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Lewis Roca
ROTHGERBER CHRISTIE

CERTIFICATE OF SERVICE

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

DATED this 13th day of June, 2016.

/s/ Jessie M. Helm

An employee of Lewis Roca Rothgerber
Christie LLP

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EXHIBIT 32

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9 *James J. Cotter, Jr.*

10 DISTRICT COURT
11 CLARK COUNTY, NEVADA

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

15 Plaintiff,

16 vs.

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

22 Defendants.

23 and

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

26 Nominal Defendant.

CASE NO.: A-15-719860-B
DEPT. NO. XI

Coordinated with:

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

Jointly Administered

**JAMES J. COTTER, JR.'S
RESPONSES TO WILLIAM GOULD'S
FIRST SET OF REQUESTS FOR
ADMISSION**

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

GENERAL OBJECTIONS

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

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

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

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

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

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

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

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

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

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

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

REQUESTS FOR ADMISSION

REQUEST NO. 1

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

RESPONSE TO REQUEST NO. 1

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

REQUEST NO. 2

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

RESPONSE TO REQUEST NO. 2

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

REQUEST NO. 3

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

RESPONSE TO REQUEST NO. 3

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

4 **REQUEST NO. 4**

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

6 **RESPONSE TO REQUEST NO. 4**

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

10 **REQUEST NO. 5**

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

12 **RESPONSE TO REQUEST NO. 5**

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

16 **REQUEST NO. 6**

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

18 **RESPONSE TO REQUEST NO. 6**

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

22 **REQUEST NO. 7**

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

24 **RESPONSE TO REQUEST NO. 7**

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

27 **REQUEST NO. 8**

28

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

3 **RESPONSE TO REQUEST NO. 8**

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

7 **REQUEST NO. 9**

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

9 **RESPONSE TO REQUEST NO. 9**

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

13 **REQUEST NO. 10**

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

15 **RESPONSE TO REQUEST NO. 10**

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

19 **REQUEST NO. 11**

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

22 **RESPONSE TO REQUEST NO. 11**

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

25 **REQUEST NO. 12**

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

28

1 **RESPONSE TO REQUEST NO. 12**

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

4 **REQUEST NO. 13**

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

6 **RESPONSE TO REQUEST NO. 13**

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

9 **REQUEST NO. 14**

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

11 **RESPONSE TO REQUEST NO. 14**

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

15 **REQUEST NO. 15**

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

17 **RESPONSE TO REQUEST NO. 15**

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

21 DATED this 13th day of June, 2016.

22 LEWIS ROCA ROTHGERBER CHRISTIE LLP

23
24 /s/ Mark G. Krum

25 Mark G. Krum (Nevada Bar No. 10913)
26 3993 Howard Hughes Pkwy, Suite 600
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Lewis Roca
ROTHGERBER CHRISTIE

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DATED this 13th day of June, 2016.

/s/ Jessie M. Helm

An employee of Lewis Roca Rothgerber
Christie LLP

EXHIBIT 33

1	EIGHTH JUDICIAL DISTRICT COURT		
2	CLARK COUNTY, NEVADA		
3			
4	JAMES J. COTTER, JR.,)	
	derivatively on behalf of)	
5	Reading International, Inc.,)	
		)	Case No.
6	Plaintiff,	)	A-15-719860-B
)	
7	vs.)	
)	
8	MARGARET COTTER, ELLEN	)	Case No.
	COTTER, GUY ADAMS, EDWARD	)	P-14-082942-E
9	KANE, DOUGLAS McEACHERN,)	
	TIMOTHY STOREY, WILLIAM	)	Related and
10	GOULD, and DOES 1 through	)	Coordinated Cases
	100, inclusive,)	
11)	
	Defendants,)	
12	and)	
)	
13	READING INTERNATIONAL, INC.,)	
	a Nevada corporation,)	
14)	
	Nominal Defendant.)	
15)	
16	Complete caption, next page.		

17

18

19 VIDEOTAPED DEPOSITION OF GUY ADAMS

20 LOS ANGELES, CALIFORNIA

21 FRIDAY, APRIL 29, 2016

22 VOLUME II

23

24 REPORTED BY: LORI RAYE, CSR NO. 7052

25 JOB NUMBER 305149

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

5 BY MR. KRUM:

6 Q. And how long thereafter was Mr. Wrotniak
7 proposed?

8 A. Three or four weeks.

9 Q. And he was proposed by Ellen and
10 Margaret?

11 A. Yes.

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

14 A. The first time?

15 Q. Yes.

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

19 Q. What did you say in response?

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

21 Q. What did she say?

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

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

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

9 MR. SWANIS: Objection; form.

10 THE WITNESS: It didn't bother me that he had
11 commodity trading. We just lost approximately
12 \$6 billion in foreign currency exchange in
13 Australia. If we had somebody that knew more about
14 commodities trading and exchange rates, that might
15 have helped us.

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

20 BY MR. KRUM:

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

22 MR. TAYBACK: Objection; vague.

23 You can answer.

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

25 ///

1 BY MR. KRUM:

2 Q. Did you ever know?

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

6 Q. It was a private company; right?

7 A. Yes.

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

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

13 MR. KRUM: Yes.

14 THE WITNESS: What did I do?

15 BY MR. KRUM:

16 Q. Yes.

17 A. I phoned him up and spoke to him.

18 Q. For how long?

19 A. Over an hour.

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

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

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

7 **Q. Did he?**

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

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

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

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

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

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

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

9 A. No, I did not.

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

11 A. No, not to my knowledge.

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

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

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

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

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

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

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

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

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

14 A. Yes.

15 Q. What did he say?

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

18 Q. Anything else?

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

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

1 BY MR. KRUM:

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

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

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

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

11 MR. SWANIS: Form.

12 MR. TAYBACK: Foundation.

13 THE WITNESS: There were three people on the
14 committee when we met, the nominating committee.
15 We were unanimous that he would not be renominated.
16 BY MR. KRUM:

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

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

22 You can answer.

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

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

3 BY MR. KRUM:

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

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

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

16 Q. Why do you think that?

17 A. Just an opinion I have.

18 Q. I understand.

19 How did you -- on what did you base that
20 opinion?

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

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

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

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

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

20 BY MR. KRUM:

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

23 A. Thank you.

24 MR. TAYBACK: Still, objection.

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

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

3 BY MR. KRUM:

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

8 MR. TAYBACK: Objection; vague as to time.

9 You can answer.

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

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

21 BY MR. KRUM:

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

1 A. And management.

2 Q. Right.

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

7 A. No.

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

12 MR. TAYBACK: Objection; form and foundation.

13 THE WITNESS: No.

14 BY MR. KRUM:

15 Q. Was any background check of any sort done
16 regarding Ms. Coddington before she was nominated?

17 MR. TAYBACK: Objection; foundation; form.

18 BY MR. KRUM:

19 Q. To your knowledge.

20 A. Not to my knowledge.

21 Q. How about Mr. Wrotniak?

22 A. Not to my knowledge.

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

1 A. Gil, yes.

2 Q. Who was he?

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

6 Q. REIT, meaning real estate --

7 A. Investment trust. Sorry.

8 Q. Go ahead. I interrupted you.

9 A. That's who he is.

10 Q. And by the time his name came to your
11 attention, had you already determined to add
12 Ms. Coddington to the board of directors?

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

15 Q. Who did what, to your knowledge?

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

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

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

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

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

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

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

1 director, but we would wait to see what he said.

2 And he called -- my recollection --

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

5 A. Okay.

6 Q. Thank you.

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

13 MR. TAYBACK: On that one call?

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

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

21 BY MR. KRUM:

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

24 A. Yes.

25 Q. Was anything else said by any of the

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

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

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

7 A. That it existed.

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

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

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

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

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

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

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

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

6 A. No, I was not.

7 Q. Mr. McEachern reported that to you?

8 A. Yes.

9 Q. What else, if anything else, did you or
10 Kane or McEachern or the three of you do before
11 selecting Judy Coddling?

12 A. Other than --

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

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

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

20 (Exhibit 68 was marked for
21 identification.)

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

24 MR. KRUM: 68.

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

EXHIBIT 34

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DISTRICT COURT
CLARK COUNTY, NEVADA

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

VIDEOTAPED DEPOSITION OF ELLEN COTTER
TAKEN ON MAY 19, 2016
VOLUME II

Job Number 308469
REPORTED BY:
PATRICIA L. HUBBARD, CSR #3400

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

3 A. I don't recall the conversations.

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

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

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

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

18 BY MR. KRUM:

19 Q. How have you known -- how had you known
20 of Ms. Coddington for years?

21 A. I had known of her reputation.

22 Q. Had you ever met her?

23 A. Yes.

24 Q. On how many occasions?

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

1 Q. Can you estimate?

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

6 Q. Over what period of time?

7 A. Probably the last 15 years.

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

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

12 Q. Where else had you met her?

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

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

18 A. I don't recall.

19 Q. Who are Peggy and Harvey Saferstein?

20 A. They are family friends.

21 Q. Cotter family friends?

22 A. Cotter family friends.

23 Q. Are they your mother's age? Are they
24 your mother's friends?

25 A. Yes.

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

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

5 MR. SEARCY: That's fine.

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

7 BY MR. KRUM:

8 Q. So, you -- in prior testimony you used
9 the word "amazing" with respect to Ms. Coddling.

10 Do you have that in mind?

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

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

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

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

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

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

6 A. It was education.

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

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

11 Q. Curriculum?

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

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

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

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

25 Q. When you say she had been on several

EXHIBIT 35

1	DISTRICT COURT		
2	CLARK COUNTY, NEVADA		
3	JAMES J. COTTER, JR.)	
	individually and derivatively)	
4	on behalf of Reading)	
	International, Inc.,)	
5)	
	Plaintiff,)	
6)	
	vs.	)	Index No. A-15-179860-B
7)	
	MARGARET COTTER, ELLEN)	
8	COTTER, GUY ADAMS, EDWARD)	
	KANE, DOUGLAS WILLIAM GOULD,)	
9	and DOES 1 through 100,)	
	inclusive,)	
10)	
	Defendants.)	
11	-----)		
	READING INTERNATIONAL, INC.,)	
12	a Nevada corporation,)	
)	
13	Nominal Defendant.)	
	-----)		

16 VIDEOTAPED DEPOSITION OF ELLEN COTTER

17 New York, New York

18 Thursday, June 16, 2016

24 Reported by:

25 MICHELLE COX

JOB NO. 316936

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

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

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

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

13 A I don't believe so.

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

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

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

25 Q When did it first -- strike that.

1 Q Sure.

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

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

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

20 Q Who were the search firms with whom you
21 communicated?

22 A Korn Ferry, Heidrick Struggles and Russell
23 Reynolds.

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

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

3 A Once Korn Ferry was selected?

4 Q Yes.

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

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

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

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

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

25 Q What communications did you have with

1 being the permanent CEO of RDI?

2 A I don't remember.

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

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

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

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

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

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

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

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

10 **Q** Was it Margaret Cotter?

11 A I don't remember.

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

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

18 **Q** Okay. When?

19 A I don't remember.

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

25 A Circumstances would have been, Do you

1 think, named Sydney.

2 **Q Sydney Cooke?**

3 A Sydney Cooke.

4 I can't remember who else I met with.

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

9 A It would have been sometime in the fall.

10 I can't remember exactly when.

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

13 A Bob Mayes.

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

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

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

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

1 process be handled without me.

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

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

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

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

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

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

20 A Yeah.

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

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

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

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

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

9 A Yes.

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

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

15 Q Why?

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

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

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

23 MR. KRUM: What's our next number?

24 THE COURT REPORTER: 330.

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

1 shareholders meeting occurred?

2 A Yes.

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

8 Q And you did not participate in those,
9 correct?

10 A No.

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

13 A No.

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

18 A I must have, yeah.

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

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

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

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

8 (Deposition Exhibit 338, E-mail dated May
9 19, 2015, from Ellen Cotter to Margaret Cotter
10 and Others, marked for identification as of
11 this date.)

12 (Discussion off the record.)

13 MR. KRUM: So let me correct the record.

14 What the court reporter has marked as
15 Exhibit 338, is a May 19th e-mail from
16 Ellen Cotter to other members of the board of
17 directors, copied to William Ellis, "Subject:
18 Agenda - Board of Directors Meeting, May 21,
19 2015." It Production No. GA5340.

20 That's deposition Exhibit 338.

21 BY MR. KRUM:

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

23 A Yes.

24 **Q What is it?**

25 A It's an agenda for a board meeting of

1 May 21, 2015.

2 Q And did you send it on or about May 19,
3 2015, at 6:38 p.m.?

4 A Yes.

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

9 The next morning, right?

10 A It would have been Wednesday.

11 Q Wednesday morning something?

12 A Yeah.

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

15 A No, it was a special meeting.

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

18 A I believe so.

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

21 Do you see that?

22 A Yes.

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

1 Q Well, you had discussions with each of --
2 Guy Adams, Ed Kane, Doug McEachern and
3 Margaret Cotter about terminating Jim Cotter,
4 Jr. as CEO prior to distributing Exhibit 338 on
5 May 19th, correct?

6 MR. TAYBACK: Objection. Asked and
7 answered.

8 A Yes.

9 Q You had no such discussions with
10 Tim Storey, correct?

11 A I did have discussions with Tim Storey.

12 Q What discussions did you have with
13 Tim Storey and when did you have them?

14 A I had had discussions with Tim Storey
15 about Jim and his performance.

16 Q Okay. The question is: What discussions
17 did you have with Tim Storey, if any, prior to
18 distributing Exhibit 338 on May 19, 2015, about
19 terminating Jim Cotter, Jr. as president and
20 CEO?

21 A I don't remember the specific discussion
22 that I had with Tim.

23 Q Did you have any conversation with
24 Tim Storey prior to distributing Exhibit 338 on
25 May 19, 2015, in which the subject of

EXHIBIT 36

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

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

vs.

Case No.

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

and

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

(CAPTION CONTINUED ON NEXT PAGE.)

VIDEOTAPED DEPOSITION OF JAMES COTTER, JR.

Los Angeles, California

Monday, May 16, 2016

Volume I

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

Page 1

1 MR. KRUM: Same objections.

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

4 BY MR. TAYBACK:

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

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

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

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

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

14 Q. Technically.

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

17 A. I don't --

18 Q. -- what you think?

19 You don't know.

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

24 A. Right.

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

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

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

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

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

11 Does he have no connection to your family?

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

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

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

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

18 A. He was.

19 Q. A close friend?

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

23 Q. So he did business with your father?

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

1 with Ellen and Margaret. So --

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

5 A. That's correct.

11:35:20

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

8 MR. KRUM: Asked and answered.

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

11:35:30

11 BY MR. TAYBACK:

12 Q. So the answer's yes?

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

15 BY MR. TAYBACK:

16 Q. Well, was your answer --

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

19 Do you want him to withdraw the
20 explanation?

11:35:41

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

23 BY MR. TAYBACK:

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

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

11:35:48

1 sure I understand the answer.

2 MR. KRUM: All right. Same objections.

3 You can answer.

4 THE WITNESS: Okay. Yes.

5 BY MR. TAYBACK: 11:35:54

6 Q. Guy Adams, is he independent?

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

9 BY MR. TAYBACK:

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

11 A. No.

12 Q. Okay. Why not?

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

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

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

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

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

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

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

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

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

14 Q. At least for those reasons.

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

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

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

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

23 Q. Generally.

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

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

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

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

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

10 A. Right. 01:03:40

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

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

16 Q. Correct.

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

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

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

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

12 MR. KRUM: Objection, vague and ambiguous.

13 THE WITNESS: Okay.

14 BY MR. TAYBACK:

15 Q. Yes? 01:05:09

16 A. Yes.

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

20 A. Early on? 01:05:20

21 Q. Yes.

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

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

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1 No?

2 A. No.

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

6 A. No.

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

9 A. Yes.

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

12 A. No.

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

16 A. Yes.

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

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

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1 executives. They were consultants also. Correct?

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

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

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

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

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

1 When you first became vice chairman --

2 A. Right.

3 Q. I'll rephrase the question.

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

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

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

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

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

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

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

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1 meeting?

2 A. We did.

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

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

6 Q. Where?

7 A. At Reading's offices.

8 Q. And you were there in person?

9 A. I was.

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

12 A. I can't recall.

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

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

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

21 A. I can't recall.

22 Q. Was there an agenda?

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

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

4 A. Not to my recollection, no.

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

8 A. Yes.

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

12 A. I did at that time.

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

14 A. At that time?

15 Q. Yes. 02:45:50

16 A. Not at this time, no.

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

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

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

1 A. I could -- I cannot.

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

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

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

6 A. It may have been Bill Gould.

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

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

11 Q. And did you articulate your view?

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

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

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

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

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

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

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

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

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

16 Q. Were you on the compensation committee?

17 A. No.

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

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

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

23 A. Yes.

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

1 A. Yes.

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

4 A. Yes.

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

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

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

12 A. The amount --

13 Q. -- dollar amount?

14 A. -- yes.

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

16 A. There was some amount approved.

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

19 A. That's right.

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

23 A. I can't recall.

24 Q. Now, on August --

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

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1 meeting in front of Guy.

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

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

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

8 A. No.

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

14 A. No.

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

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

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

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

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

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

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

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

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

19 BY MR. TAYBACK:

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

24 A. Shortly before I was terminated.

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

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1 BY MR. TAYBACK:

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

4 A. I can't recall.

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

7 A. No.

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

11 MR. KRUM: Objection, vague and ambiguous.

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

14 BY MR. TAYBACK:

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

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

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

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

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

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

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

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

22 A. Right.

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

1 A. No.

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

4 THE WITNESS: I didn't say that.

5 BY MR. TAYBACK: 03:04:47

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

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

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

16 BY MR. TAYBACK:

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

21 A. I don't --

22 MR. KRUM: Same objections.

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

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EXHIBIT 37

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

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

vs.

Case No.

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

and

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

(CAPTION CONTINUED ON NEXT PAGE.)

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

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

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1 A. I do.

2 Q. Do you recall whose suggestion that was?

3 MR. KRUM: Objection, foundation.

4 THE WITNESS: My recollection is that it

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

6 directors.

7 BY MR. TAYBACK:

8 Q. And did you concur in that recommendation?

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

11 Q. Why not?

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

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

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

16 Tim took on this official role as ombudsman was on,
17 I believe, March 13th, where Bill Gould asked me and
18 my two sisters to his office in Century City and
19 independently described to me with Tim Storey

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

21 decided that Tim Storey would become involved as an

22 ombudsman. There had been complaints raised against
23 me by my two sisters. I had reported complaints
24 against my two sisters.

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

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

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

7 BY MR. TAYBACK:

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

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

11 BY MR. TAYBACK:

12 Q. Ellen's?

13 A. The answer to what?

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

17 MR. KRUM: Objection, vague, foundation.

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

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

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1 working at Reading; correct?

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

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

13 BY MR. TAYBACK:

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

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

16 THE WITNESS: At that point in time?

17 BY MR. TAYBACK:

18 Q. Yes.

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

22 Q. You said --

23 (Off the record.)

24 BY MR. TAYBACK:

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

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EXHIBIT 38