

1 documented in our minutes of that meeting.

2 BY MR. KRUM:

3 Q. Okay. What else, if anything, was done
4 prior to Mr. Wrotniak being selected to stand for
5 election to the RDI board of directors at the 2015
6 annual shareholders meeting?

7 MR. SWANIS: Objection. Form,
8 foundation.

9 MR. SEARCY: Join.

10 THE WITNESS: I don't recall.

11 BY MR. KRUM:

12 Q. Okay. Let me show you, Mr. McEachern,
13 what previously has been marked as Exhibit 52.

14 This may be a document to which you were
15 just referring?

16 (Whereupon the document previously
17 marked as Plaintiffs' Exhibit 52
18 was referenced and is attached
19 hereto.)

20 BY MR. KRUM:

21 Q. Let me know when you've reviewed it.

22 A. Okay.

23 Q. Do you recognize Exhibit 52?

24 A. I have a general recollection, yes.

25 Q. What is it?

1 sometime in 1985 forward and knew these people when
2 Deloitte were the -- the auditors and met Ellen
3 Cotter while she was down in Australia when I was
4 there doing company business.

5 BY MR. KRUM:

6 Q. So, back to the question. Did Korn
7 Ferry interview Ellen Cotter as a candidate for the
8 C.E.O. position?

9 A. I think I said --

10 MR. SWANIS: Objection.

11 THE WITNESS: -- I don't know.

12 BY MR. KRUM:

13 Q. Okay. Did they put Ellen Cotter through
14 their proprietary assessment process?

15 MR. SWANIS: Same objections.

16 THE WITNESS: I don't think so.

17 BY MR. KRUM:

18 Q. They didn't do that with anybody, to
19 your knowledge, right?

20 A. To my knowledge, no.

21 Q. What discussions did you have with
22 Margaret Cotter and Bill Gould, if any, about
23 whether and how to proceed any further with the
24 other final -- with the finalist -- the persons you
25 identified as finalists after the Ellen Cotter

1 BY MR. KRUM:

2 Q. Do you recognize Exhibit 378?

3 A. I do.

4 Q. Did you receive it on or about the date
5 it bears, September 3, 2015?

6 A. Yes.

7 Q. What happened next in the -- with
8 respect to the RDI C.E.O. search?

9 A. My recollection is that there was a
10 subsequent version of this following this one, but
11 I'm not certain. Because I know I had a
12 conversation with at least Craig Tompkins where he
13 pointed out to me -- and I think he was right --
14 that there was too much emphasis on solely the real
15 estate side of it.

16 Q. Did you have any conversations with
17 anyone at Korn Ferry with respect to the position
18 specification document on or after September 3,
19 2015?

20 A. I can't re- -- I can't remember specific
21 conversation about that.

22 Q. So, for example, when you -- when you
23 referred in your prior response to a conversation
24 you had with Craig Tompkins, how did that conclude?

25 A. I don't recall.

1 MR. RHOW: I will ask.

2 BY MR. KRUM:

3 Q. So, Mr. Gould, continuing on on
4 page 23 -- production number 234 in the lower right
5 of Exhibit 386, what does that handwriting say?

6 A. Well, again there are three points. One
7 was -- the first point looks like "public company
8 experience."

9 The second point I'm having a hard time
10 making out, something about exposure. And the third
11 one was "international," I was wondering about his
12 international experience.

13 Q. Take a look at the page of Exhibit 386
14 that bears production number 239 on the lower right.
15 There's some handwriting in the left-hand margin.
16 What does that say?

17 A. He was sometimes in California. And
18 then something about relationship, and then "move
19 New York City."

20 I -- I was making these notes quickly,
21 and I don't -- I can't really recall what they
22 related to.

23 Q. Okay. Do you recall what your -- as a
24 general matter what your impressions were of
25 Mr. Brooks, if any, beyond the four points you

1 listed on the page bearing production number WG230?

2 A. Yes. I was -- I was impressed with
3 Mr. Brooks. I thought he had a very pleasant
4 personality, he seemed like he had good people
5 skills. He was short of experience on being --
6 being with a public company. He was primarily a
7 real estate person totally. But overall I thought
8 he -- he conducted himself very well during the
9 interview.

10 Q. At the conclusion of the interview did
11 you view Mr. Brooks as a -- as someone who might --
12 you might approve or suggest offering the C.E.O.
13 position?

14 A. I thought he was in the hunt at that
15 point. That was how I would say.

16 I hadn't reached any conclusions but I
17 felt that I was really grateful to Korn Ferry for at
18 least presenting one good candidate.

19 Q. He was the first one you interviewed?

20 A. The first one we interviewed.

21 Q. Okay. Let's go to the page bearing
22 production 245 in the lower right. This is the
23 first page of the candidate report for Mr. Cruse,
24 C-r-u-s-e, still on Exhibit 386.

25 Do you have that?

1 A. Yes.

2 Q. Can you read your handwriting on the --
3 on the face page of the report regarding Mr. Cruse?

4 A. Yes. I was impressed with him as you --
5 as -- I will read what I said. My notes on him
6 were,

7 "Very impressive, but he might take
8 another position."

9 He was talking about something else he
10 was interested in. I said, "very" something -- I
11 can't read what I said. But then I note -- then it
12 says,

13 "I like him, this guy is good, he
14 likes deals and is very
15 impressive."

16 So, he made a very good impression on
17 me.

18 Q. Okay. Let's go to the next page.

19 What does your handwriting next to the
20 blacked out compensation box say?

21 A. It says,

22 "Discretionary, tied to standards."

23 I was -- I was I guess there -- my note
24 there says,

25 "Discretionary or tied to

1 standards."

2 So I guess I was -- I don't remember
3 what I was actually thinking then. I was wondering
4 about his compensation package, what it would be.

5 Q. I direct your attention to the portion
6 of the report on -- regarding Mr. Cruse that bears
7 production number WG255 in the lower right-hand
8 corner, still part of Exhibit 386.

9 Do you see the portion of the text
10 that's underlined?

11 Do you have 255?

12 A. I do.

13 Q. You see the portion of the text that's
14 underlined concerning Mr. Cruse being willing to
15 function as an interim C.E.O. so RDI had an
16 opportunity to try him out and vice versa?

17 A. Yes, I do.

18 Q. Do you recall that?

19 A. Yes.

20 Q. And what were your thoughts about that?

21 A. Interesting -- interesting way to go.
22 It might be something we should think about.

23 Q. And so what were your thoughts about
24 Mr. Cruse at the conclusion of his interview?

25 A. Very favorable. But I did find that he

1 had -- again, there were some limitations in his
2 background.

3 As you go through here there were some
4 issues with him, as well. He was presently base --
5 basically he was operating his own private equity
6 firm. He really hadn't had the kind of experience
7 in anything other than the real estate area,
8 although he had done hotels and deals of that sort.

9 But I -- I did feel as much as I liked
10 him, I wanted to see more people.

11 Q. On the page bearing production number
12 WG254, there is some handwriting in the upper right.
13 What does that say?

14 A. Oh, he was talking about his work in the
15 hospitality business. And I was trying to -- I made
16 a note that says hospitality tied to theaters.
17 Because theaters is a -- in a sense kind of a --
18 it's related to the hospitality business.

19 Q. Okay. Let's look at the candidate
20 report on Mr. Chin which begins at WG257 as part of
21 Exhibit 286.

22 Do you have that?

23 A. I do.

24 Q. You see on the next page that bears
25 production number WG258 there's some handwriting?

1 A. Yes.

2 Q. At the bottom what does the handwriting
3 say?

4 A. Yeah. At the bottom it says -- this is
5 a restructuring guy. His emphasis was really more
6 on companies that are in trouble. He was -- he was
7 a very -- you know, he was a good candidate, but his
8 skills were directed more toward coming in and being
9 a -- a business doctor.

10 Q. Okay. And in the left-hand margin, what
11 does that handwritten note say?

12 A. "Too high." That relates to
13 compensation. I -- whatever was in that column
14 looked to me that it was way out of anything that
15 RDI would be offering any permanent C.E.O.

16 Q. Did you have that thought about the
17 compensation for any candidates other than Mr. Chin?

18 A. I don't recall right now whether I did
19 or not.

20 Q. Okay. Let's go to the candidate report
21 for Mr. Sheridan, it begins on WG267 of Exhibit 386.

22 The next page 268 has some handwriting
23 in the upper right-hand margin.

24 What does that say?

25 A. "Where are you from?"

1 Q. Do you have any idea what that meant?

2 A. Yes. I was trying to find out what part
3 of the country he was from, because he went to the
4 University of Michigan Law School and -- and the
5 University of Michigan undergraduate, and I was
6 wondering whether he was from Michigan.

7 Q. You don't have many notes with respect
8 to Mr. Sheridan.

9 Do you recall what impression you had
10 after you interviewed him?

11 A. Well, I remember my impression changed.
12 At first I was a little dubious that a lawyer could
13 be coming in and be the right kind of person for the
14 job.

15 But after talking to him I was -- I saw
16 that he had a great deal of good experience and
17 seemed to have been performing very well in the
18 areas that he had been trained in.

19 Q. So at the conclusion of his interview
20 did you think he was in the hunt?

21 A. Yes.

22 Q. And was that true for each of the four
23 candidates except for Mr. Chin?

24 A. I believe there were -- I think that
25 there were two or three of them that I liked better

1 than others. And if I had prioritize them, I would
2 put Mr. Sheridan and I think maybe Mr. Brooks are
3 two of the ones that I thought were the better of
4 the two.

5 Q. Okay. Did you meet Mr. Clayton? That
6 is the fifth candidate --

7 A. Not at this -- not at that session. I
8 think we had a separate meeting later on with
9 Mr. Clayton. I'm not certain.

10 Q. What were your impressions of
11 Mr. Clayton?

12 A. As I sit here right now I can't recall
13 any particulars of that -- of that meeting, of that
14 interview.

15 Q. Did you also meet a candidate by the
16 name of Martin Caverly?

17 A. Yes.

18 Q. When did you meet him?

19 A. I don't remember when, but I do remember
20 meeting him. I believe he came in later at a
21 subsequent session.

22 Q. Now, he came in in December, correct?

23 A. I believe that's right. I think he
24 could not make the original schedule in -- in
25 November.

1 **Q. Did Ellen Cotter participate in the**
2 **interviews on Friday the 13th of any or all of**
3 **Brooks, Cruse, Chin and Sheridan?**

4 A. No.

5 **Q. Why not, if you know?**

6 A. Yes. At the beginning as we were about
7 to begin our interviewing session we all arrived at
8 the company, Ellen came into the room and said that
9 she had decided that she was going to throw her hat
10 into the ring for this job; and she felt that given
11 that, it would be unethical and improper for her to
12 be involved in the search committee.

13 **Q. What was the discussion that ensued, if**
14 **any?**

15 A. I believe that all of us -- my rec- --
16 my -- my response and I know Doug's was that we
17 agree we don't think she should be involved in the
18 search committee if she, herself, is going to be a
19 candidate.

20 **Q. What else, if anything else, was**
21 **discussed about the search committee or the search**
22 **in view of Ellen's announcement that she was going**
23 **to be a candidate?**

24 A. I can't recall anything at that time
25 other than that.

1 Q. Do you recall anything at any subsequent
2 point in time prior to the decision to select Ellen?

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

5 MR. FERRARIO: I'll object to the extent
6 it calls for attorney-client communications.

7 MR. RHOW: Do you have --

8 THE WITNESS: I can't really recall
9 anything else about that, about Ellen, her role in
10 the search committee or anything else.

11 BY MR. KRUM:

12 Q. Did you or anyone else ask her when she
13 had decided to be a candidate?

14 A. No.

15 Q. Did you or anyone else ask her when she
16 first considered being a candidate?

17 A. No.

18 Q. Did you or anyone else ask her why she
19 had not disclosed prior to the day of candidate
20 interviews that she was a candidate?

21 A. Well, I believe in making her statement
22 to the search committee members other than herself,
23 she indicated that she had just decided that she was
24 going to do it.

25 Q. So your -- your memory is that when she

1 announced before the first candidate interview at or
2 about 8:30 in the morning on November 13, 2015, that
3 she had been decided -- she had decided to be a
4 candidate that she also indicated that she had just
5 decided or words to that effect?

6 A. Words to that effect.

7 Q. And as best you can recall, what did she
8 say in that respect?

9 A. Just the -- all I can remember is the
10 notion that she said she had decided that she wanted
11 to give it a try, and so she didn't think it would
12 be proper for her to be on -- working with us on the
13 search committee anymore.

14 Q. Okay. But the question I was asking was
15 about what's your best recollection as to what she
16 had said about when she had decided?

17 A. I can't recall actually what she said
18 about that.

19 Q. And --

20 A. My impression was that she had just
21 decided it. That's my impression.

22 Q. What's the basis for that impression?

23 A. Well, I don't know that. I can't give
24 you any basis for it.

25 Q. Okay. Was there any discussion at that

1 remember having thought about that.

2 BY MR. KRUM:

3 Q. Did you or, to your knowledge,
4 Mr. McEachern seek the advice of counsel with
5 respect to the conduct of the C.E.O. search at any
6 point in time?

7 A. No.

8 Q. What happened next after the four
9 candidate interviews of Friday, November 13, 2015?

10 A. After that -- after that there was a --
11 another candidate that was proposed by Korn Ferry.
12 And I believe we had a subsequent session with
13 Mr. Caverly. As I recall, he came in at a different
14 time.

15 And then we had to interview Ellen.

16 So there was a subsequent -- one or two
17 subsequent interview sessions sometime in December.
18 One of them was done by Skype and one with the --
19 the new candidate, which Korn Ferry had recommended
20 was in New York, was running a privately-owned
21 hotel, had been running it. And we interviewed that
22 gentleman on Skype.

23 Q. Do you recall his name?

24 A. No.

25 Q. Did it begin with a D?

1 A. Could have.

2 Q. Okay. I'm sorry. I don't have the name
3 at hand.

4 And what were your impressions of that
5 candidate?

6 A. I thought the candidate was a --was
7 good. I think it would have been better to have the
8 interview in person where you get a better -- can
9 see better the movements and look into their eyes
10 and get a better feel for it.

11 It wasn't -- I don't think the interview
12 on Skype was as good as a personal interview. He
13 had the camera turned a little funny and it
14 wasn't -- wasn't as good.

15 Q. When -- when relative to the other two
16 candidate interviews that occurred after
17 November 13, 2015, was Ellen interviewed?

18 A. Ellen was interviewed I believe after
19 the Skype interview in -- with the fellow in
20 New York, and then we had Ellen come in -- it could
21 have been the same day as the -- as the Reading
22 Christmas party.

23 And we interviewed Ellen -- I think she
24 was the last candidate we interviewed.

25 Q. Who -- who is the "we"? You --

1 If I recall, he wasn't too aggressive
2 during that interview session.

3 Q. With respect to the interview of Ellen
4 Cotter that occurred in December, perhaps on the day
5 of the Reading holiday party, how long did that
6 last?

7 A. My guess is it -- I'm mean I'm just
8 trying to put it -- the exact time, I guess, is
9 about 45 minutes.

10 Q. Okay. Who led that interview?

11 A. I did.

12 Q. What did you cover? What were the
13 topics you covered?

14 A. Doug -- when I say I led it, I think it
15 was really Doug and myself. He we covered all kinds
16 of things; I mean what prior involvement, what she
17 saw, what her future thinking was about the future
18 of the company, how she saw her shortcomings.

19 We went through the whole gamut of -- of
20 the same kinds of questions that we asked the
21 others. The only difference with Ellen was that we
22 had had 20 years of prior experience dealing with
23 her. We knew a lot about her.

24 Q. So what did that -- what did that mean?
25 That there was less in the interview learning about

1 Q. And how long did those discussions last?

2 A. I would say they lasted 30 minutes.

3 Q. Who said what?

4 A. Well, I was actually the one that said
5 after listening to Ellen, thinking about it, and
6 looking at the prior candidates, even though they
7 were all good, that she had probably made the most
8 sense for where we were at this time. Because she
9 had a great reputation, the people liked her at the
10 company.

11 We all enjoyed our own -- we all thought
12 highly of her, every one of us. She is intelligent.
13 She had the kind of a personality that could help
14 get through some of these difficulties dealing with
15 other people.

16 And she had theatrical experience. She
17 was willing to bring in real estate help.

18 And that this was a very tough time to
19 bring in somebody from the outside given the fact
20 that no one knew who would actually control this
21 company a year down the line.

22 And for all those reasons, you know, it
23 became apparent to me, my -- I just said, "This
24 makes the most sense for the company."

25 And Doug said, "You know, I agree with

1 you."

2 **Q. That was my next question, Mr. Gould.**

3 **The reasons you just described, are**
4 **those your reasons and is that what you articulated?**
5 **Was that what you and Mr. McEachern together**
6 **articulated or --**

7 A. Most of them were my -- were my
8 statements, but Doug did add a few of his own. And
9 I probably incorporated some of his statements in
10 there.

11 Now, before we got into too much detail,
12 the question was raised about Margaret leaving
13 because she was -- she is Ellen's sister. And, you
14 know, both Doug and I said, "I don't think we need
15 to do that."

16 I forget whether Margaret did excuse
17 herself or not. I don't remember whether she did.
18 But from my standpoint it was just clear in my mind
19 that this was the best solution.

20 **Q. What did Margaret say, if anything,**
21 **during that discussion among the three of you?**

22 A. Margaret didn't really say too much.
23 She was -- she -- I think Doug and I did most of the
24 talking.

25 **Q. Did Margaret exhibit any response to**

1 meetings.

2 Q. And in point of fact the executive
3 committee held meetings and conducted business,
4 correct?

5 A. It did.

6 Q. At any point in time in or after June of
7 2015, to your knowledge did the company ever
8 disclose in an 8-K or otherwise the changes to the
9 composition and/or the function of the executive
10 committee of the RDI board of directors?

11 A. I don't recall. I can't remember it.

12 Q. Did you ever have any discussions with
13 anybody regarding the subject of whether the company
14 could or should make a disclosure of any type
15 regarding the changes to the composition and/or the
16 function of the executive committee of the RDI board
17 of directors?

18 A. I don't remember that discussion. I
19 know at each of our meetings we had more lawyers
20 than directors. And I think we left that subject up
21 to the lawyers to do -- to decide whether there
22 should be a filing made on it.

23 Q. Well, when you say that, that you think
24 you left that subject up to the lawyers, do you
25 actually recall a discussion in which the conclusion

1 was to leave that subject, meaning whether the
2 company could or should make a disclosure regarding
3 the new members or the new function of both of the
4 executive committee, to the lawyers?

5 A. No.

6 Q. That's just your surmise looking
7 backwards as what might have happened?

8 A. That's usually what would happen with
9 these meetings on questions of disclosure and things
10 like that, yes.

11 Q. And by the lawyers, to whom are you
12 referring?

13 A. The lawyers for the company.

14 Q. Ellis --

15 A. Bill Ellis, Craig Tompkins and then
16 outside counsel, as well. We usually had outside
17 counsel. Or Mike Bonner would be at almost every
18 meeting. He was a very good securities lawyer.

19 Q. I'm not asking you who said what. I'm
20 just asking whether it happened.

21 Did you ever have any discussions with
22 Mike Bonner about the executive committee?

23 A. No.

24 Q. Did you ever have any discussions with
25 him about S.E.C. filings? Made by the company, of

1 previous. I don't mean to do so.

2 Either during the conversation -- well,
3 during the conversation following Ellen Cotter's
4 interview, who said what, if anything, about Korn
5 Ferry?

6 A. We did discuss this earlier, but my
7 recollection was at the time that -- that somebody
8 said, "Well, we -- if she's our preferred candidate,
9 then, you know, we can probably tell Korn Ferry
10 until we decide -- or the board decides this thing,
11 let's not have them incur any more expense doing
12 what they were doing with respect to the other
13 candidates. Let's see if we can keep this down --
14 the expense down."

15 Q. What are the annual revenues of RDI?

16 MR. TAYBACK: Objection. Vague as to
17 time.

18 BY MR. KRUM:

19 Q. In 2015 or any other time that you can
20 identify?

21 A. Well, several -- several hundred
22 million.

23 Q. And what was the expense that would have
24 been saved by having Korn Ferry stand down?

25 A. It was, you know, maybe 50 -- \$50,000.

1 It doesn't seem like much, but I don't
2 throw money in the street unless I have to.
3 Especially when it's other people's money.

4 Q. Do you recall that -- that the Korn
5 Ferry materials provided to the board of directors
6 indicated that Korn Ferry would make its proprietary
7 assessment of finalists including the internal
8 candidates?

9 A. I do remember something like that, yes.

10 Q. Did you have any discussions with
11 McEachern and/or Margaret Cotter about whether to
12 follow through with the process that had been
13 described to the full board previously by having
14 these assessments done or by having the board
15 determine whether to do so?

16 A. Well, at that point the internal
17 candidates had dropped out. And so there would be
18 no need to do assessments of them.

19 And I don't -- and I don't -- I think
20 all of us felt that we didn't need an independent
21 assessment of Ellen because we knew her so well.

22 Q. By the way, how do you know that Wayne
23 Smith dropped out?

24 A. I was told at some point that -- I
25 forget by whom, that following Ellen's announcement,

1 A. I'm not certain.

2 Q. Was this letter -- when you say this
3 letter was public, was this distributed as part of a
4 press release?

5 A. It clearly went out to the employees and
6 others at the company, but I'm not -- I don't know
7 whether it went out as a press release or not.

8 Q. Did you see drafts of this letter?

9 A. I don't recall.

10 Q. When you say you're not certain who
11 drafted it, do you have an understanding or
12 expectation based on some other experience?

13 A. Well, should I surmise?

14 MR. RHOW: No.

15 BY MR. KRUM:

16 Q. If you have a --

17 A. If have no understanding.

18 Q. Okay. If you have a basis, I am
19 entitled to hearing it. But if you're simply
20 surmising as you sit here today, I don't need to
21 hear that.

22 A. Okay. I don't have a basis as to who
23 prepared it.

24 Q. When did the board meeting occur with
25 respect to the selection of the permanent C.E.O.?

1 A. I believe it was in the first week of
2 January. First -- first ten days.

3 Q. Did someone make a presentation on
4 behalf of the C.E.O. search committee?

5 A. Yes. I did.

6 Q. Was it a -- did you have notes or did
7 you have a written presentation that you used?

8 A. I basically went through what we had
9 done and presented to the board what had happened
10 and the reasons why we selected Ellen as the
11 preferred candidate to recommend.

12 And then I don't believe I had prepared
13 notes. I just did it off the cuff.

14 Q. Was there any discussion?

15 A. Yes.

16 Q. Excluding any comments that Jim Cotter,
17 Jr., made or any responses to those comments, was
18 there any discussion?

19 A. Yes, there was.

20 Q. Ed Kane said he agreed, right?

21 A. My -- my recollection is that's right.

22 Q. Did he explain why?

23 A. I don't remember that he did.

24 Q. Okay. What else was said by anyone as
25 best you can recall in terms of the discussion about

1 and Korn Ferry personnel?

2 A. Yes.

3 Q. Did that occur -- okay.

4 Do you see in the last paragraph of that
5 page that continues over onto the second page, it
6 indicates that on December 17th the committee
7 elected you to serve as the committee's chairman?

8 A. Yes.

9 Q. What did you do as chairman of this
10 C.E.O. search committee?

11 A. I ran the -- well, the meetings, and --
12 and I also issued the letter, made the report to the
13 board and then issued the -- the letter to the
14 employees.

15 Q. And the meetings to which you're
16 referring were on December 17th and the telephonic
17 meeting on December 29th?

18 A. Let me see here. It would be the
19 meeting, yes, on December 17th and the telephonic
20 meeting on the 29th and the letter that went out.

21 Q. Is this correct that the committee --
22 the C.E.O. search committee had a meeting on
23 December 17th at 4:00 P.M.?

24 MR. RHOW: Bottom of page two.

25 THE WITNESS: Yes. My recollection --

1 my recollection is that it is correct.

2 BY MR. KRUM:

3 Q. Was that in person?

4 A. Yes. I believe -- I believe we -- that
5 was the day of the -- that might have been the day
6 of the Christmas party.

7 Q. Directing your attention to what's
8 labeled as page three of seven, and that is of the
9 C.E.O. search committee report, it's actually the
10 fourth page of Exhibit 313, do you see that it says
11 the committee discussed among other things, and so
12 forth, and then it lists six lengthy bullet points?

13 A. Yes.

14 Q. Take such time as you need to review
15 those.

16 My question is does that fairly and
17 accurately describe what the committee discussed on
18 the 17th of December?

19 A. Generally, yes.

20 Q. And when you say "generally," is that a
21 qualification that you --

22 A. No. It's just that I can't remember
23 every specific aspect of it, but in general that's
24 my recollection of what was discussed.

25 Q. Directing your attention to the third

1 bullet point that begins with the words "The
2 benefits and detriments of the selection of Ellen
3 Cotter as the committee's recommended candidate," do
4 you recall anything other than what's discussed
5 there -- strike that.

6 Do you recall anything other than what's
7 listed there being discussed by the committee with
8 respect to Ellen as a candidate?

9 A. I believe that one other factor there
10 was that having Ellen selected would create problems
11 with one of the major shareholders, Jim, Jr.

12 Q. Okay.

13 A. Which was brought up.

14 Q. Anything else?

15 A. No.

16 Q. Directing your attention to the fourth
17 bullet point that refers to Korn Ferry's
18 recommendation about moving forward with the
19 assessment process for Ellen Cotter, Dan Sheridan
20 and Marty Caverly --

21 A. Yes.

22 Q. -- what do you recall, if anything,
23 being discussed about that other than the preclusion
24 to not do so?

25 A. Well, that because -- just generally

1 Exhibit 391 does not reference any
2 actions or observations of the special nominating
3 committee with respect to Mr. Storey not being
4 renominated, correct?

5 A. Correct.

6 Q. Nor does it make any mention of the fact
7 that Ellen and Margaret Cotter who purported to
8 control and vote approximately 70 percent of the
9 voting stock had taken the position that they would
10 not vote to reelect him?

11 A. On that point I don't know whether they
12 had taken that position. I had heard something to
13 that effect, but I don't know whether they had taken
14 that position.

15 Q. So, did it occur to you when you read
16 Exhibit 391 and the second paragraph on the third
17 page of the document that simply saying that
18 Mr. Storey had retired was omitting information that
19 some shareholder might consider to be material to
20 the circumstances of his departure from the RDI
21 board of directors?

22 A. No. I -- first of all, I wasn't very
23 much involved in that process at all. I didn't know
24 very much about it and was surprised to hear about
25 it. I think I heard it from Tim Storey primarily.

1 But my knowledge of some of these things
2 about what happened occurred after the actual
3 resignation.

4 Q. Okay. Did you ever speak to anybody
5 about issuing a further 8-K updating the disclosure
6 regarding the circumstances of the departure of Tim
7 Storey from the RDI board of directors?

8 A. No.

9 Q. Do you recall that at one of the
10 meetings in May or June of 2015, Mr. McEachern
11 invited Jim Cotter to resign rather than be
12 terminated?

13 A. Yes.

14 Q. And do you understand that that's how it
15 came to pass that Mr. Storey retired, is he was
16 given the choice of not being renominated and
17 whatever consequences, if any, flowed from that or,
18 quote, retiring?

19 A. I come to -- I've come to learn that.
20 And I don't know how much of that I knew at the
21 time, because I was kept out of that process.

22 Q. Directing your attention, Mr. Gould, to
23 the three paragraphs on the third page of
24 Exhibit 391 starting with the word Dr. Coddington, do
25 you see those?

1 Cotter-related entities?

2 A. No.

3 Q. To the best of your recollection, you
4 didn't receive a phone call from him following the
5 May or June meeting in which he refused to speak to
6 the subject at which he explained anything about his
7 relationship or compensation with Cotter-related
8 companies?

9 A. I can't recall that conversation.

10 Q. At the time you read drafts of
11 Exhibit 392 had you received any information,
12 whether from Guy Adams or any other source, bearing
13 upon the subject of whether he in any respect was
14 financially independent or financially dependent on
15 Cotter family entities?

16 A. There were discussions raised by Jim
17 Cotter, Jr., which raised questions about
18 Mr. Adams's financial dependence. But there was no
19 hard evidence provided to anybody as to what whether
20 that would be.

21 And it had not been our practice to ask
22 people how much of their livelihood -- each
23 director, for example, I had never been asked by the
24 board or anybody else had.

25 So my answer was if he disclosed this --

1 and I mentioned this at the board meeting, every
2 director prepares a D and O questionnaire. And they
3 disclose all these things in there.

4 So all the directors don't have to know
5 the personal finances of Jim, Jr., and myself, but
6 the person collecting those D and O questionnaires
7 does, and that person is a lawyer, and that person
8 will then make a judgment as to whether or not
9 Mr. Adams is independent or not.

10 Q. Is it your understanding, Mr. Gould,
11 that certain of the information sought by questions
12 in the D and O questionnaires concerns financial
13 matters and financial dependence as measured by
14 Exchange -- Securities Exchange listing rules?

15 A. Yes.

16 Q. Do you have an understanding as to
17 whether that measure of independence is the same or
18 different than the measure of independence for the
19 purpose of related party transactions?

20 MR. TAYBACK: Objection. Calls for a
21 legal opinion. You're a lawyer, but still
22 objection.

23 THE WITNESS: Yeah. I think that's kind
24 of a complicated question because I'm not sure that
25 the -- that it calls for exactly all the information

1 to the portion that concerns Mr. Wrotniak, and you
2 see that that will carry over to page 17, did you
3 have any communications with anybody about whether
4 that information should be supplemented to include
5 information concerning his historical personal
6 relationship -- his wife's historical close personal
7 relationship with Margaret Cotter?

8 A. No.

9 Q. Did you think about that?

10 A. No.

11 Q. That is how he came to be a candidate to
12 be added to the RDI board of directors, right?

13 A. Yes.

14 MR. FERRARIO: Objection. Lacks
15 foundation.

16 MR. TAYBACK: Objection.

17 BY MR. KRUM:

18 Q. Well, when you had a meeting at your
19 office on Friday, I think it was, Ellen Cotter told
20 you -- Ellen Cotter told you how it was both Judy
21 Coddington and Michael Wrotniak had come to be
22 candidates, right?

23 A. She did.

24 Q. And she was forthright and she told you
25 about the historical personal relationship between

1 Judy Coddington and Mary Cotter?

2 A. She did.

3 Q. And she told you about the relationship
4 between Michael Wrotniak's wife and Margaret, right?

5 A. She did.

6 Q. Now, directing your attention,
7 Mr. Gould, back to Judy Coddington's description on
8 page 15.

9 A. Yes.

10 Q. Do you see that in the third sentence it
11 says,

12 "She is currently, and has since of
13 2010 been, the managing director of
14 The System of Courses, a division
15 of Pearson, P.L.C., a leading
16 education company providing
17 education products and services to
18 institutions, governments and
19 direct to individual learners"?

20 A. Yes.

21 Q. At that -- at the time you reviewed
22 drafts of this document did you have any
23 understanding as to whether she knew or expected
24 that position to terminate?

25 A. No.

1 question.

2 Q. Do you recall whether Mr. Shapiro in his
3 email raised the issue of whether Ms. Coddington's
4 employment was going to be terminated?

5 A. I don't remember.

6 MR. TAYBACK: Mark, when it's a
7 convenient point for you, can we just take two
8 minutes?

9 MR. KRUM: Sure. We'll be there in just
10 a couple minutes.

11 BY MR. KRUM:

12 Q. Mr. Gould, I direct your attention to
13 page 21 of Exhibit 392. And in particular to the
14 first line in the chart entitled "Amount and nature
15 of beneficial ownership." You see it says Ellen M.
16 Cotter footnotes two and eight?

17 A. Yes.

18 Q. And then under the class B stock column
19 it says number of shares 1,173,888 and percentage
20 69.8?

21 A. Yes.

22 Q. And of course footnotes two and eight on
23 the next page, page 22, include some explanation of
24 those numbers, right?

25 A. Correct.

1 Q. Did you review this information?

2 A. No.

3 Q. You understood at the time there were
4 disputes with respect to who controlled certain RDI
5 stock, such as whether it was part of the James
6 Cotter, Sr. Trust, whether it was part of the
7 Estate, whether it had flowed into the voting trust,
8 whether it had poured over into the voting trust and
9 issues of that sort, right?

10 A. Oh, yes.

11 Q. And so why is it that you took no steps
12 to ascertain whether this information including as
13 set out in footnotes two and eight on page 22 of
14 Exhibit 392 was correct?

15 A. If I spent time going through this proxy
16 statement verifying all the facts in it, I would
17 spend my lifetime doing it.

18 These are not the things that directors
19 look at. I look at my own facts, how they pertain
20 to me, but I don't know anything -- I pay virtually
21 no attention to what's happening in the litigation
22 among the family members.

23 So I don't even know where to start. I
24 don't know how many shares they own. I just know
25 that the three of them control the shares of the

1 stock of the company. But I don't know who owns
2 what shares.

3 Q. Well, let me ask you a different
4 question.

5 Did you ever hear or learn or were you
6 ever told that there was a dispute about -- or a
7 question, even, about whether any or all of the
8 Cotters could vote the class B voting stock held in
9 the name of the Jim -- James Cotter, Sr. Living
10 Trust?

11 A. Yes, I was told that.

12 Q. And you see at footnote eight on page 22
13 of Exhibit 392, about six lines from the bottom
14 there is a discussion of the 696,080 shares of
15 class B voting stock?

16 A. Yes.

17 Q. Did it occur to you that if the
18 information about who had the right to vote that
19 stock contained in the proxy statement was
20 erroneous, that owners of class B voting stock who
21 were not members of the Cotter family would be
22 making decisions about whether to vote, how to vote,
23 whether to act and so forth based on erroneous
24 information?

25 MR. RHOW: Form of the question,

1 foundation.

2 THE WITNESS: No. You know, I never
3 really even thought about that question. I'm
4 assuming -- I had assumed at the time that these --
5 the facts and legal conclusions were being attended
6 to by the people who were most directly involved in
7 them. And I had no involvement in them.

8 BY MR. KRUM:

9 Q. When you say, Mr. Gould, you had no
10 involvement, you had no discussions with those
11 people about these issues?

12 A. That's correct.

13 Q. And who were those people?

14 A. Those people would be Craig Tompkins and
15 Bill Ellis at the company. They would be the
16 individuals, Jim Cotter, Jr., Margaret and Ellen,
17 and the outside counsel, Mike Bonner and others who
18 helped prepare the -- the proxy statement.

19 Q. Okay. Well, there were disputes between
20 Ellen and Margaret on the one hand --

21 A. Jim.

22 Q. -- and Jim, Jr. on the other hand on
23 those issues, right?

24 A. Correct.

25 MR. FERRARIO: That's what it says.

1 A. Yes.

2 Q. And that it includes in the first
3 paragraph under the words "Change of control of
4 registrant" a description of, among other shares,
5 shares that are reflected in the company's stock
6 register as held in the name of James J. Cotter,
7 Sr.?

8 A. Yes.

9 Q. And was your view of this the same as
10 the view that you articulated with respect to
11 information of this nature as included in the proxy,
12 meaning that it was someone else's responsibility?

13 A. Yes.

14 MR. KRUM: Ekwan, you don't have the
15 documents that were marked yesterday, do you?

16 MR. RHOW: I don't.

17 MR. KRUM: Okay. Here's what I'm going
18 do, and if it's okay, Ekwan, instead of looking at
19 the document --

20 MR. RHOW: That's fine.

21 MR. KRUM: -- I'm just going to show him
22 one that has my --

23 MR. FERRARIO: Are you looking at
24 yesterday's --

25 MR. KRUM: Yes. 347 is the document

1 **recollection?**

2 A. Well, the proposal of the new two
3 candidates to me and I think to Jim, Jr., was done
4 without a great deal of public knowledge. I did not
5 know the process was even going on until that
6 meeting in my office, I believe it was on a Friday,
7 with Craig and Ellen where they informed me of what
8 had been happening.

9 Q. And that was the Friday two days before
10 you received this email from Jim, right?

11 A. I believe so, yes.

12 Q. I direct your attention, Mr. Gould, to
13 the top of the second page of Exhibit 398.

14 Do you see that Mr. Cotter suggests that
15 the board discuss the qualifications of board
16 candidates?

17 A. Yes, I do.

18 Q. Did you agree with that observation?

19 A. Well, there is some truth in the
20 observation that ordinarily boards decide on
21 candidates to some extent based on their
22 qualifications and experience.

23 But in this case there are a number of
24 other factors that also were in play given the fact
25 that, you know, we had a conflict among the -- the

1 directors and that unless we made some decisions
2 going forward, the company would continue to be
3 involved in this ongoing dispute as to almost
4 everything.

5 Q. Okay. And how did that consideration
6 impact the -- whether or not the board should have
7 discussions about qualifications of candidates to be
8 added to the board?

9 A. Well, that's -- that's one of the
10 factors mentioned. And the other factor is that the
11 board become constituted in a way that will help,
12 you know, project the company into the future and
13 have the confidence of the C.E.O. of the company.

14 And that was another factor that was
15 important to the directors -- or I should say it was
16 important to me.

17 I mean at this point this company had
18 been involved in dispute after dispute after
19 dispute. Many of Jim's points -- Jim, Jr.'s points
20 as a general principle were valid, but there was
21 also the factor of trying to get this company back
22 on track. And I think that's what I was concerned
23 about in approving the two new directors.

24 Q. Did you have any discussions with the
25 so-called special nominating committee about whether

EXHIBIT 43

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

15

16 DEPOSITION OF: EDWARD KANE

17 TAKEN ON: MAY 2, 2016

18

19

20

21

22

23

24 REPORTED BY:

25 PATRICIA L. HUBBARD, CSR #3400

1 and it became in- -- difficult.

2 And so the regulators came down and they
3 suggested that I leave, and I did.

4 **Q. When did you first meet Jim Cotter, Sr.?**

5 A. He was in the master's of tax program
6 with me in 1963. So I met him in the fall of 1963.

7 **Q. When did you and he become friends?**

8 A. Very shortly thereafter. We found that
9 we had similar backgrounds even though we don't --
10 didn't have similar religions.

11 But we were both middle class, lower
12 middle class. We lived in that neighborhood. We
13 didn't have any money when we went to college or law
14 school.

15 And we just -- just became fast friends.

16 He was the first person I invited to my
17 house for dinner.

18 I was married. I had gotten married in
19 the summer of '63. And we started socializing with
20 he and his, I guess, fiance, Mary Ellen Cotter, went
21 to the World's Fair with them, because Mary was
22 working for American Airlines, could get us free
23 tickets.

24 And then I got the position with Donovan
25 Leisure. And he joined the -- the IRS as a trial

1 MR. SEARCY: Objection. Vague.

2 THE WITNESS: Trying to think. I can't
3 think of any.

4 BY MR. KRUM:

5 Q. Answer this as you see fit, Mr. Kane.

6 Describe your historical relationship
7 with Ellen and Margaret Cotter.

8 MR. SEARCY: Objection. Vague,
9 overbroad.

10 THE WITNESS: I knew them as children,
11 just as I know Jim, Jr. I don't think my
12 relationship was any different with the three of
13 them.

14 It was just a relationship I've had with
15 someone I've known all my -- all their lives.

16 BY MR. KRUM:

17 Q. Do your family and the family of Jim
18 Cotter, Sr., socialize?

19 MR. SEARCY: Objection. Vague.

20 BY MR. KRUM:

21 Q. Socialize meaning see each other
22 socially.

23 A. No. No. Just because of the distance.

24 Q. Between San Diego and Los Angeles?

25 A. Right. Right. Right.

1 A. Probably two, two and a half years ago.

2 Q. What was your compensation in that role?

3 A. I think I was paid \$6500 month.

4 Q. And just to be clear, so that ended
5 in -- somewhere between the beginning and the middle
6 of 2014?

7 A. Something like that.

8 Q. Since that time have you had any income
9 other than as a Reading director?

10 MR. SEARCY: Objection. Vague.

11 BY MR. KRUM:

12 Q. Excluding passive investment income.

13 A. Well, I have self-funded -- my wife and
14 I have self-funded retirement plans. That's
15 passive, I suppose you could say.

16 Q. Okay. So, since the work ended with the
17 Community Medical Group --

18 A. Uh-huh.

19 Q. -- your sole source of income has been
20 your self-funded retirement plans and your work as a
21 Reading director, correct?

22 A. That's correct.

23 Q. How many retirement plans do you have,
24 sir?

25 A. My wife has one and I have two.

1 Q. What are the principal balances of your
2 two self-funded retirement plans?

3 A. Mine?

4 Q. Yes.

5 A. In excess of \$2 million.

6 Q. What sort of financial obligations do
7 you have of a material magnitude, whether it be
8 rent, mortgage, cars, that kind of thing?

9 A. I have home equity loans, less than
10 \$200,000.

11 I have two other home equity loans, but
12 they're joint with my children. One with one child,
13 one with the other, \$100,000. But the money is
14 sitting there in a savings account -- in the bank
15 account where -- who gave me that. That's in case
16 there's -- we're in Europe or something or something
17 fatal happens they'll have access to money right
18 away.

19 So, it's joint accounts, but it's my
20 Social Security number.

21 (Whereupon Mr. Ferrario re-entered
22 the deposition proceedings at this
23 time.)

24 BY MR. KRUM:

25 Q. Is that it -- excuse me.

1 Is that it in terms of your material
2 financial obligations?

3 A. That's it.

4 Q. Okay. Mr. Kane, I'm going to show you
5 what previously has been marked as Plaintiff's
6 Exhibit 94.

7 (Whereupon the document previously
8 marked as Plaintiffs' Exhibit 94
9 was referenced and is attached
10 hereto.)

11 MR. FERRARIO: I think you pick the most
12 inconvenient depo sites I've ever been to. From the
13 room we had to shoehorn everybody into, now to a
14 location without parking.

15 MR. KRUM: Yeah. I didn't know about
16 the parking. But I called another person who would
17 have had us in a high-rise downtown, but he just
18 retired. So, good for him.

19 MR. FERRARIO: And actually, Esquire has
20 a pretty nice facility downtown so --

21 BY MR. KRUM:

22 Q. All right. Mr. Kane, take such time as
23 you need to review this document.

24 The first question I'm going to have
25 about this and any other document I show you is do

1 real estate people or New York people with political
2 know-how and/or simply directors with real estate
3 experience in New York City, Australia and New
4 Zealand?

5 MR. SEARCY: Objection. Misstates the
6 document.

7 THE WITNESS: I think it would be
8 helpful to this board to have people with extensive
9 real estate experience. But I don't -- I don't
10 think now that it is a requirement that they be
11 knowledgeable in New York real estate, because I
12 think we have people onboard that are.

13 BY MR. KRUM:

14 Q. Does, to your knowledge, Judy Coddling
15 have any real estate expertise?

16 A. No.

17 Q. Does Michael Wrotniak have any real
18 estate expertise?

19 A. Pardon?

20 Q. Does Michael Wrotniak have any real
21 estate expertise?

22 A. I don't know.

23 Q. Did you speak with either of them before
24 they were added to the RDI board of directors?

25 A. Yes.

1 Q. Both of them?

2 A. Yes.

3 Q. Did you ask either -- did you ask

4 Wrotniak if he had any --

5 A. No.

6 Q. -- real estate expertise?

7 A. No.

8 Q. When you spoke with Mr. Wrotniak, was
9 that in person or by telephone?

10 A. I think initially it was by telephone.

11 Q. Was anyone else on the call?

12 A. Not to my knowledge.

13 Q. How long did it last?

14 A. I don't remember.

15 Q. Was it -- can you give me a time range?

16 Ten minutes? An hour?

17 A. I can't.

18 Q. Two hours?

19 A. I can't -- I don't remember. I remember

20 speaking with him. I don't know how long it went.

21 Q. Do you recall what he said or what you
22 said in words or substance?

23 A. No.

24 Q. Now, when you spoke with Ms. Coddling

25 before she was added to the RDI board, was that in

1 I think Bill Gould added a lot of value
2 and expertise.

3 I'm trying to think of the other
4 directors.

5 Of course Margaret and Ellen added value
6 because of 16 to 20 years in live theaters and
7 cinema.

8 So, these were a valuable people. But
9 the question that I was addressing was whether he --
10 he was searching for the value that they added or
11 felt he added himself, which he did.

12 BY MR. KRUM:

13 Q. Well, let's -- I want to be clear on
14 this, Mr. Kane.

15 A. Yeah.

16 Q. So your -- the value you could add is
17 what you just described with respect to tax matters,
18 right?

19 A. Right.

20 Q. And did you or did you not add that
21 value during the time you were on the board and Jim
22 Cotter, Sr., was alive?

23 A. Absolutely.

24 Q. And the value there Mr. Gould could add
25 had to do with corporate governance and legal

EXHIBIT 44

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DISTRICT COURT
CLARK COUNTY, NEVADA

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

VIDEOTAPED DEPOSITION OF ROBERT MAYES
TAKEN ON THURSDAY, AUGUST 18, 2016

REPORTED BY:
PATRICIA L. HUBBARD, CSR #3400
Job No.: 331292

1 with him via Skype, but --

2 Q. Do you recall any other communications
3 that you or, to your knowledge, anybody else at Korn
4 Ferry had with anybody at RDI again between the
5 meeting following the interviews on that Friday to
6 which you testified and your call where Mr. Tomkins
7 told you to stand down?

8 A. Yeah. The only --

9 MS. LINDSAY: Objection. Lacks
10 foundation.

11 BY MR. KRUM:

12 Q. You can go ahead.

13 A. The only communication would have --
14 would have come from me.

15 Q. Okay. Part of the Korn Ferry engagement
16 with RDI for the C.E.O. search was to perform some
17 sort of proprietary Korn Ferry assessment of the
18 final candidates, right?

19 MS. LINDSAY: Objection. Lacks
20 foundation.

21 THE WITNESS: Yes.

22 BY MR. KRUM:

23 Q. Okay. What exactly is that proprietary
24 assessment?

25 A. It is a -- what we call a -- a success

1 plan. It's developed on the other side of the shop
2 within leadership -- within our leadership and
3 consulting business.

4 In that case we had a Ph.D. named Jim
5 Aggen, who led the success profile. And basically
6 it's a deeper dive on -- on sort of the ingredients
7 not only for the experience of the candidate but for
8 the make-up of the candidate.

9 And so to develop that success profile,
10 Jim and I, primarily Jim had longer -- had long
11 conversations with each of the search committee
12 members.

13 And the intention of that success
14 profile is to mainly go deeper with the short list
15 of candidates.

16 So, that -- that never took place. The
17 second half of that engagement, if you will, never
18 took place.

19 **Q. So that's the proprietary Korn Ferry**
20 **assessment was not done with respect to any**
21 **candidates?**

22 **A. No.**

23 **Q. Not with respect to Ellen Cotter?**

24 **A. No.**

25 **Q. Not with respect to the person who**

1 received 20 minutes of conversation during the
2 debriefing following the interviews?

3 A. No.

4 Q. No one?

5 A. No.

6 (Off-the-record discussion.)

7 BY MR. KRUM:

8 Q. Who's Robert Wagner -- Robert Wagner?

9 A. Yeah. Rob's a partner at Korn Ferry.

10 And Rob had a relationship -- has a relationship
11 with Craig Tomkins that dates back to college.

12 And so our initial relationship with RDI
13 was via that history.

14 Q. That's the answer to the next question.

15 Thank you.

16 You worked on a prior engagement for
17 RDI, right?

18 A. Yeah. Worked with Jim on the head of
19 real estate search.

20 Q. Did you ever communicate to Jim or to
21 Bill Ellis or to anybody else at RDI that you
22 thought one or more of the candidates that Korn
23 Ferry had presented for the head of real estate were
24 good fits for the position?

25 MS. LINDSAY: Objection. Vague.

1 sentence that begins "The" and then the third line
2 says "integrated search/assessment methodology."

3 Do you see that?

4 A. Yep.

5 Q. Is that a reference to the Korn Ferry
6 proprietary assessment about which you testified
7 earlier today?

8 A. Yes.

9 Q. Okay. That's all for that.

10 Okay, Mr. Mayes. I'll show you what
11 previously has been marked as Exhibit 378.

12 A. Okay.

13 (Whereupon the document previously
14 marked as Plaintiffs' Exhibit 378
15 was referenced and is attached
16 hereto.)

17 BY MR. KRUM:

18 Q. Do you recognize Exhibit 378?

19 A. Yep.

20 Q. What is it?

21 A. Typical sort of search kick-off email
22 and position spec.

23 Q. Okay. What's a position spec?

24 A. It's an approved document that we
25 utilized to effectively source candidates.

1 Q. And when you say "source candidates"?

2 A. Generate interest among the candidate
3 pool.

4 Q. Okay. Does that mean identify the
5 possible candidates and generate interest?

6 A. Sure.

7 Q. And how is the position spec or position
8 specification document created?

9 What's the -- what was the process done
10 in this case to create the draft position
11 specification that's part of 378?

12 A. Individual conversations with each of
13 the search committee members.

14 Q. Did you have those conversations?

15 A. I did.

16 Q. With each of Ellen Cotter, Margaret
17 Cotter, Bill Gould and Doug McEachern?

18 A. Correct.

19 Q. And do you recall one conversation from
20 another as you sit here today?

21 A. No.

22 Q. Is the -- is the confidential position
23 specification that's part of Exhibit 378 beginning
24 with the document that has 003 in the lower
25 right-hand corner of the document that was created

1 foundation.

2 THE WITNESS: Oh, sorry. Correct.

3 BY MR. KRUM:

4 Q. I direct your attention back to your
5 September 18 email. The second paragraph, the third
6 sentence reads, quote,

7 "The good news is that the search
8 committee is very much aligned on
9 the mandate and profile of the
10 appropriate chief executive
11 officer, with Craig having a
12 slightly different perspective that
13 we took into account," close quote.

14 Do you see that?

15 A. Yep.

16 Q. To what does that refer?

17 A. As we discussed -- or as we mentioned a
18 moment ago, Craig sort of de-emphasized the need for
19 real estate experience and emphasized the need for
20 consumer-oriented operating business experience.

21 Q. And the other -- and the four members of
22 the committee emphasized the need for what?

23 A. Real estate experience.

24 Q. So at some point in time did Korn Ferry
25 provide to the -- each of the members of the C.E.O.

1 THE WITNESS: No.

2 BY MR. KRUM:

3 Q. How many C.E.O. searches have you
4 performed approximately?

5 A. A dozen.

6 Q. Okay. How many C.E.O. searches are you
7 familiar with such that you would know the
8 composition of the search committee, if any, above
9 and beyond the dozen or so?

10 A. 50.

11 MS. LINDSAY: Objection. Vague.

12 BY MR. KRUM:

13 Q. And in how many of those searches, to
14 your knowledge, was the interim C.E.O. even a member
15 of the C.E.O. search committee?

16 A. I don't have a -- I don't have a broad
17 enough -- I can't recall.

18 Q. Okay. Directing your attention to the
19 proprietary assessment about which you've testified
20 that was part of the Korn Ferry engagement of RDI,
21 do you have that in mind?

22 A. I'm sorry?

23 Q. I direct your attention to the --

24 A. Oh, sure.

25 Q. -- the proprietary assessment that was

1 BY MS. LINDSAY:

2 Q. What are those reasons?

3 MR. KRUM: Same objections.

4 THE WITNESS: Any number of reasons. In
5 some cases a -- a company will have a preference for
6 an internal candidate, but they want to go to search
7 to sort of evaluate the candidate vis-a-vis the
8 external talent pool.

9 In other cases, on the opposite end of
10 the spectrum, you know, a client will decide that
11 the right external candidates are just too expensive
12 and would create too much disruption internally --
13 and/or would create too much disruption internally,
14 so they promote from within.

15 BY MS. LINDSAY:

16 Q. Are there advantages that a company
17 would think that an internal candidate would have?

18 MR. KRUM: Same objections.

19 THE WITNESS: The built-in advantage is
20 less disruption. That's a uniform cause.

21 Beyond that there's no common --
22 commonality.

23 BY MS. LINDSAY:

24 Q. What do you mean by "less disruption"?

25 A. Change makes team members nervous.

1 Q. In what way?

2 A. The same -- you know, the same way I
3 would be, you know, disrupted if I had a new boss or
4 if you had a new boss or if any one of us had a new
5 boss.

6 Q. In your experience, when boards are
7 evaluating candidates or the search committee,
8 whoever is evaluating candidates, is the candidate
9 background and experience only one factor in the
10 evaluation?

11 A. It's a large factor, at least for
12 getting the person the initial interview. It's the
13 primary factor.

14 Q. Do they also consider other factors,
15 like fit?

16 A. Absolutely.

17 Q. What are some other factors that they
18 might consider?

19 A. Cultural fit, motivation, drivers,
20 personal traits, style. There's many.

21 Q. And in your experience, can a strength
22 in one of those factors make up for a weakness in
23 another area?

24 A. Yes.

25 Q. In your experience, do companies

1 sometimes hire employees who don't ultimately
2 exactly fit the position specification as it was
3 written?

4 MR. KRUM: Same objections, vague,
5 incomplete hypothetical.

6 THE WITNESS: Yeah. I mean there's
7 no -- there's -- I've never met a perfect candidate.

8 BY MS. LINDSAY:

9 Q. So, that happens often?

10 MR. KRUM: Same objections, plus
11 mischaracterizes the testimony.

12 THE WITNESS: Typically, you know, the
13 successful candidate will -- will fit 80 percent of
14 the spec, 80 percent or greater. It's rare for a
15 candidate to be hired without, you know, sort of
16 that threshold.

17 BY MS. LINDSAY:

18 Q. In your experience, do some companies
19 want to fill a position more quickly than others?

20 A. Definitely.

21 Q. And why might that be a concern?

22 MR. KRUM: Same objection.

23 THE WITNESS: Why does -- I'm sorry. I
24 don't follow.

25 ///

1 **assessment process.**

2 **When was that?**

3 A. Probably about the time that he had --
4 he called me. So that would have been December when
5 they indicated that the board was inclined to name
6 Ellen permanent C.E.O.

7 I encouraged him to run -- encouraged
8 him to run her through the assessment process; not
9 so much as an evaluation but as an onboarding tool.

10 **Q. And what is marked as Exhibit 422, is**
11 **that is as a result of Ellen's assessment process?**

12 A. No. No. They chose not to.

13 **Q. And do you know why that was?**

14 A. I believe Craig told me that "We" --
15 "We, the board, already know her pretty well, so
16 there's no need."

17 And I think they, you know, frankly,
18 wanted to avoid the expense.

19 **Q. And what -- so what was this, then?**

20 A. So that -- that's a candidate report.
21 That's independent of an assessment.

22 An assessment is a far deeper -- deeper
23 dive on candidates. Sorry. No -- there were no
24 assessments ultimately done relative to this search.

25 This is -- the first half is the success

1 profile, the second half are the assessments. A
2 success profile was developed, but no assessments
3 ever took place.

4 Q. And have you had other searches where an
5 internal candidate came forward and the deep
6 assessment like you spoke about earlier did not take
7 place and the internal candidate was chosen?

8 A. Not that -- not that I can recall. But
9 this assessment technology is two years old. So,
10 limited sample size.

11 Q. Did you -- you had met with Ellen a
12 number of times, correct?

13 A. Yeah.

14 Q. Did you ever have any reason to believe
15 that she wasn't a qualified candidate for the
16 position?

17 MR. KRUM: Objection. Vague and
18 ambiguous, foundation, assumes facts.

19 THE WITNESS: I thought relative to the
20 spec that -- that she lacked real estate expertise.

21 BY MS. HENDRICKS:

22 Q. To your knowledge, does she have the
23 operating experience and the other internal
24 experience with the company?

25 A. Very much so.

1 But were any of the other candidates
2 taken through that comprehensive assessment?

3 A. No.

4 Q. Okay. Now, you said that -- that in
5 your opinion, Ellen Cotter didn't have the real
6 estate experience.

7 How much time did you spend with her or
8 talking about her real estate experience?

9 A. We talked about the real estate needs of
10 the company for a few hours.

11 Q. What about her background? Did you talk
12 in detail about her real estate --

13 A. No. No.

14 Q. Okay. Now, let me ask you a few
15 questions about Bill Gould.

16 On how many occasions did you have
17 conversations with Mr. Gould?

18 A. I suspect we had two or three
19 conversations with the search committee which he was
20 on the phone for, and then I had one -- or Jim Aggen
21 and I had one conversation with him relative to the
22 development of the success profile.

23 Q. Okay. So you only had one conversation
24 with him separate from the committee; is that
25 correct?

1 A. Correct.

2 Q. Is that right?

3 A. I think so.

4 Q. Okay. Now, during the conversations
5 with the search committee, did he ever express any
6 personal opinions or give you any feedback about
7 what he was looking for in a C.E.O.?

8 A. Yeah.

9 Q. What -- what did he say?

10 A. Like I can't remember the specifics,
11 what I can tell you is that all four members of the
12 committee were consistent at the outset. This
13 company really needs real estate expertise, we have
14 this land in Manhattan, we need to figure out what
15 to do with it to optimize value. They were very
16 consistent.

17 Q. So they were consistent also that they
18 were trying to look for the right person for the
19 job, correct?

20 A. Right.

21 Q. Okay. So, it was always clear that they
22 were -- the whole committee, including Bill Gould,
23 was trying to find the right person to be the C.E.O.
24 of the company, correct?

25 MR. KRUM: Objection. Foundation.

1 THE WITNESS: I assume that they were
2 investing the time, that that was their goal.

3 BY MR. VERA:

4 Q. You had no reason to think that everyone
5 on that committee, including Bill Gould, was doing
6 everything they could to try to find the right
7 person, correct?

8 MR. KRUM: Same objection. Misstates
9 testimony.

10 THE WITNESS: Correct. I -- again,
11 firms pay our fees and invest the time. I assume
12 that their interest is to find the right C.E.O.

13 BY MR. VERA:

14 Q. But you -- you heard nothing from Bill
15 Gould to give you any reason to think that he wasn't
16 doing his best as a fiduciary to find the right
17 person for the job?

18 A. Correct.

19 MR. KRUM: Same objection.

20 BY MR. VERA:

21 Q. Thank you.

22 Now, in your separate conversation that
23 you had with Bill Gould, did he give you -- did he
24 say anything else about what he was looking for in a
25 C.E.O.?

1 A. I can't recall.

2 Q. You don't remember anything else that he
3 said?

4 A. I think that the common themes were real
5 estate experience, someone who was a patient leader
6 who could sort of move things along slowly. Family
7 company so things had happened slowly there through
8 the years. Patient leader, and someone who, you
9 know, theoretically had the temperament to deal with
10 activist investors.

11 Those were the -- the things that came
12 out of my conversations with Doug and Bill. And
13 they were more sophisticated conversations than I
14 had with Ellen and Margaret.

15 Q. Now, did you know Bill Gould prior to
16 this search?

17 A. No.

18 Q. And the time that you met with him
19 separate from the committee, was it on the phone or
20 in person?

21 A. Phone.

22 Q. Who else was at that meeting or on that
23 call?

24 A. Jim Aggen.

25 Q. And how long did that conversation last?

1 A. Those typically are 45-minute to
2 60-minute conversations.

3 Q. Other than what you've told us so far,
4 did Mr. Gould make any other representations or --
5 or say anything else to you about what he would like
6 in terms of a new C.E.O.?

7 A. Bill was on the phone for the candidate
8 debrief call after the interviews, so he certainly
9 had opinions, but I can't recall.

10 Q. But it was your impression that he took
11 the process very seriously, correct?

12 A. Yes.

13 Q. And he was trying, again, to do
14 everything he could to find the right person for the
15 job?

16 MR. KRUM: Same objection.

17 THE WITNESS: Yeah. I mean he -- he
18 attended all the search committee calls, he was --
19 he wasn't absent.

20 BY MR. VERA:

21 Q. Right. But did he do or say anything
22 that made you think that he was doing anything other
23 than trying to find the right person for the job?

24 A. No.

25 Q. Okay.

1 MR. VERA: Thank you. I have no further
2 questions.

3 MR. KRUM: I have nothing further.
4 Thank you, Mr. Mayes.

5 THE WITNESS: Thank you.

6 MS. LINDSAY: Thank you.

7 VIDEOTAPE OPERATOR: This concludes the
8 deposition of Mr. Robert Mayes on August 18, 2016,
9 which consists of two media files.

10 The original media files will be
11 retained by Litigation Services.

12 We are off the record at 11:17.

13

14 (Whereupon at 11:17 A.M. the
15 deposition proceedings were
16 concluded.)

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EXHIBIT 45

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

15

16 VIDEOTAPED DEPOSITION OF DOUGLAS McEACHERN

17 TAKEN ON MAY 6, 2016

18

19

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21

22

23

24 REPORTED BY:

25 PATRICIA L. HUBBARD, CSR #3400

1 Q. Okay. Well, let me ask a question.

2 Let's try it again.

3 What was your understanding, if any, as
4 to the point of hiring a director of real estate for
5 RDI?

6 A. Jim wanted to hire a director of real
7 estate who had been through some development
8 activities in the past and had responsibilities for,
9 take this building, building this building.

10 Q. When you say Jim wanted to hire him,
11 were you suggesting that somebody disagreed other
12 than Margaret?

13 A. This was his initiative. It wasn't a
14 bad idea.

15 Q. Okay. To your knowledge, did anybody
16 other than Margaret ever disagree with the notion of
17 hiring a director of real estate for RDI?

18 MR. SEARCY: Objection. Assumes facts,
19 lacks foundation.

20 THE WITNESS: I don't know. And I can't
21 tell you that Margaret didn't want to hire somebody.

22 I remember being in discussions where
23 Margaret was there and where she would be reporting.

24 BY MR. KRUM:

25 Q. So, setting aside the subject of

EXHIBIT 46

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DISTRICT COURT
CLARK COUNTY, NEVADA

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

VIDEOTAPED DEPOSITION OF DOUGLAS McEACHERN
TAKEN ON JULY 7, 2016
VOLUME II

JOB NUMBER 321640
REPORTED BY:
PATRICIA L. HUBBARD, CSR #3400

1 corporate lives.

2 BY MR. KRUM:

3 Q. What -- what did you do and, to your
4 knowledge, what did anybody else who was on the
5 special nominating committee do with respect to Judy
6 Coddington?

7 MR. SEARCY: Objection. Vague.

8 THE WITNESS: In addition to going
9 through Ms. Coddington's resume, we personally met with
10 her. And I'm trying to remember who all was in the
11 meeting. The minutes are there and they will tell
12 you who was there. It could have been Ed Kane,
13 although I don't think he was a member of the
14 committee. But we typically carpooled up to
15 Los Angeles with each other, so I think it's
16 reasonable to think he was there, Guy Adams and
17 maybe Bill Gould as a lead director.

18 And we went with Judy and talked about
19 what she had done in the past, what her business
20 experiences had been and were quite -- I, I can't
21 speak for everybody else, but I was quite favorably
22 impressed about her business background and felt
23 comfortable recommending her to the board of
24 directors.

25 Q. What is your understanding, if any, as

1 to how the resume -- the Judy Coddling resume you
2 reviewed came to be prepared?

3 A. I do not know.

4 Q. How did you receive it?

5 A. I think by email.

6 Q. From whom?

7 A. I don't know. You'd have to go back and
8 look at email to find out.

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

12 BY MR. KRUM:

13 Q. Okay. What was it about her business
14 experience that created a favorable impression for
15 you?

16 A. Not -- it's been close to -- we're
17 moving on to a year when I last saw Judy Coddling's
18 resume, but she had been in the education field on a
19 number of corporations, business experience.

20 I'd have to go through and pick out the
21 resume and tell you the points of contact that I
22 found impressive. And then her own personal
23 demeanor and how she carried herself and the way she
24 communicated, I thought she'd be very effective as
25 board member.

1 answer the question and then we'll go off the
2 record.

3 THE WITNESS: She described a
4 relationship she had and discussed having been
5 involved with Jim and his wife. As they were
6 proposing and he reached out to her, she was
7 associated with some pre-school or some prep school
8 or some private school on the west side, and Jim had
9 asked her -- Jim and his wife Gina had asked Judy to
10 help support their child's candidacy.

11 BY MR. KRUM:

12 Q. What did Judy say about her relationship
13 with Mary Cotter?

14 A. I don't know that she said anything
15 about a relationship with Mary Cotter.

16 Q. Okay. And you made some reference to a
17 relationship between Judy Coddington and Mary Cotter in
18 earlier testimony.

19 Do you have that in mind?

20 A. I do.

21 Q. And what is it you heard or learned in
22 that respect?

23 A. But I would like to -- my earlier
24 testimony I believe was I didn't know when I was
25 aware of that relationship, it could have been as

1 being considered as a board member or it could have
2 been three, four, five months later, is that she and
3 Mary Cotter had a relationship that went back 20,
4 25, 30 years, a longstanding relationship.

5 I don't know how it was created. I
6 don't know how often they saw each other. I was
7 just aware of that relationship.

8 Q. How did you come to learn about that
9 relationship?

10 A. I don't recall.

11 Q. What did Ellen Cotter tell you and
12 presumably other members of the special nominating
13 committee about the relationship between Judy
14 Coddington on one hand and any Cotter family member on
15 the other hand?

16 A. At -- we were nominating Judy Coddington to
17 fill a board position created when Tim Storey
18 resigned. That was a month, two weeks, three weeks,
19 some period of time before the annual meeting.

20 And sometime after Judy Coddington was
21 appointed to the board, a number of us received an
22 email from Andy Shapiro -- Andrew Shapiro, about
23 some background information on Judy Coddington about a
24 connection that she had with -- I don't remember the
25 name of the company. It was some software reading

1 comprehension and learning company publisher that
2 had a relationship with Apple that had a
3 relationship and was doing work for the L.A.U.S.D.,
4 Los Angeles Unified School District.

5 And pretty negative coverage had
6 appeared in a series of articles. I remember some
7 in the "L.A. Times."

8 And I think when that information
9 surfaced, there was a whole lot more discussion that
10 took place about Judy Coddling and her relationship
11 with Ellen Cotter and the family.

12 Q. What's your recollection, if any, as to
13 how Mr. Shapiro had learned that Judy Coddling -- or
14 learned about Judy Coddling -- strike that.

15 Had she already been added to the board
16 and the company announced that at the time
17 Mr. Shapiro communicated what you just described?

18 A. It had happened before Andy Shapiro sent
19 that information to us.

20 Q. What had happened before?

21 A. That she had been added to the board.

22 Q. Okay. What was the -- what steps, if
23 any, did the special nominating committee take, if
24 any, beyond interviewing candidates that Ellen
25 Cotter referred to the committee and as well as

1 A. So we didn't do a background check on
2 him.

3 Q. Who was responsible for the background
4 checks?

5 A. I believe they were done under the
6 auspices of Craig Tompkins or they could have
7 been -- I think it was Craig Tompkins.

8 Q. Was he a member of the special
9 nominating committee?

10 A. He attended as a -- he took the
11 medicine, attended the meetings.

12 Q. Did he do anything beyond that?

13 A. To the best of my knowledge, no.

14 Q. So it's your understanding that the
15 company had run a background check on Ms. Coddling
16 before she was added to the board?

17 A. Yes, it is.

18 Q. And it's your understanding that the
19 background check had not produced the information
20 that had been communicated to the board members by
21 Mr. Shapiro?

22 A. That is correct.

23 Q. Did you ever see the background check --

24 A. Yes.

25 Q. There was a document that Mr. Tompkins

1 produced that was described as a background check
2 for Judy Coddling?

3 MR. SEARCY: Objection. Lacks
4 foundation.

5 THE WITNESS: I -- I do believe I saw a
6 background check that had been done on Judy Coddling.
7 I asked to see it because, quite frankly, this was a
8 bit of an embarrassing that this information would
9 surface and we would not have been aware of it
10 beforehand.

11 When we learned of it, we changed our
12 background procedures to be more robust than they
13 had been in the past.

14 BY MR. KRUM:

15 Q. The information that Mr. Shapiro
16 transmitted to members of the RDI board of directors
17 regarding Judy Coddling was all publicly available
18 information, right?

19 A. I recall -- I think so, yes.

20 Q. So, did you ask Mr. Tompkins or anybody
21 else what sort of background check was done that
22 didn't discover publicly available information?

23 A. We had --

24 MR. SEARCY: Objection.

25 Go ahead.

1 arrangements for us to get together again with Judy
2 personally to discuss the situation.

3 BY MR. KRUM:

4 Q. Over what period of time did these
5 conversations with Ms. Cotter, who was in Florida,
6 occur relative to receipt of the information from
7 Mr. Shapiro?

8 Was it the same day? The same week?

9 A. A couple of nanoseconds.

10 Q. Okay. And how long thereafter did you
11 and others spoke with Ms. Coddling?

12 A. More than a couple of nanoseconds. It
13 could have been within the next week. I just don't
14 remember.

15 There are minutes of that meeting with
16 Ms. Coddling that will set forth the date.

17 Q. And what happened during that -- was it
18 a meeting in person?

19 A. Yes, it was.

20 Q. And who was present?

21 A. Bill Gould was there, I was there. I

22 don't remember if Ellen Cotter was there or not. I
23 think --

24 Well, get the minutes out. They'll tell
25 you who was there.

1 I -- it's conceivable Guy Adams and Ed
2 Kane were there also.

3 Q. How long did the meeting last?

4 A. No more than three hours.

5 Q. And in substance who said what during
6 that meeting?

7 A. The majority of what was communicated
8 was by Judy Coddling. And I believe we had
9 instructed -- at some point we instructed Craig
10 Tompkins to go do some research of all this stuff
11 and try to find what was going on.
12 He found some additional information
13 about Judy Coddling that had not been communicated by
14 Mr. Shapiro.

15 And Judy explained the situation between
16 Pearson -- thank you for the name of that --
17 Pearson, which was a subcontractor to Apple Computer
18 supplying and designing a curriculum for the L.A.
19 Unified School District that was principally to be
20 delivered via iPads that Apple was selling through
21 some vendor to the L.A. Unified School District.

22 Q. Where did this meeting occur?

23 A. At the Reading office.

24 Q. Was it on a weekend or a workday?

25 A. The minutes will -- I believe it was on

1 that same meeting where we met with Judy Coddling.

2 Q. Okay. Do you recall anything else that
3 anybody else said in words or substance from that
4 meeting?

5 A. At some point either at that meeting or
6 before we concluded we would go forward with Judy as
7 a nominee for the board of directors. I and others
8 were impressed with Judy's explanation and the
9 research that Craig had done into the entire matter.
10 We were positive and felt very good about
11 renominating her.

12 Q. Did anyone at Reading, whether Craig
13 Tompkins or anyone else, communicate with any third
14 parties about Judy Coddling?

15 MR. SEARCY: Objection. Vague.

16 MR. SWANIS: Join. Calls for
17 speculation.

18 THE WITNESS: I don't know.

19 BY MR. KRUM:

20 Q. Okay.

21 MR. KRUM: I'll ask the court reporter
22 to mark --

23 MR. SEARCY: Before we start on the
24 exhibits Mr. McEachern asked actually for a break a
25 while back. I wanted to --

1 Q. When you say you believe so,
2 Mr. McEachern, do you recall interviewing him?

3 A. We -- we would have had minutes that
4 discussed the interview of Mr. Wrotniak.

5 Q. Okay. But do you have any recollection
6 of doing so as you sit here today?

7 A. I don't have any specific recollection.

8 Q. Who interviewed him?

9 A. I believe it was the same group of
10 three, Guy Adams, Ed Kane and myself.

11 Q. Was that -- did that interview occur in
12 person?

13 A. I believe it took place by phone.

14 Q. How long did it last?

15 A. I don't recall.

16 Q. Who said what in words or substance?

17 A. I don't remember.

18 Q. Mr. Wrotniak was recommended by Ellen
19 Cotter; is that right?

20 A. I believe he was recommended by Margaret
21 Cotter and Ellen Cotter jointly.

22 Q. Okay. And what did they say when they
23 recommended him?

24 A. I don't recall.

25 Q. Did you ever hear or learn or were you

1 ever told that his wife is a close personal friend
2 of Margaret Cotter?

3 MR. SEARCY: Objection. Lacks
4 foundation, vague.

5 (Whereupon Mr. Swanis re-entered
6 the deposition proceedings at this
7 time.)

8 THE WITNESS: I have been told that or
9 heard that.

10 BY MR. KRUM:

11 Q. When is the first time you heard or
12 learned or were told that?

13 A. Mr. Krum, I just don't remember.

14 Q. Do you recall from whom you heard or
15 were told that?

16 A. I think from Jim Cotter, Jr.

17 Q. Was that after the committee had
18 recommended nominating Mr. Wrotniak to stand for
19 election at the 2015 annual shareholders meeting?

20 MR. SEARCY: Objection. Lacks
21 foundation.

22 MR. SWANIS: Join.

23 THE WITNESS: I think so.

24 BY MR. KRUM:

25 Q. Okay. When you interviewed him, who

1 said what, if anything, regarding how he knew or was
2 known to Ellen and/or Margaret Cotter?

3 A. I do not recall.

4 Q. What was done, if anything, to your
5 knowledge, by you or any other member of the special
6 nominating committee with respect to Mr. Wrotniak
7 other than interviewing him prior to recommending to
8 the full board of directors that he be nominated to
9 stand for election at the 2015 annual shareholders
10 meeting?

11 MR. SEARCY: Objection. Vague.

12 MR. SWANIS: Join.

13 THE WITNESS: We were doing a background
14 check on Michael Wrotniak similar to what had been
15 done on Judy Coddling and was the customary normal
16 practice for Reading.

17 Craig Tompkins was instructed, "Listen,
18 if we got all this information that showed up about
19 Judy Coddling that was easily located through some
20 Google search, well, darn it, go and do a similar
21 search on Michael Wrotniak and see if there's
22 anything out there that wouldn't have turned up in
23 something akin to the background check that we had
24 done on Michael Wrotniak."

25 And he did do that. I believe it is

1 MR. KRUM: Same objections.

2 THE WITNESS: Again, technically, he may be
3 independent. Yes. I mean --

4 BY MR. TAYBACK:

5 Q. Yes, he's independent, in your view? 11:28:22

6 A. I mean, I'm -- again, Mr. Tayback, I'm not
7 a lawyer. I -- so I don't --

8 Q. I'm not asking the legal definition. I'm
9 asking your view. You've stated that some people in
10 your view aren't independent, and so now I'm asking 11:28:33
11 about these other people.

12 Mr. Gould, in your view, is he independent?

13 A. Technically, I believe he's independent.

14 Q. Technically.

15 Are you giving me a legal definition there, 11:28:47
16 or are you telling me --

17 A. I don't --

18 Q. -- what you think?

19 You don't know.

20 So with respect to -- I mean, all the other 11:28:54
21 people we've asked about, Ms. Coddington, Mr. Wrotniak,
22 you said, I'm not giving you the legal definition,
23 I'm telling you what I think.

24 A. Right.

25 Q. Because you expressed a concern that there 11:29:03

1 aren't enough independent directors on the board and
2 on this executive committee, and I'm trying to find
3 out if you have a view as to whether Mr. Gould is
4 independent or not.

5 And you think, in your view, he's 11:29:13
6 independent?

7 A. For a period of time, Bill was independent
8 but has -- yes, I mean, he is independent.

9 Q. Okay. And why do you think he's
10 independent? 11:29:23

11 Does he have no connection to your family?

12 A. At least he doesn't have a relationship
13 going back with me and my two sisters that would be
14 of such that would question his independence.

15 Q. How long have you known Mr. Gould? 11:29:44

16 A. Maybe since -- at least since 2002.

17 Q. Was he a friend of your father's?

18 A. He was.

19 Q. A close friend?

20 A. I don't know. I mean, he was a business 11:30:03
21 associate with my dad's. I wouldn't describe him as
22 a close friend.

23 Q. So he did business with your father?

24 A. He's -- I think he's been on the board for
25 a number years, going back to perhaps 1985. 11:30:16

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1 with Ellen and Margaret. So --

2 Q. No business relationship -- Mr. Kane has no
3 business relationship with Ellen and Margaret also;
4 correct?

5 A. That's correct.

11:35:20

6 Q. So in your view, Mr. McEachern is
7 independent and has always been independent?

8 MR. KRUM: Asked and answered.

9 THE WITNESS: Yeah, the testimony speaks
10 for itself.

11:35:30

11 BY MR. TAYBACK:

12 Q. So the answer's yes?

13 MR. KRUM: Well, asked and answered. He
14 said what he said.

15 BY MR. TAYBACK:

16 Q. Well, was your answer --

17 MR. KRUM: But it was yes with an
18 explanation.

19 Do you want him to withdraw the
20 explanation?

11:35:41

21 MR. TAYBACK: No. I was going to say, he's
22 independent and he's always been independent.

23 BY MR. TAYBACK:

24 Q. I think you can answer it yes -- or not.

25 But I think the answer's yes, and I want to make

11:35:48

1 sure I understand the answer.

2 MR. KRUM: All right. Same objections.

3 You can answer.

4 THE WITNESS: Okay. Yes.

5 BY MR. TAYBACK: 11:35:54

6 Q. Guy Adams, is he independent?

7 MR. KRUM: Same -- may call for a legal
8 conclusion.

9 BY MR. TAYBACK:

10 Q. In your view? 11:36:03

11 A. No.

12 Q. Okay. Why not?

13 A. A significant portion of his income derives
14 from entities that are controlled by my two sisters,
15 a significant portion. And I don't see how 11:36:28
16 Mr. Adams can make decisions that, in one way or the
17 other, impact Ellen and Margaret and do so in an
18 independent way.

19 He is fully involved with a number of
20 entities that my two sisters now purportedly 11:36:48
21 control, and his livelihood really depends on them.

22 Q. Would he be independent if you controlled
23 those entities?

24 MR. KRUM: Objection, calls for a legal
25 conclusion, incomplete hypothetical. 11:37:11

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

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

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

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

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

14 Q. At least for those reasons.

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

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

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

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

23 Q. Generally.

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

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

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

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

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

10 A. Right. 01:03:40

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

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

16 Q. Correct.

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

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

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

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

12 MR. KRUM: Objection, vague and ambiguous.

13 THE WITNESS: Okay.

14 BY MR. TAYBACK:

15 Q. Yes? 01:05:09

16 A. Yes.

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

20 A. Early on? 01:05:20

21 Q. Yes.

22 A. Again, this takes me back many years.

23 Initially, without having the experience, I might
24 not have been as active as I had come to be over the
25 years. 01:05:42

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1 No?

2 A. No.

3 Q. Did you -- have you ever seen board minutes
4 or any document approved by the board of directors
5 of Reading that adopts a succession plan? 02:23:59

6 A. No.

7 Q. In -- let's see. In 2013, you became the
8 president of Reading; correct?

9 A. Yes.

10 Q. And at that point in time, did you cease 02:24:30
11 being the vice chairman?

12 A. No.

13 Q. So you continued to be the vice chairman,
14 you continued to be on the board, and you also
15 became president? 02:24:43

16 A. Yes.

17 Q. At the time you became president of
18 Reading, did you leave your position as CEO of the
19 orchards and Cecelia?

20 A. It was basically converted from being a CEO 02:24:57
21 of Cecelia to being a director of Cecelia and the
22 other agricultural entities. And that was the
23 expectation -- the agreement I had with my father,
24 that he wanted me to stay involved to a degree at
25 Cecelia and the orchards but that I had to curtail 02:25:20

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1 executives. They were consultants also. Correct?

2 A. That's true. But when I became president,
3 we didn't have a formal org chart that was created
4 that said: Okay, Jim, you know, you've become
5 president. Okay. We're going to create an org 02:30:32
6 chart. Here are all the executives that are
7 reporting to you.

8 Unfortunately, it wasn't laid out as
9 clearly, given what was going on in the company.
10 So -- but technically, as president of the company, 02:30:47
11 I reported to the CEO and the principal executives
12 of the company reported to me.

13 But again, when my father was alive, he had
14 a very wheel-and-spoke management structure where
15 technically everybody reported to him. So he wasn't 02:31:06
16 focused on, okay, here is the organizational chart,
17 Jim. I want you to know that Craig Tompkins is
18 going to be reporting to you.

19 It wasn't like that with my father. So
20 it's difficult for me to say what the organizational 02:31:18
21 structure was at that point in time. That was my
22 understanding.

23 Q. And did it -- did the company -- the
24 company worked, though, right, the way it was
25 organized when your father was the chairman and CEO? 02:31:31

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1 When you first became vice chairman --

2 A. Right.

3 Q. I'll rephrase the question.

4 A. I mean, gradually, the more and more I
5 learned about the business, the more I thought it 02:33:51
6 could be run better.

7 And I think it was helpful having
8 management meetings where all the executives got
9 together, you know, and having formal management
10 meetings where, rain or shine, we would meet every 02:34:07
11 week to discuss what was going on, to have action
12 items and deliverables and having everyone on the
13 same page as to what was going on in the company.

14 Before I became chair- -- vice chairman, we
15 did not have that. And from 2007, as the company 02:34:23
16 grew larger and larger, you needed more of process

17 and -- you know, in place. And it wasn't possible,
18 as the company got bigger, for my dad to be at the
19 center of -- it was his show. That's how he wanted

20 to run it. But it became more difficult. 02:34:43

21 Q. Other than weekly management meetings, were
22 there any other changes that you sought, after you
23 became vice chairman, to change the way the company
24 was run?

25 MR. KRUM: Objection, vague. 02:35:05

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1 meeting?

2 A. We did.

3 Q. Okay. And was that also held on August 7th
4 or sometime after that? Do you remember?

5 A. I believe it was held on August 7th. 02:43:39

6 Q. Where?

7 A. At Reading's offices.

8 Q. And you were there in person?

9 A. I was.

10 Q. And were -- was there anybody who wasn't 02:43:51
11 able to attend in person?

12 A. I can't recall.

13 Q. Did you -- was there a discussion about, in
14 light of your father's resignation, who would be the
15 CEO? Was there a discussion among the board 02:44:09
16 members?

17 A. I can't recall specifically. I think there
18 was a brief discussion, yes.

19 Q. How long would you say in total the meeting
20 lasted? 02:44:21

21 A. I can't recall.

22 Q. Was there an agenda?

23 A. There may have been, but I think that the
24 resignation of my father was the significant issue
25 that was going to be discussed at that meeting. 02:44:41

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1 Q. Was there -- were there any -- was there
2 materials of any sort that were distributed either
3 at the meeting or in advance of the meeting?

4 A. Not to my recollection, no.

5 Q. The board members who met who comprised the 02:44:57
6 Reading board at that point in time are the same
7 directors that you sued in this lawsuit; correct?

8 A. Yes.

9 Q. And at the time that they met, did you have
10 any concerns about the independence of any of those 02:45:18
11 directors? At that time.

12 A. I did at that time.

13 Q. Did you express that concern to any person?

14 A. At that time?

15 Q. Yes. 02:45:50

16 A. Not at this time, no.

17 Q. When's the first time that you expressed
18 the fact that you were concerned about the
19 independence of any director in August of 2014 to
20 anybody? 02:45:59

21 A. I mean, at some point, I had a discussion
22 with one of the directors relating to Guy Adams, but
23 I can't recall specifically what we had discussed.

24 Q. Can you recall when that was, approximately
25 when that was? 02:46:18

1 A. I could -- I cannot.

2 Q. Certainly, it's after you became CEO?

3 A. No, I don't think it was. It might have
4 been before, but I can't specifically recall when.

5 Q. And who was it with whom you spoke? 02:46:31

6 A. It may have been Bill Gould.

7 Q. And do you recall what was said by you or
8 by him?

9 A. Just to disc- -- a general discussion
10 whether Guy Adams was independent. 02:46:46

11 Q. And did you articulate your view?

12 A. It was a very short communication, and I
13 can't recall when we spoke, but I do recall having a
14 short conversation with him about Guy.

15 Q. Other than that conversation that you just 02:47:06
16 described with Mr. Gould, when's -- when else have
17 you -- when's the next time that you discussed with
18 any person your view that Mr. Adams or any other
19 director wasn't independent as of August 7th, 2014?

20 A. Well, I had a discussion shortly after my 02:47:30
21 father's death.

22 Guy Adams had wanted to provide my dad a
23 massive bonus after his death. And I had a
24 discussion with either Bill Gould and Ed Kane about
25 Guy Adams and Guy comparing my dad to Jack Welch and 02:47:56

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1 that my dad should be entitled to a massive bonus
2 like 3-, \$4 million. I can't put -- give you a
3 specific amount, but that was Guy's recommendation.

4 And following that recommendation, there
5 was a brief discussion that I had -- I can't say if 02:48:16
6 it was with Kane, Gould or both of them -- that,
7 look, this is -- this sounds ridiculous. What is he
8 doing, you know. And there might have been a
9 discussion about Guy's independence.

10 Q. Was that -- you say it was his 02:48:35
11 recommendation.

12 Was that an item brought before the board
13 for a vote?

14 A. It was an item brought to the compensation
15 committee. 02:48:47

16 Q. Were you on the compensation committee?

17 A. No.

18 Q. Okay. Were you present when the
19 compensation committee discussed it?

20 A. I was. I was. 02:48:53

21 Q. So you attended the meeting even though you
22 weren't on the compensation committee?

23 A. Yes.

24 Q. Okay. And was this -- this is after you're
25 the CEO? 02:49:03

1 A. Yes.

2 Q. And was this -- but was it before you were
3 terminated?

4 A. Yes.

5 Q. The proposal regarding the additional 02:49:11
6 compensation to your father, was it approved?

7 A. Not of the quantum that Guy Adams was
8 recommending.

9 Q. So there was some amount -- quantum
10 meaning -- not meaning referring to the vote, but 02:49:33
11 referring to the --

12 A. The amount --

13 Q. -- dollar amount?

14 A. -- yes.

15 Q. So there was some amount approved? 02:49:37

16 A. There was some amount approved.

17 Q. But it wasn't the amount that at least one
18 director advocated for?

19 A. That's right.

20 Q. Okay. And other than -- and did you 02:49:46
21 discuss -- did you raise the issue of Mr. Adams'
22 independence at that meeting?

23 A. I can't recall.

24 Q. Now, on August --

25 A. It certainly wouldn't have been at that 02:50:00

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1 meeting in front of Guy.

2 Q. When's the first time that you raised the
3 issue of any director's independence at a board
4 meeting?

5 A. I can't recall. 02:50:10

6 Q. Well, you didn't raise it on August 7th,
7 correct, when the board appointed you as CEO?

8 A. No.

9 Q. And so you didn't say, you know, Ed Kane's
10 been a family friend for however many years, he's 02:50:45
11 very close to my sisters, and I don't think he
12 should be the one to vote on whether I should be the
13 CEO or not?

14 A. No.

15 Q. And you didn't say that Mr. Adams is 02:50:55
16 somebody that I worked with with respect to the
17 captive insurance companies, at the -- the business
18 of the Cotter Orchard and Cecelia, and I don't think
19 he should be somebody that should be deciding
20 whether or not I should be the CEO? 02:51:16

21 A. I didn't realize at that point the level of
22 income that was coming -- that the amount of money
23 that was being provided to Guy, I never realized it
24 represented such a significant percentage of his
25 total income, that, in fact, all of his livelihood 02:51:34

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1 depended on entities that the Cotters controlled. I
2 did not have an appreciation for that.

3 Q. Is it your view that only wealthy people
4 can serve on boards?

5 A. Certainly not, certainly not. 02:51:48

6 Q. So you're saying at some point as of
7 August 7th, then, you didn't realize that the basis
8 for your conclusion now that Mr. Adams was
9 independent, you didn't actually understand those
10 facts, you didn't know those facts? 02:52:07

11 MR. KRUM: Objection to the
12 characterization and the testimony.

13 THE WITNESS: I knew that he was receiving
14 income from Cotter-affiliated entities.

15 I didn't realize the extent that it 02:52:16
16 represented of his overall income and that, at the
17 end of the day, he was basically depending on the
18 Cotter entities for his livelihood.

19 BY MR. TAYBACK:

20 Q. When did you first learn that fact, the 02:52:31
21 fact that you felt that his total income was not
22 sufficiently large relative to the amount he was
23 earning from Cotter-related income?

24 A. Shortly before I was terminated.

25 Q. So it's fair to say that you obviously 02:52:50

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1 BY MR. TAYBACK:

2 Q. So it's true, but you don't believe that
3 you or your sisters said it?

4 A. I can't recall.

5 Q. Did you make any objection to the process 03:02:08
6 by which you were appointed as CEO at this meeting?

7 A. No.

8 Q. Did you think the process was consistent
9 with the fiduciary duty that these directors owed to
10 the Reading shareholders? 03:02:29

11 MR. KRUM: Objection, vague and ambiguous.

12 THE WITNESS: Given the circumstances, I
13 think it was.

14 BY MR. TAYBACK:

15 Q. What were the circumstances? 03:02:36

16 A. Well, my father had suddenly resigned from
17 the company. In light of the succession plan, in
18 light of the years I had been work at the company, I
19 did not think it was a breach of fiduciary duty for
20 the board to appoint me to serve as the company's 03:02:59
21 chief executive officer.

22 Q. You think they needed to go through some
23 larger process to maybe make a search for some
24 replacement?

25 A. Again, given that I had been working since 03:03:12

1 2007 at the company in the capacity as vice chairman
2 and in the capacity as president since June of 2013
3 and given that our bylaws provided that the
4 president shall also be the chief executive officer
5 unless the board appoints the chairman as the chief 03:03:36
6 executive officer, I didn't even think that it was
7 necessary for the board to take any action at that
8 meeting on August 7th.

9 It would have happened by operation of our
10 bylaws unless the board wanted to appoint the 03:03:53
11 chairman at that time, who would have been Ellen, I
12 guess. I don't know the sequencing here. But if
13 they wanted to do that, they could have made her
14 CEO.

15 So no, I don't think this board meeting was 03:04:13
16 necessary. I mean, I don't think this appointment
17 of me to the chief executive officer position was
18 required. It would have happened by operation of
19 our bylaws.

20 Q. As you understand it, if the board had made 03:04:27
21 Ellen as chair, chairman, chairperson --

22 A. Right.

23 Q. -- CEO, that would have under the
24 circumstances also been consistent with their
25 fiduciary duties; correct? 03:04:42

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1 A. No.

2 MR. KRUM: Objection, misstates the
3 testimony.

4 THE WITNESS: I didn't say that.

5 BY MR. TAYBACK: 03:04:47

6 Q. Why not? It's within the bylaws; correct?

7 MR. KRUM: Objection, misstates the
8 testimony.

9 THE WITNESS: I think I also said I had
10 been working since 2007 as vice chairman. I had 03:04:53
11 been under the expectation -- working under the
12 expectation that that was the succession plan from
13 2009. I had become president in 2013, and I had
14 experience over the worldwide operation. And so no,
15 I don't think they're equivalent. 03:05:25

16 BY MR. TAYBACK:

17 Q. So it's not just the fact that the bylaws
18 had the provisions that they had that you believe
19 that the directors comported with their fiduciary
20 duties? 03:05:36

21 A. I don't --

22 MR. KRUM: Same objections.

23 THE WITNESS: I don't believe that the
24 action of appointing me as chief executive officer
25 on August 7th, 2014, were required. I think I would 03:05:41

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EXHIBIT 37

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

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

vs.

Case No.

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

and

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

(CAPTION CONTINUED ON NEXT PAGE.)

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

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

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1 A. I do.

2 Q. Do you recall whose suggestion that was?

3 MR. KRUM: Objection, foundation.

4 THE WITNESS: My recollection is that it

5 was recommended by the so-called independent 09:45AM

6 directors.

7 BY MR. TAYBACK:

8 Q. And did you concur in that recommendation?

9 A. Initially, I was not supportive of the
10 idea. 09:45AM

11 Q. Why not?

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

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

15 A. The proposal that was explained to me where 09:46AM

16 Tim took on this official role as ombudsman was on,

17 I believe, March 13th, where Bill Gould asked me and

18 my two sisters to his office in Century City and

19 independently described to me with Tim Storey

20 present that the so-called independent directors had 09:46AM

21 decided that Tim Storey would become involved as an

22 ombudsman. There had been complaints raised against

23 me by my two sisters. I had reported complaints

24 against my two sisters.

25 And the board was at a high level and 09:47AM

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1 some point Ellen had made a proposal regarding a
2 corporate govern- -- or an executive committee
3 framework and had distributed to the board that the
4 board was considering.

5 (At this time MARK E. FERRARIO, ESQ., left
6 the deposition proceedings.)

7 BY MR. TAYBACK:

8 Q. So -- but the answer to my question is
9 whose idea was it? What's the answer to that?

10 MR. KRUM: Same objection. 09:53AM

11 BY MR. TAYBACK:

12 Q. Ellen's?

13 A. The answer to what?

14 Q. My question was whose idea was it to have a
15 new corporate governance framework as of 09:54AM
16 October 2014?

17 MR. KRUM: Objection, vague, foundation.

18 THE WITNESS: As of maybe late August,
19 early September, shortly after I became CEO, my two
20 sisters refused to report to me and refused to be 09:54AM
21 accountable basically to me or anyone, for that
22 matter, and issues had arisen. The disputes with
23 the trust and estate matters had permeated the
24 company.

25 The board was notified of these issues by 09:54AM

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1 working at Reading; correct?

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

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

13 BY MR. TAYBACK:

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

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

16 THE WITNESS: At that point in time?

17 BY MR. TAYBACK:

18 Q. Yes.

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

22 Q. You said --

23 (Off the record.)

24 BY MR. TAYBACK:

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

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EXHIBIT 38

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EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

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

vs.

Case No.

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

and

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

(CAPTION CONTINUED ON NEXT PAGE.)

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

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

1 BY MR. TAYBACK:

2 Q. I just want to make sure that I've got a
3 complete list here because I'll ask you some
4 follow-up questions about these.

5 You said that you had a lot of experience 09:57AM
6 with Reading.

7 By that, can you elaborate for me on what
8 you believe is the relevant experience that you had
9 that would make it such that the stockholders would
10 benefit by your reinstatement as CEO now. 09:57AM

11 A. I was involved with the company since 2002.
12 I was involved as a director. I became more
13 involved in the operations of the company since
14 about 2005. I was familiar with all of the assets
15 and the businesses of Reading with all of the 09:58AM
16 executives since 2007.

17 And again, I believe that I had done a very
18 good job at the company since my appointment as
19 president and since my appointment as CEO.

20 Q. Okay. And I'll get to the good job part of 09:58AM
21 it. I just wanted to focus first on the experience
22 that you thought -- the relevant experience, and
23 you've identified that for me.

24 Would you agree with me that Ellen Cotter
25 also has a lot of experience with Reading? 09:58AM

Page 584

1 BY MR. TAYBACK:

2 Q. When's the very first time that you can
3 remember ever discussing with anybody any concern
4 that you had about the independence of any director
5 on the Reading board? 11:21AM

6 MR. KRUM: Same objections.

7 THE WITNESS: Well, when Guy Adams -- after
8 my father died, Guy Adams wanted to reward my father
9 with a bonus, after he had died, a significant,
10 significant bonus, and comparing my dad to Jack 11:21AM
11 Welch and that, given that GE had rewarded Jack
12 Welch such a substantial retirement package when he
13 left GE, that my dad should be similarly rewarded.

14 And at that point, I remember having a
15 discussion with both Bill Gould and Ed Kane saying, 11:22AM
16 what is generating this? They had both felt it was
17 bizarre behavior, and at that point, we had -- I
18 believe we had discussed whether he was independent.

19 Again, didn't have any idea as to the level
20 of his reliance on Reading and entities that my 11:22AM
21 sisters controlled. So that's one example.

22 BY MR. TAYBACK:

23 Q. So -- but is that the first time that you
24 recall discussing with anybody the indep- -- your
25 concern about the independence of any board member? 11:22AM

Page 636

1 THE WITNESS: I didn't sug- --

2 THE REPORTER: I'm sorry. Objection?

3 MR. KRUM: Foundation.

4 THE WITNESS: I never suggested that the
5 bonus that was awarded or that Guy wanted to be 11:31AM
6 awarded to my father would have -- any of it would
7 have circled back to Guy.

8 My only point was there didn't appear to be
9 a legitimate business reason for his recommendation,
10 and without that, the question was, well, what's 11:31AM
11 driving this? And it wasn't just a question shared
12 by me. It was a question shared by Bill Gould and
13 Ed Kane.

14 BY MR. TAYBACK:

15 Q. At the -- as of May 21st, approximately 11:31AM
16 then, by that point in time, you knew that Mr. Adams
17 did not favor retaining you as CEO; correct?

18 A. I knew that he wanted to become interim CEO
19 and by virtue of that, yes, he wanted to, he did not
20 favor me remaining as CEO. 11:31AM

21 Q. The fact that they were even talking about
22 an interim CEO meant that you weren't going to be
23 CEO; correct?

24 A. Correct.

25 Q. The step before finding an interim CEO is 11:32AM

1 to have terminated you as CEO; correct?

2 A. Yes.

3 Q. So by the time that you started to have
4 conversations around May 21st regarding Mr. Adams'
5 independence, you already knew that he, as a board 11:32AM
6 member, did not favor retaining you as CEO; correct?

7 MR. KRUM: Objection, misstates the
8 testimony.

9 THE WITNESS: No, not true.

10 I don't know when I learned about it. I 11:32AM
11 never even knew that my position as CEO was in
12 jeopardy until literally days before that board
13 meeting.

14 BY MR. TAYBACK:

15 Q. When you say that board meeting, you 11:32AM
16 mean --

17 A. May 21st.

18 And I had only learned through a
19 conversation with a director that -- who was
20 speculating, that Guy was looking to become interim 11:33AM
21 CEO. And, you know, once I saw the agenda item
22 where the first item on the agenda was the status of
23 the president and CEO, I knew that something was
24 going down.

25 Q. Isn't it true that, in fact, it was the 11:33AM

Page 644

1 fact that Mr. -- that you knew that Mr. Adams did
2 not -- Mr. Adams had decided that he wanted to
3 terminate you as CEO, that that's what prompted you
4 to raise issues about the level of Mr. Adams'
5 compensation from Cotter-controlled entities and his 11:33AM
6 independence?

7 MR. KRUM: Objection, vague.

8 THE WITNESS: I don't think that -- again,
9 it's similar to why he would have awarded my dad a
10 massive posthumous bonus. I didn't have a reason 11:34AM
11 for it, but my speculation was he's doing this
12 because he's not independent.

13 Now, when I learned that he was looking to
14 terminate me and that he had been working with my
15 sisters in terms of orchestrating my termination, I 11:34AM
16 thought, like I did with the bonus, there's no valid
17 business reason for terminating me as CEO.

18 I did -- I was performing very well. I had
19 done nothing wrong. There was no business reason
20 for him to terminate me. 11:34AM

21 So I thought, hey, there must be another
22 reason driving this. And that did lead me to
23 question -- further question his independence and
24 his reliance on my sisters and on Reading for his
25 livelihood. 11:35AM

1 BY MR. TAYBACK:

2 Q. So it is correct that you began to question
3 Mr. Adams' independence because you knew that he was
4 in favor of your termination as CEO?

5 MR. KRUM: Objection, misstates the 11:35AM
6 testimony.

7 THE WITNESS: Even had I not been
8 terminated as CEO, having a director on board with
9 that kind of reliance on the controlling stockholder
10 is something I would have wanted to address in time. 11:35AM

11 BY MR. TAYBACK:

12 Q. So certainly, then, in September of 2014
13 when you started to have questions about Mr. Adams'
14 independence based upon his recommendation of a
15 bonus, you must have undertaken some steps then to 11:35AM
16 get to the bottom of why Mr. Adams might lack
17 independence?

18 A. Well, there was a lot going on in
19 September of 2014 with my father's death, with
20 taking on the role of CEO, with the art- -- this 11:36AM
21 artificial crisis that my sister Ellen and Margaret
22 generated in the company, with their efforts to
23 create an executive committee, their absolute
24 refusal to report to me as CEO. There were a number
25 of issues that I was dealing with. 11:36AM

Page 646

1 And while that would have been a good issue
2 to address, you have to do it over time. And there
3 was only so much that I could focus on.

4 Q. So between September of 2014 and roughly
5 May 21st of 2015, you didn't do anything to 11:36AM
6 investigate your professed view that Mr. Adams
7 lacked independence as a board member; correct?

8 MR. KRUM: Objection --

9 THE WITNESS: Between --

10 MR. KRUM: -- misstates the testimony, 11:36AM
11 assumes facts not in evidence, conflates the
12 chronology.

13 THE WITNESS: Between September 14th and?

14 BY MR. TAYBACK:

15 Q. Between September of 2014 -- 11:36AM

16 A. Right.

17 Q. -- and May -- roughly May 21st of 2015, you
18 did not do anything to investigate your professed
19 belief that Mr. Adams lacked independence as a board
20 member; correct? 11:37AM

21 MR. KRUM: Same objections.

22 THE WITNESS: Again, I don't know when I
23 undertook to investigate Guy Adams's reliance on
24 Reading and entities my sisters purportedly
25 controlled. 11:37AM

Page 647

1 BY MR. TAYBACK:

2 Q. But it was not significantly before
3 May 21st, 2015?

4 A. That I had investigated it?

5 Q. Yes. 11:37AM

6 A. That seems correct.

7 Q. You knew Mr. Adams was compensated for the
8 work that he did with respect to the captive
9 insurance companies utilized by Cecelia; correct?

10 A. I did. 11:38AM

11 Q. You'd known that for a long time because
12 you were involved with Cecilia; correct?

13 A. I knew that he was compensated, yes.

14 Q. And you knew exactly how much he was
15 compensated; correct? 11:38AM

16 A. I did.

17 Q. In fact, was part of your job at Cecelia to
18 work with Mr. Adams with respect to the captive
19 insurance companies that he had helped set up?

20 A. I don't know if I was working with 11:38AM
21 Mr. Adams. I certainly got him information when he
22 requested it.

23 Q. And did -- at any point in time, did you
24 feel, while you worked with Mr. Adams with respect
25 to those captive insurance companies, that he 11:38AM

Page 648

1 MR. KRUM: Asked and answered.

2 BY MR. TAYBACK:

3 Q. You don't have an opinion as to whether or
4 not the actions they actually took exceeded Nevada
5 law?

04:25PM

6 A. I don't have an opinion, no.

7 Q. The -- with respect to the appointment of
8 Mr. Wrotniak, you agree, as you certified
9 previously, that there are, in fact, no
10 qualifications required to be a director or to sit
11 on even a certain committee; correct?

04:26PM

12 MR. KRUM: Objection, asked and answered or
13 incomplete hypothetical.

14 THE WITNESS: I mean, none that I'm aware
15 of.

04:26PM

16 MR. KRUM: Well --

17 BY MR. TAYBACK:

18 Q. So --

19 MR. KRUM: -- excuse me.

20 Misstates the testimony, too.

04:26PM

21 BY MR. TAYBACK:

22 Q. So when you say Mr. Wrotniak was
23 unqualified, that's your opinion. It's not like
24 there were qualifications that are required for
25 appointment to a particular committee?

04:26PM

Page 808

EXHIBIT 39

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DISTRICT COURT
CLARK COUNTY, NEVADA

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

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

REPORTED BY:
PATRICIA L. HUBBARD, CSR #3400

1 A. The meeting that I told him about Simon
2 Roberts?

3 Q. Yes.

4 A. I think they were at the meeting about
5 other possible candidates for the board.

6 Q. So, having gone through that sequence,
7 does that refresh your recollection at all about the
8 time frame in which you had this communication with
9 Mr. Roberts and meeting with other directors in
10 which you discussed your communication with
11 Mr. Roberts?

12 A. I don't recall when I first had a
13 conversation with Mr. Roberts.

14 The meeting with the other directors I
15 believe was sometime in 2015 in the fall.

16 Q. Was there any other person with whom you
17 spoke or communicated about becoming an RDI director
18 at any point in time in 2015?

19 A. Michael Wrotniak.

20 Q. Who is he?

21 A. He is somebody that I went to college
22 with, and he is married to a friend of mine.

23 Q. What's her name?

24 A. Patricia Wrotniak.

25 Q. How long have you known Michael

1 Wrotniak?

2 A. I met him in college, so --

3 Q. We have your education. You don't have
4 to do the calculations.

5 A. Thank you.

6 Q. And how long have you known his wife
7 Patricia?

8 A. I've known her longer than Michael
9 Wrotniak.

10 Q. Dating back to when, whether my date or
11 place in life?

12 A. Freshman year in college.

13 Q. So you've known her since freshman in
14 college and Michael Wrotniak since later in college?

15 A. That's correct.

16 Q. I assume because she started dating him,
17 correct?

18 A. That's correct.

19 Q. Sometimes lawyers can fuse together a
20 couple points of data.

21 When did you first communicate with
22 either Patricia or Michael Wrotniak about Michael
23 Wrotniak joining the RDI board of directors?

24 A. Sometime in the fall of 2015.

25 Q. Describe your relationship with Patricia

1 **Wrotniak, please.**

2 A. She is a college friend. I speak to
3 her -- I don't know -- once every three or four
4 weeks. I see her maybe four times a year. It
5 varies. She had kids very early on after college,
6 so I really didn't see her that much.

7 And now that I have kids and work, I
8 don't see her that often.

9 **Q. Does she still -- well, as of today is**
10 **she one of your best friends?**

11 MR. SEARCY: Objection. Vague.

12 THE WITNESS: I would consider her a
13 close friend.

14 BY MR. KRUM:

15 **Q. And describe your relationship with**
16 **Michael Wrotniak.**

17 A. I don't talk to him or see him as I --
18 as I had done with Patricia. I would maybe see him
19 once a year if I went to her house for dinner, but I
20 wouldn't consider I have, you know, an ongoing
21 relationship with him.

22 **Q. How often do you communicate with him?**

23 A. Now?

24 **Q. How often did you communicate with him**
25 **in 2014?**

1 A. Oh, he would email me if he wanted show
2 tickets.

3 **Q. How often did you communicate with him**
4 **in 2015?**

5 A. I don't know.

6 MR. KRUM: I'll ask the court reporter
7 to mark as Exhibit 160 --

8 THE REPORTER: Yes.

9 MR. KRUM: -- two pages, the first of
10 which is dated April 9, 2015, and appears to be an
11 email from Margaret Cotter to Kelley Anderson with
12 the subject "Michael Wrotniak." Production numbers
13 are MC2812 and 13.

14 (Whereupon the document referred
15 to was marked Plaintiffs'
16 Exhibit 160 by the Certified
17 Shorthand Reporter and is attached
18 hereto.)

19 MR. FERRARIO: This has a red mark on
20 it.

21 MR. KRUM: A what?

22 MR. FERRARIO: 158. There you go.

23 MR. KRUM: Oh, I passed you a prior
24 exhibit --

25 MR. FERRARIO: That's all right.

EXHIBIT 40

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

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

vs.

Case No.

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

and

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

(CAPTION CONTINUED ON NEXT PAGE.)

VIDEOTAPED DEPOSITION OF JONATHAN GLASER

Los Angeles, California

Wednesday, June 1, 2016

Reported by:

JANICE SCHUTZMAN, CSR No. 9509

Job No. 2312217

Pages 1 - 293

Page 1

1 search -- CEO search was concluded and they
2 announced Ellen was becoming the permanent CEO, one,
3 I was not in the least bit surprised and, two, I
4 told Andrzej in the conversation I had with him that
5 I was not necessarily troubled by that either. 04:18PM

6 Q. Did you say to Andrzej, the CFO, why you
7 were not troubled by that?

8 A. I don't recall, no.

9 Q. Why weren't you troubled by that?

10 A. I recognize, one, the difficulty of finding 04:18PM
11 anybody else, particularly with the circus going on;
12 and, two, I think she knows the company pretty well,
13 has been there a long time, probably learned the
14 business from her dad.

15 So I'm not convinced that there's some 04:18PM
16 knight in shining armor out there to come in and be,
17 you know, a great -- you know, a much better CEO of
18 this company. I'm okay with Ellen.

19 Q. Did you -- I believe you indicated that you
20 spoke to someone on behalf of Pico -- 04:19PM

21 A. Yes.

22 Q. -- Pico Holdings?

23 A. Yeah.

24 Q. Do you recall -- you don't remember who the
25 name was? 04:19PM

EXHIBIT 41

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DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES J. COTTER, JR.,)	
individually and)	
derivatively on behalf of))	
Reading International,)	
Inc.,)	
	)	Case No. A-15-719860-B
Plaintiff,)	
	)	Coordinated with:
vs.)	
	)	Case No. P-14-082942-E
MARGARET COTTER, et al.,)	
)	
Defendants.)	
and)	
<hr/>		
READING INTERNATIONAL,)	
INC., a Nevada)	
corporation,)	
)	
Nominal Defendant))	
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VIDEOTAPED DEPOSITION OF WILLIAM GOULD
TAKEN ON JUNE 8, 2016
VOLUME 1

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

1 school.

2 A. Including high school.

3 Q. No. Following high school.

4 A. Oh, following. I went to Loyola

5 Marymount University, was an English major, and then

6 after that went to U.C.L.A. Law School, graduated in

7 1963.

8 Q. And in whatever form suits you, if you
9 would, please, describe your professional
10 experience, job position and title.

11 A. I'm a partner at the Law Firm of Troy
12 and Gould. Basically I'm a corporate lawyer. I
13 don't do litigation. I do business transactions,
14 security offerings, capital raising, and then
15 disputes among partners.

16 So those would be my main areas of
17 expertise.

18 Q. Has that been the case since you began
19 practice?

20 A. It has. But the level of it changed
21 from being more into the weeds than now being more
22 in corporate governance type things.

23 Q. And describe for us, if you would,
24 please, your corporate governance practice.

25 A. I advise boards of directors on proper

1 procedures to be followed and how the directors can
2 fulfill their responsibilities in following through
3 and taking actions.

4 Q. And by "responsibilities," are you
5 referring to their fiduciary duties?

6 A. Yes.

7 Q. And I do not intend make this a law
8 exam, Mr. Gould. I'm not going to ask a dozen of
9 these questions, but I'll ask a couple of
10 foundational questions.

11 So if you would, please, with that as
12 context, what in general terms would you describe
13 the fiduciary obligations of directors of public
14 companies to be?

15 MR. SWANIS: Objection. Form.

16 MR. HELPERN: Join.

17 MR. RHOW: You can answer.

18 THE WITNESS: Well, I think it -- a
19 fiduciary is very similar to a trust beneficiary
20 type of relationship. And the directors have to use
21 their best efforts and due care in making decisions
22 on behalf of the corporation for the benefit of the
23 corporation and the shareholders. That's the
24 essence of it.

25 ///

1 three members of the C.E.O. search committee?

2 A. No.

3 Q. Okay. So let me backfill a little bit.

4 So the first step in the C.E.O. search
5 process was formation of the committee; is that
6 right?

7 A. Yes.

8 Q. And how did that come to pass?

9 A. Early on when -- there were two
10 committees that were being formed. One committee
11 was a committee -- was an executive committee, one
12 committee was a search committee.

13 This happened, oh, I would say, in June
14 of 2015, around that time, June or July.

15 Ellen asked me if I would like to be a
16 member of the executive committee.

17 And I said "No, I don't have time for
18 'it.'" I knew that would be an extensive job. But I
19 did tell her at that time that I would be willing to
20 serve on the search committee.

21 So, when the board approved it, she
22 basically included my name as one of the four
23 persons who would be on that committee.

24 Q. Did Ellen select the four members of the
25 committee?

1 A. Yes.

2 Q. Did anybody respond?

3 A. There was responses, and I think, you
4 know -- I think the general feeling was that as long
5 as -- my feeling was -- I should just say it that
6 way -- my feeling was I didn't feel as strongly
7 about it as he did, because any major decisions of
8 the executive committee would have to be reported to
9 the board.

10 And I felt that a lot of corporations do
11 have executive committees, and it didn't bother me
12 as it bothered Tim.

13 Q. When you say, Mr. Gould, any major
14 decisions would have to be reported to the board,
15 are you saying that the executive committee would
16 make the decision but that the board would learn to
17 it?

18 MR. SWANIS: Object to form.

19 MR. HELPERN: Join.

20 MR. RHOW: I think it's vague, but you
21 can answer.

22 THE WITNESS: Well, I think that, you
23 know, the problem -- I think both reported, and I
24 think -- I think the executive committee using its
25 judgment would not make important decisions without

1 having them vetted out by the board. It's like the
2 chief executive of the company would not make major
3 decisions without clearing it with the board.

4 And so I -- I wasn't concerned until I
5 saw the executive committee -- unless I saw that the
6 executive committee was doing things outside their
7 scope of what I thought their authority should be.

8 BY MR. KRUM:

9 Q. You understand that the executive
10 committee set the date for the 2015 annual
11 shareholders meeting, right?

12 MR. HELPERN: Objection to form.

13 MR. SWANIS: Join.

14 THE WITNESS: I wasn't aware of that. I
15 mean I may have been aware of it at the time but
16 I've forgotten it.

17 BY MR. KRUM:

18 Q. Do you recall that the executive
19 committee set the date for the -- the record date
20 with respect to the 2015 annual shareholders
21 meeting?

22 MR. RHOW: Foundation.

23 MR. SWANIS: Object to form.

24 MR. RHOW: Foundation.

25 MR. HELPERN: Join.

1 MR. RHOW: You can answer.

2 THE WITNESS: I can't recall that.

3 BY MR. KRUM:

4 Q. Given the circumstances that existed in
5 2015, what was your thought at the time about
6 whether the executive committee should set the
7 record date and the annual shareholder meeting date
8 or that the full board should do some?

9 MR. SWANIS: Objection. Form,
10 foundation.

11 MR. HELPERN: Join.

12 THE WITNESS: I had no thought about it.

13 BY MR. KRUM:

14 Q. What discussion was there at the board
15 meeting you've been describing at which the
16 executive committee was repopulated about who would
17 or should be a member of that executive committee?

18 A. Well, I think Tim Storey expressed his
19 concerns about having the committee in general.

20 I think Jim Cotter, Jr., expressed
21 concerns about having the composition of the
22 executive committee. He was concerned about --
23 particularly about Guy Adams.

24 Q. What did he say about Guy Adams?

25 A. He said that Guy Adams, he felt, was not

1 an independent director.

2 Q. Do you recall what, if anything, he said
3 as to why he thought Mr. Adams did not qualify as an
4 independent director?

5 A. He -- he said that a large percentage of
6 Guy Adams's income was dependent upon the Cotter
7 family and the corporation.

8 Q. Had you ever heard or been told that
9 previously?

10 A. I'm not so sure I had known -- I think
11 Jim Cotter, Jr. Had mentioned this at meetings, but
12 I had no direct knowledge of that. I had no idea
13 about Guy Adams's net worth or what his income was.
14 I did know he had worked for Jim Cotter,
15 Sr., done some work for him. But I had always
16 assumed Guy had a number of other business
17 activities that he really earned his living by.

18 Q. Okay. Did you ever learn otherwise?

19 MR. SWANIS: Objection to form.

20 THE WITNESS: Yes.

21 BY MR. KRUM:

22 Q. When?

23 A. About three weeks ago or a month ago.

24 Q. What did you learn about three weeks or
25 a month ago?

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

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

8 A. RDI.

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

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

14 Q. Who asked you that?

15 A. Craig Tompkins and Ellen Cotter.

16 Q. What was your response?

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

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

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

24 MR. SWANIS: Let me finish.

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

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

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

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

13 BY MR. KRUM:

14 Q. What did you tell him?

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

19 Q. Did you explain why you thought that?

20 A. Yes, I did.

21 Q. What did you tell him?

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

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

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

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

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

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

15 MR. HELPERN: Objection. Form.

16 MR. SWANIS: Join. Foundation.

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

25 ///

1 BY MR. KRUM:

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

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

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

10 A. Yes.

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

16 MR. HELPERN: Objection to form.

17 MR. SWANIS: Join.

18 BY MR. KRUM:

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

21 MR. SWANIS: Objection to form.

22 THE WITNESS: Yes.

23 MR. HELPERN: Join.

24 MR. RHOW: I'm --

25 ///

1 words "given the situation"?

2 A. None of the candidates met the perfect
3 profile that we all wish we would come up with, you
4 know, somebody like from central casting.

5 Ellen did not have certain of the
6 qualities we were looking for in the sense of the
7 real estate experience and this and that. But none
8 of the candidates had what we were looking for.

9 So, as we interviewed these
10 candidates -- and by the way, all of them were very,
11 very qualified good candidates. They really were.
12 I was very impressed with the quality of the people
13 that Korn Ferry had put forward.

14 And this became apparent to me, anyway,
15 that Ellen was the type of person who would continue
16 the continuity, that people liked her, that she had
17 had a good reputation, we had been working with her
18 for all these years. And given all those
19 circumstances, she stood head and shoulders above a
20 person who would be asked to come into this horrible
21 vicious situation.

22 It made it almost an impossible task for
23 somebody to enter this corporate management
24 structure and be able to thrive.

25 Q. So is it fair to say your view was that

1 foundation.

2 MR. HELPERN: Join.

3 THE WITNESS: Yes.

4 BY MR. KRUM:

5 Q. When did you first hear that?

6 A. Around the same time frame, early --
7 early 2015.

8 Q. You understood that there were disputes
9 between Ellen and Margaret Cotter on one hand and
10 Jim Cotter, Jr., on the other hand regarding certain
11 trust matters, correct?

12 A. Yes.

13 Q. And was your understanding of the nature
14 of those disputes?

15 A. Well, I didn't get much into those
16 disputes, but my general understanding is that it
17 all basically concerned an amendment to a trust
18 where the -- Margaret had been the sole trustee, and
19 now when Jim, Sr., was very sick, he amended that
20 trust to make Jim, Jr., a co-trustee.

21 That was the essence of what I knew
22 about it.

23 Q. And the trust to which you just
24 referred, was that the trust that was going to hold
25 the RDI class B voting stock?

1 A. Yes.

2 Q. And so the issue was about whether
3 Margaret alone or Margaret as co-trustee with
4 Jim, Jr., would control over 50 percent of the RDI
5 class B voting stock, right?

6 A. Right.

7 Q. And the point of that is the person or
8 persons who controlled that voting stock were in a
9 position to select and elect members of the RDI
10 board, right?

11 MR. SWANIS: Objection. Form.

12 THE WITNESS: Yes.

13 BY MR. KRUM:

14 Q. Did any other member of the RDI board of
15 directors ever express in your presence or in an
16 email that you saw a view on the issue of whether
17 Margaret or Margaret and Jim should be trustees of
18 the voting trust?

19 MR. SWANIS: Objection. Form.

20 MR. HELPERN: Join.

21 THE WITNESS: Well, Jim, Jr., showed me
22 some videos of his father contemporaneously with the
23 signing of the -- of the amendment, and the
24 discussion came up generally, but it was never part
25 of the board proceedings. I don't recall it.

1 finished.

2 A. I'm ready.

3 Q. Do you recognize Exhibit 274?

4 A. I do.

5 Q. What is it?

6 A. It's an email from Jim, Jr., to me
7 giving me some information about Linda Pham's
8 history with the company.

9 Q. Do you have any recollection as you sit
10 here today, Mr. Gould, why --

11 Well, did you know at the time why he
12 sent this email to you?

13 A. Well, I was then acting as lead director
14 and was communicating with the other directors on
15 the general subject. And I had established a pretty
16 good line of communication with Jim, Jr.

17 Q. Okay. What was the status of the Linda
18 Pham investigation as of February 20, 2015?

19 A. I'm not certain.

20 Q. Meaning you don't recall?

21 A. I don't recall.

22 Q. Okay. We're done with that exhibit.

23 When was the first time you heard anyone
24 speak of or refer to replacing Jim Cotter, Jr., as
25 C.E.O., including with an interim C.E.O.?

1 A. That would have been in late April,
2 early May 2015.

3 **Q. What happened then?**

4 A. There was a notice sent out to the board
5 indicating there would be a meeting to discuss,
6 among other things, the status of the -- something
7 like this, the status of the C.E.O. or something
8 like that.

9 And I called for an independent board
10 meeting to find out what this was all about and what
11 the issues were.

12 And that's when I first heard it.

13 **Q. How did you first hear?**

14 A. At some meeting we had -- there were
15 several meetings, so excuse me if I'm not specific
16 about which one on which date.

17 But at this meeting I heard the three
18 other directors, Tim -- not Tim Storey, but Guy,
19 Doug and Ed Kane say they felt that -- that Jim's
20 performance was such that he should be replaced.

21 **Q. Was that at the first supposed board**
22 **meeting pursuant to the -- where the agenda item was**
23 **status of president and C.E.O.?**

24 MR. SWANIS: Objection to form.

25 THE WITNESS: No. It was before that.

1 BY MR. KRUM:

2 Q. What is Exhibit 11?

3 A. Exhibit 11 is a -- basically is an email
4 from me to the independent directors, basically
5 setting the agenda for this telephonic meeting we
6 were going to have.

7 Q. Did you send Exhibit 11 on or about
8 March 6 or 7, 2015?

9 A. Yes.

10 Q. Directing your attention to the next to
11 last page of Exhibit 11, it bears production number
12 249 in the lower right-hand corner.

13 Do you have that?

14 A. I do.

15 Q. You see that item number four concerns
16 Tim Storey acting as ombudsman --

17 A. Yes.

18 Q. -- and so forth?

19 A. Yes.

20 Q. Is that the arrangement to which you
21 were referring a moment ago?

22 A. Yes, it is.

23 Q. Does that refresh your recollection --

24 A. Yes, it does.

25 Q. Let me finish.

1 Does that refresh your recollection
2 that -- that it was in March of 2015 that the five
3 non-Cotter directors agreed to Tim Storey being a
4 committee of one or the ombudsman to work with the
5 Cotters?

6 A. Yes.

7 MR. SWANIS: Objection to form.

8 MR. HELPERN: Join.

9 BY MR. KRUM:

10 Q. Now, did the -- did the conference call
11 of March 12 occur that's referenced both in the
12 cover email Exhibit 11 and the --

13 A. Yes, it did.

14 Q. And who said what during that call
15 regarding Tim Storey serving as a committee of one
16 or ombudsman to work with the Cotters?

17 A. Well, I think all the directors felt
18 that that was a reasonable approach to try. And it
19 was felt by -- by everybody that hopefully Tim could
20 accomplish three things. First of all, he would
21 mediate -- help mediate the disputes among the three
22 family members; secondly, he would monitor the
23 progress of how Jim, Jr., was coming along and how
24 the other siblings were doing, as well; and finally
25 he would report back to the board as to how he

1 viewed the progress of -- of these relationships.

2 And everybody seemed to agree with that.

3 Q. When you say "everybody seemed to
4 agree," you mean that no one said anything in words
5 or substance that communicated -- well, strike that.
6 Why do you say everyone seemed to agree?

7 A. Well, the only issue I can remember was
8 the fact that we were worried about Tim's time. He
9 lived in Auckland, and he had to fly over here and
10 spend time. And we knew it would be time consuming
11 and expensive.

12 And he indicated he would be willing to
13 do it.

14 Q. What did -- when you say he would help
15 mediate the disputes among the three family members,
16 to what are you referring?

17 A. I'm referring to the fact that on one
18 hand Jim was saying that Ellen wasn't giving him
19 the -- her business plan, and she -- Margaret was
20 being -- refusing to do -- excuse me -- to provide
21 anything.

22 And they were saying that Jim was making
23 unreasonable demands on them and he was asking them
24 for things that he shouldn't be asking them for.

25 So, Tim, who is a very successful and

1 foundation.

2 MR. HELPERN: Join.

3 THE WITNESS: Yes. We did not wait
4 until the end of June.

5 BY MR. KRUM:

6 Q. Both you and Mr. Storey expressed to
7 Messrs. Kane, Adams and McEachern that the process
8 should be completed, correct?

9 A. Yes.

10 Q. Did any of them provide any response
11 other than to communicate that they were unwilling
12 to allow that to happen?

13 MR. HELPERN: Objection to form.

14 MR. SWANIS: Join.

15 THE WITNESS: They clearly made the
16 statements that you had said, that they -- they felt
17 that they were convinced that Jim's performance was
18 such that it had to be cut off at an earlier point;
19 that the time had come to make a decision, and we
20 should not wait the extra month or so to get Tim
21 Storey's final report.

22 Q. Did any of the -- any of Messrs. Kane,
23 Adams or McEachern ever provide any responses to any
24 interim reports provided by Mr. Storey?

25 MR. HELPERN: Objection. Lacks

1 that I think was when we received the notice of the
2 board meeting where on the agenda was an item that
3 looked suspicious. And that agenda item was
4 something like "consideration of C.E.O. status."

5 Q. When you say -- when you say it looked
6 suspicious, why do you say that?

7 A. Because there hadn't -- to me there
8 hadn't been any discussion of that at that point.

9 Q. Did that turn out to be -- did that turn
10 out to mean a motion to terminate Jim Cotter, Jr.,
11 as the president and C.E.O.?

12 MR. HELPERN: Objection. Form and
13 foundation.

14 MR. SWANIS: Join.

15 MR. RHOW: You can answer.

16 THE WITNESS: I forgot the question.

17 MR. KRUM: Okay. Sure. Would you read
18 the question back, please.

19 (Whereupon the question was read
20 as follows:

21 "Question: Did that turn out to
22 be -- did that turn out to mean a
23 motion to terminate Jim Cotter,
24 Jr., as the president and
25 C.E.O.?"

1 THE WITNESS: It eventually turned out

2 to be that, yes.

3 BY MR. KRUM:

4 Q. And when you say "eventually," is that
5 because the vote did not occur at that first
6 meeting?

7 A. That's correct.

8 MR. KRUM: I'll ask the court reporter
9 to mark as Exhibit 277 what purports to be a
10 May 19th, 6:38 P.M. email from Ellen Cotter to the
11 other members of the RDI board of directors, carbon
12 copy to William Ellis. It bears production number
13 GA5340.

14 (Whereupon the document referred
15 to was marked Plaintiffs'
16 Exhibit 277 by the Certified
17 Shorthand Reporter and is attached
18 hereto.)

19 THE WITNESS: Yes. I'm prepared.

20 BY MR. KRUM:

21 Q. Do you recognize Exhibit 277?

22 A. Yes.

23 Q. What is it?

24 A. This is an agenda for the meeting of the
25 board of directors that was scheduled for the 21st

1 That's fine. I had the time to do it.

2 So she -- she came out to my office with
3 Craig Tompkins and said that there was -- I think
4 she mentioned the two directors -- she said there
5 was a meeting coming up in like 48 hours, and she
6 said that these were two people that had been vetted
7 out by the three other -- other than Tim Storey and
8 myself, by Guy and -- and Doug, and that there were
9 two very qualified people that she felt should be on
10 the board.

11 She went through and explained it to me.

12 I -- I was surprised on the shortness of
13 notice, because the meeting was coming up. And I
14 was also surprised I had not heard about this until
15 that time. I expressed that comment to Ellen.

16 **Q. What was her response, if any?**

17 A. Well, they wanted to -- I guess the
18 thought was that this committee, this so-called
19 nominating committee had been doing the work, and
20 they didn't want to get everybody -- to, you know,
21 get things too firm until they had decided it was
22 worth going forward with these two people.

23 **Q. What information, if any, did Ellen**

24 **Cotter provide you about these two people?**

25 A. She provided me with resumes of both

1 BY MR. KRUM:

2 Q. I don't know whether I should be
3 insulted by those objections.

4 A. I just have -- corporate governance, I
5 don't know about that. Because they were -- they
6 were involved in their own companies and -- they
7 might have had some corporate governance experience.
8 I think both of them probably did. Not public
9 corporate governance, though.

10 Q. So that we can obviate these objections
11 when you use the term "corporate governance,"
12 Mr. Gould, what do you mean?

13 A. Well, I mean the general best practices
14 that boards of directors should follow in operating
15 companies and overseeing them.

16 Q. Did you ever express to Ellen Cotter the
17 notion that the time afforded you and/or other
18 directors who were not members of the special
19 nominating committee to consider the persons
20 proposed was inadequate?

21 A. Not exactly in those terms. But I did
22 express my unhappiness that I was brought this
23 information on such short notice.

24 Q. Did she indicate that there was some
25 rush?

1 A. Yes. Because the -- I thought the proxy
2 statement apparently was in the process of being
3 prepared and had to go out.

4 **Q. And by that time had you heard or**
5 **learned that Tim Storey was not going to continue to**
6 **be a director?**

7 MR. SWANIS: Objection to form,
8 foundation.

9 THE WITNESS: Sometime around that time
10 I was informed that he was not going to be staying
11 for reelection.

12 BY MR. KRUM:

13 **Q. Who told you what in that regard?**

14 A. Well, I heard just -- I heard from Ellen
15 who told me that they had decided that -- that the
16 nominating committee had decided that he was not
17 going to be -- that they did not want to nominate
18 him; that the directors, the non- -- except for
19 myself, who, by the way, I have tremendous
20 confidence in Tim Storey, but the other directors
21 had lost confidence in him, and that Ellen and
22 Margaret I still think felt his -- he was focusing
23 too much on process and procedure rather than
24 substance.

25 **Q. What did she tell you, if anything,**

1 what due diligence, if any, RDI had done regarding
2 either or both of them?

3 And by RDI, I mean generally or
4 specifically the so-called nominating committee.

5 A. Well, she -- first of all, she had
6 known -- she had known Judy Coddington for quite a
7 while. So she went through her statements about
8 that. I don't remember specifically what she said.

9 But on Michael, again, she had
10 Margaret's strong push on him. And I'm not sure if
11 she went into any questions about diligence, any
12 issues about diligence.

13 Q. Did you subsequently learn anything
14 about what diligence, if any, had been done with
15 respect to either or both of Ms. Coddington and
16 Mr. Wrotniak?

17 A. Well, one -- the one bit of diligence
18 that -- that was somehow missed, and that was the
19 fact that it came to our attention after the first
20 session where the board reviewed -- the two new
21 directors as a whole were taking up the subject of a
22 board meeting, it came to our attention that Andy
23 Shapiro had uncovered by Googling that Judy Coddington
24 had been involved in a matter involving -- I think
25 it was in L.A. and something involving the

1 educational thing.

2 And there was a -- there were certain
3 criminal things that were mentioned in this -- in
4 this article.

5 And I was kind of surprised that we
6 hadn't -- we hadn't come up with that. I mean it
7 was embarrassing to have some third party just
8 Google and come up with something at least we should
9 have known about when we first considered; not that
10 it made any difference, because subsequently we did
11 take that into account. We grilled her on it for a
12 great period of time, and she satisfied us.

13 But I wish I had known it the first
14 go-around.

15 **Q. When you say, Mr. Gould, that "we**
16 **grilled her on it," who did what?**

17 A. Well, the directors asked her questions
18 about it. She was on the call, it was a conference
19 call that was on a Saturday morning. I think it was
20 on a weekend. Maybe it wasn't.

21 And she answered questions about what
22 happened in this matter and how could she explain
23 this -- this episode that occurred. And she did
24 explain it.

25 **Q. Were all of the directors on that call?**

1 A. I believe they were.

2 Q. What was said, if anything, about her --
3 the status of her employment during that phone call?

4 MR. SWANIS: Objection. Form.

5 THE WITNESS: Her employment?

6 BY MR. KRUM:

7 Q. Right. So, for example, was she asked
8 if she expected to continue to be employed by the
9 person -- excuse me -- by the entity by which she
10 then was employed?

11 A. I don't recall that discussion.

12 Q. Did anybody ask in words or substance
13 "Are you going to get fired on account of these
14 matters that were reported in the press that were
15 brought to our attention" --

16 A. Yes.

17 Q. -- "by Andy Shapiro?"

18 A. Well, yes. And she basically satisfied
19 our concerns. I mean what she basically told us was
20 this was more of a political thing and there was no
21 substance to it.

22 And this seemed to be confirmed by the
23 way certain governmental entities do business.

24 Q. You reviewed the proxy for the 2015
25 annual shareholders meeting, right?

1 A. Yes.

2 Q. And you saw that it described her
3 employment?

4 A. I didn't read that that carefully about
5 other people. I don't read the whole proxy as to
6 every single aspect of it. I read the parts that
7 pertain to me and then the most important parts of
8 it that I want to make sure are correct. But I
9 didn't dwell on her employment.

10 Q. Did you ever hear or learn that her
11 employment had terminated?

12 A. I don't recall.

13 Q. So as we sit here today, to the best of
14 your knowledge, Ms. Cotter -- Ms. Cotter -- well,
15 it's close.

16 A. It's close.

17 MR. RHOW: You got it both on Ms. and
18 Cotter.

19 BY MR. KRUM:

20 Q. Try again. As you sit here today,
21 Mr. Gould, is it your understanding that
22 Ms. Coddington, Judy Coddington, continues to be employed
23 by the same entity by which she was employed when
24 she was added to the RDI board of directors?

25 A. I don't have any understanding on that.

1 Q. Did you ever hear or learn that her
2 employment with the entity by which she was employed
3 when she was added to the RDI board of directors
4 terminated following issuance of the proxy and prior
5 to the 2015 annual shareholders meeting?

6 A. The timing I can't tell you, but I do
7 know I did hear that there was a -- some kind of a
8 termination of that employment, yes. I can't tell
9 you when I heard it.

10 Q. Who -- who are the persons primarily
11 responsible for preparing the proxy for the 2015
12 annual shareholders meeting?

13 A. Well, for this meeting I think we had a
14 cast of thousands because there was so much involved
15 with the disputing facts that the different sides
16 had.

17 Basically it would be prepared first by
18 the -- usually be prepared by Craig Tompkins who
19 would take the proxy, put it together, submit it to
20 outside counsel.

21 Now, there were several different
22 outside counsel that had to be -- had to review this
23 proxy. The various factions had their attorneys who
24 also looked at it.

25 So that's the way -- by the time the

1 board got it, it was almost a semi-completed
2 document. And most of us on the board -- I mean I'm
3 just speaking for myself. I don't read every single
4 part of the proxy statement. You read the parts
5 that, you know, pertain to you and the most
6 important parts of it, but a lot of the stuff you
7 just skip over.

8 Q. With respect to the proxy statement for
9 the 2015 annual shareholders meeting, did you direct
10 any particular questions to anybody about any aspect
11 of it?

12 A. Yes. I think there were some mistakes
13 made in the column of stock ownership and when
14 the -- I think it's in this -- on the proxy
15 statement rather than in the -- in the 10-K, but
16 there were some -- some minor errors. And I think I
17 did comment on those.

18 Q. Did you review the portion of the proxy
19 statement for the 2015 annual shareholders meeting
20 that -- well, strike that.

21 What -- when you say mistakes in the
22 column of stock ownership, are you talking about --
23 well, what were those mistakes, if you recall?

24 A. Well, they were -- one was -- there were
25 a couple of them. They had -- the footnote was in

1 **Q. How did that call come to pass, if you**
2 **know?**

3 **A. Yes. The call came because there had**
4 **been this discovery of this letter or this email**
5 **Andy Shapiro had sent out to the board members about**
6 **this problem that Judy Coddling had had with the City**
7 **of Los Angeles with this -- this education issue.**
8 **And all of us were blind sided. I was**
9 **blind sided to get that information and was a little**
10 **bit disappointed that we hadn't done our own Google**
11 **search.**

12 **Q. Was an email or an outlook calendar**
13 **invitation or something of that nature sent around**
14 **to schedule this call with Ms. Coddling on a**
15 **Saturday?**

16 **A. I believe that the call was -- was set**
17 **up informally. I don't think -- I'm not sure there**
18 **was an Outlook calendar set up on it.**

19 **Q. When you say "informally," was that mean**
20 **telephonically?**

21 **A. Telephonically, yes.**

22 **Q. If I told you that Jim Cotter, Jr., was**
23 **not on the call, would that refresh your**
24 **recollection as to whether he was?**

25 **MR. SWANIS: Object to form.**

EXHIBIT 42

1
2 DISTRICT COURT
3 CLARK COUNTY, NEVADA
4
5 JAMES J. COTTER, JR.,)
6 individually and)
7 derivatively on behalf of)
8 Reading International,)
9 Inc.,)
10) Case No. A-15-719860-B
11 Plaintiff,)
12) Coordinated with:
13 vs.)
14) Case No. P-14-082942-E
15 MARGARET COTTER, et al.,)
16)
17 Defendants.)
18 and)
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1 Q. Can you read the handwriting to the
2 right of that?

3 A. "8-K will be filed tomorrow."

4 Q. Okay. Do you recall to what 8-K that
5 referred?

6 A. I don't.

7 Q. Okay. So this is in October of 2014.
8 Do you recall any -- any events that
9 warranted or required the filing of an 8-K by the
10 company in October of 2014?

11 A. When did the litigation -- it depended
12 on when the litigation got filed. Was that -- had
13 that been filed by that time?

14 Q. My understanding, Mr. Gould, is that the
15 litigation was filed in January of 2015.

16 A. I see.

17 MR. RHOW: Don't speculate.

18 THE WITNESS: I just don't remember when
19 it was.

20 BY MR. KRUM:

21 Q. Okay. Well, I can always find documents
22 to prompt your memory.

23 A. Okay.

24 Q. Now, as a practical matter, would you
25 have seen the 8-K before it was filed?

1 A. As a practical matter, I would have.

2 Q. What was the practice you employed in
3 terms of reviewing 8-K's filed by the company?

4 A. Usually the company's counsel would
5 submit to the directors before they would file a
6 version of the 8-K for the directors to review.

7 Q. Your practice was to review them?

8 A. Yes.

9 Q. And was it also your practice to
10 communicate to counsel for the company any comments
11 or corrections you had?

12 A. Yes.

13 Q. Was there a practice at the company with
14 respect to counsel for the company or whomever else
15 distributed the 8-K's undertaking to contact each of
16 the directors and obtain feedback, or was it left to
17 the director to choose whether to respond?

18 How did that process play out typically?

19 A. It would be -- it would change a little
20 bit depending on nature of the 8-K. But usually the
21 8-K draft would come out; say if you have any
22 comments or suggestions, notify Craig Tompkins or
23 whoever was responsible for the preparation of the
24 8-K.

25 Q. And was there a practice that

1 Mr. Tompkins or whomever it was would wait a certain
2 period of time before filing the 8-K so as to make
3 sure directors had an opportunity to review and
4 respond?

5 A. We would try, but we had -- the 8-K had
6 a firm deadline. It had to be filed in four days.
7 And so all the directors knew that that was the time
8 frame.

9 And sometimes these 8-K's would come out
10 at inconvenient times for some directors. They
11 couldn't get back to him in time.

12 Q. Directing your attention to the item two
13 items above the "filings 13D's," you see it begins
14 "William 'Bill' Ellis"?

15 A. Yes.

16 Q. And then there is some handwriting to
17 the right of that.

18 Can you read that?

19 A. Yes, I can.

20 Q. Was does it --

21 A. It says,

22 "Approve employment agreement.

23 Corporate secretary approve" -- or

24 "corporate secretary," and then it

25 says "approve 60,000 stock

1 internal candidates through Korn Ferry's unique
2 proprietary assessment process.

3 Do you see that?

4 A. I do.

5 Q. Do you recall that Korn Ferry's
6 proprietary assessment process was one of the stated
7 reasons for engaging Korn Ferry?

8 A. No.

9 Q. Okay. To your knowledge, was any
10 candidate put through a Korn Ferry proprietary
11 assessment process?

12 A. To my knowledge, no.

13 Q. In fact, the C.E.O. search committee
14 told Korn Ferry not to pursue that process with any
15 candidates because the committee had already settled
16 on Ellen Cotter, correct?

17 A. Yes.

18 Q. I direct your attention, Mr. Gould,
19 further down on the second paragraph on the first
20 page of Exhibit 375.

21 Toward the end of the line the sentence
22 says -- reads as follows:

23 "But I think that it would be a big
24 mistake for Reading to just anoint
25 one of the internal candidates as

1 MR. TAYBACK: That's good.

2 THE WITNESS: I'm prepared.

3 BY MR. KRUM:

4 Q. Mr. Gould, do you recognize Exhibit 377?

5 A. I recognize the interview preparation
6 portion of it.

7 Q. Are you talking about the attachments to
8 the emails --

9 A. Yes.

10 Q. -- the second and third pages?

11 A. Yes.

12 Q. What did you do -- what did you -- well,
13 strike that.

14 So you received and reviewed the Reading
15 International interview preparation two -- page
16 document?

17 A. Yes.

18 Q. What did you do with it, if anything,
19 beyond read it?

20 A. Well, I thought about the questions and
21 made some notes at the time and got prepared for
22 this call that Korn Ferry said they were going to
23 have with each of us.

24 MR. TAYBACK: Mark, could I just ask,
25 can we take a short break, just two minutes?

1 MR. KRUM: Sure.

2 VIDEOTAPE OPERATOR: We are off the
3 record.

4 The time is 11:33.

5 (Brief recess.)

6 VIDEOTAPE OPERATOR: We are on the
7 record.

8 The time is 11:39.

9 BY MR. KRUM:

10 Q. Mr. Gould, directing your attention to
11 the -- was it a call or a meeting that followed your
12 receipt of the Korn Ferry interview preparation
13 document.

14 A. It was a call.

15 Q. Okay. Who participated in that call?

16 A. Just myself and Bob Mayes and one other
17 person from Korn Ferry.

18 Q. How long did your call last?

19 A. My recollection is it was over an hour,
20 maybe an hour and 15 minutes, around that period of
21 time.

22 Q. As best you can recall, what did they
23 say and what did you say?

24 A. Well, we talked generally about each of
25 these subjects. And, you know, I think at that time

IN THE SUPREME COURT OF NEVADA

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

Petitioner,

v.

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

Respondents,

and

DOUGLAS MCEACHERN,
EDWARD KANE, JUDY CODDING,
WILLIAM GOULD, AND
MICHAEL WROTNIAK,

Real Parties in Interest.

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Jan 02 2018 03:11 p.m.
Elizabeth A. Brown
Clerk of Supreme Court

CASE NO.:

District Court Case No. A-15-719860-B

**PETITIONER'S APPENDIX TO
PETITION FOR WRIT OF
MANDAMUS**

VOLUME IV (PA751-1000)

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2017-12-08	Joint Pre-Trial Memorandum	XIV	PA3236-3267
2017-12-11	Transcript from Hearing on [Motions for Summary Judgment], Motions In Limine and Pre-Trial Conference, December 11, 2017	XIV	PA3268-3342
2017-12-19	Motion for Reconsideration or Clarification of Ruling on Motions for Summary Judgments Nos. 1, 2 and 3 and Gould's Summary Judgment Motion and Application for Order Shortening Time	XIV	PA3343-3459
2017-12-26	The Individual Defendants' Opposition To Plaintiff's Motion For Reconsideration Or Clarification Of Ruling On Motions For Summary Judgment Nos. 1, 2, and 3	XIV, XV	PA3460-3531
2017-12-27	Opposition to Plaintiff's Motion for Reconsideration of Ruling on Gould's Motion for Summary Judgment	XV	PA3532-3536
2017-12-27	Declaration of Shoshana E. Bannett in Support of Opposition to Plaintiff's Motion for Reconsideration of Ruling on Gould's Motion for Summary Judgment	XV	PA3537-3614
2017-12-28	Order Regarding Defendants' Motions for Partial summary Judgment and Plaintiff's and Defendants' Motions in Limine	XV	PA3615-3621
2017-12-28	Motion [to] Stay and Application for Order Shortening Time	XV	PA3622-3630

**PETITIONER'S APPENDIX IN SUPPORT OF PETITION FOR WRIT OF
PROHIBITION OR ALTERNATIVELY, MANDAMUS**

Date	Description	Vol. #	Page Nos.
2017-12-28	Transcript of Hearing on Motion for Reconsideration and for Stay	XV	PA3631-3655
2017-12-28	Court Exhibit 1-Reading Int'l, Inc. Board of Directors Meeting Agenda	XV	PA3656 (ACCEPTED UNDER SEAL)
2017-12-29	Notice of Entry of Order Regarding Defendants' Motions for Partial summary Judgment and Plaintiff's and Defendants' Motions in Limine	XV	PA3657-3667
2017-12-29	Mot. for Rule 54(b) Certification and Application for Order Shortening Time	XV	PA3668-3685

**PETITIONER'S APPENDIX IN SUPPORT OF PETITION FOR WRIT OF
PROHIBITION OR ALTERNATIVELY, MANDAMUS**

ALPHABETICAL INDEX

Date	Description	Vol. #	Page Nos.
2016-10-26	1st Amended Order Setting Civil Jury Trial, Pre-Trial Conference, and Calendar Call	XIII	PA3083-3087
2016-03-14	Answer to First Amended Complaint (filed by Ellen Cotter, Margaret Cotter, Douglas McEachern, Guy Adams, and Edward Kane)	I	PA51-72
2017-12-28	Court Exhibit 1-Reading Int'l, Inc. Board of Directors Meeting Agenda	XV	PA3656 (ACCEPTED UNDER SEAL)
2017-12-27	Declaration of Shoshana E. Bannett in Support of Opposition to Plaintiff's Motion for Reconsideration of Ruling on Gould's Motion for Summary Judgment	XV	PA3537-3614
2016-09-23	Defendant William Gould's Motion for Summary Judgment	I, II, III, IV	PA176-1000
2017-12-04	Defendant William Gould's Supplemental Reply In Support of Motion for Summary Judgment	XIII	PA3219-3235
2017-11-09	Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, William Gould, Judy Coddling, Michael Wrotniak's Supplement to Motion for Partial Summary Judgment Nos. 1, 2, 3, 5 and 6	XIII	PA3088-3138 (FILED UNDER SEAL)

**PETITIONER'S APPENDIX IN SUPPORT OF PETITION FOR WRIT OF
PROHIBITION OR ALTERNATIVELY, MANDAMUS**

Date	Description	Vol. #	Page Nos.
2017-11-28	Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, William Gould, Judy Coddling, Michael Wrotniak's Answer To Plaintiff's Second Amended Complaint	XIII	PA3159–3188
2015-10-22	First Amended Verified Complaint	I	PA1–50
2016-09-23	Individual Defendants' Motion for Partial Summary Judgment (No. 4) On Plaintiff's Claims Related to the Executive Committee	IX	PA2041–2146
2016-09-23	Individual Defendants' Motion for Partial Summary Judgment (No. 5) On Plaintiff's Claims Related to the Appointment of Ellen Cotter as CEO	IX, X	PA2147–2317
2016-09-23	Individual Defendants' Motion for Partial Summary Judgment (No. 6) Re Plaintiff's Claims Related to the Estate's Option Exercise, the Appointment of Margaret Cotter, the Compensation Packages of Ellen Cotter and Margaret Cotter, and the Additional Compensation to Margaret Cotter and Guy Adams	X, XI, XII	PA2318–2793
2016-09-23	Individual Defendants' Motion for Summary Judgment (No. 1) Re: Plaintiff's Termination and Reinstatement Claims	V, VI, VII	PA1001–1673
2016-09-23	Individual Defendants' Motion for Summary Judgment (No. 2) Re: The Issue of Director Independence	VIII	PA1674–1946

**PETITIONER'S APPENDIX IN SUPPORT OF PETITION FOR WRIT OF
PROHIBITION OR ALTERNATIVELY, MANDAMUS**

Date	Description	Vol. #	Page Nos.
2016-09-23	Individual Defendants' Motion for Summary Judgment (No. 3) On Plaintiff's Claims Related to the Purported Unsolicited Offer	VIII, IX	PA1947-2040
2017-12-08	Joint Pre-Trial Memorandum	XIV	PA3236-3267
2016-04-05	Judy Coddington and Michael Wrotniak's Answer to First Amended Complaint	I	PA95-118
2017-12-29	Mot. for Rule 54(b) Certification and Application for Order Shortening Time	XV	PA3668-3685
2017-12-28	Motion [to] Stay and Application for Order Shortening Time	XV	PA3622-3630
2017-12-19	Motion for Reconsideration or Clarification of Ruling on Motions for Summary Judgments Nos. 1, 2 and 3 and Gould's Summary Judgment Motion and Application for Order Shortening Time	XIV	PA3343-3459
2016-12-22	Notice of Entry of Order (on Motions for Summary Judgment Nos. 1-6)	XIII	PA3076-3082
2017-12-29	Notice of Entry of Order Regarding Defendants' Motions for Partial summary Judgment and Plaintiff's and Defendants' Motions in Limine	XV	PA3657-3667
2017-12-27	Opposition to Plaintiff's Motion for Reconsideration of Ruling on Gould's Motion for Summary Judgment	XV	PA3532-3536
2016-12-21	Order Regarding Defendants' Motion for Partial Summary Judgment Nos. 1-6 and Motion in Limine to Exclude Expert Testimony	XIII	PA3072-3075

**PETITIONER'S APPENDIX IN SUPPORT OF PETITION FOR WRIT OF
PROHIBITION OR ALTERNATIVELY, MANDAMUS**

Date	Description	Vol. #	Page Nos.
2017-12-28	Order Regarding Defendants' Motions for Partial summary Judgment and Plaintiff's and Defendants' Motions in Limine	XV	PA3615-3621
2016-10-13	Plaintiff James Cotter Jr.'s Opp'n to Defendant Gould's Motion for Summary Judgment	XII	PA2794-2830
2016-10-13	Plaintiff James J. Cotter, Jr.'s Opposition to Individual Defendants' Motion for Partial Summary Judgment (No. 1) Re Plaintiff's Termination and Reinstatement Claims	XII	PA2831-2862
2016-10-13	Plaintiff James J. Cotter, Jr.'s Opposition to Individual Defendants' Motion for Partial Summary Judgment (No. 2) Re: the Issue of Director Independence	XII	PA2863-2890
2016-12-20	Reading International, Inc.'s Answer to Plaintiff's Second Amended Complaint	XIII	PA3046-3071
2016-03-29	Reading International, Inc.'s Answer to James J. Cotter, Jr.'s First Amended Complaint	I	PA73-94
2017-12-01	Request For Hearing On Defendant William Gould's Previously Filed Motion For Summary Judgment	XIII	PA3189-3204
2016-09-02	Second Amended Verified Complaint	I	PA119-175
2017-12-01	Supplemental Opposition to Motion for Summary Judgment Nos. 1 and 2 and Gould Motion for Summary Judgment	XIII	PA3205-3218

**PETITIONER'S APPENDIX IN SUPPORT OF PETITION FOR WRIT OF
PROHIBITION OR ALTERNATIVELY, MANDAMUS**

Date	Description	Vol. #	Page Nos.
2017-12-26	The Individual Defendants' Opposition To Plaintiff's Motion For Reconsideration Or Clarification Of Ruling On Motions For Summary Judgment Nos. 1, 2, and 3	XIV, XV	PA3460–3531
2017-12-11	Transcript from Hearing on [Motions for Summary Judgment], Motions In Limine and Pre-Trial Conference, December 11, 2017	XIV	PA3268–3342
2016-10-27	Transcript from Hearing on Motions, October 27, 2016	XII, XIII	PA2891–3045
2017-11-20	Transcript of Hearing on Motion for Evidentiary Hearing re James Cotter, Jr. Motion to Seal Exhibits 2, 3, and 5 and to James Cotter's Motion In Limine No. 1	XIII	PA3139–3158
2017-12-28	Transcript of Hearing on Motion for Reconsideration and for Stay	XV	PA3631–3655

CERTIFICATE OF SERVICE

I certify that I am an employee of MORRIS LAW GROUP; I am familiar with the firm's practice of collection and processing documents for mailing; that, in accordance therewith, I caused the following document to be deposited with the U.S. Postal Service at Las Vegas, Nevada, in a sealed envelope, with first class postage prepaid, on the date and to the addressee(s) shown below I hereby certify that on the 2nd day of January, 2018, a true and correct copy of the foregoing **PETITIONER'S APPENDIX TO PETITION FOR WRIT OF MANDAMUS, VOLUME IV (PA751-1000)** was served by the following method(s):

☒ United States Postal Service:

Stan Johnson
Cohen-Johnson, LLC
255 East Warm Springs Road, Ste. 110
Las Vegas, Nevada 89119

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Marshall Searcy
Quinn Emanuel Urquhart & Sullivan LLP
865 South Figueroa Street, 10th Floor
Los Angeles, CA

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Coddington, and Michael Wrotniak

Donald A. Lattin
Carolyn K. Renner
Maupin, Cox & LeGoy
4785 Caughlin Parkway
Reno, Nevada 89519

Ekwan E. Rhow
Shoshana E. Bannett
Bird, Marella, Boxer, Wolpert,
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1875 Century Park East, 23rd Fl.
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Attorneys for Real Parties in
Interest William Gould

Mark Ferrario
Kara Hendricks
Tami Cowden
Greenberg Traurig, LLP
3773 Howard Hughes Parkway
Suite 400 North
Las Vegas, NV 89169

Attorneys for Nominal Defendant
Reading International, Inc.

Dated: January 2, 2018

**Courtesy Copy Hand
Delivered**

To:

Judge Elizabeth Gonzalez
Eighth Judicial District
Court of Clark County,
Nevada
Regional Justice Center
200 Lewis Avenue
Las Vegas, Nevada 89101

By: /s/ PATRICIA FERRUGIA

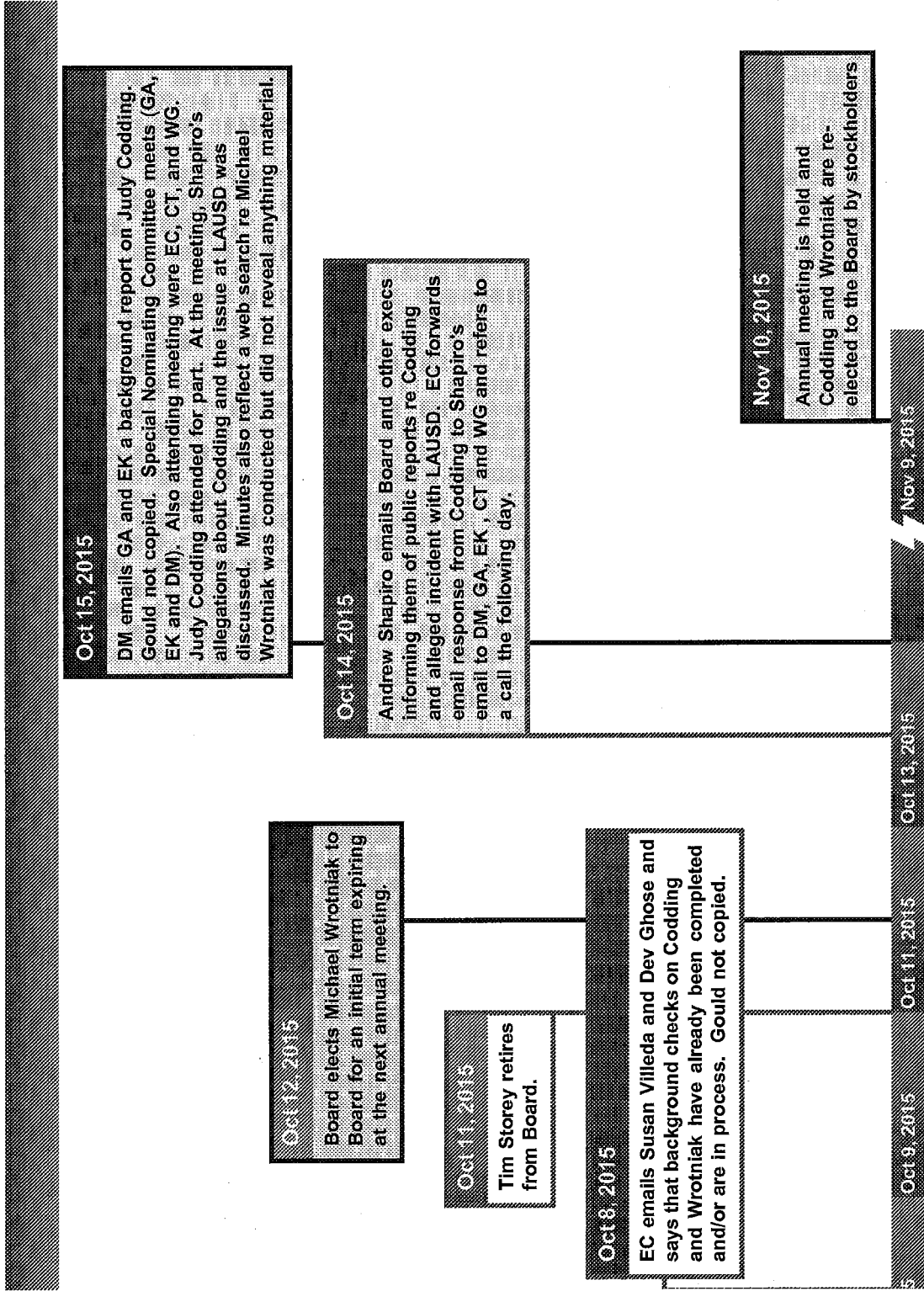


EXHIBIT 31

I. Qualifications and Experience

I am a partner at Potter Anderson & Corroon LLP ("Potter Anderson"), one of the largest and most-recognized Delaware law firms with expertise in litigation and transactional matters involving Delaware corporations, Delaware limited liability companies, and other Delaware business entities. I am the former Chief Justice of the Delaware Supreme Court, serving in that capacity from 2004 until my retirement on November 30, 2013. Before serving as the Chief Justice, I served as a Justice on the Supreme Court, a Vice Chancellor of the Delaware Court of Chancery (Delaware's court of equity), and a Judge on the Delaware Superior Court (Delaware's general jurisdiction law court). I have presided over litigation involving major corporate, limited liability company and limited partnership governance disputes. I have written frequently on issues of corporate document interpretation and corporate governance, and I have published more than 300 opinions resolving disputes among members of limited liability companies, partners of limited partnerships, and between shareholders and management of both publicly traded and close corporations. Before my time as a judicial officer, I spent 18 years in private practice litigating before the Delaware courts.

I have served as an Adjunct Professor of Law at the University of Pennsylvania Law School and Pepperdine University Law School. I continue to serve as an Adjunct Professor at the University of Virginia Law School. I received my B.A. from the University of Virginia and my J.D. and LL.M. degrees from the University of Virginia School of Law. I also received an Honorary Doctor of Laws degree from the University of Delaware. A copy of my curriculum vitae is attached as Exhibit A to this report. Potter Anderson is being compensated at its standard rates for the work performed in connection with this report. My hourly rate for the matter is \$1,075.00, and the hourly rate of Diva Bole, an associate who assisted me on the matter, is \$310.00. Potter Anderson's

compensation is not contingent on any aspect of the report or on the outcome of any issue in the case. A list of all other cases in which I have testified as an expert at an evidentiary hearing or by deposition within the last four years is attached as Exhibit B to this report.

II. SCOPE OF ENGAGEMENT

I have been retained by counsel for James J. Cotter, Jr. ("JJC") to opine on certain issues involved in the above-captioned proceeding. Specifically, I have been asked to opine regarding the following: (i) the conduct of Margaret Cotter ("MC"), Ellen Cotter ("EC"), Guy Adams ("Adams"), Edward Kane ("Kane"), Douglas McEachern ("McEachern"), Judy Coddling ("Coddling"), and Michael Wrotniak ("Wrotniak" and, together with MC, EC, Adams, Kane, McEachern, and Coddling, the "Defendants"), in so far as they were directors at the time, regarding the process used in terminating JJC from his position as President and CEO; (ii) the conduct of the Defendants in creating and acting through an Executive Committee comprised of EC, MC, Kane, and Adams; (iii) the conduct of the Defendants regarding the process used to appoint EC as President and CEO and to appoint MC as Executive Vice President-Real Estate Management and Development-NYC ("EVP-RED-NYC") and the award of revised compensation to EC, MC, and Adams; and (iv) the response of the Defendants to an offer from a third party to purchase all of the outstanding shares of the Company's stock (the "Offer").

III. SUMMARY OF OPINIONS

Based on the facts as I understand them, it is my opinion that a court applying Delaware law¹ would conclude the following:

¹ It is my understanding that Nevada courts look to Delaware case law when there is no Nevada statutory or case law on point for an issue of corporate law. *See, e.g. Brown v. Kinross Gold U.S.A., Inc.*, 531 F. Supp. 2d 1234, 1245 (D. Nev. 2008) ("Because the Nevada Supreme Court frequently looks to the Delaware Supreme Court and the Delaware Courts of Chancery as persuasive authorities on questions of corporation law, this Court often looks to those sources to predict how the Nevada Supreme Court would decide the question."); *Hilton Hotels Corp. v. ITT Corp.*, 978 F. Supp. 1342, 1346 (D. Nev. 1997) ("Where, as here, there is no Nevada statutory or case law on point for an issue of corporate law, this Court finds persuasive authority in Delaware case law."); *Cohen v. Mirage Resorts, Inc.*, 62 P.3d

EC and MC Are Purportedly Controlling Stockholders and Interested in the Challenged Acts

Under Delaware law, a majority stockholder is a controlling stockholder.¹⁶⁹ EC and MC purportedly control 70% of the voting stock of the Company.¹⁷⁰ A Delaware Court would likely consider EC and MC to be controlling stockholders.¹⁷¹

An interest, as it relates to the duty of loyalty and as it is defined by Delaware law, will be deemed to exist in two circumstances:

The first is when (1) a director personally receives a benefit (or suffers a detriment), (2) as a result of, or from, the challenged transaction, (3) which is not generally shared with (or suffered by) the other shareholders of his corporation, and (4) that benefit (or detriment) is of such subjective material significance to that particular director that it is reasonable to question whether that director objectively considered the advisability of the challenged transaction to the corporation and its shareholders. The second instance is when a director stands on both sides of the challenged transaction. *See* 8 *Del.C.* § 144. This latter situation frequently involves the first three elements listed above. As for the fourth element, whenever a director stands on both sides of the challenged transaction he is deemed interested and allegations of materiality have not been required.¹⁷²

EC and MC each benefited from the challenged actions. Based on the facts as alleged in the complaint, EC was able to become CEO after her brother was removed from office, which provided her with a substantial compensation package¹⁷³ and MC was appointed EVP-RED-NYC, which her brother had opposed as CEO, and was given an additional \$200,000.¹⁷⁴ They attempted to use JJC's position as President and CEO as leverage in negotiations regarding the

¹⁶⁹ *In re Crimson Exploration Inc. S'Holder Litig.*, 2014 WL 5449419, at *10 (Del. Ch. Oct. 24, 2014).

¹⁷⁰ See Form DEF 14A filed by the Company with the SEC, 7 (May 18, 2016).

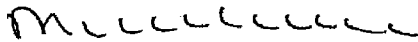
¹⁷¹ *See, e.g. In re Ezcorp Inc. Consulting Agreement Derivative Litig.*, 2016 WL 301245, at *1 (describing a defendant who owned all of the corporation's voting stock through separate entities as a controlling stockholder).

¹⁷² *Orman v. Cullman*, 794 A.2d at 25 n.50.

¹⁷³ Adams, 117.

¹⁷⁴ Kane, 477.

- (iii) If a finder of fact finds that the appointment of EC and MC to their respective current positions and the revised compensation and bonuses that they and Adams were given was not approved by an independent and disinterested majority, then entire fairness would apply and the Defendants, as controlling stockholders or those who acquiesced to the wishes of controlling stockholders, would be liable for a breach of loyalty if the finder of fact finds that the process used to grant the compensation and bonuses was not entirely fair; and
- (iv) If a finder of fact finds that the Board's rejection of the Offer was not the product of an independent and disinterested majority, and was born out of the desire to keep EC and MC, the controlling stockholders, in office, then the rejection out of hand intentionally breached the duty of loyalty.



Myron T. Steele

Dated this 25th day of August 2016.

EXHIBIT A

EDUCATION

B.A. Foreign Affairs, University of Virginia, 1967
J.D., University of Virginia Law School, 1970
LLM, University of Virginia, 2005
Hon. D. L.D., University of Delaware, 2014

BAR ADMISSIONS

Admitted to Virginia & Delaware Bars, 1970
Admitted to practice in U.S. District Court, January 19, 1973
Admitted as Member of the Bar of the U.S. Supreme Court, June 4, 2007
Admitted to practice in the Court of Appeals, District of Washington DC, July 2, 2015

PROFESSIONAL EXPERIENCE

Partner, Potter Anderson & Corroon LLP, Jan. 15, 2014 – Present;
Chief Justice of the Delaware Supreme Court, May 2004 – November 2013;
Justice of the Delaware Supreme Court, July 2000 – May 2004;
Vice-Chancellor of the Delaware Court of Chancery, May 1994 – July 2000;
Resident Judge of the Delaware Superior Court, Kent County, November 1990 – May 1994;
Judge of the Delaware Superior Court, Kent County, May 1988 – November 1990
(appointed by Gov. Castle);
Prickett, Jones, Elliott, Kristol & Schnee, 1970; Dover - Resident Partner, 1973 – 1988;
Deputy Attorney General, DE. 1971 – 1972;
Delaware Senate Attorney, 1974;
Chairman, Consumer Affairs Board of DE, 1974 – 1988;
Member, Supreme Court Board on Professional Responsibility - 1974 – 1986;
Member, Governor's Sentencing Reform Commission;
Former President, Kent County Bar Association;
Former Vice President, Delaware State Bar Association;
Member, Court Consolidation Committee (appointed by Senate), 1986;
Member, Sentencing Accountability Commission (appointed by Chief Justice), 1989-1994;
Member, Drug Abuse Coordinating Council;
Member, Commission on Delaware Courts 2000;
Member, Judicial Conference Committee on Federal-State Jurisdiction
(appointed by United States Supreme Court Chief Justice Roberts, 2006-2012);
Col., Ret., DE Army National Guard - Staff Judge Advocate, 261st Signal Command;
Inspector General, 1993 – 1996;
Chairman, Central Delaware Health Care Corp. (Bayhealth), 1988-1993, Board, 1986-1995;
Judicial Advisor and Member of ABA Business Law Section and its Mergers & Acquisitions
Committee, 2002-2014;
Past President, Kiwanis Club of Dover; English Speaking Union;
Past Board Member, Children's Bureau;
Terry-Carey, American Inns of Court, Past President, Master, Member of the Board;
Associate Member of American Board of Trial Advocates;

Conference of Chief Justices, Board Liaison to the Government Affairs Committee;
 National Center for State Courts, Member of Lawyers Committee;
 Board Member of NACD Battlefield to Boardroom, Bayhealth Foundation; NACD Black Rock;
 Delaware Historical Society; Enlight Advisory Board; Director P.R.I.M.E. Finance; and
 current Advisory Board Chair of the University of Delaware Business School Weinberg
 Center of Corporate Governance;
 Member of ABA Subcommittee on Private Equity M&A;
 Member of The Oxford Mid Atlantic Council, Oxford University Centre for Corporate Reputation
 (finance and law professors from the University of Oxford together with a number of senior
 financial market participants);
 Trustee, American College of Corporate Governance Counsel (equivalent to the American College
 of Trial Attorneys) with only 50 attorneys, academics and judges elected to membership
 nationwide.
 Appointment by the Conference of Chief Justices (CCJ) Professionalism Committee to a Working
 Group Task Force on Foreign Lawyers (February 2016).

HONORS

The Citadel School of Business Hall of Fame 2015 recipient.

NACD, The National Association of Corporate Directors, Governance Fellow and 2014 Hall of
 Fame recipient.

Kent County Levy Court Medal for Meritorious Service.

U.S. Chamber Institute for Legal Reform 2012 Judicial Achievement Award.

Past President of the Conference of Chief Justices (CCJ) and Chair of the National Center for
 State Courts (NCSC) Board of Directors for 2012-2013

Worldwide Registry inclusion in 2014-2015 Edition of Executives, Professionals and
 Entrepreneurs.

Ranked as second in its list of “the 100 Most Influential People in Business Ethics for 2007” by
 Ethisphere Magazine.

Ranked as one of the 100 most influential people in corporate governance in the United States by
 The Directorship Magazine.

Lawdragon Magazine has consistently placed him among its annual Lawdragon 500 “Leading
 Lawyers in America” and “Top Judges in America.”

Co-Chair on the ABA Joint Task Force on M&A Litigation

PROFESSIONAL ACTIVITIES

Kellogg Corporate Governance Conference (May 2016)

Interactive Conversation with Neil S. Novich, former chairman and CEO, Ryerson, Inc.:

- *The Changing Landscape of Corporate Governance and Its Impact on Directors*

New York County Lawyers' Association, Center for Corporate Governance (May 2016)

Panel Member: *Important Recent Cases and Upcoming Issues*

The Citadel Directors' Institute, Charleston, South Carolina (April 2016)

Panel Moderator: *Recent Developments for Directors and their Advisors in Breaches of Fiduciary Duty Concerning M&A Scenarios*

American Bar Association, Business Law Section, "In the Know" Webinar Program (April 2016)

Panel Member: *Aiding and Abetting Liability in Mergers and Acquisitions*

John L. Weinberg Center for Corporate Governance 2016 Corporate Governance Symposium (March 2016)

Discussant: *Who Controls Corporate Charters? Shareholder Activism and Corporate Charter Amendments*

Tulane's 28th Annual Corporate Law Institute (March 2016)

Panel Member: *Dealmaking with Alternative Entities*

Contemporary Club of Albemarle (March 2016)

Keynote Speaker: *Federalism*

Practising Law Institute's Corporate Governance – A Master Class 2016 (February 2016)

Opening Keynote Address

Securities and Business Law Conference, Dallas, Texas (February 2016)

Panel Member:

- *Fiduciary Duties of Governing Persons to the Business' Equity Holders*
- *Fiduciary Duties of Governing Persons, Mainly in the Context of Mergers & Acquisitions*

Northwestern Law Securities Regulation Institute, Coronado, California (January 2016)

Panel: *Ethics in the Transactional Setting*

22nd Annual Distressed Investing Conference, New York City (November 2015)

Ethics Panel

International Law Conference 2015, Athens, Greece (June 2015)

Opening Keynote Address

Panel: *Business Formation, Start-Up, Operation and Regulation*

Annual International Mergers & Acquisition Conference, New York (June 2015)

Panel: *View from the Bench*

Citadel Directors Institute (CDI), Charleston, South Carolina (May 2015)

Panel Moderator:

- *Expansion of Aiding and Abetting Breaches of Fiduciary Duty – a Warning to Directors and their Advisors in M&A Scenarios*

Panel Member:

- *New Developments in Corporate Governance*

27th Tulane Corporate Law Institute (March 2015)

Panels: *Delaware Developments* and *"Getting to Closing"*

37th Annual Conference on Securities Regulation and Business Law, Texas (February 2015)

Panel: *How Recent Fiduciary Duty Cases Affect Advice to Directors and Officers of Delaware and Texas Corporations*

Company Law Symposium, South Africa (August 2014)

Keynote:

- *Takeovers and Mergers Including Poison Pills and What can be done in Contracts in Anticipation of Takeovers and Mergers*
- *The Business Judgment Rule and Directors' Conflicts of Interest*
- *Business Rescue*

Panel: *Trends in Company Law*

Citadel Directors' Institute, Charleston, South Carolina (May 2014)

Opening Keynote and Panel Moderator:

- *What is the Board's Role in M&A Acquisition, JV's and MBO's?*

The Quorum Club, Toronto – Keynote Dinner Speaker (October 2014)

New England M&A Forum Guest Speaker (December 2014)

Delaware Trial Lawyers Ethics Seminar Guest Speaker (December 2014)

AAJ Securities and Financial Fraud Litigation Group Roundtable Meeting, New York –

Panel Member (December 2014)

Frequent Panelist and Keynote Speaker for American Bar Association; New York City Bar; Duke Business Law Society; Executive Compensation Conference (The Conference Board); Virginia Law & Business Symposium (Virginia Law School); Corporate Directors Forum; Northwestern Law; Federal Securities Institute; Annual Conference on Securities Regulation & Business Law (University of Texas School of Law); Annual Albert DeStefano Lecture (Fordham Corporate Law Center); Corporate Governance Forum; Delaware Trust Conference; University of Texas Mergers & Acquisitions Institute; IBA

Annual Conference; Delaware Business Law Forum; Society of Corporate Secretaries & Governance Professionals Delaware Law Issues Update Conference; New England Mergers & Acquisitions Forum.

PUBLICATIONS

“Delaware Insider: Singh v. Attenborough: Delaware Supreme Court Slams Door Shut on Aiding and Abetting Claims against Board Advisors” (with Christopher N. Kelly), *Business Law Today* (August 2016).

“Appointment of Independent Directors on the Eve of Bankruptcy: Why the Growing Trend?” *Examining Delaware Corporate Governance Through the Nebulous Zone of Insolvency Lens and Delaware ABO Related Issues in the Bankruptcy Court* (April 10, 2014).

“The Moral Underpinning of Delaware’s Modern Corporate Fiduciary Duties” (with Ryan Scofield and Jonathan Urick), 26 *Notre Dame J.L. Ethics & Pub. Pol’y* 3 (2012).

“Freedom of Contract and Default Contractual Duties in Delaware Limited Partnerships and Limited Liability Companies” (with John Allen Eakins), 46 *Am. Bus. L.J.* 221 (2009).

“Delaware’s Guidance: Ensuring Equity for the Modern Witenagemot” (with J.W. Verret), 2 *Va. L. & Bus. Rev.* 188 (2007).

“Judicial Scrutiny of Fiduciary Duties in Delaware Limited Partnerships and Limited Liability Companies,” 32 *Del. J. Corp. L.* 1 (2007).

“On Corporate Law Federalism: Threatening the Thaumatrope” (with Sean J. Griffith), 61 *Bus. Law.* 1 (2005).

“Delaware’s Closed Door Arbitration: What the Future Holds for Large Business Disputes and How it Will Affect M&A Deals,” Panelist: Chief Justice Myron T. Steele, et al., *The Journal of Business Entrepreneurship & The Law, Pepperdine University School of Law*, Volume VI, Number II (October 30, 2012).

“Realigning the Constitutional Pendulum” (with Peter I. Tsouflias), *Albany Law Review*, Volume 77, Number 4 (2013/2014).

TEACHING EXPERIENCE

University of Pennsylvania Law School, Adjunct Professor of Law
University of Virginia Law School, Adjunct Professor of Law
Pepperdine University Law School, Adjunct Professor of Law

EXHIBIT B

Before the Securities and Exchange Commission of the United States of America in the Matter of Christopher M. Gibson (No. 3-17184).

IN THE ROYAL COURT OF GUERNSEY, ORDINARY DIVISION, Civil Action 1510: CARLYLE CAPITAL CORPORATION LIMITED (IN LIQUIDATION); ALAN JOHN ROBERTS, NEIL MATHER, CHRISTOPHER MORRIS, ADRIAN JOHN DENIS RABET, solely in their capacity as Joint Liquidators of Carlyle Capital Corporation Limited (In Liquidation) v. WILLIAM ELIAS CONWAY JR; JAMES H. HANCE JR; JOHN CRUMPTON STOMBER; MICHAEL J. ZUPON; ROBERT BARCLAY ALLARDICE III; HARVEY JAY SARLES; JOHN LEONARD LOVERIDGE; CARLYLE INVESTMENT MANAGEMENT LLC; TC GROUP LLC; TCG HOLDINGS LLC

Commonwealth of Massachusetts, Superior Court Department of the Trial Court, C.A. No. 09-3772-BLSI: J. Brent Finnegan and Kenneth F. Phillips for themselves and in the right and for the benefit of VBENX Corporation and Karen W. Finnegan in the rights and for the benefit of VBENX Corporation, and not individually v. Richard Baker, Peter Marcia, Walter Smith and D. Michael Sherman.

The Eastern Caribbean Supreme Court in the High Court of Justice British Virgin Islands Commercial Division, BVI HC (Com) Claim No. 17 OF 2015: In the Matter of Integrated Whale Media Investment Inc. and in the Matter of a Statutory Demand Dated 30 January 2015 and in the Matter of the Insolvency Act 2003 between Integrated Whale Media Investment, Inc. and Highlander Management LLC.

Honorable Seventh Regional Courtroom, of the Federal Court on Tax and Administrative Justice, File 10582/14-17-07-7: Plenus, S.A. DE C.V.

State of Minnesota, County of Hennepin District Court Fourth Judicial District, Court File No. 27-CV-14-3461: SpartanNash Company, f/k/a Spartan Stores, Inc. and Nash-Finch Company v. Robert B. Dimond, AB Acquisition LLC, Albertson's LLC, AB Management Services Corp., and New Albertson's Inc.

In the High Court of Justice Queen's Bench Division Commercial Court, Claim No. 2014-90: Lord Michael Cecil, Stuart Bentham and Steptoe & Johnson (A firm).

Superior Court of the State of California, County of San Diego, Case No. 37-2013-00050879-CU-GT-CTL: Laborers' Local #231 Pension Fund, Individually and on Behalf of All Others Similarly Situated v. Websense, Inc.; Vista Equity Partners; Tomahawk Acquisitions, LLC; Tomahawk Merger Sub, Inc.; John McCormack; John B. Carrington; Charles M. Boesenberg; Bruce T. Coleman; John F. Schaefer; Mark S. St. Clare; Gary E. Sutton; Peter C. Waller; and DOES 1-25, inclusive.

Juicio: Ordinario Mercantil, Expediente 456/2015, Juez Vigésimo tercero de lo Civil en el Distrito Federal: Omniflife de Mexico S.A. de C.V., Grupo Omniflife S.A. de C.V. y Otros v. Angelica Fuentes Tellez.

In the Matter of an Arbitration Under the Uncitral Arbitrator Rules (2010) between HARVEST USA INC (Hong Kong SAR, China); HARVEST GLOBAL INVESTMENTS LTD (Hong Kong SAR, China) and KRANE DISTRIBUTION LLC (Delaware, USA).

In the Matter of the Bermuda Arbitration Act of 1986 (As Amended and Supplemented and in the Matter of an AD Hoc Arbitration Between: Southern Company v. ACE Bermuda Insurance LTD.

Oral Videotaped Deposition in the Matter of John Durham v. The Stephens Group, LLC and Joe Vardell in the District Court of Harris County, Texas, 295th Judicial District (Cause No. 2013-25000).

EXHIBIT C

Information Considered
12 Plaintiff's First Amended Complaint, dated February 3, 2016
James J. Cotter Jr.'s First Amended Verified Complaint, dated October 22, 2015
[Proposed] James J. Cotter Jr.'s Second Amended Verified Complaint, dated August 2016
Form 8-K of Reading International, Inc., filed July 24, 2013
Form 10-Q of Reading International, Inc., filed August 12, 2014
Form 13D of James J. Cotter Jr., filed September 19, 2014
Form DEF 14A of Reading International, Inc., filed May 18, 2016
Form 8-K of Reading International, Inc., filed March 15, 2016
Form DEF 14A of Reading International, Inc., filed October 30, 2015
Press Release, Reading International, Inc., Board of Directors of Reading International Rejected Non-Binding Indication of Interest (July 18, 2016)
Amended and Restated Bylaws of Reading International, Inc.
Amended and Restated Articles of Incorporation of Reading International, Inc.
Transcript of Deposition Guy Adams, dated April 28-29, 2016
Transcript of Deposition of Douglas McEachern, dated May 6, 2016 and July 7, 2016
Transcript of Deposition Margaret Cotter, dated May 12-13, 2016 and June 15, 2016
Transcript of Deposition of Ellen Cotter, dated May 18-19, 2016
Transcript of Deposition of Timothy Storey, dated February 12, 2016 and August 3, 2016
Transcript of Deposition of Edward Kane, dated May 2-3, 2016 and June 9-10, 2016
Transcript of Deposition of William Gould, dated June 8, 2016 and June 29, 2016
Exhibit 61, Bates Stamped GA00001789-GA00001791
Exhibit 64, Bates Stamped GA00005521-GA00005524
Exhibit 65, Bates Stamped GA00005525-GA00005528
Exhibit 77, Bates Stamped GA00005212-GA00005213
Exhibit 80, Bates Stamped GA00005499
Exhibit 83, Bates Stamped GA00005502-GA00005503
Exhibit 119, Bates Stamped GA00005325- GA00005335

Exhibit 124, Bates Stamped CA00005340
Exhibit 149, Bates Stamped MC00008239-MC00008242
Exhibit 158, Bates Stamped MC00004617-MC00004619
Exhibit 159, Bates Stamped MC00000893-MC00000898
Exhibit 202, Bates Stamped MC00000893-MC00000898
Exhibit 307, Bates Stamped RDI0024998- RDI0025007
Exhibit 307, Bates Stamped RDI0025008- RDI0025022
Exhibit 311, Bates Stamped WG_0000113- WG_0000130
Exhibit 319, Bates Stamped WG_0000419
Exhibit 327, Bates Stamped EC00000269

EXHIBIT 32

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

7 DISTRICT COURT

8 CLARK COUNTY, NEVADA

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

11 Plaintiff,

12 vs.

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

15 Defendants.

16 and

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

19 Nominal Defendant.
20

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

Coordinated with:

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

Jointly Administered

**JAMES J. COTTER, JR.'S
RESPONSES TO WILLIAM GOULD'S
FIRST SET OF REQUESTS FOR
ADMISSION**

21 COMES NOW, James J. Cotter, Jr. ("Plaintiff" or "Responding Party") and hereby serves
22 his responses to William Gould's ("Defendant" or "Propounding Party") First Set of Requests for
23 Admission (the "Requests").

24 **GENERAL OBJECTIONS**

25 Responding Party incorporates the following general objections into each specific response
26 and objection set forth below:

- 27 (1) Responding Party objects to the Requests to the extent they seek documents
28 or information which is protected by (or which cannot be provided without

disclosing) attorney client privilege, the attorney-work product doctrine and/or otherwise is privileged or protected from disclosure, including in particular communications of counsel of record for Plaintiff in this action, which communications will not be produced or logged;

- (2) Responding Party objects to the Requests to the extent they seek documents or information the production or disclosure of which violates any person or entity's right to privacy;
- (3) Responding Party objects to the Requests to the extent they seek documents or information not in Responding Party's possession, custody, or control;
- (4) Responding Party objects to the Requests to the extent they seek documents or information within the possession or control of the Propounding Party, or seeks documents or information which is publicly available and/or which otherwise is uniquely or equally available to the Propounding Party;
- (5) Responding Party objects to the Requests to the extent they seek information or documents that constitute or disclose confidential, proprietary, or developmental commercial or business information or research, or seeks documents or information otherwise protected from disclosure;
- (6) Responding Party objects to the Requests to the extent they attempt or purport to impose obligations exceeding those authorized or imposed by the Nevada Rules of Civil Procedure;
- (7) Responding Party objects to the Requests insofar as they seek documents or information beyond the time and scope of matters at issue in the captioned action and/or which are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence; and
- (8) Responding Party objects to the Requests because they generally are unlimited as to time, meaning that they generally provide no time frame or date range to limit the scope of documents or information requested.

(9) Responding Party is conducting discovery and an ongoing investigation of the facts and law relating to this action, including certain of the Requests. Responding Party's objections and responses are based on the present knowledge, information and belief of Responding Party, as well as the documents in Responding Party's possession, custody or control. For these reasons, among others, the objections and responses provided are made without prejudice to Responding Party's right to produce evidence of subsequently discovered facts or to supplement, modify or otherwise change or amend the objections and responses or to rely on additional evidence in pretrial proceedings and trial. Responding Party expressly reserves the right to amend, supplement, or modify these objections and responses.

REQUESTS FOR ADMISSION

REQUEST NO. 1

Admit that William Gould is not liable for the termination of James J. Cotter, Jr.

RESPONSE TO REQUEST NO. 1

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 1 as follows: Responding Party denies Request No. 1.

REQUEST NO. 2

Admit that William Gould did not vote for the termination of James J. Cotter, Jr..

RESPONSE TO REQUEST NO. 2

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 2 as follows: Responding Party admits Request No. 2.

REQUEST NO. 3

Admit that William Gould did not draft the June 18, 2015 Form 8K.

RESPONSE TO REQUEST NO. 3

1 Subject to and without waiving the foregoing objections, Responding Party responds to
2 Request No. 3 as follows: Responding Party presently lacks information sufficient to admit or
3 deny Request No. 3, and on that basis denies Request No. 3.

4 **REQUEST NO. 4**

5 Admit that William Gould did not approve the June 18, 2015 Form 8K.

6 **RESPONSE TO REQUEST NO. 4**

7 Subject to and without waiving the foregoing objections, Responding Party responds to
8 Request No. 4 as follows: Responding Party presently lacks information sufficient to admit or
9 deny Request No. 4, and on that basis denies Request No. 4.

10 **REQUEST NO. 5**

11 Admit that William Gould did not draft the October 13, 2015 Form 8-K.

12 **RESPONSE TO REQUEST NO. 5**

13 Subject to and without waiving the foregoing objections, Responding Party responds to
14 Request No. 5 as follows: Responding Party presently lacks information sufficient to admit or
15 deny Request No. 5, and on that basis denies Request No. 5.

16 **REQUEST NO. 6**

17 Admit that William Gould did not approve the October 13, 2015 Form 8-K.

18 **RESPONSE TO REQUEST NO. 6**

19 Subject to and without waiving the foregoing objections, Responding Party responds to
20 Request No. 6 as follows: Responding Party presently lacks information sufficient to admit or
21 deny Request No. 6, and on that basis denies Request No. 6.

22 **REQUEST NO. 7**

23 Admit that William Gould does not determine whether the Company files a Form 8-K.

24 **RESPONSE TO REQUEST NO. 7**

25 Subject to and without waiving the foregoing objections, Responding Party responds to
26 Request No. 7 as follows: Responding Party admits Request No. 7.

27 **REQUEST NO. 8**

28

1 Admit that William Gould did not participate in any decision whether to file a Form 8-K
2 with respect to the Executive Committee.

3 **RESPONSE TO REQUEST NO. 8**

4 Subject to and without waiving the foregoing objections, Responding Party responds to
5 Request No. 8 as follows: Responding Party presently lacks information sufficient to admit or
6 deny Request No. 8, and on that basis denies Request No. 8.

7 **REQUEST NO. 9**

8 Admit that William Gould did not draft the June 15, 2015 press release.

9 **RESPONSE TO REQUEST NO. 9**

10 Subject to and without waiving the foregoing objections, Responding Party responds to
11 Request No. 9 as follows: Responding Party presently lacks information sufficient to admit or
12 deny Request No. 9, and on that basis denies Request No. 9.

13 **REQUEST NO. 10**

14 Admit that William Gould did not approve the June 15, 2015 press release.

15 **RESPONSE TO REQUEST NO. 10**

16 Subject to and without waiving the foregoing objections, Responding Party responds to
17 Request No. 10 as follows: Responding Party presently lacks information sufficient to admit or
18 deny Request No. 10, and on that basis denies Request No. 10.

19 **REQUEST NO. 11**

20 Admit that Gould was not a member of the nominating committee, which nominated
21 Coddington to be a Director.

22 **RESPONSE TO REQUEST NO. 11**

23 Subject to and without waiving the foregoing objections, Responding Party responds to
24 Request No. 11 as follows: Responding Party admits Request No. 11.

25 **REQUEST NO. 12**

26 Admit that Gould was not on the nominating committee, which nominated Wrotniak to be
27 a director.
28

RESPONSE TO REQUEST NO. 12

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 12 as follows: Responding Party admits Request No. 12.

REQUEST NO. 13

Admit that Gould did not draft the October 20, 2015 Proxy Statement.

RESPONSE TO REQUEST NO. 13

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 13 as follows: Responding Party admits Request No. 13.

REQUEST NO. 14

Admit that Gould did not approve the October 20, 2015 Proxy Statement.

RESPONSE TO REQUEST NO. 14

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 14 as follows: Responding Party presently lacks information sufficient to admit or deny Request No. 14, and on that basis denies Request No. 14.

REQUEST NO. 15

Admit that Ellen Cotter is qualified to be CEO of RDI.

RESPONSE TO REQUEST NO. 15

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 15 as follows: Responding Party presently lacks information sufficient to admit or deny Request No. 15, and on that basis denies Request No. 15.

DATED this 13th day of June, 2016.

LEWIS ROCA ROTHGERBER CHRISTIE LLP

/s/ Mark G. Krum

Mark G. Krum (Nevada Bar No. 10913)
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Attorneys for Plaintiff
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Las Vegas, NV 89169-5996

Lewis Roca
ROTHGERBER CHRISTIE

CERTIFICATE OF SERVICE

I hereby certify that on this 13th day of June, 2016, I caused a true and correct copy of the foregoing **JAMES J. COTTER, JR.'S RESPONSES TO WILLIAM GOULD'S FIRST SET OF REQUESTS FOR ADMISSION** was electronically served to all parties of record via this Court's electronic filing system to all parties listed on the E-Service Master List.

DATED this 13th day of June, 2016.

/s/ Jessie M. Helm

An employee of Lewis Roca Rothgerber
Christie LLP

EXHIBIT 32

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7 E-mail: mkrum@lrrc.com

8 *Attorneys for Plaintiff*
9 *James J. Cotter, Jr.*

10 DISTRICT COURT

11 CLARK COUNTY, NEVADA

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

15 Plaintiff,

16 vs.

17 MARGARET COTTER, ELLEN COTTER,
18 GUY ADAMS, EDWARD KANE, DOUGLAS
19 McEACHERN, TIMOTHY STOREY,
20 WILLIAM GOULD, and DOES 1 through 100,
21 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. No. XI

Jointly Administered

**JAMES J. COTTER, JR.'S
RESPONSES TO WILLIAM GOULD'S
FIRST SET OF REQUESTS FOR
ADMISSION**

27 COMES NOW, James J. Cotter, Jr. ("Plaintiff" or "Responding Party") and hereby serves
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Admission (the "Requests").

GENERAL OBJECTIONS

Responding Party incorporates the following general objections into each specific response
and objection set forth below:

- (1) Responding Party objects to the Requests to the extent they seek documents
or information which is protected by (or which cannot be provided without

disclosing) attorney client privilege, the attorney-work product doctrine and/or otherwise is privileged or protected from disclosure, including in particular communications of counsel of record for Plaintiff in this action, which communications will not be produced or logged;

(2) Responding Party objects to the Requests to the extent they seek documents or information the production or disclosure of which violates any person or entity's right to privacy;

(3) Responding Party objects to the Requests to the extent they seek documents or information not in Responding Party's possession, custody, or control;

(4) Responding Party objects to the Requests to the extent they seek documents or information within the possession or control of the Propounding Party, or seeks documents or information which is publicly available and/or which otherwise is uniquely or equally available to the Propounding Party;

(5) Responding Party objects to the Requests to the extent they seek information or documents that constitute or disclose confidential, proprietary, or developmental commercial or business information or research, or seeks documents or information otherwise protected from disclosure;

(6) Responding Party objects to the Requests to the extent they attempt or purport to impose obligations exceeding those authorized or imposed by the Nevada Rules of Civil Procedure;

(7) Responding Party objects to the Requests insofar as they seek documents or information beyond the time and scope of matters at issue in the captioned action and/or which are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence; and

(8) Responding Party objects to the Requests because they generally are unlimited as to time, meaning that they generally provide no time frame or date range to limit the scope of documents or information requested.

(9) Responding Party is conducting discovery and an ongoing investigation of the facts and law relating to this action, including certain of the Requests. Responding Party's objections and responses are based on the present knowledge, information and belief of Responding Party, as well as the documents in Responding Party's possession, custody or control. For these reasons, among others, the objections and responses provided are made without prejudice to Responding Party's right to produce evidence of subsequently discovered facts or to supplement, modify or otherwise change or amend the objections and responses or to rely on additional evidence in pretrial proceedings and trial. Responding Party expressly reserves the right to amend, supplement, or modify these objections and responses.

REQUESTS FOR ADMISSION

REQUEST NO. 1

Admit that William Gould is not liable for the termination of James J. Cotter, Jr.

RESPONSE TO REQUEST NO. 1

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 1 as follows: Responding Party denies Request No. 1.

REQUEST NO. 2

Admit that William Gould did not vote for the termination of James J. Cotter, Jr..

RESPONSE TO REQUEST NO. 2

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 2 as follows: Responding Party admits Request No. 2.

REQUEST NO. 3

Admit that William Gould did not draft the June 18, 2015 Form 8K.

RESPONSE TO REQUEST NO. 3

1 Subject to and without waiving the foregoing objections, Responding Party responds to
2 Request No. 3 as follows: Responding Party presently lacks information sufficient to admit or
3 deny Request No. 3, and on that basis denies Request No. 3.

4 **REQUEST NO. 4**

5 Admit that William Gould did not approve the June 18, 2015 Form 8K.

6 **RESPONSE TO REQUEST NO. 4**

7 Subject to and without waiving the foregoing objections, Responding Party responds to
8 Request No. 4 as follows: Responding Party presently lacks information sufficient to admit or
9 deny Request No. 4, and on that basis denies Request No. 4.

10 **REQUEST NO. 5**

11 Admit that William Gould did not draft the October 13, 2015 Form 8-K.

12 **RESPONSE TO REQUEST NO. 5**

13 Subject to and without waiving the foregoing objections, Responding Party responds to
14 Request No. 5 as follows: Responding Party presently lacks information sufficient to admit or
15 deny Request No. 5, and on that basis denies Request No. 5.

16 **REQUEST NO. 6**

17 Admit that William Gould did not approve the October 13, 2015 Form 8-K.

18 **RESPONSE TO REQUEST NO. 6**

19 Subject to and without waiving the foregoing objections, Responding Party responds to
20 Request No. 6 as follows: Responding Party presently lacks information sufficient to admit or
21 deny Request No. 6, and on that basis denies Request No. 6.

22 **REQUEST NO. 7**

23 Admit that William Gould does not determine whether the Company files a Form 8-K.

24 **RESPONSE TO REQUEST NO. 7**

25 Subject to and without waiving the foregoing objections, Responding Party responds to
26 Request No. 7 as follows: Responding Party admits Request No. 7.

27 **REQUEST NO. 8**

28

1 Admit that William Gould did not participate in any decision whether to file a Form 8-K
2 with respect to the Executive Committee.

3 **RESPONSE TO REQUEST NO. 8**

4 Subject to and without waiving the foregoing objections, Responding Party responds to
5 Request No. 8 as follows: Responding Party presently lacks information sufficient to admit or
6 deny Request No. 8, and on that basis denies Request No. 8.

7 **REQUEST NO. 9**

8 Admit that William Gould did not draft the June 15, 2015 press release.

9 **RESPONSE TO REQUEST NO. 9**

10 Subject to and without waiving the foregoing objections, Responding Party responds to
11 Request No. 9 as follows: Responding Party presently lacks information sufficient to admit or
12 deny Request No. 9, and on that basis denies Request No. 9.

13 **REQUEST NO. 10**

14 Admit that William Gould did not approve the June 15, 2015 press release.

15 **RESPONSE TO REQUEST NO. 10**

16 Subject to and without waiving the foregoing objections, Responding Party responds to
17 Request No. 10 as follows: Responding Party presently lacks information sufficient to admit or
18 deny Request No. 10, and on that basis denies Request No. 10.

19 **REQUEST NO. 11**

20 Admit that Gould was not a member of the nominating committee, which nominated
21 Coddington to be a Director.

22 **RESPONSE TO REQUEST NO. 11**

23 Subject to and without waiving the foregoing objections, Responding Party responds to
24 Request No. 11 as follows: Responding Party admits Request No. 11.

25 **REQUEST NO. 12**

26 Admit that Gould was not on the nominating committee, which nominated Wrotniak to be
27 a director.

28

1 **RESPONSE TO REQUEST NO. 12**

2 Subject to and without waiving the foregoing objections, Responding Party responds to
3 Request No. 12 as follows: Responding Party admits Request No. 12.

4 **REQUEST NO. 13**

5 Admit that Gould did not draft the October 20, 2015 Proxy Statement.

6 **RESPONSE TO REQUEST NO. 13**

7 Subject to and without waiving the foregoing objections, Responding Party responds to
8 Request No. 13 as follows: Responding Party admits Request No. 13.

9 **REQUEST NO. 14**

10 Admit that Gould did not approve the October 20, 2015 Proxy Statement.

11 **RESPONSE TO REQUEST NO. 14**

12 Subject to and without waiving the foregoing objections, Responding Party responds to
13 Request No. 14 as follows: Responding Party presently lacks information sufficient to admit or
14 deny Request No. 14, and on that basis denies Request No. 14.

15 **REQUEST NO. 15**

16 Admit that Ellen Cotter is qualified to be CEO of RDI.

17 **RESPONSE TO REQUEST NO. 15**

18 Subject to and without waiving the foregoing objections, Responding Party responds to
19 Request No. 15 as follows: Responding Party presently lacks information sufficient to admit or
20 deny Request No. 15, and on that basis denies Request No. 15.

21 DATED this 13th day of June, 2016.

22 LEWIS ROCA ROTHGERBER CHRISTIE LLP

23
24 /s/ Mark G. Krum

25 Mark G. Krum (Nevada Bar No. 10913)
26 3993 Howard Hughes Pkwy, Suite 600
27 Las Vegas, NV 89169-5958
28 (702) 949-8200

Attorneys for Plaintiff
James J. Cotter, Jr.

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Las Vegas, NV 89169-5996

Lewis Roca
ROTHGERBER CHRISTIE

CERTIFICATE OF SERVICE

I hereby certify that on this 13th day of June, 2016, I caused a true and correct copy of the foregoing **JAMES J. COTTER, JR.'S RESPONSES TO WILLIAM GOULD'S FIRST SET OF REQUESTS FOR ADMISSION** was electronically served to all parties of record via this Court's electronic filing system to all parties listed on the E-Service Master List.

DATED this 13th day of June, 2016.

/s/ Jessie M. Helm

An employee of Lewis Roca Rothgerber
Christie LLP

EXHIBIT 33

1 EIGHTH JUDICIAL DISTRICT COURT
2 CLARK COUNTY, NEVADA
3
4 JAMES J. COTTER, JR.,)
derivatively on behalf of)
5 Reading International, Inc.,)
6 Plaintiff,) Case No.
7 vs.) A-15-719860-B
8 MARGARET COTTER, ELLEN) Case No.
COTTER, GUY ADAMS, EDWARD) P-14-082942-E
9 KANE, DOUGLAS McEACHERN,)
TIMOTHY STOREY, WILLIAM) Related and
10 GOULD, and DOES 1 through) Coordinated Cases
100, inclusive,)
11 Defendants,)
12 and)
13 READING INTERNATIONAL, INC.,)
a Nevada corporation,)
14)
Nominal Defendant.)
15)
16 Complete caption, next page.
17
18
19 VIDEOTAPED DEPOSITION OF GUY ADAMS
20 LOS ANGELES, CALIFORNIA
21 FRIDAY, APRIL 29, 2016
22 VOLUME II
23
24 REPORTED BY: LORI RAYE, CSR NO. 7052
25 JOB NUMBER 305149

1 THE WITNESS: My recollection was, we agreed
2 we would fill that board seat and that there would
3 be -- we would entertain other people for
4 consideration.

5 BY MR. KRUM:

6 Q. And how long thereafter was Mr. Wrotniak
7 proposed?

8 A. Three or four weeks.

9 Q. And he was proposed by Ellen and
10 Margaret?

11 A. Yes.

12 Q. And you personally, Mr. Adams, how did
13 you first hear about Mr. Wrotniak, was it --

14 A. The first time?

15 Q. Yes.

16 A. I think Ellen mentioned it to me in her
17 office just in passing. Said she had another good
18 candidate.

19 Q. What did you say in response?

20 A. Who is he? What's his background?

21 Q. What did she say?

22 A. Michael Wrotniak. He's a commodity
23 trader in New York. He's CEO of his company. I
24 think she mentioned that Margaret knew him, or she
25 knew him. One of them knew him. And I asked, Does

1 he know about the litigation? Does he know about
2 the suit between the siblings and he's still
3 willing to serve? Unlike Fehmi, is Mike Wrotniak
4 willing to serve? And she said, Yes, we told him
5 all that and he's still willing to serve.

6 **Q. Was it your view, then, that RDI needed a**
7 **board member with experience in commodities**
8 **trading?**

9 MR. SWANIS: Objection; form.

10 THE WITNESS: It didn't bother me that he had
11 commodity trading. We just lost approximately
12 \$6 billion in foreign currency exchange in
13 Australia. If we had somebody that knew more about
14 commodities trading and exchange rates, that might
15 have helped us.

16 It was interesting to me more than the
17 commodities that he was a CEO of a company. He ran
18 a company, P & L bottom line responsibility, and he
19 grew it during his career substantially.

20 BY MR. KRUM:

21 **Q. How many employees did his company have?**

22 MR. TAYBACK: Objection; vague.

23 You can answer.

24 THE WITNESS: I don't remember. I mean --

25 ///

1 BY MR. KRUM:

2 Q. Did you ever know?

3 A. At some point, yes. I'd say it's less
4 than a hundred. Maybe over 50, something like
5 that.

6 Q. It was a private company; right?

7 A. Yes.

8 Q. And what diligence, if any, did you do
9 after that initial conversation with Ms. Cotter and
10 before the board voted to add Mr. Wrotniak?

11 MR. TAYBACK: Objection. You mean personally,
12 you, Guy Adams?

13 MR. KRUM: Yes.

14 THE WITNESS: What did I do?

15 BY MR. KRUM:

16 Q. Yes.

17 A. I phoned him up and spoke to him.

18 Q. For how long?

19 A. Over an hour.

20 Q. What did you say and what did he say?

21 A. I asked him to explain his background,
22 where he started, where he went to school, what he
23 did, how he got his job. And the company expanded
24 quite a bit and how he did that expansion. I asked
25 him about his business.

1 At one point, I knew the precise number
2 of employees, what he grew it to and from, where
3 most of his business was located, trading partners,
4 countries he does with, and how long he's been in
5 the business. And I asked him what he thought
6 about -- if he had any questions about Reading.

7 **Q. Did he?**

8 A. Yeah. The only question I remember he
9 asked -- that I remember, he asked about what our
10 expansion plans were overseas. He said, Now that
11 you've gone to Australia and New Zealand, do you
12 have any other expansion plans? And I said, Well,
13 not at this time. I don't know if it's ruled out,
14 but right now we're not talking about that.

15 **Q. Well, in point of fact, the Australia and**
16 **New Zealand operations were acquired; correct?**

17 A. Jim Senior went down there with nothing
18 but a briefcase and he bought; he built, so I think
19 no, he didn't just acquire. I think he did
20 construct and build and acquire both.

21 **Q. Okay. Did you ask Mr. Wrotniak what**
22 **experience, if any, he had with respect to real**
23 **estate development?**

24 A. We talked about real estate, the New York
25 properties, specifically, and I told him there was

1 quite a bit of development going on in Australia
2 and New Zealand. And he talked about what he
3 thought about Australia and New Zealand, the
4 opportunity, and he said he knew the two properties
5 in New York and he thought they were in Manhattan
6 and they were actually good pieces of real estate.

7 Q. Did you ask him what experience, if any,
8 he had in cinema operations?

9 A. No, I did not.

10 Q. He didn't have any; right?

11 A. No, not to my knowledge.

12 Q. Now, what diligence -- what was the
13 program, if any, actually -- excuse me.

14 What was the program, if any -- third
15 time is a charm. Let me start over.

16 Who, if anyone, at RDI was charged with
17 performing any due diligence on directorial
18 candidates, including, but not limited to the two
19 we've already discussed, Fehmi and Wrotniak?

20 A. To my recollection, Ed Kane also spoke to
21 Michael Wrotniak by phone. And while I'm not
22 certain of this, I think Doug McEachern spoke to
23 him by phone as well before we put his name in
24 contingent to the board.

25 Q. But my question, Mr. Adams, is, was there

1 any formal or informal due diligence plan with
2 respect to directorial candidates? And if the
3 answer is yes, what was it?

4 A. To my recollection, the company in the
5 past has had a procedure where the -- Jim Cotter
6 Senior put somebody and said this is who I'd like
7 to go on the board and the board voted for it.

8 Wrotniak, several people spoke to him and
9 gave positive feedback to Ellen, and Ellen proposed
10 him to the board, is my recollection.

11 Q. When you spoke to Mr. Wrotniak, did you
12 ask him what his relationship was with any of the
13 Cotters?

14 A. Yes.

15 Q. What did he say?

16 A. He said his wife went to school with
17 Margaret Cotter.

18 Q. Anything else?

19 A. He said, My wife and Margaret were close
20 friends. He says, I'm not. I'm independent and I
21 told both of the Cotter women that I would always
22 vote my mind and be independent. And I said, Well,
23 good.

24 Q. Did you ask anything else about the
25 relationship between Mr. Wrotniak, his wife and/or

1 BY MR. KRUM:

2 Q. How do you know that's not the case?

3 A. My impression was it was a step towards
4 better process, better governance practice.

5 Q. Well, the reality is that Mr. Storey was
6 not renominated because, among other purported
7 reasons, Ellen and Margaret Cotter wouldn't support
8 him; correct?

9 MR. TAYBACK: Objection to the form of the
10 question.

11 MR. SWANIS: Form.

12 MR. TAYBACK: Foundation.

13 THE WITNESS: There were three people on the
14 committee when we met, the nominating committee.
15 We were unanimous that he would not be renominated.

16 BY MR. KRUM:

17 Q. Mr. Storey was not renominated because,
18 among other purported reasons, Ellen and Margaret
19 Cotter would not support him; correct?

20 MR. TAYBACK: Objection; form and foundation
21 as to what everybody's reasons were.

22 You can answer.

23 THE WITNESS: That wasn't the only reason.
24 Each of us had our reasons to not support his
25 nomination. One of them was if we did nominate

1 him, the controlling share of voting the stock
2 would not vote for him.

3 BY MR. KRUM:

4 Q. What was your reason? What were you --
5 strike that. I don't mean to mischaracterize your
6 testimony.

7 What reasons, other than anything you've
8 already said, accounted for why you determined not
9 to renominate Mr. Storey?

10 A. I thought Mr. Storey, while good
11 intentions to coach Jim Junior and perform his
12 duties as ombudsman, et cetera, I think the months
13 and months of him doing that was more divisive to
14 the Cotter siblings than uniting and bringing them
15 together and calming the situation down.

16 Q. Why do you think that?

17 A. Just an opinion I have.

18 Q. I understand.

19 How did you -- on what did you base that
20 opinion?

21 A. The siblings became more difficult for
22 them to work together, in my opinion, late in the
23 spring. Tim had many things that he was going --
24 he would tell the board that he's working with
25 Junior on and we'll get it done very shortly, and

1 then next month, same thing, everything's going
2 great but the things on his list weren't done.
3 Next month, the same thing.

4 And we would ask Tim what's the problem
5 with -- we're supposed to make -- on Tim's sheet,
6 his own sheet, was Margaret becoming an employee.
7 Tim, how's that coming? Well, we're having some
8 difficulties there. And I'm sure there were. By
9 Tim being involved in this management, he was -- as
10 a director, he was down into the small things of
11 operations as ombudsman. And I think in, my
12 opinion, that was just more divisive and he
13 certainly didn't get along with some directors.

14 **Q. Did you ever hear or learn or were you**
15 **ever told that Mr. Storey made Margaret Cotter mad**
16 **or exacerbated the dynamic between Margaret and Jim**
17 **Junior or anything of that nature?**

18 MR. TAYBACK: Object to the form of the
19 question; vague.

20 BY MR. KRUM:

21 **Q. It's an open-ended question so you can**
22 **answer as you see fit, Mr. Adams.**

23 A. Thank you.

24 MR. TAYBACK: Still, objection.

25 THE WITNESS: No, I didn't hear that but it

1 was clear he had a low opinion of Margaret in her
2 abilities as an executive.

3 BY MR. KRUM:

4 Q. What did you ever discuss or communicate
5 with Ed Kane about how, if at all, Mr. Storey's
6 conduct affected the views of Ellen or Margaret or
7 both?

8 MR. TAYBACK: Objection; vague as to time.
9 You can answer.

10 THE WITNESS: I don't know if we discussed
11 that specifically. Ed Kane shared my view that
12 Tim's intervention as ombudsman was divisive to the
13 siblings. He shared that view with me or I shared
14 the view with him.

15 And I think Tim's style in the boardroom
16 was a little hard for Mr. Kane. They didn't get
17 along. Tim Storey had a propensity to talk over
18 people in the boardroom and Ed Kane just found
19 that -- took offense to that, let's say. They
20 didn't see eye to eye on everything.

21 BY MR. KRUM:

22 Q. Mr. Adams, as to you, why was it that
23 your view that Mr. Storey's work as ombudsman was
24 divisive between Ellen and Margaret on the one hand
25 and Jim Junior on the other hand?

1 A. And management.

2 Q. Right.

3 Did you communicate to any of those
4 people that you just identified, anything about the
5 subject of when Ms. Coddington's employment would
6 terminate or had terminated?

7 A. No.

8 Q. Have you since learned that her
9 employment terminated in October 2015 after the
10 proxy was issued and before the annual shareholders
11 meeting?

12 MR. TAYBACK: Objection; form and foundation.

13 THE WITNESS: No.

14 BY MR. KRUM:

15 Q. Was any background check of any sort done
16 regarding Ms. Coddington before she was nominated?

17 MR. TAYBACK: Objection; foundation; form.

18 BY MR. KRUM:

19 Q. To your knowledge.

20 A. Not to my knowledge.

21 Q. How about Mr. Wrotniak?

22 A. Not to my knowledge.

23 Q. Do you recall that at some point, a
24 directorial candidate by the name of Gil Borok came
25 to your attention?

1 A. Gil, yes.

2 Q. Who was he?

3 A. My recollection is Jim Junior interviewed
4 him for the CFO position and he's CFO of a large
5 company, a large REIT.

6 Q. REIT, meaning real estate --

7 A. Investment trust. Sorry.

8 Q. Go ahead. I interrupted you.

9 A. That's who he is.

10 Q. And by the time his name came to your
11 attention, had you already determined to add
12 Ms. Coddington to the board of directors?

13 A. I would say no because I remember -- no,
14 we -- we looked at Gil.

15 Q. Who did what, to your knowledge?

16 A. Well, the nominating committee, again.
17 Ed Kane was out of town so Doug McEachern and I
18 called Gil. Doug knows Gil, and we called him and
19 Doug and Gil know each other so they talked for a
20 while. And he stated he was interested. And we
21 asked if he had any questions and we talked to him
22 for a good 20, 25 minutes. He didn't have too many
23 questions.

24 We talked to him a little bit and then I
25 said, Gil, do you know that there's a derivative

1 lawsuit that Jim Junior has filed against all the
2 directors? And he said, No, I didn't know that.

3 And I said, Do you know there's a lawsuit
4 where the siblings are contesting the trust? And
5 he said, No, I didn't know that. And then he said,
6 Really, guys, I haven't done any due diligence on
7 this. I met Jim Junior when he interviewed me. I
8 haven't done any due diligence.

9 And then Doug asked him, Is it okay with
10 your company, your board, for you to serve on the
11 board of a public company? And he said, No, I
12 haven't asked them. And then he said, How much
13 time does this take for you guys to be on the
14 board? And Doug said, This week, I've spent eight
15 hours. And I said, I, too, have spent eight hours
16 this week, and that was on the nominating
17 committee.

18 And he said, I didn't know the
19 background, what was going on with the company and
20 I have a full-time job. Let me think about this
21 and I'll get back to you. And Doug started to give
22 him his number and he said, I already have your
23 number, Doug. So they obviously know each other.

24 And Doug and I spoke after that and we
25 thought he was really not informed about being a

1 director, but we would wait to see what he said.

2 And he called -- my recollection --

3 Q. Let me exhaust that first conversation
4 before you go on to the next one.

5 A. Okay.

6 Q. Thank you.

7 What else, if anything, besides what you
8 testified, did you or Mr. McEachern communicate to
9 Mr. Borok about the amount of time he might expect
10 or you actually spent to serve as a director of
11 RDI? I don't know whether it's a weekly or monthly
12 or annual basis.

13 MR. TAYBACK: On that one call?

14 MR. KRUM: On that one call, right, yeah.

15 THE WITNESS: Oh, I told him that, yeah, I put
16 in eight hours, too. I'm on the nominating
17 committee. We're putting time in on this. I put
18 it in context. I didn't. Doug just said, Yeah, I
19 got eight hours logged this week, and I said how
20 many hours I had and I put it in context.

21 BY MR. KRUM:

22 Q. That was it in terms of the discussion of
23 time demands?

24 A. Yes.

25 Q. Was anything else said by any of the

1 three of you with respect to the lawsuit, the
2 California trust lawsuit?

3 A. Other than there was one, we didn't
4 say -- that's all.

5 Q. What else, if anything, was said about
6 this derivative case?

7 A. That it existed.

8 Q. What did you ask Mr. Borok, if anything,
9 about his experience, whether as a chief financial
10 officer, in the real estate development space or
11 anything else?

12 A. We talked to him about his real estate
13 experience, and he has a lot of real estate
14 experience, obviously. And Doug knew him, I guess,
15 professionally and knew financially he was very
16 competent in that regard. And I remember that Doug
17 liked him.

18 Q. So what did you and Mr. McEachern say to
19 each other, if anything, about Mr. Borok following
20 the telephone call you just described?

21 A. Let's see what he says when he calls
22 back.

23 Q. So what happened next with Mr. Borok?

24 A. Well, he called back the very next day to
25 Doug and said, Thank you for considering me, but

1 I'm not interested at this time. And if the
2 lawsuits ever get settled and things calm down,
3 please keep me in mind.

4 Q. And you weren't party to that
5 conversation?

6 A. No, I was not.

7 Q. Mr. McEachern reported that to you?

8 A. Yes.

9 Q. What else, if anything else, did you or
10 Kane or McEachern or the three of you do before
11 selecting Judy Coddling?

12 A. Other than --

13 Q. This is just a wrap-up question. I don't
14 mean to imply anything.

15 A. Okay. I don't remember anything else at
16 this time.

17 MR. KRUM: I'll ask the court reporter to mark
18 as Exhibit 68, a document bearing production
19 numbers GA00005529 through 32.

20 (Exhibit 68 was marked for
21 identification.)

22 MR. TAYBACK: Is this 68, is that what you
23 said?

24 MR. KRUM: 68.

25 Q. Mr. Adams, take whatever time you need.

EXHIBIT 34

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DISTRICT COURT
CLARK COUNTY, NEVADA

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

VIDEOTAPED DEPOSITION OF ELLEN COTTER
TAKEN ON MAY 19, 2016
VOLUME II

Job Number 308469
REPORTED BY:
PATRICIA L. HUBBARD, CSR #3400

1 the context of larger discussions you were having
2 with your mother?

3 A. I don't recall the conversations.

4 Q. If your mother had said to you in words
5 or substance that she thought that it was a bad idea
6 to ask Ms. Coddling to join the RDI board of
7 directors or expressed any such sentiment with
8 reservations, would that have made any difference to
9 how you proceeded?

10 MR. SEARCY: Objection. Lacks
11 foundation, calls for speculation.

12 THE WITNESS: My mother's opinions on
13 Judy Coddling had no bearing on me asking Judy to be
14 on the board. Judy has an amazing background. And
15 I've known of her for years.

16 So, whatever my mother thought about her
17 did not factor into my analysis at all.

18 BY MR. KRUM:

19 Q. How have you known -- how had you known
20 of Ms. Coddling for years?

21 A. I had known of her reputation.

22 Q. Had you ever met her?

23 A. Yes.

24 Q. On how many occasions?

25 A. I don't know. I don't know.

1 Q. Can you estimate?

2 A. It wasn't frequent. Prior to asking
3 Judy to consider being on the board I might have met
4 her -- I don't know -- between five and ten times
5 maybe.

6 Q. Over what period of time?

7 A. Probably the last 15 years.

8 Q. And where had you met her? At your
9 mother's house?

10 A. I met her at my mother's house on one
11 occasion that I recall.

12 Q. Where else had you met her?

13 A. I would have met her with Peggy and
14 Harvey Saferstein.

15 Q. Did you ever meet her with your mother
16 other than at your mother's house on one occasion
17 that you recall?

18 A. I don't recall.

19 Q. Who are Peggy and Harvey Saferstein?

20 A. They are family friends.

21 Q. Cotter family friends?

22 A. Cotter family friends.

23 Q. Are they your mother's age? Are they
24 your mother's friends?

25 A. Yes.

1 MR. SEARCY: Mark, we've been going
2 about an hour now. Actually a little bit longer.

3 MR. KRUM: Sure. Let me wrap this
4 particular subject and we'll take a break.

5 MR. SEARCY: That's fine.

6 MR. KRUM: But I'll do so promptly.

7 BY MR. KRUM:

8 Q. So, you -- in prior testimony you used
9 the word "amazing" with respect to Ms. Coddling.
10 Do you have that in mind?

11 A. I've always been very impressed with her
12 background and what she's accomplished.

13 Q. And what do you understand her
14 background to be?

15 A. She began her career as an educator on
16 the East Coast, was a principal in a school, I
17 think, in Bronxville and came out to L.A., and I
18 think ultimately became the head of the Pasadena
19 School District.

20 And -- and then started her own company
21 called America's Choice, which was an education
22 company that was for profit. She was the C.E.O. of
23 that company for a number of years. She had -- I
24 don't know how many thousand people reporting to
25 her.

1 And then she ultimately sold that
2 company to Pearson, which is the largest education
3 company in the world.

4 Q. What was the business of America's
5 Choice?

6 A. It was education.

7 Q. Was it textbooks or was it software?
8 Was it tutorials? Or do you know?

9 A. I believe she was -- she would assist
10 school districts in -- in their teaching.

11 Q. Curriculum?

12 A. Yeah. Exactly. But also assisting the
13 teachers.

14 Q. Okay. Did I interrupt you or were you
15 finished describing her career up -- and you reached
16 the point of Pearson?

17 A. I also knew that she had been on several
18 boards, had done work with several high-profile
19 foundations. So she's -- she's lectured around the
20 world. She had done work in China.

21 And I was -- I was just very impressed
22 with her background, but also her demeanor. Because
23 I thought that she -- she was very collaborative and
24 she had a good personality.

25 Q. When you say she had been on several

EXHIBIT 35

1	DISTRICT COURT		
2	CLARK COUNTY, NEVADA		
3	JAMES J. COTTER, JR.)	
	individually and derivatively)	
4	on behalf of Reading)	
	International, Inc.,)	
5)	
	Plaintiff,)	
6)	
	vs.	)	Index No. A-15-179860-B
7)	
	MARGARET COTTER, ELLEN)	
8	COTTER, GUY ADAMS, EDWARD)	
	KANE, DOUGLAS WILLIAM GOULD,)	
9	and DOES 1 through 100,)	
	inclusive,)	
10)	
	Defendants.)	
11	-----)	
	READING INTERNATIONAL, INC.,)	
12	a Nevada corporation,)	
)	
13	Nominal Defendant.)	
	-----)	
14			
15			
16	VIDEOTAPED DEPOSITION OF ELLEN COTTER		
17	New York, New York		
18	Thursday, June 16, 2016		
19			
20			
21			
22			
23			
24	Reported by:		
	MICHELLE COX		
25	JOB NO. 316936		

1 could convene a telephonic board for the
2 purpose of deciding which -- strike that.

3 Who among them would be selected to fill
4 the audit committee vacancy created by the
5 resignation of Mr. Storey?

6 A I don't -- I don't remember the specifics,
7 but my recollection is we needed somebody on
8 the audit committee that had a finance
9 background. And Michael Wrotniak had a perfect
10 background.

11 Q Was there any other director who qualified
12 to join the audit committee?

13 A I don't believe so.

14 Q When Michael Wrotniak was selected to be
15 added to the RDI board of directors, was it
16 anticipated that he would fill a vacancy on the
17 audit committee created by Mr. Storey's
18 so-called retirement?

19 A When Michael was put on the board or
20 considered for the board, I'm not sure whether
21 the audit committee position was taken into
22 account.

23 But clearly his finance background was
24 important for all of us.

25 Q When did it first -- strike that.

1 Q Sure.

2 A Well, it was fairly soon after I was
3 appointed as the interim CEO that we were
4 getting the process together to look for a
5 permanent CEO.

6 Q And the next steps were that a CEO search
7 committee was appointed, and you were charged
8 with hiring the search firm to assist the
9 company in identifying and hiring, identifying
10 candidates and selecting one to be the CEO,
11 right?

12 A I think the board delegated to me the
13 responsibility of finding an appropriate search
14 firm. And I can't remember if the search
15 committee was appointed after that delegation,
16 but I knew I had the responsibility to talk to
17 several leading recruiting firms, pick one,
18 report back to the board and the search
19 committee was eventually appointed.

20 Q Who were the search firms with whom you
21 communicated?

22 A Korn Ferry, Heidrick Struggles and Russell
23 Reynolds.

24 Q With respect to Heidrick Struggles, with
25 whom did you communicate?

1 Q What happened next with respect to their
2 respective candidacies for the CEO position?

3 A Once Korn Ferry was selected?

4 Q Yes.

5 A Once Korn Ferry was selected, the process
6 was first establishing what the job description
7 was, what the specification was, what was the
8 type of person they were looking for, what the
9 qualities were we were looking for. So that
10 took some time.

11 We talked about -- Korn Ferry has a
12 proprietary assessment function that I thought
13 would have been a benefit for us.

14 And then they, once a search committee was
15 established, Korn Ferry started their search,
16 their external search. And I'm not sure
17 exactly, you know, what they did or how they
18 contacted Wayne or Andrew.

19 Q Do you know whether they contacted either
20 or both Wayne Smith or Andrzej Matyczynski?

21 A I'm not -- I'm not really sure if they did
22 or how they did. They certainly knew that the
23 two of them had submitted their résumés for the
24 position.

25 Q What communications did you have with

1 being the permanent CEO of RDI?

2 A I don't remember.

3 Q When did you first have a thought about
4 the possibility or subject of you being the
5 permanent CEO of RDI?

6 A I don't remember precisely when I started
7 thinking that I should put my name in for
8 consideration.

9 Q What prompted you to have that thought the
10 first time?

11 A I don't remember exactly when, as I said,
12 I had that thought. But I remember looking at
13 some of the candidates that Korn Ferry was
14 having us consider. And I looked at their
15 résumés. Some of them were looking for total
16 cash compensation up to \$2 million. And
17 several of them had experience that was two
18 years at one company, three years at another
19 company. They seemed to hop around.

20 And when I looked at their experience, it
21 didn't seem that -- you know, we're kind of a
22 unique company because we have -- we're in two
23 businesses. We're in the cinema business,
24 which is an operating business, and the real
25 estate business, primarily as developers.

1 We're a public company. We have
2 international operations. And looking at their
3 résumés, I thought, well, I could probably do
4 this.

5 Q What was the first discussion or
6 communication you had with anybody about you
7 being or possibly being a candidate for the
8 position of CEO of RDI?

9 A I don't -- I don't remember.

10 Q Was it Margaret Cotter?

11 A I don't remember.

12 Q Did you have any discussions with
13 Margaret Cotter about the subject of you being
14 a candidate or possibly being a candidate for
15 the position at RDI -- position of CEO at RDI?

16 A I mean, I ultimately had conversations
17 with Margaret about it.

18 Q Okay. When?

19 A I don't remember.

20 Q What were the circumstances or what was
21 the context of the conversations you had with
22 Margaret about being a candidate or possibly
23 being a candidate for the position of CEO at
24 RDI?

25 A Circumstances would have been, Do you

1 think, named Sydney.

2 **Q Sydney Cooke?**

3 A Sydney Cooke.

4 I can't remember who else I met with.

5 **Q What is the first communication you had**
6 **with anybody at Korn Ferry about you being a**
7 **candidate or possibly being a candidate for**
8 **CEO, that you recall?**

9 A It would have been sometime in the fall.
10 I can't remember exactly when.

11 **Q With whom at Korn Ferry did you have that**
12 **communication?**

13 A Bob Mayes.

14 **Q Was it a conversation, as distinct from an**
15 **e-mail, for example?**

16 A Yes, I would have talked to him on the
17 phone.

18 **Q What did you say and what did he say?**

19 A As -- I can't recall the specifics of the
20 conversation, but I told him that I was
21 considering becoming a candidate. And that
22 when I had actually made that determination,
23 that I should step out of the process and not
24 be -- because I was on the search committee,
25 and so I should step out of process and let the

1 process be handled without me.

2 **Q I'm sorry. You should step out of the CEO**
3 **search process when?**

4 A Whenever I had called Bob and told him
5 that I was considering this, I would have
6 coupled that with, I'm also going to take
7 myself out of the process.

8 But outside of the administrative things
9 and making sure that they got their bills paid,
10 and making sure that they were meeting with the
11 rest of the search committee, I would not be
12 participating in the interview process.

13 **Q Commencing from the phone call to Mayes to**
14 **tell him you were considering being a candidate**
15 **or commencing when you decided to be a**
16 **candidate?**

17 A Well, I don't know if they are that much
18 different. I mean, so . . .

19 **Q I'm not implying anything.**

20 A Yeah.

21 **Q I'm just trying to cover all the**
22 **possibilities that occur to me. Sometimes**
23 **there are too many.**

24 Okay. So what did he say to you during
25 this call, phone call?

1 Where in that series of events you just
2 described was the conversation in which
3 Mr. Gould encouraged you to think about being a
4 candidate for the position of CEO?

5 A It was certainly well after we had the job
6 description solidified.

7 Q And by "job description," you're referring
8 to the position specification?

9 A Yes.

10 And it was probably well after we had --
11 had résumés circulated for candidates.

12 I can't remember if we had actually
13 interviewed -- well, no, we wouldn't have
14 interviewed anybody by then.

15 Q Why?

16 A Well, because I hadn't participated in any
17 of the interviews.

18 Q Was it before the interviews that you
19 decided to become a candidate for the position
20 of CEO at RDI?

21 A It -- before the interviews actually
22 commenced, I had considered being a candidate.

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

24 THE COURT REPORTER: 330.

25 MR. KRUM: I'll ask the court reporter to

1 **shareholders meeting occurred?**

2 A Yes.

3 And I -- my recollection is there were
4 sort of a couple rounds of interviews. So I
5 think that this -- whenever it occurred after
6 the shareholders meeting, I think was the first
7 set of interviews that occurred.

8 **Q And you did not participate in those,**
9 **correct?**

10 A No.

11 **Q Okay. Let me ask it differently: Did you**
12 **participate in those interviews?**

13 A No.

14 **Q So by that time, you had already**
15 **communicated to -- you already communicated or**
16 **disclosed that you were either considering**
17 **being a candidate or were a candidate, right?**

18 A I must have, yeah.

19 **Q What communications, if any, did you have**
20 **with anyone, including but not limited to**
21 **Bill Gould, about updating the public's**
22 **disclosures regarding the CEO search, after you**
23 **had become a candidate?**

24 MR. TAYBACK: I would just say, I don't
25 think he intends to include communications with

1 **Q Well, that obviates any privilege issues.**

2 MR. KRUM: I'll ask the court reporter to
3 mark as Exhibit 337 [sic], a document that
4 purports to be a May 19 e-mail from
5 Ellen Cotter to other members of the RDI board
6 of directors, carbon copy to Bill Ellis, bears
7 Production No. GA5340.

8 (Deposition Exhibit 338, E-mail dated May
9 19, 2015, from Ellen Cotter to Margaret Cotter
10 and Others, marked for identification as of
11 this date.)

12 (Discussion off the record.)

13 MR. KRUM: So let me correct the record.

14 What the court reporter has marked as
15 Exhibit 338, is a May 19th e-mail from
16 Ellen Cotter to other members of the board of
17 directors, copied to William Ellis, "Subject:
18 Agenda - Board of Directors Meeting, May 21,
19 2015." It Production No. GA5340.

20 That's deposition Exhibit 338.

21 BY MR. KRUM:

22 **Q Ms. Cotter, do you recognize Exhibit 338?**

23 A Yes.

24 **Q What is it?**

25 A It's an agenda for a board meeting of

1 May 21, 2015.

2 Q And did you send it on or about May 19,
3 2015, at 6:38 p.m.?

4 A Yes.

5 Q What time would that have been in New
6 Zealand -- what day and what time would that
7 have been in New Zealand or Australia, do you
8 know?

9 The next morning, right?

10 A It would have been Wednesday.

11 Q Wednesday morning something?

12 A Yeah.

13 Q This was not a regularly scheduled RDI
14 board of directors meeting, correct?

15 A No, it was a special meeting.

16 Q And Exhibit 338 was the first distribution
17 of an agenda for that special meeting, right?

18 A I believe so.

19 Q Item 1 reads: "Status of President and
20 CEO."

21 Do you see that?

22 A Yes.

23 Q And what that referred to was the
24 termination of Jim Cotter, Jr. as president and
25 CEO, right?

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

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

8 A Yes.

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

11 A I did have discussions with Tim Storey.

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

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

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

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

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

EXHIBIT 36

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

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

vs.

Case No.

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

and

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

(CAPTION CONTINUED ON NEXT PAGE.)

VIDEOTAPED DEPOSITION OF JAMES COTTER, JR.

Los Angeles, California

Monday, May 16, 2016

Volume I

Reported by:

JANICE SCHUTZMAN, CSR No. 9509

Job No. 2312188

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