

**APPENDIX TO WRIT PETITION
VOLUME II
PGS. 237-377**

TABLE OF CONTENTS TO APPENDIX

Tab	Document	Date	Vol.	Pages
01	Complaint	06/12/15	1	1-31
02	T2's Verified Shareholder Derivative Complaint	08/28/15	1	32-49
03	Acceptance of Service of Summons and Verified Shareholder Derivative Complaint (Douglas McEachern)	9/08/15	1	50-52
04	Acceptance of Service of Summons and Verified Shareholder Derivative Complaint (Edward Kane)	9/08/15	1	53-55
05	Acceptance of Service of Summons and Verified Shareholder Derivative Complaint (Ellen Cotter)	9/08/15	1	56-58
06	Acceptance of Service of Summons and Verified Shareholder Derivative Complaint (Guy Adams)	9/08/15	1	59-61
07	Acceptance of Service of Summons and Verified Shareholder Derivative Complaint (Margaret Cotter)	9/08/15	1	62-64
08	Acceptance of Service of Summons and Verified Shareholder Derivative Complaint (Reading International, Inc.)	9/08/15	1	65-67
09	Acceptance of Service of Summons and Verified Shareholder Derivative Complaint (Timothy Storey)	9/08/15	1	68-70
10	Acceptance of Service of Summons and Verified Shareholder Derivative Complaint (William Gould)	9/08/15	1	71-73
11	First Amended Complaint	10/22/15	1	74-123
12	T2's First Amended Complaint	02/12/16	1	124-162
13	Director Defendants' Answer to First Amended Complaint (Cotter Jr.'s	03/14/16	1	163-184

Tab	Document	Date	Vol.	Pages
	Complaint)			
14	Director Defendants' Answer to T2's First Amended Complaint	03/14/16	1	185-208
15	Acceptance of Service of Summons and T2 Plaintiffs' Amended Complaint (Judy Codding)	03/16/16	1	209-211
16	Acceptance of Service of Summons and T2 Plaintiffs' Amended Complaint (Michael Wrotniak)	03/16/16	1	212-214
17	Reading International's Answer to James J. Cotter, Jr.'s First Amended Complaint	03/29/16	1	215-236
18	Reading International's Answer to T2 Plaintiffs' First Amended Complaint	03/29/16	2	237-256
19	Judy Codding and Michael Wrotniak's Answer to T2 Plaintiffs' Amended Complaint	04/05/16	2	257-280
20	Affidavit of Service of Summons and First Amended Complaint; and T2 Plaintiffs' First Amended Complaint (Craig Tompkins)	04/27/16	2	281-284
21	Joint Motion for Preliminary Approval of Settlement, Notice to Stockholders and Scheduling of Settlement Hearing	7/12/16	2	285-377
22	James J. Cotter, Jr.'s Motion to Compel Production of Documents and Communications Related to Advice of Counsel Defense on Order Shortening Time	08/12/16	3	378-512
23	Director Defendants' Opposition to Plaintiff's Motion to Compel Production of Documents and Communications Related to Advice of Counsel	08/29/16	3	513-540
24	Reading International, Inc.'s Opposition to Plaintiff's Motion to Compel Production of Documents and Communications Related to Advice of Counsel	8/29/16	3	541- 603
25	Transcript of Plaintiff's Motion to	8/31/16	3	604-627

Tab	Document	Date	Vol.	Pages
	Obtain Expedited Discovery, Motion to Compel Production, and Motion to Permit Discovery re Recent Offer			
26	Second Amended Verified Complaint	09/02/16	4	628-684
27	Petitioner's Motion for Summary Judgment (No. 1) re: Plaintiff's Termination and Reinstatement Claims with Declaration of Noah S. Helpert and Supporting Exhibits	9/23/16	4 5 6 7	685- 860 861-1026 1027-1268 1269-1357
28	Reading International, Inc.'s Joinder to the Individual Defendants' Motion for Summary Judgment No. 1 re Plaintiff's Termination and Reinstatement Claims	10/03/16	7	1358-1368
29	Notice of Entry of Order Granting Plaintiff James J. Cotter, Jr.'s Motion to Compel Production of Documents and Communications Related to Advice of Counsel	10/05/16	7	1369-1374
30	Reading International, Inc.'s Motion to Reconsider of Clarify Order Granting Plaintiff James J. Cotter, Jr.'s Motion to Compel Production of Documents and Communications Related to Advice of Counsel	10/07/16	7	1375-1418
31	Director Defendants' Joinder to Reading International, Inc.'s Motion to Reconsider of Clarify Order Granting Plaintiff James J. Cotter, Jr.'s Motion to Compel Production of Documents and Communications Related to Advice of Counsel	10/11/16	7	1419-1422
32	Notice of Entry of Order Granting Settlement with T2 Plaintiffs and Final Judgment	10/20/16	7	1423-1430

Tab	Document	Date	Vol.	Pages
33	Notice of Entry of Order Granting Settlement with T2 Plaintiffs and Final Judgment	10/21/16	7	1431-1449
34	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	10/21/16	7	1450-1459
35	James Cotter Jr.'s Opposition to Reading International, Inc.'s Motion to Reconsider of Clarify Order Granting Plaintiff James J. Cotter, Jr.'s Motion to Compel Production of Documents and Communications Related to Advice of Counsel	10/26/16	7	1460-1477
36	Transcript of Hearing on Motions	10/27/16	8	1478-1632
37	Notice of Entry of Order Granting in Part Reading International, Inc.'s Motion to Reconsider of Clarify Order Granting Plaintiff James J. Cotter, Jr.'s Motion to Compel Production of Documents and Communications Related to Advice of Counsel	12/01/16	8	1633-1638
38	Plaintiff's Motion to Reconsider and/or Clarify Order Granting in Part Reading International, Inc.'s Motion to Reconsider of Clarify Order Granting Plaintiff James J. Cotter, Jr.'s Motion to Compel Production of Documents and Communications Related to Advice of Counsel	12/09/16	8	1639-1654
39	Director Defendant's Opposition to	12/18/16	8	1655-1701

Tab	Document	Date	Vol.	Pages
	Plaintiff's Motion to Reconsider and/or Clarify Order Granting in Part Reading International, Inc.'s Motion to Reconsider of Clarify Order Granting Plaintiff James J. Cotter, Jr.'s Motion to Compel Production of Documents and Communications Related to Advice of Counsel			
40	Reading International, Inc.'s Answer to Plaintiff's Second Amended Complaint	12/20/16	8	1702-1727
41	Reply In Support of Motion to Reconsider and/or Clarify Order Granting in Part Reading International, Inc.'s Motion to Reconsider of Clarify Order Granting Plaintiff James J. Cotter, Jr.'s Motion to Compel Production of Documents and Communications Related to Advice of Counsel	12/21/16	9	1728-1752
42	Transcript of Proceedings – Status Check	12/22/16	9	1753-1771
43	Plaintiff James J. Cotter, Jr.'s Motion to Quash Subpoenas and Depositions Duces Tecum and Appendix of Exhibits (Pages 1807-1810 filed under seal)	12/28/16	9	1772-1890
44	Notice of Entry of Order Granting in Part Plaintiff's Motion to Reconsider and/or Clarify Order Granting in Part Reading International, Inc.'s Motion to Reconsider of Clarify Order Granting Plaintiff James J. Cotter, Jr.'s Motion to Compel Production of Documents and Communications Related to Advice of Counsel	01/23/17	9	1891-1896
45	Order Granting in Part Plaintiff's Motion to Reconsider and/or Clarify Order Granting in Part Reading International, Inc.'s Motion to Reconsider of Clarify Order Granting Plaintiff James J. Cotter, Jr.'s Motion to Compel Production of	1/24/16	9	1897-1899

Tab	Document	Date	Vol.	Pages
	Documents and Communications Related to Advice of Counsel			
46	Order Staying This Court's October 3, 2016, December 1, 2016 and January 20, 2017 Orders Regarding Privilege Issues	2/10/17	9	1900-1905

**APPENDIX TO WRIT PETITION
VOLUME II
PGS. 237-377**

TABLE OF CONTENTS TO APPENDIX (ALPHABETICAL)

Tab	Document	Date	Vol.	Pages
15	Acceptance of Service of Summons and T2 Plaintiffs' Amended Complaint (Judy Coddington)	03/16/16	1	209-211
16	Acceptance of Service of Summons and T2 Plaintiffs' Amended Complaint (Michael Wrotniak)	03/16/16	1	212-214
03	Acceptance of Service of Summons and Verified Shareholder Derivative Complaint (Douglas McEachern)	9/08/15	1	50-52
04	Acceptance of Service of Summons and Verified Shareholder Derivative Complaint (Edward Kane)	9/08/15	1	53-55
05	Acceptance of Service of Summons and Verified Shareholder Derivative Complaint (Ellen Cotter)	9/08/15	1	56-58
06	Acceptance of Service of Summons and Verified Shareholder Derivative Complaint (Guy Adams)	9/08/15	1	59-61
07	Acceptance of Service of Summons and Verified Shareholder Derivative Complaint (Margaret Cotter)	9/08/15	1	62-64
08	Acceptance of Service of Summons and Verified Shareholder Derivative Complaint (Reading International, Inc.)	9/08/15	1	65-67
09	Acceptance of Service of Summons and Verified Shareholder Derivative Complaint (Timothy Storey)	9/08/15	1	68-70
10	Acceptance of Service of Summons and Verified Shareholder Derivative	9/08/15	1	71-73

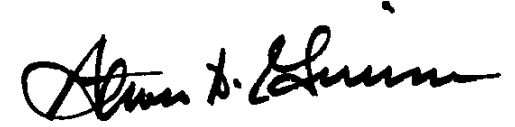
Tab	Document	Date	Vol.	Pages
	Complaint (William Gould)			
20	Affidavit of Service of Summons and First Amended Complaint; and T2 Plaintiffs' First Amended Complaint (Craig Tompkins)	04/27/16	2	281-284
01	Complaint	06/12/15	1	1-31
39	Director Defendant's Opposition to Plaintiff's Motion to Reconsider and/or Clarify Order Granting in Part Reading International, Inc.'s Motion to Reconsider of Clarify Order Granting Plaintiff James J. Cotter, Jr.'s Motion to Compel Production of Documents and Communications Related to Advice of Counsel	12/18/16	8	1655-1701
13	Director Defendants' Answer to First Amended Complaint (Cotter Jr.'s Complaint)	03/14/16	1	163-184
14	Director Defendants' Answer to T2's First Amended Complaint	03/14/16	1	185-208
31	Director Defendants' Joinder to Reading International, Inc.'s Motion to Reconsider of Clarify Order Granting Plaintiff James J. Cotter, Jr.'s Motion to Compel Production of Documents and Communications Related to Advice of Counsel	10/11/16	7	1419-1422
23	Director Defendants' Opposition to Plaintiff's Motion to Compel Production of Documents and Communications Related to Advice of Counsel	08/29/16	3	513-540
11	First Amended Complaint	10/22/15	1	74-123

Tab	Document	Date	Vol.	Pages
35	James Cotter Jr.'s Opposition to Reading International, Inc.'s Motion to Reconsider of Clarify Order Granting Plaintiff James J. Cotter, Jr.'s Motion to Compel Production of Documents and Communications Related to Advice of Counsel	10/26/16	7	1460-1477
22	James J. Cotter, Jr.'s Motion to Compel Production of Documents and Communications Related to Advice of Counsel Defense on Order Shortening Time	08/12/16	3	378-512
21	Joint Motion for Preliminary Approval of Settlement, Notice to Stockholders and Scheduling of Settlement Hearing	7/12/16	2	285-377
19	Judy Coddington and Michael Wrotniak's Answer to T2 Plaintiffs' Amended Complaint	04/05/16	2	257-280
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37	Notice of Entry of Order Granting in Part Reading International, Inc.'s Motion to Reconsider of Clarify Order Granting Plaintiff James J. Cotter, Jr.'s Motion to Compel Production of Documents and Communications Related to Advice of Counsel	12/01/16	8	1633-1638
29	Notice of Entry of Order Granting Plaintiff James J. Cotter, Jr.'s Motion to Compel Production of Documents and Communications Related to Advice of	10/05/16	7	1369-1374

Tab	Document	Date	Vol.	Pages
	Counsel			
32	Notice of Entry of Order Granting Settlement with T2 Plaintiffs and Final Judgment	10/20/16	7	1423-1430
33	Notice of Entry of Order Granting Settlement with T2 Plaintiffs and Final Judgment	10/21/16	7	1431-1449
45	Order Granting in Part Plaintiff's Motion to Reconsider and/or Clarify Order Granting in Part Reading International, Inc.'s Motion to Reconsider of Clarify Order Granting Plaintiff James J. Cotter, Jr.'s Motion to Compel Production of Documents and Communications Related to Advice of Counsel	1/24/16	9	1897-1899
46	Order Staying This Court's October 3, 2016, December 1, 2016 and January 20, 2017 Orders Regarding Privilege Issues	2/10/17	9	1900-1905
27	Petitioner's Motion for Summary Judgment (No. 1) re: Plaintiff's Termination and Reinstatements Claims with Declaration of Noah S. Helpert and Supporting Exhibits	9/23/16	4 5 6 7	685- 860 861-1026 1027-1268 1269-1357
43	Plaintiff James J. Cotter, Jr.'s Motion to Quash Subpoenas and Depositions Duces Tecum and Appendix of Exhibits (Pages 1807-1810 filed under seal)	12/28/16	9	1772-1890
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	Counsel			
40	Reading International, Inc.'s Answer to Plaintiff's Second Amended Complaint	12/20/16	8	1702-1727
28	Reading International, Inc.'s Joinder to the Individual Defendants' Motion for Summary Judgment No. 1 re Plaintiff's Termination and Reinstatement Claims	10/03/16	7	1358-1368
30	Reading International, Inc.'s Motion to Reconsider of Clarify Order Granting Plaintiff James J. Cotter, Jr.'s Motion to Compel Production of Documents and Communications Related to Advice of Counsel	10/07/16	7	1375-1418
24	Reading International, Inc.'s Opposition to Plaintiff's Motion to Compel Production of Documents and Communications Related to Advice of Counsel	8/29/16	3	541- 603
34	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	10/21/16	7	1450-1459
17	Reading International's Answer to James J. Cotter, Jr.'s First Amended Complaint	03/29/16	1	215-236
18	Reading International's Answer to T2 Plaintiffs' First Amended Complaint	03/29/16	2	237-256
41	Reply In Support of Motion to Reconsider and/or Clarify Order Granting in Part Reading International, Inc.'s Motion to Reconsider of Clarify Order Granting Plaintiff James J. Cotter, Jr.'s Motion to Compel Production of Documents and Communications Related to Advice of Counsel	12/21/16	9	1728-1752
26	Second Amended Verified Complaint	09/02/16	4	628-684

Tab	Document	Date	Vol.	Pages
12	T2's First Amended Complaint	02/12/16	1	124-162
02	T2's Verified Shareholder Derivative Complaint	08/28/15	1	32-49
36	Transcript of Hearing on Motions	10/27/16	8	1478-1632
25	Transcript of Plaintiff's Motion to Obtain Expedited Discovery, Motion to Compel Production, and Motion to Permit Discovery re Recent Offer	8/31/16	3	604-627
42	Transcript of Proceedings – Status Check	12/22/16	9	1753-1771



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15 **DISTRICT COURT**
16 **CLARK COUNTY, NEVADA**

17 In the Matter of the Estate of
18 JAMES J. COTTER,
19 Deceased.

Case No. P 14-082942-E

Dept. XI

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

Case No. A-15-719860-B

Dept. No. XI

23 Plaintiff,

Jointly Administered

24 v.

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

**READING INTERNATIONAL, INC.'S
ANSWER TO T2 PLAINTIFFS' FIRST
AMENDED COMPLAINT**

Defendants.

and

READING INTERNATIONAL, INC., a
Nevada corporation;

Nominal Defendant.

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway, Suite 400 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
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READING INTERNATIONAL, INC.'S ANSWER TO T2 PLAINTIFFS'

FIRST AMENDED COMPLAINT

Nominal Defendant Reading International, Inc. ("Nominal Defendant" or "RDI") hereby sets forth the following Answer to T2 Plaintiffs' First Amended Verified Complaint, filed by Plaintiff on February 12, 2016 ("Complaint"). Any allegation, averment, contention or statement in the Complaint not specifically and unequivocally admitted is denied. RDI responds to each of the paragraphs of the Complaint as follows:

1. RDI admits that Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, William Gould, Judy Coddington, and Michael Wrotniak are members of the Board of Directors of Reading International, Inc. RDI is without knowledge or information sufficient to form a belief as to the truth of the allegation that Plaintiffs are now, and at all relevant times herein have been, shareholders of RDI, and therefore denies them. RDI denies the allegations of paragraph 1 of the Complaint in all other respects.

2. RDI is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 2 of the Complaint, and therefore denies them.

3. RDI is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 3 of the Complaint, and therefore denies them.

4. RDI is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 4 of the Complaint, and therefore denies them.

5. RDI is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 5 of the Complaint, and therefore denies them.

6. RDI is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 6 of the Complaint, and therefore denies them.

7. RDI is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 7 of the Complaint, and therefore denies them.

8. RDI is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 8 of the Complaint, and therefore denies them.

1 9. RDI is without knowledge or information sufficient to form a belief as to the truth
2 of the allegations of paragraph 9 of the Complaint, and therefore denies them.

3 10. RDI admits that it is a Nevada corporation. The other allegations of paragraph 10
4 of the Complaint are purportedly based on written documents, which speak for themselves.

5 11. RDI admits it has two classes of stock—Class A stock and Class B stock. RDI
6 admits that Class A stock holds no voting rights. RDI admits that Class B stock is the sole
7 voting stock with respect to the election of directors. RDI is without knowledge or information
8 sufficient to form a belief as to the truth of the remaining allegations of paragraph 11 of the
9 Complaint, and therefore denies them.

10 12. RDI admits that, since approximately 2000 and until he resigned as Chairman and
11 CEO of RDI, James J. Cotter, Sr. was the CEO and Chairman of the Board of Directors of RDI.
12 To the extent that the allegations of paragraph 12 of the Complaint are purportedly based on
13 written documents, the documents speak for themselves. RDI denies the remaining allegations
14 of paragraph 12 of the Complaint.

15 13. The allegations of paragraph 13 of the Complaint are purportedly based on written
16 documents, which speak for themselves. RDI denies the remaining allegations of paragraph 13
17 of the Complaint.

18 14. RDI admits the allegations of paragraph 14 of the Complaint.

19 15. RDI admits the allegations of paragraph 15 of the Complaint.

20 16. RDI is without knowledge or information sufficient to form a belief as to the truth
21 of the allegations of paragraph 16 of the Complaint, and therefore denies them.

22 17. RDI is without knowledge or information sufficient to form a belief as to the truth
23 of the allegations of paragraph 17 of the Complaint, and therefore denies them.

24 18. The allegations of paragraph 18 of the Complaint are purportedly based on written
25 documents, which speak for themselves. RDI denies the remaining allegations of paragraph 18
26 of the Complaint.

27 19. RDI is without knowledge or information sufficient to form a belief as to the truth

1 of the allegations in paragraph 19 of the Complaint related to amendments to the James Cotter,
2 Sr. Living Trust, and therefore denies them. To the extent that the allegations of paragraph 19 of
3 the Complaint are purportedly based on written documents, the documents speak for themselves.
4 RDI denies the remaining allegations of paragraph 19 of the Complaint.

5 20. RDI is without knowledge or information sufficient to form a belief as to the truth
6 of the allegations in paragraph 20 of the Complaint related to amendments to the James Cotter,
7 Sr. Living Trust, and therefore denies them. The other allegations of paragraph 20 of the
8 Complaint are purportedly based on written documents, which speak for themselves. RDI denies
9 the remaining allegations of paragraph 20 of the Complaint.

10 21. RDI admits that James Cotter, Sr. resigned as trustee of the James Cotter, Sr.
11 Living Trust. To the extent the other allegations of paragraph 21 of the Complaint are
12 purportedly based on written documents, such documents speak for themselves.

13 22. RDI is without knowledge or information sufficient to form a belief as to the truth
14 of the allegations of paragraph 22 of the Complaint, and therefore denies them. To the extent
15 that the allegations of paragraph 22 of the Complaint are purportedly based on written
16 documents, the documents speak for themselves.

17 23. The allegations of paragraph 23 of the Complaint are purportedly based on written
18 documents, which speak for themselves. RDI denies the remaining allegations of paragraph 23
19 of the Complaint.

20 24. To the extent that the allegations of paragraph 24 of the Complaint are
21 purportedly based on written documents, the documents speak for themselves. To the extent the
22 allegations in this paragraph relate to the actions of individual defendants, RDI as a nominal
23 defendant defers to the answers filed on behalf of the individual defendants. RDI denies the
24 remaining allegations of paragraph 24 of the Complaint.

25 25. The allegations of paragraph 25 of the Complaint are purportedly based on written
26 documents, which speak for themselves. RDI denies the remaining allegations of paragraph 25
27 of the Complaint.

1 26. To the extent the allegations in this paragraph relate to the actions of individual
2 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
3 defendants. RDI denies the remaining allegations of paragraph 26 of the Complaint.

4 a. To the extent that the allegations of paragraph 26(a) of the Complaint are
5 purportedly based on written documents, the documents speak for themselves. RDI denies the
6 remaining allegations of paragraph 26(a) of the Complaint.

7 b. RDI admits that Timothy Storey was assigned to try to improve James Cotter,
8 Jr.'s performance as CEO and to mediate the relationship between James Cotter, Jr., on the one
9 hand, and Ellen Cotter and Margaret Cotter, on the other. RDI denies the remaining allegations
10 of paragraph 26(b) of the Complaint.

11 c. RDI is without knowledge or information sufficient to form a belief as to the
12 truth of the remaining allegations of paragraph 26(c) of the Complaint, and therefore denies
13 them.

14 d. RDI is without knowledge or information sufficient to form a belief as to the
15 truth of the remaining allegations of paragraph 26(d) of the Complaint, and therefore denies
16 them.

17 e. RDI is without knowledge or information sufficient to form a belief as to the
18 truth of the remaining allegations of paragraph 26(e) of the Complaint, and therefore denies
19 them.

20 f. RDI admits that Ellen Cotter called a board meeting in May of 2015 to
21 discuss James Cotter, Jr. 's continued employment. RDI admits that Timothy Storey
22 requested a meeting of the non-Cotter directors. RDI admits that Edward Kane took the position
23 that the Board should attend the meeting called by Ellen Cotter. RDI denies the remaining
24 allegations of paragraph 26(f) of the Complaint. To the extent that the allegations of paragraph
25 26(f) of the Complaint are purportedly based on written documents, the documents speak for
26 themselves.

1 g. RDI is without knowledge or information sufficient to form a belief as to the
2 truth of the remaining allegations of paragraph 26(g) of the Complaint, and therefore denies
3 them.

4 h. The allegations in paragraph 26(h) are purportedly based on written
5 documents, the documents speak for themselves. RDI denies the remaining allegations of
6 paragraph 26(h) of the Complaint.

7 27. The allegations of paragraph 27 of the Complaint are purportedly based on written
8 documents, which speak for themselves. RDI denies the remaining allegations of paragraph 27
9 of the Complaint.

10 28. RDI denies that any Board meeting notice was improper. To the extent the
11 allegations in this paragraph relate to the actions of individual defendants, RDI as a nominal
12 defendant defers to the answers filed on behalf of the individual defendants. RDI denies that the
13 members of RDI's Board of Directors had previously agreed upon a process whereby Timothy
14 Storey would report to the board regarding the performance of James Cotter, Jr. as CEO in June
15 of 2015 and further action would only then be considered. RDI denies that Edward Kane
16 blocked the requested meeting. RDI denies that the process for terminating James Cotter, Jr. was
17 improper. Defendants are without knowledge or information sufficient to form a belief as to the
18 truth of the remaining allegations of paragraph 28 of the Complaint, and therefore deny them.

19 29. RDI admits that counsel for the company and for James Cotter, Jr. appeared at the
20 May 21, 2015 board meeting. RDI admits that the May 21, 2015 board meeting was adjourned
21 to May 29, 2015. RDI denies any allegation or suggestion of improper process. RDI is without
22 knowledge or information sufficient to form a belief as to the truth of the remaining allegations
23 of paragraph 29 of the Complaint, and therefore denies them.

24 30. RDI is without knowledge or information sufficient to form a belief as to the truth
25 of the allegations of paragraph 30 of the Complaint, and therefore denies them.

26 31. The allegations of paragraph 31 of the Complaint are purportedly based on written
27 documents, which speak for themselves. To the extent the allegations in this paragraph relate to

1 the actions of individual defendants, RDI as a nominal defendant defers to the answers filed on
2 behalf of the individual defendants. RDI denies the remaining allegations of paragraph 31 of the
3 Complaint.

4 32. To the extent the allegations in this paragraph relate to the actions of individual
5 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
6 defendants. RDI denies the remaining allegations of paragraph 32 of the Complaint.

7 33. To the extent the allegations in this paragraph relate to the actions of individual
8 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
9 defendants. RDI denies the remaining allegations of paragraph 33 of the Complaint.

10 34. RDI admits that the RDI Board meeting reconvened. To the extent the allegations
11 in this paragraph relate to the actions of individual defendants, RDI as a nominal defendant
12 defers to the answers filed on behalf of the individual defendants. RDI denies the remaining
13 allegations of paragraph 34 of the Complaint in all other respects.

14 35. RDI is without knowledge or information sufficient to form a belief as to the truth
15 of the allegations of paragraph 35 of the Complaint, and therefore denies them.

16 36. RDI is without knowledge or information sufficient to form a belief as to the truth
17 of the allegations of paragraph 36 of the Complaint, and therefore denies them.

18 37. The allegations of paragraph 37 of the Complaint are purportedly based on written
19 documents, which speak for themselves. To the extent the allegations in this paragraph relate to
20 the actions of individual defendants, RDI as a nominal defendant defers to the answers filed on
21 behalf of the individual defendants. RDI denies the remaining allegations of paragraph 37 of the
22 Complaint.

23 38. RDI admits the allegations of paragraph 38 of the Complaint.

24 39. The allegations of paragraph 39 of the Complaint are purportedly based on written
25 documents, which speak for themselves. RDI denies the remaining allegations of paragraph 39
26 of the Complaint.

27 40. The allegations of paragraph 40 of the Complaint are purportedly based on written

1 documents, which speak for themselves. To the extent the allegations in this paragraph relate to
2 the actions of individual defendants, RDI as a nominal defendant defers to the answers filed on
3 behalf of the individual defendants. RDI denies the remaining allegations of paragraph 40 of the
4 Complaint.

5 41. The allegations of paragraph 41 of the Complaint are purportedly based on written
6 documents, which speak for themselves. To the extent the allegations in this paragraph relate to
7 the actions of individual defendants, RDI as a nominal defendant defers to the answers filed on
8 behalf of the individual defendants. RDI denies the remaining allegations of paragraph 41 of the
9 Complaint.

10 42. The allegations of paragraph 42 of the Complaint are purportedly based on written
11 documents, which speak for themselves. RDI denies the remaining allegations of paragraph 42
12 of the Complaint.

13 43. The allegations of paragraph 43 of the Complaint are purportedly based on written
14 documents, which speak for themselves. RDI denies the remaining allegations of paragraph 43
15 of the Complaint.

16 44. The allegations of paragraph 44 of the Complaint are purportedly based on written
17 documents, which speak for themselves. RDI denies the remaining allegations of paragraph 44
18 of the Complaint.

19 45. To the extent that the allegations of paragraph 45 of the Complaint are
20 purportedly based on written documents, the documents speak for themselves. To the extent that
21 the allegations of paragraph 45 of the Complaint constitute conclusions of law, no responsive
22 pleading is required. To the extent a response is deemed required, such allegations of paragraph
23 45 of the Complaint are denied.

24 46. To the extent that the allegations of paragraph 46 of the Complaint are
25 purportedly based on written documents, the documents speak for themselves. To the extent that
26 the allegations of paragraph 46 of the Complaint constitute conclusions of law, no responsive
27 pleading is required. To the extent a response is deemed required, such allegations of paragraph
28

46 of the Complaint are denied.

47. To the extent the allegations in this paragraph relate to the actions of individual defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual defendants. RDI denies the remaining allegations of paragraph 47 of the Complaint.

48. RDI denies the existence of any purported “intentional or fraudulent scheme.” To the extent that the allegations of paragraph 48 of the Complaint are purportedly based on written documents, the documents speak for themselves. To the extent the allegations in this paragraph relate to the actions of individual defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual defendants. RDI is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 48 of the Complaint, and therefore denies them.

49. RDI admits the allegation of paragraph 49 of the Complaint.

50. RDI admits the allegation of paragraph 50 of the Complaint.

51. RDI admits that Ellen Cotter and Margaret Cotter, acting in their capacities as the Co-Executors of the estate of James J. Cotter (the “Cotter Estate”) exercised for the benefit of the Cotter Estate an option to acquire 100,000 shares of RDI class B voting stock held of record by the Cotter Estate. To the extent the allegations in this paragraph relate to the actions of individual defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual defendants. RDI denies the allegations of paragraph 51 of the Complaint in all other respects.

52. RDI denies the allegations of paragraph 52 of the Complaint.

53. RDI admits that the California Lawsuit has not yet been adjudicated. To the extent that the allegations of paragraph 53 of the Complaint are purportedly based on written documents, the documents speak for themselves. RDI denies the remaining allegations of paragraph 53 of the Complaint.

54. The allegations of paragraph 54 of the Complaint are purportedly based on written documents, which speak for themselves. RDI denies the remaining allegations of paragraph 54

1 of the Complaint.

2 55. To the extent that the allegations of paragraph 55 of the Complaint constitute
3 conclusions of law, no responsive pleading is required. To the extent the allegations in this
4 paragraph relate to the actions of individual defendants, RDI as a nominal defendant defers to the
5 answers filed on behalf of the individual defendants. RDI denies the remaining allegations of
6 paragraph 55 of the Complaint.

7 56. RDI denies any allegations of fraudulent activity or that misrepresentations were
8 made. To the extent the allegations in this paragraph and any subparts relate to the actions of
9 individual defendants, RDI as a nominal defendant defers to the answers filed on behalf of the
10 individual defendants. To the extent any subpart of paragraph 56 is purportedly based on written
11 documents, such documents speak for themselves. RDI denies the remaining allegations of
12 paragraph 56 and its subparts of the Complaint.

13 57. RDI denies the allegations of paragraph 57 of the Complaint.

14 58. RDI denies the allegations of paragraph 58 of the Complaint.

15 59. The allegations of paragraph 59 of the Complaint are purportedly based on written
16 documents, which speak for themselves. RDI denies the remaining allegations of paragraph 59
17 of the Complaint.

18 60. RDI admits that a CEO search committee was formed, but denies the remaining
19 allegation of paragraph 60 of the Complaint.

20 61. To the extent the allegations in this paragraph relate to the actions of individual
21 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
22 defendants. To the extent that the allegations of paragraph 61 of the Complaint are purportedly
23 based on written documents, the documents speak for themselves. RDI denies the remaining
24 allegations of paragraph 61 of the Complaint.

25 62. RDI admits that Ellen Cotter notified the Board that Korn Ferry had been selected
26 to assist the company in the search for a new CEO. To the extent that the allegations of
27 paragraph 62 of the Complaint are purportedly based on written documents, the documents speak

1 for themselves. RDI denies the remaining allegations of paragraph 62 of the Complaint.

2 63. To the extent the allegations in this paragraph relate to the actions of individual
3 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
4 defendants. To the extent that the allegations of paragraph 63 of the Complaint are purportedly
5 based on written documents, the documents speak for themselves. RDI denies the remaining
6 allegations of paragraph 63 of the Complaint.

7 64. The allegations of paragraph 64 of the Complaint are purportedly based on written
8 documents, which speak for themselves. RDI denies the remaining allegations of paragraph 64
9 of the Complaint.

10 65. RDI admits that the Search Committee interviewed numerous CEO candidates
11 and that members of the committee had extensive experience with Ellen Cotter. To the extent
12 the allegations in this paragraph relate to the actions of individual defendants, RDI as a nominal
13 defendant defers to the answers filed on behalf of the individual defendants. RDI is without
14 knowledge or information sufficient to form a belief as to the truth of the remaining allegations
15 of paragraph 65 of the Complaint, and therefore denies them.

16 66. To the extent the allegations in this paragraph relate to the actions of individual
17 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
18 defendants. RDI is without knowledge or information sufficient to form a belief as to the truth of
19 the remaining allegations of paragraph 66 of the Complaint, and therefore denies them.

20 67. To the extent the allegations in this paragraph relate to the actions of individual
21 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
22 defendants. RDI denies the remaining allegation of paragraph 67 of the Complaint.

23 68. RDI admits the allegation of paragraph 68 of the Complaint.

24 69. RDI admits the allegation of paragraph 69 of the Complaint.

25 70. RDI denies the allegations of paragraph 70 of the Complaint.

26 71. RDI is without knowledge or information sufficient to form a belief as to the truth
27 of the allegations of paragraph 71 of the Complaint, and therefore denies them. To the extent

1 that the allegations of paragraph 71 of the Complaint constitute conclusions of law, no
2 responsive pleading is required. To the extent a response is deemed required, such allegations of
3 paragraph 71 of the Complaint are denied.

4 72. RDI is without knowledge or information sufficient to form a belief as to the truth
5 of the allegations of paragraph 72 of the Complaint, and therefore denies them. To the extent
6 that the allegations of paragraph 72 of the Complaint constitute conclusions of law, no
7 responsive pleading is required. To the extent a response is deemed required, such allegations of
8 paragraph 72 of the Complaint are denied.

9 73. RDI denies the allegations of paragraph 73 of the Complaint.

10 74. RDI denies the allegations of paragraph 74 of the Complaint.

11 75. To the extent the allegations in this paragraph relate to the actions of individual
12 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
13 defendants. RDI denies the remaining allegations of paragraph 75 of the Complaint.

14 76. To the extent the allegations in this paragraph relate to the actions of individual
15 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
16 defendants. RDI denies the remaining allegations of paragraph 76 of the Complaint.

17 77. To the extent the allegations in this paragraph relate to the actions of individual
18 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
19 defendants. RDI denies the remaining allegations of paragraph 77 of the Complaint.

20 78. To the extent the allegations in this paragraph relate to the actions of individual
21 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
22 defendants. To the extent allegations of paragraph 78 of the Complaint are purportedly based on
23 written documents, such documents speak for themselves. RDI denies the remaining allegations
24 of paragraph 78 of the Complaint

25 79. RDI admits the allegations of paragraph 79 of the Complaint.

26 80. To the extent the allegations in this paragraph relate to the actions of individual
27 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual

1 defendants. RDI denies the remaining allegations of paragraph 80 of the Complaint.

2 81. The allegations of paragraph 81 of the Complaint are purportedly based on written
3 documents, which speak for themselves. RDI denies the remaining allegations of paragraph 81
4 of the Complaint.

5 82. The allegations of paragraph 82 of the Complaint are purportedly based on written
6 documents, which speak for themselves. RDI denies the remaining allegations of paragraph 82
7 of the Complaint.

8 83. To the extent the allegations in this paragraph relate to the actions of individual
9 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
10 defendants. RDI admits that Tim Storey did not vote on or about September 21, 2015. RDI
11 denies the remaining allegations of paragraph 83 of the Complaint.

12 84. To the extent the allegations in this paragraph relate to the actions of individual
13 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
14 defendants. To the extent that allegations of paragraph 83 of the Complaint are purportedly
15 based on written documents, such documents speak for themselves. RDI denies the remaining
16 allegations of paragraph 84 of the Complaint.

17 85. To the extent the allegations in this paragraph relate to the actions of individual
18 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
19 defendants. RDI denies the remaining allegations of paragraph 85 of the Complaint.

20 86. RDI admits that Timothy Storey resigned as a director of RDI. RDI denies the
21 allegations of paragraph 86 of the Complaint in all other respects.

22 87. RDI denies the allegations of paragraph 87 of the Complaint.

23 88. RDI denies the allegations of paragraph 88 of the Complaint.

24 89. The allegations of paragraph 89 of the Complaint are purportedly based on written
25 documents, which speak for themselves. RDI denies the remaining allegations of paragraph 89
26 of the Complaint.

27 90. To the extent the allegations in this paragraph relate to the actions of individual

1 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
2 defendants. RDI denies the remaining allegations of paragraph 90 of the Complaint.

3 91. To the extent the allegations in this paragraph relate to the actions of individual
4 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
5 defendants. To the extent allegations of paragraph 91 of the Complaint are purportedly based on
6 written documents, such documents speak for themselves. RDI denies the remaining allegations
7 of paragraph 91 of the Complaint.

8 92. The allegations of paragraph 92 of the Complaint are purportedly based on written
9 documents, which speak for themselves. RDI denies the remaining allegations of paragraph 92
10 of the Complaint.

11 **RESPONSE TO “DEMAND IS EXCUSED”**

12 93. RDI denies the allegations of paragraph 93 of the Complaint.

13 94. To the extent the allegations in this paragraph relate to the actions of individual
14 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
15 defendants. RDI denies the remaining allegations of paragraph 94 of the Complaint in all other
16 respects.

17 95. The allegations of paragraph 95 of the Complaint are purportedly based on written
18 documents, which speak for themselves. RDI denies the remaining allegations of paragraph 95
19 of the Complaint.

20 96. To the extent the allegations in this paragraph relate to the actions of individual
21 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
22 defendants. RDI denies the remaining allegations of paragraph 96 of the Complaint.

23 97. RDI denies the allegations of paragraph 97 of the Complaint.

24 98. RDI denies the allegations of paragraph 98 of the Complaint.

25 99. To the extent the allegations in this paragraph relate to the actions of individual
26 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
27 defendants. To the extent that the allegations of paragraph 99 of the Complaint are purportedly

1 based on written documents, the documents speak for themselves. RDI denies the remaining
2 allegations of paragraph 99 of the Complaint.

3 100. To the extent the allegations in this paragraph relate to the actions of individual
4 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
5 defendants. RDI denies the remaining allegations of paragraph 100 of the Complaint

6 101. To the extent the allegations in this paragraph relate to the actions of individual
7 defendants, RDI as a nominal defendant defers to the answers filed on behalf of the individual
8 defendants. RDI denies the remaining allegations of paragraph 101 of the Complaint.

9 102. The allegations of paragraph 102 of the Complaint constitute conclusions of law
10 to which no responsive pleading is required. To the extent a response is deemed required, the
11 allegations of paragraph 102 of the Complaint are denied.

12 103. RDI denies the allegations of paragraph 103 of the Complaint.

13 104. The allegations of paragraph 104 of the Complaint constitute conclusions of law
14 to which no responsive pleading is required. To the extent a response is deemed required, the
15 allegations of paragraph 104 of the Complaint are denied.

16 105. The allegations of paragraph 105 of the Complaint are purportedly based on
17 written documents, which speak for themselves. RDI denies the remaining allegations of
18 paragraph 105 of the Complaint.

19 106. RDI admits that Mary Cotter knows Judy Coddling. To the extent that the
20 allegations of paragraph 106 of the Complaint constitute conclusions of law, no responsive
21 pleading is required. To the extent a response is deemed required, such allegations of paragraph
22 106 of the Complaint are denied. RDI denies the allegations of paragraph 106 of the Complaint
23 in all other respects.

24 107. RDI admits that Margaret Cotter knows Michael Wrotniak. To the extent that the
25 allegations of paragraph 107 of the Complaint are purportedly based on written documents, the
26 documents speak for themselves. To the extent that the allegations of paragraph 107 of the
27 Complaint constitute conclusions of law, no responsive pleading is required. To the extent a

1 response is deemed required, such allegations of paragraph 107 of the Complaint are denied.
2 RDI denies the allegations of paragraph 107 of the Complaint in all other respects.

3 **RESPONSE TO “FIRST CAUSE OF ACTION**

4 **(Breach of Fiduciary Duty)**

5 108. RDI reasserts and incorporates its responses to paragraphs 1 through 107 of the
6 Complaint.

7 109. RDI admits Ellen Cotter, Margaret Cotter, Edward Kane, Guy Adams, William
8 Gould, Douglas McEachern, Judy Coddington, and Michael Wrotniak are directors of RDI. To the
9 extent that the allegations of paragraph 109 of the Complaint constitute conclusions of law, no
10 responsive pleading is required. To the extent a response is deemed required, such allegations of
11 paragraph 109 of the Complaint are denied.

12 110. The allegations of paragraph 110 of the Complaint constitute conclusions of law
13 to which no responsive pleading is required. To the extent a response is deemed required, the
14 allegations of paragraph 110 of the Complaint are denied.

15 111. The allegations of paragraph 111 of the Complaint constitute conclusions of law
16 to which no responsive pleading is required. To the extent a response is deemed required, the
17 allegations of paragraph 111 of the Complaint are denied.

18 112. RDI denies the allegations of paragraph 112 of the Complaint.

19 113. RDI denies the allegations of paragraph 113 of the Complaint.

20 114. RDI denies the allegations of paragraph 114 of the Complaint.

21 115. RDI denies that Plaintiffs, RDI, or its stockholders have suffered any damages by
22 virtue of Defendants’ conduct.

23 **RESPONSE TO “SECOND CAUSE OF ACTION**

24 **(Aiding and Abetting Breach of Fiduciary Duty)**

25 116. RDI reasserts and incorporates its responses to paragraphs 1 through 115 of the
26 Complaint.

27 117. RDI denies the allegations of paragraph 117 of the Complaint.

- 1 118. RDI denies the allegations of paragraph 118 of the Complaint.
2 119. RDI denies the allegations of paragraph 119 of the Complaint.
3 120. RDI denies the allegations of paragraph 120 of the Complaint.
4 121. RDI denies the allegations of paragraph 121 of the Complaint.
5 122. RDI denies that Plaintiffs, RDI, or its stockholders have suffered any damages by
6 virtue of Defendants' conduct.

7 **AFFIRMATIVE DEFENSES**

8 Subject to the responses above, RDI alleges and asserts the following defenses in
9 response to the allegations, undertaking the burden of proof only as to those defenses deemed
10 affirmative defenses by law, regardless of how such defenses are denominated herein. In
11 addition to the affirmative defenses described below, subject to their responses above, RDI
12 specifically reserves all rights to allege additional affirmative defenses that become known
13 through the course of discovery.

14 **1. FAILURE TO STATE A CLAIM**

15 The Complaint, and each purported cause of action therein, is barred, in whole or in part,
16 for failure to state a claim.

17 **2. FAILURE TO MAKE DEMAND**

18 Plaintiffs have failed to make a demand prior to filing the purported derivative suit.

19 **3. CORPORATE GOVERNANCE**

20 Plaintiffs' claims are barred because RDI has at all times acted, through its Board of
21 Directors, in good faith consistent with corporate governance standards.

22
23 **4. IRREPAIRABLE HARM TO COMPANY**

24 Plaintiffs' claims are barred because RDI would be irreparably harmed by the relief
25 Plaintiff seeks.

26

27

28

The Complaint, and each purported cause of action therein, is barred, in whole or in part, by the applicable statutes of limitations and/or statutes of repose.

The Complaint, and each purported cause of action therein, is barred, in whole or in part, by the doctrine of unclean hands.

The Complaint, and each purported cause of action therein, is barred, in whole or in part, because to the extent any of the activities alleged in the Complaint actually occurred, those activities were not unlawful.

The Complaint, and each purported cause of action therein, is barred, in whole or in part, because the actions complained of, if taken, were at all times reasonable, privileged, and justified.

The Complaint, and each purported cause of action therein, is barred, in whole or in part, because, at all times material to the Complaint, RDI acted in good faith and with innocent intent.

Plaintiff is not entitled to damages of any kind or in any sum or amount whatsoever as a result of RDI's acts or omissions alleged in the Complaint because any damages sought are speculative, uncertain and not recoverable.

The Complaint, and each purported cause of action alleged therein, is barred, in whole or part, by the business judgment rule.

The Complaint, and each purported cause of action alleged therein, is barred, in whole or part, by the doctrine of equitable estoppel.

13. NEVADA REVISED STATUTE 78.138

The Complaint, and each purported cause of action alleged therein, is barred, in whole or part, by Nevada Revised Statute 78.138, which provides that a director or officer is not individually liable to the corporation or its stockholders or creditors for any damages as a result of any act or failure to act in his or her capacity as a director or officer unless it is proven that: (a) the director's or officer's act or failure to act constituted a breach of his or her fiduciary duties as a director or officer; and (b) the breach of those duties involved intentional misconduct, fraud or a knowing violation of law.

**14. CONFLICT OF INTERST AND
UNSUITABILITY TO SERVE AS REPRESENTATIVE**

The Complaint, and each purported cause of action alleged therein is barred, in whole or Part because Plaintiffs' have conflicts of interest and are unsuitable to serve as derivative representatives.

WHEREFORE, RDI request that Plaintiff's Complaint be dismissed in its entirety with prejudice, that judgment be entered in favor of RDI, that RDI be awarded costs and, to the extent provided by law, attorney's fees, and any such other relief as the Court may deem proper.

DATED this 29th day of March, 2016.

GREENBERG TRAURIG, LLP

/s/ Kara B. Hendricks

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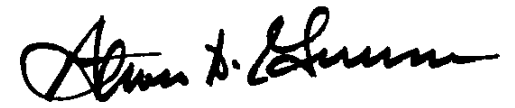
Counsel for Reading International, Inc.

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 Answer to T2 Plaintiffs' First Amended Complaint* 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 29th day of day of March, 2016.

/s/ Andrea Lee Rosehill
AN EMPLOYEE OF GREENBERG TRAURIG, LLP



CLERK OF THE COURT

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23 Attorneys for Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas
24 McEachern, Judy Coddling, and Michael Wrotniak

25 **EIGHTH JUDICIAL DISTRICT COURT**

26 **CLARK COUNTY, NEVADA**

27 **JAMES J. COTTER, JR.,** derivatively on behalf
28 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

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

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

Related and Coordinated Cases

BUSINESS COURT

JUDY CODDING AND MICHAEL
WROTNIAK'S ANSWER TO FIRST
AMENDED COMPLAINT

1 READING INTERNATIONAL, INC., a Nevada
2 corporation,
3
4 Nominal Defendant.

5 T2 PARTNERS MANAGEMENT, LP, a
6 Delaware limited partnership, doing business as
7 KASE CAPITAL MANAGEMENT; et al.;
8
9 Plaintiffs,
10
11 v.

12 MARGARET COTTER, ELLEN COTTER,
13 GUY ADAMS, EDWARD KANE, DOUGLAS
14 McEACHERN, WILLIAM GOULD, JUDY
15 CODDING, MICHAEL WROTNIAK, CRAIG
16 TOMPKINS and DOES 1 through 100, inclusive;
17
18 Defendants,
19
20 and

21 READING INTERNATIONAL, INC., a Nevada
22 corporation,
23
24 Nominal Defendant.

1 **DEFENDANTS’ JUDY CODDING AND MICHAEL WROTONIAK’S ANSWER TO**
2 **FIRST AMENDED COMPLAINT**

3 Defendants Judy Coddington and Michael Wrotoniak hereby set forth the following Answer to
4 the First Amended Verified Complaint, filed by Plaintiffs on February 12, 2016 (“Complaint”).
5 Any allegation, averment, contention or statement in the Complaint not specifically and
6 unequivocally admitted is denied. Defendants respond to each of the paragraphs of the Complaint
7 as follows:

8 **RESPONSE TO “INTRODUCTION”**

9 1. Defendants admit that Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane,
10 Douglas McEachern, William Gould, Judy Coddington, and Michael Wrotoniak are members of the
11 Board of Directors of Reading International, Inc. (“RDI”). Defendants are without knowledge or
12 information sufficient to form a belief as to the truth of the allegation that Plaintiffs are now, and
13 at all relevant times herein have been, stockholders of RDI, and therefore deny them. Defendants
14 deny the allegations of paragraph 1 of the Complaint in all other respects.

15 2. Defendants are without knowledge or information sufficient to form a belief as to
16 the truth of the allegations of paragraph 2 of the Complaint, and therefore deny them.

17 3. Defendants are without knowledge or information sufficient to form a belief as to
18 the truth of the allegations of paragraph 3 of the Complaint, and therefore deny them.

19 4. Defendants are without knowledge or information sufficient to form a belief as to
20 the truth of the allegations of paragraph 4 of the Complaint, and therefore deny them.

21 5. Defendants are without knowledge or information sufficient to form a belief as to
22 the truth of the allegations of paragraph 5 of the Complaint, and therefore deny them.

23 6. Defendants are without knowledge or information sufficient to form a belief as to
24 the truth of the allegations of paragraph 6 of the Complaint, and therefore deny them.

25 7. Defendants are without knowledge or information sufficient to form a belief as to
26 the truth of the allegations of paragraph 7 of the Complaint, and therefore deny them.

27 8. Defendants are without knowledge or information sufficient to form a belief as to
28 the truth of the allegations of paragraph 8 of the Complaint, and therefore deny them.

1 9. Defendants are without knowledge or information sufficient to form a belief as to
2 the truth of the allegations of paragraph 9 of the Complaint, and therefore deny them.

3 10. Defendants admit that RDI is a Nevada corporation. The other allegations of
4 paragraph 10 of the Complaint are purportedly based on written documents, which speak for
5 themselves. Defendants deny the remaining allegations of paragraph 10 of the Complaint.

6 11. Defendants admit RDI has two classes of stock—Class A stock and Class B stock.
7 Defendants admit that Class A stock holds no voting rights. Defendants admit that Class B stock
8 is the sole voting stock with respect to the election of directors. Defendants are without knowledge
9 or information sufficient to form a belief as to the truth of the remaining allegations of paragraph
10 11 of the Complaint, and therefore deny them.

11 12. To the extent that the allegations of paragraph 12 of the Complaint are purportedly
12 based on written documents, the documents speak for themselves. Defendants are without
13 knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph
14 12 of the Complaint, and therefore deny them.

15 13. The allegations of paragraph 13 of the Complaint are purportedly based on written
16 documents, which speak for themselves. Defendants are without knowledge or information
17 sufficient to form a belief as to the truth of the allegations of paragraph 13 of the Complaint, and
18 therefore deny them.

19 14. Defendants are without knowledge or information sufficient to form a belief as to
20 the truth of the allegations of paragraph 14 of the Complaint, and therefore deny them.

21 15. Defendants are without knowledge or information sufficient to form a belief as to
22 the truth of the allegations of paragraph 15 of the Complaint, and therefore deny them.

23 16. Defendants are without knowledge or information sufficient to form a belief as to
24 the truth of the allegations of paragraph 16 of the Complaint, and therefore deny them.

25 17. Defendants are without knowledge or information sufficient to form a belief as to
26 the truth of the allegations of paragraph 17 of the Complaint, and therefore deny them.

27 18. The allegations of paragraph 18 of the Complaint are purportedly based on written
28 documents, which speak for themselves. Defendants are without knowledge or information

1 sufficient to form a belief as to the truth of the allegations of paragraph 18 of the Complaint, and
2 therefore deny them.

3 19. Defendants admit that Margaret Cotter has children. Defendants admit that James
4 Cotter, Jr. has children. Defendants admit that Ellen Cotter does not have children. To the extent
5 that the allegations of paragraph 19 of the Complaint are purportedly based on written documents,
6 the documents speak for themselves. Defendants are without knowledge or information sufficient
7 to form a belief as to the truth of the remaining allegations in paragraph 19 of the Complaint related
8 to amendments to the James Cotter, Sr. Living Trust, and therefore deny them.

9 20. To the extent that the allegations of paragraph 20 of the Complaint are purportedly
10 based on written documents, the documents speak for themselves. Defendants are without
11 knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph
12 20 of the Complaint, and therefore deny them.

13 21. Defendants are without knowledge or information sufficient to form a belief as to
14 the truth of the allegations of paragraph 21 of the Complaint, and therefore deny them.

15 22. To the extent that the allegations of paragraph 22 of the Complaint are purportedly
16 based on written documents, the documents speak for themselves. Defendants are without
17 knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph
18 22 of the Complaint, and therefore deny them.

19 23. The allegations of paragraph 23 of the Complaint are purportedly based on written
20 documents, which speak for themselves. Defendants are without knowledge or information
21 sufficient to form a belief as to the truth of the allegations of paragraph 23 of the Complaint.

22 24. To the extent that the allegations of paragraph 24 of the Complaint are purportedly
23 based on written documents, the documents speak for themselves. Defendants are without
24 knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph
25 24 of the Complaint, and therefore deny them.

26 25. The allegations of paragraph 25 of the Complaint are purportedly based on written
27 documents, which speak for themselves. Defendants are without knowledge or information
28 sufficient to form a belief as to the truth of the allegations of paragraph 25 of the Complaint.

1 26. Defendants are without knowledge or information sufficient to form a belief as to
2 the truth of the allegations of paragraph 26 of the Complaint, and therefore deny them.

3 a. To the extent that the allegations of paragraph 26(a) of the Complaint are
4 purportedly based on written documents, the documents speak for themselves. Defendants are
5 without knowledge or information sufficient to form a belief as to the truth of the allegations of
6 paragraph 26(a) of the Complaint, and therefore deny them.

7 b. Defendants are without knowledge or information sufficient to form a belief as to
8 the truth of the allegations of paragraph 26(b) of the Complaint, and therefore deny them.

9 c. Defendants are without knowledge or information sufficient to form a belief as to
10 the truth of the allegations of paragraph 26(c) of the Complaint, and therefore deny them.

11 d. Defendants are without knowledge or information sufficient to form a belief as to
12 the truth of the allegations of paragraph 26(d) of the Complaint, and therefore deny them.

13 e. Defendants are without knowledge or information sufficient to form a belief as to
14 the truth of the allegations of paragraph 26(e) of the Complaint, and therefore deny them.

15 f. To the extent that the allegations of paragraph 26(f) of the Complaint are
16 purportedly based on written documents, the documents speak for themselves. Defendants are
17 without knowledge or information sufficient to form a belief as to the truth of the allegations of
18 paragraph 26(f) of the Complaint, and therefore deny them.

19 g. Defendants are without knowledge or information sufficient to form a belief as to
20 the truth of the allegations of paragraph 26(g) of the Complaint, and therefore deny them.

21 h. Defendants are without knowledge or information sufficient to form a belief as to
22 the truth of the allegations of paragraph 26(h) of the Complaint, and therefore deny them.

23 27. The allegations of paragraph 27 of the Complaint are purportedly based on written
24 documents, which speak for themselves. Defendants are without knowledge or information
25 sufficient to form a belief as to the truth of the allegations of paragraph 27 of the Complaint, and
26 therefore deny them.

27 28. Defendants are without knowledge or information sufficient to form a belief as to
28 the truth of the allegations of paragraph 28 of the Complaint, and therefore deny them.

1 29. Defendants are without knowledge or information sufficient to form a belief as to
2 the truth of the allegations of paragraph 29 of the Complaint, and therefore deny them.

3 30. The allegations of paragraph 30 of the Complaint are purportedly based on written
4 documents, which speak for themselves. Defendants are without knowledge or information
5 sufficient to form a belief as to the truth of the allegations of paragraph 30 of the Complaint, and
6 therefore deny them.

7 31. The allegations of paragraph 31 of the Complaint are purportedly based on written
8 documents, which speak for themselves. Defendants are without knowledge or information
9 sufficient to form a belief as to the truth of the allegations of paragraph 31 of the Complaint, and
10 therefore deny them.

11 32. Defendants are without knowledge or information sufficient to form a belief as to
12 the truth of the allegations of paragraph 32 of the Complaint, and therefore deny them.

13 33. Defendants are without knowledge or information sufficient to form a belief as to
14 the truth of the allegations of paragraph 33 of the Complaint, and therefore deny them.

15 34. Defendants are without knowledge or information sufficient to form a belief as to
16 the truth of the allegations of paragraph 34 of the Complaint, and therefore deny them.

17 35. Defendants are without knowledge or information sufficient to form a belief as to
18 the truth of the allegations of paragraph 35 of the Complaint, and therefore deny them.

19 36. Defendants are without knowledge or information sufficient to form a belief as to
20 the truth of the allegations of paragraph 36 of the Complaint, and therefore deny them.

21 37. The allegations of paragraph 37 of the Complaint are purportedly based on written
22 documents, which speak for themselves. Defendants are without knowledge or information
23 sufficient to form a belief as to the truth of the allegations of paragraph 37 of the Complaint, and
24 therefore deny them.

25 38. Defendants are without knowledge or information sufficient to form a belief as to
26 the truth of the allegations of paragraph 38 of the Complaint, and therefore deny them.

27 39. The allegations of paragraph 39 of the Complaint are purportedly based on written
28 documents, which speak for themselves. Defendants are without knowledge or information

1 sufficient to form a belief as to the truth of the allegations of paragraph 39 of the Complaint, and
2 therefore deny them.

3 40. The allegations of paragraph 40 of the Complaint are purportedly based on written
4 documents, which speak for themselves. Defendants are without knowledge or information
5 sufficient to form a belief as to the truth of the allegations of paragraph 40 of the Complaint, and
6 therefore deny them.

7 41. The allegations of paragraph 41 of the Complaint are purportedly based on written
8 documents, which speak for themselves. Defendants are without knowledge or information
9 sufficient to form a belief as to the truth of the allegations of paragraph 41 of the Complaint, and
10 therefore deny them.

11 42. The allegations of paragraph 42 of the Complaint are purportedly based on written
12 documents, which speak for themselves. Defendants are without knowledge or information
13 sufficient to form a belief as to the truth of the allegations of paragraph 42 of the Complaint, and
14 therefore deny them.

15 43. The allegations of paragraph 43 of the Complaint are purportedly based on written
16 documents, which speak for themselves. Defendants are without knowledge or information
17 sufficient to form a belief as to the truth of the allegations of paragraph 43 of the Complaint, and
18 therefore deny them.

19 44. The allegations of paragraph 44 of the Complaint are purportedly based on written
20 documents, which speak for themselves. Defendants are without knowledge or information
21 sufficient to form a belief as to the truth of the allegations of paragraph 44 of the Complaint, and
22 therefore deny them.

23 45. To the extent that the allegations of paragraph 45 of the Complaint are purportedly
24 based on written documents, the documents speak for themselves. To the extent that the
25 allegations of paragraph 45 of the Complaint constitute conclusions of law, no responsive pleading
26 is required. Defendants are without knowledge or information sufficient to form a belief as to the
27 truth of the allegations of paragraph 45 of the Complaint, and therefore deny them.
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1 46. To the extent that the allegations of paragraph 46 of the Complaint are purportedly
2 based on written documents, the documents speak for themselves. To the extent that the
3 allegations of paragraph 46 of the Complaint constitute conclusions of law, no responsive pleading
4 is required. Defendants are without knowledge or information sufficient to form a belief as to the
5 truth of the allegations of paragraph 46 of the Complaint, and therefore deny them.

6 47. To the extent that the allegations of paragraph 47 of the Complaint constitute
7 conclusions of law, no responsive pleading is required. Defendants are without knowledge or
8 information sufficient to form a belief as to the truth of the allegations of paragraph 47 of the
9 Complaint, and therefore deny them.

10 48. To the extent that the allegations of paragraph 48 of the Complaint are purportedly
11 based on written documents, the documents speak for themselves. Defendants are without
12 knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph
13 48 of the Complaint, and therefore deny them.

14 49. Defendants are without knowledge or information sufficient to form a belief as to
15 the truth of the allegations of paragraph 49 of the Complaint, and therefore deny them.

16 50. Defendants are without knowledge or information sufficient to form a belief as to
17 the truth of the allegations of paragraph 50 of the Complaint, and therefore deny them.

18 51. Defendants are without knowledge or information sufficient to form a belief as to
19 the truth of the allegations of paragraph 51 of the Complaint, and therefore deny them.

20 52. Defendants are without knowledge or information sufficient to form a belief as to
21 the truth of the allegations of paragraph 52 of the Complaint, and therefore deny them.

22 53. Defendants admit that the California Lawsuit has not yet been finally adjudicated.
23 To the extent that the allegations of paragraph 53 of the Complaint are purportedly based on written
24 documents, the documents speak for themselves. Defendants deny the remaining allegations of
25 paragraph 53 of the Complaint.

26 54. The allegations of paragraph 54 of the Complaint are purportedly based on written
27 documents, which speak for themselves. Defendants deny the remaining allegations of paragraph
28 54 of the Complaint.

1 55. Defendants are without knowledge or information sufficient to form a belief as to
2 the truth of the allegations of paragraph 55 of the Complaint, and therefore deny them.

3 56. Defendants deny any allegations of any purported fraud. To the extent that the
4 allegations of paragraph 56 of the Complaint are purportedly based on written documents, the
5 documents speak for themselves. To the extent that the allegations of paragraph 56 of the
6 Complaint constitute conclusions of law, no responsive pleading is required. Defendants are
7 without knowledge or information sufficient to form a belief as to the truth of the allegations of
8 paragraph 56 of the Complaint, and therefore deny them.

9 57. Defendants deny the allegations of paragraph 57 of the Complaint.

10 58. Defendants are without knowledge or information sufficient to form a belief as to
11 the truth of the allegations of paragraph 58 of the Complaint, and therefore deny them.

12 59. The allegations of paragraph 59 of the Complaint are purportedly based on written
13 documents, which speak for themselves. Defendants are without knowledge or information
14 sufficient to form a belief as to the truth of the allegations of paragraph 59 of the Complaint, and
15 therefore deny them.

16 60. Defendants are without knowledge or information sufficient to form a belief as to
17 the truth of the allegations of paragraph 60 of the Complaint, and therefore deny them.

18 61. To the extent that the allegations of paragraph 61 of the Complaint are purportedly
19 based on written documents, the documents speak for themselves. Defendants are without
20 knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph
21 61 of the Complaint, and therefore deny them.

22 62. To the extent that the allegations of paragraph 62 of the Complaint are purportedly
23 based on written documents, the documents speak for themselves. Defendants are without
24 knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph
25 62 of the Complaint, and therefore deny them.

26 63. For the period preceding when Defendants joined RDI's Board of Directors,
27 Defendants are without knowledge or information sufficient to form a belief as to the truth of the
28 allegation of paragraph 63 of the Complaint that there were no updates provided to the Board by

1 Ellen Cotter about the progress of the CEO search process, and therefore deny it. To the extent
2 that the allegations of paragraph 63 of the Complaint are purportedly based on written documents,
3 the documents speak for themselves. Defendants deny the remaining allegations of paragraph 63
4 of the Complaint.

5 64. The allegations of paragraph 64 of the Complaint are purportedly based on written
6 documents, which speak for themselves. Defendants deny the remaining allegations of paragraph
7 64 of the Complaint.

8 65. Defendants admit that the Search Committee interviewed numerous CEO
9 candidates and that members of the committee had extensive experience with Ellen Cotter.
10 Defendants are without knowledge or information sufficient to form a belief as to the truth of the
11 remaining allegations of paragraph 65 of the Complaint, and therefore deny them.

12 66. Defendants are without knowledge or information sufficient to form a belief as to
13 the truth of the allegations of paragraph 66 of the Complaint, and therefore deny them.

14 67. Defendants are without knowledge or information sufficient to form a belief as to
15 the truth of the allegations of paragraph 67 of the Complaint, and therefore deny them.

16 68. Defendants admit the allegation of paragraph 68 of the Complaint.

17 69. Defendants admit that, in January 2016, the Board of Directors appointed Ellen
18 Cotter as the permanent CEO and President of RDI.

19 70. Defendants deny the allegations of paragraph 70 of the Complaint.

20 71. Defendants are without knowledge or information sufficient to form a belief as to
21 the truth of the allegations of paragraph 71 of the Complaint, and therefore deny them. To the
22 extent that the allegations of paragraph 71 of the Complaint constitute conclusions of law, no
23 responsive pleading is required. To the extent a response is deemed required, such allegations of
24 paragraph 71 of the Complaint are denied.

25 72. Defendants are without knowledge or information sufficient to form a belief as to
26 the truth of the allegations of paragraph 72 of the Complaint, and therefore deny them. To the
27 extent that the allegations of paragraph 72 of the Complaint constitute conclusions of law, no
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1 responsive pleading is required. To the extent a response is deemed required, such allegations of
2 paragraph 72 of the Complaint are denied.

3 73. Defendants are without knowledge or information sufficient to form a belief as to
4 the truth of the allegations of paragraph 73 of the Complaint, and therefore deny them. To the
5 extent that the allegations of paragraph 73 of the Complaint constitute conclusions of law, no
6 responsive pleading is required. To the extent a response is deemed required, such allegations of
7 paragraph 73 of the Complaint are denied.

8 74. Defendants are without knowledge or information sufficient to form a belief as to
9 the truth of the allegations of paragraph 74 of the Complaint, and therefore deny them. To the
10 extent that the allegations of paragraph 74 of the Complaint constitute conclusions of law, no
11 responsive pleading is required. To the extent a response is deemed required, such allegations of
12 paragraph 74 of the Complaint are denied.

13 75. Defendants are without knowledge or information sufficient to form a belief as to
14 the truth of the allegations of paragraph 75 of the Complaint, and therefore deny them.

15 76. Defendants are without knowledge or information sufficient to form a belief as to
16 the truth of the allegations of paragraph 76 of the Complaint, and therefore deny them.

17 77. Defendants are without knowledge or information sufficient to form a belief as to
18 the truth of the allegations of paragraph 77 of the Complaint, and therefore deny them.

19 78. Defendants are without knowledge or information sufficient to form a belief as to
20 the truth of the allegations of paragraph 78 of the Complaint, and therefore deny them.

21 79. Defendants are without knowledge or information sufficient to form a belief as to
22 the truth of the allegations of paragraph 79 of the Complaint, and therefore deny them.

23 80. Defendants are without knowledge or information sufficient to form a belief as to
24 the truth of the allegations of paragraph 80 of the Complaint, and therefore deny them.

25 81. The allegations of paragraph 81 of the Complaint are purportedly based on written
26 documents, which speak for themselves. Defendants are without knowledge or information
27 sufficient to form a belief as to the truth of the allegations of paragraph 81 of the Complaint, and
28 therefore deny them.

1 82. The allegations of paragraph 82 of the Complaint are purportedly based on written
2 documents, which speak for themselves. Defendants are without knowledge or information
3 sufficient to form a belief as to the truth of the allegations of paragraph 82 of the Complaint, and
4 therefore deny them.

5 83. Defendants are without knowledge or information sufficient to form a belief as to
6 the truth of the allegations of paragraph 83 of the Complaint, and therefore deny them.

7 84. The allegations of paragraph 84 of the Complaint are purportedly based on written
8 documents, which speak for themselves. Defendant Judy Coddington denies the remaining
9 allegations of paragraph 84 of the Complaint. Defendant Michael Wrotniak is without knowledge
10 or information sufficient to form a belief as to the truth of the allegations of paragraph 84 of the
11 Complaint, and therefore denies them.

12 85. Defendants are without knowledge or information sufficient to form a belief as to
13 the truth of the allegations of paragraph 85 of the Complaint, and therefore deny them.

14 86. Defendant Judy Coddington admits that Timothy Storey resigned as a director of RDI.
15 Defendant Judy Coddington denies the allegations of paragraph 86 of the Complaint in all other
16 respects. Defendant Michael Wrotniak is without knowledge or information sufficient to form a
17 belief as to the truth of the allegations of paragraph 86 of the Complaint, and therefore denies them.

18 87. Defendants deny the allegations of paragraph 87 of the Complaint.

19 88. Defendants are without knowledge or information sufficient to form a belief as to
20 the truth of the allegations of paragraph 88 of the Complaint, and therefore deny them.

21 89. The allegations of paragraph 89 of the Complaint are purportedly based on written
22 documents, which speak for themselves. Defendants are without knowledge or information
23 sufficient to form a belief as to the truth of the allegations of paragraph 89 of the Complaint, and
24 therefore deny them.

25 90. Defendants are without knowledge or information sufficient to form a belief as to
26 the truth of the allegations of paragraph 90 of the Complaint, and therefore deny them.

27 91. Defendants are without knowledge or information sufficient to form a belief as to
28 the truth of the allegations of paragraph 91 of the Complaint, and therefore deny them.

1 92. The allegations of paragraph 92 of the Complaint are purportedly based on written
2 documents, which speak for themselves. Defendants are without knowledge or information
3 sufficient to form a belief as to the truth of the allegations of paragraph 92 of the Complaint, and
4 therefore deny them.

5 **RESPONSE TO “DEMAND IS EXCUSED”**

6 93. To the extent that the allegations of paragraph 93 of the Complaint constitute
7 conclusions of law, no responsive pleading is required. To the extent a response is deemed
8 required, such allegations of paragraph 93 of the Complaint are denied. Defendants deny the
9 remaining allegations of paragraph 93 of the Complaint.

10 94. Defendants are without knowledge or information sufficient to form a belief as to
11 the truth of the allegations of paragraph 94 of the Complaint, and therefore deny them.

12 95. The allegations of paragraph 95 of the Complaint are purportedly based on written
13 documents, which speak for themselves. Defendants are without knowledge or information
14 sufficient to form a belief as to the truth of the allegations of paragraph 95 of the Complaint, and
15 therefore deny them.

16 96. Defendants are without knowledge or information sufficient to form a belief as to
17 the truth of the allegations of paragraph 96 of the Complaint, and therefore deny them.

18 97. Defendants are without knowledge or information sufficient to form a belief as to
19 the truth of the allegations of paragraph 97 of the Complaint, and therefore deny them.

20 98. Defendants are without knowledge or information sufficient to form a belief as to
21 the truth of the allegations of paragraph 98 of the Complaint, and therefore deny them.

22 99. To the extent that the allegations of paragraph 99 of the Complaint are purportedly
23 based on written documents, the documents speak for themselves. Defendants are without
24 knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph
25 99 of the Complaint, and therefore deny them.

26 100. Defendants are without knowledge or information sufficient to form a belief as to
27 the truth of the allegations of paragraph 100 of the Complaint, and therefore deny them.
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1 101. Defendants are without knowledge or information sufficient to form a belief as to
2 the truth of the allegations of paragraph 101 of the Complaint, and therefore deny them.

3 102. The allegations of paragraph 102 of the Complaint constitute conclusions of law to
4 which no responsive pleading is required. To the extent a response is deemed required, the
5 allegations of paragraph 102 of the Complaint are denied.

6 103. Defendants are without knowledge or information sufficient to form a belief as to
7 the truth of the allegations of paragraph 103 of the Complaint, and therefore deny them.

8 104. The allegations of paragraph 104 of the Complaint constitute conclusions of law to
9 which no responsive pleading is required. To the extent a response is deemed required, the
10 allegations of paragraph 104 of the Complaint are denied.

11 105. The allegations of paragraph 105 of the Complaint are purportedly based on written
12 documents, which speak for themselves. Defendants deny the remaining allegations of paragraph
13 105 of the Complaint.

14 106. Defendants admit that Mary Cotter knows Judy Coddington. To the extent that the
15 allegations of paragraph 106 of the Complaint constitute conclusions of law, no responsive
16 pleading is required. To the extent a response is deemed required, such allegations of paragraph
17 106 of the Complaint are denied. Defendants deny the allegations of paragraph 106 of the
18 Complaint in all other respects.

19 107. Defendants admit that Margaret Cotter knows Michael Wrotniak. To the extent
20 that the allegations of paragraph 107 of the Complaint are purportedly based on written documents,
21 the documents speak for themselves. To the extent that the allegations of paragraph 107 of the
22 Complaint constitute conclusions of law, no responsive pleading is required. To the extent a
23 response is deemed required, such allegations of paragraph 107 of the Complaint are denied.
24 Defendants deny the allegations of paragraph 107 of the Complaint in all other respects.

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RESPONSE TO “FIRST CAUSE OF ACTION
(Breach of Fiduciary Duty - Against Defendants Ellen Cotter, Margaret Cotter, Ed Kane,
Guy Adams, Bill Gould, Doug McEachern, Judy Coddling and Michael Wrotniak)”

108. Defendants reassert and incorporate their responses to paragraphs 1 through 107 of the Complaint.

109. Defendants admit that Ellen Cotter, Margaret Cotter, Edward Kane, Guy Adams, William Gould, Douglas McEachern, Judy Coddling, and Michael Wrotniak are directors of RDI. To the extent that the allegations of paragraph 109 of the Complaint constitute conclusions of law, no responsive pleading is required. To the extent a response is deemed required, such allegations of paragraph 109 of the Complaint are denied.

110. The allegations of paragraph 110 of the Complaint constitute conclusions of law to which no responsive pleading is required. To the extent a response is deemed required, the allegations of paragraph 110 of the Complaint are denied.

111. The allegations of paragraph 111 of the Complaint constitute conclusions of law to which no responsive pleading is required. To the extent a response is deemed required, the allegations of paragraph 111 of the Complaint are denied.

112. Defendants deny the allegations of paragraph 112 of the Complaint.

113. Defendants deny the allegations of paragraph 113 of the Complaint.

114. Defendants deny the allegations of paragraph 114 of the Complaint.

115. Defendants deny that Plaintiffs, RDI, or its stockholders have suffered any damages by virtue of Defendants’ conduct.

RESPONSE TO “SECOND CAUSE OF ACTION
(Aiding and Abetting Breach of Fiduciary Duty - Against Defendants Craig Tompkins, Ed
Kane, Guy Adams, Doug McEachern, Judy Coddling and Mark Wrotniak)”

116. Defendants reassert and incorporate their responses to paragraphs 1 through 115 of the Complaint.

117. Defendants deny the allegations of paragraph 117 of the Complaint.

118. Defendants deny the allegations of paragraph 118 of the Complaint.

1 119. Defendants deny the allegations of paragraph 119 of the Complaint.

2 120. Defendants deny the allegations of paragraph 120 of the Complaint.

3 121. Defendants deny that Plaintiffs, RDI, or its stockholders have suffered any damages
4 by virtue of Defendants' conduct.

5 **RESPONSE TO "PRAYER FOR RELIEF"**

6 122. Responding to the unnumbered PRAYER FOR RELIEF, Defendants admit that
7 Plaintiffs demand and pray for judgment as set forth therein, but deny that Defendants caused or
8 contributed to Plaintiffs' or RDI's alleged injuries and further deny that Defendants are liable for
9 damages or any other relief sought in the Complaint.

10 **AFFIRMATIVE DEFENSES**

11 123. Subject to the responses above, Defendants allege and assert the following defenses
12 in response to the allegations, undertaking the burden of proof only as to those defenses deemed
13 affirmative defenses by law, regardless of how such defenses are denominated herein. In addition
14 to the affirmative defenses described below, subject to their responses above, Defendants
15 specifically reserve all rights to allege additional affirmative defenses that become known through
16 the course of discovery.

17 **FIRST DEFENSE – FAILURE TO STATE A CAUSE OF ACTION**

18 124. The Complaint, and each purported cause of action therein, is barred, in whole or
19 in part, for failure to state a cause of action against Defendants under any legal theory.

20 **SECOND DEFENSE – STATUTES OF LIMITATIONS AND REPOSE**

21 125. The Complaint, and each purported cause of action therein, is barred, in whole or
22 in part, by the applicable statutes of limitations and/or statutes of repose.

23 **THIRD DEFENSE – LACHES**

24 126. The Complaint, and each purported cause of action therein, is barred, in whole or
25 in part, by the doctrine of laches, in that Plaintiffs waited an unreasonable period of time to file
26 this action and this prejudicial delay has worked to the detriment of Defendants.

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FOURTH DEFENSE – UNCLEAN HANDS

127. The Complaint, and each purported cause of action therein, is barred, in whole or in part, by the doctrine of unclean hands.

FIFTH DEFENSE – SPOLIATION

128. The Complaint, and each purported cause of action therein, is barred, in whole or in part, by Plaintiffs’ spoliation of evidence and obstruction of justice.

SIXTH DEFENSE – ILLEGAL CONDUCT AND FRAUD

129. The Complaint, and each purported cause of action therein, is barred, in whole or in part, by Plaintiffs’ own illegal conduct and/or fraud.

SEVENTH DEFENSE – WAIVER, ESTOPPEL, AND ACQUIESCENCE

130. The Complaint, and each purported cause of action therein, is barred, in whole or in part, by the doctrines of waiver, estoppel, and acquiescence because Plaintiffs’ acts, conduct, and/or omissions are inconsistent with their requests for relief.

EIGHTH DEFENSE – RATIFICATION AND CONSENT

131. The Complaint, and each purported cause of action therein, is barred, in whole or in part, because any purportedly improper acts by Defendants, if any, were ratified by Plaintiffs and their agents, and/or because Plaintiffs consented to the same.

NINTH DEFENSE – NO UNLAWFUL ACTIVITY

132. The Complaint, and each purported cause of action therein, is barred, in whole or in part, because, to the extent any of the activities alleged in the Complaint actually occurred, those activities were not unlawful.

TENTH DEFENSE – NO RELIANCE

133. The Complaint, and each purported cause of action therein, is barred, in whole or in part, because Plaintiffs did not justifiably rely on any alleged misrepresentation of Defendants.

ELEVENTH DEFENSE – FAILURE TO PLEAD FRAUD WITH PARTICULARITY

134. The Complaint, and each purported cause of action therein, is barred, in whole or in part, because Plaintiffs failed to plead the alleged fraud with particularity, including but not limited to identification of the alleged misrepresentations.

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TWELFTH DEFENSE – UNCERTAIN AND AMBIGUOUS

135. The Complaint, and each purported cause of action therein, is barred, in whole or in part, because it is uncertain and ambiguous as it relates to Defendants.

THIRTEENTH DEFENSE – PRIVILEGE AND JUSTIFICATION

136. The Complaint, and each purported cause of action therein, is barred, in whole or in part, because the actions complained of, if taken, were at all times reasonable, privileged, and justified.

FOURTEENTH DEFENSE – GOOD FAITH AND LACK OF FAULT

137. The Complaint, and each purported cause of action therein, is barred, in whole or in part, because, at all times material to the Complaint, Defendants acted in good faith and with innocent intent.

FIFTEENTH DEFENSE – NO ENTITLEMENT TO INJUNCTIVE RELIEF

138. Plaintiffs are not entitled to injunctive relief because, among other things, Plaintiffs have not suffered irreparable harm, Plaintiffs have an adequate remedy at law, and injunctive relief is not supported by any purported cause of action alleged in the Complaint and is not warranted by the balance of the hardships and/or any other equitable factors.

SIXTEENTH DEFENSE – DAMAGES TOO SPECULATIVE

139. Plaintiffs are not entitled to damages of any kind or in any sum or amount whatsoever as a result of Defendants’ acts or omissions alleged in the Complaint because any damages sought are speculative, uncertain, and not recoverable.

SEVENTEENTH DEFENSE – NO ENTITLEMENT TO PUNITIVE DAMAGES

140. The Complaint, and each purported cause of action alleged therein, fails to support the recovery of punitive, exemplary, or enhanced damages from Defendants, including because such damages are not recoverable under applicable Nevada statutory and common law requirements and are barred by the constitutional limitations, including the Due Process Clause of the Fourteenth Amendment and the Eighth Amendment to the United States Constitution.

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EIGHTEENTH DEFENSE – MITIGATION OF DAMAGES

141. Plaintiffs have failed to properly mitigate the damages, if any, they have sustained, and by virtue thereof, Plaintiffs are barred, in whole or in part, from maintaining the causes of action asserted in the Complaint against Defendants.

NINETEENTH DEFENSE – COMPARATIVE FAULT

142. Plaintiffs’ recovery against Defendants is barred, in whole or in part, based on principles of comparative fault, including Plaintiffs’ own comparative fault.

TWENTIETH DEFENSE – BUSINESS JUDGMENT RULE

143. The Complaint, and each purported cause of action alleged therein, is barred, in whole or part, by the business judgment rule.

TWENTY-FIRST DEFENSE – EQUITABLE ESTOPPEL

144. The Complaint, and each purported cause of action alleged therein, is barred, in whole or part, by the doctrine of equitable estoppel.

TWENTY-SECOND DEFENSE – ELECTION OF REMEDIES

145. Plaintiffs are barred, in whole or in part, from obtaining relief under the Complaint, or any of the causes of action or claims therein, that are based on inconsistent positions and/or remedies, including but not limited to inconsistent and duplicative claims for equitable and legal relief.

TWENTY-THIRD DEFENSE – NEVADA REVISED STATUTE 78.138

146. The Complaint, and each purported cause of action alleged therein, is barred, in whole or part, by Nevada Revised Statute 78.138, which provides that a director or officer is not individually liable to the corporation or its stockholders or creditors for any damages as a result of any act or failure to act in his or her capacity as a director or officer unless it is proven that: (a) the director’s or officer’s act or failure to act constituted a breach of his or her fiduciary duties as a director or officer; and (b) the breach of those duties involved intentional misconduct, fraud or a knowing violation of law.

TWENTY-FOURTH DEFENSE – LACK OF STANDING

1 147. The Complaint, and each purported cause of action alleged therein, is barred, in
2 whole or part, because Plaintiffs have failed to allege any direct ownership during relevant time
3 periods of RDI stock and therefore lack standing.

4 **TWENTY-FIFTH DEFENSE – CONFLICTS OF INTEREST AND**
5 **UNSUITABILITY TO SERVE AS DERIVATIVE REPRESENTATIVES**

6 148. The Complaint, and each purported cause of action alleged therein, is barred, in
7 whole or part, because Plaintiffs have conflicts of interest and are unsuitable to serve as derivative
8 representatives.

9 **TWENTY-SIXTH DEFENSE – FAILURE TO MAKE APPROPRIATE DEMAND**

10 149. The Complaint, and each purported cause of action alleged therein, is barred, in
11 whole or part, for failure to make a demand on RDI's Board of Directors.

12 **WHEREFORE**, Defendants request that Plaintiffs' Complaint be dismissed in its entirety
13 with prejudice, that judgment be entered in favor of Defendants, that Defendants be awarded costs
14 and, to the extent provided by law, attorney's fees, and any such other relief as the Court may
15 deem proper.

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Dated this 5th day of April, 2016.

COHEN|JOHNSON|PARKER|EDWARDS

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McEachern, Judy Coddling, and Michael
Wrotniak

CERTIFICATE OF SERVICE

I hereby certify that, on the 5th day of April, 2016, I served a copy of the foregoing **JUDY CODDING AND MICHAEL WROTONIAK'S ANSWER TO FIRST AMENDED COMPLAINT** to be served on all parties in this action via the Court's E-Filing and E-Service System.

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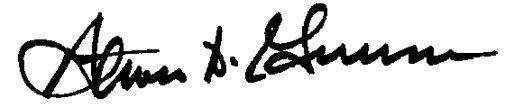
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CLERK OF THE COURT

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

19 Derivatively On Behalf of Reading International,
Inc.

20

21

DISTRICT COURT

22

CLARK COUNTY, NEVADA

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

25

Plaintiff,

26

v.

27

MARGARET COTTER, ELLEN COTTER,
GUY ADAMS, EDWARD KANE,
28 DOUGLAS McEACHERN, TIMOTHY

Case No. A-15-719860-B
[Coordinated with P-14-082942-E]
Dept. No.: XI

Business Court

AFFIDAVIT OF SERVICE

1 STOREY, WILLIAM GOULD, JUDY
2 CODDING, MICHAEL WROTNIAK, and
and DOES 1 through 100, inclusive,

3 Defendants,

4 and

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

7 Nominal Defendant.

8 T2 PARTNERS MANAGEMENT, LP, a
9 Delaware limited partnership, doing business
as KASE CAPITAL MANAGEMENT; et al.,

10 Plaintiffs,

11 vs.

12 MARGARET COTTER, ELLEN COTTER,
13 GUY ADAMS, EDWARD KANE,
DOUGLAS McEACHERN, WILLIAM
14 GOULD, JUDY CODDING, MICHAEL
WROTNIAK, CRAIG TOMPKINS, and
DOES 1 THROUGH 100, inclusive,

15 Defendants,

16 And,

17 READING INTERNATIONAL, INC., a
18 Nevada corporation,

19 Nominal Defendant.

20
21 I, Pradip Kissoondyal, being duly sworn or under

22 penalty of perjury, state that at all times relevant, I was over 18 years of age and not a party to or
23 interested in the above-captioned case; that I received a copy of the following document(s):

24 Summons on First Amended Complaint; T2 Plaintiffs' First Amended Complaint; and Notice of
25 Errata, on March 14, 2016; and that I served the same on Defendant CRAIG TOMPKINS on

26 March 21, 2016, at the hour of 3:00 P.M., by the following method:

27 ///

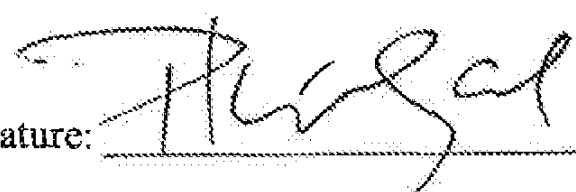
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1 1. For personal service per NRCP 4(d)(6): Delivering and leaving a copy with
2 Defendant at (insert address at which documents were served) _____
3

4 2. For substitute service per NRCP 4(d)(6): Delivering and leaving a copy with
5 Randy Boggan, Consultant _____
6 a person of suitable age and discretion at Defendant's place of business at 601 South
7 Figueroa, Ste. 2301, Los Angeles, CA 90017 _____

8 I am a licensed process server or an employee of a licensed process server; my license or
9 registration number is: 2012234986 _____

10 I declare under penalty of perjury under the law of the State of Nevada that the foregoing is
11 true and correct.

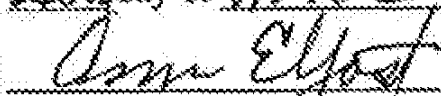
12 Executed on: 04/22/16, 2016 Signature: 

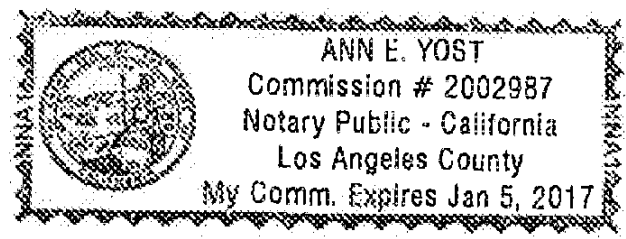
13 Business Address: 509 Marin Street, Suite 237, Thousand Oaks, CA 91360 _____
14

15 Telephone: 888-778-2711 _____
16
17

18 STATE OF CALIFORNIA)
19 COUNTY OF LOS ANGELES) ss.

20 SUBSCRIBED AND SWORN to before me this
21 22nd day of APRIL, 2016.

22 
23 NOTARY PUBLIC in and for the
County of LOS ANGELES State of CALIFORNIA



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CERTIFICATE OF SERVICE

The undersigned, an employee of Robertson & Associates, LLP, hereby certifies that on the 27th day of April, 2016, I served a true and correct copy of **AFFIDAVIT OF SERVICE** by electronic service by submitting the foregoing to the Court's E-filing System for Electronic Service upon the Court's Service List pursuant to EDCR 8. The copy of the document electronically served bears a notation of the date and time of service.

PLEASE SEE THE E-SERVICE MASTER LIST

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

/ s / Ann Russo

An employee of ROBERTSON & ASSOCIATES, LLP

1 **MOT**
2 MARK E. FERRARIO, ESQ.
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4 KARA B. HENDRICKS, ESQ.
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15 hendricksk@gtlaw.com
16 cowdent@gtlaw.com

17 *Counsel for Reading International, Inc.*

18 **DISTRICT COURT**
19 **CLARK COUNTY, NEVADA**

20 In the Matter of the Estate of
21 JAMES J. COTTER,
22
23 Deceased.

24 JAMES J. COTTER, JR., derivatively on
25 behalf of Reading International, Inc.,
26
27 Plaintiff,

28 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 WROTONIAK, 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 concurrently herewith and any oral argument of counsel made at the time of the hearing of this Motion.

DATED: July 12th, 2016.

GREENBERG TRAURIG, LLP



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.

GREENBERG TRAURIG, LLP
3775 Howard Hughes Parkway, Suite 400 North
Las Vegas, Nevada 89169
Telephone: (702) 792-4773
Facsimile: (702) 792-6092

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 8:30 a.m. before Department XI.

DATED: July 12, 2016.


DISTRICT COURT JUDGE

Respectfully Submitted:

GREENBERG TRAURIG, LLP


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.

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 Defendants¹ produced over 7,900 documents.

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

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.

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

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

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

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

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

24 **B. Reasons for Settlement**

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

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

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

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

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

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

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

19 **III. LEGAL ARGUMENT**

20 **A. NRCP 23.1 and Proposed Notice of Settlement.**

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

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

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

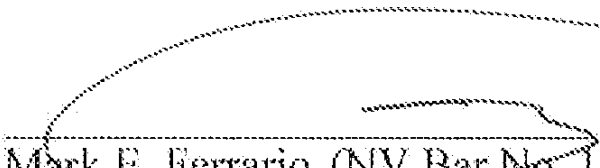
13 **B. Releases Requested.**

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

20 **C. Proposed Schedule.**

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

26 Settlement Hearing Date:	At the convenience of the Court, but at least 55 days 27 from request to provide for notice.
28 Notice Date:	At least 45 calendar days prior to the Settlement Hearing.

<p>ROBERTSON & ASSOCIATES, LLP</p> <p><u>/s/ Alexander Robertson, IV</u> ALEXANDER ROBERTSON, IV (SBN 8642) 32121 Lindero Canyon Road, Suite 200 Westlake Village, California 91361 <u>ARobertson@ARobertsonLaw.com</u></p> <p><i>Attorneys for Plaintiffs and Intervenor, T2 Partners Management, LP, et al.</i></p>	<p>GREENBERG TRAURIG, LLP</p> <p></p> <p>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 <u>FerrarioM@gtlaw.com</u> <u>HendricksK@gtlaw.com</u></p> <p><i>Counsel for Reading International, Inc.</i></p>
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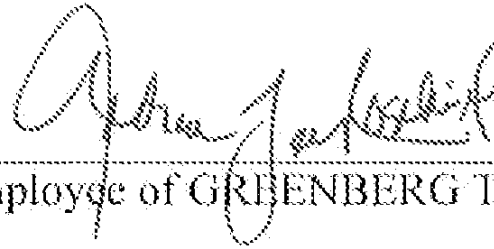
<p>PATTI, SGRO, LEWIS & ROGER</p> <hr/> <p>ADAM C. ANDERSON 720 S. 7th Street, 3rd Floor Las Vegas, NV 89101 aanderson@pslrfirm.com</p> <p><i>Attorneys for Plaintiffs and Intervenor, T2 Partners Management, LP dba Kase Capital Management; T2 Accredited Fund, LP dba Kase Fund; T2 Qualified Fund, LP dba 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</i></p>	<p>QUINN EMANUEL URQUHART & SULLIVAN, LLP</p> <hr/> <p><i>/s/ Christopher Tayback</i> CHRISTOPHER TAYBACK (Admitted <i>pro hac vice</i>) MARSHALL M. SEARCY III (Admitted <i>pro hac vice</i>) 865 S. Figueroa Street, 10th Floor Los Angeles, California, 90017 christayback@quinnemanuel.com marshallsearcy@quinnemanuel.com</p> <p><i>Attorneys for Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane Douglas McEachern, Judy Coddling and Michael Wrotniak</i> c/o</p>
<p>COHEN-JOHNSON, LLC</p> <hr/> <p><i>/s/ H. Stan Johnson</i> H. STAN JOHNSON (SBN 265) 255 E. Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 SJohnson@CohenJohnson.com</p> <p><i>Attorneys for Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane Douglas McEachern, Judy Coddling and Michael Wrotniak</i></p>	<p>BIRD, MARELLA, BOXER, WOLPERT, NESSIM, DROOKS, LINCENBERG & RHOW, P.C.</p> <hr/> <p><i>/s/ Ekwan E. Rhow</i> EKWAN E. RHOW (Admitted <i>pro hac vice</i>) 1875 Century Park East, 23rd Floor Los Angeles, California 90067 EER@BirdMarella.com</p> <p><i>Attorneys for Defendants William Gould</i></p>
<p>MAUPIN COX & LEGOY</p> <hr/> <p>DONALD A. LATTIN (NV BAR 0693) 4785 Caughlin Parkway Reno, Nevada 89519 dlattin@mclrenolaw.com</p> <p><i>Attorneys for Defendants William Gould</i></p>	<p>SANTORO WHITMIRE, LTD.</p> <hr/> <p><i>/s Nicholas J. Santoro</i> NICHOLAS J. SANTORO (NV BAR 0532) 10100 Charleston Boulevard, Suite 250 Las Vegas, Nevada 89135 nsantoro@santoronevada.com</p> <p><i>Attorneys for Craig Tompkins</i></p>

GREENBERG TRAURIG, LLP
3777 Howard Hughes Parkway, Suite 400 North
Las Vegas, Nevada 89169
Telephone: (702) 784-3773
Facsimile: (702) 782-0000

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.



An employee of GREENBERG TRAURIG, LLP

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 WROTHIAK, 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 Coddington,

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 Coddling and Michael Wrotniak:	Quinn Emanuel Urquhart & Sullivan, LLP c/o Marshall M. Searcy III 865 S. Figueroa Street, 10 th Floor Los Angeles, California, 90017
William Gould:	Bird, Marella, Boxer, Wolpert, Nessim, Drooks, Lincenberg & Rhow, P.C. c/o Ekwon E. Rhow 1875 Century Park East, 23 rd 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 QUALIFIED FUND, LP


By: _____
Its: Managing Partner

Dated this 10th day of July, 2016.

T2 PARTNERS MANAGEMENT I, LLC


By: _____
Its: Managing Member

Dated this ____ day of _____, 2016.

JMG CAPITAL MANAGEMENT, LLC

By: _____
Its: _____

Dated this 10th day of July, 2016.

T2 ACCREDITED 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 GROUP, LLC


By: _____
Its: Managing Member

Dated this ____ day of _____, 2016.

PACIFIC CAPITAL MANAGEMENT, LLC

By: _____
Its: _____

Dated this 10th day of July, 2016.

WHITNEY TILSON

By: *Whitney Tilson*

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 ____ day of _____, 2016.

WILLIAM GOULD

Dated this ____ day of _____, 2016.

MICHAEL WROTNIAK

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: Jonathan Glaser
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: Jonathan Glaser
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 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

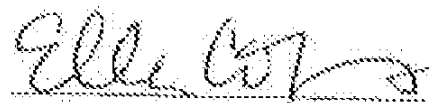
By: _____
Its: _____

Dated this ____ day of _____, 2016.

JONATHAN GLASER

Dated this ____ day of _____, 2016.

ELLEN COTTER



Dated this ____ day of _____, 2016.

GUY ADAMS

Dated this 10th day of July, 2016.

EDWARD KANE

Edward L 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 WROTHIAK

Dated this ____ day of _____, 2016.

CRAIG TOMPKINS

Dated this ____ day of _____, 2016.

READING INTERNATIONAL, INC

Dated this ____ day of _____, 2016.

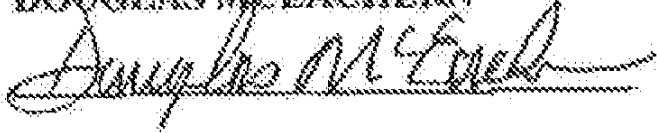
GUY ADAMS

Dated this ____ day of _____, 2016.

EDWARD KANE

Dated this 10 day of July, 2016.

DOUGLAS MCEACHERN



Dated this ____ day of _____, 2016.

WILLIAM GOULD

Dated this ____ day of _____, 2016.

JUDY CODDING

Dated this ____ day of _____, 2016.

MICHAEL WROTONIAK

Dated this ____ day of _____, 2016.

CRAIG TOMPKINS

Dated this ____ day of _____, 2016.

READING INTERNATIONAL, INC

Dated this 10th day of July, 2016.

WHITNEY TILSON

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.

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

William Gould

Dated this _____ day of _____, 2016.

Dated this _____ day of _____, 2016.

MICHAEL WROTONIAK

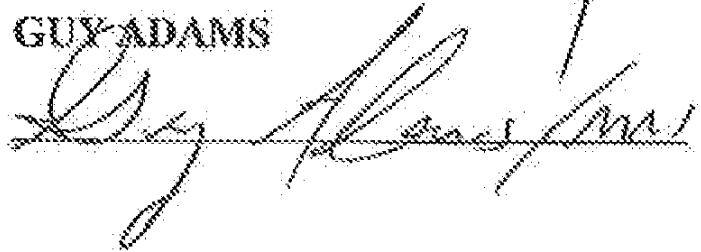
Dated this _____ day of _____, 2016.

READING INTERNATIONAL, INC

Dated this _____ day of _____, 2016.

Dated this 11th day of July, 2016.

GUY ADAMS

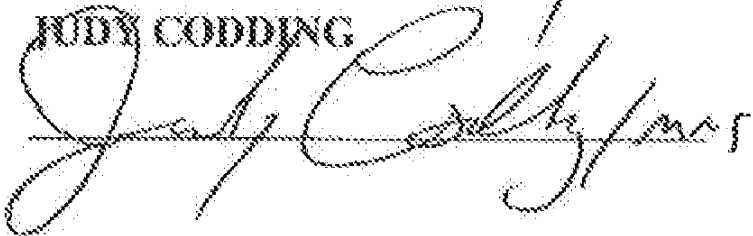


Dated this ____ day of _____, 2016.

DOUGLAS MCEACHERN

Dated this 11th day of July, 2016.

RUDY 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 WROTONIAK

Dated this ____ day of _____, 2016.

READING INTERNATIONAL, INC

Dated this ____ day of _____, 2016.

GUY ADAMS

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EDWARD KANE

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DOUGLAS MCEACHERN

Dated this ____ day of _____, 2016.

WILLIAM GOULD

Dated this ____ day of _____, 2016.

JUDY CODDING

Dated this 11 day of July, 2016.

MICHAEL WROTONIAK



Dated this ____ day of _____, 2016.

CRAIG TOMPKINS

Dated this ____ day of _____, 2016.

READING INTERNATIONAL, INC

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GUY ADAMS

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EDWARD KANE

Dated this ____ day of _____, 2016.

DOUGLAS MCEACHERN

Dated this ____ day of _____, 2016.

WILLIAM GOULD

Dated this ____ day of _____, 2016.

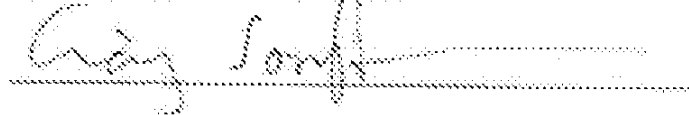
JUDY CODDING

Dated this ____ day of _____, 2016.

MICHAEL WROTONIAK

Dated this ____ day of _____, 2016.

CRAIG TOMPKINS



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.

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.

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

GREENBERG TRAURIG, LLP
3771 Howard Hughes Parkway, Suite 400 North
Las Vegas, Nevada 89169
Telephone: (702) 791-3373
Facsimile: (702) 792-0902

GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway, Suite 400 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9102

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.

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 Coddington, 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 a.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.

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

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

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

13 9. On September 9, 2015, certain of the Individual Defendants filed a Motion to
14 Dismiss the T2 Complaint. The Company joined this Motion to Dismiss on September 14,
15 2015. The hearing on this Motion to Dismiss was vacated as the T2 Plaintiffs voluntarily
16 withdrew the T2 Complaint, with the parties agreeing that T2 Plaintiffs would have leave to
17 amend the T2 Complaint.

18 10. On February 12, 2016, the T2 Plaintiffs filed an amended complaint (the
19 "Amended T2 Complaint"). The T2 Plaintiffs allege in their Amended T2 Complaint various
20 violations of fiduciary duty, abuse of control, gross mismanagement and corporate waste by the
21 defendants. More specifically the Amended T2 Complaint seeks the reinstatement of James J.
22 Cotter, Jr. as President and Chief Executive Officer and certain monetary damages, as well as
23 equitable injunctive relief, attorney fees, and costs of suit. The defendants in the T2 Action are
24 the same as named in the James Cotter, Jr. Action as well as Director Judy Coddington, Director
25 Michael Wrotniak, and Company legal counsel, Craig Tompkins. The Amended T2 Complaint
26 deleted its request for an order disbanding Reading's Executive Committee and for an order
27 "collapsing the Class A and B stock structure into a single class of voting stock." The Amended
28

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

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

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

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

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

17
18 WHAT ARE THE TERMS OF THE SETTLEMENT?
19

20 15. As consideration for the Settlement:

- 21 a. The Parties shall mutually agree upon the terms of a press release discussing
22 the reasons for the Settlement.
23 b. The Parties shall not to disparage each other in connection with the T2 Action.
24

25 WHAT ARE THE PARTIES' REASONS FOR THE SETTLEMENT?
26
27
28

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

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

21 18. Based on T2 Plaintiffs' Counsel's thorough review and analysis of the relevant
22 facts, allegations, defenses, and controlling legal principles, T2 Plaintiffs' Counsel believe that
23 the settlement set forth in this Settlement Agreement is fair, reasonable, and adequate, and
24 confers substantial benefits upon Reading and its current stockholders. Based upon T2
25 Plaintiffs' Counsel's evaluation as well as T2 Plaintiffs' own evaluation, T2 Plaintiffs have
26 determined that the settlement is in the best interests of Reading and its current stockholders and
27

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

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

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

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,

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

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

26 **Release of Claims by Defendants:** Defendants and the other Defendants' Releasees, on
27

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

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

20 "T2 Plaintiffs' Releasees" means T2 Plaintiffs, all other Reading stockholders, excluding
21 James Cotter, Jr., and any current or former officer or director of any Reading stockholder, and
22 their respective past, present, or future family members, spouses, heirs, trusts, trustees, executors,
23 estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries,
24 partners, partnerships, general or limited partners or partnerships, joint ventures, member firms,
25 limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated
26 entities, stockholders, principals, officers, directors, managing directors, members, managing
27

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

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

17 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE
18 CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR
19 AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR
20 HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH
21 THE DEBTOR.
22

23 and any law of any state or territory of the United States, or principle of common law or foreign
24 law, which is similar, comparable, or equivalent to California Civil Code §1542. Reading, T2
25 Plaintiffs and each of the Defendants acknowledge, and each of the other Reading stockholders,
26 excluding James Cotter, Jr., and each of the other Defendants' Releasees shall be deemed by
27 operation of law to have acknowledged, that the foregoing waiver was separately bargained for
28

1 and is a key element of the Settlement.

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

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

14
15
16 HOW WILL THE ATTORNEYS GET PAID?

17 24. Each of the Parties will bear his, her, or its own legal fees and expenses.
18
19

20 WHEN AND WHERE WILL THE SETTLEMENT HEARING BE HELD?
21 DO I HAVE THE RIGHT TO APPEAR AT THE SETTLEMENT HEARING?
22

23 25. The Court will consider the Settlement and all matters related to the Settlement at
24 the Settlement Hearing. The Settlement Hearing will be held before The Honorable Elizabeth
25 Gonzalez on _____, 2016 at ____:____ __m., in the Regional Justice Center, 200 Lewis
26 Avenue, Las Vegas, NV 89155 .
27
28

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

Adam C. Anderson
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

1 H. Stan Johnson, Esq.
2 Michael V. Hughes, Esq.
3 COHEN|JOHNSON|PARKER|EDWARDS
4 255 East Warm Springs Road, Suite 100
5 Las Vegas, Nevada 89119

6
7 *Attorneys for Defendants Margaret Cotter, Ellen Cotter, Douglas McEachern, Guy*
8 *Adams, Edward Kane, Judy Coddling, and Michael Wrotniak*

9 Christopher Tayback, Esq.
10 Marshall M. Searcy, Esq.
11 QUINN EMANUEL URQUHART & SULLIVAN, LLP
12 865 South Figueroa Street, 10th Floor
13 Los Angeles, CA 90017

14
15 *Attorneys for Defendants Margaret Cotter, Ellen Cotter, Douglas McEachern, Guy*
16 *Adams, Edward Kane, Judy Coddling, and Michael Wrotniak*

17 Donald A. Lattin
18 Carolyn K. Renner
19 Christopher M. Stanko
20 MAUPIN, COX & LeGOY
21 4785 Caughlin Parkway
22 Reno, NV 89519

23
24 *Attorneys for Defendants William Gould*

25 Ekwan E. Rhow
26 BIRD, MARELLA, BOXER, WOLPERT, NESSIM, DROOKS, LINCENBERG &
27 RHOW
28 1875 Century Park East, 23rd Floor
Los Angeles, CA 90067-2561

Attorneys for Defendants William Gould

Mark E. Ferrario, Esq.
Kara B. Hendricks, Esq.
GREENBERG TRAURIG, LLP
3773 Howard Hughes Parkway, Suite 400 North
Las Vegas, Nevada 89169

Attorneys for Nominal Defendant Reading International, Inc.

1 Mark G. Krum
2 LEWIS ROCA ROTHGERBER LLP
3 3993 Howard Hughes Parkway, Suite 600
4 Las Vegas, Nevada 89169

5 *Attorneys for Plaintiff James J. Cotter, Jr.*

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

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

11
12 28. This Notice does not purport to be a comprehensive description of the T2 Action,
13 the allegations related thereto, the terms of the Settlement, or the Settlement Hearing. For a
14 more detailed statement of the matters involved in the T2 Action, you may inspect the pleadings,
15 the Joint Motion, the Orders entered by the Court, and other papers filed in the T2 Action at
16 Regional Justice Center, 200 Lewis Avenue, Las Vegas, NV 89155, during regular business
17 hours of each business day. You may also view a copy of the Settlement Agreement at
18 <http://www.com>. If you have questions regarding the Settlement, you may write or
19 call T2 Plaintiffs' Counsel: Alexander Robertson, IV, 32121 Lindero Canyon Road, Suite 200,
20 Westlake Village, CA 91361, (818) 851-3850; and Adam C. Anderson, Patti, Sgro, Lewis &
21 Roger, 720 S. 7th Street, 3rd Floor, Las Vegas, NV 89101, (702) 385-9595.

22 **DO NOT CALL OR WRITE THE COURT REGARDING THIS NOTICE.**

23
24 **NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF**
25 **OTHERS**
26
27

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

GREENBERG TRADING, L.L.P.
3773 Howard Hughes Parkway, Suite 400 North
Las Vegas, Nevada 89169
Telephone: (702) 792-3773
Facsimile: (702) 792-9002

EXHIBIT B

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

1 ORDR
2 MARK E. FERRARIO, ESQ.
(NV Bar No. 1625)
3 KARA B. HENDRICKS, ESQ.
(NV Bar No. 7743)
4 TAMI D. COWDEN, ESQ.
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5 GREENBERG TRAURIG, LLP
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7 Facsimile: (702) 792-9002
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8 hendricksk@gtlaw.com
cowdent@gtlaw.com

9 *Counsel for Reading International, Inc.*

10 **DISTRICT COURT**
11
12 **CLARK COUNTY, NEVADA**

13 In the Matter of the Estate of
14 JAMES J. COTTER,
15 Deceased.

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

17 Plaintiff,

18 v.

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

22 Defendants.

23 And

24 READING INTERNATIONAL, INC., a
25 Nevada Corporation,

26 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**

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 Meeachern, William Gould, Judy Coddington, 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

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

ROBERTSON & ASSOCIATES, LLP

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 Partners Management, LP, et al.*

Counsel for Reading International, Inc.

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 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*

*Attorneys for Defendants Margaret Cotter,
 Ellen Cotter, Guy Adams, Edward Kane
 Douglas McEachern, Judy Codding and
 Michael Wrotniak*

c/o

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COHEN-JOHNSON, LLC	BIRD, MARELLA, BOXER, WOLPERT, NESSIM, DROOKS, LINCENBERG & RHOW, P.C.
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EXHIBIT C

1 ORDR
2 MARK E. FERRARIO, ESQ.
(NV Bar No. 1625)
3 KARA B. HENDRICKS, ESQ.
(NV Bar No. 7743)
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cowdent@gtlaw.com
9

10 *Counsel for Reading International, Inc.*

11 **DISTRICT COURT**
12 **CLARK COUNTY, NEVADA**

13 In the Matter of the Estate of
14 JAMES J. COTTER,
15 Deceased.

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

18 Plaintiff,

19 v.

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

23 Defendants.

24 And

25 READING INTERNATIONAL, INC., a
Nevada Corporation,

26 Nominal Defendant.
27
28

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

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

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

18 HEREBY ORDERS THE FOLLOWING:

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

24 ///

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28 ///

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

ALEXANDER ROBERTSON, IV (SBN 8642)
32121 Lindero Canyon Road, Suite 200
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ARobertson@ARobertsonLaw.com

*Attorneys for Plaintiffs and Intervenor, T2
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PATTI, SGRO, LEWIS & ROGER

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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 Defendants Margaret Cotter,
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Michael Wrotniak*

c/o

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COHEN-JOHNSON, LLC	BIRD, MARELLA, BOXER, WOLPERT, NESSIM, DROOKS, LINCENBERG & RHOW, P.C.
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MAUPIN COX & LEGOY DONALD A. LATTIN (NV BAR 0693) 4785 Caughlin Parkway Reno, Nevada 89519 dlattin@mcclrenolaw.com <i>Attorneys for Defendants William Gould</i>	SANTORO WHITMIRE, LTD. NICHOLAS J. SANTORO (NV BAR 0532) 10100 Charleston Boulevard, Suite 250 Las Vegas, Nevada 89135 nsantoro@santoronevada.com <i>Attorneys for Craig Tompkins</i>

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

1 ORDER
2 MARK E. FERRARIO, ESQ.
(NV Bar No. 1625)
3 KARA B. HENDRICKS, ESQ.
(NV Bar No. 7743)
4 TAMI D. COWDEN, ESQ.
(NV Bar No. 8994)
5 GREENBERG TRAURIG, LLP
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Email: ferrario@gtlaw.com
8 hendricks@gtlaw.com
9 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

ORDER GRANTING PRELIMINARY
APPROVAL OF DERIVATIVE
CLAIM SETTLEMENT

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 Meeachern, William Gould, Judy Coddling, 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

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

ROBERTSON & ASSOCIATES, LLP

GREENBERG TRAURIG, LLP

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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*

*Attorneys for Defendants Margaret Cotter,
Ellen Cotter, Guy Adams, Edward Kane
Douglas McEachern, Judy Coddling and
Michael Wrotniak*

c/o

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COHEN-JOHNSON, LLC	BIRD, MARELLA, BOXER, WOLPERT, NESSIM, DROOKS, LINCENBERG & RHOW, P.C.
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EXHIBIT C

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1 ORDER
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9

10 *Counsel for Reading International, Inc.*

11 DISTRICT COURT
12 CLARK COUNTY, NEVADA

13 In the Matter of the Estate of
14 JAMES J. COTTER,
15 Deceased.

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

18 Plaintiff,

19 v.

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

23 Defendants.

24 And

25 READING INTERNATIONAL, INC., a
Nevada Corporation,

26 Nominal Defendant.
27
28

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

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

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

18 HEREBY ORDERS THE FOLLOWING:

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

24 ///

25 ///

26 ///

27 ///

28 ///

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

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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
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*Attorneys for Defendants Margaret Cotter,
Ellen Cotter, Guy Adams, Edward Kane
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c/o

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EXHIBIT D

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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
WROTNIAC, and DOES 1 through 100, inclusive;

Defendants,

and

READING INTERNATIONAL, INC., a Nevada
corporation;

Nominal Defendant.

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 WROTNIAC, CRAIG
TOMPKINS, 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

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.

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 Coddling, 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.

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.

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

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

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

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

13 9. On September 9, 2015, certain of the Individual Defendants filed a Motion to
14 Dismiss the T2 Complaint. The Company joined this Motion to Dismiss on September 14,
15 2015. The hearing on this Motion to Dismiss was vacated as the T2 Plaintiffs voluntarily
16 withdrew the T2 Complaint, with the parties agreeing that T2 Plaintiffs would have leave to
17 amend the T2 Complaint.

18 10. On February 12, 2016, the T2 Plaintiffs filed an amended complaint (the
19 "Amended T2 Complaint"). The T2 Plaintiffs allege in their Amended T2 Complaint various
20 violations of fiduciary duty, abuse of control, gross mismanagement and corporate waste by the
21 defendants. More specifically the Amended T2 Complaint seeks the reinstatement of James J.
22 Cotter, Jr. as President and Chief Executive Officer and certain monetary damages, as well as
23 equitable injunctive relief, attorney fees, and costs of suit. The defendants in the T2 Action are
24 the same as named in the James Cotter, Jr. Action as well as Director Judy Coddington, Director
25 Michael Wrotniak, and Company legal counsel, Craig Tompkins. The Amended T2 Complaint
26 deleted its request for an order disbanding Reading's Executive Committee and for an order
27 "collapsing the Class A and B stock structure into a single class of voting stock." The Amended
28

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

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

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

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

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

17
18 WHAT ARE THE TERMS OF THE SETTLEMENT?
19

20 15. As consideration for the Settlement:

- 21 a. The Parties shall mutually agree upon the terms of a press release discussing
22 the reasons for the Settlement.
23 b. The Parties shall not to disparage each other in connection with the T2 Action.
24

25
26 WHAT ARE THE PARTIES' REASONS FOR THE SETTLEMENT?
27

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

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

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

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

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,

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

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

26 **Release of Claims by Defendants:** Defendants and the other Defendants' Releasees, on
27

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

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

20 "T2 Plaintiffs' Releasees" means T2 Plaintiffs, all other Reading stockholders, excluding
21 James Cotter, Jr., and any current or former officer or director of any Reading stockholder, and
22 their respective past, present, or future family members, spouses, heirs, trusts, trustees, executors,
23 estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries,
24 partners, partnerships, general or limited partners or partnerships, joint ventures, member firms,
25 limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated
26 entities, stockholders, principals, officers, directors, managing directors, members, managing
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1 members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-
2 interest, assigns, financial or investment advisors, advisors, consultants, investment bankers,
3 entities providing any fairness opinion, underwriters, brokers, dealers, financing sources, lenders,
4 commercial bankers, attorneys, personal or legal representatives, accountants, and associates.

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

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

22
23 and any law of any state or territory of the United States, or principle of common law or foreign
24 law, which is similar, comparable, or equivalent to California Civil Code §1542. Reading, T2
25 Plaintiffs and each of the Defendants acknowledge, and each of the other Reading stockholders,
26 excluding James Cotter, Jr., and each of the other Defendants' Releasees shall be deemed by
27 operation of law to have acknowledged, that the foregoing waiver was separately bargained for

1 and is a key element of the Settlement.

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

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

14
15
16 HOW WILL THE ATTORNEYS GET PAID?

17 24. Each of the Parties will bear his, her, or its own legal fees and expenses.
18
19

20 WHEN AND WHERE WILL THE SETTLEMENT HEARING BE HELD?
21 DO I HAVE THE RIGHT TO APPEAR AT THE SETTLEMENT HEARING?
22

23 25. The Court will consider the Settlement and all matters related to the Settlement at
24 the Settlement Hearing. The Settlement Hearing will be held before The Honorable Elizabeth
25 Gonzalez on _____, 2016 at ____:____m., in the Regional Justice Center, 200 Lewis
26 Avenue, Las Vegas, NV 89155 .
27

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

Adam C. Anderson
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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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2 Michael V. Hughes, Esq.
3 COHEN|JOHNSON|PARKER|EDWARDS
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5 Las Vegas, Nevada 89119

6
7 *Attorneys for Defendants Margaret Cotter, Ellen Cotter, Douglas McEachern, Guy*
8 *Adams, Edward Kane, Judy Coddling, and Michael Wrotniak*

9
10 Christopher Tayback, Esq.
11 Marshall M. Searcy, Esq.
12 QUINN EMANUEL URQUHART & SULLIVAN, LLP
13 865 South Figueroa Street, 10th Floor
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16 *Attorneys for Defendants Margaret Cotter, Ellen Cotter, Douglas McEachern, Guy*
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19 Donald A. Lattin
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25
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Attorneys for Nominal Defendant Reading International, Inc.

1 Mark G. Krum
2 LEWIS ROCA ROTHGERBER LLP
3 3993 Howard Hughes Parkway, Suite 600
4 Las Vegas, Nevada 89169

5 *Attorneys for Plaintiff James J. Cotter, Jr.*

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

10
11 CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

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

22 **DO NOT CALL OR WRITE THE COURT REGARDING THIS NOTICE.**

23
24
25 NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF
26 OTHERS
27

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

GREENBERG TRAUERS, LLP
3775 Howard Hughes Parkway, Suite 400 North
Las Vegas, Nevada 89169
Telephone: (702) 792-5773
Facsimile: (702) 792-9002