

IN THE SUPREME COURT OF THE STATE OF NEVADA

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

Appellant,

v.

DOUGLAS MCEACHERN, EDWARD  
KANE, JUDY CODDING, WILLIAM  
GOULD, MICHAEL WROTONIAK, and  
nominal defendant READING  
INTERNATIONAL, INC., A NEVADA  
CORPORATION

Respondents.

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Case Nos. 76981, 77648 & 77733

District Court Case  
No. A-15-719860-B

Coordinated with:  
Case No. P-14-0824-42-E

Appeal (77648 & 76981)

Eighth Judicial District Court, Dept. XI  
The Honorable Elizabeth G. Gonzalez

JOINT APPENDIX TO OPENING BRIEFS  
FOR CASE NOS. 77648 & 76981  
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JA3559 – JA3808

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## CERTIFICATE OF SERVICE

I certify that I am an employee of MORRIS LAW GROUP; I am familiar with the firm's practice of collection and processing documents for mailing; that, in accordance therewith, I caused the following document to be e-served via the Supreme Court's electronic service process. I hereby certify that on the 28th day of August, 2019, a true and correct copy of the foregoing **JOINT APPENDIX TO OPENING BRIEFS FOR CASE NOS. 77648 & 76981**, was served by the following method(s):

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By: /s/ Gabriela Mercado

1 And he called me up and said, "The partnership is  
2 over because Bill Foreman has offered me four times  
3 what I'm making here to come in."

4 And so I said "Okay."

5 And I left Gray, Cary and joined with  
6 these other guys who -- they were from back east and  
7 fine lawyers. It was a very small firm. But four  
8 of them became Superior Court judges and one of them  
9 became a Court of Appeals judge.

10 **Q. Let me interject a question, Mr. Kane.**

11 A. Sure.

12 **Q. I thought you said something to the**  
13 **effect that he said the partnership was over.**

14 **To what were you referring there?**

15 A. Our -- our dream of becoming partners in  
16 a law firm, he and I. That was over.

17 **Q. Okay. I'm sorry. Please continue.**

18 A. Sure. So I joined the firm as equal  
19 partner.

20 And I guess I've covered the rest of it  
21 except that Jim and I had a very close relationship,  
22 even then. And he called me up, and he had a tax  
23 problem at Pacific Theatres, a personal tax problem.  
24 And he said there are some -- "We have some theaters  
25 up in the Fresno area and we could -- maybe we

1           Q.    Do your children know the three Cotter  
2 children?

3           A.    I -- I think they do, yes.   Yes.

4           Q.    Do any of Ellen Cotter, Margaret Cotter  
5 or Jim Cotter call you Uncle Ed?

6           A.    All of them, including their mother and  
7 their father.

8           Q.    But for the three kids, has that been  
9 how they've addressed you since they were able to  
10 speak?

11                   MR. SEARCY:  Objection.  Vague.

12                   THE WITNESS:  I think that's true.  And  
13 they still do except for Mr. Cotter, Jr.  He stopped  
14 calling me Uncle Ed when he was terminated.

15                   BY MR. KRUM:

16           Q.    In your decision-making with respect to  
17 any or all of the three Cotter children since the  
18 passing of Jim Cotter, Sr., have you attempted to do  
19 what you thought he would have wanted you to do?

20                   MR. SEARCY:  Objection.  Vague and lacks  
21 foundation.

22                   THE WITNESS:  What I do does not take  
23 into account The Cotter children.

24                   I'm a director of this company.  And I  
25 do what I think is in the best interest of the

1                   issues within the family are  
2                   resolved and all litigation pending  
3                   or proposed is terminated, there  
4                   should be no Cotter increases."

5                   You see that?

6                   A.    Yes.

7                   Q.    When you refer to "all issues within the  
8                   family," to what were you referring?

9                   A.    I can't recall. I see "litigation"  
10                  there. That was one thing. But I can't recall what  
11                  the other issues were at the time.

12                  Q.    Well, one of the issues was the lack of  
13                  agreement regarding whether Margaret or Jim and  
14                  Margaret would be the trustees of the voting trust,  
15                  correct?

16                  MR. SEARCY: Objection. Lacks  
17                  foundation.

18                  THE WITNESS: Well, that's litigation in  
19                  my mind.

20                  BY MR. KRUM:

21                  Q.    Okay. So let me ask a different  
22                  question.

23                  Were you referring to the disputes or,  
24                  as the case may be, litigation involving the  
25                  question of whether it would be Margaret Cotter,

1 lacks foundation.

2 THE WITNESS: I didn't -- I don't recall  
3 that part of the -- of the meeting after we were --  
4 ended.

5 BY MR. KRUM:

6 Q. Do you recall that the -- that that  
7 evening there was a conference call during which  
8 Ellen Cotter reported that she and Margaret on one  
9 hand and Jim Cotter, Jr., on the other hand had  
10 reached a tentative settlement that resolved the  
11 trust and estate litigation and disputes between  
12 them and included certain items relating to the  
13 governance of RDI?

14 MR. SEARCY: Objection. Vague.

15 THE WITNESS: I recall a phone call or  
16 something saying they had reached an agreement. I  
17 don't recall what they had reached or what it  
18 involved, but an agreement whereby they would work  
19 together going forward.

20 BY MR. KRUM:

21 Q. And do you recall that as a result of  
22 that, the vote to terminate Jim Cotter, Jr., as  
23 president and C.E.O. was not had?

24 A. Correct, it was not had then.

25 Q. And do you recall that a week or ten

1 days later when no agreement between Ellen and  
2 Margaret Cotter on one hand and Jim Cotter, Jr., on  
3 the other had come to pass or into existence that  
4 the supposed board meeting was reconvened on  
5 June 12, comma -- June 12, 2015 and that the vote  
6 was had and he was terminated as president and  
7 C.E.O.?

8 A. Yes.

9 MR. SEARCY: Objection. Vague, assumes  
10 facts.

11 THE WITNESS: I recall that, yes.

12 BY MR. KRUM:

13 Q. And did you ever communications with  
14 Ellen or Margaret Cotter during the course of these  
15 supposed board meetings regarding whether a  
16 settlement of any sort had been reached with Jim  
17 Cotter, Jr.?

18 MR. SEARCY: Objection. Argumentative.

19 THE WITNESS: I may have.

20 BY MR. KRUM:

21 Q. What's your best recollection about what  
22 you communicated with them and what they  
23 communicated to you?

24 A. I can't recall directly. My  
25 communications by that time were all with Jim



1 Cotter, Jr.

2 But I know there were other emails.

3 Q. And what communications did you have  
4 with Jim Cotter, Jr., regarding a resolution with  
5 his sisters during the time frame commencing with  
6 the supposed board meeting of May 20, 2015, through  
7 the supposed board meeting of June 12, 2015?

8 MR. SEARCY: Objection. Argumentative.

9 THE WITNESS: I was told that -- and it  
10 may have been by one of the Cotter sisters, that --  
11 and in fact at a meeting, one of the last meetings  
12 we had, my recollection is Bill Gould suggested that  
13 Jim take the title of president, giving up the  
14 C.E.O. He refused.

15 Then Margaret Cotter -- and that may  
16 have been the May 29th -- said, "No. Keep the title  
17 of C.E.O., and we'll have a committee, executive  
18 committee, Margaret, Ellen, Jimmy" -- and initially  
19 they said Guy Adams -- and he would keep the title  
20 because it was important to him.

21 And I communicated with him. He --  
22 usually my communications were not me advising. It  
23 was him asking my advice or they'd ask my advice. I  
24 didn't want to lecture them and tell them what to  
25 do.

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

7 I did not want him to go.

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

11 BY MR. KRUM:

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

13 A. Right.

14 **Q. -- why did you vote against him?**

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

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

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

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

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

6 MR. SEARCY: Objection. Vague.

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

10 After all they were the operating  
11 executives of this company.

12 BY MR. KRUM:

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

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

17 MR. SEARCY: Objection. Vague.

18 THE WITNESS: He rejected it, yes.

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

22 BY MR. KRUM:

23 Q. And he got himself terminated, right?

24 MR. SEARCY: Objection. Vague.

25 THE WITNESS: Yes.

1 That the foregoing pages contain a full,  
2 true and accurate record of the proceedings and  
3 testimony to the best of my skill and ability;  
4

5 I further certify that I am not a relative  
6 or employee or attorney or counsel of any of the  
7 parties, nor am I a relative or employee of such  
8 attorney or counsel, nor am I financially interested  
9 in the outcome of this action.  
10

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

13  
14 

15 PATRICIA L. HUBBARD, CSR #3400  
16  
17  
18  
19  
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25

25

Nominal Defendant)

Case No. P-14-082942-E

PATRICIA L. HUBBARD, CSR #3400

1                   So, directing your attention to the  
2     period of time from September 2015 through June --  
3     excuse me. Let's start that again.

4                   Directing your attention, Mr. Kane, to  
5     the period of time from September 2014 through June  
6     2015, do you recall that you and some, if not all,  
7     of the other four non-Cotter directors devoted  
8     substantial time to attempting to enable or  
9     encourage the three Cotter siblings to work together  
10    professionally and politely?

11                  A.    Yes.

12                  MR. SEARCY: Objection. Vague.

13                  THE WITNESS: Oh, sorry.

14                  MR. SEARCY: That's all right.

15    BY MR. KRUM:

16                  Q.    Is it correct to say in your view,  
17    Mr. Kane, that those efforts were largely  
18    unsuccessful?

19                  A.    Yes.

20                  Q.    With respect to your understanding as to  
21    the matters in dispute between Jim Cotter, Jr., on  
22    one hand and either or both Ellen and Margaret  
23    Cotter on the other hand, did you understand that  
24    one of the issues in dispute was who would control  
25    the -- the trust that held class B voting stock;

1     that is, RDI class B voting stock?

2                   MR. SEARCY: Objection. Vague.

3                   THE WITNESS: Yes.

4     BY MR. KRUM:

5           Q.     You understood that there was a 2000 --  
6     a so-called 2013 amendment to the trust  
7     documentation of James Cotter, Sr., that provided  
8     that Margaret Cotter would be the sole trustee of  
9     the trust that held and voted the class B RDI voting  
10    stock, right?

11           A.    Correct.

12           Q.    You also understood that the so-called  
13    2014 amendment to the trust documentation of James  
14    Cotter, Sr., provided that Margaret Cotter and Jim  
15    Cotter, Jr., would in some manner, whether jointly  
16    or alternatively, vote the RDI class B voting stock,  
17    right?

18           A.    Correct.

19           Q.    Was there a point in time, Mr. Kane,  
20    when you concluded that that dispute needed to be  
21    resolved in order for the siblings, meaning Jim  
22    Cotter, Jr., on one hand and Ellen and Margaret  
23    Cotter on the other hand, to get along and work  
24    together?

25                   MR. SEARCY: Objection. Vague.

1 foundation.

2 BY MR. KRUM:

3 Q. Was it your understanding that he did  
4 intend for Margaret to become an employee of RDI?

5 A. I had no understanding either way.

6 Q. Now, directing your attention, Mr. Kane,  
7 to your prior testimony regarding Margaret being the  
8 sole trustee of the voting trust under the 2013  
9 amendment and something to the effect that that was  
10 part of Jim Cotter, Sr.'s plan to cause the Cotter  
11 children to work together, in that context, learning  
12 whatever you learned about the 2013 amendment, did  
13 you have any understanding as to what Jim Cotter,  
14 Sr.'s intentions regarding whether Margaret Cotter  
15 would become an employee of RDI?

16 MR. SEARCY: Objection. Vague.

17 THE WITNESS: I had no understanding.

18 BY MR. KRUM:

19 Q. Now, I'm not going to sum up again your  
20 prior testimony. I'm just going to refer you to the  
21 subject matter.

22 Referring you, Mr. Kane, to your  
23 testimony about your understanding as to why in the  
24 2013 amendment Margaret had been designated as  
25 trustee of the voting trust, how did you come to



1    **have that understanding?**

2           A.    Mr. Cotter informed me.  In one of our  
3    conversations he said he was making Margaret the  
4    trustee of the voting stock.

5           And I asked him why.  And he told me --  
6    and it's right in my brain, it's imprinted on it --  
7    that "that will force them to work together."

8           That's a quote.

9           **Q.    What else did you say or what else did**  
10    **he say in that conversation about either the trust**  
11    **documentation or The Cotter children working**  
12    **together?**

13          A.    Excuse me.  Repeat that, please.

14          **Q.    What else did he say, if anything,**  
15    **during that conversation about the trust**  
16    **documentation?**

17          A.    Nothing that I can recall.

18          **Q.    What else, if anything, did he say**  
19    **during that conversation about prompting or forcing**  
20    **the three -- his three Cotter children to work**  
21    **together?**

22          A.    He didn't need to say anything.  I knew  
23    what he was talking about.

24          **Q.    What was your understanding at the time?**

25          A.    Understanding was that their diverse

1 personalities, and there had been some incidents --  
2 I call incidents, nothing specific or difficult --  
3 at board meetings that I thought it was a good idea  
4 to make Margaret, given the background -- I was  
5 surprised, but I thought it was a good idea that he  
6 make Margaret the sole trustee.

7 **Q. Were you present for what you have**  
8 **called incidents at board meetings?**

9 A. Yes.

10 **Q. To what are you referring?**

11 A. When we had board meetings Mr. -- excuse  
12 me. Get a little water.

13 Margaret and Ellen Cotter would give  
14 reports. Jim Cotter, Jr., was not the president at  
15 that time, and he would always have questions for  
16 them. It appeared to me that he would have  
17 questions that he was seeking to embarrass them  
18 before the other directors.

19 And he asked questions that he knew the  
20 answer to, because he was being paid to run a weekly  
21 executive committee meeting.

22 But it was like brother/sister fighting.  
23 He knew the answer and there was no reason to ask  
24 those questions.

25 And that's about the only input he ever

1     **have wanted?**

2             A.     I think I knew better than anybody what  
3     he would have wanted.  I've known him for -- I knew  
4     him for 50 years.

5             We would have regular meetings in Laguna  
6     just the two of us, talk over strategy, talk over  
7     his children, talk over all issues.

8             And it was reflected in his comment to  
9     me that he was giving Margaret the voting power to  
10    force them to work together.

11            So, I knew that's what he wanted.

12            MR. KRUM:  I'll ask the court reporter  
13    to mark as Exhibit 111 a two-page document bearing  
14    production number 5488 and 89.

15            (Whereupon the document referred  
16    to was marked Plaintiffs'  
17    Exhibit 111 by the Certified  
18    Shorthand Reporter and is attached  
19    hereto.)

20            THE WITNESS:  (Indicating.)

21            MR. SEARCY:  That's for the court  
22    reporter.

23            THE WITNESS:  Oh.

24    BY MR. KRUM:

25            **Q.     Do you recognize Exhibit 111?**

1           A.     That and the fact that he made Margaret  
2     the trustee of the voting stock and told me it was  
3     to force them to work together.

4           Q.     You understood, by the way, sir, that  
5     the 2014 amendment made Margaret and Jim, Jr.,  
6     co-trustees of the voting trust, right?

7           A.     It purports to do that, yes.

8           Q.     When you say "it purports to do that,"  
9     I'm not asking whether you agree with it. I'm  
10    asking if you understood what it provides by its  
11    terms --

12          A.     I know --

13          Q.     Let's not speak over each other. Let me  
14    ask the question and then you can respond.

15                 You understand, Mr. Kane, that the  
16    so-called 2014 amendment by its terms makes Margaret  
17    Cotter and Jim Cotter, Jr., the co-trustees of the  
18    voting trust that would vote the RDI class B voting  
19    stock, right?

20          A.     Yes.

21          Q.     You also understand that that  
22    documentation provides that if they -- to the effect  
23    that if Margaret and Jim, Jr., cannot agree, they  
24    will each be the trustee in alternating years?

25          A.     Yes.

1 Q. Now, we began to talk over each other.

2 Were you about to tell me something  
3 about whether you thought the 2014 amendment  
4 reflected what you understand to be Jim Cotter,  
5 Sr.'s wishes?

6 MR. SEARCY: Objection. Vague.

7 THE WITNESS: That's what the Court will  
8 decide.

9 I don't -- I try to stay out of that. I  
10 have my own opinion, but I don't have all the facts.  
11 BY MR. KRUM:

12 Q. What's the basis for your opinion?

13 The conversation that you described to  
14 us already?

15 A. Yes.

16 Q. Anything else?

17 A. 50 years of friendship. And so I think  
18 I knew him in some respects better than any member  
19 of his family.

20 Q. Okay. And your opinion is that based on  
21 the facts you have --

22 A. Yes.

23 Q. -- and not considering the facts you  
24 acknowledge you do not have --

25 A. I don't know if there are any.

1 Q. Right. But based on the facts you have,  
2 you think it's the 2013 amendment that reflects Jim  
3 Cotter, Sr.'s wishes?

4 A. Yes.

5 Q. So, returning to your May 9, 2015 email  
6 that's part of Exhibit 111, it continues where we  
7 left off with the words, quote,

8 "Second, because it is in the best  
9 interest of the company," close  
10 quote.

11 You see that?

12 A. Yes.

13 Q. And are you referring there to what  
14 you've described earlier in terms of how important  
15 you thought it was Jim Cotter, Jr., succeed at  
16 repairing his relationship with Ellen and Margaret  
17 Cotter?

18 MR. SEARCY: Objection. Vague.

19 THE WITNESS: Of course it would be in  
20 the best interest of the company if they were  
21 working together.

22 BY MR. KRUM:

23 Q. Continuing on, Mr. Kane, the text in  
24 that same paragraph of Exhibit 111 says,  
25 "Third, because it will safeguard

1 I think it would be naive to think he  
2 wouldn't know that. Why else would it be on there?  
3 It's clear on its face.

4 Q. I apologize if I asked you this. Had  
5 you had any conversations with Tim Storey prior to  
6 the supposed May 21 board meeting regarding the  
7 possible termination of Jim Cotter, Jr., as  
8 president and C.E.O.?

9 A. I can't recall any, but I may have.

10 Q. Well, as you sit here today, Mr. Kane,  
11 what's your best recollection as to whether you did?

12 A. I don't have any recollection.

13 MR. KRUM: I'll ask the court reporter  
14 to mark as Exhibit 116 a two-page document bearing  
15 production numbers GA5417 and 18.

16 (Whereupon the document referred  
17 to was marked Plaintiffs'  
18 Exhibit 116 by the Certified  
19 Shorthand Reporter and is attached  
20 hereto.)

21 BY MR. KRUM:

22 Q. Do you recognize Exhibit 116?

23 A. Yes, I do.

24 Q. This is an email from Tim Storey to you  
25 and Bill Gould and a copied to the other RDI

1     **directors on May 19, 2015, correct?**

2             A.     Correct.

3             Q.     Did you receive it on or about the date  
4     it bears, May 19?

5             A.     I would assume so.

6             Q.     Do you see in the third paragraph that  
7     begins, "my understanding," Mr. Storey recites his  
8     understanding as to what he thought was going to  
9     happen at the meeting scheduled for the coming  
10    Thursday?

11            A.     I see what he says his understanding is.

12            Q.     Did you ever tell him whether by way of  
13    email response or otherwise that his understanding  
14    as stated in that paragraph was mistaken?

15                   MR. SEARCY:  Objection.  Assumes facts,  
16    vague.

17                   THE WITNESS:  I don't -- I don't -- I  
18    don't have any recollection of telling him one thing  
19    or the other.

20    BY MR. KRUM:

21            Q.     In the next paragraph do you see that  
22    there's a sentence that reads in part, quote,  
23                    "I have just seen the agenda for  
24                    the meeting, and that simply has an  
25                    agenda item captioned" -- sub



1 A. I had no recollection of that.

2 Q. What steps, if any, did you take to  
3 review that issue and determine whether or not that  
4 in fact had been determined and/or communicated to  
5 Jim Cotter, Jr.?

6 MR. SEARCY: Objection. Assumes facts,  
7 calls for speculation, it's also vague.

8 THE WITNESS: I don't recall any at that  
9 time.

10 BY MR. KRUM:

11 Q. I direct your attention, Mr. Kane, back  
12 to Exhibit 115 that you should have in front of you.

13 Do you have it, sir?

14 A. 116 or 115?

15 Q. 115.

16 THE WITNESS: Is this 115 or 175?

17 THE REPORTER: 115.

18 THE WITNESS: 115. Okay.

19 BY MR. KRUM:

20 Q. I direct your attention, Mr. Kane, to  
21 the email from Bill Gould -- strike that.

22 We're not going to bother with that.

23 MR. KRUM: I'll ask the court reporter  
24 to mark as Exhibit 117 a multi-page document bearing  
25 production numbers TS69 through 71.

1 (Whereupon the document referred  
2 to was marked Plaintiffs'  
3 Exhibit 117 by the Certified  
4 Shorthand Reporter and is attached  
5 hereto.)

6 BY MR. KRUM:

7 Q. Mr. Kane, the court reporter has  
8 provided you what has been marked as Exhibit 117.

9 A. Uh-huh.

10 Q. I will represent to you, sir, that this  
11 is a continuation of the email chain that was marked  
12 Exhibit 115 and that the new items, meaning the  
13 difference between 117 and 115, are the two emails  
14 at the top of 117.

15 And I'm going to ask you, sir, about  
16 your May 19 email to Mr. Gould that begins "As of  
17 now."

18 Let me know when you've reviewed that to  
19 your satisfaction.

20 A. Yes.

21 Q. Okay. Do you recognize Exhibit 117?

22 A. Yes.

23 Q. Is this a series of emails including an  
24 email from you to Bill Gould on --

25 A. Yes.

1 Q. -- May 19?

2 A. Yes.

3 MR. SEARCY: Let him finish his question  
4 before you answer.

5 Okay.

6 THE WITNESS: Okay.

7 BY MR. KRUM:

8 Q. I direct your attention, Mr. Kane, to  
9 the first sentence of Exhibit 117. It reads, quote,  
10 "As of now and after your  
11 astonishing and ridiculous  
12 assertion that Margaret cost this  
13 company \$20 million, I see no  
14 reason to meet," period, close  
15 quote.

16 Do you see that?

17 A. Yes.

18 Q. What -- to what are you referring by  
19 that sentence?

20 A. My recollection is that he did some kind  
21 of analysis for the loss of the revenue we earned  
22 from Stomp, and he extrapolated it into 10 or 20 --  
23 I don't remember -- times what we were earning every  
24 year, under the assumption that it was Margaret's  
25 fault that the Stomp people were going -- were going

1 I don't remember the dates of those at  
2 this particular point.

3 Q. Do you recall hearing, learning or being  
4 told that Ellen and Margaret Cotter had delivered a  
5 proposal or had their counsel deliver a proposal to  
6 Jim Cotter, Jr., to resolve, among other things, the  
7 disputes raised in the California trust and estate  
8 litigation?

9 MR. SEARCY: Objection. Vague and lacks  
10 foundation.

11 THE WITNESS: I didn't -- I don't recall  
12 that they ever provided the specifics.

13 I do recall Ellen saying they had  
14 settled issues. I don't know to the extent they  
15 were settled. She thought there had been a  
16 resolution.

17 MR. KRUM: I'll ask the court reporter  
18 to mark as Exhibit 118 a multi-page document bearing  
19 EK396 through 398.

20 (Whereupon the document referred  
21 to was marked Plaintiffs'  
22 Exhibit 118 by the Certified  
23 Shorthand Reporter and is attached  
24 hereto.)

25 ///

1 BY MR. KRUM:

2 Q. Mr. Kane, do you recognize Exhibit 118?

3 A. Yes, I do.

4 Q. And Exhibit 118 is an email exchange  
5 between Jim Cotter, Jr., and you on May 27 and 28,  
6 2015, correct?

7 A. Yes.

8 Q. The first email on the second page of  
9 Exhibit 118 is an email from Jim Cotter, Jr., to you  
10 on May 27 in which he recites points of a proposal  
11 he had made to Margaret Cotter the evening before,  
12 right?

13 A. That's what it says.

14 Q. Okay. Did you ever discuss with him or  
15 Margaret or anybody else the proposal he recited in  
16 this email?

17 A. No. Not to my knowledge.

18 Q. And then at the bottom of page one and  
19 the top of the second page of Exhibit 118 is your  
20 email response, correct?

21 A. Yes.

22 Q. The first sentence reads, quote,  
23 "Ellen is going to present you with  
24 a global plan to end the litigation  
25 and move the company forward,"

1 close quote.

2 Do you see that? At the top --

3 A. Yes.

4 Q. -- of the second page?

5 A. Yes, I do.

6 Q. How did you know that?

7 A. I probably had a telephone call with  
8 her.

9 Q. What did she say; what did you say?

10 A. I don't recall what I said, but she must  
11 have told me that she's going to give him a  
12 proposal.

13 I didn't care to hear it.

14 Q. The next sentence -- in the next  
15 sentence you wrote, quote,

16 "If you agree to it, you, Ellen,  
17 Margaret" --

18 Strike that. Let me try it again.

19 Quote,

20 "If you agree to it, you, Ellen and  
21 Margaret will work in a  
22 collaborative manner and you will  
23 retain your title," close quote.

24 You see that?

25 A. Yes.

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

4

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

10

11 IN WITNESS WHEREOF, I have subscribed my  
12 name this 10th day of May, 2016.

13

14



15

PATRICIA L. HUBBARD, CSR #3400

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17

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# EXHIBIT 11



1  
2  
3 DISTRICT COURT  
4 CLARK COUNTY, NEVADA  
5  
6 JAMES J. COTTER, JR., )  
7 individually and )  
8 derivatively on behalf of )  
9 Reading International, )  
10 Inc., )  
11 ) Case No. A-15-719860-B  
12 Plaintiff, )  
13 ) Coordinated with:  
14 vs. )  
15 ) Case No. P-14-082942-E  
16 MARGARET COTTER, et al., )  
17 )  
18 Defendants. )  
19 and )  
20 )  
21 READING INTERNATIONAL, )  
22 INC., a Nevada )  
23 corporation, )  
24 )  
25 Nominal Defendant )  
\_\_\_\_\_ )

17 VIDEOTAPED DEPOSITION OF EDWARD KANE  
18 TAKEN ON JUNE 9, 2016  
19 VOLUME 3  
20  
21  
22

23 Job No.: 315759  
24 REPORTED BY:  
25 PATRICIA L. HUBBARD, CSR #3400

1 email on the first page of Exhibit 305, there's a  
2 sentence that carries onto the next to last line  
3 that reads as follows, quote,

4 "I truly believe that your sisters  
5 are at the end of their rope, if  
6 not their sanity, as a result of  
7 this. So the best thing you can do  
8 is accept and move on," close  
9 quote.

10 Do you see that?

11 A. Yes.

12 Q. What did you mean when you said "at the  
13 end of their rope, if not their sanity"?

14 A. I didn't know the particulars, but -- of  
15 the agreement, but I think -- I seem to recall that  
16 Ellen told me that they -- they had made concessions  
17 to him, and every time they did he would ask for  
18 more, and this was the end, words to that effect.

19 MR. KRUM: I'll ask the court reporter  
20 to mark as Exhibit 306 --

21 MR. SEARCY: So, Mark, we're coming up  
22 on our 20-minute mark.

23 MR. KRUM: This is the last exhibit. So  
24 let me go through this, and then we'll -- then we'll  
25 talk, if you don't mind.

1 A one-page document that purports to be  
2 a June 11 email from Mr. Kane to Jim Cotter, Jr. It  
3 bears production number EK1613.

4 (Whereupon the document referred  
5 to was marked Plaintiffs'  
6 Exhibit 306 by the Certified  
7 Shorthand Reporter and is attached  
8 hereto.)

9 THE WITNESS: Yes.

10 BY MR. KRUM:

11 Q. Do you recognize Exhibit 0306?

12 A. Yes, I do.

13 Q. Is this an email you sent to Jim Cotter,  
14 Jr. on June 11, 2015?

15 A. Yes.

16 Q. You recall that on June 12, 2015,  
17 Mr. Cotter was terminated as president and C.E.O.?

18 A. Yes.

19 Q. So was this an effort by you to implore  
20 him or, as the case may be, persuade him to strike a  
21 deal to avoid that vote?

22 A. Sitting here I'm not sure that I knew  
23 that that vote was coming on that date, but it was  
24 my last effort to get him to -- in this -- in the  
25 interim from the last one I had understood or found

1 that Margaret be the sole trustee of the voting

2 trust that held --

3 A. Yes.

4 Q. -- the class B voting stock?

5 A. Yes.

6 Q. Do you recall how you learned that?

7 A. I don't.

8 Q. And the next sentence reads, quote,

9 "As I said, your dad told me that  
10 giving Margaret the vote was his  
11 way of, sub quote, forcing, close  
12 sub quote, the three of you to work  
13 together," close quote.

14 Does that refer to discussions about  
15 which I believe you've already testified, Mr. Kane,  
16 you had with Jim Cotter, Sr.?

17 A. Yes.

18 Q. And the next sentence in paragraph  
19 numbered one in Exhibit 306 reads as follows, quote,

20 "Asking to change that is a  
21 nonstarter," close quote, with  
22 "nonstarter" being italicized.

23 Do you see that?

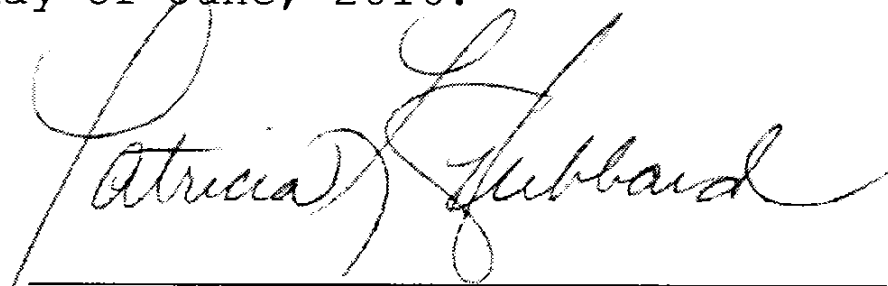
24 A. Yes.

25 Q. Why did you say that?

1 That the foregoing pages contain a full,  
2 true and accurate record of the proceedings and  
3 testimony to the best of my skill and ability;  
4

5 I further certify that I am not a relative  
6 or employee or attorney or counsel of any of the  
7 parties, nor am I a relative or employee of such  
8 attorney or counsel, nor am I financially interested  
9 in the outcome of this action.  
10

11 IN WITNESS WHEREOF, I have subscribed my  
12 name this 15th day of June, 2016.  
13

14   
15

16 PATRICIA L. HUBBARD, CSR #3400  
17  
18  
19  
20  
21  
22  
23  
24  
25

# EXHIBIT 12



1     **your testimony is that you do not recall?**

2             A.     Correct. And by the way, what I do  
3     recall is this was a unanimous vote of the board of  
4     directors to purchase D and O insurance.

5             MR. KRUM: Does someone know our next  
6     number?

7             (Off-the-record discussion.)

8             MR. KRUM: So I'll ask the court  
9     reporter to mark as Exhibit 119 a multi-page  
10    document bearing production numbers GA5325 through  
11    35.

12            (Whereupon the document referred  
13    to was marked Plaintiffs'  
14    Exhibit 119 by the Certified  
15    Shorthand Reporter and is attached  
16    hereto.)

17    BY MR. KRUM:

18            **Q.     Mr. McEachern, take such time as you**  
19    **need to review Exhibit 119 and let me know when**  
20    **you're ready to speak about it.**

21            A.     Okay. Yep.

22            **Q.     Do you recognize Exhibit 119?**

23            A.     It -- they are minutes of a January 2015  
24    board minute -- meeting.

25            **Q.     Direct your attention, Mr. McEachern, to**



1 the text on the first page of Exhibit 119.

2 Between the two largest redacted stamps  
3 it begins,

4 "Mr. McEachern moved the board to  
5 approve the purchase of a directors  
6 and officers insurance policy," so  
7 forth and so on.

8 Do you see that?

9 A. Yes, I do.

10 Q. Is that correct, that you were the  
11 person who made that motion?

12 A. It says it. And I presume so, yes.

13 Q. But do you recall whether you did?

14 A. No, I don't. But it says I did.

15 Q. Okay. Does that refresh your  
16 recollection about whether you had a particular  
17 interest in D and O insurance?

18 MR. SEARCY: Objection. Vague.

19 THE WITNESS: No. I merely moved a  
20 motion to approve the purchase.

21 BY MR. KRUM:

22 Q. Is the fact that you moved the motion an  
23 indication of nothing more than that you thought the  
24 discussion was ready to be voted?

25 A. That is correct.

1 Q. Is that generally the case?

2 A. Yes.

3 Q. And of course that you supported it,

4 right, whatever the -- whatever it was?

5 A. Yes.

6 Q. Take a look at the second page of

7 Exhibit 119.

8 You'll see about three quarters of the

9 way down the page there's a sub head that reads

10 "director option grants."

11 Do you see that?

12 A. Yes, I do.

13 Q. Do you see in the next to last line it

14 indicates that you seconded that motion?

15 You don't recall -- do you see that?

16 A. Yes.

17 Q. You don't recall doing that, do you?

18 A. No, I don't.

19 Q. Okay. And that doesn't indicate

20 anything more than you supported it and were

21 prepared to have a vote?

22 A. Yes.

23 Q. I direct your attention to the top of

24 the third page of Exhibit 119.

25 You see that it's entitled "shareholder

1 meeting"?

2 A. Yes.

3 Q. You see it talks about Ellen Cotter  
4 noting that the shareholder meeting would be  
5 scheduled for May or June?

6 A. Yes, I do.

7 Q. And you recall that the shareholder  
8 meeting actually did not occur until in or about  
9 November of 2015, correct?

10 A. I know that it was later in the year,  
11 yes.

12 Q. When was the first time you heard or  
13 learned or were told that the RDI 2015 annual  
14 shareholders meeting would not occur in May or June  
15 2015?

16 A. I do not remember.

17 Q. Do you remember any particular  
18 circumstances that account for why that did not  
19 occur?

20 MR. SEARCY: Objection. Vague, lacks  
21 foundation.

22 THE WITNESS: No, I do not.

23 BY MR. KRUM:

24 Q. Did you ever hear or learn or were you  
25 ever told why the meeting was not going to proceed

1 in May or June of 2015?

2 A. Not that I recall.

3 Q. I direct your attention to the next sub  
4 head on the third page of Exhibit 119. It's  
5 entitled "delegated authority."

6 Do you see that?

7 A. Yes, I do.

8 Q. You see that the second paragraph  
9 beneath that reads,

10 "The board discussed this proposed  
11 delegation of authority and asked a  
12 few questions, which Mr. Cotter  
13 answered to their satisfaction."

14 Do you see that?

15 A. Yes, I do.

16 Q. And of course if you want to review the  
17 prior paragraph to which it refers, let me know, but  
18 do you recall there being a discussion at a board  
19 meeting with respect to the scope of the C.E.O.'s  
20 delegated authority and that following the  
21 discussion the board approved what Mr. Cotter had  
22 proposed?

23 MR. SEARCY: Objection. Vague.

24 THE WITNESS: I remember a discussion.  
25 I remember that what we ended up with is not what

1 deemed to incorporate any changes of which the  
2 parties have been properly notified pursuant to the  
3 stipulation.

4 So that's the typical --

5 MR. SEARCY: All right. That sounds  
6 good to me.

7 MR. NATION: Okay.

8 VIDEOTAPE OPERATOR: All right. And the  
9 this concludes the deposition -- this concludes the  
10 deposition of Mr. Douglas McEachern on May 6, 2016,  
11 which consists of five media files.

12 The original media files will be  
13 retained by Hutchings Litigation Services.

14 Off the video record at 5:54 P.M.

15

16 (Whereupon at 5:54 P.M. the  
17 deposition proceedings were  
18 concluded.)

19 \* \* \*

20

21

22

23

24

25

# EXHIBIT 13

1 Margaret G. Lodise, SBN 137560  
2 Kenneth M. Glazier, SBN 57116  
3 SACKS, GLAZIER, FRANKLIN & LODISE LLP  
4 350 South Grand Avenue, Suite 3500  
5 Los Angeles, California 90071-3475  
6 Telephone: (213) 617-2950  
7 Facsimile: (213) 617-9350

8 Attorneys for Ann Margaret Cotter and Ellen Cotter

CONFORMED COPY  
ORIGINAL FILED  
Superior Court of California  
County of Los Angeles  
FEB 05 2015  
Sherril R. Carter, Executive Officer/Clerk  
By: Betzaida F. Mendez, Deputy

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
10 COUNTY OF LOS ANGELES, CENTRAL DISTRICT

11 In re

CASE NO. BP **BP159755**

12 **JAMES J. COTTER**  
13 **LIVING TRUST dated August 1,**  
14 **2000**

**PETITION FOR ORDER  
DETERMINING VALIDITY OF  
TRUST AMENDMENT AND  
FORGIVENESS OF LOAN**  
[Prob. C. § 17200(b)(1), (3)]

15 Date: **APR 10 2015**  
16 Time: 8:30 AM  
Dept: 9

17 Petitioners Ann Margaret Cotter ("Margaret") and Ellen Cotter ("Ellen")  
18 (collectively "Petitioners") petition this Court for an Order determining the validity of a  
19 trust amendment and forgiveness of a loan, and allege as follows.

20 **JURISDICTION AND VENUE**

21 1. The Court has jurisdiction over this matter under Prob. C. §17000 (a) and  
22 (b).

23 2. Venue is properly in Los Angeles County under Prob. C. §17005 as the  
24 principal place of administration of the trust is Los Angeles County.

25 **PARTIES**

26 3. Petitioners are the daughters of James J. Cotter, Sr. ("James Sr.").  
27 James Sr. passed away on September 13, 2014. James Sr. was a resident of Nevada at his  
28 death.

-1-

PETITION FOR ORDER DETERMINING VALIDITY OF TRUST AMENDMENT AND FORGIVENESS OF LOAN

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1           4.     In addition to Petitioners, James Sr. is survived by his son, James J. Cotter,  
2 Jr. ("JR").

3     **BACKGROUND FACTS**

4           5.     James Sr. was the former Chief Executive Officer, Chairman of the Board  
5 and the controlling shareholder of Reading International Inc. ("RDI") and held numerous  
6 real estate investments including, in particular, citrus farm operations in Fresno and  
7 Tulare Counties. RDI is a publicly-traded company with two classes of stock; James Sr.  
8 controlled over 70% of the voting shares and also owned a significant amount of non-  
9 voting stock. Petitioner Ellen, RDI's Chief Operating Officer (for US cinemas), has been  
10 an executive at RDI for over 17 years. In March 2013, Ellen was appointed to the Board  
11 of Directors of RDI. Petitioner Margaret, who has been a long-time Board member of  
12 RDI, has also been the head of RDI's live theater operations for 15 years and has been  
13 heading up the day to day pre-development process and transition of RDI's New York  
14 theater properties to major realty developments. Until 2013, when he was made President  
15 of RDI, JR worked for the Cotter family citrus farm operations, and was a member of the  
16 Board of RDI.

17          6.     On or about August 1, 2000, James Sr. created the James J. Cotter Living  
18 Trust ("Original Trust"). On May 17, 2006, James Sr. executed the First Amendment to  
19 and Complete Restatement of the Original Trust. Between 2006 and 2013, James Sr.  
20 made various partial amendments to the Original Trust.

21          7.     In the spring of 2013, James Sr. was diagnosed with metastatic prostate  
22 cancer. Because Margaret was pregnant at the time (with a high-risk pregnancy),  
23 James Sr. did not share his diagnosis with Petitioners until the fall of 2013—after Margaret  
24 had delivered her child. James Sr. also did share information concerning his cancer with  
25 JR during the spring of 2013.

26          8.     On June 5, 2013, James Sr. executed the 2013 Amendment to and Complete  
27 Restatement of Declaration of Trust (the "2013 Trust"). A true and correct copy of the  
28 2013 Trust is attached hereto as Exhibit A. The 2013 Trust provided for the following



1 distributions of James Sr.'s primary assets upon his death. First, the voting stock of RDI  
2 would be distributed to a separate trust (the "RDI Voting Trust") for the benefit of  
3 James Sr.'s grandchildren. Margaret and JR have children; Ellen does not. The sole  
4 trustee of the RDI Voting Trust would be Margaret. Because James Sr.'s voting stock  
5 controlled RDI, Margaret as Trustee of the RDI Voting Trust would have effective  
6 control over RDI under the terms of the 2013 Trust. The 2013 Trust also expressed  
7 James Sr.'s wish that Margaret would become the "chairperson" of RDI and that she  
8 would support JR as President of RDI.

9       9.       Second, the 2013 Trust provided that the citrus farm operations (which were  
10 now defined as Cecilia Packing Corporation ("Cecilia"), James J. Cotter Management, an  
11 interest in South Hill Partnership, and 1,700 acres in Tulare, Kern and Fresno Counties)  
12 were to be divided equally among James Sr.'s three children. The 2013 Trust provided  
13 for no further limitations or restrictions on what each child could do with his or her  
14 respective interests in the citrus farm operations upon distribution. Importantly, JR had  
15 used the citrus operations as a means of funding his lifestyle. For example, Cecilia  
16 provided essentially free financing to JR to purchase citrus orchards in his own name.  
17 Cecilia also provided JR with financial assistance, which was taken out of the citrus  
18 operations, to purchase a Los Angeles residence. In addition, during the spring of 2014,  
19 when JR allegedly was devoting all his time to running RDI, JR convinced James Sr. to  
20 give JR a 10-year employment agreement to pay JR \$200,000 annually for serving as a  
21 "director" of Cecilia. Obviously, the terms of the 2013 Trust would have allowed  
22 Margaret and Ellen to put a stop to this conduct after James Sr.'s death and would have  
23 put JR at great risk because Ellen and Margaret would control Cecilia by virtue of their  
24 joint 2/3rds ownership.

25       10.       Third, the 2013 Trust provided that the residue of James Sr.'s estate—as well  
26 as his retirement benefits from RDI—would go to the James J. Cotter Foundation. Of  
27 course, this donation would have provided a significant tax deduction for the Estate of  
28 James Sr.

1           11.     Fourth, the 2013 Trust provided that Margaret and Ellen would serve as the  
2 trustees of the 2013 Trust after James Sr.'s death.

3           12.     The documents described in paragraphs 6 through 11, above, were drafted  
4 by attorneys at Gibson, Dunn & Crutcher and, later, by Charles A. Larson, a former  
5 partner at Gibson, Dunn & Crutcher. Petitioners are informed and believe that all of the  
6 pre-2014 estate planning documents were drafted by Charles Larson after he had spoken  
7 directly with James Sr.

8           13.     In November 2013, James Sr. finally informed Margaret and Ellen of his  
9 medical diagnosis, at which time he told them about the seriousness of his condition.  
10 Ellen promptly made arrangements to move to James Sr.'s apartment and she began  
11 caring for him in mid-December 2013.

12           14.     Although Charles Larson had been responsible for most of James Sr.'s prior  
13 estate planning, James Sr. decided to change lawyers in early 2014. In February 2014,  
14 James Sr. began working with Scot Kirkpatrick, an estate planning attorney in Atlanta, to  
15 create a tax-advantaged estate plan. James Sr., Petitioners, and JR all attended a meeting  
16 with Scot Kirkpatrick concerning James Sr.'s estate planning in or about February 2014.

17           15.     In May and early June 2014, Scot Kirkpatrick corresponded with James Sr.  
18 about proposed changes to James Sr.'s estate plan, including the need to revise the plan to  
19 reflect James Sr.'s residence in Nevada. Based on these discussions, Kirkpatrick began  
20 drafting a new trust to replace the 2013 Trust.

21           16.     On June 9, 2014, James Sr. provided JR with a packet of documents which  
22 included changes to James Sr.'s estate plan that James Sr. had been discussing with  
23 Scot Kirkpatrick, as well as a copy of the 2013 Trust. Petitioners are informed and  
24 believe that JR had not previously seen the 2013 Trust. Upon information and belief,  
25 Petitioners allege that included in the packet was a draft amended and restated trust  
26 prepared by Kirkpatrick which would have made changes to James Sr.'s estate plan that  
27 were not favorable to JR.

28 //

1           17. Two days later, on June 11, 2014, JR arranged a dinner with James Sr. and  
2 Margaret. James Sr. had received several hours of radium treatment earlier that day. At  
3 the dinner, JR discussed James Sr.'s assets and urged James Sr. to take action to benefit  
4 his grandchildren. JR also stated that Margaret and JR should both be co-trustees of the  
5 RDI Voting Trust. (Under the then-current 2013 Trust, Margaret would be sole trustee of  
6 the RDI Voting Trust.)

7           18. On or about June 14, 2014, James Sr. contacted Scot Kirkpatrick and said  
8 that JR was pressuring him about his estate planning. In response to the call, Kirkpatrick  
9 made changes to the draft amended and restated trust that he had sent to James Sr. the  
10 week before. James Sr. and Kirkpatrick agreed that Kirkpatrick would travel to Los  
11 Angeles on June 30 to meet with James Sr. to execute the new estate plan.

12           19. On June 16, 2014, James Sr. was admitted to the hospital after having  
13 suffered a fall at his Los Angeles apartment. At the time of his hospital admission, there  
14 was no determination as to what had caused his fall. James Sr.'s mental health had been  
15 deteriorating over the preceding weeks. An initial neurological examine at the hospital  
16 reported that James Sr. was unable to remember the month or to provide the name of the  
17 hospital to which he had been admitted. Moreover, a neuropsychiatric evaluation of  
18 James Sr. conducted on June 24, 2014 - - eight days after his admission - - concluded that  
19 James Sr. had serious cognitive deficits, which deficits appear to have occurred in the  
20 weeks immediately prior to June 24, 2014. The neuropsychiatric evaluation concluded  
21 that James Sr. "experiences major cognitive compromise." Doctors ultimately concluded  
22 that James Sr. had suffered a stroke.

23           20. On June 19, 2014 Kirkpatrick—who did not know that James Sr. had been  
24 admitted to the hospital—sent a revised trust (the "Kirkpatrick Trust") to James Sr. for his  
25 signature in anticipation of their June 30 meeting. Kirkpatrick believed the Kirkpatrick  
26 Trust reflected the testamentary intent of James Sr. as expressed to Kirkpatrick over the  
27 previous few weeks—prior to James Sr.'s hospitalization. James Sr. never had an  
28 opportunity to sign the Kirkpatrick Trust.

1           21.     Also, on June 19, 2014, less than a week prior to the June 24  
2 neuropsychiatric evaluation which concluded that James Sr. had major cognitive  
3 impairment, JR made his own arrangements to try to get James Sr. to amend the 2013  
4 Trust in a manner favoring JR.

5           22.     At 7:14 a.m. on June 19, 2014, JR sent Charles Larson (the estate planning  
6 attorney that James Sr. had replaced with Scot Kirkpatrick) an email titled "Amendment,"  
7 with an attached chart detailing various changes JR wanted made to the 2013 Trust.  
8 Petitioners are informed and believe, and thereupon allege, that Charles Larson had had  
9 no communication with James Sr. during the prior six months about changes to the Trust  
10 (or anything else), and took all his instructions concerning the proposed amendment from  
11 JR. Less than two hours later, at 9:03 a.m., Charles Larson emailed a draft amendment to  
12 JR with a note saying, "let me know if this properly reflects his wishes *as you have*  
13 *relayed them to me.*" [Emphasis added.] JR then brought the draft amendment he had just  
14 received from Charles Larson to James Sr.'s hospital room, where Petitioner Margaret  
15 was present. JR informed Margaret that Charles Larson had prepared the amendment  
16 based on Larson's review of videos that JR had allegedly taken of James Sr. expressing  
17 his desires for revisions to his estate plan. Upon information and belief, Petitioners  
18 allege that JR never provided such videos to Larson, and that Larson simply relied on  
19 instructions from JR. (When Margaret later asked Larson for such videos, Larson told her  
20 that he had none.) JR explained to Margaret that he had asked Larson to draft the  
21 amendment because Scot Kirkpatrick was "too slow" in preparing amendment  
22 documents. JR further explained that the primary purpose of the amendment was to  
23 provide that the residue of James Sr.'s estate would go to his three children rather than to  
24 the Foundation—something that Margaret believed was consistent with James Sr.'s wishes.  
25 Margaret was severely distressed about her father's condition and had not slept much the  
26 previous three nights because she had stayed with her father in the hospital room. As a  
27 result, Margaret merely scanned the proposed amendment. JR asked Margaret to try to  
28 get James Sr. to sign the proposed amendment, since Margaret and JR both knew that

1 James Sr. would be reluctant to sign a document presented to him by JR. JR sat in a  
2 corner of James Sr.'s hospital room, and (Margaret was subsequently informed)  
3 surreptitiously videotaped the events on his iPhone. Margaret then read James Sr. a  
4 bullet-point summary provided to her by JR of the terms of the proposed amendment.  
5 When Margaret asked James Sr. to sign, he initially refused. Margaret then begged him  
6 to sign because "otherwise everything would be going to the Foundation." After tears  
7 were shed, James Sr. signed the amendment Charles Larson had drafted that morning at  
8 JR's request (the "2014 Hospital Amendment"). The 2014 Hospital Amendment was  
9 neither notarized nor witnessed by any third-party. A true and correct copy of the 2014  
10 Hospital Amendment is attached hereto as Exhibit B.

11 23. Immediately after the 2014 Hospital Amendment was signed, JR took  
12 possession of the document and left the hospital room. JR did not leave a copy of the  
13 2014 Hospital Amendment with Margaret or with James Sr. Despite repeated requests  
14 from Margaret to JR for a copy, Margaret did not see a copy of the 2014 Hospital  
15 Amendment until nearly six weeks later, on August 29, 2014.

16 24. The 2014 Hospital Amendment made significant changes to the 2013 Trust,  
17 changes which were different from the changes reflected in the draft Kirkpatrick Trust  
18 which Scot Kirkpatrick had discussed directly with James Sr. First, the 2014 Hospital  
19 Amendment made JR and Margaret co-trustees of the RDI Voting Trust instead of  
20 Margaret being the sole trustee. The 2014 Hospital Amendment also provided that if JR  
21 and Margaret could not agree in their capacities as co-trustees of the RDI Voting Trust,  
22 voting control would alternate every year. This unconventional dispute resolution  
23 mechanism had never appeared in any previous document relating to James SR's estate  
24 planning. Suddenly, JR went from having zero voting power over RDI in the 2013 Trust  
25 to having an effective veto right over any decisions relating to RDI in the 2014 Hospital  
26 Amendment.

27 25. Second, the 2014 Hospital Amendment provided that the citrus operations  
28 assets would go into a newly-created Cotter Citrus Trust ("Citrus Trust"), of which all

1 three children would serve as co-trustees. The 2014 Hospital Amendment also provided  
2 that the citrus operations, which were the part of James Sr.'s business empire with which  
3 JR had been most involved, should be maintained as a single business and that none of  
4 the assets of the Citrus Trust could be disposed of unless the trustees agreed unanimously.  
5 This marked a major change from the 2013 Trust, which had simply gifted the citrus  
6 operations evenly to the three children without further restriction.

7 26. Third, the 2014 Hospital Amendment made multiple specific bequests of  
8 property to be divided among the three children and also provided that the Trust residue  
9 would go equally to the three children. In contrast, under the 2013 Trust, all the specific  
10 bequest properties and the entire Trust residue would have gone to the Foundation.

11 27. Fourth, the 2014 Hospital Amendment added JR as a co-trustee of the Trust  
12 along with Petitioners, a significant change since California law requires unanimous  
13 trustee consent for action. Under the 2013 Trust, only the Petitioners were named as co-  
14 trustees. As a result, the 2014 Hospital Amendment gave JR a veto power over trustee  
15 decision-making.

16 28. The 2014 Hospital Amendment was not the only document JR arranged for  
17 James Sr. to sign while James Sr. was in the hospital. Back in 2013, shortly after JR  
18 learned of James Sr.'s cancer diagnosis, JR borrowed \$1.5 million from James Sr. to  
19 purchase a home in Brentwood, California. While JR was supposed to pay interest on the  
20 loan, upon information and belief, Petitioners allege that JR never paid any interest. On  
21 June 9, 2014, James Sr., JR and Margaret were at James Sr.'s apartment when JR asked  
22 James Sr. to sign a letter forgiving the \$1.5 million loan. James Sr. adamantly refused to  
23 sign the loan forgiveness. But after James Sr. was hospitalized, JR was able to get James  
24 Sr. to sign a note "forgiving" the \$1.5 million loan for no consideration.

25 29. Following the execution of the 2014 Hospital Amendment, James Sr.  
26 purportedly signed a number of other documents specifically impacting the citrus  
27 operations. After consultation with Charles Larson, JR informed Ellen and Margaret that  
28 he was going to implement a plan to help save taxes regarding the citrus assets. The plan

1 required the execution of various legal documents, all of which are tainted. On July 21,  
2 2014, a registration for Cotter Family Farms LLC was filed. On July 23, 2014, quitclaim  
3 deeds for properties in Fresno and Tulare Counties were "signed" (with a signature  
4 stamp) quitclaiming assets from James Sr. to his Trust. Upon information and belief,  
5 Petitioners allege that JR used a stamp to mark James Sr.'s signature. These deeds were  
6 ineffective, both because the statutory requirements for a stamp signature for James Sr.  
7 were not met, and because the use of a signature stamp triggers special notarization rules  
8 which were not followed. On July 25, 2014, an Operating Agreement for Cotter Family  
9 Farms LLC was created with James Sr., as Trustee of the 2013 Trust, as the sole initial  
10 member. The Cotter Family Farms LLC Agreement contains a schedule which indicates  
11 that various properties were contributed by James Sr.'s Trust to the LLC.

12 30. On August 1, 2014, James Sr., purported to resign as Trustee of his Trust,  
13 and Petitioners and JR took over as successor Co-Trustees, each signing a document  
14 entitled "Acceptance of Co-Trustee James J. Cotter Living Trust." At the time of  
15 Petitioners' signatures, neither of them had seen a copy of the 2014 Hospital Amendment.  
16 Also on August 1, 2014, James Sr. executed a general power of attorney in favor of Ellen,  
17 Margaret, and JR. On August 1, 2014, Ellen, Margaret, and JR, exercising their power of  
18 attorney, then re-executed certain quitclaim deeds from James Sr. to the Trust.

19 31. On August 5, 2014, Petitioners and JR, acting in their capacities as  
20 Co-Trustees, quitclaimed the Trust's interests in certain real properties in Fresno and  
21 Tulare Counties to Cotter Family Farms, LLC.

22 32. On August 6, 2014, despite the fact that he purportedly had resigned as  
23 Trustee of the Trust on August 1, 2014, James Sr. purportedly executed (via signature  
24 stamp) a First Amendment to and Complete Restatement of Limited Liability Operating  
25 Agreement for Cotter Family Farms LLC ("Amended LLC Agreement") in his capacity  
26 as "Trustee of the James J. Cotter Living Trust dated August 1, 2000." While the  
27 Amended LLC Agreement refers to additional assets contributed to the LLC by the Trust  
28 in connection with the amendment, Petitioners are informed and believe that the

1 referenced schedule does not exist. The Amended LLC Agreement essentially purports to  
2 give JR veto power over all decisions relating to the citrus operations. Moreover, while  
3 the Amended LLC Agreement appoints Ellen, Margaret, and JR as co-managers over the  
4 LLC, it prohibits them from taking salaries as "managers." Of course, JR had previously  
5 signed with Cecilia an undisclosed 10-year employment agreement to pay him \$200,000 a  
6 year as a "director," in violation of the corporate by-laws.

7 33. The Amended LLC Agreement purports to restrict severely disposition and  
8 operation of the Trust's citrus assets. However, the Amended LLC Agreement cannot be  
9 effective since the only signature on behalf of the Trust is James Sr.'s (stamped)  
10 "signature" as "trustee" when he had "resigned" as the trustee days before—even assuming  
11 he had capacity to sign (which he did not). Moreover, all of the purported transfers of  
12 Trust assets to Cotter Family Farms, LLC, are ineffective because they all were  
13 effectuated pursuant to documents that were tainted by James Sr.'s lack of capacity or  
14 were a product of undue influence.

15 34. During August 2014, Petitioners began to come to terms with their father's  
16 impending death and realized that they needed to pay more attention to their father's  
17 estate planning and to evaluate and examine the actions taken by JR. Petitioners began to  
18 ask JR for various documents. JR repeatedly refused to provide the requested documents  
19 and grew increasingly hostile. Petitioners began to realize that they had been unwittingly  
20 coopted into JR's plan to hijack James Sr.'s estate plan. Petitioners therefore stopped  
21 cooperating with JR's plans and started investigating what had occurred over the previous  
22 few months.

23 35. On September 13, 2014, James Sr. died.

24 36. James Sr.'s will had been executed in 2013, at the same time as the 2013  
25 Trust. Significantly, the will was not changed at the time the 2014 Hospital Amendment  
26 was signed. The will made Ellen and Margaret co-executors, not JR. The will has been  
27 admitted to probate in Nevada, and Ellen and Margaret have been appointed as co-  
28 executors.



1 **FIRST CAUSE OF ACTION**

2 (Lack of Capacity)

3 37. Petitioners incorporate the allegations of Paragraphs 1 through 36 above.

4 38. At the time that James Sr. purported to execute the 2014 Hospital  
5 Amendment, he lacked the capacity to do so, lacking the knowledge and understanding  
6 necessary to understand the transactions into which he purportedly entered at that time.

7 39. The 2014 Hospital Amendment should be declared invalid due to  
8 James Sr.'s lack of capacity at the time of its execution.

9 40. At the time that James Sr. (a) purported to execute the loan forgiveness in  
10 favor of JR, (b) executed the Cotter Family Farms, LLC Agreement (and formed the  
11 entity), (c) executed a power of attorney on August 1, 2014, and (d) signed a resignation  
12 of trustee, he lacked the capacity to do so, lacking the knowledge and understanding  
13 necessary to understand the transactions into which he purportedly entered at that time.  
14 As a result, all of these documents as well as any subsequent documents signed pursuant  
15 to these documents should be declared invalid due to James Sr.'s lack of capacity.

16 **SECOND CAUSE OF ACTION**

17 (Undue Influence)

18 41. Petitioners incorporate the allegations of Paragraphs 1 through 36 and 38  
19 through 40, above.

20 42. At the time James Sr. purported to execute the 2014 Hospital Amendment,  
21 he was subject to the undue influence of JR. JR was intimately involved in the drafting of  
22 the 2014 Hospital Amendment, having had the only communications with Charles Larson  
23 as the estate planning attorney to dictate the terms and conditions of the 2014 Hospital  
24 Amendment. JR brought the 2014 Hospital Amendment to James Sr.'s hospital room and  
25 caused him to execute the 2014 Hospital Amendment. As James Sr.'s son, JR was in a  
26 confidential relationship with James Sr., and JR unduly benefitted from the document in  
27 that it put JR into a position of control over the RDI Voting Trust (as opposed to his prior  
28 lack of a role); put JR in a position of control over the Citrus Trust, by designating him as

-11-

1 a co-trustee with his sisters, rather than providing for outright distribution; provided that  
2 the residue of the property would be distributed to JR and to his siblings, rather than to  
3 the Foundation established by James Sr.; and included JR as a co-trustee of the Trust  
4 (which in California would require unanimous action of trustees).

5 43. Given that JR was in a confidential relationship, participated in the drafting  
6 of the 2014 Hospital Amendment, and unduly benefitted from the 2014 Hospital  
7 Amendment, the 2014 Hospital Amendment was the subject of undue influence and  
8 should be overturned.

9 44. As James Sr. had no role in the drafting of the 2014 Hospital Amendment  
10 and did not even review the 2014 Hospital Amendment before it was signed, the entire  
11 2014 Hospital Amendment is tainted by undue influence and must be overturned.

12 45. At the time James Sr. executed the forgiveness of the \$1.5 million loan to  
13 JR, he was similarly subject to the undue influence of JR. James Sr. had refused to  
14 forgive the loan just days before. The transaction unduly benefits JR by permitting him to  
15 keep \$1.5 million of James Sr.'s money and imposes a large gift tax obligation on the  
16 2013 Trust as well as depriving the Estate of an asset with which to pay taxes. JR  
17 prepared the instrument that purported to forgive the loan. At the time of its execution,  
18 JR was in a confidential relationship with James Sr. As a result, the forgiveness of the  
19 \$1.5 million loan should be set aside.

### 20 THIRD CAUSE OF ACTION

21 (Fraud)

22 46. Petitioners incorporate the allegations of Paragraphs 1 through 36, 38  
23 through 40, and 42 through 45, above.

24 47. Petitioners were harmed because JR misrepresented to Margaret the  
25 circumstances under which the 2014 Hospital Amendment had been created.  
26 Specifically, JR misrepresented to Margaret that the 2014 Hospital Amendment was  
27 created by Charles Larson based on his review of videotapes of James Sr. expressing his  
28 desires for revisions to his estate plan. This representation was false because Larson did

1 not rely on any such videotapes and never communicated with James Sr. regarding the  
2 2014 Hospital Amendment. In fact, Larson simply relied on JR's instructions about what  
3 to include in the 2014 Hospital Amendment. JR knew these representations to Margaret  
4 were false when he made them and made the misrepresentations with the intent to deceive  
5 Margaret. JR further omitted to tell Margaret that he gave Larson the instructions as to  
6 what to include in the 2014 Hospital Amendment, and made this material omission with  
7 the intent to deceive Margaret. JR knew that Margaret would not ask James Sr. to sign a  
8 trust instrument unless she believed that it reflected James Sr.'s true desires.

9 48. As their brother, JR had a duty not to make misrepresentations or material  
10 omissions to Petitioners.

11 49. The misrepresentations of fact and material omissions by JR were likely to  
12 and did in fact mislead Margaret into convincing James Sr. to sign the 2014 Hospital  
13 Amendment, which he would not have signed if JR alone had asked him to sign.  
14 Margaret took action in reliance on JR's statements and omissions, and was ignorant of  
15 their falsity at the time.

16 50. Petitioners were proximately harmed by JR's misstatements because the  
17 misstatements directly led to James Sr.'s signing the 2014 Hospital Amendment, which  
18 significantly harms Petitioners. As a result of the above fraud, the 2014 Hospital  
19 Amendment should be declared void because it is the product of fraud. Alternatively,  
20 Petitioners seek recovery of actual damages. The above described acts by JR were willful,  
21 wanton, malicious, and oppressive, were undertaken with the intent to defraud, and justify  
22 the awarding of exemplary and punitive damages.

#### 23 NOTICE

24 51. The following persons are entitled to notice of this petition.

25 Ann Margaret Cotter

26 Ellen Marie Cotter

27 James J. Cotter, Jr.

28 Gerard Cotter

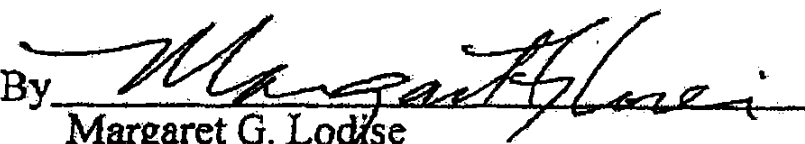
1 Victoria Heinrich  
2 Susan Heierman  
3 Eva Baragon  
4 Mary Cotter  
5 Duffy James Drake Cotter  
6 Margot James Drake Cotter  
7 Sophia I. Cotter  
8 Brook E. Cotter  
9 James J. Cotter  
10 James J. Cotter Foundation

11 WHEREFORE, Petitioner prays for an order of this Court:

- 12 1. Determining that the 2014 Hospital Amendment is invalid;  
13 2. Determining that the James Sr.'s forgiveness of the \$1.5 million loan to JR  
14 is invalid;  
15 3. Double damages pursuant to California Code Section 849;  
16 4. Actual and punitive damages according to proof;  
17 5. Awarding Petitioners their fees and costs of suit; and  
18 6. Granting such other and further relief as this Court deems proper.

19  
20 DATED: February 5, 2015

SACKS, GLAZIER, FRANKLIN & LODISE LLP

21  
22 By   
23 Margaret G. Lodise  
24 Attorneys for Ann Margaret Cotter and  
25 Ellen Cotter  
26  
27  
28

VERIFICATION

I have read the foregoing PETITION FOR ORDER DETERMINING  
VALIDITY OF TRUST AMENDMENT AND FORGIVENESS OF LOAN and I  
know its contents.

I am a party to this action. The matters stated in the foregoing document are  
true of my own knowledge except as to those matters which are stated on information and  
belief, and as to those matters I believe them to be true.

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

Executed on February 5, 2015, at New York, New York, California.

  
Ann Margaret Cotter

**VERIFICATION**

I have read the foregoing PETITION FOR ORDER DETERMINING  
VALIDITY OF TRUST AMENDMENT AND FORGIVENESS OF LOAN and I  
know its contents.

I am a party to this action. The matters stated in the foregoing document are  
true of my own knowledge except as to those matters which are stated on information and  
belief, and as to those matters I believe them to be true.

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

Executed on February 5, 2015, at New York, New York, California.

  
Ann Margaret Cotter

# EXHIBIT 14

8-K 1 rdi-20160315x8k.htm 8-K

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 10, 2016

Reading International, Inc.  
(Exact name of registrant as specified in its charter)

<u>Nevada</u>	<u>1-8625</u>	<u>95-3885184</u>
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
<u>6100 Center Drive, Suite 900, Los Angeles, California</u>	<u>90045</u>	
(Address of principal executive offices)	(Zip Code)	

Registrant's telephone number, including area code: (213) 235-2240

Not applicable.  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



**Item 1.01 Entry into a Material Definitive Agreement.****New Compensatory Arrangements for Executive and Management Employees**

See Item 5.02 below with respect to certain new compensation arrangements for executive and management employees and outside directors of Reading International, Inc. ("Reading," "Registrant" or the "Company").

**Amendment to 2010 Stock Incentive Plan**

On March 10, 2016, Reading's Board of Directors approved an amendment to the 2010 Stock Incentive Plan to permit the award of restricted stock units.

The foregoing description of the amendment to the 2010 Stock Incentive Plan is qualified in its entirety by reference to the provisions of the amendment to the 2010 Stock Incentive Plan as exhibit 10.1 to this Current Report on Form 8-K, which is incorporated herein by reference.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers****Item 5.02 (c)****Andrzej Matyczynski**

On March 10, 2016, the Company's Board of Directors (the "Board") appointed Andrzej Matyczynski, 63, as Executive Vice President—Global Operations.

From May 11, 2015 until March 10, 2016, Andrzej Matyczynski has acted as corporate advisor to the Company. Mr. Matyczynski served as our Chief Financial Officer and Treasurer from November 1999 until May 11, 2015 and Corporate Secretary from May 10, 2011 to October 20, 2014. Prior to joining our Company, he spent 20 years in various senior roles throughout the world at Beckman Coulter Inc., a U.S. based multi-national. Mr. Matyczynski earned a Master's Degree in Business Administration from the University of Southern California.

See Item 5.02(e) below with respect to the compensation arrangements for Mr. Matyczynski.

**Margaret Cotter**

On March 10, 2016, the Board appointed Margaret Cotter, 48, as Executive Vice President-Real Estate Management and Development-NYC.

Margaret Cotter has been a Director of the Company since September 27, 2002, and on August 7, 2014 was appointed Vice Chairperson of our Board. Ms. Cotter is the owner and President of OBI, LLC ("OBI"), which has, since 2002, managed our live-theater operations. Pursuant to the OBI management arrangement, Ms. Cotter also served as the President of Liberty Theaters, LLC, the subsidiary through which we own our live theaters. Operating and overseeing these properties for over 16 years, Ms. Cotter contributes to the strategic direction for our developments. Until her appointment on March 10, 2016, while she received management fees through OBI, Ms. Cotter received no compensation for her duties as President of Liberty Theaters, LLC, other than the right to participate in our Company's medical insurance program. Ms. Cotter, through OBI and Liberty Theaters, LLC, managed the real estate which houses each of our four live theaters in Manhattan and Chicago. Based in New York, Ms. Cotter secures leases, manages tenancies, oversees maintenance and regulatory compliance of these properties and heads up the re-development process with respect to these properties and our Cinemas 1, 2 & 3 property. Ms. Cotter is also a theatrical producer who has produced shows in Chicago and New York and a board member of the League of Off-Broadway Theaters and Producers. Ms. Cotter, a former Assistant District Attorney for King's County in Brooklyn, New York, graduated from Georgetown University and Georgetown University Law Center. She is the sister of Ellen M. Cotter, a director and our President and Chief Executive Officer, and James J. Cotter, Jr., a director. Ms. Margaret Cotter is a Co-Executor of her father's estate, which is the record owner of 427,808 shares of our Class B Voting Stock (representing 25.5% of such Class B voting Stock). Ms. Margaret Cotter is also a Co-Trustee of the James J. Cotter, Sr. Trust, which is the record owner of 696,080 shares of Class B Voting Common Stock (representing an additional 44.0% of such Class B Stock). In addition, with her direct ownership of 804,173 shares of Class A Stock and 35,100 shares of Class B Stock and her positions as Co-Executor of her father's estate and Co-Trustee of the James J. Cotter, Sr. Trust, Ms. Cotter is a significant stockholder in our Company.

In connection with her appointment and employment as Executive Vice President of the Company, the Company's Audit and Conflicts Committee authorized the mutual termination of the Theater Management Agreement dated January 1, 2002, between the Company's subsidiary, Liberty Theaters, Inc. (predecessor to Liberty Theaters, LLC) and OBI, LLC, an entity wholly-owned by Ms. Cotter, (the "Theater Management Agreement"). The termination agreement is currently being negotiated by OBI, LLC and Liberty Theaters, LLC and finalized, will be filed on Form 8-K. While Ms. Cotter is the President of Liberty Theaters, LLC, Liberty Theaters, LLC is being separately represented in these negotiations and the final termination agreement will be subject to the review and approval of our Audit and Conflicts Committee.

The Compensation Committee and the Audit and Conflicts Committee each approved additional consulting fee compensation to Margaret Cotter totaling \$200,000 for services rendered by her to the Company in recent years outside of the scope of the Theater Management Agreement, including, but not limited to: (i) predevelopment work on the Company's Union Square and Cinemas 1, 2 & 3 properties, (ii) management of the New York properties, and (iii) management of Union Square tenant matters. The Compensation Committee also noted, when considering this additional consulting fee, that OBI, LLC had agreed to include as a part of its termination agreement with the Company certain waivers and releases including the termination of any rights it might have to receive compensation with

respect to any show continuing at any of our theaters after the date of such termination.

---

The Theater Management Agreement generally provided for the payment of a combination of fixed and incentive fees for the management of our four live theaters. Historically, these fees have equated to approximately 21% of the net cash flow generated by these properties. We currently estimate that fees to be paid to OBI for 2015 will be approximately \$390,000. We paid \$397,000 and \$401,000 in fees with respect to 2014, and 2013, respectively. We also reimbursed OBI for certain travel expenses.

As Executive Vice-President Real Estate Management and Development - NYC, Ms. Cotter will continue to be responsible for the management of our live theater assets and business, will continue her role heading up the pre-redevelopment of our New York Properties and will become our senior executive responsible for the actual redevelopment of our New York properties.

Ms. Cotter's compensation as Executive Vice-President was set as part of the extensive executive compensation process described in Item 5.02(e) below. For 2016, Ms. Cotter's base salary will be \$350,000, she will have a short term incentive target bonus opportunity of \$105,000 (30% of her base salary), and she was granted a long term incentive of a stock option for 19,921 shares of Class A common stock and 4,184 restricted stock units under the Company's 2010 Stock Incentive Plan, as amended, which long term incentives vest over a four year period.

#### **Item 5.02(e)**

### **Compensation Arrangements**

#### **Background**

The Executive Committee ("Executive Committee") of the Board of Directors (the "Board"), upon the recommendation of our Chief Executive Officer, requested the Compensation Committee to evaluate the Company's compensation policy for executive officers and outside directors and to establish a plan that encompasses sound corporate practices consistent with the best interests of the Company. The Compensation Committee undertook to review, evaluate, revise and recommend the adoption of new compensation arrangements for executive and management officers and outside directors of the Company. In January 2016, the Compensation Committee retained the international compensation consulting firm of Willis Towers Watson as its advisor in this process and also relied on the Company's legal counsel, Greenberg Traurig, LLP.

Going forward, the Board of Directors has adopted a formal charter for our Compensation Committee a copy of which has been posted on our website, [www.ReadingRDI.com](http://www.ReadingRDI.com).

#### **Executive Compensation**

From late January to late February 2016, the Compensation Committee met five separate times with Willis Towers Watson, the Chief Executive Officer, and legal counsel. Except for the first meeting, each meeting exceeded three hours and was fully focused on the assessments

# **EXHIBIT 15**

## **Filed Separately Under Seal**

# EXHIBIT 16

ORIGINAL  
FL-150

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): William P. Glavin, Esq., SBN: 138132 Law Offices of William P. Glavin 841 Apollo Street, Suite 450 El Segundo, CA 90245 TELEPHONE NO. (310) 882-0000 E-MAIL ADDRESS (Optional): ATTORNEY FOR (Name): Petitioner, Guy W. Adams		FOR COURT USE ONLY  <b>FILED</b> Superior Court of California County of Los Angeles  OCT 09 2013 John A. Clarke, Executive Officer/ Clerk By, <i>K. Sells</i> , Deputy
SUPERIOR COURT OF CALIFORNIA, COUNTY OF Los Angeles STREET ADDRESS: 111 North Hill Street MAILING ADDRESS: 111 North Hill Street CITY AND ZIP CODE: Los Angeles, CA 90012 BRANCH NAME: Central District		CASE NUMBER: <b>30590599</b>
PETITIONER/PLAINTIFF: Guy W. Adams RESPONDENT/DEFENDANT: Lois M. Kwasigroch OTHER PARENT/CLAIMANT:		
<b>INCOME AND EXPENSE DECLARATION</b>		

1. Employment (Give information on your current job or, if you're unemployed, your most recent job.)

Attach copies of your pay stubs for last two months (black out social security numbers).

- Employer: GWA Advisors, LLC
- Employer's address: 433 No. Camden Drive, Suite 810, Beverly Hills, CA 90210
- Employer's phone number: (310) 385-1951
- Occupation: Investment Advisor
- Date job started: November 2002
- If unemployed, date job ended:
- I work about 25 - 40 hours per week.
- I get paid \$ 5,000 gross (before taxes) ☒ per month ☐ per week ☐ per hour.

(If you have more than one job, attach an 8 1/2-by-11-inch sheet of paper and list the same information as above for your other jobs. Write "Question 1—Other Jobs" at the top.)

2. Age and education

- My age is (specify): 62
- I have completed high school or the equivalent: ☒ Yes ☐ No (If no, highest grade completed (specify):
- Number of years of college completed (specify): 4 ☒ Degree(s) obtained (specify):
- Number of years of graduate school completed (specify): 2 ☒ Degree(s) obtained (specify):
- I have: ☐ professional/occupational license(s) (specify):  
☐ vocational training (specify):

3. Tax information

- ☒ I last filed taxes for tax year (specify year): 2012
- My tax filing status is ☐ single ☐ head of household ☐ married, filing separately  
☒ married, filing jointly with (specify name): Lois M. Kwasigroch
- I file state tax returns in ☒ California ☐ other (specify state):
- I claim the following number of exemptions (including myself) on my taxes (specify): 1
- Other party's income. I estimate the gross monthly income (before taxes) of the other party in this case at (specify): \$61,836/mo.  
This estimate is based on (explain): W-2 for 2012 shows \$742,035

(If you need more space to answer any questions on this form, attach an 8 1/2-by-11-inch sheet of paper and write the question number before your answer.) Number of pages attached: \_\_\_\_\_

I declare under penalty of perjury under the laws of the State of California that the information contained on all pages of this form and any attachments is true and correct.

Date: October 7, 2013

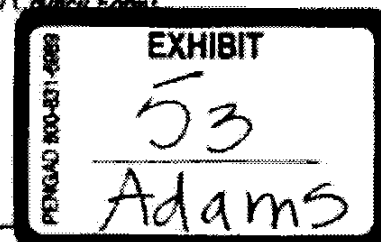
Guy W. Adams  
(TYPE OR PRINT NAME)

(SIGNATURE OF DECLARANT)

Form Adopted for Mandatory Use  
Judicial Council of California  
FL-150 (Rev. January 1, 2007)

**INCOME AND EXPENSE DECLARATION**

Page 1 of 4  
Family Code, §§ 2020-2022,  
2100-2113, 3552, 3620-3634,  
4050-4076, 4300-4339  
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FL-180

<p><b>ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, title, firm name, and address):</b>  <b>William P. Glavin, Esq., EBN: 138132</b>  <b>Law Offices of William P. Glavin</b>  <b>841 Apollo Street, Suite 450</b>  <b>El Segundo, CA 90245</b>  <b>TELEPHONE NO: (310) 882-0000</b></p> <p><b>MAIL ADDRESS (if different):</b>  <b>ATTORNEY FOR: Petitioner, Guy W. Adams</b></p> <p><b>SUPERIOR COURT OF CALIFORNIA, COUNTY OF Los Angeles</b>  <b>STREET ADDRESS: 111 North Hill Street</b>  <b>MAILING ADDRESS: 111 North Hill Street</b>  <b>CITY AND ZIP CODE: Los Angeles, CA 90012</b>  <b>JUDICIAL DISTRICT: Central District</b></p> <p><b>PETITIONER/PLAINTIFF: Guy W. Adams</b>  <b>RESPONDENT/DEFENDANT: Lois M. Kwaisigroch</b>  <b>OTHER PARTY/CLAIMANT:</b></p>	<p style="text-align: center;"><b>FOR COUNTY USE ONLY</b></p>
<p><b>INCOME AND EXPENSE DECLARATION</b></p>	<p><b>CASE NUMBER:</b></p>

**1. Employment (Give information on your current job or, if you're unemployed, your most recent job.)**

Attach copies of your pay stubs for last two months (check out social security numbers).

- a. Employer: GWA Advisors, LLC
- b. Employer's address: 433 No. Camden Drive, Suite 810, Beverly Hills, CA 90210
- c. Employer's phone number: (310) 385- 1951
- d. Occupation: Investment Advisor
- e. Date job started: November 2002
- f. If unemployed, date job ended:
- g. I work about 25 - 40 hours per week.
- h. I get paid \$ 5,000 gross (before taxes) ☒ per month ☐ per week ☐ per hour.

(If you have more than one job, attach an 8 1/2-by-11-inch sheet of paper and list the same information as above for your other jobs. Write "Question 1—Other Jobs" at the top.)

**2. Age and education**

- a. My age is (specify): 62
- b. I have completed high school or the equivalent: ☒ Yes ☐ No If no, highest grade completed (specify):
- c. Number of years of college completed (specify): 4 ☒ Degree(s) obtained (specify):
- d. Number of years of graduate school completed (specify): 2 ☒ Degree(s) obtained (specify):
- e. I have: ☐ professional/occupational license(s) (specify):  
☐ vocational training (specify):

**3. Tax information**

- a. ☒ I last filed taxes for tax year (specify year): 2012
- b. My tax filing status is ☐ single ☐ head of household ☐ married, filing separately  
☒ married, filing jointly with (specify name): Lois M. Kwaisigroch
- c. I file state tax returns in ☒ California ☐ other (specify state):
- d. I claim the following number of exemptions (including myself) on my taxes (specify): 1

**4. Other party's income. I estimate the gross monthly income (before taxes) of the other party in this case at (specify): \$ 61,836/mo. This estimate is based on (explain): W-2 for 2012 shows \$742,035**

(If you need more space to answer any questions on this form, attach an 8 1/2-by-11-inch sheet of paper and write the question number before your answer.) Number of pages attached: \_\_\_\_\_

I declare under penalty of perjury under the laws of the State of California that the information contained on all pages of this form and any attachments is true and correct.

Date: October 7, 2013

Guy W. Adams  
 (TYPE OR PRINT NAME)

  
 (SIGNATURE OF DECLARANT)

Form Adopted by the Judicial Council of California  
 FL-180 (Rev. January 1, 2009)

**INCOME AND EXPENSE DECLARATION**

Printed Name: Guy W. Adams  
 Party Code: 00 0000-0000  
 2013-01-01, 2013-01-01, 2013-01-01  
 0000-0000, 0000-0000  
 00000000000000000000  
 Last Modified: Automated California Judicial Council Forms



PETITIONER/PLAINTIFF: Guy W. Adams	CASE NUMBER:
RESPONDENT/DEFENDANT: Lois M. Kwasigroch	
OTHER PARENT/CLAIMANT:	

Attach copies of your pay stubs for the last two months and proof of any other income. Take a copy of your latest federal tax return to the court hearing. (Black out your social security number on the pay stub and tax return.)

5. Income (For average monthly, add up all the income you received in each category in the last 12 months and divide the total by 12)
- |  | Last month | Average monthly |
|--|------------|-----------------|
| a. Salary or wages (gross, before taxes) .....   | \$ 8,472*  | 8,472*          |
| b. Overtime (gross, before taxes) .....  | \$ 0       | 0               |
| c. Commissions or bonuses .....  | \$ 2,083*  | 2,083*          |
| d. Public assistance (for example: TANF, SSI, GA/GR) <input type="checkbox"/> currently receiving .....  | \$ 0       | 0               |
| e. Spousal support <input type="checkbox"/> from this marriage <input type="checkbox"/> from a different marriage .....  | \$ 0       | 0               |
| f. Partner support <input type="checkbox"/> from this domestic partnership <input type="checkbox"/> from a different domestic partnership .....                    | \$ 0       | 0               |
| g. Pension/retirement fund payments .....  | \$ 0       | 0               |
| h. Social security retirement (not SSI) .....  | \$ 0       | 0               |
| i. Disability: <input type="checkbox"/> Social security (not SSI) <input type="checkbox"/> State disability (SDI) <input type="checkbox"/> Private insurance ..... | \$ 0       | 0               |
| j. Unemployment compensation .....   | \$ 0       | 0               |
| k. Workers' compensation .....   | \$ 0       | 0               |
| l. Other (military BAQ, royalty payments, etc.) (specify): .....   | \$ 0       | 0               |

6. Investment Income (Attach a schedule showing gross receipts less cash expenses for each piece of property.)
- |                                 |      |   |
|---------------------------------|------|---|
| a. Dividends/interest .....     | \$ 0 | 0 |
| b. Rental property income ..... | \$ 0 | 0 |
| c. Trust income .....           | \$ 0 | 0 |
| d. Other (specify): .....       | \$ 0 | 0 |

(\*) See Attachment 9

7. Income from self-employment, after business expenses for all businesses. \$ 4,667 2,011\*
- I am the ☒ owner/sole proprietor ☐ business partner ☐ other (specify):
- Number of years in this business (specify): 11
- Name of business (specify): GWA Capital Partners, LLC and GWA Advisors, LLC
- Type of business (specify): Investment Manager and Investment Advisor

Attach a profit and loss statement for the last two years or a Schedule C from your last federal tax return. Black out your social security number. If you have more than one business, provide the information above for each of your businesses.

See Attached Exhibit 1

8. ☐ Additional Income. I received one-time money (lottery winnings, inheritance, etc.) in the last 12 months (specify source and amount):
9. ☒ Change in income. My financial situation has changed significantly over the last 12 months because (specify):
- See Attachment 9 (Exhibit 2)

10. Deductions
- |   | Last month |
|---|------------|
| a. Required union dues .....  | \$ 0       |
| b. Required retirement payments (not social security, FICA, 401(k), or IRA) .....                                 | \$ 0       |
| c. Medical, hospital, dental, and other health insurance premiums (total monthly amount) .....                    | \$ 0       |
| d. Child support that I pay for children from other relationships .....   | \$ 0       |
| e. Spousal support that I pay by court order from a different marriage .....                                      | \$ 0       |
| f. Partner support that I pay by court order from a different domestic partnership .....                          | \$ 0       |
| g. Necessary job-related expenses not reimbursed by my employer (attach explanation labeled "Question 10g") ..... | \$ 0       |

11. Assets
- |   | Approx.      | Total     |
|---|--------------|-----------|
| a. Cash and checking accounts, savings, credit union, money market, and other deposit accounts .....  | \$ 96,000    | 96,000    |
| b. Stocks, bonds, and other assets I could easily sell .....  | \$ 243,000   | 243,000   |
| c. All other property, <input checked="" type="checkbox"/> real and <input checked="" type="checkbox"/> personal (estimate fair market value minus the debts you owe) ..... | \$ 2,802,798 | 2,802,798 |

PETITIONER/PLAINTIFF: Guy W. Adams	CASE NUMBER:
RESPONDENT/DEFENDANT: Lois M. Kwasigroch	
OTHER PARENT/CLAIMANT:	

## 12. The following people live with me: During Marriage

Name	Age	How the person is related to me? (ex: son)	That person's gross monthly income	Pays some of the household expenses?
a. Lois M. Kwasigroch		Wife	61,836	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
b.				<input type="checkbox"/> Yes <input type="checkbox"/> No
c.				<input type="checkbox"/> Yes <input type="checkbox"/> No
d.				<input type="checkbox"/> Yes <input type="checkbox"/> No
e.				<input type="checkbox"/> Yes <input type="checkbox"/> No

## See Exhibit 3 (Combined Expenses/Spending)

## 13. Average monthly expenses

☐ Estimated expenses ☐ Actual expenses ☐ Proposed needs

## a. Home:

(1) ☐ Rent or ☐ mortgage... \$

If mortgage:

(a) average principal: \$

(b) average interest: \$

(2) Real property taxes... \$

(3) Homeowner's or renter's insurance  
(if not included above)... \$

(4) Maintenance and repair... \$

b. Health-care costs not paid by insurance... \$

c. Child care... \$

d. Groceries and household supplies... \$

e. Eating out... \$

f. Utilities (gas, electric, water, trash)... \$

g. Telephone, cell phone, and e-mail... \$

h. Laundry and cleaning... \$

i. Clothes... \$

j. Education... \$

k. Entertainment, gifts, and vacation... \$

l. Auto expenses and transportation  
(insurance, gas, repairs, bus, etc.)... \$m. Insurance (life, accident, etc.; do not  
include auto, home, or health insurance)... \$

n. Savings and investments... \$

o. Charitable contributions... \$

p. Monthly payments listed in item 14  
(itemize below in 14 and insert total here)... \$

q. Other (specify):... \$

r. TOTAL EXPENSES (a-q) (do not add in  
the amounts in a(1)(a) and (b)) \$

s. Amount of expenses paid by others \$

## 14. Installment payments and debts not listed above

Paid to	For	Amount	Balance	Date of last payment
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	

## 15. Attorney fees (This is required if either party is requesting attorney fees.)

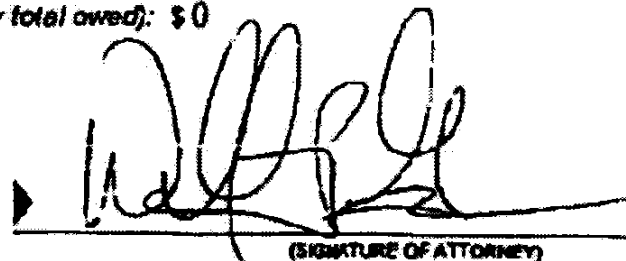
- a. To date, I have paid my attorney this amount for fees and costs (specify): \$ 10,000
- b. The source of this money was (specify): Savings account.
- c. I still owe the following fees and costs to my attorney (specify total owed): \$ 0
- d. My attorney's hourly rate is (specify): \$ \$450/hr

I confirm this fee arrangement.

Date: October 7, 2013

William P. Glavin

(TYPE OR PRINT NAME OF ATTORNEY)



(SIGNATURE OF ATTORNEY)

PETITIONER/PLAINTIFF: Guy W. Adams RESPONDENT/DEFENDANT: Lois M. Kwasigroch OTHER PARENT/CLAIMANT:	CASE NUMBER:
--	--------------

FL-150

### CHILD SUPPORT INFORMATION

(NOTE: Fill out this page only if your case involves child support.)

**16. Number of children**

- a. I have (specify number): 0 children under the age of 18 with the other parent in this case.
- b. The children spend \_\_\_\_\_ percent of their time with me and \_\_\_\_\_ percent of their time with the other parent.  
 (If you're not sure about percentage or it has not been agreed on, please describe your parenting schedule here.)

**17. Children's health-care expenses**

- a. ☐ I do ☐ I do not have health insurance available to me for the children through my job.
- b. Name of insurance company:
- c. Address of insurance company:
- d. The monthly cost for the children's health insurance is or would be (specify): \$  
 (Do not include the amount your employer pays.)

**18. Additional expenses for the children in this case**

Amount per month

- |   |          |
|---|----------|
| a. Child care so I can work or get job training. ....                   | \$ _____ |
| b. Children's health care not covered by insurance. ....                | \$ _____ |
| c. Travel expenses for visitation. ....                                 | \$ _____ |
| d. Children's educational or other special needs (specify below): ..... | \$ _____ |

**19. Special hardships. I ask the court to consider the following special financial circumstances (attach documentation of any item listed here, including court orders):**

Amount per month

For how many months?

- |   |          |       |
|---|----------|-------|
| a. Extraordinary health expenses not included in 18b. ....  | \$ _____ | _____ |
| b. Major losses not covered by insurance (examples: fire, theft, other insured loss) .....          | \$ _____ | _____ |
| c. (1) Expenses for my minor children who are from other relationships and are living with me. .... | \$ _____ | _____ |
| (2) Names and ages of those children (specify):   |          |       |

(3) Child support I receive for those children: \$ \_\_\_\_\_

The expenses listed in a, b, and c create an extreme financial hardship because (explain):

- 20. Other information I want the court to know concerning support in my case (specify):**  
 Moving into my rental apartment and furnishing it, I spent over \$15,000.

# Exhibit 1

**Attachment No. 9 and GWA Consulting Income Schedule  
(Exhibit 1)**

The attached schedule reflects my change in income. I no longer receive an income from Mercer (Column C) and included in my average monthly income Line 5(a), page 2, is a one time fee that I will not receive in the future and is not indicative of my regular/average income.

9. Change in Income.

Column A - is "at will" on a monthly basis

Column B - is "at will" and is on a short-term basis that can end abruptly

Column C - This income ended May 31, 2013

Column D - This income was a one-time fee. No further compensation is expected from this source.

**GWA Consulting Income**  
**9/1/2012 through 8/31/2013**

	Column A	Column B	Column C	Column D	TOTAL Amount
	JJC Farms	Tiedeman	Mercer	Captive Ins.	
TOTAL INCOME	\$48,000	\$8,000	\$45,667	\$25,000	\$126,667
Per Month	4,000	667	3,806	2,083	10,556

Total Expenses LTM	Capital Ptnrs	\$ 73,752
Total Expenses LTM	Advisors	\$ 28,787
TOTAL BUSINESS EXPENSES	9/1/12 - 8/31/13	\$ 102,539
	Per Mo	\$ 8,545

LTM Net Income		\$ 24,128
	Per Mo	\$ 2,011

## Exhibit 2

## GWA Advisors, LLC

### 2011

Jan - Dec 11

Income		
GWA Capital	\$(84,285.11)	Note 1
Consulting Fee Income	54,500.00	
Mercer Stock	<u>101,640.00</u>	Note 2
Total Income	71,854.89	
Total Expense	<u>00000.00</u>	
Net Income	\$ 71,854.89	

### 2012

Jan - Dec 12

Income		
GWA Capital	\$(70,273.86)	Note 1
Consulting Fee Income	69,500.00	
Mercer Stock	<u>29,850.00</u>	Note 2
Total Income	29,076.14	
Expense	<u>00000.00</u>	
Net Income	\$ 29,076.14	

Note 1      Advisors has no expenses. Advisor owns Captial Partners  
All income and expenses from Captial Partners are reflected  
in this line item.

Note 2      Represents stock grant awards. This amount is shown for  
tax purposes, as income, however it is NOT CASH and cannot  
be sold for one year.



**GWA CAPITAL PARTNERS, LLC****Profit & Loss****January through December 2012****2012****Accrual Basis**

Gain on Capital Account

GWA Investments

**\$(7,191.72)**

Other Income

**3.29****Total Income****\$(7,188.43)**

Moving Expense	\$5,861.81
Bank Service Charge	99.00
Data Service	7,520.95
Depreciation	393.69
Dues and Subscriptions	743.99
Equipment Purchases	1,746.07
Licenses and Permits	1,047.00
Marketing and Sales	58.33
Meals and Entertainment	6,332.47
Miscellaneous	162.80
Office Supplies	1,518.71
Parking	2,183.89
Postage and Delivery	266.82
Accounting	5,657.00
Legal	460.00
Other Professional Services	412.95
<b>Total Professional Fees</b>	<b>6,529.95</b>
Rent - Office	9,380.00
Rent - Other	3,925.00
Repairs and Maintenance	2,004.64
Software	320.74
Income Tax	1,600.00
Taxes - Other	800.00
<b>Total Taxes</b>	<b>2,400.00</b>
Telephone	4,308.01
Airfare	2,560.02
Lodging	2,880.72
Other	423.77
Taxi	250.00
Transportation	156.74
<b>Total Travel</b>	<b>6,271.25</b>

**Total Expense** **\$ 63,085.12****Net Income** **\$(70,273.55)**

**GWA CAPITAL PARTNERS, LLC**  
**Profit & Loss**  
**January through December 2011**

**2011**  
**Accrual Basis**

Gain on Capital Account  
    GWA Investments                   \$(10,528.59)  
Total Income                           \$(10,528.59)

Bank Service Charge                   49.00  
Data Service                           18,246.08  
Depreciation                           539.00  
Dues and Subscriptions                1,379.48  
Equipment Purchases                 4,714.43  
Licenses and Permits                 1,469.00  
Marketing and Sales                   64.90  
Meals and Entertainment              4,718.31  
Miscellaneous                         9.99  
Office Supplies                       1,508.99  
Parking                                1,976.03  
Postage and Delivery                 206.92

    Accounting                        5,455.00  
    Other Professional Services       737.63  
    Total Professional Fees   6,192.63  
Rent - Other                          3,968.00  
Repairs and Maintenance              5,641.25  
Software                              1,130.38  
Taxes                                 3,954.00  
Telephone                             5,117.29

    Airfare                            3,372.46  
    Lodging                            9,411.07  
    Other                               74.24  
    Taxi                                245.00  
    Transportation                    308.40  
    Total Travel                       13,411.17

Total Expenses                       \$74,296.85

Interest Income                       1.33  
Net Income                            \$(84,824.11)

## GWA Assets and Liabilities

(As Of August 31, 2013)

	<u>Cash</u>	<u>Stock</u>
<b>Personal</b>		
Cash	\$92,289	
Stock		\$143,975
<b>Capital Partners</b>		
Cash	2,994	
Stock		99,456
<b>Advisors</b>		
Cash	1,688	0
<b>TOTALS</b>	<b>\$96,971</b>	<b>\$243,431</b>
<b>IRA</b>		
Cash	\$44,804	
Stock		\$1,678
<b>Retirement Plan for Decurion Corporation *</b>		
Cash/ Stock Value	U / K	U / K
<b>Debt and Liabilities</b>	<b>\$ 0</b>	

\* Defined Contribution Plan from past employment in 1994.

## Exhibit 3

# Average Combined Spending by Category

1/1/2011 through 12/31/2012  
Category

Annual Expenses

Auto Lease- LMK	\$ 6,600 *	
Auto:Fuel	4,800	
Auto:Fuel-LMK	2,400 *	
Auto:Insurance-Guy	763	
Auto:Insurance-LMK	1,650 *	
Auto:License - Fees	158	
Auto:Service	1,944	
Apartment Rent - Guy	36,000 *	
Bank Charge	121	
Charitable	1,097	
Christmas + Gifts	2,638	
Christmas + Gifts-LMK	3,000 *	
College Fees - LMK	30,000 *	
Clothing-Guy	2,400	
Clothing-LMK	4,000 *	
Dependent Support - LMK	6,000 *	
Entertainment - Guy	2,676	
Entertainment-LMK	2,400 *	
Groceries:Fast Foods	868	
Groceries:Food Store	8,222	
Groceries:Food Store-LMK	4,000 *	
Household:Gardener	5,100	Ave 425/ mo
Household:Maintenance	85	
Household:Maintenance-LMK	4,800 *	
Housing:Expenses (Wells)	3,460	
Housing:Expense (HB)	1,016	
Housing: Interest-LMK-Wells	61,126	
Housing Interest-LMK-SB	32,850	

Property Tax-Wells - LMK	13,938	
Property Tax - SB - LMK	\$12,878	
Santa Barbara Homeowners Fee-LMK	11,760 *	
Storage Rental	3,600	
Insurance:Life Insurance	1,383	
Insurance-Houses - LMK	1,500 *	
Medical-Guy	2,714	
Medical-LMK	3,000 *	
Misc-Guy	4,855	
Misc-LMK	5,000 *	
Utilities	12,600	
Vacation-Guy	6,000 *	
Vacation- LMK	1,500 *	
Major Expenditures-LMK	4,200 *	
Major Expenditures-Guy	<u>3,718</u>	
OVERALL TOTAL		
	/Yr	\$318,820
	/Mo	\$ 26,568

\*Estimate

## Exhibit 4

263 JCS-TER014970

In Re Marriage of Adams

Petitioner's Income and Expense Declaration

Exhibit 4

13 q. Other. Miscellaneous Expenses (Monthly):

Gym membership and vitamins	\$ 222
Bed, furniture and furnishings for HB residence; Bed, furniture and furnishings for Santa Barbara condo; contribution to Grandchildren education	309
Political contributions (non-deductible)	15
Supplies and other expenses	117
Bank Charges	10
Credit Card Interest Expenses	6
Credit Card Fees/Costs for Card	16
<hr/>	
Total	\$ 695



1 DECLARATION OF GUY W. ADAMS

2 I, Guy W. Adams, declare as follows:

3 1. I am the Petitioner in the instant matter. I make and submit this  
4 declaration in support of my Request for Order Re Spousal Support and Attorneys  
5 Fees and Costs. The facts stated herein are known to me personally, and if called  
6 upon as a witness, I could and would competently testify thereto.

7 2. I offer this Declaration in lieu of personal testimony, pursuant to §§2009  
8 and 2015.5 of the *California Code of Civil Procedure*, Rule 5.118(f) of *California Rules*  
9 *of Court*, and pursuant to the authority of *Reifler vs. Superior Court* (1974) 39 Cal.  
10 App.3d 479, and *Marriage of Stevenot* (1984) 154 Cal.App.3d 1051.

11 3. Respondent, Lois M. Kwasigroch (hereinafter "Lois") and I married on  
12 September 29, 2007 and separated on September 1, 2013, a period of 5 years and  
13 11 months. We do not have any children together, however, Lois has a daughter,  
14 Annelise Alexander, age 20, from a prior marriage. Lois and I did not sign a  
15 prenuptial agreement prior to our marriage.

16 SPOUSAL SUPPORT

17 4. Prior to our marriage, I owned and operated two businesses: GWA  
18 Capital Partners, an investment management company, and GWA Advisors, a  
19 investment consulting firm. At that time, GWA Capital Partners had four employees.  
20 Prior to our marriage, both of my businesses were prospering, but the 2007-08 market  
21 meltdown resulted in significant investment losses for both companies. By the end  
22 2008, most of my investors had pulled out, and my businesses' combined value had  
23 declined by approximately 70%. At that time, I had to lay off all of my employees.  
24 Since that time, I have worked to rebuild my businesses. I am currently devoting most  
25 of my time to advisory assignments.

26 5. Lois is an attorney specializing in biotech patent litigation. She started  
27 working at her current employer, Amgen, a few months prior to our marriage in 2007.  
28

1 She is presently an Associate General Counsel at Amgen. Prior to starting work at  
2 Amgen, Lois was a partner at Jones Day.

3 6. Lois' income far exceeds mine. Pursuant to our 2012 tax return, my  
4 gross income from both of my businesses was \$100,350 before any business  
5 expenses. (See 2012 tax returns, attached hereto as Exhibit "A"). Per schedule C of  
6 our tax returns, my business expenses were \$63,962. (See Exhibit "A"). My current  
7 income is approximately \$5,000 per month, most of which I earn from short-term  
8 consulting assignments. Also, in 2013, my income has decreased because my 10  
9 year contract that I had with Mercer, one of my major clients, ended on May 31, 2013.

10 7. In contrast to me, Lois' income has not been negatively impacted by the  
11 recent economic recession. Pursuant to our 2012 tax return, Lois' gross income from  
12 her employment at Amgen was \$742,035. (See Exhibit "A"). Considering Lois'  
13 monthly income of \$61,833, my monthly income of \$5,000, both of us filing as single  
14 and claiming one deduction, and Lois' property tax expenses of \$1,161 and mortgage  
15 interest deduction of \$5,093, Lois' monthly spousal support obligation to me is  
16 \$22,377. (See Dissomaster, attached hereto as Exhibit "B").

17 **ATTORNEYS FEES AND COSTS**

18 8. In addition to earning significantly more income than me, Lois has more  
19 assets than me. In 2007, when Lois and I married, my IRA account had an  
20 approximate balance of \$161,991. Today the balance of my IRA account is less than  
21 \$50,000. Most of the loss in value of my IRA was a result of the 2007-08 market  
22 decline. I have one other retirement account which has an approximate value of  
23 \$20,000. Lois has several retirement accounts. Her 401(k) and IRAs have  
24 appreciated significantly during our marriage, in large part due to the contributions by  
25 her employer. I estimate that the current value of Lois' 401(k) and IRAs is in excess  
26 of \$600,000. In addition to her retirement accounts, Lois has checking and savings  
27 accounts to which I do not have access, so I am unaware as to their current balances.  
28

9. In addition to her liquid assets, Lois has a residence that is primarily her separate property. During our marriage, Lois and I primarily resided in a house which Lois acquired in 1988, prior to our marriage. Although the residence is Lois' separate property, we made significant improvements to the property during our marriage using our community property. Additionally, Lois refinanced the property twice during our marriage, and we paid the mortgage from our community property earnings. Since our separation, Lois has continued to reside in the property.

10. On May 26, 2012, Lois and I purchased a second home in Montecito, California for \$1,211,927. The down payment for this purchase came predominately from Lois' bonus payment received in March of that year. Since our purchase of this property, the residence has increased in value. Since our separation, Lois has had exclusive use and occupancy of the Montecito property.

11 Since our separation, I have incurred significant expenses locating, leasing and furnishing an apartment while Lois has remained living in both of our family residences.

12. Additionally, I have paid \$10,000 to retain an attorney to represent me in this litigation. Based on Lois' statements to me regarding support and division of our assets, I anticipate that I will incur significant legal fees before our dissolution matter is resolved.

**RELIEF REQUESTED**

13. I respectfully request that Lois be ordered to pay me \$22,377 per month as and for spousal support.

14. I further respectfully request that Lois be ordered to make a \$25,000 contribution to my attorneys fees and costs forthwith.

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

**Executed this 7<sup>th</sup> day of October 2013, at El Segundo, California.**

  
Guy W. Adams

# **EXHIBIT 17**

## **Filed Separately Under Seal**

# **EXHIBIT 18**

## **Filed Separately Under Seal**

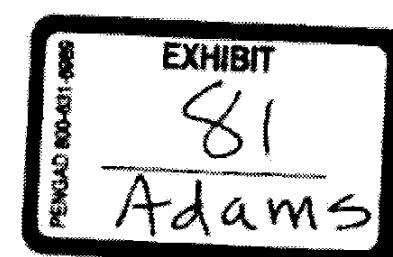
# EXHIBIT 19

---

**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.

1



GA00005500

# EXHIBIT 20



---

**From:** Kane <elkane@san.rr.com>  
**Sent:** Tuesday, May 19, 2015 12:27 AM  
**To:** Guy Adams  
**Subject:** Re:

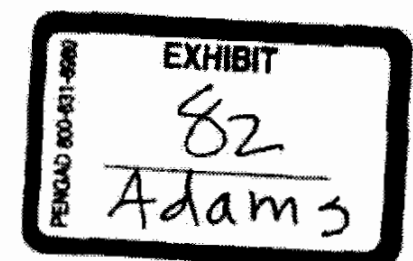
which are?

**From:** Guy Adams  
**Sent:** Monday, May 18, 2015 3:26 PM  
**To:** Kane  
**Subject:** RE:

Ok.  
Can you second the other motions?

**From:** Kane [mailto:elkane@san.rr.com]  
**Sent:** Monday, May 18, 2015 3:16 PM  
**To:** Guy Adams  
**Subject:**

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.



GA00005501

273

JA3652

# **EXHIBIT 21**

## **Filed Separately Under Seal**

# EXHIBIT 22

## Filed Separately Under Seal

# **EXHIBIT 23**

## **Filed Separately Under Seal**

# **EXHIBIT 24**

## **Filed Separately Under Seal**

# **EXHIBIT 25**

## **Filed Separately Under Seal**

# **EXHIBIT 26**

## **Filed Separately Under Seal**

# EXHIBIT 27



Message

**From:** Margaret Cotter [Margaret Cotter]  
**Sent:** 6/4/2015 6:14:53 PM  
**To:** James Cotter JR  
**CC:** Ellen Cotter  
**Subject:** RE: John Genovese

I told you. give me a call I will articulate over the phone.

**From:** James Cotter JR  
**Sent:** Thursday, June 04, 2015 2:14 PM  
**To:** Margaret Cotter  
**Subject:** RE: John Genovese

Currently reviewing with lawyers... can you please tell me your thoughts about John?

**From:** Margaret Cotter  
**Sent:** Thursday, June 04, 2015 11:11 AM  
**To:** James Cotter JR; Ellen Cotter  
**Subject:** RE: John Genovese

Frankly. I would be more concerned about yourself and getting your position squared away than dealing with another employee. I think your priorities are a little skewed. What is the status of the paperwork we sent you yesterday.

**From:** James Cotter JR  
**Sent:** Thursday, June 04, 2015 1:53 PM  
**To:** Margaret Cotter; Ellen Cotter  
**Subject:** RE: John Genovese  
**Importance:** High

Bill and Dev do not believe Ellen's candidate has experience to oversee our U.S. real estate. I do not believe he does either. Bill and Dev are very impressed with John and believe he should be hired. We have met a lot of candidates and John is by far the best. If the Company waits any longer, we will lose this candidate. You should not view him as a threat to your role or Edifice's role. The decision to wait is not in the Company's best interest, whether I am here or not. This Company needs an experienced real estate developer who has been there and done that. He has long tenure at Macerich and Equity Office. This is a no-brainer. What are your reasons for not wanting to hire John? If he does not work out, we can fire him and lose one year salary. If he works out, we will be able to move all our properties forward at fast pace. You gave me one reason, that of him being arrogant. He has experience in all areas- retail leasing, construction, buying, selling, financing... a full-service real estate guy. I would note that John scored highest on team play on Kom Ferry's test. He is to be viewed as a resource and he fully understands corporate structure here and the mandate to help everyone. There is now a fear of losing John as a candidate. Why he is not the right guy?

I am talking to Kom Ferry this morning and would like both of your input.

EXH 156  
DATE 5-12-16  
WIT M. Cotter  
PATRICIA HUBBARD

RD10047818

**From:** Margaret Cotter  
**Sent:** Thursday, May 28, 2015 7:33 PM  
**To:** William Ellis  
**Cc:** James Cotter JR; Ellen Cotter; Dev Ghose; Craig Tompkins  
**Subject:** Re: John Genovese

Bill and team: we are not finished with our search. Ellen has a candidate that she has worked with and spoke to you about. I am not in favor of hiring John for reasons I may have discussed with you personally. If not I will share when I see you. I think this search should and will continue.

Before hiring anyone I think we need to get Edifice's agreement signed. They have a staff of people working on our project and were anticipating getting signed in May.

Sent from my iPhone

On May 28, 2015, at 3:09 PM, William Ellis <William.Ellis@readingrdi.com> wrote:



**William D. Ellis**  
General Counsel  
Reading International, Inc.  
6100 Center Drive, Suite 900  
Los Angeles, CA 90045  
Phone: (323) 271-1054  
Fax: (213) 235-2229

<image001.jpg>

May 27, 2015

**Candidate Assessment**  
**Reading International, Inc.**  
**FOR THE POSITION OF:**

**RD10047819**

282

JA3661

## **Head of Real Estate**

### **John Genovese**

President

GENCO Realty Group, LLC.

## **Korn Ferry's Four Dimensions of Leadership**

By leveraging the largest set of data on talent—more than 2.5 million assessments—Korn Ferry has insight into the dimensions of talent crucial for executives. The four dimensions include competencies, traits, drivers, and experiences. Taking all four dimensions into account gives your company a holistic view of how each candidate's qualities fit a specific role.

### **Experiences**

Experiences are the roles and assignments that make up a candidate's career history and resume. Examples of experiences include things like managing a turnaround, taking a global assignment, or managing a crisis. Learning from experiences is instrumental to developing readiness for new challenges and roles. Korn Ferry has identified the qualities that make an experience most developmental. Highly developmental assignments are those that take people out of their comfort zone and involve high visibility, a risk of failure, ambiguity, and a broad scope of responsibility.

### **Traits**

Traits are personality characteristics that exert a strong influence on behavior. These include attitudes, such as optimism, and other natural leanings, such as social astuteness. Traits are core to who a person is, but they don't represent a predetermined fate. Depending on the role and context, specific traits may be more or less crucial for success. Korn Ferry has identified 14 key traits for executive candidates.

### **Competencies**

Competencies are the leadership skills that matter most for success in the 21st century. Korn Ferry has identified key competencies related to high performance in executive roles. Examples include situational adaptability and global perspective. These skills enable leaders to make a meaningful impact because they determine how leaders drive results. The unique competency profile generated for this role is based on the nature of the position, the organization, and key requirements.

### **Drivers**

Drivers are the preferences, values, and motivations that influence a person's career aspirations. They lie at the heart of critical questions: What is important to me? What do I find rewarding? Drivers are informed by who a person is, but also by the circumstances or context at any given time. Most importantly, Drivers factor in to culture fit, engagement and performance, as well as talent retention. They operate as a pivot point for all other dimensions (Traits, Competencies, Experiences).

**RDI0047820**

\*\*\*\*\*

## Summary

John thrives on complex problems, and pursues cutting-edge solutions with intellectual rigor. Candidates like John place an ideal emphasis on working with other people in pursuit of collective goals, sharing credit for accomplishments, and building strong teams. They are passionate and steadfast in the pursuit of ambitious goals despite obstacles or setbacks. In general, John is motivated to integrate work and life in a sustainable, enjoyable, and meaningful way.

## Experiences

Experiences comprise career history. They are key roles and assignments such as managing a turnaround, taking a global assignment, or handling a crisis. Korn Ferry has identified the experiences most instrumental to developing a leader's readiness for new challenges and roles. Depending on the industry, function, and level, certain experiences may be more or less crucial for success.

### KEY EXPERIENCES FOR JOHN

- External stakeholders (government, lobbies, media, shareholders, unions)
- Financial acumen
- Development Project Depth
- Urban retail asset expertise
- Large scale team Leadership

John tackles complex challenges with an optimal Traits balance of creativity, flexibility and careful analysis. Candidates like John motivate and influence others with an ideal mix of strong interpersonal skills, emotional intelligence, and a focus on relationships. They have tremendous drive, very high expectations, and are not likely to give up easily.

## Competencies

John establishes systems that monitor organizational performance and holds others accountable for meeting or exceeding objectives. Candidates like John create a culture that encourages experimentation and learning in order to identify new ideas and opportunities that will drive performance. They build partnerships across functional, cultural, organizational, and global boundaries to connect key people who can help accomplish goals.

Ensures accountability ★  
Engages and inspires  
Navigates networks  
Develops talent  
Nimble learning  
Cultivates innovation  
Aligns execution ★

RDI0047821

**Situational adaptability**

**Courage ★**

**Global perspective**

**Strategic vision ★**

**Financial acumen**

**Manages ambiguity ★**

**Balances stakeholders**

**Persuades**

## **Drivers**

John is motivated by a variety of tasks and responsibilities and the flexibility to set a schedule and pace. John is also motivated by the opportunity to work with others on a common goal. An ideal work context would allow for team efforts to be pursued at a sustainable pace. In general, John may be less energized by stability and consistency, and more invigorated when work is unpredictable and ambiguous.

<John Genovese.docx>

**RDI0047822**

# EXHIBIT 28

## Confidential Settlement Memo of Understanding

The following is intended to be used as a part of confidential and "without prejudice" settlement negotiations between Ellen Marie Cotter ("EMC") and Ann Margaret Cotter ("AMC"), on the one hand, and James J. Cotter, Jr. ("JJC") on the other hand. It is provided under the understanding that the contents hereof are confidential, except to the extent the disclosure of certain terms are required by law, and is not to be used, including in any litigation, for any purpose other than to enforce the terms hereof.

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

If these terms are acceptable to JJC, then JJC should sign below to indicate his agreement. AMC and EMC will do the same. By signing below, the parties agree that the terms of this Understanding represent a binding agreement, subject to approval by the independent directors of the Company Management Structure (as detailed below) and necessary court approvals. If the Company Management Structure is not approved by the Company Board or implemented, EMC and AMC (but not JJC) shall have the option to treat this agreement as void and no longer binding. If the necessary court approvals are not obtained, this agreement will be void and no longer binding. The parties acknowledge that their agreement will be memorialized in a more formal document, and the parties agree to work diligently and good faith to prepare all required documentation that reflects the terms of this Understanding. The initial draft of such documentation will be prepared by counsel to EMC and AMC.

TERM/CONDITION	EMC/AMC SETTLEMENT TERMS AND CONDITIONS
Reading International Management Structure (JJC, EMC & AMC would cooperate in good faith in the implementation of these changes)	<p>JJC would continue to serve as CEO and President under the terms of his existing contract, but in the overall management structure and subject to the limitations set forth below:</p> <p><i>Executive Committee Structure</i></p> <p>The existing Executive Committee would be renewed as a standing committee of the Board of Directors, as follows:</p> <ul style="list-style-type: none"> <li>• Members: EMC, AMC, JJC and Guy Adams (Chairman). Decision-making will be by majority rule.</li> <li>• Delegated Authority to the Executive Committee would be as determined by the Board of Directors, but would include, at a minimum, the following: <ul style="list-style-type: none"> <li>(i) Approval over the Hiring/Firing/Compensation of all senior level consultants/employees;</li> <li>(ii) Review and approval/disapproval of all contracts/commitments with an overall exposure to the Company in excess of \$2.5 million; and</li> </ul> </li> </ul>

EXH 167  
DATE 5-13-16  
WIT M. Cotter  
PATRICIA HUBBARD

MC00000435

	<p>(iii) Review and approval of annual Budget and Business Plan.</p> <p>Meetings would be held on a regularly scheduled basis weekly. Executive Committee members would naturally be free to attend and participate in internal meetings called by the CEO, and would endeavor to make themselves reasonably available to attend such meetings as to which they may be invited by the CEO. Unless approved in advance by the Executive Committee, all investor relations will be handled by CEO with CFO in consultation with the GC. CEO will not conduct investor relations meetings alone. All press releases and public filings would be subject to review and sign-off by the Executive Committee and the GC.</p> <p>The Company would enter into employment agreements with EMC and AMC on substantially the same terms and conditions as JJC.</p> <p>EMC will be appointed President of the US Cinema division.</p> <p>Margaret Cotter will be appointed as Chairman of the NYC Real Estate Oversight Committee (members to include JJC, AMC, SCT and WE).</p> <p>It is recognized that the implementation of the above will require the adoption of various bylaws, policies and procedures.</p> <p>The provisions above related to the Management Committee will be effective immediately upon approval by the Company's Board of Directors.</p> <p>For purposes of this agreement and the provisions herein, JJC, AMC and EMC agree that, as of the date hereof, the following are "independent" directors: Guy Adams, Edward Kane, William Gould, Tim Storey and Doug McEachran.</p>
Reading Voting Stock – Class B	<p>JJC will decline to serve as Co-Trustee of the Voting Trust and renounces any intention or right to serve as trustee or a successor trustee.</p> <p>Margaret Cotter will be the Sole Voting Trustee of the Voting Stock.</p> <p>It is acknowledged that the parties will work on a mutually agreeable successor trustee provision to be included in the final settlement documentation.</p> <p>JJC, EMC and AMC will sign an acknowledgement that there is an inconsistency in the 2014 Amendment between SR's expressed intent that AMC serve as Chair and another provision that says SR intended for rotation. Unless AMC agrees otherwise, JJC, EMC and</p>



	AMC will agree that SR intended for AMC to serve as Chair and that neither EMC nor JJC have any right to serve as Chair.
Cooperation of Parties to explore division of Estate/Trust	With respect to any specific bequest of assets of the trust and estate which are required to be distributed to EMC, AMC and JJC jointly, the parties agree to work cooperatively together to explore a way to divide these assets so that co-ownership of the assets will not be required. The parties understand that the foregoing provisions are subject to final payment of federal estate tax, costs of administration, and receipt of the closing letter from the IRS for the federal estate tax return.
2014 Trust Amendment	Subject to the terms and conditions herein, EMC and AMC will drop any challenge to the enforceability of the 2014 Amendment.
Trustees of the Living Trust	JJC resigns as Trustee and renounces any right to serve as a trustee or successor trustee.
Specific Bequests	<p>The Laguna Beach Condo will be sold immediately to a third party for cash to provide liquidity to the Estate. The parties will agree to consent to such sale under terms determined by AMC and EMC in their sole discretion as Co-Trustees.</p> <p>The parties acknowledge that the gift to AMC in Article III K of the trust of the condominium/coop at 120 Central Park South shall be satisfied with Trustor's interest in 59th Street LLC (an LLC to which the condo was transferred in 2014 and which owns no other assets other than the condo).</p>
Ownership of Agriculture Assets	<p>Article III H of the trust shall be clarified to reflect Trustor's intent that the Trustees of the Citrus Trust shall distribute the assets of the Citrus Trust outright to the Trustor's issue, by right of representation, and terminate the Citrus Trust. JJC, EMC and AMC will also sign an acknowledgment that they have unanimously agreed that subject to payment of estate taxes and costs of administration in the Trustor's estate, the assets of the Citrus Trust, including ownership interests in the LLC, SHALL be distributed outright to the Trustor's issue, by right of representation.</p> <p>Cotter Family Farms, LLC Agreement amended as follows:</p> <ul style="list-style-type: none"> <li>• Majority rule for decision-making by Co-Managers; and</li> <li>• Remove restrictions on distributions or sale of assets, such that a majority of the Co-Managers can decide in their discretion to make distributions or sell assets.</li> </ul>
JJC's "Lead Director" Agreement with Cecelia - \$200,000 per annum	EMC and AMC acknowledge that JJC's "Lead Director" Agreement will continue.
\$1.5 million Loan	The parties recognize the forgiveness of the \$1.5 million loan from the Trustor to JJC, and acknowledge that there are no other outstanding loans/amounts personally due from EMC, AMC, JJC, or their issue to the trust or estate. (Note: there are, however,

	outstanding balances due to estate/trust from James J. Cotter, Jr. 2012 Trust; Ellen M. Cotter 2012 Trust; Margaret Cotter 2012 Trust; and the James J. Cotter 2013 Irrevocable Trust, in which EMC, AMC, JJC or their issue have an interest.)
RDI Stock owned by SR individually	JJC, EMC, and AMC agree that the RDI stock (voting and non-voting) listed on RDI's stock register as still held in the name of SR on the date of death is owned by SR's Estate, not the Trust.
Legal Expenses	All legal expenses and other professional fees incurred to date by JJC, EMC, AMC, the Trust, and the Estate relating to the litigation or administration issues will be reimbursed by Trust or Estate as appropriate, and JJC will sign an acknowledgment that this is appropriate and reasonable.
Mutual Releases	<p>JJC, EMC, and AMC agree to abate all litigation amongst each other and to refrain from instituting any new claims based on conduct that has occurred as of the date of this agreement pending obtaining approval of the Company Management Structure above and all necessary court approvals of this settlement.</p> <p>Once all approvals have been obtained, JJC, EMC, and AMC agree to the following:</p> <ul style="list-style-type: none"> <li>-JJC, EMC, and AMC will enter into mutual releases for all claims, known or unknown, relating to SR's Trust, SR's Estate, the management of the Company, or any matter covered by this Agreement (excluding any claim to enforce this Agreement) that have been brought against JJC, EMC, and AMC (all whether in their individual or representative capacities).</li> <li>-JJC will release all claims against the Company's Officers/Directors/Consultants or the Company based on conduct occurring prior to the date of the release.</li> <li>-JJC will disclaim any right to bring a derivative claim against the Company's Officers/ Directors/Consultants, and JJC will agree not to cooperate or participate in any suit by another asserting claims that JJC will release under this agreement.</li> <li>-EMC and AMC will take all actions to have their claims pending in CA and NV over SR's estate and trust dismissed with prejudice, except to the extent such dismissal would be inconsistent with any term of this Agreement.</li> <li>-JJC will dismiss the petition filed in NV relating to the Company Voting Stock.</li> <li>-JJC, EMC, and AMC will take whatever action is necessary to cause Company to dismiss its request for instructions filed in NV relating to the RDI stock owned by SR.</li> </ul>

2014 Gifts	JJC delivers EMC check for \$28,000.
Gerald Cotter	The parties acknowledge that the typographical error in Article III A. of the trust (gift to Gerard Cotter) shall be corrected to reflect Trustor's intent that the gift to Gerard Cotter is \$150,000 without offset.
James J. Cotter Foundation	AMC, EMC and JJC will become co-trustees and/or co-directors of the James J. Cotter Foundation. With respect to funds to be donated annually by the foundation to other charities, AMC, EMC and JJC in his or her capacity as a trustee or director will each designate a proportionate one-third share of the funds to be distributed to the charitable beneficiaries as each shall select. Otherwise, decision making will be done by majority rule. This paragraph is subject to any requirements of federal or state tax or substantive law.
Court Approval	The parties will use their best efforts to obtain court approval in CA and NV of any settlement agreement.
Counseling	AMC, JJC and EMC will engage in professional counseling to determine how to work cooperatively together and with respect.
Confidentiality	JJC, AMC, and EMC agree that this agreement will be kept confidential, except to the extent the disclosure of certain terms are required by law, and the fact of the agreement or any of its terms is not to be used, including in any litigation, for any purpose other than to enforce the terms hereof.

**AGREED:**

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

\_\_\_\_\_  
Ellen Cotter (individually and in all representative capacities)

\_\_\_\_\_  
Margaret Cotter (individually and in all representative capacities)

# **EXHIBIT 29**

## **Filed Separately Under Seal**

# **EXHIBIT 30**

## **Filed Separately Under Seal**

# EXHIBIT 31

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**From:** Kane <elkane@san.rr.com>  
**Sent:** Thursday, June 11, 2015 1:43 PM  
**To:** Cotter Jr. James

This morning, without the wine I was drinking last night during and after talking with your mother, I'm thinking more about your call to me last night and our conversation. I can see that from your point of view having Guy in on the meetings with your sisters could be a problem and doesn't solve the need to be able to work with them cohesively going forward. If you explain that to them they may be willing to accommodate you.

But, the main question is what are you going to do to accommodate them?

1. For now, I think you have to concede that Margaret will vote the B stock. As I said, your dad told me that giving Margaret the vote was his way of "forcing" the three of you to work together. Asking to change that is a *nonstarter*. Again, you need to compromise your "wants" as they have been willing to do. If you can work together than it becomes a non-issue and eventually your and her kids will have the vote. What's wrong with that?
2. For now you need ASAP to agree on the nominees for the Board going forward. As I told you months ago, changes are necessary and you need some quality people with expertise in fields where it is needed and lacking. You also need to get rid of divisive persons.
3. I do believe that if you give up what you consider "control" for now to work cooperatively with your sisters, you will find that you will have a lot more commonality than you think. You all want the same things: a vibrant growing business. After trust is established you can all go back to where you want to be.
4. I think if you make the proper and needed concessions, they might well relent on having Guy in the meetings as they can easily see there is great animosity between the two of you.
5. Bottom line: recognize you are not dealing from strength right now and be willing to compromise as they are rational and reasonable people who have been hurt and demeaned and you need to help heal the family. 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.
6. I am willing to help but I'd much prefer that you bend a bit and work it out between you to build the trust that is necessary so that you don't lose control of the company, as you presently have.

EXH 306  
DATE 6-9-16  
WIT Kane  
PATRICIA HUBBARD

# EXHIBIT 32



Redacted

**From:** Harry Susman (mailto:HSUSMAN@SusmanGodfrey.com)  
**Sent:** Wednesday, May 27, 2015 3:39 PM  
**To:** Adam Streisand  
**Cc:** Meg Lodise  
**Subject:** Confidential Settlement Proposal--Subject to R. 408

Adam: Attached is the proposal that I mentioned on the phone.

Attention: This message is sent by a law firm and may contain information that is privileged or confidential. If you received this transmission in error, please notify the sender by reply e-mail and delete the message and any attachments.



JCOTTER002362

## Confidential Settlement Memo of Understanding

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

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

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

TERM/CONDITION	EMC/AMC SETTLEMENT TERMS AND CONDITIONS
Reading International Management Structure (JJC, EMC & AMC would cooperate in good faith in the implementation of this changes)	<p>JJC would continue to serve as CEO and President under the terms of his existing contract, but in the overall management structure and subject to the limitations set forth below:</p> <p><i>Executive Committee Structure</i></p> <p>The existing Executive Committee would be renewed as a standing committee of the Board of Directors, as follows:</p> <ul style="list-style-type: none"> <li>• Members: EMC, AMC, JJC and Guy Adams (Chairman).</li> <li>• Delegated Authority to the Executive Committee would be as determined by the Board of Directors, but would include, at a minimum, the following: <ul style="list-style-type: none"> <li>(i) Approval over the Hiring/Firing/Compensation of all senior level consultants/employees;</li> <li>(ii) Review and approval/disapproval of all contracts/commitments have an overall exposure to the Company in excess of \$1 million; and</li> <li>(iii) Review and approval of annual Budget and Business Plan.</li> </ul> </li> </ul> <p>Meetings would be held on a regularly scheduled basis weekly. Executive Committee members would naturally be free to attend and participate in internal meetings called by the CEO, and would</p>

	<p>endeavor to make themselves reasonably available to attend such meetings as to which they may be invited by the CEO.</p> <p>Unless approved in advance by the Executive Committee, all investor relations would be handled by CEO in consultation with the GC, not CEO. All press releases and public filings would be subject to review and sign-off by the Executive Committee and the GC.</p> <p>The Company would enter into employment agreements with EMC and AMC on substantially the same terms and conditions as JR.</p> <p>EMC will be appointed President of the US Cinema division.</p> <p>Margaret Cotter will be appointed as Chairman of the NYC Real Estate Oversight Committee (members to include JJC, AMC, SCT and WE).</p> <p>It is recognized that the implementation of the above will require the adoption of various bylaws, policies and procedures.</p>
Reading Voting Stock – Class B	<p>JJC will decline to serve as Co-Trustee of the Voting Trust and renounces any intention or desire to serve as a successor trustee.</p> <p>Margaret Cotter will be the Sole Voting Trustee of the Voting Stock.</p> <p>JJC, EMC and AMC will sign an acknowledgement that there is an inconsistency in the 2014 Amendment between SR's expressed intent that AMC serve as Chair and another provision that says SR intended for rotation, JJC, EMC and AMC will agree that SR intended for AMC to serve as Chair and that neither EMC nor JR wish to serve as Chair.</p>
Immediate Release and Waiver signed by JJC with respect to all litigation, including any matters covered by the specified litigation	<ol style="list-style-type: none"> <li>1. California Superior Court case</li> <li>2. Nevada case filed by JJC</li> <li>3. All threats against Directors</li> <li>4. All threats of Company Derivative Action</li> <li>5. Agreement that Reading International, Inc. can drop the Interpleader action in Nevada and recognize the Estate as the owner of Class B Shares and Option</li> <li>6. JJC further agrees to not sue Company over these matters or participate in any lawsuit related to the Company</li> </ol>
2014 Trust Amendment	<p>Subject to the terms and conditions herein, EMC and AMC will drop any challenge to the enforceability of the 2014 Amendment.</p>
Trustees of the Living Trust	<p>JJC resigns as Trustee and renounces any intent or desire to serve as successor trustee while either EMC or AMC are alive.</p>
Specific Bequests	<p>Laguna Beach Condo will be sold immediately to provide liquidity to the Estate. The parties will agree to consent to such sale under terms determined by AMC and EMC in their sole discretion as Co-Trustees.</p>

Ownership of Agriculture Assets	<p>Cotter Family Farms, LLC Agreement amended</p> <ul style="list-style-type: none"> <li>• Majority rule for decision-making by Co-Managers;</li> <li>• Remove restrictions on distributions or sale of assets;</li> <li>• JJC, EMC and AMC will sign an agreement that they have unanimously agreed that the assets of the Citrus Trust, including ownership interests in the LLC, will be distributed pro rata to EMC, AMC, and JJC.</li> </ul>
JJC's "Lead Director" Agreement with Cecelia - \$200,000 per annum	JJC's "lead director" Agreement will be voided. JJC will relinquish any remaining rights in such Agreement.
\$1.5 million Loan	As executors, EMC and AMC will work out a reasonable payment back to Estate over time, taking into due consideration JJC's ability to make such repayments.
Legal Expenses	All legal expenses and other professional fees incurred to date by JJC, EMC, AMC, the Trust, and the Estate relating to the litigation or administration issues will be reimbursed by Trust or Estate as appropriate, and JJC will sign an acknowledgment that this is appropriate and reasonable.
Release by EMC and AMC	EMC and AMC will take all actions to have their claims pending in CA and NV over SR's estate and trust dismissed with prejudice, except to the extent such dismissal would be inconsistent with any term of this Agreement, such as with regard to the \$1.5 million loan (in which case the parties will work to carve out such claims).
2014 Gifts	JJC delivers EMC check for \$28,000.
James J. Cotter Foundation	AMC, EMC and JJC will become co-trustees and/or co-directors of the James J. Cotter Foundation. They further will agree that decision-making will be done by majority rule.
Court Approval	The parties will use their best efforts to obtain court approval in CA and NV of any settlement agreement.
Counseling	AMC, JJC and EMC will engage in professional counseling to determine how to work cooperatively together and with respect.

AGREED:

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

\_\_\_\_\_  
Ellen Cotter (individually and in all representative capacities)

\_\_\_\_\_  
Margaret Cotter (individual and in all representative capacities)

Timestamp: 5/27/2015 3:40 PM CDT

JCOTTER002366

301

JA3680

# EXHIBIT 33

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**From:** Margaret Cotter <margaret.cotter@readingrdi.com>  
**Sent:** Tuesday, June 09, 2015 3:32 AM  
**To:** amcotter1@aol.com  
**Subject:** Fwd: Confidential- For Settlement

Sent from my iPhone

Begin forwarded message:

**From:** Margaret Cotter <margaret.cotter@readingrdi.com>  
**Date:** June 8, 2015 at 11:20:04 PM EDT  
**To:** James Cotter JR <james.j.cotter@readingrdi.com>  
**Cc:** Ellen Cotter <Ellen.Cotter@readingrdi.com>  
**Subject:** Re: Confidential- For Settlement

I object. I will notify the board that you are unwillingly to take our offer despite your acceptance to most of it last week.

Sent from my iPhone

On Jun 8, 2015, at 11:14 PM, James Cotter JR <james.j.cotter@readingrdi.com> wrote:

I cannot agree to your latest take-it or leave-it global settlement proposal for a number of reasons. However, I remain willing to promptly follow through on a formal settlement process to attempt to resolve all of our family disputes. In the meantime, I remain agreeable to a complete standstill that would bring a halt to all litigation activities and all boardroom or other Reading related threats and posturing. I am agreeable to any reasonable steps to implement a complete standstill and promptly follow through on the best settlement process we can employ. What objection do either of you have to proceeding in that matter?

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**From:** James Cotter JR  
**Sent:** Friday, June 05, 2015 2:17 PM  
**To:** Ellen Cotter; Margaret Cotter  
**Subject:** Confidential- For Settlement

My plan is to have response Monday.

Regards,

Jim



# EXHIBIT 34



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**From:** Ellen Cotter <Ellen.Cotter@readingrdi.com>  
**Sent:** Tuesday, May 19, 2015 6:38 PM  
**To:** Margaret Cotter; James Cotter JR; Kane (elkane@san.ri.com);  
dmceachern@deloitte.com; Tim Storey; Guy Adams; wgould@troygould.com  
**Cc:** William Ellis  
**Subject:** Agenda - Board of Directors Meeting - May 21, 2015

Dear All: Below is the agenda for Thursday's Meeting of the Board of Directors. Please note that Bill Gould asked that the Meeting begin at 11.15am.

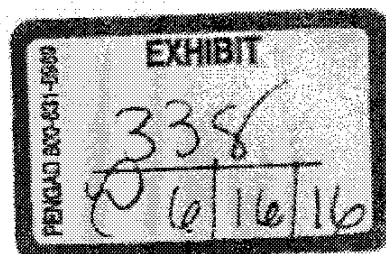
Reading International, Inc.

Meeting of the Board of Directors

May 21, 2015 - 11.15am

1. Status of President and CEO
2. Directors' Compensation
3. Tim Storey's Compensation
4. Nevada Interpleader Action
5. Proposed By-Law Amendments
6. Status of Craig Tompkins and Robert Smerling
7. Status of Ellen Cotter and Margaret Cotter
8. Director of Real Estate Candidate Search
9. Stomp Litigation Update
10. Review of Operations

Chairperson of the Board  
Ellen M. Cotter



GA00005340

# EXHIBIT 35

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**From:** Ellen Cotter <Ellen.Cotter@readingrdi.com>  
**Sent:** Wednesday, May 27, 2015 7:10 PM  
**To:** dmceachern@deloitte.com; wgould@troygould.com; Tim Storey; Kane  
(elkane@santrr.com); Margaret Cotter; James Cotter JR; Guy Adams  
**Cc:** William Ellis  
**Subject:** Board Meeting - May 29 - 11am

Dear All: This is a reminder that the Board Meeting held last Thursday was adjourned, to reconvene this Friday, May 29, 2015. The Board Meeting will begin at 11:00am at our Los Angeles office.

Thank you.

Ellen Cotter



GA00005341

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JA3686

# **EXHIBIT 36**

## **Filed Separately Under Seal**

# **EXHIBIT 37**

## **Filed Separately Under Seal**

# **EXHIBIT 38**

## **Filed Separately Under Seal**

# **EXHIBIT 39**

## **Filed Separately Under Seal**

# **EXHIBIT 40**

## **Filed Separately Under Seal**



# **EXHIBIT 41**

## **Filed Separately Under Seal**

# **EXHIBIT 42**

## **Filed Separately Under Seal**

# **EXHIBIT 43**

## **Filed Separately Under Seal**

# **EXHIBIT 44**

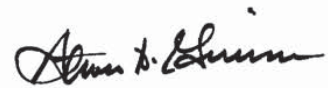
## **Filed Separately Under Seal**

# **EXHIBIT 45**

## **Filed Separately Under Seal**

# **EXHIBIT 46**

## **Filed Separately Under Seal**



CLERK OF THE COURT

1 **ORDR**

2  
3 **DISTRICT COURT**

4 **CLARK COUNTY, NEVADA**

5  
6 JAMES J. COTTER, JR.,

7 Plaintiff,

8 v.

9 READING INTERNATIONAL, INC., a  
10 Nevada corporation; DOES 1-100, and  
11 ROE ENTITIES, 1-100, inclusive,

12 Defendants.

13 In the Matter of the Estate of

14 JAMES J. COTTER,

15 Deceased.

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

19 Plaintiff,

20 v.

21 MARGARET COTTER, et al,

22 Defendants.

**Case No. A-15-719860-B**

Dept. XI

**Coordinated with:**

Case No. P 14-082942-E

Dept. XI

Case No. A-16-735305-B

Dept. No. XI

**ORDER GRANTING PLAINTIFF  
JAMES J. COTTER, JR.'S MOTION TO  
COMPEL PRODUCTION OF  
DOCUMENTS AND  
COMMUNICATIONS RELATING TO  
THE ADVICE OF COUNSEL DEFENSE**

**Hearing**

**Date: August 30, 2016**

**Time: 8:30a.m.**

23 THIS MATTER HAVING COME BEFORE the Court on August 30, 2016 on "Plaintiff  
24 James J. Cotter, Jr.'s Motion To Compel Production Of Documents And Communications  
25 Relating To The Advice Of Counsel Defense On Order Shortening Time" (the "Motion"), Mark  
26 G. Krum appearing for plaintiff James J. Cotter, Jr. ("Plaintiff"); Harold S. Johnson and Marshall  
27 M. Searcy appearing for defendants Margaret Cotter, Ellen Cotter, Douglas McEachern, Guy  
28 Adams, Edward Kane, Judy Coddling and Michael Wrotniak; Kara Hendricks appearing for

1 Reading International, Inc.; Shoshana E. Barnett appearing for William Gould; and Alexander  
2 Robertson IV appearing for the intervening plaintiffs.

3 This Court, having considered the papers and pleadings on file and having heard oral  
4 arguments, and good cause appearing,

5 **IT IS HEREBY ORDERED** that the Motion is **GRANTED** the legal opinion referenced  
6 by Messrs. Kane and Adams in their deposition testimony as having been relied upon relating to  
7 the 100,000 share option shall be produced by Defendants including:

8 1. Any and all documents or communications to or from Tompkins concerning  
9 the 100,000 share option, and EC's and MC's right or ability as executors of the Estate to  
10 exercise the option;

11 2. Any and all communications to or from and Ellis concerning the 100,000  
12 share option, and EC' s and MCs right or ability as executors of the Estate to exercise the  
13 option;

14 3. Any and all communications to or from any attorney or employee of  
15 Greenberg Traurig concerning the 100,000 share option, and EC's and MC' s right or ability  
16 as executors of the Estate to exercise the option;

17 4. Any and all documents, communications, materials, or information relied  
18 upon or referred to in any advice, opinion, or communication from Tompkins concerning  
19 the 100,000 share option, and EC's and MC's right or ability as executors of the Estate to  
20 exercise the option;

21 5. Any and all documents, communications, materials, or information relied  
22 upon or referred to in any advice, opinion, or communication from Ellis concerning the  
23 100,000 share option, and EC's and MC's right or ability as executors of the Estate to  
24 exercise the option; and

25 6. Any and all documents, communications, materials, or information relied  
26 upon or referred to in any advice, opinion, or communication from any attorney or  
27 employee of Greenberg Traurig concerning the 100,000 share option, and EC's and MC' s  
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right or ability as executors of the Estate to exercise the option.

DATED this 30 day of October, 2016.

  
DISTRICT COURT JUDGE

1 **OGM**

2 Mark G. Krum (SBN 10913)  
3 Lewis Roca Rothgerber Christie LLP  
4 3993 Howard Hughes Pkwy, Suite 600  
5 Las Vegas, NV 89169-5996  
6 Tel: 702-949-8200  
7 Fax: 702-949-8398  
8 E-mail: mkrum@lrrc.com

9 *Attorneys for Plaintiff*  
10 *James J. Cotter, Jr.*

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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.

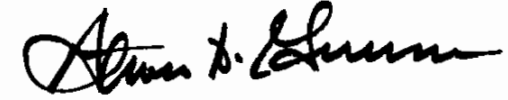
T2 PARTNERS MANAGEMENT, LP, a  
Delaware limited partnership, doing business as  
KASE CAPITAL MANAGEMENT, et al.,

Plaintiffs,

vs.

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

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10/03/2016 04:36:12 PM



CLERK OF THE COURT

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

**Business Court**

**ORDER REGARDING PLAINTIFF JAMES  
J. COTTER, JR.'S MOTION TO PERMIT  
CERTAIN DISCOVERY CONCERNING  
THE RECENT "OFFER" ON ORDER  
SHORTENING TIME**

Date of Hearing: 8/30/2016  
Time of Hearing: 8:30 a.m.

Defendants.

and

READING INTERNATIONAL, INC., a  
Nevada corporation,

Nominal Defendant.

THIS MATTER HAVING COME BEFORE the Court on August 30, 2016 on "Plaintiff James J. Cotter, Jr.'s Motion To Permit Certain Discovery Concerning The Recent "Offer" On Order Shortening Time" (the "Motion"), Mark G. Krum appearing for plaintiff James J. Cotter, Jr. ("Plaintiff"); Harold S. Johnson and Marshall M. Searcy appearing for defendants Margaret Cotter, Ellen Cotter, Douglas McEachern, Guy Adams, Edward Kane, Judy Coddington and Michael Wrotniak; Kara Hendricks appearing for Reading International, Inc.; Soshana Bannett appearing for William Gould; and Alexander Robertson IV appearing for the intervening plaintiffs and the Court having reviewed the Motion and oppositions to the Motion, and having considered the arguments of counsel and such other pleadings on file herein as the Court saw fit, and good cause appearing therefor, the Court rules as follows:

IT IS HEREBY ORDERED that the Motion is GRANTED in part and DENIED in part.

IT IS FURTHER ORDERED that the document requests submitted with the Motion shall be responded to within fifteen (15) days of the August 30, 2016 hearing on the Motion. Additionally, the Company shall produce a Rule 30(b)(6) deponent to testify regarding the so-called Offer and the reasons it was not pursued, for a period not to exceed two hours. Plaintiff also may ask questions about those subjects at depositions of the individual directors that have not

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3993 Howard Hughes Pkwy, Suite 600  
Las Vegas, NV 89169-5996

**Lewis Roca**  
**ROTHGERBER CHRISTIE**

1 been concluded (but Plaintiff's remaining time to conclude these depositions is not increased) but,  
2 beyond that, no additional or third-party discovery sought by the Motion will occur.

3 DATED this \_\_\_\_ day of September, 2016.

4

5

6 Submitted by:

7 LEWIS ROCA ROTHGERBER CHRISTIE LLP

8 By: /s/ Mark G. Krum

9 MARK G. KRUM (SBN 10913)  
10 3993 Howard Hughes Pkwy., Ste. 600  
11 Las Vegas, NV 89169  
12 Attorneys for Plaintiff

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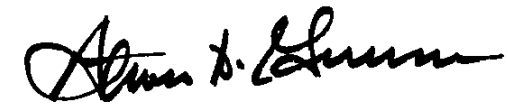
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DISTRICT COURT JUDGE

Jw



CLERK OF THE COURT

**JOIN**  
MARK E. FERRARIO, ESQ.  
(NV Bar No. 1625)  
KARA B. HENDRICKS, ESQ.  
(NV Bar No. 7743)  
TAMI D. COWDEN, ESQ.  
(NV Bar No. 8994)  
GREENBERG TRAURIG, LLP  
3773 Howard Hughes Parkway  
Suite 400 North  
Las Vegas, Nevada 89169  
Telephone: (702) 792-3773  
Facsimile: (702) 792-9002  
Email: ferrariom@gtlaw.com  
hendricksk@gtlaw.com  
cowdent@gtlaw.com

*Counsel for Reading International, Inc.*

**DISTRICT COURT**  
**CLARK COUNTY, NEVADA**

In the Matter of the Estate of

JAMES J. COTTER,

Deceased.

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

Plaintiff,

v.

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

Defendants.

And

READING INTERNATIONAL, INC., a  
Nevada Corporation,

Nominal Defendant.

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

**Coordinated with:**

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

Case No. A-16-735305-B  
Dept. XI

**READING INTERNATIONAL, INC.'S  
JOINDER TO DEFENDANTS'  
MOTION IN LIMINE TO EXCLUDE  
EXPERT TESTIMONY OF MYRON  
STEELE, TIAGO DUARTE-SILVA,  
RICHARD SPRITZ, ALBERT NAGY  
AND JOHN FINNERTY**

**Date of Hearing: October 25, 2016**  
**Time: 8:30 a.m.**

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

1 READING INTERNATIONAL, INC. (“RDI” or “Company”), hereby submits this  
2 *Joinder to Defendants’ Motion in Limine to Exclude Proposed Expert Testimony of Myron*  
3 *Steele, Tiago Duarte-Silva, Richard Spitz, Albert Nagy, and John Finnerty*. RDI joins with the  
4 Defendants<sup>1</sup> in seeking to exclude Plaintiff’s expert testimony. In so doing, RDI adopts and  
5 incorporates by reference herein the statement of facts and legal arguments set forth in the  
6 Motion by the Individual Defendants.

7 DATED: this 3<sup>rd</sup> day of October, 2016

8 GREENBERG TRAURIG, LLP

9  
10 /s/ Mark E. Ferrario

11 MARK E. FERRARIO, ESQ.

12 (NV Bar No. 1625)

13 KARA B. HENDRICKS, ESQ.

14 (NV Bar No. 7743)

15 TAMI D. COWDEN, ESQ.

16 (NV Bar No. 8994)

17 *Counsel for Reading International, Inc.*

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28 <sup>1</sup> The Motion was brought on behalf of Margaret Cotter, Ellen Cotter, Douglas McEachern, Guy Adams and Edward Kane, collectively hereinafter “Individual Defendants.”

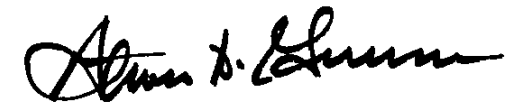
**CERTIFICATE OF SERVICE**

Pursuant to Nev. R. Civ. P. 5(b)(2)(D) and E.D.C.R. 8.05, I certify that on this day, I caused a true and correct copy of the forgoing *Reading International, Inc.'s Joinder to Defendants' Motion In Limine to Exclude Expert Testimony of Myron Steele, Tiago Duarte-Silva, Richard Spritz, Albert Nagy and John Finnerty* to be filed and served via the Court's Wiznet E-Filing system on all registered and active parties. The date and time of the electronic proof of service is in place of the date and place of deposit in the mail.

DATED this 3<sup>rd</sup> day of October, 2016.

/s/ Andrea Lee Rosehill

An employee of GREENBERG TRAURIG, LLP



CLERK OF THE COURT

**JOIN**  
MARK E. FERRARIO, ESQ.  
(NV Bar No. 1625)  
KARA B. HENDRICKS, ESQ.  
(NV Bar No. 7743)  
TAMI D. COWDEN, ESQ.  
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hendricksk@gtlaw.com  
cowdent@gtlaw.com

*Counsel for Reading International, Inc.*

**DISTRICT COURT**  
**CLARK COUNTY, NEVADA**

In the Matter of the Estate of  
  
JAMES J. COTTER,  
  
Deceased.

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

Plaintiff,

v.

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

Defendants.

And

READING INTERNATIONAL, INC., a  
Nevada Corporation,

Nominal Defendant.

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

**Coordinated with:**

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

Case No. A-16-735305-B  
Dept. XI

**READING INTERNATIONAL, INC.'S  
JOINDER TO THE INDIVIDUAL  
DEFENDANTS' MOTION FOR  
SUMMARY JUDGMENT NO. 1 RE  
PLAINTIFF'S TERMINATION AND  
REINSTATEMENT CLAIMS**

**Date of Hearing: October 25, 2016**  
**Time: 8:30 a.m.**

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



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

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

DATED: this 3<sup>rd</sup> day of October, 2016

GREENBERG TRAURIG, LLP

/s/ Mark E. Ferrario

MARK E. FERRARIO, ESQ.

(NV Bar No. 1625)

KARA B. HENDRICKS, ESQ.

(NV Bar No. 7743)

TAMI D. COWDEN, ESQ.

(NV Bar No. 8994)

*Counsel for Reading International, Inc.*

### **MEMORANDUM OF POINTS AND AUTHORITIES**

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

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<sup>1</sup> The Motion was brought on behalf of Margaret Cotter, Ellen Cotter, Douglas McEachern, Guy Adams and Edward Kane, collectively hereinafter “Individual Defendants.”

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

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

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

## LEGAL ARGUMENT

### I. Summary Judgment is Warranted.

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

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

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

4 **A. Nevada Law Supports Defendants' Actions.**

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

11 Moreover, Article IV, of RDI's Amended and Restated Bylaws ("RDI Bylaws")<sup>2</sup>  
12 provides RDI's Board the ability to remove officers of the Company and clearly indicates that  
13 the officers of the RDI serve at the pleasure of the Board of Directors. Section 10 of RDI's  
14 Bylaws state:

15 The officers of the Corporation shall hold office at the pleasure of the  
16 Board of Directors. Any officer elected or appointed by the Board of Directors,  
17 or any member of a committee, ***may be removed at any time, with or without***  
***cause, by the Board of Directors*** by a vote of not less than a majority of the entire  
Board any meeting thereof or by written consent. (Emphasis Added.)

18  
19 Motion, Ex. 19. Pursuant to NRS 78.130(3), a corporation's bylaws govern the term an officer  
20 holds office or that the determination of the term is made by the corporation's board of directors.  
21 Thus, the removal of Cotter, Jr. by RDI's Board from the position of President and CEO of RDI  
22 was consistent with RDI's Bylaws and Nevada law.

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

28 <sup>2</sup> See, Motion, Exhibit 19.

**B. Implications of Relief Sought by Plaintiff.**

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

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

<sup>3</sup> Motion, Statement of Facts, p. 11.

<sup>4</sup> Motion, Statement of Facts, p. 12.

<sup>5</sup> Motion, Statement of Facts, p. 12-13.

<sup>6</sup> See, SAC ¶¶ 125, 133, and 157.

<sup>7</sup> See, SAC Prayer for Relief 1 and 2.

<sup>8</sup> T2 PARTNERS MANAGEMENT, LP, T2 ACCREDITED FUND, LP, T2 QUALIFIED FUND, LP, TILSON OFFSHORE FUND, LTD., T2 PARTNERS MANAGEMENT I, LLC, T2 PARTNERS MANAGEMENT GROUP, LLC, JMG CAPITAL MANAGEMENT, LLC, PACIFIC CAPITAL MANAGEMENT, LLC, WHITNEY TILSON AND JONATHAN GLASER will be referred to collectively herein as the "T2 Plaintiffs."

<sup>9</sup> A true and correct copy of the press release issued by Reading and the managers of the funds that manage the T2 Plaintiffs is attached hereto as **Exhibit A**.

<sup>10</sup> *Id.*

1 Jr. is not a priority and have gone as far as to indicate that reinstating Cotter, Jr. would divide the  
2 company.<sup>11</sup>

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

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

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

## 21 II. Conclusion

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

26 ///

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27  
28 <sup>11</sup> Motion, p. 12.

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

DATED: this 3<sup>rd</sup> day of October, 2016

GREENBERG TRAURIG, LLP

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

**GREENBERG TRAURIG, LLP**  
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Telephone: (702) 792-3773  
Facsimile: (702) 792-9002

**CERTIFICATE OF SERVICE**

Pursuant to Nev. R. Civ. P. 5(b)(2)(D) and E.D.C.R. 8.05, I certify that on this day, I caused a true and correct copy of the forgoing *Reading International, Inc.'s Joinder to the Individual Defendants' Motion for Summary Judgment No. 1 Re Plaintiff's Termination and Reinstatement Claims* to be filed and served via the Court's Wiznet E-Filing system on all registered and active parties. The date and time of the electronic proof of service is in place of the date and place of deposit in the mail.

DATED: this 3<sup>rd</sup> day of October, 2016

/s/ Andrea Lee Rosehill

An employee of GREENBERG TRAURIG, LLP

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# EXHIBIT A

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## ***Stockholders Withdraw Derivative Lawsuit Against Reading International***

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

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

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

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

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

### About Reading International, Inc.

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

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

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

Reading manages its worldwide business under various brands:

- in the United States, under the
  - Reading Cinema brand (<http://www.readingcinemasus.com>);
  - Angelika Film Center brand (<http://www.angelikafilmcenter.com>);
  - Consolidated Theatres brand (<http://www.consolidatedtheatres.com>);
  - City Cinemas brand (<http://www.citycinemas.com>);
  - Beekman Theatre brand (<http://www.beekmantheatre.com>);
  - The Paris Theatre brand (<http://www.theparistheatre.com>);
  - Liberty Theatres brand (<http://libertytheatresusa.com>); and
  - Village East Cinema brand (<http://villageeastcinema.com>).
- in Australia, under the
  - Reading Cinema brand (<http://www.readingcinemas.com.au>);
  - Newmarket brand (<http://readingnewmarket.com.au>); and
  - Red Yard brand (<http://www.redyard.com.au>).
- in New Zealand, under the
  - Reading Cinema brand (<http://www.readingcinemas.co.nz>);
  - Rialto brand (<http://www.rialto.co.nz>);
  - Reading Properties brand (<http://readingproperties.co.nz>);
  - Courtenay Central brand (<http://www.readingcourtenay.co.nz>); and
  - Steer n' Beer restaurant brand (<http://steernbeer.co.nz>).

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

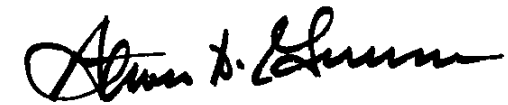
Dev Ghose  
Executive Vice President & Chief Financial Officer  
(213) 235-2240

or

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

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

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



CLERK OF THE COURT

**JOIN**  
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*Counsel for Reading International, Inc.*

**DISTRICT COURT**  
**CLARK COUNTY, NEVADA**

In the Matter of the Estate of  
JAMES J. COTTER,  
Deceased.

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

Plaintiff,

v.

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

Defendants.

And

READING INTERNATIONAL, INC., a  
Nevada Corporation,

Nominal Defendant.

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

**Coordinated with:**

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

Case No. A-16-735305-B  
Dept. XI

**READING INTERNATIONAL, INC.'S  
JOINDER TO THE INDIVIDUAL  
DEFENDANTS' MOTION FOR  
SUMMARY JUDGMENT NO. 2 RE  
THE ISSUE OF DIRECTOR  
INDEPENDENCE**

**Date of Hearing: October 25, 2016**  
**Time: 8:30 a.m.**

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

READING INTERNATIONAL, INC., hereby submits its *Joinder to the Individual Defendants' Motion for Summary Judgment No. 2 on the Issue of Director Independence (the "Motion")*. Reading International, Inc. ("RDI"), joins with the Individual Defendants in seeking summary judgment as to the First, Second, Third, and Fourth Causes of Action in the Second Amended Complaint filed by Plaintiff James J. Cotter, Jr. ("Plaintiff" and/or "Cotter, Jr.") to the extent that such claims rely on a claim that Guy Adams, Judy Coddington, Edward Kane, Douglas McEachern, and/or Michael Wrotniak were/are not "independent" of influence by Ellen or Margaret Cotter. RDI joins in the arguments advanced on behalf of the Individual Defendants in their Motion, and also requests judgment in its favor on these claims for the reasons set forth in the attached memorandum of points and authorities. This Joinder is based on the following memorandum of points and authorities, the pleadings and papers filed in this action, and any oral argument of counsel made at the time of the hearing of this Motion.

DATED: this 3<sup>rd</sup> day of October, 2016.

GREENBERG TRAURIG, LLP

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

### **MEMORANDUM OF POINTS AND AUTHORITIES**

This Court should grant judgment in favor of RDI on the First, Second, Third, and Fourth Causes of Action in the Second Amended Complaint ("SAC") to the extent that such claims relate to the issue of the independence of Guy Adams, Judy Coddington, Edward Kane, Douglas McEachern, and/or Michael Wrotniak (the "non-Cotter Directors"). Cotter, Jr. has failed to produce any evidence sufficient to rebut Nevada's statutory presumption that Directors act in good faith for the best interests of the corporation, as he has failed to present evidence sufficient

1 to show by a preponderance of the evidence that any of the non-Cotter Directors are willing to  
2 sacrifice their integrity and reputations in order to preserve certain personal or financial  
3 relationships. In the absence of such evidence, Cotter, Jr.'s claims must fail.

4 Significantly, Cotter, Jr. bases his claims of non-independence of Directors Kane and  
5 Coddington on nothing more than the friendships between these directors and the *parents* of the  
6 Cotter siblings. Director Wrotniak is purported to lack independence simply because his wife  
7 has been the friend of Margaret Cotter since the latter's college days. Only Director Adams is  
8 purported to lack independence due to financial influences, but that accusation does not stand up  
9 to scrutiny, as it not only fails to acknowledge Mr. Adams' net worth, but also fails to  
10 acknowledge that the income Adams derives from transactions with the late James J. Cotter,  
11 Sr.'s ("Cotter, Sr.") concerns are contractual, and therefore, are not subject to any discretionary  
12 decisions by the Cotter sisters as executors of Cotter, Sr.'s estate. And, of course, Cotter, Jr. has  
13 admitted that as to Director McEachern, there is no basis for claiming a lack of independence at  
14 all.

15 In short, Cotter, Jr. does not have evidence sufficient to show *any* director has made any  
16 decision based on an improper motivation, and thus, cannot overcome the statutory presumption  
17 that each director has acted in good faith. Instead, Cotter, Jr.'s allegations are exposed as  
18 nothing more than the embittered theories of an ousted former executive.

19 Cotter, Jr. bears the burden to prove that each of the individual directors acted in good  
20 faith. He cannot do so. Accordingly, this Court should grant the motion for summary judgment.

### 21 LEGAL ARGUMENT

22 This Court should put an end to Cotter, Jr.'s claims that the "non-Cotter Directors" lack  
23 independence with respect to matters proposed by or for the benefit of Ellen Cotter or Margaret  
24 Cotter. Cotter, Jr. is unable to present evidence sufficient to show that a material issue of fact  
25 exists as to RDI's entitlement to judgment as to this issue.

26 Summary judgment should be granted if the pleadings, admissions, and all other evidence  
27 on file demonstrate that no genuine issue of material fact exists and that the moving party is  
28 entitled to judgment as a matter of law. *Wood v. Safeway, Inc.*, 121 Nev. 724, 729, 121 P.3d

1 1026, 1029 (2005). “[I]f the nonmoving party will bear the burden of persuasion at trial, the  
2 party moving for summary judgment may satisfy the burden of production by . . . pointing out ...  
3 that there is an absence of evidence to support the nonmoving party's case.” *Cuzze v. Univ. &*  
4 *Cnty. Coll. Sys. of Nevada*, 123 Nev. 598, 602-03, 172 P.3d 131, 134 (2007). In that event, the  
5 non-moving party is then obligated to present admissible evidence to show that there are material  
6 issues of fact preventing summary judgment, or summary judgment must be granted. *Id.*  
7 Because a plaintiff is required to prove each element of his cause of action, if any element cannot  
8 be proven by admissible evidence, then summary judgment is proper. *Bulbman, Inc. v. Nevada*  
9 *Bell*, 108 Nev. 105, 111, 825 P.2d 588, 592 (1992).

10 Cotter, Jr. cannot present evidence sufficient to show that any of the non-Cotter Directors  
11 lack independence. “[A] plaintiff seeking to show that a director was not independent must meet  
12 a materiality standard, [and show that] the director in question's material ties to the person whose  
13 proposal or actions she is evaluating are sufficiently substantial that she cannot objectively fulfill  
14 her fiduciary duties.” *In re MFW S'holders Litig.*, 67 A.3d 496, 509 (Del. Ch. 2013); see also *La.*  
15 *Mun. Police Emps.' Ret. Sys. v. Wynn*, --- F.3d ----, 2016 WL 3878228, at \*7 (9th Cir. July 18,  
16 2016) (same, applying Nevada law). The same materiality requirement applies regardless of  
17 whether the alleged relationship is personal or financial. *In re MFW S'holders Litig.*, 67 A.3d at  
18 509 n. 37.

19 Cotter, Jr. cannot satisfy this burden by asserting the controlling director proposed the  
20 defendant for election. “It is well-settled .... that a director's independence is not compromised  
21 simply by virtue of being nominated to a board by an interested stockholder. *In re KKR Fin.*  
22 *Holdings LLC S'holder Litig.*, 101 A.3d 980, 996 (Del. Ch. 2014), *aff'd sub nom. Corwin v. KKR*  
23 *Fin. Holdings LLC*, 125 A.3d 304 (Del. 2015); *Blaustein v. Lord Baltimore Capital Corp.*, 2013  
24 WL 1810956, at \*18 n. 114 (Del.Ch. Apr. 30, 2013) (stating that allegations that a director was  
25 appointed to the board by and has consistently voted with alleged controller are insufficient to  
26 challenge the director's independence), *aff'd*, 84 A.3d 954 (Del.2014).

27 Here, Cotter, Jr. cannot show that the alleged relationships, whether personal or financial,  
28 are so significant and material to the non-Cotter Directors that each of them “would be more

1 willing to risk his or her reputation than risk the relationship with the interested director.” *Beam*  
2 *ex rel. Martha Stewart Living Omnimedia, Inc. v. Stewart*, 845 A.2d 1040, 1052 (Del. 2004).  
3 Because Cotter, Jr. cannot present such evidence, his claims regarding a lack of independence  
4 must fail.

5 **I. PLAINTIFF ADMITTED THAT DIRECTOR MCEACHERN IS INDEPENDENT**  
6 **OF INFLUENCE BY ELLEN COTTER AND MARGARET COTTER.**

7 There is no dispute as to the independence of Director McEachern, as Cotter, Jr. has  
8 testified as to such independence. **Ex. A, Cotter, Jr. Depo, 84:21-86:4.** Additionally, on May  
9 8, 2015, Cotter, Jr. certified in a document filed with the SEC that Douglas McEachern—along  
10 with, as relevant here, Edward Kane and Guy Adams -- was an independent director. **Ex. B,**  
11 **RDI Form 10-K, Amendment 1, dated May 8, 2015.** Accordingly, RDI is entitled to judgment  
12 as to any of Cotter, Jr.’s claims that rely on the purported lack of independence of Director  
13 McEachern.

14 **II. COTTER, JR. CANNOT SHOW THAT DIRECTOR ADAMS IS MATERIALLY**  
15 **DEPENDENT UPON ANY INCOME IN THE CONTROL OF THE COTTER**  
16 **SISTERS.**

17 Cotter, Jr. bases his challenge to the independence of Director Adams upon claims that  
18 Mr. Adams depends on entities controlled by the Cotter sisters for his income. However, this  
19 claim simply does not bear up to scrutiny.

20 First, as noted above, Cotter, Jr. actually *certified* that Director Adams was an  
21 independent director. Moreover, he did so on May 8, 2015, even though he now claims he had  
22 doubts as to Adams’s independence dated to September 2014. **Ex. A, Cotter, Jr. Depo,**  
23 **801:20-802:12.** Thus, up until Director Adams voted to terminate Cotter, Jr. as CEO, Cotter, Jr.  
24 made no complaint regarding Director Adams’s independence.

25 Additionally, Cotter, Jr. bases his challenge to the independence of Director Adams upon  
26 claims that Mr. Adams depends on entities controlled by the Cotter sisters, as Executors of  
27 Cotter, Sr.’s estate, for his income. However, this claim simply does not bear up to scrutiny, as  
28 demonstrated by the review of the claim undertaken by RDI’s counsel. **See Motion, p. 10.**

1 Significantly, Cotter, Jr. cannot show that, as Executors of Cotter, Sr.'s Estate, the Cotter sisters  
2 have any *discretion* with respect to payments due to Director Adams. Instead, the payments to  
3 Mr. Adams are based on contractual agreements made with Cotter, Sr., which agreements  
4 survive his death. **See Exhibit 2 to Independent Directors Motion, Deposition of Guy**  
5 **Adams, 41:16-58:14.**

6 **III. COTTER, JR. CANNOT SHOW THAT DIRECTORS KANE OR CODDING**  
7 **LACK INDEPENDENCE BECAUSE LONGTERM FRIENDSHIPS WITH A**  
8 **FELLOW DIRECTOR'S PARENT CANNOT SUFFICE TO ESTABLISH A**  
9 **LACK OF INDEPENDENCE.**

10 Cotter, Jr. contends that because of Director Kane's long term friendship and working  
11 relationship with Cotter, Sr., and Director Coddington's long term friendship with Mary Coddington,  
12 Cotter, Sr.'s widow and the mother of Cotter, Jr., Margaret Cotter and Ellen Cotter, neither  
13 director can make informed decisions in disregard of the wishes of Ellen Cotter and Margaret  
14 Cotter. It is, perhaps telling, that Cotter, Jr. assumes that any director who maintained long term  
15 friendships with either of his parents would necessarily be inclined to favor his sisters over him.  
16 However, regardless of any feelings of a lack of parental approval Cotter, Jr. may suffer, such  
17 feelings cannot satisfy the burden of proof that Cotter, Jr. must meet to rebut the statutory  
18 presumption of good faith.

19 As noted above, Cotter, Jr. is required to show that the director would be willing to risk  
20 his or her reputation rather than risk disruption of the personal relationship. *In re MFW S'holders*  
21 *Litig.*, 67 A.3d 496, 509 (Del. Ch. 2013); see also *La. Mun. Police Emps.' Ret. Sys. v. Wynn*, ---  
22 F.3d ----, 2016 WL 3878228, at \*7 (9th Cir. July 18, 2016). Cotter, Jr. has produced no  
23 evidence that these personal relationships are, in fact, of such significance to the Directors that  
24 either would choose to risk their integrity and reputation rather than sacrifice the relationship.  
25 Indeed, with respect to Director Kane, the question of risking the long term friendship is absurd,  
26 in light of the fact that Cotter, Sr. is deceased. And as to Director Coddington, Cotter can produce  
27 no admissible evidence that Mary Cotter, the mother of the Cotter siblings, has taken sides in the  
28 dispute among the siblings. Thus, there is no evidence that, if she favored Cotter, Jr.'s proposals  
over those of his sisters, Director Coddington would actually face any risk of losing her friendship



1 with Mary Cotter.

2 **IV. COTTER, JR. CANNOT SHOW THAT DIRECTOR WROTNIAK**  
3 **LACKS INDEPENDENCE BECAUSE A LONG TERM FRIENDSHIP**  
4 **BETWEEN A DIRECTOR'S SPOUSE AND ANOTHER DIRECTOR DOES NOT**  
5 **CREATE ANY INFERENCE OF DEPENDENCE**

6 Cotter, Jr.'s claims as to Director Wrotniak are even more attenuated than those of  
7 Directors Kane and Coddington, given that Mr. Wrotniak is not even the person with the long term  
8 friendship. In the case of Mr. Wrotniak, Cotter, Jr. is required to show that the friendship  
9 between his wife and Margaret Cotter is of such material significance to *Mr. Wrotniak*, that he  
10 would ignore his own integrity for the sake of preserving that friendship. Cotter cannot produce  
11 evidence to support such a conclusion.

12 **CONCLUSION**

13 Cotter, Jr. cannot demonstrate that Directors Adams, Coddington, Kane, McEachern, or  
14 Wrotniak have such material significant personal or financial relationships with the Cotter sisters  
15 that none could exercise independent judgment with respect to decisions involving the Cotter  
16 siblings. Cotter, Jr. has acknowledged that there is nothing to indicate McEachern is not  
17 independent. Cotter, Jr. has nothing more than Kane's long term friendship with Cotter, Sr.,  
18 through which each of the Cotter children came to know Kane and refer to him as "Uncle Ed,"  
19 with which to challenge Kane. But that long term friendship is one from which Cotter, Jr.  
20 himself would presumptively benefit as much as his sisters. Similarly, the mere fact that  
21 Coddington has long been friends with Mary Cotter, the mother of Cotter, Jr., Ellen Cotter and  
22 Margaret Cotter, does not give rise to any inference of favoritism towards the sisters. And still  
23 less can there be an inference of a lack of independent judgment merely because of a friendship  
24 between Wrotniak's *wife* and Margaret Cotter. Finally, Cotter, Jr. cannot present evidence that  
25 the Cotter sisters actually have *discretion* over any payments made to Adams by entities included  
26 within Cotter, Sr.'s estate. Therefore, Cotter, Jr. cannot show that Adams is financially  
27 dependent upon the Cotter sisters.

28 Cotter's challenges to the independence of these directors are not based on any actual

1 evidence of dependence on or domination by the Cotter sisters. Instead, the challenges are based  
2 on nothing more than Cotter, Jr.'s embittered speculation and theory as to why his sisters'  
3 visions for RDI were preferred over his. This Court should not allow this litigation wrought by  
4 nothing more than petulance and resentment to continue. RDI is entitled to summary judgment  
5 as to any claims premised on the purported lack of independence of these directors.

6 DATED: this 3<sup>rd</sup> day of October, 2016.

7 GREENBERG TRAURIG, LLP

8  
9 /s/ Mark E. Ferrario

10 MARK E. FERRARIO, ESQ.

(NV Bar No. 1625)

11 KARA B. HENDRICKS, ESQ.

(NV Bar No. 7743)

TAMI D. COWDEN, ESQ.

(NV Bar No. 8994)

*Counsel for Reading International, Inc.*

**CERTIFICATE OF SERVICE**

Pursuant to Nev. R. Civ. P. 5(b)(2)(D) and E.D.C.R. 8.05, I certify that on this day, I caused a true and correct copy of the forgoing *Reading International, Inc.'s Joinder to the Individual Defendants' Motion for Summary Judgment No. 2 on the Issue of Director Independence* to be filed and served via the Court's Wiznet E-Filing system on all registered and active parties. The date and time of the electronic proof of service is in place of the date and place of deposit in the mail.

DATED: this 3<sup>rd</sup> day of October, 2016.

/s/ Andrea Lee Rosehill

An employee of GREENBERG TRAURIG, LLP

---

# EXHIBIT A

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1 EIGHTH JUDICIAL DISTRICT COURT  
2 CLARK COUNTY, NEVADA  
3  
4 JAMES J. COTTER, JR., derivatively  
5 on behalf of Reading International,  
6 Inc.,  
7 Plaintiff,  
8  
9 vs. Case No.  
10 MARGARET COTTER, ELLEN COTTER, A-15-719860-B  
11 GUY ADAMS, EDWARD KANE, DOUGLAS  
12 McEACHERN, TIMOTHY STOREY,  
13 WILLIAM GOULD, JUDY CODDING,  
14 MICHAEL WROTONIAK, and DOES 1  
15 through 100, inclusive,  
16 Defendants.  
17  
18 and  
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20 READING INTERNATIONAL, INC.,  
21 a Nevada corporation,  
22 Nominal Defendant.  
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1 He would often go out to dinner with the two of them  
2 and his family.

3 I really didn't have that level. So I  
4 would describe my two sisters' relationship with Ed  
5 Kane and his family to be different than the one 11:33:59  
6 that I had.

7 BY MR. TAYBACK:

8 Q. And do you feel that was your choice or his  
9 choice to not have that kind of relationship with  
10 Mr. Kane? 11:34:08

11 A. I mean, I don't know what he was thinking.  
12 I just didn't have it with him. I mean, I --

13 Q. Were there occasions where you asked him to  
14 go to dinner more and he --

15 A. No.

16 Q. -- wouldn't?

17 A. No, no, no. No. I would never -- outside  
18 of Reading, my interaction with Ed Kane and his  
19 family was limited, or certainly much more limited  
20 than Ellen and Margaret's. 11:34:37

21 Q. Mr. McEachern, is he independent, in your  
22 view?

23 A. Yes. I mean, he's -- I mean, again, he's  
24 independent. He's got no relationship with Ellen  
25 and Margaret or, you know, no business relationship 11:34:58

Page 84

1 with Ellen and Margaret. So --

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

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

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

8 MR. KRUM: Asked and answered.

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

11 BY MR. TAYBACK:

12 Q. So the answer's yes?

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

15 BY MR. TAYBACK:

16 Q. Well, was your answer --

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

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

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

23 BY MR. TAYBACK:

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

1       sure I understand the answer.

2               MR. KRUM: All right. Same objections.

3               You can answer.

4               THE WITNESS: Okay. Yes.

5 BY MR. TAYBACK: 11:35:54

6       Q.     Guy Adams, is he independent?

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

9 BY MR. TAYBACK:

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

11       A.     No.

12       Q.     Okay. Why not?

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

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

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

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

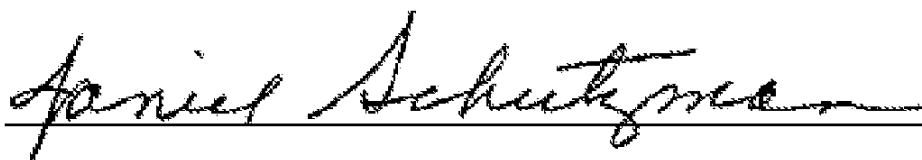


1  
2 I, JANICE SCHUTZMAN, Certified Shorthand  
3 Reporter of the State of California, do hereby  
4 certify:

5 That the foregoing proceedings were taken  
6 before me at the time and place herein set forth;  
7 that any witnesses in the foregoing proceedings,  
8 prior to testifying, were placed under oath; that  
9 the testimony of the witness and all objections made  
10 by counsel at the time of the examination were  
11 recorded stenographically by me, and were thereafter  
12 transcribed under my direction and supervision; and  
13 that the foregoing pages contain a full, true and  
14 accurate record of all proceedings and testimony to  
15 the best of my skill and ability.

16 I further certify that I am neither financially  
17 interested in the action nor a relative or employee  
18 of any attorney or any of the parties.

19 IN WITNESS WHEREOF, I have subscribed my name  
20 this 19th day of May, 2016.

21  
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23

24 JANICE SCHUTZMAN

25 CSR No. 9509

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EIGHTH JUDICIAL DISTRICT COURT  
CLARK COUNTY, NEVADA

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

vs. Case No.

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

and

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

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(CAPTION CONTINUED ON NEXT PAGE.)

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

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

1 compensation committee, comprised  
2 entirely of independent directors."  
3 Do you see that?  
4 A. Right.  
5 Q. And it lists the current members of the 04:18PM  
6 compensation committee as Mr. Kane, Mr. Adams, and  
7 Mr. Storey.  
8 When you certified this document, you also  
9 believed that Mr. Kane, Mr. Adams, and Mr. Storey  
10 were also properly characterized to the market as 04:18PM  
11 independent directors; correct?  
12 MR. KRUM: Same objections.  
13 THE WITNESS: Well, again, at the time that  
14 this was filed and I signed the certification, I  
15 didn't realize the extent of Guy Adams' reliance for 04:18PM  
16 his livelihood on the Cotter entities. So --  
17 BY MR. TAYBACK:  
18 Q. You told me you had some concerns going  
19 back at least to September of 2014 with respect to  
20 Guy Adams. 04:19PM  
21 A. Right, I did.  
22 Q. And you don't -- you nonetheless were  
23 comfortable certifying an SEC filing that identified  
24 him as being independent?  
25 MR. KRUM: Objection -- 04:19PM

Page 801

1 THE WITNESS: The --  
2 MR. KRUM: -- argumentative,  
3 mischaracterizes the prior testimony.  
4 You can answer.  
5 THE WITNESS: The certification is to the 04:19PM  
6 best of my knowledge. And these matters are -- to  
7 the best of my knowledge, there's no material  
8 misstatement in this filing.  
9 So I reviewed the document as carefully as  
10 I could. And to the best of my knowledge at that 04:19PM  
11 time, I felt that everything here was materially  
12 true.  
13 BY MR. TAYBACK:  
14 Q. So the first meeting at which your  
15 potential termination was discussed was May 21st; 04:19PM  
16 correct?  
17 A. Yes.  
18 Q. That was 13 days after you certified this  
19 document?  
20 A. Yes. 04:19PM  
21 Q. By that point in time, you had decided  
22 firmly that Mr. Adams was not independent; correct?  
23 MR. KRUM: Objection. That --  
24 THE WITNESS: I --  
25 MR. KRUM: -- squarely contradicts the 04:20PM

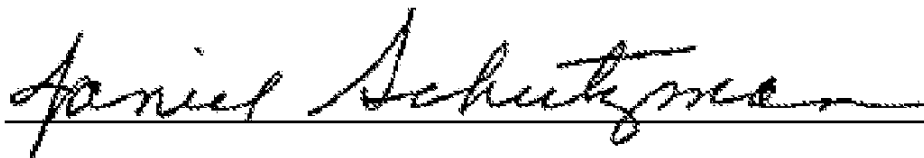
Page 802

1 I, JANICE SCHUTZMAN, Certified Shorthand  
2 Reporter of the State of California, do hereby  
3 certify:

4 That the foregoing proceedings were taken  
5 before me at the time and place herein set forth;  
6 that any witnesses in the foregoing proceedings,  
7 prior to testifying, were placed under oath; that  
8 the testimony of the witness and all objections made  
9 by counsel at the time of the examination were  
10 recorded stenographically by me, and were thereafter  
11 transcribed under my direction and supervision; and  
12 that the foregoing pages contain a full, true and  
13 accurate record of all proceedings and testimony to  
14 the best of my skill and ability.

15 I further certify that I am neither financially  
16 interested in the action nor a relative or employee  
17 of any attorney or any of the parties.

18 IN WITNESS WHEREOF, I have subscribed my name  
19 this 19th day of July, 2016.

20  
21  
22   
23

24 JANICE SCHUTZMAN

25 CSR No. 9509

Page 838

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# EXHIBIT B

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EX-31.1 2 rdi-20150508xex311.htm EX-31.1

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, James J. Cotter, Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Reading International, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial

reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

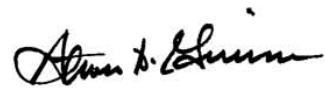
Date: May 8, 2015

/s/ JAMES J. COTTER,  
JR.

\_\_\_\_\_  
James J. Cotter, Jr.  
Chief Executive Officer

.....





CLERK OF THE COURT

**JOIN**  
MARK E. FERRARIO, ESQ.  
(NV Bar No. 1625)  
KARA B. HENDRICKS, ESQ.  
(NV Bar No. 7743)  
TAMI D. COWDEN, ESQ.  
(NV Bar No. 8994)  
GREENBERG TRAURIG, LLP  
3773 Howard Hughes Parkway  
Suite 400 North  
Las Vegas, Nevada 89169  
Telephone: (702) 792-3773  
Facsimile: (702) 792-9002  
Email: ferrariom@gtlaw.com  
hendricksk@gtlaw.com  
cowdent@gtlaw.com

*Counsel for Reading International, Inc.*

**DISTRICT COURT**  
**CLARK COUNTY, NEVADA**

In the Matter of the Estate of

JAMES J. COTTER,

Deceased.

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

Plaintiff,

v.

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

Defendants.

And

READING INTERNATIONAL, INC., a  
Nevada Corporation,

Nominal Defendant.

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

**Coordinated with:**

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

Case No. A-16-735305-B  
Dept. XI

**READING INTERNATIONAL, INC.'S  
JOINDER TO THE INDIVIDUAL  
DEFENDANTS' MOTION FOR  
PARTIAL SUMMARY JUDGMENT  
NO. 3 RE THE PURPORTED  
UNSOLICITED OFFER**

**Date Of Hearing: October 25, 2016**  
**Time: 8:30 a.m.**

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

1 READING INTERNATIONAL, INC. hereby submits its *Joinder to the Individual*  
2 *Defendants' Motion for Partial Summary Judgment No. 3 Re Plaintiff's Claims Related to*  
3 *Purported Unsolicited Offer*. Reading International, Inc., ("RDI") joins with the Individual  
4 Defendants in seeking summary judgment as to the First, Second, Third, and Fourth Causes of  
5 Action in the Second Amended Complaint filed by Plaintiff James J. Cotter, Jr. ("Plaintiff"  
6 and/or "Cotter, Jr.") to the extent that such claims relate to RDI's response to the purported  
7 unsolicited offer. In addition to joining the arguments advanced on behalf of the Individual  
8 Defendants in their Motion, RDI requests judgment in its favor on these claims for the reasons  
9 set forth in the attached memorandum of points and authorities, and based on the pleadings and  
10 papers filed in this action, and any oral argument of counsel made at the time of the hearing of  
11 this Motion.

12 DATED: October 3, 2016.

13 GREENBERG TRAURIG, LLP

14 /s/ Mark E. Ferrario

15 MARK E. FERRARIO, ESQ.

16 (NV Bar No. 1625)

17 KARA B. HENDRICKS, ESQ.

18 (NV Bar No. 7743)

19 TAMI D. COWDEN, ESQ.

20 (NV Bar No. 8994)

21 *Counsel for Reading International, Inc.*

**MEMORANDUM OF POINTS AND AUTHORITIES**

This Court should grant judgment in favor of RDI on the Cotter, Jr.'s First, Second, Third, and Fourth Causes of Action to the extent that such claims challenge the following actions relate to RDI's response to the non-binding, unsolicited offer. At the heart of his claims is Cotter, Jr.'s apparent insistence that any indication of interest in a purchase of the company's outstanding shares *requires* the Board of Directors to engage an independent investment consultant before responding. There is no support for such a claim.

Here, the purported offer was, in fact, nothing more than an expression of interest, and proposed a share price that amounted to barely half the value of RDI's assets. Declining to enter into discussions with respect to such a casual expression of interest cannot constitute a breach of fiduciary duty. Because Cotter, Jr. is unable to present sufficient evidence to satisfy the elements of his claims for breach of fiduciary duty with respect to this issue, the Motion for Partial Summary Judgment should be granted.

**LEGAL ARGUMENT**

This Court should grant RDI summary judgment as to Cotter, Jr.'s First, Second, Third and Fourth causes of action in the SAC to the extent such claims rely on allegations that the Board of Director's decision to decline to pursue an expression of interest for the purchase of RDI's shares was breached their fiduciary duties. Cotter, Jr. is unable to present evidence sufficient to show the Directors were not sufficiently informed in making their decision, and is unable to show that any damages have resulted from the decision.

Summary judgment should be granted if the pleadings, admissions, and all other evidence on file demonstrate that no genuine issue of material fact exists and that the moving party is entitled to judgment as a matter of law. *Wood v. Safeway, Inc.*, 121 Nev. 724, 729, 121 P.3d 1026, 1029 (2005). "[I]f the nonmoving party will bear the burden of persuasion at trial, the party moving for summary judgment may satisfy the burden of production by . . . pointing out . . . that there is an absence of evidence to support the nonmoving party's case." *Cuzze v. Univ. & Cmty. Coll. Sys. of Nevada*, 123 Nev. 598, 602-03, 172 P.3d 131, 134 (2007). In that event, the non-moving party is then obligated to present admissible evidence to show that there are material

1 issues of fact preventing summary judgment, or summary judgment must be granted. *Id.*  
2 Because a plaintiff is required to prove each element of his cause of action, is if any element  
3 cannot be proven by admissible evidence, then summary judgment is proper. *Bulbman, Inc. v.*  
4 *Nevada Bell*, 108 Nev. 105, 111, 825 P.2d 588, 592 (1992).

5 Here, Cotter, Jr. bears the burden of proof on his breach of fiduciary duty claims, which  
6 requires he establish that the Independent Directors breached their duties of loyalty and care, and  
7 that RDI and its shareholders suffered damages as a result of that breach. In Nevada, a derivative  
8 action for breach of fiduciary duty requires proof of an actual injury resulting from the tortious  
9 conduct of a defendant who owes a fiduciary duty to the shareholders. *Foster v. Dingwall*, 126  
10 Nev. 56, 69, 227 P.3d 1042, 1051 (2010), citing *Stalk v. Mushkin*, 125 Nev. 21, 28, 199 P.3d  
11 838, 843 (2009) (“fiduciary duty claim seeks damages for injuries that result from the tortious  
12 conduct of one who owes a duty to another by virtue of the fiduciary relationship.”).  
13 Additionally, in order to satisfy the breach element of his claims, Cotter, Jr. must present  
14 evidence sufficient to rebut NRS 78.138(3)’s statutory presumption that directors have acted in  
15 the best interests of the corporation. NRS 47. 180(1). Finally, in order to satisfy the damages  
16 element of his claims, Cotter, Jr. must present evidence to show that an actual injury occurred as  
17 a result.

18 **I. SUMMARY JUDGMENT SHOULD BE GRANTED COTTER JR.’S CLAIMS**  
19 **RELATED TO THE PURPORTED UNSOLICITED OFFER**

20 Plaintiff’s claims that the Independent Directors failed to become properly informed is  
21 apparently based on his assumption that a director can be sufficiently familiar with the value of a  
22 company only if advised as to its value by outside consultants. The evidence presented by the  
23 Individual Defendants in the Motion belies this claim.

24 As detailed in the Independent Director’s Motion for Summary Judgment No. 3, after the  
25 unsolicited expression of interest was received, RDI’s Board of Directors discussed it at two  
26 board meetings. At the first meeting, the Board resolved that management should compile its  
27 available relevant information to facilitate further discussion by the Board at a subsequent  
28 meeting. The Board considered engagement of an outside consultant, but determined that

1 outside financial advisors would not be cost effective at that time. At a subsequent board  
2 meeting, the Board heard RDI's management's views that the proposed \$17 per share price  
3 reflected a valuation that was well below what the company's assets were worth, based on  
4 existing valuation documents, which documents represented conservative figures. The Board  
5 was also presented with information regarding the data that formed the basis of Management's  
6 assessment, the value of RDI's assets, and a valuation figure of \$590-725 million. Due to the  
7 disparity between the valuation and the proposed price, which amounts to about \$400.7 million,  
8 RDI's management did not support spending additional assets in further evaluation. *See*  
9 **Motion, 5-6.**

10 Armed with the above information, as well as their own knowledge of RDI, the Board  
11 discussed the expression of interest. That discussion included the nonbinding nature of the  
12 expression of interest; the price; RDI's present course, with its dual foci on entertainment and  
13 real estate; RDI's strong financial position; its ability to generate capital for use in its growth  
14 strategies; the likelihood that continuing with RDI's current business strategies would yield a  
15 greater return to shareholders than an immediate sale; and the likely negative impact on RDI's  
16 employees and operations by the prospect of pursuing a change of control. With all of the above  
17 in mind the majority of the members of the Board of Directors resolved that the best interests of  
18 the shareholders and RDI were best served by continued independence of the company. Cotter,  
19 Jr. did not oppose the resolution, but instead, abstained. *See Motion, pp. 5-7.*

20 As shown, there is no dispute that the Board of Directors was informed as to the  
21 particulars of the expression of interests itself, and as to the *minimum* value of the company's  
22 real property and cinema assets, which together was much higher than the offer. The Board  
23 members were entitled to rely on Management's report of the value of RDI. NRS 78.138(2).  
24 Cotter, Jr. bears the burden of presenting direct evidence showing that Board of Directors was  
25 not properly informed in making this decision. See NRS 78.138(3); NRS 47.180. He cannot do  
26 so.

27 Cotter, Jr. also has bears the burden of showing that RDI and its shareholders were  
28 damaged by this purported breach of fiduciary duty. However, Cotter, Jr. cannot show any

1 potential damage to RDI, as the expression of interests referenced a purchase of shares. RDI  
2 would not have received any benefit in such a transaction. Nor can Cotter, Jr. show any damage  
3 to the shareholders, as Cotter, Jr. cannot show that any transaction would ever have resulted.

4 As Cotter, Jr. cannot present evidence sufficient to satisfy the elements of his claims,  
5 summary judgment must be granted.

6 **CONCLUSION**

7 Cotter, Jr. is unable to present evidence sufficient to rebut the statutory presumption that  
8 decisions of the Board of Directors are made in good faith, or that either RDI or its shareholders  
9 were damages by the Board of Directors' decision to decline to pursue the expression of interest.  
10 Accordingly, RDI is entitled to judgment as a matter of law.

11 DATED: October 3, 2016.

12 GREENBERG TRAURIG, LLP

13 /s/ Mark E. Ferrario

14 MARK E. FERRARIO, ESQ.

15 (NV Bar No. 1625)

16 KARA B. HENDRICKS, ESQ.

17 (NV Bar No. 7743)

18 TAMI D. COWDEN, ESQ.

19 (NV Bar No. 8994)

20 *Counsel for Reading International, Inc.*

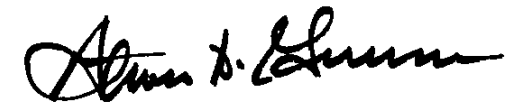
**CERTIFICATE OF SERVICE**

Pursuant to Nev. R. Civ. P. 5(b)(2)(D) and E.D.C.R. 8.05, I certify that on this day, I caused a true and correct copy of the forgoing *Reading International, Inc.'s Joinder to the Individual Defendants' Motion for Partial Summary Judgment No. 3 Re the Purported Unsolicited Offer* to be filed and served via the Court's Wiznet E-Filing system on all registered and active parties. The date and time of the electronic proof of service is in place of the date and place of deposit in the mail.

DATED this 3<sup>rd</sup> day of October, 2016.

/s/ Andrea Lee Rosehill

An employee of GREENBERG TRAURIG, LLP



CLERK OF THE COURT

**JOIN**  
MARK E. FERRARIO, ESQ.  
(NV Bar No. 1625)  
KARA B. HENDRICKS, ESQ.  
(NV Bar No. 7743)  
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*Counsel for Reading International, Inc.*

**DISTRICT COURT**  
**CLARK COUNTY, NEVADA**

In the Matter of the Estate of  
  
JAMES J. COTTER,  
  
Deceased.

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

Plaintiff,

v.

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

Defendants.

And

READING INTERNATIONAL, INC., a  
Nevada Corporation,

Nominal Defendant.

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

**Coordinated with:**

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

Case No. A-16-735305-B  
Dept. XI

**READING INTERNATIONAL, INC.'S  
JOINDER TO THE INDIVIDUAL  
DEFENDANTS' MOTION FOR  
SUMMARY JUDGMENT NO. 4 RE  
PLAINTIFF'S CLAIMS RELATED TO  
THE EXECUTIVE COMMITTEE**

**Date of Hearing: October 25, 2016**  
**Time: 8:30 a.m.**

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



READING INTERNATIONAL, INC., hereby submits its *Joinder to the Individual Defendants' Motion for Summary Judgment No. 4 Re Plaintiff's Claims Related to the Executive Committee (the "Motion")*. Reading International, Inc. ("RDI") joins with the Individual Defendants in seeking summary judgment as to the First, Second, Third, and Fourth Causes of Action in the Second Amended Complaint filed by Plaintiff James J. Cotter, Jr. ("Plaintiff" and/or "Cotter, Jr.") to the extent that such claims relate to the existence and decisions of RDI's Executive Committee. In addition to joining the arguments advanced on behalf of the Individual Defendants in their Motion, RDI requests judgment in its favor on these claims for the reasons set forth in the attached memorandum of points and authorities, and based on the pleadings and papers filed in this action, and any oral argument of counsel made at the time of the hearing of this Motion.

DATED: this 3<sup>rd</sup> day of October, 2016.

GREENBERG TRAURIG, LLP

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

### **MEMORANDUM OF POINTS AND AUTHORITIES**

This Court should grant judgment in favor of RDI on the First, Second, Third, and Fourth Causes of Action in the Second Amended Complaint ("SAC") to the extent that such claims rely on the existence of, and the decisions made by, RDI's Executive Committee. Cotter, Jr.'s attack on the Executive Committee most clearly illustrates the absurdity of this entire litigation. He offers the existence and use of the Executive Committee as a purported example of a breach of fiduciary duty, even though he not only admits that the Executive Committee has existed for a decade, if not longer, but also admits that he, himself, had been a member of this committee until his termination. Indeed, his complaint that the Executive Committee has been "repopulated" is

1 revealed as being based on nothing more than the fact that his sister Ellen Cotter is now Chair of  
2 the Executive Committee, in place of him.

3       Significantly, when first asked which decisions made by the Executive Committee he  
4 claimed represented breaches of fiduciary duty, Cotter, Jr. could not even think of a single  
5 decision to condemn. And while one might expect that he would have been much better  
6 prepared on his subsequent depositions dates, even then he was able to come up with only two  
7 Executive Committee decisions to challenge: the Executive Committee's selection of a "record  
8 date" for the 2015 annual shareholder's meeting; and the appointment of Michael Wrotniak to  
9 RDI's Audit and Conflicts Committee, to replace the retiring Timothy Storey.

10       Moreover, as to the first, Cotter, Jr. could explain his objection only by asserting that the  
11 Board of Directors could easily have made the decision. As to the latter, Cotter, Jr. claimed that  
12 Mr. Wrotniak was unqualified for the committee. However, Cotter, Jr. admitted that he was not  
13 personally aware of any qualifications for that committee. Furthermore, Cotter, Jr. was  
14 apparently oblivious to the fact that a mere sixteen days after the Executive Committee appointed  
15 Mr. Wrotniak, the Board of Directors voted to continue Mr. Wrotniak's assignment to that  
16 committee, rendering the complaint about such an appointment being made by the Executive  
17 Committee wholly moot.

18       In short, Cotter, Jr.'s attack on the Executive Committee is not actually based on any  
19 *realistic* belief or theory ---let alone, any *evidence*---that the committee's existence or actions  
20 have actually caused any harm to RDI or its shareholders. Instead, this attack is simply another  
21 example of Cotter, Jr.'s condemnation of virtually *every* action taken by the Board of Directors  
22 since his termination. Even if Cotter, Jr. honestly believes that any decision not personally  
23 blessed by him must necessarily be harmful to RDI, such irrational thought patterns do not, and  
24 should not, suffice to perpetuate litigation against RDI. Cotter, Jr.'s continuation of this  
25 litigation is, itself, harmful to RDI, and must be brought to a halt.

26       Cotter, Jr. is unable to show that the Executive Committee's existence is a breach of any  
27 defendant's fiduciary duty to the RDI shareholders. He is also unable to show that RDI's  
28 shareholders have suffered any damage as a result of the challenged decisions of the Executive

Committee. Accordingly, summary judgment in favor of RDI and the Individual Defendants should be granted.

### STATEMENT OF UNDISPUTED MATERIAL FACTS

1. RDI's By-Laws permit the Board of Directors to form committees having at least one director, and to delegate to such committee powers of the Board of Directors in the management of the company. Specifically, the RDI Bylaws provide:

The Board of Directors may, by resolution adopted by a majority of the whole Board, designate one or more committees of the Board of Directors, each committee to consist of at least one or more directors of the Corporation which, to the extent provided in the resolution, shall have and may exercise the power of the Board of Directors in the management of the business and affairs of the Corporation . . .".

**Ex. A, RDI Bylaws, Art. II, § 10.** The bylaws exclude from this authorization only such substantial decisions as amendment of the Articles of Incorporation or Bylaws, approvals of mergers or consolidation, recommendations for a sale of all of RDI's assets, or declaration of dividends or issuance of stock. *Id.*

2. RDI has had an executive committee, composed solely of members of the Board of Directors, for at least the past ten years. **Ex. B, Deposition of James J. Cotter, Jr. (Vol. I) 43:23-44:16; (Vol. III) 803:25-804:15.**

3. While Cotter, Jr. was CEO of RDI, RDI's Executive Committee was composed of Cotter, Jr., Margaret Cotter, Guy Adams, and Edward Kane. The Executive Committee was authorized to take action on matters between meetings of the full board. **Ex. B, id.**

4. Subsequent to Cotter, Jr.'s termination as CEO, Ellen Cotter replaced Cotter, Jr. as a member of the Executive Committee. Otherwise, the composition of the Executive Committee is the same as when Cotter, Jr. chaired the Committee. *Id.*

5. The powers of the Executive Committee have not changed since Cotter, Jr. chaired the committee. **Ex. B, 805:6-10.**

6. Cotter, Jr. testified that he does not object to an Executive Committee existing, but that it should be used only "as a normal public company would use an executive committee."

**Ex. B. 54:18-25.** However, Cotter, Jr. was unable to provide an example of a "normal public

company” whose practices RDI should emulate. **Ex. B, 57:4-11.**

7. When initially questioned as to Executive Committee actions to which he objected, Cotter, Jr. was unable to recall *any* such actions. **Ex. B, 49:8-50:13.** At a subsequent deposition, he identified only two actions taken by the Executive Committee that he considers inappropriate. These two actions are:

- a. Deciding upon a “record date” for the 2015 Annual meeting of RDI; and
- b. Appointing Michael Wrotniak as a member of RDI’s Audit and Risk Committee.

***Id.***

8. RDI’s Bylaws contain the following provision:

The Board of Directors may fix in advance a date not more than sixty days nor less than ten days preceding the date of any meeting of stockholders . . . as a record date for the determination of the stockholders entitled to notice of and to vote at any such meeting, and any adjournment thereof . . . and in such case, such stockholders, and only such stockholders as shall be stockholders of record on the date so fixed, shall be entitled to notice of and to vote at such meeting, or any adjournment thereof. . . notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid.

**Ex. A RDI Bylaws, Art. V, § 4.**

9. On August 28, 2015, RDI’s Executive Committee set October 6, 2016 as the “record date” for the RDI’s 2015 annual meeting. **Ex. C, August 28, 2015 Ex. Com. Minutes.** This date was more than ten days, and fewer than 60 days from the November 10, 2015 annual meeting date.

10. On October 25, 2015, the Executive Committee appointed Mr. Wrotniak to take the seat on RDI’s Audit and Conflicts Committee left vacant as a result of the retirement of Mr. Storey as a director. **Ex. D October 25, 2016 Ex. Com. Minutes.** The Minutes of the Executive Committee’s meeting show that the Committee was expressly informed that Mr. Wrotniak had been the tax matters partner for several years at Minico Resources, LLC, a privately held international commodities trading firm. ***Id.*** Other than the replacement of Mr. Storey, the composition of the Audit and Conflicts Committee, which also included Messrs. McEachern and Kane, remained the same. ***Id.***

11. Sixteen days later, on November 10, 2015, immediately following RDI’s Annual

1 Shareholder Meeting, the Board of Directors met and assigned all directors to various  
2 committees. Michael Wrotniak was again appointed to RDI's Audit and Conflicts Committee, as  
3 were Messrs. McEachern and Kane; thus, the composition of the committee remained the same.

4 **Ex. E, Nov. 10, 2015 BOD Minutes.** Only Cotter, Jr. voted against the committee assignments.

5 12. Cotter, Jr. contends that Mr. Wrotniak is unqualified to be appointed to the Audit  
6 and Conflicts Committee. **Ex. B, 807:10-16.** However, Cotter, Jr. admitted to being unaware of  
7 any qualifications for appointment to the Audit and Conflicts Committee. **Id. at 808:7-15.**

8 13. RDI is listed on the NASDAQ exchange. **SAC, ¶ 26.**

9 14. NASDAQ's listing rules related to company's audit committees include the  
10 following relevant provisions:

11 5605. Board of Directors and Committees

12 **(a) Definitions**

13 **(1)** "Executive Officer" means those officers covered in Rule 16a-1(f)  
14 under the Act.

15 **(2)** "Independent Director" means a person other than an Executive  
16 Officer or employee of the Company or any other individual having a  
17 relationship which, in the opinion of the Company's board of directors,  
18 would interfere with the exercise of independent judgment in carrying out  
19 the responsibilities of a director. For purposes of this rule, "Family  
20 Member" means a person's spouse, parents, children and siblings, whether  
21 by blood, marriage or adoption, or anyone residing in such person's home.  
22 The following persons shall not be considered independent:

23 **(A)** a director who is, or at any time during the past three years  
24 was, employed by the Company;

25 **(B)** a director who accepted or who has a Family Member who  
26 accepted any compensation from the Company in excess of  
27 \$120,000 during any period of twelve consecutive months within  
28 the three years preceding the determination of independence, other  
than the following:

**(i)** compensation for board or board committee service;

**(ii)** compensation paid to a Family Member who is an  
employee (other than an Executive Officer) of the  
Company; or

**(iii)** benefits under a tax-qualified retirement plan, or non-  
discretionary compensation.

1 Provided, however, that in addition to the requirements contained  
2 in this paragraph (B), audit committee members are also subject to  
3 additional, more stringent requirements under Rule 5605(c)(2).

4 (C) a director who is a Family Member of an individual who is, or  
5 at any time during the past three years was, employed by the  
6 Company as an Executive Officer;

7 (D) a director who is, or has a Family Member who is, a partner in,  
8 or a controlling Shareholder or an Executive Officer of, any  
9 organization to which the Company made, or from which the  
10 Company received, payments for property or services in the  
11 current or any of the past three fiscal years that exceed 5% of the  
12 recipient's consolidated gross revenues for that year, or \$200,000,  
13 whichever is more, other than the following:

14 (i) payments arising solely from investments in the  
15 Company's securities; or

16 (ii) payments under non-discretionary charitable  
17 contribution matching programs.

18 (E) a director of the Company who is, or has a Family Member  
19 who is, employed as an Executive Officer of another entity where  
20 at any time during the past three years any of the Executive  
21 Officers of the Company serve on the compensation committee of  
22 such other entity; or

23 (F) a director who is, or has a Family Member who is, a current  
24 partner of the Company's outside auditor, or was a partner or  
25 employee of the Company's outside auditor who worked on the  
26 Company's audit at any time during any of the past three years.

27 \* \* \*

## 28 (c) Audit Committee Requirements

\* \* \*

### (2) Audit Committee Composition

#### (2) Audit Committee Composition

(A) Each Company must have, and certify that it has and will continue to have, an audit committee of at least three members, each of whom must: (i) be an Independent Director as defined under Rule 5605(a)(2); (ii) meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Act (subject to the exemptions provided in Rule 10A-3(c) under the Act); (iii) not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years; and (iv) be able to read and understand fundamental financial statements, including a Company's balance sheet, income statement, and cash flow statement. Additionally, each Company must

certify that it has, and will continue to have, at least one member of the audit committee who has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities

**NASDAQ Listing Rules, § 5605.**

15. Rule 10A-3(b)(1) of the Securities Act provides:

*(b) Required standards -*

*(1) Independence.*

*(i)* Each member of the audit committee must be a member of the board of directors of the listed issuer, and must otherwise be independent; provided that, where a listed issuer is one of two dual holding companies, those companies may designate one audit committee for both companies so long as each member of the audit committee is a member of the board of directors of at least one of such dual holding companies.

*(ii) Independence requirements for non-investment company issuers.* In order to be considered to be independent for purposes of this paragraph (b)(1), a member of an audit committee of a listed issuer that is not an investment company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee:

*(A)* Accept directly or indirectly any consulting, advisory, or other compensatory fee from the issuer or any subsidiary thereof, provided that, unless the rules of the national securities exchange or national securities association provide otherwise, compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the listed issuer (provided that such compensation is not contingent in any way on continued service); or

*(B)* Be an affiliated person of the issuer or any subsidiary thereof.

**17 CFR 240.10A-3(b)(1).**





Here, plaintiff, Cotter, Jr. bears the burden of proof on his breach of fiduciary duty claims. Accordingly, he can survive this motion for summary judgment only if he affirmatively presents admissible evidence sufficient to persuade a reasonable jury that the existence of RDI's Executive Committee, or the decisions it made regarding the record date for RDI's 2015 shareholder meeting or Mr. Wrotniak's appointment to the Audit and Conflicts Committee violated a fiduciary duty to RDI's shareholders. This he cannot do. Accordingly, RDI is entitled to judgment as a matter of law.

**I. BECAUSE COMMITTEES AUTHORIZED TO PERFORM DUTIES OF THE BOARD ARE PERMITTED BY RDI'S BY-LAWS, THE EXISTENCE AND ACTIONS OF SUCH A COMMITTEE CANNOT, WITHOUT MORE, CONSTITUTE A BREACH OF FIDUCIARY DUTY.**

Cotter, Jr. cannot present any evidence to show that either the maintenance or the challenged uses of RDI's Executive Committee constitute a breach of fiduciary duty. Under Nevada law, corporations are free to permit any and all board functions to be delegated to committees. Specifically, Nevada's corporate statutes provide, in relevant part:

**NRS 78.125 Committees of board of directors: Designation; powers; membership.**

1. Unless it is otherwise provided in the articles of incorporation, the board of directors may designate one or more committees which, to the extent provided in the resolution or resolutions or in the bylaws of the corporation, *have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation.*

2. Each committee must include at least one director. Unless the articles of incorporation or the bylaws provide otherwise, the board of directors may appoint natural persons who are not directors to serve on committees.

\* \* \*

**NRS 78.125 (emphasis added).** As can be seen, provided at least one member of the board of directors sits on the committee, and provided the corporation's bylaws do not prohibit such delegation, Nevada law expressly permits the use of a committee to exercise board functions.

So far from prohibiting such delegation, RDI's bylaws expressly permit the delegation of most director actions to committees. **SUF 1.** Like the statute, RDI also requires such committees to have only one board member. **Id.** Notably, RDI's four-person Executive

1 Committee consists *solely* of members of its Board of Directors.

2 While RDI limits the type of actions that may be taken by Committee, *id.*, Cotter, Jr.  
3 does not contend that the Executive Committee has taken any such action not permitted under  
4 the bylaws. There can be no dispute that there is no preclusion for any committee to make such  
5 decisions as determining record dates for purposes of the annual shareholders' meeting, or from  
6 appointing board members to other committees.

7 The Executive Committee's authority is to make decisions as matters arise between  
8 meetings of the full Board of Directors. Both of the decisions attacked by Cotter, Jr. were made  
9 on days when no Board of Directors meeting was held. Accordingly, the decisions were made in  
10 accordance with the Committee's express authority.

11 **II. COTTER, JR. CANNOT SHOW THAT RDI'S SHAREHOLDERS HAVE BEEN**  
12 **INJURED BY THE TWO EXECUTIVE COMMITTEE ACTIONS HE CLAIMS**  
13 **WERE IMPROPER.**

14 RDI is entitled to judgment on Cotter, Jr.'s claims related to the Executive Committee,  
15 because he is unable to satisfy the elements of such claims. In Nevada, a derivative action for  
16 breach of fiduciary duty requires proof of an actual injury resulting from the tortious conduct of a  
17 defendant who owes a fiduciary duty to the shareholders. *Foster v. Dingwall*, 126 Nev. 56, 69,  
18 227 P.3d 1042, 1051 (2010), citing *Stalk v. Mushkin*, 125 Nev. 21, 28, 199 P.3d 838, 843 (2009)  
19 ("fiduciary duty claim seeks damages for injuries that result from the tortious conduct of one  
20 who owes a duty to another by virtue of the fiduciary relationship."). Additionally, in order to  
21 satisfy the breach element of his claims, Cotter, Jr. must present evidence sufficient to rebut NRS  
22 78.138(3)'s statutory presumption that directors have acted in the best interests of the  
23 corporation. NRS 47. 180(1). Additionally, in order to satisfy the damages element of his  
24 claims, Cotter, Jr. must present evidence to show that an actual injury occurred as a result of the  
25 existence of, or decisions made by, RDI's Executive Committee. Because Cotter, Jr. cannot do  
26 either of these things, summary judgment should be granted.

26 ///

27 ///

28

1     **A.     Cotter, Jr. Cannot Show any Impropriety in the Executive Committee's 2015**  
2     **Determination of the Record Date for the 2015 Annual Meeting.**

3             Cotter, Jr.'s objection to the Executive Committee deciding on the record date for the  
4     2015 Shareholder's meeting is apparently based on nothing more than the fact that the Board of  
5     Directors could have made that decision. He has produced no evidence that would show that the  
6     date itself, which falls within the requirements of both RDI's Bylaws, and Nevada's statutes, was  
7     somehow improper. Nor has Cotter, Jr. produced any evidence that would indicate that the  
8     Executive Committee's making of the choice, as opposed to the entire Board of Directors, was  
9     improper. As shown above, the Executive Committee was duly authorized to exercise Board  
10    powers between meetings of the Board. Accordingly, this decision was wholly within the  
11    authority of the Executive Committee.

12            Cotter, Jr. has not presented any evidence that the choice of the record date was  
13    motivated by anything other than the subjective belief by members of the Executive Committee  
14    that such date was appropriate and in the best interests of RDI. Nor has he produced any  
15    evidence to show that the record date somehow caused harm to RDI. Accordingly, his claim that  
16    the choice of the record date by the committee was a breach of fiduciary duty must fail.

17            **B.     Cotter, Jr. Cannot Show any Impropriety in the Executive Committee's**  
18            **Appointment of Director Michael Wrotniak to RDI's Audit and Conflicts**  
19            **Committee.**

20            Cotter, Jr. is unable to support his assertion that the Executive Committee should not  
21    have appointed Michael Wrotniak to RDI's Audit and Conflicts Committee to complete Mr.  
22    Storey's term. Cotter, Jr. has produced no evidence to show that Mr. Wrotniak does not meet the  
23    qualifications for membership on the Audit and Conflicts Committee. Indeed, Cotter, Jr.  
24    admitted that he does not even know what qualifications a member of this committee must have,  
25    **SUF 12.**

26            Significantly, upon Mr. Storey's retirement from the Board of Directors, appointment of  
27    another member of the Board of Directors to the Audit and Financial Committee was necessary,  
28    pursuant to the NASDAQ listing rules. **SUF 13.** Nor can Cotter, Jr. show that RDI suffered any

1 harm from such appointment. Indeed, to do so, he would have to show some harm arising from  
2 Mr. Wrotniak's presence on the Audit and Conflicts Committee during the sixteen days between  
3 Mr. Wrotniak's October 25, 2015 appointment, and his November 10, 2015 reappointment by  
4 the Board of Directors. Cotter, Jr. has not produced any such evidence.

5 **CONCLUSION**

6 Cotter, Jr. cannot demonstrate that the existence or actions of RDI's Executive  
7 Committee constituted a breach of a fiduciary duty to the shareholders. Nor can Cotter, Jr. prove  
8 that the shareholders were injured as a result of the existence of actions of RDI's Executive  
9 Committee. Therefore, RDI is entitled to summary judgment as to any claims premised on the  
10 existence or actions of the Executive Committee.

11 DATED: this 3<sup>rd</sup> day of October, 2016.

12 GREENBERG TRAURIG, LLP

13 /s/ Mark E. Ferrario

14 MARK E. FERRARIO, ESQ.

15 (NV Bar No. 1625)

16 KARA B. HENDRICKS, ESQ.

17 (NV Bar No. 7743)

18 TAMI D. COWDEN, ESQ.

19 (NV Bar No. 8994)

20 *Counsel for Reading International, Inc.*

**CERTIFICATE OF SERVICE**

Pursuant to Nev. R. Civ. P. 5(b)(2)(D) and E.D.C.R. 8.05, I certify that on this day, I caused a true and correct copy of the forgoing *Reading International, Inc.'s Joinder to the Individual Defendants' Motion for Summary Judgment No. 4 Re Plaintiff's Claims Related to The Executive Committee* to be filed and served via the Court's Wiznet E-Filing system on all registered and active parties. The date and time of the electronic proof of service is in place of the date and place of deposit in the mail.

DATED: this 3<sup>rd</sup> day of October, 2016.

/s/ Andrea Lee Rosehill

An employee of GREENBERG TRAURIG, LLP

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# EXHIBIT A

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**EXHIBIT 3.6**

**AMENDED AND RESTATED**  
**BYLAWS**  
**OF**  
**Reading International, Inc.**  
**A Nevada Corporation**  
**(formerly Citadel Holding Corporation)**

---

shall be as valid and effective in all respects as if passed by the Board of Directors in a regular meeting.

A quorum of the directors may adjourn any directors meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the directors present at any directors' meeting, either regular or special, may adjourn from time to time, without notice other than announcement at the meeting, until a quorum is present.

Notice of the time and place of holding an adjourned meeting need not be given to the absent directors if the time and place are fixed at the meeting adjourned.

#### SECTION 10 COMMITTEES

The Board of Directors may, by resolution adopted by a majority of the whole Board, designate one or more committees of the Board of Directors, each committee to consist of at least one or more directors of the Corporation which, to the extent provided in the resolution, shall have and may exercise the power of the Board of Directors in the management of the business and affairs of the Corporation and may have power to authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power to amend the Articles of Incorporation, to adopt an agreement or plan of merger or consolidation, to recommend to the stockholders a sale, lease or exchange of all or substantially all of the Corporation's assets, to recommend to the stockholders dissolution or revocation of dissolution, or to amend these Bylaws, and, unless the resolution or the Articles of Incorporation expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Such committee or committees shall have such name or names as may be determined from time to time by the Board of Directors. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The members of any such committee present at any meeting and not disqualified from voting may, whether or not they constitute a quorum, unanimously appoint another member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. At meetings of such committees, a majority of the members or alternate members shall constitute a quorum for the transaction of business, and the act of a majority of the members or alternate members at any meeting at which there is a quorum shall be the act of the committee.

The committees, if required by the Board, shall keep regular minutes of their proceedings and report the same to the Board of Directors.

#### SECTION 11 ACTION WITHOUT MEETING; TELEPHONE MEETINGS

Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if a written consent thereto is signed by all members of the Board of Directors or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.



the Corporation may be facsimiles. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall cease to be such officer before such certificate is issued, such certificate may be issued with the same effect as though the person had not ceased to be such officer. The seal of the Corporation, or a facsimile thereof, may, but need not be, affixed to certificates of stock.

#### SECTION 2 SURRENDERED; LOST OR DESTROYED CERTIFICATES

The Board of Directors or any transfer agent of the Corporation may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost or destroyed upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors (or any transfer agent of the Corporation authorized to do so by a resolution of the Board of Directors) may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or the owner's legal representative, to advertise the same in such manner as it shall require and/or give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

#### SECTION 3 REGULATIONS

The Board of Directors shall have the power and authority to make all such rules and regulations and procedures as it may deem expedient concerning the issue, transfer, registration, cancellation and replacement of certificates representing stock of the Corporation.

#### SECTION 4 RECORD DATE

The Board of Directors may fix in advance a date not exceeding sixty days nor less than ten days preceding the date of any meeting of stockholders, or the date for the payment of any distribution, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining the consent of stockholders for any purpose, as a record date for the determination of the stockholders entitled to notice of and to vote at any such meeting, and any adjournment thereof, or entitled to receive payment of any such distribution, or to give such consent, and in such case, such stockholders, and only such stockholders as shall be stockholders of record on the date so fixed, shall be entitled to notice of and to vote at such meeting, or any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid.

#### SECTION 5 REGISTERED OWNER

The Corporation shall be entitled to recognize the person registered on its books as the owner of shares to be the exclusive owner for all purposes including voting and distribution, and the Corporation shall not be bound to recognize any equitable or other claim to or interest in such

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# EXHIBIT B

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EIGHTH JUDICIAL DISTRICT COURT  
CLARK COUNTY, NEVADA

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

vs. Case No.

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

and

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

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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

1 Q. So as you're sitting here now, you can't  
2 think of the -- any specific issue where you're  
3 asking the company to go back and undo it or change  
4 it based upon untimely disclosure of agenda items or  
5 material in advance of board meetings, as you sit 10:44:51  
6 here now?

7 A. As I sit here now.

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

10 BY MR. TAYBACK: 10:44:56

11 Q. As you sit here now, that's correct; right?

12 MR. KRUM: Same objection.

13 THE WITNESS: As I sit here today.

14 BY MR. TAYBACK:

15 Q. That's correct? 10:45:01

16 A. Right.

17 Q. Ask you about the -- you talked about  
18 the -- initially, you said the creation of an  
19 executive committee, and then I think you said  
20 activation of an executive -- 10:45:12

21 A. Right.

22 Q. -- committee.

23 What's your understanding of the executive  
24 committee of the board of Reading? What is it?

25 A. The executive committee of the board is a 10:45:21

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1 committee of four -- I think it's four members.

2 It's been in existence for some time. It has never  
3 been utilized by the company for at least the last  
4 five to seven years and maybe longer, but it has  
5 never been utilized by the company.

10:45:41

6 I was the chairman of the executive  
7 committee, appointed in May of 2014, I believe. My  
8 sister Margaret was on the committee, Guy Adams and  
9 Ed Kane.

10 That committee, on or shortly after my 10:45:59  
11 termination, was reconstituted and reactivated so  
12 that it took all of the authority of the board, and  
13 it acted, in effect, as the board of directors, and  
14 it had the effect of disenfranchising the other  
15 directors because decisions were made by that 10:46:25  
16 executive committee.

17 Q. Was there a -- I think you said activation.

18 Was there a moment in time or a particular  
19 action at a board meeting or elsewhere where the  
20 executive committee became activated? 10:46:42

21 A. As I testified, shortly after my  
22 termination -- or, actually, on the date of my  
23 termination, I was removed from the executive  
24 committee. It was reconstituted. And then at  
25 some -- between that board meeting and the following 10:47:08

Page 44

1           A.    It's my assumption based on the historical  
2           practice of never utilizing the executive committee  
3           that clearly existed and based on my recollection of  
4           reading through Reading's filings.

5           Q.    Now I want to ask you some questions about       10:51:19  
6           the executive committee after it was activated, to  
7           use your word.

8                   What decisions are you aware of that that  
9           executive committee has made to which you object?

10          A.    Sitting here right now, I cannot think of       10:51:33  
11          any specific decisions that were made by the  
12          executive committee.

13          Q.    Can you think of any specific actions taken  
14          by the executive committee?

15          A.    Again, sitting here today, I cannot recall       10:51:43  
16          specifically certain actions taken by the executive  
17          committee.

18          Q.    Can you think of any --

19                  Because you're still on the Reading board;  
20          correct?

21          A.    Correct.

22          Q.    The executive committee has reported to the  
23          board; correct?

24          A.    Correct.

25          Q.    And as you sit here now, you can't recall       10:52:04

1 any actions or decisions by the executive committee  
2 that were reported back to the board at which you  
3 were present to which you object; is that correct?

4 A. There were a number of actions taken by the  
5 executive committee that I cannot recall at this 10:52:27  
6 point, yes, that's correct.

7 Q. Meaning there were a number of actions but  
8 you can't recall any of them?

9 A. At this -- today, sitting here, I cannot  
10 recall. 10:52:36

11 Q. Okay. You understand this is your  
12 deposition in the derivative suit; right?

13 A. I do.

14 Q. Yeah.

15 A. Of course. 10:52:41

16 Q. You mentioned that the process for a search  
17 for the CEO as something that is a grievance of  
18 yours in this case -- withdraw that.

19 Back to the executive committee.

20 To redress the perceived wrong of 10:53:05  
21 activating this executive committee to take actions  
22 that you can't recall now, what do you want the  
23 company to do --

24 MR. KRUM: Objection --

25 BY MR. TAYBACK:

1       seemed.

2               So there wasn't a lot of thought given when  
3       I was appointed to the executive committee. It was  
4       only until it was activated and it was used to make  
5       decisions in place of the full board of directors.       10:56:50

6       BY MR. TAYBACK:

7               Q.     When you say that wasn't a lot of thought  
8       given, you mean you didn't give it a lot of thought  
9       because it wasn't being used.

10              That's what you mean; right?                   10:56:58

11             A.     I can only say what -- yeah, that's  
12       correct.

13             Q.     And when you say -- what you're saying is  
14       you didn't give it a lot of thought when you were  
15       first appointed to the executive committee because       10:57:05  
16       it didn't seem that important at the time?

17             A.     Correct.

18             Q.     And I'm asking you now what you would want  
19       the company to do.

20              Do you want the company to take this           10:57:20  
21       executive committee, keep it, but only use it in  
22       case of emergency?

23              That's one thing; correct?

24             A.     To use it properly as a normal public  
25       company would use an executive committee.           10:57:34

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1 BY MR. TAYBACK:

2 Q. Can you -- I don't want to cut you off.

3 A. Sure. No, no. Go ahead.

4 Q. Can you name any publicly held companies  
5 that you believe are comparable to Reading and have 11:00:03  
6 an executive committee that you think is more  
7 consistent with the executive committee that you  
8 believe Reading should have?

9 A. I can't recall specifically a company of  
10 Reading's size and how it uses an executive 11:00:23  
11 committee.

12 Q. The process for the search of a CEO, you  
13 said that you're seeking redress for what you  
14 believe to be a breach of fiduciary duty by that  
15 process that was used for searching for a CEO. 11:00:48

16 Describe for me what the redress for that  
17 is that you're seeking.

18 A. I might have --

19 MR. KRUM: Wait, wait, wait. Let me do my  
20 objection. 11:01:03

21 Objection, calls for a legal conclusion,  
22 complaint speaks for itself.

23 Go ahead.

24 THE WITNESS: Chris, I might have misstated  
25 testimony earlier. 11:01:15

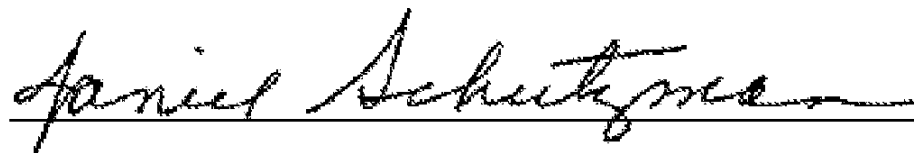
Page 57

1  
2 I, JANICE SCHUTZMAN, Certified Shorthand  
3 Reporter of the State of California, do hereby  
4 certify:

5 That the foregoing proceedings were taken  
6 before me at the time and place herein set forth;  
7 that any witnesses in the foregoing proceedings,  
8 prior to testifying, were placed under oath; that  
9 the testimony of the witness and all objections made  
10 by counsel at the time of the examination were  
11 recorded stenographically by me, and were thereafter  
12 transcribed under my direction and supervision; and  
13 that the foregoing pages contain a full, true and  
14 accurate record of all proceedings and testimony to  
15 the best of my skill and ability.

16 I further certify that I am neither financially  
17 interested in the action nor a relative or employee  
18 of any attorney or any of the parties.

19 IN WITNESS WHEREOF, I have subscribed my name  
20 this 19th day of May, 2016.

21  
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24 JANICE SCHUTZMAN

25 CSR No. 9509

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EIGHTH JUDICIAL DISTRICT COURT  
CLARK COUNTY, NEVADA

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

vs. Case No.

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

and

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

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(CAPTION CONTINUED ON NEXT PAGE.)

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

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

1 testimony from today.

2 THE WITNESS: At some point, I learned of  
3 what -- the compensation that Guy Adams was  
4 receiving from the Cotters, what that represented of  
5 his total overall income. And when I learned that, 04:20PM  
6 that was subsequent to the date of this filing.

7 BY MR. TAYBACK:

8 Q. So sometime after May 8th and before your  
9 termination is when you learned the facts that gave  
10 rise to your conclusion that Mr. Adams was not 04:20PM  
11 independent; is that correct?

12 MR. KRUM: Asked and answered.

13 THE WITNESS: Yes.

14 BY MR. TAYBACK:

15 Q. And that just happens to coincide with your 04:20PM  
16 discovery that Mr. Adams was not supporting you as  
17 CEO; correct?

18 A. It happens to coincide, yes.

19 Q. If I could ask you to go up -- higher up on  
20 this document. 04:20PM

21 There's a paragraph that says "Executive  
22 Committee."

23 Do you see that?

24 A. Yes.

25 Q. And it states here: 04:21PM

Page 803

1 "A standing executive committee  
2 currently comprised of Mr. Cotter, Jr.,  
3 who serves as chair, Ms. Margaret  
4 Cotter, and Messrs. Adams and Kane, is  
5 authorized to the fullest extent 04:21PM  
6 permitted by Nevada law, to take action  
7 on matters between meetings of the full  
8 board."

9 Do you see that?

10	A. I do.	04:21PM
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11 Q. That accurately describes the executive  
12 committee that existed in May of 2015; correct?

13           A.     It may accurately describe the committee,  
14     but the committee had taken no action for at least  
15     the last 10 years. 04:21PM

16 Q. And that's, in fact, what it says; correct?

17 | A. It --

18 Q. Well, it doesn't say 10 years. Do you  
19 see -- if you read on.

20 Do you see what it says? 04:21PM

21 MR. KRUM: In 2014?

22 BY MR. TAYBACK:

23	Q. In 2014.
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24 MR. KRUM: The first sentence, the next  
25 paragraph. 04:21PM

1 THE WITNESS: Right. Yes.

2 BY MR. TAYBACK:

3 Q. So my question is whether that's an

4 accurate statement of the executive committee?

5 A. Appears to be. 04:22PM

6 Q. And whether it's taken action or not taken

7 action is another fact, but the power that the

8 executive committee has is the power that it has now

9 and is the power it had in 2015; correct?

10 A. Right. 04:22PM

11 Q. And you didn't object to it having --

12 MR. KRUM: Objection --

13 BY MR. TAYBACK:

14 Q. -- that power?

15 MR. KRUM: -- vague and ambiguous. 04:22PM

16 THE WITNESS: I did not object to the

17 executive committee having that power, no, because

18 it had never exercised that power.

19 BY MR. TAYBACK:

20 Q. Let me just make sure. 04:22PM

21 Do you feel like that the power is okay as

22 long as it's not used?

23 MR. KRUM: Objection.

24 BY MR. TAYBACK:

25 Q. Is that your contention? 04:22PM

Page 805

1 it took, some of which I felt benefited Ellen and  
2 Margaret as stockholders, such as the determination  
3 of the record date, a simple determination that has  
4 always -- could easily have been made by the board  
5 and it had been made by the executive committee. 04:24PM

6 Q. And do you disagree with the determination  
7 it made or the fact that the executive committee  
8 made that determination?

9 A. I disagree with both.

10 Q. What are the other specific actions taken 04:24PM  
11 by the executive committee that you object to?

12 A. I believe that it appointed Michael  
13 Wrotniak to the audit committee, and I objected to  
14 the use of the executive committee to appoint a  
15 member who I felt was unqualified to serve on the 04:24PM  
16 audit committee.

17 Q. And do you have -- well, let me ask you.

18 Okay. Any other actions by the executive  
19 committee to which you object?

20 A. I can't think of any at this time. 04:25PM

21 Q. You agree with me that as you certified  
22 previously, whether the executive committee took  
23 action or not, that, in fact, the executive  
24 committee is authorized to the fullest extent of  
25 Nevada law to take action? 04:25PM

Page 807

1 MR. KRUM: Asked and answered.

2 BY MR. TAYBACK:

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

04:25PM

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

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

04:26PM

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

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

04:26PM

16 MR. KRUM: Well --

17 BY MR. TAYBACK:

18 Q. So --

19 MR. KRUM: -- excuse me.

20 Misstates the testimony, too.

04:26PM

21 BY MR. TAYBACK:

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

04:26PM

Page 808

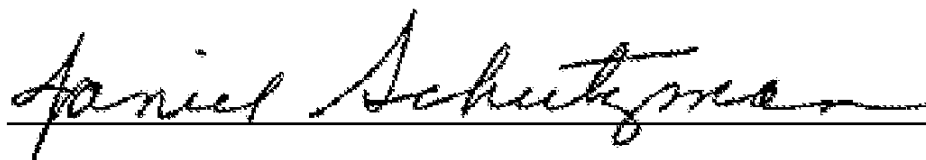


1 I, JANICE SCHUTZMAN, Certified Shorthand  
2 Reporter of the State of California, do hereby  
3 certify:

4 That the foregoing proceedings were taken  
5 before me at the time and place herein set forth;  
6 that any witnesses in the foregoing proceedings,  
7 prior to testifying, were placed under oath; that  
8 the testimony of the witness and all objections made  
9 by counsel at the time of the examination were  
10 recorded stenographically by me, and were thereafter  
11 transcribed under my direction and supervision; and  
12 that the foregoing pages contain a full, true and  
13 accurate record of all proceedings and testimony to  
14 the best of my skill and ability.

15 I further certify that I am neither financially  
16 interested in the action nor a relative or employee  
17 of any attorney or any of the parties.

18 IN WITNESS WHEREOF, I have subscribed my name  
19 this 19th day of July, 2016.

20  
21  
22   
23

24 JANICE SCHUTZMAN

25 CSR No. 9509

Page 838

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# EXHIBIT C

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

August 28, 2015

A duly called meeting of the Executive Committee (the "Committee") of the Board of Directors of Reading International, Inc. (the "Company") was held telephonically on August 28, 2015 at 9:00 a.m. (Los Angeles time). Present by telephone were Guy Adams (Chairman), Ellen Cotter, Margaret Cotter and Edward Kane. Present at the invitation of the Committee was Craig Tompkins, who acted as Recording Secretary. Each of the participants confirmed that they could hear one another.

*Setting of Record Date and Annual Shareholder Meeting Date*

The Board of Directors on August 4, 2015, delegated to the Committee the authority to set the Record Date and the date of the Annual Shareholders Meeting.

The Committee discussed the matter and set the following dates:

**Record Date:** October 6, 2015

**Annual Shareholder Meeting Date:** November 11, 2015

The Committee unanimously authorized management to issue a Form 8-K and press release during the week of August 31, 2015 providing for public disclosure of the record and meeting dates, and including such other information as management should in its discretion determine to be appropriate.

Conclusion of Meeting

There being no further business, the meeting was adjourned at 9:30 a.m. (Los Angeles time).

A handwritten signature in dark ink, appearing to read "S. Craig Tompkins", is written over a horizontal line.

S. Craig Tompkins, Recording Secretary

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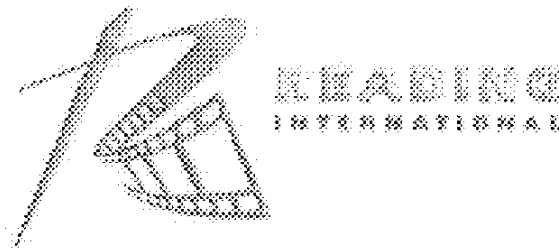
Joinder Exhibit Page 022

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# EXHIBIT D

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

October 25, 2015

A duly called meeting of the Executive Committee (the "Committee") of the Board of Directors of Reading International, Inc. (the "Company") was held telephonically on October 25, 2015 at 3:00 pm (Los Angeles time). Present by telephone were Ellen Cotter, Margaret Cotter and Edward Kane. Present at the invitation of the Committee was Doug McEachern, the Chairman of the Company's Audit Committee. In Guy Adam's absence, Ellen Cotter acted as Chair of the Meeting and as Recording Secretary. Each of the participants confirmed that they could hear one another. Guy Adams had advised earlier that he would not be able to attend, but had consented to the meeting proceeding in his absence and had waived notice.

Appointment of Michael Wrotniak to the Audit and Conflicts Committee

Ellen Cotter discussed the need to fill the vacancy on the Company's Audit and Conflicts Committee (the "Audit Committee") created by the retirement of Tim Storey. NASDAQ rules require three independent directors be included on the Company's Audit Committee. Michael Wrotniak, a newly elected Director of the Company, was being considered to fill the vacancy on the Audit Committee. Mr. Doug McEachern described a telephonic meeting on October 23, 2015 attended by himself, Dev Ghose, the Company's Chief Financial Officer, Craig Tompkins, the Company's Special Counsel, and Mr. Wrotniak. At that meeting, the participants discussed (i) whether Mr. Wrotniak's financial experience and qualifications were satisfactory to be a member of the Audit Committee and (ii) the time commitment necessary on Mr. Wrotniak's part.

Mr. McEachern described again for the Executive Committee the financial qualifications of Mr. Wrotniak, which included, among other things, being the tax matters partner for several years at Aminco Resources, LLC, a privately held international commodities trading firm. Mr. McEachern further reported that he had discussed with Mr. Wrotniak the time commitment involved in serving on the Audit Committee, and that Mr. Wrotniak had advised that he would be able to meet that time commitment and was willing to serve on the Audit Committee. Mr. McEachern thereafter recommended to the Executive Committee, Mr. Wrotniak's appointment to the Audit Committee.

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Joinder Exhibit Page 024

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Prior to this meeting of the Executive Committee, Mr. McEachern informed those present that he had discussed his recommendation with Guy Adams, the Chair of the Executive Committee. Mr. Adams gave Mr. McEachern his proxy to vote in favor of Mr. Wrotniak's appointment to the Audit Committee.

After discussing the matter, the Executive Committee members on this telephone conference unanimously voted (Mr. McEachern casting Mr. Adams vote in favor) to appoint Mr. Wrotniak to the Audit Committee, effective immediately, such appointment to continue until the reformation of the Board's committees immediately following the Annual Meeting of Stockholders scheduled for November 10, 2015.

Conclusion of Meeting

There being no further business the meeting was adjourned at 3.30pm (Los Angeles time).

  
Ellen M. Cotter, Recording Secretary

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# EXHIBIT E

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

November 10, 2015

A duly called and noticed meeting of the Board of Directors (the "Board") of Reading International, Inc. (the "Company") was held immediately following the Annual Meeting of the Stockholders of the Company, on Tuesday, November 10, 2015, in the Plaza Room at the Ritz Carlton Marina Del Rey Hotel, in Los Angeles, California. In attendance, in person, were Chairperson Ellen Cotter, Vice Chairperson Margaret Cotter, and Board members Guy Adams, Dr. Judy Coddling, James J. Cotter, Jr., William Gould, Edward L. Kane, Douglas McEachern, and Michael Wrotniak. Present at the invitation of the Board were Dev Ghose (Chief Financial Officer), Andrzej Matyczynski (Strategic Consultant), William Ellis (General Counsel and Corporate Secretary) and Craig Tompkins (Special Counsel and Recording Secretary). Also present for portions of the meeting at the invitation of the Board were Michael Buckley (Edifice Realty Estate Partners), Robert Smerling (President, Domestic Cinemas), Wayne Smith (Managing Director, Australia and New Zealand), Matthew Bourke (Director of Real Estate, Australia and New Zealand), John Goeddel (Chief Information Officer) and Victor Albizures (Security and Compliance Manager). Messrs. Smith and Bourke participated by telephone.

Chair Cotter called the meeting to order at 12:30 PM, Pacific Savings Time.

U.S. Real Estate Operations

The first business taken up was a report by Mr. Buckley and Margaret Cotter on the status of the Company's Union Square and C123 redevelopment projects. Mr. Buckley and Ms. M. Cotter advised the Board that:

- As to the Union Square redevelopment project, they advised, among other things, that:
  - \* The project continues to proceed on time and on budget;
  - \* Edifice Real Estate Partners (the Company's development manager) and Newmark Grubb Knight Frank (the Company's broker) have each conducted recent analyses as to likely gross rents for the project and have come out very close to the estimated gross rents previously estimated by Edifice and Newmark;
  - \* The NY Film Academy has vacated the building, and we do not anticipate any problem getting 100% vacant possession by the end of the year;
  - \* They anticipate that asbestos abatement will begin by the end of the year;

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Joinder Exhibit Page 027

JA3787



- \* Newmark is working on marketing materials and they should be ready for the ICSC Convention in New York on December 7th & 8th; and
  - \* The current plans do not provide for any theater space in the building.
- As to C123, they advised the Board, among other things, that:
- \* It is anticipated that a feasibility plan would be ready to circulate to the adjacent land owners by the end of the month;
  - \* The design work is in the early stages. The feasibility study contemplates a mixed use of retail, restaurant, and residential/hotel;
  - \* The adjacent landowners are principally in the restaurant business, have no interest in selling their land (although, if the joint development goes forward, it would be contributed to an LLC), and want to have the right to be the restaurant tenant; and
  - \* We believe it likely that a deal can be worked out with the adjacent landowners, since the economics are compelling for both parties. Factors include not only the larger footprint, but the material increase in street frontage and the ability to spread the cost of the required subway work over a larger project.
- Dev Ghose advised that he was working on a financing package for the Union Square project, seeking 100% financing, no amortization and a Liber-based variable interest rate.
- Responding to director questions regarding the status of the leasing of the Union Square project, Management responded that:
- \* We are not currently executing any contracts that do not have early termination clauses, and will not be entering into any material binding obligations before Management's next presentation to the Board with respect to this project;
  - \* It is not currently the anticipation of Management that the property would be developed on a speculative basis (i.e. without any leases in place);
  - \* We will likely have a much better idea of the development schedule, lender requirements and the rental market after the December ICSC conference;
  - \* We are ultimately going to have to balance the benefits of entering into a lease before the commencement of construction or waiting until we have a definite completion date that we can take to market;

- \* It appears that financing may be available that is not conditioned upon having tenants in place; and
- \* Management will be coming back to the Board with further information at a meeting sometime in December.

#### Financial Results, Liquidity and Debt Matters

The next business taken up was a report by Mr. Ghose on third quarter operating results and a proposed modification of the NAB Loan. Mr. Ghose reported that he had been able to negotiate several favorable modifications to the NAB Loan (the "NAB Loan Modification"), as follows:

- \* Reduction of 45 basis points on borrowing costs from 235 basis points over BBSY to 190 bps over;
- \* The spread of 190 bps will be split up into a facility fee of 95 bps over BBSY; a drawn margin of 95 bps over BBSY will be paid only on outstanding borrowings;
- \* Elimination of annual loan amortization of AU\$2 M;
- \* Split up the facility into a Revolving Line of AU\$66.5 M and a guarantee facility of \$5M; and
- \* Permission to repatriate up to AU \$30 M out of the facility;

Mr. Ghose further reported that cost savings to the Company could be between \$220,000 (fully drawn) and \$840,000 (undrawn). On motion duly made and seconded, the Board unanimously voted to authorize Management to proceed with the NAB Loan Modification generally as outlined at the meeting and described above in these Minutes.

#### U.S. Cinema Operations

Chair Cotter and Mr. Smerling next presented their report regarding the results of operations for the domestic cinemas, and responded to questions.

#### Australia/New Zealand Cinema Operations

At this time, Messrs Smith and Bourke joined the meeting.

Mr. Smith next presented his report on cinema operations in Australia and New Zealand and responded to questions.

Australia/New Zealand Real Estate Operations

Mr. Bourke next presented his report on real property operations in Australia and New Zealand, focusing on a proposed acquisition of the land underlying our cinema in Townsville, Australia, commonly known as Cannon Park. Mr. Bourke reported, among other things, that:

- We have been selected as the preferred bidder for the property, based on an offer of AU\$31.5 million (approximately US\$22.4 million), and Management is currently negotiating a "heads of agreement" (essentially a letter of intent) with the seller;
- These negotiations are confidential in nature;
- The proposed purchase price represents an approximately 8.5% yield;
- Any transaction will be subject to satisfactory completion of due diligence and approval of the Board;
- We were not the highest bidder, but other terms of our offer (principally a fast close) gave us the edge;
- We are already familiar with the property because it is the location of our Cannon Park Cinema, and we believe that the property offers the opportunity for us to increase the cash flow from the property and to increase the number of auditoriums at our cinema;
- We have the cash on hand to complete the purchase;
- While Management is aware of the potential development of a competitive theater at the Stockland's shopping center, Management believes that any such development (if it were to occur) would be several years away, and the possibility of such potential completion was not, in their view, a good reason for not acquiring the property at the currently proposed price;
- Management will report back to the Board after it has definitive deal terms and completed due diligence; and
- No binding agreement will be entered into until such time as Board approval is obtained.

Mr. Smith advised the Board that he agreed with Mr. Bourke's analysis, including the analysis regarding potential competition at Stockland's.

It was the consensus of the Board that Management should continue to advance this potential transaction, subject to Board approval upon completion by Management of its due diligence.

At this point, Messrs Smith and Bourke left the meeting and Messrs. Goeddel and Albizures joined the meeting.

Cybersecurity Presentation

Next, the Board heard a presentation by John Goeddel (Chief Information Officer) and Victor Albizures (Security and Compliance Manager) regarding cybersecurity, and responded to questions. The Board complimented Messrs. Goeddel and Albizures as to the quality of their presentation, noted the importance of sound cybersecurity, determined that follow up work should be done, and delegated responsibility for conducting such further review and analysis and coordinating with Management the work to be done (if any) to the Audit and Conflicts Committee. It is anticipated that the Audit and Conflicts Committee will report back to the Board at an appropriate time during the first quarter of next year.

Review of Board of Directors Minutes

After a discussion regarding the draft minutes of the Board Meetings held on October 5, 2015 and October 12, 2015, on motion made by Director Adams, seconded by Director Kane, with Mr. Cotter Jr. voting no as to both sets of minutes, Mr. Wrotniak abstaining as to both sets of minutes, and Dr. Judy Coddling abstaining as to the minutes dated October 5, 2015 and voting in favor of the minutes dated October 12, 2015, the minutes of the Board Meetings held on October 5, 2015 and October 12, 2015 were approved.

Committee Assignments

The Board next took up the topic of Board Committee assignments. Chair Cotter made the following recommendations to the Board:

Executive Committee:

Guy Adams: Chair  
Ellen Cotter  
Margaret Cotter  
Edward L. Kane

Audit Committee:

Douglas McEachern: Chair  
Edward L. Kane  
Michael Wrotniak

Compensation Committee:

Edward L. Kane: Chair  
Guy Adams  
Dr. Judy Coddling

Tax Oversight Committee:<sup>1</sup>

Edward L. Kane, Chair  
James J. Cotter, Jr.

Mr. Cotter, Jr. raised the issue of the ongoing role of the Executive Committee and the matter was discussed. During this discussion, it was disclosed that the only action taken by the Executive Committee that would have otherwise required Board action was the appointment of Mr. Wrotniak to the Audit Committee, and the directors were given the opportunity to identify any actions taken by the Executive Committee to which they took exception. No actions were identified. While no formal motion was presented or considered, no director other than Mr. Cotter, Jr. took any exception to the continuation of the authority previously delegated to the Executive Committee.

Following further discussion, on motion duly made and seconded, the above Committee assignments were approved by a vote of 8 to 1, with Mr. Cotter, Jr. voting no. Mr. Cotter, Jr. did, however, agree to serve on the Tax Oversight Committee, to the extent that such committee had work to do.

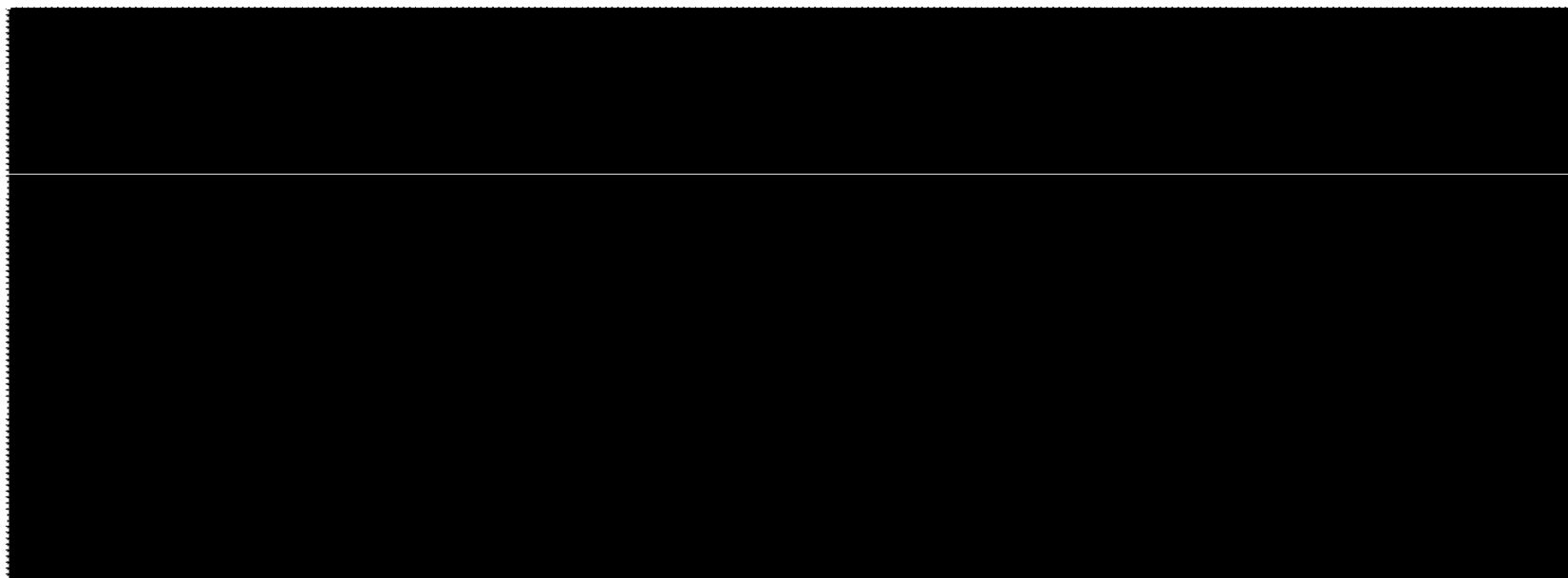
Discussion Regarding Insider Trading Policy

The Board next discussed the Blackout period established that day by the Company's Chief Compliance Officer (Mr. Craig Tompkins), after consultation with the Company's Chief Executive Officer. Mr. Cotter, Jr. expressed his view that the Company's insider trading policies had been adopted not for sound business or regulatory reasons, but in order to harass him and prevent him from selling shares in the Company and that something needed to be done so that he could sell his shares. He stated that he believed it to be inappropriate that his sister (Ellen Cotter) be involved in decisions relating to when he could and could not sell his stock in the Company.

Mr. Tompkins explained that:



<sup>1</sup> It is not anticipated that the Tax Oversight Committee will have any regular meeting schedule or any specific duties, other than to be available to consult with and assist the Chief Financial Officer, to the extent requested from time to time.



Following discussion, no action was proposed or taken to revise the Company's insider trading policy.

Directors McEachern and Kane left the meeting at this time.

#### Appointment of Officers

The Board next considered Chair Cotter's recommendations as to the appointment of officers. Chair Cotter recommended the following individuals to hold the following offices. The individuals identified with an \* are designated as "executive officers" of the Company for purposes of Section 16 of the Securities Exchange Act.

- \* Ellen M. Cotter, Interim President and Chief Executive Officer, and Chief Operating Officer – Domestic Cinemas\*
- \* Devasis Ghose, Chief Financial Officer and Treasurer\*
- \* William Ellis, General Counsel & Secretary\*
- \* Robert F. Smerling, President, Domestic Cinemas\*
- \* Wayne Smith, Managing Director, Australia and New Zealand\*
- \* Steve Lucas, Chief Accounting Officer and Controller
- \* Matthew Bourke, Director of Real Estate of Australia and New Zealand

Following discussion, on motion duly made and seconded, the Chair's recommended appointments were approved and such individuals duly appointed to the offices specified above.

During this process, discussion was had as to who should serve going forward as Chairman and Vice Chairman. Mr. Cotter, Jr. reminded Ellen Cotter and Margaret Cotter that

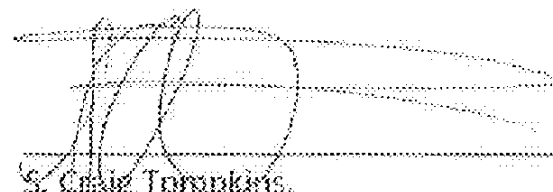
Reading International, Inc.  
Minutes of the Organizational Meeting  
of the Board of Directors  
November 10, 2015  
Page 8

under certain trust documents of James Cotter Sr., the chairmanship was to be rotated on an annual basis between Ms. E. Cotter, Ms. M. Cotter and himself. As Directors Kane and McEachern had left the meeting, it was determined that this matter would be put over until the next meeting.

**Legal Update**

Next, Mr. Ellis presented his litigation report and responded to questions.

There being no further business, the meeting was adjourned at 3:30 p.m.



S. Craig Tompkins,  
Recording Secretary

CONFIDENTIAL

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Joinder Exhibit Page 034

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# EXHIBIT F

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**DECLARATION OF MICHAEL WROTONIAK IN SUPPORT OF RDI'S JOINDER TO  
INDIVIDUAL DEFENDANTS' MOTION FOR SUMMARY JUDGMENT (No. 4)  
ON PLAINTIFF'S CLAIMS RELATED TO THE EXECUTIVE COMMITTEE**

I, Michael Wrotoniak, state and declare as follows:

1. I am over the age of 18, am mentally competent, have personal knowledge of the facts in this matter, except where stated as based upon information and belief, and if called upon to testify, could and would do so.
2. I submit this declaration in support of RDI's Joinder to Individual Defendants' Motion for Summary Judgment (No. 4) on Plaintiff's Claims Related to the Executive Committee.
3. I am and have been since October, 2015, a member of the Board of Directors of Reading International, Inc. (the "Company").
4. Since October 25, 2015, I have been a member of the Company's Audit and Conflicts Committee.
5. The Company is listed on the NASDAQ Stock Exchange.
6. I am familiar with the provisions of NASDAQ List Rules Section 5605, which sets forth the qualifications for members of the audit committees of NASDAQ listed companies. As relevant here, such qualifications include that the members be independent directors, as defined therein, and that the members be able to read and understand financial statements. Specifically, the list rule provides:

5605. Board of Directors and Committees

(a) Definitions

(1) "Executive Officer" means those officers covered in Rule 16a-1(f) under the Act.

(2) "Independent Director" means a person other than an Executive Officer or employee of the Company or any other individual having a relationship which, in the opinion of the Company's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. For purposes of this rule, "Family Member" means a person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home. The following persons shall not be considered independent:

1 (A) a director who is, or at any time during the past three years  
2 was, employed by the Company;

3 (B) a director who accepted or who has a Family Member who  
4 accepted any compensation from the Company in excess of  
5 \$120,000 during any period of twelve consecutive months within  
6 the three years preceding the determination of independence, other  
7 than the following:

8 (i) compensation for board or board committee service;

9 (ii) compensation paid to a Family Member who is an  
10 employee (other than an Executive Officer) of the  
11 Company; or

12 (iii) benefits under a tax-qualified retirement plan, or non-  
13 discretionary compensation.

14 Provided, however, that in addition to the requirements contained  
15 in this paragraph (B), audit committee members are also subject to  
16 additional, more stringent requirements under Rule 5605(c)(2).

17 (C) a director who is a Family Member of an individual who is, or  
18 at any time during the past three years was, employed by the  
19 Company as an Executive Officer;

20 (D) a director who is, or has a Family Member who is, a partner in,  
21 or a controlling Shareholder or an Executive Officer of, any  
22 organization to which the Company made, or from which the  
23 Company received, payments for property or services in the  
24 current or any of the past three fiscal years that exceed 5% of the  
25 recipient's consolidated gross revenues for that year, or \$200,000,  
26 whichever is more, other than the following:

27 (i) payments arising solely from investments in the  
28 Company's securities; or

(ii) payments under non-discretionary charitable  
contribution matching programs.

(E) a director of the Company who is, or has a Family Member  
who is, employed as an Executive Officer of another entity where  
at any time during the past three years any of the Executive  
Officers of the Company serve on the compensation committee of  
such other entity; or

(F) a director who is, or has a Family Member who is, a current  
partner of the Company's outside auditor, or was a partner or  
employee of the Company's outside auditor who worked on the  
Company's audit at any time during any of the past three years.

\* \* \*

(c) Audit Committee Requirements

\* \* \*

(2) Audit Committee Composition

(A) Each Company must have, and certify that it has and will continue to have, an audit committee of at least three members, each of whom must: (i) be an Independent Director as defined under Rule 5605(a)(2); (ii) meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Act (subject to the exemptions provided in Rule 10A-3(c) under the Act); (iii) not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years; and (iv) be able to read and understand fundamental financial statements, including a Company's balance sheet, income statement, and cash flow statement. Additionally, each Company must certify that it has, and will continue to have, at least one member of the audit committee who has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

NASDAQ Listing Rules, § 5605.

7. I satisfy the qualifications under NASDAQ Listing Rule 5605, because I am an independent director as defined by Sec. 6505(a)(2) and Rule 10A-3(b)(1) under the Act; I have not participated in the preparation of the financial statement of the Company or any such Company's financial subsidiaries; and I am able to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement.

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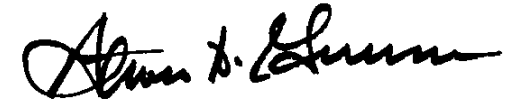
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1 8. Director Doug McEachern, who is the Chair of the Audit and Conflicts Committee, is the  
2 director who has the specific experience required of one of the three minimum director  
3 members of a NASDAQ listed company.

4 I verify under penalty of perjury under the laws of the State of Nevada that the foregoing  
5 statement is true and correct.

6 Executed this 30<sup>th</sup> day of September, 2016.

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8 MICHAEL WROTNIAK  
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CLERK OF THE COURT

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

*Counsel for Reading International, Inc.*

**DISTRICT COURT**  
**CLARK COUNTY, NEVADA**

In the Matter of the Estate of  
  
JAMES J. COTTER,  
  
Deceased.

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

Plaintiff,

v.

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

Defendants.

And

READING INTERNATIONAL, INC., a  
Nevada Corporation,

Nominal Defendant.

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

**Coordinated with:**

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

Case No. A-16-735305-B  
Dept. XI

**READING INTERNATIONAL, INC.'S  
JOINDER TO THE INDIVIDUAL  
DEFENDANTS' MOTION FOR  
SUMMARY JUDGMENT NO. 5 RE  
PLAINTIFF'S CLAIMS RELATED TO  
THE APPOINTMENT OF ELLEN  
COTTER AS CEO**

**Date of Hearing: October 25, 2016**  
**Time: 8:30 a.m.**

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

READING INTERNATIONAL, INC. (“RDI” or “Company”), hereby submits its Joinder to the Individual Defendants’ Motion for Summary Judgment No. 5 Re Plaintiff’s Claims Related to the Appointment of Ellen Cotter as CEO (the “Motion”). RDI joins with the Individual Defendants<sup>1</sup> in seeking summary judgment to the extent that Plaintiff James J. Cotter, Jr. (“Cotter, Jr.”) asserts claims and damages related to the appointment of Ellen Cotter as CEO in the Second Amended Complaint. RDI joins in the arguments advanced on behalf of the Individual Defendants in their Motion and requests judgment in its favor.

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

DATED: this 3<sup>rd</sup> day of October, 2016.

GREENBERG TRAURIG, LLP

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

### **MEMORANDUM OF POINTS AND AUTHORITIES**

This Court should grant judgment in favor of RDI on the First, Second, Third, and Fourth Causes of Action in the Second Amended Complaint (“SAC”) filed by Plaintiff James J. Cotter, Jr., to the extent that such claims relate to the appointment of Ellen Cotter to the position of CEO of RDI. This is a personal issue for Plaintiff who holds a grudge against the Company and its Board of Directors because he was removed as the President and CEO of RDI in June of 2015. As set forth in the Motion, there is no factual or legal basis for Plaintiff to proceed on any claim

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<sup>1</sup> The Motion was brought on behalf of Margaret Cotter, Ellen Cotter, Douglas McEachern, Guy Adams, Edward Kane, Judy Coddington and Michael Wrotniak collectively hereinafter “Individual Defendants.”

1 relating to Ellen Cotter's appointment as CEO. Indeed, summary judgment is appropriate in  
2 RDI's favor.

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

## 5 LEGAL ARGUMENT

### 6 I. Summary Judgment is Warranted.

7 Summary judgment should be granted if the pleadings, admissions, and all other evidence  
8 on file demonstrate that no genuine issue of material fact exists and that the moving party is  
9 entitled to judgment as a matter of law. *Wood v. Safeway, Inc.*, 121 Nev. 724, 729, 121 P.3d  
10 1026, 1029 (2005). "[I]f the nonmoving party will bear the burden of persuasion at trial, the  
11 party moving for summary judgment may satisfy the burden of production by . . . pointing out ...  
12 that there is an absence of evidence to support the nonmoving party's case." *Cuzze v. Univ. &*  
13 *Cnty. Coll. Sys. of Nevada*, 123 Nev. 598, 602-03, 172 P.3d 131, 134 (2007). In that event, the  
14 non-moving party is then obligated to present admissible evidence to show that there are material  
15 issues of fact preventing summary judgment, or summary judgment must be granted. *Id.*  
16 Because a plaintiff is required to prove each element of his cause of action, is if any element  
17 cannot be proven by admissible evidence, then summary judgment is proper. *Bulbman, Inc. v.*  
18 *Nevada Bell*, 108 Nev. 105, 111, 825 P.2d 588, 592 (1992).

### 19 A. The Actions of RDI's Directors Are Protected by Nevada's Business Judgment 20 Rule.

21 The key issue for the Court's consideration of the Motion is the applicability of the  
22 business judgment rule as codified in NRS 78.138(3). The statute clearly provides a presumption  
23 that the actions of the directors and officers of a corporation are presumed to have been made in  
24 good faith. Specifically, the statute states that "Directors and officers, in deciding upon matters  
25 of business, are presumed to act in good faith, on an informed basis with a view to the interests  
26 of the corporation." NRS 78.138(3). The decision to appoint Ellen Cotter as permanent CEO of  
27 RDI falls squarely within the confines of the statute and the inquiry should end. Moreover, the  
28 undisputed facts of this matter clearly show that each of the directors involved in the decision

1 making process drew upon a number of resources, including their own experiences with Ellen  
2 Cotter, to make the important decision of who should be running the Company.

3 **B. Ellen Cotter has the Experience and Qualities of CEO.**

4 Ellen Cotter had a long standing track record at RDI prior to her appointment as the  
5 permanent CEO of the Company. Indeed, she had been employed by the Company for more  
6 than seventeen years and for more than thirteen years had served as an executive of the Company  
7 overseeing RDI's domestic cinema operations. In this role, her responsibilities included cinema  
8 operations, development, marketing, operations and acquisitions. Additionally, Ms. Cotter has  
9 proven herself as an executive of the Company and stepped up and agreed to act as interim CEO  
10 after Cotter, Jr. was removed from that position. After interviewing key candidates identified by  
11 Korn Ferry the CEO Search Committee unanimously decided that Ellen Cotter was the best  
12 candidate for the job. Having a CEO with working knowledge of the Company, a proven track  
13 record of performance and a demonstrated ability to get along with others was and is a huge asset  
14 to RDI.

15 From the Company's perspective, Ellen Cotter was an obvious choice and in her short  
16 tenure in the position has more than proven she is capable of the title bestowed upon her. It is  
17 ironic that Plaintiff is challenging the process and circumstances in which Ellen Cotter was  
18 appointed as CEO when the process was much more substantial than the process and procedure  
19 utilized when Cotter, Jr. was appointed to the same position.

20 **C. Common Sense Supports Defendants' Position.**

21 Cotter, Jr.'s challenge to Ellen Cotter's appointment would create havoc for companies  
22 incorporated in Nevada and attempts to impose burdens and obligations that do not exist.  
23 Plaintiff cannot point to any legal requirements that were not followed. Allowing, such a claim  
24 to proceed would open up the flood gates for candidates not chosen for a position to challenge  
25 the same. In the context of a derivative action such as this, shareholders could be incentivized to  
26 file suit just because they are unhappy with a candidate that was selected in hopes of strong-  
27 arming the Company into making a leadership change. Nevada law clearly gives the discretion  
28 to appoint officers to a company's Board of Directors. There is no basis for the Court to



1 interfere with the Board's decision. Moreover, here RDI utilized a well-known company to aid  
2 in its CEO search, interviewed multiple candidates including a number of external candidates  
3 and ultimately concluded that the best person for the position was someone with nearly two  
4 decades of experience with the Company and a track record of getting along well with others.

5 In regard to allegations regarding public filings made by RDI relating to the CEO search  
6 and Ellen Cotter's appointment to the CEO position, there is no evidence to support Plaintiff's  
7 contention that the statements were misleading and no basis to impose liability on RDI for the  
8 same. The fact that Plaintiff may not like the verbiage is of no consequence. The filings clearly  
9 reflect what occurred and are supported by the undisputed facts in the Motion.

## 10 II. Conclusion.

11 Plaintiff has no legal basis to challenge the appointment of Ellen Cotter as RDI's  
12 President and CEO. In fact, the efforts taken by RDI's board prior to Ellen Cotter's appointment  
13 far exceeded the consideration given when Cotter, Jr. was appointed to the same position years  
14 ago. After a professional search for a new Company executive, Ellen Cotter was selected for the  
15 position based on her wealth of experience and expertise. The process and procedures utilized  
16 by RDI's Board were more than adequate and Cotter, Jr.'s wounded pride does not provide a  
17 basis for any such claims to proceed to trial.

18 WHEREFORE, RDI respectfully requests that summary judgment be entered in its favor  
19 to the extent that any claims in the SAC relate to the appointment of Ellen Cotter as CEO of RDI.

20 DATED: this 3<sup>rd</sup> day of October, 2016

21 GREENBERG TRAURIG, LLP

22  
23 /s/ Mark E. Ferrario  
MARK E. FERRARIO, ESQ.  
(NV Bar No. 1625)  
24 KARA B. HENDRICKS, ESQ.  
(NV Bar No. 7743)  
25 TAMI D. COWDEN, ESQ.  
(NV Bar No. 8994)  
26 *Counsel for Reading International, Inc.*  
27  
28

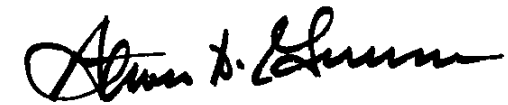
**CERTIFICATE OF SERVICE**

Pursuant to Nev. R. Civ. P. 5(b)(2)(D) and E.D.C.R. 8.05, I certify that on this day, I caused a true and correct copy of the *Reading International, Inc.'s Joinder to the Individual Defendants' Motion for Summary Judgment No. 5 Re Plaintiff's Claims Related to the Appointment of Ellen Cotter as CEO* to be filed and served via the Court's Wiznet E-Filing system on all registered and active parties. The date and time of the electronic proof of service is in place of the date and place of deposit in the mail.

DATED: this 3<sup>rd</sup> day of October, 2016.

/s/ Andrea Lee Rosehill

An employee of GREENBERG TRAURIG, LLP



CLERK OF THE COURT

**JOIN**  
MARK E. FERRARIO, ESQ.  
(NV Bar No. 1625)  
KARA B. HENDRICKS, ESQ.  
(NV Bar No. 7743)  
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hendricksk@gtlaw.com  
cowdent@gtlaw.com

*Counsel for Reading International, Inc.*

**DISTRICT COURT**  
**CLARK COUNTY, NEVADA**

In the Matter of the Estate of

JAMES J. COTTER,

Deceased.

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

Plaintiff,

v.

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

Defendants.

And

READING INTERNATIONAL, INC., a  
Nevada Corporation,

Nominal Defendant.

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

**Coordinated with:**

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

Case No. A-16-735305-B  
Dept. XI

**READING INTERNATIONAL, INC.'S  
JOINDER TO THE INDIVIDUAL  
DEFENDANTS' MOTION FOR  
PARTIAL SUMMARY JUDGMENT  
NO. 6, RE PLAINTIFF'S CLAIMS  
RELATED TO THE ESTATE'S  
OPTION EXERCISE, THE  
APPOINTMENT OF MARGARET  
COTTER, THE COMPENSATION  
PACKAGES OF ELLEN COTTER  
AND MARGARET COTTER, AND  
THE ADDITIONAL COMPENSATION  
TO MARGARET COTTER AND GUY  
ADAMS**

**Date of Hearing: October 25, 2016**  
**Time: 8:30 a.m.**

**GREENBERG TRAURIG, LLP**  
3773 Howard Hughes Parkway, Suite 400 North  
Las Vegas, Nevada 89169  
Telephone: (702) 792-3773  
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READING INTERNATIONAL, INC. hereby submits its *Joinder to the Individual Defendants' Motion for Partial Summary Judgment No. 6 Re Plaintiff's Claims Related to the Estate's Option Exercise, the Appointment of Margaret Cotter, the Compensation Packages of Ellen Cotter and Margaret Cotter, and the additional Compensation to Margaret Cotter and Guy Adams*. Reading International, Inc., ("RDI") joins with the Individual Defendants in seeking summary judgment as to the First, Second, Third, and Fourth Causes of Action in the Second Amended Complaint filed by Plaintiff James J. Cotter, Jr. ("Plaintiff" and/or "Cotter, Jr.") to the extent that such claims challenge the above actions. In addition to joining the arguments advanced on behalf of the Individual Defendants in their Motion, RDI requests judgment in its favor on these claims for the reasons set forth in the attached memorandum of points and authorities, and based on the pleadings and papers filed in this action, and any oral argument of counsel made at the time of the hearing of this Motion.

DATED: this 3<sup>rd</sup> day of October, 2016.

GREENBERG TRAURIG, LLP

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

**MEMORANDUM OF POINTS AND AUTHORITIES**

This Court should grant judgment in favor of RDI on the First, Second, Third, and Fourth Causes of Action in the Second Amended Complaint (“SAC”) to the extent that such claims challenge the following actions by the Individual Defendants in their capacity as members of the RDI Board of Directors or committees thereof:

- the Approval of Cotter, Sr.’s Estate’s Option Exercise;
- the Appointment of Margaret Cotter to an executive vice president;
- the approval of compensation packages of Ellen Cotter and Margaret Cotter; and
- the approval of additional compensation to Margaret Cotter and Guy Adams.

Cotter, Jr. is unable to present evidence sufficient to overcome the statutory presumption that any of the above decisions was not based on good faith and in furtherance of the best interests of the corporations. Significantly, a statutory presumption of good faith exists as to the approval of compensation to these directors, *regardless* of personal interest in such compensation.

In short, Cotter, Jr.’s attack on the Executive Committee is not actually based on any *realistic* belief or theory ---let alone, any *evidence*---that the committee’s existence or actions have actually caused any harm to RDI or its shareholders. Instead, this attack is simply another example of Cotter, Jr.’s condemnation of virtually *every* action taken by the Board of Directors since his termination. Even if Cotter, Jr. is sufficiently deluded so as to be personally so convinced of his own superiority that he honestly believes that any decision not personally blessed by him must necessarily be harmful to RDI, such irrational thought patterns do not, and should not, suffice to perpetuate litigation against RDI. Cotter, Jr.’s continuation of this litigation is, itself, harmful to RDI, and must be brought to a halt.

Cotter, Jr. is unable to show that the Executive Committee’s existence is a breach of any defendant’s fiduciary duty to the RDI shareholders. He is also unable to show that RDI’s shareholders have suffered any damage as a result of the challenged decisions of the Executive Committee. Accordingly, summary judgment in favor of RDI and the Individual Defendants should be granted.