

Exhibit 3

LAW OFFICES
WILLIAMS & CONNOLLY LLP

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BRENDAN V. SULLIVAN, JR.

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bsullivan@wc.com

EDWARD BENNETT WILLIAMS (1920-1988)
PAUL R. CONNOLLY (1922-1978)

June 12, 2019

Via Electronic Mail (john.frazer@nrahq.org)

John Frazer, Esq.
Secretary and General Counsel
National Rifle Association of America
11250 Waples Mill Road
Fairfax, VA 22030
(703) 267-1254

Re: LtCol Oliver North, USMC (Ret.)

Dear Mr. Frazer:

LtCol North declines your request that he resign from the NRA Board and Executive Council. For many decades he has supported the NRA and its mission. If Mr. LaPierre continues to retaliate against and disparage LtCol North because LtCol North requested that allegations of financial misconduct at the NRA be independently reviewed, he will continue to harm himself and the NRA, and does so at his own peril.

Mr. LaPierre has taken multiple adverse actions against LtCol North in retaliation for raising concerns about allegations of financial misconduct. First, Mr. LaPierre blocked LtCol North's re-nomination as President of the NRA, despite the fact that LtCol North received significantly more votes from the NRA membership than any other candidate in his two most recent elections to the NRA Board. Second, Mr. LaPierre killed the NRA Crisis Management Committee that LtCol North established to address the allegations of financial misconduct. And third, in an attempt to undermine LtCol North, Mr. LaPierre promulgated false information about an attempted NRA "coup" and alleged that LtCol North tried to "extort" his resignation. Mr. LaPierre also promulgated false information that LtCol North "double-dipped" by taking a salary from the NRA and from Ackerman McQueen.

Mr. LaPierre's attacks and retaliation against LtCol North and others who raise concerns about allegations of financial misconduct at the NRA are wrong and inconsistent with principles of good governance. By engaging in such activity, Mr. LaPierre is putting himself ahead of the

WILLIAMS & CONNOLLY LLP

John Frazer, Esq.

June 12, 2019

Page 2

NRA, its members, and its mission. When leaders choose this path, it usually ends badly for them and harms their organization.

Your letter of May 31, 2019 is another example of taking adverse actions in retaliation against LtCol North because of the concerns he raised. The letter asks LtCol North to resign, asserting that “LtCol North’s continued, simultaneous service as a board and Executive Council member, on the one hand, and an employee of Ackerman McQueen, on the other hand, violates Article V, Section 5 of the NRA’s Bylaws, as well as the NRA’s Conflict of Interest and Related-Party Transaction Policy adopted by the Board on January 9, 2016.”

There is no basis for this assertion.

First, the Bylaw section you cite, Article V, Section 5, is not even relevant. This section relates to the compensation committee. It provides no basis to request that LtCol North resign from the NRA.

Second, the NRA’s Conflict of Interest and Related-Party Transaction Policy is not relevant because Ackerman McQueen is no longer a vendor of the NRA. As you know, the relationship between the NRA and Ackerman McQueen has been terminated. As a result, the Conflict of Interest and Related-Party Transaction Policy provides no basis to request that LtCol North resign from the NRA.

Third, LtCol North will, of course, continue to abstain from participating in or seeking to influence any deliberations or votes regarding Ackerman McQueen, as directed by the Audit Committee on September 6, 2018 when it “determined that it is fair, reasonable, and in the best interest of the NRA to approve and ratify Lieutenant Colonel North’s continued participation in the AMC Contract during his service on the NRA Board and as an NRA officer.” Because Ackerman McQueen is no longer a vendor, this is not an issue. In any event, neither your letter nor the Audit Committee’s purported resolution dated May 30, 2019 articulates the nature of any alleged conflict of interest.

If there were a conflict, it could be dealt with through screens and other procedural safeguards. For example, the *Washington Post* reported on June 10 that Julie Golob is on the NRA Board and also works for Ackerman McQueen. The *Post* wrote: “The NRA has said the arrangement was approved by the audit committee and that Golob does not participate in discussions related to Ackerman.”

As you know, the NRA’s Board members and officers have fiduciary duties to the NRA, its members, and its donors. LtCol North was simply fulfilling his fiduciary duties when he raised concerns about allegations of financial misconduct. LtCol North will continue to do so in order to fulfill his fiduciary duties as a NRA Board member. Importantly, LtCol North raised these concerns on a confidential basis—seeking to resolve the issues within the NRA through

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John Frazer, Esq.
June 12, 2019
Page 3

appropriate channels, including the Audit Committee. At every step, he met resistance from Mr. LaPierre.

Instead of acting responsibly with regard to LtCol North's attempts to address the allegations of financial misconduct, Mr. LaPierre went public with false and retaliatory attacks against LtCol North. With regard to addressing allegations of financial misconduct, it is Mr. LaPierre who has the irreconcilable conflict of interest, because documents sent to the Audit Committee by Mr. Hart (the NRA Board counsel who Mr. LaPierre suspended shortly after he circulated the documents) allege that Mr. LaPierre wrongfully received more than half a million dollars in Italian suits and foreign travel. See Attachment A (LtCol North's memo of April 25, 2019 identifying allegations of financial mismanagement at the NRA and establishing a Crisis Management Committee to responsibly address the allegations).

If Mr. LaPierre wants Lieutenant Colonel Oliver North off the NRA Board of Directors, thus repudiating the ballots of the NRA members who overwhelmingly elected him, then Mr. LaPierre will need to explain that as required by Article IX of the NRA's Bylaws.

LtCol North requests that you send this letter and its attachment to the full NRA Board so the Board can understand LtCol North's response to the multiple emails that you have sent to the full Board regarding this matter.

Sincerely,


Brendan V. Sullivan, Jr.

Attachment A

From: Ollie North
Sent: Thursday, April 25, 2019 7:55 AM
To: John.Frazer@nrahq.org
Cc: Richard - racing Childress; CAROLYN MEADOWS
Subject: FORMATION OF SPECIAL COMMITTEE ON CRISIS MANAGEMENT
Attachments: OLN MEMO TO EXECUTIVE COMMITTEE, 25 APR 2019.pdf; Attachment 1 - New Yorker Article.pdf; Attachment 2 - AckMc Letter re LaPierre Clothing.pdf; Attachment 3 - AckMc Letter re LaPierre Expenses.pdf; Attachment 4 - North and Childress Letter re Payments to Brewer.pdf

JOHN FRAZER & WILLIAM "WIT" DAVIS :

PLEASE FIND ATTACHED A CONFIDENTIAL MEMORANDUM FROM ME TO THE EXECUTIVE COMMITTEE NOTIFYING THE MEMBERS THAT I HAVE FORMED A SPECIAL COMMITTEE ON CRISIS MANAGEMENT AND AM IN THE PROCESS OF ASSIGNING MEMBERS. PLEASE INCLUDE THE ATTACHMENTS BELOW WHEN TRANSMITTING THE MEMO.

YOUR ACKNOWLEDGEMENT OF RECEIPT & TRANSMISSION TO THE EX COMM WILL BE APPRECIATED.

JOHN: PLEASE ENSURE OUR EVP/CEO AND WILLIAM "WIT" DAVIS, OUR NEW BOARD COUNSEL ARE PROVIDED WITH THIS ENITRE MISSIVE.

DO NOT HESITATE TO CALL WITH ANY QUESTIONS.

SEMPER FIDELIS, OLIVER NORTH

"SEMPER FIDELIS" IS MORE THAN A SLOGAN FOR U.S. MARINES. "ALWAYS FAITHFUL" IS A WAY OF LIFE.

NATIONAL RIFLE ASSOCIATION OF AMERICA

OFFICE OF THE PRESIDENT

11250 WAPLES MILL ROAD

FAIRFAX, VIRGINIA 22030

OLIVER L. NORTH
President



CONFIDENTIAL

To: Executive Committee of the NRA

From: Oliver North, NRA President

Cc: John Frazer, NRA General Counsel
William Davis, NRA Board Counsel

Date: April 25, 2019

Re: Formation of a Crisis Management Committee

THE NRA FACES A CRISIS

The NRA faces a crisis that [REDACTED]

1. On 17 April 2019, the *New Yorker* magazine published a devastating article raising serious allegations about mismanagement, which, [REDACTED]. [REDACTED] See Attachment 1. Earlier critical articles appeared in the *Wall Street Journal* and the *New York Times*. Because these articles allege mismanagement of nonprofit funds, they may provoke investigations by the New York Attorney General, the IRS, or other authorities. These investigations could last years and be damaging to the NRA.
2. On 12 April 2019, the NRA filed a public lawsuit in the state court of Virginia against Ackerman McQueen alleging that Ackerman failed to provide financial information requested by the NRA. The suit was filed without consultation and without informing members of the NRA Board of Directors or key officers of the NRA, and its public airing of what might be an internal dispute has cast the NRA in a bad light.
3. On 22 April 2019, Ackerman McQueen responded to the lawsuit with a series of letters making allegations against Wayne LaPierre, the NRA's EVP/CEO. For example, one letter from Ackerman McQueen suggested that Mr. LaPierre received \$270,000 worth of

(703) 267-1040

(703) 267-3909 fax

clothing from Ackerman McQueen for which he did not pay. Another letter from Ackerman McQueen suggested that Mr. LaPierre received over \$240,000 in travel, hotels, and limousines paid for by Ackerman McQueen, which ultimately were reimbursed by the NRA. See Attachment 2 and Attachment 3.

4. On 22 April 2019, shortly after Ackerman McQueen sent the letters referenced above to Mr. LaPierre and NRA Board Counsel Steve Hart, Mr. LaPierre fired Mr. Hart. Mr. LaPierre fired Mr. Hart without consulting with the Board, and promptly after Mr. Hart
[REDACTED]
5. For two months, based on the advice of NRA Board Counsel, I and others have been urging Mr. LaPierre to conduct an independent, outside review of the substantial payments that the NRA has been making to Brewer Attorneys & Counselors. As a nonprofit organization, the NRA has a duty to be good stewards of its funds, and I have been informed that the NRA has made payments to Brewer exceeding \$24 million. On 18 April, 2019, Richard Childress and I submitted a letter to the Audit Committee explaining multiple reasons why we need to review these extraordinary payments. Mr. LaPierre has consistently opposed such a review. See Attachment 4.

CRISIS MANAGEMENT COMMITTEE

As President of this Association, I have a fiduciary duty to respond to this crisis. Pursuant to NRA Bylaw Article V, Section 2, I hereby form a Special Committee of the Board of Directors called the "CRISIS MANAGEMENT COMMITTEE." The CRISIS MANAGEMENT COMMITTEE is tasked with addressing and resolving the problems identified above so we can fulfil our duties and get on with our mission of protecting the Second Amendment.

The CRISIS MANAGEMENT COMMITTEE will do the following:

1. Supervise a confidential, privileged, internal investigation to determine whether there is substance/validity to the allegations set forth in the *New Yorker* article and other publications, particularly to remediate any issues with the NRA's compliance with rules, regulations, and law applicable to nonprofit organizations.
2. Supervise a confidential, privileged, internal investigation into the letters from Ackerman McQueen dated 22 April 2019, which suggest financial impropriety.
3. Examine the process that led to the NRA's filing of a lawsuit against Ackerman McQueen, including who authorized the filing of that lawsuit and whether any Directors were advised/consulted prior to the filing of the lawsuit on 12 April 2019.
4. Determine whether there is a basis to resolve whatever differences exist between NRA and Ackerman McQueen in an arbitration or other forum.

5. Consult with a prominent expert in the governance of nonprofit organizations, who will assist the CRISIS MANAGEMENT COMMITTEE in implementing best practices to ensure that the NRA is in compliance with all rules, regulations, and law applicable to nonprofit organizations.
6. Supervise an outside, independent review of the invoices submitted by Brewer Attorneys & Counselors, which total more than \$24 million over a short period of time.
7. Establish procedures to keep the NRA's Executive Committee and full Board advised of key decisions and strategies developed over the months ahead.

I am working to appoint members to the CRISIS MANAGEMENT COMMITTEE, and intend to see that this Special Committee addresses and remediates the problems identified above. We owe this to the NRA and its 147+ year history of protecting the Second Amendment.

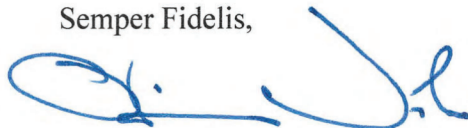
ADDENDUM

John Frazer & William Davis:

Please pass a copy of this document and its four attachments as OFFICIAL CORRESPONDENCE to the members of our Executive Committee and our Executive Vice President/CEO.

Your acknowledgement that this has been done will be much appreciated.

Semper Fidelis,



Oliver North
NRA President

Attachments:

1. New Yorker Article
2. AckMc letter re clothing
3. AckMc letter re expenses
4. President North, 1st VP Childress letter to Audit Committee

**“Semper Fidelis” is more than a slogan for U.S. Marines.
“Always Faithful” is a way of life**

Attachment 1

THE
NEW YORKER
News Desk

Secrecy, Self-Dealing, and Greed at the N.R.A.

The organization's leadership is focussed on external threats, but the real crisis may be internal.

By Mike Spies April 17, 2019

This winter, members of the National Rifle Association—elk hunters in Montana, skeet shooters in upstate New York, concealed-carry enthusiasts in Jacksonville—might have noticed a desperate tone in the organization's fund-raising efforts. In a letter from early March, Wayne LaPierre, the N.R.A.'s top executive, warned that liberal regulators were threatening to destroy the organization. "We're facing an attack that's unprecedented not just in the history of the N.R.A. but in the entire history of our country," he wrote. "The Second Amendment cannot survive without the N.R.A., and the N.R.A. cannot survive without your help right now."

LaPierre is right that the N.R.A. is troubled; in recent years, it has run annual deficits of as much as forty million dollars. It is not unusual for nonprofits to ask prospective donors to help forestall disaster. What is unusual is the extent to which such warnings have become the central activity of the N.R.A. Even as the association has reduced spending on its avowed core mission—gun education, safety, and training—to less than ten per cent of its total budget, it has substantially increased its spending on messaging. The N.R.A. is now mainly a media company, promoting a life style built around loving guns and hating anyone who might take them away.

On NRATV, the organization's programming network, the popular host Grant Stinchfield might appear in a "Socialist Tears" T-shirt, taking a sledgehammer to a television set cycling through liberal news shows. The platform's Twitter account circulates videos of the spokesperson Dana

Attachment 2



April 22, 2019

Via Email
Mr. Wayne LaPierre
National Rifle Association
11250 Waples Mill Road
Fairfax, VA 22030

RE: Clothing purchases by Ackerman McQueen (AMc) on your behalf.

Dear Mr. LaPierre:

During the recent audit sequence, specifically with FRA, transactions with related parties were discussed. We realized during these discussions that we need to address your wardrobe you required us to provide, specifically, purchases at the Zegna store in Beverly Hills, CA. Due to the substantial nature of the total **(\$274,695.03)**, we should address these items immediately.

I have attached the listing of purchases by date and amount for your convenience. Since we do not have original receipts, we are unable to provide any more detail than this. Therefore, please provide store receipts or a complete, itemized list of the items purchased.

We appreciate your immediate attention to this request.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Winkler', with a horizontal line extending to the right.

William Winkler
Chief Financial Officer

cc: Mr. Craig Spray
Mr. Steve Hart

Date of Purchase	Amount
4/7/2004	\$ 575.00
5/11/2004	\$ 39,435.00
11/11/2004	\$ 875.00
11/8/2004	\$ 3,580.00
11/15/2004	\$ 260.00
10/5/2005	\$ 5,740.00
7/19/2006	\$ 11,075.00
5/30/2007	\$ 615.00
7/18/2007	\$ 3,240.00
7/30/2007	\$ 295.00
9/4/2007	\$ 1,255.00
8/20/2008	\$ 663.58
2/17/2009	\$ 10,200.00
2/17/2009	\$ 1,569.62
3/17/2009	\$ 2,156.88
3/20/2009	\$ 7,718.11
4/3/2009	\$ 2,835.04
7/6/2009	\$ 1,270.58
9/21/2009	\$ 915.00
12/9/2009	\$ 8,112.50
12/9/2009	\$ 1,100.00
2/17/2010	\$ 8,987.58
4/6/2010	\$ 1,985.00
10/27/2010	\$ 14,014.00
11/2/2010	\$ 1,795.00
2/22/2011	\$ 493.88
5/24/2011	\$ 4,309.26
5/24/2011	\$ 11,995.25
6/27/2011	\$ 728.75
11/3/2011	\$ 905.00
2/27/2012	\$ 17,480.00
3/11/2014	\$ 29,060.00
9/23/2014	\$ 15,050.00
9/23/2014	\$ 205.00
11/26/2014	\$ (585.00)
9/22/2015	\$ 39,000.00

2/2/2016 \$ 520.00

9/13/2016 \$ 4,185.00

2/12/2017 \$ 21,080.00

Total	\$ 274,695.03
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Attachment 3



April 22, 2019

Via Email
Mr. Wayne LaPierre
National Rifle Association
11250 Waples Mill Road
Fairfax, VA 22030

RE: Documentation of expenses incurred by Ackerman McQueen (AMc) and billed to the National Rifle Association (NRA)

Dear Mr. LaPierre:

As you are well aware, one of the claims that has been asserted in the Lawsuit by the NRA against AMc is as follows:

“Out of Pocket’ expenses that lacked meaningful documentation of NRA approvals, receipts, or other support, despite the requirements set forth in the Services Agreement”

At your request, we issued you an American Express card and agreed to the travel fee from II&IS. Both with the intent to keep your business travel confidential and secure. Due to your demands in the lawsuit, we are notifying you that you have failed to provide written approvals, receipts, and other support for expenses related to your travel, etc. Thus, it is imperative that you provide this information timely so that we may comply with your requests for information. Please be reminded that these actions were taken expressly upon your demand.

We request that you furnish to us, in itemized detail, all approvals, receipts, and/or other support which will show documentation sufficient to meet the standards alleged per the Lawsuit for all the listed charges included as Attachment #1 (**total expenses of \$267,460.53**) to this letter. Section A - (total \$9,980.95) includes the charges incurred on your AMc American Express card issued at your request in November 2014. Section B - (total \$243,644.74). includes the air and limo charges paid to II & IS on your behalf, for travel to Bahamas, Palm Beach, New York, Los Angeles, Reno, Budapest, and Italy, and billed to the NRA. Section C - (total \$13,804.84) is for the apartment you required we rent for the period of May 27 - August 30, 2016 in Fairfax, VA for Megan Allen and billed to the NRA. At a minimum, the documentation should include date, business purpose and/or discussion, who was present and who were included as additional passengers on any air travel. Also, for the apartment, please provide the business relationship with Ms. Allen.

We appreciate your immediate attention to this request.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Winkler', written over a horizontal line.

William Winkler
Chief Financial Office

cc: Mr. Craig Spray
Mr. Steve Hart

Attach

Section A - All Credit Card Charges

Card Name	Charge Date	Purchased From
AMEX - WLP	11/3/2014	RUSH CARD SERVICE CHARGE
AMEX - WLP	11/9/2014	GODUNOV RESTAURANT BUDAPEST
AMEX - WLP	11/9/2014	ONYX E'TTEREM BUDAPEST
AMEX - WLP	11/11/2014	ROBINSON E'TTEREM BUDAPEST
AMEX - WLP	11/11/2014	BORKONYHA, WINEKITCH BUDAPEST
AMEX - WLP	11/11/2014	COSTES RESTAURANT BUDAPEST
AMEX - WLP	11/13/2014	FOUR SEASONS GRESHAM BUDAPEST
AMEX - WLP	11/13/2014	FOUR SEASONS GRESHAM BUDAPEST
AMEX - WLP	11/15/2014	HOTEL SUISSE BELLAGIO
AMEX - WLP	11/16/2014	PANE E TULIPANI COMO
AMEX - WLP	11/16/2014	CASTADIVA RESORT BLEVIO

Grand Total

Section B - Airfare and Limo charges billed through II&IS

Vendor		Invoice number
I.I. & I.S.	II &IS Inc	2702
I.I. & I.S.	II &IS Inc	2703
I.I. & I.S.	II &IS Inc	2888
		total

Section C - Megan Allen Apartment

Vendor		Invoice number
The Ridgewood II by Windsor		534.6.16
The Ridgewood II by Windsor		534.7.16
The Ridgewood II by Windsor		534.8.16
		total

total of all expenses

Document #1

Total Charge Description	Reference Number
15.00	02014307081810441006000000000000+000001500
75.38 REF# 00000000000 RESTAURANT	02014313073117117808009461346389+001818000
240.35 REF# 00000000000 RESTAURANT	02014313073117117908009461230856+005796000
63.20 REF# 00000000000 RESTAURANT	20141111371660000103119461037574+000006320
113.19 REF# 00000000000 RESTAURANT	20141111371661000103119461334591+000011319
202.60 REF# 00000000000 RESTAURANT	02014315137165165908009461146888+004850800
18.78 REF# 00000000000 LODGING	02014317134761761408009460431117+000450000
6,555.02 REF# 00000000000 LODGING	02014317134761761308009460431117+157032800
172.23 REF# 00000000000 LODGING	02014319105400400308009520600214+000013450
110.12 REF# 00000000000 RESTAURANT	20141116624755000103119624218434+000011012
2,415.08 REF# 00000000000 LODGING	02014320062475475708009624688719+000188600

9,980.95

amount	date	description
94,682.25	1/10/2013	WLP: - 12/17 - Air Transportation - Wash/Eleuthera - \$39,947.50 - 01/03 - Air Transportation - Nassau/Dallas - \$29,100.63 - 01/05 - Air Transportation - Dallas/Palm Beach - \$25,634.12

112,045.00	1/22/2013	WLP: - 01/17 - Air Transportation - Wash/New York - \$17,600.00 - 01/19 - Air Transportation - NTY/Los Ang./Reno - \$47,025.00 - 01/27 - Air Transportation - Reno/LA - \$7,075.00 - 01/27 - Air Transportation - Reno/Wash - \$40,345.00
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36,917.49	11/1/2014	Hungary and Italy Travel for WLP: - Air Charter - Budapest/Brescia - \$17,550.00 - Car & Driver - Budapest - \$5,352.19 - Car & Driver - Italy - \$12,919.30 - Frankfurt Airport Assitance - \$1,096.00
243,644.74		

amount	date	description
\$ 4,950.00	5/27/2016	June rent, deposit and Application fee
\$ 4,500.00	6/20/2016	July rent
\$ 4,354.84	6/20/2016	August rent prorated
\$ 13,804.84		

\$ 267,430.53

Attachment 4

NATIONAL RIFLE ASSOCIATION OF AMERICA

OFFICE OF THE PRESIDENT

11250 WAPLES MILL ROAD

FAIRFAX, VIRGINIA 22030

CONFIDENTIAL



NRA

John Frazer
Secretary & General Counsel, National Rifle Association of America

Charles Cotton
Chairman of the Audit Committee, National Rifle Association of America

April 18, 2019

Dear John and Charles:

As indicated in previous correspondence, we and others continue to be deeply concerned about the extraordinary legal fees the NRA has incurred with Brewer Attorneys & Counselors. The amount appears to be approximately \$24 million over a 13-month period, [REDACTED]

Because of the extraordinary size of the Brewer firm's invoices, our NRA Board Counsel advised us [REDACTED]

To that end, we have asked several times over the past two months for NRA management to retain an outside, independent review of the Brewer firm's invoices. Thus far there has been no action.

[REDACTED]—our Board Counsel has urged us to [REDACTED]

Further, in separate meetings we had with Mr. Brewer on 15 and 20 March 2019, [REDACTED]

There are seven reasons why the NRA must engage an independent, outside expert to review the Brewer invoices immediately.

First, the Brewer firm's invoices appear to be excessive on their face.

The Brewer invoices are draining NRA cash at mindboggling speed.

Based on information provided to us over a month ago by our Secretary & General Counsel, the first 12 invoices the NRA received from the Brewer firm were for these amounts:

Date	Brewer Firm Invoice
March 2018	\$ 25,000.00
April 2018	\$ 1,011,184.04
May 2018	\$ 1,409,622.82
June 2018	\$ 1,730,571.18
July 2018	\$ 1,839,535.17
August 2018	\$ 1,839,743.68
September 2018	\$ 1,883,351.80
October 2018	\$ 1,892,735.45
November 2018	\$ 2,043,746.51
December 2018	\$ 1,847,898.88
January 2019	\$ 1,887,452.55
February 2019	\$ 1,849,610.20
TOTAL:	\$ 19,260,452.28

Invoices of this size for 12 months of work appear to be excessive and pose an existential threat to the financial stability of the NRA. This is a fiscal emergency, yet we have been unable to get management to engage an outside, independent review to ensure these bills are necessary and reasonable.

More alarming still, are the most recent figures provided in the table below by our Treasurer & Chief Financial Officer. His data indicates the Brewer firm's invoices for 1st Quarter 2019 total more than \$8.8 million—over \$2.9 million per month—or \$97,787 per day, seven days a week, every day of every month.

Invoices of this extraordinary magnitude deserve immediate attention, oversight, and a careful, competent and unbiased examination. \$97,000 + a day is a stunning amount of money for any organization to pay. It cries out for an outside, independent review.

Brewer Attorneys & Counselors Paid & Owed 2018 & 1st Q 2019**Second, the secrecy surrounding the Brewer firm's invoices is alarming.**

We, and others, have made multiple requests and recommendations for an outside, independent review of the Brewer firm's invoices. All these requests have been denied. The secrecy surrounding these large invoices causes suspicion and raises questions.

On the advice of our Board Counsel [REDACTED], we have made the following requests regarding the Brewer invoices:

- February 25, 2019, President North asked our General Counsel/Secretary to be shown the Brewer invoices. He told President North he had been instructed not to show the invoices.
- February 26, 2019, President North, 1st VP Richard Childress and 2nd VP Carolyn Meadows, wrote to the Executive Vice President requesting the Brewer firm's invoices. The request was denied.
- On March 22, 2019, President North, 1st VP Richard Childress and 2nd VP Carolyn Meadows, wrote to the Audit Committee requesting that the Audit Committee retain and oversee an outside, independent review of the Brewer invoices. As yet, there is no response.
- On March 31, 2019, President North wrote to our Executive Vice President asking that he order an outside, independent review of the Brewer invoices. He refused.
- On April 8, 2019, President North wrote to our Executive Vice President urging him to end this controversy by ordering an outside, independent review of the Brewer firm's invoices. He again refused.

In Q1 2019 the NRA paid the Brewer firm more than \$2.9 million per month. The fact that these billings are being shielded from review by an outside, independent auditor is alarming. If the bills are reasonable and properly documented, why the refusal to conduct an independent review?

Third, the Brewer firm's engagement letter is inconsistent with industry standards.

The NRA's March 2018 engagement letter with the Brewer firm is inconsistent with industry standards. There are several problems with the engagement letter, all to the disadvantage of the NRA, including:

- The Brewer firm's engagement letter is vague regarding the scope of work that Brewer is performing for the NRA. The letter simply says the Brewer firm is performing legal services "[REDACTED]". It appears that the Brewer firm has far exceeded this scope—without proper written documentation. As we understand it, the standard in the legal profession is to require engagement letters for each separate matter, and to adequately document the scope of work that will be performed on each matter.
- The Brewer firm's engagement letter states it is charging the NRA "on an hourly basis" at "its usual and customary rates." But the NRA is a not-for-profit entity. Paying "rack rates" to the Brewer firm makes no sense. Law firms usually reduce rates when representing non-profits. Why no reduction for the NRA?
- The Brewer firm's engagement letter states the firm "requires payment of all expenses associated with this representation, including both in-house and third-party disbursements. In-house charges for support services may exceed the actual cost of providing such services." The letter identifies messenger costs, work processing charges, and telecommunications as examples. It makes no sense for the client of a law firm to pay surcharges on "in-house charges."
- The Brewer firm's engagement letter states the firm uses "I & A International, a company which is owned by partners of the Firm, to provide document abstracting." These costs apparently get passed along (at a surcharge?) to the NRA, but are they commercially reasonable? Have we looked at the market rate for such services?
- The Brewer firm's engagement letter says Texas law will apply, and that if we have a dispute with Brewer we must resolve it through arbitration where the loser pays all attorney fees. These provisions are not in the NRA's interests. Indeed, they are unusual and harmful to the NRA. Texas law? No Virginia-based non-profit should agree to that. Arbitration? That denies the leverage the NRA needs to compel honest and ethical legal services. Loser pays? This is a concept from English law—and is not used in America.

It is obvious that in addition to the high fees and secrecy surrounding the Brewer firm’s invoices, we apparently have lax oversight regarding our engagement of the Brewer firm and the scope of what the Brewer firm should be doing, how they are billing us and the rates they are charging. These matters are key elements of our fiduciary duty and must be addressed by an outside, independent review.

The Brewer firm’s March 2018 engagement letter should be discarded and re-written. If the Brewer firm does not agree to standard terms, a non-profit discount, detailed billing guidelines used by all properly managed corporations and non-profits (explained below), and adequate scope documentation for each matter on which the Brewer firm is working, then the entire engagement agreement should be terminated.

Fourth, NRA’s oversight of the Brewer firm is totally inconsistent with industry standards.

Our oversight of the Brewer firm is wholly inadequate. As we understand it, our NRA is failing to properly oversee the Brewer firm in multiple ways. For example:

- The NRA has failed to require the Brewer firm to adhere to “billing guidelines.” These are standard in the both the non-profit and for-profit corporate world. There are samples on the internet. The American Bar Association provides guidance on this topic. Billing guidelines help organizations control the costs of outside counsel. The NRA should implement such billing guidelines immediately and direct the Brewer firm to follow them. They should be part of each separate retainer agreement.
- We have failed to secure a discount on Brewer’s “high” hourly rates. Why do we allow the Brewer firm to charge such high rates? NRA outside counsel at Morgan Lewis wrote a memo to the NRA last month stating that:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

It should be noted that not all of the Brewer firm’s work is “high-stakes corporate litigation.” First, NRA is a non-profit association, rather than a corporation. Second, some of the matters the Brewer firm apparently handles are uncomplicated, routine matters such as vendor contracts that were not properly managed in years past and responding to Congressional letters.

- Thus far, we have failed to require any outside, independent review of the Brewer invoices. There are services that perform this function—and we easily could find an outside expert to perform the function at very little cost. Morgan Lewis opined [REDACTED]
- [REDACTED]

Fifth, judges in cases in which the Brewer firm has been involved have determined that Mr. Brewer has engaged in improper unethical conduct and a Federal Judge in Virginia ejected him from representing the NRA in litigation.

Mr. Brewer was found by a Federal District Judge in Virginia to have misled the court, an offense that led the court to eject Mr. Brewer from participating in a case for the NRA. In that case, after a special hearing to determine why Mr. Brewer failed to disclose his prior disciplinary problem in Texas, the Judge in the U.S. District Court for the Eastern District of Virginia decided on September 13, 2018 to revoke his standing to participate in the case. The Virginia federal court stated:

“[T]he Court of Appeals [in Texas] went on to affirm the findings of Judge Reyes that Mr. Brewer’s actions were not a negligent act, or a mistake, or the result of poor judgment, but they were in bad faith, unprofessional, and unethical, highly prejudicial to the fair trial of an impartial jury.

And, of course, we’re talking about this push poll that Mr. Brewer admitted he had reviewed and approved before it was used by the polling company. Disrespectful to the judicial system. Threatening the integrity of the judicial system. Incompatible with a fair trial. The poll was designed to improperly influence the jury pool. And that the conduct impacted the right of a trial by impartial jurors. And that it was intentional and in bad faith. And that the quote, “it is undisputed that the trial Court’s ability to impanel an impartial jury and to try a case before unintimidated witnesses are core functions of the Court.”

Had I known about these opinions, notwithstanding that there is further appeals ongoing, I wouldn’t have signed the pro hac vice form and would not have admitted Mr. Brewer to the Eastern District of Virginia. They are very serious allegations. They are findings of bad faith that go to the core of a fair and impartial rendering of a jury verdict. And now having reviewed them—and I realize that the NRA will be inconvenienced and, if necessary, there might have to be some adjustment to the discovery process ongoing—but I find that Mr. Brewer’s pro hac vice admission should be revoked and that he should not be admitted to proceed further in this case.”

Transcript, NRA v. Lockton, Case No. 18-639, September 13, 2018, page 16–17 (emphasis added).

Indeed, the Texas court sanctioned Mr. Brewer on January 22, 2016, writing:

“[T]he manner in which Mr. Brewer has responded to the sanctions motions and allegations therein is concerning to this Court. Mr. Brewer’s demeanor was nonchalant and uncaring. Additionally, Mr. Brewer was repeatedly evasive in answering questions when he was on the witness stand. This Court sustained multiple objections for non-responsiveness, instructed Mr. Brewer to answer the questions being asked of him by counsel, and before taking more aggressive steps, this Court took a recess during Mr. Brewer’s examination seeking the assistance of Mr. Brewer’s attorney. The Court asked Mr. Pridmore [Mr. Brewer’s attorney] to step outside the courtroom and advise Mr. Brewer to follow the Court’s instructions and be responsive to questions being asked of him. It was the desire and hope of this Court to highlight to Mr. Brewer that the matter at hand was of extreme importance and with potentially grave consequences. . . . **The Court finds Mr. Brewer’s actions were not merely a negligent act, a mistake or the result of poor judgment, and Mr. Brewer’s explanation that he bears clean hands . . . is insulting to this Court. The Court further finds Mr. Brewer’s attempt to avoid responsibility and accountability for his conduct to be at the very least unpersuasive and at the worst in bad faith, unprofessional, and unethical.”**

Ruling from Judge Reyes, Teel v. Titeflex, Case No. 2012-504 (Lubbock, TX), January 22, 2016, pages 1–2 (emphasis added). As the Virginia federal court noted, the Texas Court of Appeals affirmed Judge Reyes’s sanction of Mr. Brewer.

The NRA cannot ignore such findings. We understand that the ethical problem Mr. Brewer has in Texas is on appeal to the Texas Supreme Court. But the fact is, his honesty and ethics have been questioned by courts in Texas and Virginia. This record adds to the urgency of the requests that the NRA immediately conduct an outside, independent review of the millions in fees the Brewer firm has charged to the NRA, . . . fees which appear to be excessive . . . and fees which appear to have been paid at a rate of more than \$97,000 per day in Q1 2019.

Sixth, Mr. Brewer has been actively trying to stop an outside, independent review of his firm’s invoices.

It is even more stunning to learn that Mr. Brewer has personally been actively working to stop an outside, independent review of his own invoices. Certainly the Brewer firm has a conflict of interest regarding the review of its own bills when it works to resist an outside, independent review of its own bills.

Seventh, the NRA Board of Directors has a fiduciary duty to oversee massive expenditures of NRA funds.

The NRA is a non-profit registered in New York. It is regulated by the New York Attorney General. The New York Attorney General has published guidance on the financial management of non-profits. We must follow this guidance and the laws governing non-profits in the State of New York. Multiple guidance memoranda from the New York Attorney General can be found at www.charitiesnys.com. One particularly relevant piece of guidance is titled:

“INTERNAL CONTROLS AND FINANCIAL ACCOUNTABILITY FOR NOT-FOR-PROFIT BOARDS.” It states:

“A primary responsibility of a nonprofit’s board of directors is to ensure that the organization is accountable for its Programs and finances to its contributors, members, the public and government regulators.”

To fulfill our directors’ fiduciary duties and responsibilities as stewards of our non-profit organization, we must insist on full disclosure, proper oversight, and an outside, independent review. If we do not, we are bound by our fiduciary duties to do what is right—and to push further for review and oversight of these extraordinary, multi-million-dollar expenditures. This is a matter of conscience for both of us.

We want to be clear that we raise concerns about the Brewer firm’s multi-million-dollar fees for only one reason: it is our fiduciary duty to make sure the NRA responsibly uses the funds it raises from members and the public. We fully support the compliance work the Brewer firm has performed for the NRA. We fully support and expect 100% compliance with all rules, regulations and laws applicable to non-profits. But this includes compliance in all NRA contractual relationships with vendors, including the Brewer firm. If the NRA Audit Committee fails to order an outside, independent review, then the NRA Board of Directors, in fulfillment of its fiduciary duty, should do so.

Conclusion

The decision to permit an outside, independent review of the Brewer legal fees should not be difficult. In fact, it is a “no-brainer” when one considers the totality of current circumstances:

Over the last 13 months Brewer has billed the NRA approximately \$24,000,000, more than \$18.5 million [REDACTED]. His retainer agreement is flawed, inconsistent with standards in the industry, and contains provisions clearly harmful to the NRA.

The bills he submitted are not subject to customary “billing guidelines” used by non-profits and public corporations. He provides no discount from his “normal” billing rates to NRA. He provides no budget of costs going forward. And the “scope” of his work is vague and does not include the projects for which he is billing the NRA.

Despite repeated requests to fulfill our Board of Directors' fiduciary responsibilities by conducting an outside, independent review of the Brewer firm's billing details, our efforts have been unsuccessful. Based on his 1st Quarter 2019 invoices, each day going forward will require the NRA to expend almost \$100,000 with the Brewer firm.

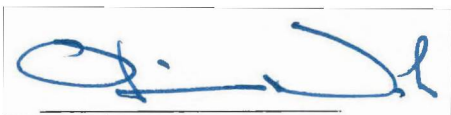
Lastly, all of the above should be considered in the context that the lawyer whose bills are in question has had encounters with Judges who have taken action against him, finding ethical lapses in a Texas court and a false statement to a Federal Judge in Virginia, the result of which was that Mr. Brewer was ejected from the Virginia proceeding and prohibited from continuing to represent NRA in the ongoing litigation filed there.

For all the reasons above, and as we have articulated orally and in previous correspondence, we should retain an outside, independent reviewer of the Brewer firm's billings prior to our Board of Directors meeting on 29 April in Indianapolis. Failing that, we plan to address the points above to our Board in person, so they are aware of their fiduciary duties, our efforts to protect this organization and its members, and let our Board Members decide how they want to proceed.

Charles, hopefully, the agenda for your Audit Committee meeting on Sunday, 28 April will permit including this document for discussion under "new business" in executive session. If that is not possible, please advise and we will plan to introduce this letter during our Board of Directors meeting on 29 April 2019.

John, please pass a copy of this document as OFFICIAL CORRESPONDENCE to our Executive Vice President/CEO and inform him that if the Audit Committee takes a pass on retaining the services of an outside, independent reviewer acceptable to us, then it is our intention to seek approval for such a review of these massive expenditures from the Board Members in attendance.

Semper Fidelis,



Oliver North
NRA President



Richard Childress
NRA 1st Vice President

**"SEMPER FIDELIS" IS MORE THAN A SLOGAN FOR U.S. MARINES.
"ALWAYS FAITHFUL" IS A WAY OF LIFE**