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**COUNSEL FOR THE PEOPLE OF
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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE: §
§ **CASE NO. 21-30085-hdh-11**
NATIONAL RIFLE ASSOCIATION §
OF AMERICA and SEA GIRT LLC, § **CHAPTER 11**
§
Debtors.¹ § **Jointly Administered**

**RESPONSE OF NYAG TO THE DEBTORS’ EMERGENCY MOTION FOR
PROTECTIVE ORDER RE: NYAG’S NOTICE OF INTENTION
TO TAKE DEPOSITION OF GAYLE STANFORD**

The People of the State of New York, by Letitia James, Attorney General of the State of New York (the “**NYAG**”) hereby submit this Response (the “**Response**”) to the Debtors’ Emergency Motion for Protective Order Re: NYAG’s Notice of Intention to Take Deposition of Gayle Stanford (the “**Motion**”), and would respectfully show the Court the following:

¹ The last four digits of the Debtors’ taxpayer identification numbers are: 6130 (NRA) and 5681 (Sea Girt). The Debtors’ mailing address is 11250 Waples Mill Road, Fairfax, Virginia 22030.

1. On March 18, 2021, the NYAG served on the Debtors the NYAG's Subpoena to Testify at a Deposition in a Bankruptcy Case (or Adversary Proceeding) (the "Subpoena") which it served upon Gayle Stanford, a non-party. The Subpoena was served because, as a non-party, a notice of intent to take deposition would not have been the proper vehicle to obtain Ms. Stanford's testimony. Ms. Stanford, through her counsel, accepted the Subpoena, has not objected to the Subpoena, and agreed to provide her testimony on March 25, 2021. The NYAG believes that Ms. Stanford's testimony would be valuable for the parties and the Court.

2. On March 22, 2021, the National Rifle Association ("NRA") filed its Motion. Besides mistaking the vehicle for seeking Ms. Stanford's testimony, the foundational premise of the Motion is incorrect. The Declaration of Mr. Dylan Ciciliano states that the Discovery Agreement limited the number of depositions of the NRA and NYAG to seven (7) each. Mr. Ciciliano states that he has "personal knowledge" of that Discovery Agreement. The Discovery Agreement was negotiated solely by Ms. Sarah Rogers (for NRA), Mr. Gerrit Pronske (for NYAG), and Mr. Brian Mason (for Ackerman), and, to some degree, by Mr. Greg Garman (also for NRA). Mr. Ciciliano did not appear to have any involvement in the preparation, negotiation, or finalization of the Discovery Agreement. The full, final form of the Discovery Agreement is attached to the Declaration of Gerrit Pronske in Support of this Response.

3. The Discovery Agreement was not meant to cover discovery against any third parties, which would include Gayle Stanford. The Discovery Agreement limited 1) Requests for Production of Documents, 2) Depositions, 3) Interrogatories, and 4) Requests for Admissions as to parties only. Regarding Requests for Production of Documents, language was asserted to limit the Agreement to Parties (see Paragraph 9a(i), (ii) and (iii)). Regarding depositions, language was asserted to limit, not the total number of depositions, but to limit the number of depositions of the

NRA, and of the NYAG and Ackerman combined (Paragraph 9b(iii): “The NRA may notice and conduct a maximum of seven (7) depositions *of the Movants* (which included Ackerman in the definition of Movants); and Paragraph 9b(iv): Movants may each notice and may conduct a combined maximum of seven (7) depositions *of NRA witnesses*”). Interrogatories and Requests for Admission deal only with parties because Federal Rules of Civil Procedure permit Interrogatories only to parties (Rule 33, entitled Interrogatories to Parties) and Requests of Admissions to only to parties (Rule 36, “A party may serve on any other party. . . .”).

4. There was no intention to limit depositions as to third parties, and the language of the Agreement is clear that the Agreement attempts to limit the number of depositions only to party witness (because of limited time by parties’ attorneys to prepare their own witness for deposition). Likewise, the agreement to provide seven (7) days’ notice for depositions. Subparagraph 9b(ii) proves that the agreement to limit depositions was only as to parties because if paragraph 9b was meant as to all deponents there would have been no reason to make a separate rule as to location and subpoenas of “Parties.” In other words, the word “Parties,” used twice in subparagraph 9b, shows that non-Parties are not covered as to location and as to necessity of subpoenas. If Mr. Ciciliano’s interpretation of the Discovery Agreement were correct, then subparagraph 9b(ii) would have said “deponent,” because there would have been no non-party deponents. Furthermore, if the parties intended to limit third party discovery, the parties would have specifically limited “subpoenas to testify at a deposition” and not “notices of deposition.”

5. During the course of these bankruptcy cases, the NYAG obtained new information from Ms. Stanford that is relevant to the pending motions to dismiss or for appointment of a trustee. While the NYAG has known that Ms. Stanford has long been one of the NRA’s largest vendors, providing travel services to Mr. LaPierre, Mrs. LaPierre and a small group of NRA insiders, the

information recently learned from Ms. Stanford is new. The NYAG received documents from Ms. Stanford which were promptly produced to the Debtors.

6. The NYAG served the Subpoena for testimony upon Ms. Stanford because the NYAG believes that she has first-hand information that will demonstrate waste, diversion and misuse of NRA assets in regard to chartered flights, luxury travel expenses, and excess benefit transactions within the NRA, as reported in the NRA's IRS Form 990 which was filed in November 2020. The NYAG believes that Ms. Stanford's deposition is particularly relevant to, and may rebut, Mr. LaPierre's testimony in these cases about the millions of NRA dollars spent on travel for himself and his family and in light of the testimony of former NRA Treasurer and CFO Wilson Phillips. On Friday, March 19, 2021, Mr. Phillips was deposed on this issue (and others). His deposition, *in toto*, has been designated as confidential by his counsel which also demonstrates the need to depose Ms. Stanford.² Ms. Stanford's testimony will go to the core issues of fraud, dishonesty and gross-mismanagement. Further, the deposition is likely only to last a total of four (4) hours, of which the Debtors will have approximately equal time of two (2) hours if they choose to ask questions. The parties to this litigation, the creditors and parties in interest in this bankruptcy case, and the Court should not be deprived of her testimony that she is not objecting to provide.

7. For these reasons, the Court should deny the Motion.

² The transcript of that deposition may be provided to the Court under seal for review *in camera*, if necessary.

Dated: March 23, 2021.

Respectfully submitted,

/s/ Gerrit M. Pronske

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CERTIFICATE OF SERVICE

I hereby certify that on March 23, 2021, a true and correct copy of the foregoing Response was served upon all parties entitled to notice, including the Debtors, United States Trustee, and Official Committee of Unsecured Creditors via the Court's electronic transmission facilities.

/s/ Gerrit M. Pronske
Gerrit M. Pronske