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 10:59 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 II

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APPENDIX
JOINDER TO WRIT PETITION
VOLUME II
PGS. 176-402

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DISTRICT COURT

CLARK COUNTY, NEVADA

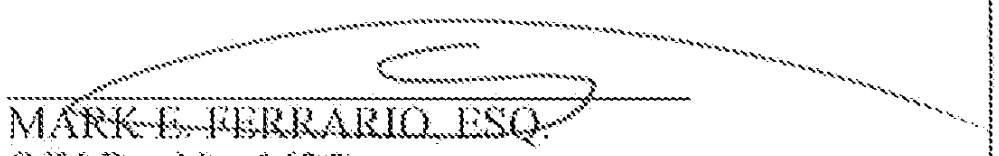
In the Matter of the Estate of JAMES J. COTTER, Deceased. JAMES J. COTTER, JR., derivatively on behalf of Reading International, Inc., Plaintiff, v. MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM GOULD, and DOES 1 through 100, inclusive, Defendants. 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. XI Case No. A-16-735305-B Dept. XI **JOINT MOTION FOR PRELIMINARY APPROVAL OF SETTLEMENT, NOTICE TO STOCKHOLDERS AND SCHEDULING OF SETTLEMENT HEARING ON ORDER SHORTENING TIME**

Pursuant to Nevada Rule of Civil Procedure 23.1, Interveners, T2 PARTNERS MANAGEMENT, LP, T2 ACCREDITED FUND, LP, T2 QUALIFIED FUND, LP, TILSON OFFSHORE FUND, LTD., T2 PARTNERS MANAGEMENT I, LLC, T2 PARTNERS MANAGEMENT GROUP, LLC, JMG CAPITAL MANAGEMENT, LLC, PACIFIC CAPITAL MANAGEMENT, LLC, WHITNEY TILSON AND JONATHAN GLASER (collectively the "T2 Plaintiffs") and MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS MCEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS ("Individual Defendants") and READING INTERNATIONAL, INC. ("Reading" or the "Company") (collectively with the Individual Defendants, the "Defendants") hereby file this joint motion for preliminary approval of settlement, notice to stockholders and scheduling of settlement hearing on order shortening time ("Motion").

This Motion is based on the following memorandum of points and authorities, the pleadings and papers filed in this action, the affidavit of Mark E. Ferrario, Esq., filed concurrenlty herewith and any oral argument of counsel made at the time of the hearing of this Motion.

DATED: July 12th, 2016.

GREENBERG TRAURIG, LLP



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ORDER SHORTENING TIME

Good cause appearing therefore, it is hereby ordered that the time for hearing of the above-entitled **Joint Motion for Preliminary Approval of Settlement, Notice to Stockholders and Scheduling of Settlement Hearing** be shortened, and same will be heard on the 28th day of July, 2016 at the hour of 9:30 a.m. before Department XI.

DATED: July 12, 2016.

DISTRICT COURT JUDGE

Respectfully Submitted:

GREENBERG TRAURIG, LLP

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DECLARATION OF MARK E. FERRARIO, ESQ. IN SUPPORT OF JOINT MOTION FOR PRELIMINARY APPROVAL OF SETTLEMENT, NOTICE TO STOCKHOLDERS AND SCHEDULING OF SETTLEMENT HEARING AND ORDER SHORTENING TIME

I, MARK E. FERRARIO, ESQ. declare as follows:

1. That I am an attorney licensed to practice in the state of Nevada and am the attorney for the Defendant Reading International, Inc. ("Reading" or the "Company"). I have personal knowledge as to the truth of the matters asserted herein, except those which are stated upon information and belief and as to those matters I believe them to be true. I am competent to testify on these matters if called upon to do so.

2. This Declaration is made in support of the joint motion for preliminary approval of settlement, notice to stockholders and scheduling of settlement hearing on order shortening time ("Motion").

3. On August 6, 2015, Reading received notice of a motion to intervene in the above captioned matter which included a request for the filing of a proposed derivative complaint by the T2 Plaintiffs.

4. On August 11, 2015, the Court granted the motion of the T2 Plaintiffs, allowing these plaintiffs to file their complaint (the "T2 Complaint") which was subsequently amended on February 12, 2016.

5. In connection with the litigation, the T2 Plaintiffs conducted extensive discovery on the matters alleged in the T2 and Jim Cotter, Jr. Complaints, discovery that included depositions of Guy Adams, Margaret Cotter, Ellen Cotter, William Gould, Edward Kane, Douglas McEachern, Timothy Storey, and James Cotter, Jr. In response to discovery requests, Reading produced over 13,900 documents, and the Individual Defendants[1] produced over 7,900 documents.

[1] Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, William Gould, Judy Codding, Michael Wrotniak, Craig Tompkins are referred to herein as the Individual Defendants.

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6. On July 10th, 2016, the T2 Plaintiffs and Defendants entered into a settlement agreement ("Settlement") which, upon Court approval, will dismiss with prejudice the claims brought by the T2 Plaintiffs.

7. Rule 23.1 of the Nevada Rules of Civil Procedure provides that notice of the proposed dismissal or compromise of a derivative action be provided to shareholders. Accordingly, this motion is therefore necessary and justified in order to obtain approval of the notice to be sent to Reading's stockholders and to schedule a final settlement hearing to approve the Settlement.

8. There is good cause to hear this motion on shortened time due to the approaching discovery deadlines which are:

July 29, 2016	Percipient Witness Discovery Cut-Off
August 18, 2016	Initial Expert Disclosures
September 19, 2016	Rebuttal Expert Disclosures
October 14, 2016	Expert Discovery Cut-Off.

9. Additionally, this matter is currently set for trial on a five week stack to begin on November 14, 2016.

10. If objections are received to the proposed Settlement, these approaching deadlines could impact other Reading stockholders. Thus, time is of the essence and Reading requests that this motion be scheduled on shortened time.

11. This declaration is made in good faith and not for the purpose of delay.

12. Pursuant to NRS 53.045, I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

FURTHER YOUR AFFIANT SAYETH NAUGHT.

MARK E. FERRARIO, ESQ.

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Defendants have reached a settlement agreement ("the Settlement") with the T2 Plaintiffs (Defendants and T2 Plaintiffs will be referred to herein as "Settling Parties") and now seek preliminary approval of the Settlement by the Court. Additionally, the Settling Parties are requesting the Court approve a notice to be provided to other Reading stockholders notifying them of the Settlement which will dismiss the T2 Complaint with prejudice. In conjunction with the same, the Settling Parties request the Court schedule a hearing for final approval of the Settlement, after other Reading stockholders receive notice of the proposed agreement.

II. FACTUAL BACKGROUND

A. Procedural History.

On June 12, 2015, Reading's Board of Directors terminated James J. Cotter, Jr. as the President and Chief Executive Officer of Reading. That same day, Mr. Cotter, Jr. filed a lawsuit, styled as both an individual and a derivative action, titled "James J. Cotter, Jr., individually and derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, et al." against the Company, Ellen Cotter, Margaret Cotter, Guy Adams, William Gould, Edward Kane, Douglas McEachern, and Timothy Storey in the Eighth Judicial District Court of the State of Nevada (the "James Cotter, Jr. Action").

On August 6, 2015, the Company received notice that a motion to intervene in the James Cotter, Jr. Action and a proposed derivative complaint had been filed by the T2 Plaintiffs. On August 11, 2015, the Court granted the motion of the T2 Plaintiffs, allowing these plaintiffs to file their complaint (the "T2 Complaint").

On September 9, 2015, certain of the Individual Defendants filed a motion to dismiss the T2 Complaint. The Company joined that motion to dismiss on September 14, 2015. The hearing on that motion was vacated as the T2 Plaintiffs voluntarily withdrew the T2 Complaint, with the parties agreeing that the T2 Plaintiffs would have leave to amend their complaint.

On February 12, 2016, the T2 Plaintiffs filed an amended complaint (the "Amended T2 Complaint"). The T2 Plaintiffs purported to bring a derivative action on behalf of Reading and

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its stockholders, and alleged in their Amended T2 Complaint various violations of fiduciary duty, abuse of control, gross mismanagement and corporate waste by the defendants (the "T2 Action").

More specifically, the Amended T2 Complaint sought the reinstatement of James J. Cotter, Jr. as President and Chief Executive Officer and certain monetary damages, as well as equitable injunctive relief, attorney fees, and costs of the lawsuit. The defendants in the T2 Action are the same as named in the James Cotter, Jr. Action as well as Director Judy Codding, Director Michael Wrotniak, and Company legal counsel, Craig Tompkins (collectively and without differentiation, the "Individual Defendants" and each an "Individual Defendant"). The Amended T2 Complaint deleted its request for an order disbanding Reading's Executive Committee and for an order "collapsing the Class A and B stock structure into a single class of voting stock." The Amended T2 Complaint added a request for an order setting aside the election results from the 2015 Annual Meeting of Stockholders, based on an allegation that Ellen Cotter and Margaret Cotter were not entitled to vote the shares of Class B Common Stock held of record by the Estate of James Cotter, Sr. and the Living Trust established by James Cotter, Sr.

In connection with the litigation, James Cotter, Jr. and the T2 Plaintiffs conducted extensive discovery on these matters, which included depositions of Guy Adams, Margaret Cotter, Ellen Cotter, William Gould, Edward Kane, Douglas McEachern, Timothy Storey, and James Cotter, Jr. In response to discovery requests, Reading produced over 13,900 documents, and the Individual Defendants produced over 7,900 documents.

In connection with efforts to settle this matter, the T2 Plaintiffs and Defendants engaged in extensive discussions which have resulted in the proposed settlement and dismissal of the T2 Plaintiffs claims.

B. Reasons for Settlement

The T2 Plaintiffs believe that the extensive discovery in this case has provided substantial and immediate benefits for Reading and its current stockholders. The T2 Plaintiffs have reviewed a number of transactions and engaged in discussions with management in addition to participating in the litigation and have determined that Defendants have acted, and will continue

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to act in good faith to use best practices with regard to board governance, protection of stockholder rights, and maximizing value for all its stockholders. In addition, the T2 Plaintiffs and their counsel have considered: (i) the attendant risks of continued litigation and the uncertainty of the outcome of the T2 Action; (ii) the probability of success on the merits; (iii) the inherent problems of proof associated with, and possible defenses to, the claims asserted in the T2 Action; (iv) the desirability of permitting the Settlement to be consummated according to its terms; (v) the expense and length of continued proceedings necessary to prosecute the T2 Action against the Defendants through trial and appeals; (vi) the T2 Plaintiffs' confidence in the Reading Board of Directors and its management after conducting extensive discovery and (vii) the conclusion of the T2 Plaintiffs and their counsel that the terms and conditions of the Settlement are fair, reasonable, and adequate, and that it is in the best interests of Reading and its current stockholders to settle the T2 Action on the terms set forth herein.

Based on T2 Plaintiffs' Counsel's thorough review and analysis of the relevant facts, allegations, defenses, and controlling legal principles, T2 Plaintiffs' Counsel believes that the settlement set forth in this Settlement is fair, reasonable, and adequate, and confers substantial benefits upon Reading and its current stockholders. Based upon T2 Plaintiffs' Counsel's evaluation as well as T2 Plaintiffs' own evaluation, T2 Plaintiffs have determined that the Settlement is in the best interests of Reading and its current stockholders and has agreed to settle the T2 Action upon the terms and subject to the conditions set forth in the Settlement and summarized herein.

The Individual Defendants have denied any and all allegations of wrongdoing, liability, violations of law or damages arising out of or related to any of the conduct, statements, acts, or omissions alleged in the T2 Action, and maintain that their conduct was at all times proper, in the best interests of Reading and its stockholders, and in compliance with applicable law. The Individual Defendants further deny any breach of fiduciary duties or aiding and abetting any breach of such a fiduciary duty and that Reading or its stockholders were harmed by any conduct of the Defendants alleged in the T2 Action or that could have been alleged therein. Each of the Individual Defendants asserts that, at all relevant times, they acted in good faith and in a manner

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they reasonably believed to be in the best interests of Reading and all of its stockholders.

While desirous of express vindication, the Individual Defendants, recognize the uncertainty and the risk inherent in any litigation, and the difficulties and substantial burdens, expense, and length of time that may be necessary to defend this proceeding through the conclusion of trial, post-trial motions, and appeals. In particular, Defendants are cognizant of the burdens this litigation is imposing on Reading and its management, and the impact that continued litigation will have on Reading and its management. Defendants wish to eliminate the uncertainty, risk, burden and expense of further litigation, and to permit the operation of Reading without further distraction and diversion of its directors and executive personnel with respect to the T2 Action.

The Settling Parties reached the Settlement in good faith and believe it is in the best interest of Reading and its stockholders and thus seek approval of the same. The terms of the Settlement are set forth in **Exhibit A**. As consideration for the Settlement and dismissal with prejudice of the T2 Action, the T2 Plaintiffs and Defendants have mutually agreed upon the terms of a press release which is attached hereto as **Exhibit B**. Subject to Court approval, a judgment will be entered (the "Judgment"). Upon entry of the Judgment, the T2 Action will be dismissed in its entirety and with prejudice. The proposed form for the Judgment is attached hereto as **Exhibit C.**

III. LEGAL ARGUMENT

A. NRCP 23.1 and Proposed Notice of Settlement.

Because the T2 Action was brought as a derivative complaint, the Settling Parties request preliminary approval of the Settlement and have set forth below a mechanism to provide stockholders of Reading with notice of the Settlement pursuant to Rule 23.1 of the Nevada Rules of Civil Procedure. Rule 23.1 of the Nevada Rules of Civil Procedures provides in relevant part that "[t]he action shall not be dismissed or compromised without the approval of the court and notice of the proposed dismissal or compromise shall be given to shareholders or members in such manner as the court directs." Accordingly, attached hereto as **Exhibit D**, is a Notice that the Settling Parties propose sending to all current record and beneficial holders of shares of common

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stock of Reading which provides notice of: i) the pendency of the T2 Action; ii) the proposed Settlement; iii) the hearing date upon which the Court is requested to approve the Settlement; and iv) current stockholders' rights with respect to the proposed Settlement.

To effectuate notice, the Settling Parties propose that a notice, in substantially the form as that provided in **Exhibit D,** shall be mailed by Reading at least 45 calendar days prior to the Settlement Hearing to all stockholders of Reading as listed on the stock registry, to their respective last known address. Furthermore, Reading shall use reasonable efforts to give notice to beneficial owners of Reading common stock by providing, at the expense of Reading, additional copies of the notice of pendency and settlement of the action ("Notice") to any record holder entitled to notice requesting such additional copies. The Settling Parties believe that the dissemination of the Notice as outlined above is calculated to provide the best notice to all stock holders of Reading under the circumstances.

B. Releases Requested.

In seeking final approval of the Settlement, the Settling Parties request dismissal of the T2 Action in its entirety and with prejudice, with releases as fully set forth in the Settlement. **Exhibit A.** Based on the facts and circumstances of this matter including but not limited to the discovery that has been conducted in this matter and the arm's length negotiations that have occurred, the Settling Parties believe the above release to be fair, reasonable and supported by legal consideration.

C. Proposed Schedule.

In connection with preliminary approval of the proposed Settlement, the Settling Parties request that the Court establish dates by which the Notice will be sent to Reading stockholders, the date by which stockholders may object to the Settlement, the dates by which counsel are to file papers in support of the Settlement and the date of the Settlement Hearing. The Settling Parties propose the following schedule:

Settlement Hearing Date:	At the convenience of the Court, but at least 55 days from request to provide for notice.
Notice Date:	At least 45 calendar days prior to the Settlement Hearing.

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Objections:	Not later than 10 business days prior to the Settlement Hearing.
Submission of Affidavit of Service:	Not later than 10 business days prior to the Settlement Hearing.
Response to any objections:	At least 5 business days prior to Settlement Hearing.

IV. CONCLUSION

The proposed Settlement provides a substantial benefit to Reading stockholders, is supported by legal consideration, and was reached after arm's length negotiations between the Settling Parties. The Settling Parties have proposed a fair process in which to notify Reading Stockholders of the Settlement and respectfully request that a Settlement Hearing be set forth with and that the proposed notice and proposed schedule be approved to allow for final approval of the Settlement and dismissal with prejudice of the T2 Action.

DATED this 12th day of July, 2016.

ROBERTSON & ASSOCIATES, LLP	GREENBERG TRAURIG, LLP
<u>/s/ Alexander Robertson, IV</u> ALEXANDER ROBERTSON, IV (SBN 8642) 32121 Lindero Canyon Road, Suite 200 Westlake Village, California 91361 ARobertson@ARobertsonLaw.com *Attorneys for Plaintiffs and Intervenors, T2 Partners Management, LP, et al.*	Mark E. Ferrario (NV Bar No. 1625) Kara B. Hendricks (NV Bar No. 7743) 3773 Howard Hughes Parkway, Suite 400 N. Las Vegas, Nevada 89169 FerrarioM@gtlaw.com HendricksK@gtlaw.com *Counsel for Reading International, Inc.*

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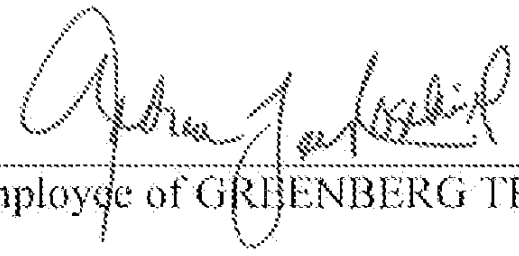
CERTIFICATE OF SERVICE

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 **JOINT MOTION FOR PRELIMINARY APPROVAL OF SETTLEMENT, NOTICE TO STOCKHOLDERS AND SCHEDULING OF SETTLEMENT HEARING** 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 12th th day of July, 2016.



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LV #20733585v1

EXHIBIT A

SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

THIS SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS ("Settlement Agreement") is made this _____ day of June 2016 (the "Execution Date") by and between T2 PARTNERS MANAGEMENT, LP, T2 ACCREDITED FUND, LP, T2 QUALIFIED FUND, LP, TILSON OFFSHORE FUND, LTD., T2 PARTNERS MANAGEMENT I, LLC, T2 PARTNERS MANAGEMENT GROUP, LLC, JMG CAPITAL MANAGEMENT, LLC, PACIFIC CAPITAL MANAGEMENT, LLC, WHITNEY TILSON AND JONATHAN GLASER ("T2 Plaintiffs") and MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS MCEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS and READING INTERNATIONAL, INC. ("Reading" or the "Company") (collectively "Defendants"). T2 Plaintiffs and Defendants are collectively referred to as the "Parties" and each as a "Party."

This Settlement Agreement is subject to Court approval as set forth in the Notice of Pendency and Settlement of Action which is attached hereto as **Exhibit A.**

RECITALS

WHEREAS, on June 12, 2015, Reading's Board of Directors terminated James J. Cotter, Jr. as the President and Chief Executive Officer of Reading.

WHEREAS, that same day, Mr. Cotter, Jr. filed a lawsuit, styled as both an individual and a derivative action, and titled "James J. Cotter, Jr., individually and derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, et al." against the Company, Ellen Cotter, Margaret Cotter, Guy Adams, William Gould, Edward Kane, Douglas McEachern, and Timothy Storey in the Eighth Judicial District Court of the State of Nevada (the "James Cotter, Jr. Action").

WHEREAS, on August 6, 2015, the Company received notice that a Motion to Intervene in the James Cotter, Jr. Action and a proposed derivative complaint had been filed by the T2 Plaintiffs in the Eighth Judicial District Court. On August 11, 2015, the Court granted the motion of the T2 Plaintiffs, allowing these plaintiffs to file their complaint (the "T2 Complaint").

WHEREAS, on September 9, 2015, certain of the Individual Defendants filed a Motion to Dismiss the T2 Complaint. The Company joined this Motion to Dismiss on September 14, 2015. The hearing on this Motion to Dismiss was vacated as the T2 Plaintiffs voluntarily withdrew the T2 Complaint, with the parties agreeing that T2 Plaintiffs would have leave to amend the T2 Complaint.

WHEREAS, on February 12, 2016, the T2 Plaintiffs filed an amended complaint (the "Amended T2 Complaint"). The T2 Plaintiffs purported to bring a derivative action on behalf of Reading and its stockholders, and alleged in their Amended T2 Complaint various violations of fiduciary duty, abuse of control, gross mismanagement and corporate waste by the defendants (the "T2 Action"). More specifically the Amended T2 Complaint sought the reinstatement of James J. Cotter, Jr. as President and Chief Executive Officer and certain monetary damages, as well as equitable injunctive relief, attorney fees, and costs of suit. The defendants in the T2 Action are the same as named in the James Cotter, Jr. Action as well as Director Judy Codding,

Director Michael Wrotniak, and Company legal counsel, Craig Tompkins (collectively and without differentiation, the "Individual Defendants" and each an "Individual Defendant"). The Amended T2 Complaint deleted its request for an order disbanding Reading's Executive Committee and for an order "collapsing the Class A and B stock structure into a single class of voting stock." The Amended T2 Complaint added a request for an order setting aside the election results from the 2015 Annual Meeting of Stockholders, based on an allegation that Ellen Cotter and Margaret Cotter were not entitled to vote the shares of Class B Common Stock held of record by the Estate of James Cotter, Sr. and the Living Trust established by James Cotter, Sr.

WHEREAS, in connection with the litigation, James Cotter, Jr. and the T2 Plaintiffs conducted extensive discovery on these matters, which included depositions of Guy Adams, Margaret Cotter, Ellen Cotter, William Gould, Edward Kane, Douglas McEachern, Timothy Storey, and James Cotter, Jr. In response to discovery requests, Reading produced over 13,900 documents, and the Individual Defendants produced over 7,900 documents.

WHEREAS, in connection with efforts to settle this matter, the Parties engaged in extensive discussions.

WHEREAS, the Parties wish to settle all claims relating to the subject matter of the T2 Action, whether asserted or unasserted.

WHEREAS, all Parties recognize the time and expense that would be incurred by further litigation and the uncertainties and risks inherent in such litigation and have concluded that the interests of the Parties, including the stockholders or Reading, would be best served by a settlement of the T2 Action on the terms reflected herein.

NOW THEREFORE, in consideration of the mutual releases, covenants and undertakings hereinafter set forth, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

TERMS

1. Incorporation of Recitals

The foregoing recitals are incorporated into this Settlement Agreement as if fully set forth herein.

2. Consideration

As consideration for the Settlement and dismissal with prejudice of the T2 Action, the Parties have mutually agreed upon the terms of a press release discussing the reasons for the Settlement and further agree, as set forth hereinbelow, not to disparage each other in connection with the T2 Action.

3. Reasons for Settlement

a. The T2 Plaintiffs brought derivative claims with the intention of ensuring that the interests of all Reading stockholders were being appropriately protected. In connection with the

litigation, the T2 Plaintiffs conducted extensive discovery on the matters alleged in the T2 and Jim Cotter, Jr. Complaints, discovery that included depositions of Guy Adams, Margaret Cotter, Ellen Cotter, William Gould, Edward Kane, Douglas McEachern, Timothy Storey, and James Cotter, Jr. Following their efforts on behalf of the stockholders, the T2 Plaintiffs have concluded that continuing with their derivative stockholder litigation would provide no further benefit to Reading's stockholders, including the T2 Plaintiffs.

The T2 Plaintiffs believe that the Settlement provides substantial and immediate benefits for Reading and its current stockholders. In addition to these substantial benefits, T2 Plaintiffs and their counsel have considered: (i) the attendant risks of continued litigation and the uncertainty of the outcome of the T2 Action; (ii) the probability of success on the merits; (iii) the inherent problems of proof associated with, and possible defenses to, the claims asserted in the T2 Action; (iv) the desirability of permitting the settlement to be consummated according to its terms; (v) the expense and length of continued proceedings necessary to prosecute the T2 Action against the Defendants through trial and appeals; (vi) the T2 Plaintiffs' confidence in the Reading Board of Directors and its management after conducting extensive discovery and (vii) the conclusion of the T2 Plaintiffs and their counsel that the terms and conditions of the Settlement Agreement are fair, reasonable, and adequate, and that it is in the best interests of Reading and its current stockholders to settle the T2 Action on the terms set forth herein. Based on T2 Plaintiffs' Counsel's thorough review and analysis of the relevant facts, allegations, defenses, and controlling legal principles, T2 Plaintiffs' Counsel believes that the settlement set forth in this Settlement Agreement is fair, reasonable, and adequate, and confers substantial benefits upon Reading and its current stockholders. Based upon T2 Plaintiffs' Counsel's evaluation as well as T2 Plaintiffs' own evaluation, T2 Plaintiffs have determined that the settlement is in the best interests of Reading and its current stockholders and has agreed to settle the T2 Action upon the terms and subject to the conditions set forth in the Settlement Agreement and summarized herein. T2 Plaintiffs believe that Defendants will continue to act in good faith to use best practices with regard to board governance, protection of stockholder rights, and maximizing value for all its stockholders, which actions shall include (i) providing to the Compensation Committee's independent compensation consultant the names of certain companies previously suggested by the T2 Plaintiffs as possible market comparables for consideration in 2017 and (ii) the Company anticipates continuing to hold regular corporate earnings conference calls and to continue to engage with investors around earnings. Further Management has informed T2 that incident to the financing of pre-development activities at the site, it anticipates refinancing the existing loan between Reading and Sutton Hill Properties, LLC.

b. The Defendants deny any and all allegations of wrongdoing, liability, violations of law or damages arising out of or related to any of the conduct, statements, acts, or omissions alleged in the T2 Action, and maintain that their conduct was at all times proper, in the best interests of Reading and its stockholders, and in compliance with applicable law. The Defendants further deny any breach of fiduciary duties or aiding and abetting any breach of such a fiduciary duty. The Defendants also deny that Reading or its stockholders were harmed by any conduct of the Defendants alleged in the T2 Action or that could have been alleged therein. Each of the Defendants asserts that, at all relevant times, they acted in good faith and in a manner they reasonably believed to be in the best interests of Reading and all of its stockholders.

c. Defendants, however, recognize the uncertainty and the risk inherent in any litigation, and the difficulties and substantial burdens, expense, and length of time that may be necessary to defend this proceeding through the conclusion of trial, post-trial motions, and appeals. In particular, Defendants are cognizant of the burdens this litigation is imposing on Reading and its management, and the impact that continued litigation will have on management's ability to continue focusing on the creation of stockholder value. Defendants wish to eliminate the uncertainty, risk, burden and expense of further litigation, and to permit the operation of Reading without further distraction and diversion of its directors and executive personnel with respect to the T2 Action. Defendants have therefore determined to settle the T2 Action on the terms and conditions set forth in the Settlement Agreement solely to put the Released Claims (as defined herein) to rest finally and forever, without in any way acknowledging any wrongdoing, fault, liability, or damages.

4. **Release**

Subject to Court approval, a judgment will be entered (the "Judgment"). Upon entry of the Judgment, the T2 Action will be dismissed in its entirety and with prejudice and the following releases will occur:

a. **Release of Claims by Reading, T2 Plaintiffs, and Other Reading Stockholders**: Reading, and the T2 Plaintiffs, who have purported to bring derivative claims on behalf of Reading and all its stockholders, shall fully, finally, and forever release, settle, and discharge, and shall forever be enjoined from prosecuting, the Released T2 Plaintiffs' Claims against Defendants and any other Defendants' Releasees.

i. "Released T2 Plaintiffs' Claims" means all any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature, or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims (as defined below), whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule (including claims within the exclusive jurisdiction of the federal courts, such as, but not limited to, federal securities claims or other claims based upon the purchase or sale of shares), that are, have been, could have been, could now be, or in the future could, can, or might be asserted, in the T2 Action or in any other court, tribunal, or proceeding by: T2 Plaintiffs derivatively on behalf of Reading, or on their own behalf; by Reading's stockholders on behalf of Reading; or by Reading directly against any of the Individual Defendants' Releasees, which claims, now or hereafter, are based upon, arise out of, relate in any way to, or involve, directly or indirectly, any of the actions, transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, facts, practices, events, claims or any other matters, things or causes whatsoever, or any series thereof, that relate in any way to, or could arise in connection with, the alleged breaches of fiduciary duty, abuse of control, mismanagement, negligence, aiding and abetting, the making or not making of required securities law disclosures, and/or corporate waste, including but not limited to those alleged, asserted, set forth, claimed, embraced, involved, or referred to in, or related to the Amended T2 Complaint or the T2 Action,

except for claims relating to the enforcement of the Settlement. For the avoidance of doubt, the Released T2 Plaintiffs' Claims include all of the claims asserted in the T2 Action, but do not include claims based on conduct of Defendants' Releasees after the Effective Date. The Parties acknowledge that this Release does not serve to require dismissal of the claims raised by James Cotter Jr. in his First Amended Complaint.

ii. "Defendants' Releasees" means Reading, each of the Individual Defendants, any other current or former officer, director or employee of Reading or any of Reading's affiliates, , and their respective past, present, or future family members, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, advisors, consultants, investment bankers, entities providing any fairness opinion, underwriters, brokers, dealers, financing sources lenders, commercial bankers, attorneys, personal or legal representatives, accountants, associates and insurers, co-insurers and reinsurers,. The Parties acknowledge that this Release does not prevent Reading or the Individual Defendants from raising any counterclaims or defenses in the James Cotter Jr. Action.

b. **Release of Claims by Defendants**: Reading on behalf of itself and the Individual Defendants on behalf of themselves and any other person or entity who could assert any of the Released Defendants' Claims on their behalf, in such capacity only, shall fully, finally, and forever release, settle, and discharge, and shall forever be enjoined from prosecuting, the Released Defendants' Claims against T2 Plaintiffs' Releasees.

i. "Released Defendants' Claims" means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues, and controversies of any kind, nature, or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims, whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule (including claims within the exclusive jurisdiction of the federal courts), that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against Defendants in the T2 Action, except for claims relating to the enforcement of the Settlement. For the avoidance of doubt, the Released Defendants' Claims do not include claims based on the conduct of the T2 Plaintiffs' Releasees after the Effective Date.

ii. "T2 Plaintiffs' Releasees" means T2 Plaintiffs and their respective current or former agents, employees, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment

advisors, advisors, consultants, investment bankers, entities providing any fairness opinion, underwriters, brokers, dealers, financing sources, lenders, commercial bankers, attorneys, personal or legal representatives, accountants, and associates. T2 Plaintiffs' Releasees do not include, and specifically exclude James Cotter, Jr.

c. "**Unknown Claims**" means any Released T2 Plaintiffs' Claims that Reading or T2 Plaintiffs, does not know or suspect to exist in his, her, or its favor at the time of the release of the Defendants' Releasees, and any Released Defendants' Claims that any of the Defendants or any of the other Defendants' Releasees does not know or suspect to exist in his, her, or its favor at the time of the release of the T2 Plaintiffs' Releasees, which, if known by him, her or it, might have affected his, her, or its decision(s) with respect to the Settlement. With respect to any and all Released T2 Plaintiffs' Claims and Released Defendants' Claims, the Parties stipulate and agree that Reading, T2 Plaintiffs and each of the Individual Defendants shall expressly waive, and each of the other Defendants' Releasees shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by California Civil Code §1542, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

and any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542. Reading, T2 Plaintiffs and each of the Individual Defendants acknowledge, and each of the other Reading stockholders, excluding James Cotter, Jr., shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement.

d. Nothing contained in this Settlement Agreement is intended to, or does release any claims that Defendants may have against any of their insurers or that any insurers may have against any Defendant.

5. Submission of Documents to Court

As soon as practicable after this Settlement Agreement has been executed, the Parties shall apply jointly to the Court for entry of an Order substantially in the form attached hereto as **Exhibit B** (the "Preliminary Approval Order"): i) providing among other things, a request for preliminary approval of the Settlement as fair, reasonable, adequate and in the best interest of stockholders; ii) seeking approval of the Notice of Pendency and Settlement of Action; and iii) requesting a Settlement Hearing.

If the Court approves this Settlement, the Parties shall jointly request entry of the proposed Order and Final Judgment substantially in the form attached hereto as **Exhibit C**. The Order and Final Judgment shall, among other things: i) determine the requirements of the

Nevada Rules of Civil Procedure and due process have been satisfied in connection with the Notice detailed below; ii) approve the Settlement as fair, reasonable, adequate and in the best interest of stockholders; and iii) dismiss the T2 Action with prejudice on the merits as against any and all Defendants.

6. Notice Of Pendency and Settlement of Action

The Notice of Pendency and Settlement of Action, in substantially the form annexed hereto as **Exhibit A**, shall be mailed by Reading at least 45 calendar days prior to the Settlement Hearing to all stockholders of Reading as listed on the stock registry, to their respective last known address. Furthermore, Reading shall use reasonable efforts to give notice to beneficial owners of Reading common stock by providing, at the expense of Reading additional copies of the Notice of Pendency and Settlement of Action to any record holder requesting the Notice who are entitled to notice.

7. Non Disparagement

The purpose of this Agreement is to resolve the T2 Action for the benefit of the Parties and Reading stockholders. Accordingly the T2 Plaintiffs covenant and agree that they will not engage in any conduct, make or disclose any statement, either orally or in writing, that would cast any Defendant or their affiliates in a false or negative light, and agree not to aid, assist or encourage others to do so, in any fashion or forum. Similarly, Defendants covenant and agree that they will not engage in any conduct, make or disclose any statement, either orally or in writing that would cast the T2 Plaintiffs or their affiliates in a false or negative light, and agree not to aid, assist or encourage others to do so, in any fashion or forum. If any third party makes any inquiry with respect to any of the claims or causes of action alleged against any Party, then the Party to whom such inquiry is made shall only respond that such matters were resolved in a satisfactory manner pursuant to a confidential settlement agreement. Notwithstanding the above, T2 Plaintiffs acknowledge that no Defendant will have responsibility for the actions of any other Defendant or for the actions of James J. Cotter, Jr.

Notwithstanding the above, T2 Plaintiffs acknowledge that this Agreement does not prohibit the Individual Defendants from any disclosures required in their capacity as fiduciaries of Reading. Further, nothing herein shall prevent any Party from testifying truthfully in a court of law and/or complying with a court order.

8. Joint Press Release

The Parties to this Settlement Agreement mutually agree to issue a press release in a form satisfactory to all Parties hereto indicating that the Parties have amicably resolved their disputes to the mutual satisfaction of all Parties. The press release shall not identify any substantive terms or conditions of this Agreement and shall be in a form substantial similar to **Exhibit D**.

9. General Provisions

This Settlement Agreement and compliance with this Settlement Agreement shall not be construed as an admission by any Party of any liability whatsoever, or as admission by any Party

of any violation of the rights of the others, violation of any order, law, statute, duty or contract whatsoever.

The Parties hereto represent and acknowledge that in executing this Settlement Agreement they do not rely and have not relied upon any representation or statement made by any of the Parties or by any of the Parties' agents, attorneys or representatives with regard to the subject matter or effect of this Settlement Agreement or otherwise, other than those specifically stated in this written Settlement Agreement. This Settlement Agreement expresses the entire agreement of the Parties hereto with respect to the subject matter hereof. No recitals, covenants, agreements, representations, or warranties of any kind whatsoever have been made or have been relied upon by any Party hereto, except as specifically set forth in this Agreement. All prior discussions and negotiations between the Parties have been or are merged and integrated into, and are superseded by, this Agreement.

10. Mutual Cooperation

The Parties hereby agree to use their best efforts and good faith in carrying out all of the terms of this Settlement Agreement. Each Party hereto shall perform such further acts and execute and deliver such further documents as may be reasonably necessary or convenient to carry out the purposes of this Settlement Agreement.

11. Interpretation of Agreement

None of the Parties shall be deemed to be the drafter of this Settlement Agreement. In the event a court construes this Settlement Agreement, such court shall not construe this Settlement Agreement or any provision hereof against either Party as the drafter of the Settlement Agreement. The headings used in this Agreement are for reference only and shall not affect the construction of the Agreement.

12. Choice of Law

This Settlement Agreement shall be governed by, and construed in accordance with, the laws of the State of Nevada, without regard to conflict of law principles. The Parties agree that the Court shall have exclusive jurisdiction over any action to enforce this Settlement Agreement.

13. Counterparts

This Settlement Agreement may be executed in any number of separate counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument and fax copies shall be deemed originals.

14. Attorneys' Fees

Each Party shall bear its own costs and attorney fees incurred in connection with this Settlement Agreement. However, if any Party to this Settlement Agreement brings suit against the another Party, the purpose of which is to enforce, challenge, or clarify the terms of this Settlement Agreement, the prevailing party in such action shall be entitled to reimbursement for

its actual attorney fees and costs in so enforcing, challenging or clarifying this Settlement Agreement.

15. Notice in Connect with Settlement Agreement

All notices or demands of any kind that any Party is required to or desires to give in connection with this Settlement Agreement shall be in writing and shall be delivered by e-mail and by depositing the notice or demand in the United States mail, postage prepaid, and addressed to the Parties as follows:

T2 Plaintiffs:	Robertson & Associates, LLP c/o Alexander Robertson, IV 32121 Lindero Canyon Road, Suite 200 Westlake Village, California 91361
Reading International:	Greenberg Traurig, LLP c/o Mark E. Ferrario, Esq. 3773 Howard Hughes Pkwy., Suite 400N Las Vegas, Nevada 89169 Email: mferrario@gtlaw.com
Ellen Cotter, Margaret Cotter, Guy Adams, Edward Kane, Douglas McEachern, Judy Codding and Michael Wrotniak:	Quinn Emanuel Urquhart & Sullivan, LLP c/o Marshall M. Searcy III 865 S. Figueroa Street, 10th Floor Los Angeles, California, 90017
William Gould:	Bird, Marella, Boxer, Wolpert, Nessim, Drooks, Lincenberg & Rhow, P.C. c/o Ekwan E. Rhow 1875 Century Park East, 23rd Floor Los Angeles, California, 90067
Craig Tompkins:	Santoro Whitmire, LTD. c/o Nicholas J. Santoro 10100 W. Charleston Blvd. #250 Las Vegas, NV 89135

16. Miscellaneous

This Settlement Agreement shall be binding on and inure to the benefit of the Parties, their respective current or former agents, employees, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies,

corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors, and successors-in-interest. No Party shall assign this Settlement Agreement or any of its rights and obligations hereunder, to any third party. Notwithstanding the above, T2 Plaintiffs acknowledge that no Defendant will have responsibility for the actions of any other Defendant or for the actions of James J. Cotter, Jr.

All of the exhibits hereto are incorporated herein by reference as if set forth herein verbatim, and the terms of all exhibits are expressly made part of this Settlement Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the last day set forth below.

Dated this 10th day of July, 2016.

T2 PARTNERS MANAGEMENT, LP

By: _____
Its: Managing Partner

Dated this 10th day of July, 2016.

T2 ACCREDITED FUND, LP

By: _____
Its: Managing Partner

Dated this 10th day of July, 2016.

T2 QUALIFIED FUND, LP

By: _____
Its: Managing Partner

Dated this 10th day of July, 2016.

TILSON OFFSHORE FUND, LTD.

By: _____
Its: Managing Member

Dated this 10th day of July, 2016.

T2 PARTNERS MANAGEMENT I, LLC

By: _____
Its: Managing Member

Dated this 10th day of July, 2016.

T2 PARTNERS MANAGEMENT GROUP, LLC

By: _____
Its: Managing Member

Dated this _____ day of _____, 2016.

JMG CAPITAL MANAGEMENT, LLC

By: _____
Its: _____

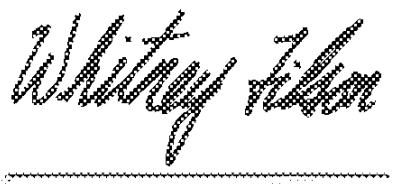
Dated this _____ day of _____, 2016.

PACIFIC CAPITAL MANAGEMENT, LLC

By: _____
Its: _____

Dated this 10th day of July, 2016.

WHITNEY TILSON



By: _____

Dated this _____ day of _____, 2016.

JONATHAN GLASER

_____

Dated this _____ day of _____, 2016.

MARGARET COTTER

_____

Dated this _____ day of _____, 2016.

ELLEN COTTER

_____

Dated this _____ day of _____, 2016.

GUY ADAMS

_____

Dated this _____ day of _____, 2016.

EDWARD KANE

_____

Dated this _____ day of _____, 2016.

DOUGLAS MCEACHERN

_____

Dated this _____ day of _____, 2016.

WILLIAM GOULD

_____

Dated this _____ day of _____, 2016.

JUDY CODDING

_____

Dated this _____ day of _____, 2016.

MICHAEL WROTNIAK

_____

Dated this _____ day of _____, 2016.

CRAIG TOMPKINS

_____

Dated this _____ day of _____, 2016.

READING INTERNATIONAL, INC

_____

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the last day set forth below.

Dated this _____ day of _____, 2016.

T2 PARTNERS MANAGEMENT, LP

By: _____
Its: _____

Dated this _____ day of _____, 2016.

T2 QUALIFIED FUND, LP

By: _____
Its: _____

Dated this _____ day of _____, 2016.

T2 PARTNERS MANAGEMENT I, LLC

By: _____
Its: _____

Dated this _____ day of _____, 2016.

JMG CAPITAL MANAGEMENT, LLC

By: _____
Its: Jonathan Glaser, Managing Member

Dated this 11 day of July, 2016.

WHITNEY TILSON

_____

Dated this _____ day of _____, 2016.

MARGARET COTTER

_____

Dated this _____ day of _____, 2016.

T2 ACCREDITED FUND, LP

By: _____
Its: _____

Dated this _____ day of _____, 2016.

TILSON OFFSHORE FUND, LTD.

By: _____
Its: _____

Dated this _____ day of _____, 2016.

T2 PARTNERS MANAGEMENT GROUP, LLC

By: _____
Its: _____

Dated this _____ day of _____, 2016.

PACIFIC CAPITAL MANAGEMENT, LLC

By: _____
Its: Jonathan Glaser, Managing Member

Dated this 11 day of July, 2016.

JONATHAN GLASER

_____

Dated this 11 day of July, 2016.

ELLEN COTTER

_____

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the last day set forth below.

Dated this _____ day of _____, 2016.

T2 PARTNERS MANAGEMENT, LP

By: _____
Its: _____

Dated this _____ day of _____, 2016.

T2 ACCREDITED FUND, LP

By: _____
Its: _____

Dated this _____ day of _____, 2016.

T2 QUALIFIED FUND, LP

By: _____
Its: _____

Dated this _____ day of _____, 2016.

TILSON OFFSHORE FUND, LTD.

By: _____
Its: _____

Dated this _____ day of _____, 2016.

T2 PARTNERS MANAGEMENT I, LLC

By: _____
Its: _____

Dated this _____ day of _____, 2016.

T2 PARTNERS MANAGEMENT GROUP, LLC

By: _____
Its: _____

Dated this _____ day of _____, 2016.

JMG CAPITAL MANAGEMENT, LLC

By: _____
Its: _____

Dated this _____ day of _____, 2016.

PACIFIC CAPITAL MANAGEMENT, LLC

By: _____
Its: _____

Dated this _____ day of _____, 2016.

WHITNEY TILSON

_____

Dated this _____ day of _____, 2016.

JONATHAN GLASER

_____

Dated this _____ day of _____, 2016.

MARGARET COTTER

Dated this _____ day of _____, 2016.

ELLEN COTTER

Dated this ____ day of _____, 2016.

GUY ADAMS

_____

Dated this ____ day of _____, 2016.

DOUGLAS MCEACHERN

_____

Dated this ____ day of _____, 2016.

JUDY CODDING

_____

Dated this ____ day of _____, 2016.

CRAIG TOMPKINS

_____

Dated this 10th day of July, 2016.

EDWARD KANE

Edward L Kane

Dated this ____ day of _____, 2016.

WILLIAM GOULD

_____

Dated this ____ day of _____, 2016.

MICHAEL WROTNIAK

_____

Dated this ____ day of _____, 2016.

READING INTERNATIONAL, INC

_____

Dated this _____ day of _____, 2016.

GUY ADAMS

_____

Dated this _____ day of _____, 2016.

EDWARD KANE

_____

Dated this 20 day of July, 2016.

DOUGLAS MCEACHERN

Douglas McEach

Dated this _____ day of _____, 2016.

WILLIAM GOULD

_____

Dated this _____ day of _____, 2016.

JUDY CODDING

_____

Dated this _____ day of _____, 2016.

MICHAEL WROTNIAK

_____

Dated this _____ day of _____, 2016.

CRAIG TOMPKINS

_____

Dated this _____ day of _____, 2016.

READING INTERNATIONAL, INC

_____

Dated this 10th day of July, 2016.

WHITNEY TILSON

By: _____

Dated this _____ day of _____, 2016.

MARGARET COTTER

_____

Dated this _____ day of _____, 2016.

GUY ADAMS

_____

Dated this _____ day of _____, 2016.

DOUGLAS MCEACHERN

_____

Dated this _____ day of _____, 2016.

JUDY CODDING

_____

Dated this _____ day of _____, 2016.

CRAIG TOMPKINS

_____

Dated this _____ day of _____, 2016.

JONATHAN GLASER

_____

Dated this _____ day of _____, 2016.

ELLEN COTTER

_____

Dated this _____ day of _____, 2016.

EDWARD KANE

_____

Dated this 12th day of July, 2016.

WILLIAM GOULD

_____

Dated this _____ day of _____, 2016.

MICHAEL WROTNIAK

_____

Dated this _____ day of _____, 2016.

READING INTERNATIONAL, INC

_____

Dated this 14 day of July, 2016.

GUY ADAMS

Dated this ____ day of _____, 2016.

EDWARD KANE

_____

Dated this ____ day of _____, 2016.

DOUGLAS MCEACHERN

_____

Dated this ____ day of _____, 2016.

WILLIAM GOULD

_____

Dated this 14 day of July, 2016.

JUDY CODDING

Dated this ____ day of _____, 2016.

MICHAEL WROTNIAK

_____

Dated this ____ day of _____, 2016.

CRAIG TOMPKINS

_____

Dated this ____ day of _____, 2016.

READING INTERNATIONAL, INC

_____

Dated this _____ day of _____, 2016.

GUY ADAMS

_____

Dated this _____ day of _____, 2016.

EDWARD KANE

_____

Dated this _____ day of _____, 2016.

DOUGLAS MCEACHERN

_____

Dated this _____ day of _____, 2016.

WILLIAM GOULD

_____

Dated this _____ day of _____, 2016.

JUDY CODDING

_____

Dated this 11 day of July, 2016.

MICHAEL WROTNIAK

_____

Dated this _____ day of _____, 2016.

CRAIG TOMPKINS

_____

Dated this _____ day of _____, 2016.

READING INTERNATIONAL, INC

_____

Dated this _____ day of _____, 2016.

GUY ADAMS

_____

Dated this _____ day of _____, 2016.

DOUGLAS MCEACHERN

_____

Dated this _____ day of _____, 2016.

JUDY CODDING

_____

Dated this _____ day of _____, 2016.

CRAIG TOMPKINS

_____

Dated this _____ day of _____, 2016.

EDWARD KANE

_____

Dated this _____ day of _____, 2016.

WILLIAM GOULD

_____

Dated this _____ day of _____, 2016.

MICHAEL WROTNIAK

_____

Dated this _____ day of _____, 2016.

READING INTERNATIONAL, INC

_____

EXHIBIT A

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, JUDY CODDING, MICHAEL WROTNIAK, 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. XI Case No. A-16-735305-B Dept. XI **BUSINESS COURT** **NOTICE OF PENDENCY AND SETTLEMENT OF ACTION**
T2 PARTNERS MANAGEMENT, LP, a Delaware limited partnership, doing business as KASE CAPITAL MANAGEMENT, *et al.*; Plaintiffs, v. MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS, and DOES 1 through 100, inclusive; Defendants, and READING INTERNATIONAL, INC., a Nevada corporation; Nominal Defendant.	

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NOTICE OF PENDENCY AND SETTLEMENT OF ACTION

TO: ALL CURRENT RECORD AND BENEFICIAL HOLDERS OF SHARES OF COMMON STOCK OF READING INTERNATIONAL, INC. ("READING" OR THE "COMPANY").

BROKERAGE FIRMS, BANKS, AND OTHER PERSONS OR ENTITIES WHO HOLD SHARES OF RECORD WHO ARE NOT ALSO BENEFICIAL OWNERS ARE DIRECTED TO FORWARD THIS NOTICE PROMPTLY TO THE BENEFICIAL OWNERS OF SUCH SHARES, OR REQUEST READING TO DO SO (SEE SECTION AT THE END OF THIS NOTICE ENTITLED "NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF OTHERS").

The purpose of this Notice is to inform you about: (i) the pendency of the stockholder derivative action which was brought by T2 Partners Management, LP dba Kase Capital Management; T2 Accredited Fund, LP dba Kase Fund; T2 Qualified Fund, LP dba Kase Qualified Fund; Tilson Offshore Fund, LTD; T2 Partners Management I, LLC dba Kase Management; T2 Partners Management Group, LLC dba Kase Group; JMG Capital Management, LLC; Pacific Capital Management, LLC (the "T2 Plaintiffs") on behalf of and for the benefit of Reading (the "T2 Action") in the Eighth Judicial District Court of the State of Nevada (the "Court"); (ii) a proposed settlement of the T2 Action (the "Settlement"), subject to Court approval, as provided in a **Joint Motion for Preliminary Approval of Settlement, Notice to Stockholders and Scheduling of Settlement Hearing on Order Shortening Time** Joint Motion (the "Joint Motion") that was filed with the Court and is publicly available for review as indicated in paragraph 28 below; (iii) the hearing that the Court will hold on _____, 2016 at __:__ __.m., to determine whether to approve the Settlement; and (iv) current stockholders' rights with respect to the proposed Settlement.[1]

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

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[1] All capitalized terms not otherwise defined in this Notice shall have the meaning provided in the Stipulation.

YOUR RIGHTS WILL BE AFFECTED BY THE ACTION.

The Settlement Agreement was entered into as of July 10, 2016, between and among: T2 Plaintiffs; and individual defendants Margaret Cotter, Ellen Cotter, Douglas McEachern, Guy Adams, Edward Kane, Judy Codding, Michael Wrotniak, William Gould, and Craig Tompkins (collectively, the "Individual Defendants"); and nominal defendant Reading (collectively with T2 Plaintiffs and Individual Defendants, the "Parties"), subject to the approval of the Court pursuant to Nevada Rule of Civil Procedure 23.1. Because the T2 Action was brought as a derivative action on behalf of and for the benefit of Reading, the benefits of the Settlement will go to Reading.

WHAT IS THE PURPOSE OF THIS NOTICE?

1. The purpose of this Notice is to explain the T2 Action, the terms of the proposed Settlement, and how the Settlement affects Reading stockholders' legal rights.

2. In a derivative action, one or more people and/or entities who are current stockholders of a corporation sue on behalf of and for the benefit of the corporation, seeking to enforce the corporation's legal rights.

3. As described more fully in paragraph 26 below, current stockholders have the right to object to the proposed Settlement. They have the right to appear and be heard at the Settlement Hearing, which will be held before The Honorable Elizabeth Gonzalez on _____, 2016 at ____:____ ____.m., at the Regional Justice Center, 200 Lewis Avenue, Las Vegas, NV 89155. At the Settlement Hearing, the Court will (a) determine whether the proposed Settlement, on the terms and conditions provided for in the Settlement Agreement, is fair, reasonable, and adequate and in the best interests of Reading and its current stockholders; (b) determine whether the Court should finally approve the Joint Motion and enter the Judgment as provided in the Joint Motion, dismissing the T2 Action with prejudice and extinguishing and releasing the Released Claims; (c) hear and determine any objections to the proposed Settlement; and (d) rule on such other matters as the Court may deem appropriate.

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4. The Court has reserved the right to adjourn or continue the Settlement Hearing without further notice to you other than by announcement at the Settlement Hearing or any adjournment thereof, or notation on the docket. The Court has further reserved the right to approve the Settlement, at or after the Settlement Hearing, with such modifications as may be consented to by the Parties and without further notice of any kind.

WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?

THE FOLLOWING DESCRIPTION OF THE T2 ACTION AND THE SETTLEMENT HAS BEEN PREPARED BY COUNSEL FOR THE PARTIES. THE COURT HAS MADE NO FINDINGS WITH RESPECT TO SUCH MATTERS, AND THIS NOTICE IS NOT AN EXPRESSION OR STATEMENT BY THE COURT OF FINDINGS OF FACT.

5. On June 12, 2015, Reading's Board of Directors terminated James J. Cotter, Jr. as the President and Chief Executive Officer of Reading.

6. That same day, Mr. Cotter, Jr. filed a lawsuit, styled as both an individual and a derivative action, and titled "James J. Cotter, Jr., individually and derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, et al." against the Company, Ellen Cotter, Margaret Cotter, Guy Adams, William Gould, Edward Kane, Douglas McEachern, and Timothy Storey in the Eighth Judicial District Court of the State of Nevada (the "James Cotter, Jr. Action").

7. On October 22, 2015, Mr. Cotter, Jr., amended his complaint (the "Amended James Cotter, Jr. Complaint") to drop his individual claims. Accordingly, the Amended James Cotter, Jr. Complaint presently purports to assert only purportedly derivative claims and to seek remedies only on behalf of the Company. The lawsuit currently alleges, among other things, that Margaret Cotter, Guy Adams, William Gould, Edward Kane and Douglas McEachern breached their fiduciary duties to the Company by terminating Mr. Cotter, Jr. as President and Chief Executive Officer, continuing to make use of the Executive Committee that has been in place for more than the past ten years, making allegedly potentially misleading statements in its press

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releases and filings with the Securities and Exchange Commission, paying certain compensation to Ellen Cotter, and allowing the Estate of James Cotter, Sr. to make use of Class A Common Stock to pay for the exercise of certain long outstanding stock options held of record by the Estate of James Cotter, Sr. James Cotter, Jr. seeks reinstatement as President and CEO and alleges as damages fluctuations in the price of Reading's shares after the announcement of his termination as President and CEO and certain unspecified damages to Reading's reputation. Mr. Cotter, Jr. is also seeking, among other things, an order that Reading's Executive Committee be disbanded (an injunctive remedy that, if granted, would be binding on the Company).

8. On August 6, 2015, the Company received notice that a Motion to Intervene in the James Cotter, Jr. Action and a proposed derivative complaint had been filed by the T2 Plaintiffs in the Eighth Judicial District Court. On August 11, 2015, the Court granted the motion of the T2 Plaintiffs, allowing these plaintiffs to file their complaint (the "T2 Complaint").

9. On September 9, 2015, certain of the Individual Defendants filed a Motion to Dismiss the T2 Complaint. The Company joined this Motion to Dismiss on September 14, 2015. The hearing on this Motion to Dismiss was vacated as the T2 Plaintiffs voluntarily withdrew the T2 Complaint, with the parties agreeing that T2 Plaintiffs would have leave to amend the T2 Complaint.

10. On February 12, 2016, the T2 Plaintiffs filed an amended complaint (the "Amended T2 Complaint"). The T2 Plaintiffs allege in their Amended T2 Complaint various violations of fiduciary duty, abuse of control, gross mismanagement and corporate waste by the defendants. More specifically the Amended T2 Complaint seeks the reinstatement of James J. Cotter, Jr. as President and Chief Executive Officer and certain monetary damages, as well as equitable injunctive relief, attorney fees, and costs of suit. The defendants in the T2 Action are the same as named in the James Cotter, Jr. Action as well as Director Judy Codding, Director Michael Wrotniak, and Company legal counsel, Craig Tompkins. The Amended T2 Complaint deleted its request for an order disbanding Reading's Executive Committee and for an order "collapsing the Class A and B stock structure into a single class of voting stock." The Amended

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T2 Complaint added a request for an order setting aside the election results from the 2015 Annual Meeting of Stockholders, based on an allegation that Ellen Cotter and Margaret Cotter were not entitled to vote the shares of Class B Common Stock held of record by the Estate of James Cotter, Sr. and the Living Trust established by James Cotter, Sr.

11. On February 25, 2016, the Court denied Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, and Douglas McEachern's Motion to Dismiss the James Cotter, Jr. Amended Complaint.

12. In connection with the litigation, James Cotter, Jr. and the T2 Plaintiffs conducted extensive discovery on these matters, which included depositions of Guy Adams, Margaret Cotter, Ellen Cotter, William Gould, Edward Kane, Douglas McEachern, Timothy Storey, and James Cotter, Jr. In response to discovery requests, Reading produced over 13,900 documents, and the Individual Defendants produced over 7,900 documents.

13. In connection with efforts to settle this matter, the Parties engaged in extensive discussions.

14. On July 10, 2016, the Parties entered into a formal Settlement Agreement and Release of Claims ("Settlement Agreement") setting forth the terms of the Settlement.

WHAT ARE THE TERMS OF THE SETTLEMENT?

15. As consideration for the Settlement:

a. The Parties shall mutually agree upon the terms of a press release discussing the reasons for the Settlement.

b. The Parties shall not to disparage each other in connection with the T2 Action.

WHAT ARE THE PARTIES' REASONS FOR THE SETTLEMENT?

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16. The T2 Plaintiffs brought derivative claims to ensure that the interests of all stockholders were being appropriately protected. In connection with the litigation, the T2 Plaintiffs conducted extensive discovery on the matters alleged in the T2 and Jim Cotter, Jr. Complaints, discovery that included depositions of Guy Adams, Margaret Cotter, Ellen Cotter, William Gould, Edward Kane, Douglas McEachern, Timothy Storey, and James Cotter, Jr. Following their efforts on behalf of the stockholders, the T2 Plaintiffs concluded that the Reading Board of Directors has acted in the best interests of all stockholders and that continuing with their derivative stockholder litigation would provide no further benefit to Reading's stockholders, including the T2 Plaintiffs.

17. The T2 Plaintiffs believe that the Settlement provides substantial and immediate benefits for Reading and its current stockholders. In addition to these substantial benefits, T2 Plaintiffs and their counsel have considered: (i) the attendant risks of continued litigation and the uncertainty of the outcome of the T2 Action; (ii) the probability of success on the merits; (iii) the inherent problems of proof associated with, and possible defenses to, the claims asserted in the T2 Action; (iv) the desirability of permitting the settlement to be consummated according to its terms; (v) the expense and length of continued proceedings necessary to prosecute the T2 Action against the Defendants through trial and appeals; and (vi) the conclusion of the T2 Plaintiffs and their counsel that the terms and conditions of the Settlement Agreement are fair, reasonable, and adequate, and that it is in the best interests of Reading and its current stockholders to settle the T2 Action on the terms set forth herein.

18. Based on T2 Plaintiffs' Counsel's thorough review and analysis of the relevant facts, allegations, defenses, and controlling legal principles, T2 Plaintiffs' Counsel believe that the settlement set forth in this Settlement Agreement is fair, reasonable, and adequate, and confers substantial benefits upon Reading and its current stockholders. Based upon T2 Plaintiffs' Counsel's evaluation as well as T2 Plaintiffs' own evaluation, T2 Plaintiffs have determined that the settlement is in the best interests of Reading and its current stockholders and

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has agreed to settle the T2 Action upon the terms and subject to the conditions set forth in the Settlement Agreement and summarized herein.

19. The Defendants deny any and all allegations of wrongdoing, liability, violations of law or damages arising out of or related to any of the conduct, statements, acts, or omissions alleged in the T2 Action, and maintain that their conduct was at all times proper, in the best interests of Reading and its stockholders, and in compliance with applicable law. The Defendants further deny any breach of fiduciary duties or aiding and abetting any breach of such a fiduciary duty. The Defendants also deny that Reading or its stockholders were harmed by any conduct of the Defendants alleged in the T2 Action or that could have been alleged therein. Each of the Defendants asserts that, at all relevant times, they acted in good faith and in a manner they reasonably believed to be in the best interests of Reading and all of its stockholders.

20. Defendants, however, recognize the uncertainty and the risk inherent in any litigation, and the difficulties and substantial burdens, expense, and length of time that may be necessary to defend this proceeding through the conclusion of trial, post-trial motions, and appeals. In particular, Defendants are cognizant of the burdens this litigation is imposing on Reading and its management, and the impact that continued litigation will have on management's ability to continue focusing on the creation of stockholder value. Defendants wish to eliminate the uncertainty, risk, burden and expense of further litigation, and to permit the operation of Reading without further distraction and diversion of its directors and executive personnel with respect to the T2 Action. Defendants have therefore determined to settle the T2 Action on the terms and conditions set forth in the Settlement Agreement solely to put the Released Claims (as defined herein) to rest finally and forever, without in any way acknowledging any wrongdoing, fault, liability, or damages.

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WHAT WILL HAPPEN IF THE SETTLEMENT IS APPROVED?

WHAT CLAIMS WILL THE SETTLEMENT RELEASE?

21. If the Settlement is approved, the Court will enter a judgment (the "Judgment"). Upon entry of the Judgment, the T2 Action will be dismissed in its entirety and with prejudice and the following releases will occur:

Release of Claims by Reading, T2 Plaintiffs, and Other Reading Stockholders: Reading, T2 Plaintiffs, and each and every other Reading stockholder, excluding James Cotter, Jr., on behalf of themselves and any other person or entity who could assert any of the Released T2 Plaintiffs' Claims on their behalf, in such capacity only, shall fully, finally, and forever release, settle, and discharge, and shall forever be enjoined from prosecuting, the Released T2 Plaintiffs' Claims against Defendants and any other Defendants' Releasees.

"Released T2 Plaintiffs' Claims" means all any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature, or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims, whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule (including claims within the exclusive jurisdiction of the federal courts, such as, but not limited to, federal securities claims or other claims based upon the purchase or sale of shares), that are, have been, could have been, could now be, or in the future could, can, or might be asserted, in the T2 Action or in any other court, tribunal, or proceeding by T2 Plaintiffs or any other Reading stockholder, excluding James Cotter, Jr., derivatively on behalf of Reading, or by Reading directly against any of the Defendants' Releasees, which, now or hereafter, are based upon, arise out of, relate in any way to, or involve, directly or indirectly, any of the actions,

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transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, facts, practices, events, claims or any other matters, things or causes whatsoever, or any series thereof, that relate in any way to, or could arise in connection with, the alleged breaches of fiduciary duty, abuse of control, gross mismanagement, and corporate waste, including but not limited to those alleged, asserted, set forth, claimed, embraced, involved, or referred to in, or related to the Amended T2 Complaint or the T2 Action, except for claims relating to the enforcement of the Settlement and for any claims that Defendants may have against any of their insurers, co-insurers or reinsurers that are not otherwise released pursuant to other documentation. For the avoidance of doubt, the Released T2 Plaintiffs' Claims include all of the claims asserted in the T2 Action, but do not include claims based on conduct of Defendants' Releasees after the Effective Date.

"Defendants' Releasees" means Reading, Defendants, and any other current or former officer, director or employee of Reading, excluding James Cotter, Jr., and their respective past, present, or future family members, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, advisors, consultants, investment bankers, entities providing any fairness opinion, underwriters, brokers, dealers, financing sources lenders, commercial bankers, attorneys, personal or legal representatives, accountants, associates and insurers, co-insurers and reinsurers, except with respect to claims by any Individual Defendant or Nominal Defendant against such insurer, co-insurer, or re-insurer that have not otherwise been released pursuant to other documentation.

Release of Claims by Defendants: Defendants and the other Defendants' Releasees, on

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behalf of themselves and any other person or entity who could assert any of the Released Defendants' Claims on their behalf, in such capacity only, shall fully, finally, and forever release, settle, and discharge, and shall forever be enjoined from prosecuting, the Released Defendants' Claims against T2 Plaintiffs' Releasees.

"Released Defendants' Claims" means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues, and controversies of any kind, nature, or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims, whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule (including claims within the exclusive jurisdiction of the federal courts), that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against Defendants in the T2 Action, except for claims relating to the enforcement of the Settlement. For the avoidance of doubt, the Released Defendants' Claims do not include claims based on the conduct of the T2 Plaintiffs' Releasees after the Effective Date and do not include any claims that Defendants may have against any of their insurers, co-insurers or reinsurers that are not otherwise released pursuant to other documentation.

"T2 Plaintiffs' Releasees" means T2 Plaintiffs, all other Reading stockholders, excluding James Cotter, Jr., and any current or former officer or director of any Reading stockholder, and their respective past, present, or future family members, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managing

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members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, advisors, consultants, investment bankers, entities providing any fairness opinion, underwriters, brokers, dealers, financing sources, lenders, commercial bankers, attorneys, personal or legal representatives, accountants, and associates.

"Unknown Claims" means any Released T2 Plaintiffs' Claims that Reading, T2 Plaintiffs, or any other Reading stockholder, excluding James Cotter, Jr., does not know or suspect to exist in his, her, or its favor at the time of the release of the Defendants' Releasees, and any Released Defendants' Claims that any of the Defendants or any of the other Defendants' Releasees does not know or suspect to exist in his, her, or its favor at the time of the release of the T2 Plaintiffs' Releasees, which, if known by him, her or it, might have affected his, her, or its decision(s) with respect to the Settlement. With respect to any and all Released T2 Plaintiffs' Claims and Released Defendants' Claims, the Parties stipulate and agree that Reading, T2 Plaintiffs and each of the Defendants shall expressly waive, and each of the other Reading stockholders, excluding James Cotter, Jr., and each of the other Defendants' Releasees shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by California Civil Code §1542, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

and any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542. Reading, T2 Plaintiffs and each of the Defendants acknowledge, and each of the other Reading stockholders, excluding James Cotter, Jr., and each of the other Defendants' Releasees shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for

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and is a key element of the Settlement.

22. If the Settlement is approved, since Reading will have released the Released T2 Plaintiffs' Claims described above against any of the other Defendants' Releasees, no Reading stockholder, excluding James Cotter, Jr., will be able to bring another action asserting those claims against those persons on behalf of Reading excluding any claims any Individual Defendant or Nominal Defendant has against insurers, re-insurers or co-insurers that are not released pursuant to other documentation.

23. Pending final determination by the Court of whether the Settlement should be approved, T2 Plaintiffs, all Reading stockholders, excluding James Cotter, Jr., Defendants, and Reading are enjoined from filing, commencing, or prosecuting any Released Claims against the Releasees in the T2 Action or in any other lawsuit in any jurisdiction excluding any claims any Individual Defendant or Nominal Defendant has against insurers, re-insurers or co-insurers that are not released pursuant to other documentation.

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HOW WILL THE ATTORNEYS GET PAID?

24. Each of the Parties will bear his, her, or its own legal fees and expenses.

WHEN AND WHERE WILL THE SETTLEMENT HEARING BE HELD?

DO I HAVE THE RIGHT TO APPEAR AT THE SETTLEMENT HEARING?

25. The Court will consider the Settlement and all matters related to the Settlement at the Settlement Hearing. The Settlement Hearing will be held before The Honorable Elizabeth Gonzalez on _____, 2016 at ___:___ ___m., in the Regional Justice Center, 200 Lewis Avenue, Las Vegas, NV 89155 .

26. Any Current Stockholder who objects to the Settlement, or who otherwise wishes to be heard, may appear in person or through his, her, or its attorney at the Settlement Hearing and present any evidence or argument that may be proper and relevant; provided, however, that no such person shall be heard or entitled to contest the approval of the terms and conditions of the Settlement, or, if approved, the Judgment to be entered thereon, unless, no later than ten business days before the Settlement Hearing, such person files with the Court, the following: (a) proof of current ownership of Reading stock; (b) a written and signed notice of the Objector's intention to appear, which states the name, address and telephone number of Objector and, if represented, his, her or its counsel; (c) a detailed statement of the objections to any matter before the Court; and (d) a detailed statement of all of the grounds thereon and the reasons for the Objector's desire to appear and to be heard, as well as all documents or writings which the Objector desires the Court to consider. Any such filings with the Court must also be served upon each of the following counsel (by hand, first class U.S. mail, or express service) such that they are received no later than ten calendar days prior to the Settlement Hearing:

Alexander Robertson, IV
ROBERTSON & ASSOCIATES, LLP
32121 Lindero Canyon Road, Suite 200
Westlake Village, California 91361

Attorneys for Plaintiffs and Intervenors, T2 Partners Management, LP dba Kase Capital Management; T2 Accredited Fund, LP dba Kase Fund; T2 Qualified Fund, LP dba Kase Qualified Fund; Tilson Offshore Fund, LTD; T2 Partners Management I, LLC dba Kase Management; T2 Partners Management Group, LLC dba Kase Group; JMG Capital Management, LLC; Pacific Capital Management, LLC

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PATTI, SGRO, LEWIS & ROGER
720 S. 7th Street, 3rd Floor
Las Vegas, NV 89101

Attorneys for Plaintiffs and Intervenors, T2 Partners Management, LP dba Kase Capital Management; T2 Accredited Fund, LP dba Kase Fund; T2 Qualified Fund, LP dba Kase Qualified Fund; Tilson Offshore Fund, LTD; T2 Partners Management I, LLC dba Kase Management; T2 Partners Management Group, LLC dba Kase Group; JMG Capital Management, LLC; Pacific Capital Management, LLC

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Attorneys for Nominal Defendant Reading International, Inc.

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Attorneys for Plaintiff James J. Cotter, Jr.

27. Unless the Court otherwise directs, any person who fails to object in the manner prescribed above shall be deemed to have waived his, her, or its right to object and shall be forever barred from raising any objection to the Settlement or any other matter related to the Settlement, in the T2 Action or in any other action or proceeding.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

28. This Notice does not purport to be a comprehensive description of the T2 Action, the allegations related thereto, the terms of the Settlement, or the Settlement Hearing. For a more detailed statement of the matters involved in the T2 Action, you may inspect the pleadings, the Joint Motion, the Orders entered by the Court, and other papers filed in the T2 Action at Regional Justice Center, 200 Lewis Avenue, Las Vegas, NV 89155, during regular business hours of each business day. You may also view a copy of the Settlement Agreement at http://www._____.com. If you have questions regarding the Settlement, you may write or call T2 Plaintiffs' Counsel: Alexander Robertson, IV, 32121 Lindero Canyon Road, Suite 200, Westlake Village, CA 91361, (818) 851-3850; and Adam C. Anderson, Patti, Sgro, Lewis & Roger, 720 S. 7th Street, 3rd Floor, Las Vegas, NV 89101, (702) 385-9595.

DO NOT CALL OR WRITE THE COURT REGARDING THIS NOTICE.

NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF OTHERS

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29. Brokerage firms, banks, and other persons or entities who hold shares of Reading common stock as record owners, but not as beneficial owners, are directed to either (a) promptly request from Reading sufficient copies of this Notice to forward to all such beneficial owners and after receipt of the requested copies promptly forward such Notices to all such beneficial owners; or (b) promptly provide a list of the names and addresses of all such beneficial owners to [name], Corporate Secretary, Reading, 6100 Center Drive, Suite 900, Los Angeles, CA, 90045 after which Reading will promptly send copies of the Notice to such beneficial owners. Copies of this Notice may be obtained by calling Reading's transfer agent, toll free, at [phone number].

BY ORDER OF THE COURT

Dated: _____, 2016 _____

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EXHIBIT B

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Counsel for Reading International, Inc.

DISTRICT COURT

CLARK COUNTY, NEVADA

In the Matter of the Estate of JAMES J. COTTER, Deceased. 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. 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. XI Case No. A-16-735305-B Dept. XI **ORDER GRANTING PRELIMINARY APPROVAL OF DERIVATIVE CLAIM SETTLEMENT**

GREENBERG TRAURIG, LLP
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Presently pending is the Joint Motion for Preliminary Approval Of Settlement, Notice To Stockholders And Scheduling Of Settlement Hearing On Order Shortening Time ("Joint Motion"), filed by Intervenor Plaintiffs T2 Partners Management, LP, T2 Accredited Fund, LP, T2 Qualified Fund, LP, Tilson Offshore Fund, LTD., T2 Partners Management I, LLC, T2 Partners Management Group, LLC, JMG Capital Management, LLC, Pacific Capital Management, LLC, and Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas Mceachern, William Gould, Judy Codding, Michael Wrotniak, Craig Tompkins, and Nominal Defendant, Reading International, Inc. This Court, having considered the papers submitted in support of the Joint Motion, and having heard the argument of the parties,

HEREBY ORDERS THE FOLLOWING:

1. The Court grants preliminary approval of the settlement based upon the terms set forth in the Joint Motion. The settlement appears to be presumptively valid, subject only to any objections that may be raised at the final approval hearing and final approval by this Court.

2. A final approval hearing on the question of whether the proposed settlement should be approved as fair, reasonable and adequate is scheduled in accordance with the schedule set forth below.

3. The Court approves the form and content of the Notice of Pendency and Settlement of Action ("Notice") attached as Exhibit B to the Joint Motion.

4. The Court approves the procedure for notice to the shareholders of Reading International, Inc. set forth in the Joint Motion and Notice.

5. The Court directs the mailing of the Notice to the shareholders as set forth in the Settlement Agreement and Joint Motion.

6. The Court orders the following schedule for further proceedings:

1.	Deadline for Mailing of Notice to Shareholders	Ten business days after the date of this order
2.	Deadline for Receipt of Objections	Ten business days prior to Approval Hearing

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3.	Deadline to File Final Approval Motion	Ten business days prior to Approval Hearing
4.	Final Approval Hearing	60 calendar days after the date of this order.

DATED this ___day of _____, 2016.

_____
DISTRICT COURT JUDGE

Submitted by

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EXHIBIT C

ORDR
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Counsel for Reading International, Inc.

DISTRICT COURT

CLARK COUNTY, NEVADA

In the Matter of the Estate of JAMES J. COTTER, Deceased. 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. 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. XI Case No. A-16-735305-B Dept. XI **ORDER AND FINAL JUDGMENT**

Presently pending is the Joint Motion for Final Approval of Settlement and Dismissal ("Joint Motion"), filed by Intervenor Plaintiffs T2 Partners Management, LP, T2 Accredited Fund, LP, T2 Qualified Fund, LP, Tilson Offshore Fund, LTD., T2 Partners Management I, LLC, T2 Partners Management Group, LLC, JMG Capital Management, LLC, Pacific Capital Management, LLC, and Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas Mceachern, William Gould, Judy Codding, Michael Wrotniak, Craig Tompkins, and Nominal Defendant, Reading International, Inc. The Court have reviewed the Motion and grounds therefore, having heard any objections thereto, and having heard the argument of the parties, THE COURT FINDS AS FOLLOWS:

1. The Court previously granted preliminary approval of the proposed settlement based upon the terms as set forth in the Joint Motion for Preliminary Approval of Settlement of Derivative Claims. At that time, the Court determined that settlement appeared presumptively valid, subject only to any objections at the final approval hearing. The notice approved and directed in that preliminary approval having gone out to shareholders of Reading international, Inc., [and no objection being raised] [the Court having considered all objections that were raised] the Court finds the settlement fair, reasonable and adequate, and in the best interests of the shareholders and of the corporation. Based on such finding, the Court

HEREBY ORDERS THE FOLLOWING:

1. All claims contained in the First Amended Complaint filed by Intervenor Plaintiffs T2 Partners Management, LP, T2 Accredited Fund, LP, T2 Qualified Fund, LP, Tilson Offshore Fund, LTD., T2 Partners Management I, LLC, T2 Partners Management Group, LLC, JMG Capital Management, LLC, Pacific Capital Management, LLC, are dismissed in their entirety with prejudice.

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2. The Intervenor Plaintiffs, the Defendants, and the Nominal Defendant shall each be responsible for their own attorneys' fees and costs.

DATED this ___day of _____, 2016.

_____

District Court Judge.

Respectfully submitted by:

ROBERTSON & ASSOCIATES, LLP	GREENBERG TRAURIG, LLP
ALEXANDER ROBERTSON, IV (SBN 8642) 32121 Lindero Canyon Road, Suite 200 Westlake Village, California 91361 ARobertson@ARobertsonLaw.com *Attorneys for Plaintiffs and Intervenors, T2 Partners Management, LP, et al.*	Mark E. Ferrario (NV Bar No. 1625) Kara B. Hendricks (NV Bar No. 7743) 3773 Howard Hughes Parkway, Suite 400 N. Las Vegas, Nevada 89169 FerrarioM@gtlaw.com HendricksK@gtlaw.com *Counsel for Reading International, Inc.*
PATTI, SGRO, LEWIS & ROGER	QUINN EMANUEL URQUHART & SULLIVAN, LLP
STEPHEN K. LEWIS (NV BAR 7064) ADAM C. ANDERSON (NV BAR 13062) 720 S. 7th Street, 3rd Floor Las Vegas, NV 89101 slewis@pslrfirm.com aanderson@pslrfirm.com *Attorneys for Plaintiffs and Intervenors, T2 Partners Management, LP dba Kase Capital Management; T2 Accredited Fund, LP dba Kase Fund; T2 Qualified Fund, LP dba Kase Qualified Fund; Tilson Offshore Fund, LTD; T2 Partners Management I, LLC dba Kase Management; T2 Partners Management Group, LLC dba Kase Group; JMG Capital Management, LLC; Pacific Capital Management, LLC*	CHRISTOPHER TAYBACK (Admitted *pro hac vice*) MARSHALL M. SEARCY III (Admitted *pro hac vice*) 865 S. Figueroa Street, 10th Floor Los Angeles, California, 90017 christayback@quinnemanuel.com marshallsearcy@quinnemanuel.com *Attorneys for Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane Douglas McEachern, Judy Codding and Michael Wrotniak* c/o

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EXHIBIT D

Stockholders Withdraw Derivative Lawsuit Against Reading International

Los Angeles, California, - (BUSINESS WIRE) – July 12, 2016 – Reading International, Inc. (NASDAQ: RDI) ("Reading" or the "Company") and Messrs. Whitney Tilson and Jonathan M. Glaser, acting on behalf of various funds that they manage (the "Plaintiff Stockholders"), have announced that the Plaintiff Stockholders have withdrawn all of their alleged claims (the "Derivative Claims") in the previously filed derivative lawsuit in the District Court of the State of Nevada for Clark County. Collectively, the Plaintiff Stockholders own approximately 845,000 shares, representing approximately 3.7% of the outstanding equity of our Company. Through their various funds, Mr. Glaser has been a significant stockholder of Reading since 2008, and Mr. Tilson has been a significant stockholder since October 2014.

Commenting on the withdrawal of the lawsuit, the Company stated, "We are pleased that Mr. Glaser and Mr. Tilson have agreed to dismiss their claims. We remain focused on building long term value for all stockholders."

Mr. Tilson stated that the Plaintiff Stockholders brought the Derivative Claims as a result of the allegations contained in a derivative action filed by Mr. James J. Cotter, Jr. on June 12, 2015, in the District Court of the State of Nevada for Clark County. As stockholders in the Company, Messrs. Tilson and Glaser wanted to ensure that the interests of all stockholders were being appropriately protected. In connection with the litigation, the Plaintiff Stockholders conducted extensive discovery on these matters, which included depositions of Guy Adams, Margaret Cotter, Ellen Cotter, William Gould, Edward Kane, Douglas McEachern, Tim Storey and James Cotter, Jr. Following their efforts on behalf of all stockholders, Messrs. Tilson and Glaser have concluded that the Reading Board of Directors has acted in good faith and has been and remains committed to acting in the interests of all stockholders. Continuing with their derivative litigation would provide no further benefit.

Messrs. Glaser and Tilson stated, "We are pleased with the conclusions reached by our investigations as Plaintiff Stockholders and now firmly believe that the Reading Board of Directors has and will continue to protect stockholder interests and will continue to work to maximize shareholder value over the long term. We appreciate the Company's willingness to engage in open dialogue and are excited about the Company's prospects. Our questions about the termination of James Cotter, Jr., and various transactions between Reading and members of the Cotter family-or entities they control-have been definitively addressed and put to rest. We are impressed by measures the Reading Board has made over the past year to further strengthen corporate governance. We fully support the Reading Board and management team and their strategy to create stockholder value."

In connection with the dismissal of the Derivative Claims, the parties have agreed to mutual general releases with each party bearing his, her or its own legal fees and expenses. Further, the parties will petition the court for approval of the settlement.

About Reading International, Inc.

Reading International (http://www.readingrdi.com) is in the business of owning and operating cinemas and developing, owning, and operating real estate assets. Our business consists primarily of:

- the development, ownership, and operation of multiplex cinemas in the United States, Australia and New Zealand; and
- the development, ownership, and operation of retail and commercial real estate in Australia, New Zealand, and

the United States, including entertainment-themed centers in Australia and New Zealand and live theater assets in Manhattan and Chicago in the United States.

Reading manages its worldwide business under various brands:

- in the United States, under the
  - Reading Cinema brand (http://www.readingcinemasus.com);
  - Angelika Film Center brand (http://www.angelikafilmcenter.com);
  - Consolidated Theatres brand (http://www.consolidatedtheatres.com);
  - City Cinemas brand (http://www.citycinemas.com);
  - Beekman Theatre brand (http://www.beekmantheatre.com);
  - The Paris Theatre brand (http://www.theparistheatre.com);
  - Liberty Theatres brand (http://libertytheatresusa.com); and
  - Village East Cinema brand (http://villageeastcinema.com).

- in Australia, under the
  - Reading Cinema brand (http://www.readingcinemas.com.au);
  - Newmarket brand (http://readingnewmarket.com.au); and
  - Red Yard brand (http://www.redyard.com.au).

- in New Zealand, under the
  - Reading Cinema brand (http://www.readingcinemas.co.nz);
  - Rialto brand (http://www.rialto.co.nz);
  - Reading Properties brand (http://readingproperties.co.nz);
  - Courtenay Central brand (http://www.readingcourtenay.co.nz); and
  - Steer n' Beer restaurant brand (http://steernbeer.co.nz).

For more information from Reading International, Inc., contact:

Dev Ghose
Executive Vice President & Chief Financial Officer
(213) 235-2240

or

Andrzej Matyczynski
Executive Vice President for Global Operations
(213) 235-2240

For more information from Plaintiff Stockholders, Whitney Tilson and Jonathan Glaser, contact:

Robertson & Associates, LLC
Alexander Robertson, IV
(818) 851-3850

EXHIBIT B

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Counsel for Reading International, Inc.

DISTRICT COURT

CLARK COUNTY, NEVADA

In the Matter of the Estate of JAMES J. COTTER, Deceased. 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. 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. XI Case No. A-16-735305-B Dept. XI **ORDER GRANTING PRELIMINARY APPROVAL OF DERIVATIVE CLAIM SETTLEMENT**

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Presently pending is the Joint Motion for Preliminary Approval Of Settlement, Notice To Stockholders And Scheduling Of Settlement Hearing On Order Shortening Time ("Joint Motion"), filed by Intervenor Plaintiffs T2 Partners Management, LP, T2 Accredited Fund, LP, T2 Qualified Fund, LP, Tilson Offshore Fund, LTD., T2 Partners Management I, LLC, T2 Partners Management Group, LLC, JMG Capital Management, LLC, Pacific Capital Management, LLC, and Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas Mceachern, William Gould, Judy Codding, Michael Wrotniak, Craig Tompkins, and Nominal Defendant, Reading International, Inc. This Court, having considered the papers submitted in support of the Joint Motion, and having heard the argument of the parties,

HEREBY ORDERS THE FOLLOWING:

1. The Court grants preliminary approval of the settlement based upon the terms set forth in the Joint Motion. The settlement appears to be presumptively valid, subject only to any objections that may be raised at the final approval hearing and final approval by this Court.

2. A final approval hearing on the question of whether the proposed settlement should be approved as fair, reasonable and adequate is scheduled in accordance with the schedule set forth below.

3. The Court approves the form and content of the Notice of Pendency and Settlement of Action ("Notice") attached as Exhibit B to the Joint Motion.

4. The Court approves the procedure for notice to the shareholders of Reading International, Inc. set forth in the Joint Motion and Notice.

5. The Court directs the mailing of the Notice to the shareholders as set forth in the Settlement Agreement and Joint Motion.

6. The Court orders the following schedule for further proceedings:

1.	Deadline for Mailing of Notice to Shareholders	Ten business days after the date of this order
2.	Deadline for Receipt of Objections	Ten business days prior to Approval Hearing

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3.	Deadline to File Final Approval Motion	Ten business days prior to Approval Hearing
4.	Final Approval Hearing	60 calendar days after the date of this order.

DATED this ____day of_____, 2016.

_____
DISTRICT COURT JUDGE

Submitted by

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EXHIBIT C

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Counsel for Reading International, Inc.

DISTRICT COURT

CLARK COUNTY, NEVADA

In the Matter of the Estate of JAMES J. COTTER, Deceased. 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. 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. XI Case No. A-16-735305-B Dept. XI **ORDER AND FINAL JUDGMENT**

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1. The Court previously granted preliminary approval of the proposed settlement based upon the terms as set forth in the Joint Motion for Preliminary Approval of Settlement of Derivative Claims. At that time, the Court determined that settlement appeared presumptively valid, subject only to any objections at the final approval hearing. The notice approved and directed in that preliminary approval having gone out to shareholders of Reading international, Inc., [and no objection being raised] [the Court having considered all objections that were raised] the Court finds the settlement fair, reasonable and adequate, and in the best interests of the shareholders and of the corporation. Based on such finding, the Court

HEREBY ORDERS THE FOLLOWING:

1. All claims contained in the First Amended Complaint filed by Intervenor Plaintiffs T2 Partners Management, LP, T2 Accredited Fund, LP, T2 Qualified Fund, LP, Tilson Offshore Fund, LTD., T2 Partners Management I, LLC, T2 Partners Management Group, LLC, JMG Capital Management, LLC, Pacific Capital Management, LLC, are dismissed in their entirety with prejudice.

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2. The Intervenor Plaintiffs, the Defendants, and the Nominal Defendant shall each be responsible for their own attorneys' fees and costs.

DATED this ____day of _____, 2016.

_____

District Court Judge.

Respectfully submitted by:

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EXHIBIT D

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, JUDY CODDING, MICHAEL WROTNIAK, 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. XI Case No. A-16-735305-B Dept. XI **BUSINESS COURT** **NOTICE OF PENDENCY AND SETTLEMENT OF ACTION**
T2 PARTNERS MANAGEMENT, LP, a Delaware limited partnership, doing business as KASE CAPITAL MANAGEMENT, *et al.*; Plaintiffs, v. MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS, and DOES 1 through 100, inclusive; Defendants, and READING INTERNATIONAL, INC., a Nevada corporation; Nominal Defendant.	

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NOTICE OF PENDENCY AND SETTLEMENT OF ACTION

TO: ALL CURRENT RECORD AND BENEFICIAL HOLDERS OF SHARES OF COMMON STOCK OF READING INTERNATIONAL, INC. ("READING" OR THE "COMPANY").

BROKERAGE FIRMS, BANKS, AND OTHER PERSONS OR ENTITIES WHO HOLD SHARES OF RECORD WHO ARE NOT ALSO BENEFICIAL OWNERS ARE DIRECTED TO FORWARD THIS NOTICE PROMPTLY TO THE BENEFICIAL OWNERS OF SUCH SHARES, OR REQUEST READING TO DO SO (SEE SECTION AT THE END OF THIS NOTICE ENTITLED "NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF OTHERS").

The purpose of this Notice is to inform you about: (i) the pendency of the stockholder derivative action which was brought by T2 Partners Management, LP dba Kase Capital Management; T2 Accredited Fund, LP dba Kase Fund; T2 Qualified Fund, LP dba Kase Qualified Fund; Tilson Offshore Fund, LTD; T2 Partners Management I, LLC dba Kase Management; T2 Partners Management Group, LLC dba Kase Group; JMG Capital Management, LLC; Pacific Capital Management, LLC (the "T2 Plaintiffs") on behalf of and for the benefit of Reading (the "T2 Action") in the Eighth Judicial District Court of the State of Nevada (the "Court"); (ii) a proposed settlement of the T2 Action (the "Settlement"), subject to Court approval, as provided in a **Joint Motion for Preliminary Approval of Settlement, Notice to Stockholders and Scheduling of Settlement Hearing on Order Shortening Time** Joint Motion (the "Joint Motion") that was filed with the Court and is publicly available for review as indicated in paragraph 28 below; (iii) the hearing that the Court will hold on _____, 2016 at ___:___ __.m., to determine whether to approve the Settlement; and (iv) current stockholders' rights with respect to the proposed Settlement.[1]

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

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[1] All capitalized terms not otherwise defined in this Notice shall have the meaning provided in the Stipulation.

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YOUR RIGHTS WILL BE AFFECTED BY THE ACTION.

The Settlement Agreement was entered into as of July 10, 2016, between and among: T2 Plaintiffs; and individual defendants Margaret Cotter, Ellen Cotter, Douglas McEachern, Guy Adams, Edward Kane, Judy Codding, Michael Wrotniak, William Gould, and Craig Tompkins (collectively, the "Individual Defendants"); and nominal defendant Reading (collectively with T2 Plaintiffs and Individual Defendants, the "Parties"), subject to the approval of the Court pursuant to Nevada Rule of Civil Procedure 23.1. Because the T2 Action was brought as a derivative action on behalf of and for the benefit of Reading, the benefits of the Settlement will go to Reading.

WHAT IS THE PURPOSE OF THIS NOTICE?

1. The purpose of this Notice is to explain the T2 Action, the terms of the proposed Settlement, and how the Settlement affects Reading stockholders' legal rights.

2. In a derivative action, one or more people and/or entities who are current stockholders of a corporation sue on behalf of and for the benefit of the corporation, seeking to enforce the corporation's legal rights.

3. As described more fully in paragraph 26 below, current stockholders have the right to object to the proposed Settlement. They have the right to appear and be heard at the Settlement Hearing, which will be held before The Honorable Elizabeth Gonzalez on _____, 2016 at __:__ __.m., at the Regional Justice Center, 200 Lewis Avenue, Las Vegas, NV 89155. At the Settlement Hearing, the Court will (a) determine whether the proposed Settlement, on the terms and conditions provided for in the Settlement Agreement, is fair, reasonable, and adequate and in the best interests of Reading and its current stockholders; (b) determine whether the Court should finally approve the Joint Motion and enter the Judgment as provided in the Joint Motion, dismissing the T2 Action with prejudice and extinguishing and releasing the Released Claims; (c) hear and determine any objections to the proposed Settlement; and (d) rule on such other matters as the Court may deem appropriate.

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4. The Court has reserved the right to adjourn or continue the Settlement Hearing without further notice to you other than by announcement at the Settlement Hearing or any adjournment thereof, or notation on the docket. The Court has further reserved the right to approve the Settlement, at or after the Settlement Hearing, with such modifications as may be consented to by the Parties and without further notice of any kind.

WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?

THE FOLLOWING DESCRIPTION OF THE T2 ACTION AND THE SETTLEMENT HAS BEEN PREPARED BY COUNSEL FOR THE PARTIES. THE COURT HAS MADE NO FINDINGS WITH RESPECT TO SUCH MATTERS, AND THIS NOTICE IS NOT AN EXPRESSION OR STATEMENT BY THE COURT OF FINDINGS OF FACT.

5. On June 12, 2015, Reading's Board of Directors terminated James J. Cotter, Jr. as the President and Chief Executive Officer of Reading.

6. That same day, Mr. Cotter, Jr. filed a lawsuit, styled as both an individual and a derivative action, and titled "James J. Cotter, Jr., individually and derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, et al." against the Company, Ellen Cotter, Margaret Cotter, Guy Adams, William Gould, Edward Kane, Douglas McEachern, and Timothy Storey in the Eighth Judicial District Court of the State of Nevada (the "James Cotter, Jr. Action").

7. On October 22, 2015, Mr. Cotter, Jr., amended his complaint (the "Amended James Cotter, Jr. Complaint") to drop his individual claims. Accordingly, the Amended James Cotter, Jr. Complaint presently purports to assert only purportedly derivative claims and to seek remedies only on behalf of the Company. The lawsuit currently alleges, among other things, that Margaret Cotter, Guy Adams, William Gould, Edward Kane and Douglas McEachern breached their fiduciary duties to the Company by terminating Mr. Cotter, Jr. as President and Chief Executive Officer, continuing to make use of the Executive Committee that has been in place for more than the past ten years, making allegedly potentially misleading statements in its press

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releases and filings with the Securities and Exchange Commission, paying certain compensation to Ellen Cotter, and allowing the Estate of James Cotter, Sr. to make use of Class A Common Stock to pay for the exercise of certain long outstanding stock options held of record by the Estate of James Cotter, Sr. James Cotter, Jr. seeks reinstatement as President and CEO and alleges as damages fluctuations in the price of Reading's shares after the announcement of his termination as President and CEO and certain unspecified damages to Reading's reputation. Mr. Cotter, Jr. is also seeking, among other things, an order that Reading's Executive Committee be disbanded (an injunctive remedy that, if granted, would be binding on the Company).

8. On August 6, 2015, the Company received notice that a Motion to Intervene in the James Cotter, Jr. Action and a proposed derivative complaint had been filed by the T2 Plaintiffs in the Eighth Judicial District Court. On August 11, 2015, the Court granted the motion of the T2 Plaintiffs, allowing these plaintiffs to file their complaint (the "T2 Complaint").

9. On September 9, 2015, certain of the Individual Defendants filed a Motion to Dismiss the T2 Complaint. The Company joined this Motion to Dismiss on September 14, 2015. The hearing on this Motion to Dismiss was vacated as the T2 Plaintiffs voluntarily withdrew the T2 Complaint, with the parties agreeing that T2 Plaintiffs would have leave to amend the T2 Complaint.

10. On February 12, 2016, the T2 Plaintiffs filed an amended complaint (the "Amended T2 Complaint"). The T2 Plaintiffs allege in their Amended T2 Complaint various violations of fiduciary duty, abuse of control, gross mismanagement and corporate waste by the defendants. More specifically the Amended T2 Complaint seeks the reinstatement of James J. Cotter, Jr. as President and Chief Executive Officer and certain monetary damages, as well as equitable injunctive relief, attorney fees, and costs of suit. The defendants in the T2 Action are the same as named in the James Cotter, Jr. Action as well as Director Judy Codding, Director Michael Wrotniak, and Company legal counsel, Craig Tompkins. The Amended T2 Complaint deleted its request for an order disbanding Reading's Executive Committee and for an order "collapsing the Class A and B stock structure into a single class of voting stock." The Amended

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T2 Complaint added a request for an order setting aside the election results from the 2015 Annual Meeting of Stockholders, based on an allegation that Ellen Cotter and Margaret Cotter were not entitled to vote the shares of Class B Common Stock held of record by the Estate of James Cotter, Sr. and the Living Trust established by James Cotter, Sr.

11. On February 25, 2016, the Court denied Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, and Douglas McEachern's Motion to Dismiss the James Cotter, Jr. Amended Complaint.

12. In connection with the litigation, James Cotter, Jr. and the T2 Plaintiffs conducted extensive discovery on these matters, which included depositions of Guy Adams, Margaret Cotter, Ellen Cotter, William Gould, Edward Kane, Douglas McEachern, Timothy Storey, and James Cotter, Jr. In response to discovery requests, Reading produced over 13,900 documents, and the Individual Defendants produced over 7,900 documents.

13. In connection with efforts to settle this matter, the Parties engaged in extensive discussions.

14. On July 10, 2016, the Parties entered into a formal Settlement Agreement and Release of Claims ("Settlement Agreement") setting forth the terms of the Settlement.

WHAT ARE THE TERMS OF THE SETTLEMENT?

15. As consideration for the Settlement:

a. The Parties shall mutually agree upon the terms of a press release discussing the reasons for the Settlement.

b. The Parties shall not to disparage each other in connection with the T2 Action.

WHAT ARE THE PARTIES' REASONS FOR THE SETTLEMENT?

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16. The T2 Plaintiffs brought derivative claims to ensure that the interests of all stockholders were being appropriately protected. In connection with the litigation, the T2 Plaintiffs conducted extensive discovery on the matters alleged in the T2 and Jim Cotter, Jr. Complaints, discovery that included depositions of Guy Adams, Margaret Cotter, Ellen Cotter, William Gould, Edward Kane, Douglas McEachern, Timothy Storey, and James Cotter, Jr. Following their efforts on behalf of the stockholders, the T2 Plaintiffs concluded that the Reading Board of Directors has acted in the best interests of all stockholders and that continuing with their derivative stockholder litigation would provide no further benefit to Reading's stockholders, including the T2 Plaintiffs.

17. The T2 Plaintiffs believe that the Settlement provides substantial and immediate benefits for Reading and its current stockholders. In addition to these substantial benefits, T2 Plaintiffs and their counsel have considered: (i) the attendant risks of continued litigation and the uncertainty of the outcome of the T2 Action; (ii) the probability of success on the merits; (iii) the inherent problems of proof associated with, and possible defenses to, the claims asserted in the T2 Action; (iv) the desirability of permitting the settlement to be consummated according to its terms; (v) the expense and length of continued proceedings necessary to prosecute the T2 Action against the Defendants through trial and appeals; and (vi) the conclusion of the T2 Plaintiffs and their counsel that the terms and conditions of the Settlement Agreement are fair, reasonable, and adequate, and that it is in the best interests of Reading and its current stockholders to settle the T2 Action on the terms set forth herein.

18. Based on T2 Plaintiffs' Counsel's thorough review and analysis of the relevant facts, allegations, defenses, and controlling legal principles, T2 Plaintiffs' Counsel believe that the settlement set forth in this Settlement Agreement is fair, reasonable, and adequate, and confers substantial benefits upon Reading and its current stockholders. Based upon T2 Plaintiffs' Counsel's evaluation as well as T2 Plaintiffs' own evaluation, T2 Plaintiffs have determined that the settlement is in the best interests of Reading and its current stockholders and

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has agreed to settle the T2 Action upon the terms and subject to the conditions set forth in the Settlement Agreement and summarized herein.

19. The Defendants deny any and all allegations of wrongdoing, liability, violations of law or damages arising out of or related to any of the conduct, statements, acts, or omissions alleged in the T2 Action, and maintain that their conduct was at all times proper, in the best interests of Reading and its stockholders, and in compliance with applicable law. The Defendants further deny any breach of fiduciary duties or aiding and abetting any breach of such a fiduciary duty. The Defendants also deny that Reading or its stockholders were harmed by any conduct of the Defendants alleged in the T2 Action or that could have been alleged therein. Each of the Defendants asserts that, at all relevant times, they acted in good faith and in a manner they reasonably believed to be in the best interests of Reading and all of its stockholders.

20. Defendants, however, recognize the uncertainty and the risk inherent in any litigation, and the difficulties and substantial burdens, expense, and length of time that may be necessary to defend this proceeding through the conclusion of trial, post-trial motions, and appeals. In particular, Defendants are cognizant of the burdens this litigation is imposing on Reading and its management, and the impact that continued litigation will have on management's ability to continue focusing on the creation of stockholder value. Defendants wish to eliminate the uncertainty, risk, burden and expense of further litigation, and to permit the operation of Reading without further distraction and diversion of its directors and executive personnel with respect to the T2 Action. Defendants have therefore determined to settle the T2 Action on the terms and conditions set forth in the Settlement Agreement solely to put the Released Claims (as defined herein) to rest finally and forever, without in any way acknowledging any wrongdoing, fault, liability, or damages.

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WHAT WILL HAPPEN IF THE SETTLEMENT IS APPROVED?

WHAT CLAIMS WILL THE SETTLEMENT RELEASE?

21. If the Settlement is approved, the Court will enter a judgment (the "Judgment"). Upon entry of the Judgment, the T2 Action will be dismissed in its entirety and with prejudice and the following releases will occur:

Release of Claims by Reading, T2 Plaintiffs, and Other Reading Stockholders: Reading, T2 Plaintiffs, and each and every other Reading stockholder, excluding James Cotter, Jr., on behalf of themselves and any other person or entity who could assert any of the Released T2 Plaintiffs' Claims on their behalf, in such capacity only, shall fully, finally, and forever release, settle, and discharge, and shall forever be enjoined from prosecuting, the Released T2 Plaintiffs' Claims against Defendants and any other Defendants' Releasees.

"Released T2 Plaintiffs' Claims" means all any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature, or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims, whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule (including claims within the exclusive jurisdiction of the federal courts, such as, but not limited to, federal securities claims or other claims based upon the purchase or sale of shares), that are, have been, could have been, could now be, or in the future could, can, or might be asserted, in the T2 Action or in any other court, tribunal, or proceeding by T2 Plaintiffs or any other Reading stockholder, excluding James Cotter, Jr., derivatively on behalf of Reading, or by Reading directly against any of the Defendants' Releasees, which, now or hereafter, are based upon, arise out of, relate in any way to, or involve, directly or indirectly, any of the actions,

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transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, facts, practices, events, claims or any other matters, things or causes whatsoever, or any series thereof, that relate in any way to, or could arise in connection with, the alleged breaches of fiduciary duty, abuse of control, gross mismanagement, and corporate waste, including but not limited to those alleged, asserted, set forth, claimed, embraced, involved, or referred to in, or related to the Amended T2 Complaint or the T2 Action, except for claims relating to the enforcement of the Settlement and for any claims that Defendants may have against any of their insurers, co-insurers or reinsurers that are not otherwise released pursuant to other documentation. For the avoidance of doubt, the Released T2 Plaintiffs' Claims include all of the claims asserted in the T2 Action, but do not include claims based on conduct of Defendants' Releasees after the Effective Date.

"Defendants' Releasees" means Reading, Defendants, and any other current or former officer, director or employee of Reading, excluding James Cotter, Jr., and their respective past, present, or future family members, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, advisors, consultants, investment bankers, entities providing any fairness opinion, underwriters, brokers, dealers, financing sources lenders, commercial bankers, attorneys, personal or legal representatives, accountants, associates and insurers, co-insurers and reinsurers, except with respect to claims by any Individual Defendant or Nominal Defendant against such insurer, co-insurer, or re-insurer that have not otherwise been released pursuant to other documentation.

Release of Claims by Defendants: Defendants and the other Defendants' Releasees, on

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behalf of themselves and any other person or entity who could assert any of the Released Defendants' Claims on their behalf, in such capacity only, shall fully, finally, and forever release, settle, and discharge, and shall forever be enjoined from prosecuting, the Released Defendants' Claims against T2 Plaintiffs' Releasees.

"Released Defendants' Claims" means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues, and controversies of any kind, nature, or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims, whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule (including claims within the exclusive jurisdiction of the federal courts), that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against Defendants in the T2 Action, except for claims relating to the enforcement of the Settlement. For the avoidance of doubt, the Released Defendants' Claims do not include claims based on the conduct of the T2 Plaintiffs' Releasees after the Effective Date and do not include any claims that Defendants may have against any of their insurers, co-insurers or reinsurers that are not otherwise released pursuant to other documentation.

"T2 Plaintiffs' Releasees" means T2 Plaintiffs, all other Reading stockholders, excluding James Cotter, Jr., and any current or former officer or director of any Reading stockholder, and their respective past, present, or future family members, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managing

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members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, advisors, consultants, investment bankers, entities providing any fairness opinion, underwriters, brokers, dealers, financing sources, lenders, commercial bankers, attorneys, personal or legal representatives, accountants, and associates.

"Unknown Claims" means any Released T2 Plaintiffs' Claims that Reading, T2 Plaintiffs, or any other Reading stockholder, excluding James Cotter, Jr., does not know or suspect to exist in his, her, or its favor at the time of the release of the Defendants' Releasees, and any Released Defendants' Claims that any of the Defendants or any of the other Defendants' Releasees does not know or suspect to exist in his, her, or its favor at the time of the release of the T2 Plaintiffs' Releasees, which, if known by him, her or it, might have affected his, her, or its decision(s) with respect to the Settlement. With respect to any and all Released T2 Plaintiffs' Claims and Released Defendants' Claims, the Parties stipulate and agree that Reading, T2 Plaintiffs and each of the Defendants shall expressly waive, and each of the other Reading stockholders, excluding James Cotter, Jr., and each of the other Defendants' Releasees shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by California Civil Code §1542, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

and any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542. Reading, T2 Plaintiffs and each of the Defendants acknowledge, and each of the other Reading stockholders, excluding James Cotter, Jr., and each of the other Defendants' Releasees shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for

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and is a key element of the Settlement.

22. If the Settlement is approved, since Reading will have released the Released T2 Plaintiffs' Claims described above against any of the other Defendants' Releasees, no Reading stockholder, excluding James Cotter, Jr., will be able to bring another action asserting those claims against those persons on behalf of Reading excluding any claims any Individual Defendant or Nominal Defendant has against insurers, re-insurers or co-insurers that are not released pursuant to other documentation.

23. Pending final determination by the Court of whether the Settlement should be approved, T2 Plaintiffs, all Reading stockholders, excluding James Cotter, Jr., Defendants, and Reading are enjoined from filing, commencing, or prosecuting any Released Claims against the Releasees in the T2 Action or in any other lawsuit in any jurisdiction excluding any claims any Individual Defendant or Nominal Defendant has against insurers, re-insurers or co-insurers that are not released pursuant to other documentation.

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HOW WILL THE ATTORNEYS GET PAID?

24. Each of the Parties will bear his, her, or its own legal fees and expenses.

WHEN AND WHERE WILL THE SETTLEMENT HEARING BE HELD?

DO I HAVE THE RIGHT TO APPEAR AT THE SETTLEMENT HEARING?

25. The Court will consider the Settlement and all matters related to the Settlement at the Settlement Hearing. The Settlement Hearing will be held before The Honorable Elizabeth Gonzalez on _____, 2016 at __:__ _.m., in the Regional Justice Center, 200 Lewis Avenue, Las Vegas, NV 89155 .

26. Any Current Stockholder who objects to the Settlement, or who otherwise wishes to be heard, may appear in person or through his, her, or its attorney at the Settlement Hearing and present any evidence or argument that may be proper and relevant; provided, however, that no such person shall be heard or entitled to contest the approval of the terms and conditions of the Settlement, or, if approved, the Judgment to be entered thereon, unless, no later than ten business days before the Settlement Hearing, such person files with the Court, the following: (a) proof of current ownership of Reading stock; (b) a written and signed notice of the Objector's intention to appear, which states the name, address and telephone number of Objector and, if represented, his, her or its counsel; (c) a detailed statement of the objections to any matter before the Court; and (d) a detailed statement of all of the grounds thereon and the reasons for the Objector's desire to appear and to be heard, as well as all documents or writings which the Objector desires the Court to consider. Any such filings with the Court must also be served upon each of the following counsel (by hand, first class U.S. mail, or express service) such that they are received no later than ten calendar days prior to the Settlement Hearing:

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27. Unless the Court otherwise directs, any person who fails to object in the manner prescribed above shall be deemed to have waived his, her, or its right to object and shall be forever barred from raising any objection to the Settlement or any other matter related to the Settlement, in the T2 Action or in any other action or proceeding.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

28. This Notice does not purport to be a comprehensive description of the T2 Action, the allegations related thereto, the terms of the Settlement, or the Settlement Hearing. For a more detailed statement of the matters involved in the T2 Action, you may inspect the pleadings, the Joint Motion, the Orders entered by the Court, and other papers filed in the T2 Action at Regional Justice Center, 200 Lewis Avenue, Las Vegas, NV 89155, during regular business hours of each business day. You may also view a copy of the Settlement Agreement at http://www._____.com. If you have questions regarding the Settlement, you may write or call T2 Plaintiffs' Counsel: Alexander Robertson, IV, 32121 Lindero Canyon Road, Suite 200, Westlake Village, CA 91361, (818) 851-3850; and Adam C. Anderson, Patti, Sgro, Lewis & Roger, 720 S. 7th Street, 3rd Floor, Las Vegas, NV 89101, (702) 385-9595.

DO NOT CALL OR WRITE THE COURT REGARDING THIS NOTICE.

NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF OTHERS

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29. Brokerage firms, banks, and other persons or entities who hold shares of Reading common stock as record owners, but not as beneficial owners, are directed to either (a) promptly request from Reading sufficient copies of this Notice to forward to all such beneficial owners and after receipt of the requested copies promptly forward such Notices to all such beneficial owners; or (b) promptly provide a list of the names and addresses of all such beneficial owners to [name], Corporate Secretary, Reading, 6100 Center Drive, Suite 900, Los Angeles, CA, 90045 after which Reading will promptly send copies of the Notice to such beneficial owners. Copies of this Notice may be obtained by calling Reading's transfer agent, toll free, at [phone number].

BY ORDER OF THE COURT

Dated: _____, 2016 _____

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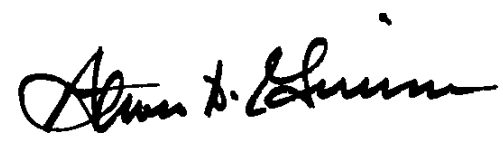

CLERK OF THE COURT

JOIN
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Counsel for Reading International, Inc.

DISTRICT COURT

CLARK COUNTY, NEVADA

In the Matter of the Estate of JAMES J. COTTER, Deceased. 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. 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. XI Case No. A-16-735305-B Dept. XI **READING INTERNATIONAL, INC.'S JOINDER TO THE INDIVIDUAL DEFENDANTS' MOTION FOR SUMMARY JUDGMENT NO. 1 RE PLAINTIFF'S TERMINATION AND REINSTATEMENT CLAIMS** **Date of Hearing: October 25, 2016** **Time: 8:30 a.m.**

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READING INTERNATIONAL, INC. ("RDI" or "Company"), hereby submits its *Joinder to the Individual Defendants' Motion for Summary Judgment No. 1 Re Plaintiff's Termination and Reinstatement Claims (the "Motion")*. RDI joins with the Individual Defendants[1] in seeking summary judgment to the extent that Plaintiff James J. Cotter, Jr. ("Cotter, Jr.") is challenging his termination as President and CEO of Reading in the claims asserted the Second Amended Complaint. RDI joins in the arguments advanced on behalf of the Individual Defendants in their Motion and requests judgment in its favor.

This Joinder is based on the following memorandum of points and authorities, the pleadings and papers filed in this action, and any oral argument of counsel made at the time of the hearing of this Motion.

DATED: this 3rd day of October, 2016

GREENBERG TRAURIG, LLP

/s/ Mark E. Ferrario
MARK E. FERRARIO, ESQ.
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KARA B. HENDRICKS, ESQ.
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MEMORANDUM OF POINTS AND AUTHORITIES

This Court should grant judgment in favor of RDI on the First, Second, Third, and Fourth Causes of Action in the Second Amended Complaint ("SAC") filed by Plaintiff James J. Cotter, Jr. ("Plaintiff" and/or "Cotter, Jr."), to the extent that such claims relate to the removal of Cotter, Jr. as the President and CEO or RDI on June 12, 2015, and Cotter, Jr.'s request for reinstatement. Cotter, Jr. is clearly attempting to circumvent his employment agreement and the Company's Bylaws and seeking relief that he, rather than any other RDI stockholder will benefit from.

[1] The Motion was brought on behalf of Margaret Cotter, Ellen Cotter, Douglas McEachern, Guy Adams and Edward Kane, collectively hereinafter "Individual Defendants."

Moreover, Plaintiff's request for reinstatement will greatly harm the Company which has been successfully operating without him for over a year. Summary judgment is appropriate in RDI's favor.

The undisputed facts clearly show that Cotter, Jr.'s approximately 10 month tenure as CEO of RDI was plagued with drama as Board Members were made aware of multiple concerns regarding Plaintiff's: managerial skills; lack of experience in key aspects of RDI's business; inability to effectively communicate with RDI executives, staff and other Board Members; tension related to the trust and estate litigation involving the Cotter siblings; and violent and abusive behavior. Notwithstanding going to great lengths in an effort to aid Plaintiff, including utilizing an ombudsman to provide support and coaching, Cotter, Jr. was unable to demonstrate to RDI Board Members that he could overcome his deficiencies and succeed as an executive of the Company. As such, proper steps were taken to review Cotter, Jr.'s performance and ultimately remove him as the Company's President and CEO.

In an effort to aid the Court and be efficient, RDI provides the following limited additional supplemental arguments in support of the Motion.

LEGAL ARGUMENT

I. Summary Judgment is Warranted.

Summary judgment should be granted if the pleadings, admissions, and all other evidence on file demonstrate that no genuine issue of material fact exists and that the moving party is entitled to judgment as a matter of law. *Wood v. Safeway, Inc.,* 121 Nev. 724, 729, 121 P.3d 1026, 1029 (2005). "[I]f the nonmoving party will bear the burden of persuasion at trial, the party moving for summary judgment may satisfy the burden of production by . . . pointing out ... that there is an absence of evidence to support the nonmoving party's case." *Cuzze v. Univ. & Cmty. Coll. Sys. of Nevada*, 123 Nev. 598, 602-03, 172 P.3d 131, 134 (2007). In that event, the non-moving party is then obligated to present admissible evidence to show that there are material issues of fact preventing summary judgment, or summary judgment must be granted. *Id.* Because a plaintiff is required to prove each element of his cause of action, if any element cannot be proven by admissible evidence, then summary judgment is proper. *Bulbman, Inc. v. Nevada*

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Bell, 108 Nev. 105, 111, 825 P.2d 588, 592 (1992).

Plaintiff's challenge to his termination and request for reinstatement are contrary to law and will cause substantial harm to the Company. Summary judgment is warranted.

A. Nevada Law Supports Defendants' Actions.

The Court need look no further than NRS 78.120 to rule in RDI's favor as the statute provides the board of directors full control over the affairs of the company. Specifically, the statute states that subject only to limitations found in NRS 78, "the board of directors has full control over the affairs of the corporation." Although Cotter, Jr. obviously dislikes the decision of RDI's Board to remove him as the President and CEO of RDI, the board is in control of the Company's affairs and acted appropriately.

Moreover, Article IV, of RDI's Amended and Restated Bylaws ("RDI Bylaws")[2] provides RDI's Board the ability to remove officers of the Company and clearly indicates that the officers of the RDI serve at the pleasure of the Board of Directors. Section 10 of RDI's Bylaws state:

> 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 any meeting thereof or by written consent. (Emphasis Added.)

Motion, Ex. 19. Pursuant to NRS 78.130(3), a corporation's bylaws govern the term an officer holds office or that the determination of the term is made by the corporation's board of directors. Thus, the removal of Cotter, Jr. by RDI's Board from the position of President and CEO of RDI was consistent with RDI's Bylaws and Nevada law.

What Plaintiff appears to be requesting is that the Court ignore both Chapter 78 of the Nevada Revised Statutes and RDI's Bylaws and substitute its judgment for that of RDI's Board of Directors. The Motion provides ample legal authority that prohibits the Court from taking such action. However, if the Court were to consider any such action, the impact such a decision would have on the Company should be fully evaluated.

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[2] *See*, Motion, Exhibit 19.

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B. Implications of Relief Sought by Plaintiff.

Cotter, Jr. was removed as the President of CEO of RDI more than 15 months ago.[3] The Company has moved on without him in the role as an executive. As the Court is aware, RDI conducted a search for a new CEO and Ellen Cotter was subsequently appointed as the President and CEO of the Company.[4] Since Cotter, Jr.'s removal, RDI has moved forward in developing new policies and procedures and appointed new directors.[5] Additionally, Ellen Cotter has articulated a direction for the Company that is supported by all RDI Board Members, except for Cotter, Jr. Indeed, when new matters have been brought to RDI's Board for consideration, Cotter, Jr. has consistently been the sole dissenting or abstaining vote.[6] Although he has objected to virtually every decision made by RDI's board since June of 2015, Plaintiff has the audacity to suggest that the Court should reinstate him as President and CEO.[7] Any such decision would only serve to disrupt the Company and its employees who have been working diligently to move the company forward.

The efforts of RDI's current management team have been recognized by third parties including the T2 Plaintiffs[8] who have reached a settlement agreement with RDI. As the Court is aware, the T2 Plaintiffs have affirmatively concluded that RDI's "Board of Directors has acted in good faith and has and remains committed to acting in the interests of all stockholders."[9] Moreover, the T2 Plaintiffs announced that their "questions about the termination of James Cotter, Jr., and various transactions between Reading and members of the Cotter family- or entities they control- have been definitively addressed and put to rest."[10] As set forth in the Motion, these same individuals and other third parties have testified that reinstatement of Cotter,

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[3] Motion, Statement of Facts, p. 11.
[4] Motion, Statement of Facts, p. 12.
[5] Motion, Statement of Facts, p. 12-13.
[6] *See,* SAC ¶¶ 125, 133, and 157.
[7] *See,* SAC Prayer for Relief 1 and 2.
[8] T2 PARTNERS MANAGEMENT, LP, T2 ACCREDITED FUND, LP, T2 QUALIFIED FUND, LP, TILSON OFFSHORE FUND, LTD., T2 PARTNERS MANAGEMENT I, LLC, T2 PARTNERS MANAGEMENT GROUP, LLC, JMG CAPITAL MANAGEMENT, LLC, PACIFIC CAPITAL MANAGEMENT, LLC, WHITNEY TILSON AND JONATHAN GLASER will be referred to collectively herein as the "T2 Plaintiffs."
[9] A true and correct copy of the press release issued by Reading and the managers of the funds that manage the T2 Plaintiffs is attached hereto as **Exhibit A.**
[10] *Id.*

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Jr. is not a priority and have gone as far as to indicate that reinstating Cotter, Jr. would divide the company.[11]

The animosity between Cotter Jr. and RDI's Board is clear from the SAC wherein Plaintiff sues each Board member. It is nonsensical to suggest that Plaintiff could be reinstated as the President and CEO or RDI and required then to answer to and get along with the very Board members he has accused of multiple breaches of fiduciary duties. Cotter, Jr. has not asked and the Court does not have the Authority to remove all of RDI's existing Board members. As such, if Cotter, Jr. were reinstated, RDI's Board could once again terminate him.

The Court should also consider the potential implications of the relief that Plaintiff seeks. There is no legal basis for the chaos that would be created by reinstatement of Cotter, Jr. RDI's Board acted pursuant to Nevada law and its Bylaws when terminating Cotter, Jr. and rightfully exercised their business judgment consistent with NRS 78.130 and NRS 78.138(3) for which they are presumptively protected. Taking Plaintiff's arguments at face value, Nevada's statutes become meaningless and decisions by Board members moot. There is no basis for the Court to substitute its decision for that of the Board. Allowing Plaintiff's claim to proceed would turn Nevada corporate governance on its head.

Moreover, there is no place in a derivate lawsuit for employment termination claims especially in case like this where Cotter, Jr. is currently arbitrating his employment dispute. It is up the arbitrator to make a final decision regarding Plaintiff's employment related claims. There is no reason to duplicate efforts herein.

II. Conclusion

There is no legal basis for claims based on Plaintiff's termination from RDI to proceed in a derivative action. RDI's Board of Directors' actions were consistent with Nevada law and in accordance with RDI's Bylaws. The relief requested by Cotter, Jr. is self-serving and would be disruptive to the Company.

/ / /

[11] Motion, p. 12.

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WHEREFORE, RDI respectfully requests that summary judgment be entered in its favor to the extent that any claims in the SAC relate to the removal of Cotter, Jr. as the President and CEO or RDI on June 12, 2015, and Cotter, Jr.'s request for reinstatement.

DATED: this 3rd day of October, 2016

GREENBERG TRAURIG, LLP

/s/ Mark E. Ferrario
MARK E. FERRARIO, ESQ.
(NV Bar No. 1625)
KARA B. HENDRICKS, ESQ.
(NV Bar No. 7743)
TAMI D. COWDEN, ESQ.
(NV Bar No. 8994)
Counsel for Reading International, Inc.

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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 ***Reading International, Inc.'s Joinder to the Individual Defendants' Motion for Summary Judgment No. 1 Re Plaintiff's Termination and Reinstatement Claims*** 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 3rd day of October, 2016

/s/ Andrea Lee Rosehill
An employee of GREENBERG TRAURIG, LLP

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EXHIBIT A

Stockholders Withdraw Derivative Lawsuit Against Reading International

Los Angeles, California, - (BUSINESS WIRE) – July 12, 2016 – Reading International, Inc. (NASDAQ: RDI) ("Reading" or the "Company") and Messrs. Whitney Tilson and Jonathan M. Glaser, acting on behalf of various funds that they manage (the "Plaintiff Stockholders"), have announced that the Plaintiff Stockholders have withdrawn all of their alleged claims (the "Derivative Claims") in the previously filed derivative lawsuit in the District Court of the State of Nevada for Clark County. Collectively, the Plaintiff Stockholders own approximately 845,000 shares, representing approximately 3.7% of the outstanding equity of our Company. Through their various funds, Mr. Glaser has been a significant stockholder of Reading since 2008, and Mr. Tilson has been a significant stockholder since October 2014.

Commenting on the withdrawal of the lawsuit, the Company stated, "We are pleased that Mr. Glaser and Mr. Tilson have agreed to dismiss their claims. We remain focused on building long term value for all stockholders."

Mr. Tilson stated that the Plaintiff Stockholders brought the Derivative Claims as a result of the allegations contained in a derivative action filed by Mr. James J. Cotter, Jr. on June 12, 2015, in the District Court of the State of Nevada for Clark County. As stockholders in the Company, Messrs. Tilson and Glaser wanted to ensure that the interests of all stockholders were being appropriately protected. In connection with the litigation, the Plaintiff Stockholders conducted extensive discovery on these matters, which included depositions of Guy Adams, Margaret Cotter, Ellen Cotter, William Gould, Edward Kane, Douglas McEachern, Tim Storey and James Cotter, Jr. Following their efforts on behalf of all stockholders, Messrs. Tilson and Glaser have concluded that the Reading Board of Directors has acted in good faith and has been and remains committed to acting in the interests of all stockholders. Continuing with their derivative litigation would provide no further benefit.

Messrs. Glaser and Tilson stated, "We are pleased with the conclusions reached by our investigations as Plaintiff Stockholders and now firmly believe that the Reading Board of Directors has and will continue to protect stockholder interests and will continue to work to maximize shareholder value over the long term. We appreciate the Company's willingness to engage in open dialogue and are excited about the Company's prospects. Our questions about the termination of James Cotter, Jr., and various transactions between Reading and members of the Cotter family-or entities they control-have been definitively addressed and put to rest. We are impressed by measures the Reading Board has made over the past year to further strengthen corporate governance. We fully support the Reading Board and management team and their strategy to create stockholder value."

In connection with the dismissal of the Derivative Claims, the parties have agreed to mutual general releases with each party bearing his, her or its own legal fees and expenses. Further, the parties will petition the court for approval of the settlement.

About Reading International, Inc.

Reading International (http://www.readingrdi.com) is in the business of owning and operating cinemas and developing, owning, and operating real estate assets. Our business consists primarily of:

- the development, ownership, and operation of multiplex cinemas in the United States, Australia and New Zealand; and
- the development, ownership, and operation of retail and commercial real estate in Australia, New Zealand, and

the United States, including entertainment-themed centers in Australia and New Zealand and live theater assets in Manhattan and Chicago in the United States.

Reading manages its worldwide business under various brands:

- In the United States, under the
  - Reading Cinema brand (http://www.readingcinemasus.com);
  - Angelika Film Center brand (http://www.angelikafilmcenter.com);
  - Consolidated Theatres brand (http://www.consolidatedtheatres.com);
  - City Cinemas brand (http://www.citycinemas.com);
  - Beekman Theatre brand (http://www.beekmantheatre.com);
  - The Paris Theatre brand (http://www.theparistheatre.com);
  - Liberty Theatres brand (http://libertytheatresusa.com); and
  - Village East Cinema brand (http://villageeastcinema.com).

- In Australia, under the
  - Reading Cinema brand (http://www.readingcinemas.com.au);
  - Newmarket brand (http://readingnewmarket.com.au); and
  - Red Yard brand (http://www.redyard.com.au).

- In New Zealand, under the
  - Reading Cinema brand (http://www.readingcinemas.co.nz);
  - Rialto brand (http://www.rialto.co.nz);
  - Reading Properties brand (http://readingproperties.co.nz);
  - Courtenay Central brand (http://www.readingcourtenay.co.nz); and
  - Steer n' Beer restaurant brand (http://steernbeer.co.nz).

For more information from Reading International, Inc., contact:

Dev Ghose
Executive Vice President & Chief Financial Officer
(213) 235-2240

or

Andrzej Matyczynski
Executive Vice President for Global Operations
(213) 235-2240

For more information from Plaintiff Stockholders, Whitney Tilson and Jonathan Glaser, contact:

Robertson & Associates, LLC
Alexander Robertson, IV
(818) 851-3850

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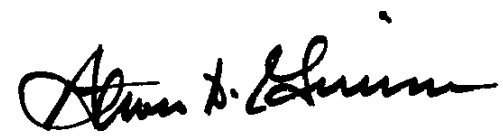

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DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., Plaintiff, v. READING INTERNATIONAL, INC., a Nevada corporation; DOES 1-100, and ROE ENTITIES, 1-100, inclusive, Defendants.	**Case No. A-15-719860-B** Dept. XI **Coordinated with:** Case No. P 14-082942-E Dept. XI Case No. A-16-735305-B Dept. No. XI
In the Matter of the Estate of JAMES J. COTTER, Deceased.	
JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc. Plaintiff, v. MARGARET COTTER, et al, Defendants.	**RDI's JOINDER TO THE INDIVIDUAL DEFENDANTS' OPPOSITION TO JAMES J. COTTER'S MOTION FOR PARTIAL SUMMARY JUDGMENT** **HEARING** **Date: Nov. 1, 2016** **Time: 8:30 a.m.**

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Reading International, Inc., a Nevada corporation ("**RDI**"), by and through its attorneys of record, the law firm of Greenberg Traurig, LLP, respectfully joins in the Individual Defendants' Opposition to the Motion for Partial Summary Judgment ("**Motion**") filed by Plaintiff James J. Cotter ("**Plaintiff**" and/or "**Cotter, Jr.**"). RDI joins in the arguments made by the Individual Defendants, and supplements those arguments as set forth in the following Memorandum of Points and Authorities, the pleadings and papers filed in this action, and any oral argument of counsel made at the time of the hearing of this Motion.

DATED this 13th day of October, 2016.

GREENBERG TRAURIG, LLP

/s/ Kara B. Hendricks

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MEMORANDUM AND POINTS OF AUTHORITY

Cotter, Jr.'s Motion for Partial Summary Judgment must be denied, as he has failed to show there is an absence of material disputed fact with respect to his theory for relief, and has failed to show that he is entitled to judgment as a matter of law. Indeed, Cotter, Jr.'s motion is premised on his theory that he was terminated as President and CEO of RDI in retaliation for his failure to settle a law suit with his sisters. However, the evidence shows that the reason for the termination was his ineffective performance in the position of CEO.

Cotter Jr.' motion is flawed. First, it is not supported by any Nevada authority. Second, it is not supported by the Delaware authority he cites. Third, it is not supported by the facts of the case. Simply put, his motion must be denied.

I. MATERIAL FACTS IN SUPPORT OF OPPOSITION

RDI joins and adopts as though set forth in their entirety the Statement of Facts contained in the Individual Defendants' Opposition to the Motion for Summary Judgment. RDI supplements those facts as set forth below.

1. Ellen Cotter has been employed by RDI or its predecessor since 1997. **Ex. A, Depo. of Ellen Cotter, 16:24**

2. Ellen Cotter has run the day-to-day operations of the Company's domestic cinema operations since 2002. ***Id.* at 34:2-20.**

3. Margaret Cotter has been working with RDI since 1998. **Ex. B, Deposition of Margaret Cotter, 14:18-15:8.**

4. While not an employee of RDI itself, Margaret Cotter was an employee of what is now known as Liberty Theaters, which is owned by RDI. *Id.* at **15:9-13; 39: 20-25.**

5. In that capacity, Margaret Cotter oversaw RDI's live-theater operations for 13 years; including management of four properties, management of the staff, booking of shows, overseeing regulatory licensing, and prior efforts at redevelopment of one of the properties in the face of risks of historical designation. Id. at **21:7-24:4**.

6. Cotter, Jr. was appointed to RDI's board in 2000, Vice Chairman of the Board in 2007, and President of RDI in 2013. The position of President had been vacant for many years and was reactivated solely for Cotter, Jr. **Ex. C, Deposition of J.J. Cotter, Jr. 133:21-25; 151:20-22; 162:7- 9.**

7. Cotter, Jr. has called Edward Kane "Uncle Ed." ***Id.*. 83:6-12**

II. OBJECTION TO COTTER, JR's CLAIMS UNCONTESTED FACTS

NRCP 56(c) requires that the party seeking summary judgment set forth a "concise statement of each fact material to the disposition of the Motion," with citations to the evidence that supports the fact. In the introductory section of his Motion, Cotter, Jr. did provide a bullet point list of "facts" he claims are uncontested. Motion, pp. 1-2. However, he did not provide the Court with citations to the evidence he claims supports these purportedly undisputed facts. RDI

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objects to Cotter, Jr.'s bullet pointed list of facts as follows:

Cotter, Jr.'s Second Bullet Point – Plaintiff contends that in January of 2015 there was a resolution that required the majority of outside directors to vote in favor of terminating him as President and CEO. To the extent the resolution purported to require that only certain directors could vote to determine RDI's CEO, the resolution conflicted with RDI's bylaws and was therefore void. RDI's bylaws provide:

> 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.

Ex. D, RDI Bylaws, Art IV, § 10.

Cotter, Jr.'s Third Bullet Point- Contrary to Plaintiff's assertion, the evidence does *not* reflect that Cotter, Jr. was told that he needed only to resolve certain disputes with his sisters to avoid termination. The minutes of the May 21, 2015 meeting show that four members of the Board of Directors favored the termination of Cotter, Jr. as CEO, due to observed deficiencies in his "leadership, understanding of the Company's business, temperament, managerial skills, decision-making, and other attributes in the role of Chief Executive Officer." **Ex. E, RDI Minutes, May 21, 2015, p. 3**. Additionally, following an executive session among the non-Cotter directors, Director Gould –who had not advocated for Cotter, Jr.'s termination– proposed that Cotter, Jr. continue as President, and the Company appoint a new CEO; Cotter, Jr. "twice refused to continue in the role of President under a new Chief Executive Officer." *Id*. at 3. The board then determined to delay the decision. Subsequent to the May 21, 2015 meeting, a proposal outlining the terms under which Ellen Cotter and Margaret Cotter would agree to Cotter, Jr.'s continuation as CEO was provided to Cotter, Jr. However, the proposal contained the following relevant language:

> The proposal outlined below set forth the basis on which Ellen Cotter ("EMC") and Margaret Cotter ("AMC") would be willing to proceed towards a negotiated settlement, but, with respect to the items related to the Company's management

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> structure only, is subject to the ultimate approval of the independent directors, in the exercise of their fiduciary duties and obligations. Nothing herein is intended to interfere with the appropriate exercise by the directors of their fiduciary duties and obligations.

Ex. F, Confidential Settlement memo of Understanding, p 1. While the proposal included terms that addressed the litigation between the siblings, and the employment of Ellen Cotter and Margaret Cotter by RDI, it also proposed means to remedy the risk to the company arising from Cotter, Jr.'s deficient performance, by curtailing the authority of the CEO and President, as follows:

> JJC would continue to serve as CEO and President under the terms of his existing contract, but in the overall management structure and subject to the limitation set forth below:
>
> *Executive Committee Structure*
>
> The existing Executive Committee would be renewed as a standing committee of the Board of Directors, as follows:
>
> - Members: MC, AMC, JJC, and Guy Adams (Chairman)
> - Delegated Authority to the Executive Committee to be determined by the Board of Directors, but would include, at a minimum, the following:
>
> - (i) Approval over the Hiring/Firing/Compensation of all senior level consultants/employees;
> - (ii) Review and approval/disapproval of all contracts/commitments have an overall exposure to the Company in excess of $1 million; and
> - (iii) Review and approval of annual Budget and Business Plan.
>
> Meetings would be held on a regularly scheduled basis weekly. Executive Committee member would naturally be free to attend and participate in internal meetings called by the CEO, and would endeavor to make themselves reasonably available to attend such meetings as to which they may be invited by the CEO.
>
> Unless approved in advance by the Executive Committee, all investor relations would be handled by CFO in consultation with the GC, and CEO. App press releases and public filings would be subject to review by the Executive Committee and the GC.

***Id.*, at pp. 1-2.**

The May 29, 2016 Minutes reflect that counsel for Cotter, Jr. had previously indicated an intent to file suit against the Company and its directors. **Ex. G, RDI Minutes, May 29, 2016, p. 1**. The proposal accordingly, also included the following term: "Immediate Release and Waiver signed by JJC with respect to all litigation, included any matters covered by the specified

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litigation." The specified litigation included not only the California trust litigation and the Nevada probate litigation filed by JJC, but also:

* * *

3. All threats against Directors

4. All threats of Company Derivative Action;

5. Agreement that Reading International, Inc. can drop the interpleader action in Nevada and recognize the Estate as the owner of Class B Shares and Option;

6. JJC further agrees not to sue Company over these matters or participate in any lawsuit related to the Company.

Ex. C, p. 2. Another condition that would result in benefit to RDI was the following:

> AMC, JJC, and EMC will engage in professional counseling to determine to work cooperatively together and with respect.

Id. at p. 3.

Furthermore, Cotter, Jr. fails to disclose to the court that he also proposed treatment of the trust and estate litigation as an element of an agreement that would allow him to remain as CEO. **Ex. H, Email Exchange, May 27, 2015**. Cotter, Jr. asked Kane to broker the agreement, which included numerous other elements, including professional counseling, employment of a "CEO consultant," limitations on reports to him, and monitoring of his performance. Cotter asked that everyone consider what Cotter, Sr. would have wanted, as this was best for the corporation. *Id.*

Cotter Jr.'s Seventh Bullet Point – In his seventh bullet point, Cotter, Jr. uses the term "recurring income" with respect to Guy Adams' in an attempt to show Adam's purported dependence on income received from Cotter related entities. This is apparently an attempt to disguise the existence of other assets held by Mr. Adams. In fact, testimony shows that in 2015, Mr. Adams had income from the sale of real property and stock in an amount that exceeded the entirety of his "recurring income." **Ex. I, Depo. Of Adams, 13:17-14:12.** Furthermore, Cotter, Jr. has presented no evidence to show that either Ellen Cotter or Margaret Cotter have actual discretionary control over the income received by Mr. Adams, which is derived from contractual

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arrangements made during the lifetime of Cotter, Sr.

III. LEGAL ARGUMENT

The Motion for Partial Summary Judgment must be denied. The entire premise of Cotter, Jr.'s claim that his termination constituted a breach of fiduciary duty relies on an analysis that simply has no application to a corporation's decision to fire an officer. Even though this Court gave Cotter, Jr. ample opportunity to flesh out his claim that the Board of Directors' decision to terminate him as CEO constituted a breach of the duty of loyalty, Cotter, Jr. has failed to show that his termination was the result of anything other than his own poor performance. Here, Cotter, Jr.'s termination was the result of the Board of Directors making an informed decision that RDI would benefit more without Cotter Jr. than with him.

A summary judgment motion may be granted only when the evidence shows both that there is no genuine issue as to any material fact, and that the movant is entitled to judgment as a matter of law. *Wood v. Safeway, Inc.*, 121 Nev. 724, 731, 121 P.3d 1026, 1031 (2005). The substantive law controls which factual disputes are material, and a factual dispute is genuine when the evidence is such that a rational trier of fact could return a verdict for the nonmoving party. *Id.* In determining whether there are material issues of fact, all of the non-movant's statements must be accepted as true and all reasonable inferences that can be drawn from the evidence must be admitted *Pegasus v. Reno Newspapers, Inc.*, 118 Nev. 706, 714, 57 P.3d 82, 87 (2002). If there is conflicting evidence on a material issue, or if reasonable persons could draw different inferences from the facts, the question is one of fact for the jury. *Broussard v. Hill*, 100 Nev. 325, 327, 682 P.2d 1376, 1377 (1984).

When the moving party bears the burden of proof at trial, that party must present evidence sufficient to entitle it to judgment as a matter of law. *Cuzze v. Univ. and Comm. Coll. Sys. of Nevada*, 123 Nev. 598, 602, 172 P.3d 131, 134 (2007). If the moving party fails to meet its burden, the nonmoving party has no obligation to produce rebuttal evidence. *Tom v. Innovative Home Sys., LLC*, 132 Nev. Adv. Op. 15, 368 P.3d 1219, 1225 (Nev. App. 2016).

Here, it is statutorily presumed that the Board of Director's decision to terminate Cotter,

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Jr. was made "in good faith, on an informed basis and with a view to the interests of the corporation." NRS 78.138(3). Cotter, Jr.'s Motion for Partial Summary Judgment may not be granted unless this Court determines that the evidence he has presented is such that reasonable minds "would necessarily agree" that it is more probable than not that the decision was not made with a *subjective* good faith belief that it was in the best interests of RDI. *See* NRS 47.200(1); NRS 78.138. The evidence presented by Cotter, Jr. is not even sufficient to present the question to a jury, let alone to decide the issue as a matter of law.

Furthermore, even if the evidence presented could somehow satisfy Cotter, Jr.'s burden with respect to the statutory presumption, he would then need to show that there is no material dispute over whether the termination decision was fair to RDI, or whether the decision was ratified by persons holding the majority of the stockholder voting power. *See* NRS 78.140. Cotter, cannot satisfy this burden. Indeed, as a matter of law, the termination decision was so ratified. Accordingly, even if Cotter, Jr. could overcome the business judgment rule, his Motion would still fail on this basis alone.

Cotter, Jr. did not present sufficient evidence to even raise an inference that the business judgment presumption has been rebutted, let alone establish a lack of good faith as a matter of law. Indeed, his entire claim is based on the incorrect notion that an employment decision is a "transaction" in which the directors could have an improper personal interest. Furthermore, he fails to present sufficient evidence of the purported improper personal interest, or show that any director was "beholden" to an interested director. Because Cotter, Jr. has failed to satisfy his burden to show entitlement to judgment as a matter of law, his Motion must be denied.

A. COTTER, JR.'S TERMINATION IS NEITHER VOID NOR VOIDABLE.

As shown in greater detail below, Cotter, Jr. has failed to show that the decision to terminate him was the product of interested director action. However, even if he had made such a showing, he still could not obtain his requested relief. This is true because, under Nevada law, actions involving interested directors cannot be voided when a majority of the voting stockholders have ratified the action, or when the challenged action is fair to the corporation. As

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set forth in **NRS 78.140:**

> 1. A contract or other transaction is not void or voidable solely because:
>
> * * *
>
> (c) The vote or votes of a common or interested director are counted for the purpose of authorizing or approving the contract or transaction,
>
> → if one of the circumstances specified in subsection 2 exists.
>
> 2. The circumstances in which a contract or other transaction is not void or voidable pursuant to subsection 1 are:
>
> * * *
>
> (b) The fact of the common directorship, office or financial interest is known to the stockholders, and stockholders holding a majority of the voting power approve or ratify the contract or transaction in good faith. ***The votes of the common or interested directors or officers must be counted in any such vote of stockholders***.
>
> * * *
>
> (d) The contract or transaction is fair as to the corporation at the time it is authorized or approved.

* * *

NRS 78.138(1) and (2). Here, *both* circumstances exist. Accordingly, Cotter, Jr. cannot receive the relief he requests.

i. The Votes of Ellen and Margaret Cotter in Favor of Termination Constituted Ratification by Majority Voting Shareholders.

On June 12, 2015, there were approximately 1,580,590 shares of RDI Class B voting stock outstanding. [1] As executors of the estate of Cotter, Sr., Ellen and Margaret Cotter jointly held the right to vote 327,080 shares, a fact that this court has acknowledged. ***See*** **Ex. J, Transcript, July 22, 2015, 4:9-5:5, Minute Order, September 18, 2015, Ex. K, Order on JJC Jr.'s Amended Petition for Decree of Partial Distribution.** Similarly, pursuant to NRS 78.352(3)(b), where there are multiple fiduciaries entitled to vote shares, a majority of said

[1] In June, 2015, the Estate had not yet exercised its option for 100,000 shares of Class B stock, and therefore, there were 100,000 shares fewer outstanding than at the November 2015 Annual Meeting.

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fiduciaries are entitled to determine the vote. There is no dispute that Ellen Cotter and Margaret Cotter are co-trustees of the James J. Cotter Living Trust, and thus represent the majority of the trustees, even if Cotter, Jr. is also a trustee. Indeed, in denying the T2 Plaintiffs request for a preliminary injunction, this Court essentially acknowledged that Ellen Cotter and Margaret Cotter together have the right to vote the 696,080 shares held by the James J. Cotter Living Trust. ***See* Ex. L, Transcript on T2 Plaintiffs Motion for Preliminary Injunction, May 26, 2016, pp. 15-16.** Leaving aside any Class B voting shares personally held by Ellen Cotter or Margaret Cotter, the combined total from the Estate and the Trust constitute a majority of the voting power for RDI.

Ellen and Margaret Cotter each voted in favor of the termination of Cotter, Jr. As they control the majority of the voting power in the corporation, that action constituted a ratification of the termination. This is true even if the Court determines that Ellen Cotter and Margaret Cotter were "interested" in the issue of termination, because, under Nevada law, the shares of "interested directors" must be counted in a stockholder vote. NRS 78.140(2)(b).

ii. The Termination Was Fair To RDI.

There is no basis for asserting that the termination was unfair to RDI. Nevada's statutory scheme recognizes that a transaction can be fair to the corporation, even if directors voting for it are "interested." Accordingly, a decision cannot be deemed unfair simply because of the purported interest. Instead, some harm to the corporation must be shown to have resulted for the transaction to be unfair.

Generally, fairness issues involve an aspect of financial injury to the corporation, such as inadequate consideration paid for stock or other assets; *Cinerama, Inc. v. Technicolor, Inc.*, 663 A.2d 1134, 1143 (Del. Ch. 1994), *aff'd,* 663 A.2d 1156 (Del. 1995); a transaction constitutes waste of corporate funds, s*ee In re INFOUSA, Inc. Shareholders Litig.*, 953 A.2d 963, 997 (Del. Ch. 2007); or a corporation is precluded from an opportunity that should have been its. See *Leavitt v. Leisure Sports Incorporation*, 103 Nev. 81, 87, 734 P.2d 1221, 1225 (1987), citing *Klinicki v. Lundgren,* 298 Or. 662, 695 P.2d 906, 910 (1985). None of those situations exist

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here.

Cotter, Jr. has not cited any case authority related to a fairness determination of a decision to terminate an officer, and for good reason, as operational decisions such as terminating a CEO are not subject to a fairness analysis. Nonetheless, here there is significant evidence to support the conclusion that the termination was fair, and indeed, even essential to RDI. The evidence shows that Cotter, Jr.'s performance was harming morale at RDI, and preventing forward progress of the Company. **SUF.13-22.** As there is no evidence to rebut RDI's showing of fairness, Cotter, Jr.'s summary judgment motion must be denied.

iii. Nevada Law Does Not Support Application of the "Entire Fairness" Analysis.

Cotter, Jr. contends that Defendants must establish that his termination was "entirely fair." However, no such obligation exists under Nevada law. To the contrary, As shown above, Nevada expressly provides that transactions between interested fiduciaries and the corporation are neither void nor voidable where any one of four separate and distinct circumstances apply. NRS 78.140. Only one of those four circumstance is that it is "fair as to the corporation at the time it is authorized or approved." NRS 78.140(2)(d). Accordingly, there is clearly not any requirement that any party must prove such a transaction is "entirely fair."

However, as shown above, another circumstance that prevents voiding the termination is that the transaction is ratified by stockholders holding a majority of the voting power of the corporation. NRS 78.140(2)(d). Indeed, the Nevada Supreme Court acknowledged that such ratification will actually trump any wrongdoing in *Cohen v. Mirage Resorts, Inc.*, 119 Nev. 1, 17, 62 P.3d 720, 731 (2003). There, the Court stated:

> The shareholder bears the initial burden of proving facts that would support a finding that the merger was accomplished through unlawful means or wrongful conduct. Once the shareholder meets the threshold requirement, the burden shifts to the defendants to prove that the doctrines of acquiescence or estoppel apply. That is, the defendants must prove that the shareholder voted for the merger or tendered his or her shares with full knowledge of the wrongful acts.

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Id. Conspicuously absent from this analysis is any requirement that the defendants must *also* prove the "entire fairness" of the transaction. ***To the contrary, the reference to knowledge of "wrongful acts" is a straightforward assertion that the transaction need not be fair.*** Thus, *Cohen* plainly refutes Cotter, Jr.'s contention that if a transaction is shown to have involved interested directors, the Defendants must prove the transaction was "entirely fair" to all stockholders and the corporation.

Cotter, Jr. ignored Nevada law on this issue, instead relying on Delaware law. However, Delaware law differs from that of Nevada in terms of the voidability of interested transactions, because in Delaware, even informed ratification by shareholders will not necessarily prevent an interested transaction from being invalidated, if that transaction is unfair. See *Solomon v. Armstrong*, 747 A.2d 1098, 1113 (Del. Ch. 1999), *aff'd,* 746 A.2d 277 (Del. 2000) ("The power of fully informed shareholder ratification to cloak transactions in the business judgment rule, or to extinguish a breach of fiduciary duty claim entirely, is by no means absolute."). Moreover, Cotter, Jr. ignores the fact that under Delaware law, when ratification of a transaction by shareholders does not extinguish the breach of fiduciary duty claim, it shifts the burden of proof of fairness to the plaintiff. *Id.* at 1116-1117.

Given these significant differences between Nevada and Delaware law, it is questionable that Delaware law could be considered persuasive here. However, as shown in the next section, even under Delaware law, Plaintiff's claim would fail, because an employment decision is simply not the sort of "transaction" that requires an entire fairness review.

iv. Even under Delaware Law, Neither Ellen Cotter nor Margaret Cotter would have a disqualifying interest.

Cotter, Jr. looks entirely to Delaware law to support his contention that Ellen Cotter or Margaret Cotter had disqualifying interests in Cotter, Jr.'s termination. Significantly, however, he has failed to cite a single instance where an employment termination decision was challenged for purported director interest. His failure to do so can be explained by the fact that "interest" in the context of corporate decision making is not applicable to the removal of an officer. "The

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Delaware Supreme Court has defined 'interest' under a business judgment rule analysis as meaning 'that directors can neither appear on both sides of a transaction nor expect to derive any personal financial benefit from it in the sense of self-dealing, as opposed to a benefit which devolves upon the corporation or all stockholders generally.'" *Roselink Inv'rs, L.L.C. v. Shenkman*, 386 F. Supp. 2d 209, 217 (S.D.N.Y. 2004) (applying Delaware law), citing *Aronson v. Lewis*, 473 A.2d 805, 812 (Del. 1984). Thus, it is apparent that to be disqualifying, an "interest" in a transaction means that the transaction yields a financial benefit to the director.

Here, the decision in question was whether or not Cotter, Jr. would be terminated. This is not a "transaction" on which either Ellen Cotter or Margaret Cottter were, or indeed, could be, "on both sides." Nor has it been shown that Ellen or Margaret would (or did) receive some personal financial benefit from the termination itself. Indeed, Cotter, Jr. cannot point to a single financial benefit accruing to Ellen or Margaret as a result of the decision to terminate him as CEO of RDI. Instead, he claims that he opposed his sisters' ambitions for certain positions within RDI, and his termination as CEO removed his opposition to those ambitions.

For example, Cotter, Jr. has asserted that both Ellen Cotter and Margaret Cotter were concerned that he might try to terminate their relationships with RDI, or would oppose their respective goals for certain employment positions within in the company. However, as Cotter, Jr. himself has pointed out, such terminations were not actually within his power, due to the resolution passed by the non-Cotter directors in January 2015. Significantly, that resolution could not override the Bylaw grant of authority to the Board of Directors to remove any officer. See *Brennan v. Minneapolis Soc. for Blind, Inc.*, 282 N.W.2d 515, 523 (Minn. 1979). Moreover, the portions of the resolution that relate to Ellen Cotter and Margaret Cotter did not address removal of officers. Accordingly, while the Resolution was ineffective in requiring a majority of the non-Cotter board members to approve the termination of a CEO,[3] the resolution

[3] While the resolution was ineffective with respect to the limitations on the Board's termination of Cotter, Jr., because five of eight board members voted in favor of the termination, the resolution's ineffectiveness is irrelevant to the issues here.

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was effective in elimination of any power Cotter, Jr. would have had to termination his sisters.

Furthermore, that same resolution demonstrated that a majority of Non-Cotter directors could, ***wholly without any input from Cotter, Jr.,*** terminate the relationships of Ellen Cotter or Margaret Cotter with RDI. Accordingly, it cannot be said that by voting in favor of the termination of Cotter, Jr., Ellen and Margaret *eliminated* the possibility that one or both could have their relationships with RDI terminated.

Similarly, it is apparent that Cotter, Jr. did not have the ability, without the agreement of the Board of Directors, to permit or prevent his sisters from achieving their respective goals, whether it be Ellen Cotter's wish to be "President of U.S. Cinemas," or Margaret Cotter's wish to be "VP of Real Estate Development NYC," as the appointment of officers was within the purview of the entire Board of Directors, and not the CEO. **Ex. D**, Bylaws, Article IV, § 1.

And, indeed, terminating Cotter, Jr. did not result in Ellen Cotter instantaneously becoming President of U.S. Cinema Operations, or of Margaret Cotter immediately becoming VP of Real Estate Development, or Margaret being employed by RDI. Instead, in subsequent board actions, a majority of the entire Board of Directors voted for these actions. Significantly, Cotter, Jr. remained on the board, and thus was able to vote against the actions.

Finally, Cotter, Jr. contends that Ellen Cotter and Margaret Cotter were motivated by their personal disputes with him in other litigation. But Cotter, Jr.'s termination did not, and could not, provide any advantage to Ellen Cotter or Margaret Cotter in other litigation involving the family trust.

Ultimately, Cotter, Jr. rests his claims upon his assumption that his goals and vision for RDI are superior to those of his sisters, and accordingly any opposition to his vision must necessarily be contrary to RDI's best interests. Cotter, Jr. apparently discounts the possibility that disagreement with him could possibly be in good in faith, and that his sisters could believe that they can and would perform well for RDI in their desired positions. Notably, Cotter, Jr. has failed to present any evidence that shows that his sisters' personal ambition for positions within RDI constituted a motive that was, as a matter of law, contrary to RDI's best interests.

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Accordingly, Cotter, Jr. has failed to show that Ellen Cotter or Margaret Cotter received a benefit from his termination that differed from that received by RDI or the stockholders. Furthermore, he has failed to show that the motivations he imputes to them could not be consistent with RDI's best interests.

v. Cotter Jr. has Failed to Show that Proposing the Settlement was a Breach of Fiduciary Duty.

Cotter, Jr. also contends that the attempts by his sisters to reach a resolution that would allow him to retain the title of CEO while also addressing the performance issues constituted a breach of fiduciary duty. This argument fails for several reasons. First, as the Confidential Memo that outlines the proposal shows, the proposal did not involve any decision that even purported to have been made on behalf of RDI. To the contrary, it made clear that the proposal had not been approved by RDI's Board of Directors and was subject to such approval. Since Cotter, Jr. did not accept it, the proposal never received consideration by the Board as a whole, and never had any effect on RDI.

Second, Cotter, Jr. has wholly mischaracterized the proposed resolution. Indeed, under Cotter, Jr.'s theory, he was told that if he did not settle the trust and probate litigation on his sisters' terms, then he would be terminated from RDI. In effect, he contends he was terminated in retaliation for refusing to settle the other litigation. But the evidence does not support this conclusion.

Instead, it became clear that, after months of efforts to guide and train Cotter, Jr. into better performance, a majority of the Board of Directors believed Cotter, Jr. should be terminated. However, at the first meeting at which the termination was proposed, other proposals to resolve the problem of a deficient CEO were suggested, and a decision delayed to allow for exploration of other options. Cotter, Jr. himself participated in negotiations to effect an agreement. Ellen Cotter and Margaret Cotter proposed a multifaceted agreement that addressed both Cotter, Jr.'s deficiencies by placing limitations on his authority, and providing for oversight, and also proposed settlement of the outside litigation between the siblings, which would, in turn,

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assist in alleviating the tension among the siblings at RDI. Significantly, the proposal provided that Cotter, Jr. would receive other benefits, including favorable restructuring of a loan, ***but none of those other benefits would be at RDI's expense.*** RDI would, however, receive releases from claims threatened by Cotter, Jr, as would all of RDI's Directors, whom RDI was obligated to indemnify. Furthermore, approval of a majority of the Non-Cotter Directors would have been required.

Certainly it can be argued that giving a litigant a corporate position in which he has already proven himself incapable, in return for settling a lawsuit in which the corporation is not a party is an improper use of corporate positions. ***But that is not what was offered here***. Instead, Cotter, Jr. was offered a corporate position that contained sufficient restrictions and oversight to allow him to perform capably, in return for his release of claims against the corporation and its directors and a preclusion against bringing any lawsuit against the RDI. Additionally, the prospect of future tension among the three members of RDI's Board (and the persons who, between them, undoubtedly control a majority of the voting power) would have been decreased by the agreement that was proposed. Moreover, RDI would actually benefit from the resolution of the litigation that created uncertainty over the future of RDI's voting power. A resolution that places the voting power in the hands of a single person would be more beneficial to RDI than a resolution that results in the control of the majority voting power being passed back and forth yearly from one person to another. The prospect of a yearly change in the make up its board of directors and officers is a frightening vision for any company. Cotter, Jr. has presented no evidence that the proposed settlement itself was somehow contrary to RDI's interests. Nor has he presented any evidence as to how the members of the Board of Directors (other than, presumably his sisters) would have voted on it. And, since he did not accept the proposed settlement, he has not shown that RDI was injured by it being proffered.

It is apparent that Cotter, Jr. and his sisters do not work well together. Cotter, Jr. has presented no evidence to show that Ellen Cotter and Margaret Cotter did not sincerely believe that his termination was in the best interests of RDI.

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Cotter, Jr. has failed to show that, as a matter of law, his sisters had a disqualifying interest in his termination. A reasonable fact finder could not, based on the evidence presented by Cotter, Jr., determine that Ellen or Margaret stood to receive a personal financial benefit from Cotter, Jr.'s termination, and voted in favor on the termination on the basis of such personal financial benefit. Accordingly, the Motion for Partial Summary Judgment must be denied.

B. COTTER FAILED TO SHOW THAT DIRECTOR ADAMS LACKED INDEPENDENCE.

Cotter, Jr. has failed to present sufficient evidence of a disqualifying interest by Guy Adams. Indeed, Cotter, Jr.'s claims against Mr. Adams depend upon his theory that Adams is "beholden" to Ellen and Margaret Cotter. But even if true, such dependence becomes an issue only if the controlling director also has a disqualifying interest. As shown above, Cotter, Jr. has failed to show that, as a matter of law, Ellen Cotter and Margaret Cotter had disqualifying interest with respect to his termination. Accordingly, Cotter, Jr.'s attacks on Mr. Adams's independence are without merit.

Cotter, Jr.'s challenge to Mr. Adams's independence also fails, because Cotter, Jr. has not shown that Mr. Adams's is beholden to Ellen Cotter or Margaret Cotter. As relevant here, in order to be considered beholden to another director, there must be evidence that:

> the allegedly controlling entity ***has the unilateral power*** (whether direct or indirect through control over other decision makers), ***to decide whether the challenged director continues to receive a benefit,*** financial or otherwise, ***upon which the challenged director is so dependent or is of such subjective material importance to him that the threatened loss of that benefit might create a reason to question whether the controlled director is able to consider the corporate merits of the challenged transaction objectively.***

Orman v. Cullman, 794 A.2d 5, 25 (Del. Ch. 2002)(emphasis added). Cotter, Jr. has failed to present sufficient evidence to establish these circumstances.

Cotter, Jr. has not shown that Ellen Cotter and Margaret Cotter had such unilateral power over any financial benefit received by Mr. Adams. Indeed, Cotter, Jr. has done nothing more than present evidence that Mr. Adams received payments based on contracts held with

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companies currently controlled by the Executors of the Cotter, Sr. Estate. Cotter, has not presented any evidence, however, that Mr. Adams' s *right to receive those payments is discretionary* with Ellen Cotter or Margaret Cotter.

Nor has Cotter, Jr. shown that, at the time the termination vote was taken, Mr. Adams was so dependent on payments from the Estate owned companies that such payments were of subjective material importance to him. To the contrary, the evidence shows that in 2015, Mr. Adams received considerable income other than the payments in question, including more than $300,000 from the sale of real property. That income was more than three times the amount received from the Estate-owned companies. Furthermore, Cotter, Jr. completely ignores Mr. Adams net worth, which approaches $1 million. Accordingly, Cotter, Jr. has not presented sufficient evidence to raise an inference that Adams was dependent upon the income from the Estate-owned companies, let alone proven such dependence as a matter of law.

As Cotter, Jr. has failed to present evidence sufficient to establish, as a matter of law, that Mr. Adams was so dependent on income within the unilateral discretion of Ellen Cotter and Margaret Cotter, his Motion for Partial Summary Judgment must be denied.

C. Cotter Failed to Show that Director Kane Lacked Independence.

Cotter, Jr. has wholly failed to present evidence of any lack of disinterest or independence in Mr. Kane. Cotter, Jr.'s assertions regarding Mr. Kane's relationship with Cotter, Sr. apply equally to any of the Cotter children, including Cotter, Jr. himself. Moreover, even a ***blood*** avuncular relationship is not sufficient to establish "interest" *See In re Amerco Derivative Litig.*, 127 Nev. 196, 232–33, 252 P.3d 681, 706 (2011), citing with approval 1 *Principles of Corp. Governance* § 1.26 (1994) (an uncle/nephew relationship does not establish the parties as members of one another's immediate families, as child/parent or sibling relationships do). Accordingly, Cotter, Jr.'s claim that Mr. Kane was motivated by familial interest fails as a matter of law.

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IV. CONCLUSION

As shown above, Cotter, Jr. has failed to satisfy his burden to show there is an absence of material facts, and that he is entitled to judgment as a matter of law. He has failed to overcome the statutory presumption that corporate decisions are made in good faith, with adequate information, and for the best interests of the corporation. He has failed to show that the decision to terminate him was the product of self-dealing.

Cotter, Jr.'s efforts to show that some directors "took sides in a family dispute" are futile, because even if the decision were viewed in that light, it is entirely appropriate for a corporation to consider which "faction" offers greater value. Based on the evidence presented, it is clear that Ellen and Margaret Cotter, who had actually each been working for and with RDI for more than 15 years, offered more substantive value to RDI than did Cotter, Jr. Indeed, the sole basis for Cotter, Jr.'s sense of entitlement to be CEO is that he was Cotter, Sr.'s son. However, the position of CEO of RDI is not a family heirloom, and primogeniture does not govern the appointment of corporate officers. The Board of Directors was and is entitled under RDI's bylaws to remove and appoint officers, regardless of cause. Here, the evidence is sufficient to show that Cotter, Jr. gave a poor performance right from the start, and failed to show significant improvement over the course of ten months. Cotter, Jr. cannot refute the evidence of his poor performance and his request for summary judgment must be denied.

DATED this 13th day of October, 2016.

GREENBERG TRAURIG, LLP

/s/ Kara B. Hendricks

MARK E. FERRARIO, ESQ. (NV Bar No. 1625)
KARA B. HENDRICKS, ESQ. (NV Bar No. 7743)
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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 ***RDI's Joinder to the Individual Defendants' Opposition to James J. Cotter, Jr.'s Motion for Partial Summary Judgment*** to be filed and served via the Court's Wiznet E-Filing system. 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 13th day of October, 2016.

/s/ Andrea Lee Rosehill

AN EMPLOYEE OF GREENBERG TRAURIG, LLP

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway, Suite 400 North
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EXHIBIT A

1

2 DISTRICT COURT

3 CLARK COUNTY, NEVADA

4

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

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16 VIDEOTAPED DEPOSITION OF ELLEN COTTER

17 TAKEN ON MAY 18, 2016

18 VOLUME 1

19

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24 REPORTED BY:

25 PATRICIA L. HUBBARD, CSR #3400

1 **and how long were you a corporate associate?**
2 A. I don't -- I don't remember. But I did
3 not spend a lot of time in the litigation
4 department.
5 **Q. Okay. What did you do in terms of the**
6 **nature of your work when you were a corporate**
7 **associate at White and Case?**
8 A. I worked on M and A transactions.
9 **Q. M and A meaning mergers and**
10 **acquisitions?**
11 A. Yes.
12 **Q. So these were transactions in which the**
13 **White and Case client was either acquiring another**
14 **company or was being acquired typically?**
15 A. Correct.
16 **Q. What kind of work did you do personally**
17 **on those -- those M and A matters?**
18 A. Reviewed contracts, marked them up,
19 compared them to send out to our clients.
20 **Q. Are you done?**
21 A. Yes.
22 **Q. Okay. So, what did you do after you**
23 **left White and Case?**
24 A. I moved to Los Angeles and worked for
25 Craig Corporation at the time.

1 Q. I understood you to indicate in a prior
2 answer that your responsibilities changed in 2014.
3 Is that correct?
4 Well, let me -- I'll -- let me refer you
5 to the answer. And you don't have to respond. I'm
6 just trying to reference something so you understand
7 where I'm going back in your testimony.
8 I understood you to indicate that you
9 have had substantially the same responsibilities,
10 which you have now described --
11 A. Uh-huh.
12 Q. -- from approximately 2000 -- and I
13 thought you said through 2014.
14 So, with that by way of reference, let
15 me ask a question.
16 A. Uh-huh.
17 Q. Have the responsibilities you have had
18 in the time period commencing in or about 2000
19 continued until some point in time?
20 I mean did they change at some point in
21 time?
22 MR. SEARCY: Objection. Vague.
23 THE WITNESS: I mean I've been -- I've
24 been predominantly involved in the U.S. cinema group
25 from the time I got back from Australia till the

1 REPORTER'S CERTIFICATE

2

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

4

5 That I am a duly qualified Certified

6 Shorthand Reporter in and for the State of California,

7 holder of Certificate Number 3400, which is in full

8 force and effect, and that I am authorized to

9 administer oaths and affirmations;

10

11 That the foregoing deposition testimony of

12 the herein named witness, to wit, ELLEN M. COTTER, was

13 taken before me at the time and place herein set

14 forth;

15

16 That prior to being examined, ELLEN M.

17 COTTER was duly sworn or affirmed by me to testify the

18 truth, the whole truth, and nothing but the truth;

19

20 That the testimony of the witness and all

21 objections made at the time of examination were

22 recorded stenographically by me and were thereafter

23 transcribed by me or under my direction and

24 supervision;

25

1 That the foregoing pages contain a full,
2 true and accurate record of the proceedings and
3 testimony to the best of my skill and ability;
4
5 I further certify that I am not a relative
6 or employee or attorney or counsel of any of the
7 parties, nor am I a relative or employee of such
8 attorney or counsel, nor am I financially interested
9 in the outcome of this action.
10
11 IN WITNESS WHEREOF, I have subscribed my
12 name this 23rd day of May, 2016.
13
14
15 PATRICIA L. HUBBARD, CSR #3400
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EXHIBIT B

1

2 DISTRICT COURT

3 CLARK COUNTY, NEVADA

4

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

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16 VIDEOTAPED DEPOSITION OF MARGARET COTTER

17 TAKEN ON MAY 12, 2016

18 VOLUME I

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24 REPORTED BY:

25 PATRICIA L. HUBBARD, CSR #3400

1 **Georgetown did you take any business courses?**
2 A. I may have. I think I took accounting.
3 **Q. Okay. Did you take any business --**
4 **strike that.**
5 **As an undergraduate at Georgetown did**
6 **take any business courses other than an accounting**
7 **course?**
8 A. I don't recall.
9 **Q. As a law student at Georgetown did you**
10 **take any business courses?**
11 A. They might have been affiliated with the
12 law, like corporate law, but I didn't go out to the
13 business school and take classes.
14 **Q. Okay. And while a law student at**
15 **Georgetown, did you take any business law courses**
16 **other than those that were required to be taken?**
17 A. I don't recall.
18 **Q. Okay. Describe your employment history**
19 **following graduation from law school.**
20 A. I worked as an Assistant D.A. in
21 Brooklyn. And I was there for about four years.
22 I left, and I started working for my
23 father at his acres in -- near Fresno at Cecelia
24 Packing House.
25 And then I went over and I started to

1 work for my father and his partner, Mike Foreman, as
2 assistant general manager of these off-Broadway
3 theaters that they had.
4 And from there I became general manager.
5 And I've been -- the company is now called Liberty
6 Theatres which is owned by Reading. I believe I
7 started there with my father in 1998. And I'm still
8 presently there.
9 **Q. When you say you started there, are you**
10 **referring to starting at Liberty Theatres?**
11 A. It wasn't called Liberty when I began
12 there. It was -- I believe it was called
13 Off-Broadway Investments.
14 **Q. Okay. Let me -- let's fill in some**
15 **dates.**
16 **So you were an Assistant District**
17 **Attorney in Brooklyn until 1997?**
18 A. I believe so.
19 **Q. And you handled what kind of cases?**
20 A. All criminal.
21 **Q. Were any of them business cases?**
22 A. I recall -- I mean I went through all
23 different divisions of the District Attorney's
24 Office, including Grand Jury, and there were a lot
25 of white collar crimes --

1 A. Money was going into separate accounts
2 that my father and Mike Foreman didn't know about.
3 Personal charges were being put through to the
4 company.
5 **Q. So, Ms. Cotter, when you became GM what**
6 **were your -- strike that.**
7 **So, when you became GM of this company,**
8 **Off-Broadway Investments or whatever the name was at**
9 **the time, what were your responsibilities?**
10 A. There was three theaters in New York
11 City and there was one theater with four stages in
12 Chicago that I needed to book. So I was trying to
13 find shows for all the spaces.
14 I also had the staff that I referred to,
15 the box office staff, the house staff.
16 I would, you know, license all the shows
17 to go into the spaces. I was also acting as a
18 property manager for each venue, making sure all the
19 licenses were in place.
20 I went out and I got liquor licenses for
21 two of the theaters; the Union Square Theatre and
22 the Minetta Lane Theatre. You know, working with
23 the city agencies when we needed to get permitting.
24 **Q. The -- I'm sorry. I'm not sure this is**
25 **clear.**

1 **When did you become GM?**
2 A. I believe it was in 2000, sometime in
3 2000, end of 2000 maybe.
4 **Q. And is that the position you've held**
5 **since?**
6 A. Yes.
7 **Q. And has the -- today is it the same**
8 **three theaters in New York and the same single**
9 **four-stage theater in Chicago?**
10 A. Yes. But recently we closed the Union
11 Square Theatre. We closed that down at the
12 beginning of January to develop that.
13 So now it's the two theaters in New York
14 City and the theater in Chicago.
15 **Q. And at approximately what point in time**
16 **did the company that employed you become Liberty**
17 **Theatres?**
18 A. I believe it was either 2002 or 2006,
19 Reading purchased all the properties, and Liberty
20 Theatres was formed.
21 **Q. And when you say "Reading purchased all**
22 **the properties," what exactly happened? What**
23 **properties did Reading purchase?**
24 A. Reading took over, it was a lease, I
25 believe, at the time, of the Union Square Theatre.

1 They purchased the Orpheum Theatre, the Minetta Lane
2 Theatre.
3 Chicago was purchased in 1999 by
4 Reading. So that wasn't transferred. Reading
5 already owned that theater.
6 **Q. And have your responsibilities during**
7 **the time you've worked for Liberty Theatres been**
8 **substantially the same as the general manager**
9 **responsibilities you described earlier?**
10 MR. SEARCY: Objection. Vague.
11 THE WITNESS: Have my responsibilities
12 been the same as the general manager's?
13 I believe so. But I think that the
14 property management role has been different from my
15 predecessor. He didn't do any of -- property
16 management.
17 BY MR. KRUM:
18 **Q. And how has your property management**
19 **role at Liberty Theatres been different than the**
20 **prior property management role?**
21 A. I was starting to meet with lawyers and
22 work with the lawyers, work with architects on --
23 right when we acquired the Union Square property,
24 which was, I believe, in 2000, we were noticed by
25 the Landmarks Preservation Committee that they

1 wanted to landmark the building. So we needed to
2 kind of work with them and try and figure out a plan
3 for the -- for the property before it got
4 landmarked.
5 **Q. Why was that? Why did you need to try**
6 **to figure out a plan for the property before it was**
7 **landmarked?**
8 A. The Landmarks Preservation Committee
9 would have landmarked the building. And if they had
10 landmarked the building, whether interior, exterior,
11 it would have prevented us to develop the building
12 to our liking.
13 **Q. Was the notice from the Landmark -- what**
14 **is it called? Landmark Planning Commission?**
15 A. Landmarks Preservation Committee.
16 **Q. Okay. Thank you.**
17 **The notice from the Landmark**
18 **Preservation Committee that it intended to landmark**
19 **the Union Square property was communicated or**
20 **transmitted in 2000; is that right?**
21 A. I believe it was around 2000, 2002.
22 They wanted to meet with the new owners.
23 **Q. So, who, if you know, on behalf of**
24 **Liberty Theater between 2000 or 2002, as the case**
25 **may be, when the Landmarks Preservation Committee**

1 **noticed or provided notice that they intended to**
2 **landmark the Union Square property, had what**
3 **dealings with the Landmarks Preservation Committee**
4 **about that subject?**
5 MR. SEARCY: Objection. Vague.
6 THE WITNESS: Who had dealings with
7 them?
8 BY MR. KRUM:
9 **Q. Yeah. If you know, who interfaced with**
10 **the Landmarks Preservation Committee regarding the**
11 **Union -- Union Square property starting in 2000 or**
12 **2002 when the Landmarks Preservation Committee**
13 **provided notice that it intended to landmark the**
14 **Union Square property?**
15 A. I was present and Brett Marsh from our
16 company was present.
17 **Q. Is Brett Marsh still with the company?**
18 A. No.
19 **Q. When did Brett Marsh leave?**
20 A. I don't know.
21 **Q. Who was Brett Marsh? Meaning what**
22 **position or positions did he hold?**
23 A. Not quite sure. I think he was VP, and
24 he had a real estate background.
25 **Q. And when you said he was with a company,**

1 A. No idea.
2 **Q. Do you have any understanding as to how**
3 **far behind they were on schedule?**
4 A. No idea.
5 MR. SEARCY: Objection. Assumes facts,
6 lacks foundation.
7 BY MR. KRUM:
8 **Q. I'm not going to ask any Deutsche Bank**
9 **questions.**
10 **Did you interview or -- strike that.**
11 **Did you interview any other persons or**
12 **entities to serve the function as developer's**
13 **representative prior to hiring Edifice?**
14 A. I believe that there was one other
15 company. I wasn't present. And I don't know the
16 name of it.
17 **Q. Okay.**
18 A. But my father -- my father had
19 interviewed with them.
20 **Q. Okay. Liberty Theatres is owned by**
21 **whom?**
22 A. RDI.
23 **Q. And you have been an employee of Liberty**
24 **Theatres since it was formed, right?**
25 A. Yes.

1 REPORTER'S CERTIFICATE

2

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

4

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

10

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

15

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

19

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

25

1 That the foregoing pages contain a full,
2 true and accurate record of the proceedings and
3 testimony to the best of my skill and ability;
4
5 I further certify that I am not a relative
6 or employee or attorney or counsel of any of the
7 parties, nor am I a relative or employee of such
8 attorney or counsel, nor am I financially interested
9 in the outcome of this action.
10
11 IN WITNESS WHEREOF, I have subscribed my
12 name this 16th day of May, 2016.
13
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15 PATRICIA L. HUBBARD, CSR #3400
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EXHIBIT C

1 EIGHTH JUDICIAL DISTRICT COURT
2 CLARK COUNTY, NEVADA
3
4 JAMES J. COTTER, JR., derivatively
on behalf of Reading International,
5 Inc.,
Plaintiff,
6
vs. Case No.
7
MARGARET COTTER, ELLEN COTTER, A-15-719860-B
8 GUY ADAMS, EDWARD KANE, DOUGLAS
McEACHERN, TIMOTHY STOREY,
9 WILLIAM GOULD, JUDY CODDING,
MICHAEL WROTNIAK, and DOES 1
10 through 100, inclusive,
Defendants.
11
and
12
READING INTERNATIONAL, INC.,
13 a Nevada corporation,
Nominal Defendant.
14
15 (CAPTION CONTINUED ON NEXT PAGE.)
16 VIDEOTAPED DEPOSITION OF JAMES COTTER, JR.
17 Los Angeles, California
18 Monday, May 16, 2016
19 Volume I
20
21
22 Reported by:
23 JANICE SCHUTZMAN, CSR No. 9509
24 Job No. 2312188
25 Pages 1 - 297

1 different relationship with my father.
2 BY MR. TAYBACK:
3 Q. So depending on the relationship determines
4 whether or not they can and still be independent or
5 not? 11:32:05
6 MR. KRUM: Same objection.
7 THE WITNESS: Again, it's a contextual
8 analysis when viewing the decisions that they make.
9 But yes, I would question Mr. Kane's
10 independence. 11:32:22
11 BY MR. TAYBACK:
12 Q. Does the contextual analysis have anything
13 to do with the fact that Mr. Gould is the only one
14 of the people that I've mentioned that supported you
15 for CEO? 11:32:30
16 A. Absolutely not.
17 MR. KRUM: Objection, misstates the
18 testimony --
19 BY MR. TAYBACK:
20 Q. That's coinc- --
21 MR. KRUM: -- assumes facts not in
22 evidence.
23 BY MR. TAYBACK:
24 Q. That's coincidental?
25 MR. KRUM: Same objections. 11:32:36

1 BY MR. TAYBACK:
2 Q. That's just coincidence?
3 MR. KRUM: Asked and answered as well.
4 THE WITNESS: The answer was no.
5 BY MR. TAYBACK: 11:32:46
6 Q. Do you call Mr. Kane -- have you ever
7 called him Uncle Ed?
8 A. At some point I did. But when I became
9 more involved in Reading, I thought it was odd and I
10 stopped. And I did not have the same level of 11:33:01
11 relationship with him and his family that my two
12 sisters had.
13 Q. What does that mean, "the same level of
14 relationship"?
15 They're just closer personally to him? 11:33:15
16 A. Yes.
17 Q. Do you perceive that he likes them better?
18 A. I think he's -- he is closer with both of
19 them on a personal level.
20 Q. And do you -- did you always feel that way? 11:33:29
21 Let's say when you were younger, did you
22 feel that he liked them more than you?
23 MR. KRUM: Objection, vague.
24 THE WITNESS: I mean, in the last 15 years,
25 he's had a closer relationship with both of them. 11:33:44

1 He would often go out to dinner with the two of them
2 and his family.
3 I really didn't have that level. So I
4 would describe my two sisters' relationship with Ed
5 Kane and his family to be different than the one 11:33:59
6 that I had.
7 BY MR. TAYBACK:
8 Q. And do you feel that was your choice or his
9 choice to not have that kind of relationship with
10 Mr. Kane? 11:34:08
11 A. I mean, I don't know what he was thinking.
12 I just didn't have it with him. I mean, I --
13 Q. Were there occasions where you asked him to
14 go to dinner more and he --
15 A. No.
16 Q. -- wouldn't?
17 A. No, no, no. No. I would never -- outside
18 of Reading, my interaction with Ed Kane and his
19 family was limited, or certainly much more limited
20 than Ellen and Margaret's. 11:34:37
21 Q. Mr. McEachern, is he independent, in your
22 view?
23 A. Yes. I mean, he's -- I mean, again, he's
24 independent. He's got no relationship with Ellen
25 and Margaret or, you know, no business relationship 11:34:58

1 with Ellen and Margaret. So --
2 Q. No business relationship -- Mr. Kane has no
3 business relationship with Ellen and Margaret also;
4 correct?
5 A. That's correct. 11:35:20
6 Q. So in your view, Mr. McEachern is
7 independent and has always been independent?
8 MR. KRUM: Asked and answered.
9 THE WITNESS: Yeah, the testimony speaks
10 for itself. 11:35:30
11 BY MR. TAYBACK:
12 Q. So the answer's yes?
13 MR. KRUM: Well, asked and answered. He
14 said what he said.
15 BY MR. TAYBACK:
16 Q. Well, was your answer --
17 MR. KRUM: But it was yes with an
18 explanation.
19 Do you want him to withdraw the
20 explanation? 11:35:41
21 MR. TAYBACK: No. I was going to say, he's
22 independent and he's always been independent.
23 BY MR. TAYBACK:
24 Q. I think you can answer it yes -- or not.
25 But I think the answer's yes, and I want to make 11:35:48

1 A. They were.
2 Q. Were there -- how many are there? Two?
3 A. I believe so.
4 Q. And had there always been two, that is to
5 say, that he started with two and there still exist 12:51:47
6 two?
7 A. It's been awhile. So I know there are two.
8 Q. And did you know how Mr. Adams was
9 compensated when he was brought on to handle this
10 project? 12:52:01
11 A. At some point, he was given $50,000 a year
12 from one of the entities, one of the agricultural
13 entities on his work for not only the captive
14 insurance companies, but he also started doing real
15 estate work that my dad had involved him in. And I 12:52:25
16 can't tell you specifically what date Mr. Adams
17 started on that.
18 But for overall, for Guy's involvement with
19 my dad's personal real estate transactions, for
20 Guy's involvement with the captive insurance 12:52:48
21 companies, Guy was paid a base of $50,000 a year,
22 plus he received a carried interest in the real
23 estate deals that he worked on for my dad.
24 Q. And those are terms -- that's an agreement
25 that was negotiated between your father and 12:53:07

1 Mr. Adams; correct?
2 A. To my knowledge, yes.
3 Q. You weren't involved in that negotiation?
4 A. I wasn't involved in the actual signing of
5 the agreement, no. I didn't review the agreement. 12:53:28
6 I understood roughly the terms. But I was not
7 engaged in the actual agreement of the engagement
8 letter.
9 Q. Or the negotiation of those terms?
10 A. That's correct. 12:53:44
11 Q. And those captive insurers are still in
12 operation, correct, to your knowledge?
13 A. I don't know. I know that they were not
14 funded with premiums last year. So I don't know
15 what the expectation is for this year, whether 12:54:06
16 they're going to be funded.
17 Q. At some point, did you cease being the CEO
18 of Cotter Orchards, Cecelia, and being whatever
19 executive position you held at JC Farm Management?
20 A. Yes. 12:54:28
21 Q. When?
22 A. Well, roughly in -- when -- after I
23 became -- or shortly before I became president of
24 Reading, around June of 2013, my father said to me
25 that he wanted me to give up the position of CEO of 12:54:46

1 Cecelia Packing and Cotter Orchards and convert --
2 and become a director of those entities, which is
3 what we ultimately did.
4 Q. And when did you become -- well, around
5 June of 2013, you became president of Reading. 12:55:11
6 Had you performed any functions at Reading,
7 performed any tasks for Reading prior to that?
8 A. Yes.
9 Q. What?
10 A. Beginning around 2005, when I moved out to 12:55:26
11 California, I started becoming involved with my dad
12 in attending executive management meetings with
13 Reading and attending other meetings that the board
14 of directors had and that the executives had on a
15 periodic basis. 12:55:50
16 And then in 2007, September of 2007, I
17 became vice chairman of Reading and started
18 conducting weekly meetings with the
19 Australian/New Zealand management team and also
20 weekly meetings with the U.S. management team. I 12:56:12
21 chaired the meetings. I led the meetings and helped
22 my father, as chairman, move the business forward.
23 Q. Okay. Let me break that down and ask you
24 some specifics.
25 The period of time between 2005, when you 12:56:34

1 moved to California and started becoming involved in
2 attending certain meetings, and 2000 --
3 September 2007 when you became vice chairman --
4 A. Right.
5 Q. -- between 2005 and 2007, did you actually 12:56:47
6 have a position with Reading?
7 A. No. No. Not to my knowledge.
8 Q. You would occasionally attend meetings on a
9 periodic basis.
10 Were they always with your father? 12:56:57
11 A. I mean, it was a long time ago.
12 I can't say definitively. Probably.
13 Q. And did you have actual responsibilities at
14 any of these meetings?
15 A. From 2005 until I was appointed vice 12:57:10
16 chairman in September of 2007, no, I don't believe I
17 did.
18 Q. So you weren't -- actually, you weren't on
19 the board and you weren't on a particular executive
20 committee? 12:57:24
21 A. Oh, no, I was on the board. I was on the
22 board of directors of Reading since March of 2002.
23 Q. Okay. So your first position at Reading
24 was being on the board?
25 A. Yes. 12:57:36

1 counsel.
2 Q. Okay. Why did you dismiss the case against
3 Mr. Storey?
4 MR. KRUM: Same objection and admonition.
5 Go ahead. 02:09:03
6 THE WITNESS: Same answer as the above.
7 BY MR. TAYBACK:
8 Q. Meaning independent of your conversations
9 with Mr. Krum, you have no understanding as to why
10 you made the decision to either sue him or dismiss 02:09:16
11 the case against Mr. Storey?
12 A. Right.
13 Q. If this case ended -- you put on your case
14 and the court or the jury told you you win and you
15 have the chance now to say I'm right and this is 02:09:31
16 what I want --
17 A. Right.
18 Q. -- what is it that you say, now that I've
19 won, this is what you should do for me?
20 MR. KRUM: Objection -- 02:09:43
21 BY MR. TAYBACK:
22 Q. What's your response to that?
23 MR. KRUM: Objection --
24 BY MR. TAYBACK:
25 Q. What do you ask for? 02:09:45

1 MR. KRUM: Sorry.
2 MR. TAYBACK: No, that's all right.
3 MR. KRUM: You asked more than one
4 question, I apologize.
5 Objection, asked and answered, compound, 02:09:51
6 calls for a legal conclusion.
7 You can answer without disclosing any
8 communications with counsel.
9 THE WITNESS: Generally, what I want is for
10 Reading International to be operated like a public 02:10:10
11 company with the corporate governance in place.
12 That's generally what I want.
13 BY MR. TAYBACK:
14 Q. Through this lawsuit?
15 A. Yes. 02:10:22
16 Q. And when you say "generally," is there
17 something else that you're thinking of specifically
18 that's other than that?
19 A. No.
20 Q. All right. So when you became -- in 2007, 02:10:33
21 you became the vice chairman of Reading?
22 A. Yes.
23 Q. Describe for me what the position of vice
24 chairman entailed in 2007 when you took that
25 position? 02:11:08

1 A. In 2007, the position really was to support
2 my father as chairman. And in 2007, I commenced
3 holding executive management meetings with the
4 executives in Australia and New Zealand, both for
5 the property and cinema operations there, and also 02:11:31
6 executive management meetings at -- with the U.S.
7 cinema team.
8 Met with them twice a week, put together
9 agendas for both meetings. Spoke with executives to
10 figure out what should be put on the agenda in order 02:11:55
11 to move the company forward under the direction of
12 the chairman and CEO of the company.
13 Q. And had you had any experience at all in
14 the cinema or theater business of any sort?
15 A. Well, I had been a director of Reading 02:12:27
16 since 2002.
17 Q. Other than your tenure as a director of
18 Reading, had you had any experience with the --
19 A. No.
20 Q. -- business? 02:12:35
21 Is that also true with respect to your
22 experience at that point in time in -- with respect
23 to real estate, your time as a lawyer and then also
24 your time on the board of Reading? Is that your
25 only experience in the real estate business? 02:12:50

1 A. Well, I had worked on a number of real
2 estate transactions as a corporate lawyer, and I
3 also worked on cinema transaction with Reading as a
4 lawyer. But outside of that, that was predominantly
5 the extent of my experience. 02:13:06
6 Q. How about your experience internationally,
7 that is to say, international business? You were
8 working -- I think you said New Zealand?
9 A. No.
10 Q. I'm sorry. Where did you say that your -- 02:13:17
11 so your responsibilities in 2007 as vice chairman
12 involved some international work; correct?
13 A. Well, starting in 2007, I started
14 conducting weekly meetings with the management team
15 in Australia -- 02:13:31
16 Q. Australia.
17 A. -- and New Zealand.
18 Q. And had you had any experience with
19 business in Australia or New Zealand?
20 A. Outside of my experience as a director, 02:13:41
21 since 2002, no.
22 Q. As vice chairman, were you separately
23 compensated? In other words, were you compensated
24 in addition to the amounts that you were paid for
25 being a board member? 02:13:58

1 No?
2 A. No.
3 Q. Did you -- have you ever seen board minutes
4 or any document approved by the board of directors
5 of Reading that adopts a succession plan? 02:23:59
6 A. No.
7 Q. In -- let's see. In 2013, you became the
8 president of Reading; correct?
9 A. Yes.
10 Q. And at that point in time, did you cease 02:24:30
11 being the vice chairman?
12 A. No.
13 Q. So you continued to be the vice chairman,
14 you continued to be on the board, and you also
15 became president? 02:24:43
16 A. Yes.
17 Q. At the time you became president of
18 Reading, did you leave your position as CEO of the
19 orchards and Cecelia?
20 A. It was basically converted from being a CEO 02:24:57
21 of Cecelia to being a director of Cecelia and the
22 other agricultural entities. And that was the
23 expectation -- the agreement I had with my father,
24 that he wanted me to stay involved to a degree at
25 Cecelia and the orchards but that I had to curtail 02:25:20

1 executive responsible for all of the day-to-day
2 decisions. The executives reported to the
3 president, and I ultimately reported to the CEO.
4 So it was more of an executive role with
5 executive responsibilities because at that time, our 02:27:34
6 chief operating officer had resigned, and I had
7 really stepped into an operating role to fill the
8 void that he left with his resignation.
9 Q. Who was that COO?
10 A. John Hunter. 02:27:53
11 Q. And was he replaced?
12 A. He was not replaced. But I became
13 president either at the same time, shortly after, or
14 before his resignation as chief operating officer.
15 Q. Was there a president before you took the 02:28:07
16 position?
17 A. No.
18 Q. So the position was -- the title, at least,
19 was created for you. That was, you were the first
20 president, there was no prior president? 02:28:17
21 A. I don't know if that's the case. There may
22 have been.
23 Q. But you didn't -- you didn't succeed
24 anybody in that position?
25 A. There wasn't a president at the company at 02:28:29

1 my activity at those entities because of my
2 appointment as president of RDI.
3 And so while -- and so at the point of
4 becoming president, my father and I had an agreement
5 that I would transition my role as president whereas 02:25:48
6 CEO of Cecelia and the agricultural entities into
7 one as a director, and my activity would be
8 curtailed to reflect the role as a director.
9 Q. And in fact, is that what happened?
10 A. Yes. 02:26:15
11 Q. So when you took on the title of president
12 of Reading, what were the additional
13 responsibilities, job responsibilities as president
14 that you accepted?
15 A. Well, all of the responsibilities that a 02:26:25
16 president would normally accept, and spending, you
17 know, all of -- almost all of my time focused on
18 Reading, beginning, you know, in June of 2013.
19 Q. Okay. But if you could just elaborate for
20 me, what were the -- what were those 02:26:54
21 responsibilities, those typical responsibilities of
22 a president?
23 A. To -- I was reporting to the CEO, so I was
24 helping the CEO implement his short-term and
25 long-term vision. But I was also the primary 02:27:07

1 the time I became president.
2 Q. Who were the executives that reported to
3 you when you initially became president of Reading?
4 A. CFO. I don't know if there was a general
5 counsel, but the principal senior executives would 02:28:52
6 have reported to me.
7 Q. But I'm -- guess that's what I'm asking.
8 Who were the principal senior executives?
9 You mentioned the CFO. I'm wondering who
10 else it was. 02:29:04
11 A. Yeah, I mean, technically, all of the
12 principal -- Wayne Smith, Matthew Bourke, Bob
13 Smerling. I mean, I think that's it.
14 Q. What were their job titles?
15 A. Wayne Smith was the managing director of 02:29:23
16 our Australia and New Zealand operation. Andrzej
17 Matyczynski was our chief financial officer. I
18 mean, Craig Tompkins was an outside legal
19 consultant. Bob Smerling was the president of the
20 U.S. cinemas division. And my sister Margaret, 02:29:53
21 technically, who was a consultant in charge of the
22 live theater operation.
23 Q. So and when you say the major company
24 executives reported to you, you're including among
25 those people people who weren't, strictly speaking, 02:30:15

1 at that point.
2 MR. KRUM: Chris, whenever it's convenient,
3 let's adjourn. But I don't mean to interrupt you,
4 by the way.
5 MR. TAYBACK: Yeah. You mind if I just 05:39:00
6 ask -- I have like probably five questions.
7 MR. KRUM: Sure. Fine. Go ahead.
8 BY MR. TAYBACK:
9 Q. Since your termination, other than Reading
10 board meetings, have you communicated with Tim 05:39:19
11 Storey?
12 A. Brief, brief conversations with Tim Storey
13 every now and then, once a month, once every two
14 months.
15 Q. By phone or by some other method? 05:39:26
16 A. By phone, just checking in.
17 Q. And do you ever discuss the litigation with
18 him?
19 A. No.
20 Q. Other than -- since your termination, other 05:39:34
21 than at board meetings, have you communicated with
22 Bill Gould?
23 A. Other than board meetings?
24 Q. Other than board meetings.
25 A. I don't recall discussing -- having any 05:39:49

1 communications with Bill Gould.
2 MR. TAYBACK: Okay. We can break now.
3 MR. KRUM: Okay. Thanks.
4 (Off the record.)
5 THE VIDEOGRAPHER: We are off the record at 05:40:07
6 5:40 p.m., and this concludes today's testimony
7 given by James J. Cotter, Jr.
8 The total number of media used was four and
9 will be retained by Veritext Legal Solutions.
10
11 (TIME NOTED: 5:40 p.m.)
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1 I, JAMES COTTER, JR., do hereby declare
2 under penalty of perjury that I have read the
3 foregoing transcript; that I have made any
4 corrections as appear noted, in ink, initialed by
5 me, or attached hereto; that my testimony as
6 contained herein, as corrected, is true and correct.
7
8 Executed this _____day of _____,
9 2016, at _____, _____.
10 (Los Angeles) (California)
11
12
13
14
15 _____
16 JAMES COTTER, JR.
17
18
19
20
21
22
23
24
25

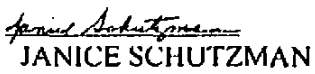
1
2 I, JANICE SCHUTZMAN, Certified Shorthand
3 Reporter of the State of California, do hereby
4 certify:
5 That the foregoing proceedings were taken
6 before me at the time and place herein set forth;
7 that any witnesses in the foregoing proceedings,
8 prior to testifying, were placed under oath; that
9 the testimony of the witness and all objections made
10 by counsel at the time of the examination were
11 recorded stenographically by me, and were thereafter
12 transcribed under my direction and supervision; and
13 that the foregoing pages contain a full, true and
14 accurate record of all proceedings and testimony to
15 the best of my skill and ability.
16 I further certify that I am neither financially
17 interested in the action nor a relative or employee
18 of any attorney or any of the parties.
19 IN WITNESS WHEREOF, I have subscribed my name
20 this 19th day of May, 2016.
21
22
23 
24 JANICE SCHUTZMAN
25 CSR No. 9509

EXHIBIT D

AMENDED AND RESTATED

BYLAWS

OF

READING INTERNATIONAL, INC.

A Nevada Corporation

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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 CERTFICATED 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.

EXHIBIT E

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

May 21, 2015

A duly noticed meeting of the Board of Directors (the "Board") of Reading International, Inc. (the "Company") was held in the Company's offices in Los Angeles on May 21, 2015 at approximately 11:15 a.m. (Los Angeles time).

Present were Ellen M. Cotter, Chairperson of the Board, and Board members Margaret Cotter, Vice Chairperson, 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 William D. Ellis, Company Secretary and General Counsel, and Craig Tompkins. Also in attendance at the request of the Chairperson were Company counsel, Gary McLaughlin and Frank Reddick, of Akin Gump Strauss Hauer & Feld, LLP. On behalf of James J. Cotter, Jr., Mark Krum of Lewis Roca Rothgerber LLP was also present.

Further, on May 19, 2015, Mr. James Cotter had requested the Chairperson to place on the agenda of this meeting the following matters: (x) a report by him on a Review of the Company's Operations and the search for a Director of Real Estate, (y) employment agreements for Ms. Ellen Cotter and Ms. Margaret Cotter and (z) his request that the Company repurchase 100,000 shares of Class A non-voting stock owned by him.

Call to Order

Ms. Ellen Cotter, Chairperson of the Board, called the meeting to order at approximately 11:15 a.m. (Los Angeles time) and did a roll call of the attendees. Ms. Ellen Cotter acted as recording secretary for the meeting and took these minutes.

Presence of Attorneys

Prior to moving to the agenda, the Board took up the question of whether counsel from Lewis Roca Rothgerber and Akin Gump Strauss Hauer & Feld should participate in the meeting. The Chairperson informed the board that non-board members are entitled to attend the meeting only at the invitation of the Board and that Mr. Krum did not represent the Company and had indicated an intention to file a lawsuit on behalf of Mr. James Cotter against each of the other directors. Following discussion, Mr. Adams made a motion, seconded by Mr. Kane, that Mr. Krum be requested to leave the meeting. Upon a vote of 7-1, with Mr. Cotter voting against, the motion was approved.

The Board then discussed whether it was appropriate for Messrs. Reddick and McLaughlin to be present at the Meeting. The Chairperson stated that Akin Gump Strauss Hauer & Feld had been engaged by the Company on employment and certain other matters for over ten years and Messrs. Reddick and McLaughlin were present at her request. Following discussion, Mr. McEachern made a motion, seconded by Mr. Kane, to invite Messrs. Reddick and McLaughlin to attend the meeting. By a vote of 5-3, with Messrs. Cotter, Storey and Gould voting against, the motion was adopted.

Mr. Krum then addressed the Board stating that, in his opinion, the Board had not engaged in an adequate process in order to make a determination to terminate Mr. Cotter as Chief Executive Officer and that Messrs. Adams and Kane were not disinterested directors. Mr. Ellis reported that he had consulted the Company's regular Nevada corporate counsel and had been advised that Messrs. Adams and Kane had no conflict that would preclude them as a matter of law in participating in the meeting and voting on any matter with respect to Mr. Cotter.

Review of Operations

Ms. Ellen Cotter then stated that she would like take up the last item on the agenda, Mr. Cotter's report on operations, out of order as the first order of business. Mr. Cotter stated that he was not prepared to make a presentation on the Company's operations but instead would like to address the Board on his performance as Chief Executive Officer and the reasons he believed it appropriate that he continue in that role. Mr. Cotter then proceeded to speak to the Board at length about his position of President and Chief Executive Officer of the Company. He told the Board that he firmly believed that his father, James J. Cotter, Sr., the Company's former Chairman and Chief Executive Officer, had intended for him to have this role and his continuation as Chief Executive Officer would be consistent with his father's wishes. He also took issue with the independence of Mr. Kane and Mr. Adams and repeated the statements his counsel had addressed to the Board urging that they be disqualified from voting with respect to any action to terminate him as Chief Executive Officer.

The Board then proceeded to discuss at length the performance of Mr. Cotter as Chief Executive Officer and President of the Company since he was appointed in August 7, 2014.

For over the next two hours the Board discussed Mr. James Cotter's performance as Chief Executive Officer. Messrs. Adams and Kane and Madams Ellen Cotter and Margaret Cotter each stated that it would be in the best interests of the Company and its shareholders that the Board conduct a search for a qualified chief executive officer and that Mr. Cotter be relieved of his positions as Chief Executive Officer and President of the Corporation and reviewed the reasons underlying this assessment. As part of that discussion, it was noted that the independent directors had met numerous times to discuss this matter and Mr. Cotter's progress in this role. Messrs. Adams and Kane and Madams Ellen Cotter and Margaret Cotter reviewed their assessment of deficiencies that they observed in Mr. Cotter's leadership, understanding of the Company's business, temperament, managerial skills, decision-making and other attributes in the role of Chief Executive Officer. Messrs. Gould and Storey expressed their views on Mr. Cotter's performance and their conclusion that a decision to make a change in this position would not be in the best interests of the Company at this time.

At approximately 2:00 p.m. (Los Angeles time), Messrs. Gould, Kane, McEachern, Storey and Adams suggested that they continue the discussion in executive session and Ms. Ellen Cotter, Ms. Margaret Cotter, and Messrs. James Cotter, Ellis, Tompkins, McLaughlin and Reddick left the meeting.

Independent Directors Session

Messrs. Gould, Kane, McEachern, Storey and Adams continued in executive session for the next two hours during which time they continued their review of Mr. James Cotter's performance and the course of action that would be in the best interests of the Company.

Resumption of the Meeting with the Full Board

At approximately 4:00 p.m. (Los Angeles time), Ms. Ellen Cotter, Ms. Margaret Cotter, and Mr. James Cotter rejoined the meeting.

After much further discussion amongst Board members, Mr. Gould suggested that Mr. Cotter continue as President of the Company and the Board commence a search for a new Chief Executive Officer. Mr. Cotter twice refused to continue in the role of President under a new Chief Executive Officer.

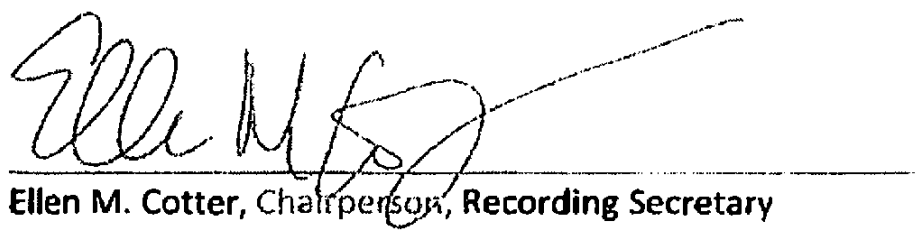
After much further discussion, the Board determined to take no action at this meeting with respect to Mr. Cotter's position as Chief Executive Officer and President of the Company and that the Board would reconvene the meeting on May 29, 2015 to continue its deliberations. In the interim, the Directors would be provided the opportunity to reflect on the discussion during the meeting and Mr. Cotter indicated that he would give further consideration to continuing in the role of President of the Company under the leadership of a new Chief Executive Officer. At the request of the Board, Mr. Cotter agreed to maintain during the upcoming week a "low profile," to not take any significant corporate action and take some time out of the office.

Independent Director Compensation

The Board then discussed the inordinate amount of director time that had been spent addressing the management and personnel issues at the Company.

A motion was made by Mr. McEachern and seconded by Mr. Storey that each of the directors who are not employed by the Company or members of the Cotter family, receive a one-time bonus of $25,000 in recognition of the significant additional time required addressing these matters. Upon motion duly made, seconded and unanimously adopted, the Board approved such one-time bonus.

Ms. Ellen Cotter then adjourned the Meeting at approximately 5:00 p.m., to be reconvened on May 29, 2015 at 10:00 a.m. (Los Angeles time) at the Company's Los Angeles offices.



Ellen M. Cotter, Chairperson, Recording Secretary

05-29-2015 Board Mtg

EXHIBIT F

Confidential Settlement Memo of Understanding

The following is intended to be used as a part of confidential and "without prejudice" settlement negotiations between Ellen Cotter and Margaret Cotter, on the one hand, and James J. Cotter, Jr. ("JJC") on the other hand. It is provided under the understanding that the contents hereof are confidential and not to be used in any litigation or other proceeding.

The proposal outlined below sets forth the basis on which Ellen Cotter ("EMC") and Margaret Cotter ("AMC") would be willing to proceed towards a negotiated settlement, but, with respect to the items related to the Company's management structure only, is subject to the ultimate approval of the independent directors, in the exercise of their fiduciary duties and obligations. Nothing herein is intended to interfere with the appropriate exercise by the directors of their fiduciary duties and obligations.

If these terms are acceptable to JJC, then JJC should sign below to indicate his agreement. AMC and EMC will do the same. By signing below, the parties agree that the terms of this Understanding represent a binding agreement, subject to approval by the independent directors of the RDI management structure and necessary court approvals. However, the parties acknowledge that their agreement will be memorialized in a more formal document, and the parties agree to work diligently and good faith to prepare all required documentation that reflects the terms of this Understanding. The initial draft of such documentation will be prepared by counsel to Ellen Cotter and Margaret Cotter.

TERM/CONDITION	EMC/AMC SETTLEMENT TERMS AND CONDITIONS
Reading International Management Structure (JJC, EMC & AMC would cooperate in good faith in the implementation of this changes)	JJC would continue to serve as CEO and President under the terms of his existing contract, but in the overall management structure and subject to the limitations set forth below: *Executive Committee Structure* The existing Executive Committee would be renewed as a standing committee of the Board of Directors, as follows: • Members: EMC, AMC, JJC and Guy Adams (Chairman). • Delegated Authority to the Executive Committee would be as determined by the Board of Directors, but would include, at a minimum, the following: (i) Approval over the Hiring/Firing/Compensation of all senior level consultants/employees; (ii) Review and approval/disapproval of all contracts/commitments have an overall exposure to the Company in excess of $1 million, and (iii) Review and approval of annual Budget and Business Plan. Meetings would be held on a regularly scheduled basis weekly. Executive Committee members would naturally be free to attend and participate in internal meetings called by the CEO, and would

	endeavor to make themselves reasonably available to attend such meetings as to which they may be invited by the CEO. Unless approved in advance by the Executive Committee, all investor relations would be handled by CFO in consultation with the GC, not CEO. All press releases and public filings would be subject to review and sign-off by the Executive Committee and the GC. The Company would enter into employment agreements with EMC and AMC on substantially the same terms and conditions as JR. EMC will be appointed President of the US Cinema division. Margaret Cotter will be appointed as Chairman of the NYC Real Estate Oversight Committee (members to include JJC, AMC, SCI and WE) It is recognized that the implementation of the above will require the adoption of various bylaws, policies and procedures.
Reading Voting Stock - Class B	JJC will decline to serve as Co-Trustee of the Voting Trust and renounces any intention or desire to serve as a successor trustee. Margaret Cotter will be the Sole Voting Trustee of the Voting Stock. JJC, EMC and AMC will sign an acknowledgement that there is an inconsistency in the 2014 Amendment between SR's expressed intent that AMC serve as Chair and another provision that says SR intended for rotation; JJC, EMC and AMC will agree that SR intended for AMC to serve as Chair and that neither EMC nor JR wish to serve as Chair.
Immediate Release and Waiver signed by JJC with respect to all litigation, including any matters covered by the specified litigation	1. California Superior Court case 2. Nevada case filed by JJC 3. All threats against Directors 4. All threats of Company Derivative Action 5. Agreement that Reading International, Inc. can drop the Interpleader action in Nevada and recognize the Estate as the owner of Class B Shares and Option 6. JJC further agrees to not sue Company over these matters or participate in any lawsuit related to the Company
2014 Trust Amendment	Subject to the terms and conditions herein, EMC and AMC will drop any challenge to the enforceability of the 2014 Amendment
Trustees of the Living Trust	JJC resigns as Trustee and renounces any intent or desire to serve as successor trustee while either EMC or AMC are alive.
Specific Bequests	Laguna Beach Condo will be sold immediately to provide liquidity to the Estate. The parties will agree to consent to such sale under terms determined by AMC and EMC in their sole discretion as Co-Trustees.

Ownership of Agriculture Assets	Cotter Family Farms, LLC Agreement amended • Majority rule for decision-making by Co-Managers; • Remove restrictions on distributions or sale of assets; • JJC, EMC and AMC will sign an agreement that they have unanimously agreed that the assets of the Citrus Trust, including ownership interests in the LLC, will be distributed pro rata to EMC, AMC, and JJC.
JJC's "Lead Director" Agreement with Cecelia - $200,000 per annum	JJC's "lead director" Agreement will be voided. JJC will relinquish any remaining rights in such Agreement.
$1.5 million Loan	As executors, EMC and AMC will work out a reasonable payment back to Estate over time, taking into due consideration JJC's ability to make such repayments.
Legal Expenses	All legal expenses and other professional fees incurred to date by JJC, EMC, AMC, the Trust, and the Estate relating to the litigation or administration issues will reimbursed by Trust or Estate as appropriate, and JJC will sign an acknowledgment that this is appropriate and reasonable.
Release by EMC and AMC	EMC and AMC will take all actions to have their claims pending in CA and NV over SR's estate and trust dismissed with prejudice, except to the extent such dismissal would be inconsistent with any term of this Agreement, such as with regard to the $1.5 million loan (in which case the parties will work to carve out such claims).
2014 Gifts	JJC delivers EMC check for $28,000.
James J. Cotter Foundation	AMC, EMC and JJC will become co-trustees and/or co-directors of the James J. Cotter Foundation. They further will agree that decision-making will be done by majority rule.
Court Approval	The parties will use their best efforts to obtain court approval in CA and NV of any settlement agreement.
Counseling	AMC, JJC and EMC will engage in professional counseling to determine how to work cooperatively together and with respect.

AGREED:

_____
James J. Cotter, Jr. (individually and in all representative capacities)

_____
Ellen Cotter (individually and in all representative capacities)

_____
Margaret Cotter (individual and in all representative capacities)

EXHIBIT G

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

May 29, 2015

A duly noticed meeting of the Board of Directors (the "Board") of Reading International, Inc. (the "Company") was held in the Company's Los Angeles office on May 21, 2015 and ultimately adjourned to May 29, 2010 at 11:00 a.m. (Los Angeles time).

Present were Ellen M. Cotter, Chairperson of the Board, and Board members Margaret Cotter, Vice Chairperson, 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 was William D. Ellis, Corporation Secretary and General Counsel.

Call to Order

Ms. Ellen Cotter, Chairperson of the Board, called the meeting to order at approximately 11:00 a.m. (Los Angeles time) and did a roll call of the attendees. Mr. William Ellis acted as recording secretary for the meeting and took these minutes.

Status of President and Chief Executive Officer

The Board continued its discussion of Mr. James Cotter, Jr.'s performance as Chief Executive Officer and President of the Company. Prior to adjournment on May 21, 2015, the Board discussed having Mr. Cotter continue as President of the Company and to immediately commence a search for a new Chief Executive Officer. At that time, Mr. Cotter twice informed the other directors that he found that arrangement to be unacceptable. Mr. Cotter informed

the Board that he had given further thought to a role as President and that he would not agree to remain employed as President of the Company under the leadership of a new Chief Executive Officer.

Mr. Adams explained his lack of confidence in Mr. Cotter's ability to "move the Company forward", principally based on Mr. Cotter's lack of leadership skills, understanding of the Company's business, temperament, managerial skills, decision-making and other attributes in the role of Chief Executive Officer and President.

Mr. Adams' then made the following Motion:

> *I move to remove James Cotter, Jr. from his position as President and Chief Executive Officer and all other positions he holds with the Company, its subsidiaries and affiliates. Mr. Cotter's employment agreement provides that if he is terminated without cause he is entitled to severance pay. While I personally believe we may have cause in this situation, it is my proposal that we take this action to remove him "without cause" under the terms of his contract, which will provide him the benefit of the contractual severance pay, assuming there is no further breach of the agreement.*

The above Motion was seconded by Mr. McEachern.

Before Ms. Ellen Cotter opened the floor to discussion on this Motion, she read the Board the following statement:

> *I want to disclose for the record, and as all of you know, Margaret Cotter and I have an interest in litigation that has been filed in California and we are now parties to a lawsuit filed in Nevada by our brother concerning shares of stock and options formerly held by our father. Our brother is also interested in this litigation.*

Ms. Margaret Cotter confirmed for the Board that this statement also applied to her as well.

Mr. Cotter began the discussion by questioning the independence of Mr. Adams to vote on the Motion. Mr. Ellis told the Board that he had reviewed with the Company's regular Nevada counsel the substance of Mr. Brockmeyer' s report on his conversation with Mr. Krum, including the stated reasons that Mr. Adams was allegedly not disinterested and disqualified from voting on the matter before the Board. He reported to the Board that counsel had advised him that, based on the facts outlined by Mr. Krum (which were the same as those asserted by Mr. Cotter at the meeting), Mr. Adams did not have a conflict that would prevent him from voting on the above motion.

Mr. Cotter further reiterated that it was the intention of his father, the former Chairman and CEO of the Company, that he run the Company and that the Board should observe his wishes.

The Board had a lengthy discussion of Mr. Cotter's performance as Chief Executive Officer and President of the Company. Mr. Cotter disputed these characterizations of his performance and stated his belief that he was competent to continue to run the Company.

The Board then discussed various options regarding how the Company's senior management team should be structured, including terminating Mr. Cotter and appointing an interim Chief Executive Officer to run the Company until Mr. Cotter's successor could be appointed, continuing Mr. Cotter in the role as President and commencing a search for a new Chief Executive Officer (which Mr. Cotter had on three different occasions rejected), and deferring any decision with respect to Mr. Cotter's status as an officer of the Company and maintaining the "status quo" until the pending litigation between the members of the Cotter family is resolved, recognizing that the litigation could impact the control of the Company. Directors Storey and Gould urged Mr. Cotter, Ms. Ellen Cotter and Ms. Margaret Cotter to attempt to negotiate a universal settlement that would resolve issues relating to the control of the Company and provide certainty to management and stockholders alike.

Ms. Ellen Cotter then informed the Board that legal counsel for Ms. Ellen Cotter and Ms. Margaret Cotter had contacted Mr. Cotter's counsel during the last week and proposed a settlement of the litigation existing between the three of them and related trusts and estates. It was noted that settlement of the litigation could be beneficial to the Company and its shareholders because it would remove any questions regarding the voting of the Company's common stock held by the trust and estate of Mr. James Cotter, Sr., which represents a control position in the Company and may reduce or eliminate the tension and obstacles to working collaboratively as a team that currently exists among the three litigants.

Ms. Ellen Cotter then reviewed the terms of the proposal made by her and Ms. Margaret Cotter's counsel to Mr. Cotter's counsel to resolve their litigation matters. It was noted that, to the extent the proposal addressed the terms of any settlement of litigation between the family members and their related trusts and estates, it was a matter personal to the Cotter family and not a matter on which the Board would have a view. To the extent that the proposal addressed the structure of the senior management of the Company, that was a matter for the Board of Directors and could not be dictated by the terms of any settlement. However, recognizing the potential benefits to the Company and its stockholders of a settlement of the existing litigation among the Cotter family members and their related trusts and estates, the meeting went into recess at approximately 2:00 p.m. to permit Mr. Cotter and Madams Ellen Cotter and Margaret Cotter to continue their discussion of settlement terms.

The Board meeting reconvened at approximately 6:00 p.m. at the Los Angeles offices of the Company. Present in the Los Angeles office of the Corporation were Ellen M. Cotter, Chairperson of the Board, and Board members Margaret Cotter, Vice Chairperson, James J.

Cotter, Jr. and Guy Adams. Present telephonically were William D. Gould, Edward L. Kane, Doug McEachern and Tim Storey. In attendance telephonically at the invitation of the directors was William D. Ellis, Company Secretary. Each of the persons in attendance confirmed that they could hear one another.

Ms. Ellen Cotter reported that she, Ms. Margaret Cotter and Mr. James Cotter, Jr. had reached an "agreement-in-principle" regarding their various disputed issues. Ms. Ellen Cotter then proceeded to read the "agreement-in-principle" to the Board. The agreement in principle addressed the terms of the settlement of the litigation matters existing between the three Cotters and related trusts and estates and also addressed Mr. Cotter's continued role as an officer of the Company. Ms. Ellen Cotter acknowledged that she and Ms. Margaret Cotter had no authority to bind the Company or the Board as to matters related to the Company's management structure that were part of the settlement, and the Cotter parties could only agree to vote for the settlement of those issues if the Board indeed approved such matters. She further noted that the "agreement-in-principle" still had to be reviewed by counsel and documented to the Cotters' mutual satisfaction.

Adjournment

It was then determined to adjourn the meeting and to permit the Cotters to move forward to document their settlement. No action was taken by the board with respect to the motion made earlier in the meeting and no action was taken on any element of the agreement in principle arrived at between the Cotter family members and related trusts and estates.

William D. Ellis, Recording Secretary

EXHIBIT H

From:	Kane
To:	James Cotter JR
Sent:	5/27/2015 4:37:34 PM
Subject:	Re: Confidential

Ellen is going to present you with a global plan to end the litigation and move the Company forward. If you agree to it, you, Ellen and Margaret will work in a collaborative manner and you will retain your title. There are some aspects that will not please you -- no compromise pleases anyone 100% -- but I truly believe that if you accept it as given, it will enhance the company, benefit you and your sisters and allow you to work together going forward until the next generation takes over.

-----Original Message-----
From: James Cotter JR
Sent: Wednesday, May 27, 2015 7:20 AM
To: 'Kane (elkane@san.rr.com)'
Subject: Confidential

I have tried reaching out to sisters. I spoke to Margaret last night about this proposal and have not heard back from her:

1. Engage in professional therapy over next 90 days to heal & rebuild family (including Nanna)

2. Provide sisters 3-5 year employment contracts with compensation deemed fair by Towers and Comp Committee

3. Complete standstill of all litigation and corporate maneuvering

4. Professional mediation to bring universal resolution and closure to estate

5. Professional mediation to find way to co-exist in company

6. Engage CEO consultant (i.e., McKinsey type consultant or veteran CEO) we all chose to work with us to move company forward for 90 days

7. Sisters do not report to me for 90 days and report on financial / large issue basis to CFO. We try to conduct business as normal with employees

8. Board provides me immediate review / feedback and monitors performance over next 90 days

9. Cease Tim's ombudsman role

10. Cotters meet once per week at set time so sisters are informed of all matters

11. Recast board with professional director chosen by girls (professional headhunter firm like Korn Ferry provides three independent directors with professional board experience and ability to take leadership Board role and sisters pick one)

12. If we can't co-exist after 90 days, sisters buy me out of RDI stock (Company pays me X and sisters pay additional share of estate with 5-10 year note secured by stock). Or I buy them out. Whatever they prefer. We divide estate and remain family.

Is there anything you can do to broker this?

We all have different views about what Dad wanted, but we all know that Dad would never want to see his son with three young children terminated and we all know Dad wanted the three of us to stick together.

- If we start with what we all agree Dad wanted, we can all find a solution that is in the best interest of the Company and the Cotters.

1 EIGHTH JUDICIAL DISTRICT COURT
2 CLARK COUNTY, NEVADA
3
4 JAMES COTTER, JR., derivatively
on behalf of Reading International,
5 Inc.,
Plaintiff,
6
vs. Case No.
7
MARGARET COTTER, ELLEN COTTER, A-15-719860-B
8 Guy Adams, EDWARD KANE, DOUGLAS
McEACHERN, TIMOTHY STOREY,
9 WILLIAM GOULD, JUDY CODDING,
MICHAEL WROTNIAK, and DOES 1
10 through 100, inclusive,
Defendants.
11
and
12
READING INTERNATIONAL, INC.,
13 a Nevada corporation,
Nominal Defendant.
14 _____
15 (CAPTION CONTINUED ON NEXT PAGE.)
16
17 VIDEOTAPED DEPOSITION OF JAMES COTTER, JR.
18 Los Angeles, California
19 Tuesday, May 17, 2016
20 Volume II
21
22 Reported by:
23 JANICE SCHUTZMAN, CSR No. 9509
24 Job No. 2312191
25 Pages 298 - 567

1 said it, the specific instance that you're
2 describing here?
3 A. I can't.
4 Q. Can you remember where it was?
5 A. I can't. 12:18PM
6 Q. Can you remember who else was present?
7 A. I can't.
8 Q. There's a long list of grievances here you
9 have with your sister Margaret that you put in this
10 email. 12:18PM
11 What did you expect her reaction was going
12 to be to this email as the cover email for her
13 employment agreement?
14 A. Maybe realizing that her behavior, in doing
15 these things, was unprofessional and she should 12:19PM
16 think about the way she was behaving with me.
17 THE REPORTER: 192.
18 (Deposition Exhibit 192 was marked for
19 identification.)
20 BY MR. TAYBACK:
21 Q. I'm showing you an email exchange between
22 you and Mr. Kane, dated May 27th, 2015, entitled
23 "Confidential."
24 Do you recognize this?
25 A. I do. 12:21PM

1

2 I, JANICE SCHUTZMAN, Certified Shorthand
3 Reporter of the State of California, do hereby
4 certify:
5 That the foregoing proceedings were taken
6 before me at the time and place herein set forth;
7 that any witnesses in the foregoing proceedings,
8 prior to testifying, were placed under oath; that
9 the testimony of the witness and all objections made
10 by counsel at the time of the examination were
11 recorded stenographically by me, and were thereafter
12 transcribed under my direction and supervision; and
13 that the foregoing pages contain a full, true and
14 accurate record of all proceedings and testimony to
15 the best of my skill and ability.
16 I further certify that I am neither financially
17 interested in the action nor a relative or employee
18 of any attorney or any of the parties.
19 IN WITNESS WHEREOF, I have subscribed my name
20 this 20th day of May, 2016.
21
22
23 Janice Schutzman
24 JANICE SCHUTZMAN
25 CSR No. 9509

EXHIBIT I

1 EIGHTH JUDICIAL DISTRICT COURT

2 CLARK COUNTY, NEVADA

3

4 JAMES J. COTTER, JR., derivatively on behalf of 5 Reading International, Inc.,	
6 Plaintiff,	Case No. A-15-719860-B
7 vs.	
8 MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD 9 KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM 10 GOULD, and DOES 1 through 100, inclusive,	Case No. P-14-082942-E Related and Coordinated Cases
11 Defendants,	
12 and	
13 READING INTERNATIONAL, INC., a Nevada corporation,	
14 Nominal Defendant.	
15	

16 Complete caption, next page.

17

18

19 VIDEOTAPED DEPOSITION OF GUY ADAMS

20 LOS ANGELES, CALIFORNIA

21 THURSDAY, APRIL 28, 2016

22 VOLUME I

23

24 REPORTED BY: LORI RAYE, CSR NO. 7052

25 JOB NUMBER: 305144

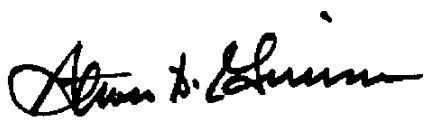
1 A. Presently?
2 **Q. -- so this year.**
3 A. Presently, Jim -- Jim Cotter Farms or
4 Cotter Family Farms, Reading International and GWA
5 Capital. There's another company, GWA Advisors,
6 LLC. It's an investment -- it's not a registered
7 investment advisor but I do some private equity
8 deals in that one as well. So those two entities,
9 Cotter Family Farms and Reading International.
10 **Q. And so far this year, how much money have**
11 **you been paid by each of the four entities you just**
12 **identified?**
13 A. Well, the -- it's easier to answer GWA
14 Capital and GWA Advisors was zero so far this year.
15 I don't know the exact amount for Cotter Farms and
16 Reading.
17 **Q. In 2015, did you have any sources of**
18 **income other than those four entities, Cotter**
19 **Family Farms, Reading, GWA Capital and GWA**
20 **Advisors?**
21 A. 2015, I had an investment that was sold
22 and there was the proceeds from that.
23 **Q. What was that investment?**
24 A. Real estate. It was in my name. It
25 wasn't in the name of the company.

1 **Q. What was the real estate?**
2 A. A condo.
3 **Q. Where was it located?**
4 A. Santa Barbara.
5 **Q. What were the proceeds from the sale of**
6 **the Santa Barbara condo?**
7 MR. TAYBACK: Objection; vague as to
8 "proceeds," whether profits or revenue.
9 BY MR. KRUM:
10 **Q. How much money did you net on the sale of**
11 **the Santa Barbara condo?**
12 A. Roughly, maybe $300,000.
13 **Q. When did you acquire that condo?**
14 A. Approximately 2009. 2008, 2009.
15 **Q. And that was acquired and held in your**
16 **name personally; is that correct?**
17 A. No, it was held in my name and my
18 ex-wife's name.
19 **Q. Did the two of you acquire it together?**
20 A. Yes, we did.
21 **Q. Did you receive the Santa Barbara condo**
22 **as part of the judgment or settlement, as the case**
23 **may be, of your divorce case?**
24 A. No, she had to buy my portion of the
25 Santa Barbara entity.

1 **Mr. Kane's email --**
2 A. Yes.
3 **Q. -- do you see in the first line, it says:**
4 **"We have heard from Nevada counsel via**
5 **their memos"?**
6 A. Yes.
7 **Q. At the time, did you have any**
8 **understanding to what that referred?**
9 A. As I recall, I think Ed was referring to
10 the memos from Nevada counsel about who could vote
11 the stock in the various trusts or whatever.
12 MR. KRUM: Okay. Why don't we go off the
13 record.
14 THE VIDEOGRAPHER: We are off the record. The
15 time is 5:27.
16 (Discussion held off the record.)
17 THE VIDEOGRAPHER: This concludes the
18 deposition of Guy Adams, Volume I, April 28, 2016,
19 which consists of four media files. The original
20 media files will be retained by Hutchings
21 Litigation Services. Off the video record at
22 5:28 p.m.
23 (The deposition was adjourned
24 at 5:28 p.m.)
25

EXHIBIT J

Electronically Filed
05/12/2016 01:46:35 PM



CLERK OF THE COURT

TRAN

DISTRICT COURT
CLARK COUNTY, NEVADA
* * * * *

IN THE MATTER OF JAMES J. COTTER, Deceased	CASE NO. P-082942 A-719860
	DEPT. NO. XI
	Transcript of Proceedings

And related cases and parties

BEFORE THE HONORABLE ELIZABETH GONZALEZ, DISTRICT COURT JUDGE

TELEPHONE CONFERENCE RE STIPULATION AND ORDER FOR BRIEFING SCHEDULE AND HEARING DATES

WEDNESDAY, JULY 22, 2015

COURT RECORDER:

JILL HAWKINS
District Court

TRANSCRIPTION BY:

FLORENCE HOYT
Las Vegas, Nevada 89146

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

APPEARANCES:

MARK E. FERRARIO, ESQ.
LEIGH GODDARD, ESQ.
AARON D. SHIPLEY, ESQ.
ALAN D. FREER, ESQ.
HARRY P. SUSMAN, ESQ.
ADAM STREISAND, ESQ.

1 LAS VEGAS, NEVADA, WEDNESDAY, JULY 22, 2015, 3:59 P.M.
2 (Court was called to order)
3 THE COURT: Counsel, can I do a roll call, please.
4 MR. FREER: Alan Freer.
5 MR. SHIPLEY: Aaron Shipley.
6 MR. SUSMAN: Harry Susman.
7 MS. GODDARD: Leigh Goddard.
8 MR. STREISAND: Adam Streisand.
9 MR. FERRARIO: Mark Ferrario.
10 THE COURT: So, Mr. Streisand, your last name is
11 S-T-R-E-I-S-A-N-D?
12 MR. STREISAND: Exactly right.
13 THE COURT: Okay. Is Mr. Susman joining us, or have
14 we got everybody we need?
15 MR. SUSMAN: I'm on, Your Honor.
16 THE COURT: Oh. Okay. So I asked for Laura to set
17 this up because I got your stip and order regarding briefing
18 schedule and hearing dates and was very confused. What are
19 you guys trying to do?
20 MR. STREISAND: This is Adam Streisand, Your Honor.
21 What we tried to do is streamline things to simplify the issue
22 before the Court. And so what we're going to do is present
23 only issue to the Court, which is that the will is a pour-over
24 will to the trust and requires that the assets be distributed
25 to the trust. We understand that the executors will claim

1 that it is -- that it is not time yet, it's premature to
2 distribute the assets to the trust because there are certain
3 creditors' claims, and they have other arguments. We will
4 explain that their claims are late filed and they're not
5 viable claims, therefore there's no reason why the assets
6 should be retained in the trust. So we're just trying to
7 simply streamline and simplify it so that we can present that
8 issue to the Court.
9 THE COURT: So is it your intention to take off all
10 of our pending issues?
11 MR. STREISAND: It is now intentioned simply to
12 amend our petition to request only the relief based on the
13 pour-over will and not secretly based on any other Hickstead
14 basis, which would involve the various assignments that were
15 signed by the decedent.
16 MR. FERRARIO: This is Mark Ferrario. And then
17 while the -- until that issue is resolved the stock will be
18 controlled by the co-executors of the estate; correct?
19 MR. STREISAND: I'm sorry. I could not make out
20 what was just said.
21 MR. FERRARIO: Until the issues are resolved by the
22 Court the stock's going to be in the estate, and to extent
23 there needs to be any voting in the stock or controlling the
24 stock it'll be handled by the co-executors [unintelligible];
25 correct?

1 MR. STREISAND: Yes, of course. Until there's an
2 order from the Court --
3 MR. FERRARIO: Right.
4 MR. STREISAND: -- that the stock is an asset of the
5 estate and the executors are the executors.
6 MR. FERRARIO: Okay.
7 MR. SUSMAN: Your Honor, it's Harry Susman. To
8 answer your question, my understanding was that the intent is,
9 yes, to take all of the stuff that was addressed in the pages
10 of briefing that you got and kind of take that off your
11 docket. That's no longer going to be the issue. There's this
12 different issue that maybe I think was touched on in the
13 papers that it's just the time has come to distribute the
14 stock over to the trust, which is a new kind of legal issue
15 for which there will be a new petition filed and new briefing.
16 That's my understanding of what's going on and why we agreed
17 to this.
18 MR. STREISAND: Not really a new issue. It was one
19 of the issues. And when Your Honor suggested that we have a
20 trial in September on all these issues everybody realized that
21 would involve a great deal of discovery and that -- and so
22 forth, and, you know, we all agreed that let's just streamline
23 this, we'll go forward with one issue, and we think that'll
24 make it much more efficient for the parties and the Court.
25 THE COURT: Okay. So I've got to ask the question,

1 because I still don't understand. And usually I'm not this
2 dense. Are you asking me to vacate your evidentiary hearing
3 and put you on solely for an argument on a motion calendar
4 limited to 10 minutes per side?
5 MR. STREISAND: I think that is the intention. I'll
6 let others speak to it, but I believe that is the intent.
7 THE COURT: Does anybody disagree?
8 MR. SUSMAN: Well, Your Honor, this is Harry Susman.
9 And without seeing the amended petition, it's not clear to me
10 whether we will or won't need an evidentiary hearing. I
11 suppose if Mr. James Cotter's claims are purely legal and
12 don't, for example, dispute the factual validity of a claim
13 that's been made against the estate, then maybe it is
14 something that will be done on 10 minutes', you know,
15 argument. But I could see -- again, [unintelligible] petition
16 yet where we might need actual evidence. I just -- I don't
17 know at the moment how long we'll need. If there were a
18 factual hearing, though, it's -- I guess I would say I can't
19 imagine it requiring more than an hour or two. And I
20 understand the issue that they intend to raise. It's going to
21 be pretty narrow.
22 THE COURT: So you do not need the days that I have
23 set aside of September 8th through September 11th is what
24 you're telling me?
25 MR. STREISAND: Well, I can't imagine -- yeah, we

1 won't need that. I think might need at most one -- I think we
2 asked for one of those days to do this argument. And we might
3 need a little more than 10 minutes on that day, depending how
4 things play out, if that's possible, to kind of let it play
5 out there till you've seen some more of the briefing.
6 THE COURT: Well, if you're telling me you don't
7 want those days, I'm going to erase your name from the
8 pencilled-in portion I have of you, and I will give those days
9 to somebody else, probably Mr. Ferrario's partner. But the
10 problem I'm having is once you give up those days you're not
11 getting them back. And that's why I'm trying to ask you these
12 questions.
13 MR. STREISAND: Well, I think Mr. Susman raises a
14 fair point, that they have not seen our petition. And it may
15 be -- he may conclude or we may conclude that there are some
16 evidentiary issues. But I would agree with Mr. Susman that at
17 most we're talking about, you know, an hour or two. So I
18 would suggest, if the Court would agree, that we try to
19 reserve, you know, either a morning or an afternoon, and then
20 you could vacate the rest of those days.
21 THE COURT: Well, I'm not going to do that. But I
22 am going to vacate the evidentiary hearing I've set. After
23 you've had a chance to look at the petition if somebody thinks
24 you need a special setting, I guess you'll tell me.
25 Anything else, counsel?

1 MR. SUSMAN: No. Thank you, Your Honor.
2 THE COURT: All right. I'm going to set it for
3 September 15th, and I'm going to set it at the 8:30 hearing,
4 although you have 8:00 o'clock written in here. If someone
5 decides you want to be set at 8:30 -- or at 8:00 o'clock
6 instead of 8:30, please let me know.
7 MR. STREISAND: Fair enough, Your Honor.
8 THE COURT: Okay.
9 MR. FERRARIO: Thank you, Your Honor.
10 THE COURT: 'Bye.
11 THE PROCEEDINGS CONCLUDED AT 4:08 P.M.
12 * * * * *
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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

FLORENCE M. HOYT, TRANSCRIBER

5/11/16

DATE

EXHIBIT K

REGISTER OF ACTIONS

CASE NO. P-14-082942-E

In the matter of: James Cotter, Deceased	§	Case Type:	**Probate - General Administration**
	§		
	§	Date Filed:	**11/04/2014**
	§	Location:	**Department 11**
	§	Cross-Reference Case Number:	**P082942**
	§		

RELATED CASE INFORMATION

Related Cases
A-15-719860-B (Coordinated - Certain Matters)

PARTY INFORMATION

Decedent	**Cotter, James J**	DOD: 09/13/2014	**Lead Attorneys** **Mark G. Krum** *Retained* 702-949-8200(W)
Other	**Cotter, James J, Jr.**		**Leigh T. Goddard** *Retained*
Other	**Gould, William**		**Donald A. Lattin** *Retained* 775-827-2000(W)
Other	**Nationwide Theatres Corp.**		**Bradley Joe Richardson** *Retained* 702-692-8000(W)
Other	**Parties Receiving Notice**		
Other	**Reading International, Inc**		**Kara B. Hendricks** *Retained* 702-792-3773(W)
Other	**Storey, Timothy**		**Donald A. Lattin** *Retained* 775-827-2000(W)
Petitioner	**Cotter, Ann Margaret**		**Alan D. Freer** *Retained* 702-853-5483(W)
Petitioner	**Cotter, Ellen Marie**		**Alan D. Freer** *Retained* 702-853-5483(W)
Special Administrator	**Cotter, Ann Margaret**		**Alan D. Freer** *Retained* 702-853-5483(W)
Special Administrator	**Cotter, Ellen Marie**		**Alan D. Freer** *Retained* 702-853-5483(W)

EVENTS & ORDERS OF THE COURT

09/18/2015 **Hearing** (8:30 AM) (Judicial Officer Gonzalez, Elizabeth)
Hearing: Amended Petition

Minutes
09/15/2015 8:30 AM

09/18/2015 8:30 AM

09/18/2015 8:30 AM
- Appearances continued: Attorney Adam Streisand, Pro Hac Vice, for Ellen Cotter and Ann Margaret Cotter; Attorney Alex Robertson for Intervenor Plaintiffs in related case A719860. Mr. Robertson and Mr. Krum participated by telephone. Arguments by Ms. Goddard, Mr. Susman, and Mr. Richardson. COURT ORDERED, at this time it appears premature to make a distribution until there is a determination of the estate tax liability; therefore, the amended petition is DENIED WITHOUT PREJUDICE.

Parties Present
Return to Register of Actions

EXHIBIT L

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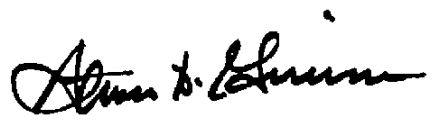

CLERK OF THE COURT

TRAN

DISTRICT COURT
CLARK COUNTY, NEVADA
* * * * *

JAMES COTTER, JR.	.	
Plaintiff	.	CASE NO. A-719860 P-082942
vs.	.	DEPT. NO. XI
MARGARET COTTER, et al.	.	**Transcript of Proceedings**
Defendants	.	

. . . . . .

BEFORE THE HONORABLE ELIZABETH GONZALEZ, DISTRICT COURT JUDGE

HEARING ON T2 PLAINTIFFS' MOTION FOR PRELIMINARY INJUNCTION

THURSDAY, MAY 26, 2016

COURT RECORDER:

JILL HAWKINS
District Court

TRANSCRIPTION BY:

FLORENCE HOYT
Las Vegas, Nevada 89146

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

1 THE COURT: I think we all agree that it would be
2 nice if the three Cotter siblings could get along. But that
3 doesn't mean that the relief you're requesting here is the
4 appropriate relief.
5 MR. ROBERTSON: Well, but it also doesn't mean that
6 the inspector of elections can go beyond the face of the stock
7 certificates or the stock register and -
8 THE COURT: Right. But I made a determination in
9 preparation for last year's meeting. I don't know why anybody
10 would ask me -- nobody's given me any reason to change that at
11 this point.
12 MR. ROBERTSON: Well --
13 THE COURT: I know that you're still frustrated
14 about the state of this litigation and your clients are very
15 frustrated about it. I had hopes that the California
16 settlement conference would do something to move this along.
17 But I can't make other people do their job.
18 MR. ROBERTSON: I understand, Your Honor. And
19 what's new for us is the fact that just weeks before we filed
20 this motion we got an email through discovery from the
21 inspector of elections to RDI that explained, hey, I had three
22 proxies from the three Cotter siblings and so two out of three
23 wins, majority wins. That's the new evidence. We didn't know
24 how the votes were going to be counted at the election. We
25 brought this motion five months after that election, on the

1 eve of next week's election, so that this doesn't happen
2 again.
3 THE COURT: I understand. Anything else?
4 MR. ROBERTSON: No, Your Honor.
5 THE COURT: Anything else from anybody?
6 Mr. Krum, anything else you want to add?
7 MR. KRUM: No, Your Honor. Thank you.
8 THE COURT: Okay. So my position has not changed.
9 So we'll proceed with the meeting just like we did last year.
10 MR. ROBERTSON: Thank you, Your Honor.
11 THE COURT: The inspector has the discretion to
12 make a determination as to whether the shares are properly
13 voted, but I've given my direction. And my direction has not
14 changed.
15 MR. ROBERTSON: Thank you, Your Honor.
16 MR. FERRARIO: Your Honor, can we address another
17 matter?
18 THE COURT: How about I address mine first.
19 MR. FERRARIO: Okay.
20 THE COURT: You've got several motions on the
21 chambers calendar which are not typically the type of motions
22 that I would have on the chambers calendar. They are Cotter's
23 motion to compel plaintiff James Cotter to produce an adequate
24 privilege log, Reading's joinder to the motion to disqualify
25 the intervening plaintiffs, and the Cotter parties' motion to

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

FLORENCE M. HOYT, TRANSCRIBER

6/2/16

DATE

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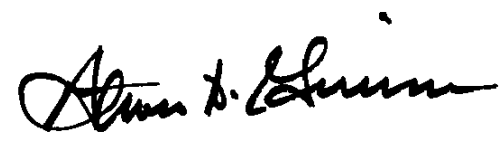

CLERK OF THE COURT

NEOJ
MARK E. FERRARIO, ESQ.
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KARA B. HENDRICKS, ESQ.
(NV Bar No. 7743)
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cowdent@gtlaw.com

Counsel for Reading International, Inc.

DISTRICT COURT

CLARK COUNTY, NEVADA

In the Matter of the Estate of JAMES J. COTTER, Deceased. 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. 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. XI Case No. A-16-735305-B Dept. XI **NOTICE OF ENTRY OF ORDER GRANTING SETTLEMENT WITH T2 PLAINTIFFS AND FINAL JUDGMENT WITH EXHIBIT 1 ATTACHED**

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway, Suite 400 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

TO: All parties and their counsel of record:

YOU AND EACH OF YOU will please take notice that on October 21, 2016, the Court entered the ***Order Granting Settlement with T2 Plaintiffs and Final Judgment with Exhibit 1 Attached***, a copy of which is attached hereto as Exhibit A.

DATED: this 21st day of October, 2016.

GREENBERG TRAURIG, LLP

/s/ Mark E. Ferrario

MARK E. FERRARIO (NV Bar No. 1625)
KARA B. HENDRICKS (NV Bar No. 7743)
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Facsimile: (702) 792-9002

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 ***Notice of Entry of Order Granting Settlement With T2 Plaintiffs and Final Judgment with Exhibit 1 Attached*** 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 21st day of October, 2016.

/s/ Andrea Lee Rosehill
An employee of GREENBERG TRAURIG, LLP

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Las Vegas, Nevada 89169
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EXHIBIT A

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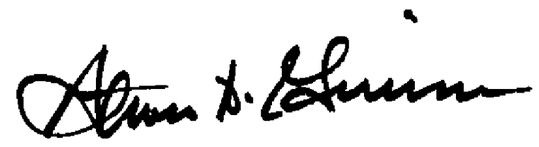

CLERK OF THE COURT

ORDR
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ferrariom@gtlaw.com
hendricksk@gtlaw.com

Counsel for Reading International, Inc.

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., Plaintiff, v. READING INTERNATIONAL, INC., a Nevada corporation; DOES 1-100, and ROE ENTITIES, 1-100, inclusive, Defendants.	**Case No. A-15-719860-B** Dept. XI **Coordinated with:** Case No. P 14-082942-E Dept. XI Case No. A-16-735305-B Dept. No. XI
In the Matter of the Estate of JAMES J. COTTER, Deceased.	**ORDER GRANTING SETTLEMENT WITH T2 PLAINTIFFS AND FINAL JUDGMENT**
JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc. Plaintiff, v. MARGARET COTTER, et al, Defendants.	**Hearing Date: October 6, 2016** **Time: 8:30a.m. and 1:00 p.m.**

GREENBERG TRAURIG, LLP
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Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

Presently pending is the Joint Motion for Final Approval of Settlement and Dismissal ("Joint Motion"), filed by Intervenor Plaintiffs T2 Partners Management, LP, T2 Accredited Fund, LP, T2 Qualified Fund, LP, Tilson Offshore Fund, LTD., T2 Partners Management I, LLC, T2 Partners Management Group, LLC, JMG Capital Management, LLC, Pacific Capital Management, LLC, and Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, William Gould, Judy Codding, Michael Wrotniak, Craig Tompkins, and Nominal Defendant, Reading International, Inc. The Court having reviewed the Motion and grounds therefore, having heard any objections thereto, and having heard the arguments of the parties, FINDS AS FOLLOWS:

1. The Court previously granted preliminary approval of the proposed settlement based upon the terms as set forth in the Joint Motion for Preliminary Approval of Settlement of Derivative Claims on August 4, 2016. At that time, the Court determined that settlement appeared presumptively valid, subject only to any objections at the final approval hearing. The Court also approved a Notice of Settlement ("Notice") to be provided to shareholders of Reading International Inc. ("RDI");

2. The Nevada Rules of Civil Procedure and due process have been satisfied in connection with the Notice;

3. Subsequent to service of the Notice, the Court received three objections to the proposed settlement from: James J. Cotter, Jr.; Diamond A Partners, L.P. and Diamond A. Investors, L.P.; and Mark Cuban; and

4. The Court after considering all objections and responses thereto and having held a hearing on October 6, 2016, the Court modified the Settlement Agreement and Release of Claims ("Modified Settlement Agreement"). The Modified Settlement Agreement is set forth in **Exhibit 1**, hereto.

Based on such findings, the Court, HEREBY ORDERS THE FOLLOWING:

GREENBERG TRAURIG, LLP
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Las Vegas, Nevada 89169
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Facsimile: (702) 792-9002

1. The Modified Settlement Agreement is fair, reasonable, adequate and in the best interest of stockholders;

2. Pursuant to the request of Defendants and the Intervening Plaintiffs, all claims contained in the First Amended Complaint filed by T2 Partners Management, LP, T2 Accredited Fund, LP, T2 Qualified Fund, LP, Tilson Offshore Fund, LTD., T2 Partners Management I, LLC, T2 Partners Management Group, LLC, JMG Capital Management, LLC, Pacific Capital Management, LLC, are dismissed in their entirety with prejudice.

3. The Intervenor Plaintiffs, the Defendants, and the Nominal Defendant shall each be responsible for their own attorneys' fees and costs.

DATED this 10th day of October, 2016.

DISTRICT COURT JUDGE

JWS

Respectfully submitted by:

ROBERTSON & ASSOCIATES, LLP	GREENBERG TRAURIG, LLP
/s/ Alexander Robertson ALEXANDER ROBERTSON, IV (SBN 8642) 32121 Lindero Canyon Road, Suite 200 Westlake Village, California 91361 ARobertson@ARobertsonLaw.com *Attorneys for Plaintiffs and Intervenors, T2 Partners Management, LP, et al.*	Mark E. Ferrario (NV Bar No. 1625) Kara B. Hendricks (NV Bar No. 7743) 3773 Howard Hughes Parkway, Suite 400 N. Las Vegas, Nevada 89169 FerrarioM@gtlaw.com HendricksK@gtlaw.com *Counsel for Reading International, Inc.*

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/s/ Marshall M. Searcy, III CHRISTOPHER TAYBACK (Admitted *pro hac vice*) MARSHALL M. SEARCY III (Admitted *pro hac vice*) QUINN EMANUEL URQUHART & SULLIVAN, LLP 865 S. Figueroa Street, 10th Floor Los Angeles, California, 90017 christayback@quinnemanuel.com marshallsearcy@quinnemanuel.com H. STAN JOHNSON (SBN 265) 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 SJohnson@CohenJohnson.com *Attorneys for Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane Douglas McEachern, Judy Codding and Michael Wrotniak*	/s/ Shoshana Bannett SHOSHANA E. BANNETT (Admitted *pro hac vice*) BIRD, MARELLA, BOXER, WOLPERT, NESSIM, DROOKS, LINCENBERG & RHOW, P.C. 1875 Century Park East, 23rd Floor Los Angeles, California 90067 EER@BirdMarella.com DONALD A. LATTIN (NV BAR 0693) 4785 Caughlin Parkway Reno, Nevada 89519 dlattin@mclrenolaw.com *Attorneys for Defendants William Gould*
SANTORO WHITMIRE, LTD. /s/ Nicholas J. Santoro NICHOLAS J. SANTORO (NV BAR 0532) 10100 Charleston Boulevard, Suite 250 Las Vegas, Nevada 89135 nsantoro@santoronevada.com *Attorneys for Craig Tompkins*	

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Telephone: (702) 792-3773
Facsimile: (702) 792-9002

EXHIBIT 1

SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

THIS SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS ("Settlement Agreement") is made this _____ day of October 2016 (the "Execution Date") by and between T2 PARTNERS MANAGEMENT, LP, T2 ACCREDITED FUND, LP, T2 QUALIFIED FUND, LP, TILSON OFFSHORE FUND, LTD., T2 PARTNERS MANAGEMENT I, LLC, T2 PARTNERS MANAGEMENT GROUP, LLC, JMG CAPITAL MANAGEMENT, LLC, PACIFIC CAPITAL MANAGEMENT, LLC, WHITNEY TILSON AND JONATHAN GLASER ("T2 Plaintiffs") and MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS MCEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS and READING INTERNATIONAL, INC. ("Reading" or the "Company") (collectively "Defendants"). T2 Plaintiffs and Defendants are collectively referred to as the "Parties" and each as a "Party."

This Settlement Agreement is subject to Court approval as set forth in the Notice of Pendency and Settlement of Action which is attached hereto as **Exhibit A.**

RECITALS

WHEREAS, on June 12, 2015, Reading's Board of Directors terminated James J. Cotter, Jr. as the President and Chief Executive Officer of Reading.

WHEREAS, that same day, Mr. Cotter, Jr. filed a lawsuit, styled as both an individual and a derivative action, and titled "James J. Cotter, Jr., individually and derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, et al." against the Company, Ellen Cotter, Margaret Cotter, Guy Adams, William Gould, Edward Kane, Douglas McEachern, and Timothy Storey in the Eighth Judicial District Court of the State of Nevada (the "James Cotter, Jr. Action").

WHEREAS, on August 6, 2015, the Company received notice that a Motion to Intervene in the James Cotter, Jr. Action and a proposed derivative complaint had been filed by the T2 Plaintiffs in the Eighth Judicial District Court. On August 11, 2015, the Court granted the motion of the T2 Plaintiffs, allowing these plaintiffs to file their complaint (the "T2 Complaint").

WHEREAS, on September 9, 2015, certain of the Individual Defendants filed a Motion to Dismiss the T2 Complaint. The Company joined this Motion to Dismiss on September 14, 2015. The hearing on this Motion to Dismiss was vacated as the T2 Plaintiffs voluntarily withdrew the T2 Complaint, with the parties agreeing that T2 Plaintiffs would have leave to amend the T2 Complaint.

WHEREAS, on February 12, 2016, the T2 Plaintiffs filed an amended complaint (the "Amended T2 Complaint"). The T2 Plaintiffs purported to bring a derivative action on behalf of Reading and its stockholders, and alleged in their Amended T2 Complaint various violations of fiduciary duty, abuse of control, gross mismanagement and corporate waste by the defendants (the "T2 Action"). More specifically the Amended T2 Complaint sought the reinstatement of James J. Cotter, Jr. as President and Chief Executive Officer and certain monetary damages, as well as equitable injunctive relief, attorney fees, and costs of suit. The defendants in the T2 Action are the same as named in the James Cotter, Jr. Action as well as Director Judy Codding,

Director Michael Wrotniak, and Company legal counsel, Craig Tompkins (collectively and without differentiation, the "Individual Defendants" and each an "Individual Defendant"). The Amended T2 Complaint deleted its request for an order disbanding Reading's Executive Committee and for an order "collapsing the Class A and B stock structure into a single class of voting stock." The Amended T2 Complaint added a request for an order setting aside the election results from the 2015 Annual Meeting of Stockholders, based on an allegation that Ellen Cotter and Margaret Cotter were not entitled to vote the shares of Class B Common Stock held of record by the Estate of James Cotter, Sr. and the Living Trust established by James Cotter, Sr.

WHEREAS, in connection with the litigation, James Cotter, Jr. and the T2 Plaintiffs conducted extensive discovery on these matters, which included depositions of Guy Adams, Margaret Cotter, Ellen Cotter, William Gould, Edward Kane, Douglas McEachern, Timothy Storey, and James Cotter, Jr. In response to discovery requests, Reading produced over 13,900 documents, and the Individual Defendants produced over 7,900 documents.

WHEREAS, in connection with efforts to settle this matter, the Parties engaged in extensive discussions.

WHEREAS, the Parties wish to settle all claims asserted in the T2 Action.

WHEREAS, all Parties recognize the time and expense that would be incurred by further litigation and the uncertainties and risks inherent in such litigation and have concluded that the interests of the Parties, including the stockholders or Reading, would be best served by a settlement of the T2 Action on the terms reflected herein.

NOW THEREFORE, in consideration of the mutual releases, covenants and undertakings hereinafter set forth, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

TERMS

1. Incorporation of Recitals

The foregoing recitals are incorporated into this Settlement Agreement as if fully set forth herein.

2. Consideration

As consideration for the Settlement and dismissal with prejudice of the T2 Action, the Parties have mutually agreed upon the terms of a press release discussing the reasons for the Settlement and further agree, as set forth hereinbelow, not to disparage each other in connection with the T2 Action.

3. Reasons for Settlement

a. The T2 Plaintiffs brought derivative claims with the intention of ensuring that the interests of all Reading stockholders were being appropriately protected. In connection with the litigation, the T2 Plaintiffs conducted extensive discovery on the matters alleged in the T2 and

Jim Cotter, Jr. Complaints, discovery that included depositions of Guy Adams, Margaret Cotter, Ellen Cotter, William Gould, Edward Kane, Douglas McEachern, Timothy Storey, and James Cotter, Jr. Following their efforts on behalf of the stockholders, the T2 Plaintiffs have concluded that continuing with their derivative stockholder litigation would provide no further benefit to Reading's stockholders, including the T2 Plaintiffs.

The T2 Plaintiffs believe that the Settlement provides substantial and immediate benefits for Reading and its current stockholders. In addition to these substantial benefits, T2 Plaintiffs and their counsel have considered: (i) the attendant risks of continued litigation and the uncertainty of the outcome of the T2 Action; (ii) the probability of success on the merits; (iii) the inherent problems of proof associated with, and possible defenses to, the claims asserted in the T2 Action; (iv) the desirability of permitting the settlement to be consummated according to its terms; (v) the expense and length of continued proceedings necessary to prosecute the T2 Action against the Defendants through trial and appeals; (vi) the T2 Plaintiffs' confidence in the Reading Board of Directors and its management after conducting extensive discovery and (vii) the conclusion of the T2 Plaintiffs and their counsel that the terms and conditions of the Settlement Agreement are fair, reasonable, and adequate, and that it is in the best interests of Reading and its current stockholders to settle the T2 Action on the terms set forth herein. Based on T2 Plaintiffs' Counsel's thorough review and analysis of the relevant facts, allegations, defenses, and controlling legal principles, T2 Plaintiffs' Counsel believes that the settlement set forth in this Settlement Agreement is fair, reasonable, and adequate, and confers substantial benefits upon Reading and its current stockholders. Based upon T2 Plaintiffs' Counsel's evaluation as well as T2 Plaintiffs' own evaluation, T2 Plaintiffs have determined that the settlement is in the best interests of Reading and its current stockholders and has agreed to settle the T2 Action upon the terms and subject to the conditions set forth in the Settlement Agreement and summarized herein. T2 Plaintiffs believe that Defendants will continue to act in good faith to use best practices with regard to board governance, protection of stockholder rights, and maximizing value for all its stockholders, which actions shall include (i) providing to the Compensation Committee's independent compensation consultant the names of certain companies previously suggested by the T2 Plaintiffs as possible market comparables for consideration in 2017 and (ii) the Company anticipates continuing to hold regular corporate earnings conference calls and to continue to engage with investors around earnings. Further Management has informed T2 that incident to the financing of pre-development activities at the site, it anticipates refinancing the existing loan between Reading and Sutton Hill Properties, LLC.

b. The Defendants deny any and all allegations of wrongdoing, liability, violations of law or damages arising out of or related to any of the conduct, statements, acts, or omissions alleged in the T2 Action, and maintain that their conduct was at all times proper, in the best interests of Reading and its stockholders, and in compliance with applicable law. The Defendants further deny any breach of fiduciary duties or aiding and abetting any breach of such a fiduciary duty. The Defendants also deny that Reading or its stockholders were harmed by any conduct of the Defendants alleged in the T2 Action or that could have been alleged therein. Each of the Defendants asserts that, at all relevant times, they acted in good faith and in a manner they reasonably believed to be in the best interests of Reading and all of its stockholders.

c. Defendants, however, recognize the uncertainty and the risk inherent in any litigation, and the difficulties and substantial burdens, expense, and length of time that may be necessary to defend this proceeding through the conclusion of trial, post-trial motions, and appeals. In particular, Defendants are cognizant of the burdens this litigation is imposing on Reading and its management, and the impact that continued litigation will have on management's ability to continue focusing on the creation of stockholder value. Defendants wish to eliminate the uncertainty, risk, burden and expense of further litigation, and to permit the operation of Reading without further distraction and diversion of its directors and executive personnel with respect to the T2 Action. Defendants have therefore determined to settle the T2 Action on the terms and conditions set forth in the Settlement Agreement solely to put the Released Claims (as defined herein) to rest finally and forever, without in any way acknowledging any wrongdoing, fault, liability, or damages.

4. Release

Subject to Court approval, a judgment will be entered (the "Judgment"). Upon entry of the Judgment, the T2 Action will be dismissed in its entirety and with prejudice and the following releases will occur:

a. **Release of Claims by Reading, T2 Plaintiffs and Individual Defendants**: The T2 Plaintiffs, who have purported to bring derivative claims on behalf of Reading and all its stockholders, shall fully, finally, and forever release, settle, and discharge, and shall forever be enjoined from prosecuting, the Released T2 Plaintiffs' Claims.

i. "Released T2 Plaintiffs' Claims" means all any and all claims, that have been asserted in the T2 Action by T2 Plaintiffs derivatively on behalf of Reading against any of the Individual Defendants. The Parties acknowledge that this Release does not serve to require dismissal of the claims raised by James Cotter Jr. in his Second Amended Complaint.

The Parties acknowledge that this Release does not prevent Reading or the Individual Defendants from raising any counterclaims or defenses in the James Cotter Jr. Action.

b. **Release of Claims by Defendants**: Reading on behalf of itself and the Individual Defendants on behalf of themselves and any other person or entity who could assert any of the Released Defendants' Claims on their behalf, in such capacity only, shall fully, finally, and forever release, settle, and discharge, and shall forever be enjoined from prosecuting, the Released Defendants' Claims against T2 Plaintiffs' Releasees.

i. "Released Defendants' Claims" means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues, and controversies of any kind, nature, or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims, whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule (including claims within the exclusive jurisdiction of the federal courts), that arise out of or

relate in any way to the institution, prosecution, or settlement of the claims against Defendants in the T2 Action, except for claims relating to the enforcement of the Settlement. For the avoidance of doubt, the Released Defendants' Claims do not include claims based on the conduct of the T2 Plaintiffs' Releasees after the Effective Date.

ii. "T2 Plaintiffs' Releasees" means T2 Plaintiffs and their respective current or former agents, employees, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, advisors, consultants, investment bankers, entities providing any fairness opinion, underwriters, brokers, dealers, financing sources, lenders, commercial bankers, attorneys, personal or legal representatives, accountants, and associates. T2 Plaintiffs' Releasees do not include, and specifically exclude James Cotter, Jr.

c. Nothing contained in this Settlement Agreement is intended to, or does release any claims that Defendants may have against any of their insurers or that any insurers may have against any Defendant.

5. Submission of Documents to Court

As soon as practicable after this Settlement Agreement has been executed, the Parties shall apply jointly to the Court for entry of an Order substantially in the form attached hereto as **Exhibit B** (the "Preliminary Approval Order"): i) providing among other things, a request for preliminary approval of the Settlement as fair, reasonable, adequate and in the best interest of stockholders; ii) seeking approval of the Notice of Pendency and Settlement of Action; and iii) requesting a Settlement Hearing.

If the Court approves this Settlement, the Parties shall jointly request entry of the proposed Order and Final Judgment substantially in the form attached hereto as **Exhibit C.** The Order and Final Judgment shall, among other things: i) determine the requirements of the Nevada Rules of Civil Procedure and due process have been satisfied in connection with the Notice detailed below; ii) approve the Settlement as fair, reasonable, adequate and in the best interest of stockholders; and iii) dismiss the T2 Action with prejudice on the merits as against any and all Defendants.

6. Notice Of Pendency and Settlement of Action

The Notice of Pendency and Settlement of Action, in substantially the form annexed hereto as **Exhibit A,** shall be mailed by Reading at least 45 calendar days prior to the Settlement Hearing to all stockholders of Reading as listed on the stock registry, to their respective last known address. Furthermore, Reading shall use reasonable efforts to give notice to beneficial owners of Reading common stock by providing, at the expense of Reading additional copies of the Notice of Pendency and Settlement of Action to any record holder requesting the Notice who are entitled to notice.

7. Non Disparagement

The purpose of this Agreement is to resolve the T2 Action for the benefit of the Parties and Reading stockholders. Accordingly the T2 Plaintiffs covenant and agree that they will not engage in any conduct, make or disclose any statement, either orally or in writing, that would cast any Defendant or their affiliates in a false or negative light, and agree not to aid, assist or encourage others to do so, in any fashion or forum. Similarly, Defendants covenant and agree that they will not engage in any conduct, make or disclose any statement, either orally or in writing that would cast the T2 Plaintiffs or their affiliates in a false or negative light, and agree not to aid, assist or encourage others to do so, in any fashion or forum. If any third party makes any inquiry with respect to any of the claims or causes of action alleged against any Party, then the Party to whom such inquiry is made shall only respond that such matters were resolved in a satisfactory manner pursuant to a confidential settlement agreement. Notwithstanding the above, T2 Plaintiffs acknowledge that no Defendant will have responsibility for the actions of any other Defendant or for the actions of James J. Cotter, Jr.

Notwithstanding the above, T2 Plaintiffs acknowledge that this Agreement does not prohibit the Individual Defendants from any disclosures required in their capacity as fiduciaries of Reading. Further, nothing herein shall prevent any Party from testifying truthfully in a court of law and/or complying with a court order.

8. Joint Press Release

The Parties to this Settlement Agreement mutually agree to issue a press release in a form satisfactory to all Parties hereto indicating that the Parties have amicably resolved their disputes to the mutual satisfaction of all Parties. The press release shall not identify any substantive terms or conditions of this Agreement and shall be in a form substantial similar to **Exhibit D**.

9. General Provisions

This Settlement Agreement and compliance with this Settlement Agreement shall not be construed as an admission by any Party of any liability whatsoever, or as admission by any Party of any violation of the rights of the others, violation of any order, law, statute, duty or contract whatsoever.

The Parties hereto represent and acknowledge that in executing this Settlement Agreement they do not rely and have not relied upon any representation or statement made by any of the Parties or by any of the Parties' agents, attorneys or representatives with regard to the subject matter or effect of this Settlement Agreement or otherwise, other than those specifically stated in this written Settlement Agreement. This Settlement Agreement expresses the entire agreement of the Parties hereto with respect to the subject matter hereof. No recitals, covenants, agreements, representations, or warranties of any kind whatsoever have been made or have been relied upon by any Party hereto, except as specifically set forth in this Agreement. All prior discussions and negotiations between the Parties have been or are merged and integrated into, and are superseded by, this Agreement.

10. Mutual Cooperation

The Parties hereby agree to use their best efforts and good faith in carrying out all of the terms of this Settlement Agreement. Each Party hereto shall perform such further acts and execute and deliver such further documents as may be reasonably necessary or convenient to carry out the purposes of this Settlement Agreement.

11. Interpretation of Agreement

None of the Parties shall be deemed to be the drafter of this Settlement Agreement. In the event a court construes this Settlement Agreement, such court shall not construe this Settlement Agreement or any provision hereof against either Party as the drafter of the Settlement Agreement. The headings used in this Agreement are for reference only and shall not affect the construction of the Agreement.

12. Choice of Law

This Settlement Agreement shall be governed by, and construed in accordance with, the laws of the State of Nevada, without regard to conflict of law principles. The Parties agree that the Court shall have exclusive jurisdiction over any action to enforce this Settlement Agreement.

13. Counterparts

This Settlement Agreement may be executed in any number of separate counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument and fax copies shall be deemed originals.

14. Attorneys' Fees

Each Party shall bear its own costs and attorney fees incurred in connection with this Settlement Agreement. However, if any Party to this Settlement Agreement brings suit against the another Party, the purpose of which is to enforce, challenge, or clarify the terms of this Settlement Agreement, the prevailing party in such action shall be entitled to reimbursement for its actual attorney fees and costs in so enforcing, challenging or clarifying this Settlement Agreement.

15. Notice in Connect with Settlement Agreement

All notices or demands of any kind that any Party is required to or desires to give in connection with this Settlement Agreement shall be in writing and shall be delivered by e-mail and by depositing the notice or demand in the United States mail, postage prepaid, and addressed to the Parties as follows:

T2 Plaintiffs: Robertson & Associates, LLP
c/o Alexander Robertson, IV
32121 Lindero Canyon Road, Suite 200
Westlake Village, California 91361

Reading International:	Greenberg Traurig, LLP c/o Mark E. Ferrario, Esq. 3773 Howard Hughes Pkwy., Suite 400N Las Vegas, Nevada 89169 Email: mferrario@gtlaw.com
Ellen Cotter, Margaret Cotter, Guy Adams, Edward Kane, Douglas McEachern, Judy Codding and Michael Wrotniak:	Quinn Emanuel Urquhart & Sullivan, LLP c/o Marshall M. Searcy III 865 S. Figueroa Street, 10th Floor Los Angeles, California, 90017
William Gould:	Bird, Marella, Boxer, Wolpert, Nessim, Drooks, Lincenberg & Rhow, P.C. c/o Ekwan E. Rhow 1875 Century Park East, 23rd Floor Los Angeles, California, 90067
Craig Tompkins:	Santoro Whitmire, LTD. c/o Nicholas J. Santoro 10100 W. Charleston Blvd. #250 Las Vegas, NV 89135

16. Miscellaneous

This Settlement Agreement shall be binding on and inure to the benefit of the Parties, their respective current or former agents, employees, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors, and successors-in-interest. No Party shall assign this Settlement Agreement or any of its rights and obligations hereunder, to any third party. Notwithstanding the above, T2 Plaintiffs acknowledge that no Defendant will have responsibility for the actions of any other Defendant or for the actions of James J. Cotter, Jr.

All of the exhibits hereto are incorporated herein by reference as if set forth herein verbatim, and the terms of all exhibits are expressly made part of this Settlement Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the last day set forth below.

Dated this ____ day of _____, 2016.

T2 PARTNERS MANAGEMENT, LP

By: _____
Its: _____

Dated this ____ day of _____, 2016.

T2 QUALIFIED FUND, LP

By: _____
Its: _____

Dated this ____ day of _____, 2016.

T2 PARTNERS MANAGEMENT I, LLC

By: _____
Its: _____

Dated this ____ day of _____, 2016.

JMG CAPITAL MANAGEMENT, LLC

By: _____
Its: _____

Dated this ____ day of _____, 2016.

WHITNEY TILSON

_____

Dated this ____ day of _____, 2016.

MARGARET COTTER

_____

Dated this ____ day of _____, 2016.

T2 ACCREDITED FUND, LP

By: _____
Its: _____

Dated this ____ day of _____, 2016.

TILSON OFFSHORE FUND, LTD.

By: _____
Its: _____

Dated this ____ day of _____, 2016.

T2 PARTNERS MANAGEMENT GROUP, LLC

By: _____
Its: _____

Dated this ____ day of _____, 2016.

PACIFIC CAPITAL MANAGEMENT, LLC

By: _____
Its: _____

Dated this ____ day of _____, 2016.

JONATHAN GLASER

_____

Dated this ____ day of _____, 2016.

ELLEN COTTER

_____

Dated this ____ day of _____, 2016.

GUY ADAMS

_____

Dated this ____ day of _____, 2016.

DOUGLAS MCEACHERN

_____

Dated this ____ day of _____, 2016.

JUDY CODDING

_____

Dated this ____ day of _____, 2016.

CRAIG TOMPKINS

_____

Dated this ____ day of _____, 2016.

EDWARD KANE

_____

Dated this ____ day of _____, 2016.

WILLIAM GOULD

_____

Dated this ____ day of _____, 2016.

MICHAEL WROTNIAK

_____

Dated this ____ day of _____, 2016.

READING INTERNATIONAL, INC.

_____

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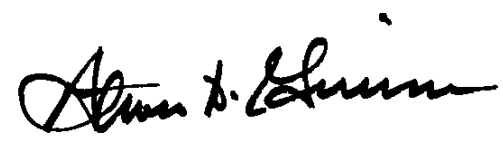

CLERK OF THE COURT

RIS
MARK E. FERRARIO, ESQ.
(NV Bar No. 1625)
KARA B. HENDRICKS, ESQ.
(NV Bar No. 7743)
TAMI D. COWDEN, ESQ.
(NV Bar No. 8994)
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Email: ferrariom@gtlaw.com
hendricksk@gtlaw.com
cowdent@gtlaw.com

Counsel for Reading International, Inc.

DISTRICT COURT

CLARK COUNTY, NEVADA

In the Matter of the Estate of JAMES J. COTTER, Deceased. 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. 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. XI Case No. A-16-735305-B Dept. XI **READING INTERNATIONAL, INC.'S REPLY IN SUPPORT OF THE INDIVIDUAL DEFENDANTS' MOTION FOR PARTIAL SUMMARY JUDGMENT NO. 1 RE PLAINTIFF'S TERMINATION AND REINSTATEMENT CLAIMS** **Date of Hearing: November 1, 2016** **Time: 8:30 a.m.**

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway, Suite 400 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

READING INTERNATIONAL, INC. hereby submits its *Reply in Support of the Individual Defendant's Motion for Partial Summary Judgment No. 1 Re Plaintiff's Termination and Reinstatement Claims and RDI's Joinder Thereto.* Reading International, Inc., ("RDI" or "Company") joins with the Individual Defendants in seeking summary judgment as to the First, Second, Third, and Fourth Causes of Action in the Second Amended Complaint ("SAC") filed by Plaintiff James J. Cotter, Jr. ("Plaintiff" and/or "Cotter, Jr.") to the extent that such claims relate the termination of Cotter Jr.'s and his request for reinstatement. In addition to joining the arguments advanced on behalf of the Individual Defendants, RDI requests judgment in its favor on these claims for the reasons set forth in the attached memorandum of points and authorities, and based on the pleadings and papers filed in this action, and any oral argument of counsel made at the time of the hearing.

DATED: October 21, 2016.

GREENBERG TRAURIG, LLP

/s/ Mark E. Ferrario
MARK E. FERRARIO, ESQ.
(NV Bar No. 1625)
KARA B. HENDRICKS, ESQ.
(NV Bar No. 7743)
TAMI D. COWDEN, ESQ.
(NV Bar No. 8994)
Counsel for Reading International, Inc.

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MEMORANDUM OF POINTS AND AUTHORITIES

Cotter, Jr.'s termination and reinstatement claims fail because there is no legal basis – in Nevada or in Delaware – for undoing at the behest of a derivative plaintiff the discretionary and operating level decision of a board of directors to terminate a corporate executive.

Even if every fact that Cotter, Jr. had asserted were true -- i.e., that Directors Guy Adams, Ed Kane, Ellen Cotter and Margaret Cotter were some way or another not "disinterested" and voted in favor of his termination because Cotter, Jr. could not reach agreement with his siblings as to the settlement of their various disputes (including with respect to the ongoing management

of the Company) and Ellen Cotter and Margaret Cotter wanted him out, no breach of fiduciary duty to the Company would be shown. The undisputed evidence is that Cotter, Jr. could ***not*** work with his sisters despite his sisters each having more than fifteen years of actual work experience with RDI. As a result, management was dysfunctional and corrective action had to be taken. However convinced Cotter, Jr. is of his own superiority, it is simply not a breach of fiduciary duty for directors to determine that executives who actually have experience in the day to day workings of the company are more valuable to that company than someone who (a) was appointed to a position because his father had wished it so and (b) had absolutely no public company management experience, or any hands on experience in either to the Company's main two lines of business: cinema exhibition and real estate.

Additionally, despite the fact that Nevada law governs these proceedings, Cotter, Jr. cites barely any Nevada authority. Instead, Cotter, Jr. insists on applying Delaware law to his claims, doggedly ignoring the significant substantive differences from that state's statutes and precedent that the Nevada legislature *knowingly* adopted when forming Nevada's corporate statutes. Moreover, despite his reliance on Delaware law, Cotter, Jr. ignores the fact that the authorities he cites have no application to the facts here. For example, he insists that Delaware's "entire fairness" analysis must be applied to the decision to terminate him as an officer of the Company, even though the Delaware "entire fairness" analysis is a test that focuses on the fairness of the applicable price being paid or received in a corporate transaction.

Furthermore, none of the authorities cited by Cotter, Jr. involve derivative attacks on employment decisions made by a board. This is not surprising given that the management of such business affairs is entrusted to the board. *See* NRS 78.120 and 78,138.[1] In the case of RDI, its Bylaws specifically provide that a majority of the entire Board of Directors may remove an

[1] NRS 78.120 provides in relevant part as follows: "Subject only to such limitations as may be provided in this chapter, or the articles of incorporation of the corporation, the board of directors has full control over the affairs of the corporation." NRS 78.130(3) provides in relevant part as follows: "All officers must be natural persons and must be chosen in such manner, hold their offices for such terms and have such powers and duties as may be prescribed by the bylaws or determined by the board of directors." NRS 78.130(4) provides in relevant part as follows: "An officer holds office after the expiration of his or her term until a successor is chosen or until the officer's resignation or removal before the expiration of his or her term."

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officer without cause. Because the Bylaws give the board such authority and require that such authority be exercised by a majority vote of the entire Board, Cotter, Jr. has no basis for asserting a breach of either the duty of loyalty or the duty of care. Nor can he contend that the action taken by the Board was somehow defective or ineffective due to the participation of Directors Adams, Kane, Ellen Cotter and/or Margaret Cotter.[2]

In short, Cotter, Jr. has presented absolutely no authority, whether statutory, case law, or even secondary sources, that supports his termination and reinstatement claims. This is for good reason as it is generally recognized that decisions regarding hiring and firing a CEO are best left with a company's board of directors, to be exercised in real time, and not with the courts to be applied months or years after the fact. Cotter, Jr.'s claims fail on all fronts and partial summary judgment is appropriate.

LEGAL ARGUMENT

RDI is entitled to judgment in its favor on Cotter, Jr.'s termination and reinstatement claims. Cotter Jr. replied to the Independent Directors' Motion by repeating his own motion for summary judgment on these issues. However, as shown in the RDI's Opposition to Cotter, Jr.'s Motion for Partial Summary Judgment, he has failed to demonstrate any basis for entitlement to relief on his claims. Similarly, in his Opposition to the Individual Defendants' Motion, he has failed to show that materials issues of fact exist to prevent judgment. Accordingly, the Individual Defendants' Motion for Partial Summary Judgment and RDI's joinder thereto should be granted.

Summary judgment must be granted where there is no genuine issue as to any material fact, and the movant is entitled to judgment as a matter of law. *Wood v. Safeway, Inc.*, 121 Nev. 724, 731, 121 P.3d 1026, 1031 (2005). A nonmoving party who bears the burden of proof at trial

[2] Cotter Jr.'s argument would render it impossible for a corporation like RDI to remove an officer. Nevada law does not require that any directors be "independent." While public companies, like RDI, are required to have independent audit committees, there is no requirement that closely held corporations, again like RDI, have more independent directors than needed to satisfy this audit committee requirement. Specifically, there is no requirement that a majority of the Board be independent. Under Cotter Jr.'s interpretation of Nevada law, he could not be removed unless a majority of the RDI Board was "independent." There is no such requirement under Nevada law, the Federal Securities Laws or the NASDAQ Rules.

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must respond to a motion for summary judgment with evidence sufficient to establish each element of his claim by a preponderance of the evidence. *Cuzze v. Univ. and Comm. Coll. Sys. of Nevada*, 123 Nev. 598, 602, 172 P.3d 131, 134 (2007). Here, it is statutorily presumed that the Board of Director's decision to terminate Cotter, Jr. was made "in good faith, on an informed basis and with a view to the interests of the corporation." NRS 78.138(3). Accordingly, Cotter, Jr. bore the burden of presenting evidence sufficient to show that his termination was the product of a breach of fiduciary duty and satisfying each and every element of his breach of fiduciary duty claims under *Nevada* law. He failed to present such evidence. Most significantly, Cotter, Jr. has failed to present any authority that supports his contention that a board's discretionary decision to terminate a CEO is subject to review in a derivative action.

I. A BOARD'S DISCRETIONARY TERMINATION OF A CEO CANNOT BE SUBJECTED TO AN ENTIRE FAIRNESS ANALYSIS.

In an attempt to manufacture a theory to sidestep Nevada law and to support his claim for reinstatement, Cotter, Jr. attempts to invoke Delaware's "entire fairness" analysis, claiming that the "process" by which he was terminated did not satisfy the test. However, there is no requirement under Nevada law that any particular process be followed or that the process be fair to him. Indeed, there is no "entire fairness" test in Nevada. In this State, when a director is on both sides of a contract or transaction, the residual test is not "entire fairness," but rather whether the contract or transaction is "fair to the corporation". *See* NRS 78.140. The "entire fairness" analysis is a creature of Delaware law, **not** Nevada Law. It is applicable to the review of *transactions* between a Delaware corporation and directors determined to be interested in a transaction under Delaware law. Here we have: 1) a Nevada corporation (RDI); 2) controlling Nevada statutes (NRS 78.120, 78.130 and 78.140); 3) RDI's Bylaw's directly authorizing the board to remove an executive without cause by the vote of a majority of the **entire Board**; and 4) an employment contract directly on point, all of which support the action taken by the entire Board.

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Moreover, there is no practical way to apply Delaware's "entire fairness" analysis to the termination of an officer's employment, because the factors to be considered in evaluating the fairness of a transaction, have no relevance to the termination of an employee. An "entire fairness" analysis necessarily includes an analysis of price. Cotter, Jr. has not cited a single decision interpreting the "entire fairness" doctrine that does not address the issue of the fairness of the price. Here, there is no price to review for fairness.

Additionally, the "entire fairness" doctrine is not even consistent with Nevada law, because Nevada law prevents the avoidance of transactions that might be unfair to the corporation in *at least* three circumstances (*see* NRS 78.140(2)) and unlike the objective standard that prevails in Delaware, under Nevada law, a director is bound only to exercise their duties in *subjective good faith*. *See* NRS 78.138 and 78.140.

II. COTTER, JR. HAS FAILED TO PRESENT ANY EVIDENCE THAT THE BOARD'S DECISION WAS IN ANY WAY A BREACH OF FIDUCIARY DUTY, LET ALONE A BREACH INVOLVING INTENTIONAL MISCONDUCT, FRAUD OR KNOWING VIOLATION OF LAW.

The Plaintiff, Cotter, Jr., bears the burden of proof both that there was in fact a breach of fiduciary duty. In proving this, the burden is on the plaintiff to overcome the Nevada business judgment rule presumption set forth in NRS 78.138(1). Nevada does not recognize any shifting of this burden of proof, other than in the case of NRS 78.140(2)(d). However, NRS 78.140 does not establish any grounds for liability on the part of directors, only for the voidance under certain circumstances of the contract or transaction under review. On the other hand, NRS 78.138(7) provides that there is no director liability unless **it is proven that**, the breach of the directors fiduciary duties "involved intentional misconduct, fraud or a knowing violation of law." Again, the Nevada statutory scheme does not recognize any shifting of this burden of proof in determining director misconduct or liability.

In addition to the proof required to overcome the Nevada business judgment presumption, Cotter, Jr. has failed to introduce any evidence that the decision made by the Directors was in any way incorrect or wrong or not in the best interests of the Company. The record reveals that:

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- At the time Cotter, Jr. was appointed CEO, he had had no public company management experience, and no hands-on operating experience in any of the Company's principal business segments: cinemas and real estate. He was placed in that position by his father, who at the time of his appointment continued to have control over every material decision with respect to the Company.
- Cotter, Jr. has admitted that, just five weeks after his appointment to the CEO position at RDI, he could not get along with his siblings, who had substantial operating roles at the Company and who had held such roles for many years.
- A majority of the entire Board determined, in light of this admitted management dysfunction, to remove Cotter, Jr. as President and CEO and to continue with the executive leadership of his siblings, Ellen Cotter and Margret Cotter in accordance with Nevada statutes and RDI Bylaws.
- The Directors making this decision were the same individuals who had been nominated and elected to the Board by James Cotter, Sr. Cotter. Jr. had no objection to the decisions made by these Directors until they began to question whether it was in the best interests of the Company for Cotter, Jr. to continue as President and Chief Executive Officer.

Critically, Cotter Jr. has provided no evidence that the Directors' decisions were in any way erroneous or not in the best interests of the Company and certainly has presented no evidence that the decision to terminate him involved "intentional misconduct, fraud or a knowing violation of law."

III. COTTER, JR. HAS FAILED TO PRESENT ANY AUTHORITY SUPPORTING THE REINSTATEMENT OF A CEO WHOSE TERMINATION WAS DISCRETIONARY WITH THE BOARD OF DIRECTORS.

Cotter, Jr. has failed to present any authority that supports the relief he requests – reinstatement following a discretionary termination. Instead, as noted above, Cotter, Jr. has cherry picked language from an assortment of cases, nearly all of which are from jurisdictions other than Nevada, and all of which relate to directors who were alleged to have engaged in some

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sort of self-dealing transaction at the expense of either the corporation itself, or of other shareholders. None of the cases cited by Cotter, Jr. are remotely analogous to the facts here, where a CEO with comparatively limited work experience with the company, admittedly could not work with two persons who both had more than fifteen years of experience with the company and where the Board determined to go with the more experienced members of the management team.

RDI's Bylaws expressly permit the Board of Directors to remove an officer with or ***without cause*** by vote of a majority of the entire Board. See RDI Bylaws, Art. IV, § 10. Accordingly, the decision is entirely discretionary with the Board. The Bylaws do not mandate any specific process or procedure be followed before an officer is removed; only that it be by vote of a majority of the entire Board. Cotter, Jr. has cited no authority that holds that a corporation must comply with a specific process or procedure before terminating a CEO, other than the procedure set forth in its bylaws.

Here, the undisputed evidence shows that *all* of the Directors believed the tension between the Cotter siblings was having a negative effect on RDI. Cotter, Jr. himself notes that one Director had opined that there were three solutions to the situation: fire Cotter, Jr.; fire Ellen and Margaret; or fire all three of them. Opposition, 5. Here, the Directors chose to keep the two individual who had the longest experience with the Company. Such a balancing of the respective values of the Cotter siblings does not support a finding of breach of fiduciary duty.

IV. COTTER JR. HAS ADMITTED THAT HE CANNOT PROVE ANY DAMAGE TO THE CORPORATION ARISING FROM HIS TERMINATION.

The Independent Defendants asserted that Cotter, Jr. could present no evidence of any injury to RDI resulting from his termination. Cotter, Jr. made no effort to rebut that claim by presenting evidence of damages. Instead, he again cited to Delaware law, contending that the analysis applicable in that state should govern this tort action. Opposition, p. 19. But Cotter, Jr. again ignores the fact that his claims are governed by Nevada law. In Nevada, the tort of breach of fiduciary duty requires proof that the purported breach caused harm. *Foster v. Dingwall*, 126 Nev. 56, 69, 227 P.3d 1042, 1051 (2010), citing *Stalk v. Mushkin*, 125 Nev. 21,

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28, 199 P.3d 838, 843 (2009) ("fiduciary duty claim seeks damages for injuries that result from the tortious conduct of one who owes a duty to another by virtue of the fiduciary relationship"). If the one to whom a fiduciary duty is owed has not been injured, then no fact finder can determine that each of the elements of a breach of fiduciary duty has been proven. Because Cotter, Jr. has failed to present evidence of any such injury arising from his termination, his claims fail.

CONCLUSION

Cotter, Jr. is unable to present evidence sufficient to rebut the statutory presumption that the decisions of the Board of Directors are made in good faith, or that either RDI or its shareholders were damaged by the Board of Directors' decision to terminate his employment from the Company.

This court has given Cotter Jr. ample opportunity to try and make a claim for reinstatement. It is now time to end this exercise as it finds no support in the law or the facts. RDI has been operating under the cloud of this strained claim. It is time for this court to remove that cloud and grant partial summary judgment.

DATED: October 21, 2016.

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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 ***Reading International, Inc.'s Reply in Support of Joinder to the Individual Defendants' Motion for Partial Summary Judgment No. 1 Re Plaintiff's Termination and Reinstatement Claims*** 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 21st day of October, 2016.

/s/ Andrea Lee Rosehill
An employee of GREENBERG TRAURIG, LLP

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