EX-99.2 3 rdi-20180223xex99_2.htm EX-99.2

CHARTER OF THE SPECIAL INDEPENDENT COMMITTEE OF THE BOARD OF DIRECTORS OF READING INTERNATIONAL, INC.

I. PURPOSE

This Special Committee (the "Committee") is formed for the purpose set forth below with respect to the following background:

Up until his death on September 13, 2014, James J. Cotter, Sr., the father of Ellen Cotter, James J. Cotter, Jr. and Margaret Cotter, was the controlling stockholder of Reading International, Inc. ("Reading" or the "Company"), having the sole power to vote approximately 66.9% of the outstanding Class B Voting Stock ("Voting Stock") of the Company.

Since James Cotter, Sr.'s death, disputes have arisen among Ellen Cotter, James J. Cotter, Jr. and Margaret Cotter (collectively, the "Cotter Siblings') and between James J. Cotter, Jr. and the Company, including, among other things:

(A) The voting control of the Voting Stock owned by Mr. Cotter, Sr. and certain matters related thereto, which became part of the Estate of James J. Cotter, Sr. Deceased (the "Cotter Estate"), are currently being probated in the District Court of Clark County, Nevada (the "Cotter Estate Probate").

(B) Various matters regarding the living trust (the "Cotter Trust) and a voting trust to be created to hold the Class B Voting Stock held by the Cotter Trust (the "Voting Trust" and the "Trust Voting Shares", respectively) created by Mr. Cotter, Sr. which matters are being litigated in the Superior Court of the State of California, County of Los Angeles (the "California Superior Court"), captioned In re James J. Cotter Living Trust dated August 1, 2000 (Case No. BP159755) (the "Trust Case"), including, but not limited to, an Ex Parte Petition for Appointment of a trustee ad litem and of a guardian ad litem for the benefit of Cotter, Sr.'s, minor grandchildren (two of whom are the children of Margaret Cotter and three of whom are the children of James Cotter, Jr., and who are referred to herein as the "Cotter Grandchildren") (collectively, the "Trust Case").

(C) Mr. Cotter, Jr. filed a lawsuit entitled "James J. Cotter, Jr., individually and derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, et al." Case No,: A-15-719860-V, Dept. XI, against our Company and each of the Company's then sitting Directors (Ellen Cotter, Margaret Cotter, Guy Adams, William Gould, Edward Kane, Douglas McEachern, and Tim Storey) in the Eighth Judicial District Court of the State of Nevada for Clark County (the "Nevada District Court"). Subsequently, Mr. Cotter Jr. added additional claims and also added as defendants Directors Judy Codding and Michael Wrotniak (the "Derivative Case"). Consequently, all of the current Directors, other than Mr. Cotter, Jr., are currently defendants in the Derivative Case. The requested relief include reinstatement of Mr. Cotter, Jr. as CEO of the Company.

(D) An arbitration matter with Mr. Cotter, Jr. (Reading International, Inc. v. James J. Cotter, AAA Case No. 01-15-0004-2384, filed July 2015)(the "Cotter Jr. Employment Arbitration").

(E) While the Company is presently unaware of any others, it is possible that other litigation, alternative dispute resolution proceedings or other proceedings may be brought in the future by any of the above referenced parties, by third parties or by the Company directly or indirectly related to the foregoing matters, including, but not limited to, claims related to Cotter family matters, Cotter Estate Probate or the Trust Case that directly or indirectly impact the Company (collectively "Future Proceedings").

Collectively, all matters described in paragraphs A through E above, including, but not limited to, the Cotter Estate Probate, the Trust Case, the Derivative Case, the Cotter Jr. Employment Arbitration, Employment Direct Action, and the Future Proceedings, are referred to herein as "Cotter Related Proceedings").

Mr. Cotter, Jr., is also seeking to have all of the Class B voting stock currently owned by the Cotter Trust (and which may upon the rollover of the Cotter Estate into the Cotter Trust, be owned in the future by the Cotter Trust) sold to the highest bidder in a public or similar auction sale process ("Trust Share Sale Process") in which Ellen Cotter and Margaret Cotter would be prohibited from participating. If Ellen Cotter and Margaret Cotter are permitted to participate in as potential buyers, Mr. Cotter, Jr., has stated to the Court his desire to likewise be permitted to participate as a potential buyer. The public auction proposed by Mr. Cotter, Jr., could result in a change of control of the Company (the "Potential Change of Control Transaction"). Due to the fact that the Voting Stock held by the Trust and the Estate represents less than 5%[1] of the outstanding equity of the Company, there is a risk that the interest of the person or group acquiring such a controlling block would not be consistent with the long term business strategy adopted by the Company's Board or would otherwise be inconsistent with the interests of holders of Class A Common Stock or other holders of Class B Common Stock. The Board had previously determined that it would be in the best interests of the Company and its stockholders for the Company to pursue its long term business strategy as an independent company. Ellen Cotter, Margaret Cotter, and/or an entity in which they have a controlling interest may be involved in a Trust Share Sale Process as a potential purchaser of such shares, and have advised the Board that they intend to continue with the implementation of the business strategy adopted by the Board. Mr. Cotter, Jr., voted against the approval of that business strategy. The Board has an interest in the preservation of and execution on its business strategy. Bidders in the Trust Share Sale Process or any Potential Change of Control Transaction may seek the involvement of the Company in connection with due diligence or other aspects of such a Potential Change of Control Transaction.

Because of the material impact of the Cotter Related Proceedings and the Potential Change of Control Transaction on the Company, the Board, acting through the Executive Committee, has determined that it is in the best interests of the Company and the stockholders to delegate consideration of matters related to the Cotter Related Proceedings, the Trust Share Sale Process and the Potential Change of Control Transaction.,(collectively, the "Purpose").

The Committee has the authority to retain its own financial, legal and other advisors, consultants and experts in connection with the Purpose. The Company will pay or reimburse all reasonable costs, fees and expenses incurred by or on behalf of the Committee, including out-of-pocket expenses of members of the Committee, and the reasonable costs, fees and

[1] Based on 696,080 shares of Class B Common Stock held by the Voting Trust, 427,808 shares of Class B Common Stock held by the Estate, and 21,497,717 shares of Class A Common Stock

and 1,680,590 shares of Class B Common Stock outstanding on December 31, 2016.

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expenses of the Committee's financial, legal and other advisors, consultants and experts, if any.

The Committee will fulfill its purpose by carrying out the responsibilities and duties enumerated in Section IV of this Charter.

II. COMPOSITION

The Committee shall be comprised of more than one member of the Board as determined by the Board (or the Executive Committee). The members of the Committee may be appointed or replaced by the Board (or the Executive Committee) by majority action. The Committee may determine its own rules and procedures as are necessary and proper for the conduct of its business, including designation of a chair of the Committee, if determined to do so by the Committee.

Each Committee member must satisfy all of the following criteria (the "Criteria"): The Committee shall be composed of directors who are each (i) an "independent director", pursuant to the definition in section 5605(a)(2) of the NASDAQ Listing Rules; and (ii) is not a Cotter Sibling. The Committee shall be delegated authority to determine whether its members satisfy the Criteria.

The Committee shall initially be composed of [To Come], each of whom the Board has previously determined to satisfy the Criteria set forth in (i) above and none of whom is a Cotter Sibling. The Board, upon recommendation of the Compensation and Stock Options Committee, will establish compensation for service on the Committee.

III. MEETINGS

The Committee shall meet periodically, as deemed necessary or appropriate by the Committee, to carry out its responsibilities and duties and to act upon matters falling within its responsibility. Written minutes of each meeting of the Committee shall be maintained, and shall be distributed to each member of the Committee. Such meetings may be in-person, telephonically or electronically, at such locations as determined by the Committee. Additionally, the Committee may act by unanimous written consent of its members in lieu of a meeting.

IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Committee is authorized to, in its discretion:

i. Review, consider, deliberate, investigate, analyze, explore, evaluate, monitor and exercise general oversight of any and all activities of the Company directly or indirectly involving, responding to or relating to the Purpose or any directly or indirectly related proposals, agreements or transactions involving the Company, and any matters that it deems advisable with respect to the Purpose;

ii. Meet, confer and receive advice of legal counsel, advisors, management, other directors, stockholders and/or third parties in connection with the Purpose, and, instruct legal counsel representing the Company to take certain actions, including, but not limited to, file pleadings or other papers, appear in any proceedings, participate in any discovery or other proceeding of any kind, including any form of alternate dispute resolution forum, or any appellate body, and otherwise take such steps as the Committee deems to be in the best interest of the Company in any Cotter Related Proceedings or

in connection with any Potential Change of Control Transaction;

iii. Participate in and direct legal counsel representing the Company to conduct negotiations and take actions to resolve matters related to the Cotter Related Proceedings, or any Potential Change of Control Transaction, including, without limitation, to negotiate the form of any and all requisite agreements and other documentation directly or indirectly related to the Purpose;

iv. Report to the Board, as it determines to be appropriate (subject to the maintenance of attorney-client privileges and with due regard for and the institution of appropriate safeguards in order to take into account any conflicts of interest that may exist involving other members of the Board and without limiting its delegated authority under this Charter), its recommendations and conclusions with respect the determinations delegated to it by this Charter; and

v. Take all such other actions as the Committee may deem to be necessary or appropriate in connection with the above.

In the execution of its duties, the Committee may rely upon the officers, executives and other employees of the Company, and such outside consultants as the Committee may from time to time determine to retain, including, without limitation, legal counsel.

The Committee shall have the authority to enter into or bind the Company in connection with a Cotter Related Proceedings, or any Potential Change of Control Transaction; provided, however, that the Committee shall not have any authority to issue or to obligate the Company to issue any shares of Company stock, or to approve any merger, consolidation or liquidation of the Company.

Each of the independent directors of the Company is named as a defendant in the Derivative Case. Nothing herein or in the delegation to the Committee to consider certain matters is intended to impact such directors' rights and defenses, representation by their own separate counsel or any other right in the Derivative Case. Any actions taken by the Committee in respect of the Derivative Case is intended to be taken with respect to the interests of the Company. Nothing herein in intended to limit, waive or reduce in any way such directors' rights and entitlement to defend the Derivative Case in their respective defendant capacities and to obtain all indemnification and other rights they may possess.

Exhibit 2

EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

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

Complete caption, next page.

VIDEOTAPED DEPOSITION OF GUY ADAMS

LOS ANGELES, CALIFORNIA

THURSDAY, APRIL 28, 2016

VOLUME I

REPORTED BY: LORI RAYE, CSR NO. 7052

JOB NUMBER: 305144

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

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

Plaintiff,

vs.

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

Defendants.

and

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

Case No.
A-15-719860-B
P-14-082942-E

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

Plaintiffs,

vs.

MARGARET COTTER, ELLEN COTTER, GUY WILLIAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS, and DOES 1 through 100, inclusive,

Defendants,

and

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

Videotaped deposition of GUY ADAMS, held at Jeffer Mangels Butler & Mitchell, LLP, located at 1900 Avenue of the Stars, Tenth Floor, Los Angeles, California, 90067, on Thursday, April 28, 2016, at 10:13 a.m., before Lori Raye, Certified Court Reporter, in and for the State of California.

Appearances:

For Plaintiff:

LEWIS ROCA ROTHGERBER CHRISTIE, LLP
BY: MARK G. KRUM, ESQ,
3993 Howard Hughes Parkway
Suite 600
Las Vegas, Nevada, 89169
(702) 949-8200
mkrum@lrlaw.com

For Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Douglas McEachern, Edward Kane, Judy Codding and Michael Wrotniak:

QUINN EMANUEL URQUHART & SULLIVAN, LLP
BY: CHRISTOPHER TAYBACK, ESQ.
865 South Figueroa Street
Tenth Floor
Los Angeles, California 90017
(213) 443-3199
christayback@quinnemanuel.com

Appearances: (Continued)

For Plaintiffs-in-Intervention T2 Partners Management, LP, dba Kase Capital Management, et al.:

ROBERTSON & ASSOCIATES, LLP
BY: ROBERT NATION, ESQ.
32121 Lindero Canyon Road
Suite 200
Westlake Village, California 91361
(818) 851-3850
rnation@arobertsonlaw.com

For Nominal Defendant Reading International, Inc.:

GREENBERG TRAURIG
BY: ERIC W. SWANIS, ESQ.
3773 Howard Hughes Parkway
Las Vegas, Nevada 89169
(702) 792-3773
swanise@gtlaw.com

For Defendants William Gould and Timothy Storey:

BIRD | MARELLA, PC
BY: EKWAN E. RHOW, ESQ.
1875 Century Park East
23rd Floor
Los Angeles, California 90067
(310) 201-2100
eer@birdmarella.com

Also Present:

JAMES J. COTTER, JR.
BRIAN MURPHY (Videographer)

I N D E X

WITNESS: GUY ADAMS

E X H I B I T S

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room with the three Cotter siblings to discuss the business issues and try to get that disentangled so they could move forward.

And Doug McEachern called me after a couple of those meetings and told me they were not going very well. They weren't very productive, excuse me.

Q. There were only a total of three such meetings; correct?

MR. TAYBACK: Objection; foundation.

If you know.

THE WITNESS: Which -- oh, I thought there was two. I don't know, is the answer.

BY MR. KRUM:

Q. But you think there were something in the range of two or three meetings where McEachern and Storey met with each of the three Cotters?

A. Yes.

Q. Okay. And when did those occur, approximately? What time period?

A. I would say --

MR. TAYBACK: Objection; foundation.

You can answer what you know.

THE WITNESS: I'm really not sure. I guess they were in the -- maybe the October/November time

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period.

BY MR. KRUM:

Q. 2014?

A. 2014, yes.

Q. So directing your attention back to your April breakfast meeting at the Peninsula with Ellen Cotter, tell me again how that came about.

A. Ellen called me.

Q. What did she say and what did you say?

A. She says, I want to talk to you and I have a lot of things to talk about so why don't we have breakfast at the Peninsula. She suggested a day or -- it came about that way.

Q. What else, if anything, did either of you say on that phone call?

A. In that phone call with Ellen? That's all I recall.

Q. Did you ask her to give you some sense as to what she wanted to discuss?

A. My recollection is that she said on her opening burst that we had a lot of things to talk about and I think we should do it in person, so if you're available, let's have breakfast. And I didn't press what the issues were.

Q. Did she say or did you ask why she was

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meeting with you personally instead of --

A. No.

Q. -- you together with other board members?

A. No.

Q. Did you think about that?

A. No.

Q. Did you tell anybody you were going to meet with her before you met with her?

A. I think I didn't.

Q. Not Ed Kane?

A. Not that I remember.

Q. So directing your attention, Mr. Adams, to the actual breakfast meeting with Ellen Cotter at the Peninsula, was it just the two of you?

A. Yes.

Q. How long did it last?

A. A little over an hour, I guess.

Q. What did she say and what did you say?

A. The purpose of the breakfast was, she said, I want you to reconsider being interim CEO. And I remarked that I already had a job and I was doing things and I really wasn't all that interested in it. She said, No, we really need you -- somebody to take the interim role. And I said, I'll do it on three conditions.

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One, I want -- I'll accept that there's a majority of the Cotter siblings that agree to it; and Number 2, I'll do it if the majority of the independent directors agree to it. And I had no idea whether they would or wouldn't, but that was a condition. And the third condition was, I agreed to be an interim -- an interim, one month, two months, I'm thinking max three. So it was a short scope of time.

Q. Why?

A. Because I didn't want to be CEO. I wanted to just to tide it over till we got a CEO in there to run the company.

Q. Okay. So at this breakfast conversation, did Ellen say that Margaret was in agreement with her that they wanted you to be interim CEO?

A. Yes.

Q. And did Ellen say anything about any discussions she had had with any other RDI board member?

A. No. No. We didn't talk about her discussions with other people, that I recall.

Q. Did you have any understanding as to whether she had had discussions with any other RDI board members about an interim CEO at that point in

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time?
A. I strongly suspected she had spoken with Ed Kane.
Q. And had either you or Ed Kane spoken to Doug McEachern about that?
A. I haven't, no. I don't know if Ed did.
Q. Okay. When was the first time you spoke with Doug McEachern about either terminating Jim Junior as CEO or about a subject of -- the subject of an interim CEO?
A. That I talked to McEachern? I would say it was maybe -- again, I can only approximately guess. Maybe two weeks before the meeting.
Q. And you're referring to the May 18th -- May 21st meeting, it was, wasn't it?
A. Yes. I don't know the exact date, but yeah.
Q. So what else did Ellen say and what else did you say during this approximate hour-plus breakfast meeting?
A. My recollection, we talked about Jim Junior and the CEO position, and Ellen, I guess, talked to other people because she was feeling that there was support for Jim Junior to be removed.
Q. What did she say that caused you to

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conclude she had talked to other people about Jim Junior being removed?
A. I don't know specifically what she said. Maybe it was innuendos that she maybe talked to McEachern, maybe. But it wasn't specific.
Q. Did you ever learn after the fact whether that was the case?
A. Considering McEachern, when I did call him, like two weeks before the vote, he said he was on board with that. I suspect she called and talked to him. I sure didn't. So I suspect -- I suspect she did or maybe Ed Kane did. I don't know.
Q. What else, if anything, did you discuss with Ellen Cotter at the breakfast meeting at the Peninsula in April?
A. Nothing further that I can remember at this time.
Q. What, if anything, did she say about why she wanted Jim Junior removed as CEO?
A. I think she felt he wasn't doing an adequate job as CEO.
Q. Excuse me. My question is, what did she say?
A. What did she say about -- I'm sorry.

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Jim --
Q. I'll ask it again.
A. Would you say it one more time, please.
Q. Sure.
What, if anything, did Ellen Cotter say to you during this breakfast meeting at the Peninsula about why she wanted Jim Junior removed as CEO?
A. I don't recall a conversation where she said this is why I want it -- want him removed.
Q. You understood that she didn't want to report to him; correct?
MR. TAYBACK: Objection; vague as to time. At that lunch?
MR. KRUM: Yes.
MR. TAYBACK: Breakfast, lunch.
MR. KRUM: Breakfast, yeah.
MR. SWANIS: Object to the form as well.
THE WITNESS: The answer is yes.
BY MR. KRUM:
Q. In fact, you understood as far back as the fall of 2014 that she did not want to report to Jim Junior; correct?
A. Yes.
Q. You also understood as far back as the

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fall of 2014 that Margaret didn't want to report to Jim Junior; correct?
MR. SWANIS: Objection to form.
THE WITNESS: I'm not sure if I had that communicated to me from Margaret. I'm not sure about that. I'd say no, I don't know. I don't recall that.
BY MR. KRUM:
Q. Well, did there come a time when you heard or learned that Margaret did not want to report to Jim Junior?
A. Yes.
Q. When was that?
A. I don't -- I have no recollection of the time when that transpired.
Q. Do you recall how you learned that or heard that?
A. Well, with Ellen, I -- she told me.
Q. Ellen told you that she --
A. Ellen told me.
Q. That she did not want to report to Jim Junior?
A. She did not, yes.
Q. When did she tell --
A. She said she didn't want to. She didn't

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stock. I didn't -- I didn't see the differentiating -- or the conflict.

Q. Did you think it made sense when she said to you in the office that she wanted to exercise a supposed option to acquire 100,000 shares of Class B voting stock and pay for it with Class A nonvoting stock, because doing so made good economic sense, or whatever words she used?

MR. SWANIS: Objection; form.

BY MR. KRUM:

Q. Did you -- did you agree with her?

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

THE WITNESS: It wasn't mine to agree or not to agree whether that was -- she was the trustee. That was her decision; it wasn't my decision.

BY MR. KRUM:

Q. I'm asking what you thought about what she said to you.

A. My personal opinion? It didn't matter, my personal opinion. I didn't give her my personal opinion. I didn't state a personal opinion.

Q. What did you think?

A. I don't -- candidly, I don't have enough facts about what's going on in the estate, the need

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of money, what's there, what's happening, where it's going. She said this is what she wanted to do. She was in charge of it, and it seemed okay to me.

Q. And did you give any thought to what reason, if any, might cause or prompt Ellen and/or Margaret to acquire Class B voting stock?

MR. TAYBACK: Objection; calls for speculation.

You can answer.

THE WITNESS: Repeating myself, she told me it was the economics associated with the stock had gone up. The options have a finite life, and she expressed her concern that if she didn't do it and the stock went down, she could be faulted for not overseeing those assets properly.

BY MR. KRUM:

Q. What was the expiration of the supposed option?

A. I have no idea.

Q. Did you ever learn that?

A. No. Again, it's not my asset; it's her asset.

Q. Did you ask her -- well, what did you do to ascertain it was her asset?

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A. I informed myself through legal counsel.

MR. TAYBACK: Don't -- don't disclose the communications with legal counsel. You can simply say you conferred with legal counsel.

THE WITNESS: I conferred with legal counsel.

BY MR. KRUM:

Q. Who?

A. Craig Tompkins, Greenberg Traurig and Bill Ellis.

Q. When did you confer with each of them?

A. There were emails about this particular thing, and Tim Storey wanted -- if I -- as I recall, he wanted a legal written opinion or something like that. And I didn't think there was a question that the shares were within the estate, and anyway, Ed Kane agreed, we should -- we should make sure we're on a firm basis that they have it and can do -- can exercise this.

So I inquired, and to my knowledge, Ed Kane inquired, and we both became of the opinion that it was an asset of the estate and they could exercise this transaction.

Q. Did either you or Mr. Kane confer with anybody that -- well, strike that.

What did -- what did Ed Kane do, if you

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know --

A. He voted for it.

Q. Okay. What did Ed Kane do, if anything, to seek advice of counsel?

MR. TAYBACK: Objection; foundation.

Whatever you know.

THE WITNESS: I'm pretty sure he talked to Craig Tompkins as well, legal counsel. I don't know if he spoke to Bill Ellis. And beyond that, I don't know what Ed Kane did.

BY MR. KRUM:

Q. Your communications were with what lawyer?

MR. TAYBACK: You okay?

THE WITNESS: Went down the wrong way.

MR. TAYBACK: Need a minute?

THE WITNESS: Just 30 seconds.

MR. TAYBACK: Why don't we go off the camera so you don't need to have a coughing --

MR. KRUM: Yeah, we'll go off the record for a couple of minutes. That's fine.

THE VIDEOGRAPHER: We are off the record. The time is 4:50.

(Recess.)

THE VIDEOGRAPHER: We are on the record. The

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time is 4:59.
BY MR. KRUM:
Q. Mr. Adams, referring to your testimony a few minutes ago that you consulted with Greenberg Traurig, with whom did you speak or communicate?
A. I didn't speak to anyone. It was a written communication.
Q. From Greenberg Traurig?
A. Yes.
Q. To you?
MR. TAYBACK: Vague as to the "you." You, Mr. Adams or --
MR. KRUM: Yeah, that's what I'm asking.
MR. TAYBACK: Okay.
THE WITNESS: No, it wasn't to me. I'm not -- I don't -- at the top, I don't know who it was to.
BY MR. KRUM:
Q. How did you come to have it?
A. It was given to me by -- the counsel of the company gave it to me.
Q. Mr. Ellis or Mr. Tompkins?
A. I don't know -- one of them, yes, gave it to me.
Q. Okay. And what was the subject matter of this document?

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MR. TAYBACK: General subject matter.
THE WITNESS: Ownership of the voting stock.
BY MR. KRUM:
Q. Was the subject matter of the memo -- did it address the subject of who had the right to vote certain stock at or in connection with the annual shareholders meeting?
MR. TAYBACK: I'm going to object to that question to the extent I think it's a little --
MR. KRUM: It's not what they said. It's a particular subject matter. It's different -- it may or may not be a different subject matter than what he just said. And he may know not know, but I'm entitled to the subject matter.
MR. TAYBACK: Could I just have the subject matter read back to me again.
MR. KRUM: Sure. Go ahead.
MR. TAYBACK: At some point it becomes so specific that it does become a disclosure. You know what -- the point I'm making, so I just want to make --
MR. KRUM: I understand.
(Record read as follows:
"Q. Was the subject matter of the memo -- did it address the subject of

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who had the right to vote certain stock at or in connection with the annual shareholders meeting?")
MR. TAYBACK: I'll let you answer the question if you know.
THE WITNESS: I'm not sure if it specified that.
BY MR. KRUM:
Q. Okay. But you relied on this particular Greenberg Traurig memo in connection with making the decision to vote as a member of the compensation committee to allow Ellen and Margaret Cotter, as executors, to exercise the supposed option to acquire 100,000 shares of Class B voting stock; is that right?
MR. TAYBACK: Objection to the extent that misstates his prior testimony.
You can answer.
THE WITNESS: Yes, in addition to Craig Tompkins and Bill Ellis.
BY MR. KRUM:
Q. Now, to your knowledge, were -- are any of those lawyers -- did any of those lawyers possess any expertise in trust and estate matters?
MR. TAYBACK: Objection; lack of foundation.

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You can answer if you know.
THE WITNESS: I have no knowledge about that.
BY MR. KRUM:
Q. Okay. And I don't want to know what was said, but was there any discussion in the Greenberg Traurig memo of what you understood to be trust and estate issues?
MR. SWANIS: Objection; form.
MR. TAYBACK: Join.
THE WITNESS: Yes, there were some --
MR. TAYBACK: You can answer yes or no.
THE WITNESS: Yes.
BY MR. KRUM:
Q. And in terms of your thinking, not what any lawyer said in a memo, did whatever discussion there was that you understood to be of trust and estate matters bear upon your decision-making?
A. I'm sorry. Would you say that question again.
Q. Sure. I'll ask it a little differently. Did you rely on a portion of the Greenberg Traurig memo that you understood addressed trust and estate matters in making your decision to vote in favor of allowing Ellen and Margaret Cotter to exercise the supposed option to

A. Yes and no. Not all of it but some, yes. And I thought also, there might be a point where I could buy it back later on.

Q. What were the proceeds, meaning how much money did you net from exercising the option and selling RDI stock?

A. I want to say I netted like $120,000 maybe.

Q. And I'm sorry. I said March or April. Do you recall when that was?

A. No, I don't. I really don't.

MR. KRUM: What's our number? Where are we?

THE REPORTER: We are on 67.

MR. KRUM: Okay. I'll ask the court reporter to mark as Exhibit 67, a two-page document bearing production numbers GA00005504 and 05.

(Exhibit 67 was marked for identification.)

THE WITNESS: I remember this.

BY MR. KRUM:

Q. What do you recognize Exhibit 67 to be?

A. An email from Ed Kane to Tim Storey, responding to Tim Storey's letter to the entire board, it looks like, the day before.

Q. Directing your attention, Mr. Adams, to

Mr. Kane's email --

A. Yes.

Q. -- do you see in the first line, it says: "We have heard from Nevada counsel via their memos"?

A. Yes.

Q. At the time, did you have any understanding to what that referred?

A. As I recall, I think Ed was referring to the memos from Nevada counsel about who could vote the stock in the various trusts or whatever.

MR. KRUM: Okay. Why don't we go off the record.

THE VIDEOGRAPHER: We are off the record. The time is 5:27.

(Discussion held off the record.)

THE VIDEOGRAPHER: This concludes the deposition of Guy Adams, Volume I, April 28, 2016, which consists of four media files. The original media files will be retained by Hutchings Litigation Services. Off the video record at 5:28 p.m.

(The deposition was adjourned at 5:28 p.m.)

CERTIFICATE OF REPORTER

STATE OF CALIFORNIA)
)SS:
COUNTY OF LOS ANGELES)

I, Lori Raye, a duly commissioned and licensed court reporter for the State of California, do hereby certify:

That I reported the taking of the deposition of the witness, GUY ADAMS, commencing on Thursday, April 28,2016, at 10:13 a.m.;

That prior to being examined, the witness was, by me, placed under oath to testify to the truth; that said deposition was taken down by me stenographically and thereafter transcribed; that said deposition is a complete, true and accurate transcription of said stenographic notes.

I further certify that I am not a relative or an employee of any party to said action, nor in anywise interested in the outcome thereof; that a request has been made to review the transcript.

In witness whereof, I have hereunto subscribed my name this 2nd day of May 2016.

LORI RAYE
CSR No. 7052

ERRATA SHEET

I declare under penalty of perjury that I have read the foregoing _____ pages of my testimony, taken on _____ (date) at _____(city), _____(state),

and that the same is a true record of the testimony given by me at the time and place herein above set forth, with the following exceptions:

Page	Line	Should read:	Reason for Change:
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Exhibit 3

EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

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

Complete caption, next page.

VIDEOTAPED DEPOSITION OF GUY ADAMS

LOS ANGELES, CALIFORNIA

FRIDAY, APRIL 29, 2016

VOLUME II

REPORTED BY: LORI RAYE, CSR NO. 7052

JOB NUMBER 305149

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

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

Plaintiff,

vs.

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

Defendants.

and

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

Case No.
A-15-719860-B
P-14-082942-E

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

Plaintiffs,

vs.

MARGARET COTTER, ELLEN COTTER, GUY WILLIAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS, and DOES 1 through 100, inclusive,

Defendants,

and

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

Videotaped deposition of GUY ADAMS, held at Jeffer Mangels Butler & Mitchell, LLP, located at 1900 Avenue of the Stars, Tenth Floor, Los Angeles, California, 90067, on Friday, April 29, 2016, at 9:10 a.m., before Lori Raye, Certified Court Reporter, in and for the State of California.

Appearances:

For Plaintiff:

LEWIS ROCA ROTHGERBER CHRISTIE, LLP
BY: MARK G. KRUM, ESQ,
3993 Howard Hughes Parkway
Suite 600
Las Vegas, Nevada, 89169
(702) 949-8200
mkrum@lrlaw.com

For Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Douglas McEachern, Edward Kane, Judy Codding and Michael Wrotniak:

QUINN EMANUEL URQUHART & SULLIVAN, LLP
BY: CHRISTOPHER TAYBACK, ESQ.
865 South Figueroa Street
Tenth Floor
Los Angeles, California 90017
(213) 443-3199
christayback@quinnemanuel.com

Appearances: (Continued)

For Plaintiffs-in-Intervention T2 Partners Management, LP, dba Kase Capital Management, et al.:

ROBERTSON & ASSOCIATES, LLP
BY: ROBERT NATION, ESQ.
32121 Lindero Canyon Road
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Westlake Village, California 91361
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rnation@arobertsonlaw.com

For Nominal Defendant Reading International, Inc.:

GREENBERG TRAURIG
BY: ERIC W. SWANIS, ESQ.
3773 Howard Hughes Parkway
Las Vegas, Nevada 89169
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swanise@gtlaw.com

For Defendants William Gould and Timothy Storey:

BIRD | MARELLA, PC
BY: EKWAN E. RHOW, ESQ.
HERNAN D. VERA, ESQ.
1875 Century Park East
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(310) 201-2100
eer@birdmarella.com

Also Present:

JAMES J. COTTER, JR.

COREY TYLER (Videographer)

I N D E X

WITNESS: GUY ADAMS

E X H I B I T S

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that stand as of May 19th?
A. Ellen, Margaret and Ed and Doug McEachern were of the opinion, yes, on an interim basis.
Q. Yes what?
A. Yes to Guy Adams being the interim CEO on a short-term basis.
Q. What about Ed Kane?
A. As interim?
Q. Okay. I'm sorry.
So how did you know that each of Ellen, Margaret, Ed Kane and Doug McEachern were agreeable to you being appointed CEO on an interim -- interim CEO or a short-term basis?
MR. TAYBACK: Objection to the extent it's asked and answered.
You can answer.
THE WITNESS: My recollection -- and I can't remember if it was Ellen or Ed Kane -- one of them told me and I followed up with a phone call to Doug McEachern to confirm it. So that's how I knew.
BY MR. KRUM:
Q. Okay. When did you have the follow-up phone call with Doug McEachern?
A. Help me -- what was the date of the meeting, that meeting? We're up to May 19. What

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was the date of the meeting?
Q. I think it was May 21st.
A. 21st?
Q. Yes.
A. I called Doug either one or two days before the meeting.
Q. What did you say and what did he say?
A. I said, I understand you're going to vote for the removal of Jim Junior. He said yes. And I said, Are you comfortable with me being interim CEO for a short duration? He said yes. And I said, Okay. I'll see you in Los Angeles.
Q. That was it?
A. That was pretty much it.
Q. When did you first come to understand that Mr. McEachern had agreed or determined to vote to remove Jim Cotter Junior as president and CEO?
A. Again, either Ellen or Ed Kane informed me of that.
Q. When?
A. I'm not sure. Maybe -- I mean, I could guess.
Q. Well, if you would --
A. It was prior to this date.
Q. If you would do this, Mr. Adams, I don't

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want you to guess a date but if you can put it in context or sequence of time or point of reference to a date we can -- an event we can date.
A. My recollection would be two weeks, three weeks before May 19th.
Q. And at that point in time, it was either Ellen Cotter or Ed Kane who told you that Doug McEachern had --
A. Yes, I didn't have conversations with Ed about it.
Q. I'm sorry. Let me finish.
So you learned that McEachern --
A. I apologize.
Q. No, it's okay. It happens. I've done it, too.
You were told by one or the other of Ellen Cotter or Ed Kane that Doug McEachern had determined to vote to terminate Jim Cotter Junior as president and CEO; correct?
A. Yes.
Q. And as you sit here today, do you recall if it was Ellen Cotter or Ed Kane who told you that?
A. It may have been both.
Q. And do you recall that as happening in a

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single conversation with the two of them or separate conversations --
A. Separate.
Q. -- with each?
A. Separate conversation with each, yes.
Q. Okay. So as best you can recall, in the conversation with Ellen, was that in person or telephonic?
A. Ellen, could have been in person.
Q. Okay. And what did she say and what did you say?
A. I said, Well, if we're going to go through this stress of replacing a CEO, it's a very weighty decision. Before you have a board meeting call, you better make sure there are people that think like you do to remove him.
Q. To remove Jim Junior as president and CEO?
A. Yes.
Q. What was her response?
A. Well, she said, Well, Ed's going to vote, you're going to vote and I'm talking to Doug McEachern tomorrow. I talked to him earlier last week, or something like that. So she was clearly talking to him.

original media files will be retained by Hutchings Litigation Services.

Off the video record at 5:29 p.m.

(The deposition was adjourned at 5:29 p.m.)

CERTIFICATE OF REPORTER

STATE OF CALIFORNIA)
)SS:
COUNTY OF LOS ANGELES)

I, Lori Raye, a duly commissioned and licensed court reporter for the State of California, do hereby certify:

That I reported the taking of the deposition of the witness, GUY ADAMS, commencing on Friday, April 29, 2016 at 9:10 a.m.;

That prior to being examined, the witness was, by me, placed under oath to testify to the truth; that said deposition was taken down by me stenographically and thereafter transcribed; that said deposition is a complete, true and accurate transcription of said stenographic notes.

I further certify that I am not a relative or an employee of any party to said action, nor in anywise interested in the outcome thereof; that a request has been made to review the transcript.

In witness whereof, I have hereunto subscribed my name this 2nd day of May 2016.

LORI RAYE
CSR No. 7052

ERRATA SHEET

I declare under penalty of perjury that I have read the foregoing _____ pages of my testimony, taken on _____ (date) at _____(city), _____(state), and that the same is a true record of the testimony given by me at the time and place herein above set forth, with the following exceptions:

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ERRATA SHEET

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Date: _____ _____
Signature of Witness

_____
Name Typed or Printed

Exhibit 4

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, VS. MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM GOULD, and DOES 1 through 100, inclusive, Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant.	Case No. A-15-719860-B Coordinated with: Case No. P-14-082942-E Case No. A-16-735305-B Volume II

(Caption continued on next page.)

VIDEOTAPED DEPOSITION OF JUDY CODDING

Wednesday, February 28, 2018

Los Angeles, California

REPORTED BY:

GRACE CHUNG, CSR No. 6426, RMR, CRR, CLR

FILE NO.: 453340-B

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

Plaintiff,

vs.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS, and DOES 1 through 100,

Defendants.

and

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

Videotaped Deposition of JUDY CODDING, taken on behalf of Plaintiff, at 1901 Avenue of the Stars, Suite 600, Los Angeles, California, beginning at 2:22 a.m. and ending at 4:38 p.m., on Wednesday, February 28, 2018, before GRACE CHUNG, CSR No. 6246, RMR, CRR, CLR.

A P P E A R A N C E S

For the Plaintiff:
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Also Present: CORY TYLER, Videographer

I N D E X

(The following previously marked exhibits were referenced: Deposition Exhibits 525, 527, 176.)

Los Angeles, California
Wednesday February 28, 2018
2:22 p.m.

THE VIDEOGRAPHER: And this is the beginning of Media 2 and the beginning of deposition of Judy Codding, Volume II, in the matter of Cotter, Jr., versus Cotter, et al., held at 1901 Avenue of the Stars, Suite 1600, Century City, California, on February 28th, 2018, at 2:22 p.m.

The court reporter is Grace Chung, and I am Cory Tyler, the videographer, an employee of Litigation Services. This deposition is being videotaped at all times unless specified to go off the video record.

Would all present please identify themselves, beginning with the witness.

THE WITNESS: Judy Codding.

MR. TAYBACK: Christopher Tayback for the witness and director defendants.

MR. FERRARIO: Mark Ferrario for Reading or RDI.

MR. KRUM: Mark Krum for plaintiff.

THE VIDEOGRAPHER: And will the court reporter please swear in the witness.

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A. I don't remember that.
Q. Okay. Did the Highpoint Associates document or any information regarding Highpoint Associates make any difference to you in any decision you made or conclusion you reached?
A. It's just one small piece of knowledge.
Q. What's your understanding of what happened at Highpoint Associates?
A. Well, I haven't seen the work order. I've only read the contract, and it appears that Jim Cotter, Jr., went out and hired a group to help him, it appears, with maybe strategy. But it wasn't that clear in the contract.
The contract called for him to -- for Highpoint Associates interview directors that had access to all materials, et cetera, but it wasn't clear to me, since there wasn't a work order, what the particulars were.
Q. Other than what you've already told me, have you had any conversations or been privy to any conversations about the Highpoint Associates' document or documents or Highpoint Associates?
A. After the meeting, I asked about what -- who was Highpoint Associates and why they were hired.

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Q. Who did you ask?
A. I asked Ellen Cotter, the CEO.
Q. What did she say, if anything?
A. She said that she didn't know about it during the time and she thinks that Jim Cotter hired them to help him think about issues that had to be addressed within the company, but she wasn't sure since she didn't know anything about it. She just knew that there -- we had paid $60,000, and we had received no product as a result.
Q. The December 29, 2017, board meeting included two matters with respect to which you were asked to ratify prior decisions; right?
A. Yes.
Q. And what were those two matters, in your words?
A. One was on Mr. Jim Cotter as CEO, and the second matter had to do with a stock, with Ellen Cotter and Mark Cotter.
Q. It had to do with their request to exercise an option to acquire 100,000 shares of RDI Class B voting stock; right?
A. For one of them, yes.
Q. For the second one you just described; right?

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A. Right.
Q. For ease of reference, Ms. Codding, I'm going to refer to that as the 100,000 share option.
A. Okay.
Q. Ms. Codding, with respect to --
(Miscellaneous comments.)
BY MR. KRUM:
Q. Ms. Codding, with respect to either of the two ratification matters you just identified, when did you first hear or learn that either/or both of them would be or might be raised at the December 29, 2017, board meeting?
A. We had a discussion in the special committee about the ratification of Jim Cotter, Jr., being the CEO before that meeting -- shortly before that meeting.
Q. And by "that meeting," you're referring to the December 29th, 2017 --
A. Right.
Q. -- board meeting?
MR. KRUM: Did you hear the answer?
THE REPORTER: Yes.
BY MR. KRUM:
Q. Who was present for or a party to the special committee discussion you just referenced?

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A. Our attorney, Mike Bonner --
Q. Uh-huh.
A. -- and Bill Gould, Doug McEachern.
Q. Was this in person, by telephone, or both?
A. By telephone.
Q. Who raised the subject of ratification?
A. I don't --
MR. TAYBACK: You can just answer the question who, only because there's a lawyer present. So I'm going to make -- make objections.
So you can answer the question, though, as it was phrased.
A. I don't remember whether it was Bill Gould or whether it was Mike Bonner.
BY MR. KRUM:
Q. And without saying what was said, meaning without speaking to the substance, did one or the other of -- or both, Mike Bonner or Bill Gould, explaine the notion of ratification of these two issues?
A. Yes.
Q. At the special committee meeting, was there any discussion that you viewed as bearing upon the merits of either ratification decision as distinct from the fact of or reasons for

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ratification?
MR. TAYBACK: Object as being confusing.
A. I'm not -- I'm not sure whether there was a distinction in my mind between those two.
BY MR. KRUM:
Q. Okay. So -- and what's your best estimate of when in time -- meaning how far shortly before the December 29, 2017, board meeting -- that the special committee telephonic meeting occurred?
A. Just a couple of days.
Q. Are there minutes?
A. There are minutes that have not been approved that -- with our attorney. We haven't had a meeting with our attorney.
Q. You have minutes of every special committee meeting; is that right?
A. I think most, if not all.
Q. And when you say "our attorney," are you referring to Mr. Bonner?
A. I am.
Q. At Greenberg Traurig?
A. Yes. And on other occasions, other attorneys have joined --
Q. Who?
A. -- to explain.

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MR. TAYBACK: Let -- let her finish her answer. Just --
BY MR. KRUM:
Q. Sure. Please go ahead.
A. To -- to explain whatever issue we were dealing with at that time, and I -- because we dealt with lawyers in the special committee and we dealt with them in other kinds of discussions, basically, we have dealt with Chris and with Mark and with Marshall and with Mike.
Q. Okay. Mike is Mike Bonner of Greenberg Traurig?
A. Uh-huh.
Q. Yes?
A. Yes.
Q. Chris being Mr. Tayback?
A. Yes.
Q. And Marshall being his colleague, Marshall Searcy?
A. Yes.
Q. And Mark being Mr. Ferrario with Greenberg --
A. Yes.
Q. -- Traurig?
Has the special committee ever discussed

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engaging its own independent counsel?
MR. TAYBACK: I'm going to -- I'm just going to admonish the witness. If you had a discussion about retaining independent counsel with counsel for the company or with counsel for any of the directors, I suppose, that would be privileged.
THE WITNESS: Okay.
BY MR. KRUM:
Q. So -- so he's instructing you not to answer insofar as the answer is yes with Quinn Emanuel lawyers or yes with Greenberg Traurig lawyers, and I'll understand that you're excluding that from your answer.
So with that understanding, meaning excluding those lawyers and those law firms, based on the instruction that Mr. Tayback just gave, has the special committee ever discussed the subject of engaging separate independent counsel for the special committee?
A. No.
Q. Do you understand that Greenberg Traurig represents RDI?
A. Yes.
Q. And that Mr. Tayback and Mr. Searcy represent you and certain other directors

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individually?
A. Yes.
Q. And you understand that they represent -- represented you in connection with this derivative lawsuit; right?
A. Yes.
Q. And you understand Mr. Tayback and any of his colleagues or anyone else at Quinn Emanuel to represent you in any context or for any purpose other than this derivative lawsuit?
A. I think that's what they represent us for.
MR. KRUM: So you weren't here this morning, Chris. I asked the minutes for this meeting be produced. And I don't know what Marshall and Mark have done, but that request stands.
Q. What did you do, Ms. Codding, if anything, other than review Exhibit 525 to prepare yourself for the December 29, 2017, board meeting?
A. For that specific meeting?
Q. Right.
A. Nothing.
Q. Now, directing your attention to the ratification decision you've identified earlier concerning the termination of Jim Cotter, Jr., as

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I can't tell you when that occurred, but over a period of time that has occurred, and I -- I just can't tell you the dates.

Q. Other than the example or -- strike that.

Other than the testimony you just gave, do you recall the substance of any conversation you've had with any other director regarding the removal of Jim Cotter, Jr., as president and CEO?

A. Yes. I spoke to Bill Gould about why he did not vote to remove Jim when at this -- over the past year I knew he believed that that decision was a mistake, but at the time he thought that it was the right decision to give Jim the time, an extra several weeks that they had agreed to. And so we spoke about that. I was interested in understanding, from Bill's point of view, why he voted the way he did.

Q. When you refer to "give Jim the extra several weeks he agreed to," to what are you referring?

A. My understanding from Bill was that they had a time frame that ended up, I guess, being pretty much what -- what the time frame was. But when this issue first came up in the discussion and they had board meetings, two board meetings in May,

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I think that Bill wanted to give Jim the time that they had agreed to for him to have the opportunity to make the changes that were necessary in order for him to continue as CEO.

Q. And by the -- by the time frame to which they agreed, who is the "they" to whom you're referring?

A. I -- I understood that it was with -- I think it was with Jim and either with a full group of directors or maybe just with the lead director. But you're asking me questions -- I have to say you're asking me questions that I wasn't present for the discussions.

Q. I'm just asking your understanding, and if you don't have any because you weren't there and you haven't learned anything after the fact, then that's the answer.

You referred to changes that were necessary in order for Jim Cotter, Jr., to continue as CEO. What did you understand those to be?

A. I think I understand those to be the same, that I have concerns about Jim, and it has to do with experience, knowledge, decision-making, leadership, temperament.

Q. And when you say "you have concerns about these," your concerns are based upon your interaction with him as a director; is that correct?

A. It is.

Q. You also referenced conversations you had had with Jim Cotter, Jr., and one of the things you considered in your December 29 vote to ratify the prior termination decision, what conversations are you referencing?

A. Jim and I had two conversations. This goes -- I -- this is covered in the deposition.

Q. The -- we covered this in your last deposition?

A. Yes.

Q. These -- so these were conversations that occurred prior to March 1 of last year?

A. Right.

Q. Well, I'm not going to ask you to repeat that. You also refer in your answer to documents you've reviewed.

Are you referring to any documents other than Exhibit 525?

A. No.

Q. Now, with respect to Exhibit 525, you referred to meeting minutes.

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Are you referring to the minutes of the meetings of May and June 2015?

A. I am.

Q. Have you ever had any discussions with anyone about those minutes?

A. Specifically about those minutes, no.

Q. Do you have any independent basis upon which to determine whether they are accurate?

A. Based on the collective conversations that I have had and my own subsequent observations, Jim Cotter, Jr., they would appear to me to be accurate.

Q. You're referring to comments that pertain to the stated reasons for terminating him?

A. Yes.

Q. Independent of those particular board meetings of the May and June 2015 minutes, do you have any basis upon which to assess whether the minutes are accurate?

A. Oh, I wasn't present, so I could not tell you other than that.

Q. So that we're clear, directing your attention, Ms. Codding, to Exhibit 525, starting with the page that -- in the lower right-hand production number ending in 7189 and going

Page 219

through 7199, you'll see that page range purports to be the minutes of the May 21, May 29, and June 12th, 2015, meetings.

Are those the minutes that you're referencing?

A. Yes.

Q. I direct your attention, Ms. Codding, to the second page of the -- what purports to be the May 21 minutes, so that's the one ending in production number 7188 in the lower right-hand corner.

Do you have that?

A. I do.

Q. I'm going to ask you a question that calls for a yes-or-no answer. You see that in the last paragraph above the subhead "Review of Operations," there's an entry saying Mr. Ellis made some statements.

And my question --

A. Excuse me. I have to find that.

Q. Okay.

MR. TAYBACK: I'm going -- I'm going to object. I believe that this document was produced as a redacted version, and I don't know if this came up in the last one --

Page 220

MR. FERRARIO: Which one? Are you looking at the September 2015?

MR. TAYBACK: He's looking at May 21.

MR. KRUM: No, I'm looking at May --

(Speakers talking simultaneously.)

A. I don't see a -- I don't see a Mr. Ellis.

MR. KRUM: Okay. I'm going to -- let me -- let me be clear here. I'm not going to ask for the substance of anything. I'm just going to ask if she has ever had a conversation with anybody about that subject matter. So this is really to assist --

MR. TAYBACK: Okay.

MR. KRUM: -- the witness. I can ask an open-ended question.

MR. TAYBACK: Okay. I'll let you ask that subject to the fact that I do believe there was a redacted version of this, and I would probably send you a clawback letter with respect to this.

MR. FERRARIO: This one too?

BY MR. KRUM:

Q. All right. So --

A. Under "Review of Operations," I see no mention --

Q. Right --

Page 221

A. -- of Mr. Ellis.

Q. Right above that, the paragraph immediately above that.

A. Yeah, I see it.

Q. So my question is: Have you ever had any conversations with anyone about the subject of whether either both Guy Adams or Ed Kane suffered from some conflict that made a difference to whether they could vote or their vote should be counted with respect to the subject of terminating Jim Cotter, Jr., as president and CEO? Yes or no?

MR. TAYBACK: Ever or at any point in time?

BY MR. KRUM:

Q. Other than with counsel in this lawsuit.

A. Could you separate out the two?

Q. Sure.

MR. FERRARIO: And you heard him. He said, "other than with counsel," just so you're clear.

BY MR. KRUM:

Q. Right. So I'll -- I'll include that expressly in the next question.

So excluding any conversations you've had counsel with connection -- had with counsel in

Page 222

connection with this derivative lawsuit, Ms. Codding, have you ever had any conversations with anyone about the subject of whether Ed Kane suffered from any conflict of interest that would make any difference to his vote or his -- the propriety or right in voting with respect to the termination of Jim Cotter, Jr., as president and CEO?

A. No.

Q. And the same question with respect to Guy Adams.

A. Without counsel present?

Q. With -- excluding counsel; correct.

A. No, not that I recall.

Q. At the bottom of the same page, you see the very last two lines read as follows: Quote, The board then proceeded to discuss at length the performance of Mr. Cotter as chief executive officer and president of the company since he was appointed in August 7, 2014.

Do you see that?

A. I do.

Q. Do you know if that's accurate?

A. I wasn't there.

Q. Okay. So you don't know?

A. No.

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A. I covered that in the last deposition about my conversations with Ellen, Margaret, and Jim in hopes that we could find a way to resolve it.

Q. And you have not had any additional conversations since your last deposition?

A. On that issue -- I've had many conversations since that last issue [sic]. On that particular issue, I'm constantly asking Ellen and Margaret. I've even asked Jim at different board meetings if there was any way that they could find a way to settle all their issues and have a family.

I come from a family where my father and his two brothers ran a business, and they ran it together. And they got along beautifully and business prospered and grew. I've seen it work. And I'm -- I was very hopeful that Ellen and Margaret and Jim could find a way to take the asset that their father had started and grow it in ways that they would all be proud of.

Q. Other than what you just said, including with respect to your personal family's business, are there any other reasons why you've continued to ask -- to raise this issue with Ellen, Margaret, and Jim?

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A. Yes, because it's in the best interest of Reading and its stockholders. That goes, to me, without saying that that's -- it -- it could be a win-win for everyone, a win for the Cotter family and a win for Reading and its stockholders. And I don't quite understand all of these lawsuits, why they're necessary.

Q. How do you -- how do you anticipate that it would be a win for Reading stockholders?

A. Because I think it would put all of the -- these issues aside. I think the money that is being spent on this is outrageous, and I think having an end to disagreements is always beneficial.

Q. Directing your attention back to the May 21, 29, and June 12, 2015, minutes that is part of Exhibit 525, you do not know what, if anything, is omitted from those minutes because you weren't there; right?

A. Right. And I also understand that minutes are not a verbatim, but they capture the essence of what happens in meeting. And so I would expect that the major issues that were dealt with would be reflected in the minutes.

Q. Accurately?

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A. Accurately.

Q. I direct your attention, Ms. Codding, to the page of Exhibit 525 that ends in production number 7193. You'll see that is the third page of the May 29, 2015 --

A. Uh-huh.

Q. -- minutes.

Do you have that?

A. I do.

Q. At the end of the last full paragraph on that page, it reads as follows: "The meeting went into recess at approximately 2:00 p.m. to permit Mr. Cotter and Madams Ellen Cotter and Margaret Cotter to continue their discussion of settlement terms," close quote.

Do you see that?

A. I do.

Q. Do you know if that's accurate?

A. I don't know.

Q. Did you ever hear or learn or were you ever told that Jim Cotter, Jr., was told, in words or substance, "We're going to reconvene this meeting telephonically at 6 o'clock, and if you do not resolve your differences with your sisters by then, we're going to proceed with the termination

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vote"?

A. I didn't hear that.

Q. Have you read any of the deposition transcripts in this case?

A. No. My own.

Q. Have you looked at any of the documents marked as deposition exhibits other than those in your own deposition?

A. No.

Q. What is it exactly that you understand that you voted to ratify with respect to the termination of Jim Cotter, Jr.?

A. That we would not hire Jim Cotter, Jr., as the CEO.

MR. TAYBACK: You're asking for her recollection, not what's written in the --

MR. KRUM: Right.

MR. TAYBACK: -- minutes?

MR. KRUM: Yeah.

A. To ratify that the vote that was taken to not have him as a CEO, that we concurred with.

BY MR. KRUM:

Q. Ms. Codding, to your right there are two other documents that have been marked previously. I'd ask that you take a look at the one that has

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been marked --
A. This one?
Q. No. Okay. It should be -- you should have one that says 526 and one that says 527. Do you have those?
A. Yes.
Q. I'd ask you to take a look at Exhibit 527.
A. Yeah.
Q. Have you seen Exhibit 527 previously?
A. I have not seen it, but I knew that we had requested that a note be sent to Ellen.
Q. How did you know that?
A. I knew it from discussion, asking with the special committee that Bill Gould was going to ask Ellen for a discussion of these matters.
Q. Okay. And by the special committee and Bill Gould, are you referring to the December 27, 2017, special committee meeting about which you've testified earlier today?
A. Whatever date that was. I don't remember. Earlier, as I said, I didn't know whether it was 26th, 27th, 28th. I don't remember.
Q. Okay. But whatever the date was --
A. Whatever the date --
Q. -- the same reference --

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A. Yeah.
Q. Okay. Did you have any discussions with anybody about the phraseology of either Items 1 -- either Item 1 or 2 of Exhibit 527?
A. Not the phraseology. The intent, yes.
Q. What was your personal understanding of the -- of the purpose for which you were going to be doing this?
A. My understanding was that since the judge made the decision that myself and Bill Gould and Doug McEachern and Ed Kane and Michael were now declared definitely independent, that we would have the opportunity to ratify a decision if we so chose.
Q. What was your understanding of why you would do so?
A. To make sure that the court knew where we stood about Jim Cotter, Jr., being the CEO.
Q. Was your decision to vote in favor of ratification based in any respect on your view of this derivative lawsuit?
MR. TAYBACK: Objection. Vague.
And if you can answer the question without divulging attorney-client communications, you can answer it.

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A. I can't answer it.
MR. TAYBACK: If her understanding, with respect to the relationship of this issue to the lawsuit, came from a conversation with a lawyer, I'd instruct her not to answer.
MR. KRUM: Right.
Q. Is that the case, Ms. Codding?
A. It is.
Q. Okay. So independent of that conversation or those conversations with lawyers, with respect to the ratification or otherwise, do you have an independent view of this derivative lawsuit?
MR. TAYBACK: Object to the form of the question. Does she have a view of the derivative lawsuit?
MR. KRUM: Yes.
MR. TAYBACK: She can answer that question.
MR. FERRARIO: Other than what she's already testified to that she thought it was a waste and all that.
MR. KRUM: I'm not asking her to repeat it.
MR. FERRARIO: Okay. All right.
MR. KRUM: I mean, I don't think that's a

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fair characterization. Well, it doesn't matter whether it is. She can answer.
A. I don't really understand the lawsuit as it exists today. I -- I really don't understand it. I don't understand how it's a derivative lawsuit, and I've asked for an explanation of it from our attorneys. And it's hard for me to understand why there is this derivative lawsuit.
And the attorneys can verify that I've asked that question many times.
BY MR. KRUM:
Q. So if you were able to vote on whether this derivative lawsuit should proceed or not, would you -- how would you vote, if at all?
A. Well, I don't think it should -- I don't think it should go forward. I don't see the purpose of it. I don't understand it.
Q. Ms. Codding, take a look at Exhibit 526. You have that in front of you as well. And take such time as you need to review it.
My first question is, have you ever seen Exhibit 526?
A. I have.
Q. When did you first see it?
A. I don't remember the date.

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You had the CFO saying it was fine. And you had the compensation committee back then who reviewed it thoroughly, and so it appeared, to me, that everything was in order -- correctly in order for this to happen.

Q. Let's take a look at the page ending in 7213 as part of Exhibit 525. You'll see that's the first page of the compensation stock option committee, September 21, 2015, minutes.

A. Uh-huh.

Q. Do you have that?

A. I do.

Q. First of all, are you aware, independent of reading these minutes, that committee member Tim Storey was not a participant in the meeting of the vote.

A. I only know it reading the minutes that he wasn't -- he was preoccupied.

Q. Do you know why the meeting proceeded on September 21, 2015?

A. I think that in reading the minutes, Ed Kane had said that they had dealt with Jim's request in an expeditious manner, and that he wanted to treat Margaret and Ellen the same as he had treated Jim.

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Q. What's your understanding, as you sit here today, Ms. Codding, about when the compensation of stock option committee first considered a request by Ellen to exercise the 100,000 share option?

A. I don't know.

Q. Have you ever heard or learned or been told that that request was made in or before April of 2015?

A. I don't know.

Q. You think you've ever heard that?

A. You know, I wasn't there at the time. The sequence of events, you know, aren't with me because I wasn't there at the time, so for me to vote on this, I had to believe that people thought this was legitimate and right.

And that was what I was concerned about. I wasn't concerned about the sequence of events, what happened, when, by whom. I just wanted to know: Legally was it all right, and did the CFO support it? And once I was convinced that it was legally correct, I was very willing to ratify it.

So --

Q. Did you --

A. -- the sequence makes no -- it doesn't sit with me.

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Q. It doesn't sit with you, meaning it makes no difference?

A. Well, I -- I didn't live it, so I can't say whether I heard it before April, before May, before September. It doesn't -- this is not my -- in my recollection.

Q. Did you make any efforts to determine whether the estate was the owner of the 100,000 share option?

MR. TAYBACK: Other than reviewing the materials she's already testified about?

A. I've already -- I've already told you what I knew.

BY MR. KRUM:

Q. Okay. So the answer is: Other than what you've already said, the answer is no?

A. Right.

Q. Take a look at the top of page 2 of the September 21, 2015, meeting minutes. That's 7214 in Exhibit 525.

Do you see the -- there's a phrase that reads, "Including whether the committee can rely on the records of the company in determining who was the owner of the options."

A. Where is that?

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Q. It's the first two lines of page 2 of the September 21, 2015, compensation meeting minutes.

A. Up here.

When I read this, it appeared to me that everything was in order.

Q. Prior to voting in favor of ratification with respect to the 100,000 share option on December 29, 2017, did you have any discussions with Ed Kane or Guy Adams about what they did or did not do as compensation committee members in connection with the request to exercise the 100,000 --

A. No.

Q. -- share option?

A. No.

Q. Did you ever hear or learn or were you ever told that Bill Gould had suggested that Ellen Cotter or the company or both seek some sort of judicial determination regarding whether the -- whether Ellen on behalf of the estate could exercise the 100,000 share --

A. No.

Q. -- option?

Did you ever talk to Bill Gould about the --

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

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

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

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

That the dismantling, unsealing, or unbinding of the original transcript will render the reporter's certificate null and void.

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

In witness whereof, I have hereunto subscribed my name.

Dated. March 14, 2018

_____
GRACE CHUNG, CSR NO. 6246
RMR, CRR, CLR

ERRATA SHEET

I declare under penalty of perjury that I have read the foregoing _____ pages of my testimony, taken on _____ (date) at _____(city), _____(state),

and that the same is a true record of the testimony given by me at the time and place herein above set forth, with the following exceptions:

Page	Line	Should read:	Reason for Change:
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ERRATA SHEET

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Date: _____ _____
Signature of Witness

_____
Name Typed or Printed

Exhibit 5

DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, et al., Defendants, _____and _____ READING INTERNATIONAL, INC., a Nevada Corporation, Nominal Defendant.	Case No. A-15-719860-B Coordinated With: Case No. P-14-082942-E Volume 3 Pages 496 to 578

VIDEOTAPED DEPOSITION OF

WILLIAM GOULD

Thursday, April 5, 2018

9:32 A.M. TO 11:34 A.M.

Century City, California

Job No. 461424

DISTRICT COURT
CLARK COUNTY, NEVADA

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

Plaintiff,

vs.

Case No. A-15-719860-B

MARGARET COTTER, et al.,

Defendants,

Coordinated With:

Case No. P-14-082942-E

_____and _____

READING INTERNATIONAL, INC., a Nevada Corporation,

Nominal Defendant.

Videotaped Deposition of
WILLIAM GOULD,
taken at the offices of Sheppard, Mullin, Richter & Hampton, LLP, 16th Floor Conference Room, 1901 Avenue of the Stars, Suite 1600, Century City, California, on Thursday, April 5, 2018 at 9:32 A.M., before Lori Byrd, Registered Professional Reporter, Certified Realtime Reporter, Certified LiveNote Reporter, Realtime Systems Administrator, Kansas Certified Court Reporter 1681, Oklahoma Certified Shorthand Reporter 1981, and Certified Shorthand Reporter in and for the State of California 13023.

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INDEX OF EXAMINATIONS

WITNESS: WILLIAM GOULD
VOLUME 3

INSTRUCTION BY COUNSEL NOT TO ANSWER
None

RECORD MARKED PER REQUEST OF COUNSEL
None

STIPULATIONS
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ratifications?
A. I believe that the first contact I had was either in mid-November, or late November of 2017.
Q. With whom?
A. Counsel.
Q. Who?
A. Mike Bonner and Mike Ferrario of Greenberg Traurig.
Q. Was this contact in person or telephonic?
A. This was a telephonic contact.
Q. And it was just the two or three of you, meaning you and one or both Bonner and Ferrario?
A. Yes. I was the chairman of the special committee and they were discussing it with me in my capacity as the chairperson of that committee.
Q. Okay. I'm not going to ask you who said what.
A. Okay.
Q. Let me ask you about all the logistics. Was this call a scheduled call?
A. I don't recall.
Q. Do you recall who placed or initiated the call?
A. No.
Q. Okay. When the subject of ratification was

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raised by Bonner or Ferrario or both of them, as the case may be on this call, was that literally the first time you had heard the concept, or notion?
MS. BANNETT: Assume --
MR. KRUM: In the context of RDI business.
MS. BANNETT: Assumes facts not in evidence.
A. In the context of RDI business, I believe it is. I was vaguely aware that Nevada law had a provision that was kind of unique, but I had never operated under it before, so I wasn't intimately familiar with it.
BY MR. KRUM:
Q. What was the next -- strike that. Did you have any understanding, exclusive of something you acquired from talking to Bonner and/or Ferrario, about how or why the notion or concept of ratification was raised in mid to late November of 2017?
A. No. It came solely from Bonner and Ferrario.
Q. Okay. What was your next communication with respect to the notion or concept of ratification at RDI?
A. My next communication was to notify the

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members of the committee, which was Judy Codding -- Judy Codding and Doug McEachern, that I had had this conversation with Mark and Mike, and that I wanted to explain to them what the concept was and why it was important.
Q. And when did that occur?
A. I would think sometime early December.
Q. Was that in person or by telephone?
A. That would be by telephone.
Q. Was anyone else, other than you, McEachern and Codding, party to that conversation?
A. My recollection is that Mike Bonner was on that call.
Q. So excluding anything Mike Bonner said, or excluding anything anyone else said that repeated something Bonner said, who said what about ratification?
MS. BANNETT: Objection. I don't think that adequately --
MS. HENDRICKS: I'm going to object here, Mark. I think we need to be very careful. He also said he talked to Mr. Ferrario. And to the extent any of the discussions were related to anything from counsel, they're protected by attorney-client privilege.

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MR. KRUM: Okay.
MS. HENDRICKS: Other than that, he can answer.
MR. KRUM: Go ahead, Ms. Bannett.
MS. BANNETT: I just would like to add to the extent that anyone asked a question that reflected a request for attorney-client advice, that should also be encompassed in the scope of the attorney-client privilege.
MR. HELPERN: Can we have maybe a stipulation that the defendants will join in each other's objections? We don't have to verbally join every single time?
MR. KRUM: Yes.
So let me rephrase the question.
BY MR. KRUM:
Q. During this conversation in early December with the other Special Committee members, McEachern and Codding, to which Mike Bonner was party, excluding anything that Bonner said, and excluding anything that anyone else said that came from or repeated something a lawyer had said, what was said about ratification?
MR. HELPERN: Can you do that one more time? I just want to make sure -- I'm not sure that

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this easier for you and me to not be asking about your personal life.

Did you travel over the year-end holidays?

A. No.

Q. Well, that doesn't help, then.

Two prior witnesses did and said they were in different places and it helped them place things in time, is why I asked.

A. Uh-huh. Uh-huh.

Q. So what was the next communication or action you had or did with respect to ratification?

A. The next action was a meeting of the Special Committee to request that the board consider the ratification.

And we sent that out -- after it had been approved, that notice was then sent to Ellen Cotter and the company.

Q. When was this -- and by the "Special Committee" you're referring to you, McEachern and Codding, correct?

A. Yes.

Q. And was Mr. Bonner there or on the phone, as the case may be?

A. He's on the phone for every meeting of the Special Committee.

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Q. For the entire meeting?

A. Unless we have to meet with him, we have a session in camera, but that's it.

Q. When did this Special Committee meeting occur?

A. I would have to think it would be the week immediately -- right around Christmas. Right around that time.

Q. Christmas was on Monday. The notice, I think, you're calling it, was set on Wednesday, the 27th. And the meeting was on Friday, the 29th.

Does that chronology sound right?

A. That sounds right to me, yes.

Q. Okay. With that in mind, can you identify the date of the Special Committee meeting as the week of Christmas or the week before?

A. I can't identify it with accuracy, but I think it was certainly in that range, either the week before or the week of Christmas.

MR. KRUM: So I don't know what lawyers should be handling this. I previously asked that the minutes of the Special Committee be produced.

So I'll ask it again. And we don't need to talk about whether it's Greenberg Traurig, or whoever else.

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I just ask that the lawyers at this deposition do what the lawyers previously didn't, which is follow through and tell me they're going to be produced or they're not.

MS. HENDRICKS: Mark, I don't think anybody's made that request to RDI, at least that I've been told. I'll look into it.

MR. KRUM: Well, in my view, the documents are responsive to our written requests. And it was raised, Kara, at a deposition that you did not attend. I think Mark was at that deposition for RDI.

All right. So, by the way --

MS. BANNETT: I haven't been present at any other depos --

MR. KRUM: You haven't been there, no. That's why I didn't ask you. And you're not in the litigation, so --

MS. BANNETT: Correct.

MR. KRUM: -- although I think it's responsive to the request, let me help you out.

BY MR. KRUM:

Q. Have you received the minutes, or draft minutes of that meeting? Presumably yes. It's now April.

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A. Yes.

Q. Have they been approved?

A. Yes, I believe they have.

Q. Okay.

A. I believe they have, yes.

Q. Okay.

MR. KRUM: All right. So anyway, I'll reiterate my request for those minutes.

BY MR. KRUM:

Q. So to clarify, Mr. Gould, did the Special Committee formally take some action with respect to ratification?

A. Yes.

Q. And what was that?

A. It requested that the company include the subject on the agenda for its next meeting, and call for a special meeting if there was not a regular meeting being scheduled.

Q. What was the next communication or action you personally had or did with respect to ratification after that Special Committee meeting?

A. Then we had the December 29th board meeting. And I gave a report at that meeting about the ratification and why it was being requested.

Q. What did you say about why it was being

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to anybody else on those things, or the people you mentioned.

But I think on the day of the board meeting, during the early parts of the board meeting, there were conversations going on about this, but they were very fleeting.

They were not -- we were sitting in a room and Jim, Jr., was either on the phone or there, so the conversations were obviously not totally candid.

Q. When you say they obviously were not totally candid, that's because Jim was there?

A. Well, because it was an adversarial lawsuit, and so we weren't like we were all on the same team.

Q. Well, what difference did that make to this particular subject, ratification?

A. Because -- because the ratification might be a litigation strategy.

Q. Did you have any discussions with Judy Codding about the termination of Jim Cotter, including any and all of the matters referenced in the May 21 and 29, and June 12, 2015 board minutes, in this time frame from mid December up to December 29 board meeting?

A. No. Judy -- Judy made it clear that she

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had done a pretty good diligence review of what had happened, and seemed to be pretty much up to speed on what had occurred. So she and I never had a conversation about the details of what went on during that period back in 2015.

Q. When she said -- when you said she made it clear, was this comments that she made at the December 29 board meeting?

A. No, comments at the Special Committee meeting.

Q. What did she say that she had done?

A. She didn't say what she had done, but it was clear from her -- the extent of her comments at that meeting that she was very well aware of what had happened, how it happened, read the minutes, and felt very comfortable that she knew what the facts were.

Q. What did she say that -- from which you draw the conclusion that you just described?

A. She said I looked into this and I feel I'm comfortable that I understand what happened at that time. Words to that effect.

It's not a direct quote, obviously.

Q. Prior to the December 29, 2017 board meeting, had you had any conversations with Michael

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Wrotniak about the termination of Jim Cotter, Jr.?

A. I don't believe I had, no.

Q. Did you have any communications with Ellen Cotter about ratification, being either the concept or notion generally, or ratifications that were the subject of the December 29 board meeting, other than what -- the conversation you've already described this morning, at any time prior to the board meeting on December 29?

A. No.

Q. Did you have any conversations with Margaret Cotter about ratification, either generally, conceptually or particularly as raised on the 29th of December, prior to the December 29th board meeting?

A. No.

Q. Why did you vote to ratify item 1 on Exhibit 527?

A. Because I thought it was in the best interest of the company to do so.

Q. As of December 29, 2017?

A. Yes.

Q. Why?

A. Well, going back to -- you know, I feel sort of like I could be called John Cary, because I

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voted against it before I voted for it.

But you remember that, back in 2015, I was one of two directors who voted against the termination of Jim Cotter, Jr.

And things had changed, in my mind, from that date to the date, December -- whenever it was -- December 29, '17, where my decision was now made on a whole different set of assumptions and factors that weighed into the equation.

Q. Was one of those factors the decision by the Los Angeles Superior Court in validating the 2014 trust documentation?

A. No.

Q. Was one of those factors the effect that the ratification might have on the pending derivative lawsuit?

A. No -- well, let me take that back. I'm sure it had some bearing in my mind, but that was not one of the key factors.

Q. What were the key factors?

A. The key factors, in my mind, were at the time, back in 2015, you recall that Jim, Jr., was terminated when -- at a time when we were -- I thought, in my opinion, we gave him a period of time to have his performance monitored, and then there

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would be an evaluation by the board.
The actual termination occurred maybe a month before that.
I viewed that as a mistake, first of all, because I thought we had kind of had a schedule, I didn't see any reason to change that schedule.
And, secondly, at the time, I was worried that if we did that, it would cause a very strong emotional reaction in Jim, Jr., feeling he had been -- he would feel he had been wronged by this process, and that would lead to extensive, expensive litigation, which turned out to be the case.
So looking at it a few years later, that's already happened, the litigation has occurred. So I can take that factor out of my equation, because what I was fearful of at that point back in '15, has then since ensued.
The other thing that bothered me was, in Jim, Jr.'s handling of this litigation -- I'm not meant to be, you know, getting into litigation strategies or things like that.
I felt that, in my mind, he was actually putting his own interests -- personal interests above those of the company, and needlessly causing the company to spend a lot of money on the legal

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fees, and really distracting a number of members of management from what they should be doing in operating the company.
I think that this was a litigation strategy he employed that disappointed me.
Q. Did you just describe your view of this derivative lawsuit?
A. Did I just describe it?
Q. Yeah.
A. In some respects, yes.
Q. So I'll let you -- I'll ask the question, then: What's your view of this derivative lawsuit?
MR. HELPERN: Object to form.
A. Well, you know, I think it's a -- it's been a bad thing for the company, expensive, time-consuming.
I'm not so sure -- and I'm a lawyer, I'm not trying to lay -- trying to play lawyer here -- but I'm not so sure that Jim's termination is actually a derivative claim.
And I'd be interested to see what the Nevada Supreme Court says about it, if it already hasn't spoken to that, because I can't imagine a person getting fired, claiming there's a derivative going. Seems like it's a personal claim to me.

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And I think the company was very willing to try to find a way to settle it out without having a lot of costs and expense.
So that's my view of the derivative litigation.
BY MR. KRUM:
Q. Well, you understand there are other matters raised in the case?
A. Yes.
Q. Do those factor in, in terms of your view of the case?
A. I think they could factor in. I can see how it's a legitimate question that can be raised.
But, to me, I always looked at the termination as being the key thing that started the litigation, and that's what I've been focusing on.
Q. So if you were to vote for the derivative case to go forward or be terminated, what would your vote be?
MS. HENDRICKS: Object to form. Calls for speculation, beyond the scope of this deposition.
MS. BANNETT: I was --
MR. KRUM: Well, it's not --
MS. BANNETT: I was going to ask how that relates to the ratification.

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MR. KRUM: It relates to demand futility.
MS. BANNETT: But what does that have to do with the rati -- I understand that --
(SIMULTANEOUS SPEAKING)
MS. BANNETT: -- of these particular decisions.
MR. KRUM: It doesn't. Well, maybe it does. I don't know. But it doesn't matter. I'm entitled to ask about matters relating to demand futility as well.
MR. HELPERN: Demand futility with relation to what demand?
MR. KRUM: Demand futility rising from -- well, I didn't frame it. Greenberg Traurig filed the motion. Recall that was one of two motions that were denied with respect to which discovery was allowed, the other one being a ratification motion.
BY MR. KRUM:
Q. Okay. So let me ask the court reporter to read the question back, Mr. Gould.
(REPORTER READ FROM THE RECORD)
A. My vote would be to terminate, to terminate the derivative action.
Q. Are the reasons any different than what you just said? And if so, would you say them?

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A. Well, if I'm a defendant in the case and you're asking me, would I like that suit against me to be terminated or go forward, what can I say? I mean, there's no other answer.

Q. Directing your attention, Mr. Gould, back to the subject of the exercise of the 100,000 share option, did you ever have any communications with Judy Codding and/or Michael Wrotniak about the subject of the -- of what entity or person owned or held the 100,000 share option?

A. No, I didn't have that conversation.

Q. Did you ever have any communications about that with Doug McEachern?

A. I don't believe I did, no.

Q. Did you ever have any communications with Judy Codding and/or Michael Wrotniak about the events of May 29, 2015 that we discussed earlier today, by which I'm referencing what Jim Cotter was told when the first session of that meeting adjourned about what would happen or might happen when it reconvened at -- telephonically at 6:00?

A. I didn't have any conversations about that aspect of it with any one of those persons.

Q. Did you ever have any conversations with either Judy Codding or Michael Wrotniak or both,

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about whether any or all of, Ed Kane, Guy Adams and Doug McEachern, had decided and agreed prior to the May 21, 2015 meeting, to vote to terminate Jim Cotter, Jr., as president and CEO?

A. I might have early on, explaining my position about why I opposed the termination of Jim Cotter, Jr.

Q. Early on, meaning --

A. Like, maybe when they first came on the board.

MR. KRUM: Mr. Gould, I show you what has been marked as Exhibit 530. It's a document that bears the production number WG0000506.

THE WITNESS: Yes.

(DEPOSITION EXHIBIT 530 MARKED FOR IDENTIFICATION)

BY MR. KRUM:

Q. Do you recognize this document?

A. Yes.

Q. What is it?

A. It's an e-mail from Doug McEachern to me, asking me if we're going to have a -- a telephonic meeting of the Special Committee.

Q. Was there one on or about December 1?

A. There wasn't one on that date, I don't

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believe. I believe what happened there is that I was trying to set up a call with some advisors, and we just ended up not pulling it together for that particular day.

But I think there was a call later, but there were no advisors on the line. It was not -- it ended up being a non-event.

Q. Did that call have anything to do with ratification?

A. You know something, I don't think it did.

It might have, but I don't remember that. I remember some other topic we were considering.

(DEPOSITION EXHIBIT 531 MARKED FOR IDENTIFICATION)

MR. KRUM: Mr. Gould, I show you what has been marked as Exhibit 531.

Among other things at the top it says: "Gould's Privileged Log dated March 29, 2018."

A. (Perusing document)

BY MR. KRUM:

Q. Have you seen this document previously?

A. No.

Q. And without having the documents that are listed on it in front of you to reference, can you figure out what any of them are here?

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A. Very difficult. These look like my conversations -- conversations I may have had with Mark Ferrario or Mike Bonner concerning the Special Committee, but it's difficult to tell what it is.

Q. Okay. Then I'm going to ask you to focus on the last two, which I understand to indicate an e-mail from you to McEachern -- I understand each of them to indicate an e-mail from you to McEachern on December 27th. And the description is: "Forwarding attorney-client e-mail regarding a director conference call."

Can you recall -- can you tell what that is?

A. Not with total certainty, but I think it refers to the -- what I would call the notice, or the request for special meeting. I think that's what it refers to.

Q. Exhibit 527?

A. Yeah ...

Q. I'll show it to you. Here. (Indicating)

A. Yes, Exhibit 527.

MR. KRUM: Let's take a break.

THE WITNESS: Okay.

THE VIDEO OPERATOR: And we're off the record at 10:38 A.M.

A. Correct.
Q. I direct your attention to the middle of the Ed Kane e-mail at the top. There's a sentence that reads as follows: "Bill suggested we ask Ellen to seek judicial approval for the exercise."
Do you see that?
A. I do.
Q. Does that refresh your recollection?
A. A little bit, yes.
Q. And how so? What do you now recall?
A. Well, again, as I said, I do remember quite clearly when I did talk to Ed, he first was just calling me because I have had experience with this area as a lawyer. And I told him that I would -- I didn't see a problem with it, but that to be safe here, given the litigation -- or the controversies -- that he should have counsel -- independent counsel give him an opinion on it.
Q. Well --
A. But I also -- I might have mentioned if it was possible -- practical to get approval, that it would be obviously the best way to go, and that would eliminate any question.
Q. Did you ever have any communications with any or all of -- well, strike that.

Did you ever have any communications with Judy Codding and/or Michael Wrotniak about either the notion of obtaining a legal opinion, as you just described, or the notion of obtaining a court order as you just described, with respect to the exercise of the 100,000 share option?
A. I don't believe I ever had a conversation with either one of them about that.
Q. Did you ever have a conversation of that nature with Doug McEachern?
A. I might have, yes.
Q. Okay.
As you sit here today, what's your best recollection? Did you?
A. I don't have any -- my best recollection is I somehow believe that I did, but I don't recall anything, when it was, or what was said.
I do remember specifically the conversation with Ed Kane.
Q. Okay.
MR. KRUM: I don't have any further questions at this time.
Mr. Gould, thank you for your time.
THE WITNESS: Thank you.
MR. KRUM: So we can go off the record?

Kara?
MS. HENDRICKS: Okay with me.
THE VIDEO OPERATOR: This concludes the deposition of William Gould, volume 3, on April 5th, 2018.
Off the video record at 11:34 A.M.
(Off video record)
THE REPORTER: Did you have a stipulation from before?
MS. HENDRICKS: 'Bye, everybody.
THE REPORTER: Do you have a stipulation that you would like to use from a prior deposition for this witness?
MR. KRUM: Yes, the same as we've been doing.

(DEPOSITION OF WILLIAM GOULD,
SIGNATURE NOT WAIVED,
CONCLUDED AT 11:34 A.M.)

REPORTER'S CERTIFICATION

I, Lori Byrd, Registered Professional Reporter, Certified Realtime Reporter, Certified LiveNote Reporter, Realtime Systems Administrator, Kansas Certified Court Reporter 1681, Oklahoma Certified Shorthand Reporter 1981, and Certified Shorthand Reporter 13023 in and for the State of California, do hereby certify:

That the foregoing witness was by me duly sworn; that the deposition was then taken before me at the time and place herein set forth; that the testimony and proceedings were reported stenographically by me and later transcribed into typewriting under my direction; that the foregoing is a true record of the testimony and proceedings taken at that time.

IN WITNESS WHEREOF, I have subscribed my name on this date: April 19th, 2018

Lori Byrd

Lori Byrd, CSR 13023

Exhibit 6

DISTRICT COURT

CLARK COUNTY, NEVADA

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

DEPOSITION OF: EDWARD KANE

TAKEN ON: MAY 2, 2016

REPORTED BY:

PATRICIA L. HUBBARD, CSR #3400

DEPOSITION OF EDWARD KANE, taken on behalf of the Plaintiffs, at 3043 Fourth avenue, San Diego, California, commencing at 10:12 A.M. on May 2, 2016, before PATRICIA L. HUBBARD, CSR #3400, a Certified Shorthand Reporter in and for the State of California, pursuant to Notice.

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Also Present:

Douglas McEachern

James J. Cotter, Jr.

Kristy Pittman, Videographer

I N D E X

E X H I B I T S

E X H I B I T S (Continued)

INFORMATION REQUESTED:
(NONE)

WITNESS INSTRUCTED NOT TO ANSWER:
(NONE)

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"Question: Did you ever reach a conclusion at any time in 2015, conclusion or conclusions at any time in 2015, about where any class B voting stock that was either owned legally and/or beneficially by Jim Cotter, Sr., or a trust that he had controlled as trustee was held, whether it was in a trust, a voting trust, an estate or someplace else?")

MR. SEARCY: Same objections. Vague and lacks foundation.

THE WITNESS: I left that -- I think I had conversations with attorneys over at -- and asked for an opinion as to the ability to vote certain shares.

BY MR. KRUM:

Q. So, is it your testimony that you came to no conclusion independent of any conclusion offered to you by attorneys?

A. Yes.

Q. And was any conclusion offered to you by any attorneys?

MR. SEARCY: And that's a -- that's a

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"yes" or "no" question.

MR. FERRARIO: Yeah.

THE WITNESS: Say that again.

BY MR. KRUM:

Q. Did any attorneys proffer to you any conclusions regarding the subject of who had the right to vote any class B voting stock? Yes or no?

A. Yes.

Q. When did that happen?

A. I think -- I think in September of 2015.

Q. And who was the attorney or who were the attorneys?

A. I think there was an opinion from Neal Brockmeyer -- Brockmeyer, which he sent to the independent committee. I think that was in there. And there was corporate counsel in Nevada. And there was opinions from them.

Q. Corporate counsel being Greenberg Traurig?

A. Yes.

Q. And there were -- there was more than one opinion from them?

A. I can only recall one.

Q. And the one that you recall, Mr. Kane, when was that provided approximately?

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MR. SEARCY: And again he's only asking for the date. Don't get into the substance of any legal advice.

THE WITNESS: No. That would have been in September of 2015.

BY MR. KRUM:

Q. To what use, if any, did you put the Greenberg Traurig memo or opinion?

A. To what use?

MR. SEARCY: Objection. Vague.

MR. FERRARIO: Can you -- hang on for just one second. I need to counsel --

(Off-the-record discussion.)

MR. KRUM: Gentlemen, it does not -- indisputably does not call for the disclosure of privileged information. I have not asked --

MR. FERRARIO: It's the next question.

MR. KRUM: -- Mr. Kane what the substance was and I'm taking this at, as you can see it, nice small incremental steps so that he doesn't get ahead of us and speak to that.

MR. FERRARIO: We appreciate that. It's this question, though -- I don't want to say how he could answer it and not take the next step.

But if he goes -- he gives the wrong, I

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think we have now gone into that. We've crossed the line.

I mean I think that you've done a fine job. I'm not -- I'm not in any way critiquing how you proceed --

MR. KRUM: Look, I wasn't asking to be credited or blamed. I just want to move the process forward.

So let's do this. Let's have the court reporter read the question for him.

I'm going to make sure -- and he's done a good job of allowing you to interpose objections if I ask another question that you think calls for privileged information.

So let's just do it the way we've been doing it one step at a time.

Can you read the question for him, please.

(Whereupon the question was read as follows:

"Question: To what use, if any, did you put the Greenberg Traurig memo or opinion?")

MR. SEARCY: I'll object as vague.

MR. FERRARIO: I'm going to object. I

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think we're now starting to invade the attorney-client privilege. Because you're reading -- you're asking him did he read it?

MR. KRUM: I'm asking him to what use, if any, did he put it. Not what it said.

BY MR. KRUM:

Q. Mr. Kane, directing your attention to the Greenberg Traurig memo or opinion, to what use, if any, did you put that?

MR. FERRARIO: I'm going to object to that, because I do think this invades the attorney-client privilege.

MR. SEARCY: Join.

BY MR. KRUM:

Q. Go ahead, sir.

MR. FERRARIO: I don't --

BY MR. KRUM:

Q. Don't tell me about the substance. Just tell me, did you rely on it for any purpose?

MR. FERRARIO: That's where the problem comes, Mark.

MR. KRUM: Well, it might be a problem for you guys.

MR. FERRARIO: It's not a problem for me.

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MR. KRUM: The answer --

MR. FERRARIO: It depends on what -- it depends on what position the company -- or that Mr. Kane wants to take. And that's -- that's what I'm -- that's where I think this is an issue at this point in time.

MR. KRUM: It's not an issue.

MR. FERRARIO: Yes, it is.

MR. KRUM: It may be, but --

MR. FERRARIO: I'll tell you what, we'll deal with it down the road. I'm going to tell him -- I'm going instruct him to not answer based upon --

MR. KRUM: On what basis?

MR. FERRARIO: -- the privilege. Just what I just said.

MR. KRUM: Okay. Can we mark this part of the transcript. We're going to come back to it presumably over the lunch break.

MR. FERRARIO: Yeah. And I'll visit this with Marshall over the break, but at this point in time we're going to assert the attorney-client privilege.

BY MR. KRUM:

Q. Mr. Kane, who provided the Greenberg Traurig document to you; that is, the opinion to which you have just referred?

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MR. SEARCY: You can answer that question.

THE WITNESS: I'm trying --

MR. SEARCY: Again, don't get into the substance. Just --

THE WITNESS: No. I understand. And my question is I don't know that I can answer his question in the sense that I may have received it directly from Greenberg.

BY MR. KRUM:

Q. Did you ask them to provide it to you?

A. I think I did, yes.

Q. With whom did you communicate? Not what was communicated, just with whom did you communicate?

A. I don't recall whether it was Mark or whether it was someone else in the firm that I communicate with.

Q. Was it orally or in writing?

A. I don't recall.

Q. Was anyone else party or privy to that communication?

A. I think Guy Adams was. That's -- he would have been if I was, because it was a compensation committee question. And Tim Storey may well have been.

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Q. And it is your best recollection -- strike that.

Is it your best recollection as you sit here today, Mr. Kane, that the first time you had communications of the type you're describing now was in September of 2015?

MR. SEARCY: Objection. Vague and lacks foundation.

THE WITNESS: There may have been some communication with them earlier also.

BY MR. KRUM:

Q. Earlier being when? Either in time or relative to any other particular events that you recall?

A. It was a particular event having to do with the exercise of voting share options by Margaret and Ellen Cotter.

Q. And approximately when was that?

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

Q. Do you recall it relative to any other developments or events?

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A. Well, there was a fight between Jimmy and his sisters, and I did not on behalf of the committee want to get in the middle of it.

So, I required -- I required an opinion of counsel.

I didn't care who won. It's just that we wanted to do the right thing, the committee did.

Q. The compensation committee?

A. Right.

Q. With respect to requests by Ellen and Margaret to exercise options?

A. That was one issue, yes.

Q. What were the other issues?

A. There was the issue of exercising the options that were granted to Jim Cotter, Sr.

Q. What was the issue there or what were the issues, as best you can recall?

A. Mr. Cotter, Jr., was saying those options belong to the trust, that they had been transferred to the living trust, and that they could not exercise that option on behalf of the estate.

Q. Did you ever come to a conclusion whether Ellen and Margaret Cotter could exercise the option you just referenced?

A. The one that was in Jim Cotter, Sr.'s

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estate?

Q. Well, let's do this. Let's -- instead of not knowing if we're referring to the same one, let me back up and ask a couple questions.

Do you recall there came a time when Ellen and Margaret Cotter purporting to act as executives of the estate of Jim Cotter, Sr., undertook to exercise a supposed option to acquire 100,000 shares of class B voting stock?

A. Yes.

MR. SEARCY: Objection. Argumentative.

BY MR. KRUM:

Q. So I'm just going to call that the 100,000 dollar -- excuse me. I'm going to call that the 100,000 share option. We can drop the word "suppose" so we have a handy short point of reference.

Does that work for you, Mr. Kane?

A. Yes.

Q. Now, did you ever -- what did you do to come to a conclusion -- strike that.

Did you ever come to a conclusion whether Ellen and Margaret Cotter as executors of the Estate of Jim Cotter, Sr., had the right to exercise the 100,000 share option?

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A. The committee did.

Q. When did that occur?

A. I'm having difficulty, because there's two sets of options, their personal options and the estate and which came when, because there were both issues presented to the committee.

And I think -- I know there was some meeting in September of 2015, and I don't -- I think those were the Estate's options.

Q. By which you mean what we're going to call the 100,000 share option?

A. Yes, yes.

Q. Well, as to you personally, Mr. Kane, what did you do to reach a conclusion with respect to the question of whether Ellen and Margaret Cotter as executors of the estate of Jim Cotter, Sr., had the right to exercise the 100,000 share option?

A. I asked for a legal opinion.

Q. And I don't want to repeat everything you've already told me.

You're referring to the Greenberg Traurig opinion you discussed earlier?

A. I believe that's correct, yes.

Q. And you also mentioned Mr. Brockmeyer.

Did you seek his advise with respect to

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the 100,000 share option?

A. I think -- I may be confused, but I think his advice had to do with -- I may have turned it around, but I think his advice had to do with their exercise of their own B options.

Q. Did you understand in September of 2015 that Greenberg Traurig was counsel of record in this case, the derivative case for the company?

A. Yes.

Q. Did you ever hear or learn or were you ever told that Greenberg Traurig had previously provided an opinion, the subject matter of which was who had the right to vote what shares at the 2015 annual shareholders meeting?

A. I can't recall.

Q. Do you recall ever hearing or learning or being told that that was an issue or a potential issue?

MR. SEARCY: Objection. Vague.

THE WITNESS: Yeah. Repeat that, please.

BY MR. KRUM:

Q. Were you ever -- did you ever hear or learn or were you ever told that there was a question or were questions regarding who, if anyone,

contingency plan if they win the lawsuit. But if Tim has been offered something, he cannot continue on the independent committee, as it would taint the committee and their position."

Do you see that?

A. Yes.

Q. To what does that refer?

A. What it refers to is if Tim really was interested in becoming C.E.O., then he should have gotten off the committee, because we would make that decision. And it would be inappropriate for him to be on the committee of non-Cotter directors.

That was my view.

Q. And what did Ellen say that she had done, if anything, with respect to Tim or anyone else serving as interim C.E.O.?

MR. SEARCY: Objection. Vague.

THE WITNESS: I don't think Ellen -- I don't know if I ever had a discussion with Ellen about it.

BY MR. KRUM:

Q. To what does the term "contingency plan" refer in the sentence I read?

Or I guess I should say to what does "contingency plan if they win the lawsuit" refer to?

MR. SEARCY: Objection. Vague.

THE WITNESS: I'm not 100 percent sure what I had in mind.

BY MR. KRUM:

Q. How many times did you ask Ellen whether she had -- she or Margaret had discussed with Tim Storey his becoming interim C.E.O.?

MR. SEARCY: Objection. Assumes facts, misstates testimony, is vague.

THE WITNESS: This was probably the only time.

BY MR. KRUM:

Q. Well, I refer your attention, Mr. Kane --

A. Uh-huh.

Q. -- to the third line that's not redacted which begins,

"I did talk with Ellen to ask again whether she or Margaret had discussed with Tim his becoming interim C.E.O." --

A. I see that, but I don't think I had more than one discussion with her.

Q. You don't think you had more than one -- one discussion with Ellen regarding the subject of Tim Storey becoming interim C.E.O.?

A. I don't think so.

Q. You have discussions with her about the subject of an interim C.E.O. other than that what you believe to be one discussion about Tim Storey?

MR. SEARCY: Objection. Vague.

THE WITNESS: I don't think so.

BY MR. KRUM:

Q. Did you ever have any communications with Ellen Cotter about Guy Adams serving as interim C.E.O.?

MR. SEARCY: Objection. Vague.

THE WITNESS: I may have. I just don't recall.

BY MR. KRUM:

Q. Three lines from the bottom of your March 1 email on Exhibit 105, it reads,

"According to Ellen, Craig is also on the 'team';"

Do you see that?

A. Yeah.

Q. What team are you referencing there?

A. I think it was Ellen and Margaret versus

Jim.

Q. Was that word "team" used by Ellen? Is that why you put it in quotes?

A. No.

MR. SEARCY: Objection. Lacks foundation.

THE WITNESS: No.

BY MR. KRUM:

Q. That was just your usage?

A. Yes.

Q. Why was that, if you recall?

A. That's the kind of writer I am. I don't know.

Q. Okay.

A. I don't have a secretary. I make this stuff up myself.

MR. KRUM: I'll ask the court reporter to mark as Exhibit 106 a one-page document bearing production number GA5123.

(Whereupon the document referred to was marked Plaintiffs' Exhibit 106 by the Certified Shorthand Reporter and is attached hereto.)

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I -- I said to him at one point, "Take it. You have nothing to lose. You're going to get terminated if you don't. If you can work it out with your sisters, it will go on and I will support you. I'll even make a motion to see if the company will reimburse the legal fees."

I did not want him to go.

And you, I'm sure, see emails in there to that effect. Even though I voted -- was voting against him, I wanted him to stay as C.E.O.

BY MR. KRUM:

Q. If you wanted him to stay as C.E.O. --

A. Right.

Q. -- why did you vote against him?

A. Because I wanted him to stay as C.E.O., working with his sisters who were work -- willing to work with him for the benefit of the company.

And to me it was a wonderful solution, and it had no adverse impact. If it didn't work out, then we would deal with it. But he would work with them and -- as an executive committee.

He told me that he didn't want Guy Adams on there. And I told him, "I'll do my best to make sure that he isn't on that; just you and your sisters."

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And if they could work together, that's all we wanted.

Q. Are you drawing a distinction, Mr. Kane, between Ellen and Margaret working with Jim Cotter, Jr., as distinct from working for him?

MR. SEARCY: Objection. Vague.

THE WITNESS: I don't think I ever made that distinction, but I think he would glean and learn a lot working with them.

After all they were the operating executives of this company.

BY MR. KRUM:

Q. And did you understand that -- strike that.

But that resolution did not come to pass because Jim Cotter, Jr., rejected it, correct?

MR. SEARCY: Objection. Vague.

THE WITNESS: He rejected it, yes.

(Whereupon Ms. Bannett left the deposition proceedings at this time.)

BY MR. KRUM:

Q. And he got himself terminated, right?

MR. SEARCY: Objection. Vague.

THE WITNESS: Yes.

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MR. KRUM: Marshall, you wanted to quit at 4:30, and I see it's 4:29. So --

Let me be clear.

You advised me we were going to quit at 4:30 to accommodate Mr. Kane, and we're going to do that.

So, it's 4:30, we'll go off the record.

MR. SEARCY: Appreciate that.

VIDEOTAPE OPERATOR: This concludes the deposition of Edward Kane, volume one on May 2, 2016, which consists of four media files. The original media files will be maintained by Hutchings Litigation Services.

Off the video record.

The time is 4:30 P.M.

(Whereupon at 4:30 P.M. the deposition proceedings were concluded.)

* * *

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REPORTER'S CERTIFICATE

I, PATRICIA L. HUBBARD, do hereby certify:

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

That the foregoing deposition testimony of the herein named witness, to wit, EDWARD KANE, was taken before me at the time and place herein set forth;

That prior to being examined, EDWARD KANE was duly sworn or affirmed by me to testify the truth, the whole truth, and nothing but the truth;

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

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

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

IN WITNESS WHEREOF, I have subscribed my name this 4th day of May, 2016.

PATRICIA L. HUBBARD, CSR #3400

Exhibit 7

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, VS. MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM GOULD, and DOES 1 through 100, inclusive, Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant.	Case No. A-15-719860-B Coordinated with: Case No. P-14-082942-E Case No. A-16-735305-B Volume 4

(Caption continued on next page.)

VIDEOTAPED DEPOSITION OF DOUGLAS McEACHERN

Wednesday, February 28, 2018

Los Angeles, California

REPORTED BY:

GRACE CHUNG, CSR No. 6426, RMR, CRR, CLR

JOB NO.: 453340-A

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

Plaintiff,

vs.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS, and DOES 1 through 100,

Defendants.

and

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

Videotaped Deposition of DOUGLAS McEACHERN, taken on behalf of Plaintiff, at 1901 Avenue of the Stars, Suite 600, Los Angeles, California, beginning at 11:02 a.m. and ending at 12:52 p.m., on Wednesday, February 28, 2018, before GRACE CHUNG, CSR No. 6246, RMR, CRR, CLR.

A P P E A R A N C E S

For the Plaintiff:
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Also Present: CORY TYLER, Videographer

I N D E X

E X H I B I T S

QUESTIONS INSTRUCTED NOT TO ANSWER

Los Angeles, California
Wednesday February 28, 2018
11:02 a.m.

THE VIDEOGRAPHER: This is the beginning of Media 1 in the deposition of Douglas McEachern, Volume IV, in the matter of Cotter, Jr., versus Cotter, et al., held at 1901 Avenue of the Stars, Suite 1600, Century City, California, on February 28, 2018, at 11:02 a.m.

The court reporter is Grace Chung, and I am Cory Tyler, the videographer, an employee of Litigation Services.

This deposition is being videotaped at all times unless specified to go off the video record.

Would all present please identify themselves, beginning with the witness.

THE WITNESS: Douglas McEachern.

MR. SEARCY: Marshall Searcy for Mr. McEachern, Ed Kane, Margaret Cotter, Ellen Cotter, Guy Adams, Judy Codding, and Michael Wrotniak.

MR. FERRARIO: Mark Ferrario for RDI or Reading.

MR. KRUM: Mark Krum for plaintiff.

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Q. And do you see that the meeting actually occurred on Friday, December 29?

A. Yes.

Q. Okay. And I'm not asking you what the document says. I'm not asking you for the purposes of this question to look at the document. What were the subjects raised and addressed at that December 29, 2017, board meeting?

A. I think there were four items that were addressed, and there is an agenda, I think, in the second page here. One was an approval of a minimum level of bonuses for executives for 2017. One was an approval of a payment to individual members of a special committee that had been set up, I think in August -- July or August of 2017. One was a reconfirmation -- I may have the wrong word -- of an action the board took to terminate Jim Cotter, Jr., as CEO of the company in June of 2015.

And the other was to re -- I'm not sure if approved originally, but to approve or reapprove a transaction that the compensation committee approved in 2015 or 2016, for the exercise of an option by either the Cotter Estate or the Cotter Trust -- I couldn't tell you which one it was -- to purchase 100,000 shares of voting stock in the

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company in exchange for a set number of nonvoting shares. I think those were the four items.

Q. When did you first learn or hear that either/or both of the third and fourth items were to be part of the December 29, 2017, board meeting?

A. I don't want to be cute. I don't remember what third and fourth were on my list.

Q. Okay. So I will -- I will ask it differently. It will require two questions but we have the time. When did you first hear or learn that approval of the compensation committee decision that you referenced in your answer a moment ago was to be taken up at the December 29th, 2017, board meeting?

A. Sometime in early to mid-December.

Q. What did you learn at that time?

A. That the compensation committee had -- I was aware of this -- had approved the use of stock, nonvoting stock, to exercise an option in the company's voting stock.

Q. What else, if anything, did you learn about that in early to mid-December?

A. That it was an issue that had been raised by Jim Cotter, Jr., in his lawsuit against the company, that it was somehow inappropriate, which I

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still, to this day, don't understand what the issue is.

Q. What is it -- what's your understanding of what the board voted to ratify or approve at the telephonic December 29, 2017, board meeting with respect to the compensation committee's prior decision?

A. Can -- can I just go back and give some history of what -- what I think happened here?

Q. Sure.

A. So at some point -- and I think this was in -- it was either in the fall of 2015, more likely the fall of 2016 -- had to be '15 because Tim Storey was around -- there was a desire on the part of Ellen Cotter and Margaret Cotter, trustees of the Cotter Estate or the Cotter Trust, whichever one had the option to purchase voting shares in the company, they were going to use Class A nonvoting shares to exercise the option and pay whatever the option price was.

I don't know why, but at that time, Tim Storey wanted a legal opinion that that was okay to do, as I recall. I don't know why, Mr. Krum, in retrospect that that was needed. This estate or the trust, whichever it was, held the option. They held

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the stock. They could easily have sold the stock in the marketplace to get the cash to exercise the option.

Our plan permitted the submission of stock that was held by an individual or the trust to submit that stock to buy the voting share exercise and option. And I don't know why -- why it became an issue. That was the transaction that we were ratifying in December of 2017.

Q. You voted in favor of ratifying that; correct?

A. Yes, I did.

Q. And as of the December 29, 2017, meeting, did you have any understanding of what issue or issues Mr. Storey had raised previously beyond what you just said?

A. No, I don't.

Q. What was the basis or what were the bases of your decision to vote in favor of ratifying the decision of the compensation committee from September of 2015?

A. What was my basis for doing it?

Q. Yeah. On December 29, 2017, you voted in favor of ratifying or approving --

A. Sure.

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Q. -- to the prior compensation committee decision or decisions. On what basis or bases did you do so?

A. Number one, I didn't think there was an issue here at all for the board to deal with. It was delegated to the compensation committee to handle this type of matters. We were approving this. And I believe we had -- I think we had a call to talk about a couple of issues that were still existing in this -- in this derivative case by Jim Cotter, Jr., and we were trying to address them in a fashion to resolve them.

Q. When you say you were trying to address them in a fashion to resolve them, what does that mean? Does that mean you were trying to moot the issues?

A. I don't know what "moot" means. I'm sorry. I'm not an attorney.

Q. Okay. Well, when you say you were trying to address them in a fashion to resolve them, resolve them how?

A. To say that the -- the corporation ratified these, and that -- that there was no -- no issue or concern that we approved them. If anybody in the past thought that there was an issue, our

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action there was to cure any issue anybody might think existed.

Q. What did you do, meaning what documents did you review, with whom did you have conversations, or anything else, to inform yourself to make the decision you made to vote in favor of ratifying or affirming the prior compensation committee decision?

A. I reviewed whatever documents were handed out, Mr. Krum, in this -- this package. But I had been there at the time that this transaction took place. I was aware of what went on. At the time, I couldn't understand why this was an issue. I still couldn't understand why it was an issue. And it seemed to me to be pretty perfunctory to approve.

Q. Directing your attention, Mr. McEachern, to Exhibit 525, that's the board package for the December 29 meeting; correct?

A. I believe so, yes.

Q. Now, this is not intended to require you to look at every page, but if you think you need to do so, you are welcome to do so.

A. Uh-huh.

Q. My question is: Was there anything in

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particular in Exhibit 525, the December 27 board package, that you considered or valued in making the decision you made to vote in favor of ratifying the September 2015 compensation committee decision?

A. Uh-huh. And did you say the December 27th board meeting or the December 29th?

Q. I called the package -- the package December 27 because it has a December 27 transmission date. But -- so I'm not confusing you, I am referring to the December 29 board meeting and your vote there.

So with that clarification, let me ask: Is there anything in Exhibit 525 that made any difference to your vote on December 29 to vote in favor of ratifying or approving the 2015 decision by the compensation committee that's the subject of -- one subject of this package?

A. No.

MR. SEARCY: Objection. Vague.

A. And no.

BY MR. KRUM:

Q. Okay. Directing your attention back to your prior testimony to the effect that you first heard or learned in early to mid-December that the ratification or approval of the prior compensation

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committee decision might or would be taken on the December 29 board meeting, was that -- did you learn that by speaking to somebody, by receiving an email, or otherwise?

A. I just couldn't tell you, Mr. Krum.

Q. Okay. What was the next communication you had with anybody, after that initial one, with respect to the possible ratification or approval of the September 2015 compensation committee decision regarding the 100,000 share option, at any time prior to the December 29 board meeting?

A. I could have been involved in discussions that predated this. I just can't remember. I'm generally aware that it was raised as an issue. As I said, I still don't understand why. I know that we had a call with Mike Bonner, maybe Mark Ferrario, and maybe somebody from Greenberg, I'm not certain, to discuss this --

MR. SEARCY: Let me just caution you. When you start to get into attorney-client privileged discussions, I want you to be able to answer the question, but I don't want you to get into the specifics of any particular discussions you may have had with Mr. Ferrario or Mr. Bonner.

THE WITNESS: Okay.

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MR. SEARCY: I can't answer for you on that.

A. I don't know the answer. I just don't know if we approved the minutes.

BY MR. KRUM:

Q. Let me direct your attention to page 5 of Exhibit 526 and, in particular, Mr. McEachern, the subhead B in the middle of the page. Let me know when you've reviewed subhead B.

A. Uh-huh. Subhead B continues until the "Adjournment" comment?

Q. Sure. Go ahead.

A. Yes. It's a pretty good summary of what took place in that discussion.

Q. Okay. And you are referring to subhead B and the text that follows down to "Adjournment"?

A. Yes, I am.

Q. Does it comport with your recollection that what was ratified, what you voted to ratify in December 29, the compensation committee decision to permit use of Class A nonvoting stock as the means of payment for the exercise of the 100,000 share option?

A. Yes.

Q. Now, you see here, in both the subhead B

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itself and the paragraph that follows, it refers to the estate being the entity that exercised the option?

A. Okay.

Q. With that having been brought to your attention, was there any discussion at the December 29, 2017, board meeting of whether it was the estate or the trust or any other entity or person that held or owned the option?

MR. SEARCY: Objection. Vague.

A. Not that I recall.

BY MR. KRUM:

Q. The bottom of page 5, top of page 6, the document reads as follows: Director McEachern also noted his view that the allegations made by Mr. Cotter in this regard had caused a waste of company's resources, as it was perfectly clear that neither the Cotter Estate nor Ellen and Margaret Cotter would gain an advantage from the transaction, given that the Cotter Estate could have sold Class A shares in the market and used the cash to exercise the option in question, close quote.

Do you see that?

A. Yes, I do.

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Q. Does that fairly describe the comment or comments you made?

A. Generally describes what I said. Whether I said "Cotter Estate" or not, I don't recall, but the entity that exercised it, yes, I -- I'm in concurrence with this.

Q. When you say -- did you use words to the effect of "wasted company resources"?

A. Absolutely.

Q. So was it one of the reasons you voted to ratify the compensation committee's September 2015 decision to authorize the exercise of the 100,000 share option, your view of this derivative lawsuit, in any respect?

MR. SEARCY: Objection. Vague.

A. I don't think it had anything to do with the derivative lawsuit. It had to -- had to do with whether this was an issue, and I didn't see an issue. I saw this as a perfectly normal transaction that would be executed by a company.

BY MR. KRUM:

Q. What is your view of this derivative lawsuit?

A. Of the derivative lawsuit?

Q. Yes.

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A. I'm baffled.

Q. What does that mean?

A. What does that mean?

Q. Why are you baffled? Why do you say you are baffled?

A. I don't understand the issues being raised by Jim Cotter, Jr.

Q. If you were to vote on whether this derivative lawsuit should proceed, how would you vote?

A. Against the company?

Q. As framed.

A. Huh?

Q. So if -- if you were, as a member of the RDI board of directors, given an opportunity to vote on whether the derivative lawsuit is presently pending, should continue or not, how would you vote?

A. Absent somebody presenting some other additional information to me, which I'm not unaware of, I would vote to dismiss the lawsuit.

Q. Why?

A. As I understand this derivative lawsuit, Jim Cotter, Jr., wants to be reinstated as CEO of the company and believes that the company was

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MR. KRUM: Well, I gave him a birthday present also; right?
MR. FERRARIO: That's right, you did.
BY MR. KRUM:
Q. So I --
A. You gave him wine?
Q. No, I didn't give him wine, I -- I told him he didn't -- I told counsel that Mr. Kane did not need to appear for further depositions. So I'm sure he appreciated that.
MR. KRUM: Why don't we take a short break.
MR. SEARCY: Sure.
THE VIDEOGRAPHER: We are off the record at 12:07 p.m.
(Recess taken from 12:07 p.m. to 12:21 p.m.)
THE VIDEOGRAPHER: We are back on the record. The time now is 12:21 p.m.
MR. KRUM: I will ask the court reporter to mark as Exhibit 527 a single-page document bearing production number RDI63918.
(Deposition Exhibit 527 was marked for identification by the reporter and is attached hereto.)

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(Miscellaneous discussion.)
BY MR. KRUM:
Q. Mr. McEachern, take such time as you need. My question is: Have you seen Exhibit 527 before?
A. I don't recall having seen this before, but I do recall speaking in our special committee with Bill Gould and Judy Codding about asking to have this done.
Q. When was that conversation with the special committee to which you just referred?
A. Sometime in mid to late December.
Q. Who said what?
A. Generally, I believe it was a special committee meeting. I can't remember if Mr. Kane and Michael Wrotniak were part of it or not, with Michael Bonner of Greenberg Traurig referring again to the law that he wrote for the state of Nevada on ratification matters by the board of director -- directors.
Q. Was this meeting scheduled for that purpose, or was the meeting scheduled for other purposes as well?
A. The meeting of the special committee?
Q. Yeah.
A. I don't recall if there were any other

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topics at the meeting.
Q. Does the special committee take or maintain meeting minutes?
A. Yes, they do.
Q. Are there minutes of the meeting you just described?
A. I believe they are drafts. I don't think we have done anything to approve -- I take that back. I'm not sure if the committee's approved them or not. I know they have not been presented to the board.
MR. KRUM: Okay. Mark and Marshall, I would ask getting special meetings minutes that referred to these matters also be produced.
Q. What was the conclusion, if any, reached at that meeting with respect to the subject of ratification?
A. That we would pursue that activity and -- and present it to the board of directors.
Q. Who first raised the subject?
A. I believe Mike Bonner.
Q. Is Mr. Bonner ordinarily at the meetings of the special committee?
A. I believe he's attended all of them. He may have missed one or two.

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Q. Now, the special committee in question, which committee -- which special committee is that, Mr. McEachern?
A. It's a committee that was put together by the board in the summer of 2017 to deal with the litigation matters, and specifically the derivative lawsuit, and/or reacting -- figuring out what our reaction would be given actions that may or may not be taken with respect to the trust and the estate case.
Q. And the actions that may or may not be taken with respect to the trust and estate case, do those include the appointment of a trustee ad litem with responsibilities with respect to the controlling block of RDI Class B voting stock?
A. Can you restate that again? I'm sorry.
MR. KRUM: I will ask the court reporter to read it.
A. That's fine.
(Reporter read back the requested text.)
A. I don't know that we have anything to do with the appointment of a trustee ad litem. But in reacting to whatever takes place in that, that's what the committee is of, to react to. I believe we have a charter that was approved by the board

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that one could get and see what our charter is.
BY MR. KRUM:
Q. Has the committee directed counsel, Greenberg Traurig, or anybody else, to take action? And by "committee," I'm referring to the same special committee about which you are testifying.
MR. FERRARIO: I'm going to object. Overbroad.
A. I remember sometime in the fall of 2017, Mike Bonner was -- and when I say "Mike Bonner," I'm not sure if it was Mike Bonner and Bill Gould, who is the chairman of the committee.
MR. FERRARIO: Don't -- don't divulge attorney-client communications. Okay. So that's what I'm trying to get. If somebody directs a lawyer to do something, that to me implicates attorney-client communication, because it could be reflective of advice or a scope of litigation, something like that. I don't want to impede this because it's been going very smooth, but that's my admonition. I don't really understand the question, but go ahead without divulging any attorney-client communication.
THE WITNESS: Can I ask a question? So if we asked Mike Bonner to participate with Bill Gould

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in doing something, that's attorney-client privilege?
MR. FERRARIO: If you're asking -- if you are asking him, Bill Gould, to the grocery store and pick up sodas for a meeting, I don't care. If you are asking him to do something that would encompass the giving of legal advice that is going be reflective of what -- you know, what was being discussed between the lawyer and the client, I would instruct you not to answer that.
A. Then I won't answer that question.
BY MR. KRUM:
Q. All right. Well, let me weigh in on this. What I'm attempting to ascertain is the scope of the actions with respect to the special committee. So let me just ask you about a couple of subjects.
Has the special committee taken any steps to communicate any positions in any action, whether the derivative action or the California trust action?
A. No, not to my recollection.
Q. Directing your attention, Mr. McEachern, specifically with respect to the subject of ratification, as best as you can recall, sir, when and how did that subject first arise before the special committee?

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A. Ratification of what? The actions by the compensation committee or the ratification of the termination of Jim Cotter, Jr.?
Q. Either or both.
A. I think it's in late fall sometime of 2017. But there was nothing that could be done, I don't think, until such time as -- as I recall, the judge in the derivative case took some action with respect to dismissing directors from the lawsuit.
Q. So the subject was raised in the late fall of 2017 and, in effect, it was tabled for the time being?
A. I believe that's correct.
Q. What did you say, if anything, about that subject in the late fall of 2017?
A. I do not recall.
Q. What about did Bill Gould say?
A. I do not recall.
Q. What did Judy Codding say?
A. I do not recall.
Q. Did it concern the ratification of the termination decision or the decision to authorize the exercise of the 100,000 share option by way of Class A voting stock or both?
A. I believe the main focus was on the

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termination of Jim Cotter, Jr.
Q. What was said, if anything, at that time about the subject of Guy Adams' disinterest in this independence or both?
A. With respect to what?
Q. The vote to terminate Jim Cotter, Jr., in 2015.
MR. SEARCY: Let's have the question read back.
THE WITNESS: I'm sorry?
MR. SEARCY: I was asking if we could have the question read back.
(Reporter read back the requested text.)
MR. SEARCY: And you're asking about -- involved 2017?
MR. KRUM: Right.
MR. FERRARIO: It's to non-lawyers.
A. I don't recall, but the judge dismissed five directors from the case, and the case still has Ellen Cotter, Margaret Cotter, and Guy Adams as defendants. And I believe the discussion was as long as he was a defendant in the case, he couldn't vote on this type of matter. I don't recall a discussion about his independence at that -- in connection with that.

ERRATA SHEET

I declare under penalty of perjury that I have read the foregoing _______ pages of my testimony, taken on _________________________ (date) at ___________________(city), __________________(state),

and that the same is a true record of the testimony given by me at the time and place herein above set forth, with the following exceptions:

Page Line Should read: Reason for Change:

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ERRATA SHEET

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Date: ___________ ________________________________
Signature of Witness

____
Name Typed or Printed

Exhibit 8

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM GOULD, and DOES 1 through 100, inclusive, Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant.	No. A-15-719860-B Coordinated with: P-14-082942-E

DEPOSITION OF TIMOTHY STOREY, a defendant herein, noticed by LEWIS ROCA ROTHGERBER CHRISTIE LLP, at 1453 Third Street Promenade, Santa Monica, California, at 9:28 a.m., on Friday, February 12, 2016, before Teckla T. Hollins, CSR 13125.

Job Number 291961

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Also Present:
WILLIAM SLOGGATT, Videographer
ELLEN COTTER
DOUG McEACHERN
JAMES J. COTTER, JR.

I N D E X

WITNESS: TIMOTHY STOREY

E X H I B I T S

EXHIBIT	DESCRIPTION	IDENTIFIED	MARKED
EXHIBIT 1	Document with production numbers TS 1289 to 91	19	19
EXHIBIT 2	Document with production numbers TS 272 to 274	24	24
EXHIBIT 3	Document with production numbers TS 280 and 281	30	30
EXHIBIT 4	Document with production numbers TS 462 and 463	33	33
EXHIBIT 5	Document with production numbers TS 464 to 467	37	37
EXHIBIT 6	Document with production numbers TS 294 and 295	39	39
EXHIBIT 7	Document with production number 169	49	49
EXHIBIT 8	Document with production numbers TS 157 to 160	50	50
EXHIBIT 9	Document with production numbers 1169 and 1170	54	54
EXHIBIT 10	Document with production number TS 121	63	63
EXHIBIT 11	Document with production numbers TS 246 to 250	73	73

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MR. RHOW: -- we'll defer to the company.
MR. FERRARIO: It's privileged as to him. He has a point on him.
MR. KRUM: Yeah, the two plaintiffs are not similarly situated.
Q. So all I'm asking, Mr. Storey, is sort of the Dragnet questions. I'm not asking for you to relate to me any of the substance of what was communicated to you by Mr. Tompkins, Mr. Ellis or both. So with that --
A. So as I said, I do recollect receiving something in writing.
Q. And what was it? Was it a memo? Was it an e-mail?
A. I think all correspondence was by e-mail.
Q. And was it from Tompkins or Ellis?
A. I don't recollect.
Q. Okay.
And tell me what the subject matter was. Not what it said, just what the subject matter was.
A. The import of names on the share register.
Q. The import of those names relative to the issue of the exercise of options?
A. Voting rights of shares.
Q. Okay.
Directing your attention back to Exhibit 16, do you

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have that?
A. Yes.
Q. Second page, item 11, it reads, quote, "Discussion re special committee's continuing role," closed quote.
A. Yes.
Q. Do you understand that to be a reference to your role as the ombudsman?
A. Yes.
Q. And was there any -- Was there a -- Well, okay.
That never happened at the May board meeting; correct?
A. That's my understanding.
Q. Point of fact, the May board meeting as envisioned by Mr. Gould in Exhibit 16 never occurred; correct?
A. Correct.
Q. And it was preempted by a special board meeting called by Ellen Cotter; correct?
A. That's my recollection.
Q. So when did you first hear or learn or were you first told that some of the non-Cotter directors -- any of the non-Cotter directors had concluded that Jim Cotter, Jr. should be removed as CEO?
MR. FERRARIO: Can you read that question back? I

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got lost.
MR. KRUM: I'll just repeat it.
MR. FERRARIO: Yeah.
MR. KRUM:
Q. When did you first hear or learn or when were you first told that any of the non-Cotter directors had concluded that Jim Cotter should be removed as CEO?
A. About a week before the meeting, I would say, mid- -- around about the 15th of May, I got a phone call from Doug McEachern, who informed me that there had been various discussions. It was intended to remove Jim at the board meeting. That he had been in discussions with Guy Adams, and that Guy Adams was -- my recollection, was leading the charge or was involved with it.
I made some commentary on the procedure. And Mr. McEachern said he was aware of that, but that's where things stood. And the next day, I got a phone call -- the next day, I had a phone call from Guy Adams, who basically affirmed that.
Q. And what did Mr. Adams say, in sum and substance, unless you actually remember the words?
A. I think he said, in substance, that the time had come for the matter to be dealt with, that they had the legal advice that they could do that, that it shouldn't be an issue. My recollection is, it was a

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pretty short conversation.
Q. And when you say "the matter" should be dealt with, what was "the matter"?
A. The removal of the CEO.
Q. Did he indicate from whom they had received legal advice?
A. No.
Q. Did you ever subsequently learn who that was?
MR. FERRARIO: Object that --
MR. KRUM: I'm not asking for the substance. I'm asking --
MR. FERRARIO: Assumes he got any legal advice.
MR. KRUM: Okay. He testified that Adams said he had legal advice. So I'm not doing anything other than following on that testimony.
Q. So did you ever hear or learn or did you ever otherwise develop an understanding as to whom Mr. Adams was referring when he talked about legal advice?
A. I don't recollect.
Q. Was it Akin Gump?
A. I don't know.
Q. It's just an appropriate follow-up question.
MR. RHOW: The reason I have a problem with the question, sometimes when you say, "Did you ever subsequently learn," first, I don't know if what his --

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

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

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

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

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

A. Thank you.

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

A. From recollection, prior to.

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

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spoke to McEachern; correct?

A. Correct.

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

MR. SEARCY: Objection. Vague.

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

MR. KRUM:

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

A. Yes.

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

MR. SEARCY: Objection. Lacks foundation.

THE WITNESS: Yes.

MR. KRUM: Okay.

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

A. I don't recollect specific words.

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Q. Okay.

Then in substance, what did he say?

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

Q. And what was the substance of what Mr. McEachern had said to you the day before that -- from which you concluded that he had determined to vote to remove Jim Cotter, Jr. as the CEO?

A. Similar comment.

Q. Okay.

Now, did either of those two gentlemen in either of those calls indicate to you anything about what Ed Kane intended to do or had decided to do?

A. I don't recollect.

Q. Did you have any impression, after either or both of those calls, of what Ed Kane had decided to do, if anything?

A. Did I have any impression of what Ed Kane had decided to do. I think prior to that point, I was aware that Ed Kane was of the view that a change should be made.

Q. And how did you develop that awareness?

A. I think that was just the outcome discussed earlier -- as I mentioned earlier, it was the outcome of where things had got to by late April, early May.

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

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

MR. SEARCY: Objection. Vague.

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

MR. KRUM: Sure.

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

A. I don't recollect.

Q. Okay.

A. Obviously, prior to those discussions.

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

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

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

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

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an adequate process or procedure to make a decision regarding whether to terminate Jim Cotter, Jr. as the president and CEO?

MR. SEARCY: Objection. Vague. Assumes facts.

THE WITNESS: I don't recollect that. I don't recollect that either way.

MR. KRUM: Okay.

Q. And the conversation you had the next day with Mr. Adams, did you ever --

A. I don't --

Q. -- communicate that notion?

A. I don't recollect that either way.

Q. And did you say to either of Mr. McEachern during the call with him, or to Mr. Adams during the call with him the day following, in words or substance, "We haven't even finished" -- "I haven't even finished the ombudsman process we commenced in March"?

MR. SEARCY: Objection. Vague. Assumes facts.

THE WITNESS: I don't recollect that.

MR. KRUM: Okay.

Q. Prior to the special board meeting that occurred on -- It occurred on May 20th; correct?

A. Around about that time, yes.

Q. Okay.

So prior to the special board meeting that occurred

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on or about May 20th, what other conversations, if any, did you have with any other non-Cotter director with respect to a decision or a possible decision, or a process with respect to a decision, to vote to terminate Jim Cotter, Jr. as president and CEO?

A. I don't recollect.

Q. So at the board meeting that occurred on or about May 20, 2015, the first matters taken up were votes about what lawyers would be allowed to attend the meeting; correct?

A. Correct.

Q. And there was a vote about whether Jim Cotter, Jr.'s lawyer would be allowed to attend the meeting; correct?

A. Correct.

Q. And then there was a separate vote about whether if the Akin Gump lawyer was allowed to attend the meeting, then both the Akin Gump lawyer and Jim Cotter, Jr.'s lawyer would be allowed to attend; correct?

MR. SEARCY: Objection. Vague.

THE WITNESS: I don't recollect.

MR. KRUM: Okay.

Q. Do you recall that?

A. I don't recollect. I recollect the meeting.

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Q. But do you recall that there was a -- there was a seven-to-one vote against Mr. Cotter's lawyer attending the meeting?

A. I don't recollect. I would need to look at the minutes.

Q. Do you recall that one or the other of you or Bill Gould said that if the Akin Gump lawyer was allowed to attend, then Jim Cotter, Jr.'s lawyer should be allowed to attend?

MR. SEARCY: Objection. Lacks foundation.

THE WITNESS: It was my view, it would be unusual for lawyers to be at the board meeting. But it was my view, and it is my view, that if -- in the circumstances, if lawyers were going to be there, I didn't see the harm in having Mr. Cotter's lawyer there, was my view.

MR. KRUM:

Q. And do you recall that Mr. Adams interjected that it was not appropriate to vote on the motion that if one lawyer stayed for -- the Akin Gump lawyer stayed, Mr. Cotter's lawyer should stay as well because there had already been a vote with respect to Mr. Cotter's lawyer staying?

MR. SEARCY: Objection. Vague. Argumentative.

THE WITNESS: I don't recollect.

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MR. KRUM: Okay.

Q. Do you recall what the -- Okay. So at the -- at the May 20 -- at the directors meeting on or about May 20, 2015, was there a motion to terminate Jim Cotter, Jr. as president and CEO?

A. Yes.

Q. Who made that?

A. The chair.

Q. Was the motion seconded?

A. From recollection, yes.

Q. Was there a vote?

A. It was a very tumultuous period. I don't recollect the vote happening, a formal vote being taken.

Q. Do you recall that the meeting was adjourned for a period of time?

A. I do.

Q. And how did that happen? What happened to cause the meeting to be adjourned?

A. I don't recollect in detail.

Q. Do you recall if there was any discussion about giving Jim Cotter, Jr. on one hand and Ellen and Margaret Cotter on the other hand time to attempt to resolve their differences before the vote was taken?

A. Yes.

Q. And what was discussed in that respect?

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

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

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

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

____ No changes have been provided by the witness during the period allowed.

____ The changes made by the witness are appended to the transcript.

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

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

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

WITNESS my hand this 3rd day of March, 2016.

_____
Teckla T. Hollins, CSR 13125

ERRATA SHEET

I declare under penalty of perjury that I have read the foregoing _____ pages of my testimony, taken on _____ (date) at _____(city), _____(state), and that the same is a true record of the testimony given by me at the time and place herein above set forth, with the following exceptions:

Page	Line	Should read:	Reason for Change:
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ERRATA SHEET

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___	___	_____	_____

Date: _____ _____
Signature of Witness

_____
Name Typed or Printed

Exhibit 9

DISTRICT COURT

CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc., Plaintiff, VS. MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM GOULD, and DOES 1 through 100, inclusive, Defendants. and READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant.	Case No. A-15-719860-B Coordinated with: Case No. P-14-082942-E Case No. A-16-735305-B

(Caption continued on next page.)

VIDEOTAPED DEPOSITION OF TIMOTHY STOREY

Wednesday, August 3, 2016

Wednesday, California

REPORTED BY:

GRACE CHUNG, CSR No. 6426, RMR, CRR, CLR

Job No.: 323867

Page 2

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

Plaintiff,

vs.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS, and DOES 1 through 100,

Defendants.

and

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

Videotaped Deposition of TIMOTHY STOREY taken on behalf of Plaintiff, at 3993 Howard Hughes parkway, Suite 600, Las Vegas, California, beginning at 9:39 a.m. and ending at 12:19 p.m., on Wednesday, August 3, 2016, before GRACE CHUNG, CSR No. 6246, RMR, CRR, CLR.

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Also Present: BRIAN MURPHY, Videographer
JAMES COTTER

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EXHIBITS

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

BY MR. KRUM:

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

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

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

BY MR. KRUM:

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

A. Yes, I have read the document.

Q. Did you send Exhibit 131 on or about the

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date it bears, May 20, 2015?

A. I did.

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

A. I do.

Q. To what does that refer?

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

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

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

A. You wish me to read this document?

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

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A. Uh-huh.

Q. Have you ever seen Exhibit 98 before?

A. I don't believe so, but I show it is the document prepared following the -- our previous negotiation between the three Cotters.

Q. Well, do you recall, Mr. Storey, that at a -- on a telephone call among the directors of RDI, at or about 6 p.m. on a Friday evening, that Ellen Cotter reported that she and Margaret had reached some agreement with Jim Junior?

A. I do.

Q. And you recall what she read -- stated she read portions of the document and then did so?

A. That is my memory.

Q. And I apologize for the memory test nature of this question. But if you would take a moment and look at Exhibit 98, and tell me if, over a year later, you recognize any of that as what she read or part of what she read?

A. Well, I read the first part of the draft agreement -- and this obviously follows the meeting with Ellen -- read out terms she said would be generally -- would affect the company. And this largely confirms my recollection of what was stated, the formation of the executive committee.

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Q. Do you recall one way or the other, Mr. Storey, whether Ellen Cotter read or summarized the information contained on the third page of Exhibit 98, in the box to the right of the left-hand box that reads, "Reading Voting Stock Class B"?

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

A. I don't recollect that. I think that what Ellen said was that they had come to tentative arrangements about how matters would be -- could be resolved between them. It was subject to documentation, but that the issues that would affect the company, from memory, were along the lines that were set here on the -- in the first box, page 1 and 2 of the draft confidential settlement agreement.

BY MR. KRUM:

Q. I will show what previously was marked as Exhibit 33.

MR. KRUM: And while you are reading that, I'm going to ask the court reporter, do you have the next exhibit number, by any chance?

THE REPORTER: No, I don't.

A. Yes, I have read the document.

BY MR. KRUM:

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document, not the final, as best we can tell. It does, in fact -- second, it does, in fact, have a redaction. And, obviously, if someone wants to -- send a clawback letter with respect to portions of this, we will be happy to comply.

MR. SEARCY: With respect to this document, Mr. Krum, this was produced by your client, so to the extent it might be clawed back, I believe it would be you and your client.

MR. KRUM: Well, what we will do is what we have done every time a request has been made previously, which is if somebody wants us to redact part of it, just send us a letter telling us that, and then we will send a clawback letter that does so.

MR. SEARCY: That may be the case, and I am sorry to interrupt Ms. Hendricks on this, but it certainly -- I want to reiterate my point, which by allowing you to use this document and not going through the whole rigmarole of it, we are not waiving any rights to send you a letter like that.

MR. KRUM: That's perfectly fine.

MS. HENDRICKS: And the only thing that I would add to that, too, is we will certainly do our review of it, but with Mr. Cotter, Jr., being on

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the board of directors, he has a right to maintain the confidentiality and obligation when it comes to work product and attorney-client privilege that he may be subject to.

We have some concerns of this production without any kind of redactions, when it does appear that there are some attorney-client references, and I don't think that's client's obligation. I think Mr. Cotter, Jr., has his own obligation to do a review and to redact information before it's produced in this case.

MR. KRUM: Well, we are well into the gratuitous comment category at this point. We used this document because we couldn't find one produced by the company. So send whatever letters you want to send, and we will do, as I said, what we will do, which is what we have done in the past.

Q. Okay. Mr. Storey, when you refer to the May 21 and 29, and June 12 and June 30, 2015, draft minutes as having been reviewed by legal counsel, what was the import of that comment?

MR. SEARCY: Objection. Vague.

A. Well, I think that -- my preference in these things is to have minutes quite soon after the meeting so that we can all -- all members can

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recollect what was said. And a fair amount of my objection, on a number of occasions, was that we were getting minutes a long time after the event. And that they -- as I have been told, I think it -- the reasons they were being delayed was because they were going through a lengthy approval process.

BY MR. KRUM:

Q. With respect to the approval process, did you understand that counsel was reviewing them for litigation purposes as well?

MR. SEARCY: Objection. Calls for attorney-client privileged information.

MS. HENDRICKS: Join.

BY MR. KRUM:

Q. It's a yes or no.

MR. SEARCY: Well, no, but you are asking him whether it was intended for litigation. So you are getting into the substance of the attorney-client advice.

BY MR. KRUM:

Q. Well, did you have a -- let me back up. Did you have any communications with counsel for the company with respect to the preparation of the minutes of the supposed meetings of May 21, 29, and June 12, 2015?

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A. You mean internal counsel or external?

Q. Either one.

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

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

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

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

THE REPORTER: Going to?

THE WITNESS: The chairman, chairperson.

BY MR. KRUM:

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

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

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

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

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

A. Yes, I have read that.

BY MR. KRUM:

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

A. Yes, I do.

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

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

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things, and to rectify that, the payment was made.

Q. Do you know whether similar payments had ever been made to any other RDI executive?

MR. SEARCY: Objection. Vague. Lacks foundation.

A. I don't recollect at this point, no.

BY MR. KRUM:

Q. Was there, to your recollection, any discussion that this was a one-time payment for Ellen Cotter alone, that no other executives, even if similarly situated, would be treated the same way?

MR. SEARCY: Objection. Vague and argumentative. Lacks foundation.

A. My recollection is this was a one-off event which we were asked to approve and did so.

BY MR. KRUM:

Q. Did you ever hear or were you ever told that Jim Cotter, Jr., was similarly situated, meaning the supposed -- instead of stock options, that it, in fact, gave rise to some sort of taxable event?

MR. SEARCY: Objection. Lacks foundation. Assumes facts. Calls for speculation.

A. I don't recollect that at this point.

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BY MR. KRUM:

Q. As you sit here today, would you know of any basis upon which to have distinguished the treatment received by Ellen Cotter with respect to this issue of instead of stock options and the $50,000 from any other executive who also had, or were supposedly incentive stock options, but were not treated for that -- not treated that way on account of some of tax issues?

MR. SEARCY: Objection. Lacks foundation. Assumes facts. Calls for speculation and calls for an opinion and incomplete hypothetical.

A. I'm comfortable my view would be that everybody should be treated the same. So if other executives were in the same position, then my view would have been that we should have treated them the same.

MR. KRUM: I don't have any other questions at this time. Mr. Storey, I thank you for your time.

MR. SEARCY: A quick follow-up.

EXAMINATION

BY MR. SEARCY:

Q. Mr. Storey, you testified earlier today,

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and I believe also in your prior deposition, about an exercise of options by Margaret and Ellen Cotter in September of 2015?

A. Yes.

Q. And you received an opinion from Greenberg Traurig who was the company -- or counsel for the company; correct?

A. Right.

Q. And at the time that you received that opinion, Jim Cotter, Jr., had sued you personally; correct?

MR. KRUM: Objection. Assumes facts not in evidence.

A. You have to remind me, but I assume -- I assume you can do that easily. I assume I had been sued by them, yes.

BY MR. SEARCY:

Q. In September of 2015?

A. I don't recollect.

Q. But at some point time, Mr. Cotter, Jr., had sued you personally; correct?

A. Yes.

Q. And in September of 2015, in addition to the Greenberg Traurig opinion, you wanted additional advice on the exercise of the options;

correct?

A. Correct. I sought advice from my lawyer about the circumstances in which the subcommittee was asked to approve the matter.

Q. When you say you sought advice from your lawyer, that was from Bird and Marella; correct?

A. Correct.

Q. And Bird and Marella is your personal litigation counsel in litigation brought by Mr. Cotter, Jr.; is that right?

A. Correct.

MR. SEARCY: No further questions.

MS. HENDRICKS: No questions.

MR. KRUM: Okay.

THE VIDEOGRAPHER: This concludes the deposition of Timothy Storey, Volume 1, August 3rd, 2016, which consists of two media files. The original media file will be retained by Litigation Services. Off the video record at 12:19 p.m.

THE REPORTER: Counsel, would you like to order a copy of the transcript?

MR. SEARCY: Yes.

MS. BANNETT: Yes.

MS. HENDRICKS: Yes, please.

MR. KRUM: I would like a rough as soon as

you can send it, please. Thank you.

MS. HENDRICKS: If you could send me a rough as well.

MR. SEARCY: Me, too.

(Proceedings adjourned at 12:19 p.m.)

STATE OF CALIFORNIA)
) SS.
COUNTY OF LOS ANGELES)

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

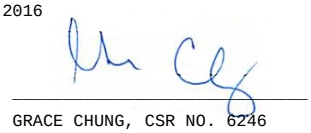
That, prior to being examined, the witness named in the foregoing deposition was by me duly sworn to testify the truth, the whole truth, and nothing but the truth;

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

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

In witness whereof, I have hereunto subscribed my name.

Dated: August 10, 2016



GRACE CHUNG, CSR NO. 6246
RMR, CRR, CLR

ERRATA SHEET

I declare under penalty of perjury that I have read the foregoing _____ pages of my testimony, taken on _____ (date) at _____(city), _____(state), and that the same is a true record of the testimony given by me at the time and place herein above set forth, with the following exceptions:

Page	Line	Should read:	Reason for Change:
___	___	_____	_____
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___	___	_____	_____
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___	___	_____	_____

Exhibit 10

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
DEPT. NO. XI

-against-

Consolidated with

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

Case No: P-14-082942-E
DEPT. NO. XI

DEFENDANTS.

DATE: March 6, 2018

TIME: 9:17 A.M.

VIDEOTAPED DEPOSITION of the Non-Party Witness, MICHAEL WROTNIAK, taken by the Plaintiff, pursuant to a Notice and to the Federal Rules of Civil Procedure, held at the offices of Lowey, Dannenberg, Bemporad & Selinger, PC, 44 South Broadway, White Plains, New York 10601, before Suzanne Pastor, RPR, a Notary Public of the State of New York.

JOB NO.: 455310

A P P E A R A N C E S:

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ALSO PRESENT:

CONNOR EICHENBERG, Videographer

* * *

F E D E R A L S T I P U L A T I O N S

IT IS HEREBY STIPULATED AND AGREED by and between the counsel for the respective parties herein that the sealing, filing and certification of the within deposition be waived; that the original of the deposition may be signed and sworn to by the witness before anyone authorized to administer an oath, with the same effect as if signed before a Judge of the Court; that an unsigned copy of the deposition may be used with the same force and effect as if signed by the witness, 30 days after service of the original & 1 copy of same upon counsel for the witness.

IT IS FURTHER STIPULATED AND AGREED that all objections except as to form, are reserved to the time of trial.

* * * *

THE VIDEOGRAPHER: This is tape 1. We are now on the record at 9:17 a.m., Tuesday, March 6th, 2018.

This is the deposition of Michael Wrotniak in the matter of Cotter, Jr., versus Cotter, et al. This deposition is being held at the offices of Lowey, Dannenberg, Bemporad & Selinger, PC, located at 44 South Broadway, White Plains, New York.

The court reporter is Sue Pastor with Diamond Reporting and Legal Video. I'm the legal videographer, Connor Eichenberg, also with Diamond Reporting and Legal Video.

Would counsel please introduce themselves and state whom they represent.

MR. KRUM: Mark Krum on behalf of plaintiff.

MR. SEARCY: Marshall Searcy for the witness, for Ed Kane, Doug McEachern, Judy Codding as well as Ellen Cotter, Margaret Cotter and Guy Adams.

THE VIDEOGRAPHER: Will the court reporter please swear in the witness.

M I C H A E L W R O T N I A K, called as a witness, having been first duly sworn by a Notary Public of the State of New York, was examined and testified as follows:

EXAMINATION BY

MR. KRUM:

Q. Please state your name for the record.

A. Michael Wrotniak.

Q. Good morning, Mr. Wrotniak.

A. Good morning.

Q. Would you spell your last name for us, please.

A. W-R-O-T-N-I-A-K.

Q. Thank you.

Have you ever been deposed before?

A. Yes.

Q. On how many occasions?

A. Once.

Q. When was that?

A. 2002, 2003, sometime in that time frame.

Q. Were you a party to a legal proceeding?

A. Company I worked for had a shipping problem, and the company was.

Q. What did you do to prepare for your deposition today?

A. I read the documents that my counsel provided to me and I met with my counsel yesterday.

Q. That's Mr. Searcy?

A. Yes.

Q. For how long?

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don't specifically recall if I read those or not.

Q. At any point in time between around the time you were nominated and put on the board and reading board minutes concerning the termination or possible termination of Jim Cotter in preparation for the December 29, 2017 meeting, did you read or review such minutes?

A. I'm sorry, repeat that.

Q. Yes. At any time between when you were nominated and put on the board of RDI, at which time you may or may not have read the minutes, and when you did read these minutes in anticipation of the December 29, 2017 meeting, did you read any minutes that concerned the termination or possible termination of Jim Cotter, Jr.?

A. I don't recall.

Q. And when you say you don't recall, you have no recollection of doing so, or do you have no recollection one way or another? Or is that the same for you?

A. Would you clarify what the difference is?

Q. I don't mean to make this is an epistemology course, Mr. Wrotniak. I don't mean to be a pointy-headed lawyer. If you have no recollection whatsoever about reading any minutes in that time frame,

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then say you have no recollection. If you just don't recall whether you read these particular minutes, then I'd say you don't recall these particular minutes. If that distinction doesn't make sense to you, then you can say so.

A. "Whatsoever" in the legal term is a very important word. So I hesitate to use such a word. I have read a lot of minutes and I don't recall when was the first time I read those specific minutes.

Q. All I'm trying to do, sir, is get your best recollection. I'm not embedding any legal gotchas in the questions. Thank you for your patience.

A. I understand.

Q. Let's take a look at --

MR. KRUM: Did you bring yours?

MR. SEARCY: No, I didn't bring mine.

MR. KRUM: I'm going to give the witness what previously was marked as deposition Exhibit 525. It bears production number DM 00007142 through 7251.

Q. Mr. Wrotniak, I'm first going to ask you if you recognize Exhibit 525. So take such time as you need, sir, to familiarize yourself with the document. I will give you more time any time I ask you about any particular pages or portions of it. So the threshold question is, do you recognize Exhibit 525?

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A. The entirety of this is document 525?

Q. That's correct.

A. I do recognize it.

Q. What do you recognize it to be?

A. The documents which were prepared for the board for our December 29th, 2018 meeting.

Q. This is the so-called board package for that meeting, correct?

A. Yes.

Q. Did you receive it on or about the date and time reflected at the e-mail on the first page, 5:30 p.m. Pacific time on Wednesday, December 27th?

A. Yes.

Q. When did you first learn that there was going to be a board meeting on December 29th?

A. In late December, prior to this.

Q. Was Exhibit 525 the first time you had seen an agenda for the December 29 board meeting?

A. Yes.

Q. And you see on the agenda, which is the second page of Exhibit 525, paragraph 3, subparagraphs A through C have some matters that are referred to as ratification matters. Do you see that?

A. You're referring to this?

Q. Yes.

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A. Yes, I do see it.

Q. When was the first time you heard or learned that the board ratifying any prior conduct would be taken up at the December 29 board meeting?

MR. SEARCY: Objection; vague.

A. We had an advice from counsel.

Q. Was that written or oral?

A. Oral.

Q. When was that?

A. Specifically, I don't know.

Q. How did you receive it? Was it a telephone call?

A. Yes.

Q. Who else was on the call?

A. Our Reading corporate counsel, Judy Codding.

Q. Who was the Reading corporate counsel?

A. Mark Ferrario. And Bonner.

Q. Mike Bonner?

A. Yes.

Q. Both from Greenberg Traurig.

A. Yes, Greenberg Traurig. There are a few of you.

Q. How was this call scheduled? If it was.

A. I don't know.

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Q. How long did it last?
A. I don't specifically recall.
Q. Who initiated the call?
A. Greenberg Traurig.
Q. I'm not asking you to tell me about who said what. I'm just asking about the subject matter, or the substance in the most general way.
During that call, one or both of Mr. Ferrario and Mr. Bonner explained to you and Ms. Codding the ratification matters?
MR. SEARCY: I'm going to object to that. Maybe there's a way that you can come at it a little more generally.
MS. HENDRICKS: I'm going to join in that objection. I have a concern about attorney-client privilege here. So if you can ask it a different way, Mark.
Q. Well, what was the subject matter of the call?
MR. SEARCY: He's asking you at a very general level. I'll let you answer it at a very general level about the subject matter. But I don't want you to get into any specifics.
A. The general matter was the agenda and protection for Reading.

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Q. Prior to this telephone call that you and Ms. Codding had with Mr. Ferrario and Mr. Bonner, had you had any communications with anyone about the same subject or subjects?
MR. SEARCY: Objection; vague.
A. Can you clarify?
Q. Well, the reason I phrased it as "same subject or subjects" is so that I didn't characterize your testimony. But I guess no good deed goes unpunished, so let me attempt to quote it.
MR. SEARCY: I think the term he used was the agenda and protection of the company.
Q. Okay, so prior to the call with Mr. Ferrario and Mr. Bonner, had you had any communications with anyone else about the same subject or subjects, the agenda and protection of the company, or however you'd characterize it?
A. No.
Q. Did you have any communications with Ellen Cotter about those subjects or any other subjects in anticipation of or preparation for the December 29, 2017 board meeting?
A. I don't recall.
Q. At the time of the call that you and Ms. Codding had with Mr. Ferrario and Mr. Bonner, had

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you received the board package, Exhibit 525?
A. I don't recall.
Q. How long did that call last?
A. Specifically, I don't recall.
Q. Well, can you give it a range? Was it five to ten minutes, three to five hours, something else?
A. Less than an hour.
Q. Where were you when you took that call?
A. In Florida.
Q. When were you in Florida?
A. I go there frequently.
Q. When were you there in the time frame of this telephone call?
A. I flew on the 26th from New York to Florida.
Q. So the 26th was a Tuesday, obviously the day after Christmas for a lot of people. And the 29th, the day of the telephonic board meeting, was a Friday. So it was sometime in that time frame that you had this call with Mr. Ferrario and Mr. Bonner and Ms. Codding?
A. Yes. Must have been.
Q. Other than reviewing the board package, Exhibit 525, what, if anything, did you do to prepare for the telephonic board meeting of December 29, 2017?

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A. I thought a lot.
Q. About what?
A. The contents of the board package.
Q. How much time did you spend reviewing Exhibit 525?
A. I don't recall.
Q. When did you review it?
A. We had a compensation committee meeting prior to the board meeting, the day before. And I had to prepare for that. And much of what was contained in here was in that, and I was ready for that meeting.
Q. So what had happened is the compensation committee approved certain matters on the 28th, and those same matters were submitted to the full board on the 29th, right?
A. Yes.
Q. So setting aside the compensation committee matters, meaning the subjects that you prepared for and discussed at the compensation committee meeting on the 28th and again at the telephonic board meeting on the 29th, how much time did you spend looking at Exhibit 525, meaning with respect to the ratification matters?
A. I don't recall.
Q. Let's go to page production in the lower

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right-hand corner 7179 of Exhibit 525. Let me know when you have that.

A. 7179.

Q. Right. It's entitled "documents to be reviewed for December 29, 2017 meeting of the board of directors, agenda item 3." Do you have that?

A. Yes.

Q. Item number 1, excerpts from plaintiff Jim Cotter, Jr.'s motion for summary judgment, that's pages 7181 through 85. Did you review that?

A. I read everything.

Q. Did you see that particular portion had a discussion, the point of which was to assert that Guy Adams receives most, if not substantially all, of his income from RDI and other companies controlled by Ellen and Margaret Cotter?

A. Yes, I see that.

Q. Had you seen or heard or been told that previously?

MR. SEARCY: Objection; vague.

A. Guy has spoken at board meetings about his income from Cotter assets.

Q. At board meetings you attended?

A. Yes.

Q. What has he said?

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A. He has said a substantial portion of his income comes from Cotter related assets.

Q. How did it come to pass, meaning what was the conversation or context that gave rise to him making those comments?

A. I don't recall.

Q. Have you ever been party or privy to any discussion about whether Mr. Adams is conflicted in terms of voting with respect to any matters of personal interests to Ellen and/or Margaret Cotter, whether it be compensation or something else?

A. I'm sorry, will you repeat that?

Q. Have you ever been party or privy to any discussion about whether Mr. Adams is conflicted in terms of voting about any matters of personal interest to Ellen or Margaret Cotter, whether it be their compensation or any other matters?

A. Guy has addressed that issue. As I mentioned.

Q. Anything else?

A. I think that Bill Gould has addressed the issue of Guy with regard to the compensation committee.

Q. Anything else?

A. No.

Q. What has Bill Gould said?

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MR. SEARCY: Objection, vague.

Q. What has Bill Gould addressed with respect to Guy having conflicts or not with respect to the compensation committee?

A. I believe that Bill mentioned that he should not be on the compensation committee.

Q. Did he say why?

A. I don't recall.

Q. I direct your attention, Mr. Wrotniak, to the document bearing production number DM 7187 through 90 as part of Exhibit 525. Do you see that purports to be minutes of a May 21, 2015 board meeting? 7187 through 7190.

A. Yes.

Q. You read these minutes, these purported minutes, in preparation for the December 29 meeting, right?

A. Yes.

Q. Now, I'm not going to ask you to read them again. You're free to do so if you wish, but I'm asking for your memory. And if you don't have any, you can tell me that.

Do you remember anything in particular from this particular document, 7187 through 90?

A. Yes.

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Q. What do you recall in particular?

A. I recall that point X on the agenda was specifically requested by Jim prior to the meeting. And it struck me as interesting that Jim then declined to speak about that point but rather spoke about his father's wishes.

Q. Anything else? Meaning is there anything else from DM 7187 through 90 as part of Exhibit 525 that you recall in particular?

A. Yes.

Q. What?

A. A significant amount of deliberation made regarding Jim's performance and his status.

Q. Anything else?

A. No.

Q. Have you ever heard or learned or have you ever been told that Guy Adams had agreed prior to the May 21, 2015 meeting to vote to terminate Jim Cotter, Jr. as president and CEO?

MR. SEARCY: Objection; vague.

A. Repeat that.

MR. KRUM: Would you read it back for me.

(Whereupon, the referred to question was read back by the Reporter.)

A. I don't recall.

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Q. Had you ever heard or learned that about Ed Kane?
MR. SEARCY: Objection; vague.
A. I don't recall.
Q. Now, when you say you don't recall, does that mean you may have heard or learned that but you don't recall whether you did, or that you do not recall having learned that?
A. I do not recall having learned that.
Q. That's true with respect to both Mr. Kane and Mr. Adams?
A. Yes.
Q. Same question for Mr. McEachern.
MR. SEARCY: Objection; vague.
A. I don't recall.
Q. Would your answer be the same -- well, same question for Ellen and Margaret Cotter.
A. I don't recall.
Q. Mr. Wrotniak, I'm going to show you a document that previously has been marked as Exhibit 81 in depositions in this case. It's only a couple lines but take such time as you need to review it and let me know when you've reviewed it to your satisfaction.
A. (The witness reviews the document.)
Okay.

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Q. Have you ever seen Exhibit 81?
A. No.
Q. You see it's dated May 18, 2015 and purports to be an e-mail from Ed Kane to Guy Adams?
A. Yes.
Q. Do you understand what they're discussing?
MR. SEARCY: Objection; lacks foundation.
A. They're discussing a vote.
Q. Do you know what vote?
A. I suppose you could ask them.
Q. Well, I'm asking you. You're the deponent today. I've asked them already.
A. I could guess.
MR. SEARCY: Don't guess.
A. I don't know.
Q. Have you read any of the deposition transcripts in this case, the derivative action?
A. No.
Q. Have you talked to anyone about their testimony?
A. No.
Q. I just skipped one. I'm trying to be efficient here, Mr. Wrotniak.
A. Take your time.

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Q. I'll do what I need to do but I won't take any of your time that I don't need to take.
I'm going to show you Exhibit 85, which you'll see is a continuation of the e-mail chain that was Exhibit 82. Take such time as you need to review that and let me know when you reviewed it to your satisfaction.
A. (The witness reviews the document.)
Q. Have you reviewed it to your satisfaction?
A. I've read them.
Q. Have you seen Exhibit 85 before?
A. No.
Q. Have you ever heard or learned prior to reading it any of the information set out in it?
A. Prior to reading it, 1 and 2 look like they made it into the minutes.
Q. 1 and 2, motion for a new interim CEO and to reorganize the executive committee?
A. I believe so, yes.
Q. But otherwise, everything in Exhibit 85 is information and material you've not seen or been told before?
A. Other than seeing in here Guy mentioning Ed is trying to help the children, which I mentioned

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earlier.
Q. Otherwise it's all news to you?
A. Yes, correct.
Q. It's a matter of how much time we spend on it. We've just covered it. That's why I asked that.
So directing your attention back to December of 2017, when did you decide to -- well, on December 29 at the telephonic board meeting you voted to ratify the termination of Jim Cotter, Jr. as president and CEO, correct?
A. Yes.
Q. When did you decide to do that?
A. Between receiving the board book, after reading it and after considering it very carefully.
Q. And by the board book you're referring to Exhibit 525?
A. Is that the name of this exhibit?
Q. Yes.
A. How you keep those numbers straight is beyond me, but okay.
Q. Well, actually, Mr. Wrotniak, ordinarily we have a stamped copy for you but we just marked it at a deposition last week, so we don't. But Mr. Searcy and I both know that is what it is. And that's why I call it that.

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understanding --
A. That's good.
MR. SEARCY: -- if that helps you with that question.
A. The income that he receives could cause a conflict to him.
Q. How's that, as you understand it?
A. For some people that could present a problem. In Guy's case it does not.
Q. Why not?
A. He's an independent thinker in my assessment.
Q. What's the basis for that assessment?
A. My time on the board with him.
Q. What discussions, if any, have you had with Guy Adams about his financial dealings with Jim Cotter, Sr. or Ellen and Margaret Cotter as executors of the Jim Cotter, Sr. estate?
A. I don't recall any.
Q. I direct your attention, Mr. Wrotniak, to what purports to be the May 29, 2015 meeting minutes. That's pages 7191 through 94 of Exhibit 525. Do you have that?
A. 91, 2, 3 -- yes, I have it.
Q. Was there anything in particular from

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these purported minutes that you recall as you sit here today noting in terms of your review of them in preparation for the December 29, 2017 board meeting?
A. (The witness reviews the document.) Yes.
Q. What?
A. I recall firstly that approximately a week had passed giving everybody time to pause and to think.
I also recall seeing that it was reconfirmed that the board had the right with or without cause to terminate Jim Cotter, Jr.
I also see that they discussed solutions, resolutions that would make the board comfortable, and Jim declined those. And also noticed an agreement in principle between the Cotter siblings.
Q. When you refer to time to pause and think, do you have any information regarding whether anyone did so? Meaning thought about it or not.
A. No.
Q. Did you see that these purported minutes on page 3 of them, that's production number 7193, in the third full paragraph beginning "Ms. Ellen Cotter then informed the board," that a lawyer representing Ellen and Margaret had contacted a lawyer representing Jim

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Cotter, Jr. about resolving their trust and estate disputes?
A. Did I see this paragraph?
Q. Right.
A. Yes, I did see that paragraph.
Q. Had you ever heard or learned anything about that previously?
A. No.
Q. What's your understanding as to what communications Ellen and Margaret Cotter had with Jim Cotter about those matters, meaning their disputes, including in particular in the trust case on May 29, 2015?
MR. SEARCY: Objection; vague.
A. I don't have any knowledge of that.
Q. Have you ever heard or learned or been told that on the morning of May 29, 2015, before the meeting that's the subject of these purported minutes commenced, Ellen and Margaret Cotter communicated in words or substance to Jim Cotter, Jr. that the proposals their lawyer had made to his lawyers were take it or leave it, that he had to accept them or face a termination vote?
MR. SEARCY: Objection; lacks foundation. Argumentative.

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A. I have no knowledge of that.
Q. Did you note when you reviewed these purported minutes of May 29, 2015 as part of Exhibit 525 that the meeting recessed at approximately 2 p.m. in the afternoon and reconvened telephonically at 6 p.m. that night? I'm just asking if you noted that previously. I'm not asking you to read it and tell me what they say.
A. I recall that in one of these sets of minutes there was that break, yes.
Q. Have you ever heard or learned or been told that at or about the time the meeting recessed that Jim Cotter, Jr. was told in words or substance you need to resolve your disputes with your sisters, failing which when we reconvene telephonically at 6 we're going to proceed with a vote to terminate you?
MR. SEARCY: Objection; lacks foundation.
MS. HENDRICKS: Join.
A. No.
Q. Have you ever met or spoken with Tim Storey?
A. No.
Q. Have you ever tried to contact him?
A. No.
Q. Have you ever talked with Bill Gould about what happened at any or all of these meetings of

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May 21, May 29 and June 12, 2015?
A. I don't recall.
Q. But you saw, I take it, in these purported minutes of May 29 that when the meeting reconvened telephonically at or about 6 p.m., Ellen Cotter had reported that an agreement in principle had been reached by her and Margaret with Jim, Jr.?
MR. SEARCY: Objection; lacks foundation.
A. According to the minutes, they had an agreement in principle.
Q. Have you ever had any communications with anybody about that?
A. No.
Q. Do you have any understanding independent of anything you would read in the purported minutes of June 12, 2015, and that's production numbers 7195 through 99, how that meeting came to be scheduled and occur?
A. I'm sorry, repeat that.
Q. Independent of reading something in the purported June 12, 2015 meeting minutes that are part of Exhibit 525, do you have any understanding as to how that meeting came to be scheduled and had occurred?
A. No.
Q. Is it your understanding as you sit here

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today that Jim Cotter, Jr. would still be president and CEO of RDI -- strike that.
Is it your understanding, Mr. Wrotniak, as you sit here today that no vote to terminate Jim Cotter, Jr. as president and CEO of RDI would have occurred had he resolved his disputes with his sisters Ellen and Margaret?
MR. SEARCY: Objection; lacks foundation, argumentative, calls for speculation.
A. I don't know.
Q. Have you ever discussed that with anybody?
A. No.
Q. Was Mr. Cotter rude when the subject of making Margaret a senior executive at the company with responsibility for development of its New York City real estate was considered by the board?
A. I don't recall.
MR. KRUM: Why don't we take a break.
MR. SEARCY: Sounds good.
THE VIDEOGRAPHER: Off the record at 11:16 a.m.
(Whereupon, a short recess was taken.)
THE VIDEOGRAPHER: This is tape 3 of the deposition of Michael Wrotniak. We're now on the record

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at 11:28 a.m.
BY MR. KRUM:
Q. Mr. Wrotniak, have you ever heard or were you ever told that one of the matters in dispute between Jim Cotter, Jr. on one hand and either or both Margaret and Ellen Cotter in or about May of 2015 was whether Margaret Cotter would become an employee of RDI?
A. No.
Q. Without regard to timing, did you ever hear or learn that there were issues in dispute between Margaret Cotter on one hand and Jim Cotter, Jr. on the other hand about Margaret's role or position at RDI?
A. Margaret became an employee during the time that I was on the board. And there were discussions regarding that at the board level.
Q. What discussions were there? Meaning who said what, in words or substance?
A. Audit committee discussion where it financially made sense for Reading to consider this opportunity.
Q. "This opportunity" being what?
A. To have Margaret become an employee and obtain some rights to Stomp fees that we were not before that entitled to.
Q. How much money was that?

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A. I don't recall.
Q. Did you understand at the time that Margaret's compensation was a function of net revenues of the live theater operations that she oversaw including the Orpheum Theater including Stomp?
A. Please repeat that.
Q. Did you understand at the time that Margaret's compensation was a function of the net revenues of the live theater operations she oversaw, which included the Orpheum Theater where Stomp was performing?
A. Yes.
Q. Did you understand at the time what those numbers were, either gross revenues at the Orpheum or net revenues?
A. I read them. Yes.
Q. As you sit here today, do you recall what they were, even in terms of the magnitude?
A. No.
Q. Do you recall whether they were six figures?
A. I don't recall.
Q. Did you ever hear or learn or were you ever told that in 2015, prior to being terminated as president and CEO of RDI, Jim Cotter was leading up a

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search for a senior executive with commercial real estate development experience?
A. I'm sorry, repeat the question.
Q. Have you ever heard, learned or been told that in 2015, prior to his termination as president and CEO of RDI, Jim Cotter was leading up a search at RDI to hire a senior executive with commercial real estate development experience?
MR. SEARCY: Objection; lacks foundation.
A. When I reviewed the minutes I saw that was on the agenda for the -- one of the meetings in 2015.
Q. Other than what you just testified, have you ever heard or learned anything about a search at RDI to hire a senior executive with commercial real estate development experience?
A. No.
Q. The position Margaret Cotter was given is the senior executive at RDI responsible for overseeing development and predevelopment activities with respect to its New York City real estate, correct?
A. Yes.
Q. She has no prior real estate development experience, correct?
MR. SEARCY: Objection; vague, lacks

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foundation.
A. I don't know.
Q. When you voted yes on December 29, 2017 to ratify the prior decision to terminate Jim Cotter, Jr. as president and CEO of RDI, were you aware that his termination did or might or could have had something to do with Margaret Cotter being employed or not being employed at RDI?
MR. SEARCY: Objection; argumentative, lacks foundation.
A. I'm sorry, please repeat that.
Q. When you voted on December 29, 2017 to ratify the prior decision to terminate Jim Cotter, Jr. as president and CEO of RDI, did you consider any issues or disputes between him and Margaret with respect to her being or not being an RDI employee?
A. No.
Q. Would you have voted affirmatively to ratify the decision to terminate Jim Cotter, Jr. as CEO, as you did on December 29, 2017, if you had not reviewed the May 21, May 29 and June 12, '15 meeting minutes as they are included in deposition Exhibit 525?
MR. SEARCY: Objection; calls for speculation. Lacks foundation.
A. If those minutes didn't exist -- I'm not

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sure I follow the question.
Q. What difference, if any, did those minutes make to your decision to vote in favor of ratifying the decision to terminate Jim Cotter, Jr. as president and CEO of RDI?
A. I relied on the minutes.
Q. And you testified to that earlier and I'm not going to ask you to repeat that.
Did you ever hear or learn or were you ever told that there was any process in place in May of 2015 that was ongoing that was in any respect terminated or pre-empted by the vote to terminate Jim Cotter, Jr.?
MR. SEARCY: Objection; vague. Lacks foundation.
A. I'm sorry, I'm going to have to ask you to repeat that.
Q. Has Bill Gould or anybody else ever told you in words or substance that the vote to terminate Jim Cotter, Jr. ended or pre-empted or interrupted a preexisting process that was supposed to continue into June 2015?
MR. SEARCY: Objection; vague, lacks foundation. Argumentative.
A. No.
Q. Let me show you what previously has been

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marked as deposition Exhibit 116, which is a two-page document bearing production numbers GA 00005417 and 18.
Take such time as you wish to review that, Mr. Wrotniak, and let me know when you reviewed it to your satisfaction.
A. (The witness reviews the document.)
Would you like it back?
Q. No, no. Have you read it to your satisfaction, Exhibit 116?
A. I've read it, yes.
Q. Have you seen Exhibit 116 before?
A. No.
Q. Have you ever had any conversations with anybody about any of the subjects set out in 116?
A. I've heard the term "kangaroo court" before. I don't know to what degree. Who knows.
Q. Have you heard the term "kangaroo court" used with respect to the Reading board of directors?
A. I don't recall.
Q. Do you see at the bottom of the first page of Exhibit 116, the very last paragraph, that Mr. Storey says on May 19th, the day date of the document, that they would review Jim's progress as CEO in June of 2015? That's the very last paragraph on the first page.

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A. I see that.
Q. Prior to reading that or hearing a question from me about it, have you ever heard about that before?
MR. SEARCY: Objection; vague, lacks foundation.
A. No.
Q. Directing your attention back to deposition Exhibit 525, and I see you still have it open, and to those three sets of purported board minutes from May 21, 2015, May 29, 2015 and June 12, 2015 found on pages bearing production numbers DM 00007187 through 99, you don't have any independent information that would enable you to determine whether those minutes fairly and accurately depicted what actually transpired, correct?
A. I relied on the minutes as were placed in the minute book.
Q. But you don't have any independent basis upon which to determine whether they're accurate or fairly depict what transpired, do you?
A. I do not.
Q. Did you ever hear or learn or were you ever told anything to the effect that Jim Cotter, Jr. had been told that he needed to resolve his disputes

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with his sisters, failing which a vote to terminate him as president and CEO would occur?
MR. SEARCY: Objection. Asked and answered and lacks foundation, calls for speculation. It's argumentative.
Q. Go ahead.
A. No.
Q. Have you ever expressed the view that the Cotter siblings should resolve their disputes?
A. I don't recall.
Q. Was your decision to vote in favor of ratification of either of the matters with respect to which you voted affirmatively on December 29, 2017 based in any part on your view of this derivative lawsuit?
MR. SEARCY: Objection; vague.
A. Can you clarify that, please?
Q. Okay. Well, you voted in favor -- strike that.
On December 29, 2017 you voted in favor of ratifying the prior decision to terminate Jim Cotter as president and CEO of RDI, right?
A. Yes.
Q. And you also voted in favor of a prior compensation committee meeting decision with respect to accepting Class A non-voting stock as consideration for

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the exercise of the so-called 100,000 share option, right?
A. Yes.
Q. With respect to either or both of those decisions, was your view of this derivative lawsuit part of your decision-making?
MR. SEARCY: Again, object as vague.
A. I don't know.
Q. Well, do you have a view of this derivative lawsuit?
A. Yes.
Q. What is it?
A. That the board had a right to terminate Jim Cotter and made an informed decision and took it.
Q. Do you have any other views of this derivative lawsuit? Including whether it should proceed or be dismissed.
A. Nothing that I can --
Q. Nothing beyond what you just told me?
A. Yes. Other than the fact that it's quite expensive.
Q. And when you say the board had a right to terminate Jim Cotter and made an informed decision and took it, that view is based on your review of the May 21 and 29 and June 12, 2015 meeting minutes and

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Mr. Cotter's employment contract, right?
A. Yes.
Q. Some of these questions help us move the process forward.
What difference, if any, did the -- well, strike that.
Do you recall that Exhibit 525, the board package, has some information regarding a company called Highpoint Associates?
A. Yes.
Q. What did you understand that information to be? What difference, if any, did it make?
A. I believe that Highpoint was a consultant hired by Reading.
Q. What's the basis for that understanding?
A. I reviewed the invoice.
Q. That's part of Exhibit 525?
A. Yes.
Q. What difference did the hiring of Highpoint make, if any, to your decision to vote in favor of ratifying the decision to terminate Jim Cotter, Jr. as president and CEO of RDI?
A. I don't recall.
Q. Who said what, if anything, at the December 29 board meeting about Highpoint?

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A. I don't recall.
Q. Directing your attention, Mr. Wrotniak, to your vote on December 29, 2017 to ratify the compensation committee decision authorizing the use of non-voting stock as consideration to pay for the exercise of the 100,000 share option, on what basis did you vote in favor of that?
A. I relied on the board book materials that were provided to us.
Q. At the December 29, 2017 meeting, who said what, if anything, about the subject of whether the estate actually owned the 100,000-share option?
A. I don't recall anyone.
Q. You took no steps prior to voting in favor of ratification with respect to the 100,000-share option on December 29, 2017 to determine whether the estate in fact owned that option, correct?
MR. SEARCY: Objection; vague, lacks foundation.
A. I relied on the board materials that were provided.
Q. Do you recall if any of those board materials actually addressed the subject of whether the estate owned the 100,000-share option?
A. I did not see anything in Jim's e-mail,

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nor in Dev's e-mail that would suggest that there was an issue.
Q. What steps, if any, did you take to inform yourself with respect to the ratification vote regarding the 100,000-share option, if any, other than reviewing Exhibit 525, the board package?
A. I don't recall any.
Q. I direct your attention, Mr. Wrotniak, to the page in Exhibit 525 that has the production number 7213 at the lower right-hand corner. You'll see that purports to be the first page of four pages of minutes from a September 21, 2015 compensation and stock option committee meeting. Do you have that?
A. Yes.
Q. In particular I direct your attention to the second full paragraph on that page. You'll see that five lines from the top it begins with the word "held by the estate to acquire 100,000 shares of the company's Class B common stock." So if you work down the left-hand margin of the paragraph that begins with Chairman Kane --
A. Held, yes.
Q. Do you recall -- well, first of all, did you review these minutes in preparation for the December 29, 2017 meeting?

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A. Yes.
Q. When you did, did you notice it used the word "held"?
A. I do not recall.
Q. Does that mean anything to you that it says "held"?
MR. SEARCY: Objection; vague. Lacks foundation.
A. I don't know.
MR. SEARCY: Mark, I think that last night Noah, or someone from our office, sent out one of the properly redacted versions of these. I don't know if you're getting into any of the stuff that's been redacted. I certainly reserve my rights on that.
MR. KRUM: Okay.
MR. SEARCY: I don't want to slow down your examination, but I also don't want to get into anything privileged.
MR. KRUM: Well, you're not waiving anything is what you're telling me. And I acknowledge that.
MR. SEARCY: Appreciate it.
Q. Do you own securities of public companies other than RDI?
A. Yes.
Q. Are they in your name or -- well, strike

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that. Do the proxy materials come directly to you or do they come through the brokerage company through which you hold the securities?
A. Both.
Q. Do you understand the distinction between being a legal and beneficial owner of securities?
A. As opposed to?
Q. Well, the difference between being a legal and beneficial owner.
A. I wouldn't want to have that conversation with you.
Q. Have you ever looked at -- do you know what a NOBO list is?
A. No.
Q. Have you ever looked at any RDI books and records that purport to identify the holders or owners of RDI stock?
A. Have I looked at any books or records. I don't recall. Doug McEachern suggested that we look at the list of the major shareholders. I've looked at that.
Q. For what purpose?
A. General background.
Q. By "major shareholders," you're talking about Class A, Class B or both?

A. Both.
Q. Have you ever heard or learned or been told anything about a pour-over will or a pour-over trust executed by Jim Cotter, Sr.?
A. I have heard the term.
Q. What have you heard?
A. The term.
Q. You don't recall anything else?
A. No.
Q. "No" meaning correct?
A. No, I have not heard anything else.
Q. In particular, have you ever heard or learned that anyone raised a question about whether the pour-over will or trust or whatever it is caused the 100,000-share option to be held or owned by the trust rather than the estate?
A. No.
Q. If you had heard or learned or been told at or prior to the December 29, 2017 board meeting that a question had been raised, whether by Jim Cotter, Jr. or anybody else, about whether the trust or estate owned the 100,000-share option, would that have made any difference to your decision on December 29, 2017 to vote to ratify what you voted to ratify with respect to the 100,000-share option?

MR. SEARCY: Objection, lacks foundation. Calls for speculation.
A. Can you repeat that, please.
(Whereupon, the referred to question was read back by the Reporter.)
A. That would have impacted my investigation and thought process.
Q. How so?
A. I would have had the -- had to find out more about the issue and understand it.
Q. What discussions or communications have you had, if any, with either or both Ed Kane and Guy Adams about what they did in 2015 in response to the request to exercise the 100,000-share option?
A. I have not had any.
Q. Mr. Wrotniak, I show you what previously was marked as deposition Exhibit 36 in this action. Take such time as you would like to review that and let me know when you've reviewed it to your satisfaction.
A. (The witness reviews the document.)
Q. Ready?
A. As ready as I'm going to be.
Q. Have you seen Exhibit 36 before?
A. No.
Q. You see that it's an e-mail exchange

dated April 18, 2015?
A. Yes.
Q. Do you see that it relates to the request to exercise the 100,000-share option?
A. Yes.
Q. Prior to looking at Exhibit 36, had you ever heard or learned or been told the request had been made and considered by the RDI board of directors compensation committee in April of 2015?
A. No.
Q. And as you sit here today, you have no understanding or information as to why it was not acted on at that time, correct?
A. Correct.
Q. As you sit here today, Mr. Wrotniak, you have no information why the RDI compensation committee did not act on the request to exercise the 100,000-share option prior to September of 2015, right?
MR. SEARCY: Lacks foundation.
A. I believe there was a note in the minutes in the board book here that said Ed said they've been wanting to exercise for a while.
Q. Did you note in the minutes of -- September 21, 2015 meeting minutes that Mr. Storey was a member of the compensation committee but that he did not

participate in the meeting at which Adams and Kane voted to authorize the exercise?
A. Yes.
Q. Did you ever hear or learn or were you ever told independent of anything you read in the September 21, 2015 meeting minutes that Mr. Storey had expressed any concerns, questions or reservations with respect to the --
A. No. Excuse me, I apologize.
Q. -- with respect to the request to exercise the 100,000-share option?
A. My answer remains no.
Q. Directing your attention back to Exhibit 36, and in particular to the first paragraph that has a portion of it redacted, do you see that the balance of the paragraph reads as follows: "There is also the issue of whether the certificates belong to the pour-over trust even though they have not been turned over by the estate, at least that's Jim's position," and then there's a closed quote, and then there's another sentence. Do you see that?
A. I don't see the closed quote --
Q. No, I say that so the transcript reflects that I'm reading something.
A. Yes, I see that paragraph.

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Q. And prior to seeing that, you've never heard or learned that Jim Cotter raised any question about the ownership of the 100,000-share option, correct?

A. That's correct.

Q. Do you intend to ask Guy Adams or Ed Kane about this subject; that is, the ownership of the 100,000-share option?

MR. SEARCY: Objection; vague, calls for speculation.

A. I don't know.

Q. I'm going to show you what previously has been marked as Exhibit 526. This document bears production number RDI 0063804 through 09. It purports to be -- I guess these are draft, right?

MR. SEARCY: Correct.

Q. Draft minutes of the December 29, 2017 meeting.

If I recall correctly, you saw these minutes yesterday for the first time, Mr. Wrotniak.

A. Yes.

Q. How much time did you spend reviewing them?

A. I read them twice I believe.

Q. Did you read them for the purpose of

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assessing whether they were accurate and/or complete?

A. Yes.

Q. What did you conclude in that regard, if anything?

A. I find them to be a good representation of the meeting.

Q. Did you request that the December 29, 2017 meeting address or include the ratification matters?

MR. SEARCY: Objection; vague.

A. Yes.

Q. When and how did you make that request?

A. It was agreed in the meeting with Mark Ferrario.

Q. When did that meeting occur?

A. Prior to the compensation committee, when we were advised of the Nevada law.

Q. When you say the meeting with Mark Ferrario, Mr. Wrotniak, are you referring to the telephone call you and Ms. Codding had with Mark Ferrario and Mike Bonner?

A. Yes.

Q. When you say prior to the compensation committee meeting, you're talking about the compensation committee meeting of December 28th?

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A. Yes.

Q. And when you say prior to that, you mean prior to that the same day?

A. I don't recall.

Q. How many conversations did you have with Mark Ferrario and Mike Bonner the week of Christmas, which was Monday, December 25?

A. One that I recall.

Q. And it's the one that you and Ms. Codding had with Ferrario and Bonner?

A. Yes.

Q. What is your understanding of the import or significance of the two ratification votes that occurred on December 29, 2017?

MR. SEARCY: I'm going to object to the extent it calls for attorney-client privilege. If you have information beyond that, Mr. Wrotniak, you're welcome to testify in that regard.

A. I don't have any further information about that.

Q. Meaning you don't have an understanding beyond what you learned from counsel?

A. Correct.

Q. I direct your attention, Mr. Wrotniak, to Exhibit 526, and in particular the page that has the

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production number ending in 63807 in the lower right. Let me know when you have that page.

A. We're going backwards?

Q. We could be, yes.

MR. SEARCY: What was the page number again, Mark?

MR. KRUM: 807 are the last three digits. It's also numbered 4, page 4 of the draft minutes.

A. Oh, I'm sorry.

Q. It's approximately where we were I think.

A. So you said --

Q. I'm sorry, it's Exhibit 526. We're looking at a different document. You're looking at 525.

MR. SEARCY: You're looking at the board package. He's asking about the minutes.

A. These minutes.

Q. Yes.

A. Okay.

Q. Okay, now that we're squared away with the document, I direct your attention, Mr. Wrotniak, to page 4 of Exhibit 526.

A. One moment while I fix my mic, please.

Q. Of course.

A. 4, okay.

Q. The last full paragraph on that page

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begins with the words "Mr. Wrotniak also expressed his views." Do you have that paragraph?

A. Yes.

Q. Let me know when you've finished reading it.

A. (The witness reviews the document.) Yes.

Q. Does that fairly summarize comments you made?

A. Yes.

Q. When you said in words or substance that the board has attempted to work with Mr. Cotter but had no alternative to take the action it did, termination, what were you referencing when you said "work" with him?

A. They offered him a position as president working under a CEO.

Q. When you say they had no -- in words or substance, had no alternative but to vote to terminate him, what exactly were you saying or referencing?

A. That if they concluded based on his performance that he was not fulfilling his responsibilities, that he needed to be terminated.

Q. I direct your attention to page 6, the last page of Exhibit 526. Do you have that?

A. Yes.

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Q. The first full paragraph on that page reads as follows: "Upon motion duly made by Director McEachern and seconded by Dr. Wrotniak, the following resolution was adopted." Do you see that paragraph?

A. I do.

Q. Is that correct, that you seconded the ratification motion with respect to the 100,000-share option?

A. Yes.

Q. How did that come to pass?

A. I don't understand the question.

Q. Had you had any discussions about seconding that motion --

A. No.

Q. -- prior to doing so?

A. No.

Q. Mr. Wrotniak, I show you what previously has been marked as Exhibit 527. It bears production number RDI 0063918.

Have you seen Exhibit 527 previously?

A. Yes.

Q. When?

A. I don't recall when the first time I saw it was.

Q. You saw it yesterday, correct?

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A. Oh, I did see it yesterday.

Q. Do you recall whether you saw it prior to yesterday?

A. I don't recall.

Q. Do you see that you're not identified as either a -- well, you're not identified on the from, to or cc section.

A. Correct.

Q. Does that refresh your recollection that the first time you saw Exhibit 527 was yesterday?

MR. SEARCY: Objection; lacks foundation.

A. I don't recall when I saw it.

Q. Did you ever see a draft of Exhibit 527?

A. I don't recall.

Q. Did you ever have any discussions with anybody about Exhibit 527, excluding any you had with Mr. Searcy yesterday?

A. Yes.

Q. When and with whom?

A. In my conversation with Mike Bonner and Mark Ferrario.

Q. This is the telephone call you and Ms. Codding had with Bonner and Ferrario?

A. Correct.

Q. Have you had any other communications

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regarding Exhibit 527?

A. No.

Q. In your call with Bonner and Ferrario, did you have 527 or a draft of that in your hand or in front of you at the time of the call?

A. No.

Q. Had you seen it at that time?

A. No.

MR. KRUM: Let's go off the record.

THE VIDEOGRAPHER: We are now off the record at 12:16 p.m.

(Whereupon, a short recess was taken.)

THE VIDEOGRAPHER: This is tape 3, part 2 of the deposition of Michael Wrotniak. We are now on the record at 12:25 p.m.

MR. KRUM: Marshall, there was a particular document that was mentioned at the last two depositions that you were going to check on. Were you able to do that?

MR. SEARCY: Oh, that was something that Ferrario was going to look into. I'll follow up with him.

MR. KRUM: Okay.

MR. SEARCY: That had to do with special committee meeting minutes, is that right?

MR. KRUM: I believe that was, yes.
MR. SEARCY: I'll follow up with him on that.
MR. KRUM: I don't think there's any reason to take Mr. Wrotniak's time about that.
MR. SEARCY: He's not even part of that committee, so.
MR. KRUM: I don't have any further questions. All rights are reserved.
Thank you, sir, for your time and off we go to the next one I guess.
MR. SEARCY: Thank you. No questions from me.
THE VIDEOGRAPHER: This concludes today's deposition of Michael Wrotniak. We are now off the record at 12:25 p.m.
(Whereupon, at 12:25 P.M., the Examination of this witness was concluded.)

° ° ° °

D E C L A R A T I O N

I hereby certify that having been first duly sworn to testify to the truth, I gave the above testimony.

I FURTHER CERTIFY that the foregoing transcript is a true and correct transcript of the testimony given by me at the time and place specified hereinbefore.

_____
MICHAEL WROTNIAK

Subscribed and sworn to before me
this _____ day of _____ 20___.

_____
NOTARY PUBLIC

E X H I B I T S

(None)

I N D E X

INFORMATION AND/OR DOCUMENTS REQUESTED
(None)

QUESTIONS MARKED FOR RULINGS
(None)

C E R T I F I C A T E

STATE OF NEW YORK)
: SS.:
COUNTY OF WESTCHESTER)

I, SUZANNE PASTOR, a Notary Public for and within the State of New York, do hereby certify:
That the witness whose examination is hereinbefore set forth was duly sworn and that such examination is a true record of the testimony given by that witness.
I further certify that I am not related to any of the parties to this action by blood or by marriage and that I am in no way interested in the outcome of this matter.
IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of March 2018.

Suzanne Pastor
_____
SUZANNE PASTOR

Exhibit 11

DISTRICT COURT

CLARK COUNTY, NEVADA

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

VOLUME V
(Pages 664-695)

VIDEOTAPED DEPOSITION OF EDWARD KANE, defendant herein, noticed by Lewis, Roca, Rothgerber, Christie, LLP, taken at Litigation Services, 655 West Broadway, Suite 880, San Diego, California, on Friday, April 20, 2018, at 9:26 a.m., before Marc Volz, CSR 2863, RPR, CRR, crc

Job No.: 465069

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Also Present: Alex Payam, videographer

I N D E X

THE VIDEOGRAPHER: Good morning. This is the beginning of media number 1 in the deposition of Edward Kane in the matter of James J. Cotter, Jr. versus Margaret Cotter, et al. and related actions, held at 655 West Broadway, Suite 880 in San Diego, California, on April 20th 2018 at 9:26 a.m.

The court reporter is Marc Volz. I am Alex Payam, the videographer, on behalf of Litigation Services. This deposition is being videotaped at all times unless specified to go off the video record. Would all present please identify themselves beginning with the witness.

THE WITNESS: Edward Kane.

MR. SEARCY: Marshall Searcy for defendants, Doug McEachern, Guy Adams, Judy Codding, Michael Wrotniak, Margaret Cotter, Ellen Cotter and for the witness Ed Kane.

MR. FERRARIO: Mark Ferrario for RDI -- or Reading.

MR. KRUM: Mark Krum, appearing telephonically, for plaintiff.

THE VIDEOGRAPHER: Thank you. Would the court reporter please swear in the witness.

EDWARD KANE,

defendant herein, having been sworn, testifies further as follows:

-EXAMINATION-

BY MR. KRUM:

Q. Good morning, Mr. Kane.

A. Morning.

Q. Is there any reason that you cannot provide truthful, accurate and complete testimony today?

A. No.

Q. You're not taking any medication or anything of that nature that would impair your ability to do so?

A. No.

Q. I'm going to remind you of a couple ground rules that we will need to follow today to make this go as efficiently as possible. First, please afford me the time and perhaps an extra breath to finish my questions before you begin to answer. In turn, I will attempt to do the same. That way we will not be speaking over each other and we'll have a better, more comprehensible transcript. That's particularly true today, because if we talk at the same time, one or both of us will not hear the other. You recall that, right?

A. Yes.

Q. And of course, that was a segue to the next admonition. It's particularly important today that you provide audible responses in words because I may not understand an "uh-huh" or a "yeah" even if the court reporter does. And the court reporter may not. And

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that will result in an erroneous transcript. What did you do to prepare for your deposition today, Mr. Kane?

A. First, could you make this a little louder, I'm having a little trouble hearing.

MR. SEARCY: It is a little soft.

Mark, the phone was little soft. Maybe you could repeat your question.

MR. KRUM: Of course. I actually forgot an admonition.

Q. If you need to take a break, Mr. Kane, let me know. I'm not going to be able to discern that by looking at you. I'd ask only that you answer any question that's pending before you ask for a break. And I will add to that, Mr. Kane, that I hope to not need to have you appear for another deposition. Obviously I think I do, and I have some matters that I intend to cover as quickly as possible, and I'm hopeful that we will do so before we take a break and that will leave you the rest of the Friday to enjoy. So with that by way of admonitions, my first question is what did you do to prepare for your deposition today?

A. I reviewed some testimony that I had previously given that was provided to me by Mr. Searcy. And I think there was some documents in there that I also briefly reviewed.

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Q. When you refer to testimony you have previously given, Mr. Kane, are you referring to prior deposition testimony in this case?

A. Yes, I am.

Q. Were you provided transcripts or excerpts of transcripts or both?

A. I'm not sure I know the difference. If I may, perhaps Mr. Searcy could describe better what he provided me.

MR. SEARCY: I don't get to answer any of the questions, Ed. Just do your best with the question.

THE WITNESS: I think they were transcripts of prior depositions that you had with me.

MR. KRUM:

Q. What I meant, Mr. Kane, by the word excerpts is whether you were provided something less than complete deposition transcripts to review. Do you recall?

A. I think they were complete. But I don't know how I would know if there was something left out, to tell you the truth. It's been so long since you last deposed me. However, my best guess is that they were complete transcripts.

Q. Let's move forward. Mr. Kane, you recall that on the morning of December 29, 2017 there was a telephonic meeting of the Reading International board of

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directors?

A. Yes.

Q. By the way, I'm going to call Reading International RDI, if that's okay with you.

A. Fine.

Q. Mr. Kane, at any time prior to that telephonic board meeting on December 29, 2017 were you party to any communications with Judy Codding about the termination of Jim Cotter, Jr. as its president and CEO of RDI?

A. I can't recall any such conversations.

Q. At any time prior to the telephonic board meeting on December 29, 2017 were you party to any communications with Michael Wrotniak regarding or that referenced the termination of Jim Cotter, Jr. as president and CEO of RDI?

MR. SEARCY: Let me just pose the objection. Vague.

You can answer, Ed.

THE WITNESS: I cannot recall any such conversations.

MR. KRUM:

Q. You've eliminated quite a few of my follow-up questions which should please you. At the -- strike that.

A. Strike it should please me?

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Q. That was my own comment. I apologize. It was not directed at you, sir.

A. Okay.

Q. Did there come a time when you heard or learned that ratification of prior actions or decisions would be taken up or considered at the December 29, 2017 telephonic board meeting?

A. I cannot recall whether I had such -- I may have, but I just can't recall them.

Q. What is your best recollection, Mr. Kane, about when you first heard or learned that ratification of anything would be or was going to be taken up at the December 29, 2017 board meeting?

A. I can't recall if I -- if there was any -- any conversation, any communication regarding the December 29th meeting. There may have been, but I just don't have any recollection of such.

Q. The following question, Mr. Kane, is asked for the purpose of assisting you in terms of remembering events at a particular time. I'm not asking about your personal life, sir. December 25th, Christmas day, was a Monday, right?

A. If you say so. I don't have a calendar. I wouldn't know one way or the other.

Q. You can accept that from me. Nobody will argue

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May I say something to you? I don't have to say this but I will. I'm not trying to be evasive, but I have had probably eight or nine, maybe ten meetings -- compensation committee, board meetings, audit committee meetings -- since December 29, 2017. I cannot recall -- and those have all been in the interim. So you ask me about what did I remember in December 29, 2017, after all those meetings and being 80 years of age, I can't be specific. I can't recall with specificity any of that because it all blends together after a while. I'm telling you that so you'll understand where from I come.

Q. Very well. I need to ask the questions nonetheless.

A. Go ahead. Go ahead.

Q. I'm not harassing you, sir. I'm just trying to cover the material I need to cover.

A. I understand.

Q. Do you recall anything anybody said at the December 29, 2019 board meeting regarding the termination of Mr. Cotter as president and CEO?

A. I do not.

Q. Do you recall anything anybody said with respect to item 3b on the second page of Exhibit 525, which I'll refer to as shorthand, and that is, ratification of the use of Class A voting stock to pay

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for the exercise in the so-called 100,000 share options?

A. I do not.

Q. Do you recall if you said anything about that subject?

A. I don't recall if I did or didn't.

Q. Did anyone ask you any questions about either of those subjects? Meaning the subjects of 3a and b on the second page of Exhibit 525 at the December 29, 2017 board meeting?

A. I don't recall any questions asked of me.

Q. You voted in favor of ratifying both of those matters, correct?

A. Yes, sir.

Q. And in doing so you were voting in favor of the decisions you'd made previously, right?

A. Yes, sir.

Q. And I don't mean to be glib with the following question so don't take it that way. No, seriously.

A. Okay.

Q. Did you give much thought to those matters, or is it fair to say, Mr. Kane, that basically you thought you were correct when you decided and did what you did and so you voted in favor of ratifying?

A. You're absolutely correct. I had voted to terminate Mr. Cotter at the time he was terminated. And

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then I was deemed by Mr. Cotter through you to somehow have a conflict of interest. So I had no problem, which I never had. I had no problem reaffirming my vote to terminate Mr. Cotter at that time. And as chairman of the comp committee who approved, voted to approve the exercise of the Class B voting stock, I had approved it then, and I saw no reason why I wouldn't approve it again.

Q. Directing your attention, Mr. Kane, back to the December 29, 2017 board meeting. Do you recall whether there was any discussion of the subject of whether or not Mr. Adams was independent for any particular purpose or purposes?

A. I don't recall such discussion if there was one.

Q. Again, directing your attention to the December 29, 2017 board meeting. Do you recall any discussions of or relating to Highpoint Associates?

A. I don't recall if there was.

Q. Have you ever heard of Highpoint Associates?

A. Yes, sir.

Q. When and how did you first hear of Highpoint Associates?

A. I can't remember exactly when. It was sometime after I believe -- I believe it was sometime after

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Mr. Cotter, Jr. was terminated as president -- or CEO. I don't recall the context of it, and I was quite surprised to see it. But I was privy to some documentation indicating that Mr. Cotter, Jr. had hired Highpoint to help him become a CEO and had signed a contract with him that was not presented to the other directors or any director, as it should have been. That's the most I can say about it.

Q. Did what you understand about Highpoint Associates make any difference to your decision to vote to ratify the termination of Mr. Cotter?

A. No.

Q. How did you come to have the understanding you just described of the purpose or purposes for which Highpoint Associates had been hired, which had to do with Mr. Cotter being a CEO or becoming a better CEO or something to that effect?

MR. FERRARIO: Ed, if it came from -- Mark Ferrario. If it came from your attorneys, let me know. I don't know how else you may have learned.

THE WITNESS: I don't recall how I was made aware of it.

MR. FERRARIO: Okay.

MR. KRUM:

Q. Have you reviewed any documents concerning

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Highpoint Associates?

A. I was given yesterday, I think, some pages of Highpoint. I scanned them. I didn't pay much attention to it.

Q. Prior to yesterday have you ever seen any documents relating to or concerning Highpoint Associates?

A. I may have. But when it was given to me yesterday it didn't refresh my recollection of having seen it previously. I'd only heard about it.

Q. From whom had you heard about it?

A. It was so long ago I don't remember.

Q. Did Mr. McEachern tell you about Highpoint Associates?

A. I don't remember how I knew.

Q. Did Mr. McEachern ever give you any documents about Highpoint Associates?

A. I have no recollection of discussing it with him or him giving it to me.

Q. Do you possess any documents concerning Highpoint Associates?

A. No, sir.

MR. FERRARIO: Other than --

THE WITNESS: Well, other than what I was given by --

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MR. SEARCY: Mr. Searcy.

THE WITNESS: Mr. Searcy. Sorry. I'm sorry. I missed it. Other than what Mr. Searcy gave me I don't recall. I may have but I just don't recall it.

MR. KRUM:

Q. If you were afforded the opportunity today to vote on whether this derivative lawsuit should proceed or be terminated how would you vote?

A. Terminate it tomorrow, please, sir.

Q. And why?

A. And why? We had -- that, as you well know, sir, that derivative suit was joined by an independent investor in Reading, T-2. They put a lot of money into it. They were present at one or more of my depositions. And they came to the conclusion that the company was well run. And they were laudatory as to how it is run and they pulled out. They didn't receive anything for pulling out. Their expenses were their expenses.

If someone with that sophistication and their own money in it said the company is well run, without Mr. Cotter, Jr., then I cannot foresee why there even is a derivative action. Never made much sense to me. And I'm not criticizing you, sir. You're his counsel. But to me it's a total waste of time and money of all parties.

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And if the directors of a company who are operating, as I was and what I thought, in the best interest of the company and thought it was in the best interest of the company that Mr. Cotter step down from his role, how else can I think, other than there shouldn't have been a derivative suit and it's a waste of his money and our money.

Q. Directing your attention, Mr. Kane, to your last response insofar as it concerned the intervening plaintiffs. What is the basis or what are the bases for your understanding of the conclusions you described them as reaching?

A. I saw some -- at the time I believe I saw some correspondence from them to that effect. And there was also some discussion with regard to the peer group. They made some recommendations for a change in the peer group which we used to determine compensation. It was well thought out. And we had already adopted some of their recommendations of the peer group. And in there they again I believe -- it's a long time ago when I saw the correspondence -- that they were pleased with the way the company was being run and going forward. And they were making recommendations as to the peer group for compensation.

Q. When you refer to correspondence are you

Page 692

actually -- do you actually have in mind a press release issued by RDI that included a quote ascribed to one of the intervening plaintiff representatives?

A. I wasn't but now that you mentioned it I did -- I must have. And I have some vague recollection of some of that press release.

Q. Mr. Kane, excluding your prior depositions in this case, have you ever met or communicated with any representative of any of the intervening plaintiffs?

A. By intervening plaintiffs you mean T-2?

Q. Right. T-2 or the folks you referenced earlier as having settled.

A. No. I never personally discussed it with any of them.

Q. What or who was the source of the information you've described about interactions with T-2 and the intervening plaintiffs?

A. I can't recall. I do know that I saw -- maybe it was directed to me, I don't know -- their recommendations for companies that we should use as part of our peer group for compensation purposes. So I probably saw that as chair of the compensation committee. But otherwise, I don't know whether they sent things to the board as a whole or things were given to me. I just don't recall.

Q. Okay. This calls for a yes or no response, Mr. Kane. Was counsel, meaning an attorney who represents you and/or an attorney who represents RDI, the source of some or all of the information you received regarding T-2 and the intervening plaintiffs?

A. Sir, I can't recall so I can't say yes or no.

Q. Very well.

MR. KRUM: Let's take a break.

THE VIDEOGRAPHER: Off the record. The time is 10:21 a.m.

(Recess.)

MR. KRUM: Back on the record. So in light of what we've covered and how we've covered it and the circumstances that bear upon that I don't have anything further at this time. Mr. Kane, thank you for your time. Have a nice day, sir.

THE WITNESS: Thank you. You too.

MR. SEARCY: Thank you.

MR. KRUM: Bye, guys.

(The proceedings concluded at 10:41 a.m.)

***

STATE OF CALIFORNIA) ss

I, Marc Volz, CSR 2863, RPR, CRR, CRC, do hereby declare:

That, prior to being examined, the witness named in the foregoing deposition was by me duly sworn pursuant to Section 2093(b) and 2094 of the Code of Civil Procedure;

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

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

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

WITNESS my hand this 23rd day of April, 2018.

_____

MARC VOLZ, CSR NO. 2863, RPR, CRR, CRC

ERRATA SHEET

I declare under penalty of perjury that I have read the foregoing _____ pages of my testimony, taken on _____ (date) at _____(city), _____(state),

and that the same is a true record of the testimony given by me at the time and place herein above set forth, with the following exceptions:

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Date: _____ _____

Signature of Witness

_____

Name Typed or Printed

Exhibit 12

DISTRICT COURT

CLARK COUNTY, NEVADA

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

VIDEOTAPED DEPOSITION OF EDWARD KANE

TAKEN ON JUNE 9, 2016

VOLUME 3

Job No.: 315759

REPORTED BY:

PATRICIA L. HUBBARD, CSR #3400

VIDEOTAPED DEPOSITION OF EDWARD KANE, taken on behalf of the Plaintiffs, at 3043 Fourth Avenue, San Diego, California, commencing at 9:38 A.M. on June 9, 2016, before PATRICIA L. HUBBARD, CSR #3400, a Certified Shorthand Reporter in and for the State of California, pursuant to Notice.

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(PRESENT VIA TELEPHONE)

Also Present:

James J. Cotter, Jr.
Ryan Lafond, Videographer

I N D E X

E X H I B I T S

E X H I B I T S (Continued)

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stated and what rights they had under those agreements.

MR. KRUM: And I will move to strike both as non-responsive.

I'll ask the court reporter to mark as Exhibit 285 a document that is an email chain of April 21 and 22, 2015, between Mr. Cotter and -- Mr. Jim Cotter, Jr., and Mr. Kane. It bears production number EK77.

(Whereupon the document referred to was marked Plaintiffs' Exhibit 285 by the Certified Shorthand Reporter and is attached hereto.)

BY MR. KRUM:

Q. Are you ready?

A. Yes.

Q. Mr. Kane, do you recognize Exhibit 285?

A. I do now, yes.

Q. Is this an email exchange you had with Jim Cotter, Jr., on April 21 and 22 --

A. I assume --

Q. -- 2015?

A. I assume it was, yes.

Q. Directing your attention to the first

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email at the bottom of Exhibit 285, you see that the first sentence -- in the first sentence Mr. Cotter, Jr., recites that Craig Tompkins had told him that he, Craig, had advised Ellen that it was in her best interest to exercise the option or options -- exercise what we're calling the 100,000-share option.

You see that?

A. Yes.

Q. Had you previously heard or learn or been told that Craig Tompkins was speaking to Ellen Cotter about exercising RDI class B options for the purpose of ensuring that she could retain control of RDI at the next annual shareholders meeting?

MR. SEARCY: Objection. Vague, assumes facts.

THE WITNESS: No.

MR. SEARCY: Also misstates the document.

BY MR. KRUM:

Q. Had you ever heard or learned or been told other than through Exhibit 285 that Craig Tompkins had communicated with Ellen Cotter about whether it was in her best interest to exercise the 100,000-share option?

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A. No.

Q. Did you ever ask Ellen about whether she had communicated with Craig about that subject?

A. No.

Q. Did you ever speak to Craig about it?

A. No.

Q. Did you ever respond to Jim Cotter, Jr., about that?

MR. SEARCY: Objection. Vague.

THE WITNESS: My response to Jim Cotter, Jr., is in this document you gave me.

BY MR. KRUM:

Q. Well, I'm asking if you ever responded to his advice that Craig Tompkins had advised Ellen that it was in her best interest to exercise the 100,000-share option.

A. No.

Q. Did it surprise you to hear that Mr. Tompkins was advising Ellen about what was her best -- what was in her best interest?

A. No.

MR. SEARCY: Objection. Vague and lacks foundation.

BY MR. KRUM:

Q. Did you understand in or about April of

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2014 that --

A. 2015, you mean.

Q. I misspoke. Thank you, sir.

Did you understand in or about April of 2015 that Mr. Tompkins was on the side of Ellen in her disputes with Jim Cotter, Jr.?

MR. SEARCY: Objection. Vague, assumes facts.

THE WITNESS: Yes.

BY MR. KRUM:

Q. What did you understand in that respect?

A. Mr. Cotter, Jr., had by this time hired Bill Ellis as general counsel. And I -- it's my belief, just mine alone -- I don't have any evidence of it, but that Craig Tompkins then spent a good deal of his time and energy with Ellen and Margaret Cotter, hoping to maintain his position in the company.

Q. What was your view of Mr. Tompkins at the time?

MR. SEARCY: Objection. Vague, calls for opinion. It also lacks foundation.

THE WITNESS: When you say my view of him, he was overweight.

What else would you like me to tell you?

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BY MR. KRUM:
Q. Well, did you think he was consistently acting in the interest of the company rather than his own interest?
MR. SEARCY: Objection. Vague, lacks foundation. Also calls for opinion.
THE WITNESS: We're getting off this subject, but at that time I felt Craig Tompkins always acted in his own self-interest.
BY MR. KRUM:
Q. Mr. Tompkins previously had, in effect, been terminated from some position in the company, right?
A. I don't recall him being terminated from any position.
Q. Do you recall a circumstance in which Jim Cotter, Jr., learned that Craig Tompkins, while supposedly holding some position at the company, was chairman or vice chairman of another company?
A. Oh, yeah.
MR. SEARCY: You said Junior. Did you mean Junior or Senior?
MR. KRUM: I meant Senior. Thank you.
BY MR. KRUM:
Q. You understood I meant Senior?

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A. Yes.
Q. Okay. What was that circumstance?
A. I think Jim Cotter, Jr., discovered online that Mr. Tompkins had become an officer and -- of another company, and he had not asked Mr. Cotter, Sr., if that was -- if he could do that.
And previous to that he had got on the board of a REIT, I believe, and again did not ask Mr. Cotter, Sr., if that was okay with him, and he being at that time full-time legal counsel.
Q. Did you ever hear or learn or were you ever told that Craig Tompkins attempted to steer RDI business to Marshall and Stevens?
MR. SEARCY: Objection. Lacks foundation.
THE WITNESS: Yes.
BY MR. KRUM:
Q. What did you hear or learn in that regard?
A. Craig Tompkins was taking the lead role on behalf of the company in the tax case that we had, the major tax case. And we had two firms representing us; Fried Frank in New York and Washington and Duane Morris in Philadelphia.
And he asked them to put -- it's my

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recollection or understanding, put on seminars on behalf of Marshall Stevens.
And I felt that was totally inappropriate, because they were our attorneys. We were paying them, and then we were pushing Marshall Stevens. He couldn't say no. And I was quite upset about it.
Marshall Stevens also did some work for our company after it was known that Craig Tompkins was there, some valuation issues. But then Andrzej Matyczynski decided they weren't the right firm for us. But that happened.
So, I thought that was inappropriate self-interest on his behalf.
Q. The valuation issues that Marshall and Stevens handled for RDI, what were those? Or with respect to what?
A. I don't recall. I think it had to do with maybe some acquisition, I'm guessing, we made and how to allocate the purchase price among various assets. And there were tax benefits and detriments, depending on how you did it.
Q. Did you ever hear or learn, Mr. Kane, that Craig Tompkins had attempted to steer business -- RDI business with respect to one or both

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of its New York City real estate properties and projects to Marshall Stevens?
MR. SEARCY: Objection. Lacks foundation.
THE WITNESS: I did not hear that, no.
BY MR. KRUM:
Q. Directing your attention, Mr. Kane, back to the circumstance of -- of Craig Tompkins having a position -- having positions that he had not disclosed to Jim Cotter, Sr., at a time when Craig Tompkins was a full-time employee of RDI -- when you learned that, were you of the view that Tompkins should have been terminated?
MR. SEARCY: Objection. Lacks foundation, calls for opinion.
THE WITNESS: It wouldn't have -- I didn't have a view that he should be terminated, but it wouldn't have bothered me if he was terminated. That's the best I can say.
We had no back-up at the time for him, so -- and he was intimately and is intimately aware of all of the issues in the company. And he structured many of them.
So I don't know if it would be in the best interest of the company then or now to

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terminate him.
BY MR. KRUM:
Q. Did -- did you ever express to Jim Cotter, Sr., Jim Cotter, Jr., or both at any point in time that you thought Craig Tompkins should be terminated or that the company's relationship with him should be terminated?
A. I think I had mentioned to Jim Cotter, Sr., and to Jim Cotter, Jr., that they should retain an attorney to familiarize himself or herself with the company's affairs. And the result of that might well have been to terminate Craig Tompkins.
Q. Did you ever tell Jim Cotter, Sr., Jim Cotter, Jr., or both that you thought Craig Tompkins was amoral?
A. Amoral?
Q. Right.
A. I might have used that term.
Q. Do you recall doing so as you sit here today?
A. I didn't hear your question.
Q. Oh, I'm sorry.
Do you recall describing Craig Tompkins as amoral as you sit here today?
A. I think I did, yes.

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MS. HENDRICKS: Mark, we've been going more than an hour. Can we take a break?
THE WITNESS: Yes. Can we have a bathroom break?
MR. KRUM: Sure.
VIDEOTAPE OPERATOR: Off the record at 11:02 A.M.
(Brief recess.)
VIDEOTAPE OPERATOR: Back on the record at 11:19 A.M.
MR. KRUM: I'll ask the court reporter to mark as Exhibit 286 what purports to be an April 17, 2015 email exchange between Craig Tompkins and Mr. Kane with several attachments. It bears production number EK63 through 68.
(Whereupon the document referred to was marked Plaintiffs' Exhibit 286 by the Certified Shorthand Reporter and is attached hereto.)
BY MR. KRUM:
Q. Mr. Kane, do you recognize Exhibit 286?
A. It's an email with my name on it.
Q. Did you receive the email from Craig Tompkins which is part of 286 including the

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attachments on or about the date it bears April 17, 2015?
A. I assume I did. I have no recollection.
Q. I direct your attention, Mr. Kane, to the page bearing production number ending in 1662 as part of Exhibit 286.
Let me know when you have that.
A. I have it in front of me now, yes.
Q. And do you recognize that document?
A. No.
Q. Do you have any understanding as to what it is or purports to be?
A. It purports to be an option agreement between Reading and, I assume, James J. Cotter, Sr.
Q. Well, take such time as you need to review it.
And my next question is do you recognize this to be the option agreement for the supposed 100,000 shares?
A. I see the 100,000-share option in here in paragraph one.
Q. I direct your attention toward -- to the end of that five-page document. At the bottom it says page five of five. It also bears the production number ending in 1666.

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Let me know when you have that.
A. Yes.
Q. Do you see that it bears no signatures?
A. Yes.
Q. Does that refresh your recollection regarding whether you ever saw an option agreement with respect to the 100,000 shares of RDI class B stock that was fully executed?
MR. SEARCY: Objection. Assumes facts, lacks foundation.
THE WITNESS: It doesn't refresh my recollection, but I see it.
BY MR. KRUM:
Q. Did you notice at the time it was transmitted to you by Mr. Tompkins on April 17th that what he had sent you was not signed?
A. Pardon me?
Q. I said did you notice when you received --
A. Uh-huh.
Q. -- Exhibit 286 that the agreement, the option agreement for 100,000 shares was not signed?
A. Yes.
Q. What, if anything, did you do upon seeing that?

A. Yes.
Q. Were you referring to the fact that he was basically in a position of striking a deal or facing a vote on termination?
A. I think that was my thinking, yes.
Q. And then at the bottom of -- at the end of the paragraph numbered five there's a sentence that reads as follows, quote,
"Otherwise you will be sorry for the rest of your life. They and your mother will be hurt and your children will lose a golden opportunity," close quote.
A. Yes.
Q. See that?
A. Yes, I do.
Q. And what was your point in saying that to Jim Cotter, Jr., in this email, Exhibit 306?
A. It was a reiteration of what he told me in his email that if he was out, the family and the company would be destroyed.
Q. Did you share that view?
A. That was his view. I didn't -- one way or another. But look where we are now.
Q. So you were saying this to him in your

will email of June 11th for the purpose of imploring him to --
A. Yes.
Q. -- agree to the deal?
A. Yes.
Q. Okay.
MR. SEARCY: You have to wait for him to finish his question before you answer. Okay?
THE WITNESS: All right.
BY MR. KRUM:
Q. The court reporter is doing quite well.
MR. SEARCY: Sometimes you have to wait for him to actually ask the question before you answer it.
MR. KRUM: Okay. So I have exceeded my 20 minutes, so let's adjourn for the day.
VIDEOTAPE OPERATOR: We'll go off the record at 5:21 P.M.

(Whereupon at 5:21 P.M. the deposition proceedings were concluded.)
* * *

REPORTER'S CERTIFICATE

I, PATRICIA L. HUBBARD, do hereby certify:

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

That the foregoing deposition testimony of the herein named witness, to wit, EDWARD KANE, was taken before me at the time and place herein set forth;

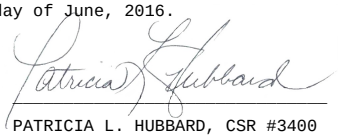
That prior to being examined, EDWARD KANE was duly sworn or affirmed by me to testify the truth, the whole truth, and nothing but the truth;

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

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

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

IN WITNESS WHEREOF, I have subscribed my name this 15th day of June, 2016.



PATRICIA L. HUBBARD, CSR #3400

ERRATA SHEET

I declare under penalty of perjury that I have read the foregoing _____ pages of my testimony, taken on _____ (date) at _____(city), _____(state), and that the same is a true record of the testimony given by me at the time and place herein above set forth, with the following exceptions:

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Date: _____ _____

Signature of Witness

_____

Name Typed or Printed

Exhibit 13

DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES J. COTTER, JR. individually and derivatively on behalf of Reading International, Inc., Plaintiff, vs. MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS WILLIAM GOULD, and DOES 1 through 100, inclusive, Defendants.	Index No. A-15-179860-B
READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant.	

VIDEOTAPED DEPOSITION OF ELLEN COTTER

New York, New York

Thursday, June 16, 2016

Reported by:
MICHELLE COX
JOB NO. 316936

June 16, 2016
9:45 a.m.

Videotaped Deposition of ELLEN COTTER, held at the offices of Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York, pursuant to Notice, before Michelle Cox, a Certified LiveNote Reporter and Notary Public of the State of New York and New Jersey.

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ALSO PRESENT: Phil Mazo, Videographer,
James J. Cotter, Jr. and
Whitney Tilson

IT IS HEREBY STIPULATED AND AGREED by and between the attorneys for the respective parties herein, that filing and sealing be and the same are hereby waived.

IT IS FURTHER STIPULATED AND AGREED that all objections, except as to the form of the question, shall be reserved to the time of the trial.

IT IS FURTHER STIPULATED AND AGREED that the within deposition may be sworn to and signed before any officer authorized to administer an oath, with the same force and effect as if signed and sworn to before the Court.

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about, if we were just talking about a potential retirement benefit for Craig and Bob.

Q Take a look at Item 7. It reads: "Status of Ellen Cotter and Margaret Cotter."

Do you see that?

A Yes.

Q So when you prepared this agenda and distributed it at or about 6:38 p.m., Pacific Time on May 19th, were you thinking that one of the -- that one or two of the agenda items might include the possible termination of you as an executive employee and Margaret as a consultant of RDI?

A Well, I think the reason we were on there was to talk about our employment status.

Q Well, that meant talk about your title and making Margaret an employee of the company, right?

A That's my recollection.

Q Okay. So when you prepared this agenda and distributed it, you were not thinking, with respect to Item No. 7, that it include the discussion of terminating you as an executive and/or terminating Margaret as a consultant, were you?

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MR. TAYBACK: Objection. Asked and answered.

A No.

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

MR. TAYBACK: Objection; argumentative, compound.

You can answer.

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

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

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

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

MR. TAYBACK: Objection. Asked and answered.

A Yes.

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

A I did have discussions with Tim Storey.

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

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

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

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

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

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terminating Jim Cotter, Jr. as president and CEO of RDI was discussed?

A Prior to this agenda being sent out, Tim and I had had discussions about whether Jim would continue as CEO and president.

Q What discussion did you have with Tim Storey in that regard, and when did they occur?

A I don't remember the specific conversation, but I remember Tim taking the position that he -- he understood that Jim was inexperienced and it wasn't -- Jim's position would be under review and under evaluation.

Q When did you have that discussion?

A As I said, I don't remember.

Q Was it in person?

A I probably did have -- Tim came to Los Angeles a lot. I probably did have some of these discussions in person.

Q What is it that you said during that discussion or those discussions with respect to the subject of Jim Cotter, Jr. continuing as president and CEO or being terminated?

A I don't remember the specifics of the discussion.

answer is yes, what I was about to say is there's some global proposal in the works --

MR. TAYBACK: Yeah.

MR. KRUM: -- so we may end up revising this until then.

MR. TAYBACK: Understand. Yeah.

MR. KRUM: Okay. And but, yes, please provide the transcript to Mr. Tayback for Ms. Cotter.

MR. TAYBACK: Thank you.

MR. NATION: All right.

MR. KRUM: Sorry. Very good.

MR. NATION: Those questions are more properly addressed to Mr. Krum than me. That's been my two cents.

(Continued on the following page to include jurat.)

MR. TAYBACK: Can we go off the video.

THE VIDEOGRAPHER: This concludes today's proceeding in the deposition of Ellen Cotter. We're ending Media No. 5 and going off the record at 6:05 p.m.

(Time noted: 6:05 p.m.)

_____

ELLEN COTTER

Subscribed and sworn to before me this _____ day of _____, 2016.

_____

C E R T I F I C A T E

STATE OF NEW YORK)

:ss

COUNTY OF NEW YORK)

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

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

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

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

MICHELLE COX, CLR

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INFORMATION REQUESTS

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EXHIBITS

DEPOSITION EXHIBITS FOR ID.

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ERRATA SHEET

I declare under penalty of perjury that I have read the foregoing _____ pages of my testimony, taken on _____ (date) at _____(city), _____(state), and that the same is a true record of the testimony given by me at the time and place herein above set forth, with the following exceptions:

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Date: _____ _____

Signature of Witness

_____

Name Typed or Printed

Exhibit 14

DEC

MARK G. KRUM (Nevada Bar No. 10913)
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Attorneys for Plaintiff
James J. Cotter, Jr.

DISTRICT COURT
CLARK COUNTY, NEVADA

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

Plaintiff,

v.

MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, and DOES 1 through 100, inclusive,

Defendants.

and

READING INTERNATIONAL, INC., a Nevada corporation;

Nominal Defendant.

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

Plaintiffs,

vs.

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

CASE NO. A-15-719860-B
DEPT. NO. XI
Coordinated with:
CASE NO. P-14-082942-E
DEPT. NO. XI
CASE NO. A-16-735305-B
DEPT. NO. XI
Jointly administered

DECLARATION OF PLAINTIFF JAMES J. COTTER, JR. IN OPPOSITION TO ALL INDIVIDUAL DEFENDANTS' MOTIONS FOR PARTIAL SUMMARY JUDGMENT *(AND GOULD JOINDERS)*

[Business Court Requested: [EDCR 1.61]

[Exempt From Arbitration: declaratory relief requested; action in equity]

Defendants.

and

READING INTERNATIONAL, INC., a Nevada corporation,

Nominal Defendant.

I, James J. Cotter, Jr. hereby declare, under the penalty of perjury and the laws of Nevada, as follows:

1. I am over eighteen (18) years of age. I have personal knowledge of the facts contained in this declaration, except on those matters stated upon information and belief, and as to those matters, I believe them to be true. If called upon to testify as to the contents of this declaration, I am legally competent to do so in a court of law.

2. I am the Plaintiff in the above-captioned action. I am, and at all times relevant hereto was, a shareholder of RDI. I have been a director of RDI since on or about March 21, 2002. I have been involved in RDI management since mid-2005, I was appointed Vice Chairman of the RDI board of directors in 2007 and President of RDI on or about June 1, 2013. I was appointed CEO by the RDI Board on or about August 7, 2014, immediately after James J. Cotter, Sr. (JJC, Sr.) resigned from that position. I am the son of the late JJC, Sr., and the brother of defendants Margaret Cotter ("MC") and Ellen Cotter ("EC"). I presently own approximately 560,186 shares of RDI Class A non-voting stock and options to acquire another 50,000 shares of RDI Class A non-voting stock. I am also the co-trustee and beneficiary of the James J. Cotter Living Trust, dated August 1, 2000, as amended (the "Trust"), which owns 2,115,539 shares of RDI Class A (non-voting) stock and 1,123,888 shares of RDI Class B (voting) stock. The Trust became irrevocable upon the passing of JJC, Sr. on September 13, 2014.

3. I submit this declaration in support of the oppositions to all of the motions for summary judgment filed by one or more of the individual defendants in this action.

4. Nominal defendant Reading International, Inc. (RDI or Company) is a Nevada corporation and is, according to its public filings with the United States Securities and Exchange

Commission (the "SEC"), an internationally diversified company principally focused on the development, ownership and operation of entertainment and real estate assets in the United States, Australia and New Zealand. The Company operates in two business segments, namely, cinema exhibition, through approximately 58 multiplex cinemas, and real estate, including real estate development and the rental of retail, commercial and live theater assets. The Company manages world-wide cinemas in the United States, Australia and New Zealand. RDI has two classes of stock, Class A stock held by the investing public, which stock exercises no voting rights, and Class B stock, which is the sole voting stock with respect to the election of directors. An overwhelming majority (approximately eighty percent (80%)) of the Class A stock is legally and/or beneficially owned by shareholders unrelated to me, EC or MC. Approximately seventy percent (70%) of the Class B stock is subject to disputes and pending trust and estate litigation in California between EC and MC, on the one hand, and me, on the other hand, and a probate action in Nevada. Of the Class B stock, approximately forty-four percent (44%) is held in the name of the Trust. RDI is named only as a nominal defendant in this derivative action.

5. I signed a verification of a Second Amended Verified Complaint (the "SAC") in this action. I stand by the substantive allegations of the SAC and incorporate them herein by reference.

The Position of CEO at RDI

6. Certain of the motions for summary judgment brought by the individual defendants in this action suggest that I was appointed CEO of RDI in August 2014 after what amounted to no deliberation by the Board of Directors. That is absolutely false. In fact, as early as 2006, James J Cotter, Sr. ("JJC, Sr."), then the CEO and controlling shareholder of RDI, had communicated to the RDI board of directors his proposed succession plan for the positions of President and CEO. That plan was for me to work under the direction of JJC, Sr. to learn the businesses of RDI, including by functioning in a senior executive role.

7. Since 2005, I was involved in most RDI executive management meetings and privy to most significant internal senior management memos. As mentioned above, I was appointed Vice Chairman of the RDI board in 2007. The RDI Board appointed me President of

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RDI on or about June 1, 2013, and I filled those responsibilities without objection by the RDI board of directors.

8. Soon after I became CEO, my sisters, Ellen, who was an executive at RDI in the domestic cinema segment of the Company's business, and Margaret, who managed RDI's limited live theater operations as a third-party consultant, both communicated to me and to members of the RDI Board of Directors that they did not want to report to me as CEO. In fact, neither of them previously while working for or with the Company effectively had ever reported to anyone other than our father, JJC, Sr. Margaret in particular resisted and effectively refused to report to me until she no longer needed to do so, following my (purported) termination as President and CEO of the Company. They also co-opted at least one employee, Linda Pham, who claimed at some point in 2014 that I had created a hostile work environment for her, which accusation was not well-taken and, in any event, moot with the passage of time by Spring 2015, as director Kane acknowledged at the time.

Disputes With My Sisters

9. My sisters and I had certain disputes with respect to matters of our father's estate. The most significant and contentious dispute concerned who would be the trustee or trustees of the voting trust that, following our father's death, holds approximately 70% of the voting stock of RDI. According to a 2013 amendment to his trust documentation, Margaret was to be the sole trustee. Pursuant to a 2014 amendment to his trust documentation, Margaret and I were to serve contemporaneously as co-trustees. In early February 2015, Ellen and Margaret commenced a lawsuit in California state court challenging the validity of the 2014 amendment to our father's trust documents (the "California Trust Action").

10. My sisters and I also had certain disputes with respect to RDI. Most generally, they disagreed with my view and approach of running RDI like a public company, including hiring a senior executive qualified to oversee the development of the Company's valuable real estate and, more fundamentally, operating the Company to increase its value for all shareholders, not just its value to the Cotter family as controlling shareholders.

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Threatened Termination and Termination

11. Late in the day on May 19, 2015, I received from Ellen, as the chairperson of the RDI Board of Directors, an agenda for a supposed special meeting of the RDI board on May 21, 2015, two days later. I learned that the benignly described first item on the agenda, "status of president and CEO," apparently referred to a secret plan of Ellen and Margaret, together with Ed Kane, Guy Adams and Doug McEachern, to vote to remove me as President and CEO of RDI. However, that meeting commenced and concluded without the threatened vote being taken.

12. Next, on or about May 27, 2015, the lawyer representing Ellen and Margaret in the California Trust Action transmitted to my lawyer in that action a document that proposed to resolve the disputes between my sisters and me, including with respect to who would be the trustee of the voting trust and whether Margaret and Ellen would report to me as CEO of RDI. (A true and correct copy of the May 27, 2015 document, which was marked as deposition exhibit 322, is attached hereto as exhibit "A.")

13. On Friday, May 29, 2015, the (supposed) special board meeting of May 21 was to resume. That morning, before the meeting, I met with Ellen and Margaret. At that meeting, they told me that they were unwilling to mediate or to negotiate any of the terms of the May 27 document described above. They also told me that if I did not agree to resolve my disputes with them on the terms set out in that document, that the RDI Board of Directors would vote at the (supposed) meeting that day to terminate me as President and CEO.

14. The (supposed) special board meeting commenced on May 29 and the issue of my termination as President and CEO was the subject. At this (supposed) special meeting, or another, McEachern pressured me to resign as President and CEO. Eventually, the non-Cotter members of the RDI Board of Directors met with my sisters separately from me. Following that, the majority of the non-cotter directors, namely, Messrs. Adams, Kane and McEachern, advised me that the meeting would adjourn temporarily and resume telephonically at 6 p.m. They further advised that, if I had not reached a resolution of disputes between me and my sisters by the time the (supposed) special meeting reconvened telephonically at 6 p.m. that day, they would proceed with the vote to

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terminate me, meaning that the three of them would vote to terminate me as President and CEO of RDI.

15. That afternoon, Ellen and Margaret again refused to mediate and again refused to negotiate. Ultimately, I indicated a willingness to resolve disputes based on the document provided, subject to conferring with counsel. At or about 6 p.m., the (supposed) special RDI board meeting resumed telephonically, at which time Ellen reported to the five non-Cotter directors that we had reached an agreement in principle to resolve our disputes, subject to conferring with respective counsel. Ed Kane congratulated us and made a statement to the effect that he hoped that I was CEO of the Company for 30 years. No vote was taken on my termination.

16. On or about June 8, 2015, I communicated to my sisters that I could not agree to the document their lawyer had transmitted to my lawyer on or about June 2, 2015. Ellen called a (supposed) special board meeting for June 12, 2015, at which meeting each of Messrs. Adams, Kane and McEachern made good on their threat to vote to terminate me and did so.

Director Interest and Independence

17. One or more of the defendants' motions for summary judgment claim that SEC filings by RDI describe the non-Cotter directors as "independent," that I signed one or more of those SEC filings and that I therefore admit that those directors are independent for the purposes of this action. That is inaccurate. The term "independent" as used in RDI's SEC filings do not refer to matters of Nevada law. It referred usually to the fact that, pursuant to the terms of the Company's listing agreement with NASDAQ, the stock exchange on which RDI stock trades, directors meet the standard of independence of NASDAQ. None of the director defendants have ever suggested to me that they understood use of the term "independent" in RDI's SEC filings to communicate anything other than that non-Cotter directors were not members of the Cotter family which, in one manner or another, controlled approximately 70% of the voting stock of RDI. As among members of the RDI Board of Directors, the term "independent" was used historically to refer to directors who were not members of the Cotter family.

18. Ed Kane was a life-long friend of my father, having met when they were graduate students. Kane was in my father's wedding and was a speaker at my father's funeral. Over my

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lengthy tenure as a director at RDI, I observed Kane as a director of RDI acting at all times as if his job as a director was to carry out my father's wishes. Kane admitted to me that he was not independent for purposes other than the NASDAQ listing agreement and suggested after I became CEO that the Company would benefit from independent directors knowledgeable about its two principal businesses, cinemas and real estate.

19. On the contentious issue between me and my sisters regarding who would be the trustee(s) of the voting trust, Kane communicated to me that his view was that it was my fathers' wishes that Margaret alone be the trustee, and he pressured me to agree to that. At one point in the context of discussions regarding terminating me as President and CEO of RDI, Kane said to me angrily that he thought I "f*#*ed Margaret" by the 2014 amendment to my father's trust documentation, which amendment made me a co-trustee with Margaret of the voting trust.

20. Kane remains very close with my sisters, who still call him "Uncle Ed"" (which I ceased doing after joining RDI). They continue to get together socially, including for family meals during holiday periods, which is what they admittedly did around the Christmas holidays in 2015.

21. Guy Adams is a long time friend of my father. After Adams effectively became unemployed, my father attempted to provide him work and income. Eventually, my father through a company he wholly-owned entered into an agreement with Adams to pay Adams $1000 per month. That company now is part of my father's estate, of which my sisters are executors, such that they are in a position to control whether Adams is paid that money or not. Adams also has carried interests in certain real estate in which my father invested. My sisters as executors of my father's estate are in position to see to it that Adams is or is not paid any monies he is owed on account of those carried interests.

22. Prior to on or about May 2015, Adam's financial condition and, more particularly, his dependence on or independence from my sisters, in terms of his financial situation, had not arisen as a subject. When I suspected that Adams had agreed with my sisters to vote to terminate me as President and CEO of RDI, that raised the issue of whether he was financially dependent on them. I now know that he is. I learned from Adams' sworn declarations in his California state court divorce case that almost all of his income comes from RDI and from one or more companies

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that my sisters control. Adams is not independently wealthy. I asked him about his financial dependence or independence at the (supposed) May 21, 2015 special board meeting, at which time he refused to answer.

23. Michael Wrotniak's wife Trisha was Margaret's roommate in her freshman year of college at Georgetown University. Margaret and Trisha have been life-long best friends starting with their first year in college together. Michael also went to Georgetown University where he met his wife Trisha and also developed a very close friendship with Margaret in college. Given that Margaret only has a few friends, her relationship with Trisha and Michael is extremely important. Margaret has spent a lot of time with Michael and his wife over the years, as all three live in metropolitan New York City. Margaret became like an aunt to Trisha and Michael's children. My sister Ellen and mother also know Trisha and Michael very well, and they have all attended social events together in New York, such as birthday and cocktail parties my sister Margaret has hosted at her apartment in New York City. I believe Margaret's oldest child refers to Trisha and Michael as Aunt and Uncle. Michael's communication with me as a director has been very guarded, which I understand to reflect his knowledge of the lawsuit and his close relationship with Margaret.

24. Judy Codding has had a very close personal relationship with my mother for more than thirty years. (Ellen lives with our mother, who has chosen my sisters' side in the disputes between us.) Ms. Codding has become close with my sisters Ellen and Margaret. On October 13, 2015, over breakfast I had with her, she expressed to me that RDI is a family business and that the only people who should manage it should be one of the Cotters and that she would help make sure of that, whether it be Ellen or me. Her reaction to the offer to purchase all of the stock of the Company at a price in excess of what it trades in the market (the "Offer"), first made by correspondence dated on or about May 31, 2015, reflected Ms. Codding's unwavering loyalty to Ellen. Before the board meeting at which the Board was going to discuss the Offer, she indicated to me that there was no way that the Offer should even be considered (clearly having spoken to Ellen about it before the board meeting).

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25. Bill Gould was a professional acquaintance and friendly with my father for years. Repeatedly since my termination as President and CEO, he has said to me that he has acquiesced as an RDI director to conduct to which he objects and/or to conclusions with which he disagrees, stating in words or substance that he must "pick his fights."

26. For example, at a board meeting at which the board was asked to approve minutes from the (supposed) special board meetings of May 21 and 29, 2015 in June 12, 2015, at which I objected because the minutes contained significant factual inaccuracies, at which I voted against approving the minutes and at which Tim Storey abstained, reflecting that he that too thought the minutes inaccurate (as he testified unequivocally in deposition in this case), Bill Gould voted to approve the minutes. When I asked him afterwards why he had voted to approve inaccurate minutes, he said that, although he could not remember the meetings well enough to state that the minutes were accurate, he thought the ultimate descriptions of action taken, meaning the termination of me, the appointment of Ellen as interim CEO and the repopulation of the executive committee, were accurate, and that he did not want to fight about them.

27. Also as an example, Bill Gould admitted to me that he thought the process deficient, and the time inadequate, to make a genuinely informed decision about whether to add Judy Codding to the RDI Board of Directors. At the board meeting when that happened, he described the decision to add her as a director as having been "slammed down," but he acquiesced.

28. It is clear to me that Bill Gould effectively has given up trying to do what he thinks is the proper thing to do as an RDI director, and is and since June 2015 has been in "go along, get along" mode. He first failed to cause any proper process to occur regarding my termination, and allowed the ombudsman process (by which then director Tim Storey as the representative of the non-Cotter directors was working with me and my sisters to enable us to work together as professionals, which process was to continue into June 2015) to be aborted. That, together with the forced "retirement" of Tim Storey, apparently so chastened Bill Gould that he became unwilling to take a stand on any matter in which doing so would place him in disagreement with my sisters. For example, he has acknowledged that Margaret lacks the experience and qualifications to hold the

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highly compensated job she now holds at RDI, but Bill Gould did not object to it or the compensation being given to her.

The Executive Committee

29. My sisters first proposed an executive committee as a means to avoid reporting to me or, as a practical matter, to anyone, in the Fall of 2014. I resisted that executive committee construct, which was not implemented at that time. As part of the resolution of our disputes that they attempted to force me to accept in May and June 2015, described above, they included an executive committee construct that would have had them reporting to the executive committee that they, together with Guy Adams who is financially beholden to them, would control. As part of their seizure of control of RDI, in addition to terminating me as President and CEO, they activated and repopulated RDI's Board of Directors executive committee. That executive committee previously had never met and never made a decision. After it was activated and repopulated on June 12, 2015, it was used as a means to exclude me and then director Tim Storey, and to a lesser extent Bill Gould, from functioning as directors of RDI and, in some instances, even having knowledge of matters that were handled by the executive committee that historically and ordinarily were handled by RDI's Board of Directors.

The Supposed CEO Search

30. When RDI filed a Form 8-K with the SEC and issued a press release announcing the termination of me as President and CEO, RDI also announced that it would engage a search firm to conduct the search for a new President and CEO. The board empowered Ellen to select the search firm. Ellen selected Korn Ferry ("KF"). She explained to the RDI Board of Directors the she selected KF because KF offered a proprietary assessment tool, which would be used to assess the three finalists for the position of President and CEO, which assessment she asserted would "de-risk" the search process. The Board agreed. Ellen also told the Board that the three final candidates would be presented to the Board for interviews. The Board agreed. Ellen selected herself, Margaret, Bill Gould and Doug McEachern to be members of the CEO search committee, which the Board accepted without substantive discussion.

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31. After the CEO search committee was put in place and KF engaged, the full board received effectively no information about whether and how the CEO search was proceeding. In the time frame from August through December 2015, Ellen for the CEO search committee provided approximately two reports, the latter of which was in mid-December which, as it turned out, was after the process had been aborted and Ellen selected, at least preliminarily. Tim Storey objected to the full board not being apprised of the status of the CEO search, prior to his forced "retirement."

32. Ultimately, in early January 2016, the CEO search committee presented Ellen as their choice for President and CEO. They did not offer, much less present, three finalists to the Board for interviews. They did not have KF perform its paid for, proprietary assessment of the finalists, or of anyone. Before that Board meeting, at which Ellen was made President and CEO, the material provided to the Board effectively amounted to a memorandum prepared by Craig Tompkins, which memorandum claimed to summarize the reasons for the CEO search committee selecting Ellen. The stated reasons are reasons thay no outside candidate could have met. The stated reasons are reasons that do not approximate, much less match, the criteria that the CEO search committee created and KF memorialized as the criteria to identify candidates and ultimately select a new President and CEO. The stated reasons for selecting Ellen were, as I heard them explained at the January board meeting, effectively distilled into a single consideration, namely, that Ellen and Margaret were controlling shareholders.

33. Although I did not agree with the termination of me as President and CEO, and thought and maintain that it was improper, I had hoped that the CEO search committee would conduct a bona fide search and provide to the board for interview three qualified finalists, as had been agreed. I now know that not only did that not happen, but that the CEO search committee terminated the search, and effectively terminated KF, after meeting with Ellen as a declared candidate for the positions of President and CEO. Independent of the results of that process, which at the time I asserted did not serve the interests of the Company, that the process was manipulated and/or aborted in my view amounts to abdication of the board's responsibilities.

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Actions to Secure Control and Use It to Pay those Who Have It

34. In April 2015, I learned that Ellen and Margaret had exercised options they held personally to acquire RDI class B voting stock and that, with the advice and assistance of Craig Tompkins, a lawyer who was a consultant to the Company, they sought to exercise a supposed option in my father's name to acquire 100,000 shares of RDI Class B voting stock. The factual context for the effort to exercise the supposed 100,000 share option is that a majority of the voting stock controlled by my father was held in the name of his Trust, of which the three of us were trustees. Because of that, Ellen and Margaret could not properly vote that stock without my agreement. The stock that was held—not owned—in my father's estate, which was controlled by Ellen and Margaret as the executors, approximated the amount of RDI class B voting stock held by third parties, including Mark Cuban. The point of the effort to exercise the supposed 100,000 share option was to ensure that Ellen and Margaret as executors would have more class B stock then third parties, including Mark Cuban.

35. There were a host of issues faced by the Company due to the request of Margaret and Ellen to exercise these supposed 100,000 share option. For example, one threshold question the Company would have needed to have answered was whether the option was legally effective. That question was not answered. Another threshold question was whether the supposed 100,000 share option automatically had transferred to my father's trust upon his death. That also was not answered, to my knowledge. Possibly due to such unanswered questions, the compensation committee of the Board did not authorize the exercise of the supposed 100,000 share option in April. Margaret and Ellen therefore delayed to the 2015 annual shareholders meeting. After the executive committee (at Ellen's request) had set the annual shareholders meeting for November (meaning that as a board member I had no say on the subject) and the record date for it in October 2015, Ellen had Kane and Adams as two of three members of the compensation committee authorize the request to exercise the supposed 100,000 share option, which was done in September shortly before a hearing in the Nevada probate case. I understand they did so so that the 100,000 shares supposedly could be registered with the Company in the name of Ellen and Margaret as executors prior to the record date. The Company received no benefit from this, in fact suffered the

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injury from replacing outstanding liquid class A stock with effectively illiquid class B stock and, I am informed and believe, from covering the tax obligation that belong to the person or entity exercising the option.

Monetary Rewards to Margaret, Ellen and Adams

36. In March 2016, the Board approved giving Margaret employment at the Company as the senior executive in charge of development of the Company's valuable New York real estate. That is a position Margaret had sought since my father passed. It is a position that I refused to give her, with the then support of all of the non-Cotter directors, because she was unqualified to hold it. She has no prior real estate development experience. What was discussed during my tenure as President and CEO was providing Margaret employment at the Company, so that she could have health benefits for herself and her two children, in a position in which she would continue to be responsible for the modest live theater operations and in which she could work in connection with any development of the Company's New York real estate, but not as the senior executive responsible for the development of the Company's New York real estate. In other words, Margaret could have a position, but she would not have a position that called upon her to do that which she had no experience doing and that which she was unqualified to do. That is the position Margaret was given in March. It is a highly compensated position that reflects its responsibilities. But Margaret has neither the prior experience nor the qualifications to hold it. Nevertheless, she is paid as if she does. Which, in my view, amounts to waste of Company monies. Additionally, the $200,000 paid to Margaret, ostensibly for concessions Margaret previously was willing to make for free to become an employee of the Company, and reportedly for prior services rendered which the Board year after year had not chosen to pay her, is simply a gift, presumably because Margaret made less money in 2015 due to the Stomp debacle.

37. The compensation package provided to Ellen in March 2016, like the one provided to Margaret, is a departure from the Company's practices, in terms of the amount paid relative to the skill and experience of the person being paid. Ellen now is the CEO of what basically is the same company of which I was CEO, but she has a compensation package that could pay her twice to three times as much. No board member has ever explained to me why they think this is

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appropriate, except to the extent they have alluded to the fact that they view Ellen and Margaret as controlling shareholders.

38. Adams in March 2016 was awarded what amounted to a $50,000 bonus for being a director. As a director, I have not seen him provide extraordinary service that warrants a payment such as that, which is a material departure from past practices at the Company, in which extra cash payments to Directors typically were $10,000. The sole notable exception was the $75,000 paid to Tim Storey for his work as ombudsman, but the amount of time and effort he put in that role, including travel between New Zealand and Los Angeles, exceeded by a multiple the amount of time Adams has devoted to being a director in 2015 and 2016. I have no doubt that Adams was paid $50,000 for what amounted to exemplary loyalty to Ellen.

The Offer

39. Ellen shared with the full Board, in or about early June, an offer by third parties to purchase all of the outstanding stock of RDI for cash consideration at a price of approximately 33% above the prices of which RDI stock then traded (i.e., the "Offer"). The Board met on June 2, 2016 regarding the Offer. At that time, Ellen proposed to have management prepare documentation regarding the value of the Company to be provided to Board members for their review and consideration in advance of another board meeting to consider the Offer. I objected, suggesting that an independent person or company be charged with preparing such documentation for review by the Board. My objection was noted and overruled, and the Board agreed to proceed in the manner Ellen suggested. Additionally, board members inquired what Elllen and Margaret as controlling shareholders wanted to do in response to the Offer.

40. On or about June 7, 2016, in view of the Offer, I asked Ellen to provide me the Company's business plan. I understood that there was none and her failure to respond confirmed that.

41. The Board reconvened on June 23, 2016, regarding the Offer. No materials had been delivered to Board members prior to that meeting. At that meeting, Ellen made an oral presentation regarding the supposed value of the Company. I found it difficult to follow her oral presentation with no prior or contemporaneous documentation. I cannot imagine how outside

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directors less familiar with the details of the Company followed it. Not one of the directors other than Ellen indicated that they had taken any action at all, whether reviewing Company documentation, speaking with experts such as counsel or bankers or doing anything else at all, to prepare to discuss the Offer. At that meeting, Ellen also indicated that she and Margaret would oppose any response other than rejecting the Offer, and added that it was their belief that the Company should proceed on its course as an independent company. No director asked questions about whether and how the Company could ever actualize the supposed value Ellen claimed it had. None asked questions about whether management was preparing a business plan to do so or, for that matter, simply preparing a long-term or strategic business plan. None exists. Instead, the non-Cotter directors simply ascertained that Ellen and Margaret wanted to reject the Offer and agreed that the price offered was inadequate. They all voted to proceed in the manner Ellen recommended.

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

DATED this 13th day of October, 2016

James J. Cotter, Jr.

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Exhibit 15
(filed under seal)

Exhibit 16

From: Kane <elkane@san.rr.com>
Sent: Monday, May 18, 2015 10:16 PM
To: Guy Adams

See if you can get someone else to second the motion. If the vote is 5-3 I might want to abstain. and make it 4—3. If it's needed I will vote. It's personal and goes back 51 years. If no one else will second it I will.

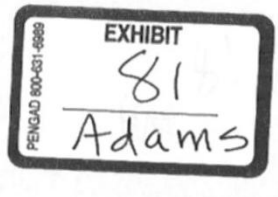


Exhibit 17
(filed under seal)

Exhibit 18
(filed under seal)

Exhibit 19
(filed under seal)

Exhibit 20

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

Reading International, Inc.

(Name of Issuer)

(Exact Name of Issuer as Specified in its Charter)

Class B Voting Common Stock
(Title of Class of Securities)

755408200
(CUSIP Number)

James J. Cotter Living Trust
6100 Center Drive
Suite 900
Los Angeles, CA 90045
(213) 235-2240
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

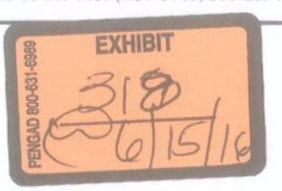
September 13, 2014
(*Date of Event which Requires Filing of this Statement*)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. ☐

Note : Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended (the "Act"), or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).



CUSIP No. **755408200**

1.	Name of Reporting Person. I.R.S. Identification Nos. of above persons (entities only) **James J. Cotter Living Trust**	
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) ☒(1) (b) ☐	
3.	SEC Use Only	
4.	Source of Funds (See Instructions) OO	
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) ☐	
6.	Citizenship or Place of Organization California	
Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power 0	
	8. Shared Voting Power 696,080	
	9. Sole Dispositive Power 0	
	10. Shared Dispositive Power 696,080	
11.	Aggregate Amount Beneficially Owned by Each Reporting Person 696,080	
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) ☐	
13.	Percent of Class Represented by Amount in Row (11) 41.4% (2)	
14.	Type of Reporting Person (See Instructions) OO – Trust	

(1) The James J. Cotter Living Trust (the "Trust") is a member of a group for purposes of Schedule 13D. The other members of the group are the Estate of James J. Cotter, Sr. (the "Estate"), Ms. Margaret Cotter and Ms. Ellen Cotter. The Trust is separately filing this report on Schedule 13D from the other members of the group.

(2) Based upon 1,680,590 shares of Class B voting common stock, $0.01 par value per share (the "Voting Stock"), outstanding, which consist of (i) 1,580,590 shares of the Voting Stock outstanding as of June 30, 2015, as reported on the Issuer's Form 10-Q filed with the Securities and Exchange Commission on August 10, 2015 and (ii) 100,000 shares of Voting Stock issued upon the exercise of the Estate of 100,000 options to acquire Voting Stock.

ITEM 1. SECURITY AND ISSUER

The common stock of Reading International, Inc., a Nevada corporation (the "Issuer" or the "Company"), is divided into two classes, Class A non-voting common stock, $0.01 par value per share (the "Non-Voting Stock"), and Class B voting common stock, $0.01 par value per share (the "Voting Stock" and together with the Non-Voting Stock, the "Shares"). This Schedule 13D (this "Schedule 13D") is being filed by the James J. Cotter Living Trust (the "Trust" or the "Reporting Person") with respect to the Voting Stock by Ms. Ellen Cotter and Ms. Margaret Cotter, two of the three co-trustees of the Trust. The shares of the Voting Stock and the shares of the Non-Voting Stock are listed on NASDAQ.

The address of the principal executive offices of the Issuer is Reading International, Inc., 6100 Center Drive, Suite 900, Los Angeles, California 90045.

ITEM 2. IDENTITY AND BACKGROUND

The Trust is a trust organized under the laws of California. During the lifetime of Mr. James J. Cotter, Sr., the Trust was revocable by Mr. James J. Cotter, Sr., but the Trust became irrevocable upon the death of Mr. James J. Cotter, Sr. on September 13, 2014. The Trust serves as a vehicle for the management and distribution of the assets of Mr. James J. Cotter, Sr. According to a purported Amendment to the Trust signed on June 19, 2014 ("2014 Amendment"), the children of Mr. James J. Cotter, Sr., including Ms. Ellen Cotter, Ms. Margaret Cotter and Mr. James J. Cotter, Jr., serve as co-trustees of the Trust and therefore may be deemed to share voting and investment power over the shares of the Voting Stock directly beneficially owned by the Trust. In litigation filed in the Superior Court of the State of California, County of Los Angeles, captioned *In re James J. Cotter Living Trust dated August 1, 2000* (Case No. BP159755) ("Trust Litigation"), Ms. Ellen Cotter and Ms. Margaret Cotter have challenged the validity of the 2014 Amendment; according to the pre-existing trust agreement, only Ms. Ellen Cotter and Ms. Margaret Cotter were named as co-trustees. The extent of any pecuniary interest in the Voting Stock owned by the Trust attributable to Ms. Margaret Cotter and Ms. Ellen Cotter as co-trustees of the Trust is dependent upon the outcome of the Trust Litigation. The Trust's principal business office address is c/o Reading International, Inc., 6100 Center Drive, Suite 900, Los Angeles, California 90045.

During the last five years, the Reporting Person has not been (a) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (b) a party to any civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or State securities laws, or finding any violation with respect to such laws.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

The Trust was established by a Declaration of Trust, dated August 1, 2000, as amended from time to time, and was initially funded with the shares of the Voting Stock owned by Mr. James J. Cotter, Sr. Mr. James J. Cotter, Sr. passed away on September 13, 2014, and the Trust became an irrevocable living trust.

ITEM 4. PURPOSE OF TRANSACTION

The Reporting Person is deemed to have acquired beneficial ownership of 696,080 shares of the Voting Stock as a result of Mr. James J. Cotter, Sr.'s death, as described in Item 3 of this Schedule 13D. Such shares of the Voting Stock were deemed to have been owned by Mr. James J. Cotter, Sr. through the Trust during his lifetime and, upon Mr. James J. Cotter, Sr.'s death and the Trust's conversion into an irrevocable trust, are now deemed to be directly beneficially owned by the Trust, of which the children of Mr. James J. Cotter, Sr. serve as co-trustees. The shares of the Voting Stock directly beneficially owned by the Trust ultimately will be held in further trust for the benefit of the descendants of Mr. James J. Cotter, Sr., and such shares will be held for investment purposes and the co-trustees of the Trust are directed to retain such shares for as long as possible and are relieved from any obligation to diversify the Trust's investments.

On September 21, 2015, the Estate exercised vested stock options and received 100,000 shares of Voting Stock. On April 8, 2015, Ms. Margaret Cotter exercised vested stock options and received 12,500 shares of Non-Voting Stock. On April 17, 2015, Ms. Margaret Cotter exercised vested stock options and received 35,100 shares of Voting Stock. On April 16, 2015, Ms. Ellen Cotter exercised vested stock options and received 50,000 shares of

Voting Stock. Ms. Ellen Cotter and Ms. Margaret Cotter currently intend to hold any shares of Voting Stock directly beneficially owned by them for investment purposes.

Ms. Ellen Cotter and Ms. Margaret Cotter currently intend to vote all of the shares of Voting Stock that they control, including all of the shares of Voting Stock owned by them individually, by the Estate and by the Trust, at the Company's 2015 annual meeting of stockholders.

Each of Ms. Ellen Cotter and Ms. Margaret Cotter, as a co-trustee of the Trust, has been in the past and will be in the future involved on behalf of the Company in their respective capacities as senior executive officers of, directors of and/or consultants to the Company, as applicable, in reviewing and evaluating possible transactions involving the Company and identifying candidates to serve on the Company's board of directors, including transactions of the sort described in clauses (a) through (f) of Item 4 of Schedule 13D. In light of their responsibilities to the Company, Ms. Ellen Cotter and Ms. Margaret Cotter do not anticipate making any disclosures in connection with their participation in the transactions and activities of the Company separate and apart from relevant disclosures by the Company.

The Reporting Person intends to review its investment in the Issuer on a continuing basis and may from time to time and at any time in the future depending on various factors, including, without limitation, the requirements of the Trust, the Issuer's financial position and strategic direction, actions taken by the board of directors of the Issuer, price levels of the Shares, other investment opportunities available to the Reporting Person, conditions in the securities market and general economic and industry conditions, take such actions with respect to the investment in the Issuer as the Reporting Person deems appropriate, including: (i) acquiring additional Shares and/or other equity, debt, notes, other securities, or derivative or other instruments of the Issuer that are based upon or relate to the value of the Shares or the Issuer (collectively, "Securities") in the open market or otherwise; (ii) disposing of any or all of their Securities in the open market or otherwise; (iii) engaging in any hedging or similar transactions with respect to the Securities; or (iv) proposing or considering one or more of the actions described in subsections (a) through (j) of Item 4 of Schedule 13D.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

As of the date hereof, the Trust directly beneficially owns 696,080 shares of the Voting Stock, representing 41.4% of outstanding Voting Stock of the Issuer. Because the children of Mr. James J. Cotter, Sr. serve as co-trustees, the children may be deemed to be indirect beneficial owners of 696,080 shares of the Voting Stock directly beneficially owned by the Trust. The extent of any pecuniary interest in the Voting Stock directly beneficially owned by the Trust attributable to Ms. Margaret Cotter and Ms. Ellen Cotter, as co-trustees, is dependent upon the outcome of the Trust Litigation. As of the date hereof, the Trust also directly beneficially owns 1,897,649 shares of the Non-Voting Stock, representing 8.7% of outstanding Non-Voting Stock of the Issuer.

Because Ms. Ellen Cotter and Ms. Margaret Cotter (two of the three children of Mr. James J. Cotter, Sr.) also serve as co-executors (the "Co-Executors") of the Estate, each of them may be deemed to share indirect beneficial ownership of 427,808 shares of the Voting Stock directly beneficially owned by the Estate, representing 25.5% of outstanding Voting Stock of the Issuer. All of the Voting Stock held by the Estate will be transferred to the Trust after a reasonable period of administration. As of the date hereof, the Estate also directly beneficially owns 326,800 shares of the Non-Voting Stock, representing 1.5% of outstanding Non-Voting Stock of the Issuer. As of the date hereof, the Co-Executors of the Estate disclaim beneficial ownership of the Voting Stock and Non-Voting Stock directly beneficially owned by the Estate, except to the extent of their respective pecuniary interest therein.

As of the date hereof, (1) Ms. Ellen Cotter also directly beneficially owns 50,000 shares of the Voting Stock, representing 3.0% of outstanding Voting Stock of the Issuer, and (2) Ms. Margaret Cotter directly beneficially owns 35,100 shares of the Voting Stock subject to stock options, representing 2.1% of outstanding Voting Stock of the Issuer. As of the date hereof, (1) Ms. Ellen Cotter also directly beneficially owns 819,765 shares of the Non-Voting Stock (which amount also includes currently exercisable options to acquire an additional 20,000 shares of the Non-Voting Stock), representing 3.8% of outstanding Non-Voting Stock of the Issuer, (2) Ms. Margaret Cotter also directly beneficially owns 804,173 shares of the Non-Voting Stock, representing 3.7% of outstanding Non-Voting Stock of the Issuer and (3) Mr. James J. Cotter, Jr. (the third child of Mr. James J. Cotter, Sr.) also directly beneficially owns 856,426 shares of the Non-Voting Stock, representing 4.0% of outstanding Non-Voting Stock of the Issuer, according to Mr. James Cotter, Jr.'s public filings.

Ms. Margaret Cotter also serves as a co-trustee of the James. J. Cotter Grandchildren Trust, a trust for Mr. James J. Cotter, Sr.'s grandchildren, which holds 289,390 shares of the Non-Voting Stock, representing 1.3% of outstanding Non-Voting Stock of the Issuer. Ms. Ellen Cotter and Ms. Margaret Cotter also serve as co-trustees of the James J. Cotter Foundation, which holds 120,751 shares of the Non-Voting Stock, representing 0.5% of outstanding Non-Voting Stock of the Issuer.

The percentages reported in this Item 5 are based upon 21,707,938 shares of the Non-Voting Stock outstanding and 1,680,590 shares of the Voting Stock outstanding, which consist of (i) 1,580,590 shares of the Voting Stock outstanding as of June 30, 2015, as reported on the Issuer's Form 10-Q filed with the Securities and Exchange Commission on August 10, 2015 and (ii) 100,000 shares of Voting Stock issued upon the exercise of the Estate of 100,000 options to acquire Voting Stock.

(b) See rows 7-10 of the cover page for information regarding the power to vote or direct the vote and the power to dispose or direct the disposition of the shares by the Reporting Person. The Estate, Ms. Margaret Cotter and Ms. Ellen Cotter have separately filed a Schedule 13D on the date hereof.

(c) Except as described herein, none of the Reporting Person, the Estate, Ms. Margaret Cotter and Ms. Ellen Cotter have acquired, or disposed of, any shares of the Voting Stock of the Issuer during the past 60 days.

(d) No persons other than Ms. Margaret Cotter and Ms. Ellen Cotter, as co-trustees of the Trust, and the beneficiaries of the Trust have the right to receive, or the power to direct the receipt of dividends from, the proceeds from the sale of the shares to which this Schedule 13D relates.

(e) Not applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Except as described in Item 3, Item 4 and Item 5, the Reporting Person has no contracts, arrangements, understandings or relationships (legal or otherwise) with any person with respect to any voting securities of the Company, including, but not limited to, the transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or losses, or the giving or withholding of proxies.

ITEM 7. MATERIALS TO BE FILED AS EXHIBITS

None.

After reasonable inquiry and to the best of my knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: October 8, 2015

JAMES J. COTTER LIVING TRUST

By: /s/ Margaret Cotter
Name: Margaret Cotter
Title: Co-Trustee

By: /s/ Ellen Cotter
Name: Ellen Cotter
Title: Co-Trustee

Exhibit 21
(filed under seal)

OPPS

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Akke Levin, Bar No. 9102
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One Washington Mall, 11th Floor
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Attorneys for Plaintiff
James J. Cotter, Jr.

DISTRICT COURT
CLARK COUNTY, NEVADA

JAMES J. COTTER, JR., derivatively on behalf of Reading International, Inc., Plaintiff, v. MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, Defendants. And READING INTERNATIONAL, INC., a Nevada corporation, Nominal Defendant.	Case No. A-15-719860-B Dept. No. XI Coordinated with: Case No. P-14-0824-42-E Dept. No. XI Jointly Administered **PLAINTIFF JAMES J. COTTER JR.'S OPPOSITION TO READING INTERNATIONAL, INC.'S MOTION (FOR SUMMARY JUDGMENT) BASED ON DEMAND FUTILITY** **Hearing Date: June 19, 2018** **Hearing Time: 8:30 a.m.**

MORRIS LAW GROUP
411 E. BONNEVILLE AVE., STE. 360 · LAS VEGAS, NEVADA 89101
702/474-9400 · FAX 702/474-9422

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Plaintiff James Cotter, Jr. respectfully submits this opposition to the renewed "Motion to Dismiss Pursuant to NRCP 12(B)(2)..." for failure to show demand futility (the "Renewed Demand Futility MSJ" or "Motion") filed by nominal defendant Reading International, Inc. ("RDI") for the benefit of the remaining individual defendants, Ellen Cotter, Margaret Cotter and Guy Adams (the "remaining defendants").

I. INTRODUCTION

RDI's Motion asks the Court to grant summary judgment and dismiss the remaining individual defendants, Ellen Cotter, Margaret Cotter and Guy Adams. The Motion is based on the premise that the Court's ruling that Plaintiff failed to raise disputed issues of fact regarding the disinterestedness of five directors with respect to the matters that were the subject of their motions for partial summary judgment obviates defendants' burden of proof in this (summary judgment) Motion and requires granting it. The Motion should be denied, including for the following reasons:

After motion practice directed to the pleadings, demand futility is to be determined by way of an evidentiary hearing. However, defendants previously did not request an evidentiary hearing and the Motion does not do so. The Motion therefore should be denied.

As a moving party seeking summary judgment and to deprive a derivative plaintiff of standing, RDI bears the burden of proving that there are no disputed issues of material fact with respect to the matters that are the subject of the two-pronged test used to determine demand futility. However, the Motion proffers *no evidence whatsoever* and therefore must be denied.

As a matter of law, demand futility is assessed based on the directors' ability to impartially assess the derivative action they are asked to approve or disapprove, not the matters which are the subject of the derivative action. The Court's prior rulings regarding interestedness with respect to particular matters raised in the motions for partial summary judgment therefore do not show, much less necessarily prove,

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independence of the dismissed directors for the purposes of the Renewed Demand Futility MSJ.

Moreover, the only evidence proffered, which was by Plaintiff, raises disputed questions of material fact which require denial of the Motion.

The first prong of the two-pronged demand futility analysis raises the question of whether the evidence creates a reasonable doubt that the directors are disinterested and independent for the purposes impartially assessing the derivative action. The only evidence proffered, by Plaintiff, shows that each of the five dismissed directors have prejudged the issue of whether this lawsuit should proceed or be dismissed, and otherwise shows that they are not disinterested and independent. Such evidence, at a minimum, raises disputed questions of material fact which require denial of the Motion.

The second, *alternative* prong of the two-pronged demand futility analysis raises the question of whether the complained-of conduct—which here includes matters that were the subject of motions for partial summary judgment as well as other matters (*e.g.*, the threat to terminate Plaintiff if he did not resolve his personal disputes with defendants Ellen and Margaret Cotter) that were not—gives rise to or constitutes breaches of fiduciary duty on the part of the directors in question. Here, as reflected by the Court's prior rulings denying most motions for partial summary judgment, Plaintiff at a minimum proffered evidence raising disputed issues of material fact about whether the challenged acts and omissions gave rise to or constituted breaches of fiduciary duty.

Independent of the foregoing, Responding Parties have not complied with the Court's May 2, 2018 orders and counsel for Plaintiff has not received, much less reviewed or had an opportunity to use, what the Court on May 2, 2018 ordered be provided. This evidence bears upon the issue of the independence of the directors the Motion simply assumes are independent, including by placing in a new light the prior reliance by these directors on advice from counsel representing nominal defendant Reading International, Inc. ("RDI" or the "Company".) As shown below, use of Company counsel by supposedly independent directors alone raises questions of fact regarding their independence. For

such reasons and for the reasons set out in the accompanying declaration of Mark G. Krum, Plaintiff is entitled to the relief pursuant to NRCP 56(f).

For the reasons described herein, and for the reasons and in view of the evidence included in Plaintiff's oppositions to defendants' motions for partial summary judgment and to Gould's motion for summary judgment, the Renewed Demand Futility MSJ should be denied.

II. STATEMENT OF FACTS AND PROCEDURAL HISTORY

A. Procedural History.

This action was commenced on June 15, 2015. Defendants moved to dismiss the original complaint and thereafter the first amended complaint on the grounds that Plaintiff had failed to adequately plead the futility of demand, among other grounds. *See* Motion to Dismiss Complaint, filed on 8/10/2015 at 7:6–14:8; RDI's Joinder to Motion to Dismiss Complaint, filed on 8/20/2015; Motion to Dismiss First Amended Complaint, filed on 11/12/2015 at 20:17-21:18; Motion to Dismiss James Cotter Jr.'s First Amended Complaint, filed on 11/24/2015. The Court rejected the demand futility arguments and the case proceeded. *See* Notice of Entry of Order filed on 10/20/2015, and Court Minutes dated 1/19/2016. In opposing Plaintiff's motion for leave to file a second amended complaint, defendants again argued demand futility. *See* RDI's Opposition to James J. Cotter Jr.'s Motion to Amend Complaint, filed on 8/8/2016 at 5:23–10:3; Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, Judy Codding and Michael Wrotniak's Opposition to Plaintiff's Motion for Leave to Amend the First Amended Complaint, filed on 8/8/2016 at 14:4–15:14. The Court rejected defendants' demand futility arguments. *See* Notice of Entry of Order filed on 9/2/2016.

Contrary to what the "Motion for Leave to File Dispositive Motion /Motion to Dismiss for Failure to Show Demand Futility" (the "Motion for Leave") asserted (at p. 6, n. 3 and at 10:19-20), at no time have defendants or any of them requested an evidentiary hearing on the subject of demand futility. Instead, they filed a motion requesting an evidentiary hearing on the subject of the adequacy of Plaintiff as a derivative plaintiff.

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See Motion for Evidentiary Hearing Regarding James Cotter, Jr.'s Adequacy as a Derivative Plaintiff, filed on 10/12/2017. Understandably, the Motion does not repeat the false claim that defendants previously sought an evidentiary hearing with respect to demand futility, but instead is silent on the subject, tacitly acknowledging that they did not do so.

Pursuant to a scheduling order issued by the Court, discovery concluded on August 26, 2016 and summary judgment motions were required to be filed no later than September 23, 2016. *See* Scheduling Order and Order Setting Civil Jury Trial, Pre-Trial Conference and Calendar Call, filed on 11/10/2015. Defendants Ellen Cotter, Margaret Cotter, Guy Adams and other director defendants filed six separate motions for partial summary judgment, but filed no motion for summary judgment arguing the futility of demand. The Court denied all but one of those motions for partial summary judgment and granted Plaintiff's motion to reopen and/or finish discovery with respect to certain matters. *See* Court Minutes dated October 27, 2016. Individual director defendants including Ellen Cotter, Margaret Cotter and Guy Adams in November 2017 filed supplemental briefs and noticed their motions for partial summary judgment for hearing on December 11, 2017. *See* Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, William Gould, Judy Codding, Michael Wrotniak's Supplement to Motions for Partial Summary Judgment Nos. 1, 2, 3, 5, and 6, filed on 11/9/2017. One of those motions was granted and the balance were granted in part and denied in part. *See* Order Regarding Defendants' Motions for Partial Summary Judgment and Plaintiff's and Defendants' Motions In Limine, filed on 12/28/2017, at 4:8–5:15.

However, not until January 3, 2018 was a motion for summary judgment with respect to the futility of demand filed. *See* Motion to Dismiss for Failure to Show Demand Futility, filed on 1/3/2018. That motion, entitled "Motion to Dismiss for Failure to Show Demand Futility" (the "Original Demand Futility MSJ"), purported to be predicated on the Court's "determ[ination] that a majority of RDI's Directors were

independent with respect to the decisions challenged by [Plaintiff]." Original Demand Futility MSJ at 8:8-9.

Like the Motion for Leave and the Original Demand Futility MSJ, the Motion posits that it was based upon the Court's December 11, 2017 rulings, which assumption the Court previously rejected. *See* Transcript of Proceedings for Hearing on Plaintiff's Motion for Continuance (Public), 1/8/18 at 13:19-25.

Like both the Motion for Leave and the Original Demand Futility MSJ, the Motion submits *no evidence whatsoever*, with respect to *either* matters relating to the first prong *or* the second prong of the two-pronged demand futility test applicable here.

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Defendants on January 4, 2018 also filed a separate motion for summary judgment based upon purported ratifications defendants claimed had occurred at a December 29, 2017 RDI Board of Directors meeting. *See* The Remaining Director Defendants' Motion for Judgment as a Matter of Law, on file. In that motion for summary judgment, defendants argued that the same five directors they claim are independent for the purposes of their Renewed Demand Futility MSJ had "ratified" conduct the Court has found actionable, which conduct indisputably was not previously approved by a majority of independent directors.

The Court on January 8, 2018 had ordered defendants to provide Plaintiff discovery with respect to matters raised in those motions. Following argument on April 30, 2018 on motions brought by Plaintiff regarding discovery, and following a May 2, 2018 evidentiary hearing, the Court on May 2, 2018 ordered that RDI and former defendants and RDI directors William Gould, Judy Codding, Michael Wrotniak, Doug McEachern and Ed Kane (the "Responding Parties") provide Plaintiff with additional discovery relating to "ratification," including the conduct of those five individuals leading up and related to the purported ratifications, among other things. *See* Transcript of Proceedings on Evidentiary Hearing, 5/2/2018 at 75:8-18.

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B. What The Evidence Shows Regarding the Futility of Demand.

1. The Deposition Testimony of the Five Raises Reasonable Doubt about Their Ability to Have Impartially Assessed this Derivative Action.

With respect to the question of whether they would have voted to allow this derivative action to proceed or to terminate it, each of the five testified that they had determined that it should not proceed. Gould testified that "[m]y vote would be to terminate, to terminate the derivative action." (*See* Ex. 5 to JJC 6/13/18 Opp.[1] at 547:17-19 and 548:19-23). He acknowledged that the reason is that he was named as a defendant. (*See id.* at 548:24-549:4). Codding testified with respect to this derivative action as follows: "I don't think it should go forward." (Ex. 4 to JJC 6/13/18 Opp. at 234:12-17). She explained that she did not see the purpose of it or understand it. (*Id.*) McEachern likewise testified that he would "vote to dismiss the [derivative] lawsuit." (Ex. 7 to JJC 6/13/18 Opp., at 526:14-21). He explained that he understood this derivative lawsuit to concern simply "reinstatement" of Plaintiff as CEO and damages from his termination, and McEachern does not believe there were any. (*Id.* at 526:22-527:2). Wrotniak's testimony was to the same effect; his answer to a question asking his view of this derivative lawsuit was that "the board had the right to terminate [Plaintiff] and made an informed decision and took it." (Ex. 10 to JJC 6/13/18 Opp. at 76:9-14.) In response to a question about how he would vote on whether this derivative lawsuit should proceed or be terminated, Kane answered "terminate it tomorrow, please, sir." (Ex. 11 to JJC 6/13/18 Opp. at 690:6-9).

2. The Five Already Acted to Dismiss this Derivative Action

Promptly following their dismissal from this action, and as explained in Plaintiff's opposition to the "Ratification MSJ," the five hastily acted to cause this action to be dismissed as against the remaining defendants, approving "ratification" that Codding and Wrotniak acknowledged they did not understand, independent of what counsel of

[1] "JJC 6/13/18 Opp." refers to Plaintiff's Opposition to Ellen Cotter, Margaret Cotter and Guy Adams' Motion for Summary Judgment (Based on Ratification) filed on June 13, 2018.

record for RDI told them. (Ex. 4 to JJC 6/13/18 Opp. at 232:19-233:1; Ex. 10 to JJC 6/13/18 Opp. at 88:12–23.) Gould acknowledged at his deposition that "ratification" is a "litigation strategy" in this derivative action. (Ex. 5 to JJC 6/13/18 Opp. at 541:15-18). The foregoing events are among the following:

- In December 2017, before seeking and securing approval of "ratification" from the SIC on December 21 (described below), GT lawyers cleared the "ratification" "process" with Margaret Cotter, Ellen Cotter and Tompkins.[2] On December 13, 2017, GT attorneys Mark Ferrario and Michael Bonner exchanged emails with Craig Tompkins, *which emails were copied to Ellen Cotter*, regarding the subject of a "Special Committee." (*See* Ex. 1 to JJC 6/8/18 Motion,[3] GT February 22, 2018 privilege log at entry ending in 60907 and 60911; *see also* Ex. 3 to JJC 6/8/18 Motion, GT May 31, 2018 privilege log at entries ending in RDI 73538, 76569, 76783.) Those emails are described as "Communication[s] regarding Ratification process." (Ex. 1 to JJC 6/8/18 Motion, February 22, 2018 Privilege log at entries ending in 60907 and 60911.)
- Again on December 15, 2017, GT attorney Bonner exchanged emails with Craig Tompkins, *which emails also were copied to Ellen Cotter*, regarding "Misc." (*See* Ex. 1 to JJC 6/8/18 Motion, at entries ending in 60823 and 60824.) Those emails are described as "Communication[s] regarding ratification process." (*Id.*)
- Also on December 15, 2017, GT attorney Ferrario discussed the subject of ratification with *Margaret Cotter* in person. (*See* Ex. 16 to JJC 6/8/18 Motion, Margaret Cotter's February 14, 2018 interrogatory responses at Response No. 2.)

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[2]As to Craig Tompkins, RDI's General Counsel to whom GT attorneys report, Kane at deposition explained that the words he used in an email stating "according to [Ellen Cotter], Craig is also on the 'team[,]' meant that Tompkins "was [with] Ellen and Margaret versus Jim." (See Ex. 14 to JJC 6/8/18 Motion, Kane 5/2/16 dep. tr. at 176:18-177:1; Ex. 17 to JJC 6/8/18 Motion (Dep. Ex. 105).)

[3] "JJC 6/8/18 Motion" refers to Plaintiff James J. Cotter Jr.'s Motion to Compel filed on June 8, 2018.

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(Margaret Cotter's interrogatory responses disclosed this communication regarding "ratification," but not others described herein.)

- On December 21, 2015, GT attorney Bonner sent an email to Tompkins, copied to *Ellen Cotter* and GT attorney Ferrario, regarding "special committee/stockholder action alternatives." (*See* Ex. 1 to JJC 6/8/18 Motion, GT February 22, 2018 privilege log at entry ending in 60533.) Ellen Cotter at her deposition acknowledged receiving this email. (*See* Ex. 9 to JJC 6/8/18 Motion, Ellen Cotter 4/4/18 dep. tr. at 479:21-480:6.)
- On December 21, 2017, GT attorneys Bonner and Ferrario discussed ratification telephonically with Special Independent Committee ("SIC") members Gould, Codding and McEachern. (Ex. 5 to JJC 6/8/18 Motion, April 12, 2018 correspondence from GT producing an almost entirely redacted version of December 21, 2017 Special Independent Committee meeting minutes); (Ex. 1 to JJC 6/8/18 Motion, RDI Privilege Log at p. 2, 8, entries ending in 59829 and 60012, respectively);
- According to Gould, the SIC on December 21, 2017 "formally" took action to approve and advance "ratification." (Ex. 5 to JJC 6/13/18 Opp. at 528:10-18).
- On December 27, 2017, Bonner and other GT lawyers exchanged emails with Tompkins about one or more drafts of what came to be the December 27, 2017 email sent by Gould, purportedly on behalf of the five dismissed directors (which email was marked as Dep. Ex. 527 and Ex. P-1 from the 5/2/18 evidentiary hearing; Ex. 6 to JJC 6/8/18 Motion). (*See* Ex. 15 to JJC 6/8/18 Motion, 5/2/18 hearing tr. at 59:1-8.) Several of those emails had file names such as "For Bill Gould to sign.msg," a subject of "For Bill Gould to sign," and a description of the emails as "Communication regarding draft letter re Special Board Meeting." (*See* Ex. 1 to JJC 6/8/18 Motion, GT February 22, 2018 privilege log, entries ending in 57090, 59768, 59899, 59911, 59912, 59959, 60790, 60802 and 60810.) The description of one email is

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slightly different, reading "Communication regarding board meeting, notice and ratification process." (*Id.*, entries ending in 60798.)

- Also on December 27, 2017, Tompkins and GT lawyers exchanged emails the file names of which included "Ratificat.zip?ratificat/For Bill Gould to sign," the subjects of which were "Ratification," and which are described as "Communication[s] regarding draft letter re Special Board Meeting" or "Communication[s] regarding Special Meeting Request." (*Id.*, entries ending in 60404, 60408, 60412, 60424, 60428, 60450, 60464, 60843, 60846.)
- Several of the December 27, 2017 emails with file names such as "Ratificat.zip?ratificat/Ratification" and "Ratification.msg" and the subject "Ratification" also *were copied to Ellen Cotter*. (*Id.*, entries ending in 60450, 60452, 60464 and 60846; Ex. 2, 5/30/18 privilege log, entries ending in RDI 68619, 68626, 70083, 70095.)
- Another December 27, 2017 email from Tompkins to Bonner and Ferrario concerned "ratification" according to the email subject line, but the privilege log provides no description of the communication. (*Id.*, entry ending in 60843.) A subsequent entry also is an email regarding "ratification," and is from Bonner to Tompkins and Ferrario, *but also copied Ellen Cotter*. (*Id.*, entry ending in 60846.)
- After receiving responses from Tompkins and possibly Ellen Cotter regarding the draft of what came to be Gould's December 27, 2017 email, GT attorney Bonner on December 27, 2017 sent Gould an email, with a copy to GT attorney Ferrario, the "re" line of which read "**FW**: for Bill Gould to sign," which RDI's privilege log also describes as "communication regarding draft letter re Special Board Meeting." (*Id.*, entries ending in entries ending in 59792 and 59937.) (Emphasis supplied.)
- On December 27, 2017, Gould and his assistant transmitted the email bearing that date, which Gould testified that GT attorneys Bonner and Ferrario drafted. (Ex. 5 to JJC 6/13/18 Opp. at 530:2–531:14).

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