**CERTIFICATE OF SERVICE**

I hereby certify that on this 13th day of June, 2016, I caused a true and correct copy of the foregoing **JAMES J. COTTER, JR.'S RESPONSES TO WILLIAM GOULD'S FIRST SET OF REQUESTS FOR ADMISSION** was electronically served to all parties via the Court's electronic filing system to all parties listed on the E-Service Master List.

DATED this 13th day of June, 2016.

*/s/ Jessie M. Helm*
An employee of Lewis Roca Rothgerber Christie LLP

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Las Vegas, NV 89169-5996
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# EXHIBIT 32

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*James J. Cotter, Jr.*

DISTRICT COURT

CLARK COUNTY, NEVADA

| | |
|---|---|
| JAMES J. COTTER, JR., individually and derivatively on behalf of Reading International, Inc.,<br><br>Plaintiff,<br><br>vs.<br><br>MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS McEACHERN, TIMOTHY STOREY, WILLIAM GOULD, and DOES 1 through 100, inclusive,<br><br>Defendants.<br><br>and<br><br>READING INTERNATIONAL, INC., a Nevada corporation,<br><br>Nominal Defendant. | CASE NO.: A-15-719860-B<br>DEPT. NO. XI<br><br>Coordinated with:<br><br>Case No. P-14-082942-E<br>Dept. No. XI<br><br>Jointly Administered<br><br>**JAMES J. COTTER, JR.'S RESPONSES TO WILLIAM GOULD'S FIRST SET OF REQUESTS FOR ADMISSION** |

COMES NOW, James J. Cotter, Jr. ("Plaintiff" or "Responding Party") and hereby serves his responses to William Gould's ("Defendant" or "Propounding Party") First Set of Requests for Admission (the "Requests").

## GENERAL OBJECTIONS

Responding Party incorporates the following general objections into each specific response and objection set forth below:

(1) Responding Party objects to the Requests to the extent they seek documents or information which is protected by (or which cannot be provided without



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disclosing) attorney client privilege, the attorney-work product doctrine and/or otherwise is privileged or protected from disclosure, including in particular communications of counsel of record for Plaintiff in this action, which communications will not be produced or logged;

(2) Responding Party objects to the Requests to the extent they seek documents or information the production or disclosure of which violates any person or entity's right to privacy;

(3) Responding Party objects to the Requests to the extent they seek documents or information not in Responding Party's possession, custody, or control;

(4) Responding Party objects to the Requests to the extent they seek documents or information within the possession or control of the Propounding Party, or seeks documents or information which is publicly available and/or which otherwise is uniquely or equally available to the Propounding Party;

(5) Responding Party objects to the Requests to the extent they seek information or documents that constitute or disclose confidential, proprietary, or developmental commercial or business information or research, or seeks documents or information otherwise protected from disclosure;

(6) Responding Party objects to the Requests to the extent they attempt or purport to impose obligations exceeding those authorized or imposed by the Nevada Rules of Civil Procedure;

(7) Responding Party objects to the Requests insofar as they seek documents or information beyond the time and scope of matters at issue in the captioned action and/or which are neither relevant nor reasonably calculated to lead to the discovery of admissible evidence; and

(8) Responding Party objects to the Requests because they generally are unlimited as to time, meaning that they generally provide no time frame or date range to limit the scope of documents or information requested.

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(9) Responding Party is conducting discovery and an ongoing investigation of the facts and law relating to this action, including certain of the Requests. Responding Party's objections and responses are based on the present knowledge, information and belief of Responding Party, as well as the documents in Responding Party's possession, custody or control. For these reasons, among others, the objections and responses provided are made without prejudice to Responding Party's right to produce evidence of subsequently discovered facts or to supplement, modify or otherwise change or amend the objections and responses or to rely on additional evidence in pretrial proceedings and trial. Responding Party expressly reserves the right to amend, supplement, or modify these objections and responses.

**REQUESTS FOR ADMISSION**

**REQUEST NO. 1**

Admit that William Gould is not liable for the termination of James J. Cotter, Jr.

**RESPONSE TO REQUEST NO. 1**

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 1 as follows: Responding Party denies Request No. 1.

**REQUEST NO. 2**

Admit that William Gould did not vote for the termination of James J. Cotter, Jr..

**RESPONSE TO REQUEST NO. 2**

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 2 as follows: Responding Party admits Request No. 2.

**REQUEST NO. 3**

Admit that William Gould did not draft the June 18, 2015 Form 8K.

**RESPONSE TO REQUEST NO. 3**

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Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 3 as follows: Responding Party presently lacks information sufficient to admit or deny Request No. 3, and on that basis denies Request No. 3.

**REQUEST NO. 4**

Admit that William Gould did not approve the June 18, 2015 Form 8K.

**RESPONSE TO REQUEST NO. 4**

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 4 as follows: Responding Party presently lacks information sufficient to admit or deny Request No. 4, and on that basis denies Request No. 4.

**REQUEST NO. 5**

Admit that William Gould did not draft the October 13, 2015 Form 8-K.

**RESPONSE TO REQUEST NO. 5**

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 5 as follows: Responding Party presently lacks information sufficient to admit or deny Request No. 5, and on that basis denies Request No. 5.

**REQUEST NO. 6**

Admit that William Gould did not approve the October 13, 2015 Form 8-K.

**RESPONSE TO REQUEST NO. 6**

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 6 as follows: Responding Party presently lacks information sufficient to admit or deny Request No. 6, and on that basis denies Request No. 6.

**REQUEST NO. 7**

Admit that William Gould does not determine whether the Company files a Form 8-K.

**RESPONSE TO REQUEST NO. 7**

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 7 as follows: Responding Party admits Request No. 7.

**REQUEST NO. 8**

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Admit that William Gould did not participate in any decision whether to file a Form 8-K with respect to the Executive Committee.

**RESPONSE TO REQUEST NO. 8**

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 8 as follows: Responding Party presently lacks information sufficient to admit or deny Request No. 8, and on that basis denies Request No. 8.

**REQUEST NO. 9**

Admit that William Gould did not draft the June 15, 2015 press release.

**RESPONSE TO REQUEST NO. 9**

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 9 as follows: Responding Party presently lacks information sufficient to admit or deny Request No. 9, and on that basis denies Request No. 9.

**REQUEST NO. 10**

Admit that William Gould did not approve the June 15, 2015 press release.

**RESPONSE TO REQUEST NO. 10**

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 10 as follows: Responding Party presently lacks information sufficient to admit or deny Request No. 10, and on that basis denies Request No. 10.

**REQUEST NO. 11**

Admit that Gould was not a member of the nominating committee, which nominated Codding to be a Director.

**RESPONSE TO REQUEST NO. 11**

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 11 as follows: Responding Party admits Request No. 11.

**REQUEST NO. 12**

Admit that Gould was not on the nominating committee, which nominated Wrotniak to be a director.

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**RESPONSE TO REQUEST NO. 12**

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 12 as follows: Responding Party admits Request No. 12.

**REQUEST NO. 13**

Admit that Gould did not draft the October 20, 2015 Proxy Statement.

**RESPONSE TO REQUEST NO. 13**

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 13 as follows: Responding Party admits Request No. 13.

**REQUEST NO. 14**

Admit that Gould did not approve the October 20, 2015 Proxy Statement.

**RESPONSE TO REQUEST NO. 14**

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 14 as follows: Responding Party presently lacks information sufficient to admit or deny Request No. 14, and on that basis denies Request No. 14.

**REQUEST NO. 15**

Admit that Ellen Cotter is qualified to be CEO of RDI.

**RESPONSE TO REQUEST NO. 15**

Subject to and without waiving the foregoing objections, Responding Party responds to Request No. 15 as follows: Responding Party presently lacks information sufficient to admit or deny Request No. 15, and on that basis denies Request No. 15.

DATED this 13th day of June, 2016.

LEWIS ROCA ROTHGERBER CHRISTIE LLP

*/s/ Mark G. Krum*
Mark G. Krum (Nevada Bar No. 10913)
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Attorneys for Plaintiff
*James J. Cotter, Jr.*

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Las Vegas, NV 89169-5996

**CERTIFICATE OF SERVICE**

I hereby certify that on this 13th day of June, 2016, I caused a true and correct copy of the foregoing **JAMES J. COTTER, JR.'S RESPONSES TO WILLIAM GOULD'S FIRST SET OF REQUESTS FOR ADMISSION** was electronically served to all parties of record via this Court's electronic filing system to all parties listed on the E-Service Master List.

DATED this 13th day of June, 2016.

*/s/ Jessie M. Helm*
An employee of Lewis Roca Rothgerber Christie LLP

3993 Howard Hughes Pkwy, Suite 600
Las Vegas, NV 89169-5996
Lewis Roca
ROTHGERBER CHRISTIE

# EXHIBIT 33

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

THE WITNESS: My recollection was, we agreed we would fill that board seat and that there would be -- we would entertain other people for consideration.

BY MR. KRUM:

**Q. And how long thereafter was Mr. Wrotniak proposed?**

A. Three or four weeks.

**Q. And he was proposed by Ellen and Margaret?**

A. Yes.

**Q. And you personally, Mr. Adams, how did you first hear about Mr. Wrotniak, was it --**

A. The first time?

**Q. Yes.**

A. I think Ellen mentioned it to me in her office just in passing. Said she had another good candidate.

**Q. What did you say in response?**

A. Who is he? What's his background?

**Q. What did she say?**

A. Michael Wrotniak. He's a commodity trader in New York. He's CEO of his company. I think she mentioned that Margaret knew him, or she knew him. One of them knew him. And I asked, Does

he know about the litigation? Does he know about the suit between the siblings and he's still willing to serve? Unlike Fehmi, is Mike Wrotniak willing to serve? And she said, Yes, we told him all that and he's still willing to serve.

**Q. Was it your view, then, that RDI needed a board member with experience in commodities trading?**

MR. SWANIS: Objection; form.

THE WITNESS: It didn't bother me that he had commodity trading. We just lost approximately $6 billion in foreign currency exchange in Australia. If we had somebody that knew more about commodities trading and exchange rates, that might have helped us.

It was interesting to me more than the commodities that he was a CEO of a company. He ran a company, P & L bottom line responsibility, and he grew it during his career substantially.

BY MR. KRUM:

**Q. How many employees did his company have?**

MR. TAYBACK: Objection; vague.

You can answer.

THE WITNESS: I don't remember. I mean --

///

BY MR. KRUM:

**Q. Did you ever know?**

A. At some point, yes. I'd say it's less than a hundred. Maybe over 50, something like that.

**Q. It was a private company; right?**

A. Yes.

**Q. And what diligence, if any, did you do after that initial conversation with Ms. Cotter and before the board voted to add Mr. Wrotniak?**

MR. TAYBACK: Objection. You mean personally, you, Guy Adams?

MR. KRUM: Yes.

THE WITNESS: What did I do?

BY MR. KRUM:

**Q. Yes.**

A. I phoned him up and spoke to him.

**Q. For how long?**

A. Over an hour.

**Q. What did you say and what did he say?**

A. I asked him to explain his background, where he started, where he went to school, what he did, how he got his job. And the company expanded quite a bit and how he did that expansion. I asked him about his business.

At one point, I knew the precise number of employees, what he grew it to and from, where most of his business was located, trading partners, countries he does with, and how long he's been in the business. And I asked him what he thought about -- if he had any questions about Reading.

**Q. Did he?**

A. Yeah. The only question I remember he asked -- that I remember, he asked about what our expansion plans were overseas. He said, Now that you've gone to Australia and New Zealand, do you have any other expansion plans? And I said, Well, not at this time. I don't know if it's ruled out, but right now we're not talking about that.

**Q. Well, in point of fact, the Australia and New Zealand operations were acquired; correct?**

A. Jim Senior went down there with nothing but a briefcase and he bought; he built, so I think no, he didn't just acquire. I think he did construct and build and acquire both.

**Q. Okay. Did you ask Mr. Wrotniak what experience, if any, he had with respect to real estate development?**

A. We talked about real estate, the New York properties, specifically, and I told him there was

quite a bit of development going on in Australia and New Zealand. And he talked about what he thought about Australia and New Zealand, the opportunity, and he said he knew the two properties in New York and he thought they were in Manhattan and they were actually good pieces of real estate.

**Q. Did you ask him what experience, if any, he had in cinema operations?**

A. No, I did not.

**Q. He didn't have any; right?**

A. No, not to my knowledge.

**Q. Now, what diligence -- what was the program, if any, actually -- excuse me.**

**What was the program, if any -- third time is a charm. Let me start over.**

**Who, if anyone, at RDI was charged with performing any due diligence on directorial candidates, including, but not limited to the two we've already discussed, Fehmi and Wrotniak?**

A. To my recollection, Ed Kane also spoke to Michael Wrotniak by phone. And while I'm not certain of this, I think Doug McEachern spoke to him by phone as well before we put his name in contingent to the board.

**Q. But my question, Mr. Adams, is, was there**

**any formal or informal due diligence plan with respect to directorial candidates? And if the answer is yes, what was it?**

A. To my recollection, the company in the past has had a procedure where the -- Jim Cotter Senior put somebody and said this is who I'd like to go on the board and the board voted for it.

Wrotniak, several people spoke to him and gave positive feedback to Ellen, and Ellen proposed him to the board, is my recollection.

**Q. When you spoke to Mr. Wrotniak, did you ask him what his relationship was with any of the Cotters?**

A. Yes.

**Q. What did he say?**

A. He said his wife went to school with Margaret Cotter.

**Q. Anything else?**

A. He said, My wife and Margaret were close friends. He says, I'm not. I'm independent and I told both of the Cotter women that I would always vote my mind and be independent. And I said, Well, good.

**Q. Did you ask anything else about the relationship between Mr. Wrotniak, his wife and/or**

BY MR. KRUM:

**Q. How do you know that's not the case?**

A. My impression was it was a step towards better process, better governance practice.

**Q. Well, the reality is that Mr. Storey was not renominated because, among other purported reasons, Ellen and Margaret Cotter wouldn't support him; correct?**

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

MR. SWANIS: Form.

MR. TAYBACK: Foundation.

THE WITNESS: There were three people on the committee when we met, the nominating committee. We were unanimous that he would not be renominated.

BY MR. KRUM:

**Q. Mr. Storey was not renominated because, among other purported reasons, Ellen and Margaret Cotter would not support him; correct?**

MR. TAYBACK: Objection; form and foundation as to what everybody's reasons were.

You can answer.

THE WITNESS: That wasn't the only reason. Each of us had our reasons to not support his nomination. One of them was if we did nominate

him, the controlling share of voting the stock would not vote for him.

BY MR. KRUM:

**Q. What was your reason? What were you -- strike that. I don't mean to mischaracterize your testimony.**

**What reasons, other than anything you've already said, accounted for why you determined not to renominate Mr. Storey?**

A. I thought Mr. Storey, while good intentions to coach Jim Junior and perform his duties as ombudsman, et cetera, I think the months and months of him doing that was more divisive to the Cotter siblings than uniting and bringing them together and calming the situation down.

**Q. Why do you think that?**

A. Just an opinion I have.

**Q. I understand.**

**How did you -- on what did you base that opinion?**

A. The siblings became more difficult for them to work together, in my opinion, late in the spring. Tim had many things that he was going -- he would tell the board that he's working with Junior on and we'll get it done very shortly, and

then next month, same thing, everything's going great but the things on his list weren't done. Next month, the same thing.

And we would ask Tim what's the problem with -- we're supposed to make -- on Tim's sheet, his own sheet, was Margaret becoming an employee. Tim, how's that coming? Well, we're having some difficulties there. And I'm sure there were. By Tim being involved in this management, he was -- as a director, he was down into the small things of operations as ombudsman. And I think in, my opinion, that was just more divisive and he certainly didn't get along with some directors.

**Q. Did you ever hear or learn or were you ever told that Mr. Storey made Margaret Cotter mad or exacerbated the dynamic between Margaret and Jim Junior or anything of that nature?**

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

BY MR. KRUM:

**Q. It's an open-ended question so you can answer as you see fit, Mr. Adams.**

A. Thank you.

MR. TAYBACK: Still, objection.

THE WITNESS: No, I didn't hear that but it

was clear he had a low opinion of Margaret in her abilities as an executive.

BY MR. KRUM:

**Q. What did you ever discuss or communicate with Ed Kane about how, if at all, Mr. Storey's conduct affected the views of Ellen or Margaret or both?**

MR. TAYBACK: Objection; vague as to time.

You can answer.

THE WITNESS: I don't know if we discussed that specifically. Ed Kane shared my view that Tim's intervention as ombudsman was divisive to the siblings. He shared that view with me or I shared the view with him.

And I think Tim's style in the boardroom was a little hard for Mr. Kane. They didn't get along. Tim Storey had a propensity to talk over people in the boardroom and Ed Kane just found that -- took offense to that, let's say. They didn't see eye to eye on everything.

BY MR. KRUM:

**Q. Mr. Adams, as to you, why was it that your view that Mr. Storey's work as ombudsman was divisive between Ellen and Margaret on the one hand and Jim Junior on the other hand?**

A. And management.

**Q. Right.**

**Did you communicate to any of those people that you just identified, anything about the subject of when Ms. Codding's employment would terminate or had terminated?**

A. No.

**Q. Have you since learned that her employment terminated in October 2015 after the proxy was issued and before the annual shareholders meeting?**

MR. TAYBACK: Objection; form and foundation.

THE WITNESS: No.

BY MR. KRUM:

**Q. Was any background check of any sort done regarding Ms. Codding before she was nominated?**

MR. TAYBACK: Objection; foundation; form.

BY MR. KRUM:

**Q. To your knowledge.**

A. Not to my knowledge.

**Q. How about Mr. Wrotniak?**

A. Not to my knowledge.

**Q. Do you recall that at some point, a directorial candidate by the name of Gil Borok came to your attention?**

A. Gil, yes.

**Q. Who was he?**

A. My recollection is Jim Junior interviewed him for the CFO position and he's CFO of a large company, a large REIT.

**Q. REIT, meaning real estate --**

A. Investment trust. Sorry.

**Q. Go ahead. I interrupted you.**

A. That's who he is.

**Q. And by the time his name came to your attention, had you already determined to add Ms. Codding to the board of directors?**

A. I would say no because I remember -- no, we -- we looked at Gil.

**Q. Who did what, to your knowledge?**

A. Well, the nominating committee, again. Ed Kane was out of town so Doug McEachern and I called Gil. Doug knows Gil, and we called him and Doug and Gil know each other so they talked for a while. And he stated he was interested. And we asked if he had any questions and we talked to him for a good 20, 25 minutes. He didn't have too many questions.

We talked to him a little bit and then I said, Gil, do you know that there's a derivative

lawsuit that Jim Junior has filed against all the directors? And he said, No, I didn't know that.

And I said, Do you know there's a lawsuit where the siblings are contesting the trust? And he said, No, I didn't know that. And then he said, Really, guys, I haven't done any due diligence on this. I met Jim Junior when he interviewed me. I haven't done any due diligence.

And then Doug asked him, Is it okay with your company, your board, for you to serve on the board of a public company? And he said, No, I haven't asked them. And then he said, How much time does this take for you guys to be on the board? And Doug said, This week, I've spent eight hours. And I said, I, too, have spent eight hours this week, and that was on the nominating committee.

And he said, I didn't know the background, what was going on with the company and I have a full-time job. Let me think about this and I'll get back to you. And Doug started to give him his number and he said, I already have your number, Doug. So they obviously know each other.

And Doug and I spoke after that and we thought he was really not informed about being a

director, but we would wait to see what he said. And he called -- my recollection --

**Q. Let me exhaust that first conversation before you go on to the next one.**

A. Okay.

**Q. Thank you.**

**What else, if anything, besides what you testified, did you or Mr. McEachern communicate to Mr. Borok about the amount of time he might expect or you actually spent to serve as a director of RDI? I don't know whether it's a weekly or monthly or annual basis.**

MR. TAYBACK: On that one call?

MR. KRUM: On that one call, right, yeah.

THE WITNESS: Oh, I told him that, yeah, I put in eight hours, too. I'm on the nominating committee. We're putting time in on this. I put it in context. I didn't. Doug just said, Yeah, I got eight hours logged this week, and I said how many hours I had and I put it in context.

BY MR. KRUM:

**Q. That was it in terms of the discussion of time demands?**

A. Yes.

**Q. Was anything else said by any of the**

**three of you with respect to the lawsuit, the California trust lawsuit?**

A. Other than there was one, we didn't say -- that's all.

**Q. What else, if anything, was said about this derivative case?**

A. That it existed.

**Q. What did you ask Mr. Borok, if anything, about his experience, whether as a chief financial officer, in the real estate development space or anything else?**

A. We talked to him about his real estate experience, and he has a lot of real estate experience, obviously. And Doug knew him, I guess, professionally and knew financially he was very competent in that regard. And I remember that Doug liked him.

**Q. So what did you and Mr. McEachern say to each other, if anything, about Mr. Borok following the telephone call you just described?**

A. Let's see what he says when he calls back.

**Q. So what happened next with Mr. Borok?**

A. Well, he called back the very next day to Doug and said, Thank you for considering me, but

I'm not interested at this time. And if the lawsuits ever get settled and things calm down, please keep me in mind.

**Q. And you weren't party to that conversation?**

A. No, I was not.

**Q. Mr. McEachern reported that to you?**

A. Yes.

**Q. What else, if anything else, did you or Kane or McEachern or the three of you do before selecting Judy Codding?**

A. Other than --

**Q. This is just a wrap-up question. I don't mean to imply anything.**

A. Okay. I don't remember anything else at this time.

MR. KRUM: I'll ask the court reporter to mark as Exhibit 68, a document bearing production numbers GA00005529 through 32.

(Exhibit 68 was marked for identification.)

MR. TAYBACK: Is this 68, is that what you said?

MR. KRUM: 68.

**Q. Mr. Adams, take whatever time you need.**

# EXHIBIT 34

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<br>Coordinated with:<br>Case No. P-14-082942-E |

VIDEOTAPED DEPOSITION OF ELLEN COTTER

TAKEN ON MAY 19, 2016

VOLUME II

Job Number 308469

REPORTED BY:

PATRICIA L. HUBBARD, CSR #3400

**the context of larger discussions you were having with your mother?**

A. I don't recall the conversations.

**Q. If your mother had said to you in words or substance that she thought that it was a bad idea to ask Ms. Codding to join the RDI board of directors or expressed any such sentiment with reservations, would that have made any difference to how you proceeded?**

MR. SEARCY: Objection. Lacks foundation, calls for speculation.

THE WITNESS: My mother's opinions on Judy Codding had no bearing on me asking Judy to be on the board. Judy has an amazing background. And I've known of her for years.

So, whatever my mother thought about her did not factor into my analysis at all.

BY MR. KRUM:

**Q. How have you known -- how had you known of Ms. Codding for years?**

A. I had known of her reputation.

**Q. Had you ever met her?**

A. Yes.

**Q. On how many occasions?**

A. I don't know. I don't know.

**Q. Can you estimate?**

A. It wasn't frequent. Prior to asking Judy to consider being on the board I might have met her -- I don't know -- between five and ten times maybe.

**Q. Over what period of time?**

A. Probably the last 15 years.

**Q. And where had you met her? At your mother's house?**

A. I met her at my mother's house on one occasion that I recall.

**Q. Where else had you met her?**

A. I would have met her with Peggy and Harvey Saferstein.

**Q. Did you ever meet her with your mother other than at your mother's house on one occasion that you recall?**

A. I don't recall.

**Q. Who are Peggy and Harvey Saferstein?**

A. They are family friends.

**Q. Cotter family friends?**

A. Cotter family friends.

**Q. Are they your mother's age? Are they your mother's friends?**

A. Yes.

MR. SEARCY: Mark, we've been going about an hour now. Actually a little bit longer.

MR. KRUM: Sure. Let me wrap this particular subject and we'll take a break.

MR. SEARCY: That's fine.

MR. KRUM: But I'll do so promptly.

BY MR. KRUM:

**Q. So, you -- in prior testimony you used the word "amazing" with respect to Ms. Codding.**

**Do you have that in mind?**

A. I've always been very impressed with her background and what she's accomplished.

**Q. And what do you understand her background to be?**

A. She began her career as an educator on the East Coast, was a principal in a school, I think, in Bronxville and came out to L.A., and I think ultimately became the head of the Pasadena School District.

And -- and then started her own company called America's Choice, which was an education company that was for profit. She was the C.E.O. of that company for a number of years. She had -- I don't know how many thousand people reporting to her.

And then she ultimately sold that company to Pearson, which is the largest education company in the world.

**Q. What was the business of America's Choice?**

A. It was education.

**Q. Was it textbooks or was it software? Was it tutorials? Or do you know?**

A. I believe she was -- she would assist school districts in -- in their teaching.

**Q. Curriculum?**

A. Yeah. Exactly. But also assisting the teachers.

**Q. Okay. Did I interrupt you or were you finished describing her career up -- and you reached the point of Pearson?**

A. I also knew that she had been on several boards, had done work with several high-profile foundations. So she's -- she's lectured around the world. She had done work in China.

And I was -- I was just very impressed with her background, but also her demeanor. Because I thought that she -- she was very collaborative and she had a good personality.

**Q. When you say she had been on several**

# EXHIBIT 35

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

**could convene a telephonic board for the purpose of deciding which -- strike that.**

**Who among them would be selected to fill the audit committee vacancy created by the resignation of Mr. Storey?**

A I don't -- I don't remember the specifics, but my recollection is we needed somebody on the audit committee that had a finance background. And Michael Wrotniak had a perfect background.

**Q Was there any other director who qualified to join the audit committee?**

A I don't believe so.

**Q When Michael Wrotniak was selected to be added to the RDI board of directors, was it anticipated that he would fill a vacancy on the audit committee created by Mr. Storey's so-called retirement?**

A When Michael was put on the board or considered for the board, I'm not sure whether the audit committee position was taken into account.

But clearly his finance background was important for all of us.

**Q When did it first -- strike that.**

**Q Sure.**

A Well, it was fairly soon after I was appointed as the interim CEO that we were getting the process together to look for a permanent CEO.

**Q And the next steps were that a CEO search committee was appointed, and you were charged with hiring the search firm to assist the company in identifying and hiring, identifying candidates and selecting one to be the CEO, right?**

A I think the board delegated to me the responsibility of finding an appropriate search firm. And I can't remember if the search committee was appointed after that delegation, but I knew I had the responsibility to talk to several leading recruiting firms, pick one, report back to the board and the search committee was eventually appointed.

**Q Who were the search firms with whom you communicated?**

A Korn Ferry, Heidrick Struggles and Russell Reynolds.

**Q With respect to Heidrick Struggles, with whom did you communicate?**

**Q What happened next with respect to their respective candidacies for the CEO position?**

A Once Korn Ferry was selected?

**Q Yes.**

A Once Korn Ferry was selected, the process was first establishing what the job description was, what the specification was, what was the type of person they were looking for, what the qualities were we were looking for. So that took some time.

We talked about -- Korn Ferry has a proprietary assessment function that I thought would have been a benefit for us.

And then they, once a search committee was established, Korn Ferry started their search, their external search. And I'm not sure exactly, you know, what they did or how they contacted Wayne or Andrew.

**Q Do you know whether they contacted either or both Wayne Smith or Andrzej Matyczynski?**

A I'm not -- I'm not really sure if they did or how they did. They certainly knew that the two of them had submitted their résumés for the position.

**Q What communications did you have with**

**being the permanent CEO of RDI?**

A I don't remember.

**Q When did you first have a thought about the possibility or subject of you being the permanent CEO of RDI?**

A I don't remember precisely when I started thinking that I should put my name in for consideration.

**Q What prompted you to have that thought the first time?**

A I don't remember exactly when, as I said, I had that thought. But I remember looking at some of the candidates that Korn Ferry was having us consider. And I looked at their résumés. Some of them were looking for total cash compensation up to $2 million. And several of them had experience that was two years at one company, three years at another company. They seemed to hop around.

And when I looked at their experience, it didn't seem that -- you know, we're kind of a unique company because we have -- we're in two businesses. We're in the cinema business, which is an operating business, and the real estate business, primarily as developers.

We're a public company. We have international operations. And looking at their résumés, I thought, well, I could probably do this.

**Q What was the first discussion or communication you had with anybody about you being or possibly being a candidate for the position of CEO of RDI?**

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

**Q Was it Margaret Cotter?**

A I don't remember.

**Q Did you have any discussions with Margaret Cotter about the subject of you being a candidate or possibly being a candidate for the position at RDI -- position of CEO at RDI?**

A I mean, I ultimately had conversations with Margaret about it.

**Q Okay. When?**

A I don't remember.

**Q What were the circumstances or what was the context of the conversations you had with Margaret about being a candidate or possibly being a candidate for the position of CEO at RDI?**

A Circumstances would have been, Do you

think, named Sydney.

**Q Sydney Cooke?**

A Sydney Cooke.

I can't remember who else I met with.

**Q What is the first communication you had with anybody at Korn Ferry about you being a candidate or possibly being a candidate for CEO, that you recall?**

A It would have been sometime in the fall. I can't remember exactly when.

**Q With whom at Korn Ferry did you have that communication?**

A Bob Mayes.

**Q Was it a conversation, as distinct from an e-mail, for example?**

A Yes, I would have talked to him on the phone.

**Q What did you say and what did he say?**

A As -- I can't recall the specifics of the conversation, but I told him that I was considering becoming a candidate. And that when I had actually made that determination, that I should step out of the process and not be -- because I was on the search committee, and so I should step out of process and let the

process be handled without me.

**Q I'm sorry. You should step out of the CEO search process when?**

A Whenever I had called Bob and told him that I was considering this, I would have coupled that with, I'm also going to take myself out of the process.

But outside of the administrative things and making sure that they got their bills paid, and making sure that they were meeting with the rest of the search committee, I would not be participating in the interview process.

**Q Commencing from the phone call to Mayes to tell him you were considering being a candidate or commencing when you decided to be a candidate?**

A Well, I don't know if they are that much different. I mean, so . . .

**Q I'm not implying anything.**

A Yeah.

**Q I'm just trying to cover all the possibilities that occur to me. Sometimes there are too many.**

**Okay. So what did he say to you during this call, phone call?**

**Where in that series of events you just described was the conversation in which Mr. Gould encouraged you to think about being a candidate for the position of CEO?**

A It was certainly well after we had the job description solidified.

**Q And by "job description," you're referring to the position specification?**

A Yes.

And it was probably well after we had -- had résumés circulated for candidates.

I can't remember if we had actually interviewed -- well, no, we wouldn't have interviewed anybody by then.

**Q Why?**

A Well, because I hadn't participated in any of the interviews.

**Q Was it before the interviews that you decided to become a candidate for the position of CEO at RDI?**

A It -- before the interviews actually commenced, I had considered being a candidate.

MR. KRUM: What's our next number?

THE COURT REPORTER: 330.

MR. KRUM: I'll ask the court reporter to

**shareholders meeting occurred?**

A Yes.

And I -- my recollection is there were sort of a couple rounds of interviews. So I think that this -- whenever it occurred after the shareholders meeting, I think was the first set of interviews that occurred.

**Q And you did not participate in those, correct?**

A No.

**Q Okay. Let me ask it differently: Did you participate in those interviews?**

A No.

**Q So by that time, you had already communicated to -- you already communicated or disclosed that you were either considering being a candidate or were a candidate, right?**

A I must have, yeah.

**Q What communications, if any, did you have with anyone, including but not limited to Bill Gould, about updating the public's disclosures regarding the CEO search, after you had become a candidate?**

MR. TAYBACK: I would just say, I don't think he intends to include communications with

**Q Well, that obviates any privilege issues.**

MR. KRUM: I'll ask the court reporter to mark as Exhibit 337 [sic], a document that purports to be a May 19 e-mail from Ellen Cotter to other members of the RDI board of directors, carbon copy to Bill Ellis, bears Production No. GA5340.

(Deposition Exhibit 338, E-mail dated May 19, 2015, from Ellen Cotter to Margaret Cotter and Others, marked for identification as of this date.)

(Discussion off the record.)

MR. KRUM: So let me correct the record. What the court reporter has marked as Exhibit 338, is a May 19th e-mail from Ellen Cotter to other members of the board of directors, copied to William Ellis, "Subject: Agenda - Board of Directors Meeting, May 21, 2015." It Production No. GA5340.

That's deposition Exhibit 338.

BY MR. KRUM:

**Q Ms. Cotter, do you recognize Exhibit 338?**

A Yes.

**Q What is it?**

A It's an agenda for a board meeting of

May 21, 2015.

**Q And did you send it on or about May 19, 2015, at 6:38 p.m.?**

A Yes.

**Q What time would that have been in New Zealand -- what day and what time would that have been in New Zealand or Australia, do you know?**

**The next morning, right?**

A It would have been Wednesday.

**Q Wednesday morning something?**

A Yeah.

**Q This was not a regularly scheduled RDI board of directors meeting, correct?**

A No, it was a special meeting.

**Q And Exhibit 338 was the first distribution of an agenda for that special meeting, right?**

A I believe so.

**Q Item 1 reads: "Status of President and CEO."**

**Do you see that?**

A Yes.

**Q And what that referred to was the termination of Jim Cotter, Jr. as president and CEO, right?**

**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**

# EXHIBIT 36

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

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

vs. Case No.

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

and

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

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(CAPTION CONTINUED ON NEXT PAGE.)

VIDEOTAPED DEPOSITION OF JAMES COTTER, JR.
Los Angeles, California
Monday, May 16, 2016
Volume I

Reported by:
JANICE SCHUTZMAN, CSR No. 9509
Job No. 2312188
Pages 1 - 297

MR. KRUM: Same objections.

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

BY MR. TAYBACK:

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

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

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

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

A. Technically, I believe he's independent.

Q. Technically.

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

A. I don't --

Q. -- what you think?

You don't know.

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

A. Right.

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

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

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

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

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

Does he have no connection to your family?

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

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

A. Maybe since -- at least since 2002.

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

A. He was.

Q. A close friend?

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

Q. So he did business with your father?

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

with Ellen and Margaret. So --

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

A. That's correct. 11:35:20

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

MR. KRUM: Asked and answered.

THE WITNESS: Yeah, the testimony speaks for itself. 11:35:30

BY MR. TAYBACK:

Q. So the answer's yes?

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

BY MR. TAYBACK:

Q. Well, was your answer --

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

Do you want him to withdraw the explanation? 11:35:41

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

BY MR. TAYBACK:

Q. I think you can answer it yes -- or not. But I think the answer's yes, and I want to make 11:35:48

sure I understand the answer.

MR. KRUM: All right. Same objections.

You can answer.

THE WITNESS: Okay. Yes.

BY MR. TAYBACK: 11:35:54

Q. Guy Adams, is he independent?

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

BY MR. TAYBACK:

Q. In your view? 11:36:03

A. No.

Q. Okay. Why not?

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

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

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

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

of the stock would be owned by his three children.

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

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

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

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

Q. At least for those reasons.

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

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

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

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

Q. Generally.

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

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

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

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

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

A. Right. 01:03:40

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

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

Q. Correct.

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

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

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

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

MR. KRUM: Objection, vague and ambiguous.

THE WITNESS: Okay.

BY MR. TAYBACK:

Q. Yes? 01:05:09

A. Yes.

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

A. Early on? 01:05:20

Q. Yes.

A. Again, this takes me back many years. Initially, without having the experience, I might not have been as active as I had come to be over the years. 01:05:42

No?

A. No.

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

A. No.

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

A. Yes.

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

A. No.

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

A. Yes.

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

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

executives. They were consultants also. Correct?

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

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

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

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

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

When you first became vice chairman --

A. Right.

Q. I'll rephrase the question.

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

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

Before I became chair- -- vice chairman, we did not have that. And from 2007, as the company grew larger and larger, you needed more of process and -- you know, in place. And it wasn't possible, as the company got bigger, for my dad to be at the center of -- it was his show. That's how he wanted to run it. But it became more difficult. 02:34:23 02:34:43

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

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

meeting?

A. We did.

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

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

Q. Where?

A. At Reading's offices.

Q. And you were there in person?

A. I was.

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

A. I can't recall.

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

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

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

A. I can't recall.

Q. Was there an agenda?

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

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

A. Not to my recollection, no.

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

A. Yes.

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

A. I did at that time.

Q. Did you express that concern to any person?

A. At that time?

Q. Yes. 02:45:50

A. Not at this time, no.

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

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

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

A. I could -- I cannot.
Q. Certainly, it's after you became CEO?
A. No, I don't think it was. It might have been before, but I can't specifically recall when.
Q. And who was it with whom you spoke? 02:46:31
A. It may have been Bill Gould.
Q. And do you recall what was said by you or by him?
A. Just to disc- -- a general discussion whether Guy Adams was independent. 02:46:46
Q. And did you articulate your view?
A. It was a very short communication, and I can't recall when we spoke, but I do recall having a short conversation with him about Guy.
Q. Other than that conversation that you just described with Mr. Gould, when's -- when else have you -- when's the next time that you discussed with any person your view that Mr. Adams or any other director wasn't independent as of August 7th, 2014? 02:47:06
A. Well, I had a discussion shortly after my father's death. 02:47:30
Guy Adams had wanted to provide my dad a massive bonus after his death. And I had a discussion with either Bill Gould and Ed Kane about Guy Adams and Guy comparing my dad to Jack Welch and 02:47:56

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

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

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

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

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

Q. Were you on the compensation committee?

A. No.

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

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

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

A. Yes.

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

A. Yes.
Q. And was this -- but was it before you were terminated?
A. Yes.
Q. The proposal regarding the additional compensation to your father, was it approved? 02:49:11
A. Not of the quantum that Guy Adams was recommending.
Q. So there was some amount -- quantum meaning -- not meaning referring to the vote, but referring to the -- 02:49:33
A. The amount --
Q. -- dollar amount?
A. -- yes.
Q. So there was some amount approved? 02:49:37
A. There was some amount approved.
Q. But it wasn't the amount that at least one director advocated for?
A. That's right.
Q. Okay. And other than -- and did you discuss -- did you raise the issue of Mr. Adams' independence at that meeting? 02:49:46
A. I can't recall.
Q. Now, on August --
A. It certainly wouldn't have been at that 02:50:00

meeting in front of Guy.

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

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

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

A. No.

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

A. No.

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

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

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

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

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

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

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

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

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

BY MR. TAYBACK:

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

A. Shortly before I was terminated.

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

BY MR. TAYBACK:

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

A. I can't recall.

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

A. No.

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

MR. KRUM: Objection, vague and ambiguous.

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

BY MR. TAYBACK:

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

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

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

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

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

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

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

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

A. Right.

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

A. No.

MR. KRUM: Objection, misstates the testimony.

THE WITNESS: I didn't say that.

BY MR. TAYBACK: 03:04:47

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

MR. KRUM: Objection, misstates the testimony.

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

BY MR. TAYBACK:

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

A. I don't --

MR. KRUM: Same objections.

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

# EXHIBIT 37

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

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

vs. Case No.

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

and

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

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(CAPTION CONTINUED ON NEXT PAGE.)

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

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

A. I do.
Q. Do you recall whose suggestion that was?
MR. KRUM: Objection, foundation.
THE WITNESS: My recollection is that it was recommended by the so-called independent directors.
BY MR. TAYBACK:
Q. And did you concur in that recommendation?
A. Initially, I was not supportive of the idea. 09:45AM
Q. Why not?
A. Because I didn't think it was necessary.
Q. How was it explained to you? How was the proposal explained to you initially?
A. The proposal that was explained to me where Tim took on this official role as ombudsman was on, I believe, March 13th, where Bill Gould asked me and my two sisters to his office in Century City and independently described to me with Tim Storey present that the so-called independent directors had decided that Tim Storey would become involved as an ombudsman. There had been complaints raised against me by my two sisters. I had reported complaints against my two sisters. 09:46AM
And the board was at a high level and 09:47AM

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

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

BY MR. TAYBACK:

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

MR. KRUM: Same objection. 09:53AM

BY MR. TAYBACK:

Q. Ellen's?

A. The answer to what?

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

MR. KRUM: Objection, vague, foundation.

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

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

working at Reading; correct?
MR. KRUM: Objection, vague and ambiguous, assumes facts not in evidence.
THE WITNESS: I found it difficult working with them because, by that point, the issues that I was having with them relating to the trust and estate matters had permeated the company, spread to employees like Linda Pham and ultimately to the board, and it was difficult because they wanted to run Reading like a family-owned business and really didn't want to be accountable to anyone. And so I found that difficult running the company.
BY MR. TAYBACK:
Q. And did you trust Mr. Storey's judgment? 10:25AM 10:25AM
MR. KRUM: Objection, vague. 10:26AM
THE WITNESS: At that point in time?
BY MR. TAYBACK:
Q. Yes.
A. I mean, selectively, I thought he had a lot of experience. I trusted some of the things he said but not everything. 10:26AM
Q. You said --
(Off the record.)
BY MR. TAYBACK:
Q. You say at that point in time when I asked 10:26AM

# EXHIBIT 38