

EX-99.2 3 rdi-20180223xex99\_2.htm EX-99.2

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

**I. PURPOSE**

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

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

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

- (A) The voting control of the Voting Stock owned by Mr. Cotter, Sr. and certain matters related thereto, which became part of the Estate of James J. Cotter, Sr. Deceased (the "Cotter Estate"), are currently being probated in the District Court of Clark County, Nevada (the "Cotter Estate Probate").
- (B) Various matters regarding the living trust (the "Cotter Trust") and a voting trust to be created to hold the Class B Voting Stock held by the Cotter Trust (the "Voting Trust" and the "Trust Voting Shares", respectively) created by Mr. Cotter, Sr. which matters are being litigated in the Superior Court of the State of California, County of Los Angeles (the "California Superior Court"), captioned In re James J. Cotter Living Trust dated August 1, 2000 (Case No. BP159755) (the "Trust Case"), including, but not limited to, an Ex Parte Petition for Appointment of a trustee ad litem and of a guardian ad litem for the benefit of Cotter, Sr.'s, minor grandchildren (two of whom are the children of Margaret Cotter and three of whom are the children of James Cotter, Jr., and who are referred to herein as the "Cotter Grandchildren") (collectively, the "Trust Case").
- (C) Mr. Cotter, Jr. filed a lawsuit entitled "James J. Cotter, Jr., individually and derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, et al." Case No.: A-15-719860-V, Dept. XI, against our Company and each of the Company's then sitting Directors (Ellen Cotter, Margaret Cotter, Guy Adams, William Gould, Edward Kane, Douglas McEachern, and Tim Storey) in the Eighth Judicial District Court of the State of Nevada for Clark County (the "Nevada District Court"). Subsequently, Mr. Cotter Jr. added additional claims and also added as defendants Directors Judy Coddington and Michael Wrotniak (the "Derivative Case"). Consequently, all of the current Directors, other than Mr. Cotter, Jr., are currently defendants in the Derivative Case. The requested relief include reinstatement of Mr. Cotter, Jr. as CEO of the Company.
- (D) An arbitration matter with Mr. Cotter, Jr. (Reading International, Inc. v. James J. Cotter, AAA Case No. 01-15-0004-2384, filed July 2015)( the "Cotter Jr. Employment Arbitration").

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Clerk of Supreme Court



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

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

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

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

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

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

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

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

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

## **II. COMPOSITION**

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

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

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

## **III. MEETINGS**

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

## **IV. RESPONSIBILITIES AND DUTIES**

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

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

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



in connection with any Potential Change of Control Transaction;

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

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

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

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

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

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

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# Exhibit 2



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EIGHTH JUDICIAL DISTRICT COURT  
CLARK COUNTY, NEVADA

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

Plaintiff, )

vs. )

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

Defendants, )

and )

\_\_\_\_\_  
READING INTERNATIONAL, INC., )  
a Nevada corporation, )

Nominal Defendant. )  
\_\_\_\_\_ )

Case No.  
A-15-719860-B  
  
Case No.  
P-14-082942-E  
  
Related and  
Coordinated Cases

Complete caption, next page.

VIDEOTAPED DEPOSITION OF GUY ADAMS  
LOS ANGELES, CALIFORNIA  
THURSDAY, APRIL 28, 2016  
VOLUME I

REPORTED BY: LORI RAYE, CSR NO. 7052  
JOB NUMBER: 305144

GUY ADAMS, VOLUME I - 04/28/2016

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<p>1 EIGHTH JUDICIAL DISTRICT COURT                  2 CLARK COUNTY, NEVADA                  3 JAMES J. COTTER, JR., )                  4 derivatively on behalf of )                  Reading International, Inc., )                  5 Plaintiff, ) Case No.                  vs. ) A-15-719860-B                  ) P-14-082942-E                  6 MARGARET COTTER, ELLEN )                  COTTER, GUY ADAMS, EDWARD )                  7 KANE, DOUGLAS McEACHERN, )                  8 TIMOTHY STOREY, WILLIAM )                  GOULD, and DOES 1 through )                  9 100, inclusive, )                  )                  10 Defendants. )                  and )                  11 READING INTERNATIONAL, INC., )                  12 a Nevada corporation, )                  )                  13 Nominal Defendant. )                  )                  14 T2 PARTNERS MANAGEMENT, LP, )                  a Delaware limited )                  15 partnership, doing business )                  as KASE CAPITAL MANAGEMENT, )                  16 et al., )                  )                  17 Plaintiffs, )                  vs. )                  18 MARGARET COTTER, ELLEN )                  COTTER, GUY WILLIAMS, EDWARD )                  19 KANE, DOUGLAS McEACHERN, )                  20 WILLIAM GOULD, JUDY CODDING, )                  MICHAEL WROTONIAK, CRAIG )                  21 TOMPKINS, and DOES 1 through )                  100, inclusive, )                  )                  22 Defendants, )                  and )                  23 READING INTERNATIONAL, INC., )                  24 a Nevada corporation, )                  )                  25 Nominal Defendant. )</p>	<p>1 Videotaped deposition of GUY ADAMS,                  2 held at Jeffer Mangels Butler &amp; Mitchell, LLP,                  3 located at 1900 Avenue of the Stars, Tenth Floor,                  4 Los Angeles, California, 90067, on Thursday,                  5 April 28, 2016, at 10:13 a.m., before Lori Raye,                  6 Certified Court Reporter, in and for the State of                  7 California.                  8                  9 Appearances:                  10                  11 For Plaintiff:                  12                  LEWIS ROCA ROTHGERBER CHRISTIE, LLP                  13 BY: MARK G. KRUM, ESQ,                  3993 Howard Hughes Parkway                  14 Suite 600                  Las Vegas, Nevada, 89169                  15 (702) 949-8200                  mkrum@lrlaw.com                  16                  17 For Defendants Margaret Cotter, Ellen Cotter, Guy                  Adams, Douglas McEachern, Edward Kane, Judy Coddling                  18 and Michael Wrotniak:                  19                  QUINN EMANUEL URQUHART &amp; SULLIVAN, LLP                  20 BY: CHRISTOPHER TAYBACK, ESQ.                  865 South Figueroa Street                  21 Tenth Floor                  Los Angeles, California 90017                  22 (213) 443-3199                  christayback@quinnemanuel.com                  23                  24                  25</p>
Page 4	Page 5
<p>1 Appearances: (Continued)                  2                  3                  4 For Plaintiffs-in-Intervention T2 Partners                  Management, LP, dba Kase Capital Management,                  5 et al.:                  6                  ROBERTSON &amp; ASSOCIATES, LLP                  7 BY: ROBERT NATION, ESQ.                  32121 Lindero Canyon Road                  8 Suite 200                  Westlake Village, California 91361                  9 (818) 851-3850                  rnation@arobertsonlaw.com                  10                  11 For Nominal Defendant Reading International, Inc.:                  12                  GREENBERG TRAUERIG                  13 BY: ERIC W. SWANIS, ESQ.                  3773 Howard Hughes Parkway                  14 Las Vegas, Nevada 89169                  (702) 792-3773                  15 swanise@gtlaw.com                  16                  17 For Defendants William Gould and Timothy Storey:                  18                  BIRD   MARELLA, PC                  19 BY: EKWAN E. RHOW, ESQ.                  1875 Century Park East                  20 23rd Floor                  Los Angeles, California 90067                  (310) 201-2100                  21 eer@birdmarella.com                  22                  23 Also Present:                  24 JAMES J. COTTER, JR.                  25 BRIAN MURPHY (Videographer)</p>	<p>1 I N D E X                  2                  3 WITNESS: GUY ADAMS                  4                  5 EXAMINATION PAGE                  6 By Mr. Krum 8                  7                  8                  9                  10 E X H I B I T S                  11                  12 NUMBER DESCRIPTION MARKED                  13                  14 Exhibit 53 10-9-13 Income and Expense118                  Declaration                  (JCOTTER14954-14974)                  15 Exhibit 54 3-28-14 Reply Declaration 121                  in Support of Request for                  Order Re Spousal Support                  and Attorneys' Fees and                  16 Costs (JCOTTER14932-14953)                  17 Exhibit 55 2-6, 2-11-15 Emails and122                  D&amp;O Questionnaire                  (RDI46282-46311)                  18 Exhibit 56 Highly Confidential Agenda147                  (GA5286)                  19                  20 Exhibit 57 8-9, 8-21-14 Emails155                  (GA1423-1424)                  21 Exhibit 58 10-14, 10-15-14 Emails162                  (GA1616)                  22                  23                  24                  25</p>

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1 room with the three Cotter siblings to discuss the  
 2 business issues and try to get that disentangled so  
 3 they could move forward.  
 4 And Doug McEachern called me after a  
 5 couple of those meetings and told me they were not  
 6 going very well. They weren't very productive,  
 7 excuse me.  
 8 **Q. There were only a total of three such**  
 9 **meetings; correct?**  
 10 MR. TAYBACK: Objection; foundation.  
 11 If you know.  
 12 THE WITNESS: Which -- oh, I thought there was  
 13 two. I don't know, is the answer.  
 14 BY MR. KRUM:  
 15 **Q. But you think there were something in the**  
 16 **range of two or three meetings where McEachern and**  
 17 **Storey met with each of the three Cotters?**  
 18 A. Yes.  
 19 **Q. Okay. And when did those occur,**  
 20 **approximately? What time period?**  
 21 A. I would say --  
 22 MR. TAYBACK: Objection; foundation.  
 23 You can answer what you know.  
 24 THE WITNESS: I'm really not sure. I guess  
 25 they were in the -- maybe the October/November time

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1 **meeting with you personally instead of --**  
 2 A. No.  
 3 **Q. -- you together with other board members?**  
 4 A. No.  
 5 **Q. Did you think about that?**  
 6 A. No.  
 7 **Q. Did you tell anybody you were going to**  
 8 **meet with her before you met with her?**  
 9 A. I think I didn't.  
 10 **Q. Not Ed Kane?**  
 11 A. Not that I remember.  
 12 **Q. So directing your attention, Mr. Adams,**  
 13 **to the actual breakfast meeting with Ellen Cotter**  
 14 **at the Peninsula, was it just the two of you?**  
 15 A. Yes.  
 16 **Q. How long did it last?**  
 17 A. A little over an hour, I guess.  
 18 **Q. What did she say and what did you say?**  
 19 A. The purpose of the breakfast was, she  
 20 said, I want you to reconsider being interim CEO.  
 21 And I remarked that I already had a job and I was  
 22 doing things and I really wasn't all that  
 23 interested in it. She said, No, we really need  
 24 you -- somebody to take the interim role. And I  
 25 said, I'll do it on three conditions.

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1 period.  
 2 BY MR. KRUM:  
 3 **Q. 2014?**  
 4 A. 2014, yes.  
 5 **Q. So directing your attention back to your**  
 6 **April breakfast meeting at the Peninsula with Ellen**  
 7 **Cotter, tell me again how that came about.**  
 8 A. Ellen called me.  
 9 **Q. What did she say and what did you say?**  
 10 A. She says, I want to talk to you and I  
 11 have a lot of things to talk about so why don't we  
 12 have breakfast at the Peninsula. She suggested a  
 13 day or -- it came about that way.  
 14 **Q. What else, if anything, did either of you**  
 15 **say on that phone call?**  
 16 A. In that phone call with Ellen? That's  
 17 all I recall.  
 18 **Q. Did you ask her to give you some sense as**  
 19 **to what she wanted to discuss?**  
 20 A. My recollection is that she said on her  
 21 opening burst that we had a lot of things to talk  
 22 about and I think we should do it in person, so if  
 23 you're available, let's have breakfast. And I  
 24 didn't press what the issues were.  
 25 **Q. Did she say or did you ask why she was**

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1 One, I want -- I'll accept that there's a  
 2 majority of the Cotter siblings that agree to it;  
 3 and Number 2, I'll do it if the majority of the  
 4 independent directors agree to it. And I had no  
 5 idea whether they would or wouldn't, but that was a  
 6 condition. And the third condition was, I agreed  
 7 to be an interim -- an interim, one month,  
 8 two months, I'm thinking max three. So it was a  
 9 short scope of time.  
 10 **Q. Why?**  
 11 A. Because I didn't want to be CEO. I  
 12 wanted to just to tide it over till we got a CEO in  
 13 there to run the company.  
 14 **Q. Okay. So at this breakfast conversation,**  
 15 **did Ellen say that Margaret was in agreement with**  
 16 **her that they wanted you to be interim CEO?**  
 17 A. Yes.  
 18 **Q. And did Ellen say anything about any**  
 19 **discussions she had had with any other RDI board**  
 20 **member?**  
 21 A. No. No. We didn't talk about her  
 22 discussions with other people, that I recall.  
 23 **Q. Did you have any understanding as to**  
 24 **whether she had had discussions with any other RDI**  
 25 **board members about an interim CEO at that point in**

<p style="text-align: right;">Page 98</p> <p>1 time?</p> <p>2 A. I strongly suspected she had spoken with</p> <p>3 Ed Kane.</p> <p>4 Q. And had either you or Ed Kane spoken to</p> <p>5 Doug McEachern about that?</p> <p>6 A. I haven't, no. I don't know if Ed did.</p> <p>7 Q. Okay. When was the first time you spoke</p> <p>8 with Doug McEachern about either terminating Jim</p> <p>9 Junior as CEO or about a subject of -- the subject</p> <p>10 of an interim CEO?</p> <p>11 A. That I talked to McEachern? I would say</p> <p>12 it was maybe -- again, I can only approximately</p> <p>13 guess. Maybe two weeks before the meeting.</p> <p>14 Q. And you're referring to the May 18th --</p> <p>15 May 21st meeting, it was, wasn't it?</p> <p>16 A. Yes. I don't know the exact date, but</p> <p>17 yeah.</p> <p>18 Q. So what else did Ellen say and what else</p> <p>19 did you say during this approximate hour-plus</p> <p>20 breakfast meeting?</p> <p>21 A. My recollection, we talked about Jim</p> <p>22 Junior and the CEO position, and Ellen, I guess,</p> <p>23 talked to other people because she was feeling that</p> <p>24 there was support for Jim Junior to be removed.</p> <p>25 Q. What did she say that caused you to</p>	<p style="text-align: right;">Page 99</p> <p>1 conclude she had talked to other people about Jim</p> <p>2 Junior being removed?</p> <p>3 A. I don't know specifically what she said.</p> <p>4 Maybe it was innuendos that she maybe talked to</p> <p>5 McEachern, maybe. But it wasn't specific.</p> <p>6 Q. Did you ever learn after the fact whether</p> <p>7 that was the case?</p> <p>8 A. Considering McEachern, when I did call</p> <p>9 him, like two weeks before the vote, he said he was</p> <p>10 on board with that. I suspect she called and</p> <p>11 talked to him. I sure didn't. So I suspect -- I</p> <p>12 suspect she did or maybe Ed Kane did. I don't</p> <p>13 know.</p> <p>14 Q. What else, if anything, did you discuss</p> <p>15 with Ellen Cotter at the breakfast meeting at the</p> <p>16 Peninsula in April?</p> <p>17 A. Nothing further that I can remember at</p> <p>18 this time.</p> <p>19 Q. What, if anything, did she say about why</p> <p>20 she wanted Jim Junior removed as CEO?</p> <p>21 A. I think she felt he wasn't doing an</p> <p>22 adequate job as CEO.</p> <p>23 Q. Excuse me. My question is, what did she</p> <p>24 say?</p> <p>25 A. What did she say about -- I'm sorry.</p>
<p style="text-align: right;">Page 100</p> <p>1 Jim --</p> <p>2 Q. I'll ask it again.</p> <p>3 A. Would you say it one more time, please.</p> <p>4 Q. Sure.</p> <p>5 What, if anything, did Ellen Cotter say</p> <p>6 to you during this breakfast meeting at the</p> <p>7 Peninsula about why she wanted Jim Junior removed</p> <p>8 as CEO?</p> <p>9 A. I don't recall a conversation where she</p> <p>10 said this is why I want it -- want him removed.</p> <p>11 Q. You understood that she didn't want to</p> <p>12 report to him; correct?</p> <p>13 MR. TAYBACK: Objection; vague as to time. At</p> <p>14 that lunch?</p> <p>15 MR. KRUM: Yes.</p> <p>16 MR. TAYBACK: Breakfast, lunch.</p> <p>17 MR. KRUM: Breakfast, yeah.</p> <p>18 MR. SWANIS: Object to the form as well.</p> <p>19 THE WITNESS: The answer is yes.</p> <p>20 BY MR. KRUM:</p> <p>21 Q. In fact, you understood as far back as</p> <p>22 the fall of 2014 that she did not want to report to</p> <p>23 Jim Junior; correct?</p> <p>24 A. Yes.</p> <p>25 Q. You also understood as far back as the</p>	<p style="text-align: right;">Page 101</p> <p>1 fall of 2014 that Margaret didn't want to report to</p> <p>2 Jim Junior; correct?</p> <p>3 MR. SWANIS: Objection to form.</p> <p>4 THE WITNESS: I'm not sure if I had that</p> <p>5 communicated to me from Margaret. I'm not sure</p> <p>6 about that. I'd say no, I don't know. I don't</p> <p>7 recall that.</p> <p>8 BY MR. KRUM:</p> <p>9 Q. Well, did there come a time when you</p> <p>10 heard or learned that Margaret did not want to</p> <p>11 report to Jim Junior?</p> <p>12 A. Yes.</p> <p>13 Q. When was that?</p> <p>14 A. I don't -- I have no recollection of the</p> <p>15 time when that transpired.</p> <p>16 Q. Do you recall how you learned that or</p> <p>17 heard that?</p> <p>18 A. Well, with Ellen, I -- she told me.</p> <p>19 Q. Ellen told you that she --</p> <p>20 A. Ellen told me.</p> <p>21 Q. That she did not want to report to Jim</p> <p>22 Junior?</p> <p>23 A. She did not, yes.</p> <p>24 Q. When did she tell --</p> <p>25 A. She said she didn't want to. She didn't</p>

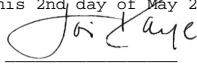
<p style="text-align: right;">Page 214</p> <p>1 stock. I didn't -- I didn't see the 2 differentiating -- or the conflict. 3 <b>Q. Did you think it made sense when she said</b> 4 <b>to you in the office that she wanted to exercise a</b> 5 <b>supposed option to acquire 100,000 shares of</b> 6 <b>Class B voting stock and pay for it with Class A</b> 7 <b>nonvoting stock, because doing so made good</b> 8 <b>economic sense, or whatever words she used?</b> 9 MR. SWANIS: Objection; form. 10 BY MR. KRUM: 11 <b>Q. Did you -- did you agree with her?</b> 12 MR. TAYBACK: Object to the form of the 13 question. 14 THE WITNESS: It wasn't mine to agree or not 15 to agree whether that was -- she was the trustee. 16 That was her decision; it wasn't my decision. 17 BY MR. KRUM: 18 <b>Q. I'm asking what you thought about what</b> 19 <b>she said to you.</b> 20 A. My personal opinion? It didn't matter, 21 my personal opinion. I didn't give her my personal 22 opinion. I didn't state a personal opinion. 23 <b>Q. What did you think?</b> 24 A. I don't -- candidly, I don't have enough 25 facts about what's going on in the estate, the need</p>	<p style="text-align: right;">Page 215</p> <p>1 of money, what's there, what's happening, where 2 it's going. She said this is what she wanted to 3 do. She was in charge of it, and it seemed okay to 4 me. 5 <b>Q. And did you give any thought to what</b> 6 <b>reason, if any, might cause or prompt Ellen and/or</b> 7 <b>Margaret to acquire Class B voting stock?</b> 8 MR. TAYBACK: Objection; calls for 9 speculation. 10 You can answer. 11 THE WITNESS: Repeating myself, she told me it 12 was the economics associated with the stock had 13 gone up. The options have a finite life, and she 14 expressed her concern that if she didn't do it and 15 the stock went down, she could be faulted for not 16 overseeing those assets properly. 17 BY MR. KRUM: 18 <b>Q. What was the expiration of the supposed</b> 19 <b>option?</b> 20 A. I have no idea. 21 <b>Q. Did you ever learn that?</b> 22 A. No. Again, it's not my asset; it's her 23 asset. 24 <b>Q. Did you ask her -- well, what did you do</b> 25 <b>to ascertain it was her asset?</b></p>
<p style="text-align: right;">Page 216</p> <p>1 A. I informed myself through legal counsel. 2 MR. TAYBACK: Don't -- don't disclose the 3 communications with legal counsel. You can simply 4 say you conferred with legal counsel. 5 THE WITNESS: I conferred with legal counsel. 6 BY MR. KRUM: 7 <b>Q. Who?</b> 8 A. Craig Tompkins, Greenberg Traurig and 9 Bill Ellis. 10 <b>Q. When did you confer with each of them?</b> 11 A. There were emails about this particular 12 thing, and Tim Storey wanted -- if I -- as I 13 recall, he wanted a legal written opinion or 14 something like that. And I didn't think there was 15 a question that the shares were within the estate, 16 and anyway, Ed Kane agreed, we should -- we should 17 make sure we're on a firm basis that they have it 18 and can do -- can exercise this. 19 So I inquired, and to my knowledge, Ed 20 Kane inquired, and we both became of the opinion 21 that it was an asset of the estate and they could 22 exercise this transaction. 23 <b>Q. Did either you or Mr. Kane confer with</b> 24 <b>anybody that -- well, strike that.</b> 25 <b>What did -- what did Ed Kane do, if you</b></p>	<p style="text-align: right;">Page 217</p> <p>1 <b>know --</b> 2 A. He voted for it. 3 <b>Q. Okay. What did Ed Kane do, if anything,</b> 4 <b>to seek advice of counsel?</b> 5 MR. TAYBACK: Objection; foundation. 6 Whatever you know. 7 THE WITNESS: I'm pretty sure he talked to 8 Craig Tompkins as well, legal counsel. I don't 9 know if he spoke to Bill Ellis. And beyond that, I 10 don't know what Ed Kane did. 11 BY MR. KRUM: 12 <b>Q. Your communications were with what</b> 13 <b>lawyer?</b> 14 MR. TAYBACK: You okay? 15 THE WITNESS: Went down the wrong way. 16 MR. TAYBACK: Need a minute? 17 THE WITNESS: Just 30 seconds. 18 MR. TAYBACK: Why don't we go off the camera 19 so you don't need to have a coughing -- 20 MR. KRUM: Yeah, we'll go off the record for a 21 couple of minutes. That's fine. 22 THE VIDEOGRAPHER: We are off the record. The 23 time is 4:50. 24 (Recess.) 25 THE VIDEOGRAPHER: We are on the record. The</p>

<p style="text-align: right;">Page 218</p> <p>1 time is 4:59.                  2 BY MR. KRUM:                  3 <b>Q. Mr. Adams, referring to your testimony a</b>                  4 <b>few minutes ago that you consulted with Greenberg</b>                  5 <b>Traurig, with whom did you speak or communicate?</b>                  6 A. I didn't speak to anyone. It was a                  7 written communication.                  8 <b>Q. From Greenberg Traurig?</b>                  9 A. Yes.                  10 <b>Q. To you?</b>                  11 MR. TAYBACK: Vague as to the "you." You,                  12 Mr. Adams or --                  13 MR. KRUM: Yeah, that's what I'm asking.                  14 MR. TAYBACK: Okay.                  15 THE WITNESS: No, it wasn't to me. I'm not --                  16 I don't -- at the top, I don't know who it was to.                  17 BY MR. KRUM:                  18 <b>Q. How did you come to have it?</b>                  19 A. It was given to me by -- the counsel of                  20 the company gave it to me.                  21 <b>Q. Mr. Ellis or Mr. Tompkins?</b>                  22 A. I don't know -- one of them, yes, gave it                  23 to me.                  24 <b>Q. Okay. And what was the subject matter of</b>                  25 <b>this document?</b></p>	<p style="text-align: right;">Page 219</p> <p>1 MR. TAYBACK: General subject matter.                  2 THE WITNESS: Ownership of the voting stock.                  3 BY MR. KRUM:                  4 <b>Q. Was the subject matter of the memo -- did</b>                  5 <b>it address the subject of who had the right to vote</b>                  6 <b>certain stock at or in connection with the annual</b>                  7 <b>shareholders meeting?</b>                  8 MR. TAYBACK: I'm going to object to that                  9 question to the extent I think it's a little --                  10 MR. KRUM: It's not what they said. It's a                  11 particular subject matter. It's different -- it                  12 may or may not be a different subject matter than                  13 what he just said. And he may know not know, but                  14 I'm entitled to the subject matter.                  15 MR. TAYBACK: Could I just have the subject                  16 matter read back to me again.                  17 MR. KRUM: Sure. Go ahead.                  18 MR. TAYBACK: At some point it becomes so                  19 specific that it does become a disclosure. You                  20 know what -- the point I'm making, so I just want                  21 to make --                  22 MR. KRUM: I understand.                  23 (Record read as follows:                  24 "Q. Was the subject matter of the                  25 memo -- did it address the subject of</p>
<p style="text-align: right;">Page 220</p> <p>1 who had the right to vote certain stock                  2 at or in connection with the annual                  3 shareholders meeting?")                  4 MR. TAYBACK: I'll let you answer the question                  5 if you know.                  6 THE WITNESS: I'm not sure if it specified                  7 that.                  8 BY MR. KRUM:                  9 <b>Q. Okay. But you relied on this particular</b>                  10 <b>Greenberg Traurig memo in connection with making</b>                  11 <b>the decision to vote as a member of the</b>                  12 <b>compensation committee to allow Ellen and Margaret</b>                  13 <b>Cotter, as executors, to exercise the supposed</b>                  14 <b>option to acquire 100,000 shares of Class B voting</b>                  15 <b>stock; is that right?</b>                  16 MR. TAYBACK: Objection to the extent that                  17 misstates his prior testimony.                  18 You can answer.                  19 THE WITNESS: Yes, in addition to Craig                  20 Tompkins and Bill Ellis.                  21 BY MR. KRUM:                  22 <b>Q. Now, to your knowledge, were -- are any</b>                  23 <b>of those lawyers -- did any of those lawyers</b>                  24 <b>possess any expertise in trust and estate matters?</b>                  25 MR. TAYBACK: Objection; lack of foundation.</p>	<p style="text-align: right;">Page 221</p> <p>1 You can answer if you know.                  2 THE WITNESS: I have no knowledge about that.                  3 BY MR. KRUM:                  4 <b>Q. Okay. And I don't want to know what was</b>                  5 <b>said, but was there any discussion in the Greenberg</b>                  6 <b>Traurig memo of what you understood to be trust and</b>                  7 <b>estate issues?</b>                  8 MR. SWANIS: Objection; form.                  9 MR. TAYBACK: Join.                  10 THE WITNESS: Yes, there were some --                  11 MR. TAYBACK: You can answer yes or no.                  12 THE WITNESS: Yes.                  13 BY MR. KRUM:                  14 <b>Q. And in terms of your thinking, not what</b>                  15 <b>any lawyer said in a memo, did whatever discussion</b>                  16 <b>there was that you understood to be of trust and</b>                  17 <b>estate matters bear upon your decision-making?</b>                  18 A. I'm sorry. Would you say that question                  19 again.                  20 <b>Q. Sure. I'll ask it a little differently.</b>                  21 <b>Did you rely on a portion of the</b>                  22 <b>Greenberg Traurig memo that you understood</b>                  23 <b>addressed trust and estate matters in making your</b>                  24 <b>decision to vote in favor of allowing Ellen and</b>                  25 <b>Margaret Cotter to exercise the supposed option to</b></p>

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1 A. Yes and no. Not all of it but some, yes.  
 2 And I thought also, there might be a point where I  
 3 could buy it back later on.  
 4 Q. What were the proceeds, meaning how much  
 5 money did you net from exercising the option and  
 6 selling RDI stock?  
 7 A. I want to say I netted like \$120,000  
 8 maybe.  
 9 Q. And I'm sorry. I said March or April.  
 10 Do you recall when that was?  
 11 A. No, I don't. I really don't.  
 12 MR. KRUM: What's our number? Where are we?  
 13 THE REPORTER: We are on 67.  
 14 MR. KRUM: Okay. I'll ask the court reporter  
 15 to mark as Exhibit 67, a two-page document bearing  
 16 production numbers GA00005504 and 05.  
 17 (Exhibit 67 was marked for  
 18 identification.)  
 19 THE WITNESS: I remember this.  
 20 BY MR. KRUM:  
 21 Q. What do you recognize Exhibit 67 to be?  
 22 A. An email from Ed Kane to Tim Storey,  
 23 responding to Tim Storey's letter to the entire  
 24 board, it looks like, the day before.  
 25 Q. Directing your attention, Mr. Adams, to

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1 CERTIFICATE OF REPORTER  
 2  
 3 STATE OF CALIFORNIA )  
 4 )SS:  
 5 COUNTY OF LOS ANGELES )  
 6  
 7 I, Lori Raye, a duly commissioned and  
 8 licensed court reporter for the State of  
 9 California, do hereby certify:  
 10 That I reported the taking of the deposition  
 11 of the witness, GUY ADAMS, commencing on Thursday,  
 12 April 28, 2016, at 10:13 a.m.;  
 13 That prior to being examined, the witness was,  
 14 by me, placed under oath to testify to the truth;  
 15 that said deposition was taken down by me  
 16 stenographically and thereafter transcribed;  
 17 that said deposition is a complete, true and  
 18 accurate transcription of said stenographic notes.  
 19 I further certify that I am not a relative or  
 20 an employee of any party to said action, nor in  
 21 anywise interested in the outcome thereof; that a  
 22 request has been made to review the transcript.  
 23 In witness whereof, I have hereunto  
 24 subscribed my name this 2nd day of May 2016.  
 25   
 LORI RAYE  
 CSR No. 7052

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1 Mr. Kane's email --  
 2 A. Yes.  
 3 Q. -- do you see in the first line, it says:  
 4 "We have heard from Nevada counsel via  
 5 their memos"?  
 6 A. Yes.  
 7 Q. At the time, did you have any  
 8 understanding to what that referred?  
 9 A. As I recall, I think Ed was referring to  
 10 the memos from Nevada counsel about who could vote  
 11 the stock in the various trusts or whatever.  
 12 MR. KRUM: Okay. Why don't we go off the  
 13 record.  
 14 THE VIDEOGRAPHER: We are off the record. The  
 15 time is 5:27.  
 16 (Discussion held off the record.)  
 17 THE VIDEOGRAPHER: This concludes the  
 18 deposition of Guy Adams, Volume I, April 28, 2016,  
 19 which consists of four media files. The original  
 20 media files will be retained by Hutchings  
 21 Litigation Services. Off the video record at  
 22 5:28 p.m.  
 23 (The deposition was adjourned  
 24 at 5:28 p.m.)  
 25

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2 ERRATA SHEET  
 3  
 4  
 5 I declare under penalty of perjury that I have read the  
 6 foregoing \_\_\_\_\_ pages of my testimony, taken  
 7 on \_\_\_\_\_ (date) at  
 8 \_\_\_\_\_(city), \_\_\_\_\_(state),  
 9  
 10 and that the same is a true record of the testimony given  
 11 by me at the time and place herein  
 12 above set forth, with the following exceptions:  
 13  
 14 Page Line Should read: Reason for Change:  
 15  
 16 \_\_\_\_\_  
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# Exhibit 3



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EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

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

Plaintiff, )

vs. )

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

Defendants, )

and )

\_\_\_\_\_  
READING INTERNATIONAL, INC., )  
a Nevada corporation, )

Nominal Defendant. )  
\_\_\_\_\_ )

Case No.  
A-15-719860-B

Case No.  
P-14-082942-E

Related and  
Coordinated Cases

Complete caption, next page.

VIDEOTAPED DEPOSITION OF GUY ADAMS

LOS ANGELES, CALIFORNIA

FRIDAY, APRIL 29, 2016

VOLUME II

REPORTED BY: LORI RAYE, CSR NO. 7052

JOB NUMBER 305149

GUY ADAMS, VOLUME II - 04/29/2016

Page 243	Page 244
<p>1 EIGHTH JUDICIAL DISTRICT COURT  2 CLARK COUNTY, NEVADA  3 JAMES J. COTTER, JR., )  4 derivatively on behalf of )  5 Reading International, Inc., )  6 )  7 )  8 )  9 )  10 )  11 )  12 )  13 )  14 )  15 )  16 )  17 )  18 )  19 )  20 )  21 )  22 )  23 )  24 )  25 )</p> <p>Case No.  A-15-719860-B  P-14-082942-E</p> <p>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 WILLIAMS, EDWARD  KANE, DOUGLAS McEACHERN,  WILLIAM GOULD, JUDY CODDING,  MICHAEL WROTONIAK, CRAIG  TOMPKINS, and DOES 1 through  100, inclusive,  Defendants,  and  READING INTERNATIONAL, INC.,  a Nevada corporation,  Nominal Defendant.</p>	<p>1 Videotaped deposition of GUY ADAMS,  2 held at Jeffer Mangels Butler &amp; Mitchell, LLP,  3 located at 1900 Avenue of the Stars, Tenth Floor,  4 Los Angeles, California, 90067, on Friday,  5 April 29, 2016, at 9:10 a.m., before Lori Raye,  6 Certified Court Reporter, in and for the State of  7 California.  8  9 Appearances:  10  11 For Plaintiff:  12  13 LEWIS ROCA ROTHGERBER CHRISTIE, LLP  14 BY: MARK G. KRUM, ESQ.,  15 3993 Howard Hughes Parkway  16 Suite 600  17 Las Vegas, Nevada, 89169  18 (702) 949-8200  19 mkrum@lrlaw.com  20  21 For Defendants Margaret Cotter, Ellen Cotter, Guy  22 Adams, Douglas McEachern, Edward Kane, Judy Coddling  23 and Michael Wrotniak:  24  25 QUINN EMANUEL URQUHART &amp; SULLIVAN, LLP  BY: CHRISTOPHER TAYBACK, ESQ.  865 South Figueroa Street  Tenth Floor  Los Angeles, California 90017  (213) 443-3199  christayback@quinnemanuel.com</p>
<p>1 Appearances: (Continued)  2  3  4 For Plaintiffs-in-Intervention T2 Partners  5 Management, LP, dba Kase Capital Management,  6 et al.:  7 ROBERTSON &amp; ASSOCIATES, LLP  8 BY: ROBERT NATION, ESQ.  9 32121 Lindero Canyon Road  10 Suite 200  11 Westlake Village, California 91361  12 (818) 851-3850  13 rnation@arobertsonlaw.com  14  15 For Nominal Defendant Reading International, Inc.:  16  17 GREENBERG TRAURIG  18 BY: ERIC W. SWANIS, ESQ.  19 3773 Howard Hughes Parkway  20 Las Vegas, Nevada 89169  21 (702) 792-3773  22 swanise@gtlaw.com  23  24 For Defendants William Gould and Timothy Storey:  25  26 BIRD   MARELLA, PC  27 BY: EKWAN E. RHOW, ESQ.  28 HERNAN D. VERA, ESQ.  29 1875 Century Park East  30 23rd Floor  31 Los Angeles, California 90067  32 (310) 201-2100  33 eer@birdmarella.com  34  35 Also Present:  36  37 JAMES J. COTTER, JR.  38  39 COREY TYLER (Videographer)</p>	<p>1 I N D E X  2  3 WITNESS: GUY ADAMS  4  5 EXAMINATION PAGE  6 By Mr. Krum 250  7 By Mr. Nation 439  8  9 E X H I B I T S  10  11 NUMBER DESCRIPTION MARKED  12  13 Exhibit 68 3-10-15 Email, 6-10-13 301  14 Memorandum (GA5529-5532)  15  16 Exhibit 69 Emails Re: Stock Option 302  17 Agreement and Form 4  18 (GA5236-5237)  19  20 Exhibit 70 3-20-15 Email (GA5246) 307  21  22 Exhibit 71 4-24-15 Email, Unanimous 309  23 Written Consent of Board of  24 Directors of Reading  25 International (GA5564-5569)  26  27 Exhibit 72 3-19-15 Minutes of Meeting 316  28 of Board of Reading  29 International (GA3828-3831)  30  31 Exhibit 73 4-18, 4-19-15 Emails 323  32 (GA5473-5474)  33  34 Exhibit 74 5-9-15 Email (GA5482) 334  35</p>

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

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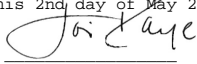
1 want you to guess a date but if you can put it in  
2 context or sequence of time or point of reference  
3 to a date we can -- an event we can date.  
4 A. My recollection would be two weeks,  
5 three weeks before May 19th.  
6 Q. And at that point in time, it was either  
7 Ellen Cotter or Ed Kane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

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

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1 single conversation with the two of them or  
2 separate conversations --  
3 A. Separate.  
4 Q. -- with each?  
5 A. Separate conversation with each, yes.  
6 Q. Okay. So as best you can recall, in the  
7 conversation with Ellen, was that in person or  
8 telephonic?  
9 A. Ellen, could have been in person.  
10 Q. Okay. And what did she say and what did  
11 you say?  
12 A. I said, Well, if we're going to go  
13 through this stress of replacing a CEO, it's a very  
14 weighty decision. Before you have a board meeting  
15 call, you better make sure there are people that  
16 think like you do to remove him.  
17 Q. To remove Jim Junior as president and  
18 CEO?  
19 A. Yes.  
20 Q. What was her response?  
21 A. Well, she said, Well, Ed's going to vote,  
22 you're going to vote and I'm talking to Doug  
23 McEachern tomorrow. I talked to him earlier last  
24 week, or something like that. So she was clearly  
25 talking to him.

<p style="text-align: right;">Page 543</p> <p>1 original media files will be retained by Hutchings                  2 Litigation Services.                  3 Off the video record at 5:29 p.m.                  4 (The deposition was adjourned                  5 at 5:29 p.m.)                  6                  7                  8                  9                  10                  11                  12                  13                  14                  15                  16                  17                  18                  19                  20                  21                  22                  23                  24                  25</p>	<p style="text-align: right;">Page 544</p> <p style="text-align: center;">CERTIFICATE OF REPORTER</p> <p>1                  2                  3 STATE OF CALIFORNIA )                  )SS:                  4 COUNTY OF LOS ANGELES )                  5                  6 I, Lori Raye, a duly commissioned and                  7 licensed court reporter for the State of                  8 California, do hereby certify:                  9 That I reported the taking of the deposition                  10 of the witness, GUY ADAMS, commencing on Friday,                  11 April 29, 2016 at 9:10 a.m.;                  12 That prior to being examined, the witness was,                  13 by me, placed under oath to testify to the truth;                  14 that said deposition was taken down by me                  15 stenographically and thereafter transcribed;                  16 that said deposition is a complete, true and                  17 accurate transcription of said stenographic notes.                  18 I further certify that I am not a relative or                  19 an employee of any party to said action, nor in                  20 anyway interested in the outcome thereof; that a                  21 request has been made to review the transcript.                  22 In witness whereof, I have hereunto                  23 subscribed my name this 2nd day of May 2016.  <div style="text-align: center;">                       _____                      LORI RAYE                      CSR No. 7052                 </div>                 24                  25</p>																																																																																																																																																								
<p style="text-align: right;">Page 545</p> <p style="text-align: center;">ERRATA SHEET</p> <p>1                  2                  3                  4                  5 I declare under penalty of perjury that I have read the                  6 foregoing _____ pages of my testimony, taken                  7 on _____ (date) at                  8 _____ (city), _____ (state),                  9                  10 and that the same is a true record of the testimony given                  11 by me at the time and place herein                  12 above set forth, with the following exceptions:                  13  <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Page</th> <th style="text-align: left;">Line</th> <th style="text-align: left;">Should read:</th> <th style="text-align: left;">Reason for Change:</th> </tr> </thead> <tbody> <tr><td>14</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>15</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>16</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>17</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>18</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>19</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>20</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>21</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>22</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>23</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>24</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>25</td><td>_____</td><td>_____</td><td>_____</td></tr> </tbody> </table> </p>	Page	Line	Should read:	Reason for Change:	14	_____	_____	_____	15	_____	_____	_____	16	_____	_____	_____	17	_____	_____	_____	18	_____	_____	_____	19	_____	_____	_____	20	_____	_____	_____	21	_____	_____	_____	22	_____	_____	_____	23	_____	_____	_____	24	_____	_____	_____	25	_____	_____	_____	<p style="text-align: right;">Page 546</p> <p style="text-align: center;">ERRATA SHEET</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Page</th> <th style="text-align: left;">Line</th> <th style="text-align: left;">Should read:</th> <th style="text-align: left;">Reason for Change:</th> </tr> </thead> <tbody> <tr><td>2</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>3</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>4</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>5</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>6</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>7</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>8</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>9</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>10</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>11</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>12</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>13</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>14</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>15</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>16</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>17</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>18</td><td>Date: _____</td><td>_____</td><td>_____</td></tr> <tr><td>19</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>20</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>21</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>22</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>23</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>24</td><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>25</td><td>_____</td><td>_____</td><td>_____</td></tr> </tbody> </table> <p style="text-align: center;">Signature of Witness                  _____                  Name Typed or Printed</p>	Page	Line	Should read:	Reason for Change:	2	_____	_____	_____	3	_____	_____	_____	4	_____	_____	_____	5	_____	_____	_____	6	_____	_____	_____	7	_____	_____	_____	8	_____	_____	_____	9	_____	_____	_____	10	_____	_____	_____	11	_____	_____	_____	12	_____	_____	_____	13	_____	_____	_____	14	_____	_____	_____	15	_____	_____	_____	16	_____	_____	_____	17	_____	_____	_____	18	Date: _____	_____	_____	19	_____	_____	_____	20	_____	_____	_____	21	_____	_____	_____	22	_____	_____	_____	23	_____	_____	_____	24	_____	_____	_____	25	_____	_____	_____
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# Exhibit 4

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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.  
VS. ) A-15-719860-B  
MARGARET COTTER, ELLEN COTTER, ) Coordinated with:  
GUY ADAMS, EDWARD KANE, DOUGLAS ) Case No.  
McEACHERN, TIMOTHY STOREY, ) P-14-082942-E  
WILLIAM GOULD, and DOES 1 ) Case No.  
through 100, inclusive, ) A-16-735305-B  
Defendants. ) Volume II  
and )  

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

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(Caption continued on next  
page.)

VIDEOTAPED DEPOSITION OF JUDY CODDING

Wednesday, February 28, 2018

Los Angeles, California

REPORTED BY:  
GRACE CHUNG, CSR No. 6426, RMR, CRR, CLR  
FILE NO.: 453340-B

JUDY CODDING, VOL II - 02/28/2018

<p style="text-align: right;">Page 195</p> <p>1 T2 PARTNERS MANAGEMENT, LP., )  a Delaware limited )  2 partnership, doing business as )  KASE CAPITAL MANAGEMENT, )  3 et al., )  ) )  4 Plaintiff, )  ) )  5 vs. )  ) )  6 MARGARET COTTER, ELLEN COTTER, )  GUY ADAMS, EDWARD KANE, )  7 DOUGLAS McEACHERN, WILLIAM )  GOULD, JUDY CODDING, MICHAEL )  8 WROTONIAK, CRAIG TOMPKINS, )  and DOES 1 through 100, )  9 )  Defendants. )  10 )  and )  11 )  READING INTERNATIONAL, INC., )  12 a Nevada corporation, )  ) )  13 Nominal Defendant. )  ) )  14 )  15 )  16 Videotaped Deposition of JUDY CODDING,  17 taken on behalf of Plaintiff, at 1901 Avenue of the  18 Stars, Suite 600, Los Angeles, California, beginning  19 at 2:22 a.m. and ending at 4:38 p.m., on Wednesday,  20 February 28, 2018, before GRACE CHUNG, CSR No. 6246,  21 RMR, CRR, CLR.  22 )  23 )  24 )  25 )</p>	<p style="text-align: right;">Page 197</p> <p style="text-align: center;">I N D E X</p> <p>2 WITNESS EXAMINATION PAGE  3 JUDY CODDING  4 BY MR. KRUM 199  5 BY MR. TAYBACK 273  6 BY MR. KRUM 277  7 )  8 )  9 (The following previously marked exhibits were  10 referenced: Deposition Exhibits 525, 527, 176.)  11 )  12 )  13 )  14 )  15 )  16 )  17 )  18 )  19 )  20 )  21 )  22 )  23 )  24 )  25 )</p>
<p style="text-align: right;">Page 196</p> <p style="text-align: center;">A P P E A R A N C E S</p> <p>1 )  2 )  3 For the Plaintiff:  4 YURKO, SALVESEN, &amp; REMZ  BY: MARK G. KRUM, ESQ.  5 One Washington Mall  11th Floor  6 Boston, Massachusetts 02108  (617)-723-6900  7 )  8 )  9 For the Plaintiff Reading International:  ) )  10 GREENBERG TRAUIG  BY: MARK FERRARIO, ESQ.  1840 Century Park East  11 Suite 1900  Los Angeles, California 90067  (310) 586-7700  12 ferrariom@gtlaw.com  13 )  14 For the Defendants Margaret Cotter, Ellen Cotter  Guy Adams, Edward Kane:  15 )  16 QUINN EMANUEL  BY: CHRISTOPHER TAYBACK, ESQ.  865 South Figueroa Street  17 10th Floor  Los Angeles, California 90017  (213) 443-3000  18 christayback@quinnemanuel.com  19 )  20 Also Present: CORY TYLER, Videographer  21 )  22 )  23 )  24 )  25 )</p>	<p style="text-align: right;">Page 198</p> <p>1 Los Angeles, California  2 Wednesday February 28, 2018  3 2:22 p.m.  4 THE VIDEOGRAPHER: And this is the  5 beginning of Media 2 and the beginning of  6 deposition of Judy Coddling, Volume II, in the  7 matter of Cotter, Jr., versus Cotter, et al., held  8 at 1901 Avenue of the Stars, Suite 1600, Century  9 City, California, on February 28th, 2018, at 2:22  10 p.m.  11 The court reporter is Grace Chung, and I am  12 Cory Tyler, the videographer, an employee of  13 Litigation Services. This deposition is being  14 videotaped at all times unless specified to go off  15 the video record.  16 Would all present please identify  17 themselves, beginning with the witness.  18 THE WITNESS: Judy Coddling.  19 MR. TAYBACK: Christopher Tayback for the  20 witness and director defendants.  21 MR. FERRARIO: Mark Ferrario for Reading  22 or RDI.  23 MR. KRUM: Mark Krum for plaintiff.  24 THE VIDEOGRAPHER: And will the court  25 reporter please swear in the witness.</p>

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

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

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1 A. Right.  
2 Q. For ease of reference, Ms. Coddling, I'm  
3 going to refer to that as the 100,000 share option.  
4 A. Okay.  
5 Q. Ms. Coddling, with respect to --  
6 (Miscellaneous comments.)  
7 BY MR. KRUM:  
8 Q. Ms. Coddling, with respect to either of the  
9 two ratification matters you just identified, when  
10 did you first hear or learn that either/or both of  
11 them would be or might be raised at the December  
12 29, 2017, board meeting?  
13 A. We had a discussion in the special  
14 committee about the ratification of Jim Cotter,  
15 Jr., being the CEO before that meeting -- shortly  
16 before that meeting.  
17 Q. And by "that meeting," you're referring to  
18 the December 29th, 2017 --  
19 A. Right.  
20 Q. -- board meeting?  
21 MR. KRUM: Did you hear the answer?  
22 THE REPORTER: Yes.  
23 BY MR. KRUM:  
24 Q. Who was present for or a party to the  
25 special committee discussion you just referenced?

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1 A. Our attorney, Mike Bonner --  
2 Q. Uh-huh.  
3 A. -- and Bill Gould, Doug McEachern.  
4 Q. Was this in person, by telephone, or both?  
5 A. By telephone.  
6 Q. Who raised the subject of ratification?  
7 A. I don't --  
8 MR. TAYBACK: You can just answer the  
9 question who, only because there's a lawyer  
10 present. So I'm going to make -- make objections.  
11 So you can answer the question, though, as  
12 it was phrased.  
13 A. I don't remember whether it was Bill Gould  
14 or whether it was Mike Bonner.  
15 BY MR. KRUM:  
16 Q. And without saying what was said, meaning  
17 without speaking to the substance, did one or the  
18 other of -- or both, Mike Bonner or Bill Gould,  
19 explain the notion of ratification of these two  
20 issues?  
21 A. Yes.  
22 Q. At the special committee meeting, was  
23 there any discussion that you viewed as bearing  
24 upon the merits of either ratification decision as  
25 distinct from the fact of or reasons for



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

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1 MR. TAYBACK: Let -- let her finish her  
2 answer. Just --  
3 BY MR. KRUM:  
4 Q. Sure. Please go ahead.  
5 A. To -- to explain whatever issue we were  
6 dealing with at that time, and I -- because we  
7 dealt with lawyers in the special committee and we  
8 dealt with them in other kinds of discussions,  
9 basically, we have dealt with Chris and with Mark  
10 and with Marshall and with Mike.  
11 Q. Okay. Mike is Mike Bonner of Greenberg  
12 Traurig?  
13 A. Uh-huh.  
14 Q. Yes?  
15 A. Yes.  
16 Q. Chris being Mr. Tayback?  
17 A. Yes.  
18 Q. And Marshall being his colleague, Marshall  
19 Searcy?  
20 A. Yes.  
21 Q. And Mark being Mr. Ferrario with  
22 Greenberg --  
23 A. Yes.  
24 Q. -- Traurig?  
25 Has the special committee ever discussed

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1 engaging its own independent counsel?  
2 MR. TAYBACK: I'm going to -- I'm just  
3 going to admonish the witness. If you had a  
4 discussion about retaining independent counsel with  
5 counsel for the company or with counsel for any of  
6 the directors, I suppose, that would be privileged.  
7 THE WITNESS: Okay.  
8 BY MR. KRUM:  
9 Q. So -- so he's instructing you not to  
10 answer insofar as the answer is yes with Quinn  
11 Emanuel lawyers or yes with Greenberg Traurig  
12 lawyers, and I'll understand that you're excluding  
13 that from your answer.  
14 So with that understanding, meaning  
15 excluding those lawyers and those law firms, based on  
16 the instruction that Mr. Tayback just gave, has the  
17 special committee ever discussed the subject of  
18 engaging separate independent counsel for the special  
19 committee?  
20 A. No.  
21 Q. Do you understand that Greenberg Traurig  
22 represents RDI?  
23 A. Yes.  
24 Q. And that Mr. Tayback and Mr. Searcy  
25 represent you and certain other directors

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1 individually?  
2 A. Yes.  
3 Q. And you understand that they represent --  
4 represented you in connection with this derivative  
5 lawsuit; right?  
6 A. Yes.  
7 Q. And you understand Mr. Tayback and any of  
8 his colleagues or anyone else at Quinn Emanuel to  
9 represent you in any context or for any purpose  
10 other than this derivative lawsuit?  
11 A. I think that's what they represent us for.  
12 MR. KRUM: So you weren't here this  
13 morning, Chris. I asked the minutes for this  
14 meeting be produced. And I don't know what  
15 Marshall and Mark have done, but that request  
16 stands.  
17 Q. What did you do, Ms. Coddling, if anything,  
18 other than review Exhibit 525 to prepare yourself  
19 for the December 29, 2017, board meeting?  
20 A. For that specific meeting?  
21 Q. Right.  
22 A. Nothing.  
23 Q. Now, directing your attention to the  
24 ratification decision you've identified earlier  
25 concerning the termination of Jim Cotter, Jr., as

<p style="text-align: right;">Page 215</p> <p>1 I can't tell you when that occurred, but  2 over a period of time that has occurred, and I -- I  3 just can't tell you the dates.  4 Q. Other than the example or -- strike that.  5 Other than the testimony you just gave, do  6 you recall the substance of any conversation you've  7 had with any other director regarding the removal of  8 Jim Cotter, Jr., as president and CEO?  9 A. Yes. I spoke to Bill Gould about why he  10 did not vote to remove Jim when at this -- over the  11 past year I knew he believed that that decision was  12 a mistake, but at the time he thought that it was  13 the right decision to give Jim the time, an extra  14 several weeks that they had agreed to. And so we  15 spoke about that. I was interested in  16 understanding, from Bill's point of view, why he  17 voted the way he did.  18 Q. When you refer to "give Jim the extra  19 several weeks he agreed to," to what are you  20 referring?  21 A. My understanding from Bill was that they  22 had a time frame that ended up, I guess, being  23 pretty much what -- what the time frame was. But  24 when this issue first came up in the discussion and  25 they had board meetings, two board meetings in May,</p>	<p style="text-align: right;">Page 217</p> <p>1 these," your concerns are based upon your  2 interaction with him as a director; is that  3 correct?  4 A. It is.  5 Q. You also referenced conversations you had  6 had with Jim Cotter, Jr., and one of the things you  7 considered in your December 29 vote to ratify the  8 prior termination decision, what conversations are  9 you referencing?  10 A. Jim and I had two conversations. This  11 goes -- I -- this is covered in the deposition.  12 Q. The -- we covered this in your last  13 deposition?  14 A. Yes.  15 Q. These -- so these were conversations that  16 occurred prior to March 1 of last year?  17 A. Right.  18 Q. Well, I'm not going to ask you to repeat  19 that. You also refer in your answer to documents  20 you've reviewed.  21 Are you referring to any documents other  22 than Exhibit 525?  23 A. No.  24 Q. Now, with respect to Exhibit 525, you  25 referred to meeting minutes.</p>
<p style="text-align: right;">Page 216</p> <p>1 I think that Bill wanted to give Jim the time that  2 they had agreed to for him to have the opportunity  3 to make the changes that were necessary in order  4 for him to continue as CEO.  5 Q. And by the -- by the time frame to which  6 they agreed, who is the "they" to whom you're  7 referring?  8 A. I -- I understood that it was with -- I  9 think it was with Jim and either with a full group  10 of directors or maybe just with the lead director.  11 But you're asking me questions -- I have to say  12 you're asking me questions that I wasn't present  13 for the discussions.  14 Q. I'm just asking your understanding, and if  15 you don't have any because you weren't there and  16 you haven't learned anything after the fact, then  17 that's the answer.  18 You referred to changes that were necessary  19 in order for Jim Cotter, Jr., to continue as CEO.  20 What did you understand those to be?  21 A. I think I understand those to be the same,  22 that I have concerns about Jim, and it has to do  23 with experience, knowledge, decision-making,  24 leadership, temperament.  25 Q. And when you say "you have concerns about</p>	<p style="text-align: right;">Page 218</p> <p>1 Are you referring to the minutes of the  2 meetings of May and June 2015?  3 A. I am.  4 Q. Have you ever had any discussions with  5 anyone about those minutes?  6 A. Specifically about those minutes, no.  7 Q. Do you have any independent basis upon  8 which to determine whether they are accurate?  9 A. Based on the collective conversations that  10 I have had and my own subsequent observations, Jim  11 Cotter, Jr., they would appear to me to be  12 accurate.  13 Q. You're referring to comments that pertain  14 to the stated reasons for terminating him?  15 A. Yes.  16 Q. Independent of those particular board  17 meetings of the May and June 2015 minutes, do you  18 have any basis upon which to assess whether the  19 minutes are accurate?  20 A. Oh, I wasn't present, so I could not tell  21 you other than that.  22 Q. So that we're clear, directing your  23 attention, Ms. Coddling, to Exhibit 525, starting  24 with the page that -- in the lower right-hand  25 production number ending in 7189 and going</p>

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1 through 7199, you'll see that page range purports  
2 to be the minutes of the May 21, May 29, and June  
3 12th, 2015, meetings.  
4 Are those the minutes that you're  
5 referencing?  
6 A. Yes.  
7 Q. I direct your attention, Ms. Coddling, to  
8 the second page of the -- what purports to be the  
9 May 21 minutes, so that's the one ending in  
10 production number 7188 in the lower right-hand  
11 corner.  
12 Do you have that?  
13 A. I do.  
14 Q. I'm going to ask you a question that calls  
15 for a yes-or-no answer. You see that in the last  
16 paragraph above the subhead "Review of Operations,"  
17 there's an entry saying Mr. Ellis made some  
18 statements.  
19 And my question --  
20 A. Excuse me. I have to find that.  
21 Q. Okay.  
22 MR. TAYBACK: I'm going -- I'm going to  
23 object. I believe that this document was produced  
24 as a redacted version, and I don't know if this  
25 came up in the last one --

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1 MR. FERRARIO: Which one? Are you looking  
2 at the September 2015?  
3 MR. TAYBACK: He's looking at May 21.  
4 MR. KRUM: No, I'm looking at May --  
5 (Speakers talking simultaneously.)  
6 A. I don't see a -- I don't see a Mr. Ellis.  
7 MR. KRUM: Okay. I'm going to -- let me  
8 -- let me be clear here. I'm not going to ask for  
9 the substance of anything. I'm just going to ask  
10 if she has ever had a conversation with anybody  
11 about that subject matter. So this is really to  
12 assist --  
13 MR. TAYBACK: Okay.  
14 MR. KRUM: -- the witness. I can ask an  
15 open-ended question.  
16 MR. TAYBACK: Okay. I'll let you ask that  
17 subject to the fact that I do believe there was a  
18 redacted version of this, and I would probably send  
19 you a clawback letter with respect to this.  
20 MR. FERRARIO: This one too?  
21 BY MR. KRUM:  
22 Q. All right. So --  
23 A. Under "Review of Operations," I see no  
24 mention --  
25 Q. Right --

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1 A. -- of Mr. Ellis.  
2 Q. Right above that, the paragraph  
3 immediately above that.  
4 A. Yeah, I see it.  
5 Q. So my question is: Have you ever had any  
6 conversations with anyone about the subject of  
7 whether either both Guy Adams or Ed Kane suffered  
8 from some conflict that made a difference to  
9 whether they could vote or their vote should be  
10 counted with respect to the subject of terminating  
11 Jim Cotter, Jr., as president and CEO? Yes or no?  
12 MR. TAYBACK: Ever or at any point in  
13 time?  
14 BY MR. KRUM:  
15 Q. Other than with counsel in this lawsuit.  
16 A. Could you separate out the two?  
17 Q. Sure.  
18 MR. FERRARIO: And you heard him. He  
19 said, "other than with counsel," just so you're  
20 clear.  
21 BY MR. KRUM:  
22 Q. Right. So I'll -- I'll include that  
23 expressly in the next question.  
24 So excluding any conversations you've had  
25 counsel with connection -- had with counsel in

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1 connection with this derivative lawsuit, Ms. Coddling,  
2 have you ever had any conversations with anyone about  
3 the subject of whether Ed Kane suffered from any  
4 conflict of interest that would make any difference  
5 to his vote or his -- the propriety or right in  
6 voting with respect to the termination of Jim Cotter,  
7 Jr., as president and CEO?  
8 A. No.  
9 Q. And the same question with respect to Guy  
10 Adams.  
11 A. Without counsel present?  
12 Q. With -- excluding counsel; correct.  
13 A. No, not that I recall.  
14 Q. At the bottom of the same page, you see  
15 the very last two lines read as follows: Quote,  
16 The board then proceeded to discuss at length the  
17 performance of Mr. Cotter as chief executive  
18 officer and president of the company since he was  
19 appointed in August 7, 2014.  
20 Do you see that?  
21 A. I do.  
22 Q. Do you know if that's accurate?  
23 A. I wasn't there.  
24 Q. Okay. So you don't know?  
25 A. No.

<p style="text-align: right;">Page 227</p> <p>1 A. I covered that in the last deposition 2 about my conversations with Ellen, Margaret, and 3 Jim in hopes that we could find a way to resolve 4 it.</p> <p>5 Q. And you have not had any additional 6 conversations since your last deposition?</p> <p>7 A. On that issue -- I've had many 8 conversations since that last issue [sic]. On that 9 particular issue, I'm constantly asking Ellen and 10 Margaret. I've even asked Jim at different board 11 meetings if there was any way that they could find 12 a way to settle all their issues and have a family.</p> <p>13 I come from a family where my father and 14 his two brothers ran a business, and they ran it 15 together. And they got along beautifully and 16 business prospered and grew. I've seen it work. And 17 I'm -- I was very hopeful that Ellen and Margaret and 18 Jim could find a way to take the asset that their 19 father had started and grow it in ways that they 20 would all be proud of.</p> <p>21 Q. Other than what you just said, including 22 with respect to your personal family's business, 23 are there any other reasons why you've continued to 24 ask -- to raise this issue with Ellen, Margaret, 25 and Jim?</p>	<p style="text-align: right;">Page 229</p> <p>1 A. Accurately.</p> <p>2 Q. I direct your attention, Ms. Coddling, to 3 the page of Exhibit 525 that ends in production 4 number 7193. You'll see that is the third page of 5 the May 29, 2015 --</p> <p>6 A. Uh-huh.</p> <p>7 Q. -- minutes. 8 Do you have that?</p> <p>9 A. I do.</p> <p>10 Q. At the end of the last full paragraph on 11 that page, it reads as follows: "The meeting went 12 into recess at approximately 2:00 p.m. to permit 13 Mr. Cotter and Madams Ellen Cotter and Margaret 14 Cotter to continue their discussion of settlement 15 terms," close quote.</p> <p>16 Do you see that?</p> <p>17 A. I do.</p> <p>18 Q. Do you know if that's accurate?</p> <p>19 A. I don't know.</p> <p>20 Q. Did you ever hear or learn or were you 21 ever told that Jim Cotter, Jr., was told, in words 22 or substance, "We're going to reconvene this 23 meeting telephonically at 6 o'clock, and if you do 24 not resolve your differences with your sisters by 25 then, we're going to proceed with the termination</p>
<p style="text-align: right;">Page 228</p> <p>1 A. Yes, because it's in the best interest of 2 Reading and its stockholders. That goes, to me, 3 without saying that that's -- it -- it could be a 4 win-win for everyone, a win for the Cotter family 5 and a win for Reading and its stockholders. And I 6 don't quite understand all of these lawsuits, why 7 they're necessary.</p> <p>8 Q. How do you -- how do you anticipate that 9 it would be a win for Reading stockholders?</p> <p>10 A. Because I think it would put all of the -- 11 these issues aside. I think the money that is 12 being spent on this is outrageous, and I think 13 having an end to disagreements is always 14 beneficial.</p> <p>15 Q. Directing your attention back to the May 16 21, 29, and June 12, 2015, minutes that is part of 17 Exhibit 525, you do not know what, if anything, is 18 omitted from those minutes because you weren't 19 there; right?</p> <p>20 A. Right. And I also understand that minutes 21 are not a verbatim, but they capture the essence of 22 what happens in meeting. And so I would expect 23 that the major issues that were dealt with would be 24 reflected in the minutes.</p> <p>25 Q. Accurately?</p>	<p style="text-align: right;">Page 230</p> <p>1 vote"?</p> <p>2 A. I didn't hear that.</p> <p>3 Q. Have you read any of the deposition 4 transcripts in this case?</p> <p>5 A. No. My own.</p> <p>6 Q. Have you looked at any of the documents 7 marked as deposition exhibits other than those in 8 your own deposition?</p> <p>9 A. No.</p> <p>10 Q. What is it exactly that you understand 11 that you voted to ratify with respect to the 12 termination of Jim Cotter, Jr.?</p> <p>13 A. That we would not hire Jim Cotter, Jr., as 14 the CEO.</p> <p>15 MR. TAYBACK: You're asking for her 16 recollection, not what's written in the --</p> <p>17 MR. KRUM: Right.</p> <p>18 MR. TAYBACK: -- minutes?</p> <p>19 MR. KRUM: Yeah.</p> <p>20 A. To ratify that the vote that was taken to 21 not have him as a CEO, that we concurred with.</p> <p>22 BY MR. KRUM:</p> <p>23 Q. Ms. Coddling, to your right there are two 24 other documents that have been marked previously. 25 I'd ask that you take a look at the one that has</p>

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1 been marked --  
2 A. This one?  
3 Q. No. Okay. It should be -- you should  
4 have one that says 526 and one that says 527.  
5 Do you have those?  
6 A. Yes.  
7 Q. I'd ask you to take a look at Exhibit 527.  
8 A. Yeah.  
9 Q. Have you seen Exhibit 527 previously?  
10 A. I have not seen it, but I knew that we had  
11 requested that a note be sent to Ellen.  
12 Q. How did you know that?  
13 A. I knew it from discussion, asking with the  
14 special committee that Bill Gould was going to ask  
15 Ellen for a discussion of these matters.  
16 Q. Okay. And by the special committee and  
17 Bill Gould, are you referring to the December 27,  
18 2017, special committee meeting about which you've  
19 testified earlier today?  
20 A. Whatever date that was. I don't remember.  
21 Earlier, as I said, I didn't know whether it was  
22 26th, 27th, 28th. I don't remember.  
23 Q. Okay. But whatever the date was --  
24 A. Whatever the date --  
25 Q. -- the same reference --

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

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1 A. I can't answer it.  
2 MR. TAYBACK: If her understanding, with  
3 respect to the relationship of this issue to the  
4 lawsuit, came from a conversation with a lawyer,  
5 I'd instruct her not to answer.  
6 MR. KRUM: Right.  
7 Q. Is that the case, Ms. Coddling?  
8 A. It is.  
9 Q. Okay. So independent of that conversation  
10 or those conversations with lawyers, with respect  
11 to the ratification or otherwise, do you have an  
12 independent view of this derivative lawsuit?  
13 MR. TAYBACK: Object to the form of the  
14 question. Does she have a view of the derivative  
15 lawsuit?  
16 MR. KRUM: Yes.  
17 MR. TAYBACK: She can answer that  
18 question.  
19 MR. FERRARIO: Other than what she's  
20 already testified to that she thought it was a  
21 waste and all that.  
22 MR. KRUM: I'm not asking her to repeat  
23 it.  
24 MR. FERRARIO: Okay. All right.  
25 MR. KRUM: I mean, I don't think that's a

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1 fair characterization. Well, it doesn't matter  
2 whether it is. She can answer.  
3 A. I don't really understand the lawsuit as  
4 it exists today. I -- I really don't understand  
5 it. I don't understand how it's a derivative  
6 lawsuit, and I've asked for an explanation of it  
7 from our attorneys. And it's hard for me to  
8 understand why there is this derivative lawsuit.  
9 And the attorneys can verify that I've  
10 asked that question many times.  
11 BY MR. KRUM:  
12 Q. So if you were able to vote on whether  
13 this derivative lawsuit should proceed or not,  
14 would you -- how would you vote, if at all?  
15 A. Well, I don't think it should -- I don't  
16 think it should go forward. I don't see the  
17 purpose of it. I don't understand it.  
18 Q. Ms. Coddling, take a look at Exhibit 526.  
19 You have that in front of you as well. And take  
20 such time as you need to review it.  
21 My first question is, have you ever seen  
22 Exhibit 526?  
23 A. I have.  
24 Q. When did you first see it?  
25 A. I don't remember the date.

<p style="text-align: right;">Page 255</p> <p>1 You had the CFO saying it was fine. And you had 2 the compensation committee back then who reviewed 3 it thoroughly, and so it appeared, to me, that 4 everything was in order -- correctly in order for 5 this to happen.</p> <p>6 Q. Let's take a look at the page ending in 7 7213 as part of Exhibit 525. You'll see that's the 8 first page of the compensation stock option 9 committee, September 21, 2015, minutes.</p> <p>10 A. Uh-huh.</p> <p>11 Q. Do you have that?</p> <p>12 A. I do.</p> <p>13 Q. First of all, are you aware, independent 14 of reading these minutes, that committee member Tim 15 Storey was not a participant in the meeting of the 16 vote.</p> <p>17 A. I only know it reading the minutes that he 18 wasn't -- he was preoccupied.</p> <p>19 Q. Do you know why the meeting proceeded on 20 September 21, 2015?</p> <p>21 A. I think that in reading the minutes, Ed 22 Kane had said that they had dealt with Jim's 23 request in an expeditious manner, and that he 24 wanted to treat Margaret and Ellen the same as he 25 had treated Jim.</p>	<p style="text-align: right;">Page 257</p> <p>1 Q. It doesn't sit with you, meaning it makes 2 no difference?</p> <p>3 A. Well, I -- I didn't live it, so I can't 4 say whether I heard it before April, before May, 5 before September. It doesn't -- this is not my -- 6 in my recollection.</p> <p>7 Q. Did you make any efforts to determine 8 whether the estate was the owner of the 100,000 9 share option?</p> <p>10 MR. TAYBACK: Other than reviewing the 11 materials she's already testified about?</p> <p>12 A. I've already -- I've already told you what 13 I knew.</p> <p>14 BY MR. KRUM:</p> <p>15 Q. Okay. So the answer is: Other than what 16 you've already said, the answer is no?</p> <p>17 A. Right.</p> <p>18 Q. Take a look at the top of page 2 of the 19 September 21, 2015, meeting minutes. That's 7214 20 in Exhibit 525.</p> <p>21 Do you see the -- there's a phrase that 22 reads, "Including whether the committee can rely on 23 the records of the company in determining who was the 24 owner of the options."</p> <p>25 A. Where is that?</p>
<p style="text-align: right;">Page 256</p> <p>1 Q. What's your understanding, as you sit here 2 today, Ms. Coddling, about when the compensation of 3 stock option committee first considered a request 4 by Ellen to exercise the 100,000 share option?</p> <p>5 A. I don't know.</p> <p>6 Q. Have you ever heard or learned or been 7 told that that request was made in or before April 8 of 2015?</p> <p>9 A. I don't know.</p> <p>10 Q. You think you've ever heard that?</p> <p>11 A. You know, I wasn't there at the time. The 12 sequence of events, you know, aren't with me 13 because I wasn't there at the time, so for me to 14 vote on this, I had to believe that people thought 15 this was legitimate and right.</p> <p>16 And that was what I was concerned about. I 17 wasn't concerned about the sequence of events, what 18 happened, when, by whom. I just wanted to know: 19 Legally was it all right, and did the CFO support it? 20 And once I was convinced that it was legally correct, 21 I was very willing to ratify it.</p> <p>22 So --</p> <p>23 Q. Did you --</p> <p>24 A. -- the sequence makes no -- it doesn't sit 25 with me.</p>	<p style="text-align: right;">Page 258</p> <p>1 Q. It's the first two lines of page 2 of the 2 September 21, 2015, compensation meeting minutes.</p> <p>3 A. Up here.</p> <p>4 When I read this, it appeared to me that 5 everything was in order.</p> <p>6 Q. Prior to voting in favor of ratification 7 with respect to the 100,000 share option on 8 December 29, 2017, did you have any discussions 9 with Ed Kane or Guy Adams about what they did or 10 did not do as compensation committee members in 11 connection with the request to exercise the 100,000 12 --</p> <p>13 A. No.</p> <p>14 Q. -- share option?</p> <p>15 A. No.</p> <p>16 Q. Did you ever hear or learn or were you 17 ever told that Bill Gould had suggested that Ellen 18 Cotter or the company or both seek some sort of 19 judicial determination regarding whether the -- 20 whether Ellen on behalf of the estate could 21 exercise the 100,000 share --</p> <p>22 A. No.</p> <p>23 Q. -- option?</p> <p>24 Did you ever talk to Bill Gould about the 25 --</p>

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<p style="text-align: right;">Page 279</p> <p>1 STATE OF CALIFORNIA )                  ) ss.                  2 COUNTY OF LOS ANGELES )                  3                  4 I, GRACE CHUNG, RMR, CRR, CSR No. 6246, a                  5 Certified Shorthand Reporter in and for the County                  6 of Los Angeles, the State of California, do hereby                  7 certify:                  8 That, prior to being examined, the witness                  9 named in the foregoing deposition was by me duly                  10 sworn to testify the truth, the whole truth, and                  11 nothing but the truth;                  12 That said deposition was taken down by me                  13 in shorthand at the time and place therein named,                  14 and thereafter reduced to typewriting by                  15 computer-aided transcription under my direction;                  16 That the dismantling, unsealing, or                  17 unbinding of the original transcript will render                  18 the reporter's certificate null and void.                  19 I further certify that I am not interested                  20 in the event of the action.                  21 In witness whereof, I have hereunto subscribed my                  22 name.                  23 Dated. March 14, 2018                  24 _____                  GRACE CHUNG, CSR NO. 6246                  25 RMR, CRR, CLR</p>	<p style="text-align: right;">Page 281</p> <p style="text-align: center;">ERRATA SHEET</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;">2</th> <th style="width: 10%;">Page</th> <th style="width: 5%;">Line</th> <th style="width: 40%;">Should read:</th> <th style="width: 40%;">Reason for Change:</th> </tr> </thead> <tbody> <tr><td>3</td><td></td><td></td><td></td><td></td></tr> <tr><td>4</td><td>---</td><td>---</td><td>_____</td><td>_____</td></tr> <tr><td>5</td><td></td><td></td><td>_____</td><td>_____</td></tr> <tr><td>6</td><td>---</td><td>---</td><td>_____</td><td>_____</td></tr> <tr><td>7</td><td></td><td></td><td>_____</td><td>_____</td></tr> <tr><td>8</td><td>---</td><td>---</td><td>_____</td><td>_____</td></tr> <tr><td>9</td><td></td><td></td><td>_____</td><td>_____</td></tr> <tr><td>10</td><td>---</td><td>---</td><td>_____</td><td>_____</td></tr> <tr><td>11</td><td></td><td></td><td>_____</td><td>_____</td></tr> <tr><td>12</td><td>---</td><td>---</td><td>_____</td><td>_____</td></tr> <tr><td>13</td><td></td><td></td><td>_____</td><td>_____</td></tr> <tr><td>14</td><td>---</td><td>---</td><td>_____</td><td>_____</td></tr> <tr><td>15</td><td></td><td></td><td>_____</td><td>_____</td></tr> <tr><td>16</td><td>---</td><td>---</td><td>_____</td><td>_____</td></tr> <tr><td>17</td><td></td><td></td><td>_____</td><td>_____</td></tr> <tr><td>18</td><td>---</td><td>---</td><td>_____</td><td>_____</td></tr> <tr><td>19</td><td></td><td></td><td>_____</td><td>_____</td></tr> <tr><td>20</td><td>---</td><td>---</td><td>_____</td><td>_____</td></tr> <tr><td>21</td><td></td><td></td><td>_____</td><td>_____</td></tr> <tr><td>22</td><td></td><td></td><td></td><td></td></tr> <tr><td>23</td><td colspan="2">Date:</td><td>_____</td><td>_____</td></tr> <tr><td>24</td><td></td><td></td><td></td><td style="text-align: center;">Signature of Witness</td></tr> <tr><td>25</td><td></td><td></td><td></td><td style="text-align: center;">Name Typed or Printed</td></tr> </tbody> </table>	2	Page	Line	Should read:	Reason for Change:	3					4	---	---	_____	_____	5			_____	_____	6	---	---	_____	_____	7			_____	_____	8	---	---	_____	_____	9			_____	_____	10	---	---	_____	_____	11			_____	_____	12	---	---	_____	_____	13			_____	_____	14	---	---	_____	_____	15			_____	_____	16	---	---	_____	_____	17			_____	_____	18	---	---	_____	_____	19			_____	_____	20	---	---	_____	_____	21			_____	_____	22					23	Date:		_____	_____	24				Signature of Witness	25				Name Typed or Printed
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25				Name Typed or Printed																																																																																																																					
<p style="text-align: right;">Page 280</p> <p style="text-align: center;">ERRATA SHEET</p> <p>1 2 3 4 5 I declare under penalty of perjury that I have read the 6 foregoing _____ pages of my testimony, taken 7 on _____ (date) at 8 _____ (city), _____ (state), 9 10 and that the same is a true record of the testimony given 11 by me at the time and place herein 12 above set forth, with the following exceptions: 13 14 Page Line Should read: Reason for Change: 15 16 --- --- _____ 17 18 --- --- _____ 19 20 --- --- _____ 21 22 --- --- _____ 23 24 --- --- _____ 25</p>																																																																																																																									

# Exhibit 5



1	DISTRICT COURT		
	CLARK COUNTY, NEVADA		
2			
3	JAMES J. COTTER, JR.,	)	
4	individually and	)	
5	derivatively on behalf of	)	
6	Reading International,	)	
7	Inc.,	)	
8		)	
9	Plaintiff,	)	
10	vs.	)	Case No.
11		)	A-15-719860-B
12		)	
13	MARGARET COTTER, et al.,	)	
14		)	
15	Defendants,	)	Coordinated With:
16		)	
17	_____ and _____	)	Case No.
18		)	P-14-082942-E
19	READING INTERNATIONAL,	)	
20	INC., a Nevada	)	
21	Corporation,	)	
22		)	
23	Nominal Defendant.	)	Volume 3
24	_____	)	Pages 496 to 578
25		)	

VIDEOTAPED DEPOSITION OF

WILLIAM GOULD

Thursday, April 5, 2018

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

Century City, California

Job No. 461424

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1 DISTRICT COURT  
CLARK COUNTY, NEVADA

2 JAMES J. COTTER, JR., )  
3 individually and )  
4 derivatively on behalf of )  
5 Reading International, )  
6 Inc., )  
7 )  
8 Plaintiff, )  
9 vs. ) Case No.  
10 ) A-15-719860-B  
11 MARGARET COTTER, et al., )  
12 ) Coordinated With:  
13 )  
14 ) Case No.  
15 ) P-14-082942-E  
16 )  
17 )  
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19 )  
20 )  
21 )  
22 )  
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24 )  
25 )

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

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

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1 APPEARANCES

2

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11 For the Witness William Gould:

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20 For the Defendants Margaret Cotter, Ellen Cotter,  
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1 APPEARANCES, CONTINUING

2

3 For the Defendant Reading International, Inc.:  
(Counsel present by speakerphone from remote site)

4

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12 ALSO PRESENT

13 Cory Tyler  
14 Legal Videographer  
15 Litigation Services  
16 Phone 800-330-1112

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1 INDEX OF EXAMINATIONS

2

3 WITNESS: WILLIAM GOULD

4 VOLUME 3

5

6 CONTINUING EXAMINATION PAGE

7 By Mr. Krum 504

8

9 -----

10

11 INSTRUCTION BY COUNSEL NOT TO ANSWER

12 None

13

14 -----

15

16 RECORD MARKED PER REQUEST OF COUNSEL

17 None

18 -----

19

20 STIPULATIONS

21 Page 512

22 Page 575

23

24 -----

25

Page 509

1 ratifications?  
2 A. I believe that the first contact I had was  
3 either in mid-November, or late November of 2017.  
4 Q. With whom?  
5 A. Counsel.  
6 Q. Who?  
7 A. Mike Bonner and Mike Ferrario of Greenberg  
8 Traurig.  
9 Q. Was this contact in person or telephonic?  
10 A. This was a telephonic contact.  
11 Q. And it was just the two or three of you,  
12 meaning you and one or both Bonner and Ferrario?  
13 A. Yes. I was the chairman of the special  
14 committee and they were discussing it with me in my  
15 capacity as the chairperson of that committee.  
16 Q. Okay. I'm not going to ask you who said  
17 what.  
18 A. Okay.  
19 Q. Let me ask you about all the logistics.  
20 Was this call a scheduled call?  
21 A. I don't recall.  
22 Q. Do you recall who placed or initiated the  
23 call?  
24 A. No.  
25 Q. Okay. When the subject of ratification was

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

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

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

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

3 Q. Did you travel over the year-end holidays?  
4 A. No.  
5 Q. Well, that doesn't help, then.  
6 Two prior witnesses did and said they were  
7 in different places and it helped them place things  
8 in time, is why I asked.  
9 A. Uh-huh. Uh-huh.  
10 Q. So what was the next communication or  
11 action you had or did with respect to ratification?  
12 A. The next action was a meeting of the  
13 Special Committee to request that the board consider  
14 the ratification.  
15 And we sent that out -- after it had been  
16 approved, that notice was then sent to Ellen Cotter  
17 and the company.  
18 Q. When was this -- and by the "Special  
19 Committee" you're referring to you, McEachern and  
20 Coddling, correct?  
21 A. Yes.  
22 Q. And was Mr. Bonner there or on the phone,  
23 as the case may be?  
24 A. He's on the phone for every meeting of the  
25 Special Committee.

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1 Q. For the entire meeting?  
2 A. Unless we have to meet with him, we have a  
3 session in camera, but that's it.  
4 Q. When did this Special Committee meeting  
5 occur?  
6 A. I would have to think it would be the week  
7 immediately -- right around Christmas. Right around  
8 that time.  
9 Q. Christmas was on Monday. The notice, I  
10 think, you're calling it, was set on Wednesday, the  
11 27th. And the meeting was on Friday, the 29th.  
12 Does that chronology sound right?  
13 A. That sounds right to me, yes.  
14 Q. Okay. With that in mind, can you identify  
15 the date of the Special Committee meeting as the  
16 week of Christmas or the week before?  
17 A. I can't identify it with accuracy, but I  
18 think it was certainly in that range, either the  
19 week before or the week of Christmas.  
20 MR. KRUM: So I don't know what lawyers  
21 should be handling this. I previously asked that  
22 the minutes of the Special Committee be produced.  
23 So I'll ask it again. And we don't need to  
24 talk about whether it's Greenberg Traurig, or  
25 whoever else.

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1 I just ask that the lawyers at this  
2 deposition do what the lawyers previously didn't,  
3 which is follow through and tell me they're going to  
4 be produced or they're not.  
5 MS. HENDRICKS: Mark, I don't think  
6 anybody's made that request to RDI, at least that  
7 I've been told. I'll look into it.  
8 MR. KRUM: Well, in my view, the documents  
9 are responsive to our written requests. And it was  
10 raised, Kara, at a deposition that you did not  
11 attend. I think Mark was at that deposition for  
12 RDI.  
13 All right. So, by the way --  
14 MS. BANNETT: I haven't been present at any  
15 other depositions --  
16 MR. KRUM: You haven't been there, no.  
17 That's why I didn't ask you. And you're not in the  
18 litigation, so --  
19 MS. BANNETT: Correct.  
20 MR. KRUM: -- although I think it's  
21 responsive to the request, let me help you out.  
22 BY MR. KRUM:  
23 Q. Have you received the minutes, or draft  
24 minutes of that meeting? Presumably yes. It's now  
25 April.

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1 A. Yes.  
2 Q. Have they been approved?  
3 A. Yes, I believe they have.  
4 Q. Okay.  
5 A. I believe they have, yes.  
6 Q. Okay.  
7 MR. KRUM: All right. So anyway, I'll  
8 reiterate my request for those minutes.  
9 BY MR. KRUM:  
10 Q. So to clarify, Mr. Gould, did the Special  
11 Committee formally take some action with respect to  
12 ratification?  
13 A. Yes.  
14 Q. And what was that?  
15 A. It requested that the company include the  
16 subject on the agenda for its next meeting, and call  
17 for a special meeting if there was not a regular  
18 meeting being scheduled.  
19 Q. What was the next communication or action  
20 you personally had or did with respect to  
21 ratification after that Special Committee meeting?  
22 A. Then we had the December 29th board  
23 meeting. And I gave a report at that meeting about  
24 the ratification and why it was being requested.  
25 Q. What did you say about why it was being

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

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

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

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

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

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

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

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

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

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

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

9 A. No, comments at the Special Committee  
10 meeting.

11 **Q. What did she say that she had done?**

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

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

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

23 It's not a direct quote, obviously.

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

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1 **Wrotniak about the termination of Jim Cotter, Jr.?**

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

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

10 A. No.

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

16 A. No.

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

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

21 **Q. As of December 29, 2017?**

22 A. Yes.

23 **Q. Why?**

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

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1 voted against it before I voted for it.

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

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

10 **Q. Was one of those factors the decision by**  
11 **the Los Angeles Superior Court in validating the**  
12 **2014 trust documentation?**

13 A. No.

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

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

20 **Q. What were the key factors?**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 Q. Early on, meaning --

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

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

14 THE WITNESS: Yes.  
 15 (DEPOSITION EXHIBIT 530 MARKED FOR  
 16 IDENTIFICATION)

17 BY MR. KRUM:

18 Q. Do you recognize this document?

19 A. Yes.

20 Q. What is it?

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

24 Q. Was there one on or about December 1?

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

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

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

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

10 A. You know something, I don't think it did.  
 11 It might have, but I don't remember that.  
 12 I remember some other topic we were considering.  
 13 (DEPOSITION EXHIBIT 531 MARKED FOR  
 14 IDENTIFICATION)

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

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

19 A. (Perusing document)

20 BY MR. KRUM:

21 Q. Have you seen this document previously?

22 A. No.

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

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

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

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

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

18 Q. Exhibit 527?

19 A. Yeah ...

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


21 A. Yes, Exhibit 527.

22 MR. KRUM: Let's take a break.

23 THE WITNESS: Okay.

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

WILLIAM GOULD, VOLUME III - 04/05/2018

<p style="text-align: right;">Page 573</p> <p>1 A. Correct.</p> <p>2 Q. I direct your attention to the middle of</p> <p>3 the Ed Kane e-mail at the top. There's a sentence</p> <p>4 that reads as follows: "Bill suggested we ask Ellen</p> <p>5 to seek judicial approval for the exercise."</p> <p>6 Do you see that?</p> <p>7 A. I do.</p> <p>8 Q. Does that refresh your recollection?</p> <p>9 A. A little bit, yes.</p> <p>10 Q. And how so? What do you now recall?</p> <p>11 A. Well, again, as I said, I do remember quite</p> <p>12 clearly when I did talk to Ed, he first was just</p> <p>13 calling me because I have had experience with this</p> <p>14 area as a lawyer. And I told him that I would -- I</p> <p>15 didn't see a problem with it, but that to be safe</p> <p>16 here, given the litigation -- or the</p> <p>17 controversies -- that he should have counsel --</p> <p>18 independent counsel give him an opinion on it.</p> <p>19 Q. Well --</p> <p>20 A. But I also -- I might have mentioned if it</p> <p>21 was possible -- practical to get approval, that it</p> <p>22 would be obviously the best way to go, and that</p> <p>23 would eliminate any question.</p> <p>24 Q. Did you ever have any communications with</p> <p>25 any or all of -- well, strike that.</p>	<p style="text-align: right;">Page 575</p> <p>1 Kara?</p> <p>2 MS. HENDRICKS: Okay with me.</p> <p>3 THE VIDEO OPERATOR: This concludes the</p> <p>4 deposition of William Gould, volume 3, on April 5th,</p> <p>5 2018.</p> <p>6 Off the video record at 11:34 A.M.</p> <p>7 (Off video record)</p> <p>8 THE REPORTER: Did you have a stipulation</p> <p>9 from before?</p> <p>10 MS. HENDRICKS: 'Bye, everybody.</p> <p>11 THE REPORTER: Do you have a stipulation</p> <p>12 that you would like to use from a prior deposition</p> <p>13 for this witness?</p> <p>14 MR. KRUM: Yes, the same as we've been</p> <p>15 doing.</p> <p>16</p> <p>17</p> <p>18 (DEPOSITION OF WILLIAM GOULD,</p> <p>19 SIGNATURE NOT WAIVED,</p> <p>20 CONCLUDED AT 11:34 A.M.)</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
<p style="text-align: right;">Page 574</p> <p>1 Did you ever have any communications with</p> <p>2 Judy Coddling and/or Michael Wrotniak about either</p> <p>3 the notion of obtaining a legal opinion, as you just</p> <p>4 described, or the notion of obtaining a court order</p> <p>5 as you just described, with respect to the exercise</p> <p>6 of the 100,000 share option?</p> <p>7 A. I don't believe I ever had a conversation</p> <p>8 with either one of them about that.</p> <p>9 Q. Did you ever have a conversation of that</p> <p>10 nature with Doug McEachern?</p> <p>11 A. I might have, yes.</p> <p>12 Q. Okay.</p> <p>13 As you sit here today, what's your best</p> <p>14 recollection? Did you?</p> <p>15 A. I don't have any -- my best recollection is</p> <p>16 I somehow believe that I did, but I don't recall</p> <p>17 anything, when it was, or what was said.</p> <p>18 I do remember specifically the conversation</p> <p>19 with Ed Kane.</p> <p>20 Q. Okay.</p> <p>21 MR. KRUM: I don't have any further</p> <p>22 questions at this time.</p> <p>23 Mr. Gould, thank you for your time.</p> <p>24 THE WITNESS: Thank you.</p> <p>25 MR. KRUM: So we can go off the record?</p>	<p style="text-align: right;">Page 576</p> <p>1 REPORTER'S CERTIFICATION</p> <p>2</p> <p>3 I, Lori Byrd, Registered Professional Reporter,</p> <p>4 Certified Realtime Reporter, Certified LiveNote</p> <p>5 Reporter, Realtime Systems Administrator, Kansas</p> <p>6 Certified Court Reporter 1681, Oklahoma Certified</p> <p>7 Shorthand Reporter 1981, and Certified Shorthand</p> <p>8 Reporter 13023 in and for the State of California, do</p> <p>9 hereby certify:</p> <p>10</p> <p>11 That the foregoing witness was by me duly sworn;</p> <p>12 that the deposition was then taken before me at the</p> <p>13 time and place herein set forth; that the testimony and</p> <p>14 proceedings were reported stenographically by me and</p> <p>15 later transcribed into typewriting under my direction;</p> <p>16 that the foregoing is a true record of the testimony</p> <p>17 and proceedings taken at that time.</p> <p>18</p> <p>19 IN WITNESS WHEREOF, I have subscribed my name on</p> <p>20 this date: April 19th, 2018</p> <p>21</p> <p>22 </p> <p>23</p> <p>24 Lori Byrd, CSR 13023</p> <p>25</p>



# Exhibit 6

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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, et al., )  
Defendants. )  
and )

READING INTERNATIONAL, )  
INC., a Nevada )  
corporation, )

Nominal Defendant )

Case No. A-15-719860-B

Coordinated with:

Case No. P-14-082942-E

DEPOSITION OF: EDWARD KANE

TAKEN ON: MAY 2, 2016

REPORTED BY:

PATRICIA L. HUBBARD, CSR #3400

EDWARD KANE, VOLUME I - 05/02/2016

<p style="text-align: right;">Page 2</p> <p>1 DEPOSITION OF EDWARD KANE, taken 2 on behalf of the Plaintiffs, at 3 3043 Fourth avenue, San Diego, 4 California, commencing at 5 10:12 A.M. on May 2, 2016, before 6 PATRICIA L. HUBBARD, CSR #3400, a 7 Certified Shorthand Reporter in 8 and for the State of California, 9 pursuant to Notice. 10 11 12 APPEARANCES OF COUNSEL: 13 14 For the Plaintiff: 15 16 LEWIS ROCA ROTHGERBER CHRISTIE, LLP 17 BY: MARK G. KRUM, ESQ. 18 3993 Howard Hughes Parkway 19 Suite 600 20 Las Vegas, Nevada 89169 21 702.949.8200 22 mkrum@lrrc.com 23 24 For the Nominal Defendant: READING INTERNATIONAL, 25 INC. 26 27 GREENBERG TRAUERIG, LLP 28 BY: MARK E. FERRARIO, ESQ. 29 3773 Howard Hughes Parkway 30 Suite 400 North 31 Las Vegas, Nevada 89169 32 702.792.3773 33 ferrariom@gtlaw.com</p>	<p style="text-align: right;">Page 3</p> <p>1 APPEARANCES OF COUNSEL: (Continued) 2 3 For the Defendants: MARGARET COTTER, ELLEN COTTER, 4 DOUGLAS, McEACHERN, GUY ADAMS and EDWARD KANE 5 QUINN EMANUEL URQUHART &amp; SULLIVAN, LLP 6 BY: MARSHALL M. SEARCY, ESQ. 7 865 South Figueroa Street 8 10th Floor 9 Los Angeles, California 90017 10 213.443.3000 11 marshallsearcy@quinnemanuel.com 12 13 For the Defendants: WILLIAM GOULD and TIMOTHY 14 STOREY 15 16 BIRD, MARELLA, BOXER, WOLFPERT, NESSIM, 17 DROOKS, LINCENGERG &amp; RHOW 18 BY: SHOSHANA E. BANNETT, ESQ. 19 1875 Century Park East 20 23rd Floor 21 Los Angeles, California 90067 22 310.201.2100 23 sbannett@birdmarella.com 24 25 Derivatively on behalf of READING INTERNATIONAL, 26 INC. 27 28 ROBERTSON &amp; ASSOCIATES, LLP 29 BY: ROBERT NATION, ESQ. 30 32121 Lindero Canyon Road 31 Suite 200 32 Westlake Village, California 91361 33 818.851.3850 34 rnation@arobertson.law.com 35 36 Also Present: 37 38 Douglas McEachern 39 40 James J. Cotter, Jr. 41 42 Kristy Pittman, Videographer</p>
<p style="text-align: right;">Page 4</p> <p>1 I N D E X 2 3 WITNESS PAGE 4 EDWARD KANE 5 (By Mr. Krum) 8 6 7 8 E X H I B I T S 9 10 PLAINIFFS' DESCRIPTION PAGE 11 REFERENCED 12 Exhibit 60 Email dated October 14, 2014 71 13 from Gould to Adams and 14 Storey 15 (Previously marked) 16 Exhibit 61 Email dated October 14, 2014 124 17 from Ellen Cotter to Adams 18 and Storey 19 (Previously marked) 20 Exhibit 76 Email dated May 9, 2015 from 183 21 Kane to Adams 22 (Previously marked) 23 Exhibit 94 Email dated October 1, 2014 53 24 from Kane to Storey 25 (Previously marked) 26 Exhibit 99 Email date 2/10/2015 from 83 27 James Cotter, Jr. to 28 McEachern, et al. 29 Exhibit 100 Email dated 2/25/2015 from 88 30 Kane to Gould and Storey 31 32 Exhibit 101 Email dated October 16, 2014 119 33 from Kane to Gould and 34 McEachern 35</p>	<p style="text-align: right;">Page 5</p> <p>1 E X H I B I T S (Continued) 2 3 PLAINIFF'S DESCRIPTION PAGE 4 REFERENCED 5 Exhibit 102 Email dated November 5, 2014 126 6 from Kane to Adams, et al. 7 Exhibit 103 Email dated January 28, 2015 144 8 from Kane to McEachern 9 10 Exhibit 104 Email dated February 6, 2015 149 11 from McEachern to Kane, et al. 12 Exhibit 105 Email dated March 1, 2015 from 170 13 Adams to Kane 14 15 Exhibit 106 Email dated March 16, 2015 from 177 16 Kane to Gould and Storey 17 18 INFORMATION REQUESTED: 19 (NONE) 20 21 WITNESS INSTRUCTED NOT TO ANSWER: 22 (NONE) 23 24 25</p>

<p style="text-align: right;">Page 94</p> <p>1 "Question: Did you ever reach a 2 conclusion at any time in 2015, 3 conclusion or conclusions at any 4 time in 2015, about where any 5 class B voting stock that was 6 either owned legally and/or 7 beneficially by Jim Cotter, Sr., 8 or a trust that he had controlled 9 as trustee was held, whether it 10 was in a trust, a voting trust, an 11 estate or someplace else?") 12 MR. SEARCY: Same objections. Vague and 13 lacks foundation. 14 THE WITNESS: I left that -- I think I 15 had conversations with attorneys over at -- and 16 asked for an opinion as to the ability to vote 17 certain shares. 18 BY MR. KRUM: 19 <b>Q. So, is it your testimony that you came</b> 20 <b>to no conclusion independent of any conclusion</b> 21 <b>offered to you by attorneys?</b> 22 A. Yes. 23 <b>Q. And was any conclusion offered to you by</b> 24 <b>any attorneys?</b> 25 MR. SEARCY: And that's a -- that's a</p>	<p style="text-align: right;">Page 95</p> <p>1 "yes" or "no" question. 2 MR. FERRARIO: Yeah. 3 THE WITNESS: Say that again. 4 BY MR. KRUM: 5 <b>Q. Did any attorneys proffer to you any</b> 6 <b>conclusions regarding the subject of who had the</b> 7 <b>right to vote any class B voting stock? Yes or no?</b> 8 A. Yes. 9 <b>Q. When did that happen?</b> 10 A. I think -- I think in September of 2015. 11 <b>Q. And who was the attorney or who were the</b> 12 <b>attorneys?</b> 13 A. I think there was an opinion from Neal 14 Brockmeyer -- Brockmeyer, which he sent to the 15 independent committee. I think that was in there. 16 And there was corporate counsel in Nevada. And 17 there was opinions from them. 18 <b>Q. Corporate counsel being Greenberg</b> 19 <b>Traurig?</b> 20 A. Yes. 21 <b>Q. And there were -- there was more than</b> 22 <b>one opinion from them?</b> 23 A. I can only recall one. 24 <b>Q. And the one that you recall, Mr. Kane,</b> 25 <b>when was that provided approximately?</b></p>
<p style="text-align: right;">Page 96</p> <p>1 MR. SEARCY: And again he's only asking 2 for the date. Don't get into the substance of any 3 legal advice. 4 THE WITNESS: No. That would have been 5 in September of 2015. 6 BY MR. KRUM: 7 <b>Q. To what use, if any, did you put the</b> 8 <b>Greenberg Traurig memo or opinion?</b> 9 A. To what use? 10 MR. SEARCY: Objection. Vague. 11 MR. FERRARIO: Can you -- hang on for 12 just one second. I need to counsel -- 13 (Off-the-record discussion.) 14 MR. KRUM: Gentlemen, it does not -- 15 indisputably does not call for the disclosure of 16 privileged information. I have not asked -- 17 MR. FERRARIO: It's the next question. 18 MR. KRUM: -- Mr. Kane what the 19 substance was and I'm taking this at, as you can see 20 it, nice small incremental steps so that he doesn't 21 get ahead of us and speak to that. 22 MR. FERRARIO: We appreciate that. It's 23 this question, though -- I don't want to say how he 24 could answer it and not take the next step. 25 But if he goes -- he gives the wrong, I</p>	<p style="text-align: right;">Page 97</p> <p>1 think we have now gone into that. We've crossed the 2 line. 3 I mean I think that you've done a fine 4 job. I'm not -- I'm not in any way critiquing how 5 you proceed -- 6 MR. KRUM: Look, I wasn't asking to be 7 credited or blamed. I just want to move the process 8 forward. 9 So let's do this. Let's have the court 10 reporter read the question for him. 11 I'm going to make sure -- and he's done 12 a good job of allowing you to interpose objections 13 if I ask another question that you think calls for 14 privileged information. 15 So let's just do it the way we've been 16 doing it one step at a time. 17 Can you read the question for him, 18 please. 19 (Whereupon the question was read 20 as follows: 21 "Question: To what use, if any, 22 did you put the Greenberg Traurig 23 memo or opinion?") 24 MR. SEARCY: I'll object as vague. 25 MR. FERRARIO: I'm going to object. I</p>

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1 think we're now starting to invade the  
2 attorney-client privilege. Because you're  
3 reading -- you're asking him did he read it?  
4 MR. KRUM: I'm asking him to what use,  
5 if any, did he put it. Not what it said.  
6 BY MR. KRUM:  
7 **Q. Mr. Kane, directing your attention to**  
8 **the Greenberg Traurig memo or opinion, to what use,**  
9 **if any, did you put that?**  
10 MR. FERRARIO: I'm going to object to  
11 that, because I do think this invades the  
12 attorney-client privilege.  
13 MR. SEARCY: Join.  
14 BY MR. KRUM:  
15 **Q. Go ahead, sir.**  
16 MR. FERRARIO: I don't --  
17 BY MR. KRUM:  
18 **Q. Don't tell me about the substance. Just**  
19 **tell me, did you rely on it for any purpose?**  
20 MR. FERRARIO: That's where the problem  
21 comes, Mark.  
22 MR. KRUM: Well, it might be a problem  
23 for you guys.  
24 MR. FERRARIO: It's not a problem for  
25 me.

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1 **Traurig document to you; that is, the opinion to**  
2 **which you have just referred?**  
3 MR. SEARCY: You can answer that  
4 question.  
5 THE WITNESS: I'm trying --  
6 MR. SEARCY: Again, don't get into the  
7 substance. Just --  
8 THE WITNESS: No. I understand. And my  
9 question is I don't know that I can answer his  
10 question in the sense that I may have received it  
11 directly from Greenberg.  
12 BY MR. KRUM:  
13 **Q. Did you ask them to provide it to you?**  
14 A. I think I did, yes.  
15 **Q. With whom did you communicate? Not what**  
16 **was communicated, just with whom did you**  
17 **communicate?**  
18 A. I don't recall whether it was Mark or  
19 whether it was someone else in the firm that I  
20 communicate with.  
21 **Q. Was it orally or in writing?**  
22 A. I don't recall.  
23 **Q. Was anyone else party or privy to that**  
24 **communication?**  
25 A. I think Guy Adams was. That's -- he

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1 MR. KRUM: The answer --  
2 MR. FERRARIO: It depends on what -- it  
3 depends on what position the company -- or that  
4 Mr. Kane wants to take. And that's -- that's what  
5 I'm -- that's where I think this is an issue at this  
6 point in time.  
7 MR. KRUM: It's not an issue.  
8 MR. FERRARIO: Yes, it is.  
9 MR. KRUM: It may be, but --  
10 MR. FERRARIO: I'll tell you what, we'll  
11 deal with it down the road. I'm going to tell him  
12 -- I'm going instruct him to not answer based upon  
13 --  
14 MR. KRUM: On what basis?  
15 MR. FERRARIO: -- the privilege. Just  
16 what I just said.  
17 MR. KRUM: Okay. Can we mark this part  
18 of the transcript. We're going to come back to it  
19 presumably over the lunch break.  
20 MR. FERRARIO: Yeah. And I'll visit  
21 this with Marshall over the break, but at this point  
22 in time we're going to assert the attorney-client  
23 privilege.  
24 BY MR. KRUM:  
25 **Q. Mr. Kane, who provided the Greenberg**

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1 would have been if I was, because it was a  
2 compensation committee question. And Tim Storey may  
3 well have been.  
4 **Q. And it is your best recollection --**  
5 **strike that.**  
6 **Is it your best recollection as you sit**  
7 **here today, Mr. Kane, that the first time you had**  
8 **communications of the type you're describing now was**  
9 **in September of 2015?**  
10 MR. SEARCY: Objection. Vague and lacks  
11 foundation.  
12 THE WITNESS: There may have been some  
13 communication with them earlier also.  
14 BY MR. KRUM:  
15 **Q. Earlier being when? Either in time or**  
16 **relative to any other particular events that you**  
17 **recall?**  
18 A. It was a particular event having to do  
19 with the exercise of voting share options by  
20 Margaret and Ellen Cotter.  
21 **Q. And approximately when was that?**  
22 A. I don't recall. I think -- I don't  
23 recall.  
24 **Q. Do you recall it relative to any other**  
25 **developments or events?**

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1 A. Well, there was a fight between Jimmy  
2 and his sisters, and I did not on behalf of the  
3 committee want to get in the middle of it.  
4 So, I required -- I required an opinion  
5 of counsel.  
6 I didn't care who won. It's just that  
7 we wanted to do the right thing, the committee did.  
8 Q. The compensation committee?  
9 A. Right.  
10 Q. With respect to requests by Ellen and  
11 Margaret to exercise options?  
12 A. That was one issue, yes.  
13 Q. What were the other issues?  
14 A. There was the issue of exercising the  
15 options that were granted to Jim Cotter, Sr.  
16 Q. What was the issue there or what were  
17 the issues, as best you can recall?  
18 A. Mr. Cotter, Jr., was saying those  
19 options belong to the trust, that they had been  
20 transferred to the living trust, and that they could  
21 not exercise that option on behalf of the estate.  
22 Q. Did you ever come to a conclusion  
23 whether Ellen and Margaret Cotter could exercise the  
24 option you just referenced?  
25 A. The one that was in Jim Cotter, Sr.'s

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1 A. The committee did.  
2 Q. When did that occur?  
3 A. I'm having difficulty, because there's  
4 two sets of options, their personal options and the  
5 estate and which came when, because there were both  
6 issues presented to the committee.  
7 And I think -- I know there was some  
8 meeting in September of 2015, and I don't -- I think  
9 those were the Estate's options.  
10 Q. By which you mean what we're going to  
11 call the 100,000 share option?  
12 A. Yes, yes.  
13 Q. Well, as to you personally, Mr. Kane,  
14 what did you do to reach a conclusion with respect  
15 to the question of whether Ellen and Margaret Cotter  
16 as executors of the estate of Jim Cotter, Sr., had  
17 the right to exercise the 100,000 share option?  
18 A. I asked for a legal opinion.  
19 Q. And I don't want to repeat everything  
20 you've already told me.  
21 You're referring to the Greenberg  
22 Traurig opinion you discussed earlier?  
23 A. I believe that's correct, yes.  
24 Q. And you also mentioned Mr. Brockmeyer.  
25 Did you seek his advise with respect to

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1 estate?  
2 Q. Well, let's do this. Let's -- instead  
3 of not knowing if we're referring to the same one,  
4 let me back up and ask a couple questions.  
5 Do you recall there came a time when  
6 Ellen and Margaret Cotter purporting to act as  
7 executives of the estate of Jim Cotter, Sr.,  
8 undertook to exercise a supposed option to acquire  
9 100,000 shares of class B voting stock?  
10 A. Yes.  
11 MR. SEARCY: Objection. Argumentative.  
12 BY MR. KRUM:  
13 Q. So I'm just going to call that the  
14 100,000 dollar -- excuse me. I'm going to call that  
15 the 100,000 share option. We can drop the word  
16 "suppose" so we have a handy short point of  
17 reference.  
18 Does that work for you, Mr. Kane?  
19 A. Yes.  
20 Q. Now, did you ever -- what did you do to  
21 come to a conclusion -- strike that.  
22 Did you ever come to a conclusion  
23 whether Ellen and Margaret Cotter as executors of  
24 the Estate of Jim Cotter, Sr., had the right to  
25 exercise the 100,000 share option?

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1 the 100,000 share option?  
2 A. I think -- I may be confused, but I  
3 think his advice had to do with -- I may have turned  
4 it around, but I think his advice had to do with  
5 their exercise of their own B options.  
6 Q. Did you understand in September of 2015  
7 that Greenberg Traurig was counsel of record in this  
8 case, the derivative case for the company?  
9 A. Yes.  
10 Q. Did you ever hear or learn or were you  
11 ever told that Greenberg Traurig had previously  
12 provided an opinion, the subject matter of which was  
13 who had the right to vote what shares at the 2015  
14 annual shareholders meeting?  
15 A. I can't recall.  
16 Q. Do you recall ever hearing or learning  
17 or being told that that was an issue or a potential  
18 issue?  
19 MR. SEARCY: Objection. Vague.  
20 THE WITNESS: Yeah. Repeat that,  
21 please.  
22 BY MR. KRUM:  
23 Q. Were you ever -- did you ever hear or  
24 learn or were you ever told that there was a  
25 question or were questions regarding who, if anyone,

<p style="text-align: right;">Page 174</p> <p>1 contingency plan if they win the 2 lawsuit. But if Tim has been 3 offered something, he cannot 4 continue on the independent 5 committee, as it would taint the 6 committee and their position." 7 Do you see that? 8 A. Yes. 9 Q. To what does that refer? 10 A. What it refers to is if Tim really was 11 interested in becoming C.E.O., then he should have 12 gotten off the committee, because we would make that 13 decision. And it would be inappropriate for him to 14 be on the committee of non-Cotter directors. 15 That was my view. 16 Q. And what did Ellen say that she had 17 done, if anything, with respect to Tim or anyone 18 else serving as interim C.E.O.? 19 MR. SEARCY: Objection. Vague. 20 THE WITNESS: I don't think Ellen -- I 21 don't know if I ever had a discussion with Ellen 22 about it. 23 BY MR. KRUM: 24 Q. To what does the term "contingency plan" 25 refer in the sentence I read?</p>	<p style="text-align: right;">Page 175</p> <p>1 Or I guess I should say to what does 2 "contingency plan if they win the lawsuit" refer to? 3 MR. SEARCY: Objection. Vague. 4 THE WITNESS: I'm not 100 percent sure 5 what I had in mind. 6 BY MR. KRUM: 7 Q. How many times did you ask Ellen whether 8 she had -- she or Margaret had discussed with Tim 9 Storey his becoming interim C.E.O.? 10 MR. SEARCY: Objection. Assumes facts, 11 misstates testimony, is vague. 12 THE WITNESS: This was probably the only 13 time. 14 BY MR. KRUM: 15 Q. Well, I refer your attention, 16 Mr. Kane -- 17 A. Uh-huh. 18 Q. -- to the third line that's not redacted 19 which begins, 20 "I did talk with Ellen to ask again 21 whether she or Margaret had 22 discussed with Tim his 23 becoming interim C.E.O." -- 24 A. I see that, but I don't think I had more 25 than one discussion with her.</p>
<p style="text-align: right;">Page 176</p> <p>1 Q. You don't think you had more than one -- 2 one discussion with Ellen regarding the subject of 3 Tim Storey becoming interim C.E.O.? 4 A. I don't think so. 5 Q. You have discussions with her about the 6 subject of an interim C.E.O. other than that what 7 you believe to be one discussion about Tim Storey? 8 MR. SEARCY: Objection. Vague. 9 THE WITNESS: I don't think so. 10 BY MR. KRUM: 11 Q. Did you ever have any communications 12 with Ellen Cotter about Guy Adams serving as interim 13 C.E.O.? 14 MR. SEARCY: Objection. Vague. 15 THE WITNESS: I may have. I just don't 16 recall. 17 BY MR. KRUM: 18 Q. Three lines from the bottom of your 19 March 1 email on Exhibit 105, it reads, 20 "According to Ellen, Craig is also 21 on the 'team';" 22 Do you see that? 23 A. Yeah. 24 Q. What team are you referencing there? 25 A. I think it was Ellen and Margaret versus</p>	<p style="text-align: right;">Page 177</p> <p>1 Jim. 2 Q. Was that word "team" used by Ellen? Is 3 that why you put it in quotes? 4 A. No. 5 MR. SEARCY: Objection. Lacks 6 foundation. 7 THE WITNESS: No. 8 BY MR. KRUM: 9 Q. That was just your usage? 10 A. Yes. 11 Q. Why was that, if you recall? 12 A. That's the kind of writer I am. I don't 13 know. 14 Q. Okay. 15 A. I don't have a secretary. I make this 16 stuff up myself. 17 MR. KRUM: I'll ask the court reporter 18 to mark as Exhibit 106 a one-page document bearing 19 production number GA5123. 20 (Whereupon the document referred 21 to was marked Plaintiffs' 22 Exhibit 106 by the Certified 23 Shorthand Reporter and is attached 24 hereto.) 25 ///</p>

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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."

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1 MR. KRUM: Marshall, you wanted to quit  
2 at 4:30, and I see it's 4:29. So --  
3 Let me be clear.  
4 You advised me we were going to quit at  
5 4:30 to accommodate Mr. Kane, and we're going to do  
6 that.  
7 So, it's 4:30, we'll go off the record.  
8 MR. SEARCY: Appreciate that.  
9 VIDEOTAPE OPERATOR: This concludes the  
10 deposition of Edward Kane, volume one on May 2,  
11 2016, which consists of four media files. The  
12 original media files will be maintained by Hutchings  
13 Litigation Services.  
14 Off the video record.  
15 The time is 4:30 P.M.  
16  
17 (Whereupon at 4:30 P.M. the  
18 deposition proceedings were  
19 concluded.)  
20 \* \* \*  
21  
22  
23  
24  
25

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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.

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1 REPORTER'S CERTIFICATE  
2  
3 I, PATRICIA L. HUBBARD, do hereby certify:  
4  
5 That I am a duly qualified Certified  
6 Shorthand Reporter in and for the State of California,  
7 holder of Certificate Number 3400, which is in full  
8 force and effect, and that I am authorized to  
9 administer oaths and affirmations;  
10  
11 That the foregoing deposition testimony of  
12 the herein named witness, to wit, EDWARD KANE, was  
13 taken before me at the time and place herein set  
14 forth;  
15  
16 That prior to being examined, EDWARD KANE  
17 was duly sworn or affirmed by me to testify the truth,  
18 the whole truth, and nothing but the truth;  
19  
20 That the testimony of the witness and all  
21 objections made at the time of examination were  
22 recorded stenographically by me and were thereafter  
23 transcribed by me or under my direction and  
24 supervision;  
25



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

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# Exhibit 7

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

) Case No.  
) P-14-082942-E  
) Case No.  
) A-16-735305-B

) Volume 4

and )

\_\_\_\_\_  
READING INTERNATIONAL, INC., a )  
Nevada corporation, )  
Nominal Defendant. )

\_\_\_\_\_  
(Caption continued on next  
page.)

VIDEOTAPED DEPOSITION OF DOUGLAS McEACHERN

Wednesday, February 28, 2018

Los Angeles, California

REPORTED BY:

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

JOB NO.: 453340-A

DOUGLAS MCEACHERN, VOL IV - 02/28/2018

<p style="text-align: right;">Page 495</p> <p>1 T2 PARTNERS MANAGEMENT, LP., )  a Delaware limited )  2 partnership, doing business as )  KASE CAPITAL MANAGEMENT, )  3 et al., )  4 )  Plaintiff, )  5 vs. )  6 MARGARET COTTER, ELLEN COTTER, )  GUY ADAMS, EDWARD KANE, )  7 DOUGLAS MCEACHERN, WILLIAM )  GOULD, JUDY CODDING, MICHAEL )  8 WROTNIAK, CRAIG TOMPKINS, )  and DOES 1 through 100, )  9 )  Defendants. )  10 and )  11 )  READING INTERNATIONAL, INC., )  12 a Nevada corporation, )  13 )  Nominal Defendant. )  14 )  15 )  16 Videotaped Deposition of DOUGLAS  17 MCEACHERN, taken on behalf of Plaintiff, at 1901  18 Avenue of the Stars, Suite 600, Los Angeles,  19 California, beginning at 11:02 a.m. and ending at  20 12:52 p.m., on Wednesday, February 28, 2018, before  21 GRACE CHUNG, CSR No. 6246, RMR, CRR, CLR.  22 )  23 )  24 )  25 )</p>	<p style="text-align: right;">Page 497</p> <p style="text-align: center;">I N D E X</p> <p>1 )  2 WITNESS EXAMINATION PAGE  3 DOUGLAS MCEACHERN  4 BY MR. KRUM 499  5 )  6 )  E X H I B I T S  7 NO. DESCRIPTION PAGE  8 Exhibit 525 Email from Laura Batista, dated 501  December 27, 2017, with  9 attachment  10 Exhibit 526 Minutes of the Board of Directors 522  Meeting, December 29, 2017  11 )  Exhibit 527 Email from Marcia Wizelman to 543  12 Ellen Cotter  13 )  14 )  15 )  16 )  17 )  18 )  19 )  20 )  21 )  22 )  23 )  24 )  25 )</p> <p style="text-align: center;">QUESTIONS INSTRUCTED NOT TO ANSWER</p> <p style="text-align: center;">PAGE LINE  547 3</p>
<p style="text-align: right;">Page 496</p> <p style="text-align: center;">A P P E A R A N C E S</p> <p>1 )  2 )  3 For the Plaintiff:  4 YURKO, SALVESEN, &amp; REMZ  BY: MARK G. KRUM, ESQ.  5 One Washington Mall  11th Floor  6 Boston, Massachusetts 02108  (617)-723-6900  7 )  8 )  9 For the Plaintiff Reading International:  10 GREENBERG TRAUIG  BY: MARK FERRARIO, ESQ.  1840 Century Park East  11 Suite 1900  Los Angeles, California 90067  (310) 586-7700  12 ferrariom@gtlaw.com  13 )  14 For the Defendants Margaret Cotter, Ellen Cotter,  Guy Adams, Edward Kane:  15 )  16 )  17 )  18 )  19 )  20 )  21 )  22 )  23 )  24 )  25 )</p> <p>QUINN EMANUEL  BY: MARSHALL SEARCY, ESQ.  865 South Figueroa Street  17 10th Floor  Los Angeles, California 90017  (213) 443-3000  marshallsearcy@quinnemanuel.com</p> <p>Also Present: CORY TYLER, Videographer</p>	<p style="text-align: right;">Page 498</p> <p style="text-align: center;">Los Angeles, California</p> <p style="text-align: center;">Wednesday February 28, 2018</p> <p style="text-align: center;">11:02 a.m.</p> <p>1 )  2 )  3 )  4 )  5 THE VIDEOGRAPHER: This is the beginning  6 of Media 1 in the deposition of Douglas McEachern,  7 Volume IV, in the matter of Cotter, Jr., versus  8 Cotter, et al., held at 1901 Avenue of the Stars,  9 Suite 1600, Century City, California, on February  10 28, 2018, at 11:02 a.m.  11 The court reporter is Grace Chung, and I am  12 Cory Tyler, the videographer, an employee of  13 Litigation Services.  14 This deposition is being videotaped at all  15 times unless specified to go off the video record.  16 Would all present please identify  17 themselves, beginning with the witness.  18 THE WITNESS: Douglas McEachern.  19 MR. SEARCY: Marshall Searcy for  20 Mr. McEachern, Ed Kane, Margaret Cotter, Ellen  21 Cotter, Guy Adams, Judy Coddington, and Michael  22 Wrotniak.  23 MR. FERRARIO: Mark Ferrario for RDI or  24 Reading.  25 MR. KRUM: Mark Krum for plaintiff.</p>

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1 Q. And do you see that the meeting actually  
2 occurred on Friday, December 29?  
3 A. Yes.  
4 Q. Okay. And I'm not asking you what the  
5 document says. I'm not asking you for the purposes  
6 of this question to look at the document. What  
7 were the subjects raised and addressed at that  
8 December 29, 2017, board meeting?  
9 A. I think there were four items that were  
10 addressed, and there is an agenda, I think, in the  
11 second page here. One was an approval of a minimum  
12 level of bonuses for executives for 2017. One was  
13 an approval of a payment to individual members of a  
14 special committee that had been set up, I think in  
15 August -- July or August of 2017. One was a  
16 reconfirmation -- I may have the wrong word -- of  
17 an action the board took to terminate Jim Cotter,  
18 Jr., as CEO of the company in June of 2015.  
19 And the other was to re -- I'm not sure if  
20 approved originally, but to approve or reapprove a  
21 transaction that the compensation committee  
22 approved in 2015 or 2016, for the exercise of an  
23 option by either the Cotter Estate or the Cotter  
24 Trust -- I couldn't tell you which one it was -- to  
25 purchase 100,000 shares of voting stock in the

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1 company in exchange for a set number of nonvoting  
2 shares. I think those were the four items.  
3 Q. When did you first learn or hear that  
4 either/or both of the third and fourth items were  
5 to be part of the December 29, 2017, board meeting?  
6 A. I don't want to be cute. I don't remember  
7 what third and fourth were on my list.  
8 Q. Okay. So I will -- I will ask it  
9 differently. It will require two questions but we  
10 have the time. When did you first hear or learn  
11 that approval of the compensation committee  
12 decision that you referenced in your answer a  
13 moment ago was to be taken up at the December 29th,  
14 2017, board meeting?  
15 A. Sometime in early to mid-December.  
16 Q. What did you learn at that time?  
17 A. That the compensation committee had -- I  
18 was aware of this -- had approved the use of stock,  
19 nonvoting stock, to exercise an option in the  
20 company's voting stock.  
21 Q. What else, if anything, did you learn  
22 about that in early to mid-December?  
23 A. That it was an issue that had been raised  
24 by Jim Cotter, Jr., in his lawsuit against the  
25 company, that it was somehow inappropriate, which I

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1 still, to this day, don't understand what the issue  
2 is.  
3 Q. What is it -- what's your understanding of  
4 what the board voted to ratify or approve at the  
5 telephonic December 29, 2017, board meeting with  
6 respect to the compensation committee's prior  
7 decision?  
8 A. Can -- can I just go back and give some  
9 history of what -- what I think happened here?  
10 Q. Sure.  
11 A. So at some point -- and I think this was  
12 in -- it was either in the fall of 2015, more  
13 likely the fall of 2016 -- had to be '15 because  
14 Tim Storey was around -- there was a desire on the  
15 part of Ellen Cotter and Margaret Cotter, trustees  
16 of the Cotter Estate or the Cotter Trust, whichever  
17 one had the option to purchase voting shares in the  
18 company, they were going to use Class A nonvoting  
19 shares to exercise the option and pay whatever the  
20 option price was.  
21 I don't know why, but at that time, Tim  
22 Storey wanted a legal opinion that that was okay to  
23 do, as I recall. I don't know why, Mr. Krum, in  
24 retrospect that that was needed. This estate or the  
25 trust, whichever it was, held the option. They held

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1 the stock. They could easily have sold the stock in  
2 the marketplace to get the cash to exercise the  
3 option.  
4 Our plan permitted the submission of stock  
5 that was held by an individual or the trust to submit  
6 that stock to buy the voting share exercise and  
7 option. And I don't know why -- why it became an  
8 issue. That was the transaction that we were  
9 ratifying in December of 2017.  
10 Q. You voted in favor of ratifying that;  
11 correct?  
12 A. Yes, I did.  
13 Q. And as of the December 29, 2017, meeting,  
14 did you have any understanding of what issue or  
15 issues Mr. Storey had raised previously beyond what  
16 you just said?  
17 A. No, I don't.  
18 Q. What was the basis or what were the bases  
19 of your decision to vote in favor of ratifying the  
20 decision of the compensation committee from  
21 September of 2015?  
22 A. What was my basis for doing it?  
23 Q. Yeah. On December 29, 2017, you voted in  
24 favor of ratifying or approving --  
25 A. Sure.

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1 Q. -- to the prior compensation committee  
 2 decision or decisions. On what basis or bases did  
 3 you do so?  
 4 A. Number one, I didn't think there was an  
 5 issue here at all for the board to deal with. It  
 6 was delegated to the compensation committee to  
 7 handle this type of matters. We were approving  
 8 this. And I believe we had -- I think we had a  
 9 call to talk about a couple of issues that were  
 10 still existing in this -- in this derivative case  
 11 by Jim Cotter, Jr., and we were trying to address  
 12 them in a fashion to resolve them.  
 13 Q. When you say you were trying to address  
 14 them in a fashion to resolve them, what does that  
 15 mean? Does that mean you were trying to moot the  
 16 issues?  
 17 A. I don't know what "moot" means. I'm  
 18 sorry. I'm not an attorney.  
 19 Q. Okay. Well, when you say you were trying  
 20 to address them in a fashion to resolve them,  
 21 resolve them how?  
 22 A. To say that the -- the corporation  
 23 ratified these, and that -- that there was no -- no  
 24 issue or concern that we approved them. If anybody  
 25 in the past thought that there was an issue, our

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1 action there was to cure any issue anybody might  
 2 think existed.  
 3 Q. What did you do, meaning what documents  
 4 did you review, with whom did you have  
 5 conversations, or anything else, to inform yourself  
 6 to make the decision you made to vote in favor of  
 7 ratifying or affirming the prior compensation  
 8 committee decision?  
 9 A. I reviewed whatever documents were handed  
 10 out, Mr. Krum, in this -- this package. But I had  
 11 been there at the time that this transaction took  
 12 place. I was aware of what went on. At the time,  
 13 I couldn't understand why this was an issue. I  
 14 still couldn't understand why it was an issue. And  
 15 it seemed to me to be pretty perfunctory to  
 16 approve.  
 17 Q. Directing your attention, Mr. McEachern,  
 18 to Exhibit 525, that's the board package for the  
 19 December 29 meeting; correct?  
 20 A. I believe so, yes.  
 21 Q. Now, this is not intended to require you  
 22 to look at every page, but if you think you need to  
 23 do so, you are welcome to do so.  
 24 A. Uh-huh.  
 25 Q. My question is: Was there anything in

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1 particular in Exhibit 525, the December 27 board  
 2 package, that you considered or valued in making  
 3 the decision you made to vote in favor of ratifying  
 4 the September 2015 compensation committee decision?  
 5 A. Uh-huh. And did you say the December 27th  
 6 board meeting or the December 29th?  
 7 Q. I called the package -- the package  
 8 December 27 because it has a December 27  
 9 transmission date. But -- so I'm not confusing  
 10 you, I am referring to the December 29 board  
 11 meeting and your vote there.  
 12 So with that clarification, let me ask: Is  
 13 there anything in Exhibit 525 that made any  
 14 difference to your vote on December 29 to vote in  
 15 favor of ratifying or approving the 2015 decision by  
 16 the compensation committee that's the subject of --  
 17 one subject of this package?  
 18 A. No.  
 19 MR. SEARCY: Objection. Vague.  
 20 A. And no.  
 21 BY MR. KRUM:  
 22 Q. Okay. Directing your attention back to  
 23 your prior testimony to the effect that you first  
 24 heard or learned in early to mid-December that the  
 25 ratification or approval of the prior compensation

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1 committee decision might or would be taken on the  
 2 December 29 board meeting, was that -- did you  
 3 learn that by speaking to somebody, by receiving an  
 4 email, or otherwise?  
 5 A. I just couldn't tell you, Mr. Krum.  
 6 Q. Okay. What was the next communication you  
 7 had with anybody, after that initial one, with  
 8 respect to the possible ratification or approval of  
 9 the September 2015 compensation committee decision  
 10 regarding the 100,000 share option, at any time  
 11 prior to the December 29 board meeting?  
 12 A. I could have been involved in discussions  
 13 that predated this. I just can't remember. I'm  
 14 generally aware that it was raised as an issue. As  
 15 I said, I still don't understand why. I know that  
 16 we had a call with Mike Bonner, maybe Mark  
 17 Ferrario, and maybe somebody from Greenberg,  
 18 I'm not certain, to discuss this --  
 19 MR. SEARCY: Let me just caution you.  
 20 When you start to get into attorney-client  
 21 privileged discussions, I want you to be able to  
 22 answer the question, but I don't want you to get  
 23 into the specifics of any particular discussions  
 24 you may have had with Mr. Ferrario or Mr. Bonner.  
 25 THE WITNESS: Okay.

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1 MR. SEARCY: I can't answer for you on  
 2 that.  
 3 A. I don't know the answer. I just don't  
 4 know if we approved the minutes.  
 5 BY MR. KRUM:  
 6 Q. Let me direct your attention to page 5 of  
 7 Exhibit 526 and, in particular, Mr. McEachern, the  
 8 subhead B in the middle of the page. Let me know  
 9 when you've reviewed subhead B.  
 10 A. Uh-huh. Subhead B continues until the  
 11 "Adjournment" comment?  
 12 Q. Sure. Go ahead.  
 13 A. Yes. It's a pretty good summary of what  
 14 took place in that discussion.  
 15 Q. Okay. And you are referring to subhead B  
 16 and the text that follows down to "Adjournment"?  
 17 A. Yes, I am.  
 18 Q. Does it comport with your recollection  
 19 that what was ratified, what you voted to ratify in  
 20 December 29, the compensation committee decision to  
 21 permit use of Class A nonvoting stock as the means  
 22 of payment for the exercise of the 100,000 share  
 23 option?  
 24 A. Yes.  
 25 Q. Now, you see here, in both the subhead B

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1 itself and the paragraph that follows, it refers to  
 2 the estate being the entity that exercised the  
 3 option?  
 4 A. Okay.  
 5 Q. With that having been brought to your  
 6 attention, was there any discussion at the December  
 7 29, 2017, board meeting of whether it was the  
 8 estate or the trust or any other entity or person  
 9 that held or owned the option?  
 10 MR. SEARCY: Objection. Vague.  
 11 A. Not that I recall.  
 12 BY MR. KRUM:  
 13 Q. The bottom of page 5, top of page 6, the  
 14 document reads as follows: Director McEachern also  
 15 noted his view that the allegations made by  
 16 Mr. Cotter in this regard had caused a waste of  
 17 company's resources, as it was perfectly clear that  
 18 neither the Cotter Estate nor Ellen and Margaret  
 19 Cotter would gain an advantage from the  
 20 transaction, given that the Cotter Estate could  
 21 have sold Class A shares in the market and used the  
 22 cash to exercise the option in question, close  
 23 quote.  
 24 Do you see that?  
 25 A. Yes, I do.

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1 Q. Does that fairly describe the comment or  
 2 comments you made?  
 3 A. Generally describes what I said. Whether  
 4 I said "Cotter Estate" or not, I don't recall, but  
 5 the entity that exercised it, yes, I -- I'm in  
 6 concurrence with this.  
 7 Q. When you say -- did you use words to the  
 8 effect of "wasted company resources"?  
 9 A. Absolutely.  
 10 Q. So was it one of the reasons you voted to  
 11 ratify the compensation committee's September 2015  
 12 decision to authorize the exercise of the 100,000  
 13 share option, your view of this derivative lawsuit,  
 14 in any respect?  
 15 MR. SEARCY: Objection. Vague.  
 16 A. I don't think it had anything to do with  
 17 the derivative lawsuit. It had to -- had to do  
 18 with whether this was an issue, and I didn't see an  
 19 issue. I saw this as a perfectly normal  
 20 transaction that would be executed by a company.  
 21 BY MR. KRUM:  
 22 Q. What is your view of this derivative  
 23 lawsuit?  
 24 A. Of the derivative lawsuit?  
 25 Q. Yes.

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1 A. I'm baffled.  
 2 Q. What does that mean?  
 3 A. What does that mean?  
 4 Q. Why are you baffled? Why do you say you  
 5 are baffled?  
 6 A. I don't understand the issues being raised  
 7 by Jim Cotter, Jr.  
 8 Q. If you were to vote on whether this  
 9 derivative lawsuit should proceed, how would you  
 10 vote?  
 11 A. Against the company?  
 12 Q. As framed.  
 13 A. Huh?  
 14 Q. So if -- if you were, as a member of the  
 15 RDI board of directors, given an opportunity to  
 16 vote on whether the derivative lawsuit is presently  
 17 pending, should continue or not, how would you  
 18 vote?  
 19 A. Absent somebody presenting some other  
 20 additional information to me, which I'm not unaware  
 21 of, I would vote to dismiss the lawsuit.  
 22 Q. Why?  
 23 A. As I understand this derivative lawsuit,  
 24 Jim Cotter, Jr., wants to be reinstated as CEO of  
 25 the company and believes that the company was

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1 MR. KRUM: Well, I gave him a birthday  
2 present also; right?  
3 MR. FERRARIO: That's right, you did.  
4 BY MR. KRUM:  
5 Q. So I --  
6 A. You gave him wine?  
7 Q. No, I didn't give him wine, I -- I told  
8 him he didn't -- I told counsel that Mr. Kane did  
9 not need to appear for further depositions. So I'm  
10 sure he appreciated that.  
11 MR. KRUM: Why don't we take a short  
12 break.  
13 MR. SEARCY: Sure.  
14 THE VIDEOGRAPHER: We are off the record  
15 at 12:07 p.m.  
16 (Recess taken from 12:07 p.m. to  
17 12:21 p.m.)  
18 THE VIDEOGRAPHER: We are back on the  
19 record. The time now is 12:21 p.m.  
20 MR. KRUM: I will ask the court reporter  
21 to mark as Exhibit 527 a single-page document  
22 bearing production number RDI63918.  
23 (Deposition Exhibit 527 was marked for  
24 identification by the reporter and is  
25 attached hereto.)

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

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

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



<p style="text-align: right;">Page 547</p> <p>1 that one could get and see what our charter is.  2 BY MR. KRUM:  3 <b>Q. Has the committee directed counsel,</b>  4 <b>Greenberg Traurig, or anybody else, to take action?</b>  5 <b>And by "committee," I'm referring to the same</b>  6 <b>special committee about which you are testifying.</b>  7 MR. FERRARIO: I'm going to object.  8 Overbroad.  9 A. I remember sometime in the fall of 2017,  10 Mike Bonner was -- and when I say "Mike Bonner,"  11 I'm not sure if it was Mike Bonner and Bill Gould,  12 who is the chairman of the committee.  13 MR. FERRARIO: Don't -- don't divulge  14 attorney-client communications. Okay. So that's  15 what I'm trying to get. If somebody directs a  16 lawyer to do something, that to me implicates  17 attorney-client communication, because it could be  18 reflective of advice or a scope of litigation,  19 something like that. I don't want to impede this  20 because it's been going very smooth, but that's my  21 admonition. I don't really understand the  22 question, but go ahead without divulging any  23 attorney-client communication.  24 THE WITNESS: Can I ask a question? So if  25 we asked Mike Bonner to participate with Bill Gould</p>	<p style="text-align: right;">Page 549</p> <p>1 A. Ratification of what? The actions by the  2 compensation committee or the ratification of the  3 termination of Jim Cotter, Jr.?  4 <b>Q. Either or both.</b>  5 A. I think it's in late fall sometime of  6 2017. But there was nothing that could be done, I  7 don't think, until such time as -- as I recall, the  8 judge in the derivative case took some action with  9 respect to dismissing directors from the lawsuit.  10 <b>Q. So the subject was raised in the late fall</b>  11 <b>of 2017 and, in effect, it was tabled for the time</b>  12 <b>being?</b>  13 A. I believe that's correct.  14 <b>Q. What did you say, if anything, about that</b>  15 <b>subject in the late fall of 2017?</b>  16 A. I do not recall.  17 <b>Q. What about did Bill Gould say?</b>  18 A. I do not recall.  19 <b>Q. What did Judy Codding say?</b>  20 A. I do not recall.  21 <b>Q. Did it concern the ratification of the</b>  22 <b>termination decision or the decision to authorize</b>  23 <b>the exercise of the 100,000 share option by way of</b>  24 <b>Class A voting stock or both?</b>  25 A. I believe the main focus was on the</p>
<p style="text-align: right;">Page 548</p> <p>1 in doing something, that's attorney-client  2 privilege?  3 MR. FERRARIO: If you're asking -- if you  4 are asking him, Bill Gould, to the grocery store  5 and pick up sodas for a meeting, I don't care. If  6 you are asking him to do something that would  7 encompass the giving of legal advice that is going  8 be reflective of what -- you know, what was being  9 discussed between the lawyer and the client, I  10 would instruct you not to answer that.  11 A. Then I won't answer that question.  12 BY MR. KRUM:  13 <b>Q. All right. Well, let me weigh in on this.</b>  14 <b>What I'm attempting to ascertain is the scope of</b>  15 <b>the actions with respect to the special committee.</b>  16 <b>So let me just ask you about a couple of subjects.</b>  17 <b>Has the special committee taken any steps</b>  18 <b>to communicate any positions in any action, whether</b>  19 <b>the derivative action or the California trust action?</b>  20 A. No, not to my recollection.  21 <b>Q. Directing your attention, Mr. McEachern,</b>  22 <b>specifically with respect to the subject of</b>  23 <b>ratification, as best as you can recall, sir, when</b>  24 <b>and how did that subject first arise before the</b>  25 <b>special committee?</b></p>	<p style="text-align: right;">Page 550</p> <p>1 termination of Jim Cotter, Jr.  2 <b>Q. What was said, if anything, at that time</b>  3 <b>about the subject of Guy Adams' disinterest in this</b>  4 <b>independence or both?</b>  5 A. With respect to what?  6 <b>Q. The vote to terminate Jim Cotter, Jr., in</b>  7 <b>2015.</b>  8 MR. SEARCY: Let's have the question read  9 back.  10 THE WITNESS: I'm sorry?  11 MR. SEARCY: I was asking if we could have  12 the question read back.  13 (Reporter read back the requested text.)  14 MR. SEARCY: And you're asking about --  15 involved 2017?  16 MR. KRUM: Right.  17 MR. FERRARIO: It's to non-lawyers.  18 A. I don't recall, but the judge dismissed  19 five directors from the case, and the case still  20 has Ellen Cotter, Margaret Cotter, and Guy Adams as  21 defendants. And I believe the discussion was as  22 long as he was a defendant in the case, he couldn't  23 vote on this type of matter. I don't recall a  24 discussion about his independence at that -- in  25 connection with that.</p>

<p>1 ERRATA SHEET Page 559</p> <p>2</p> <p>3</p> <p>4</p> <p>5 I declare under penalty of perjury that I have read the</p> <p>6 foregoing _____ pages of my testimony, taken</p> <p>7 on _____ (date) at</p> <p>8 _____(city), _____(state),</p> <p>9</p> <p>10 and that the same is a true record of the testimony given</p> <p>11 by me at the time and place herein</p> <p>12 above set forth, with the following exceptions:</p> <p>13</p> <table border="0"><thead><tr><th>14 Page</th><th>Line</th><th>Should read:</th><th>Reason for Change:</th></tr></thead><tbody><tr><td>15</td><td></td><td></td><td></td></tr><tr><td>16</td><td>— —</td><td>_____</td><td>_____</td></tr><tr><td>17</td><td></td><td>_____</td><td>_____</td></tr><tr><td>18</td><td>— —</td><td>_____</td><td>_____</td></tr><tr><td>19</td><td></td><td>_____</td><td>_____</td></tr><tr><td>20</td><td>— —</td><td>_____</td><td>_____</td></tr><tr><td>21</td><td></td><td>_____</td><td>_____</td></tr><tr><td>22</td><td>— —</td><td>_____</td><td>_____</td></tr><tr><td>23</td><td></td><td>_____</td><td>_____</td></tr><tr><td>24</td><td>— —</td><td>_____</td><td>_____</td></tr><tr><td>25</td><td></td><td>_____</td><td>_____</td></tr></tbody></table>	14 Page	Line	Should read:	Reason for Change:	15				16	— —	_____	_____	17		_____	_____	18	— —	_____	_____	19		_____	_____	20	— —	_____	_____	21		_____	_____	22	— —	_____	_____	23		_____	_____	24	— —	_____	_____	25		_____	_____																																																					
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# Exhibit 8

DISTRICT COURT  
CLARK COUNTY, NEVADA

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

Plaintiff,

vs.

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

Defendants.

and

---

READING INTERNATIONAL, INC., a  
Nevada corporation,

Nominal Defendant.

---

No. A-15-719860-B  
Coordinated with:  
P-14-082942-E

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

Job Number 291961

TIMOTHY STOREY - 02/12/2016

<p style="text-align: right;">Page 2</p> <p>1 APPEARANCES OF COUNSEL: 2 3 For Plaintiff JAMES J. COTTER, JR.: 4 LEWIS ROCA ROTHGERBER CHRISTIE LLP 5 BY MARK G. KRUM 6 3993 Howard Hughes Parkway, Suite 600 7 Las Vegas, Nevada 89169-5996 8 Telephone: 702-949-8200 9 Facsimile: 702-949-8398 10 E-mail: Mkrum@lrrc.com 11 12 For Defendants MARGARET COTTER, ELLEN COTTER, DOUGLAS 13 McEACHERN, GUY ADAMS and EDWARD KANE: 14 QUINN EMANUEL URQUHART &amp; SULLIVAN LLP 15 BY MARSHALL M. SEARCY and LAUREN LAIOLO 16 865 South Figueroa Street, 10th Floor 17 Los Angeles, California 90017 18 Telephone: 213-443-3000 19 Facsimile: 213-443-3100 20 21 22 23 24 25</p>	<p style="text-align: right;">Page 3</p> <p>1 APPEARANCES OF COUNSEL (Continued): 2 3 For Nominal Defendant GREENBERG &amp; TRAURIG LLP: 4 GREENBERG TRAURIG LLP 5 BY MARK E. FERRARIO 6 1840 Century Park East, Suite 1900 7 Los Angeles, California 90067 8 Telephone: 310-586-7700 9 Facsimile: 310-586-7800 10 E-mail: Ferrarionom@gtlaw.com 11 12 For Defendants WILLIAM GOULD and TIMOTHY STOREY: 13 BIRD, MARELLA, BOXER, WOLFPERT, NESSIM, DROOKS, 14 LINCENGER &amp; RHOW 15 BY EKWAN E. RHOW 16 1875 Century Park East, 23rd Floor 17 Los Angeles, California 90067-2561 18 Telephone: 310-201-2100 19 Facsimile: 310-201-2110 20 E-mail: Eer@birdmarella.com 21 22 23 24 25</p>																																																																																				
<p style="text-align: right;">Page 4</p> <p>1 APPEARANCES OF COUNSEL (Continued): 2 3 Derivatively on behalf of READING INTERNATIONAL, INC.: 4 ROBERTSON &amp; ASSOCIATES, LLP 5 BY ALEXANDER ROBERTSON 6 550 West C Street, Suite 500 7 San Diego, California 92101 8 Telephone: 619-531-7000 9 Facsimile: 619-531-7007 10 E-mail: Arobertson@arobertsonlaw.com 11 12 Also Present: 13 WILLIAM SLOGGATT, Videographer 14 ELLEN COTTER 15 DOUG McEACHERN 16 JAMES J. COTTER, JR. 17 18 19 I N D E X 20 WITNESS: TIMOTHY STOREY 21 EXAMINATION BY: PAGE 22 Mr. Krum 10 23 Mr. Robertson 213 24 25</p>	<p style="text-align: right;">Page 5</p> <p style="text-align: center;">E X H I B I T S</p> <table border="1"> <thead> <tr> <th>EXHIBIT</th> <th>DESCRIPTION</th> <th>IDENTIFIED</th> <th>MARKED</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>EXHIBIT 1 Document with production numbers TS 1289 to 91</td> <td>19</td> <td>19</td> </tr> <tr> <td>4</td> <td>EXHIBIT 2 Document with production numbers TS 272 to 274</td> <td>24</td> <td>24</td> </tr> <tr> <td>6</td> <td>EXHIBIT 3 Document with production numbers TS 280 and 281</td> <td>30</td> <td>30</td> </tr> <tr> <td>7</td> <td>EXHIBIT 4 Document with production numbers TS 462 and 463</td> <td>33</td> <td>33</td> </tr> <tr> <td>8</td> <td>EXHIBIT 5 Document with production numbers TS 464 to 467</td> <td>37</td> <td>37</td> </tr> <tr> <td>10</td> <td>EXHIBIT 6 Document with production numbers TS 294 and 295</td> <td>39</td> <td>39</td> </tr> <tr> <td>11</td> <td>EXHIBIT 7 Document with production number 169</td> <td>49</td> <td>49</td> </tr> <tr> <td>13</td> <td>EXHIBIT 8 Document with production numbers TS 157 to 160</td> <td>50</td> <td>50</td> </tr> <tr> <td>14</td> <td>EXHIBIT 9 Document with production numbers 1169 and 1170</td> <td>54</td> <td>54</td> </tr> <tr> <td>15</td> <td>EXHIBIT 10 Document with production number TS 121</td> <td>63</td> <td>63</td> </tr> <tr> <td>16</td> <td>EXHIBIT 11 Document with production numbers TS 246 to 250</td> <td>73</td> <td>73</td> </tr> <tr> <td>17</td> <td></td> <td></td> <td></td> </tr> <tr> <td>18</td> <td></td> <td></td> <td></td> </tr> <tr> <td>19</td> <td></td> <td></td> <td></td> </tr> <tr> <td>20</td> <td></td> <td></td> <td></td> </tr> <tr> <td>21</td> <td></td> <td></td> <td></td> </tr> <tr> <td>22</td> <td></td> <td></td> <td></td> </tr> <tr> <td>23</td> <td></td> <td></td> <td></td> </tr> <tr> <td>24</td> <td></td> <td></td> <td></td> </tr> <tr> <td>25</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	EXHIBIT	DESCRIPTION	IDENTIFIED	MARKED	3	EXHIBIT 1 Document with production numbers TS 1289 to 91	19	19	4	EXHIBIT 2 Document with production numbers TS 272 to 274	24	24	6	EXHIBIT 3 Document with production numbers TS 280 and 281	30	30	7	EXHIBIT 4 Document with production numbers TS 462 and 463	33	33	8	EXHIBIT 5 Document with production numbers TS 464 to 467	37	37	10	EXHIBIT 6 Document with production numbers TS 294 and 295	39	39	11	EXHIBIT 7 Document with production number 169	49	49	13	EXHIBIT 8 Document with production numbers TS 157 to 160	50	50	14	EXHIBIT 9 Document with production numbers 1169 and 1170	54	54	15	EXHIBIT 10 Document with production number TS 121	63	63	16	EXHIBIT 11 Document with production numbers TS 246 to 250	73	73	17				18				19				20				21				22				23				24				25			
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<p style="text-align: right;">Page 94</p> <p>1 MR. RHOW: -- we'll defer to the company.  2 MR. FERRARIO: It's privileged as to him. He has a  3 point on him.  4 MR. KRUM: Yeah, the two plaintiffs are not  5 similarly situated.  6 Q. So all I'm asking, Mr. Storey, is sort of the  7 Dragnet questions. I'm not asking for you to relate to  8 me any of the substance of what was communicated to you  9 by Mr. Tompkins, Mr. Ellis or both. So with that --  10 A. So as I said, I do recollect receiving  11 something in writing.  12 Q. And what was it? Was it a memo? Was it an  13 e-mail?  14 A. I think all correspondence was by e-mail.  15 Q. And was it from Tompkins or Ellis?  16 A. I don't recollect.  17 Q. Okay.  18 And tell me what the subject matter was. Not what  19 it said, just what the subject matter was.  20 A. The import of names on the share register.  21 Q. The import of those names relative to the issue  22 of the exercise of options?  23 A. Voting rights of shares.  24 Q. Okay.  25 Directing your attention back to Exhibit 16, do you</p>	<p style="text-align: right;">Page 95</p> <p>1 have that?  2 A. Yes.  3 Q. Second page, item 11, it reads, quote,  4 "Discussion re special committee's continuing role,"  5 closed quote.  6 A. Yes.  7 Q. Do you understand that to be a reference to  8 your role as the ombudsman?  9 A. Yes.  10 Q. And was there any -- Was there a -- Well, okay.  11 That never happened at the May board meeting;  12 correct?  13 A. That's my understanding.  14 Q. Point of fact, the May board meeting as  15 envisioned by Mr. Gould in Exhibit 16 never occurred;  16 correct?  17 A. Correct.  18 Q. And it was preempted by a special board meeting  19 called by Ellen Cotter; correct?  20 A. That's my recollection.  21 Q. So when did you first hear or learn or were you  22 first told that some of the non-Cotter directors -- any  23 of the non-Cotter directors had concluded that Jim  24 Cotter, Jr. should be removed as CEO?  25 MR. FERRARIO: Can you read that question back? I</p>
<p style="text-align: right;">Page 96</p> <p>1 got lost.  2 MR. KRUM: I'll just repeat it.  3 MR. FERRARIO: Yeah.  4 MR. KRUM:  5 Q. When did you first hear or learn or when were  6 you first told that any of the non-Cotter directors had  7 concluded that Jim Cotter should be removed as CEO?  8 A. About a week before the meeting, I would say,  9 mid- -- around about the 15th of May, I got a phone call  10 from Doug McEachern, who informed me that there had been  11 various discussions. It was intended to remove Jim at  12 the board meeting. That he had been in discussions with  13 Guy Adams, and that Guy Adams was -- my recollection,  14 was leading the charge or was involved with it.  15 I made some commentary on the procedure. And  16 Mr. McEachern said he was aware of that, but that's  17 where things stood. And the next day, I got a phone  18 call -- the next day, I had a phone call from Guy Adams,  19 who basically affirmed that.  20 Q. And what did Mr. Adams say, in sum and  21 substance, unless you actually remember the words?  22 A. I think he said, in substance, that the time  23 had come for the matter to be dealt with, that they had  24 the legal advice that they could do that, that it  25 shouldn't be an issue. My recollection is, it was a</p>	<p style="text-align: right;">Page 97</p> <p>1 pretty short conversation.  2 Q. And when you say "the matter" should be dealt  3 with, what was "the matter"?  4 A. The removal of the CEO.  5 Q. Did he indicate from whom they had received  6 legal advice?  7 A. No.  8 Q. Did you ever subsequently learn who that was?  9 MR. FERRARIO: Object that --  10 MR. KRUM: I'm not asking for the substance. I'm  11 asking --  12 MR. FERRARIO: Assumes he got any legal advice.  13 MR. KRUM: Okay. He testified that Adams said he  14 had legal advice. So I'm not doing anything other than  15 following on that testimony.  16 Q. So did you ever hear or learn or did you ever  17 otherwise develop an understanding as to whom Mr. Adams  18 was referring when he talked about legal advice?  19 A. I don't recollect.  20 Q. Was it Akin Gump?  21 A. I don't know.  22 Q. It's just an appropriate follow-up question.  23 MR. RHOW: The reason I have a problem with the  24 question, sometimes when you say, "Did you ever  25 subsequently learn," first, I don't know if what his --</p>

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1 what the relevance is of his current knowledge, but I  
 2 understand why you're asking.  
 3 MR. KRUM: I just want to know who it was.  
 4 MR. RHOW: My other concern in general is, if he's  
 5 learning from me or other sources, that's not  
 6 necessarily something I can object to, since I'm not  
 7 sure if he currently knows. But anyway, that question  
 8 is fine.  
 9 MR. KRUM: Well, I assume you prepared him, but let  
 10 me make it clear.  
 11 Q. Mr. Storey, when I ask questions that in any  
 12 respect call for anything touching on legal advice, I'm  
 13 not asking you to disclose the substance of any legal  
 14 advice, whether it was provided to you as a director of  
 15 the company by in-house or outside counsel representing  
 16 the company, whether it was provided to you by your own  
 17 counsel. If the question calls for information of that  
 18 type, all I want to hear is the identity of the lawyer  
 19 and the subject matter of the advice, not the substance.  
 20 A. Thank you.  
 21 Q. So the call with Adams was -- when in time was  
 22 it relative to the -- to your receipt of the notice from  
 23 Ellen Cotter of the special meeting?  
 24 A. From recollection, prior to.  
 25 Q. And the call from Adams was the day after you

Page 100

1 Q. Okay.  
 2 Then in substance, what did he say?  
 3 A. That the time had come to remove the CEO.  
 4 Q. And what was the substance of what  
 5 Mr. McEachern had said to you the day before that --  
 6 from which you concluded that he had determined to vote  
 7 to remove Jim Cotter, Jr. as the CEO?  
 8 A. Similar comment.  
 9 Q. Okay.  
 10 Now, did either of those two gentlemen in either of  
 11 those calls indicate to you anything about what Ed Kane  
 12 intended to do or had decided to do?  
 13 A. I don't recollect.  
 14 Q. Did you have any impression, after either or  
 15 both of those calls, of what Ed Kane had decided to do,  
 16 if anything?  
 17 A. Did I have any impression of what Ed Kane had  
 18 decided to do. I think prior to that point, I was aware  
 19 that Ed Kane was of the view that a change should be  
 20 made.  
 21 Q. And how did you develop that awareness?  
 22 A. I think that was just the outcome discussed  
 23 earlier -- as I mentioned earlier, it was the outcome of  
 24 where things had got to by late April, early May.  
 25 Q. Did there come a time when either Mr. Kane told

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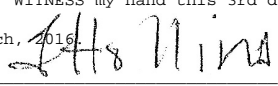
1 spoke to McEachern; correct?  
 2 A. Correct.  
 3 Q. And in the McEachern call, he told you that he,  
 4 Adams, and Kane had determined to vote to remove Jim  
 5 Cotter, Jr. as CEO; is that correct?  
 6 MR. SEARCY: Objection. Vague.  
 7 THE WITNESS: For some reason, my recollection of  
 8 the conversation is that it was going to be -- that the  
 9 time had come to remove the CEO, or to that effect.  
 10 MR. KRUM:  
 11 Q. Well, when you hung up from the call with  
 12 Mr. McEachern that you just described, did you  
 13 understand that he had communicated to you that he had  
 14 decided to vote to remove Jim Cotter, Jr. as CEO?  
 15 A. Yes.  
 16 Q. The next day when you hung up the call from  
 17 Mr. Adams, did you understand that Mr. Adams had told  
 18 you that he also had decided to vote to remove Jim  
 19 Cotter, Jr. as CEO?  
 20 MR. SEARCY: Objection. Lacks foundation.  
 21 THE WITNESS: Yes.  
 22 MR. KRUM: Okay.  
 23 Q. And as best you can recall, what were the words  
 24 Mr. Adams used that led you to that conclusion?  
 25 A. I don't recollect specific words.

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1 our somebody else told you that Mr. Kane had decided to  
 2 vote to remove Jim Cotter, Jr. as president and CEO?  
 3 MR. SEARCY: Objection. Vague.  
 4 THE WITNESS: You'll have to repeat the question.  
 5 MR. KRUM: Sure.  
 6 Q. When did you first learn or were you first told  
 7 that Ed Kane had decided to vote to remove Jim  
 8 Cotter, Jr. as president and CEO?  
 9 A. I don't recollect.  
 10 Q. Okay.  
 11 A. Obviously, prior to those discussions.  
 12 Q. Right. Now, during your call with  
 13 Mr. McEachern about what you've testified already, what  
 14 did you say to him?  
 15 A. I don't recollect that I said much. I think I  
 16 talked about adopted process, and looking at the matter  
 17 properly as a board. As I said earlier, my recollection  
 18 is that Mr. McEachern said "yes," he understood that  
 19 position.  
 20 I didn't see it as my position, at that point or at  
 21 any point, to be an advocate one way or another. My  
 22 concern was around adopting a robust procedure to go  
 23 through that process.  
 24 Q. Did you say to Mr. McEachern, in words or  
 25 substance, that there had not been to that point in time

<p style="text-align: right;">Page 102</p> <p>1 an adequate process or procedure to make a decision 2 regarding whether to terminate Jim Cotter, Jr. as the 3 president and CEO? 4 MR. SEARCY: Objection. Vague. Assumes facts. 5 THE WITNESS: I don't recollect that. I don't 6 recollect that either way. 7 MR. KRUM: Okay. 8 Q. And the conversation you had the next day with 9 Mr. Adams, did you ever -- 10 A. I don't -- 11 Q. -- communicate that notion? 12 A. I don't recollect that either way. 13 Q. And did you say to either of Mr. McEachern 14 during the call with him, or to Mr. Adams during the 15 call with him the day following, in words or substance, 16 "We haven't even finished" -- "I haven't even finished 17 the ombudsman process we commenced in March"? 18 MR. SEARCY: Objection. Vague. Assumes facts. 19 THE WITNESS: I don't recollect that. 20 MR. KRUM: Okay. 21 Q. Prior to the special board meeting that 22 occurred on -- It occurred on May 20th; correct? 23 A. Around about that time, yes. 24 Q. Okay. 25 So prior to the special board meeting that occurred</p>	<p style="text-align: right;">Page 103</p> <p>1 on or about May 20th, what other conversations, if any, 2 did you have with any other non-Cotter director with 3 respect to a decision or a possible decision, or a 4 process with respect to a decision, to vote to terminate 5 Jim Cotter, Jr. as president and CEO? 6 A. I don't recollect. 7 Q. So at the board meeting that occurred on or 8 about May 20, 2015, the first matters taken up were 9 votes about what lawyers would be allowed to attend the 10 meeting; correct? 11 A. Correct. 12 Q. And there was a vote about whether Jim Cotter, 13 Jr.'s lawyer would be allowed to attend the meeting; 14 correct? 15 A. Correct. 16 Q. And then there was a separate vote about 17 whether if the Akin Gump lawyer was allowed to attend 18 the meeting, then both the Akin Gump lawyer and Jim 19 Cotter, Jr.'s lawyer would be allowed to attend; 20 correct? 21 MR. SEARCY: Objection. Vague. 22 THE WITNESS: I don't recollect. 23 MR. KRUM: Okay. 24 Q. Do you recall that? 25 A. I don't recollect. I recollect the meeting.</p>
<p style="text-align: right;">Page 104</p> <p>1 Q. But do you recall that there was a -- there was 2 a seven-to-one vote against Mr. Cotter's lawyer 3 attending the meeting? 4 A. I don't recollect. I would need to look at the 5 minutes. 6 Q. Do you recall that one or the other of you or 7 Bill Gould said that if the Akin Gump lawyer was allowed 8 to attend, then Jim Cotter, Jr.'s lawyer should be 9 allowed to attend? 10 MR. SEARCY: Objection. Lacks foundation. 11 THE WITNESS: It was my view, it would be unusual 12 for lawyers to be at the board meeting. But it was my 13 view, and it is my view, that if -- in the 14 circumstances, if lawyers were going to be there, I 15 didn't see the harm in having Mr. Cotter's lawyer there, 16 was my view. 17 MR. KRUM: 18 Q. And do you recall that Mr. Adams interjected 19 that it was not appropriate to vote on the motion that 20 if one lawyer stayed for -- the Akin Gump lawyer stayed, 21 Mr. Cotter's lawyer should stay as well because there 22 had already been a vote with respect to Mr. Cotter's 23 lawyer staying? 24 MR. SEARCY: Objection. Vague. Argumentative. 25 THE WITNESS: I don't recollect.</p>	<p style="text-align: right;">Page 105</p> <p>1 MR. KRUM: Okay. 2 Q. Do you recall what the -- Okay. So at the -- 3 at the May 20 -- at the directors meeting on or about 4 May 20, 2015, was there a motion to terminate Jim 5 Cotter, Jr. as president and CEO? 6 A. Yes. 7 Q. Who made that? 8 A. The chair. 9 Q. Was the motion seconded? 10 A. From recollection, yes. 11 Q. Was there a vote? 12 A. It was a very tumultuous period. I don't 13 recollect the vote happening, a formal vote being taken. 14 Q. Do you recall that the meeting was adjourned 15 for a period of time? 16 A. I do. 17 Q. And how did that happen? What happened to 18 cause the meeting to be adjourned? 19 A. I don't recollect in detail. 20 Q. Do you recall if there was any discussion about 21 giving Jim Cotter, Jr. on one hand and Ellen and 22 Margaret Cotter on the other hand time to attempt to 23 resolve their differences before the vote was taken? 24 A. Yes. 25 Q. And what was discussed in that respect?</p>



<p style="text-align: right;">Page 258</p> <p>1 I, Teckla T. Hollins, CSR 13125, do hereby declare:                  2 That, prior to being examined, the witness named in                  the foregoing deposition was by me duly sworn pursuant                  3 to Section 30(f)(1) of the Federal Rules of Civil                  Procedure and the deposition is a true record of the                  4 testimony given by the witness.                  5 That said deposition was taken down by me in                  shorthand at the time and place therein named and                  6 thereafter reduced to text under my direction.                  7 _____ That the witness was requested to review the                  transcript and make any changes to the                  8 transcript as a result of that review                  pursuant to Section 30(e) of the Federal                  9 Rules of Civil Procedure.                  10 _____ No changes have been provided by the witness                  during the period allowed.                  11 _____ The changes made by the witness are appended                  to the transcript.                  12 _____ No request was made that the transcript be                  reviewed pursuant to Section 30(e) of the                  13 Federal Rules of Civil Procedure.                  14 I further declare that I have no interest in the                  15 event of the action.                  16 I declare under penalty of perjury under the laws                  17 of the United States of America that the foregoing is                  true and correct.                  18 WITNESS my hand this 3rd day of                  19 March, 2016                   20 _____                  21 Teckla T. Hollins, CSR 13125                  22                  23                  24                  25</p>	<p style="text-align: right;">Page 259</p> <p style="text-align: center;">ERRATA SHEET</p> <p>2                  3                  4                  5 I declare under penalty of perjury that I have read the                  6 foregoing _____ pages of my testimony, taken                  7 on _____ (date) at                  8 _____ (city), _____ (state),                  9                  10 and that the same is a true record of the testimony given                  11 by me at the time and place herein                  12 above set forth, with the following exceptions:                  13                  14 Page Line Should read: Reason for Change:                  15                  16 _____                  17 _____                  18 _____                  19 _____                  20 _____                  21 _____                  22 _____                  23 _____                  24 _____                  25 _____</p>
<p style="text-align: right;">Page 260</p> <p style="text-align: center;">ERRATA SHEET</p> <p>2 Page Line Should read: Reason for Change:                  3                  4 _____                  5 _____                  6 _____                  7 _____                  8 _____                  9 _____                  10 _____                  11 _____                  12 _____                  13 _____                  14 _____                  15 _____                  16 _____                  17                  18 Date: _____                  Signature of Witness                  19 _____                  Name Typed or Printed                  20 _____                  21                  22                  23                  24                  25</p>	

# Exhibit 9

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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. )

\_\_\_\_\_)  
(Caption continued on next )  
page.) )

VIDEOTAPED DEPOSITION OF TIMOTHY STOREY

Wednesday, August 3, 2016

Wednesday, California

REPORTED BY:

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

Job No.: 323867

TIMOTHY STOREY - 08/03/2016

<p style="text-align: right;">Page 2</p> <p>1 T2 PARTNERS MANAGEMENT, LP., )  a Delaware limited )  2 partnership, doing business as )  KASE CAPITAL MANAGEMENT, )  3 et al., )  ) )  4 Plaintiff, )  ) )  5 vs. )  ) )  6 MARGARET COTTER, ELLEN COTTER, )  GUY ADAMS, EDWARD KANE, )  7 DOUGLAS McEACHERN, WILLIAM )  GOULD, JUDY CODDING, MICHAEL )  8 WROTNIAK, CRAIG TOMPKINS, )  and DOES 1 through 100, )  9 )  Defendants. )  10 )  and )  11 )  READING INTERNATIONAL, INC., )  12 a Nevada corporation, )  ) )  13 Nominal Defendant. )  ) )  14 )  15 )  16 Videotaped Deposition of TIMOTHY STOREY  17 taken on behalf of Plaintiff, at 3993 Howard Hughes  18 parkway, Suite 600, Las Vegas, California, beginning  19 at 9:39 a.m. and ending at 12:19 p.m., on Wednesday,  20 August 3, 2016, before GRACE CHUNG, CSR No. 6246,  21 RMR, CRR, CLR.  22 )  23 )  24 )  25 )</p>	<p style="text-align: right;">Page 4</p> <p>1 Also Present: BRIAN MURPHY, Videographer  2 JAMES COTTER  3 )  4 )  5 )  6 )  7 )  8 )  9 )  10 )  11 )  12 )  13 )  14 )  15 )  16 )  17 )  18 )  19 )  20 )  21 )  22 )  23 )  24 )  25 )</p>																																																																								
<p style="text-align: right;">Page 3</p> <p style="text-align: center;">A P P E A R A N C E S</p> <p>1 For the Plaintiff:  2 LEWIS ROCA ROTHGERBER CHRISTIES  3 BY: MARK G. KRUM, ESQ.  4 3993 Howard Hughes Parkway  Suite 600  5 Las Vegas, Nevada 89169  (702) 949-8200  6 mkrum@lrrc.com  7 )  For the Plaintiff Reading International:  8 GREENBERG TRAUIG  9 BY: KARA HENDRICKS, ESQ.  1840 Century Park East  10 Suite 1900  Los Angeles, California 90067  11 (310) 586-7700  hendricksk@gtlaw.com  12 )  For the Defendants Timothy Storey and William  13 Gould:  14 BIRD MARELLA  15 BY: EKWAN E. RHOW, ESQ.  SHOSHANA E. BANNETT, ESQ.  16 1875 Century Park East  23rd Floor  17 Los Angeles, California 90067  (310) 201-2100  18 eer@birdmarella.com  sbannett@birdmarella.com  19 )  For the Defendants Margaret Cotter, Ellen Cotter  20 Guy Adams, Edward Kane:  21 QUINN EMANUEL  22 BY: MARSHALL SEARCY, ESQ.  NOAH HALPERN, ESQ.  23 865 South Figueroa Street  10th Floor  24 Los Angeles, California 90017  marshallsearcy@quinnemanuel.com  25 noahhalpern@quinnemanuel.com</p>	<p style="text-align: right;">Page 5</p> <p style="text-align: center;">INDEX</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;"></th> <th style="width: 75%;">WITNESS EXAMINATION</th> <th style="width: 20%;">PAGE</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>TIMOTHY STOREY</td> <td></td> </tr> <tr> <td>4</td> <td>BY MR. KRUM</td> <td>7</td> </tr> <tr> <td>5</td> <td>BY MR. SEARCY</td> <td>84</td> </tr> <tr> <td>6</td> <td></td> <td></td> </tr> <tr> <td>7</td> <td style="text-align: center;">EXHIBITS</td> <td></td> </tr> <tr> <td>8</td> <td>NO. DESCRIPTION</td> <td>PAGE</td> </tr> <tr> <td>9</td> <td>Exhibit 416 Minutes of the Meeting of the Board of Directors of Reading International, Inc.</td> <td>75</td> </tr> <tr> <td>10</td> <td></td> <td></td> </tr> <tr> <td>11</td> <td>Exhibit 417 E-mail from Ed Kane, dated October 19, 2014</td> <td>82</td> </tr> <tr> <td>12</td> <td></td> <td></td> </tr> <tr> <td>13</td> <td></td> <td></td> </tr> <tr> <td>14</td> <td></td> <td></td> </tr> <tr> <td>15</td> <td></td> <td></td> </tr> <tr> <td>16</td> <td></td> <td></td> </tr> <tr> <td>17</td> <td></td> <td></td> </tr> <tr> <td>18</td> <td></td> <td></td> </tr> <tr> <td>19</td> <td></td> <td></td> </tr> <tr> <td>20</td> <td></td> <td></td> </tr> <tr> <td>21</td> <td></td> <td></td> </tr> <tr> <td>22</td> <td></td> <td></td> </tr> <tr> <td>23</td> <td></td> <td></td> </tr> <tr> <td>24</td> <td></td> <td></td> </tr> <tr> <td>25</td> <td></td> <td></td> </tr> </tbody> </table>		WITNESS EXAMINATION	PAGE	2	TIMOTHY STOREY		4	BY MR. KRUM	7	5	BY MR. SEARCY	84	6			7	EXHIBITS		8	NO. DESCRIPTION	PAGE	9	Exhibit 416 Minutes of the Meeting of the Board of Directors of Reading International, Inc.	75	10			11	Exhibit 417 E-mail from Ed Kane, dated October 19, 2014	82	12			13			14			15			16			17			18			19			20			21			22			23			24			25		
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1 in this note, is to say we need to act as a board,  
2 and we need to act properly to come to a decision.  
3 And we need to address ourselves to the appropriate  
4 question. So, yes, my view was, at times, Mr. Kane  
5 was of the view that we would simply -- we should  
6 just simply be acting as director -- well, acting  
7 in a manner consistent with what he believed the  
8 shareholder required.  
9 BY MR. KRUM:  
10 Q. And by the shareholders -- shareholder,  
11 you are referring to Ellen and Margaret?  
12 MR. SEARCY: Objection. Argumentative and  
13 vague. Lacks foundation.  
14 A. Well, he -- I think he took that view, but  
15 as I say here, there remains uncertainty as to the  
16 ultimate identity of some shareholders. It seemed  
17 to me that it was a difficult proposition to do,  
18 even if that was an appropriate response. At this  
19 point, given litigation, we didn't know who the --  
20 we didn't know for certain who the shareholder was.  
21 BY MR. KRUM:  
22 Q. Mr. Storey, I show you what previously was  
23 marked at Exhibit 131.  
24 A. Yes, I have read the document.  
25 Q. Did you send Exhibit 131 on or about the

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1 date it bears, May 20, 2015?  
2 A. I did.  
3 Q. At the end of the first paragraph, you  
4 refer to Guy's apparent view that no discussion is  
5 necessary. Do you see that?  
6 A. I do.  
7 Q. To what does that refer?  
8 A. I think the sequence here is that I spoke  
9 to Doug McEachern, and as I said earlier, he  
10 proffered his view, and I said to him, "You should  
11 talk to our lawyer to understand our duties as  
12 directors," which is why I have given him Neil --  
13 Neil's number.  
14 And, secondly, I assume or I suspect that  
15 this e-mail follows the discussion I had with Guy,  
16 that I discussed earlier, about Guy's -- about his  
17 view, even as both Ed and Guy were of the view that  
18 there was no point in any discussion at all, that  
19 the matter was simply going to be put, and that was  
20 that.  
21 Q. Let me show you what previously has been  
22 marked as Exhibit 98.  
23 A. You wish me to read this document?  
24 Q. Let me ask you a question first, and you  
25 can take such time as you wish to read it.

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1 A. Uh-huh.  
2 Q. Have you ever seen Exhibit 98 before?  
3 A. I don't believe so, but I show it is the  
4 document prepared following the -- our previous  
5 negotiation between the three Cotters.  
6 Q. Well, do you recall, Mr. Storey, that at a  
7 -- on a telephone call among the directors of RDI,  
8 at or about 6 p.m. on a Friday evening, that Ellen  
9 Cotter reported that she and Margaret had reached  
10 some agreement with Jim Junior?  
11 A. I do.  
12 Q. And you recall what she read -- stated she  
13 read portions of the document and then did so?  
14 A. That is my memory.  
15 Q. And I apologize for the memory test nature  
16 of this question. But if you would take a moment  
17 and look at Exhibit 98, and tell me if, over a year  
18 later, you recognize any of that as what she read  
19 or part of what she read?  
20 A. Well, I read the first part of the draft  
21 agreement -- and this obviously follows the meeting  
22 with Ellen -- read out terms she said would be  
23 generally -- would affect the company. And this  
24 largely confirms my recollection of what was  
25 stated, the formation of the executive committee.

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1 Q. Do you recall one way or the other, Mr.  
2 Storey, whether Ellen Cotter read or summarized the  
3 information contained on the third page of Exhibit  
4 98, in the box to the right of the left-hand box  
5 that reads, "Reading Voting Stock Class B"?  
6 MR. SEARCY: Objection. Lacks foundation.  
7 Calls for speculation.  
8 A. I don't recollect that. I think that what  
9 Ellen said was that they had come to tentative  
10 arrangements about how matters would be -- could be  
11 resolved between them. It was subject to  
12 documentation, but that the issues that would  
13 affect the company, from memory, were along the  
14 lines that were set here on the -- in the first  
15 box, page 1 and 2 of the draft confidential  
16 settlement agreement.  
17 BY MR. KRUM:  
18 Q. I will show what previously was marked as  
19 Exhibit 33.  
20 MR. KRUM: And while you are reading that,  
21 I'm going to ask the court reporter, do you have  
22 the next exhibit number, by any chance?  
23 THE REPORTER: No, I don't.  
24 A. Yes, I have read the document.  
25 BY MR. KRUM:

<p style="text-align: right;">Page 78</p> <p>1 document, not the final, as best we can tell. It                  2 does, in fact -- second, it does, in fact, have a                  3 redaction. And, obviously, if someone wants to --                  4 send a clawback letter with respect to portions of                  5 this, we will be happy to comply.                  6 MR. SEARCY: With respect to this                  7 document, Mr. Krum, this was produced by your                  8 client, so to the extent it might be clawed back, I                  9 believe it would be you and your client.                  10 MR. KRUM: Well, what we will do is what                  11 we have done every time a request has been made                  12 previously, which is if somebody wants us to redact                  13 part of it, just send us a letter telling us that,                  14 and then we will send a clawback letter that does                  15 so.                  16 MR. SEARCY: That may be the case, and I                  17 am sorry to interrupt Ms. Hendricks on this, but it                  18 certainly -- I want to reiterate my point, which by                  19 allowing you to use this document and not going                  20 through the whole rigmarole of it, we are not                  21 waiving any rights to send you a letter like that.                  22 MR. KRUM: That's perfectly fine.                  23 MS. HENDRICKS: And the only thing that I                  24 would add to that, too, is we will certainly do our                  25 review of it, but with Mr. Cotter, Jr., being on</p>	<p style="text-align: right;">Page 80</p> <p>1 recollect what was said. And a fair amount of my                  2 objection, on a number of occasions, was that we                  3 were getting minutes a long time after the event.                  4 And that they -- as I have been told, I think it --                  5 the reasons they were being delayed was because                  6 they were going through a lengthy approval process.                  7 BY MR. KRUM:                  8 Q. With respect to the approval process, did                  9 you understand that counsel was reviewing them for                  10 litigation purposes as well?                  11 MR. SEARCY: Objection. Calls for                  12 attorney-client privileged information.                  13 MS. HENDRICKS: Join.                  14 BY MR. KRUM:                  15 Q. It's a yes or no.                  16 MR. SEARCY: Well, no, but you are asking                  17 him whether it was intended for litigation. So you                  18 are getting into the substance of the                  19 attorney-client advice.                  20 BY MR. KRUM:                  21 Q. Well, did you have a -- let me back up.                  22 Did you have any communications with                  23 counsel for the company with respect to the                  24 preparation of the minutes of the supposed meetings                  25 of May 21, 29, and June 12, 2015?</p>
<p style="text-align: right;">Page 79</p> <p>1 the board of directors, he has a right to maintain                  2 the confidentiality and obligation when it comes to                  3 work product and attorney-client privilege that he                  4 may be subject to.                  5 We have some concerns of this production                  6 without any kind of redactions, when it does appear                  7 that there are some attorney-client references, and                  8 I don't think that's client's obligation. I think                  9 Mr. Cotter, Jr., has his own obligation to do a                  10 review and to redact information before it's                  11 produced in this case.                  12 MR. KRUM: Well, we are well into the                  13 gratuitous comment category at this point. We used                  14 this document because we couldn't find one produced                  15 by the company. So send whatever letters you want                  16 to send, and we will do, as I said, what we will                  17 do, which is what we have done in the past.                  18 Q. Okay. Mr. Storey, when you refer to the                  19 May 21 and 29, and June 12 and June 30, 2015, draft                  20 minutes as having been reviewed by legal counsel,                  21 what was the import of that comment?                  22 MR. SEARCY: Objection. Vague.                  23 A. Well, I think that -- my preference in                  24 these things is to have minutes quite soon after                  25 the meeting so that we can all -- all members can</p>	<p style="text-align: right;">Page 81</p> <p>1 A. You mean internal counsel or external?                  2 Q. Either one.                  3 A. My recollection is that I spoke -- I think                  4 I spoke to Craig Tompkins to see where are the                  5 minutes, or maybe Bill Ellis, I guess. But my                  6 recollection is that the reason the minutes weren't                  7 being distributed was that they were going to --                  8 MS. BANNETT: I'm just going to interrupt                  9 to the extent that it reflects any conversation                  10 that you had with counsel, don't reveal any                  11 attorney-client communications.                  12 THE WITNESS: No. No. You can -- you can                  13 jump in.                  14 A. Anyway, so I was told that the reason that                  15 I wasn't seeing, or the minutes weren't available                  16 promptly, is that they were going through an                  17 approval process and equally, I think so, was going                  18 to the chairman.                  19 THE REPORTER: Going to?                  20 THE WITNESS: The chairman, chairperson.                  21 BY MR. KRUM:                  22 Q. So did you look at the draft minutes for                  23 the meetings of May 21, and 29, and June 12, 2015?                  24 A. Yes, I recollect I looked at them, and I                  25 thought that it would take me a considerable amount</p>

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

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

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

14 A. Yes, I have read that.

15 BY MR. KRUM:

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

18 A. Yes, I do.

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

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

Page 83

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

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

4 MR. SEARCY: Objection. Vague. Lacks  
 5 foundation.

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

7 BY MR. KRUM:

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

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

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

17 BY MR. KRUM:

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

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

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

Page 84

1 BY MR. KRUM:

2 Q. As you sit here today, would you know of  
 3 any basis upon which to have distinguished the  
 4 treatment received by Ellen Cotter with respect to  
 5 this issue of instead of stock options and the  
 6 \$50,000 from any other executive who also had, or  
 7 were supposedly incentive stock options, but were  
 8 not treated for that -- not treated that way on  
 9 account of some of tax issues?

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

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

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

21 MR. SEARCY: A quick follow-up.

22

23 EXAMINATION

24 BY MR. SEARCY:

25 Q. Mr. Storey, you testified earlier today,

Page 85

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

4 A. Yes.

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

8 A. Right.

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

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

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

17 BY MR. SEARCY:

18 Q. In September of 2015?

19 A. I don't recollect.

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

22 A. Yes.

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

Page 86

1 correct?

2 A. Correct. I sought advice from my lawyer

3 about the circumstances in which the subcommittee

4 was asked to approve the matter.

5 Q. When you say you sought advice from your

6 lawyer, that was from Bird and Marella; correct?

7 A. Correct.

8 Q. And Bird and Marella is your personal

9 litigation counsel in litigation brought by

10 Mr. Cotter, Jr.; is that right?

11 A. Correct.

12 MR. SEARCY: No further questions.

13 MS. HENDRICKS: No questions.

14 MR. KRUM: Okay.

15 THE VIDEOGRAPHER: This concludes the

16 deposition of Timothy Storey, Volume 1, August 3rd,

17 2016, which consists of two media files. The

18 original media file will be retained by Litigation

19 Services. Off the video record at 12:19 p.m.

20 THE REPORTER: Counsel, would you like to

21 order a copy of the transcript?

22 MR. SEARCY: Yes.

23 MS. BANNETT: Yes.

24 MS. HENDRICKS: Yes, please.

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

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1 you can send it, please. Thank you.

2 MS. HENDRICKS: If you could send me a

3 rough as well.

4 MR. SEARCY: Me, too.

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

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Page 88

1 STATE OF CALIFORNIA )

2 ) SS.

3 COUNTY OF LOS ANGELES )

4

5 I, GRACE CHUNG, RMR, CRR, CSR No. 6246, a

6 Certified Shorthand Reporter in and for the County

7 of Los Angeles, the State of California, do hereby

8 certify:

9 That, prior to being examined, the witness

10 named in the foregoing deposition was by me duly

11 sworn to testify the truth, the whole truth, and

12 nothing but the truth;

13 That said deposition was taken down by me

14 in shorthand at the time and place therein named,

15 and thereafter reduced to typewriting by

16 computer-aided transcription under my direction.

17 I further certify that I am not interested

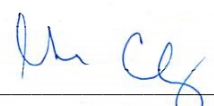
18 in the event of the action.

19 In witness whereof, I have hereunto subscribed my

20 name.

21 Dated: August 10, 2016

22

23 

24 GRACE CHUNG, CSR NO. 6246

25 RMR, CRR, CLR

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2 ERRATA SHEET

3

4

5 I declare under penalty of perjury that I have read the

6 foregoing \_\_\_\_\_ pages of my testimony, taken

7 on \_\_\_\_\_ (date) at

8 \_\_\_\_\_(city), \_\_\_\_\_(state),

9

10 and that the same is a true record of the testimony given

11 by me at the time and place herein

12 above set forth, with the following exceptions:

13

Page	Line	Should read:	Reason for Change:
14			
15			
16	___	_____	_____
17			
18	___	_____	_____
19			
20	___	_____	_____
21			
22	___	_____	_____
23			
24	___	_____	_____
25			



# Exhibit 10

1 DISTRICT COURT  
CLARK COUNTY, NEVADA  
2 -----X  
3 JAMES J. COTTER, JR., individually and  
4 derivatively on behalf of Reading  
International, Inc.,  
5  
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12 -----X  
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PLAINTIFF,  
Case No:  
A-15-719860-B  
DEPT. NO. XI

-against-

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

DEFENDANTS.

DATE: March 6, 2018  
TIME: 9:17 A.M.

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

JOB NO.: 455310

Page 2

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

2

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5

6 QUINN EMANUEL URQUHART & SULLIVAN, LLP  
 Attorneys for the Defendants and the Witness  
 MARGARET COTTER, ELLEN COTTER, DOUGLAS  
 McEACHERN, GUY ADAMS and EDWARD KANE  
 865 South Figueroa Street  
 Los Angeles, California 90017

7 BY: MARSHALL M. SEARCY, III, ESQ.  
 213.443.3000  
 marshallsearcy@quinnemanuel.com

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15 ALSO PRESENT:

16 CONNOR EICHENBERG, Videographer

17

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19

20 \* \* \*

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Page 4

1 THE VIDEOGRAPHER: This is tape 1. We are  
 2 now on the record at 9:17 a.m., Tuesday, March 6th,  
 3 2018.

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

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

13 Would counsel please introduce themselves and  
 14 state whom they represent.

15 MR. KRUM: Mark Krum on behalf of plaintiff.

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

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

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

25 EXAMINATION BY

4

Page 3

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

2

3

4 IT IS HEREBY STIPULATED AND AGREED by and between  
 5 the counsel for the respective parties herein that the  
 6 sealing, filing and certification of the within  
 7 deposition be waived; that the original of the  
 8 deposition may be signed and sworn to by the witness  
 9 before anyone authorized to administer an oath, with the  
 10 same effect as if signed before a Judge of the Court;  
 11 that an unsigned copy of the deposition may be used with  
 12 the same force and effect as if signed by the witness,  
 13 30 days after service of the original & 1 copy of same  
 14 upon counsel for the witness.

15

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

19

20 \* \* \* \*

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Page 5

1 MR. KRUM:

2 Q. Please state your name for the record.

3 A. Michael Wrotniak.

4 Q. Good morning, Mr. Wrotniak.

5 A. Good morning.

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

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

9 Q. Thank you.

10 Have you ever been deposed before?

11 A. Yes.

12 Q. On how many occasions?

13 A. Once.

14 Q. When was that?

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

16 Q. Were you a party to a legal proceeding?

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

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

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

23 Q. That's Mr. Searcy?

24 A. Yes.

25 Q. For how long?

5

Page 38

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

2 Q. At any point in time between around the

3 time you were nominated and put on the board and reading

4 board minutes concerning the termination or possible

5 termination of Jim Cotter in preparation for the

6 December 29, 2017 meeting, did you read or review such

7 minutes?

8 A. I'm sorry, repeat that.

9 Q. Yes. At any time between when you were

10 nominated and put on the board of RDI, at which time you

11 may or may not have read the minutes, and when you did

12 read these minutes in anticipation of the December 29,

13 2017 meeting, did you read any minutes that concerned

14 the termination or possible termination of Jim Cotter,

15 Jr.?

16 A. I don't recall.

17 Q. And when you say you don't recall, you

18 have no recollection of doing so, or do you have no

19 recollection one way or another? Or is that the same

20 for you?

21 A. Would you clarify what the difference is?

22 Q. I don't mean to make this is an

23 epistemology course, Mr. Wrotniak. I don't mean to be a

24 pointy-headed lawyer. If you have no recollection

25 whatsoever about reading any minutes in that time frame,

38

Page 39

1 then say you have no recollection. If you just don't

2 recall whether you read these particular minutes, then

3 I'd say you don't recall these particular minutes. If

4 that distinction doesn't make sense to you, then you can

5 say so.

6 A. "Whatsoever" in the legal term is a very

7 important word. So I hesitate to use such a word. I

8 have read a lot of minutes and I don't recall when was

9 the first time I read those specific minutes.

10 Q. All I'm trying to do, sir, is get your

11 best recollection. I'm not embedding any legal gotchas

12 in the questions. Thank you for your patience.

13 A. I understand.

14 Q. Let's take a look at --

15 MR. KRUM: Did you bring yours?

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

17 MR. KRUM: I'm going to give the witness what

18 previously was marked as deposition Exhibit 525. It

19 bears production number DM 00007142 through 7251.

20 Q. Mr. Wrotniak, I'm first going to ask you

21 if you recognize Exhibit 525. So take such time as you

22 need, sir, to familiarize yourself with the document. I

23 will give you more time any time I ask you about any

24 particular pages or portions of it. So the threshold

25 question is, do you recognize Exhibit 525?

39

Page 40

1 A. The entirety of this is document 525?

2 Q. That's correct.

3 A. I do recognize it.

4 Q. What do you recognize it to be?

5 A. The documents which were prepared for the

6 board for our December 29th, 2018 meeting.

7 Q. This is the so-called board package for

8 that meeting, correct?

9 A. Yes.

10 Q. Did you receive it on or about the date

11 and time reflected at the e-mail on the first page, 5:30

12 p.m. Pacific time on Wednesday, December 27th?

13 A. Yes.

14 Q. When did you first learn that there was

15 going to be a board meeting on December 29th?

16 A. In late December, prior to this.

17 Q. Was Exhibit 525 the first time you had

18 seen an agenda for the December 29 board meeting?

19 A. Yes.

20 Q. And you see on the agenda, which is the

21 second page of Exhibit 525, paragraph 3, subparagraphs A

22 through C have some matters that are referred to as

23 ratification matters. Do you see that?

24 A. You're referring to this?

25 Q. Yes.

40

Page 41

1 A. Yes, I do see it.

2 Q. When was the first time you heard or

3 learned that the board ratifying any prior conduct would

4 be taken up at the December 29 board meeting?

5 MR. SEARCY: Objection; vague.

6 A. We had an advice from counsel.

7 Q. Was that written or oral?

8 A. Oral.

9 Q. When was that?

10 A. Specifically, I don't know.

11 Q. How did you receive it? Was it a

12 telephone call?

13 A. Yes.

14 Q. Who else was on the call?

15 A. Our Reading corporate counsel, Judy

16 Codding.

17 Q. Who was the Reading corporate counsel?

18 A. Mark Ferrario. And Bonner.

19 Q. Mike Bonner?

20 A. Yes.

21 Q. Both from Greenberg Traurig.

22 A. Yes, Greenberg Traurig. There are a few

23 of you.

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

25 A. I don't know.

41

Page 42

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

42

Page 43

1 Q. Prior to this telephone call that you and  
2 Ms. Codding had with Mr. Ferrario and Mr. Bonner, had  
3 you had any communications with anyone about the same  
4 subject or subjects?  
5 MR. SEARCY: Objection; vague.  
6 A. Can you clarify?  
7 Q. Well, the reason I phrased it as "same  
8 subject or subjects" is so that I didn't characterize  
9 your testimony. But I guess no good deed goes  
10 unpunished, so let me attempt to quote it.  
11 MR. SEARCY: I think the term he used was the  
12 agenda and protection of the company.  
13 Q. Okay, so prior to the call with  
14 Mr. Ferrario and Mr. Bonner, had you had any  
15 communications with anyone else about the same subject  
16 or subjects, the agenda and protection of the company,  
17 or however you'd characterize it?  
18 A. No.  
19 Q. Did you have any communications with  
20 Ellen Cotter about those subjects or any other subjects  
21 in anticipation of or preparation for the December 29,  
22 2017 board meeting?  
23 A. I don't recall.  
24 Q. At the time of the call that you and  
25 Ms. Codding had with Mr. Ferrario and Mr. Bonner, had

43

Page 44

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

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Page 45

1 A. I thought a lot.  
2 Q. About what?  
3 A. The contents of the board package.  
4 Q. How much time did you spend reviewing  
5 Exhibit 525?  
6 A. I don't recall.  
7 Q. When did you review it?  
8 A. We had a compensation committee meeting  
9 prior to the board meeting, the day before. And I had  
10 to prepare for that. And much of what was contained in  
11 here was in that, and I was ready for that meeting.  
12 Q. So what had happened is the compensation  
13 committee approved certain matters on the 28th, and  
14 those same matters were submitted to the full board on  
15 the 29th, right?  
16 A. Yes.  
17 Q. So setting aside the compensation  
18 committee matters, meaning the subjects that you  
19 prepared for and discussed at the compensation committee  
20 meeting on the 28th and again at the telephonic board  
21 meeting on the 29th, how much time did you spend looking  
22 at Exhibit 525, meaning with respect to the ratification  
23 matters?  
24 A. I don't recall.  
25 Q. Let's go to page production in the lower

45

Page 46

1 right-hand corner 7179 of Exhibit 525. Let me know when  
2 you have that.  
3 A. 7179.  
4 Q. Right. It's entitled "documents to be  
5 reviewed for December 29, 2017 meeting of the board of  
6 directors, agenda item 3." Do you have that?  
7 A. Yes.  
8 Q. Item number 1, excerpts from plaintiff  
9 Jim Cotter, Jr.'s motion for summary judgment, that's  
10 pages 7181 through 85. Did you review that?  
11 A. I read everything.  
12 Q. Did you see that particular portion had a  
13 discussion, the point of which was to assert that Guy  
14 Adams receives most, if not substantially all, of his  
15 income from RDI and other companies controlled by Ellen  
16 and Margaret Cotter?  
17 A. Yes, I see that.  
18 Q. Had you seen or heard or been told that  
19 previously?  
20 MR. SEARCY: Objection; vague.  
21 A. Guy has spoken at board meetings about  
22 his income from Cotter assets.  
23 Q. At board meetings you attended?  
24 A. Yes.  
25 Q. What has he said?  

46

Page 47

1 A. He has said a substantial portion of his  
2 income comes from Cotter related assets.  
3 Q. How did it come to pass, meaning what was  
4 the conversation or context that gave rise to him making  
5 those comments?  
6 A. I don't recall.  
7 Q. Have you ever been party or privy to any  
8 discussion about whether Mr. Adams is conflicted in  
9 terms of voting with respect to any matters of personal  
10 interests to Ellen and/or Margaret Cotter, whether it be  
11 compensation or something else?  
12 A. I'm sorry, will you repeat that?  
13 Q. Have you ever been party or privy to any  
14 discussion about whether Mr. Adams is conflicted in  
15 terms of voting about any matters of personal interest  
16 to Ellen or Margaret Cotter, whether it be their  
17 compensation or any other matters?  
18 A. Guy has addressed that issue. As I  
19 mentioned.  
20 Q. Anything else?  
21 A. I think that Bill Gould has addressed the  
22 issue of Guy with regard to the compensation committee.  
23 Q. Anything else?  
24 A. No.  
25 Q. What has Bill Gould said?  

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1 MR. SEARCY: Objection, vague.  
2 Q. What has Bill Gould addressed with  
3 respect to Guy having conflicts or not with respect to  
4 the compensation committee?  
5 A. I believe that Bill mentioned that he  
6 should not be on the compensation committee.  
7 Q. Did he say why?  
8 A. I don't recall.  
9 Q. I direct your attention, Mr. Wrotniak, to  
10 the document bearing production number DM 7187 through  
11 90 as part of Exhibit 525. Do you see that purports to  
12 be minutes of a May 21, 2015 board meeting? 7187  
13 through 7190.  
14 A. Yes.  
15 Q. You read these minutes, these purported  
16 minutes, in preparation for the December 29 meeting,  
17 right?  
18 A. Yes.  
19 Q. Now, I'm not going to ask you to read  
20 them again. You're free to do so if you wish, but I'm  
21 asking for your memory. And if you don't have any, you  
22 can tell me that.  
23 Do you remember anything in particular from  
24 this particular document, 7187 through 90?  
25 A. Yes.  

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1 Q. What do you recall in particular?  
2 A. I recall that point X on the agenda was  
3 specifically requested by Jim prior to the meeting. And  
4 it struck me as interesting that Jim then declined to  
5 speak about that point but rather spoke about his  
6 father's wishes.  
7 Q. Anything else? Meaning is there anything  
8 else from DM 7187 through 90 as part of Exhibit 525 that  
9 you recall in particular?  
10 A. Yes.  
11 Q. What?  
12 A. A significant amount of deliberation made  
13 regarding Jim's performance and his status.  
14 Q. Anything else?  
15 A. No.  
16 Q. Have you ever heard or learned or have  
17 you ever been told that Guy Adams had agreed prior to  
18 the May 21, 2015 meeting to vote to terminate Jim  
19 Cotter, Jr. as president and CEO?  
20 MR. SEARCY: Objection; vague.  
21 A. Repeat that.  
22 MR. KRUM: Would you read it back for me.  
23 (Whereupon, the referred to question was read  
24 back by the Reporter.)  
25 A. I don't recall.  

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1 Q. Had you ever heard or learned that about  
2 Ed Kane?  
3 MR. SEARCY: Objection; vague.  
4 A. I don't recall.  
5 Q. Now, when you say you don't recall, does  
6 that mean you may have heard or learned that but you  
7 don't recall whether you did, or that you do not recall  
8 having learned that?  
9 A. I do not recall having learned that.  
10 Q. That's true with respect to both Mr. Kane  
11 and Mr. Adams?  
12 A. Yes.  
13 Q. Same question for Mr. McEachern.  
14 MR. SEARCY: Objection; vague.  
15 A. I don't recall.  
16 Q. Would your answer be the same -- well,  
17 same question for Ellen and Margaret Cotter.  
18 A. I don't recall.  
19 Q. Mr. Wrotniak, I'm going to show you a  
20 document that previously has been marked as Exhibit 81  
21 in depositions in this case. It's only a couple lines  
22 but take such time as you need to review it and let me  
23 know when you've reviewed it to your satisfaction.  
24 A. (The witness reviews the document.)  
25 Okay.

50

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1 Q. Have you ever seen Exhibit 81?  
2 A. No.  
3 Q. You see it's dated May 18, 2015 and  
4 purports to be an e-mail from Ed Kane to Guy Adams?  
5 A. Yes.  
6 Q. Do you understand what they're  
7 discussing?  
8 MR. SEARCY: Objection; lacks foundation.  
9 A. They're discussing a vote.  
10 Q. Do you know what vote?  
11 A. I suppose you could ask them.  
12 Q. Well, I'm asking you. You're the  
13 deponent today. I've asked them already.  
14 A. I could guess.  
15 MR. SEARCY: Don't guess.  
16 A. I don't know.  
17 Q. Have you read any of the deposition  
18 transcripts in this case, the derivative action?  
19 A. No.  
20 Q. Have you talked to anyone about their  
21 testimony?  
22 A. No.  
23 Q. I just skipped one. I'm trying to be  
24 efficient here, Mr. Wrotniak.  
25 A. Take your time.

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1 Q. I'll do what I need to do but I won't  
2 take any of your time that I don't need to take.  
3 I'm going to show you Exhibit 85, which  
4 you'll see is a continuation of the e-mail chain that  
5 was Exhibit 82. Take such time as you need to review  
6 that and let me know when you reviewed it to your  
7 satisfaction.  
8 A. (The witness reviews the document.)  
9 Q. Have you reviewed it to your  
10 satisfaction?  
11 A. I've read them.  
12 Q. Have you seen Exhibit 85 before?  
13 A. No.  
14 Q. Have you ever heard or learned prior to  
15 reading it any of the information set out in it?  
16 A. Prior to reading it, 1 and 2 look like  
17 they made it into the minutes.  
18 Q. 1 and 2, motion for a new interim CEO and  
19 to reorganize the executive committee?  
20 A. I believe so, yes.  
21 Q. But otherwise, everything in Exhibit 85  
22 is information and material you've not seen or been told  
23 before?  
24 A. Other than seeing in here Guy mentioning  
25 Ed is trying to help the children, which I mentioned

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1 earlier.  
2 Q. Otherwise it's all news to you?  
3 A. Yes, correct.  
4 Q. It's a matter of how much time we spend  
5 on it. We've just covered it. That's why I asked that.  
6 So directing your attention back to December  
7 of 2017, when did you decide to -- well, on December 29  
8 at the telephonic board meeting you voted to ratify the  
9 termination of Jim Cotter, Jr. as president and CEO,  
10 correct?  
11 A. Yes.  
12 Q. When did you decide to do that?  
13 A. Between receiving the board book, after  
14 reading it and after considering it very carefully.  
15 Q. And by the board book you're referring to  
16 Exhibit 525?  
17 A. Is that the name of this exhibit?  
18 Q. Yes.  
19 A. How you keep those numbers straight is  
20 beyond me, but okay.  
21 Q. Well, actually, Mr. Wrotniak, ordinarily  
22 we have a stamped copy for you but we just marked it at  
23 a deposition last week, so we don't. But Mr. Searcy and  
24 I both know that is what it is. And that's why I call  
25 it that.

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<p style="text-align: right;">Page 62</p> <p>1 understanding -- 2 A. That's good. 3 MR. SEARCY: -- if that helps you with that 4 question. 5 A. The income that he receives could cause a 6 conflict to him. 7 Q. How's that, as you understand it? 8 A. For some people that could present a 9 problem. In Guy's case it does not. 10 Q. Why not? 11 A. He's an independent thinker in my 12 assessment. 13 Q. What's the basis for that assessment? 14 A. My time on the board with him. 15 Q. What discussions, if any, have you had 16 with Guy Adams about his financial dealings with Jim 17 Cotter, Sr. or Ellen and Margaret Cotter as executors of 18 the Jim Cotter, Sr. estate? 19 A. I don't recall any. 20 Q. I direct your attention, Mr. Wrotoniak, to 21 what purports to be the May 29, 2015 meeting minutes. 22 That's pages 7191 through 94 of Exhibit 525. Do you 23 have that? 24 A. 91, 2, 3 -- yes, I have it. 25 Q. Was there anything in particular from 62</p>	<p style="text-align: right;">Page 64</p> <p>1 Cotter, Jr. about resolving their trust and estate 2 disputes? 3 A. Did I see this paragraph? 4 Q. Right. 5 A. Yes, I did see that paragraph. 6 Q. Had you ever heard or learned anything 7 about that previously? 8 A. No. 9 Q. What's your understanding as to what 10 communications Ellen and Margaret Cotter had with Jim 11 Cotter about those matters, meaning their disputes, 12 including in particular in the trust case on May 29, 13 2015? 14 MR. SEARCY: Objection; vague. 15 A. I don't have any knowledge of that. 16 Q. Have you ever heard or learned or been 17 told that on the morning of May 29, 2015, before the 18 meeting that's the subject of these purported minutes 19 commenced, Ellen and Margaret Cotter communicated in 20 words or substance to Jim Cotter, Jr. that the proposals 21 their lawyer had made to his lawyers were take it or 22 leave it, that he had to accept them or face a 23 termination vote? 24 MR. SEARCY: Objection; lacks foundation. 25 Argumentative. 64</p>
<p style="text-align: right;">Page 63</p> <p>1 these purported minutes that you recall as you sit here 2 today noting in terms of your review of them in 3 preparation for the December 29, 2017 board meeting? 4 A. (The witness reviews the document.) 5 Yes. 6 Q. What? 7 A. I recall firstly that approximately a 8 week had passed giving everybody time to pause and to 9 think. 10 I also recall seeing that it was reconfirmed 11 that the board had the right with or without cause to 12 terminate Jim Cotter, Jr. 13 I also see that they discussed solutions, 14 resolutions that would make the board comfortable, and 15 Jim declined those. And also noticed an agreement in 16 principle between the Cotter siblings. 17 Q. When you refer to time to pause and 18 think, do you have any information regarding whether 19 anyone did so? Meaning thought about it or not. 20 A. No. 21 Q. Did you see that these purported minutes 22 on page 3 of them, that's production number 7193, in the 23 third full paragraph beginning "Ms. Ellen Cotter then 24 informed the board," that a lawyer representing Ellen 25 and Margaret had contacted a lawyer representing Jim 63</p>	<p style="text-align: right;">Page 65</p> <p>1 A. I have no knowledge of that. 2 Q. Did you note when you reviewed these 3 purported minutes of May 29, 2015 as part of Exhibit 525 4 that the meeting recessed at approximately 2 p.m. in the 5 afternoon and reconvened telephonically at 6 p.m. that 6 night? I'm just asking if you noted that previously. 7 I'm not asking you to read it and tell me what they say. 8 A. I recall that in one of these sets of 9 minutes there was that break, yes. 10 Q. Have you ever heard or learned or been 11 told that at or about the time the meeting recessed that 12 Jim Cotter, Jr. was told in words or substance you need 13 to resolve your disputes with your sisters, failing 14 which when we reconvene telephonically at 6 we're going 15 to proceed with a vote to terminate you? 16 MR. SEARCY: Objection; lacks foundation. 17 MS. HENDRICKS: Join. 18 A. No. 19 Q. Have you ever met or spoken with Tim 20 Storey? 21 A. No. 22 Q. Have you ever tried to contact him? 23 A. No. 24 Q. Have you ever talked with Bill Gould 25 about what happened at any or all of these meetings of 65</p>



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1 May 21, May 29 and June 12, 2015?  
 2 A. I don't recall.  
 3 Q. But you saw, I take it, in these  
 4 purported minutes of May 29 that when the meeting  
 5 reconvened telephonically at or about 6 p.m., Ellen  
 6 Cotter had reported that an agreement in principle had  
 7 been reached by her and Margaret with Jim, Jr.?  
 8 MR. SEARCY: Objection; lacks foundation.  
 9 A. According to the minutes, they had an  
 10 agreement in principle.  
 11 Q. Have you ever had any communications with  
 12 anybody about that?  
 13 A. No.  
 14 Q. Do you have any understanding independent  
 15 of anything you would read in the purported minutes of  
 16 June 12, 2015, and that's production numbers 7195  
 17 through 99, how that meeting came to be scheduled and  
 18 occur?  
 19 A. I'm sorry, repeat that.  
 20 Q. Independent of reading something in the  
 21 purported June 12, 2015 meeting minutes that are part of  
 22 Exhibit 525, do you have any understanding as to how  
 23 that meeting came to be scheduled and had occurred?  
 24 A. No.  
 25 Q. Is it your understanding as you sit here

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1 today that Jim Cotter, Jr. would still be president and  
 2 CEO of RDI -- strike that.  
 3 Is it your understanding, Mr. Wrotniak, as  
 4 you sit here today that no vote to terminate Jim Cotter,  
 5 Jr. as president and CEO of RDI would have occurred had  
 6 he resolved his disputes with his sisters Ellen and  
 7 Margaret?  
 8 MR. SEARCY: Objection; lacks foundation,  
 9 argumentative, calls for speculation.  
 10 A. I don't know.  
 11 Q. Have you ever discussed that with  
 12 anybody?  
 13 A. No.  
 14 Q. Was Mr. Cotter rude when the subject of  
 15 making Margaret a senior executive at the company with  
 16 responsibility for development of its New York City real  
 17 estate was considered by the board?  
 18 A. I don't recall.  
 19 MR. KRUM: Why don't we take a break.  
 20 MR. SEARCY: Sounds good.  
 21 THE VIDEOGRAPHER: Off the record at 11:16  
 22 a.m.  
 23 (Whereupon, a short recess was taken.)  
 24 THE VIDEOGRAPHER: This is tape 3 of the  
 25 deposition of Michael Wrotniak. We're now on the record

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1 at 11:28 a.m.  
 2 BY MR. KRUM:  
 3 Q. Mr. Wrotniak, have you ever heard or  
 4 were you ever told that one of the matters in dispute  
 5 between Jim Cotter, Jr. on one hand and either or both  
 6 Margaret and Ellen Cotter in or about May of 2015 was  
 7 whether Margaret Cotter would become an employee of RDI?  
 8 A. No.  
 9 Q. Without regard to timing, did you ever  
 10 hear or learn that there were issues in dispute between  
 11 Margaret Cotter on one hand and Jim Cotter, Jr. on the  
 12 other hand about Margaret's role or position at RDI?  
 13 A. Margaret became an employee during the  
 14 time that I was on the board. And there were  
 15 discussions regarding that at the board level.  
 16 Q. What discussions were there? Meaning who  
 17 said what, in words or substance?  
 18 A. Audit committee discussion where it  
 19 financially made sense for Reading to consider this  
 20 opportunity.  
 21 Q. "This opportunity" being what?  
 22 A. To have Margaret become an employee and  
 23 obtain some rights to Stomp fees that we were not before  
 24 that entitled to.  
 25 Q. How much money was that?

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1 A. I don't recall.  
 2 Q. Did you understand at the time that  
 3 Margaret's compensation was a function of net revenues  
 4 of the live theater operations that she oversaw  
 5 including the Orpheum Theater including Stomp?  
 6 A. Please repeat that.  
 7 Q. Did you understand at the time that  
 8 Margaret's compensation was a function of the net  
 9 revenues of the live theater operations she oversaw,  
 10 which included the Orpheum Theater where Stomp was  
 11 performing?  
 12 A. Yes.  
 13 Q. Did you understand at the time what those  
 14 numbers were, either gross revenues at the Orpheum or  
 15 net revenues?  
 16 A. I read them. Yes.  
 17 Q. As you sit here today, do you recall what  
 18 they were, even in terms of the magnitude?  
 19 A. No.  
 20 Q. Do you recall whether they were six  
 21 figures?  
 22 A. I don't recall.  
 23 Q. Did you ever hear or learn or were you  
 24 ever told that in 2015, prior to being terminated as  
 25 president and CEO of RDI, Jim Cotter was leading up a

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1 search for a senior executive with commercial real  
2 estate development experience?  
3 A. I'm sorry, repeat the question.  
4 Q. Have you ever heard, learned or been told  
5 that in 2015, prior to his termination as president and  
6 CEO of RDI, Jim Cotter was leading up a search at RDI to  
7 hire a senior executive with commercial real estate  
8 development experience?  
9 MR. SEARCY: Objection; lacks foundation.  
10 A. When I reviewed the minutes I saw that  
11 was on the agenda for the -- one of the meetings in  
12 2015.  
13 Q. Other than what you just testified, have  
14 you ever heard or learned anything about a search at RDI  
15 to hire a senior executive with commercial real estate  
16 development experience?  
17 A. No.  
18 Q. The position Margaret Cotter was given is  
19 the senior executive at RDI responsible for overseeing  
20 development and predevelopment activities with respect  
21 to its New York City real estate, correct?  
22 A. Yes.  
23 Q. She has no prior real estate development  
24 experience, correct?  
25 MR. SEARCY: Objection; vague, lacks  
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1 foundation.  
2 A. I don't know.  
3 Q. When you voted yes on December 29, 2017  
4 to ratify the prior decision to terminate Jim Cotter,  
5 Jr. as president and CEO of RDI, were you aware that his  
6 termination did or might or could have had something to  
7 do with Margaret Cotter being employed or not being  
8 employed at RDI?  
9 MR. SEARCY: Objection; argumentative, lacks  
10 foundation.  
11 A. I'm sorry, please repeat that.  
12 Q. When you voted on December 29, 2017 to  
13 ratify the prior decision to terminate Jim Cotter, Jr.  
14 as president and CEO of RDI, did you consider any issues  
15 or disputes between him and Margaret with respect to her  
16 being or not being an RDI employee?  
17 A. No.  
18 Q. Would you have voted affirmatively to  
19 ratify the decision to terminate Jim Cotter, Jr. as CEO,  
20 as you did on December 29, 2017, if you had not reviewed  
21 the May 21, May 29 and June 12, '15 meeting minutes as  
22 they are included in deposition Exhibit 525?  
23 MR. SEARCY: Objection; calls for  
24 speculation. Lacks foundation.  
25 A. If those minutes didn't exist -- I'm not  
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1 sure I follow the question.  
2 Q. What difference, if any, did those  
3 minutes make to your decision to vote in favor of  
4 ratifying the decision to terminate Jim Cotter, Jr. as  
5 president and CEO of RDI?  
6 A. I relied on the minutes.  
7 Q. And you testified to that earlier and I'm  
8 not going to ask you to repeat that.  
9 Did you ever hear or learn or were you ever  
10 told that there was any process in place in May of 2015  
11 that was ongoing that was in any respect terminated or  
12 pre-empted by the vote to terminate Jim Cotter, Jr.?  
13 MR. SEARCY: Objection; vague. Lacks  
14 foundation.  
15 A. I'm sorry, I'm going to have to ask you  
16 to repeat that.  
17 Q. Has Bill Gould or anybody else ever told  
18 you in words or substance that the vote to terminate Jim  
19 Cotter, Jr. ended or pre-empted or interrupted a  
20 preexisting process that was supposed to continue into  
21 June 2015?  
22 MR. SEARCY: Objection; vague, lacks  
23 foundation. Argumentative.  
24 A. No.  
25 Q. Let me show you what previously has been  
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1 marked as deposition Exhibit 116, which is a two-page  
2 document bearing production numbers GA 00005417 and 18.  
3 Take such time as you wish to review that,  
4 Mr. Wrotniak, and let me know when you reviewed it to  
5 your satisfaction.  
6 A. (The witness reviews the document.)  
7 Would you like it back?  
8 Q. No, no. Have you read it to your  
9 satisfaction, Exhibit 116?  
10 A. I've read it, yes.  
11 Q. Have you seen Exhibit 116 before?  
12 A. No.  
13 Q. Have you ever had any conversations with  
14 anybody about any of the subjects set out in 116?  
15 A. I've heard the term "kangaroo court"  
16 before. I don't know to what degree. Who knows.  
17 Q. Have you heard the term "kangaroo court"  
18 used with respect to the Reading board of directors?  
19 A. I don't recall.  
20 Q. Do you see at the bottom of the first  
21 page of Exhibit 116, the very last paragraph, that  
22 Mr. Storey says on May 19th, the day date of the  
23 document, that they would review Jim's progress as CEO  
24 in June of 2015? That's the very last paragraph on the  
25 first page.  
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1 A. I see that.  
2 Q. Prior to reading that or hearing a  
3 question from me about it, have you ever heard about  
4 that before?  
5 MR. SEARCY: Objection; vague, lacks  
6 foundation.  
7 A. No.  
8 Q. Directing your attention back to  
9 deposition Exhibit 525, and I see you still have it  
10 open, and to those three sets of purported board minutes  
11 from May 21, 2015, May 29, 2015 and June 12, 2015 found  
12 on pages bearing production numbers DM 00007187 through  
13 99, you don't have any independent information that  
14 would enable you to determine whether those minutes  
15 fairly and accurately depicted what actually transpired,  
16 correct?  
17 A. I relied on the minutes as were placed in  
18 the minute book.  
19 Q. But you don't have any independent basis  
20 upon which to determine whether they're accurate or  
21 fairly depict what transpired, do you?  
22 A. I do not.  
23 Q. Did you ever hear or learn or were you  
24 ever told anything to the effect that Jim Cotter, Jr.  
25 had been told that he needed to resolve his disputes

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1 with his sisters, failing which a vote to terminate him  
2 as president and CEO would occur?  
3 MR. SEARCY: Objection. Asked and answered  
4 and lacks foundation, calls for speculation. It's  
5 argumentative.  
6 Q. Go ahead.  
7 A. No.  
8 Q. Have you ever expressed the view that the  
9 Cotter siblings should resolve their disputes?  
10 A. I don't recall.  
11 Q. Was your decision to vote in favor of  
12 ratification of either of the matters with respect to  
13 which you voted affirmatively on December 29, 2017 based  
14 in any part on your view of this derivative lawsuit?  
15 MR. SEARCY: Objection; vague.  
16 A. Can you clarify that, please?  
17 Q. Okay. Well, you voted in favor -- strike  
18 that.  
19 On December 29, 2017 you voted in favor of  
20 ratifying the prior decision to terminate Jim Cotter as  
21 president and CEO of RDI, right?  
22 A. Yes.  
23 Q. And you also voted in favor of a prior  
24 compensation committee meeting decision with respect to  
25 accepting Class A non-voting stock as consideration for

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1 the exercise of the so-called 100,000 share option,  
2 right?  
3 A. Yes.  
4 Q. With respect to either or both of those  
5 decisions, was your view of this derivative lawsuit part  
6 of your decision-making?  
7 MR. SEARCY: Again, object as vague.  
8 A. I don't know.  
9 Q. Well, do you have a view of this  
10 derivative lawsuit?  
11 A. Yes.  
12 Q. What is it?  
13 A. That the board had a right to terminate  
14 Jim Cotter and made an informed decision and took it.  
15 Q. Do you have any other views of this  
16 derivative lawsuit? Including whether it should proceed  
17 or be dismissed.  
18 A. Nothing that I can --  
19 Q. Nothing beyond what you just told me?  
20 A. Yes. Other than the fact that it's quite  
21 expensive.  
22 Q. And when you say the board had a right to  
23 terminate Jim Cotter and made an informed decision and  
24 took it, that view is based on your review of the May 21  
25 and 29 and June 12, 2015 meeting minutes and

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1 Mr. Cotter's employment contract, right?  
2 A. Yes.  
3 Q. Some of these questions help us move the  
4 process forward.  
5 What difference, if any, did the -- well,  
6 strike that.  
7 Do you recall that Exhibit 525, the board  
8 package, has some information regarding a company called  
9 Highpoint Associates?  
10 A. Yes.  
11 Q. What did you understand that information  
12 to be? What difference, if any, did it make?  
13 A. I believe that Highpoint was a consultant  
14 hired by Reading.  
15 Q. What's the basis for that understanding?  
16 A. I reviewed the invoice.  
17 Q. That's part of Exhibit 525?  
18 A. Yes.  
19 Q. What difference did the hiring of  
20 Highpoint make, if any, to your decision to vote in  
21 favor of ratifying the decision to terminate Jim Cotter,  
22 Jr. as president and CEO of RDI?  
23 A. I don't recall.  
24 Q. Who said what, if anything, at the  
25 December 29 board meeting about Highpoint?

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1 A. I don't recall.  
2 Q. Directing your attention, Mr. Wrotniak,  
3 to your vote on December 29, 2017 to ratify the  
4 compensation committee decision authorizing the use of  
5 non-voting stock as consideration to pay for the  
6 exercise of the 100,000 share option, on what basis did  
7 you vote in favor of that?  
8 A. I relied on the board book materials that  
9 were provided to us.  
10 Q. At the December 29, 2017 meeting, who  
11 said what, if anything, about the subject of whether the  
12 estate actually owned the 100,000-share option?  
13 A. I don't recall anyone.  
14 Q. You took no steps prior to voting in  
15 favor of ratification with respect to the 100,000-share  
16 option on December 29, 2017 to determine whether the  
17 estate in fact owned that option, correct?  
18 MR. SEARCY: Objection; vague, lacks  
19 foundation.  
20 A. I relied on the board materials that were  
21 provided.  
22 Q. Do you recall if any of those board  
23 materials actually addressed the subject of whether the  
24 estate owned the 100,000-share option?  
25 A. I did not see anything in Jim's e-mail,  
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1 nor in Dev's e-mail that would suggest that there was an  
2 issue.  
3 Q. What steps, if any, did you take to  
4 inform yourself with respect to the ratification vote  
5 regarding the 100,000-share option, if any, other than  
6 reviewing Exhibit 525, the board package?  
7 A. I don't recall any.  
8 Q. I direct your attention, Mr. Wrotniak, to  
9 the page in Exhibit 525 that has the production number  
10 7213 at the lower right-hand corner. You'll see that  
11 purports to be the first page of four pages of minutes  
12 from a September 21, 2015 compensation and stock option  
13 committee meeting. Do you have that?  
14 A. Yes.  
15 Q. In particular I direct your attention to  
16 the second full paragraph on that page. You'll see that  
17 five lines from the top it begins with the word "held by  
18 the estate to acquire 100,000 shares of the company's  
19 Class B common stock." So if you work down the  
20 left-hand margin of the paragraph that begins with  
21 Chairman Kane --  
22 A. Held, yes.  
23 Q. Do you recall -- well, first of all, did  
24 you review these minutes in preparation for the December  
25 29, 2017 meeting?  
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1 A. Yes.  
2 Q. When you did, did you notice it used the  
3 word "held"?  
4 A. I do not recall.  
5 Q. Does that mean anything to you that it  
6 says "held"?  
7 MR. SEARCY: Objection; vague. Lacks  
8 foundation.  
9 A. I don't know.  
10 MR. SEARCY: Mark, I think that last night  
11 Noah, or someone from our office, sent out one of the  
12 properly redacted versions of these. I don't know if  
13 you're getting into any of the stuff that's been  
14 redacted. I certainly reserve my rights on that.  
15 MR. KRUM: Okay.  
16 MR. SEARCY: I don't want to slow down your  
17 examination, but I also don't want to get into anything  
18 privileged.  
19 MR. KRUM: Well, you're not waiving anything  
20 is what you're telling me. And I acknowledge that.  
21 MR. SEARCY: Appreciate it.  
22 Q. Do you own securities of public companies  
23 other than RDI?  
24 A. Yes.  
25 Q. Are they in your name or -- well, strike  
80

Page 81

1 that. Do the proxy materials come directly to you or do  
2 they come through the brokerage company through which  
3 you hold the securities?  
4 A. Both.  
5 Q. Do you understand the distinction between  
6 being a legal and beneficial owner of securities?  
7 A. As opposed to?  
8 Q. Well, the difference between being a  
9 legal and beneficial owner.  
10 A. I wouldn't want to have that conversation  
11 with you.  
12 Q. Have you ever looked at -- do you know  
13 what a NOBO list is?  
14 A. No.  
15 Q. Have you ever looked at any RDI books and  
16 records that purport to identify the holders or owners  
17 of RDI stock?  
18 A. Have I looked at any books or records. I  
19 don't recall. Doug McEachern suggested that we look at  
20 the list of the major shareholders. I've looked at  
21 that.  
22 Q. For what purpose?  
23 A. General background.  
24 Q. By "major shareholders," you're talking  
25 about Class A, Class B or both?  
81

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1 A. Both.  
2 Q. Have you ever heard or learned or been  
3 told anything about a pour-over will or a pour-over  
4 trust executed by Jim Cotter, Sr.?  
5 A. I have heard the term.  
6 Q. What have you heard?  
7 A. The term.  
8 Q. You don't recall anything else?  
9 A. No.  
10 Q. "No" meaning correct?  
11 A. No, I have not heard anything else.  
12 Q. In particular, have you ever heard or  
13 learned that anyone raised a question about whether the  
14 pour-over will or trust or whatever it is caused the  
15 100,000-share option to be held or owned by the trust  
16 rather than the estate?  
17 A. No.  
18 Q. If you had heard or learned or been told  
19 at or prior to the December 29, 2017 board meeting that  
20 a question had been raised, whether by Jim Cotter, Jr.  
21 or anybody else, about whether the trust or estate owned  
22 the 100,000-share option, would that have made any  
23 difference to your decision on December 29, 2017 to vote  
24 to ratify what you voted to ratify with respect to the  
25 100,000-share option?

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1 MR. SEARCY: Objection, lacks foundation.  
2 Calls for speculation.  
3 A. Can you repeat that, please.  
4 (Whereupon, the referred to question was read  
5 back by the Reporter.)  
6 A. That would have impacted my investigation  
7 and thought process.  
8 Q. How so?  
9 A. I would have had the -- had to find out  
10 more about the issue and understand it.  
11 Q. What discussions or communications have  
12 you had, if any, with either or both Ed Kane and Guy  
13 Adams about what they did in 2015 in response to the  
14 request to exercise the 100,000-share option?  
15 A. I have not had any.  
16 Q. Mr. Wrotniak, I show you what previously  
17 was marked as deposition Exhibit 36 in this action.  
18 Take such time as you would like to review that and let  
19 me know when you've reviewed it to your satisfaction.  
20 A. (The witness reviews the document.)  
21 Q. Ready?  
22 A. As ready as I'm going to be.  
23 Q. Have you seen Exhibit 36 before?  
24 A. No.  
25 Q. You see that it's an e-mail exchange

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1 dated April 18, 2015?  
2 A. Yes.  
3 Q. Do you see that it relates to the request  
4 to exercise the 100,000-share option?  
5 A. Yes.  
6 Q. Prior to looking at Exhibit 36, had you  
7 ever heard or learned or been told the request had been  
8 made and considered by the RDI board of directors  
9 compensation committee in April of 2015?  
10 A. No.  
11 Q. And as you sit here today, you have no  
12 understanding or information as to why it was not acted  
13 on at that time, correct?  
14 A. Correct.  
15 Q. As you sit here today, Mr. Wrotniak, you  
16 have no information why the RDI compensation committee  
17 did not act on the request to exercise the 100,000-share  
18 option prior to September of 2015, right?  
19 MR. SEARCY: Lacks foundation.  
20 A. I believe there was a note in the minutes  
21 in the board book here that said Ed said they've been  
22 wanting to exercise for a while.  
23 Q. Did you note in the minutes of --  
24 September 21, 2015 meeting minutes that Mr. Storey was a  
25 member of the compensation committee but that he did not

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Page 85

1 participate in the meeting at which Adams and Kane voted  
2 to authorize the exercise?  
3 A. Yes.  
4 Q. Did you ever hear or learn or were you  
5 ever told independent of anything you read in the  
6 September 21, 2015 meeting minutes that Mr. Storey had  
7 expressed any concerns, questions or reservations with  
8 respect to the --  
9 A. No. Excuse me, I apologize.  
10 Q. -- with respect to the request to  
11 exercise the 100,000-share option?  
12 A. My answer remains no.  
13 Q. Directing your attention back to Exhibit  
14 36, and in particular to the first paragraph that has a  
15 portion of it redacted, do you see that the balance of  
16 the paragraph reads as follows: "There is also the  
17 issue of whether the certificates belong to the  
18 pour-over trust even though they have not been turned  
19 over by the estate, at least that's Jim's position," and  
20 then there's a closed quote, and then there's another  
21 sentence. Do you see that?  
22 A. I don't see the closed quote --  
23 Q. No, I say that so the transcript reflects  
24 that I'm reading something.  
25 A. Yes, I see that paragraph.

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1 Q. And prior to seeing that, you've never  
2 heard or learned that Jim Cotter raised any question  
3 about the ownership of the 100,000-share option,  
4 correct?  
5 A. That's correct.  
6 Q. Do you intend to ask Guy Adams or Ed Kane  
7 about this subject; that is, the ownership of the  
8 100,000-share option?  
9 MR. SEARCY: Objection; vague, calls for  
10 speculation.  
11 A. I don't know.  
12 Q. I'm going to show you what previously has  
13 been marked as Exhibit 526. This document bears  
14 production number RDI 0063804 through 09. It purports  
15 to be -- I guess these are draft, right?  
16 MR. SEARCY: Correct.  
17 Q. Draft minutes of the December 29, 2017  
18 meeting.  
19 If I recall correctly, you saw these minutes  
20 yesterday for the first time, Mr. Wrotniak.  
21 A. Yes.  
22 Q. How much time did you spend reviewing  
23 them?  
24 A. I read them twice I believe.  
25 Q. Did you read them for the purpose of

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1 assessing whether they were accurate and/or complete?  
2 A. Yes.  
3 Q. What did you conclude in that regard, if  
4 anything?  
5 A. I find them to be a good representation  
6 of the meeting.  
7 Q. Did you request that the December 29,  
8 2017 meeting address or include the ratification  
9 matters?  
10 MR. SEARCY: Objection; vague.  
11 A. Yes.  
12 Q. When and how did you make that request?  
13 A. It was agreed in the meeting with Mark  
14 Ferrario.  
15 Q. When did that meeting occur?  
16 A. Prior to the compensation committee, when  
17 we were advised of the Nevada law.  
18 Q. When you say the meeting with Mark  
19 Ferrario, Mr. Wrotniak, are you referring to the  
20 telephone call you and Ms. Coddling had with Mark  
21 Ferrario and Mike Bonner?  
22 A. Yes.  
23 Q. When you say prior to the compensation  
24 committee meeting, you're talking about the compensation  
25 committee meeting of December 28th?

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1 A. Yes.  
2 Q. And when you say prior to that, you mean  
3 prior to that the same day?  
4 A. I don't recall.  
5 Q. How many conversations did you have with  
6 Mark Ferrario and Mike Bonner the week of Christmas,  
7 which was Monday, December 25?  
8 A. One that I recall.  
9 Q. And it's the one that you and Ms. Coddling  
10 had with Ferrario and Bonner?  
11 A. Yes.  
12 Q. What is your understanding of the import  
13 or significance of the two ratification votes that  
14 occurred on December 29, 2017?  
15 MR. SEARCY: I'm going to object to the  
16 extent it calls for attorney-client privilege. If you  
17 have information beyond that, Mr. Wrotniak, you're  
18 welcome to testify in that regard.  
19 A. I don't have any further information  
20 about that.  
21 Q. Meaning you don't have an understanding  
22 beyond what you learned from counsel?  
23 A. Correct.  
24 Q. I direct your attention, Mr. Wrotniak, to  
25 Exhibit 526, and in particular the page that has the

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1 production number ending in 63807 in the lower right.  
2 Let me know when you have that page.  
3 A. We're going backwards?  
4 Q. We could be, yes.  
5 MR. SEARCY: What was the page number again,  
6 Mark?  
7 MR. KRUM: 807 are the last three digits.  
8 It's also numbered 4, page 4 of the draft minutes.  
9 A. Oh, I'm sorry.  
10 Q. It's approximately where we were I think.  
11 A. So you said --  
12 Q. I'm sorry, it's Exhibit 526. We're  
13 looking at a different document. You're looking at 525.  
14 MR. SEARCY: You're looking at the board  
15 package. He's asking about the minutes.  
16 A. These minutes.  
17 Q. Yes.  
18 A. Okay.  
19 Q. Okay, now that we're squared away with  
20 the document, I direct your attention, Mr. Wrotniak, to  
21 page 4 of Exhibit 526.  
22 A. One moment while I fix my mic, please.  
23 Q. Of course.  
24 A. 4, okay.  
25 Q. The last full paragraph on that page

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1 begins with the words "Mr. Wrotniak also expressed his  
2 views." Do you have that paragraph?  
3 A. Yes.  
4 Q. Let me know when you've finished reading  
5 it.  
6 A. (The witness reviews the document.)  
7 Yes.  
8 Q. Does that fairly summarize comments you  
9 made?  
10 A. Yes.  
11 Q. When you said in words or substance that  
12 the board has attempted to work with Mr. Cotter but had  
13 no alternative to take the action it did, termination,  
14 what were you referencing when you said "work" with him?  
15 A. They offered him a position as president  
16 working under a CEO.  
17 Q. When you say they had no -- in words or  
18 substance, had no alternative but to vote to terminate  
19 him, what exactly were you saying or referencing?  
20 A. That if they concluded based on his  
21 performance that he was not fulfilling his  
22 responsibilities, that he needed to be terminated.  
23 Q. I direct your attention to page 6, the  
24 last page of Exhibit 526. Do you have that?  
25 A. Yes.

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1 Q. The first full paragraph on that page  
2 reads as follows: "Upon motion duly made by Director  
3 McEachern and seconded by Dr. Wrotniak, the following  
4 resolution was adopted." Do you see that paragraph?  
5 A. I do.  
6 Q. Is that correct, that you seconded the  
7 ratification motion with respect to the 100,000-share  
8 option?  
9 A. Yes.  
10 Q. How did that come to pass?  
11 A. I don't understand the question.  
12 Q. Had you had any discussions about  
13 seconding that motion --  
14 A. No.  
15 Q. -- prior to doing so?  
16 A. No.  
17 Q. Mr. Wrotniak, I show you what previously  
18 has been marked as Exhibit 527. It bears production  
19 number RDI 0063918.  
20 Have you seen Exhibit 527 previously?  
21 A. Yes.  
22 Q. When?  
23 A. I don't recall when the first time I saw  
24 it was.  
25 Q. You saw it yesterday, correct?

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1 A. Oh, I did see it yesterday.  
2 Q. Do you recall whether you saw it prior to  
3 yesterday?  
4 A. I don't recall.  
5 Q. Do you see that you're not identified as  
6 either a -- well, you're not identified on the from, to  
7 or cc section.  
8 A. Correct.  
9 Q. Does that refresh your recollection that  
10 the first time you saw Exhibit 527 was yesterday?  
11 MR. SEARCY: Objection; lacks foundation.  
12 A. I don't recall when I saw it.  
13 Q. Did you ever see a draft of Exhibit 527?  
14 A. I don't recall.  
15 Q. Did you ever have any discussions with  
16 anybody about Exhibit 527, excluding any you had with  
17 Mr. Searcy yesterday?  
18 A. Yes.  
19 Q. When and with whom?  
20 A. In my conversation with Mike Bonner and  
21 Mark Ferrario.  
22 Q. This is the telephone call you and  
23 Ms. Coddling had with Bonner and Ferrario?  
24 A. Correct.  
25 Q. Have you had any other communications

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1 regarding Exhibit 527?  
2 A. No.  
3 Q. In your call with Bonner and Ferrario,  
4 did you have 527 or a draft of that in your hand or in  
5 front of you at the time of the call?  
6 A. No.  
7 Q. Had you seen it at that time?  
8 A. No.  
9 MR. KRUM: Let's go off the record.  
10 THE VIDEOGRAPHER: We are now off the record  
11 at 12:16 p.m.  
12 (Whereupon, a short recess was taken.)  
13 THE VIDEOGRAPHER: This is tape 3, part 2 of  
14 the deposition of Michael Wrotniak. We are now on the  
15 record at 12:25 p.m.  
16 MR. KRUM: Marshall, there was a particular  
17 document that was mentioned at the last two depositions  
18 that you were going to check on. Were you able to do  
19 that?  
20 MR. SEARCY: Oh, that was something that  
21 Ferrario was going to look into. I'll follow up with  
22 him.  
23 MR. KRUM: Okay.  
24 MR. SEARCY: That had to do with special  
25 committee meeting minutes, is that right?

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1 MR. KRUM: I believe that was, yes.  
 2 MR. SEARCY: I'll follow up with him on that.  
 3 MR. KRUM: I don't think there's any reason  
 4 to take Mr. Wrotniak's time about that.  
 5 MR. SEARCY: He's not even part of that  
 6 committee, so.  
 7 MR. KRUM: I don't have any further  
 8 questions. All rights are reserved.  
 9 Thank you, sir, for your time and off we go  
 10 to the next one I guess.  
 11 MR. SEARCY: Thank you. No questions from  
 12 me.  
 13 THE VIDEOGRAPHER: This concludes today's  
 14 deposition of Michael Wrotniak. We are now off the  
 15 record at 12:25 p.m.  
 16 (Whereupon, at 12:25 P.M., the Examination of  
 17 this witness was concluded.)  
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Page 95

1 D E C L A R A T I O N  
 2  
 3 I hereby certify that having been first duly  
 4 sworn to testify to the truth, I gave the above  
 5 testimony.  
 6  
 7 I FURTHER CERTIFY that the foregoing transcript  
 8 is a true and correct transcript of the testimony given  
 9 by me at the time and place specified hereinbefore.  
 10  
 11  
 12  
 13 \_\_\_\_\_  
 14 MICHAEL WROTNIAK  
 15  
 16 Subscribed and sworn to before me  
 17 this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.  
 18  
 19  
 20 \_\_\_\_\_  
 21 NOTARY PUBLIC  
 22  
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Page 96

1 E X H I B I T S  
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 3 (None)  
 4  
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 6  
 7 I N D E X  
 8  
 9 EXAMINATION BY PAGE  
 10 MR. KRUM 5  
 11  
 12  
 13 INFORMATION AND/OR DOCUMENTS REQUESTED  
 14 (None)  
 15  
 16  
 17  
 18 QUESTIONS MARKED FOR RULINGS  
 19 (None)  
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1 C E R T I F I C A T E  
 2  
 3 STATE OF NEW YORK )  
 4 COUNTY OF WESTCHESTER ) : SS.:  
 5  
 6 I, SUZANNE PASTOR, a Notary Public for and  
 7 within the State of New York, do hereby certify:  
 8 That the witness whose examination is  
 9 hereinbefore set forth was duly sworn and that such  
 10 examination is a true record of the testimony given by  
 11 that witness.  
 12 I further certify that I am not related to any  
 13 of the parties to this action by blood or by marriage  
 14 and that I am in no way interested in the outcome of  
 15 this matter.  
 16 IN WITNESS WHEREOF, I have hereunto set my hand  
 17 this 16th day of March 2018.  
 18  
 19  
 20 \_\_\_\_\_  
 21 *Suzanne Pastor*  
 22 SUZANNE PASTOR  
 23  
 24  
 25

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# Exhibit 11

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DISTRICT COURT  
CLARK COUNTY, NEVADA

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

VOLUME V  
(Pages 664-695)

VIDEOTAPED DEPOSITION OF EDWARD KANE, defendant  
herein, noticed by Lewis, Roca, Rothgerber,  
Christie, LLP, taken at Litigation Services, 655  
West Broadway, Suite 880, San Diego, California,  
on Friday, April 20, 2018, at 9:26 a.m., before  
Marc Volz, CSR 2863, RPR, CRR, crc

Job No.: 465069

EDWARD KANE, VOLUME V - 04/20/2018

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1 APPEARANCES OF COUNSEL:  
2 For Plaintiff, James J. Cotter, Jr.:  
3 YURKO, SALVESEN, & REMZ, P.C.  
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7 mkrum@bizlit.com  
8  
9 For the Nominal Defendant, Reading International, Inc.:  
10 GREENBERG TRAURIG, LLP  
11 BY MARK E. FERRARIO  
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14 ferrario@gtlaw.com  
15  
16 For the Defendants, Doug McEachern, Guy Adams, Judy  
17 Coddling, Michael Wrotniak, Margaret Cotter, Ellen  
18 Cotter, Edward Kane:  
19 QUINN, EMANUEL, URQUHART & SULLIVAN, LLP  
20 BY MARSHALL SEARCY  
21 865 South Figueroa Street, 10th Floor  
22 Los Angeles, California 90017  
23 marshallsearcy@quinnemanuel.com  
24  
25 Also Present: Alex Payam, videographer

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1 I N D E X  
2  
3 WITNESS: EDWARD KANE  
4 EXAMINATION BY: PAGE  
5 Mr. Krum 667  
6  
7 E X H I B I T S  
8 PLAINTIFF DESCRIPTION PAGE  
9 EXHIBIT 525 Email: Batista to Adams, 673  
Coddling, Cotter, Jr.,  
10 Margaret Cotter, Gould,  
Kane, McEachern, Wrotniak,  
11 cc: Ellen Cotter, Craig  
Tompkins; Agenda for  
12 meeting, December 29, 2018  
(Previously marked.)  
13 EXHIBIT 527 Email: Ellen Cotter 683  
14 from Marcia Wizelman, cc:  
Tompkins Bonner  
15 (Previously marked.)  
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1 THE VIDEOGRAPHER: Good morning. This is the  
2 beginning of media number 1 in the deposition of Edward  
3 Kane in the matter of James J. Cotter, Jr. versus  
4 Margaret Cotter, et al. and related actions, held at 655  
5 West Broadway, Suite 880 in San Diego, California, on  
6 April 20th 2018 at 9:26 a.m.  
7 The court reporter is Marc Volz. I am Alex Payam,  
8 the videographer, on behalf of Litigation Services.  
9 This deposition is being videotaped at all times unless  
10 specified to go off the video record. Would all present  
11 please identify themselves beginning with the witness.  
12 THE WITNESS: Edward Kane.  
13 MR. SEARCY: Marshall Searcy for defendants, Doug  
14 McEachern, Guy Adams, Judy Coddling, Michael Wrotniak,  
15 Margaret Cotter, Ellen Cotter and for the witness Ed  
16 Kane.  
17 MR. FERRARIO: Mark Ferrario for RDI -- or Reading.  
18 MR. KRUM: Mark Krum, appearing telephonically, for  
19 plaintiff.  
20 THE VIDEOGRAPHER: Thank you. Would the court  
21 reporter please swear in the witness.  
22 EDWARD KANE,  
23 defendant herein, having been sworn, testifies further  
24 as follows:  
25 -EXAMINATION-

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1 BY MR. KRUM:  
2 Q. Good morning, Mr. Kane.  
3 A. Morning.  
4 Q. Is there any reason that you cannot provide  
5 truthful, accurate and complete testimony today?  
6 A. No.  
7 Q. You're not taking any medication or anything of  
8 that nature that would impair your ability to do so?  
9 A. No.  
10 Q. I'm going to remind you of a couple ground  
11 rules that we will need to follow today to make this go  
12 as efficiently as possible. First, please afford me the  
13 time and perhaps an extra breath to finish my questions  
14 before you begin to answer. In turn, I will attempt to  
15 do the same. That way we will not be speaking over each  
16 other and we'll have a better, more comprehensible  
17 transcript. That's particularly true today, because if  
18 we talk at the same time, one or both of us will not  
19 hear the other. You recall that, right?  
20 A. Yes.  
21 Q. And of course, that was a segue to the next  
22 admonition. It's particularly important today that you  
23 provide audible responses in words because I may not  
24 understand an "uh-huh" or a "yeah" even if the court  
25 reporter does. And the court reporter may not. And

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1 that will result in an erroneous transcript. What did  
2 you do to prepare for your deposition today, Mr. Kane?  
3 A. First, could you make this a little louder, I'm  
4 having a little trouble hearing.  
5 MR. SEARCY: It is a little soft.  
6 Mark, the phone was little soft. Maybe you could  
7 repeat your question.  
8 MR. KRUM: Of course. I actually forgot an  
9 admonition.  
10 Q. If you need to take a break, Mr. Kane, let me  
11 know. I'm not going to be able to discern that by  
12 looking at you. I'd ask only that you answer any  
13 question that's pending before you ask for a break. And  
14 I will add to that, Mr. Kane, that I hope to not need to  
15 have you appear for another deposition. Obviously I  
16 think I do, and I have some matters that I intend to  
17 cover as quickly as possible, and I'm hopeful that we  
18 will do so before we take a break and that will leave  
19 you the rest of the Friday to enjoy. So with that by  
20 way of admonitions, my first question is what did you do  
21 to prepare for your deposition today?  
22 A. I reviewed some testimony that I had previously  
23 given that was provided to me by Mr. Searcy. And I  
24 think there was some documents in there that I also  
25 briefly reviewed.

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1 Q. When you refer to testimony you have previously  
2 given, Mr. Kane, are you referring to prior deposition  
3 testimony in this case?  
4 A. Yes, I am.  
5 Q. Were you provided transcripts or excerpts of  
6 transcripts or both?  
7 A. I'm not sure I know the difference. If I may,  
8 perhaps Mr. Searcy could describe better what he  
9 provided me.  
10 MR. SEARCY: I don't get to answer any of the  
11 questions, Ed. Just do your best with the question.  
12 THE WITNESS: I think they were transcripts of  
13 prior depositions that you had with me.  
14 MR. KRUM:  
15 Q. What I meant, Mr. Kane, by the word excerpts is  
16 whether you were provided something less than complete  
17 deposition transcripts to review. Do you recall?  
18 A. I think they were complete. But I don't know  
19 how I would know if there was something left out, to  
20 tell you the truth. It's been so long since you last  
21 deposed me. However, my best guess is that they were  
22 complete transcripts.  
23 Q. Let's move forward. Mr. Kane, you recall that  
24 on the morning of December 29, 2017 there was a  
25 telephonic meeting of the Reading International board of

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1 directors?  
2 A. Yes.  
3 Q. By the way, I'm going to call Reading  
4 International RDI, if that's okay with you.  
5 A. Fine.  
6 Q. Mr. Kane, at any time prior to that telephonic  
7 board meeting on December 29, 2017 were you party to any  
8 communications with Judy Coddling about the termination  
9 of Jim Cotter, Jr. as its president and CEO of RDI?  
10 A. I can't recall any such conversations.  
11 Q. At any time prior to the telephonic board  
12 meeting on December 29, 2017 were you party to any  
13 communications with Michael Wrotniak regarding or that  
14 referenced the termination of Jim Cotter, Jr. as  
15 president and CEO of RDI?  
16 MR. SEARCY: Let me just pose the objection.  
17 Vague.  
18 You can answer, Ed.  
19 THE WITNESS: I cannot recall any such  
20 conversations.  
21 MR. KRUM:  
22 Q. You've eliminated quite a few of my follow-up  
23 questions which should please you. At the -- strike  
24 that.  
25 A. Strike it should please me?

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1 Q. That was my own comment. I apologize. It was  
2 not directed at you, sir.  
3 A. Okay.  
4 Q. Did there come a time when you heard or learned  
5 that ratification of prior actions or decisions would be  
6 taken up or considered at the December 29, 2017  
7 telephonic board meeting?  
8 A. I cannot recall whether I had such -- I may  
9 have, but I just can't recall them.  
10 Q. What is your best recollection, Mr. Kane, about  
11 when you first heard or learned that ratification of  
12 anything would be or was going to be taken up at the  
13 December 29, 2017 board meeting?  
14 A. I can't recall if I -- if there was any -- any  
15 conversation, any communication regarding the December  
16 29th meeting. There may have been, but I just don't  
17 have any recollection of such.  
18 Q. The following question, Mr. Kane, is asked for  
19 the purpose of assisting you in terms of remembering  
20 events at a particular time. I'm not asking about your  
21 personal life, sir. December 25th, Christmas day, was a  
22 Monday, right?  
23 A. If you say so. I don't have a calendar. I  
24 wouldn't know one way or the other.  
25 Q. You can accept that from me. Nobody will argue

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1 May I say something to you? I don't have to say this  
2 but I will. I'm not trying to be evasive, but I have  
3 had probably eight or nine, maybe ten meetings --  
4 compensation committee, board meetings, audit committee  
5 meetings -- since December 29, 2017. I cannot recall --  
6 and those have all been in the interim. So you ask me  
7 about what did I remember in December 29, 2017, after  
8 all those meetings and being 80 years of age, I can't be  
9 specific. I can't recall with specificity any of that  
10 because it all blends together after a while. I'm  
11 telling you that so you'll understand where from I come.  
12 Q. Very well. I need to ask the questions  
13 nonetheless.  
14 A. Go ahead. Go ahead.  
15 Q. I'm not harassing you, sir. I'm just trying to  
16 cover the material I need to cover.  
17 A. I understand.  
18 Q. Do you recall anything anybody said at the  
19 December 29, 2019 board meeting regarding the  
20 termination of Mr. Cotter as president and CEO?  
21 A. I do not.  
22 Q. Do you recall anything anybody said with  
23 respect to item 3b on the second page of Exhibit 525,  
24 which I'll refer to as shorthand, and that is,  
25 ratification of the use of Class A voting stock to pay

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1 for the exercise in the so-called 100,000 share options?  
2 A. I do not.  
3 Q. Do you recall if you said anything about that  
4 subject?  
5 A. I don't recall if I did or didn't.  
6 Q. Did anyone ask you any questions about either  
7 of those subjects? Meaning the subjects of 3a and b on  
8 the second page of Exhibit 525 at the December 29, 2017  
9 board meeting?  
10 A. I don't recall any questions asked of me.  
11 Q. You voted in favor of ratifying both of those  
12 matters, correct?  
13 A. Yes, sir.  
14 Q. And in doing so you were voting in favor of the  
15 decisions you'd made previously, right?  
16 A. Yes, sir.  
17 Q. And I don't mean to be glib with the following  
18 question so don't take it that way. No, seriously.  
19 A. Okay.  
20 Q. Did you give much thought to those matters, or  
21 is it fair to say, Mr. Kane, that basically you thought  
22 you were correct when you decided and did what you did  
23 and so you voted in favor of ratifying?  
24 A. You're absolutely correct. I had voted to  
25 terminate Mr. Cotter at the time he was terminated. And

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1 then I was deemed by Mr. Cotter through you to somehow  
2 have a conflict of interest. So I had no problem, which  
3 I never had. I had no problem reaffirming my vote to  
4 terminate Mr. Cotter at that time. And as chairman of  
5 the comp committee who approved, voted to approve the  
6 exercise of the Class B voting stock, I had approved it  
7 then, and I saw no reason why I wouldn't approve it  
8 again.  
9 Q. Directing your attention, Mr. Kane, back to the  
10 December 29, 2017 board meeting. Do you recall whether  
11 there was any discussion of the subject of whether or  
12 not Mr. Adams was independent for any particular purpose  
13 or purposes?  
14 A. I don't recall such discussion if there was  
15 one.  
16 Q. Again, directing your attention to the December  
17 29, 2017 board meeting. Do you recall any discussions  
18 of or relating to Highpoint Associates?  
19 A. I don't recall if there was.  
20 Q. Have you ever heard of Highpoint Associates?  
21 A. Yes, sir.  
22 Q. When and how did you first hear of Highpoint  
23 Associates?  
24 A. I can't remember exactly when. It was sometime  
25 after I believe -- I believe it was sometime after

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1 Mr. Cotter, Jr. was terminated as president -- or CEO.  
2 I don't recall the context of it, and I was quite  
3 surprised to see it. But I was privy to some  
4 documentation indicating that Mr. Cotter, Jr. had hired  
5 Highpoint to help him become a CEO and had signed a  
6 contract with him that was not presented to the other  
7 directors or any director, as it should have been.  
8 That's the most I can say about it.  
9 Q. Did what you understand about Highpoint  
10 Associates make any difference to your decision to vote  
11 to ratify the termination of Mr. Cotter?  
12 A. No.  
13 Q. How did you come to have the understanding you  
14 just described of the purpose or purposes for which  
15 Highpoint Associates had been hired, which had to do  
16 with Mr. Cotter being a CEO or becoming a better CEO or  
17 something to that effect?  
18 MR. FERRARIO: Ed, if it came from -- Mark  
19 Ferrario. If it came from your attorneys, let me know.  
20 I don't know how else you may have learned.  
21 THE WITNESS: I don't recall how I was made aware  
22 of it.  
23 MR. FERRARIO: Okay.  
24 MR. KRUM:  
25 Q. Have you reviewed any documents concerning

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1 **Highpoint Associates?**  
2 A. I was given yesterday, I think, some pages of  
3 Highpoint. I scanned them. I didn't pay much attention  
4 to it.  
5 **Q. Prior to yesterday have you ever seen any**  
6 **documents relating to or concerning Highpoint**  
7 **Associates?**  
8 A. I may have. But when it was given to me  
9 yesterday it didn't refresh my recollection of having  
10 seen it previously. I'd only heard about it.  
11 **Q. From whom had you heard about it?**  
12 A. It was so long ago I don't remember.  
13 **Q. Did Mr. McEachern tell you about Highpoint**  
14 **Associates?**  
15 A. I don't remember how I knew.  
16 **Q. Did Mr. McEachern ever give you any documents**  
17 **about Highpoint Associates?**  
18 A. I have no recollection of discussing it with  
19 him or him giving it to me.  
20 **Q. Do you possess any documents concerning**  
21 **Highpoint Associates?**  
22 A. No, sir.  
23 MR. FERRARIO: Other than --  
24 THE WITNESS: Well, other than what I was given  
25 by --

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1 MR. SEARCY: Mr. Searcy.  
2 THE WITNESS: Mr. Searcy. Sorry. I'm sorry. I  
3 missed it. Other than what Mr. Searcy gave me I don't  
4 recall. I may have but I just don't recall it.  
5 MR. KRUM:  
6 **Q. If you were afforded the opportunity today to**  
7 **vote on whether this derivative lawsuit should proceed**  
8 **or be terminated how would you vote?**  
9 A. Terminate it tomorrow, please, sir.  
10 **Q. And why?**  
11 A. And why? We had -- that, as you well know,  
12 sir, that derivative suit was joined by an independent  
13 investor in Reading, T-2. They put a lot of money into  
14 it. They were present at one or more of my depositions.  
15 And they came to the conclusion that the company was  
16 well run. And they were laudatory as to how it is run  
17 and they pulled out. They didn't receive anything for  
18 pulling out. Their expenses were their expenses.  
19 If someone with that sophistication and their own  
20 money in it said the company is well run, without  
21 Mr. Cotter, Jr., then I cannot foresee why there even is  
22 a derivative action. Never made much sense to me. And  
23 I'm not criticizing you, sir. You're his counsel. But  
24 to me it's a total waste of time and money of all  
25 parties.

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1 And if the directors of a company who are  
2 operating, as I was and what I thought, in the best  
3 interest of the company and thought it was in the best  
4 interest of the company that Mr. Cotter step down from  
5 his role, how else can I think, other than there  
6 shouldn't have been a derivative suit and it's a waste  
7 of his money and our money.  
8 **Q. Directing your attention, Mr. Kane, to your**  
9 **last response insofar as it concerned the intervening**  
10 **plaintiffs. What is the basis or what are the bases for**  
11 **your understanding of the conclusions you described them**  
12 **as reaching?**  
13 A. I saw some -- at the time I believe I saw some  
14 correspondence from them to that effect. And there was  
15 also some discussion with regard to the peer group.  
16 They made some recommendations for a change in the peer  
17 group which we used to determine compensation. It was  
18 well thought out. And we had already adopted some of  
19 their recommendations of the peer group. And in there  
20 they again I believe -- it's a long time ago when I saw  
21 the correspondence -- that they were pleased with the  
22 way the company was being run and going forward. And  
23 they were making recommendations as to the peer group  
24 for compensation.  
25 **Q. When you refer to correspondence are you**

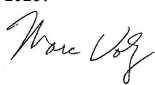
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1 **actually -- do you actually have in mind a press release**  
2 **issued by RDI that included a quote ascribed to one of**  
3 **the intervening plaintiff representatives?**  
4 A. I wasn't but now that you mentioned it I did --  
5 I must have. And I have some vague recollection of some  
6 of that press release.  
7 **Q. Mr. Kane, excluding your prior depositions in**  
8 **this case, have you ever met or communicated with any**  
9 **representative of any of the intervening plaintiffs?**  
10 A. By intervening plaintiffs you mean T-2?  
11 **Q. Right. T-2 or the folks you referenced earlier**  
12 **as having settled.**  
13 A. No. I never personally discussed it with any  
14 of them.  
15 **Q. What or who was the source of the information**  
16 **you've described about interactions with T-2 and the**  
17 **intervening plaintiffs?**  
18 A. I can't recall. I do know that I saw -- maybe  
19 it was directed to me, I don't know -- their  
20 recommendations for companies that we should use as part  
21 of our peer group for compensation purposes. So I  
22 probably saw that as chair of the compensation  
23 committee. But otherwise, I don't know whether they  
24 sent things to the board as a whole or things were given  
25 to me. I just don't recall.

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1 Q. Okay. This calls for a yes or no response,  
 2 Mr. Kane. Was counsel, meaning an attorney who  
 3 represents you and/or an attorney who represents RDI,  
 4 the source of some or all of the information you  
 5 received regarding T-2 and the intervening plaintiffs?  
 6 A. Sir, I can't recall so I can't say yes or no.  
 7 Q. Very well.  
 8 MR. KRUM: Let's take a break.  
 9 THE VIDEOGRAPHER: Off the record. The time is  
 10 10:21 a.m.  
 11 (Recess.)  
 12 MR. KRUM: Back on the record. So in light of what  
 13 we've covered and how we've covered it and the  
 14 circumstances that bear upon that I don't have anything  
 15 further at this time. Mr. Kane, thank you for your  
 16 time. Have a nice day, sir.  
 17 THE WITNESS: Thank you. You too.  
 18 MR. SEARCY: Thank you.  
 19 MR. KRUM: Bye, guys.  
 20 (The proceedings concluded at 10:41 a.m.)  
 21 \*\*\*  
 22  
 23  
 24  
 25

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1 STATE OF CALIFORNIA ) ss  
 2  
 3 I, Marc Volz, CSR 2863, RPR, CRR, CRC, do hereby  
 4 declare:  
 5 That, prior to being examined, the witness named in  
 6 the foregoing deposition was by me duly sworn pursuant  
 7 to Section 2093(b) and 2094 of the Code of Civil  
 8 Procedure;  
 9 That said deposition was taken down by me in  
 10 shorthand at the time and place therein named and  
 11 thereafter reduced to text under my direction.  
 12 I further declare that I have no interest in the  
 13 event of the action.  
 14 I declare under penalty of perjury under the laws  
 15 of the State of California that the foregoing is true  
 16 and correct.  
 17  
 18 WITNESS my hand this 23rd day of  
 19 April, 2018.  
 20   
 21 \_\_\_\_\_  
 22 MARC VOLZ, CSR NO. 2863, RPR, CRR, CRC  
 23  
 24  
 25

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ERRATA SHEET

1  
 2  
 3  
 4  
 5 I declare under penalty of perjury that I have read the  
 6 foregoing \_\_\_\_\_ pages of my testimony, taken  
 7 on \_\_\_\_\_ (date) at  
 8 \_\_\_\_\_(city), \_\_\_\_\_(state),  
 9  
 10 and that the same is a true record of the testimony given  
 11 by me at the time and place herein  
 12 above set forth, with the following exceptions:  
 13  
 14 Page Line Should read: Reason for Change:  
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ERRATA SHEET

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 23 Date: \_\_\_\_\_  
 24 \_\_\_\_\_  
 25 \_\_\_\_\_  
 Signature of Witness  
 \_\_\_\_\_  
 Name Typed or Printed

# Exhibit 12



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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 EDWARD KANE  
TAKEN ON JUNE 9, 2016  
VOLUME 3

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

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1  
2 VIDEOTAPED DEPOSITION OF EDWARD  
3 KANE, taken on behalf of the  
4 Plaintiffs, at 3043 Fourth Avenue,  
5 San Diego, California, commencing  
6 at 9:38 A.M. on June 9, 2016,  
7 before PATRICIA L. HUBBARD,  
8 CSR #3400, a Certified Shorthand  
9 Reporter in and for the State of  
10 California, pursuant to Notice.  
11  
12 APPEARANCES OF COUNSEL:  
13  
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1	I N D E X	
2		
3	WITNESS	PAGE
4	EDWARD KANE	
5	(By Mr. Krum)	382
6		
7		
8		
9	E X H I B I T S	
10		PAGE
11	PLAINTIFFS' DESCRIPTION	REFERENCED
12	Exhibit 73 Email chain dated April 19, 2015 from Kane to Storey (Previously marked)	436
13	Exhibit 197 Email dated 6/1/2015 from Kane to J. Cotter, Jr., et al. (Previously marked)	565
14	Exhibit 283 Email chain dated April 17, 2015 from Kane to Tompkins, et al.	389
15	Exhibit 284 Email chain dated April 19, 2015 from Kane to Adams and Storey	415
16	Exhibit 285 Email chain dated April 22, 2015 from J. Cotter, Jr. To Kane	424
17	Exhibit 286 Email chain dated April 17, 2015 from Kane to J. Cotter, Jr.	433
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1 APPEARANCES OF COUNSEL: (Continued)  
2  
3 For the Defendants: MARGARET COTTER, ELLEN COTTER,  
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25 INC.  
  
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muyeno@arobertsonlaw.com  
(PRESENT VIA TELEPHONE)  
  
Also Present:  
  
James J. Cotter, Jr.  
Ryan Lafond, Videographer

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1	E X H I B I T S (Continued)	
2		
3	PLAINTIFF'S DESCRIPTION	PAGE REFERENCED
4	Exhibit 287 Email dated September 29, 2014 from Kane to Storey and Adams	455
5	Exhibit 288 Email chain dated September 29, 2014 from Adams to Kane and Storey	461
6	Exhibit 289 Letter dated October 2, 2014 From Kane to Jon Shibata	462
7	Exhibit 290 Email dated October 23, 2014 From Kane to E. Cotter	463
8	Exhibit 291 Email chain dated October 27, 2014 from Adams to Kane	467
9	Exhibit 292 Email chain dated 12/23/2014 From Kane to J. Cotter, Jr.	496
10	Exhibit 293 Email chain dated May 9, 2015 From Kane to Adams	525
11	Exhibit 294 Email chain dated May 9, 2015 From Adams to Kane	528
12	Exhibit 295 Email chain dated 4/23/2015 From Kane to Gould	538
13	Exhibit 296 Email dated May 13, 2015 from Gould to Adams, et al.	541
14	Exhibit 297 Email chain dated May 13, 2015 From Kane to Gould, et al.	542
15	Exhibit 298 Email dated May 15, 2015 from Adams to Kane	547
16	Exhibit 299 Email chain dated May 24, 2015 From Kane to Gould, et al.	557
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1 stated and what rights they had under those  
2 agreements.  
3 MR. KRUM: And I will move to strike  
4 both as non-responsive.  
5 I'll ask the court reporter to mark as  
6 Exhibit 285 a document that is an email chain of  
7 April 21 and 22, 2015, between Mr. Cotter and --  
8 Mr. Jim Cotter, Jr., and Mr. Kane. It bears  
9 production number EK77.  
10 (Whereupon the document referred  
11 to was marked Plaintiffs'  
12 Exhibit 285 by the Certified  
13 Shorthand Reporter and is attached  
14 hereto.)  
15 BY MR. KRUM:  
16 Q. Are you ready?  
17 A. Yes.  
18 Q. Mr. Kane, do you recognize Exhibit 285?  
19 A. I do now, yes.  
20 Q. Is this an email exchange you had with  
21 Jim Cotter, Jr., on April 21 and 22 --  
22 A. I assume --  
23 Q. -- 2015?  
24 A. I assume it was, yes.  
25 Q. Directing your attention to the first

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1 A. No.  
2 Q. Did you ever ask Ellen about whether she  
3 had communicated with Craig about that subject?  
4 A. No.  
5 Q. Did you ever speak to Craig about it?  
6 A. No.  
7 Q. Did you ever respond to Jim Cotter, Jr.,  
8 about that?  
9 MR. SEARCY: Objection. Vague.  
10 THE WITNESS: My response to Jim Cotter,  
11 Jr., is in this document you gave me.  
12 BY MR. KRUM:  
13 Q. Well, I'm asking if you ever responded  
14 to his advice that Craig Tompkins had advised Ellen  
15 that it was in her best interest to exercise the  
16 100,000-share option.  
17 A. No.  
18 Q. Did it surprise you to hear that  
19 Mr. Tompkins was advising Ellen about what was her  
20 best -- what was in her best interest?  
21 A. No.  
22 MR. SEARCY: Objection. Vague and lacks  
23 foundation.  
24 BY MR. KRUM:  
25 Q. Did you understand in or about April of

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1 email at the bottom of Exhibit 285, you see that the  
2 first sentence -- in the first sentence Mr. Cotter,  
3 Jr., recites that Craig Tompkins had told him that  
4 he, Craig, had advised Ellen that it was in her best  
5 interest to exercise the option or options --  
6 exercise what we're calling the 100,000-share  
7 option.  
8 You see that?  
9 A. Yes.  
10 Q. Had you previously heard or learn or  
11 been told that Craig Tompkins was speaking to Ellen  
12 Cotter about exercising RDI class B options for the  
13 purpose of ensuring that she could retain control of  
14 RDI at the next annual shareholders meeting?  
15 MR. SEARCY: Objection. Vague, assumes  
16 facts.  
17 THE WITNESS: No.  
18 MR. SEARCY: Also misstates the  
19 document.  
20 BY MR. KRUM:  
21 Q. Had you ever heard or learned or been  
22 told other than through Exhibit 285 that Craig  
23 Tompkins had communicated with Ellen Cotter about  
24 whether it was in her best interest to exercise the  
25 100,000-share option?

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1 2014 that --  
2 A. 2015, you mean.  
3 Q. I misspoke. Thank you, sir.  
4 Did you understand in or about April of  
5 2015 that Mr. Tompkins was on the side of Ellen in  
6 her disputes with Jim Cotter, Jr.?  
7 MR. SEARCY: Objection. Vague, assumes  
8 facts.  
9 THE WITNESS: Yes.  
10 BY MR. KRUM:  
11 Q. What did you understand in that respect?  
12 A. Mr. Cotter, Jr., had by this time hired  
13 Bill Ellis as general counsel. And I -- it's my  
14 belief, just mine alone -- I don't have any evidence  
15 of it, but that Craig Tompkins then spent a good  
16 deal of his time and energy with Ellen and Margaret  
17 Cotter, hoping to maintain his position in the  
18 company.  
19 Q. What was your view of Mr. Tompkins at  
20 the time?  
21 MR. SEARCY: Objection. Vague, calls  
22 for opinion. It also lacks foundation.  
23 THE WITNESS: When you say my view of  
24 him, he was overweight.  
25 What else would you like me to tell you?

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1 BY MR. KRUM:  
 2 Q. Well, did you think he was consistently  
 3 acting in the interest of the company rather than  
 4 his own interest?  
 5 MR. SEARCY: Objection. Vague, lacks  
 6 foundation. Also calls for opinion.  
 7 THE WITNESS: We're getting off this  
 8 subject, but at that time I felt Craig Tompkins  
 9 always acted in his own self-interest.  
 10 BY MR. KRUM:  
 11 Q. Mr. Tompkins previously had, in effect,  
 12 been terminated from some position in the company,  
 13 right?  
 14 A. I don't recall him being terminated from  
 15 any position.  
 16 Q. Do you recall a circumstance in which  
 17 Jim Cotter, Jr., learned that Craig Tompkins, while  
 18 supposedly holding some position at the company, was  
 19 chairman or vice chairman of another company?  
 20 A. Oh, yeah.  
 21 MR. SEARCY: You said Junior. Did you  
 22 mean Junior or Senior?  
 23 MR. KRUM: I meant Senior. Thank you.  
 24 BY MR. KRUM:  
 25 Q. You understood I meant Senior?

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1 recollection or understanding, put on seminars on  
 2 behalf of Marshall Stevens.  
 3 And I felt that was totally  
 4 inappropriate, because they were our attorneys. We  
 5 were paying them, and then we were pushing Marshall  
 6 Stevens. He couldn't say no. And I was quite upset  
 7 about it.  
 8 Marshall Stevens also did some work for  
 9 our company after it was known that Craig Tompkins  
 10 was there, some valuation issues. But then Andrzej  
 11 Matyczynski decided they weren't the right firm for  
 12 us. But that happened.  
 13 So, I thought that was inappropriate  
 14 self-interest on his behalf.  
 15 Q. The valuation issues that Marshall and  
 16 Stevens handled for RDI, what were those? Or with  
 17 respect to what?  
 18 A. I don't recall. I think it had to do  
 19 with maybe some acquisition, I'm guessing, we made  
 20 and how to allocate the purchase price among various  
 21 assets. And there were tax benefits and detriments,  
 22 depending on how you did it.  
 23 Q. Did you ever hear or learn, Mr. Kane,  
 24 that Craig Tompkins had attempted to steer  
 25 business -- RDI business with respect to one or both

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1 A. Yes.  
 2 Q. Okay. What was that circumstance?  
 3 A. I think Jim Cotter, Jr., discovered  
 4 online that Mr. Tompkins had become an officer  
 5 and -- of another company, and he had not asked  
 6 Mr. Cotter, Sr., if that was -- if he could do that.  
 7 And previous to that he had got on the  
 8 board of a REIT, I believe, and again did not ask  
 9 Mr. Cotter, Sr., if that was okay with him, and he  
 10 being at that time full-time legal counsel.  
 11 Q. Did you ever hear or learn or were you  
 12 ever told that Craig Tompkins attempted to steer RDI  
 13 business to Marshall and Stevens?  
 14 MR. SEARCY: Objection. Lacks  
 15 foundation.  
 16 THE WITNESS: Yes.  
 17 BY MR. KRUM:  
 18 Q. What did you hear or learn in that  
 19 regard?  
 20 A. Craig Tompkins was taking the lead role  
 21 on behalf of the company in the tax case that we  
 22 had, the major tax case. And we had two firms  
 23 representing us; Fried Frank in New York and  
 24 Washington and Duane Morris in Philadelphia.  
 25 And he asked them to put -- it's my

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1 of its New York City real estate properties and  
 2 projects to Marshall Stevens?  
 3 MR. SEARCY: Objection. Lacks  
 4 foundation.  
 5 THE WITNESS: I did not hear that, no.  
 6 BY MR. KRUM:  
 7 Q. Directing your attention, Mr. Kane, back  
 8 to the circumstance of -- of Craig Tompkins having a  
 9 position -- having positions that he had not  
 10 disclosed to Jim Cotter, Sr., at a time when Craig  
 11 Tompkins was a full-time employee of RDI -- when you  
 12 learned that, were you of the view that Tompkins  
 13 should have been terminated?  
 14 MR. SEARCY: Objection. Lacks  
 15 foundation, calls for opinion.  
 16 THE WITNESS: It wouldn't have -- I  
 17 didn't have a view that he should be terminated, but  
 18 it wouldn't have bothered me if he was terminated.  
 19 That's the best I can say.  
 20 We had no back-up at the time for him,  
 21 so -- and he was intimately and is intimately aware  
 22 of all of the issues in the company. And he  
 23 structured many of them.  
 24 So I don't know if it would be in the  
 25 best interest of the company then or now to

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1 terminate him.  
 2 BY MR. KRUM:  
 3 Q. Did -- did you ever express to Jim  
 4 Cotter, Sr., Jim Cotter, Jr., or both at any point  
 5 in time that you thought Craig Tompkins should be  
 6 terminated or that the company's relationship with  
 7 him should be terminated?  
 8 A. I think I had mentioned to Jim Cotter,  
 9 Sr., and to Jim Cotter, Jr., that they should retain  
 10 an attorney to familiarize himself or herself with  
 11 the company's affairs. And the result of that might  
 12 well have been to terminate Craig Tompkins.  
 13 Q. Did you ever tell Jim Cotter, Sr., Jim  
 14 Cotter, Jr., or both that you thought Craig Tompkins  
 15 was amoral?  
 16 A. Amoral?  
 17 Q. Right.  
 18 A. I might have used that term.  
 19 Q. Do you recall doing so as you sit here  
 20 today?  
 21 A. I didn't hear your question.  
 22 Q. Oh, I'm sorry.  
 23 Do you recall describing Craig Tompkins  
 24 as amoral as you sit here today?  
 25 A. I think I did, yes.

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1 attachments on or about the date it bears April 17,  
 2 2015?  
 3 A. I assume I did. I have no recollection.  
 4 Q. I direct your attention, Mr. Kane, to  
 5 the page bearing production number ending in 1662 as  
 6 part of Exhibit 286.  
 7 Let me know when you have that.  
 8 A. I have it in front of me now, yes.  
 9 Q. And do you recognize that document?  
 10 A. No.  
 11 Q. Do you have any understanding as to what  
 12 it is or purports to be?  
 13 A. It purports to be an option agreement  
 14 between Reading and, I assume, James J. Cotter, Sr.  
 15 Q. Well, take such time as you need to  
 16 review it.  
 17 And my next question is do you recognize  
 18 this to be the option agreement for the supposed  
 19 100,000 shares?  
 20 A. I see the 100,000-share option in here  
 21 in paragraph one.  
 22 Q. I direct your attention toward -- to the  
 23 end of that five-page document. At the bottom it  
 24 says page five of five. It also bears the  
 25 production number ending in 1666.

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1 MS. HENDRICKS: Mark, we've been going  
 2 more than an hour. Can we take a break?  
 3 THE WITNESS: Yes. Can we have a  
 4 bathroom break?  
 5 MR. KRUM: Sure.  
 6 VIDEOTAPE OPERATOR: Off the record at  
 7 11:02 A.M.  
 8 (Brief recess.)  
 9 VIDEOTAPE OPERATOR: Back on the record  
 10 at 11:19 A.M.  
 11 MR. KRUM: I'll ask the court reporter  
 12 to mark as Exhibit 286 what purports to be an  
 13 April 17, 2015 email exchange between Craig Tompkins  
 14 and Mr. Kane with several attachments. It bears  
 15 production number EK63 through 68.  
 16 (Whereupon the document referred  
 17 to was marked Plaintiffs'  
 18 Exhibit 286 by the Certified  
 19 Shorthand Reporter and is attached  
 20 hereto.)  
 21 BY MR. KRUM:  
 22 Q. Mr. Kane, do you recognize Exhibit 286?  
 23 A. It's an email with my name on it.  
 24 Q. Did you receive the email from Craig  
 25 Tompkins which is part of 286 including the

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1 Let me know when you have that.  
 2 A. Yes.  
 3 Q. Do you see that it bears no signatures?  
 4 A. Yes.  
 5 Q. Does that refresh your recollection  
 6 regarding whether you ever saw an option agreement  
 7 with respect to the 100,000 shares of RDI class B  
 8 stock that was fully executed?  
 9 MR. SEARCY: Objection. Assumes facts,  
 10 lacks foundation.  
 11 THE WITNESS: It doesn't refresh my  
 12 recollection, but I see it.  
 13 BY MR. KRUM:  
 14 Q. Did you notice at the time it was  
 15 transmitted to you by Mr. Tompkins on April 17th  
 16 that what he had sent you was not signed?  
 17 A. Pardon me?  
 18 Q. I said did you notice when you  
 19 received --  
 20 A. Uh-huh.  
 21 Q. -- Exhibit 286 that the agreement, the  
 22 option agreement for 100,000 shares was not signed?  
 23 A. Yes.  
 24 Q. What, if anything, did you do upon  
 25 seeing that?

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1 A. Yes.

2 Q. Were you referring to the fact that he

3 was basically in a position of striking a deal or

4 facing a vote on termination?

5 A. I think that was my thinking, yes.

6 Q. And then at the bottom of -- at the end

7 of the paragraph numbered five there's a sentence

8 that reads as follows, quote,

9 "Otherwise you will be sorry for

10 the rest of your life. They and

11 your mother will be hurt and your

12 children will lose a golden

13 opportunity," close quote.

14 A. Yes.

15 Q. See that?

16 A. Yes, I do.

17 Q. And what was your point in saying that

18 to Jim Cotter, Jr., in this email, Exhibit 306?

19 A. It was a reiteration of what he told me

20 in his email that if he was out, the family and the

21 company would be destroyed.

22 Q. Did you share that view?

23 A. That was his view. I didn't -- one way

24 or another. But look where we are now.

25 Q. So you were saying this to him in your

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1 REPORTER'S CERTIFICATE

2

3 I, PATRICIA L. HUBBARD, do hereby certify:

4

5 That I am a duly qualified Certified

6 Shorthand Reporter in and for the State of California,

7 holder of Certificate Number 3400, which is in full

8 force and effect, and that I am authorized to

9 administer oaths and affirmations;

10

11 That the foregoing deposition testimony of

12 the herein named witness, to wit, EDWARD KANE, was

13 taken before me at the time and place herein set

14 forth;

15

16 That prior to being examined, EDWARD KANE

17 was duly sworn or affirmed by me to testify the truth,

18 the whole truth, and nothing but the truth;

19

20 That the testimony of the witness and all

21 objections made at the time of examination were

22 recorded stenographically by me and were thereafter

23 transcribed by me or under my direction and

24 supervision;

25

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1 will email of June 11th for the purpose of imploring

2 him to --

3 A. Yes.

4 Q. -- agree to the deal?

5 A. Yes.

6 Q. Okay.

7 MR. SEARCY: You have to wait for him to

8 finish his question before you answer. Okay?

9 THE WITNESS: All right.

10 BY MR. KRUM:

11 Q. The court reporter is doing quite well.

12 MR. SEARCY: Sometimes you have to wait

13 for him to actually ask the question before you

14 answer it.

15 MR. KRUM: Okay. So I have exceeded my

16 20 minutes, so let's adjourn for the day.

17 VIDEOTAPE OPERATOR: We'll go off the

18 record at 5:21 P.M.

19

20 (Whereupon at 5:21 P.M. the

21 deposition proceedings were

22 concluded.)

23 \* \* \*

24

25

Page 607

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 PATRICIA L. HUBBARD, CSR #3400

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<p>2 I declare under penalty of perjury that I have read the</p> <p>3 foregoing _____ pages of my testimony, taken</p> <p>4 on _____ (date) at</p> <p>5 _____ (city), _____ (state),</p> <p>6</p> <p>7 and that the same is a true record of the testimony given</p> <p>8 by me at the time and place herein</p> <p>9 above set forth, with the following exceptions:</p>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;"></th> <th style="width: 10%;">Page</th> <th style="width: 10%;">Line</th> <th style="width: 55%;">Should read:</th> <th style="width: 20%;">Reason for Change:</th> </tr> </thead> <tbody> <tr><td>1</td><td></td><td></td><td></td><td></td></tr> <tr><td>2</td><td>---</td><td>---</td><td>_____</td><td>_____</td></tr> <tr><td>3</td><td></td><td></td><td></td><td></td></tr> <tr><td>4</td><td>---</td><td>---</td><td>_____</td><td>_____</td></tr> <tr><td>5</td><td></td><td></td><td></td><td></td></tr> <tr><td>6</td><td>---</td><td>---</td><td>_____</td><td>_____</td></tr> <tr><td>7</td><td></td><td></td><td></td><td></td></tr> <tr><td>8</td><td>---</td><td>---</td><td>_____</td><td>_____</td></tr> <tr><td>9</td><td></td><td></td><td></td><td></td></tr> <tr><td>10</td><td>---</td><td>---</td><td>_____</td><td>_____</td></tr> <tr><td>11</td><td></td><td></td><td></td><td></td></tr> <tr><td>12</td><td>---</td><td>---</td><td>_____</td><td>_____</td></tr> <tr><td>13</td><td></td><td></td><td></td><td></td></tr> <tr><td>14</td><td>---</td><td>---</td><td>_____</td><td>_____</td></tr> <tr><td>15</td><td></td><td></td><td></td><td></td></tr> <tr><td>16</td><td>---</td><td>---</td><td>_____</td><td>_____</td></tr> <tr><td>17</td><td></td><td></td><td></td><td></td></tr> <tr><td>18</td><td colspan="4">Date: _____</td></tr> <tr><td>19</td><td colspan="4" style="text-align: center;">Signature of Witness</td></tr> <tr><td>20</td><td colspan="4" style="text-align: center;">_____</td></tr> <tr><td>21</td><td colspan="4" style="text-align: center;">Name Typed or Printed</td></tr> <tr><td>22</td><td></td><td></td><td></td><td></td></tr> <tr><td>23</td><td></td><td></td><td></td><td></td></tr> <tr><td>24</td><td></td><td></td><td></td><td></td></tr> <tr><td>25</td><td></td><td></td><td></td><td></td></tr> </tbody> </table>		Page	Line	Should read:	Reason for Change:	1					2	---	---	_____	_____	3					4	---	---	_____	_____	5					6	---	---	_____	_____	7					8	---	---	_____	_____	9					10	---	---	_____	_____	11					12	---	---	_____	_____	13					14	---	---	_____	_____	15					16	---	---	_____	_____	17					18	Date: _____				19	Signature of Witness				20	_____				21	Name Typed or Printed				22					23					24					25				
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# Exhibit 13



1 DISTRICT COURT  
2 CLARK COUNTY, NEVADA

3 JAMES J. COTTER, JR. )  
4 individually and derivatively )  
5 on behalf of Reading )  
6 International, Inc., )

7 Plaintiff, )

8 vs. )

Index No. A-15-179860-B

9 MARGARET COTTER, ELLEN )  
10 COTTER, GUY ADAMS, EDWARD )  
11 KANE, DOUGLAS WILLIAM GOULD, )  
12 and DOES 1 through 100, )  
13 inclusive, )

14 Defendants. )

15 ----- )  
16 READING INTERNATIONAL, INC., )  
17 a Nevada corporation, )

18 Nominal Defendant. )  
19 ----- )

20 VIDEOTAPED DEPOSITION OF ELLEN COTTER

21 New York, New York

22 Thursday, June 16, 2016

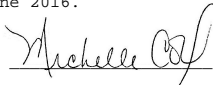
23  
24 Reported by:  
25 MICHELLE COX  
JOB NO. 316936

JA7763

ELLEN COTTER - 06/16/2016

<p style="text-align: right;">Page 2</p> <p>1 2 3 4 5 June 16, 2016 6 9:45 a.m. 7 8 Videotaped Deposition of ELLEN COTTER, 9 held at the offices of Kramer Levin Naftalis &amp; 10 Frankel LLP, 1177 Avenue of the Americas, New 11 York, New York, pursuant to Notice, before 12 Michelle Cox, a Certified LiveNote Reporter and 13 Notary Public of the State of New York and New 14 Jersey. 15 16 17 18 19 20 21 22 23 24 25</p>	<p style="text-align: right;">Page 3</p> <p>1 A P P E A R A N C E S: 2 3 LEWIS ROCA ROTHGERBER CHRISTIE, LLP 4 Attorneys for Plaintiff 5 3993 Howard Hughes Parkway, 6 Suite 600 7 Las Vegas, Nevada 89169 8 BY: MARK G. KRUM, ESQ. 9 10 QUINN EMANUEL URQUHART &amp; SULLIVAN, LLP 11 Attorneys for Margaret Cotter, Ellen 12 Cotter, Guy Adam, Edward Kane and 13 Douglas McEachern 14 865 South Figueroa Street 15 10th Floor 16 Los Angeles, California 90017 17 BY: MARSHALL M. SEARCY, ESQ. 18 19 BIRD, MARELLA, BOXER, WOLFPERT, NESSIM, 20 DROOKS, LINCENBERG &amp; RHOW, P.C. 21 Attorneys for William Gould and 22 Timothy Storey 23 1875 Century Park East, 23rd Floor 24 Los Angeles, California 90067 25 BY: EKWAN E. RHOW, ESQ.</p>
<p style="text-align: right;">Page 4</p> <p>1 A P P E A R A N C E S: 2 3 GREENBERG TRAUERIG, LLP 4 Attorneys for Plaintiff 5 3773 Howard Hughes Parkway 6 Suite 400 North 7 Las Vegas, Nevada 89169 8 BY: MARK E. FERRARIO, ESQ. 9 10 ROBERTSON &amp; ASSOCIATES, LLP 11 Attorneys for T2 Group of 12 Plaintiff in Intervention 13 32121 Lindero Canyon Road, 14 Suite 200 15 Westlake Village, California 91361 16 BY: ROBERT NATION, ESQ. 17 18 ALSO PRESENT: Phil Mazo, Videographer, 19 James J. Cotter, Jr. and 20 Whitney Tilson 21 22 23 24 25</p>	<p style="text-align: right;">Page 5</p> <p>1 IT IS HEREBY STIPULATED AND AGREED by 2 and between the attorneys for the respective 3 parties herein, that filing and sealing be and 4 the same are hereby waived. 5 6 IT IS FURTHER STIPULATED AND AGREED 7 that all objections, except as to the form of 8 the question, shall be reserved to the time of 9 the trial. 10 11 IT IS FURTHER STIPULATED AND AGREED 12 that the within deposition may be sworn to and 13 signed before any officer authorized to 14 administer an oath, with the same force and 15 effect as if signed and sworn to before the 16 Court. 17 18 19 20 21 22 23 24 25</p>

<p style="text-align: right;">Page 174</p> <p>1 about, if we were just talking about a 2 potential retirement benefit for Craig and Bob. 3 Q Take a look at Item 7. It reads: "Status 4 of Ellen Cotter and Margaret Cotter." 5 Do you see that? 6 A Yes. 7 Q So when you prepared this agenda and 8 distributed it at or about 6:38 p.m., Pacific 9 Time on May 19th, were you thinking that one of 10 the -- that one or two of the agenda items 11 might include the possible termination of you 12 as an executive employee and Margaret as a 13 consultant of RDI? 14 A Well, I think the reason we were on there 15 was to talk about our employment status. 16 Q Well, that meant talk about your title and 17 making Margaret an employee of the company, 18 right? 19 A That's my recollection. 20 Q Okay. So when you prepared this agenda 21 and distributed it, you were not thinking, with 22 respect to Item No. 7, that it include the 23 discussion of terminating you as an executive 24 and/or terminating Margaret as a consultant, 25 were you?</p>	<p style="text-align: right;">Page 175</p> <p>1 MR. TAYBACK: Objection. Asked and 2 answered. 3 A No. 4 Q So when you use the same phraseology 5 status to refer to the president and CEO in 6 Item 1 as you use to refer to Craig Tomkins and 7 Robert Smerling in Item 6, and yourself and 8 Margaret Cotter in Item 7, were you attempting 9 to obscure or conceal the fact that Item 1 was 10 actually about terminating Jim Cotter as 11 president and CEO? 12 MR. TAYBACK: Objection; argumentative, 13 compound. 14 You can answer. 15 A I mean, there was no intention on my part 16 to deceive anybody. 17 Q Well, in point of fact, prior to 18 distributing Exhibit 338, you already had had 19 discussions with Ed Kane, Guy Adams, 20 Doug McEachern and Margaret Cotter about 21 terminating Jim Cotter, Jr. as president and 22 CEO, correct? 23 A Prior to this meeting we did have 24 discussions about whether Jim would remain as 25 the CEO and president.</p>
<p style="text-align: right;">Page 176</p> <p>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</p>	<p style="text-align: right;">Page 177</p> <p>1 terminating Jim Cotter, Jr. as president and 2 CEO of RDI was discussed? 3 A Prior to this agenda being sent out, Tim 4 and I had had discussions about whether Jim 5 would continue as CEO and president. 6 Q What discussion did you have with 7 Tim Storey in that regard, and when did they 8 occur? 9 A I don't remember the specific 10 conversation, but I remember Tim taking the 11 position that he -- he understood that Jim was 12 inexperienced and it wasn't -- Jim's position 13 would be under review and under evaluation. 14 Q When did you have that discussion? 15 A As I said, I don't remember. 16 Q Was it in person? 17 A I probably did have -- Tim came to Los 18 Angeles a lot. I probably did have some of 19 these discussions in person. 20 Q What is it that you said during that 21 discussion or those discussions with respect to 22 the subject of Jim Cotter, Jr. continuing as 23 president and CEO or being terminated? 24 A I don't remember the specifics of the 25 discussion.</p>

<p style="text-align: right;">Page 254</p> <p>1 answer is yes, what I was about to say is                  2 there's some global proposal in the works --                  3 MR. TAYBACK: Yeah.                  4 MR. KRUM: -- so we may end up revising                  5 this until then.                  6 MR. TAYBACK: Understand. Yeah.                  7 MR. KRUM: Okay. And but, yes, please                  8 provide the transcript to Mr. Tayback for                  9 Ms. Cotter.                  10 MR. TAYBACK: Thank you.                  11 MR. NATION: All right.                  12 MR. KRUM: Sorry. Very good.                  13 MR. NATION: Those questions are more                  14 properly addressed to Mr. Krum than me. That's                  15 been my two cents.                  16 (Continued on the following page to                  17 include jurat.)                  18                  19                  20                  21                  22                  23                  24                  25</p>	<p style="text-align: right;">Page 255</p> <p>1 MR. TAYBACK: Can we go off the video.                  2 THE VIDEOGRAPHER: This concludes today's                  3 proceeding in the deposition of Ellen Cotter.                  4 We're ending Media No. 5 and going off the                  5 record at 6:05 p.m.                  6 (Time noted: 6:05 p.m.)                  7                  8 _____                  9 ELLEN COTTER                  10                  11 Subscribed and sworn to before me                  12 this _____ day of _____, 2016.                  13 _____                  14                  15                  16                  17                  18                  19                  20                  21                  22                  23                  24                  25</p>
<p style="text-align: right;">Page 256</p> <p>1 C E R T I F I C A T E                  2 STATE OF NEW YORK )                  3 :ss                  4 COUNTY OF NEW YORK )                  5                  6 I, MICHELLE COX, a Notary Public within                  7 and for the State of New York, do hereby                  8 certify:                  9 That ELLEN COTTER, the witness whose                  10 deposition is hereinbefore set forth, was duly                  11 sworn by me and that such deposition is a true                  12 record of the testimony given by the witness.                  13 I further certify that I am not related to                  14 any of the parties to this action by blood or                  15 marriage, and that I am in no way interested in                  16 the outcome of this matter.                  17 IN WITNESS WHEREOF, I have hereunto set my                  18 hand this 29th day of June 2016.                  19                  20                   21 MICHELLE COX, CLR                  22                  23                  24                  25</p>	<p style="text-align: right;">Page 257</p> <p>1 INDEX                  2 WITNESS EXAMINATION BY PAGE                  3 ELLEN COTTER MR. KRUM 7                  4 MR. NATION 221                  5                  6                  7 INFORMATION REQUESTS                  8                  9 DIRECTIONS: , 42 , 43 , 184 , 202                  10 EXHIBITS                  11 DEPOSITION EXHIBITS FOR ID.                  12 Exhibit 329 Document Bates-stamped WG104 37                  through WG112                  13                  14 Exhibit 330 E-mail Chain 97                  15                  16 Exhibit 331 E-mail dated June 29, 2015,                  from Ellen Cotter to Guy Adams                  and Others with                  17                  18 Exhibit 332 E-mail dated October 23, 2014, 130                  from Ed Kane to Ellen Cotter                  19 Exhibit 333 E-mail dated August 24, 2015, 140                  from Ellen Cotter to ed Kane                  with Attachment                  20 Exhibit 334 E-mail Chain 141                  21 Exhibit 335 E-mail Chain 152                  22 Exhibit 336 E-mail Chain with Attachment 160                  23 Exhibit 337 E-mail Chain with Attachment 164                  24 Exhibit 338 E-mail dated May 19, 2015, 171                  from Ellen Cotter to Margaret                  25 Cotter and Others</p>

ELLEN COTTER - 06/16/2016

<p style="text-align: right;">Page 258</p> <p>1 DEPOSITION EXHIBITS FOR ID.</p> <p>2 Exhibit 339 E-mail dated May 16, 2015, 179 from Ellen Cotter to nelle1438@gmail.com</p> <p>3</p> <p>4 Exhibit 340 E-mail dated May 27, 2015, 185 from Ellen Cotter Ellen Cotter to Other Members of the RDI Board of Directors</p> <p>5</p> <p>6 Exhibit 341 E-mail Chain 189</p> <p>7</p> <p>8 Exhibit 342 Document Bates-stamped EC1905 204</p> <p>9</p> <p>10 Exhibit 343 E-mail dated October 21, 2015, 205 from nelle1428@gmail.com to Laura Batista</p> <p>11</p> <p>12 Exhibit 344 E-mail Chain 211</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 259</p> <p style="text-align: center;">ERRATA SHEET</p> <p>2</p> <p>3</p> <p>4</p> <p>5 I declare under penalty of perjury that I have read the</p> <p>6 foregoing _____ pages of my testimony, taken</p> <p>7 on _____ (date) at</p> <p>8 _____ (city), _____ (state),</p> <p>9</p> <p>10 and that the same is a true record of the testimony given</p> <p>11 by me at the time and place herein</p> <p>12 above set forth, with the following exceptions:</p> <p>13</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%;">Page</td> <td style="width: 10%;">Line</td> <td style="width: 50%;">Should read:</td> <td style="width: 20%;">Reason for Change:</td> </tr> <tr> <td>14</td> <td>---</td> <td>---</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>15</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>16</td> <td>---</td> <td>---</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>17</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>18</td> <td>---</td> <td>---</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>19</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>20</td> <td>---</td> <td>---</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>21</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>22</td> <td>---</td> <td>---</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>23</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>24</td> <td>---</td> <td>---</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>25</td> <td></td> <td></td> <td></td> <td></td> </tr> </table>		Page	Line	Should read:	Reason for Change:	14	---	---	_____	_____	15					16	---	---	_____	_____	17					18	---	---	_____	_____	19					20	---	---	_____	_____	21					22	---	---	_____	_____	23					24	---	---	_____	_____	25																								
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# Exhibit 14

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

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

1 **DEC**  
MARK G. KRUM (Nevada Bar No. 10913)  
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LEWIS ROCA ROTHGERBER CHRISTIE LLP  
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4 (702) 949-8200  
(702) 949-8398 fax  
5  
Attorneys for Plaintiff  
6 *James J. Cotter, Jr.*

7 DISTRICT COURT  
8 CLARK COUNTY, NEVADA

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

12 Plaintiff,

13 v.

14 MARGARET COTTER, ELLEN COTTER,  
GUY ADAMS, EDWARD KANE, DOUGLAS  
15 McEACHERN, WILLIAM GOULD, JUDY  
CODDING, MICHAEL WROTNIAK, and  
16 DOES 1 through 100, inclusive,

17 Defendants.

18 and

19 \_\_\_\_\_  
20 READING INTERNATIONAL, INC., a Nevada  
corporation;

21 Nominal Defendant.

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

24 Plaintiffs,

25 vs.

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

CASE NO. A-15-719860-B  
DEPT. NO. XI  
Coordinated with:  
CASE NO. P-14-082942-E  
DEPT. NO. XI  
CASE NO. A-16-735305-B  
DEPT. NO. XI  
*Jointly administered*

**DECLARATION OF PLAINTIFF  
JAMES J. COTTER, JR. IN  
OPPOSITION TO ALL INDIVIDUAL  
DEFENDANTS' MOTIONS FOR  
PARTIAL SUMMARY JUDGMENT  
(AND GOULD JOINDERS)**

**[Business Court Requested: [EDCR 1.61]**

**[Exempt From Arbitration: declaratory  
relief requested; action in equity]**

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Defendants.

and

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READING INTERNATIONAL, INC., a  
Nevada corporation,

Nominal Defendant.

I, James J. Cotter, Jr. hereby declare, under the penalty of perjury and the laws of Nevada, as follows:

1. I am over eighteen (18) years of age. I have personal knowledge of the facts contained in this declaration, except on those matters stated upon information and belief, and as to those matters, I believe them to be true. If called upon to testify as to the contents of this declaration, I am legally competent to do so in a court of law.

2. I am the Plaintiff in the above-captioned action. I am, and at all times relevant hereto was, a shareholder of RDI. I have been a director of RDI since on or about March 21, 2002. I have been involved in RDI management since mid-2005, I was appointed Vice Chairman of the RDI board of directors in 2007 and President of RDI on or about June 1, 2013. I was appointed CEO by the RDI Board on or about August 7, 2014, immediately after James J. Cotter, Sr. (JJC, Sr.) resigned from that position. I am the son of the late JJC, Sr., and the brother of defendants Margaret Cotter ("MC") and Ellen Cotter ("EC"). I presently own approximately 560,186 shares of RDI Class A non-voting stock and options to acquire another 50,000 shares of RDI Class A non-voting stock. I am also the co-trustee and beneficiary of the James J. Cotter Living Trust, dated August 1, 2000, as amended (the "Trust"), which owns 2,115,539 shares of RDI Class A (non-voting) stock and 1,123,888 shares of RDI Class B (voting) stock. The Trust became irrevocable upon the passing of JJC, Sr. on September 13, 2014.

3. I submit this declaration in support of the oppositions to all of the motions for summary judgment filed by one or more of the individual defendants in this action.

4. Nominal defendant Reading International, Inc. (RDI or Company) is a Nevada corporation and is, according to its public filings with the United States Securities and Exchange



1 Commission (the "SEC"), an internationally diversified company principally focused on the  
2 development, ownership and operation of entertainment and real estate assets in the United States,  
3 Australia and New Zealand. The Company operates in two business segments, namely, cinema  
4 exhibition, through approximately 58 multiplex cinemas, and real estate, including real estate  
5 development and the rental of retail, commercial and live theater assets. The Company manages  
6 world-wide cinemas in the United States, Australia and New Zealand. RDI has two classes of  
7 stock, Class A stock held by the investing public, which stock exercises no voting rights, and  
8 Class B stock, which is the sole voting stock with respect to the election of directors. An  
9 overwhelming majority (approximately eighty percent (80%)) of the Class A stock is legally  
10 and/or beneficially owned by shareholders unrelated to me, EC or MC. Approximately seventy  
11 percent (70%) of the Class B stock is subject to disputes and pending trust and estate litigation in  
12 California between EC and MC, on the one hand, and me, on the other hand, and a probate action  
13 in Nevada. Of the Class B stock, approximately forty-four percent (44%) is held in the name of the  
14 Trust. RDI is named only as a nominal defendant in this derivative action.

15 5. I signed a verification of a Second Amended Verified Complaint (the "SAC") in  
16 this action. I stand by the substantive allegations of the SAC and incorporate them herein by  
17 reference.

18 **The Position of CEO at RDI**

19 6. Certain of the motions for summary judgment brought by the individual defendants  
20 in this action suggest that I was appointed CEO of RDI in August 2014 after what amounted to no  
21 deliberation by the Board of Directors. That is absolutely false. In fact, as early as 2006, James J  
22 Cotter, Sr. ("JJC, Sr."), then the CEO and controlling shareholder of RDI, had communicated to  
23 the RDI board of directors his proposed succession plan for the positions of President and CEO.  
24 That plan was for me to work under the direction of JJC, Sr. to learn the businesses of RDI,  
25 including by functioning in a senior executive role.

26 7. Since 2005, I was involved in most RDI executive management meetings and  
27 privy to most significant internal senior management memos. As mentioned above, I was  
28 appointed Vice Chairman of the RDI board in 2007. The RDI Board appointed me President of

1 RDI on or about June 1, 2013, and I filled those responsibilities without objection by the RDI  
2 board of directors.

3 8. Soon after I became CEO, my sisters, Ellen, who was an executive at RDI in the  
4 domestic cinema segment of the Company's business, and Margaret, who managed RDI's limited  
5 live theater operations as a third-party consultant, both communicated to me and to members of  
6 the RDI Board of Directors that they did not want to report to me as CEO. In fact, neither of them  
7 previously while working for or with the Company effectively had ever reported to anyone other  
8 than our father, JJC, Sr. Margaret in particular resisted and effectively refused to report to me until  
9 she no longer needed to do so, following my (purported) termination as President and CEO of the  
10 Company. They also co-opted at least one employee, Linda Pham, who claimed at some point in  
11 2014 that I had created a hostile work environment for her, which accusation was not well-taken  
12 and, in any event, moot with the passage of time by Spring 2015, as director Kane acknowledged  
13 at the time.

#### 14 **Disputes With My Sisters**

15 9. My sisters and I had certain disputes with respect to matters of our father's estate.  
16 The most significant and contentious dispute concerned who would be the trustee or trustees of the  
17 voting trust that, following our father's death, holds approximately 70% of the voting stock of  
18 RDI. According to a 2013 amendment to his trust documentation, Margaret was to be the sole  
19 trustee. Pursuant to a 2014 amendment to his trust documentation, Margaret and I were to serve  
20 contemporaneously as co-trustees. In early February 2015, Ellen and Margaret commenced a  
21 lawsuit in California state court challenging the validity of the 2014 amendment to our father's  
22 trust documents (the "California Trust Action").

23 10. My sisters and I also had certain disputes with respect to RDI. Most generally, they  
24 disagreed with my view and approach of running RDI like a public company, including hiring a  
25 senior executive qualified to oversee the development of the Company's valuable real estate and,  
26 more fundamentally, operating the Company to increase its value for all shareholders, not just its  
27 value to the Cotter family as controlling shareholders.

28

1 **Threatened Termination and Termination**

2 11. Late in the day on May 19, 2015, I received from Ellen, as the chairperson of the  
3 RDI Board of Directors, an agenda for a supposed special meeting of the RDI board on May 21,  
4 2015, two days later. I learned that the benignly described first item on the agenda, “status of  
5 president and CEO,” apparently referred to a secret plan of Ellen and Margaret, together with Ed  
6 Kane, Guy Adams and Doug McEachern, to vote to remove me as President and CEO of RDI.  
7 However, that meeting commenced and concluded without the threatened vote being taken.

8 12. Next, on or about May 27, 2015, the lawyer representing Ellen and Margaret in the  
9 California Trust Action transmitted to my lawyer in that action a document that proposed to  
10 resolve the disputes between my sisters and me, including with respect to who would be the  
11 trustee of the voting trust and whether Margaret and Ellen would report to me as CEO of RDI. (A  
12 true and correct copy of the May 27, 2015 document, which was marked as deposition exhibit 322,  
13 is attached hereto as exhibit “A.”)

14 13. On Friday, May 29, 2015, the (supposed) special board meeting of May 21 was to  
15 resume. That morning, before the meeting, I met with Ellen and Margaret. At that meeting, they  
16 told me that they were unwilling to mediate or to negotiate any of the terms of the May 27  
17 document described above. They also told me that if I did not agree to resolve my disputes with  
18 them on the terms set out in that document, that the RDI Board of Directors would vote at the  
19 (supposed) meeting that day to terminate me as President and CEO.

20 14. The (supposed) special board meeting commenced on May 29 and the issue of my  
21 termination as President and CEO was the subject. At this (supposed) special meeting, or another,  
22 McEachern pressured me to resign as President and CEO. Eventually, the non-Cotter members of  
23 the RDI Board of Directors met with my sisters separately from me. Following that, the majority  
24 of the non-cotter directors, namely, Messrs. Adams, Kane and McEachern, advised me that the  
25 meeting would adjourn temporarily and resume telephonically at 6 p.m. They further advised that,  
26 if I had not reached a resolution of disputes between me and my sisters by the time the (supposed)  
27 special meeting reconvened telephonically at 6 p.m. that day, they would proceed with the vote to  
28

1 terminate me, meaning that the three of them would vote to terminate me as President and CEO of  
2 RDI.

3 15. That afternoon, Ellen and Margaret again refused to mediate and again refused to  
4 negotiate. Ultimately, I indicated a willingness to resolve disputes based on the document  
5 provided, subject to conferring with counsel. At or about 6 p.m., the (supposed) special RDI board  
6 meeting resumed telephonically, at which time Ellen reported to the five non-Cotter directors that  
7 we had reached an agreement in principle to resolve our disputes, subject to conferring with  
8 respective counsel. Ed Kane congratulated us and made a statement to the effect that he hoped that  
9 I was CEO of the Company for 30 years. No vote was taken on my termination.

10 16. On or about June 8, 2015, I communicated to my sisters that I could not agree to  
11 the document their lawyer had transmitted to my lawyer on or about June 2, 2015. Ellen called a  
12 (supposed) special board meeting for June 12, 2015, at which meeting each of Messrs. Adams,  
13 Kane and McEachern made good on their threat to vote to terminate me and did so.

14 **Director Interest and Independence**

15 17. One or more of the defendants' motions for summary judgment claim that SEC  
16 filings by RDI describe the non-Cotter directors as "independent," that I signed one or more of  
17 those SEC filings and that I therefore admit that those directors are independent for the purposes  
18 of this action. That is inaccurate. The term "independent" as used in RDI's SEC filings do not  
19 refer to matters of Nevada law. It referred usually to the fact that, pursuant to the terms of the  
20 Company's listing agreement with NASDAQ, the stock exchange on which RDI stock trades,  
21 directors meet the standard of independence of NASDAQ. None of the director defendants have  
22 ever suggested to me that they understood use of the term "independent" in RDI's SEC filings to  
23 communicate anything other than that non-Cotter directors were not members of the Cotter family  
24 which, in one manner or another, controlled approximately 70% of the voting stock of RDI. As  
25 among members of the RDI Board of Directors, the term "independent" was used historically to  
26 refer to directors who were not members of the Cotter family.

27 18. Ed Kane was a life-long friend of my father, having met when they were graduate  
28 students. Kane was in my father's wedding and was a speaker at my father's funeral. Over my

1 lengthy tenure as a director at RDI, I observed Kane as a director of RDI acting at all times as if  
2 his job as a director was to carry out my father's wishes. Kane admitted to me that he was not  
3 independent for purposes other than the NASDAQ listing agreement and suggested after I became  
4 CEO that the Company would benefit from independent directors knowledgeable about its two  
5 principal businesses, cinemas and real estate.

6 19. On the contentious issue between me and my sisters regarding who would be the  
7 trustee(s) of the voting trust, Kane communicated to me that his view was that it was my fathers'  
8 wishes that Margaret alone be the trustee, and he pressured me to agree to that. At one point in the  
9 context of discussions regarding terminating me as President and CEO of RDI, Kane said to me  
10 angrily that he thought I "f\*#\*ed Margaret" by the 2014 amendment to my father's trust  
11 documentation, which amendment made me a co-trustee with Margaret of the voting trust.

12 20. Kane remains very close with my sisters, who still call him "Uncle Ed" (which I  
13 ceased doing after joining RDI). They continue to get together socially, including for family meals  
14 during holiday periods, which is what they admittedly did around the Christmas holidays in 2015.

15 21. Guy Adams is a long time friend of my father. After Adams effectively became  
16 unemployed, my father attempted to provide him work and income. Eventually, my father through  
17 a company he wholly-owned entered into an agreement with Adams to pay Adams \$1000 per  
18 month. That company now is part of my father's estate, of which my sisters are executors, such  
19 that they are in a position to control whether Adams is paid that money or not. Adams also has  
20 carried interests in certain real estate in which my father invested. My sisters as executors of my  
21 father's estate are in position to see to it that Adams is or is not paid any monies he is owed on  
22 account of those carried interests.

23 22. Prior to on or about May 2015, Adam's financial condition and, more particularly,  
24 his dependence on or independence from my sisters, in terms of his financial situation, had not  
25 arisen as a subject. When I suspected that Adams had agreed with my sisters to vote to terminate  
26 me as President and CEO of RDI, that raised the issue of whether he was financially dependent on  
27 them. I now know that he is. I learned from Adams' sworn declarations in his California state  
28 court divorce case that almost all of his income comes from RDI and from one or more companies

1 that my sisters control. Adams is not independently wealthy. I asked him about his financial  
2 dependence or independence at the (supposed) May 21, 2015 special board meeting, at which time  
3 he refused to answer.

4 23. Michael Wrotniak's wife Trisha was Margaret's roommate in her freshman year of  
5 college at Georgetown University. Margaret and Trisha have been life-long best friends starting  
6 with their first year in college together. Michael also went to Georgetown University where he  
7 met his wife Trisha and also developed a very close friendship with Margaret in college. Given  
8 that Margaret only has a few friends, her relationship with Trisha and Michael is extremely  
9 important. Margaret has spent a lot of time with Michael and his wife over the years, as all three  
10 live in metropolitan New York City. Margaret became like an aunt to Trisha and Michael's  
11 children. My sister Ellen and mother also know Trisha and Michael very well, and they have all  
12 attended social events together in New York, such as birthday and cocktail parties my sister  
13 Margaret has hosted at her apartment in New York City. I believe Margaret's oldest child refers to  
14 Trisha and Michael as Aunt and Uncle. Michael's communication with me as a director has been  
15 very guarded, which I understand to reflect his knowledge of the lawsuit and his close relationship  
16 with Margaret.

17 24. Judy Coddling has had a very close personal relationship with my mother for more  
18 than thirty years. (Ellen lives with our mother, who has chosen my sisters' side in the disputes  
19 between us.) Ms. Coddling has become close with my sisters Ellen and Margaret. On October 13,  
20 2015, over breakfast I had with her, she expressed to me that RDI is a family business and that the  
21 only people who should manage it should be one of the Cotters and that she would help make sure  
22 of that, whether it be Ellen or me. Her reaction to the offer to purchase all of the stock of the  
23 Company at a price in excess of what it trades in the market (the "Offer"), first made by  
24 correspondence dated on or about May 31, 2015, reflected Ms. Coddling's unwavering loyalty to  
25 Ellen. Before the board meeting at which the Board was going to discuss the Offer, she indicated  
26 to me that there was no way that the Offer should even be considered (clearly having spoken to  
27 Ellen about it before the board meeting).

28

1           25.     Bill Gould was a professional acquaintance and friendly with my father for years.  
2 Repeatedly since my termination as President and CEO, he has said to me that he has acquiesced  
3 as an RDI director to conduct to which he objects and/or to conclusions with which he disagrees,  
4 stating in words or substance that he must “pick his fights.”

5           26.     For example, at a board meeting at which the board was asked to approve minutes  
6 from the (supposed) special board meetings of May 21 and 29, 2015 in June 12, 2015, at which I  
7 objected because the minutes contained significant factual inaccuracies, at which I voted against  
8 approving the minutes and at which Tim Storey abstained, reflecting that he that too thought the  
9 minutes inaccurate (as he testified unequivocally in deposition in this case), Bill Gould voted to  
10 approve the minutes. When I asked him afterwards why he had voted to approve inaccurate  
11 minutes, he said that, although he could not remember the meetings well enough to state that the  
12 minutes were accurate, he thought the ultimate descriptions of action taken, meaning the  
13 termination of me, the appointment of Ellen as interim CEO and the repopulation of the executive  
14 committee, were accurate, and that he did not want to fight about them.

15           27.     Also as an example, Bill Gould admitted to me that he thought the process  
16 deficient, and the time inadequate, to make a genuinely informed decision about whether to add  
17 Judy Coddling to the RDI Board of Directors. At the board meeting when that happened, he  
18 described the decision to add her as a director as having been “slammed down,” but he acquiesced.

19           28.     It is clear to me that Bill Gould effectively has given up trying to do what he thinks  
20 is the proper thing to do as an RDI director, and is and since June 2015 has been in “go along, get  
21 along” mode. He first failed to cause any proper process to occur regarding my termination, and  
22 allowed the ombudsman process (by which then director Tim Storey as the representative of the  
23 non-Cotter directors was working with me and my sisters to enable us to work together as  
24 professionals, which process was to continue into June 2015) to be aborted. That, together with the  
25 forced “retirement” of Tim Storey, apparently so chastened Bill Gould that he became unwilling to  
26 take a stand on any matter in which doing so would place him in disagreement with my sisters. For  
27 example, he has acknowledged that Margaret lacks the experience and qualifications to hold the  
28

1 highly compensated job she now holds at RDI, but Bill Gould did not object to it or the  
2 compensation being given to her.

### 3 **The Executive Committee**

4 29. My sisters first proposed an executive committee as a means to avoid reporting to  
5 me or, as a practical matter, to anyone, in the Fall of 2014. I resisted that executive committee  
6 construct, which was not implemented at that time. As part of the resolution of our disputes that  
7 they attempted to force me to accept in May and June 2015, described above, they included an  
8 executive committee construct that would have had them reporting to the executive committee that  
9 they, together with Guy Adams who is financially beholden to them, would control. As part of  
10 their seizure of control of RDI, in addition to terminating me as President and CEO, they activated  
11 and repopulated RDI's Board of Directors executive committee. That executive committee  
12 previously had never met and never made a decision. After it was activated and repopulated on  
13 June 12, 2015, it was used as a means to exclude me and then director Tim Storey, and to a lesser  
14 extent Bill Gould, from functioning as directors of RDI and, in some instances, even having  
15 knowledge of matters that were handled by the executive committee that historically and  
16 ordinarily were handled by RDI's Board of Directors.

### 17 **The Supposed CEO Search**

18 30. When RDI filed a Form 8-K with the SEC and issued a press release announcing  
19 the termination of me as President and CEO, RDI also announced that it would engage a search  
20 firm to conduct the search for a new President and CEO. The board empowered Ellen to select the  
21 search firm. Ellen selected Korn Ferry ("KF"). She explained to the RDI Board of Directors the  
22 she selected KF because KF offered a proprietary assessment tool, which would be used to assess  
23 the three finalists for the position of President and CEO, which assessment she asserted would  
24 "de-risk" the search process. The Board agreed. Ellen also told the Board that the three final  
25 candidates would be presented to the Board for interviews. The Board agreed. Ellen selected  
26 herself, Margaret, Bill Gould and Doug McEachern to be members of the CEO search committee,  
27 which the Board accepted without substantive discussion.

28



1           31.     After the CEO search committee was put in place and KF engaged, the full board  
2 received effectively no information about whether and how the CEO search was proceeding. In the  
3 time frame from August through December 2015, Ellen for the CEO search committee provided  
4 approximately two reports, the latter of which was in mid-December which, as it turned out, was  
5 after the process had been aborted and Ellen selected, at least preliminarily. Tim Storey objected  
6 to the full board not being apprised of the status of the CEO search, prior to his forced  
7 “retirement.”

8           32.     Ultimately, in early January 2016, the CEO search committee presented Ellen as  
9 their choice for President and CEO. They did not offer, much less present, three finalists to the  
10 Board for interviews. They did not have KF perform its paid for, proprietary assessment of the  
11 finalists, or of anyone. Before that Board meeting, at which Ellen was made President and CEO,  
12 the material provided to the Board effectively amounted to a memorandum prepared by Craig  
13 Tompkins, which memorandum claimed to summarize the reasons for the CEO search committee  
14 selecting Ellen. The stated reasons are reasons that no outside candidate could have met. The  
15 stated reasons are reasons that do not approximate, much less match, the criteria that the CEO  
16 search committee created and KF memorialized as the criteria to identify candidates and  
17 ultimately select a new President and CEO. The stated reasons for selecting Ellen were, as I heard  
18 them explained at the January board meeting, effectively distilled into a single consideration,  
19 namely, that Ellen and Margaret were controlling shareholders.

20           33.     Although I did not agree with the termination of me as President and CEO, and  
21 thought and maintain that it was improper, I had hoped that the CEO search committee would  
22 conduct a bona fide search and provide to the board for interview three qualified finalists, as had  
23 been agreed. I now know that not only did that not happen, but that the CEO search committee  
24 terminated the search, and effectively terminated KF, after meeting with Ellen as a declared  
25 candidate for the positions of President and CEO. Independent of the results of that process, which  
26 at the time I asserted did not serve the interests of the Company, that the process was manipulated  
27 and/or aborted in my view amounts to abdication of the board’s responsibilities.

28

1 **Actions to Secure Control and Use It to Pay those Who Have It**

2 34. In April 2015, I learned that Ellen and Margaret had exercised options they held  
3 personally to acquire RDI class B voting stock and that, with the advice and assistance of Craig  
4 Tompkins, a lawyer who was a consultant to the Company, they sought to exercise a supposed  
5 option in my father's name to acquire 100,000 shares of RDI Class B voting stock. The factual  
6 context for the effort to exercise the supposed 100,000 share option is that a majority of the voting  
7 stock controlled by my father was held in the name of his Trust, of which the three of us were  
8 trustees. Because of that, Ellen and Margaret could not properly vote that stock without my  
9 agreement. The stock that was held—not owned—in my father's estate, which was controlled by  
10 Ellen and Margaret as the executors, approximated the amount of RDI class B voting stock held  
11 by third parties, including Mark Cuban. The point of the effort to exercise the supposed 100,000  
12 share option was to ensure that Ellen and Margaret as executors would have more class B stock  
13 than third parties, including Mark Cuban.

14 35. There were a host of issues faced by the Company due to the request of Margaret  
15 and Ellen to exercise these supposed 100,000 share option. For example, one threshold question  
16 the Company would have needed to have answered was whether the option was legally effective.  
17 That question was not answered. Another threshold question was whether the supposed 100,000  
18 share option automatically had transferred to my father's trust upon his death. That also was not  
19 answered, to my knowledge. Possibly due to such unanswered questions, the compensation  
20 committee of the Board did not authorize the exercise of the supposed 100,000 share option in  
21 April. Margaret and Ellen therefore delayed to the 2015 annual shareholders meeting. After the  
22 executive committee (at Ellen's request) had set the annual shareholders meeting for November  
23 (meaning that as a board member I had no say on the subject) and the record date for it in October  
24 2015, Ellen had Kane and Adams as two of three members of the compensation committee  
25 authorize the request to exercise the supposed 100,000 share option, which was done in September  
26 shortly before a hearing in the Nevada probate case. I understand they did so so that the 100,000  
27 shares supposedly could be registered with the Company in the name of Ellen and Margaret as  
28 executors prior to the record date. The Company received no benefit from this, in fact suffered the

1 injury from replacing outstanding liquid class A stock with effectively illiquid class B stock and, I  
2 am informed and believe, from covering the tax obligation that belong to the person or entity  
3 exercising the option.

4 **Monetary Rewards to Margaret, Ellen and Adams**

5 36. In March 2016, the Board approved giving Margaret employment at the Company  
6 as the senior executive in charge of development of the Company's valuable New York real estate.  
7 That is a position Margaret had sought since my father passed. It is a position that I refused to give  
8 her, with the then support of all of the non-Cotter directors, because she was unqualified to hold it.  
9 She has no prior real estate development experience. What was discussed during my tenure as  
10 President and CEO was providing Margaret employment at the Company, so that she could have  
11 health benefits for herself and her two children, in a position in which she would continue to be  
12 responsible for the modest live theater operations and in which she could work in connection with  
13 any development of the Company's New York real estate, but not as the senior executive  
14 responsible for the development of the Company's New York real estate. In other words, Margaret  
15 could have a position, but she would not have a position that called upon her to do that which she  
16 had no experience doing and that which she was unqualified to do. That is the position Margaret  
17 was given in March. It is a highly compensated position that reflects its responsibilities. But  
18 Margaret has neither the prior experience nor the qualifications to hold it. Nevertheless, she is paid  
19 as if she does. Which, in my view, amounts to waste of Company monies. Additionally, the  
20 \$200,000 paid to Margaret, ostensibly for concessions Margaret previously was willing to make  
21 for free to become an employee of the Company, and reportedly for prior services rendered which  
22 the Board year after year had not chosen to pay her, is simply a gift, presumably because Margaret  
23 made less money in 2015 due to the Stomp debacle.

24 37. The compensation package provided to Ellen in March 2016, like the one provided  
25 to Margaret, is a departure from the Company's practices, in terms of the amount paid relative to  
26 the skill and experience of the person being paid. Ellen now is the CEO of what basically is the  
27 same company of which I was CEO, but she has a compensation package that could pay her twice  
28 to three times as much. No board member has ever explained to me why they think this is

1 appropriate, except to the extent they have alluded to the fact that they view Ellen and Margaret as  
2 controlling shareholders.

3 38. Adams in March 2016 was awarded what amounted to a \$50,000 bonus for being a  
4 director. As a director, I have not seen him provide extraordinary service that warrants a payment  
5 such as that, which is a material departure from past practices at the Company, in which extra cash  
6 payments to Directors typically were \$10,000. The sole notable exception was the \$75,000 paid  
7 to Tim Storey for his work as ombudsman, but the amount of time and effort he put in that role,  
8 including travel between New Zealand and Los Angeles, exceeded by a multiple the amount of  
9 time Adams has devoted to being a director in 2015 and 2016. I have no doubt that Adams was  
10 paid \$50,000 for what amounted to exemplary loyalty to Ellen.

11 **The Offer**

12 39. Ellen shared with the full Board, in or about early June, an offer by third parties to  
13 purchase all of the outstanding stock of RDI for cash consideration at a price of approximately  
14 33% above the prices of which RDI stock then traded (i.e., the "Offer"). The Board met on June 2,  
15 2016 regarding the Offer. At that time, Ellen proposed to have management prepare  
16 documentation regarding the value of the Company to be provided to Board members for their  
17 review and consideration in advance of another board meeting to consider the Offer. I objected,  
18 suggesting that an independent person or company be charged with preparing such documentation  
19 for review by the Board. My objection was noted and overruled, and the Board agreed to proceed  
20 in the manner Ellen suggested. Additionally, board members inquired what Ellen and Margaret as  
21 controlling shareholders wanted to do in response to the Offer.

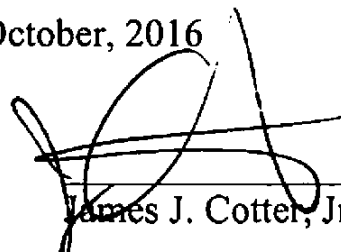
22 40. On or about June 7, 2016, in view of the Offer, I asked Ellen to provide me the  
23 Company's business plan. I understood that there was none and her failure to respond confirmed  
24 that.

25 41. The Board reconvened on June 23, 2016, regarding the Offer. No materials had  
26 been delivered to Board members prior to that meeting. At that meeting, Ellen made an oral  
27 presentation regarding the supposed value of the Company. I found it difficult to follow her oral  
28 presentation with no prior or contemporaneous documentation. I cannot imagine how outside

1 directors less familiar with the details of the Company followed it. Not one of the directors other  
2 than Ellen indicated that they had taken any action at all, whether reviewing Company  
3 documentation, speaking with experts such as counsel or bankers or doing anything else at all, to  
4 prepare to discuss the Offer. At that meeting, Ellen also indicated that she and Margaret would  
5 oppose any response other than rejecting the Offer, and added that it was their belief that the  
6 Company should proceed on its course as an independent company. No director asked questions  
7 about whether and how the Company could ever actualize the supposed value Ellen claimed it had.  
8 None asked questions about whether management was preparing a business plan to do so or, for  
9 that matter, simply preparing a long-term or strategic business plan. None exists. Instead, the non-  
10 Cotter directors simply ascertained that Ellen and Margaret wanted to reject the Offer and agreed  
11 that the price offered was inadequate. They all voted to proceed in the manner Ellen  
12 recommended.

13 I declare under penalty of perjury under the laws of the State of Nevada, that the foregoing  
14 is true and correct.

15 DATED this 13<sup>th</sup> day of October, 2016

16   
17 \_\_\_\_\_  
18 James J. Cotter, Jr.

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# Exhibit 15

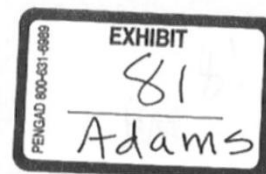
(filed under seal)

# Exhibit 16

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**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.



GA00005500

JA7786



# Exhibit 17

(filed under seal)

# Exhibit 18

(filed under seal)

# Exhibit 19

(filed under seal)

# Exhibit 20

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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**SCHEDULE 13D**

Under the Securities Exchange Act of 1934

---

**Reading International, Inc.**  
(Name of Issuer)

(Exact Name of Issuer as Specified in its Charter)

Class B Voting Common Stock  
(Title of Class of Securities)

755408200  
(CUSIP Number)

James J. Cotter Living Trust  
6100 Center Drive  
Suite 900  
Los Angeles, CA 90045  
(213) 235-2240  
(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

September 13, 2014  
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note : Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended (the "Act"), or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).



CUSIP No. 755408200

1.	Name of Reporting Person. I.R.S. Identification Nos. of above persons (entities only) <b>James J. Cotter Living Trust</b>
2.	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input checked="" type="checkbox"/> (1) (b) <input type="checkbox"/>
3.	SEC Use Only
4.	Source of Funds (See Instructions) OO
5.	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) <input type="checkbox"/>
6.	Citizenship or Place of Organization California
Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power 0
	8. Shared Voting Power 696,080
	9. Sole Dispositive Power 0
	10. Shared Dispositive Power 696,080
11.	Aggregate Amount Beneficially Owned by Each Reporting Person 696,080
12.	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) <input type="checkbox"/>
13.	Percent of Class Represented by Amount in Row (11) 41.4% (2)
14.	Type of Reporting Person (See Instructions) OO - Trust

- (1) The James J. Cotter Living Trust (the "Trust") is a member of a group for purposes of Schedule 13D. The other members of the group are the Estate of James J. Cotter, Sr. (the "Estate"), Ms. Margaret Cotter and Ms. Ellen Cotter. The Trust is separately filing this report on Schedule 13D from the other members of the group.
- (2) Based upon 1,680,590 shares of Class B voting common stock, \$0.01 par value per share (the "Voting Stock"), outstanding, which consist of (i) 1,580,590 shares of the Voting Stock outstanding as of June 30, 2015, as reported on the Issuer's Form 10-Q filed with the Securities and Exchange Commission on August 10, 2015 and (ii) 100,000 shares of Voting Stock issued upon the exercise of the Estate of 100,000 options to acquire Voting Stock.

## ITEM 1. SECURITY AND ISSUER

The common stock of Reading International, Inc., a Nevada corporation (the "Issuer" or the "Company"), is divided into two classes, Class A non-voting common stock, \$0.01 par value per share (the "Non-Voting Stock"), and Class B voting common stock, \$0.01 par value per share (the "Voting Stock" and together with the Non-Voting Stock, the "Shares"). This Schedule 13D (this "Schedule 13D") is being filed by the James J. Cotter Living Trust (the "Trust" or the "Reporting Person") with respect to the Voting Stock by Ms. Ellen Cotter and Ms. Margaret Cotter, two of the three co-trustees of the Trust. The shares of the Voting Stock and the shares of the Non-Voting Stock are listed on NASDAQ.

The address of the principal executive offices of the Issuer is Reading International, Inc., 6100 Center Drive, Suite 900, Los Angeles, California 90045.

## ITEM 2. IDENTITY AND BACKGROUND

The Trust is a trust organized under the laws of California. During the lifetime of Mr. James J. Cotter, Sr., the Trust was revocable by Mr. James J. Cotter, Sr., but the Trust became irrevocable upon the death of Mr. James J. Cotter, Sr. on September 13, 2014. The Trust serves as a vehicle for the management and distribution of the assets of Mr. James J. Cotter, Sr. According to a purported Amendment to the Trust signed on June 19, 2014 ("2014 Amendment"), the children of Mr. James J. Cotter, Sr., including Ms. Ellen Cotter, Ms. Margaret Cotter and Mr. James J. Cotter, Jr., serve as co-trustees of the Trust and therefore may be deemed to share voting and investment power over the shares of the Voting Stock directly beneficially owned by the Trust. In litigation filed in the Superior Court of the State of California, County of Los Angeles, captioned *In re James J. Cotter Living Trust dated August 1, 2000* (Case No. BP159755) ("Trust Litigation"), Ms. Ellen Cotter and Ms. Margaret Cotter have challenged the validity of the 2014 Amendment; according to the pre-existing trust agreement, only Ms. Ellen Cotter and Ms. Margaret Cotter were named as co-trustees. The extent of any pecuniary interest in the Voting Stock owned by the Trust attributable to Ms. Margaret Cotter and Ms. Ellen Cotter as co-trustees of the Trust is dependent upon the outcome of the Trust Litigation. The Trust's principal business office address is c/o Reading International, Inc., 6100 Center Drive, Suite 900, Los Angeles, California 90045.

During the last five years, the Reporting Person has not been (a) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (b) a party to any civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or State securities laws, or finding any violation with respect to such laws.

## ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

The Trust was established by a Declaration of Trust, dated August 1, 2000, as amended from time to time, and was initially funded with the shares of the Voting Stock owned by Mr. James J. Cotter, Sr. Mr. James J. Cotter, Sr. passed away on September 13, 2014, and the Trust became an irrevocable living trust.

## ITEM 4. PURPOSE OF TRANSACTION

The Reporting Person is deemed to have acquired beneficial ownership of 696,080 shares of the Voting Stock as a result of Mr. James J. Cotter, Sr.'s death, as described in Item 3 of this Schedule 13D. Such shares of the Voting Stock were deemed to have been owned by Mr. James J. Cotter, Sr. through the Trust during his lifetime and, upon Mr. James J. Cotter, Sr.'s death and the Trust's conversion into an irrevocable trust, are now deemed to be directly beneficially owned by the Trust, of which the children of Mr. James J. Cotter, Sr. serve as co-trustees. The shares of the Voting Stock directly beneficially owned by the Trust ultimately will be held in further trust for the benefit of the descendants of Mr. James J. Cotter, Sr., and such shares will be held for investment purposes and the co-trustees of the Trust are directed to retain such shares for as long as possible and are relieved from any obligation to diversify the Trust's investments.

On September 21, 2015, the Estate exercised vested stock options and received 100,000 shares of Voting Stock. On April 8, 2015, Ms. Margaret Cotter exercised vested stock options and received 12,500 shares of Non-Voting Stock. On April 17, 2015, Ms. Margaret Cotter exercised vested stock options and received 35,100 shares of Voting Stock. On April 16, 2015, Ms. Ellen Cotter exercised vested stock options and received 50,000 shares of

Voting Stock. Ms. Ellen Cotter and Ms. Margaret Cotter currently intend to hold any shares of Voting Stock directly beneficially owned by them for investment purposes.

Ms. Ellen Cotter and Ms. Margaret Cotter currently intend to vote all of the shares of Voting Stock that they control, including all of the shares of Voting Stock owned by them individually, by the Estate and by the Trust, at the Company's 2015 annual meeting of stockholders.

Each of Ms. Ellen Cotter and Ms. Margaret Cotter, as a co-trustee of the Trust, has been in the past and will be in the future involved on behalf of the Company in their respective capacities as senior executive officers of, directors of and/or consultants to the Company, as applicable, in reviewing and evaluating possible transactions involving the Company and identifying candidates to serve on the Company's board of directors, including transactions of the sort described in clauses (a) through (f) of Item 4 of Schedule 13D. In light of their responsibilities to the Company, Ms. Ellen Cotter and Ms. Margaret Cotter do not anticipate making any disclosures in connection with their participation in the transactions and activities of the Company separate and apart from relevant disclosures by the Company.

The Reporting Person intends to review its investment in the Issuer on a continuing basis and may from time to time and at any time in the future depending on various factors, including, without limitation, the requirements of the Trust, the Issuer's financial position and strategic direction, actions taken by the board of directors of the Issuer, price levels of the Shares, other investment opportunities available to the Reporting Person, conditions in the securities market and general economic and industry conditions, take such actions with respect to the investment in the Issuer as the Reporting Person deems appropriate, including: (i) acquiring additional Shares and/or other equity, debt, notes, other securities, or derivative or other instruments of the Issuer that are based upon or relate to the value of the Shares or the Issuer (collectively, "Securities") in the open market or otherwise; (ii) disposing of any or all of their Securities in the open market or otherwise; (iii) engaging in any hedging or similar transactions with respect to the Securities; or (iv) proposing or considering one or more of the actions described in subsections (a) through (j) of Item 4 of Schedule 13D.

#### ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

As of the date hereof, the Trust directly beneficially owns 696,080 shares of the Voting Stock, representing 41.4% of outstanding Voting Stock of the Issuer. Because the children of Mr. James J. Cotter, Sr. serve as co-trustees, the children may be deemed to be indirect beneficial owners of 696,080 shares of the Voting Stock directly beneficially owned by the Trust. The extent of any pecuniary interest in the Voting Stock directly beneficially owned by the Trust attributable to Ms. Margaret Cotter and Ms. Ellen Cotter, as co-trustees, is dependent upon the outcome of the Trust Litigation. As of the date hereof, the Trust also directly beneficially owns 1,897,649 shares of the Non-Voting Stock, representing 8.7% of outstanding Non-Voting Stock of the Issuer.

Because Ms. Ellen Cotter and Ms. Margaret Cotter (two of the three children of Mr. James J. Cotter, Sr.) also serve as co-executors (the "Co-Executors") of the Estate, each of them may be deemed to share indirect beneficial ownership of 427,808 shares of the Voting Stock directly beneficially owned by the Estate, representing 25.5% of outstanding Voting Stock of the Issuer. All of the Voting Stock held by the Estate will be transferred to the Trust after a reasonable period of administration. As of the date hereof, the Estate also directly beneficially owns 326,800 shares of the Non-Voting Stock, representing 1.5% of outstanding Non-Voting Stock of the Issuer. As of the date hereof, the Co-Executors of the Estate disclaim beneficial ownership of the Voting Stock and Non-Voting Stock directly beneficially owned by the Estate, except to the extent of their respective pecuniary interest therein.

As of the date hereof, (1) Ms. Ellen Cotter also directly beneficially owns 50,000 shares of the Voting Stock, representing 3.0% of outstanding Voting Stock of the Issuer, and (2) Ms. Margaret Cotter directly beneficially owns 35,100 shares of the Voting Stock subject to stock options, representing 2.1% of outstanding Voting Stock of the Issuer. As of the date hereof, (1) Ms. Ellen Cotter also directly beneficially owns 819,765 shares of the Non-Voting Stock (which amount also includes currently exercisable options to acquire an additional 20,000 shares of the Non-Voting Stock), representing 3.8% of outstanding Non-Voting Stock of the Issuer, (2) Ms. Margaret Cotter also directly beneficially owns 804,173 shares of the Non-Voting Stock, representing 3.7% of outstanding Non-Voting Stock of the Issuer and (3) Mr. James J. Cotter, Jr. (the third child of Mr. James J. Cotter, Sr.) also directly beneficially owns 856,426 shares of the Non-Voting Stock, representing 4.0% of outstanding Non-Voting Stock of the Issuer, according to Mr. James Cotter, Jr.'s public filings.



Ms. Margaret Cotter also serves as a co-trustee of the James J. Cotter Grandchildren Trust, a trust for Mr. James J. Cotter, Sr.'s grandchildren, which holds 289,390 shares of the Non-Voting Stock, representing 1.3% of outstanding Non-Voting Stock of the Issuer. Ms. Ellen Cotter and Ms. Margaret Cotter also serve as co-trustees of the James J. Cotter Foundation, which holds 120,751 shares of the Non-Voting Stock, representing 0.5% of outstanding Non-Voting Stock of the Issuer.

The percentages reported in this Item 5 are based upon 21,707,938 shares of the Non-Voting Stock outstanding and 1,680,590 shares of the Voting Stock outstanding, which consist of (i) 1,580,590 shares of the Voting Stock outstanding as of June 30, 2015, as reported on the Issuer's Form 10-Q filed with the Securities and Exchange Commission on August 10, 2015 and (ii) 100,000 shares of Voting Stock issued upon the exercise of the Estate of 100,000 options to acquire Voting Stock.

(b) See rows 7-10 of the cover page for information regarding the power to vote or direct the vote and the power to dispose or direct the disposition of the shares by the Reporting Person. The Estate, Ms. Margaret Cotter and Ms. Ellen Cotter have separately filed a Schedule 13D on the date hereof.

(c) Except as described herein, none of the Reporting Person, the Estate, Ms. Margaret Cotter and Ms. Ellen Cotter have acquired, or disposed of, any shares of the Voting Stock of the Issuer during the past 60 days.

(d) No persons other than Ms. Margaret Cotter and Ms. Ellen Cotter, as co-trustees of the Trust, and the beneficiaries of the Trust have the right to receive, or the power to direct the receipt of dividends from, the proceeds from the sale of the shares to which this Schedule 13D relates.

(e) Not applicable.

#### **ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER**

Except as described in Item 3, Item 4 and Item 5, the Reporting Person has no contracts, arrangements, understandings or relationships (legal or otherwise) with any person with respect to any voting securities of the Company, including, but not limited to, the transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or losses, or the giving or withholding of proxies.

#### **ITEM 7. MATERIALS TO BE FILED AS EXHIBITS**

None.

After reasonable inquiry and to the best of my knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: October 8, 2015

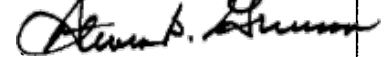
**JAMES J. COTTER LIVING TRUST**

By: /s/ Margaret Cotter  
Name: Margaret Cotter  
Title: Co-Trustee

By: /s/ Ellen Cotter  
Name: Ellen Cotter  
Title: Co-Trustee

# Exhibit 21

(filed under seal)



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DISTRICT COURT  
CLARK COUNTY, NEVADA

17 JAMES J. COTTER, JR., derivatively on ) Case No. A-15-719860-B  
18 behalf of Reading International, Inc., ) Dept. No. XI  
19 )  
20 Plaintiff, ) Coordinated with:  
21 v. )  
22 ) Case No. P-14-0824-42-E  
23 MARGARET COTTER, ELLEN COTTER,) Dept. No. XI  
24 GUY ADAMS, EDWARD KANE, )  
25 DOUGLAS McEACHERN, WILLIAM ) Jointly Administered  
26 GOULD, JUDY CODDING, MICHAEL )  
27 WROTNIAK, ) **PLAINTIFF JAMES J. COTTER JR.'S**  
28 ) **OPPOSITION TO READING**  
29 Defendants. ) **INTERNATIONAL, INC.'S MOTION**  
30 And ) **(FOR SUMMARY JUDGMENT)**  
31 READING INTERNATIONAL, INC., a ) **BASED ON DEMAND FUTILITY**  
32 Nevada corporation, )  
33 Nominal Defendant. ) **Hearing Date: June 19, 2018**  
34 )  
35 ) **Hearing Time: 8:30 a.m.**

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1 Plaintiff James Cotter, Jr. respectfully submits this opposition to the renewed  
2 "Motion to Dismiss Pursuant to NRCP 12(B)(2)..." for failure to show demand futility  
3 (the "Renewed Demand Futility MSJ" or "Motion") filed by nominal defendant Reading  
4 International, Inc. ("RDI") for the benefit of the remaining individual defendants, Ellen  
5 Cotter, Margaret Cotter and Guy Adams (the "remaining defendants").

6 **I. INTRODUCTION**

7 RDI's Motion asks the Court to grant summary judgment and dismiss the  
8 remaining individual defendants, Ellen Cotter, Margaret Cotter and Guy Adams. The  
9 Motion is based on the premise that the Court's ruling that Plaintiff failed to raise  
10 disputed issues of fact regarding the disinterestedness of five directors with respect to the  
11 matters that were the subject of their motions for partial summary judgment obviates  
12 defendants' burden of proof in this (summary judgment) Motion and requires granting it.  
13 The Motion should be denied, including for the following reasons:

14 After motion practice directed to the pleadings, demand futility is to be  
15 determined by way of an evidentiary hearing. However, defendants previously did not  
16 request an evidentiary hearing and the Motion does not do so. The Motion therefore  
17 should be denied.

18 As a moving party seeking summary judgment and to deprive a derivative  
19 plaintiff of standing, RDI bears the burden of proving that there are no disputed issues of  
20 material fact with respect to the matters that are the subject of the two-pronged test used  
21 to determine demand futility. However, the Motion proffers *no evidence whatsoever* and  
22 therefore must be denied.

23 As a matter of law, demand futility is assessed based on the directors' ability to  
24 impartially assess the derivative action they are asked to approve or disapprove, not the  
25 matters which are the subject of the derivative action. The Court's prior rulings  
26 regarding interestedness with respect to particular matters raised in the motions for  
27 partial summary judgment therefore do not show, much less necessarily prove,  
28

1 independence of the dismissed directors for the purposes of the Renewed Demand  
2 Futility MSJ.

3           Moreover, the only evidence proffered, which was by Plaintiff, raises disputed  
4 questions of material fact which require denial of the Motion.

5           The first prong of the two-pronged demand futility analysis raises the question of  
6 whether the evidence creates a reasonable doubt that the directors are disinterested and  
7 independent for the purposes impartially assessing the derivative action. The only  
8 evidence proffered, by Plaintiff, shows that each of the five dismissed directors have  
9 prejudged the issue of whether this lawsuit should proceed or be dismissed, and  
10 otherwise shows that they are not disinterested and independent. Such evidence, at a  
11 minimum, raises disputed questions of material fact which require denial of the Motion.

12           The second, *alternative* prong of the two-pronged demand futility analysis raises  
13 the question of whether the complained-of conduct—which here includes matters that  
14 were the subject of motions for partial summary judgment as well as other matters (*e.g.*,  
15 the threat to terminate Plaintiff if he did not resolve his personal disputes with  
16 defendants Ellen and Margaret Cotter) that were not—gives rise to or constitutes  
17 breaches of fiduciary duty on the part of the directors in question. Here, as reflected by  
18 the Court's prior rulings denying most motions for partial summary judgment, Plaintiff  
19 at a minimum proffered evidence raising disputed issues of material fact about whether  
20 the challenged acts and omissions gave rise to or constituted breaches of fiduciary duty.

21           Independent of the foregoing, Responding Parties have not complied with the  
22 Court's May 2, 2018 orders and counsel for Plaintiff has not received, much less reviewed  
23 or had an opportunity to use, what the Court on May 2, 2018 ordered be provided. This  
24 evidence bears upon the issue of the independence of the directors the Motion simply  
25 assumes are independent, including by placing in a new light the prior reliance by these  
26 directors on advice from counsel representing nominal defendant Reading International,  
27 Inc. ("RDI" or the "Company".) As shown below, use of Company counsel by supposedly  
28 independent directors alone raises questions of fact regarding their independence. For

1 such reasons and for the reasons set out in the accompanying declaration of Mark G.  
2 Krum, Plaintiff is entitled to the relief pursuant to NRCP 56(f).

3 For the reasons described herein, and for the reasons and in view of the evidence  
4 included in Plaintiff's oppositions to defendants' motions for partial summary judgment  
5 and to Gould's motion for summary judgment, the Renewed Demand Futility MSJ  
6 should be denied.

7 **II. STATEMENT OF FACTS AND PROCEDURAL HISTORY**

8 **A. Procedural History.**

9 This action was commenced on June 15, 2015. Defendants moved to dismiss the  
10 original complaint and thereafter the first amended complaint on the grounds that  
11 Plaintiff had failed to adequately plead the futility of demand, among other grounds. *See*  
12 *Motion to Dismiss Complaint*, filed on 8/10/2015 at 7:6–14:8; *RDI's Joinder to Motion to*  
13 *Dismiss Complaint*, filed on 8/20/2015; *Motion to Dismiss First Amended Complaint*,  
14 filed on 11/12/2015 at 20:17–21:18; *Motion to Dismiss James Cotter Jr.'s First Amended*  
15 *Complaint*, filed on 11/24/2015. The Court rejected the demand futility arguments and  
16 the case proceeded. *See* *Notice of Entry of Order* filed on 10/20/2015, and *Court Minutes*  
17 dated 1/19/2016. In opposing Plaintiff's motion for leave to file a second amended  
18 complaint, defendants again argued demand futility. *See* *RDI's Opposition to James J.*  
19 *Cotter Jr.'s Motion to Amend Complaint*, filed on 8/8/2016 at 5:23–10:3; *Margaret Cotter,*  
20 *Ellen Cotter, Guy Adams, Edward Kane, Douglas McEachern, Judy Codding and*  
21 *Michael Wrotniak's Opposition to Plaintiff's Motion for Leave to Amend the First*  
22 *Amended Complaint*, filed on 8/8/2016 at 14:4–15:14. The Court rejected defendants'  
23 demand futility arguments. *See* *Notice of Entry of Order* filed on 9/2/2016.

24 Contrary to what the "Motion for Leave to File Dispositive Motion /Motion to  
25 Dismiss for Failure to Show Demand Futility" (the "Motion for Leave") asserted (at p. 6,  
26 n. 3 and at 10:19–20), at no time have defendants or any of them requested an evidentiary  
27 hearing on the subject of demand futility. Instead, they filed a motion requesting an  
28 evidentiary hearing on the subject of the adequacy of Plaintiff as a derivative plaintiff.



1 See Motion for Evidentiary Hearing Regarding James Cotter, Jr.'s Adequacy as a  
2 Derivative Plaintiff, filed on 10/12/2017. Understandably, the Motion does not repeat the  
3 false claim that defendants previously sought an evidentiary hearing with respect to  
4 demand futility, but instead is silent on the subject, tacitly acknowledging that they did  
5 not do so.

6 Pursuant to a scheduling order issued by the Court, discovery concluded on  
7 August 26, 2016 and summary judgment motions were required to be filed no later than  
8 September 23, 2016. See Scheduling Order and Order Setting Civil Jury Trial, Pre-Trial  
9 Conference and Calendar Call, filed on 11/10/2015. Defendants Ellen Cotter, Margaret  
10 Cotter, Guy Adams and other director defendants filed six separate motions for partial  
11 summary judgment, but filed no motion for summary judgment arguing the futility of  
12 demand. The Court denied all but one of those motions for partial summary judgment  
13 and granted Plaintiff's motion to reopen and/or finish discovery with respect to certain  
14 matters. See Court Minutes dated October 27, 2016. Individual director defendants  
15 including Ellen Cotter, Margaret Cotter and Guy Adams in November 2017 filed  
16 supplemental briefs and noticed their motions for partial summary judgment for hearing  
17 on December 11, 2017. See Defendants Margaret Cotter, Ellen Cotter, Guy Adams,  
18 Edward Kane, Douglas McEachern, William Gould, Judy Coddling, Michael Wrotniak's  
19 Supplement to Motions for Partial Summary Judgment Nos. 1, 2, 3, 5, and 6, filed on  
20 11/9/2017. One of those motions was granted and the balance were granted in part and  
21 denied in part. See Order Regarding Defendants' Motions for Partial Summary Judgment  
22 and Plaintiff's and Defendants' Motions In Limine, filed on 12/28/2017, at 4:8-5:15.

23 However, not until January 3, 2018 was a motion for summary judgment with  
24 respect to the futility of demand filed. See Motion to Dismiss for Failure to Show  
25 Demand Futility, filed on 1/3/2018. That motion, entitled "Motion to Dismiss for Failure  
26 to Show Demand Futility" (the "Original Demand Futility MSJ"), purported to be  
27 predicated on the Court's "determ[ination] that a majority of RDI's Directors were  
28

1 independent with respect to the decisions challenged by [Plaintiff]." Original Demand  
2 Futility MSJ at 8:8-9.

3 Like the Motion for Leave and the Original Demand Futility MSJ, the Motion  
4 posits that it was based upon the Court's December 11, 2017 rulings, which assumption  
5 the Court previously rejected. See Transcript of Proceedings for Hearing on Plaintiff's  
6 Motion for Continuance (Public), 1/8/18 at 13:19-25.

7 Like both the Motion for Leave and the Original Demand Futility MSJ, the Motion  
8 submits *no evidence whatsoever*, with respect to *either* matters relating to the first prong *or*  
9 the second prong of the two-pronged demand futility test applicable here.

10 \*\*\*\*\*

11 Defendants on January 4, 2018 also filed a separate motion for summary judgment  
12 based upon purported ratifications defendants claimed had occurred at a December 29,  
13 2017 RDI Board of Directors meeting. See The Remaining Director Defendants' Motion  
14 for Judgment as a Matter of Law, on file. In that motion for summary judgment,  
15 defendants argued that the same five directors they claim are independent for the  
16 purposes of their Renewed Demand Futility MSJ had "ratified" conduct the Court has  
17 found actionable, which conduct indisputably was not previously approved by a  
18 majority of independent directors.

19 The Court on January 8, 2018 had ordered defendants to provide Plaintiff  
20 discovery with respect to matters raised in those motions. Following argument on April  
21 30, 2018 on motions brought by Plaintiff regarding discovery, and following a May 2,  
22 2018 evidentiary hearing, the Court on May 2, 2018 ordered that RDI and former  
23 defendants and RDI directors William Gould, Judy Coddling, Michael Wrotniak, Doug  
24 McEachern and Ed Kane (the "Responding Parties") provide Plaintiff with additional  
25 discovery relating to "ratification," including the conduct of those five individuals  
26 leading up and related to the purported ratifications, among other things. See Transcript  
27 of Proceedings on Evidentiary Hearing, 5/2/2018 at 75:8-18.

28

1           **B. What The Evidence Shows Regarding the Futility of Demand.**

2                   **1. The Deposition Testimony of the Five Raises Reasonable Doubt about**  
3                   **Their Ability to Have Impartially Assessed this Derivative Action.**

4           With respect to the question of whether they would have voted to allow this  
5 derivative action to proceed or to terminate it, each of the five testified that they had  
6 determined that it should not proceed. Gould testified that "[m]y vote would be to  
7 terminate, to terminate the derivative action." (*See* Ex. 5 to JJC 6/13/18 Opp.<sup>1</sup> at 547:17-19  
8 and 548:19-23). He acknowledged that the reason is that he was named as a defendant.  
9 (*See id.* at 548:24-549:4). Codding testified with respect to this derivative action as  
10 follows: "I don't think it should go forward." (Ex. 4 to JJC 6/13/18 Opp. at 234:12-17). She  
11 explained that she did not see the purpose of it or understand it. (*Id.*) McEachern  
12 likewise testified that he would "vote to dismiss the [derivative] lawsuit." (Ex. 7 to JJC  
13 6/13/18 Opp., at 526:14-21). He explained that he understood this derivative lawsuit to  
14 concern simply "reinstatement" of Plaintiff as CEO and damages from his termination,  
15 and McEachern does not believe there were any. (*Id.* at 526:22-527:2). Wrotniak's  
16 testimony was to the same effect; his answer to a question asking his view of this  
17 derivative lawsuit was that "the board had the right to terminate [Plaintiff] and made an  
18 informed decision and took it." (Ex. 10 to JJC 6/13/18 Opp. at 76:9-14.) In response to a  
19 question about how he would vote on whether this derivative lawsuit should proceed or  
20 be terminated, Kane answered "terminate it tomorrow, please, sir." (Ex. 11 to JJC 6/13/18  
21 Opp. at 690:6-9).

22                   **2. The Five Already Acted to Dismiss this Derivative Action**

23           Promptly following their dismissal from this action, and as explained in Plaintiff's  
24 opposition to the "Ratification MSJ," the five hastily acted to cause this action to be  
25 dismissed as against the remaining defendants, approving "ratification" that Codding  
26 and Wrotniak acknowledged they did not understand, independent of what counsel of

27 \_\_\_\_\_  
28 <sup>1</sup> "JJC 6/13/18 Opp." refers to Plaintiff's Opposition to Ellen Cotter, Margaret Cotter and  
Guy Adams' Motion for Summary Judgment (Based on Ratification) filed on June 13,  
2018.

1 record for RDI told them. (Ex. 4 to JJC 6/13/18 Opp. at 232:19-233:1; Ex. 10 to JJC 6/13/18  
2 Opp. at 88:12-23.) Gould acknowledged at his deposition that "ratification" is a "litigation  
3 strategy" in this derivative action. (Ex. 5 to JJC 6/13/18 Opp. at 541:15-18). The foregoing  
4 events are among the following:

- 5 • In December 2017, before seeking and securing approval of "ratification" from the  
6 SIC on December 21 (described below), GT lawyers cleared the "ratification"  
7 "process" with Margaret Cotter, Ellen Cotter and Tompkins.<sup>2</sup> On December 13,  
8 2017, GT attorneys Mark Ferrario and Michael Bonner exchanged emails with  
9 Craig Tompkins, *which emails were copied to Ellen Cotter*, regarding the subject of a  
10 "Special Committee." (See Ex. 1 to JJC 6/8/18 Motion,<sup>3</sup> GT February 22, 2018  
11 privilege log at entry ending in 60907 and 60911; *see also* Ex. 3 to JJC 6/8/18 Motion,  
12 GT May 31, 2018 privilege log at entries ending in RDI 73538, 76569, 76783.) Those  
13 emails are described as "Communication[s] regarding Ratification process." (Ex. 1  
14 to JJC 6/8/18 Motion, February 22, 2018 Privilege log at entries ending in 60907 and  
15 60911.)
- 16 • Again on December 15, 2017, GT attorney Bonner exchanged emails with Craig  
17 Tompkins, *which emails also were copied to Ellen Cotter*, regarding "Misc." (See Ex. 1  
18 to JJC 6/8/18 Motion, at entries ending in 60823 and 60824.) Those emails are  
19 described as "Communication[s] regarding ratification process." (*Id.*)
- 20 • Also on December 15, 2017, GT attorney Ferrario discussed the subject of  
21 ratification with *Margaret Cotter* in person. (See Ex. 16 to JJC 6/8/18 Motion,  
22 *Margaret Cotter's* February 14, 2018 interrogatory responses at Response No. 2.)

24  
25 <sup>2</sup>As to Craig Tompkins, RDI's General Counsel to whom GT attorneys report, Kane at  
26 deposition explained that the words he used in an email stating "according to [Ellen  
27 Cotter], Craig is also on the 'team[,]'" meant that Tompkins "was [with] Ellen and  
28 Margaret versus Jim." (See Ex. 14 to JJC 6/8/18 Motion, Kane 5/2/16 dep. tr. at 176:18-  
177:1; Ex. 17 to JJC 6/8/18 Motion (Dep. Ex. 105).)

<sup>3</sup> "JJC 6/8/18 Motion" refers to Plaintiff James J. Cotter Jr.'s Motion to Compel filed on June  
8, 2018.

- 1 (Margaret Cotter's interrogatory responses disclosed this communication  
2 regarding "ratification," but not others described herein.)
- 3 • On December 21, 2015, GT attorney Bonner sent an email to Tompkins, copied to  
4 *Ellen Cotter* and GT attorney Ferrario, regarding "special committee/stockholder  
5 action alternatives." (See Ex. 1 to JJC 6/8/18 Motion, GT February 22, 2018  
6 privilege log at entry ending in 60533.) *Ellen Cotter* at her deposition  
7 acknowledged receiving this email. (See Ex. 9 to JJC 6/8/18 Motion, *Ellen Cotter*  
8 4/4/18 dep. tr. at 479:21-480:6.)
  - 9 • On December 21, 2017, GT attorneys Bonner and Ferrario discussed ratification  
10 telephonically with Special Independent Committee ("SIC") members Gould,  
11 Coddling and McEachern. (Ex. 5 to JJC 6/8/18 Motion, April 12, 2018  
12 correspondence from GT producing an almost entirely redacted version of  
13 December 21, 2017 Special Independent Committee meeting minutes); (Ex. 1 to JJC  
14 6/8/18 Motion, RDI Privilege Log at p. 2, 8, entries ending in 59829 and 60012,  
15 respectively);
  - 16 • According to Gould, the SIC on December 21, 2017 "formally" took action to  
17 approve and advance "ratification." (Ex. 5 to JJC 6/13/18 Opp. at 528:10-18).
  - 18 • On December 27, 2017, Bonner and other GT lawyers exchanged emails with  
19 Tompkins about one or more drafts of what came to be the December 27, 2017  
20 email sent by Gould, purportedly on behalf of the five dismissed directors (which  
21 email was marked as Dep. Ex. 527 and Ex. P-1 from the 5/2/18 evidentiary hearing;  
22 Ex. 6 to JJC 6/8/18 Motion). (See Ex. 15 to JJC 6/8/18 Motion, 5/2/18 hearing tr. at  
23 59:1-8.) Several of those emails had file names such as "For Bill Gould to sign.msg,"  
24 a subject of "For Bill Gould to sign," and a description of the emails as  
25 "Communication regarding draft letter re Special Board Meeting." (See Ex. 1 to JJC  
26 6/8/18 Motion, GT February 22, 2018 privilege log, entries ending in 57090, 59768,  
27 59899, 59911, 59912, 59959, 60790, 60802 and 60810.) The description of one email is  
28

- 1 slightly different, reading "Communication regarding board meeting, notice and  
2 ratification process." (*Id.*, entries ending in 60798.)
- 3 • Also on December 27, 2017, Tompkins and GT lawyers exchanged emails the file  
4 names of which included "Ratificat.zip?ratificat/For Bill Gould to sign," the  
5 subjects of which were "Ratification," and which are described as  
6 "Communication[s] regarding draft letter re Special Board Meeting" or  
7 "Communication[s] regarding Special Meeting Request." (*Id.*, entries ending in  
8 60404, 60408, 60412, 60424, 60428, 60450, 60464, 60843, 60846.)
- 9 • Several of the December 27, 2017 emails with file names such as  
10 "Ratificat.zip?ratificat/Ratification" and "Ratification.msg" and the subject  
11 "Ratification" also *were copied to Ellen Cotter*. (*Id.*, entries ending in 60450, 60452,  
12 60464 and 60846; Ex. 2, 5/30/18 privilege log, entries ending in RDI 68619, 68626,  
13 70083, 70095.)
- 14 • Another December 27, 2017 email from Tompkins to Bonner and Ferrario  
15 concerned "ratification" according to the email subject line, but the privilege log  
16 provides no description of the communication. (*Id.*, entry ending in 60843.) A  
17 subsequent entry also is an email regarding "ratification," and is from Bonner to  
18 Tompkins and Ferrario, *but also copied Ellen Cotter*. (*Id.*, entry ending in 60846.)
- 19 • After receiving responses from Tompkins and possibly Ellen Cotter regarding the  
20 draft of what came to be Gould's December 27, 2017 email, GT attorney Bonner on  
21 December 27, 2017 sent Gould an email, with a copy to GT attorney Ferrario, the  
22 "re" line of which read "FW: for Bill Gould to sign," which RDI's privilege log also  
23 describes as "communication regarding draft letter re Special Board Meeting." (*Id.*,  
24 entries ending in entries ending in 59792 and 59937.) (Emphasis supplied.)
- 25 • On December 27, 2017, Gould and his assistant transmitted the email bearing that  
26 date, which Gould testified that GT attorneys Bonner and Ferrario drafted. (Ex. 5  
27 to JJC 6/13/18 Opp. at 530:2–531:14).
- 28