract and retain talented executives;
 - reward executives appropriately for their individual efforts and job performance; and

- afford executives appropriate incentives to achieve the short-term and long-term business objectives established by management and our board.
2. In support of the foregoing, the total compensation paid to our named executive officers should be:
- fair both to our company and to the named executive officers;
 - reasonable in nature and amount; and
 - competitive with market compensation rates.

Personal and company performances were just two factors considered by Mr. Cotter, Sr. in establishing base salaries. We have no pre-established policy or target for allocating total executive compensation between base and discretionary or incentive compensation, or between cash and stock-based incentive compensation. Historically, including in 2014, a majority of total compensation to our named executive officers has been in the form of annual base salaries and discretionary cash bonuses, although stock bonuses have been granted from time to time under special circumstances. No stock bonuses were awarded in 2014 to our named executive officers other than Mr. Cotter, Sr.

These elements of our executive compensation are discussed further below.

Salary: Annual base salary is intended to compensate named executive officers for services rendered during the fiscal year in the ordinary course of performing their job responsibilities. Factors considered by Mr. Cotter, Sr. in setting the base salaries may have included (i) the negotiated terms of each executive's employment agreement or the original terms of employment, (ii) the individual's position and level of responsibility with our Company, (iii) periodic review of the executive's compensation, both individually and relative to our other named executive officers, and (iv) a subjective evaluation of individual job performance of the executive.

Cash Bonus: Historically, we have awarded annual cash bonuses to supplement the base salaries of our named executive officers, and our board of directors has delegated to our Chief Executive Officer the authority to determine in his discretion the annual cash bonuses, if any, to be paid to our executive officers other than the Cotter family executives. Any discretionary annual bonuses to the Cotter family executive have historically been determined by our board based upon the recommendation of our Compensation Committee.

In light of Mr. Cotter, Sr.'s death in September 2014, cash bonuses for 2014 have not yet been determined by Mr. Cotter, Jr. or, in the case of the Cotter family members, recommended by the Compensation Committee or approved by our board. Factors to be considered in determining or recommending any such cash bonuses include (i) the level of the executive's responsibilities, (ii) the efficiency and effectiveness with which he or she oversees the matters under his or her supervision, and (iii) the degree to which the officer has contributed to the accomplishment of major tasks that advance the company's goals.

Stock Bonus: Equity incentive bonuses may be awarded to align our executives' long-term compensation to appreciation in stockholder value over time and, so long as such grants are within the parameters set by our 2010 Stock Incentive Plan, historically were entirely discretionary on the part of Mr. Cotter, Sr. Other stock grants are subject to board approval. Equity awards may include stock options, restricted stock, bonus stock, or stock appreciation rights. Apart from the stock award to Mr. Cotter, Sr., no stock bonuses were awarded to our executive officers in 2014.

If awarded, it is generally our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Capital Market on the date the award is approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock is granted as bonus compensation for a particular transaction, the award may be based on the market price on a date calculated from the closing date of the relevant transaction. Awards may also be subject to vesting and limitations on voting or other rights.

Andrzej Matyczynski, our Chief Financial Officer, has a written employment agreement with our company that provides for a specified annual base salary and other compensation. Mr. Matyczynski resigned as our Chief Financial Officer effective September 1, 2014, but he and our company agreed to postpone the effective date of his resignation. Upon termination of Mr. Matyczynski's employment, he will become entitled under his employment agreement to a lump-sum severance payment of six months' base salary and to the payment of his vested benefit in accordance with the terms of the deferred compensation plan discussed below in this section.

Other than Mr. Cotter, Sr.'s and Mr. Cotter, Jr.'s role as Chief Executive Officer in setting compensation, none of our executive officers play a role in determining the compensation of our named executive officers.

2014 Base Salaries and Target Bonuses

We have historically established base salaries and target discretionary cash bonuses for our named executive officers through negotiations with the individual named executive officer, generally at the time the named executive officer commenced employment with us, with the intent of providing annual cash compensation at a level sufficient to attract and retain talented and experienced individuals. Our Compensation Committee recommended and our board approved the following base salaries for Mr. Cotter, Jr. and Ellen M. Cotter for 2014:

Name	2013 Base Salary (\$)	2014 Base Salary (\$)
James J. Cotter, Jr.	195,417	335,000
Ellen M. Cotter	335,000	335,000

The base salaries of our other named executive officers were established by Mr. Cotter, Sr. as shown in the following table:

Name	2013 Base Salary (\$)	2014 Base Salary (\$)
Andrzej Matyczynski	309,000	309,000
Robert F. Smerling	350,000	350,000
Wayne Smith	339,000	324,295

All named executive officers are eligible to receive a discretionary annual cash bonus. Cash bonuses are typically prorated to reflect a partial year of service. Our board reserves discretion to adjust bonuses for the Cotter family members based on its own evaluations of the recommendations of our Compensation Committee as it did in both 2013 and 2014 in Mr. Cotter, Sr.'s case.

We offer stock options and stock awards to our employees, including named executive officers, as the long-term incentive component of our compensation program. We sometimes grant equity awards to new hires upon their commencing employment with us and from time to time thereafter. Our stock options allow employees to purchase shares of our common stock at a price per share equal to the fair market value of our common stock on the date of grant and may or may not be intended to qualify as "incentive stock options" for U.S. federal income tax purposes. Generally, the stock options we grant to our employees vest over four years in equal installments upon the annual anniversaries of the date of grant, subject to their continued employment with us on each vesting date.

Other Elements of Compensation

Retirement Plans

We maintain a 401(k) retirement savings plan that allows eligible employees to defer a portion of their compensation, within limits prescribed by the Internal Revenue Code, on a pre-tax basis through contributions to the plan. Our named executive officers other than Mr. Smith, who is a non-resident of the U.S., are eligible to participate in the 401(k) plan on the same terms as other full-time employees generally. Currently, we match contributions made by participants in the 401(k) plan up to a specified percentage, and these matching contributions are fully vested as of the date on which the contribution is made. We believe that providing a vehicle for tax-deferred retirement savings through our 401(k) plan, and making fully vested matching contributions, adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our named executive officers, in accordance with our compensation policies.

Supplemental Executive Retirement Plan

In March 2007, our board approved the SERP pursuant to which we agreed to provide Mr. Cotter, Sr. supplemental retirement benefits. Under the SERP, following his separation from our company, Mr. Cotter, Sr. was to be entitled to receive from our company for the remainder of his life or 180 months, whichever is longer, a monthly payment of 40% of his average monthly base salary and cash bonuses over the highest consecutive 36-month period of earnings prior to Mr. Cotter, Sr.'s separation from service with us. The benefits under the SERP are fully vested. In October 2014, following Mr. Cotter, Sr.'s death, we began accruing monthly supplemental retirement benefits of \$57,000 in accordance with the SERP, but have not yet paid any such benefits to Mr. Cotter, Sr.'s designated beneficiaries.

The SERP is unfunded and, as such, the SERP benefits are unsecured, general obligations of our company. We may choose in the future to establish one or more grantor trusts from which to pay the SERP benefits. The SERP is administered by the Compensation Committee.

Other Retirement Plans

During 2012, Mr. Matyczynski was granted an unfunded, nonqualified deferred compensation plan ("DCP") that was partially vested and was to vest further so long as he remained in our continuous employ. If Mr. Matyczynski were to be terminated for cause, then the total vested amount would be reduced to zero. The incremental amount vested each year was made subject to review and approval by our board. Mr. Matyczynski's DCP vested as follows:

<u>December 31</u>	<u>Total Vested Amount at the End of Each Vesting Year</u>
2013	\$300,000
2014	\$450,000

Mr. Matyczynski resigned his employment with the company effective September 1, 2014, but he and our company agreed to postpone the effective date of his resignation until May 11, 2015. Upon the termination of Mr. Matyczynski's employment, he would become entitled under the DCP agreement to payment of the vested benefits under his DCP in annual installments following the later of (a) 30 days following Mr. Matyczynski's 65th birthday or (b) six months after his separation from service, unless his employment were to be terminated for cause.

We currently maintain no other retirement plan for our named executive officers.

Key Person Insurance

Our company maintains life insurance on certain individuals who we believe to be key to our management. These individuals include James J. Cotter, Jr., Ellen M. Cotter, Margaret Cotter and Messrs. Matyczynski, Smerling and Smith. If such individual ceases to be an employee, director or independent contractor of our company, as the case may be, she or he is permitted, by assuming responsibility for all future premium payments, to replace our company as the beneficiary under such policy. These policies allow each such individual to purchase up to an equal amount of insurance for such individual's own benefit. In the case of our employees, the premium for both the insurance as to which our company is the beneficiary and the insurance as to which our employee is the beneficiary, is paid by our company. In the case of named executive officers, the premium paid by our company for the benefit of such individual is reflected in the Compensation Table in the column captioned "All Other Compensation."

Employee Benefits and Perquisites

Our named executive officers are eligible to participate in our health and welfare plans to the same extent as all full-time employees generally. We do not generally provide our named executive officers with perquisites or other personal benefits, although in the past we provided Mr. Cotter, Sr. the personal use of our West Hollywood, California, condominium, which was used as an executive meeting place and office and sold in February 2015, a company-owned automobile and a health club membership. Historically, all of our other named executive officers also have received an automobile allowance. From time to time, we may provide other perquisites to one or more of our other named executive officers.

Tax Gross-Ups

As a general rule, we do not make gross-up payments to cover our named executive officers' personal income taxes that may pertain to any of the compensation paid or provided by our company. In 2014, however, we reimbursed Ms. Ellen M. Cotter \$50,000 for income taxes she incurred as a result of her exercise of stock options that were deemed to be nonqualified stock options for income tax purposes, but which were intended by the Compensation Committee and her to be so-called incentive stock options, or "ISOs", when originally granted. Our Compensation Committee believe it was appropriate to reimburse Ms. Cotter because it was our company's intention at the time of the issuance to give her the tax deferral feature applicable to ISOs. Due to the application of complex attribution rules, even though she was an executive officer of our company and not a director, she did not in fact qualify for such tax deferral. Accordingly, upon exercise, she received less compensation than the Compensation Committee had intended.

Tax and Accounting Considerations

Deductibility of Executive Compensation

Subject to an exception for "performance-based compensation," Section 162(m) of the Internal Revenue Code generally prohibits publicly held corporations from deducting for federal income tax purposes annual compensation paid to any senior executive officer to the extent that such annual compensation exceeds \$1.0 million. The Compensation Committee and our board consider the limits on deductibility under Section 162(m) in establishing executive compensation, but retain the discretion to authorize the payment of compensation that exceeds the limit on deductibility under this Section as in the case of Mr. Cotter, Sr.

Nonqualified Deferred Compensation

We believe we are operating, where applicable, in compliance with the tax rules applicable to nonqualified deferred compensation arrangements.

Accounting for Stock-Based Compensation

Beginning on January 1, 2006, we began accounting for stock-based payments in accordance with the requirements of Statement of Accounting Standards No. 123(R). Our decision to award restricted stock to

Mr. Cotter, Sr. and other named executive officers from time to time was based in part upon the change in accounting treatment for stock options. Accounting treatment otherwise has had no significant effect on our compensation decisions.

Say on Pay

At our Annual Meeting of Stockholders held on May 15, 2014, we held an advisory vote on executive compensation. Our stockholders voted in favor of our company's executive compensation. The Compensation Committee reviewed the results of the advisory vote on executive compensation in 2014 and did not make any changes to our compensation based on the results of the vote.

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the "Compensation Discussion and Analysis" required by Item 401(b) of Regulation S-K and, based on such review and discussions, has recommended to our board that the foregoing "Compensation Discussion and Analysis" be included in this Form 10-K/A.

Respectfully submitted,

Edward L. Kane, Chair
Guy W. Adams
Tim Storey

Compensation Committee Interlocks and Insider Participation

There are no "interlocks," as defined by the SEC, with respect to any member of the Compensation Committee during 2014.

Executive Compensation

This section discusses the material components of the compensation program for our executive officers named in the 2014 Summary Compensation Table below. In 2014, our named executive officers and their positions were as follows:

- James J. Cotter, Sr., former Chair of the Board and former Chief Executive Officer.
- James J. Cotter, Jr., Chief Executive Officer and President.
- Andrzej Matyczynski, Chief Financial Officer and Treasurer.
- Robert F. Smerling, President – Domestic Cinema Operations.
- Ellen M. Cotter, Chair of the Board, Chief Operating Officer – Domestic Cinemas and Chief Executive Officer of Consolidated Cinemas, LLC.
- Wayne Smith, Managing Director – Australia and New Zealand.

Summary Compensation Table

The following table shows the compensation paid or accrued during the last three fiscal years ended December 31, 2014 to (i) Mr. James J. Cotter, Sr., who served as our principal executive officer until August 7, 2014, (ii) Mr. James J. Cotter, Jr., who served as our principal executive officer from August 7, 2014 through

December 31, 2014, (iii) Mr. Andrzej Matyczynski, our financial officer, and (iv) the other three persons who served as executive officers in 2014. The following executives are herein referred to as our “named executive officers.”

Summary Compensation Table

						Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)(1)	(\$)	(\$)	(\$)
James J. Cotter, Sr.(2) Chair of the Board and Chief Executive Officer	2014	452,000	1,050,000	1,200,000	--	197,000 (3)	20,000 (4)	2,919,000
	2013	750,000	1,000,000	750,000	--	1,455,000 (3)	25,000 (4)	3,980,000
	2012	700,000	500,000	950,000	--	2,433,000 (3)	24,000 (4)	4,607,000
James J. Cotter, Jr.(5) President and Chief Executive Officer	2014	335,000	--	--	--	--	27,000 (7)	362,000
	2013	195,000	--	--	--	--	20,000 (7)	215,000
	2012	--	--	--	--	--	0	0
Andrzej Matyczynski Chief Financial Officer and Treasurer	2014	309,000	--	--	33,000	150,000 (6)	26,000 (7)	518,000
	2013	309,000	35,000	--	33,000	50,000 (6)	26,000 (7)	453,000
	2012	309,000	--	--	11,000	250,000 (6)	25,000 (7)	617,000
Robert F. Smerling President – Domestic Cinema Operations	2014	350,000	25,000	--	--	--	22,000 (7)	397,000
	2013	350,000	50,000	--	--	--	22,000 (7)	422,000
	2012	350,000	50,000	--	--	--	22,000 (7)	422,000
Ellen M. Cotter Chief Operating Officer Domestic Cinemas	2014	335,000	--	--	--	--	75,000 (7)(8)	410,000
	2013	335,000	--	--	--	--	25,000 (7)	360,000
	2012	335,000	60,000	--	--	--	25,000 (7)	420,000
Wayne Smith Managing director - Australia and New Zealand	2014	324,000	45,000	--	--	--	19,000 (7)	388,000
	2013	339,000	--	--	--	--	20,000 (7)	359,000
	2012	357,000	16,000	--	22,000	--	19,000 (7)	414,000

- (1) Amounts represent the aggregate grant date fair value of awards computed in accordance with ASC Topic 718, excluding the effects of any estimated forfeitures. The assumptions used in the valuation of these awards are discussed in Note 3 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed with the SEC on March 17, 2015.
- (2) Mr. Cotter, Sr. resigned as our Chair and Chief Executive Officer on August 7, 2014.
- (3) Represents the present value of the vested benefits under Mr. Cotter, Sr.’s SERP. In October 2014, we began accruing monthly supplemental retirement benefits of \$57,000 in accordance with the SERP, but have not yet paid any such benefits to Mr. Cotter, Sr.’s designated beneficiaries. Under the SERP, such payments are to continue for a 180-month period.
- (4) Until February 25, 2015, we owned a condominium in West Hollywood, California, which we used as an executive meeting place and office. “All Other Compensation” includes the estimated incremental cost to our company of providing the use of the West Hollywood Condominium to Mr. Cotter, Sr., our matching contributions under our 401(k) plan, the cost of a company automobile used by Mr. Cotter, Sr., and health club dues paid by our company.
- (5) Mr. Cotter, Jr. was appointed as our Chief Executive Officer on August 7, 2014.
- (6) Represents the increase in the vested benefit of the DCP for Mr. Matyczynski. Payment of the vested benefit under his DCP will be made in accordance with the terms of the DCP.
- (7) Represents our matching contributions under our 401(k) plan, the cost of key person insurance, and any automobile allowances.
- (8) Includes the \$50,000 tax gross-up described in the “Tax Gross-Up” section of the Compensation Discussion and Analysis.

Employment Agreements

James J. Cotter, Jr. On June 3, 2013, we entered into an employment agreement with Mr. James J. Cotter, Jr. to serve as our President. The employment agreement provides that Mr. Cotter, Jr. is to receive an annual base salary of \$335,000, with employee benefits in line with those received by our other senior executives. Mr. Cotter, Jr. also was granted a stock option to purchase 100,000 Class A shares at an exercise price equal to the market price of our Class A shares on the date of grant and which will vest in equal annual increments over a four-year period, subject to his remaining in our continuous employ through each annual vesting date.

Under his employment agreement, we may terminate Mr. Cotter Jr.'s employment with or without cause (as defined) at any time. If we terminate his employment without cause, Mr. Cotter Jr. will be entitled to receive severance in an amount equal to the compensation he would have received had he remained employed by us for 12 months.

William D. Ellis. On October 20, 2014, we entered into an employment agreement with Mr. William D. Ellis, pursuant to which he agreed to serve as our General Counsel for a term of three years. The employment agreement provides that Mr. Ellis is to receive an annual base salary of \$350,000, with an annual target bonus of at least \$60,000. Mr. Ellis also received a "sign-up" bonus of \$10,000 and is entitled to employee benefits in line with those received by our other senior executives. In addition, Mr. Ellis was granted stock options to purchase 60,000 Class A shares at an exercise price equal to the closing price of our Class A shares on the date of grant and which will vest in equal annual increments over a three-year period, subject to his remaining in our continuous employ through each annual vesting date.

Under his employment agreement, we may terminate Mr. Ellis' employment with or without cause (as defined) at any time. If we terminate his employment without cause, Mr. Ellis will be entitled to receive severance in an amount equal to the compensation he would have received for the remainder of the term of his employment agreement, or 24 months, whichever is less. If the termination is in connection with a "change of control" (as defined), Mr. Ellis would be entitled to severance in an amount equal to the compensation he would have received for a period of twice the number of months remaining in the term of his employment agreement.

Andrzej Matyczynski. Mr. Matyczynski, our Chief Financial Officer, has a written employment agreement with our company that provides for a specified annual base salary and other compensation. Mr. Matyczynski resigned as our Chief Financial Officer effective May 11, 2015, but will continue as an employee until April 15, 2016 in order to assist in the transition of our new Chief Financial Officer, Mr. Ghose, whose information is set forth above. Upon termination of Mr. Matyczynski's employment, he will become entitled under his employment agreement to a lump-sum severance payment of six months' base salary and to the payment of his vested benefit under his deferred compensation plan discussed above in this section.

2010 Equity Incentive Plan

On May 13, 2010, our stockholders approved the 2010 Stock Incentive Plan (the "Plan") at the annual meeting of stockholders in accordance with the recommendation of the board of directors of the Company. The Plan provides for awards of stock options, restricted stock, bonus stock, and stock appreciation rights to eligible employees, directors, and consultants. The Plan permits issuance of a maximum of 1,250,000 shares of class A nonvoting common stock. The Plan expires automatically on March 11, 2020.

Equity incentive bonuses may be awarded to align our executives' long-term compensation to appreciation in stockholder value over time and, so long as such grants are within the parameters of the Plan, historically were entirely discretionary on the part of Mr. Cotter, Sr. Other stock grants are subject to board approval. Equity awards may include stock options, restricted stock, bonus stock, or stock appreciation rights. Apart from the stock award to Mr. Cotter, Sr., no stock bonuses were awarded to our executive officers in 2014.

If awarded, it is generally our policy to value stock options and restricted stock at the closing price of our common stock as reported on the NASDAQ Capital Market on the date the award is approved or on the date of hire, if the stock is granted as a recruitment incentive. When stock is granted as bonus compensation for a particular transaction, the award may be based on the market price on a date calculated from the closing date of the relevant transaction. Awards may also be subject to vesting and limitations on voting or other rights.

Certain Federal Income Tax Consequences

Non-qualified Stock Options. There will be no federal income tax consequences to either the Company or the participant upon the grant of a non-discounted NQSO. However, the participant will realize ordinary income on the exercise of the NQSO in an amount equal to the excess of the fair market value of the common stock acquired upon the exercise of such option over the exercise price, and the Company will receive a corresponding deduction. The gain, if any, realized upon the subsequent disposition by the participant of the common stock will constitute short-term or long-term capital gain, depending on the participant's holding period.

Incentive Stock Options. There will be no regular federal income tax consequences to either the Company or the participant upon the grant or exercise of an incentive stock option. If the participant does not dispose of the shares of common stock for two years after the date the option was granted and one year after the acquisition of such shares of common stock, the difference between the aggregate option price and the amount realized upon disposition of the shares of common stock will constitute long-term capital gain or loss, and the Company will not be entitled to a federal income tax deduction. If the shares of common stock are disposed of in a sale, exchange or other "disqualifying disposition" during those periods, the participant will realize taxable ordinary income in an amount equal to the excess of the fair market value of the common stock purchased at the time of exercise over the aggregate option price (adjusted for any loss of value at the time of disposition), and the Company will be entitled to a federal income tax deduction equal to such amount, subject to the limitations under Code Section 162(m).

While the exercise of an incentive stock option does not result in current taxable income, the excess of (1) the fair market value of the option shares at the time of exercise over (2) the exercise price, will be an item of adjustment for purposes of determining the participant's alternative minimum tax income.

SARs. A participant receiving an SAR will not recognize income, and the Company will not be allowed a tax deduction, at the time the award is granted. When a participant exercises the SAR, the amount of cash and the fair market value of any shares of common stock received will be ordinary income to the participant and will be allowed as a deduction for federal income tax purposes to the Company, subject to limitations under Code Section 162(m). In addition, the Board (or Committee), may at any time, in its discretion, declare any or all awards to be fully or partially exercisable and may discriminate among participants or among awards in exercising such discretion.

Restricted Stock. Unless a participant makes an election to accelerate recognition of the income to the date of grant, a participant receiving a restricted stock award will not recognize income, and the Company will not be allowed a tax deduction, at the time the award is granted. When the restrictions lapse, the participant will recognize ordinary income equal to the fair market value of the common stock, and the Company will be entitled to a corresponding tax deduction at that time, subject to the limitations under Code Section 162(m).

Outstanding Equity Awards

The following table sets forth outstanding equity awards held by our named executive officers as of December 31, 2014 under the Plan:

Outstanding Equity Awards At Year Ended December 30, 2014

	Class	Option Awards				Stock Awards	
		Number of Shares Underlying Unexercised Options Exercisable	Number of Shares Underlying Unexercised Options Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units that Have Not Vested (\$)
James J. Cotter, Sr.	B	100,000	--	10.24	09/05/2017	--	--
James J. Cotter, Jr.	A	12,500	--	3.87	07/07/2015	--	--
James J. Cotter, Jr.	A	10,000	--	8.35	01/19/2017	--	--
James J. Cotter, Jr.	A	100,000	--	6.31	02/06/2018	--	--
Ellen M. Cotter	A	20,000	--	5.55	03/06/2018	--	--
Ellen M. Cotter	B	50,000	--	10.24	09/05/2017	--	--
Andrzej Matyczynski	A	25,000	25,000	6.02	08/22/2022	--	--
Robert F. Smerling	A	43,750	--	10.24	09/05/2017	--	--

Option Exercises and Stock Vested

The following table contains information for our named executive officers concerning the option awards that were exercised and stock awards that vested during the year ended December 31, 2014:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting	Value Realized on Vesting (\$)
James J. Cotter, Sr.	--	--	160,643	1,200,000
Andrzej Matyczynski	35,100	180,063	--	--

Pension Benefits

The following table contains information concerning pension plans for each of the named executive officers for the year ended December 31, 2014:

Name	Plan Name	Number of Years of Credited Service	Present Value of Accumulated Benefit (\$)	Payments During Last Fiscal Year (\$)
James J. Cotter, Sr.(1)	SERP	27	\$ 7,595,000	\$ --
Andrzej Matyczynski(2)	DCP	5	\$ 450,000	\$ --

Director Compensation

During 2014, all of our directors, except Mr. James J. Cotter Sr., Mr. James J. Cotter, Jr. and Ms. Ellen M. Cotter, received an annual fee of \$35,000 (prorated for the year in which a director is first elected or appointed). In addition to their annual directors fee, the following directors received a one-time fee of \$5,000 for their services as a member of the board and of all board committees on which they serve; Messrs. Adams, Gould, McEachern and Kane. Mr. Storey received a one-time fee of \$10,000, for his services as a member of the board and of all board committees on which he served. Messrs. McEachern and Storey also each received an additional \$6,000 for their participation in Special Committee Meetings. For 2014, the Chair of our Audit and Conflicts Committee received an additional fee of \$7,000, the Chair of our Compensation Committee received an additional fee of \$5,000, and the Chair of our Tax Oversight Committee received an additional fee of \$18,000.

Upon joining our board, new directors have historically received immediately vested five-year stock options to purchase 20,000 shares of our Class A Stock at an exercise price equal to the market price of the stock at the date of grant. From time to time our directors also are granted additional stock options as compensation for their service on our board. Historically, these awards were based upon the recommendations of our former Chair and principal shareholder, Mr. James J. Cotter, Sr., which recommendations were reviewed and acted upon by our entire board. When such additional awards have been made, typically, each sitting director (other than Mr. Cotter, Sr., who historically did not participate in such awards) was awarded the same number of options on the same terms. Historically, we have granted our officers and directors replacement options where their options would otherwise expire with exercise prices that were out of the money at the time of such expiration.

In November 2014, our board of directors determined to make grants to our non-employee directors on January 15 of each year of stock options to purchase 2,000 shares of our Class A Stock. The options will be for a term of five years, have an exercise price equal to the market price of Class A Stock on the grant date and be fully vested immediately upon grant.

The following table sets forth information concerning the compensation to persons who served as our non-employee directors during 2014 for their services as directors.

Director Compensation Table

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
Margaret Cotter (1)	35,000	0	0	35,000
Guy W. Adams (2)	40,000	69,000	0	109,000
William D. Gould	35,000	0	0	35,000
Edward L. Kane	63,000	0	0	63,000
Douglas J. McEachern	53,000	0	0	53,000
Tim Storey	51,000	0	21,000(3)	72,000
Alfred Villaseñor (4)	10,000	0	0	10,000

- (1) In addition to her director's fees, Ms. Margaret Cotter receives a combination of fixed and incentive management fees under the OBI Management Agreement described under the caption "Certain Transactions and Related Party Transactions - OBI Management Agreement," below.
- (2) Mr. Adams joined the board on January 14, 2014 and was granted on that date a five-year stock option to purchase 20,000 shares of our Class A Stock at an exercise price of \$7.40 per share.
- (3) This amount represents fees paid to Mr. Storey as the sole independent director of our company's wholly-owned New Zealand subsidiary.
- (4) Represents fees paid to Mr. Villaseñor prior to our 2014 Annual Meeting of Stockholders, when he declined to stand for re-nomination as a director.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Except as described below, the following table sets forth the shares of Class A Stock and Class B Stock beneficially owned on April 30, 2015 by:

- each of our incumbent directors;
- each of our incumbent named executive officers set forth in the Summary Compensation Table of this Proxy Statement;

- each person known to us to be the beneficial owner of more than 5% of our Class B Stock; and
- all of our incumbent directors and incumbent executive officers as a group.

The beneficial ownership of 327,808 shares of our outstanding Class B Stock, which we refer to as the “disputed shares,” and 100,000 shares of Class B Stock underlying a currently exercisable stock option, which we refer to as the “disputed option,” is disputed by the Cotter family members, and the following table does not ascribe to any person or entity the beneficial ownership of the disputed shares or of the shares underlying the disputed option.

Except as noted, we believe that each beneficial owner has sole voting power and sole investment power with respect to the shares shown. An asterisk (*) denotes beneficial ownership of less than 1%.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)			
	Class A Stock		Class B Stock	
	Number of Shares	Percentage of Stock	Number of Shares	Percentage of Stock
Directors and Named Executive Officers				
James J. Cotter, Jr. (2)(9)(10)	3,220,251	14.7	696,080	44.0
Ellen M. Cotter (3)(9)(10)	2,818,995	13.0	746,080	47.2
Margaret Cotter (4)(9)(10)	3,111,572	14.3	731,180	46.3
Guy W. Adams	- 0 -	--	- 0 -	--
William D. Gould (5)	54,340	*	--	--
Edward L. Kane (6)	19,500	*	100	*
Andrzej Matyczynski	25,789	*	--	--
Douglas J. McEachern (7)	37,300	*	--	--
Tim Storey (8)	27,000	*	--	--
Robert F. Smerling (8)	43,750	*	--	--
5% or Greater Stockholders				
James J. Cotter Living Trust (9)(10)	1,897,649	8.7	696,080	44.0
James J. Cotter Living Trust/Estate of James J. Cotter, Deceased(9)(10)	408,263	1.9	427,808	25.5
Mark Cuban (11) 5424 Deloache Avenue Dallas, Texas 75220	72,164	*	207,611	13.1
PICO Holdings, Inc. and PICO Deferred Holdings, LLC (12) 875 Prospect Street, Suite 301 La Jolla, California 92037	--	--	97,500	6.2
All directors and executive officers as a group (10 persons)(13)	5,476,570	24.9	1,209,088	71.9

(1) Percentage ownership is determined based on 21,745,484 shares of Class A Stock and 1,580,590 shares of Class B Stock outstanding on May 6, 2015. Except as described in footnote (13) with respect to the beneficial ownership of all directors and executive officers as a group, the table does not ascribe to any person or entity the beneficial ownership of the disputed shares or of the shares underlying the disputed option. Except as described with respect to the disputed shares and the disputed option, beneficial ownership has been determined in accordance with SEC rules. Shares subject to options that are presently exercisable, or exercisable within 60 days of May 6, 2015, which are indicated by footnote, are deemed to be

beneficially owned by the person holding the options and are deemed to be outstanding in computing the percentage ownership of that person, but not in computing the percentage ownership of any other person.

- (2) The Class A Stock shown include 97,500 shares subject to stock options. The Class A Stock shown also include 289,390 shares held by a trust for the benefit of James J. Cotter, Sr.'s grandchildren (the "Cotter grandchildren's trust") and 102,751 held by the James J. Cotter Foundation. Mr. Cotter, Jr. is co-trustee of the Cotter grandchildren's trust and of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Mr. Cotter, Jr. disclaims beneficial ownership of such shares except to the extent of his pecuniary interest, if any, in such shares. The Class A Stock shown also includes 1,897,649 shares held by the James J. Cotter Living Trust, or the "Living Trust," which became irrevocable upon Mr. Cotter, Sr.'s death on September 13, 2014. See footnotes (9) and (10) for information regarding beneficial ownership of the shares held by the Living Trust that is disputed by the Cotter family members.
- (3) The Class A Stock shown includes 20,000 shares subject to stock options. The Class A Stock shown also include 102,751 shares held by the James J. Cotter Foundation. Ms. Cotter is co-trustee of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stock shown also includes 408,263 shares that Ms. Cotter maintains are part of the Estate of James J. Cotter, Deceased (the "Cotter Estate") that is being administered in the State of Nevada and that Mr. Cotter, Jr. contends are held by the Living Trust. On December 22, 2014, the District Court of Clark County, Nevada, appointed Ellen M. Cotter and Margaret Cotter as co-executors of the Cotter Estate. As such, Ellen M. Cotter would be deemed to beneficially own such shares. As co-trustees of the Living Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (9). The shares shown also include 1,897,649 shares held by the Living Trust. See footnotes (9) and (10) for information regarding beneficial ownership of the shares held by the Living Trust that is disputed by the Cotter family members.
- (4) The Class A Stock shown includes 17,000 shares subject to stock options. The Class A shares shown also include 289,390 shares held by the Cotter grandchildren's trust and 102,751 shares held by the James J. Cotter Foundation. Ms. Cotter is co-trustee of the Cotter grandchildren's trust and of the Cotter Foundation and, as such, is deemed to beneficially own such shares. Ms. Cotter disclaims beneficial ownership of such shares except to the extent of her pecuniary interest, if any, in such shares. The Class A Stock shown includes 408,263 shares that Ms. Cotter maintains are part of the Cotter Estate and that Mr. Cotter, Jr. contends are held by the Living Trust. As co-executor of the Cotter Estate, Ms. Cotter would be deemed to beneficially own such shares. As co-trustees of the Living Trust, the three Cotter family members would be deemed to beneficially own such shares depending upon the outcome of the matters described in footnote (9). The shares shown also include 1,897,649 shares held by the Living Trust. See footnotes (9) and (10) for information regarding beneficial ownership of the shares held by the Living Trust that is disputed by the Cotter family members.
- (5) Includes 17,000 shares subject to stock options.
- (6) The Class A Stock shown includes 2,000 shares subject to stock options.
- (7) Includes 27,000 shares subject to stock options.
- (8) Consists of shares subject to stock options.
- (9) James J. Cotter, Jr., Ellen M. Cotter and Margaret Cotter are the Co-trustees of the Living Trust. On June 5, 2013, the Declaration of Trust establishing the Living Trust was amended and restated (the "2013 Restatement") to provide that, upon the death of James J. Cotter, Sr., the Trust's shares of Class B Stock were to be held in a separate trust, to be known as the "Reading Voting Trust," for the benefit of the grandchildren of Mr. Cotter, Sr. Mr. Cotter, Sr. passed away in September 2014. The 2013 Restatement also names Margaret Cotter the sole trustee of the Reading Voting Trust and names James J. Cotter, Jr. as the first alternate trustee in the event that Ms. Cotter is unable or unwilling to act as trustee. On June 19, 2014, Mr. Cotter, Sr. signed a 2014 Partial Amendment to Declaration of Trust (the "2014 Amendment") that names Margaret Cotter and James J. Cotter, Jr. as the co-trustees of the Reading Voting Trust and provides that, in the event they are unable to agree upon an important trust decision, they shall rotate the trusteeship between them annually on each January 1st. It further directs the trustees of the Reading Voting Trust to, among other things, vote the Class B Stock held by the Reading Voting Trust in favor of the appointment of Ellen Cotter, Margaret Cotter and James J. Cotter, Jr. to our board and to take all actions to rotate the chairmanship of our board among the three of them. On February 6, 2015, Ellen Cotter and Margaret Cotter filed a Petition in the Superior Court of the State of California, County of Los Angeles, captioned In re James J. Cotter Living Trust dated August 1, 2000 (Case No. BP159755). The Petition, among other things, seeks relief that could determine the validity of the 2014 Amendment and who between Margaret Cotter and James J. Cotter Jr. will have authority as trustee or co-trustees of the Reading Voting Trust to vote the shares of Class B Stock shown (in whole or in part) and the scope and extent of such authority. Mr. Cotter, Jr. has filed an opposition to the Petition. As co-trustees of the Living Trust, Mr. Cotter, Jr., Ellen M. Cotter and Margaret Cotter would share voting and investment power of the shares held by the Living Trust and, as such, would be deemed to beneficially own such shares. As trustee or co-trustees of the Reading Voting Trust, Margaret Cotter or Mr. Cotter, Jr., or both, would be deemed to beneficially own the Class B Stock shown. Each of Mr. Cotter, Jr., Ellen M. Cotter and Margaret Cotter disclaims beneficial ownership of the shares held by the Living Trust except to the extent of his or her pecuniary interest, if any, in such shares.

- (10) Our stock register reflects that the 327,808 disputed shares of Class B Stock, which constitute approximately 20.7% of the voting power of our outstanding capital stock, and the disputed option to purchase 100,000 shares of Class B Stock, are standing in the name of Mr. Cotter, Sr. Ellen M. Cotter and Margaret Cotter dispute that Mr. Cotter, Sr. executed a written assignment that purported to transfer the disputed shares to the Living Trust and contend that, until such time as they pour over into the Living Trust, the disputed shares make up a part of the Cotter Estate. Ellen M. Cotter and Margaret Cotter also contend that the disputed option belongs to the Cotter Estate, while Mr. Cotter, Jr. disputes these contentions. Because the disputed shares and the shares underlying the disputed option together represent a material amount of our outstanding Class B stock, on April 29, 2015, we filed in the District Court of Clark County, Nevada, a petition requesting instructions from the Court regarding the disputed shares and the disputed option. A copy of our petition is set forth as an exhibit to our current report on Form 8 K filed with the SEC on May 4, 2015. Depending upon the outcome of this matter, the beneficial ownership of our Class B Stock will change, perhaps materially, from that presented in this table. The Cotter family also dispute whether the Class A Stock shown is held by the Living Trust or by the Cotter Estate.
- (11) Based on Mr. Cuban's Form 4 filed with the SEC on July 18, 2011 and Schedule 13G filed on February 14, 2012.
- (12) Based on the PICO Holdings, Inc. and PICO Deferred Holdings, LLC Schedule 13G filed with the SEC on February 15, 2011.
- (13) The Class A Stock shown includes 408,263 disputed shares of Class A Stock and 251,250 shares subject to options. The Class B Stock shown includes the 327,808 disputed shares and the 100,000 shares subject to the disputed option.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Certain Relationships and Related Transactions

The members of our Audit and Conflicts Committee are Edward Kane, Tim Storey, and Douglas McEachern, who serves as Chair. Management presents all potential related party transactions to the Conflicts Committee for review. Our Conflicts Committee reviews whether a given related party transaction is beneficial to our company, and approves or bars the transaction after a thorough analysis. Only Committee members disinterested in the transaction in question participate in the determination of whether the transaction may proceed.

Sutton Hill Capital

In 2001, we entered into a transaction with Sutton Hill Capital, LLC ("SHC") regarding the leasing with an option to purchase of certain cinemas located in Manhattan including our Village East and Cinemas 1, 2 & 3 theaters. In connection with that transaction, we also agreed to lend certain amounts to SHC, to provide liquidity in its investment, pending our determination whether or not to exercise our option to purchase and to manage the 86th Street Cinema on a fee basis. SHC is a limited liability company that is owned by Sutton Hill Associates, which was a 50/50 partnership between James J. Cotter, Sr. and Michael Forman. The Village East is the only cinema subject to this lease, and during 2014, 2013 and 2012 we paid rent to SHC in the amount of \$590,000 annually.

On June 29, 2010, we agreed to extend our existing lease from SHC of the Village East Cinema in New York City by 10 years, with a new termination date of June 30, 2020. The Village East lease includes a sub-lease of the ground underlying the cinema that is subject to a longer-term ground lease between SHC and an unrelated third party that expires in June 2031 (the "cinema ground lease"). The extended lease provides for a call option pursuant to which Reading may purchase the cinema ground lease for \$5.9 million at the end of the lease term. Additionally, the lease has a put option pursuant to which SHC may require us to purchase all or a portion of SHC's interest in the existing cinema lease and the cinema ground lease at any time between July 1, 2013 and December 4, 2019. SHC's put option may be exercised on one or more occasions in increments of not less than \$100,000 each. In 2005, we acquired from a third party the fee interest and from SHC its interest in the ground lease estate underlying and the improvements constituting the Cinemas 1, 2 & 3. In connection with that transaction, we granted to SHC an option to acquire a 25% interest in the special purpose entity formed to acquire these interests at cost. On June 28, 2007, SHC exercised this option, paying the option exercise price through the application of its \$3 million deposit plus the assumption of its proportionate share of SHP's liabilities, giving SHC a 25% non-managing membership interest in SHP. We manage this cinema property for an annual management fee equal to 5% of its annual gross income.

In February 2015, we and SHP entered into an amendment to the management agreement dated as of June 27, 2007 between us and SHC. The amendment, which was retroactive to December 1, 2014, memorialized our undertaking to SHP with respect to \$750,000 (the “Renovation Funding Amount”) of renovations to Cinemas 1, 2 & 3 funded or to be funded by us. In consideration of our funding of the renovations, our annual management fee under the management agreement was increased commencing January 1, 2015 by an amount equivalent to 100% of any incremental positive cash flow of Cinemas 1, 2 & 3 over the average annual positive cash flow of the Cinemas over the three-year period ended December 31, 2014 (not to exceed a cumulative aggregate amount equal to the Renovation Funding Amount), plus a 15% annual cash-on-cash return on the balance outstanding from time to time of the Renovation Funding Amount, payable at the time of the payment of the annual management fee. Under the amended management agreement, we are entitled to retain ownership of (and any right to depreciate) any furniture, fixtures and equipment purchased by us in connection with such renovation and have the right (but not the obligation) to remove all such furniture, fixtures and equipment (at our own cost and expense) from the Cinemas upon the termination of the management agreement. The amendment also provides that, during the term of the management agreement, SHP will be responsible for the cost of repair and maintenance of the renovations.

OBI Management Agreement

Pursuant to a Theater Management Agreement (the “Management Agreement”), our live theater operations are managed by OBI LLC (“OBI Management”), which is wholly owned by Ms. Margaret Cotter who is our Vice Chair and the sister of James J. Cotter, Jr. and Ellen M. Cotter.

The Management Agreement generally provides that we will pay OBI Management a combination of fixed and incentive fees, which historically have equated to approximately 21% of the net cash flow received by us from our live theaters in New York. Since the fixed fees are applicable only during such periods as the New York theaters are booked, OBI Management receives no compensation with respect to a theater at any time when it is not generating revenue for us. This arrangement provides an incentive to OBI Management to keep the theaters booked with the best available shows, and mitigates the negative cash flow that would result from having an empty theater. In addition, OBI Management manages our Royal George live theater complex in Chicago on a fee basis based on theater cash flow. In 2014, OBI Management earned \$397,000, which was 20.9% of net cash flows for the year. In 2013, OBI Management earned \$401,000, which was 20.1% of net cash flows for the year. In 2012, OBI Management earned \$390,000, which was 19.7% of net cash flows for the year. In each year, we reimbursed travel related expenses for OBI Management personnel with respect to travel between New York City and Chicago in connection with the management of the Royal George complex.

OBI Management conducts its operations from our office facilities on a rent-free basis, and we share the cost of one administrative employee of OBI Management. Other than these expenses and travel-related expenses for OBI Management personnel to travel to Chicago as referred to above, OBI Management is responsible for all of its costs and expenses related to the performance of its management functions. The Management Agreement renews automatically each year unless either party gives at least six months’ prior notice of its determination to allow the Management Agreement to expire. In addition, we may terminate the Management Agreement at any time for cause.

Live Theater Play Investment

From time to time, our officers and directors may invest in plays that lease our live theaters. The play STOMP has played in our Orpheum Theatre since prior to our acquisition of the theater in 2001. Mr. Cotter, Sr. owned an approximately 5% interest in that play.

Shadow View Land and Farming LLC

During 2012, Mr. Cotter, Sr., our former Chair, Chief Executive Officer and controlling shareholder, contributed \$2.5 million of cash and \$255,000 of his 2011 bonus as his 50% share of the purchase price of a land parcel in Coachella, California and to cover his 50% share of certain costs associated with that acquisition. This land is held in Shadow View Land and Farming, LLC, which is owned 50% by our company. Mr. Cotter, Jr. contends that the other 50% interest in Shadow View Land and Farming, LLC is

owned by the James J. Cotter, Sr. Trust, while Ellen Cotter and Margaret Cotter contend that such interest is owned by the Cotter Estate. We are the managing member of Shadow View Land and Farming, LLC, with oversight provided by our Audit and Conflicts Committee.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Summary of Principal Accounting Fees for Professional Services Rendered

Our independent public accountants, Grant Thornton, LLP, have audited our financial statements for the fiscal year ended December 31, 2014, and are expected to have a representative present at the Annual Meeting who will have the opportunity to make a statement if he or she desires to do so and is expected to be available to respond to appropriate questions.

Audit Fees

The aggregate fees for professional services for the audit of our financial statements, audit of internal controls related to the Sarbanes-Oxley Act, and the reviews of the financial statements included in our Forms 10-K and 10-Q provided by Grant Thornton LLP for 2014 and 2013 were approximately \$661,700 and \$550,000, respectively.

Audit-Related Fees

Grant Thornton, LLP did not provide us any audit related services for 2014 or 2013.

Tax Fees

Grant Thornton, LLP did not provide us any products or any services for tax compliance, tax advice, or tax planning for 2014 or 2013.

All Other Fees

Grant Thornton, LLP did not provide us any services for 2014 or 2013 other than as set forth above.

Pre-Approval Policies and Procedures

Our Audit Committee must pre-approve, to the extent required by applicable law, all audit services and permissible non-audit services provided by our independent registered public accounting firm, except for any de minimis non-audit services. Non-audit services are considered de minimis if (i) the aggregate amount of all such non-audit services constitutes less than 5% of the total amount of revenues we paid to our independent registered public accounting firm during the fiscal year in which they are provided; (ii) we did not recognize such services at the time of the engagement to be non-audit services; and (iii) such services are promptly submitted to our Audit Committee for approval prior to the completion of the audit by our Audit Committee or any of its members who has authority to give such approval. Our Audit Committee pre-approved all services provided to us by Grant Thornton LLP for 2014 and 2013.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)(3) The following exhibits are filed as part of this report:

Exhibit No.	Description
31.1	Certification of Principal Executive Officer dated March 7, 2014 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of Principal Financial Officer dated March 7, 2014 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

READING INTERNATIONAL, INC.

Date: May 8, 2015

By: /s/ ANDRZEJ MATYCZYNSKI
Name: Andrzej Matyczynski
Title: Chief Financial Officer

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, James J. Cotter, Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Reading International, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2015

/s/ JAMES J. COTTER, JR.

James J. Cotter, Jr.
Chief Executive Officer

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Andrzej Matyczynski, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Reading International, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2015

/s/ ANDRZEJ MATYZYNSKI

Andrzej Matyczynski
Chief Financial Officer

EXHIBIT B

AMENDED AND RESTATED

BYLAWS

OF

Reading International, Inc.

A Nevada Corporation

(formerly Citadel Holding Corporation)

AMENDED AND RESTATED
BYLAWS
OF
READING INTERNATIONAL, INC.

A Nevada Corporation

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AMENDED AND RESTAED
BYLAWS¹
OF
READING INTERNATIONAL, INC.

A Nevada Corporation

**ARTICLE I
STOCKHOLDERS**

SECTION 1 ANNUAL MEETING

Annual meetings of the stockholders, commencing with the year 2000, shall be held each year within 150 days of the end of the fiscal year on the third Thursday in May if not a legal holiday, and if a legal holiday, then on the next secular day following at ten o'clock a.m., or such other date and time as may be set by the Board of Directors² from time to time and stated in the notice of the meeting, at which the stockholders shall elect by a plurality vote a Board of Directors and transact such other business as may properly be brought before the meeting.

SECTION 2 SPECIAL MEETINGS

Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, may be called by the Chairman or Vice Chairman of the Board or the President, and shall be called by the Chairman, Vice Chairman or President at the written request of a majority of the Board of Directors or at the written request of stockholders owning outstanding shares representing a majority of the voting power of the Corporation. Such request shall state the purpose or purposes of such meeting.

SECTION 3 NOTICE OF MEETINGS

Written notice of stockholders meetings, stating the place, date and hour thereof, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder entitled to vote thereat at least ten days but not more than sixty days before the date of the meeting, unless a different period is prescribed by statute. Business transacted any special meeting of the stockholders shall be limited to the purpose or purposes stated in the notice.

¹ These Amended and Restated Bylaws are hereinafter referred to as the Bylaws.

² The "Board" and "Board of Directors" are hereinafter used in reference to the Board of Directors of Reading International, Inc.

SECTION 4 PLACE OF MEETINGS

All annual meetings of the stockholders shall be held in the County of Los Angeles, State of California, at such place as may be fixed from time to time by the Board of Directors, or at such other place within or without the State of Nevada as the directors shall determine. Special meetings of the stockholders may be held at such time and place within or without the State of Nevada as shall be stated in the notice of the meeting, or in a duly executed waiver of notice thereof. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

SECTION 5 STOCKHOLDER LISTS

The officer who has charge of the stock ledger of the Corporation shall prepare and make, not less than ten nor more than sixty days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any proper purpose germane to the meeting, during ordinary business hours for a period not less than ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

SECTION 6 QUORUM; ADJOURNED MEETINGS

The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the Articles of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 7 VOTING

Except as otherwise provided by statute or the Articles of Incorporation or these Bylaws, and except for the election of directors, at any meeting duly called and held at which a quorum is present, a majority of the votes cast at such meeting upon a given matter by the holders of outstanding shares of stock of all classes of stock of the Corporation entitled to vote thereon who are present in person or by proxy shall decide such matter. At any meeting duly called and held for the election of directors at which a quorum is present, directors shall be elected by a plurality of the votes cast by the holders (acting as such) of shares of stock of the Corporation entitled to elect such directors.

SECTION 8 PROXIES

At any meeting of the stockholders any stockholder may be represented and vote by a proxy or proxies appointed by an instrument in writing. In the event that any such instrument in writing shall designate two or more persons to act as proxies, a majority of such persons present at the meeting, or, if only one shall be present, then that one shall have and may exercise all of the powers conferred by such written instrument upon all of the persons so designated unless the instrument shall otherwise provide. No proxy, proxy revocation or power of attorney to vote shall be used at a meeting of the stockholders unless it shall have been filed with the secretary of the meeting; provided, however, nothing contained herein shall prevent any stockholder from attending any meeting and voting in person. All questions regarding the qualification of voters, the validity of proxies and the acceptance or rejection of votes shall be decided by the inspectors of election who shall be appointed by the Board of Directors, or if not so appointed, then by the presiding officer of the meeting.

SECTION 9 ACTION WITHOUT MEETING

Any action which may be taken by the vote of the stockholders at a meeting may be taken without a meeting if authorized by the written consent of stockholders holding at least a majority of the voting power, unless the provisions of the statutes governing the Corporation or of the Articles of Incorporation require a different proportion of voting power to authorize such action in which case such proportion of written consents shall be required. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

SECTION 10 CERTAIN LIMITATIONS

The Board of Directors shall not, without the prior approval of the stockholders, adopt any procedures, rules or requirements which restrict a stockholders right to (i) vote, whether in person, by proxy or by written consent; (ii) elect, nominate or remove directors; (iii) call a special meeting; or (iv) to bring new business before the stockholders, except as may be required by applicable law.

ARTICLE II DIRECTORS

SECTION 1 MANAGEMENT OF CORPORATION

The business of the Corporation shall be managed by its Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the stockholders.

SECTION 2 NUMBER, TENURE, AND QUALIFICATIONS

The number of directors, which shall constitute the whole board, shall be nine (9). Thereafter, the number of directors may from time to time be increased or decreased to not less than one nor more than ten by action of the Board of Directors. The directors shall be elected by

the holders of shares entitled to vote thereon at the annual meeting of the stockholders and, except as provided in Section 4 of this Article, each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.

SECTION 3 CHAIRMAN AND VICE CHAIRMAN OF THE BOARD

The directors may elect one of their members to be Chairman of the Board of Directors and one of their members to be Vice Chairman of the Board of Directors. The Chairman and Vice Chairman shall be subject to the control of and may be removed by the Board of Directors. The Chairman and Vice Chairman shall perform such duties as may from time to time be assigned to them by the Board of Directors.

SECTION 4 VACANCIES; REMOVAL

Vacancies in the Board of Directors, including those caused by an increase in the number of directors, may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until his successor is elected at an annual or a special meeting of the stockholders. The holders of no less than two-thirds of the outstanding shares of stock entitled to vote may at any time peremptorily terminate the term of office of all or any of the directors by vote at a meeting called for such purpose or by written consent filed with the Secretary or, in his absence, with any other officer. Such removal shall be effective immediately, even if successors are not elected simultaneously.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of the death, resignation or removal of any directors, or if the authorized number of directors be increased, or if the stockholders fail at any annual or special meeting of stockholders at which any director or directors are elected to elect the full authorized number of directors to be voted for at that meeting.

If the Board of Directors accepts the resignation of a director tendered to take effect at a future time, the Board or the stockholders shall have power to elect a successor to take office when the resignation is to become effective.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his term of office.

SECTION 5 ANNUAL AND REGULAR MEETINGS

Annual and regular meetings of the Board of Directors shall be held at any place within or without the State of Nevada that has been designated from time to time by resolution of the Board of Directors or by written consent of all members of the Board of Directors. In the absence of such designation, annual and regular meetings shall be held at the registered office of the Corporation. Regular meetings of the Board of Directors may be held without call or notice at such time and at such place as shall from time to time be fixed and determined by the Board of Directors.

SECTION 6 FIRST MEETING

The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting and no notice of such meeting shall be necessary to the directors in order legally to constitute the meeting, provided a quorum is present. In the event of the failure of the stockholders to fix the time and place of such first meeting, or in the event such meeting is not so held, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

SECTION 7 SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by the Chairman or Vice Chairman of the Board or the President upon notice to each director, either personally or by mail or by telegram. Upon the written request of a majority of the directors, the Chairman or Vice Chairman of the Board or the President shall call a special meeting of the Board to be held within two days of the receipt of such request and shall provide notice thereof to each director, either personally or by mail or by telegram.

SECTION 8 BUSINESS OF MEETINGS

The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

SECTION 9 QUORUM; ADJOURNED MEETINGS

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number is required by law or by the Articles of Incorporation. Any action of a majority, although not at a regularly called meeting, and the record thereof, if assented to in writing by all of the other members of the Board shall be as valid and effective in all respects as if passed by the Board of Directors in a regular meeting.

A quorum of the directors may adjourn any directors meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the directors present at any directors' meeting, either regular or special, may adjourn from time to time, without notice other than announcement at the meeting, until a quorum is present.

Notice of the time and place of holding an adjourned meeting need not be given to the absent directors if the time and place are fixed at the meeting adjourned.

SECTION 10 COMMITTEES

The Board of Directors may, by resolution adopted by a majority of the whole Board, designate one or more committees of the Board of Directors, each committee to consist of at least one or more directors of the Corporation which, to the extent provided in the resolution, shall have and may exercise the power of the Board of Directors in the management of the business and affairs of the Corporation and may have power to authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power to amend the Articles of Incorporation, to adopt an agreement or plan of merger or consolidation, to recommend to the stockholders a sale, lease or exchange of all or substantially all of the Corporation's assets, to recommend to the stockholders dissolution or revocation of dissolution, or to amend these Bylaws, and, unless the resolution or the Articles of Incorporation expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Such committee or committees shall have such name or names as may be determined from time to time by the Board of Directors. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The members of any such committee present at any meeting and not disqualified from voting may, whether or not they constitute a quorum, unanimously appoint another member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. At meetings of such committees, a majority of the members or alternate members shall constitute a quorum for the transaction of business, and the act of a majority of the members or alternate members at any meeting at which there is a quorum shall be the act of the committee.

The committees, if required by the Board, shall keep regular minutes of their proceedings and report the same to the Board of Directors.

SECTION 11 ACTION WITHOUT MEETING; TELEPHONE MEETINGS

Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if a written consent thereto is signed by all members of the Board of Directors or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

Nothing contained in these Bylaws shall be deemed to restrict the powers of members of the Board of Directors, or any committee thereof, to participate in a meeting of the Board or committee by means of telephone conference or similar communications equipment whereby all persons participating in the meeting can hear each other.

SECTION 12 SPECIAL COMPENSATION

The directors may be paid their expenses of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director as fixed by the Board of Directors. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of committees may be allowed like reimbursement and compensation for attending committee meetings.

ARTICLE III NOTICES

SECTION 1 NOTICE OF MEETINGS

Whenever, under the provisions of the Articles of Incorporation or applicable law or these Bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholders, at his address as it appears on the records of the Corporation, postage prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

Notices of meetings of stockholders shall be in writing and signed by the President or a Vice-President or the Secretary or an Assistant Secretary or by such other person or persons as the directors shall designate. Such notice shall state the purpose or purposes for which the meeting is called and the time and the place, which may be within or without this State, where it is to be held. Personal delivery of any notice to any officer of a corporation or association, or to any member of a partnership, shall constitute delivery of such notice to such corporation, association or partnership. In the event of the transfer of stock after delivery of such notice of and prior to the holding of the meeting it shall not be necessary to deliver or mail notice of the meeting to the transferee.

SECTION 2 EFFECT OF IRREGULARLY CALLED MEETINGS

Whenever all parties entitled to vote at any meeting, whether of directors or stockholders, consent, either by a writing on the records of the meeting or filed with the secretary, or by presence at such meeting and oral consent entered on the minutes, or by taking part in the deliberations at such meeting without objection, the doings of such meeting shall be as valid as if had at a meeting regularly called and noticed, and at such meeting any business may be transacted which is not excepted from the written consent or to the consideration of which no objection for want of notice is made at the time, and if any meeting be irregular for want of notice or of such consent, provided a quorum was present at such meeting, the proceedings of said meeting may be ratified and approved and rendered likewise valid and the irregularity or defect therein waived by a writing signed by all parties having the right to vote at such meeting; and such consent or approval of stockholders may be by proxy or attorney, but all such proxies and powers of attorney must be in writing.

SECTION 3 WAIVER OF NOTICE

Whenever any notice whatever is required to be given under the provisions of the statutes, the Articles of Incorporation or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE IV OFFICERS

SECTION 1 ELECTION

The officers of the Corporation shall be elected annually at the first meeting by the Board of Directors held after each annual meeting of the stockholders and shall be a President, one or more Vice Presidents, a Treasurer and a Secretary, and such other officers with such titles and duties as the Board of Directors may determine, none of whom need be directors. The President shall be the Chief Executive Officer, unless the Board designates the Chairman of the Board as Chief Executive Officer. Any person may hold one or more offices and each officer shall hold office until his successor shall have been duly elected and qualified or until his death or until he shall resign or is removed in the manner as hereinafter provided for such term as may be prescribed by the Board of Directors from time to time.

SECTION 2 CHAIRMAN AND VICE CHAIRMAN OF THE BOARD

The Board of Directors at its first annual meeting after each annual meeting of the stockholders may choose a Chairman and Vice Chairman of the Board from among the directors of the Corporation. The Chairman of the Board, and in his absence the Vice Chairman, shall preside at meetings of the stockholders and the Board of Directors and shall see that all orders and resolutions of the Board of Directors are carried into effect.

SECTION 3 PRESIDENT

The President shall be the chief operating officer of the Corporation, shall also be a director and shall have active management of the business of the Corporation. The President shall execute on behalf of the Corporation all instruments requiring such execution except to the extent the signing and execution thereof shall be expressly designated by the Board of Directors to some other officer or agent of the Corporation.

SECTION 4 VICE-PRESIDENT

The Vice-President shall act under the direction of the President and in the absence or disability of the President shall perform the duties and exercise the powers of the President. The Vice-President shall perform such other duties and have such other powers as the President or the Board of Directors may from time to time prescribe. The Board of Directors may designate one or more Executive Vice-Presidents or may otherwise specify the order of seniority of the Vice-Presidents. The duties and powers of the President shall descend to the Vice-Presidents in such specified order of seniority.

SECTION 5 SECRETARY

The Secretary shall act under the direction of the President. Subject to the direction of the President, the Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record the proceedings. The Secretary shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all

meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the President or the Board of Directors.

SECTION 6 ASSISTANT SECRETARIES

The Assistant Secretaries shall act under the direction of the President. In order of their seniority, unless otherwise determined by the President or the Board of Directors, they shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary. They shall perform such other duties and have such other powers as the President or the Board of Directors may from time to time prescribe.

SECTION 7 TREASURER

The Treasurer shall act under the direction of the President. Subject to the direction of the President, the Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the President or the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all transactions as Treasurer and of the financial condition of the Corporation.

If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of such person's office and for the restoration to the Corporation, in case of such person's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in such person's possession or under such person's control belonging to the Corporation.

SECTION 8 ASSISTANT TREASURERS

The Assistant Treasurers in the order of their seniority, unless otherwise determined by the President or the Board of Directors, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer. They shall perform such other duties and have such other powers as the President or the Board of Directors may from time to time prescribe.

SECTION 9 COMPENSATION

The Board of Directors shall fix the salaries and compensation of all officers of the Corporation.

SECTION 10 REMOVAL; RESIGNATION

The officers of the Corporation shall hold office at the pleasure of the Board of Directors. Any officer elected or appointed by the Board of Directors, or any member of a committee, may

be removed at any time, with or without cause, by the Board of Directors by a vote of not less than a majority of the entire Board at any meeting thereof or by written consent. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise shall be filled by the Board of Directors for the unexpired portion of the term.

Any director or officer of the Corporation, or any member of any committee, may resign at any time by giving written notice to the Board of Directors, the Chairman of the Board, the President, or the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein or, if the time is not specified, then upon receipt thereof. The acceptance of such resignation shall not be necessary to make it effective.

ARTICLE V CAPITAL STOCK

SECTION 1 CERTIFICATED AND UNCERTIFICATED SHARES OF STOCK

Shares of stock in the Corporation shall be represented by certificates, or shall be uncertificated, as determined by the Board of Directors in its discretion. As to any shares represented by certificates, every stockholder shall be entitled to have a certificate signed by the Chairman or Vice Chairman of the Board of Directors, the President or a Vice-President and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares owned by such person in the Corporation. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the designations, preferences and relative, participating, optional or other special rights of the various classes of stock or series thereof and the qualifications, limitations or restrictions of such rights, shall be set forth in full or summarized on the face or back of any certificate which the Corporation shall issue to represent such stock; provided, however, that except as otherwise provided in NRS 78.242, in lieu of the foregoing requirements, there may be set forth on the face or back of any certificate which the Corporation shall issue to represent such class or series of stock, a statement that the Corporation will furnish without charge to each stockholder who so requests, the designations, preferences and relative, participating, optional or other special rights of the various classes or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

If a certificate representing stock is signed (1) by a transfer agent other than the Corporation or its employees or (2) by a registrar other than the Corporation or its employees, the signatures of the officers of the Corporation may be facsimiles. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall cease to be such officer before such certificate is issued, such certificate may be issued with the same effect as though the person had not ceased to be such officer. The seal of the Corporation, or a facsimile thereof, may, but need not be, affixed to any certificates representing stock.

SECTION 2 SURRENDERED; LOST OR DESTROYED CERTIFICATES

The Board of Directors or any transfer agent of the Corporation may direct a new certificate or certificates to be issued, or, if such stock is no longer certificated, a registration of such stock, in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost or destroyed upon the making of an affidavit of that fact by the person claiming

the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, or new registration of uncertificated stock, the Board of Directors (or any transfer agent of the Corporation authorized to do so by a resolution of the Board of Directors) may, in its discretion and as a condition precedent to the issuance or registration thereof, require the owner, of such lost or destroyed certificate or certificates, or the owner's legal representative, to advertise the same in such manner as it shall require and/or give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

SECTION 3 REGULATIONS

The Board of Directors shall have the power and authority to make all such rules and regulations and procedures as it may deem expedient concerning the issue, transfer and cancellation of stock of the Corporation and replacement of any stock certificates representing stock and registration and re-registration of any uncertificated stock.

SECTION 4 RECORD DATE

The Board of Directors may fix in advance a date not more than sixty days nor less than ten days preceding the date of any meeting of stockholders, or the date for the payment of any distribution, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining the consent of stockholders for any purpose, as a record date for the determination of the stockholders entitled to notice of and to vote at any such meeting, and any adjournment thereof, or entitled to receive payment of any such distribution, or to give such consent, and in such case, such stockholders, and only such stockholders as shall be stockholders of record on the date so fixed, shall be entitled to notice of and to vote at such meeting, or any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid.

SECTION 5 REGISTERED OWNER

The Corporation shall be entitled to recognize the person registered on its books as the owner of the shares to be the exclusive owner for all purposes, including voting and distribution, and the Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Nevada.

ARTICLE VI GENERAL PROVISIONS

SECTION 1 REGISTERED OFFICE

The registered office of the Corporation shall be in the County of Clark, State of Nevada. The principal office of the Corporation shall be located in the County of Los Angeles, State of California.

The Corporation may also have offices at such other places both within and without the State of Nevada as the Board of Directors may from time to time determine or the business of the Corporation may require.

SECTION 2 CHECKS; NOTES

All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

SECTION 3 FISCAL YEAR

The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

SECTION 4 STOCK OF OTHER CORPORATIONS OR OTHER INTERESTS

Unless otherwise ordered by the Board of Directors, the President, the Secretary, and such other attorneys or agents of the Corporation as may be from time to time authorized by the Board of Directors or the President, shall have full power and authority on behalf of the Corporation to attend and to act an vote in person or by proxy at any meeting of the holders of securities of any corporation or other entity in which the Corporation may own or hold shares or other securities, and at such meetings shall possess and may exercise all the rights and powers incident to the ownership of such shares or other securities which the Corporation, as the owner or holder thereof, might have possessed and exercised if present. The President, the Secretary or other such attorneys or agents may also execute and deliver on behalf of the Corporation, powers of attorney, proxies, consents, waivers and other instruments relating to the shares or securities owned or held by the Corporation.

SECTION 5 CORPORATE SEAL

The corporation will have a corporate seal, as may from time to time be determined by resolution of the Board of Directors. If a corporate seal is adopted, it shall have inscribed thereon the name of the corporation and the words "Corporate Seal" and "Nevada." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

SECTION 6 ANNUAL STATEMENT

The Board of Directors shall present at each annual meeting, and at any special meeting of the stockholders when called for by a vote of the stockholders, a full and clear statement of the business and condition of the Corporation.

SECTION 7 DIVIDENDS

Dividends upon the capital stock of the Corporation, subject to the provision of the Articles of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock of the Corporation, subject to the provisions of the Articles of Incorporation.

Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute and sole discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property or the Corporation, or for such other purpose or purposes as the directors believe to be in the interest of the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

SECTION 8 CONFLICTS OF INTEREST

In the event of any proposed transaction which would result in the merger of the Corporation with or into any other company or entity, or the sale, dividend, spin-off or transfer of all or substantially all of the assets of the Corporation, whether in one or more related transactions (a "Covered Transaction"), such Covered Transaction shall require the approval of a two-thirds majority of the Board of Directors after a review and written report of the terms and fairness of such transaction have been conducted and prepared by a special committee of the Board appointed to conduct such review. Such special committee shall consist of not less than two directors and shall be composed entirely of directors who are neither employees, directors, officers, agents or appointees or representatives of any company or entity affiliated with any party to the Covered Transaction, other than the Corporation. Such special committee is authorized to retain such professional advisors, including investment bankers, attorneys, and accountants as it may determine, in its sole discretion, to be appropriate under the circumstances.

ARTICLE VII INDEMNIFICATION

SECTION 1 INDEMNIFICATION OF OFFICERS AND DIRECTORS, EMPLOYEES AND AGENTS

Every person who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person or a person of whom that person is the legal representative is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation or for its benefit as a director, officer, employee or agent of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the NRS from time to time against all expenses, liability and loss (including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith. The expenses of officers, directors, employee or agents incurred in defending a civil or criminal action, suit or proceeding must be paid by the Corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay the amount if it is ultimately determined by a court of competent jurisdiction that such person is not entitled to be indemnified by the Corporation. Such right of indemnification shall be a contract right, which may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers, employees or agents may have or hereafter acquire and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any bylaw, agreement, vote of stockholders, provision of law or otherwise, as well as their rights under this Article VII.

SECTION 2 INSURANCE

The Board of Directors may cause the Corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the Corporation would have the power to indemnify such person.

SECTION 3 FURTHER BYLAWS

The Board of Directors may from time to time adopt further Bylaws with respect to indemnification and may amend these and such Bylaws to provide at all times the fullest indemnification permitted by the laws of the State of Nevada.

ARTICLE VIII AMENDMENTS

SECTION 1 AMENDMENTS BY STOCKHOLDERS

The Bylaws may be amended by the stockholders at any annual or special meeting of the stockholders by a majority vote, provided notice of intention to amend or repeal shall have been contained in the notice of such meeting.

SECTION 2 AMENDMENTS BY BOARD OF DIRECTORS

The Board of Directors at any regular or special meeting by a majority vote may amend these Bylaws, including Bylaws adopted by the stockholders, but the stockholders may from time to time specify particular provisions of the Bylaws, which shall not be amended by the Board of Directors.

CERTIFICATE OF SECRETARY

I, the undersigned, hereby certify that I am the duly elected and qualified Secretary of Reading International, Inc. (formerly Citadel Holding Corporation), a Nevada corporation (the “Company”), and that the foregoing Bylaws, consisting of 17 pages (including cover page and table of contents), constitute the Amended and Restated Bylaws of the Company as duly adopted by the Board of Directors on November 19, 1999 and amended by the Board of Directors on March 21, 2002, September 26, 2002, October 15, 2004, December 27, 2007 and December 28, 2011

IN WITNESS WHEREOF, I have hereunto subscribed my name this 28th of December, 2011.

Andrzej Matyczynski, Secretary

EXHIBIT C

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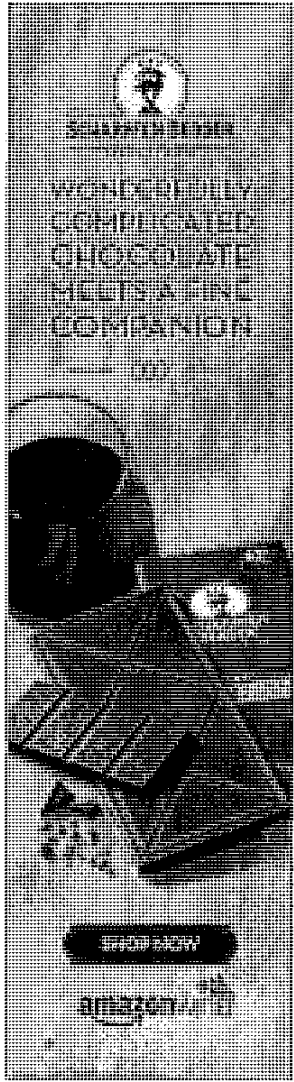
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	Nov 11, 2015	15.80	15.81	15.52	15.52	31,800	15.52
	Nov 10, 2015	15.75	15.97	15.71	15.79	23,000	15.79
	Nov 9, 2015	16.24	16.24	15.70	15.76	38,800	15.76
	Nov 6, 2015	16.00	16.21	15.61	16.21	65,400	16.21
	Nov 5, 2015	16.21	16.21	16.02	16.08	36,600	16.08
	Nov 4, 2015	15.97	17.31	15.92	16.13	136,300	16.13
	Nov 3, 2015	15.59	16.01	15.59	15.95	41,000	15.95
	Nov 2, 2015	15.50	15.79	15.41	15.71	44,800	15.71
	Oct 30, 2015	15.83	15.83	15.35	15.50	60,700	15.50
	Oct 29, 2015	15.88	15.94	15.75	15.79	33,200	15.79
	Oct 28, 2015	15.52	15.92	15.33	15.89	63,000	15.89
	Oct 27, 2015	15.70	15.79	14.80	15.52	45,300	15.52
	Oct 26, 2015	15.40	15.76	15.29	15.68	42,100	15.68
	Oct 23, 2015	15.31	15.50	15.16	15.50	37,900	15.50
	Oct 22, 2015	15.27	15.64	14.95	15.16	72,800	15.16
	Oct 21, 2015	15.63	15.71	15.13	15.16	112,200	15.16
	Oct 20, 2015	15.44	15.72	15.32	15.64	49,800	15.64
	Oct 19, 2015	15.09	15.42	15.05	15.41	65,300	15.41
	Oct 16, 2015	14.97	15.19	14.82	15.09	63,700	15.09
	Oct 15, 2015	14.77	14.95	14.69	14.94	62,300	14.94
	Oct 14, 2015	15.63	15.93	14.68	14.75	119,000	14.75
	Oct 13, 2015	15.90	15.94	15.54	15.65	86,600	15.65
	Oct 12, 2015	15.14	15.97	14.82	15.90	91,400	15.90
	Oct 9, 2015	14.67	15.12	14.50	15.09	58,900	15.09
	Oct 8, 2015	13.85	14.87	13.51	14.87	77,900	14.67
	Oct 7, 2015	13.71	13.86	13.50	13.82	59,500	13.82
	Oct 6, 2015	13.74	13.77	13.54	13.62	31,300	13.62
	Oct 5, 2015	13.28	13.80	13.25	13.74	43,900	13.74
	Oct 2, 2015	13.00	13.16	12.88	13.16	46,500	13.16
	Oct 1, 2015	12.76	13.23	12.76	13.11	65,600	13.11
	Sep 30, 2015	12.75	12.79	12.52	12.67	29,300	12.67
	Sep 29, 2015	12.45	12.79	12.45	12.67	17,900	12.67
	Sep 28, 2015	12.64	12.71	12.44	12.45	39,500	12.45
	Sep 25, 2015	12.92	12.92	12.59	12.63	35,700	12.63
	Sep 24, 2015	12.63	12.82	12.55	12.81	27,700	12.81



Sep 23, 2015	12.60	12.80	12.54	12.69	47,800	12.69
Sep 22, 2015	12.47	12.82	12.46	12.61	32,600	12.61
Sep 21, 2015	12.70	12.88	12.46	12.54	74,200	12.54
Sep 18, 2015	12.41	12.77	12.40	12.68	123,400	12.68
Sep 17, 2015	12.60	12.69	12.52	12.67	35,800	12.57
Sep 16, 2015	12.38	12.67	12.27	12.63	29,700	12.63
Sep 15, 2015	12.28	12.54	12.22	12.40	36,900	12.40
Sep 14, 2015	12.33	12.44	12.18	12.28	27,500	12.28
Sep 11, 2015	12.35	12.46	12.30	12.35	53,800	12.35
Sep 10, 2015	12.56	12.83	12.36	12.44	40,000	12.44
Sep 9, 2015	12.77	12.77	12.57	12.62	49,600	12.62
Sep 8, 2015	12.86	12.86	12.58	12.64	23,800	12.64
Sep 4, 2015	12.50	12.92	12.50	12.72	19,200	12.72
Sep 3, 2015	12.77	12.95	12.57	12.65	50,600	12.65
Sep 2, 2015	12.88	12.88	12.65	12.82	44,100	12.82
Sep 1, 2015	12.80	12.91	12.60	12.69	39,400	12.69
Aug 31, 2015	12.84	13.09	12.72	12.83	83,500	12.83
Aug 28, 2015	12.84	12.92	12.71	12.92	41,300	12.92
Aug 27, 2015	12.88	13.03	12.63	12.93	41,000	12.93
Aug 26, 2015	12.85	12.90	12.35	12.84	69,100	12.84
Aug 25, 2015	12.90	12.90	12.44	12.56	75,200	12.58
Aug 24, 2015	12.51	13.08	11.92	12.65	85,500	12.65
Aug 21, 2015	12.74	13.45	12.69	13.06	120,100	13.06
Aug 20, 2015	13.16	13.16	12.88	12.95	31,500	12.95
Aug 19, 2015	13.09	13.43	12.81	13.30	33,700	13.30
Aug 18, 2015	13.16	13.26	13.10	13.15	52,100	13.15
Aug 17, 2015	13.02	13.25	12.98	13.25	49,100	13.25
Aug 14, 2015	13.09	13.21	12.98	13.14	72,300	13.14
Aug 13, 2015	13.20	13.20	12.93	13.06	37,700	13.06
Aug 12, 2015	12.81	13.18	12.67	13.04	70,900	13.04
Aug 11, 2015	12.68	12.99	12.61	12.86	67,200	12.86

* Close price adjusted for dividends and splits.

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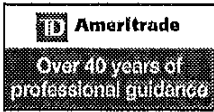

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Prices	Date	Open	High	Low	Close	Volume	Adj Close*
	Aug 10, 2015	12.38	12.84	12.30	12.76	125,300	12.76
	Aug 7, 2015	11.99	12.60	11.99	12.28	111,500	12.28
	Aug 6, 2015	12.17	12.18	11.80	12.08	46,500	12.08
	Aug 5, 2015	12.40	12.50	12.07	12.16	33,000	12.16
	Aug 4, 2015	12.26	12.40	12.02	12.32	77,400	12.32
	Aug 3, 2015	11.91	12.09	11.71	11.97	98,000	11.97
	Jul 31, 2015	12.00	12.11	11.71	11.78	119,900	11.78
	Jul 30, 2015	11.93	12.05	11.71	11.99	118,000	11.99
	Jul 29, 2015	12.15	12.15	11.79	11.92	109,800	11.92
	Jul 28, 2015	12.36	12.58	11.96	12.19	121,400	12.19
	Jul 27, 2015	11.90	12.59	11.86	12.31	338,000	12.31
	Jul 24, 2015	12.30	12.35	11.99	12.03	164,100	12.03
	Jul 23, 2015	12.74	12.91	12.25	12.33	197,400	12.33
	Jul 22, 2015	13.57	13.57	12.73	12.83	214,100	12.83
	Jul 21, 2015	13.85	13.88	13.29	13.34	119,400	13.34
	Jul 20, 2015	14.04	14.14	13.60	13.68	36,100	13.68
	Jul 17, 2015	14.14	14.14	13.86	14.00	42,300	14.00
	Jul 16, 2015	13.96	14.20	13.91	14.08	43,900	14.08
	Jul 15, 2015	14.19	14.22	13.79	13.91	31,300	13.91
	Jul 14, 2015	14.06	14.18	14.00	14.15	44,100	14.15
	Jul 13, 2015	13.90	14.02	13.88	14.00	45,800	14.00
	Jul 10, 2015	13.69	13.95	13.60	13.89	46,600	13.89
	Jul 9, 2015	13.60	13.69	13.42	13.57	32,100	13.57
	Jul 8, 2015	13.51	13.75	13.38	13.49	65,000	13.49
	Jul 7, 2015	13.64	13.65	13.46	13.63	44,400	13.63
	Jul 6, 2015	13.88	14.05	13.52	13.66	59,700	13.66
	Jul 2, 2015	14.04	14.05	13.87	13.97	36,000	13.97
	Jul 1, 2015	13.88	14.04	13.79	14.00	36,300	14.00
	Jun 30, 2015	13.61	13.91	13.57	13.85	65,200	13.85
	Jun 29, 2015	13.30	13.60	13.14	13.52	80,800	13.52
	Jun 26, 2015	13.24	13.45	13.09	13.44	212,700	13.44
	Jun 25, 2015	13.22	13.28	13.10	13.16	33,900	13.16
	Jun 24, 2015	13.32	13.51	12.98	13.12	66,300	13.12
	Jun 23, 2015	13.33	13.45	13.09	13.31	86,600	13.31
	Jun 22, 2015	13.34	13.58	13.00	13.22	76,100	13.22

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SUPP APPENDIX_121

Jun 19, 2015	13.48	14.31	13.17	13.38	119,100	13.38
Jun 18, 2015	13.55	13.85	13.44	13.53	41,600	13.53
Jun 17, 2015	13.65	13.66	13.31	13.45	21,200	13.45
Jun 16, 2015	13.54	13.69	13.34	13.60	32,100	13.60
Jun 15, 2015	13.85	14.05	13.34	13.57	35,200	13.57
Jun 12, 2015	13.95	14.06	13.70	13.88	25,600	13.88

* Close price adjusted for dividends and splits.

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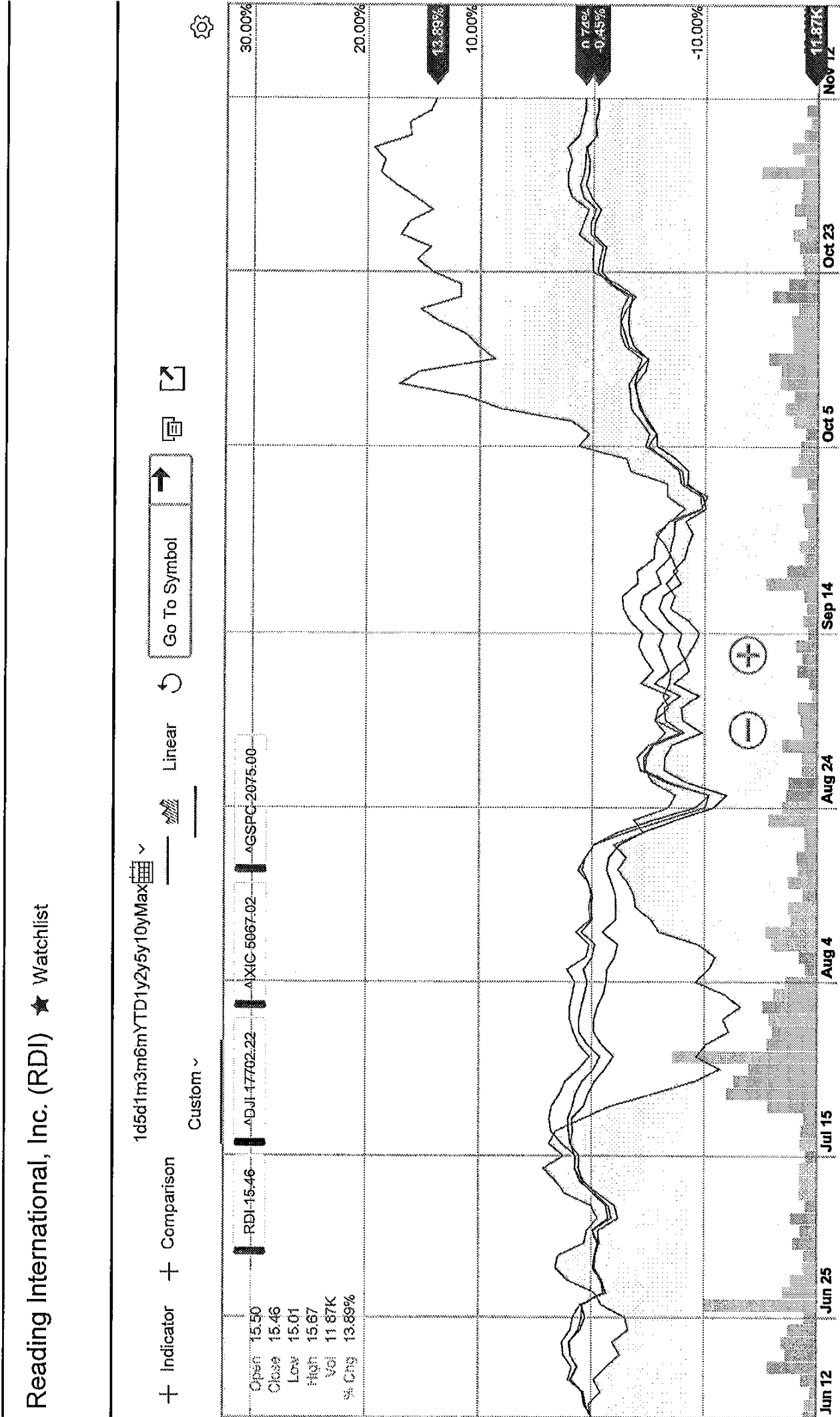
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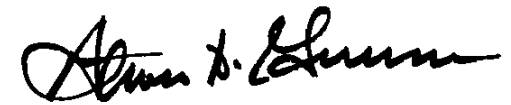
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EXHIBIT D





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18 **DISTRICT COURT**

19 **CLARK COUNTY, NEVADA**

20 In the Matter of the Estate of

21 JAMES J. COTTER,

22 Deceased.

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

25 Plaintiff,

26 v.

27 MARGARET COTTER, ELLEN COTTER,
28 GUY ADAMS, EDWARD KANE,
DOUGLAS McEACHERN, TIMOTHY
STOREY, WILLIAM GOULD, and DOES 1
through 100, inclusive,

Defendants.

And

READING INTERNATIONAL, INC., a
Nevada Corporation,

Nominal Defendant.

Case No. P. 14-082942-E

Dept. No. XI

Case No. A-15-719860-B

Dept. No. XI

Jointly Administered

**MOTION TO DISMISS
JAMES COTTER, JR.'S FIRST
AMENDED COMPLAINT**

1 Nominal Defendant Reading International, Inc. ("RDI"), a Nevada corporation, by and
2 through undersigned counsel of record, hereby moves this Court to dismiss the First Amended
3 Complaint filed by Plaintiff James J. Cotter, Jr., for failure to plead with required specificity, and
4 for failure to state claims upon which relief can be granted. This Motion is based upon the files
5 and records in this matter, the attached memorandum of authorities, and any argument allowed at
6 the time of hearing.

7 DATED this 24th day of November, 2015.

8 GREENBERG TRAURIG, LLP

9
10 By: /s/ Tami D. Cowden, Esq.

11 Mark E. Ferrario, Esq. (NV Bar No. 1625)
12 G. Lance Coburn, Esq. (NV Bar No. 6604)
13 Tami D. Cowden, Esq. (NV Bar No. 8994)
14 3773 Howard Hughes Parkway, Suite 400N
15 Las Vegas, Nevada 89169
16 *Counsel for Reading International, Inc.*

17 **NOTICE OF MOTION**

18 PLEASE TAKE NOTICE that the undersigned counsel will bring the following Motion
19 to Dismiss James Cotter, Jr.'s First Amended Complaint on for hearing before Dept. No. XI,
20 District Court, Clark County, Nevada on the 29 day of December, 2015, at
8:30am, or as soon thereafter as counsel may be heard.

21 DATED this 24th day of November, 2015.

22 GREENBERG TRAURIG, LLP

23
24 By: /s/ Tami D. Cowden, Esq.

25 Mark E. Ferrario, Esq. (NV Bar No. 1625)
26 G. Lance Coburn, Esq. (NV Bar No. 6604)
27 Tami D. Cowden, Esq. (NV Bar No. 8994)
28 3773 Howard Hughes Parkway, Suite 400N
Las Vegas, Nevada 89169
Counsel for Reading International, Inc.

MEMORANDUM OF POINTS AND AUTHORITIES

The malicious tone and sly innuendo that permeates James J. Cotter, Jr.'s ("Cotter Jr.") First Amended Complaint ("FAC") demonstrates that this litigation was not brought to put right supposed wrongs committed against Reading International, Inc. ("RDI") by the Defendant Directors, but instead, is nothing more than a vindictive measure to assuage Cotter Jr.'s bruised feelings. Indeed, just as in the original Complaint, what is conspicuously lacking from this "first" amended version of the Complaint is any particularized allegation of damage to Reading, even though, to succeed on claims of breach of fiduciary duty in Nevada, the plaintiff must plead and prove that a loss occurred. Because a breach of fiduciary duty is a form of fraud, the Nevada Supreme Court has held that such claims must be pleaded with the specificity required by NRCP 9(b). Cotter Jr. has alleged a purported drop in share value supposedly following "dissemination" of information relating to RDI's alleged conduct. ¶ 162. But, since Cotter Jr. does not provide information regarding the supposed dates that his lurid allegations regarding supposed nefarious motivations were disseminated, the allegation lacks the required specificity to support a claim for purported breaches of fiduciary duty.

Cotter Jr. *cannot* demonstrate any actual damage to RDI for the simple reason that with Cotter Jr. no longer President and CEO, the price of RDI *soared* to its highest share price trading at times at above \$17 per share. **Ex. 1, NASDAQ Records of RDI Stock Trading History May 20, 2014 - November 20, 2015.**¹ Moreover, on October 22, 2015, *the day Cotter Jr. filed the FAC*, complaining of a vague price drop he somehow "estimated" could constitute a \$40 million dollar *loss* to RDI, *the trading price closed at \$15.16* – well *above* the mid \$13 range that existed in the last month of Cotter Jr.'s service as President and CEO. *Id. at p. 1, 3.* While the RDI price has experienced fluctuations in keeping with the market in general, at no time

¹ On November 4, 2015, RDI had a high trading price of \$17.31. This Court is entitled, in a motion to dismiss, to take judicial notice of the trading history of RDI, and that history demonstrates that Cotter Jr. cannot show any damage to RDI related to a purported drop in share value. *See Brilliant v. Preferred Equities Corp.*, 109 Nev. 842, 847, 858 P.2d 1258, 1261 (1993) (providing that "the court may take into account matters of public record, orders, items present in the record of the case, and any exhibits attached to the complaint when ruling on" a NRCP 12(b)(5) motion); *Metzler Inv. GMBH v. Corinthian Colleges, Inc.*, 540 F.3d 1049, 1064 n. 7 (9th Cir. 2008) (approving judicial notice of stock trading history). Accordingly, RDI requests the Court to take judicial notice of the company's 18 month trading history, as shown in **Ex. 1.**

1 since the filing of Cotter Jr.'s FAC has the price been lower than \$14.44 – still well above the
2 highest closing prices during Cotter Jr.'s tenure.

3 In short, by all apparent measures, Cotter Jr.'s termination appears to be the best thing
4 that ever happened to RDI. Significantly, despite Cotter Jr.'s efforts to blacken the names of all
5 of the directors of the company—even those who voted against his termination—with snide
6 insinuations often on nothing more than information and belief,² and despite the disgraceful
7 litany of poisoned barbs and sly innuendo against directorial candidates wholly uninvolved with
8 such termination included in his latest pleading, the investing public continues to express strong
9 confidence in RDI's *present* management strategies. Despite the airing of Cotter Jr.'s accusations,
10 so far from selling off shares in a panic, the public, which Cotter Jr. admits is informed, is driving
11 up RDI's price in a frenzy to acquire it.³

12 This Court granted a prior motion to dismiss, in part, finding that the Cotter Jr. pleadings
13 were insufficient as to damages. His FAC has failed to rectify that deficiency. Furthermore,
14 while RDI is named as a “nominal defendant” in Cotter Jr.'s Complaint, the impact upon RDI is
15 anything but “nominal.” The discovery already commenced in this matter, the motion practice,
16 and other necessary litigation procedures are requiring RDI to expend significant resources.
17 Cotter Jr.'s FAC has no stronger basis than the Complaint for which the Court allowed
18 amendment. Accordingly, the FAC should be dismissed.

19 RELEVANT ALLEGATIONS AND PUBLIC INFORMATION

20 This Court required Cotter Jr. to amend his pleadings, in order to plead with particularity
21 the element of damages purportedly suffered by the corporation.⁴ In his FAC, Cotter Jr. has

22 ² When a party alleges matters on “information and belief,” that party should state the nature of the information on
23 which the belief is formed. *See Rucker v. KPMG LLP*, 122 Nev. 1185, 1194-95, 148 P.3d 703, 709 (2006)
24 *abrogated on other grounds by Buzz Stew, LLC v. City of N. Las Vegas*, 124 Nev. 224, 181 P.3d 670 (2008).
Moreover, where particularized pleading is required under NRCP 9(b), such pleading on information and belief is
permitted only on as to matters for which “information and documents are solely in the defendant's possession.” *Id.*

25 ³ It is, of course, also possible that the recent significant rise in price, like the fluctuations that occurred *both before*
and after the events Cotter Jr. complains of, are reflections of market conditions generally, as well as investors'
assessment of RDI's performance, rather than reaction to changes in its management.

26 ⁴ The Court's oral ruling stated that Cotter needed to amend the complaint “which needs to be more particularly pled
27 for derivative purposes, as opposed to direct benefits to the plaintiff.” **Ex. 2, Transcript.** The written ruling stated
28 that Cotter Jr., “must allege damages with more particularity for direct purposes as opposed to derivative claims by
the Plaintiff.” **Ex. 3, Order.** Because the FAC alleges *only* derivative claims, it is clear that Cotter Jr. was required
to plead with particularity the supposed damages to RDI.

1 asserted three causes of action, including two claims of breach of fiduciary duty, and one claim
2 of aiding and abetting a breach of fiduciary duty. See, FAC, ¶¶ pp. 42-44.

3 Cotter Jr.'s allegations regarding his sisters' motivation are remarkably general. Unlike
4 the typical breach of fiduciary duty claim, there are no allegations of any specific examples of
5 self-dealing through transactions with the Company, such as usurpation of Company
6 opportunities, sales of property to the Company at inflated prices or with secret kickbacks, or
7 other typical instances of self dealing. Instead, Cotter Jr. asserts that his sisters have acted to
8 prevent him from terminating their employment within the Company, ¶35. In essence, Cotter
9 Jr.'s allegations are that his sisters believe themselves more capable of running the company than
10 he, and that the purportedly interested directors believe so as well. While he contends such
11 beliefs lack self awareness, his allegations do not actually include facts showing any wrongdoing
12 or even an intent to harm the interests of the company. *Still less do they show any actual loss to*
13 *the company.*

14 Indeed, the closest Cotter Jr. comes to alleging a specific transaction relating to his sisters
15 involving any supposed harm to RDI is the following:

16 40. Also, in October 2014, Kane prompted the RDI board to provide EC a
17 "bonus" of \$50,000, on account of a supposed error by the Company in connection
18 with the issuance of RDI stock options EC had exercised in 2013. No other
similarly situated RDI executive received such a "bonus," which was tantamount to
a gift or other unearned compensation given to EC from the coffers of RDI.

19 FAC, ¶ 40.⁵ Significantly, Cotter Jr. does *not* allege that there had *not* been an error in the
20 issuance of the stock options, nor does he offer any other details that would show that in voting
21

22 ⁵ In fact, the Minutes of RDI demonstrate that the payment in question was not a "bonus" at all (perhaps explaining
23 Cotter Jr.'s use of quotation marks in his allegations):

Reimbursement of Tax - Ellen Cotter

24 Ed Kane, the Chairman of the Compensation and Stock Option Committee, requested that the
25 Board consider an issue related to the 2003 grant of stock options to Ellen Cotter, which were
intended by the Board to be incentive stock options, which could be exercised without income tax
26 consequences. Due to technical errors in the granting of such options because of her "related
party" status, Ms. Cotter exercised such options in 2013 and incurred taxes of approximately
27 \$50,000. With Ellen Cotter, Ann Margaret Cotter and James Cotter, Jr. abstaining from the vote
this matter, the remaining five directors moved to reimburse this amount to Ms. Cotter.

28 **Ex. 4, RDI October 20, 2014 Minutes, p. 4.**

1 for such a payment, that any board members had breached any duty to RDI. Most significantly,
2 he wholly fails to allege any facts showing that in voting in favor of the correction of the error,
3 any director engaged in deliberate misconduct, fraud, or a knowing violation of the law, as would
4 be required to hold a director liability under NRS 78138(7). Instead, he merely offers a
5 conclusory statement that the payment was “tantamount” to a gift.

6 Cotter Jr. offered the following allegations to satisfy the element of damages for his
7 breach of fiduciary duty claims, under the heading “RDI is Injured:”

8 162. When the individual defendants’ complained of conduct became
9 publicly known and disseminated, the price at which RDI stock traded dropped,
10 resulting in monetary damages to RDI and to RDI stockholders. One or more
11 directors or officers of RDI observed at or about the time that this had occurred.
Those damages are estimated to be in excess of \$40 million. When the actions
of the individual defendants (other than Storey) to stack the RDI Board became
publicly known, RDI stock prices dropped again.

12 163. The individual defendants’ complained of conduct has resulted in injury
13 to and impairment of RDI’s reputation and goodwill. The consequences of such
14 damage include diminished ability to attract and retain qualified senior
15 executives, increased costs if able to do so, an impaired ability to effectuate
16 transactions that may involve use of Company stock as consideration,
diminished willingness of institutional investors to buy and to hold RDI stock
and other impairment of and increased costs to conduct fundamental aspects of
RDI’s business.

17 164. The individual defendants’ complained of conduct effectively has
18 eliminated important rights of shareholders, including the right to be timely
19 informed of material developments, the right to not be misled, the right to rely
on timely and accurate SEC filings and the right to have elections for directors
that are not manipulated and not rigged.

20 165. Certain of the individual defendants’ complained of conduct has literally
21 cost RDI money, meaning has caused monetary damages to RDI, including for
example what amounted to a gift of \$50,000 to EC.

22 FAC, ¶¶ 162-165. Cotter Jr. also included the following allegation:

23 192. As a result of the ongoing acts of Defendants, the Company, Plaintiff, and
24 other RDI shareholders have suffered and will continue to suffer immediate and
25 ongoing irreparable injury for which no adequate injury at law exists, including as
alleged herein. ...

26 However, as stated above, Cotter Jr.’s claims regarding the share prices do not hold up to
27 scrutiny. The history of RDI’s trading shows that RDI has been enjoying its highest share prices
28 ever, despite Cotter Jr.’s dissemination of his own lurid allegations. Ex. 1.

Cotter Jr.'s claims regarding purported impairment of goodwill and reputation are nothing more than conclusory assertions, unsupported by any factual assertions demonstrating that RDI has actually suffered any such injury. Thus, such claims are nothing more than hopeful speculation by Cotter Jr.

Cotter Jr. also claims that RDI has suffered damages through the board's approval of a payment to Ellen Cotter that he inaccurately describes as a bonus. However, as noted above, Cotter Jr. did not allege facts that are sufficient to show any breach of fiduciary duty relating to that payment. Accordingly, this purported allegation of damage is also insufficient to satisfy Cotter Jr.'s pleading obligation.

Finally, Cotter Jr. contends that the alleged conduct hinders certain rights of the stockholders. However, as discussed in more detail below, the supposedly infringed rights in question are not rights of the corporation. Accordingly, these allegations are also insufficient to satisfy his burden to allege, with particularity, facts that show that *RDI* has suffered damages as a result of the alleged breaches of fiduciary duty.

LEGAL ARGUMENT

Cotter Jr. has failed to satisfy his pleading obligations under the Nevada Rules of Civil Procedure. A complaint must set forth sufficient facts to establish all necessary elements of a claim for relief. *Hay v. Hay*, 100 Nev. 196, 198, 678 P.2d 672, 674 (1984). Each of his causes of action require him to plead the elements with particularity. NRCP 9(b). However, Cotter Jr. has failed to allege with specificity that RDI suffered damages. A failure to plead properly all required elements of a cause of action warrants dismissal of the cause of action. *Simpson v. Mars Inc.*, 113 Nev. 188, 194, 929 P.2d 966, 969 (1997). As Cotter Jr. has failed to plead properly the damages element of any of his three causes of action, the FAC should be dismissed.

I. Cotter Jr. Has Failed to Satisfy his Obligation to Plead All Elements of a Breach of Fiduciary Duty with the Requisite Particularity.

Cotter Jr. has failed to allege all of the necessary elements of his breach of fiduciary duty claims with the required particularity. In Nevada, a claim for breach of fiduciary duty requires a plaintiff to allege that the suffering of damages was proximately caused by the

1 breach. *Stalk v. Mushkin*, 125 Nev. 21, 28, 199 P.3d 838, 843 (2009) (“Thus, a breach of
2 fiduciary duty claim seeks damages for injuries that result from the tortious conduct of one
3 who owes a duty to another by virtue of the fiduciary relationship.”). Similarly, a claim of
4 aiding and abetting a breach of fiduciary duty requires allegations that the plaintiff suffered
5 damages as a result of the breach. *Guilfoyle v. Olde Monmouth Stock Transfer Co.*, 130 Nev.
6 Adv. Op. 78, 335 P.3d 190, 198 (2014) (“Aiding and abetting the breach of a fiduciary duty
7 has four required elements: (1) there must be a fiduciary relationship between two parties, (2)
8 that the fiduciary breached, (3) the defendant third party knowingly and substantially
9 participated in or encouraged that breach, and (4) the plaintiff suffered damage as a result of
10 the breach.”).

11 Additionally, in Nevada, a plaintiff claiming a breach of fiduciary duty by directors of a
12 corporation must plead the elements of the claim with the particularity required by NRCP 9(b).
13 *In re Amerco Derivative Litig.*, 127 Nev. Adv. Op. 17, 252 P.3d 681, 700 (2011) (plaintiffs
14 claiming interested transactions by directors must plead facts showing a breach of fiduciary
15 duty with NRCP 9(b)’s heightened pleading standard); *see also, Nevada State Bank v. Jamison*
16 *Family P’ship*, 106 Nev. 792, 799, 801 P.2d 1377, 1382 (1990) (“A breach of fiduciary duty is
17 fraud. . . .”). The facts offered to support the claim must also allege conduct sufficient to
18 satisfy the requirement of NRS 78.138(7)’s limitation on liability for directors. Accordingly,
19 the facts must be sufficient to support a conclusion that the directors engaged in deliberate
20 misconduct, fraud, or a knowing violation of the law.

21 Here, none of the allegations in the complaint are pleaded with sufficient particularity
22 to satisfy the pleading requirements.

23 **A. Cotter Jr. has failed to Sufficiently Plead Price Share Drop Damages.**

24 The FAC does not plead damages arising from a purported drop in share price with
25 sufficient particularity. Cotter Jr. asserts that RDI suffered an injury when the conduct he
26 alleges “became publically known and disseminated,” after which, he claims, the value of
27 RDI’s shares dropped. However, he does not state when or how such information (which
28 could have consisted of nothing more than the fact that allegations of misconduct had been

made) became publicly known or disseminated; nor does he state the dates that the shares dropped, or even the amount by which they dropped.⁶

Nevada Rule of Civil Procedure 9(b) requires a plaintiff to plead the “circumstances constituting fraud” with particularity; only “conditions of the mind” may be pleaded generally. NRCP 9(b). Loss causation, *i.e.*, the loss suffered, and the connection between the alleged fraudulent conduct and such loss, are included within the “conditions constituting fraud.” *See e.g., Marchese v. JPMorgan Chase Bank, N.A.*, 917 F. Supp. 2d 452, 465 (D. Md. 2013) (noting that the five elements of fraud must be pleaded with particularity under Maryland law); (*Kuhn Const. Co. v. Diamond State Port Corp.*, No. CIV. 10-637-SLR, 2011 WL 1576691, at *9 (D. Del. Apr. 26, 2011) (same, applying Delaware law); *Baker v. Conlan*, 66 Ohio App.3d 454, 458, 585 N.E.2d 543, 546 (1990) (“The circumstances constituting fraud to which Civ.R. 9(B) refers normally include the time, place and content of the false representation, the fact misrepresented, and the nature of what was obtained or given as a consequence of the fraud.”), *citing, inter alia*, 2A Moore’s Federal Practice (1986), § 9.03.

A failure to provide adequate detail of the purported loss is sufficient to justify dismissal of claims. *Morin v. Trupin*, 747 F. Supp. 1051, 1062 (S.D.N.Y. 1990) (“To support securities claims predicated on fraud, greater particularity as to the circumstances of purchases than this is required when defendants insist upon adherence to Rule 9(b), as they are entitled to do.”). Indeed, there are numerous federal cases that have dismissed claims because Plaintiffs have failed to plead loss causation with the required particularity.⁷ *See e.g., Morgan v. AXT, Inc.*, No. C 04-4362 MJJ, 2005 WL 2347125, at *16 (N.D. Cal. Sept. 23, 2005) (allegation that prices of shares dropped after disclosure of internal investigation revealed prior misrepresentations insufficient to allege causation); *Metzler Inv. GMBH v. Corinthian Colleges, Inc.*, 540 F.3d 1049, 1065 (9th Cir. 2008) (disregarding unwarranted inferences regarding the motives of the buying public following disclosures).

⁶ While Cotter Jr. provided an estimate of the purported damages suffered by RDI at \$40 million, he offers no facts regarding how such estimation was reached.

⁷ While Cotter Jr.’s claims were not brought under the Private Securities Litigation Reform Act (“PSLRA”), that statute’s pleading requirements are generally considered the equivalent of, and indeed, based upon, Rule 9(b)’s requirements of particularity. *Financial Acquisition Partners, L.P. v. Blackwell*, 440 F.3d 278, 87 (5th Cir. 2006). (finding that PSLRA have been described as “incorporated Rule 9(b)’s fraud-pleading standard.”). Accordingly, case law interpreting the sufficiency of loss causation allegations for such cases are helpful to the analysis here.

Furthermore, when the market data regarding the share price shows that prices have risen following disclosures, the allegations are insufficient. *In re Acterna Corp. Sec. Litig.*, 378 F. Supp. 2d 561, 588 (D. Md. 2005) (noting that stock price rose following company's purported disclosure of "'truth' about its goodwill impairment).

Here, the purported "dissemination" of the allegations could only have come from Plaintiff's own Complaint (or other efforts to blacken the names of his sisters, colleagues, and RDI). Yet he has not alleged that immediately following the filing of the Complaint, or even immediately following RDI's disclosure of the litigation in its SEC filings, that the price of RDI shares dropped. Accordingly, even if a plaintiff could base a claim of damages upon share price drops resulting from *his own allegations*,⁸ which is itself doubtful, Plaintiff failed to allege facts even to support such a claim.

B. Cotter Jr. Has Failed to Plead Facts Showing a Loss of Goodwill and Reputation.

Cotter Jr.'s conclusory allegation that RDI has suffered an impairment to goodwill and reputation is insufficient to satisfy his pleading burden. He alleges no facts showing that RDI has actually suffered any such loss. Moreover, while he lists items he anticipates will occur as a result of this purported impairment, such as an inability to attract qualified executives, or diminished willingness of institutional investors to buy and hold RDI stock, he does not allege any facts showing that RDI has actually experienced any of these consequences.

Cotter Jr. makes reference in the FAC to assorted analysis reports and commentary, including, as relevant here, The Street Ratings, which, he alleges, had recommended RDI stock as a "buy" shortly before the termination of his presidency, which Cotter Jr. contends was a recognition of his own success as President. FAC, § 56. But The Street Ratings report *continues* to list RDI as a "buy," and further, based on a reported updated on October 29 2015, states:

⁸ Contrary to Cotter Jr.'s implied contention, dissemination of the *allegations* he has made is not the same as an acknowledgement that misconduct actually occurred. Thus, an allegation that price shares dropped following announcement of SEC investigations does not sufficiently allege facts showing the purported fraud caused a loss, because the price drop is the result of disclosure of *future* risk. See *In re Maxim Integrated Prods., Inc. Sec. Litig.*, 639 F. Supp. 2d 1038, 1047 (N.D. Cal. 2009) (explaining that disclosures of SEC investigations may be "indicators of risk because they reveal the potential existence of future corrective information," but they are not corrective disclosures for purposes of loss causation).

We rate READING INTL INC (RDI) a BUY. This is based on the convergence of positive investment measures, which should help this stock outperform the majority of stocks that we rate. The company's strengths can be seen in multiple areas, such as its solid stock price performance, impressive record of earnings per share growth, compelling growth in net income, revenue growth and notable return on equity. We feel its strengths outweigh the fact that the company shows low profit margins.

Ex. 5, The Street, Reading International, Inc. Report (caps original).⁹ Thus, even though Cotter Jr. contends that the information regarding the "complained of conduct" has become publicly known, the very same market analyst that Cotter Jr. proffers as supporting his own prowess as an executive *continues* to rate RDI highly, despite Cotter Jr.'s absence. Thus, by Mr. Cotter's logic, his sisters' success as the current leadership of RDI has also been recognized by the stock market.

Cotter Jr. has failed to allege with the required particularity facts showing that, as a result of purported breaches of fiduciary duty, RDI has suffered an injury to or impairment of its good will and reputation.

C. Cotter Jr. Failed to Allege with Specificity that the \$50,000 Payment to Ellen Cotter was Improper.

Cotter Jr.'s allegations with respect to the Board decision to pay Ellen Cotter \$50,000 following an error relating to issuance of stock options are insufficient to state a claim for a breach of fiduciary duty. Cotter Jr. has failed to state any facts that suggest any vote in favor of such payment was improper and could, therefore, give rise to a claim for breach of fiduciary duty. He does not allege that the "supposed" error underlying the payment did not actually occur. While he claims no other executive received such a payment, he does not allege that any other executive had experienced any loss as a result of the company's error.

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⁹ This Court may consider the report with respect to the Motion to Dismiss without recourse to the summary judgment standard of review, because the The Street Ratings were referenced in the FAC. See *Baxter v. Dignity Health*, 131 Nev. Adv. Op. 76, 357 P.3d 927, 930 (2015) ("While presentation of matters *outside* the pleadings will convert the motion to dismiss to a motion for summary judgment, . . . such conversion is *not* triggered by a court's "consideration of matters incorporated by reference" in the complaint.).

1 Indeed, Cotter Jr. does not even identify the directors who voted in favor of the payment,
2 which is, itself, insufficient to satisfy the particularity requirement. *King v. Baldino*, 648 F. Supp.
3 2d 609, 623-24 (D. Del. 2009) *aff'd sub nom. King ex rel. Cephalon Inc. v. Baldino*, 409 F. App'x
4 535 (3d Cir. 2010) (plaintiff failed to plead with required particularity when he did not identify
5 which board members approved new marketing scheme). No does he allege any facts that support
6 a conclusion that, in so voting, such directors engaged in deliberate misconduct, fraud, or a
7 knowing violation of the law. Yet, no director could be held liable for that \$50,000 payment in the
8 absence of clear and convincing evidence of such such deliberate acts. NRS 78.138(7).

9 Given the absence of any allegation that the payment to Ellen Cotter was not, in fact, a
10 correction of prior error, there is nothing in the Complaint to support an allegation that RDI was
11 injured by that payment, or that any defendant could be liable to RDI for such payment.
12 Accordingly, the allegation in ¶ 164 of the FAC fails to satisfy Cotter Jr.'s pleading burden.

13 **D. Cotter Jr.'s Allegations Regarding Purported Impairment of Shareholder**
14 **Rights Do Not State Injuries to the Corporation.**

15 Finally, Cotter Jr. attempts to allege damage by asserting the conduct of which he
16 complains has deprived the stockholders of important rights, including the right to timely and
17 non-misleading information and to elections. FAC ¶ 164. This inarticulate allegation actually
18 alleges (in conclusory fashion) misconduct rather than injury. But more importantly, it alleges
19 conduct that supposedly injures stockholders, but not the corporation. *See Lapidus v. Hecht*, 232
20 F.3d 679, 683 (9th Cir. 2000) (allegations that assert an injury to stockholders in general, or to
21 contractual rights of stockholders, make a direct claim) *citing, inter alia, Sarin v. Ochsner*, 48
22 Mass. App. Ct. 421, 721 N.E.2d 932, 934 (Mass. App. Ct. 2000) (applying Delaware law to
23 determine whether claims were direct or derivative). "That many investors might have been
24 misled, as the plaintiff was, or that the plaintiff might only be minimally injured, does not
25 convert the claim to a derivative one." *Blasberg v. Oxbow Power Corp.*, 934 F. Supp. 21, 26 (D.
26 Mass. 1996). Thus, Cotter Jr.'s claims that the "conduct complained of" misled stockholders or
27 deprived them of rights to which, as stockholders, they are entitled, does not allege harm to RDI
28 for which a derivative claim may be presented.

1 **CONCLUSION**

2 Cotter Jr.'s FAC must be dismissed. While the petulant venting demonstrated in the
3 litany of purported misdeeds might have made Cotter Jr. feel vindicated, the reality is that even if
4 all the accusations were literally true, no valid claims for relief have been stated. Indeed, the
5 purported actions allegedly taken by the Director Defendants are not even wrongful in and of
6 themselves, but instead, are merely characterized as such because, according to Cotter Jr., they
7 were motivated by self-interest. But even if such acts actually occurred and even if they truly
8 were motivated by self-interest, in the absence of actual damage to RDI, claims for the tort of
9 breach of fiduciary duty and the related tort of aiding and abetting such a breach, have not been
10 stated. And, as shown by RDI's trading history, no such damage can be alleged.

11 Cotter Jr.'s FAC fails to state a claim for either breach of fiduciary duty, or aiding and
12 abetting a breach of fiduciary duty, because the FAC fails to allege with the required specificity
13 that RDI has actually suffered any injury as a result of the purported misconduct. Moreover, in
14 light of the evidence that RDI's stock price is higher than any time in the company's history,
15 despite the public's full awareness of Cotter Jr.'s allegations, it is apparent that the purported
16 conduct, even if it occurred, did not cause any injury. Accordingly, the FAC must be dismissed
17 in its entirety.

18 DATED this 24th day of November, 2015.

19 GREENBERG TRAURIG, LLP

20
21 By: /s/ Tami D. Cowden, Esq.

22 Mark E. Ferrario, Esq. (NV Bar No. 1625)
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28

CERTIFICATE OF SERVICE

Pursuant to Nev. R. Civ. P. 5(b)(2)(D) and E.D.C.R. 8.05, I certify that on this day, I caused a true and correct copy of the forgoing ***MOTION TO DISMISS JAMES COTTER, JR.'S FIRST AMENDED COMPLAINT*** to be filed and served via the Court's Wiznet E-Filing system on all registered and active parties. The date and time of the electronic proof of service is in place of the date and place of deposit in the mail.

DATED this 24th day of November, 2015.

/s/ Shayna Noyce

An employee of GREENBERG TRAURIG, LLP

EXHIBIT 1

Home > Quotes > RDI > Historical Prices

Follow

Reading International Inc Historical Stock Prices

RDI \$14.59 * 0.17 1.15%

*Delayed - data as of Nov. 23, 2015 14:29 ET - Find a broker to begin trading RDI now

Get up to 10 years of daily historical stock prices & volumes.

Select the Timeframe: 18 Months ☐

RESULTS FOR: 18 MONTH, FROM 20-MAY-2014 TO 20-NOV-2015

Date	Open	High	Low	Close / Last	Volume
11/23/2015	14.70	14.78	14.59	14.59	24,790
11/20/2015	14.8	14.98	14.69	14.76	55,052
11/19/2015	14.51	14.82	14.51	14.7	25,772
11/18/2015	14.67	14.8	14.44	14.56	98,475
11/17/2015	14.79	14.79	14.68	14.68	26,506
11/16/2015	15.06	15.06	14.6	14.81	58,768
11/13/2015	15.19	15.44	15.1	15.12	38,827
11/12/2015	15.5	15.67	15.01	15.33	32,345
11/11/2015	15.8	15.81	15.52	15.52	32,057
11/10/2015	15.75	15.97	15.71	15.79	23,277
11/09/2015	16.24	16.24	15.7	15.76	38,758
11/06/2015	16	16.21	15.6068	16.21	65,359
11/05/2015	16.21	16.21	16.02	16.08	36,788
11/04/2015	15.97	17.31	15.92	16.13	136,289
11/03/2015	15.59	16.01	15.59	15.95	41,632
11/02/2015	15.5	15.79	15.406	15.71	45,143
10/30/2015	15.83	15.83	15.35	15.5	60,723
10/29/2015	15.88	15.94	15.75	15.79	33,730
10/28/2015	15.52	15.92	15.33	15.89	63,525
10/27/2015	15.7	15.79	14.801	15.52	47,574
10/26/2015	15.4	15.76	15.29	15.68	42,367
10/23/2015	15.31	15.5	15.16	15.5	37,995
10/22/2015	15.27	15.64	14.95	15.16	72,808
10/21/2015	15.63	15.71	15.13	15.16	112,207
10/20/2015	15.44	15.72	15.32	15.64	50,648
10/19/2015	15.09	15.42	15.05	15.41	65,620
10/16/2015	14.97	15.19	14.82	15.09	64,163
10/15/2015	14.77	14.95	14.69	14.94	62,725
10/14/2015	15.63	15.93	14.68	14.75	118,965
10/13/2015	15.9	15.94	15.54	15.65	88,070
10/12/2015	15.14	15.97	14.82	15.9	91,351
10/09/2015	14.67	15.12	14.5	15.09	59,355
10/08/2015	13.85	14.87	13.51	14.67	79,202
10/07/2015	13.71	13.85	13.5001	13.82	59,864
10/06/2015	13.74	13.77	13.54	13.62	32,926

Date	Open	High	Low	Close / Last	Volume
10/05/2015	13.28	13.8	13.25	13.74	43,949
10/02/2015	13	13.16	12.88	13.16	48,191
10/01/2015	12.76	13.23	12.76	13.11	85,551
09/30/2015	12.75	12.79	12.52	12.67	30,070
09/29/2015	12.45	12.79	12.45	12.67	20,193
09/28/2015	12.64	12.71	12.44	12.45	39,852
09/25/2015	12.92	12.92	12.59	12.63	36,059
09/24/2015	12.63	12.82	12.55	12.81	27,701
09/23/2015	12.6	12.8	12.5401	12.69	47,754
09/22/2015	12.47	12.82	12.46	12.61	34,366
09/21/2015	12.7	12.88	12.455	12.54	74,738
09/18/2015	12.41	12.77	12.4	12.68	125,138
09/17/2015	12.6	12.69	12.52	12.57	35,755
09/16/2015	12.38	12.67	12.27	12.63	29,719
09/15/2015	12.28	12.54	12.22	12.4	36,890
09/14/2015	12.33	12.44	12.18	12.28	27,920
09/11/2015	12.35	12.4599	12.3	12.35	53,781
09/10/2015	12.56	12.83	12.36	12.44	40,486
09/09/2015	12.77	12.77	12.57	12.62	51,033
09/08/2015	12.86	12.86	12.58	12.64	25,351
09/04/2015	12.5	12.92	12.5	12.72	19,210
09/03/2015	12.77	12.9499	12.57	12.65	50,640
09/02/2015	12.88	12.88	12.6501	12.82	44,426
09/01/2015	12.8	12.91	12.6	12.89	40,308
08/31/2015	12.84	13.09	12.72	12.83	83,756
08/28/2015	12.84	12.92	12.71	12.92	41,341
08/27/2015	12.88	13.03	12.63	12.93	41,213
08/26/2015	12.85	12.9	12.3538	12.84	70,423
08/25/2015	12.9	12.9	12.44	12.56	75,375
08/24/2015	12.51	13.08	11.92	12.65	86,011
08/21/2015	12.74	13.45	12.6923	13.06	120,791
08/20/2015	13.16	13.16	12.88	12.95	33,540
08/19/2015	13.09	13.43	12.81	13.3	34,132
08/18/2015	13.16	13.26	13.1	13.15	52,145
08/17/2015	13.02	13.25	12.98	13.25	50,285
08/14/2015	13.09	13.21	12.98	13.14	72,345
08/13/2015	13.2	13.2	12.93	13.06	37,793
08/12/2015	12.81	13.18	12.67	13.04	70,973
08/11/2015	12.68	12.99	12.61	12.86	67,300
08/10/2015	12.38	12.8369	12.3	12.76	126,183
08/07/2015	11.99	12.6	11.99	12.28	111,454
08/06/2015	12.17	12.18	11.795	12.08	46,697
08/05/2015	12.4	12.5	12.07	12.16	33,225

Date	Open	High	Low	Close / Last	Volume
08/04/2015	12.26	12.4	12.02	12.32	77,681
08/03/2015	11.91	12.09	11.71	11.97	97,959
07/31/2015	12	12.11	11.71	11.78	119,887
07/30/2015	11.93	12.0496	11.71	11.99	117,971
07/29/2015	12.15	12.15	11.79	11.92	109,781
07/28/2015	12.36	12.58	11.96	12.19	122,103
07/27/2015	11.9	12.59	11.86	12.31	337,965
07/24/2015	12.3	12.35	11.99	12.03	164,149
07/23/2015	12.74	12.91	12.25	12.33	197,631
07/22/2015	13.57	13.57	12.73	12.83	214,148
07/21/2015	13.85	13.88	13.29	13.34	119,381
07/20/2015	14.04	14.14	13.6	13.68	36,108
07/17/2015	14.14	14.14	13.86	14	42,323
07/16/2015	13.96	14.2	13.91	14.08	43,859
07/15/2015	14.19	14.22	13.79	13.91	31,457
07/14/2015	14.06	14.175	14	14.15	44,437
07/13/2015	13.9	14.02	13.88	14	45,782
07/10/2015	13.69	13.95	13.6	13.89	46,626
07/09/2015	13.6	13.69	13.42	13.57	32,142
07/08/2015	13.51	13.75	13.38	13.49	65,417
07/07/2015	13.64	13.65	13.455	13.63	44,413
07/06/2015	13.88	14.05	13.52	13.66	59,696
07/02/2015	14.04	14.05	13.868	13.97	35,978
07/01/2015	13.88	14.04	13.79	14	36,324
06/30/2015	13.606	13.91	13.574	13.85	66,051
06/29/2015	13.3	13.6	13.142	13.52	82,185
06/26/2015	13.24	13.45	13.09	13.44	265,415
06/25/2015	13.22	13.28	13.1	13.16	34,423
06/24/2015	13.32	13.505	12.98	13.12	70,392
06/23/2015	13.33	13.45	13.0875	13.31	86,566
06/22/2015	13.34	13.58	13	13.22	76,131
06/19/2015	13.48	14.31	13.17	13.38	119,431
06/18/2015	13.55	13.85	13.44	13.53	41,600
06/17/2015	13.65	13.66	13.3101	13.45	21,160
06/16/2015	13.54	13.69	13.344	13.6	32,497
06/15/2015	13.85	14.05	13.34	13.57	35,210
06/12/2015	13.95	14.06	13.7	13.88	26,423
06/11/2015	13.77	13.97	13.73	13.93	10,631
06/10/2015	13.8	14.07	13.5401	13.8	20,303
06/09/2015	13.66	14.02	13.5401	13.7	11,494
06/08/2015	13.95	14.02	13.69	13.73	15,177
06/05/2015	14.08	14.1	13.85	13.99	42,444
06/04/2015	13.94	14.45	13.94	14.06	83,067

Date	Open	High	Low	Close / Last	Volume
06/03/2015	13.67	13.99	13.58	13.94	40,603
06/02/2015	13.35	13.7199	13.35	13.6	33,572
06/01/2015	13.4	13.58	13.345	13.48	20,208
05/29/2015	13.36	13.48	13.2	13.37	32,093
05/28/2015	13.5	13.73	13.39	13.39	12,760
05/27/2015	13	13.56	13	13.5	42,748
05/26/2015	13.02	13.396	12.91	13.13	33,690
05/22/2015	13.33	13.55	13.06	13.13	27,414
05/21/2015	13.44	13.51	13.285	13.4	27,667
05/20/2015	13.41	13.43	13.26	13.41	17,298
05/19/2015	13.33	13.41	13.26	13.32	47,832
05/18/2015	13.13	13.4	12.88	13.38	45,641
05/15/2015	13.29	13.44	13.06	13.21	46,803
05/14/2015	13.2	13.44	13.186	13.27	58,972
05/13/2015	13.45	13.48	13.12	13.22	31,410
05/12/2015	13.41	13.5	13.11	13.37	41,399
05/11/2015	13.63	13.69	13.22	13.42	53,911
05/08/2015	13.65	13.73	13.332	13.65	55,435
05/07/2015	13.38	13.69	13.35	13.52	42,149
05/06/2015	13.04	13.46	13.04	13.34	63,462
05/05/2015	13.41	13.65	13.02	13.07	37,834
05/04/2015	13.65	13.83	13.21	13.37	49,415
05/01/2015	13.39	13.83	13.2	13.32	39,787
04/30/2015	13.75	13.75	13.2301	13.32	50,945
04/29/2015	14.04	14.08	13.82	13.83	16,773
04/28/2015	13.91	14.17	13.82	14.06	25,217
04/27/2015	14.03	14.21	13.7601	13.97	40,522
04/24/2015	13.86	14.11	13.8	14	32,371
04/23/2015	13.72	13.922	13.655	13.87	24,937
04/22/2015	13.55	13.86	13.47	13.82	36,016
04/21/2015	13.63	13.73	13.45	13.54	36,308
04/20/2015	13.29	13.75	13.29	13.67	28,055
04/17/2015	13.59	13.59	13.13	13.25	61,500
04/16/2015	13.73	13.81	13.57	13.69	14,563
04/15/2015	13.54	13.9	13.4801	13.73	27,960
04/14/2015	13.61	13.66	13.43	13.51	25,301
04/13/2015	13.71	13.78	13.5501	13.61	34,509
04/10/2015	13.84	13.9	13.61	13.79	26,524
04/09/2015	13.82	13.83	13.35	13.81	31,130
04/08/2015	13.79	13.81	13.5201	13.81	27,446
04/07/2015	13.71	13.8	13.46	13.74	41,547
04/06/2015	13.46	13.825	13.35	13.69	52,914
04/02/2015	13.76	13.76	13.4	13.51	30,661

Date	Open	High	Low	Close / Last	Volume
04/01/2015	13.41	13.76	13.41	13.71	99,304
03/31/2015	13.58	13.62	12.44	13.45	381,339
03/30/2015	13.46	13.63	13.44	13.62	41,277
03/27/2015	13.62	13.63	13.35	13.46	21,666
03/26/2015	13.43	13.69	13.36	13.62	19,829
03/25/2015	13.66	13.71	13.3802	13.46	36,437
03/24/2015	13.61	13.69	13.57	13.65	20,975
03/23/2015	13.61	13.67	13.58	13.61	54,772
03/20/2015	13.65	13.65	13.44	13.63	98,637
03/19/2015	13.39	13.65	13.37	13.6	38,212
03/18/2015	13.3	13.51	13.07	13.39	39,875
03/17/2015	13.5	13.5	13.24	13.33	33,326
03/16/2015	13.6	13.62	13.46	13.53	41,846
03/13/2015	13.5	13.6	13.34	13.47	28,961
03/12/2015	13.23	13.5	13.11	13.48	62,913
03/11/2015	13.1	13.27	12.99	13.14	50,300
03/10/2015	12.82	13.08	12.42	13.05	69,215
03/09/2015	12.53	13	12.23	12.9	30,929
03/06/2015	12.64	12.919	12.45	12.46	33,040
03/05/2015	12.84	12.92	12.5901	12.74	32,690
03/04/2015	12.85	12.94	12.7	12.9	20,573
03/03/2015	12.85	12.96	12.82	12.95	27,628
03/02/2015	12.98	13.04	12.87	12.95	41,633
02/27/2015	12.8	13.09	12.8	12.98	47,298
02/26/2015	12.76	13	12.66	12.88	46,822
02/25/2015	12.7	12.9	12.7	12.81	21,868
02/24/2015	12.68	12.94	12.64	12.73	27,948
02/23/2015	12.72	12.825	12.58	12.63	39,748
02/20/2015	12.31	12.75	12.2501	12.72	177,248
02/19/2015	12.18	12.37	12.035	12.35	66,166
02/18/2015	12.12	12.24	12.01	12.16	46,520
02/17/2015	12.06	12.2	11.93	12.1	32,435
02/13/2015	12.05	12.135	12	12.03	32,949
02/12/2015	12.01	12.05	11.98	12.03	50,342
02/11/2015	12	12.14	11.98	11.99	62,490
02/10/2015	12	12.125	11.98	12.03	55,059
02/09/2015	12.05	12.12	11.95	11.97	52,003
02/06/2015	12	12.05	11.97	12.05	65,155
02/05/2015	12.1	12.1	11.96	12.02	78,440
02/04/2015	12.01	12.15	12.01	12.08	32,243
02/03/2015	12.12	12.19	12	12.09	33,299
02/02/2015	12.09	12.15	11.93	12.12	52,631
01/30/2015	12.07	12.22	11.958	12.09	77,728

Date	Open	High	Low	Close / Last	Volume
01/29/2015	12.02	12.19	11.99	12.18	63,779
01/28/2015	12.05	12.12	11.76	12.02	115,013
01/27/2015	12.15	12.22	12.01	12.04	40,987
01/26/2015	12.25	12.37	12.16	12.21	57,820
01/23/2015	12.27	12.27	12.03	12.23	35,774
01/22/2015	11.94	12.26	11.94	12.24	50,609
01/21/2015	12.33	12.33	11.68	11.98	100,301
01/20/2015	12.36	12.42	12.22	12.32	30,127
01/16/2015	12.29	12.44	12.24	12.4	69,736
01/15/2015	12.56	12.7	12.13	12.34	82,498
01/14/2015	12.83	12.93	12.64	12.65	43,513
01/13/2015	13	13.07	12.77	12.95	28,925
01/12/2015	12.78	12.97	12.675	12.85	50,298
01/09/2015	12.94	13.17	12.79	13.02	34,847
01/08/2015	13	13.33	12.908	12.99	82,660
01/07/2015	12.85	13	12.75	12.97	55,037
01/06/2015	13.06	13.06	12.5	12.81	76,828
01/05/2015	12.92	13.24	12.86	12.98	65,303
01/02/2015	13.28	13.28	12.5	13.03	98,786
12/31/2014	13.01	13.5	12.99	13.26	318,563
12/30/2014	12.9	13.1	12.75	12.96	76,836
12/29/2014	13.01	13.01	12.84	12.99	37,674
12/26/2014	12.79	12.98	12.77	12.97	34,546
12/24/2014	12.93	13.06	12.59	12.78	57,600
12/23/2014	13.11	13.13	12.87	12.96	56,122
12/22/2014	12.8	13	12.8	13	24,127
12/19/2014	12.81	13.02	12.77	12.81	171,642
12/18/2014	13.15	13.15	12.84	12.88	58,804
12/17/2014	12.89	12.98	12.79	12.93	91,604
12/16/2014	12.54	12.99	12.5	12.89	137,373
12/15/2014	12.68	12.76	12.23	12.5	68,231
12/12/2014	12.41	12.88	12.378	12.59	48,377
12/11/2014	12.33	12.79	12.33	12.59	80,484
12/10/2014	12.44	12.44	12.19	12.32	73,087
12/09/2014	12	12.46	11.895	12.43	63,745
12/08/2014	12.19	12.28	11.68	12.04	50,745
12/05/2014	12.16	12.32	12.07	12.18	34,696
12/04/2014	12.33	12.3485	12.03	12.12	57,669
12/03/2014	12.28	12.4	11.96	12.3	75,645
12/02/2014	12.11	12.25	12.02	12.23	52,537
12/01/2014	11.89	12.16	11.82	12.08	64,446
11/28/2014	11.92	12.13	11.84	11.89	36,091
11/26/2014	12.16	12.16	11.74	12	57,049

Date	Open	High	Low	Close / Last	Volume
11/25/2014	12.08	12.22	12.01	12.16	44,160
11/24/2014	11.87	12.11	11.86	12	94,105
11/21/2014	12.12	12.12	11.81	11.92	46,726
11/20/2014	11.47	12.08	11.47	12.02	119,843
11/19/2014	11.78	11.78	11.3513	11.63	67,506
11/18/2014	11.96	12.08	11.58	11.77	89,953
11/17/2014	11.99	12.0699	11.86	11.87	165,606
11/14/2014	11.98	12.0639	11.79	11.99	180,630
11/13/2014	11.41	12.09	11.36	11.98	492,569
11/12/2014	10.66	11.33	10.66	11.32	373,813
11/11/2014	10.47	10.67	10.47	10.67	66,417
11/10/2014	10.35	10.54	10.3	10.54	49,999
11/07/2014	10.35	10.4	10.16	10.37	48,093
11/06/2014	10.18	10.34	10.16	10.32	20,225
11/05/2014	10.34	10.4525	10.09	10.26	69,290
11/04/2014	10.1	10.36	9.95	10.23	45,837
11/03/2014	10	10.25	9.9001	10.16	71,376
10/31/2014	9.82	10.11	9.82	9.97	89,365
10/30/2014	9.48	9.75	9.48	9.75	62,390
10/29/2014	9.5	9.57	9.338	9.54	69,356
10/28/2014	9.24	9.55	9.22	9.47	254,450
10/27/2014	9.02	9.19	9.02	9.155	48,211
10/24/2014	9.1	9.1	8.9848	9.02	12,005
10/23/2014	9.1	9.1	9	9.08	35,364
10/22/2014	9.06	9.1	9.01	9.05	31,220
10/21/2014	9	9.06	8.93	9.04	64,092
10/20/2014	8.61	8.94	8.6	8.94	49,354
10/17/2014	8.94	8.94	8.57	8.67	79,534
10/16/2014	8.6	8.95	8.6	8.81	109,821
10/15/2014	8.5	8.76	8.43	8.73	64,515
10/14/2014	8.58	8.64	8.46	8.62	87,808
10/13/2014	8.24	8.57	8.2005	8.47	54,217
10/10/2014	8.25	8.48	8.25	8.31	21,167
10/09/2014	8.47	8.47	8.27	8.31	34,750
10/08/2014	8.31	8.48	8.31	8.45	27,495
10/07/2014	8.39	8.46	8.31	8.35	13,325
10/06/2014	8.42	8.471	8.42	8.44	10,384
10/03/2014	8.53	8.56	8.3228	8.43	21,860
10/02/2014	8.31	8.48	7.82	8.42	19,287
10/01/2014	8.35	8.42	8.27	8.31	41,609
09/30/2014	8.5	8.54	8.38	8.4	70,897
09/29/2014	8.54	8.6	8.5	8.53	28,264
09/26/2014	8.58	8.65	8.52	8.59	13,746

Date	Open	High	Low	Close / Last	Volume
09/25/2014	8.67	8.7	8.55	8.58	24,416
09/24/2014	8.65	8.67	8.59	8.67	50,989
09/23/2014	8.5	8.64	8.48	8.6	52,782
09/22/2014	8.49	8.63	8.46	8.5	41,653
09/19/2014	8.72	8.72	8.41	8.44	54,584
09/18/2014	8.83	8.8495	8.7	8.73	40,304
09/17/2014	8.79	8.8499	8.64	8.76	22,616
09/16/2014	8.44	8.7999	8.4	8.74	65,946
09/15/2014	8.32	8.47	7.98	8.43	91,622
09/12/2014	8.42	8.4499	8.28	8.3	50,429
09/11/2014	8.37	8.46	8.34	8.45	23,784
09/10/2014	8.39	8.451	8.32	8.42	29,230
09/09/2014	8.55	8.73	8.37	8.38	74,969
09/08/2014	8.56	8.68	8.55	8.6	15,288
09/05/2014	8.51	8.75	8.51	8.54	27,766
09/04/2014	8.5201	8.65	8.5201	8.53	13,964
09/03/2014	8.66	8.72	8.5	8.56	23,914
09/02/2014	8.6	8.69	8.5	8.63	57,284
08/29/2014	8.57	8.69	8.5581	8.64	11,973
08/28/2014	8.67	8.67	8.5	8.52	24,787
08/27/2014	8.6	8.61	8.5	8.56	43,176
08/26/2014	8.57	8.7	8.53	8.69	42,482
08/25/2014	8.6	8.65	8.53	8.57	25,010
08/22/2014	8.71	8.71	8.52	8.53	39,701
08/21/2014	8.71	8.7748	8.67	8.71	37,418
08/20/2014	8.84	8.9	8.72	8.72	81,565
08/19/2014	8.38	8.94	8.36	8.84	210,877
08/18/2014	8.35	8.4	8.25	8.4	19,629
08/15/2014	8.47	8.47	8.25	8.33	30,096
08/14/2014	8.42	8.44	8.32	8.37	35,956
08/13/2014	8.47	8.48	8.42	8.45	20,107
08/12/2014	8.56	8.61	8.42	8.48	39,610
08/11/2014	8.5	8.71	8.5	8.62	47,060
08/08/2014	8.14	8.47	8.13	8.43	34,133
08/07/2014	8.47	8.75	8.16	8.17	51,506
08/06/2014	7.99	8.55	7.99	8.5	132,425
08/05/2014	8.07	8.08	8	8.05	25,087
08/04/2014	8.01	8.24	7.97	8.08	26,035
08/01/2014	8.07	8.1	8	8.02	35,085
07/31/2014	8.12	8.16	8.01	8.03	31,006
07/30/2014	8.17	8.21	8.11	8.2	14,958
07/29/2014	8.18	8.23	8.08	8.11	13,554
07/28/2014	8.14	8.2	8.0101	8.14	16,316

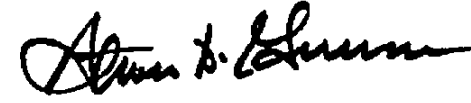
Date	Open	High	Low	Close / Last	Volume
07/25/2014	8.11	8.18	8.03	8.11	30,552
07/24/2014	8.315	8.35	8.13	8.17	37,831
07/23/2014	8.19	8.23	8.16	8.2	41,301
07/22/2014	8.05	8.29	8.0475	8.19	68,333
07/21/2014	8.05	8.07	7.929	8	141,413
07/18/2014	8.1	8.19	8.085	8.12	68,485
07/17/2014	8.12	8.22	8.09	8.14	57,260
07/16/2014	8.19	8.27	8.13	8.14	39,195
07/15/2014	8.24	8.32	8.13	8.16	45,121
07/14/2014	8.3	8.41	8.24	8.29	26,246
07/11/2014	8.21	8.27	8.19	8.25	19,516
07/10/2014	8.24	8.32	8.2	8.25	62,719
07/09/2014	8.34	8.44	8.29	8.34	28,403
07/08/2014	8.27	8.38	8.22	8.32	45,498
07/07/2014	8.28	8.4	8.23	8.28	39,985
07/03/2014	8.36	8.4	8.25	8.32	27,845
07/02/2014	8.49	8.5	8.3	8.35	125,072
07/01/2014	8.551	8.7	8.42	8.48	80,967
06/30/2014	8.6	8.64	8.51	8.53	88,960
06/27/2014	8.42	8.7	8.32	8.64	253,468
06/26/2014	8.5	8.562	8.376	8.47	25,654
06/25/2014	8.37	8.51	8.37	8.48	23,020
06/24/2014	8.47	8.55	8.41	8.42	38,502
06/23/2014	8.65	8.65	8.41	8.47	77,729
06/20/2014	8.52	8.72	8.4599	8.61	157,570
06/19/2014	8.58	8.58	8.42	8.46	37,566
06/18/2014	8.52	8.58	8.41	8.56	28,331
06/17/2014	8.43	8.64	8.37	8.57	28,385
06/16/2014	8.59	8.72	8.41	8.47	36,356
06/13/2014	8.65	8.66	8.53	8.59	18,901
06/12/2014	8.71	8.75	8.57	8.63	24,248
06/11/2014	8.85	8.88	8.65	8.76	30,050
06/10/2014	8.87	8.91	8.87	8.89	17,796
06/09/2014	8.89	8.93	8.81	8.9	47,639
06/06/2014	8.9	8.97	8.41	8.92	95,218
06/05/2014	8.55	8.87	8.49	8.85	103,855
06/04/2014	8.49	8.64	8.41	8.56	61,200
06/03/2014	8.55	8.67	8.44	8.5	78,035
06/02/2014	8.85	8.85	8.57	8.6	53,498
05/30/2014	8.83	8.86	8.76	8.81	77,408
05/29/2014	8.7	8.83	8.7	8.8	64,926
05/28/2014	8.7	8.7399	8.65	8.7	46,845
05/27/2014	8.5	8.71	8.5	8.68	163,444

Date	Open	High	Low	Close / Last	Volume
05/23/2014	8.45	8.5	8.4	8.5	106,347
05/22/2014	8.215	8.46	8.19	8.41	159,932
05/21/2014	8.25	8.25	8.14	8.18	61,026
05/20/2014	8.32	8.41	8.2	8.23	166,049

*This data reflects the latest intra-day delayed pricing.

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EXHIBIT 2



CLERK OF THE COURT

TRAN

DISTRICT COURT
CLARK COUNTY, NEVADA
* * * * *

JAMES COTTER, JR.	.	
	.	
Plaintiff	.	CASE NO. A-719860
	.	
vs.	.	
	.	DEPT. NO. XI
MARGARET COTTER, et al.	.	
	.	
Defendants	.	Transcript of
	.	Proceedings
.	

BEFORE THE HONORABLE ELIZABETH GONZALEZ, DISTRICT COURT JUDGE

**HEARING ON DEFENDANTS' MOTION TO DISMISS
AND PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION**

THURSDAY, SEPTEMBER 10, 2015

APPEARANCES:

FOR THE PLAINTIFF:	MARK G. KRUM, ESQ.
	ALEX ROBERTSON, ESQ.

FOR THE DEFENDANTS:	DONALD A. LATTIN, ESQ.
	MICHAEL HUGHES, ESQ.
	MARSHALL SEARCY, ESQ.
	CHRISTOPHER TAYBACK, ESQ.
	MARK E. FERRARIO, ESQ.
	ALAN D. FREER, ESQ.

COURT RECORDER:	TRANSCRIPTION BY:
JILL HAWKINS	FLORENCE HOYT
District Court	Las Vegas, Nevada 89146

Proceedings recorded by audio-visual recording, transcript
produced by transcription service.

1 time where the only damages being sought by the clearly
2 adequately plaintiffs are injunctive relief.

3 MR. TAYBACK: It's not a question of monetary
4 damages, it's damages that affect the shareholders.

5 THE COURT: I understand what you're saying. But
6 it's --

7 MR. TAYBACK: And I will say that the Energy Tech
8 case falls squarely within these kind of facts. And that's
9 contrary to what I think was just described as the Mayer case,
10 where that -- the proposition in the Mayer case was the fact
11 that an individual shareholder has other litigation against a
12 director doesn't preclude them per se from being a shareholder
13 in a derivative case. But that didn't decide the issue as to
14 whether a derivative case was appropriate or proper. In fact,
15 in that case it didn't involve a terminated employee seeking
16 his own reinstatement. That is what this case is about.
17 That's what this case, not the T2 case, that's what this case
18 is about. And that's why this case is different and, frankly,
19 superfluous unnecessary to the decision of whatever issues
20 might affect shareholders. That's for a different plaintiff
21 on a different day that doesn't have this agenda that is
22 singular to this plaintiff.

23 THE COURT: Thank you.

24 The motion is granted in part. It is granted as to
25 the damages aspect, which need to be more particularly pled

1 for derivative purposes, as opposed to direct benefits to the
2 plaintiff. The plaintiff has adequately alleged demand
3 futility and interestedness.

4 I need to set a Rule 16 conference with you. I'm
5 thinking of October 21st.

6 MR. TAYBACK: Your Honor, may I grab a calendar?

7 THE COURT: Hold on a second.

8 Is that a Wednesday, Dulce, October --

9 THE CLERK: Yes.

10 THE COURT: Oh. That's because I have the 2016
11 calendar out. Hold on a second.

12 I'm really thinking October 23rd.

13 MR. KRUM: Your Honor, may I put this in a broader
14 timetable context we need to address?

15 THE COURT: No. Because I'm going to ask that
16 question in a minute.

17 MR. KRUM: Well --

18 THE COURT: So I'm thinking of doing the Rule 16
19 conference on this Business Court case on October 23rd. Then
20 I'm going to ask you some more questions in a minute and tell
21 you a couple other answers you're not going to like.

22 MR. KRUM: Fine.

23 THE COURT: Okay. So, Dan, issue an order for
24 October 23rd.

25 With respect to the motion to dismiss that's


CERTIFICATION

I CERTIFY THAT THE FOREGOING IS A CORRECT TRANSCRIPT FROM THE AUDIO-VISUAL RECORDING OF THE PROCEEDINGS IN THE ABOVE-ENTITLED MATTER.

AFFIRMATION

I AFFIRM THAT THIS TRANSCRIPT DOES NOT CONTAIN THE SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER OF ANY PERSON OR ENTITY.

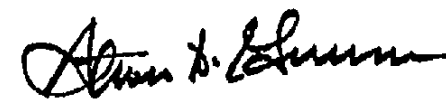
**FLORENCE HOYT
Las Vegas, Nevada 89146**



FLORENCE M. HOYT, TRANSCRIBER

DATE

EXHIBIT 3


CLERK OF THE COURT

COHEN-JOHNSON, LLC
255 E. Warm Springs Rd., Suite 100
Las Vegas, Nevada 89119
(702) 823-3500 FAX: (702) 823-3400

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Telephone: (213) 443-3000

Attorneys for Defendants
Margaret Cotter, Ellen Cotter,
Guy Adams, Edward Kane
Douglas McEachern

EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and
derivatively on behalf of Reading International,
Inc., *et al.*,

Plaintiff,

vs.

MARGARET COTTER, an individual, *et al.*,

Defendants.

Case No.: A-15-719860-B
Dept. No.: XI

Case No.: P-14-082942-E
Dept. No.: XI

Related and Coordinated Cases

BUSINESS COURT

ORDER REGARDING
MOTION TO DISMISS COMPLAINT

COHEN-JOHNSON, LLC
255 E. Warm Springs Rd., Suite 100
Las Vegas, Nevada 89119
(702) 823-3500 FAX: (702) 823-3400

1 THIS MATTER HAVING COME TO BE HEARD BEFORE the Court on a Motion To
2 Dismiss Complaint (hereinafter referred to as the "Motion") filed by Defendants Margaret
3 Cotter, Ellen Cotter, Guy Adams, Edward Kane, and Douglas McEachern (collectively referred
4 to as the "Defendants") and joined in by Reading International, Inc. (hereinafter referred to as
5 "Reading"), and it appearing that due and proper notice was given for the Motion, that a written
6 opposition to the Motion was filed by Plaintiff James J. Cotter, Jr. (hereinafter referred to as
7 "Plaintiff") and joined in by several Intervening Plaintiffs, that a written reply in support of the
8 Motion was filed by the Defendants, that oral argument was presented to the Court by counsel
9 for Defendants and Plaintiff at the time and place set for hearing of the Motion, and that good
10 cause exists for granting a portion of the Motion,

11 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT the Motion is
12 granted in part and denied in part.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED THAT the Motion is
14 granted with respect to the requirement that Plaintiff must allege damages with more
15 particularity for ^{direct} derivative purposes as opposed to ^{derivative} direct benefits to the Plaintiff. The Motion is
16 otherwise denied. *claim by*

17 *PER* IT IS FINALLY ORDERED, ADJUDGED, AND DECREED THAT the Complaint filed
18 by Plaintiff in the above-captioned proceedings is hereby dismissed without prejudice and
19 Plaintiff shall have leave to file a first amended complaint in the above-captioned proceedings.

20 DATED this 15th day of October, 2015.

21
22
23 DISTRICT COURT JUDGE
24 ELIZABETH GONZALEZ
25
26
27
28

COHEN-JOHNSON, LLC
255 E. Warm Springs Rd., Suite 100
Las Vegas, Nevada 89119
(702) 823-3500 FAX: (702) 823-3400

1 PREPARED AND SUBMITTED BY:

2 COHEN|JOHNSON, LLC

3

4

/s/ H. Stan Johnson

5

6

7 APPROVED AS TO FORM AND CONTENT:

8 GREENBERG TRAURIG, LLP

9

10 /s/ Lance Coburn

11

12

13 APPROVED AS TO FORM AND CONTENT:

14 QUINN EMANUEL URQUHART &
15 SULLIVAN, LLP

16

17

18 /s/ Marshall Searcy

19

20 APPROVED AS TO FORM AND CONTENT:

21 MAUPIN, COX & LEGOY

22

23

24 /s/ Don Lattin

25

26

27

28

APPROVED AS TO FORM AND CONTENT:

LEWIS ROCA ROTHGERBER, LLP

/s/ Mark Krum

APPROVED AS TO FORM AND CONTENT:

ROBERTSON & ASSOCIATES, LLP

/s/ Alexander Robertson

APPROVED AS TO FORM AND CONTENT:

BIRD, MARELLA, BOXER, WOLPERT,
NESSIM, DROOKS, LINCENBERG &
RHOW, P.C.

/s/ Bonita Moore

EXHIBIT 4



**Minutes of the
Meeting of the Board of Directors
of
Reading International, Inc.**

October 20, 2014

A duly noticed meeting of the Board of Directors of Reading International, Inc. (the "Company") was held via telephonic conference on Monday, October 20, 2014 at approximately 1:00 p.m. Los Angeles local time.

Present at the first part of the meeting were Ellen M. Cotter, Chairman of the Board, and Board members Margaret Cotter, Vice Chairman, James J. Cotter, Jr., William D. Gould, Edward L. Kane, Doug McEachern, Tim Storey and Guy Adams. In attendance at the invitation of the directors were Andrzej J. Matyczynski, S. Craig Tompkins, Bill Ellis, Wayne Smith and Matthew Bourke.

Call to Order

Ms. Cotter, Chairman of the Board, called the meeting to order at approximately 1:00 pm local time and took a roll call of the attendees.

Review of Minutes

Annual Shareholders' Meeting

May 15, 2014

The Annual Shareholders Meeting minutes of May 15, 2014 were unanimously approved by the Board as drafted and were signed by the Corporate Secretary.

Board of Directors' Meeting

May 15, 2014

The Board minutes of May 15, 2014 were reviewed and proposed to the Board for approval by Mr. Gould, seconded by Mr. Storey. Subject to a slight wording change in the Rule 144 section under the Other Matters category requested by Mr. Tompkins, the Board minutes were unanimously approved by the Board and were signed by the Chairman and Corporate Secretary.

Audit and Conflicts Committee

August 4, 2014

The Audit Committee minutes of August 4, 2014 were reviewed and proposed to the Board for approval by Mr. Gould, seconded by Mr. Storey. The Committee minutes were then unanimously approved by the Board.

Compensation and Stock Options Committee

August 14, 2014

The Compensation Committee minutes of August 14, 2014 were reviewed and proposed to the Board for approval by Mr. Gould, seconded by Mr. Storey. The Committee minutes were then unanimously approved by the Board.

Financial and Liquidity Review

Mr. Matyczynski referenced his reports regarding the financial results as presented in the 2014 2nd Quarter 10-Q and Earnings Release, together with a summary of the Company's debt obligations.

The Board asked a few questions on the documents, which were answered by Mr. Matyczynski to the Board's satisfaction.

Report of Operations

Worldwide

Mr. Cotter provided an update on the worldwide results for the 2014 2nd Quarter operations during his Executive Summary report to the Board. The Board asked a few questions which Mr. Cotter answered to their satisfaction.

US Cinema Operations

Ms. Ellen Cotter presented her report to the Board on the results for the 2014 2nd Quarter US cinema operations and answered questions to their satisfaction.

Australia and New Zealand Cinema Operations

Mr. Smith presented his report to the Board on the results for the 2014 2nd Quarter Australia and New Zealand cinema operations and answered questions to their satisfaction.

Real Estate Operations

Australia and New Zealand

Mr. Bourke presented his report to the Board on the results for the 2014 2nd Quarter Australia and New Zealand real estate operations and answered questions to their satisfaction.

Live Theatre Operations and Real Estate

Ms. Margaret Cotter presented her report to the Board on the results for the 2014 2nd Quarter Live Theatres operations and updated the Board on the Union Square and Cinemas 123 re-development projects.

The Board asked Ms. Cotter several questions about the re-development projects, which she answered to their satisfaction.

Litigation

No major issues were raised by the Board regarding any litigation matters or on the 2014 2nd Quarter legal costs.

Independent Directors' Executive Session

At approximately 2:30 p.m., senior management and Ellen Cotter, James J. Cotter, Jr. and Margaret Cotter were excused from the Meeting. Mr. Gould, Mr. Kane, Mr. McEachern, Mr. Storey and Mr. Adams, the independent directors of the Company, discussed various matters at an independent directors' session.

Directors' Session

At approximately 3:15 pm, the meeting re-convened with all Directors present. Ellen Cotter acted as the recording secretary for this portion of the meeting.

Review of Minutes – Board of Directors Meeting – August 7, 2014

The Board discussed the draft of the Board of Directors Meeting Minutes of August 7, 2014. The draft minutes, hereto attached as Exhibit A, of such meeting were unanimously approved by the Board and were then arranged to be signed by Ellen Cotter, the Chairman of the Board, and by Craig Tompkins, the acting Corporate Secretary for that meeting.

William Ellis – General Counsel

The Board discussed the hiring of William D. Ellis, the Company's new General Counsel. The following actions were taken with respect to Mr. Ellis:

- (a) The Board ratified the terms and conditions of the Employment Agreement dated as of October 20, 2014 between the Company and Mr. Ellis; and
- (b) Mr. Ellis was appointed the Corporate Secretary of the Company, effective as of October 21, 2014.

The Board clarified that the provision of life insurance contained in Mr. Ellis' agreement referred only to life insurance coverage customarily available for employees of the Company and was not intended to mean the delivery of a specially issued Key Man Life Insurance policy.

The members of the Compensation and Stock Option Committee approved the following grant of incentive stock options to Mr. Ellis and instructed that an applicable Stock Option Agreement be prepared and delivered containing the following terms:

- (a) 60,000 stock options of Class A Non-Voting Stock of the Company
- (b) Exercise price of \$8.94, which was the closing price of the Class A Non-Voting Stock, as of October 20, 2014
- (c) Vesting: In equal increments annually over a three year period
- (d) Expiration date: October 19, 2019 or five years from the date of grant

Reimbursement of Tax - Ellen Cotter

Ed Kane, the Chairman of the Compensation and Stock Option Committee, requested that the Board consider an issue related to the 2003 grant of stock options to Ellen Cotter, which were intended by the Board to be incentive stock options, which could be exercised without income tax consequences. Due to technical errors in the granting of such options because of her "related party" status, Ms. Cotter exercised such options in 2013 and incurred taxes of approximately \$50,000. With Ellen Cotter, Ann Margaret Cotter and James Cotter, Jr. abstaining from the vote on this matter, the remaining five directors moved to reimburse this amount to Ms. Cotter.

Related Party Transactions

The Board discussed the status of various transactions involving the estate of James J. Cotter, Sr., and, particularly Coachella and Sutton Hill Properties LLC, which owns the Cinemas 123. A memorandum describing issues related to such transactions is being prepared by Craig Tompkins and Bill Ellis and will be distributed to the Board for its consideration and discussion at the next Board meeting.

The Company's Subsidiary Network

The Board discussed the necessity and consequences of the Company's expansive network of subsidiaries. James Cotter Jr. told the Board he would investigate the various issues related to the maintenance of the number of subsidiaries and report back at the next meeting.

Directors and Officers Insurance

The Board discussed the Company's current lack of Directors & Officers Insurance and the reasons for not having it. The Board instructed James Cotter, Jr. to seek a quote from reputable insurers to present at the next Board meeting.

Filing of 8-K

The Board discussed the Company's requirement to file an 8-K related to the change of control of the Voting Stock of the Company as a result of the death of James J. Cotter, Sr. The Board instructed James Cotter, Jr. to file the 8-K as soon as practicable.

CFO Search and Other Employee Matters

James Cotter, Jr. updated the Board on his search for a new Chief Financial Officer. The Board stressed the need for a strong candidate to be hired quickly. James Cotter, Jr. indicated that he would seek an arrangement with the Company's current CFO, Andrzej Matyczyski, to potentially extend the amount of time he would continue in his role as CFO and/or assist the new CFO in his transition.

The Board discussed the employment situations of other key employees of the Company. The Board also discussed the need for a communication be issued to the employees of the Company regarding transitions taking place.

Proposed Reporting and Operational Framework

In an effort to ensure that the Company's operation is guided by acceptable corporate governance principles and in a way to maximize the value for all shareholders, Tim Storey presented for consideration a proposed operational framework that would (i) require the development of an overall strategic plan for the Company and each of its divisions, (ii) ensure that key executives of the Company are operating within clearly delineated reporting lines and (iii) impose an increased level of reporting to the Board.

The Board discussed the need for a consultant to assist with the development of a comprehensive strategic plan for the Company. Mr. Cotter will seek an appropriate consultant to assist in this planning process.

Compensation Matters

The Board determined that Ed Kane, as Chairman of the Compensation and Stock Option Committee, should undertake to have the Committee consider the following actions with respect to compensation matters:

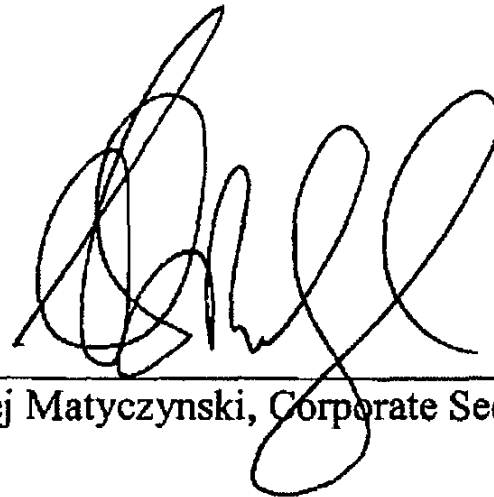
- (a) Determine appropriate compensation levels of Ellen Cotter, Margaret Cotter and James Cotter, Jr. with a view to making applicable adjustments effective January 1, 2015;
- (b) Consider the compensation level of the independent directors; and
- (c) Determine an appropriate amount to compensate Tim Storey, Bill Gould and Guy Adams for the time they spent devising the proposed Corporate Framework discussed above.

Adjournment

There being no further business, this portion of the meeting was adjourned at approximately 5:30 p.m. (Los Angeles local time).



Ellen M. Cotter, Chairman



Andrzej Matyczynski, Corporate Secretary



**Minutes
of the Meeting Board of Directors of
Reading International, Inc.**

August 7, 2014

A duly noticed special telephonic meeting of the Board of Directors of Reading International, Inc. (the "Company") was held on Thursday, August 7, 2014 at approximately 3:00 p.m., Los Angeles local time.

All of the directors, other than James J. Cotter, Sr., were present either in person or by telephone pursuant to a conference connection in which all participants could hear and speak to one another. Also present at the invitation of the Board was S. Craig Tompkins, Esq. who served as secretary for the meeting.

Call to Order

James J. Cotter, Jr., Vice Chairman of the Board of Directors, acting as the Vice Chairman of the Company, called the meeting to order at approximately 3:00 p.m., Los Angeles time, and took a roll call of attendees confirming their presence and ability to participate.

Resignation of James J. Cotter, Sr.

Vice-Chairman Cotter advised the Board that, due to illness, his father, James J. Cotter, Sr. was not able to attend the meeting and was resigning effective immediately as Chairman of the Board, as a Director and as Chief Executive Officer of the Company, and as an officer, director and/or manager of each of the Company's subsidiaries.

Vice Chairman Cotter also advised that it was currently contemplated that the chairmanship be rotated among James J. Cotter, Jr., Ellen Cotter and Margaret Cotter annually. James J. Cotter, Jr., Ellen Cotter and Margaret Cotter further advised the Board that they consider their family's holdings in the Company to be a long term family asset, and that they intend to continue the Company in the direction established by their father, James J. Cotter, Sr. --- as a motion picture exhibition and real estate company.

Following discussion, the following actions were taken by the unanimous vote of the Directors present at the meeting:

- James J. Cotter, Jr. was appointed to serve as the Company's chief executive officer;
- Ellen Cotter was elected to serve as Chairman of the Board; and
- Following the resignation of James J. Cotter, Jr. as the Vice-Chairman of the Board, Margaret Cotter was elected to serve as Vice-Chairman of the Board.

Reading International, Inc.
Minutes Board of Directors Meeting
August 7, 2014
Page 2

Certain directors asked questions which confirmed the non-executive nature of the rotating chairmanship and regarding the compensation to be paid to Mr. Cotter, Sr., given his resignation in mid calendar year. It was determined that all such compensation issues should be delegated to the Compensation Committee for determination.

Adjournment

There being no further business, the meeting was adjourned at approximately 5:30, Los Angeles time.

S. Craig Tompkins, Recording Secretary

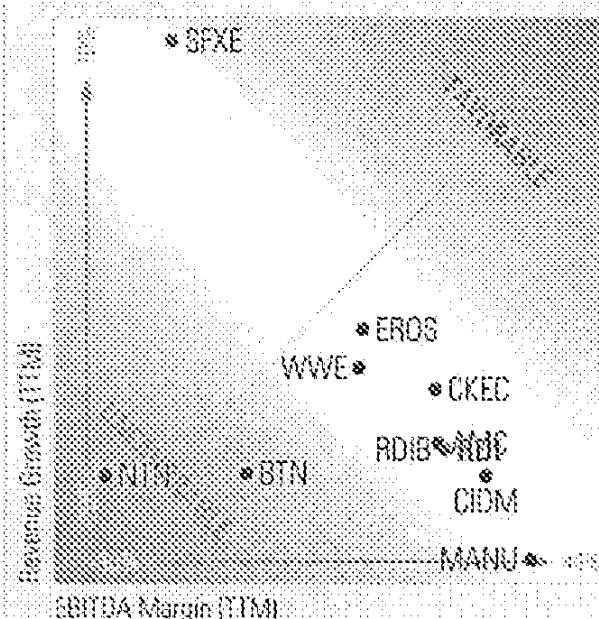
EXHIBIT 5

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Annual Dividend Rate NA	Annual Dividend Yield NA	Beta -0.02	Market Capitalization \$379.4 Million	52-Week Range \$9.34-\$15.97	Price as of 10/29/2015 \$15.79
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PEER GROUP ANALYSIS

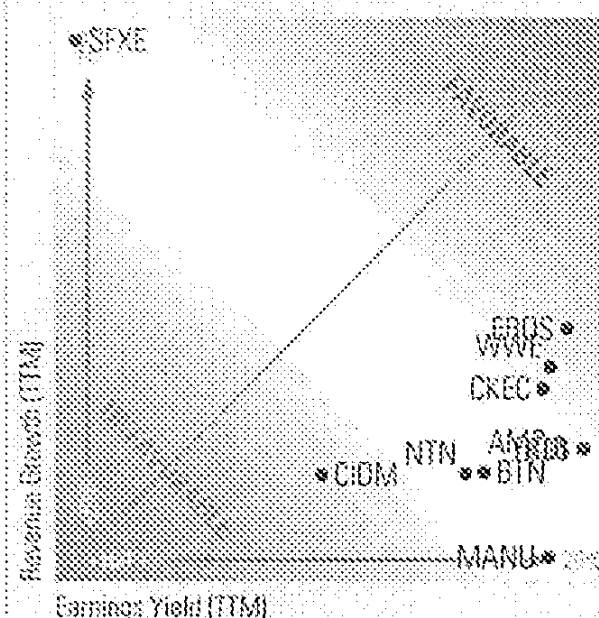
REVENUE GROWTH AND EBITDA MARGIN*



Companies with higher EBITDA margins and revenue growth rates are outperforming companies with lower EBITDA margins and revenue growth rates. Companies for this scatter plot have a market capitalization between \$27.7 Million and \$728 Million. Companies with NA or NM values do not appear.

*EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization.

REVENUE GROWTH AND EARNINGS YIELD



Companies that exhibit both a high earnings yield and high revenue growth are generally more attractive than companies with low revenue growth and low earnings yield. Companies for this scatter plot have revenue growth rates between -16.1% and 88.4%. Companies with NA or NM values do not appear.

INDUSTRY ANALYSIS

PEER GROUP: Media

Ticker	Company Name	Recent Price (\$)	Market Cap (\$M)	Price/Earnings	Net Sales TTM (\$M)	Net Income TTM (\$M)
RDI	READING INTL INC	15.79	379	9.29	260.16	40.27
SFXE	SFX ENTERTAINMENT INC	0.94	92	NM	412.41	-131.00
MANU	MANCHESTER UNITED PLC	10.25	728	NM	621.50	-1.41
BTN	BALLANTYNE STRONG INC	4.42	62	NM	53.23	-12.89
CKEC	CARMIKE CINEMAS INC	24.86	613	NM	751.45	-10.06
AMC	AMC ENTERTAINMENT HOLDINGS	27.32	580	30.70	2,020.26	87.28
WWE	WORLD WRESTLING ENTMT INC	17.39	584	173.90	587.10	7.35
EROS	EROS INTERNATIONAL PLC	12.66	411	16.92	288.86	44.42
CIDM	CINEDIGM CORP	0.53	40	NM	165.46	-31.50
RDIS	READING INTL INC	15.07	379	8.86	260.16	40.27
NTN	NTN BUZZTIME INC	0.30	28	NM	24.67	-7.92

The peer group comparison is based on Major Movies & Entertainment companies of comparable size.

The Street Ratings

November 1, 2015

NASDAQ: RDI

READING INTL INC

Annual Dividend Rate NA	Annual Dividend Yield NA	Beta -0.02	Market Capitalization \$379.4 Million	52-Week Range \$9.34-\$15.97	Price as of 10/29/2015 \$15.79
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COMPANY DESCRIPTION

Reading International, Inc. engages in the development, ownership, and operation of entertainment and real property assets in the United States, Australia, and New Zealand. The company operates in two segments: Cinema Exhibition and Real Estate. The Cinema Exhibition segment operates multiplex theatres. This segment manages its cinema exhibition businesses under the Reading Cinemas, Angelika Film Centers, Consolidated Theatres, City Cinemas, and Rialto brands. The Real Estate segment invests in, develops, and rents retail, commercial, and live theater assets. As of December 31, 2014, it had interests in 57 cinemas comprising approximately 472 screens, ten interests in 4 live theaters, and ten ownership of approximately 21.6 million square feet of developed and undeveloped real estate assets. The company was founded in 1937 and is headquartered in Los Angeles, California.

READING INTL INC

6100 Center Drive, Suite 900
Los Angeles, CA 90045
USA

Phone: 213-235-2240

Fax: 213-235-2229

<http://www.readingrdi.com>

Employees: 3000

STOCK-AT-A-GLANCE

Below is a summary of the major fundamental and technical factors we consider when determining our overall recommendation of RDI shares. It is provided in order to give you a deeper understanding of our rating methodology as well as to paint a more complete picture of a stock's strengths and weaknesses. It is important to note, however, that these factors only tell part of the story. To gain an even more comprehensive understanding of our stance on the stock, these factors must be assessed in combination with the stock's valuation. Please refer to our Valuation section on page 5 for further information.

FACTOR	SCORE					
Growth	5.0 out of 5 stars	★	★	★	★	★
Measures the growth of both the company's income statement and cash flow. On this factor, RDI has a growth score better than 90% of the stocks we rate.		weak				strong
Total Return	5.0 out of 5 stars	★	★	★	★	★
Measures the historical price movement of the stock. The stock performance of this company has beaten 90% of the companies we cover.		weak				strong
Efficiency	4.0 out of 5 stars	★	★	★	★	☆
Measures the strength and historic growth of a company's return on invested capital. The company has generated more income per dollar of capital than 70% of the companies we review.		weak				strong
Price volatility	5.0 out of 5 stars	★	★	★	★	★
Measures the volatility of the company's stock price historically. The stock is less volatile than 90% of the stocks we monitor.		weak				strong
Solvency	3.0 out of 5 stars	★	★	★	☆	☆
Measures the solvency of the company based on several ratios. The company is more solvent than 50% of the companies we analyze.		weak				strong
Income	0.5 out of 5 stars	★	☆	☆	☆	☆
Measures dividend yield and payouts to shareholders. This company pays no dividends.		weak				strong

THE STREET RATINGS RESEARCH METHODOLOGY

TheStreet Ratings' stock model projects a stock's total return potential over a 12-month period including both price appreciation and dividends. Our Buy, Hold or Sell ratings designate how we expect these stocks to perform against a general benchmark of the equities market and interest rates. While our model is quantitative, it utilizes both subjective and objective elements. For instance, subjective elements include expected equities market returns, future interest rates, implied industry outlook and forecasted company earnings. Objective elements include volatility of past operating revenues, financial strength, and company cash flows.

Our model gauges the relationship between risk and reward in several ways, including: the pricing drawdown as compared to potential profit volatility, i.e. how much one is willing to risk in order to earn profits; the level of acceptable volatility for highly performing stocks; the current valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's valuation as compared to projected earnings growth; and the financial strength of the underlying company as compared to its stock's performance. These and many more derived observations are then combined, ranked, weighed, and scenario-tested to create a more complete analysis. The result is a systematic and disciplined method of selecting stocks.

Summary Statistics: Annual Dividend Rate: NA Annual Dividend Yield: NA Beta: -0.02 Market Capitalization: \$379.4 Million 52-Week Range: \$9.34-\$15.97 Price as of 10/29/2015: \$15.79

Annual Dividend Rate	Annual Dividend Yield	Beta	Market Capitalization	52-Week Range	Price as of 10/29/2015
NA	NA	-0.02	\$379.4 Million	\$9.34-\$15.97	\$15.79

Consensus EPS Estimates² (\$)

IBES consensus estimates are provided by Thomson Financial

NA	NA	NA
NA	NA	NA

INCOME STATEMENT

	Q2 FY15	Q2 FY14
Net Sales (\$mil)	72.80	69.92
EBITDA (\$mil)	14.01	12.37
EBIT (\$mil)	10.49	8.50
Net Income (\$mil)	16.00	4.76

BALANCE SHEET

	Q2 FY15	Q2 FY14
Cash & Equiv. (\$mil)	69.89	43.49
Total Assets (\$mil)	386.18	401.61
Total Debt (\$mil)	151.05	166.94
Equity (\$mil)	130.22	131.01

PROFITABILITY

	Q2 FY15	Q2 FY14
Gross Profit Margin	26.49%	25.36%
EBITDA Margin	19.24%	17.68%
Operating Margin	14.40%	12.16%
Sales Turnover	0.67	0.64
Return on Assets	10.42%	2.51%
Return on Equity	30.92%	7.72%

DEBT

	Q2 FY15	Q2 FY14
Current Ratio	1.59	0.98
Debt/Capital	0.54	0.56
Interest Expense	1.93	2.98
Interest Coverage	5.44	2.86

SHARE DATA

	Q2 FY15	Q2 FY14
Shares outstanding (mil)	23	23
Div / share	0.00	0.00
EPS	0.68	0.20
Book value / share	5.59	5.60
Institutional Own %	NA	NA
Avg Daily Volume	59,104	64,611

² Sum of quarterly figures may not match annual estimates due to use of median consensus estimates.

FINANCIAL ANALYSIS

READING INTL INC's gross profit margin for the second quarter of its fiscal year 2015 is essentially unchanged when compared to the same period a year ago. The company has grown its sales and net income during the past quarter when compared with the same quarter a year ago, and although its growth in net income has outpaced the industry average, its revenue growth has not. READING INTL INC has average liquidity. Currently, the Quick Ratio is 1.39 which shows that technically this company has the ability to cover short-term cash needs. The company's liquidity has increased from the same period last year, indicating improving cash flow.

During the same period, stockholders' equity ("net worth") has remained unchanged from the same quarter last year. Together, the key liquidity measurements indicate that it is relatively unlikely that the company will face financial difficulties in the near future.

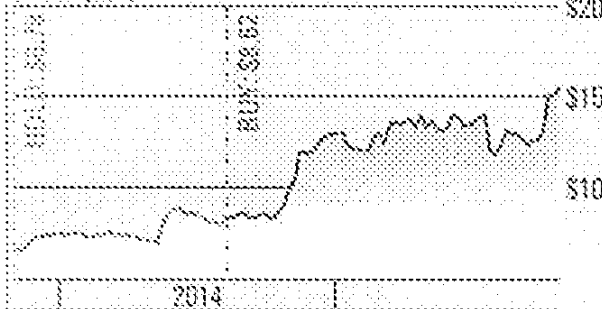
STOCKS TO BUY: TheStreet Quant Ratings has identified a handful of stocks that can potentially TRIPLE in the next 12-months. To learn more visit www.TheStreetRatings.com.

Annual Dividend Rate NA	Annual Dividend Yield NA	Beta -0.02	Market Capitalization \$379.4 Million	52-Week Range \$9.34-\$15.97	Price as of 10/29/2015 \$15.79
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RATINGS HISTORY

Our rating for READING INTL INC has not changed since 8/11/2014. As of 10/29/2015, the stock was trading at a price of \$15.79 which is 1.1% below its 52-week high of \$15.97 and 69.1% above its 52-week low of \$9.34.

2 Year Chart



MOST RECENT RATINGS CHANGES

Date	Price	Action	From	To
8/11/14	\$8.62	Upgrade	Hold	Buy
10/29/13	\$6.78	No Change	Hold	Hold

Price reflects the closing price as of the date listed, if available

RATINGS DEFINITIONS & DISTRIBUTION OF THE STREET RATINGS

(as of 10/29/2015)

39.13% Buy - We believe that this stock has the opportunity to appreciate and produce a total return of more than 10% over the next 12 months.

33.33% Hold - We do not believe this stock offers conclusive evidence to warrant the purchase or sale of shares at this time and that its likelihood of positive total return is roughly in balance with the risk of loss.

27.51% Sell - We believe that this stock is likely to decline by more than 10% over the next 12 months, with the risk involved too great to compensate for any possible returns.

TheStreet Ratings
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New York, NY 10005
www.thestreet.com

Research Contact: 212-321-5381
Sales Contact: 866-321-8726

VALUATION

BUY. READING INTL INC's P/E ratio indicates a significant discount compared to an average of 23.09 for the Media industry and a significant discount compared to the S&P 500 average of 22.01. To use another comparison, its price-to-book ratio of 2.82 indicates valuation on par with the S&P 500 average of 2.78 and a significant discount versus the industry average of 9.91. The price-to-sales ratio is below the S&P 500 average and is well below the industry average, indicating a discount. Upon assessment of these and other key valuation criteria, READING INTL INC proves to trade at a discount to investment alternatives within the industry.

Price/Earnings	1	2	3	4	5
	premium				

RDI 9.29 **Peers 23.09**

- **Discount.** A lower P/E ratio than its peers can signify a less expensive stock or lower growth expectations.
- **RDI is trading at a significant discount to its peers.**

Price/Projected Earnings	1	2	3	4	5
	premium				

RDI NA **Peers 27.14**

- **Neutral.** A lower price-to-projected earnings ratio than its peers can signify a less expensive stock or lower future growth potential.
- **Ratio not available.**

Price/Book	1	2	3	4	5
	premium				

RDI 2.82 **Peers 9.91**

- **Discount.** A lower price-to-book ratio makes a stock more attractive to investors seeking stocks with lower market values per dollar of equity on the balance sheet.
- **RDI is trading at a significant discount to its peers.**

Price/Sales	1	2	3	4	5
	premium				

RDI 1.41 **Peers 3.42**

- **Discount.** In the absence of P/E and P/B multiples, the price-to-sales ratio can display the value investors are placing on each dollar of sales.
- **RDI is trading at a significant discount to its industry on this measurement.**

Price/Cashflow	1	2	3	4	5
	premium				

RDI 10.08 **Peers 17.58**

- **Discount.** The P/CF ratio, a stock's price divided by the company's cash flow from operations, is useful for comparing companies with different capital requirements or financing structures.
- **RDI is trading at a significant discount to its peers.**

Price to Earnings/Growth	1	2	3	4	5
	premium				

RDI NA **Peers 8.94**

- **Neutral.** The PEG ratio is the stock's P/E divided by the consensus estimate of long-term earnings growth. Faster growth can justify higher price multiples.
- **Ratio not available.**

Earnings Growth	1	2	3	4	5
	premium				

RDI 304.75 **Peers -15.31**

- **Higher.** Elevated earnings growth rates can lead to capital appreciation and justify higher price-to-earnings ratios.
- **RDI is expected to have an earnings growth rate that significantly exceeds its peers.**

Sales Growth	1	2	3	4	5
	premium				

RDI 1.23 **Peers 13.15**

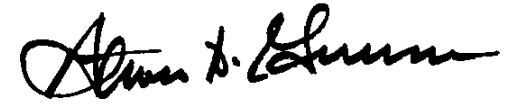
- **Lower.** A sales growth rate that trails the industry implies that a company is losing market share.
- **RDI significantly trails its peers on the basis of sales growth.**

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DISTRICT COURT
CLARK COUNTY, NEVADA


CLERK OF THE COURT

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

Plaintiff,

vs.

MARGARET COTTER, ELLEN COTTER,
GUY ADAMS, EDWARD KANE, DOUGLAS
McEACHERN, TIMOTHY STOREY,
WILLIAM GOULD, and DOES 1 through 100,
inclusive,

Defendants.

and

READING INTERNATIONAL, INC., a
Nevada corporation,

Nominal Defendant.

CASE NO.: A-15-719860-B
DEPT. NO. XI

Coordinated with:

Case No. P-14-082942-E
Dept. No. XI

Jointly Administered

**ORDER DENYING MOTIONS
TO DISMISS FIRST AMENDED
COMPLAINT**

Defendants MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN filed a Motion to Dismiss plaintiff James J. Cotter Jr.'s ("Plaintiff") First Amended Complaint (the "FAC"). Nominal defendant READING INTERNATIONAL INC. also filed its own Motion to Dismiss the FAC. Plaintiff opposed both motions. This Court, having reviewed and considered the motions, the papers filed in support and opposition to the Motions, and the pleadings on file in this case, and having heard oral argument of counsel for the parties on January 19, 2016, and good cause appearing therefor,

IT IS HEREBY ORDERED that both Motions to Dismiss are DENIED, without prejudice to any defendant's right to move this Court for summary judgment.

IT IS SO ORDERED this 15 day of February 2016.


DISTRICT COURT JUDGE

3993 Howard Hughes Pkwy, Suite 600
Las Vegas, NV 89169-5996

Lewis Roca
ROTHGERBER CHRISTIE

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Prepared and submitted by:

LEWIS ROCA ROTHGERBER CHRISTIE LLP

By: /s/ Mark G. Krum
Mark G. Krum
3993 Howard Hughes Pkwy, Suite 600
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James J. Cotter, Jr.