

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE:) Case No. 21-30085-hdh11
) (Jointly Administered)
) Chapter 11
)
NATIONAL RIFLE ASSOCIATION) Courtroom 1
OF AMERICA AND SEA GIRT LLC,) 1100 Commerce Street
) Dallas, Texas 75242-1496
Debtors.)
) April 16, 2021
) 8:02 a.m.
) (MORNING SESSION)

TRANSCRIPT OF CONTINUED HEARING RE: MOTION FOR APPOINTMENT OF
EXAMINER FILED BY CREDITOR PHILLIP JOURNEY (114); MOTION TO
DISMISS CASE FILED BY CREDITOR ACKERMAN MCQUEEN, INC. (131);
MOTION TO DISMISS CASE FILED BY INTERESTED PARTY ATTORNEY
GENERAL OF THE STATE OF NEW YORK (155); MOTION TO APPOINT
TRUSTEE FILED BY INTERESTED PARTY ATTORNEY GENERAL OF THE STATE
OF NEW YORK (163); MOTION TO APPOINT TRUSTEE FILED BY CREDITOR
DISTRICT OF COLUMBIA OFFICE OF THE ATTORNEY GENERAL FOR THE
DISTRICT OF COLUMBIA (214); MOTION TO DISMISS CASE MOTION IN
SUPPORT OF STATE OF NEW YORK'S MOTION TO DISMISS FILED BY
CREDITOR DISTRICT OF COLUMBIA OFFICE OF THE ATTORNEY GENERAL
FOR THE DISTRICT OF COLUMBIA (423)
BEFORE HONORABLE JUDGE HARLIN DeWAYNE HALE
UNITED STATES CHIEF BANKRUPTCY COURT JUDGE

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(An attorney from the debtor or interested party above has given an oral appearance, some representing members from their team are present. As represented by a previous hearing, those attorneys are listed, some or all may have attended the hearing. Other attorneys may have been appearing although did not place a formal appearance on the record.)

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1 THE COURT: Good morning. This is the Bankruptcy
2 Court in Dallas in the National Rifle Association of America
3 case.

4 We'll go through the name the folks that have
5 registered their appearances, and then we'll take appearances
6 from anyone else.

7 Mr. Mason and your group?

8 MR. MASON: Good morning, Your Honor. Brian Mason
9 and Mike Gruber are both here.

10 THE COURT: Welcome.

11 MR. GRUBER: Good morning, Your Honor.

12 THE COURT: Welcome back.

13 Lisa Lambert?

14 MS. LAMBERT: Good morning, Judge Hale. It's Lisa
15 Lambert at the U.S. Trustee's Office, and with me is Marc
16 Salitore. I want to introduce Mr. Salitore in more detail this
17 morning, I don't know if you know him from his private practice
18 when he was in Dallas, but he is an attorney in our Tyler
19 office, and he'll be handling the CRO objection today.

20 THE COURT: I remember Mr. Salitore well, and
21 remember him fondly from his days here in Dallas. Welcome to
22 our Court, sir.

23 Mr. Neligan, and Buncher, and Gaither?

24 (No audible response heard)

25 THE COURT: Mr. Gluck and Ms. Smith?

1 MR. STRUBECK: Your Honor, it's Louis Strubeck.

2 THE COURT: Oh.

3 MR. STRUBECK: On behalf of the Official Committee of
4 Unsecured Creditors, and I'm here along with Mr. Gluck and Ms.
5 Smith, and others.

6 THE COURT: Okay; welcome.

7 MR. STRUBECK: Thank you.

8 THE COURT: Mr. Noall and Mr. Garman?

9 MR. GARMAN: Yes, sir, the entire Garman Turner
10 Gordon team is here, and with us is Mr. Robichaux, our proposed
11 CRO. And his colleague, Mr. Morton.

12 THE COURT: I'm worried about y'all not getting out
13 of that room, Mr. Garman, I hope that you're getting fresh air
14 occasionally.

15 I'll take appearances from folks that have not
16 registered.

17 MR. WATSON: Good morning, Judge. Jermaine Watson
18 and Clay Taylor on behalf of Judge Journey and our group.

19 THE COURT: Welcome.

20 MS. JACKSON: Good morning, Your Honor. Katherine
21 Jackson for the District of Columbia Attorney General.

22 THE COURT: Welcome back.

23 MR. PRONSKE: Good morning, Your Honor. Gerrit
24 Pronske, Eric Van Horn, and Jason Kathman with Spencer Fane for
25 the New York Attorney General's Office. And appearing from the

1 New York Attorney General's Office, James Sheehan, Yael Fuchs,
2 Will Wang, and we're here this morning. Thank you very much,
3 Your Honor.

4 THE COURT: Good morning.

5 MR. PRONSKE: Good morning.

6 THE COURT: Anyone else like to make an appearance?

7 MR. GARMAN: Your Honor, Mr. Correll asked that I
8 make an appearance for him also today, Mr. LaPierre's personal
9 counsel.

10 THE COURT: Thank you.

11 Anyone else want to make an appearance?

12 (No audible response heard)

13 THE COURT: All right. I think we're in the
14 testimony of Mr. Spray, and still being examined by debtors'
15 counsel.

16 Before we start, it might just -- just a couple of
17 things. It might just help me to know where we're going to go
18 during the day.

19 Mr. Pronske, I think y'all are still taking the lead
20 on who the next witness will be, and what you expect today to
21 have, and then maybe Ackerman can weigh in, too. And I don't
22 want your trial strategy, so if you're not comfortable in
23 telling me that, just say I'm not comfortable in telling you
24 that.

25 MR. PRONSKE: No, that's fine, Your Honor. We're

1 going to finish with Craig Spray this morning.

2 And then we're going to take the examination of Tony
3 Makris and William Winkler.

4 And then we're going to do video and depo reading
5 from the Woody Phillips deposition. And then other deposition
6 readings.

7 THE COURT: Okay.

8 MR. PRONSKE: That's our line up.

9 THE COURT: And, Mr. Mason, same question. Just --
10 and, again, don't -- if you don't want to tell me, that's fine,
11 if it's some sort of strategy.

12 MR. MASON: No, no, I mean what Mr. -- Mr. Pronske
13 and I have -- we've discussed this, so once -- I agree with
14 everything that he said. I think once -- we may have some
15 deposition designations at the end of the day, as well. But
16 that's our understanding of how today will look.

17 THE COURT: Okay; all right.

18 MR. GARMAN: Your Honor, it's Greg Garman, if I
19 might --

20 THE COURT: Sure.

21 MR. GARMAN: If I might inquire. I feel like we're
22 devolving over the last 24 hours in the process. I no longer
23 understand what we're doing when it comes to not only
24 designations, but there was a motion filed in the early hours
25 of the morning that I believe needs to be resolved before we

1 can put our case on.

2 And so I do want to make sure that we deal with the
3 midnight filing by the New York Attorney General.

4 And then I will just say based on the email traffic
5 from the Court and parties yesterday, I have no understanding
6 of what's being proposed by the movants as it relates to how
7 we're going to get designation testimony in.

8 THE COURT: Okay. And I was about to comment on both
9 things, so I think we go back to what we were talking about
10 earlier, and I appreciate some efforts to streamline things on
11 depositions. There may be a subset of the designations, as I
12 understand it, from the New York Attorney General's last
13 designations, but we're going to go back to having the
14 depositions read and the objections ruled on.

15 The one part -- and I'm just going to stick with what
16 we said, I think it was the day before yesterday, on Woody
17 Phillips. After that process, the New York Attorney General or
18 the United States Trustee wanted me to see a part of that
19 testimony. And so after those -- after we've gone through the
20 deposition, and I've ruled on the objections, so we've had that
21 resolved, I'm going to let them play a part of the Woody
22 Phillips deposition.

23 And I appreciate the efforts to try to streamline
24 things on the depositions, but -- so we're back to where we
25 were the day before yesterday, Mr. Garman, to answer your

1 question.

2 And then on -- go ahead, I'm sorry.

3 MR. GARMAN: Well, Your Honor -- I'm sorry. I do
4 still have a concern, though, which is I moved the Court to
5 require the designations be identified before testimony started
6 so that I could understand what evidence I would need to get
7 from the various witnesses, both on direct and cross.

8 I understand that those designations are being
9 changed. And while I appreciate -- no one appreciates the
10 effort to streamline this case more than I do at this moment in
11 time. Simply stripping out testimony that I had understood was
12 coming in, and being required to counter-designate on the fly
13 is unfair.

14 And so if the designations are going to change, Your
15 Honor, I'm going to need more than real time reaction to
16 counter-designate because I may have designated portions of the
17 testimony that are now being stripped out.

18 And so I just raise this as a concern because it's
19 been a concern of mine since before we started that I
20 understand the universe of designations before evidence begins.

21 THE COURT: Okay. Mr. Pronske, do you want to weigh
22 in on that?

23 MR. PRONSKE: Your Honor, I think Ms. Connell's going
24 to speak to that.

25 THE COURT: Okay.

1 MS. CONNELL: Good morning, Your Honor; thank you.

2 I understand Mr. Garman's concern, as well. But I
3 also understand the time and efficiency concerns the Court has
4 raised.

5 We have not added, with one notable exception that
6 was just entered, I believe, as to Woody Phillips' designation,
7 any new designations at all.

8 What we have done is removed some of the existing
9 designations which, because we were, we agreed to produce them
10 at the beginning of the case, were overly large and duplicative
11 of testimony that has been drawn out of the witness -- witness'
12 testimony.

13 So what we've done is just reduced the testimony that
14 would take a lot of the Court's time and the parties' time to
15 read into the record.

16 And -- so there aren't new designations. Every place
17 where the debtors interpose an objection or added a counter-
18 designation is still included for any remaining sections
19 because we wanted to be fair and clear.

20 Over -- I think on Tuesday, we provided a chart with
21 our remaining designations, any objection or counter-
22 designation by the debtors, and our response. We stand
23 prepared this morning to do that for the remaining few
24 witnesses. We're just trying to clean up a few remaining
25 details, so we will get that to them.

1 But there is no new material. And out of an
2 abundance of caution, and if Mr. Garman feels this was unfair
3 to him, if he wanted to, as part of his case in chief, put in
4 something that we had designated but dropped, we wouldn't
5 object to that. That, we don't really care.

6 But we are trying to be efficient, Your Honor. We
7 hope to close today, and we really don't want to spend so many
8 hours reading testimony into the record that's not -- that's
9 duplicative and not necessary.

10 THE COURT: Okay.

11 Mr. Garman, is that helpful?

12 MR. GARMAN: A little bit. Your Honor, I do feel
13 compelled to express my concern, which is -- I'm tired and a
14 little frustrated this morning, so I'm going to try and watch
15 my words.

16 The designations have been a moving target,
17 notwithstanding my affirmative request to the Court, as I
18 understand it, and the movants just -- I mean they designated
19 so much material. We spent days figuring out whether the
20 counter-designations were appropriate, and I don't believe the
21 designations were focused in any material fashion.

22 I candidly expect them to end their case today. I do
23 appreciate trying to streamline it. But the idea that I still,
24 at this point in time, don't know what the designations will be
25 today, in light of the fact that the Court ordered designations

1 to be before the start of testimony, leaves me back in a corner
2 where I'm trying to be efficient, yet I'm expected in real time
3 -- and I simply don't think that counter-designating in my case
4 is an adequate remedy.

5 If they want -- if they feel so compelled to --
6 they're bringing designation testimony of witnesses they called
7 live. Your Honor, I do believe that if they believe it to be
8 important, we should do the designations as they were submitted
9 in compliance with the order of the Court, even though it will
10 take some time, or they should drop them. I believe that's the
11 only fair thing for us at this point in time.

12 And I understand that this slows it down, but this is
13 so important, I just don't believe I can be expected to do this
14 in real time. And counter-designations need to be heard at the
15 time that the witness' direct testimony is provided.

16 MS. CONNELL: Your Honor, if I may be heard briefly
17 on this point. When we originally were supposed to start
18 trial, a week earlier, which we put off at the debtors'
19 request, we had been talking about submitting designations
20 later in the trial process so that they can be more narrowed
21 and more focused.

22 Mr. Garman then, when we pushed it back -- the trial
23 date back by a week, asked to have those designations at the
24 beginning of the trial. We pointed out that as a result, we
25 were probably going to have to, since we also learned about the

1 authority issue, and the way the NRA and the debtors went about
2 getting authority to commence bankruptcy, really as we were
3 going along, before we set the six days for trial, we realized
4 this was going to take a little longer than we thought.

5 So when he insisted on getting the designations at
6 the beginning, we said, well, it may be a little overbroad, we
7 may have to narrow it. That's, unfortunately, the effect in
8 trying to economize and make our presentation efficient.

9 Again, any counter-designations that were made will
10 still be read into the record. And as I said, we intend this
11 morning -- we're just trying to finish-up a few details to give
12 him a table of the cut down designations, again with their
13 counter-designations and their objections in situ and I don't
14 see it any other way -- reading testimony into the record that
15 is no longer necessary, Your Honor, just doesn't seem like a
16 good use of anybody's time.

17 THE COURT: And I agree with that last statement.

18 Get him the rest of your reduced designations this
19 morning, all right?

20 MS. CONNELL: Yes; thank you, sir.

21 THE COURT: And then on the motion that came in
22 sometime during the middle of the night, I would make a
23 comment. I think everybody knew that we were in Wichita Falls,
24 so I'm not sure when -- and we got here at the crack of dawn
25 this morning, so I'm not sure when you all thought that we

1 would have a darn chance to look at it. So be thoughtful on
2 that, if you would.

3 It seems to me -- I have not read the whole thing,
4 but it seems to me that the NRA should have until Monday to
5 file a written response on that.

6 And there is a motion to file some things under seal,
7 which I'll orally grant. And I think that we have -- Judge
8 Journey's witnesses are going to testify Tuesday morning.

9 So my intentions would be to give you a ruling before
10 we started the hearing on Tuesday. If I can do it on Monday,
11 you know, I'll try to do it on Monday and let you call
12 everybody together.

13 But I think, Mr. Garman, if I gave y'all till noon on
14 Monday, is that enough time for you to respond? I know that
15 you're going to be kind of occupied today because you're going
16 to be with me the entire day.

17 MR. GARMAN: Again, Your Honor, I'm ready to argue it
18 right now. I believe it's important. I candidly don't use
19 this word lightly, I believe it's bordering on frivolous. I
20 stayed up, and I believe it's important, and -- well, I'm not
21 going to say anything more other than to say I think it ought
22 to be heard sooner rather than later. And I would say I will
23 be -- I'm ready to argue it at any point today.

24 THE COURT: Well, I think in fairness to you, the
25 judge ought to be able to read it before we hear it, so I don't

1 think we'll get it -- I don't think we'll get to it today. But
2 I think we would get to it on Monday, probably Monday.

3 MR. GARMAN: Yes, sir.

4 THE COURT: I'm not exactly sure we're going to have
5 a hearing on it, but in a break, let me talk with my law clerks
6 on whether we have a hearing over it, all right? So you'll
7 have at least -- you'll have till noon on Monday if you want to
8 file a written response. And I would assume that with the
9 importance of the matter, you'll want to file a written
10 response.

11 MR. GARMAN: Yes, sir.

12 THE COURT: And the motion to file a portion of the
13 record under seal is granted.

14 Okay. Now, Mr. Spray, are you with us this morning?

15 MR. SPRAY: Yes, Your Honor, I'm here.

16 THE COURT: Okay, I could see you now. Would you
17 raise your right hand?

18 CRAIG SPRAY, SWORN

19 THE COURT: All right, thank you. Mr. Ciciliano, are
20 you ready?

21 (No audible response heard)

22 THE COURT: I think you may be on mute, Mr.
23 Ciciliano.

24 MR. CICILIANO: Your Honor, I -- to answer your
25 question earlier, I was able to get out of this room, but I

Spray - Cross/Ciciliano

17

1 think I'm the only one as everyone else is still wearing the
2 same clothes they were when I left on Monday, so --

3 CROSS-EXAMINATION

4 BY MR. CICILIANO:

5 Q Good morning, Mr. Spray.

6 A Good morning.

7 Q When we broke on Tuesday, you were testifying about the
8 Brewer firm's legal billings, and you testified "I did discuss
9 the rates with -- with another law firm to get their opinion
10 about it."

11 Who was that other law firm?

12 A The other law firm was Alex Reid's firm, I don't recall
13 the name of the firm.

14 Q And, Mr. Spray, if you will go to -- you have the exhibits
15 with you?

16 A I do.

17 Q If you'll go to NYAG361, which has been admitted into
18 evidence.

19 A Okay.

20 Q Does this refresh your recollection as to what law firm
21 Mr. Reid is with?

22 A Yes, it does; it's Morgan Lewis.

23 Q And have you seen this memorandum before?

24 A I believe I have.

25 Q If you'll go down to Page 4, which bears the Bates number,

Spray - Cross/Ciciliano

18

1 for the record, 177966.

2 A Yes, I'm here.

3 Q And under Roman Numeral III in that first paragraph, do
4 you see the line that says, "In addition, the litigation with
5 Lockton Affinity and the Department of Financial Services, and
6 potential litigation with the New York Attorney General
7 involves material risk to the Association's assets, key
8 business relationships, and ability to do business in the State
9 of New York and elsewhere," do you see that?

10 A Yes.

11 Q And as CEO, would a material risk to the Association's
12 assets, key business relationships, and ability to do business
13 impact the NRA -- would it create a going concern issue?

14 A I wasn't the CEO, I was the CFO, but, yes.

15 Q I apologize if I said CEO, but as CFO.

16 A Yes, that would be a concern.

17 Q So you testified --

18 MS. FUCHS: Your Honor, if I may. We object on the
19 grounds that this document was produced to us after the close
20 of discovery, and so we did not get to question Mr. Spray on
21 this at his deposition.

22 So we would object on the grounds of prejudice.

23 MR. CICILIANO: Could I respond, Your Honor?

24 THE COURT: I'm sorry?

25 MR. CICILIANO: They introduced this document into

Spray - Cross/Ciciliano

19

1 evidence. They moved the document into evidence itself, the
2 New York Attorney General, it's their exhibit; I think they
3 bear the consequence of that.

4 And they did ask questions regarding his receiving an
5 opinion from Morgan Lewis as to the propriety of the billing
6 statements. So they did ask about the subject matter, and he's
7 allowed to testify to it.

8 THE COURT: Overruled.

9 BY MR. CICILIANO:

10 Q So on Tuesday, when you testified that at the time there
11 was no financial crisis -- at the time of bankruptcy, there was
12 no financial crisis at the NRA, were you looking to potential
13 litigation outcomes?

14 A No, I was only looking at what I had information about. I
15 didn't have any information about litigation outcomes, either
16 positive or negative.

17 Q Now when you testified on Tuesday that the idea of the NRA
18 filing for bankruptcy was a contingency in case there was some
19 unforeseen event, what did you mean?

20 MS. FUCHS: Your Honor, misstates testimony.

21 MR. CICILIANO: Your Honor, if I could respond, it's
22 a direct quote from the transcript. I'm trying to refer to --
23 if it was Tuesday, it'd be a lot easier for the witness to
24 probably remember.

25 THE COURT: Overruled.

Spray - Cross/Ciciliano

20

1 A My comment was that -- the question, if I recall, was
2 whether or not I heard about bankruptcy, and my response was
3 that while I had heard that word, my understanding was it was
4 contingency planning, not something realistic, and not
5 something that I saw manifesting to the financials.

6 Q And at the time -- do you recall testifying to the \$5
7 million trust account?

8 A I recall the \$5 million trust account, yes, sir.

9 Q And at the time the trust account was established, were
10 you aware that bankruptcy was being considered as at least a
11 contingency?

12 A I was -- that was my -- based on the facts that I saw in
13 front of me, that was my interpretation. I don't think anyone
14 told me they were looking at bankruptcy as a contingency, but
15 that was my -- that's how I reconciled some of the conversation
16 with what I was seeing in the financials.

17 Q And to that point, were you involved with the creation of
18 the \$5 million trust account?

19 A Yes, I was.

20 Q And without revealing communications with counsel -- well,
21 were you comfortable with the creation of that trust account?

22 A Initially, no. But I requested to have it in writing, and
23 I requested to have the officers sign-off on it. And at that
24 point, yes.

25 Q And did you feel that there was a benefit to creating the

Spray - Cross/Ciciliano

21

1 trust account as opposed to paying it directly from your
2 office?

3 A There was a benefit from a leadership perspective. I was
4 very concerned about any discussion with bankruptcy attorneys,
5 and having those invoices go down to my accounts payable team,
6 and having that propagate throughout the building. So I was
7 very encouraged to have an alternative way temporarily to pay
8 those folks while whatever work was being done was being done.

9 Q And do you recall on Tuesday being shown a summary sheet
10 of billings from the Brewer attorneys and counselors?

11 A I am.

12 Q And in practice, did you actually receive the bills
13 themselves?

14 A I never received any bills that went through the trust
15 account.

16 Q Pardon; not talking to the trust account. I'm saying from
17 the Brewer attorneys and counselors, did you receive the bills
18 themselves, and not just a summary sheet?

19 A Yes, I received invoices, along with the appropriate
20 backup.

21 Q And I -- were those bills lengthy?

22 A Yes.

23 Q Were the bills detailed?

24 A Yes.

25 Q And how would you describe the level of detail?

Spray - Cross/Ciciliano

22

1 A It was -- it was significant. I mean we had tremendous
2 detail on all the invoices from the Brewer firm.

3 Q And, Mr. Spray, I'm going to refer you to New York
4 Attorney General Exhibit 80. Before you go to it, yours may or
5 may not have redactions. When I provided you the exhibits, I
6 can't remember if it was in the redacted form, but if it does
7 not contain redactions, there's been a stipulation in the Court
8 that the person's name who appears on the bottom, we refer to
9 as Whistle-Blower Number 3. And so in your testimony, you
10 should not refer to that person by their name, do you
11 understand that?

12 A Yes, I do. I -- I'm -- I have the exhibit opened.

13 Q Are you familiar with the person whose name appears at the
14 bottom of NYAG Number 80?

15 A Yes, I am.

16 Q And on the date at the bottom of NYAG Number 80, was that
17 person employed at the NRA?

18 A I don't believe that this person was employed as of that
19 date.

20 Q Was that person terminated by the NRA?

21 A No.

22 Q What were the circumstances of that person's departure?

23 A This person resigned, and we had a very nice going away
24 luncheon. I mean I don't know what you mean by
25 "circumstances." Didn't seem to be anything -- any issues with

Spray - Cross/Ciciliano

23

1 this individual when they departed.

2 Q Did you --

3 MS. FUCHS: Objection; speculation.

4 MR. GRUBER: And objection; non-responsive after his
5 initial statement.

6 THE COURT: Sustained on non-responsive.

7 BY MR. CICILIANO:

8 Q Are you aware -- did the person -- did that person report
9 to you, Mr. Spray?

10 A That person was in my chain of command, yes.

11 Q And did that person -- did you have -- did you have an
12 understanding of why the person was leaving?

13 A I -- I did not.

14 Q Do you know if the -- oh, go ahead.

15 A I -- I just don't know.

16 Q Mr. Spray, I would ask you to -- you don't know as in you
17 don't recall?

18 A Well, I don't know -- I mean I don't know if you're asking
19 about at the time did I know. Subsequent to that, you know,
20 there's been a lot of discussion. But at the time, there was
21 other opportunities, and my understanding was she was looking
22 to go to those other opportunities.

23 MS. FUCHS: Objection; non-responsive and
24 speculation.

25 THE COURT: Overruled.

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1 BY MR. CICILIANO:

2 Q And by "other opportunities," do you mean another job?

3 A Yes.

4 Q And do you have any personal knowledge as to whether or
5 not Whistle-Blower Number 3 authored the document that's NYAG
6 Exhibit 80?

7 A I do not.

8 Q Okay. And was Whistle-Blower Number 3 one of the people
9 at the NRA responsible for reviewing the Brewer Attorneys &
10 Counselors bills?

11 A No.

12 Q And would Whistle-Blower Number 3 have had access to the
13 bills from the Brewer Attorneys & Counselors?

14 A Possibly.

15 Q Okay. And did the -- do you ever observe the Brewer
16 Attorneys & Counselors intimidating NRA staff and threatening
17 their professional livelihoods?

18 A No.

19 Q Did you see anything to the contrary to that?

20 MS. FUCHS: Objection; vague.

21 THE COURT: Overruled. You may answer the question,
22 sir.

23 A I -- I think that people were intimidated by the Brewer
24 firm. I don't know that there was any action on their part
25 except for they asked a lot of tough questions that would have

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1 created that feeling. But from my perspective, my direction to
2 them was just to communicate everything that they were
3 concerned about so that I could fix it.

4 Q And, Mr. Spray, if you will turn -- do you recall having
5 your deposition taken in this case?

6 A I've had a lot of depositions taken, but, yes.

7 Q If you will turn to Ackerman Exhibit 114. That's AMC, and
8 I think it's listed as that, 114.

9 A Okay, I'm on it.

10 Q And I'm just trying -- I think you're looking at a mini
11 transcript, right? It's four little squares.

12 A I'm looking at Exhibit 114, yes.

13 Q And if you'll go to Page 67 of that, and it's -- I'm going
14 to direct you to the box that has the page number 265 in it.

15 A Okay, 265.

16 Q I apologize, it's actually the next page, I want you to
17 look at 266.

18 A Okay. On Line 19, do you see the question:

19 "Q But if it were true, it would be a concern, right,
20 intimidating staff and threatening their professional
21 livelihoods?"

22 Do you see that question?

23 A Yes, I do.

24 Q And your answer, starting on Line 23 was:

25 "A Well, I just can't even -- I mean I just don't think

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1 it's true. So, you know, obviously if they murdered
2 someone, that would be bad, too. I'm not going to -- I
3 don't think they murdered anyone, so I just think -- I
4 just don't -- I read this stuff, and I can't reconcile
5 this with my last three years at NRA."

6 Do you see that?

7 MS. FUCHS: Your Honor -- Your Honor, I object to
8 this. Is counsel trying to impeach the witness? If so, I
9 don't know what he's impeaching based on, there was no
10 testimony to the contrary.

11 THE COURT: Mr. Ciciliano?

12 MR. CICILIANO: Yeah, Your Honor, and I'm trying to
13 avoid the argument from counsel that there was -- there was
14 testimony to the contrary. So if they'll stipulate to the fact
15 that Mr. Spray's testimony was, in fact, there was no evidence
16 of intimidation and threats to staff, I'll withdraw the
17 question if they want to stipulate to it.

18 MS. FUCHS: We're not stipulating to that, and he
19 didn't testify to that.

20 He, in fact, testified that he believed that the
21 staff were intimidated.

22 MR. CICILIANO: All right, Your Honor, and so it's
23 valid impeachment, his testimony that he didn't think that's
24 true.

25 THE COURT: Response on that one from the Attorney

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1 General?

2 MS. FUCHS: I'll -- I'll withdraw the objection.

3 THE COURT: Okay.

4 BY MR. CICILIANO:

5 Q Did you see that testimony, Mr. Spray?

6 A I do see the testimony.

7 Q All right. And do you recall testifying on Tuesday that
8 you enjoyed -- I think it was to the effect that you enjoyed
9 Ackerman McQueen's employees?

10 A On a personal level, yes.

11 Q Okay. And the fact that you enjoyed them on a personal
12 level, does that mean that you were satisfied with Ackerman's
13 relationship with the NRA on a professional level?

14 A I don't think one has anything to do with the other. I
15 try to develop the relationships with everybody that I work
16 with. But that doesn't mean (indiscernible) or whatever, I
17 mean that's just not how the world works.

18 Q All right. And if you will go to NRA 322.

19 MR. CICILIANO: And I'd move for its admission.

20 MS. FUCHS: One moment, Your Honor, please.

21 A You said 322?

22 Q 322, yes, sir.

23 MS. FUCHS: No objection.

24 THE COURT: NRA 322 is in.

25 (NRA's Exhibit 322 admitted in evidence)

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1 MR. CICILIANO: And, Ms. Fuchs, while we're at it, I
2 would move for the admission of 323.

3 THE WITNESS: Okay, I'm on 322.

4 MS. FUCHS: No objection from the New York AG. I
5 don't know if Ackerman has any.

6 THE COURT: Does anybody have an objection to 323?

7 (No audible response heard)

8 THE COURT: 323 is in also, that's NRA 323.

9 (NRA's Exhibit 323 admitted in evidence)

10 MR. CICILIANO: All right. And just while we're on
11 this little path here, I'd move for the admission of NRA 580,
12 as well, and 581. Ms. Fuchs, just so we're there and we can
13 both look at them.

14 If you'll hold tight for a second, Mr. Spray.

15 MS. FUCHS: I, unfortunately, am just having a
16 technical difficulty opening the document.

17 Your Honor, would it be okay if one of my
18 colleagues --

19 THE COURT: Yes, anybody can --

20 MS. FUCHS: -- spoke up on that.

21 THE COURT: Yeah.

22 MS. FUCHS: No objection, Your Honor.

23 THE COURT: NRA 580's in.

24 (NRA's Exhibit 580 admitted in evidence)

25 MR. CICILIANO: And I'd also move for 581, Ms. Fuchs,

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1 I don't know if you have the same issue with that one, but --

2 MS. FUCHS: No -- no issue; thank you.

3 THE COURT: NRA 581 is also in.

4 (NRA's Exhibit 581 admitted in evidence)

5 MR. CICILIANO: Probably the last one in this train,
6 NRA 228.

7 MS. FUCHS: No objection, Your Honor.

8 THE COURT: NRA 228 is in also.

9 (NRA's Exhibit 228 admitted in evidence)

10 BY MR. CICILIANO:

11 Q Now, Mr. Spray, did you ever discuss -- and did you ever
12 discuss Mr. LaPierre the end of the NRA's relationship with
13 Ackerman McQueen?

14 A Many times.

15 Q Did you ever make a recommendation to him as to whether or
16 not the NRA should continue its relationship with Ackerman
17 McQueen?

18 A I don't recall a recommendation. I know I had concerns
19 and I had recommendations as it relates to how to continue some
20 of the work function internally or externally should we go a
21 different direction. But I don't recall a specific
22 recommendation.

23 Q And what was your opinion as to whether or not the NRA
24 should go a different direction?

25 A As I sit here today?

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1 Q Well --

2 MS. FUCHS: Your Honor, objection to that;
3 foundation. He just testified that he had no opinion.

4 THE COURT: Sustained. Do you want to go backwards a
5 little bit?

6 MR. CICILIANO: Your Honor, if I may just --

7 THE COURT: Why don't you go backwards with him a
8 little bit and lay some foundation?

9 MR. CICILIANO: Sure.

10 BY MR. CICILIANO:

11 Q Mr. Spray, did I misunderstand your previous testimony?
12 Did you say that you expressed going a different direction to
13 Mr. LaPierre?

14 A I discussed implications with going a different direction,
15 and how to contain the workload.

16 I also discussed concerns regarding invoices and
17 transparency. I don't recall a specific recommendation that we
18 should go a different direction. I don't recall that
19 conversation with Mr. LaPierre.

20 Q Okay. And what were your concerns regarding transparency?

21 A The Ackerman firm did a tremendous amount of work
22 throughout the organization, and it was challenging as the CFO
23 to know what work was being agreed upon and when. And
24 oftentimes, the first I would know about it was when I would
25 get invoices for different work, and I was very uncomfortable

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1 with that. I wanted to make sure we had preauthorization and
2 we understood the scope, and we had appropriate people signing
3 off on work as it was performed. Because up to that point,
4 again, I was receiving invoices with no understanding of what
5 work had been performed, or who had authorized it, or why, or
6 if the work had even been done.

7 So I really -- I didn't -- I didn't think that was a
8 great process just in terms of ensuring we were getting what we
9 thought we were getting for our dollar.

10 Q In 2018, what was the general magnitude of the cost -- of
11 the amount paid to Ackerman McQueen by the NRA?

12 A We have that on record; I don't want to talk off the top
13 of my head. I just don't -- I just don't know.

14 Q Okay. And during your time at the NRA, were there any
15 changes made to the credit card policy?

16 A Yes, many changes.

17 Q And was Mr. -- well, and how did the controls for the
18 credit card -- well, yeah, how did the controls for the credit
19 cards change?

20 A There were two different groups of credit cards: One was
21 a process that went through our normal accounts payable with
22 all of the travel requirements and receipts, and the process
23 was pretty well established.

24 And then there was a separate process for the -- what
25 they called the AmEx cards, which went to more of the senior

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1 people on the team, and it was that process that I was
2 uncomfortable with and moved to -- well, eliminate a lot of the
3 cards first. And then ensure that we had appropriate
4 documentation, certification, and review, and approval of any
5 expenditures under those cards.

6 Q And did the NRA establish new processes with respect to
7 internally auditing those cards? The charges on those cards.

8 A I'm sorry, I'm having trouble hearing you, could you --
9 could you say that again?

10 Q Sure. Did the NRA establish a new process with respect to
11 internally auditing the charges on those cards going forward?

12 A Well, I can't really speak to the changes in some cases
13 because the cards went from being under Woody to being under me
14 in many cases. And so I don't know exactly what Woody did or
15 didn't do.

16 But from the way we managed workload was I had about
17 half the cards under Rick Tedrick -- well, half the cards under
18 me, and we moved to a hundred percent audit of all of those
19 expenses between the two of us. So it went from more of a, you
20 know, a sampling, I think, in the past to a hundred percent,
21 and we ensured we had the proper receipts, and backup, and
22 business purpose.

23 And I think the biggest change was I required a
24 certification before paying those that all of the expenditures
25 were in accordance with NRA policy, etc., for business

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1 purposes, and I don't remember the exact verbiage. But I
2 wanted an actual signature of the senior person on those credit
3 card receipts before I would process them. I just think to
4 automatically pay things without a certification was a
5 different mindset and I wasn't comfortable with that.

6 Q When you said the records -- there was a hundred percent
7 audit, how frequent did that hundred percent audit occur?

8 A Every month when the cards came in.

9 Q So every month, either you or Mr. Tedrick reviewed the
10 billing statements for each card?

11 A Correct.

12 Q And was Mr. LaPierre receptive to that change?

13 A Mr. LaPierre didn't have an AmEx card at that point in
14 time, so this wasn't Mr. LaPierre's AmEx I'm talking about.
15 But in terms of the rest of the cards in the process, yes, he
16 was -- he was very supportive about it. And I needed his
17 support because I was pulling cards from Board members and
18 former presidents, and things of that nature that I wouldn't
19 have been comfortable doing without his support.

20 Q And do you remember on Tuesday discussing the process for
21 reviewing Mr. -- new process for reviewing Mr. LaPierre's
22 expenses?

23 A I do recall that.

24 Q And did Mr. LaPierre support that new process?

25 A Yes, although as you'll recall, we never ended up getting

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1 it done.

2 Q Right. And do you recall testifying to reductions in the
3 EVP budget?

4 A Yes.

5 Q And did Mr. LaPierre support those reductions?

6 A Yes.

7 MS. FUCHS: Your Honor; foundation.

8 THE COURT: Overruled.

9 (Pause)

10 THE COURT: I over --

11 Q I'm sorry, Mr. Spray, what was the response?

12 A Yes, I couldn't have moved dollars from under his budget
13 without his knowledge, and consent, and support.

14 MR. CICILIANO: And, Your Honor, one second, I just
15 got a notice that the camera that we have is about to die, so I
16 need someone to go grab Greg before I just cut out. I'll --
17 okay, someone's running out. So if I cut off, Your Honor, it's
18 -- that's the result, but I'll log into this other computer
19 that's here.

20 THE COURT: We'll wait for you.

21 MR. CICILIANO: Thank you.

22 BY MR. CICILIANO:

23 Q On Tuesday, you were asked

24 MS. FUCHS: Your Honor, if I --

25

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1 MR. CICILIANO: Go ahead.

2 MS. FUCHS: If I may, I'm sorry.

3 I think -- those responses were -- to the extent that
4 Mr. Spray was testifying to Mr. LaPierre's consent were
5 hearsay.

6 THE COURT: It's too late, objection's untimely.

7 BY MR. CICILIANO:

8 Q On Tuesday, you were asked a series of questions regarding
9 items purchased for auction by Mr. LaPierre, do you recall
10 that?

11 A I recall a conversation, yes.

12 Q Do you recall what those items were?

13 A I don't recall the specific items. I do remember flagging
14 them because they were things like jewelry, they were items
15 like that on the list. And I don't, as a matter of course,
16 approve something like that without better understanding them.

17 Q All right. And you said there was jewelry, was that a
18 necklace?

19 A I recall a bracelet, there could have been necklaces, I
20 don't -- I just don't know.

21 Q And did you investigate the use of that necklace, and
22 whether or not it was for NRA purposes?

23 A Again, I don't recall it was a necklace, but it may have
24 been. I did follow-up on some jewelry, and was -- made sure
25 that those items had, in fact, been auctioned, verified what

1 they had been auctioned for, ensured that it was a good
2 financial decision, and that it wasn't going somewhere
3 inappropriate.

4 Q And from the time you arrived at the NRA, where were the
5 NRA's books, records, and financial statements maintained?

6 A In a -- in several places, primarily in the office at the
7 NRA at headquarters, but we also had offsite storage for older
8 records.

9 Q All right. And do you recall the testimony -- do you
10 recall the 2019 990?

11 A I do.

12 Q Did you refuse to sign the 2019 990?

13 A No, we never -- we never got to that point. Wayne stepped
14 in and signed it as I was trying to gather information to get
15 comfortable.

16 Q And do you have an opinion as to whether or not the
17 audited financials contained in the 990 are true and accurate?

18 MS. FUCHS: Your Honor, misstates the -- foundation.
19 Misstates the way that the 990 is structured.

20 THE COURT: I'm not sure I understand that objection.
21 Could you just say it differently so I can understand?

22 MS. FUCHS: Sure, I'll object on the basis of
23 foundation.

24 THE COURT: Overruled.

25 A I'm not aware of any errors or omissions in any of our

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1 financial statements, including the 990 --

2 Q As you sit here today, are you comfortable with the 990
3 from 2019?

4 A I believe the information contained is correct.

5 Q Now -- now we spoke about the items that were added to the
6 990 in November, I believe in Schedule L. Were those items
7 something that you had firsthand knowledge about?

8 A I'm sorry, you're speaking fast, and it's a little bit --
9 the sound isn't great on my end.

10 Q Sure. It may be the atmospheric issues here, I feel like
11 I'm living in a cloud looking out these windows, so I'll
12 actually rephrase it.

13 Do you recall your testimony that things were added
14 in November to Schedule L on the 990 that you were unaware of?

15 A Yes.

16 Q Now how -- well, did the things that were added to the
17 Schedule L, did those predate your time at the NRA?

18 A The vast majority of them, absolutely were well before my
19 time.

20 Q And I want to direct you to NYAG Number 8, if you'd go to
21 that exhibit.

22 A Okay.

23 Q And if you'll go to Page B -- oh, sorry, Page B. Page 40

24 A Okay.

25 Q Now under 1B, the box is checked "No," do you see that?

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1 A Yes.

2 Q Now why was that box checked no?

3 A My recollection of this, and we should have good notes on
4 this through the process, was that in all cases, while we had -
5 - we had a written policy for these items, but they weren't
6 necessarily followed in all cases, that's what I -- that's what
7 I recall off the top of my head. That's referring to multiple
8 line items above, and so that may change depending on the
9 specific line item you're referring to.

10 Q And I believe your testimony with respect to travel is
11 there were three Board members who may have traveled, is that
12 correct, without proper authorization?

13 MS. FUCHS: Misstates testimony.

14 THE COURT: Overruled.

15 A I don't recall if there was three, but there were Board
16 members that I had thought had written approval, and found out
17 late in November that it was a verbal from Wayne to his ad min,
18 and then she had followed up with an email, and I wasn't
19 comfortable with that.

20 Q Did you go back and look at the propriety of those Board
21 members flying, I believe, first class?

22 A Look at the propriety?

23 Q Whether or not it was -- had appropriate authorization.

24 A Well, I didn't --

25 UNIDENTIFIED ATTORNEY: Your Honor, he's leading the

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1 witness; objection.

2 THE COURT: Sustained on leading.

3 BY MR. CICILIANO:

4 Q Mr. Spray, did you do anything to follow-up as to whether
5 or not there was authority for those individuals to fly first
6 class?

7 A As I recall at the time of my departure, that was still
8 being looked into.

9 Q All right. And do you recall a consulting services
10 agreement existing between Mr. Phillips and the NRA when you
11 took over as Treasurer?

12 A When I took over, I was not aware of that. Subsequent to
13 that, I became aware of that.

14 Q And upon your becoming aware of it -- upon becoming aware
15 of it, what did you do?

16 A I forwarded it on to legal, and asking if it was
17 appropriate.

18 Q Do you know if the NRA ever took steps to analyze that
19 agreement?

20 A I believe they did.

21 Q At the time of your departure, was the NRA still paying on
22 that agreement?

23 A No, we had truncated the agreement.

24 Q And in Form L in the 990, Mr. Frazer's name is listed as
25 receiving excessive benefits, are you aware of that?

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1 A I am aware of what's in Schedule L. I don't have it in
2 front of me.

3 Q If you'll look at Exhibit 80, and go to Schedule L.

4 A New York AG 80?

5 Q New York AG 80, yes, sir.

6 MS. FUCHS: Do you mean 8, Mr. Ciciliano?

7 MR. CICILIANO: Yes, I'm sorry, 8.

8 Q And it's Page -- I believe it's Page 50 of Exhibit 8.

9 A Okay; I'm there.

10 Q Do you see -- I believe it's three boxes down -- three
11 rows down in Column -- what I would call Column 2, it says,
12 "The New York State Office of the Attorney General has alleged
13 that compensation paid to Mr. Frazer has been unreasonable."

14 A I do see that.

15 Q Are you aware of any information that Mr. Frazer has
16 received unreasonable information?

17 A No.

18 Q Do you think he's received unreasonable compensation?

19 A I think --

20 MS. FUCHS: Your Honor, it calls for a legal
21 conclusion.

22 THE COURT: Sustained on legal conclusion, but the
23 witness may give an understanding, if he has one.

24 The witness may answer the question.

25 A My -- my position on Mr. Frazer's compensation is that

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1 it's too low, not that it's too high.

2 Q And do you believe it was more important -- were you
3 involved in any of the compliance seminars that the NRA put on?

4 A Yes, I sat in on numerous compliance seminars; I wanted to
5 see the tone of the crowd.

6 Q And did you have input in the materials that were
7 presented?

8 A Yes, I reviewed it, I added content, I deleted content,
9 and I routed it through our auditor, as well.

10 MR. CICILIANO: And, Your Honor, if I may have a
11 second?

12 THE COURT: You may.

13 MR. CICILIANO: I may be done with the witness.

14 THE COURT: You may.

15 (Pause)

16 MR. CICILIANO: I'll pass the witness, Your Honor.

17 THE COURT: I think the order is the NYAG gets to go
18 first on redirect.

19 MS. FUCHS: Thank you, Your Honor.

20 REDIRECT EXAMINATION

21 BY MS. FUCHS:

22 Q Good morning, Mr. Spray.

23 A Good morning.

24 Q You were just asked about the Brewer invoices, do you
25 recall?

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1 A Yes.

2 Q And you testified that you looked at the detailed
3 invoices, correct?

4 A For any invoice that I approved, yes.

5 Q Right, so that was prior to the creation of the \$5 million
6 trust, correct?

7 A That's correct.

8 Q After that was created, you were no longer receiving the
9 invoices, is that right?

10 A Anything paid to the trust, I do not believe I got a
11 review on.

12 Q For the invoices that you did review, do you recall if
13 they included Mr. Brewer's private plane travel?

14 A I don't recall any private plane travel in any of our
15 invoices from Mr. Brewer.

16 Q Would that have been broken out?

17 A It should have been if --

18 Q Okay.

19 A -- if we were paying it.

20 Q Okay. With respect to the resignation of the individual
21 referred to as Whistle-Blower Number 3, do you know who I'm
22 referring to?

23 A Yes.

24 Q You never had a conversation with her about why she was
25 resigning, did you?

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1 A I believe I did have a conversation with her, and I don't
2 recall specifically the conversation, but I'm sure I would have
3 talked to an employee that resigned.

4 Q Did she ever tell you about the concerns reflected on --
5 I'm sorry I don't have the document in front of me. That
6 document that Mr. Ciciliano that had her name on it, did she
7 ever convey any of this to you?

8 A Some of those concerns -- and I don't have it in front of
9 me right now -- but just to be clear, I received concerns from
10 that individual several times in 2018. I don't recall -- I'd
11 have to pull that back up and think about it, but I don't
12 recall, you know, specifically if they're on that sheet or not.
13 But I know that this individual had concerns that then
14 concerned me.

15 Q Sitting here today, you don't know for a fact that she
16 conveyed all of her concerns to you, do you?

17 A I -- I don't know that.

18 Q You testified on Tuesday that leaving the NRA was, quote,
19 "probably a good decision," correct?

20 A I don't recall that, but I quite possibly could have said
21 that, yes.

22 Q But to be clear, because I think it is important to be
23 clear about this, as you testified last week, the date of your
24 departure was, quote, "Certainly not the date you would have
25 chosen," correct?

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1 A Correct.

2 Q Your departure on January 28th, 2021 was not voluntary,
3 correct?

4 A Not voluntary on that date, no.

5 Q You didn't have time to plan for that departure, did you -
6 -

7 (Pause)

8 Q -- as -- on that date?

9 A Not on that specific date, no.

10 Q You didn't have the opportunity to train a successor,
11 correct?

12 A Not prior to that date, no, ma'am.

13 Q And you didn't have the opportunity to take whatever
14 financial steps would have facilitated the bankruptcy filings,
15 correct?

16 A I'm sorry, I'm not sure I understand the question.

17 Q Sure, I'll rephrase it. Prior to January 15th of 2021,
18 you didn't know about the bankruptcy, correct?

19 A That's correct.

20 Q And so you weren't able to take steps that a CFO would
21 take in preparing for a bankruptcy filing, correct?

22 A That's correct.

23 MR. CICILIANO: Objection; vague, lacks foundation.

24 THE COURT: Overruled.

25 Q The first day bankruptcy filings had certain financial

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1 information related to the NRA, correct?

2 A Yes.

3 Q But no one in the Finance Department was involved in
4 preparing those schedules, correct?

5 MR. CICILIANO: Lacks foundation, calls for
6 speculation.

7 THE COURT: Overruled.

8 A Not to my knowledge.

9 Q So someone else outside of the Finance Department needed
10 to have access to the NRA's financials, is that correct, in
11 order to prepare those schedules?

12 MR. CICILIANO: I would just object, Your Honor, here
13 to scope actually. This is outside the scope.

14 THE COURT: Overruled. You may answer the question,
15 sir.

16 A I just don't know how those were prepared. I don't
17 believe anybody on my team was involved.

18 Q Do you believe that the Brewer firm had access to the
19 NRA's financials?

20 A I believe they had access to the financials, yes.

21 Q Do you believe they had real time access?

22 A I don't know.

23 Q Okay. You testified that when you arrived in 2018, you
24 discovered that there were internal control problems, is that
25 correct?

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1 A There was room for improvement, certainly.

2 Q And is that something that you discovered after your
3 arrival?

4 A Yes.

5 Q After you started.

6 A Yes.

7 Q Not something that was told to you during the interview
8 process, correct?

9 A Correct.

10 Q You were never told in the interview process the NRA was
11 engaged in a course correction or a grand effort to improve its
12 internal controls, were you?

13 A Not -- not to my recollection, no.

14 Q And some of the issues are identified in what has been
15 referred to as the "top concerns memo," correct?

16 A Yes.

17 Q And you identified additional issues that weren't listed
18 in that top concerns memo, correct?

19 A I addressed numerous other process improvements, yes.

20 Q For example, contracts that didn't have appropriate
21 provisions regarding cancellation, correct?

22 A I don't know about appropriate, but just not how I'd like
23 to do business.

24 Q There were a lot of evergreen contracts, correct?

25 A There were evergreen contracts, yes.

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1 Q That I believe you've testified that turned variable costs
2 into fixed cost, correct?

3 A That was my concern, yes.

4 Q And you also discovered that contracts didn't -- didn't
5 necessarily have performance metrics that were up to your
6 standards, is that correct?

7 A That's correct.

8 Q And you discovered that there was a lack of competitive
9 bidding in many instances, is that correct?

10 A I don't know what happened in the past. I just wanted to
11 make sure we had -- competitive bidding, where appropriate, on
12 a go-forward basis is where I focused my efforts.

13 Q Okay. You also identified that there was a lack of
14 financial transparency from ILA, is that correct?

15 A Yes.

16 Q And then as we've discussed, you discovered that the AmEx
17 program -- the AmEx credit cards weren't subject to sufficient
18 oversight, is that correct?

19 A That's correct.

20 Q And Board members were getting reimbursed outside of
21 written policies, is that correct?

22 A I don't think there was a policy on the AmEx card.

23 Q A lack of policy altogether.

24 A For those -- for those AmEx cards, yes.

25 Q There was also a lack of oversight over Mr. LaPierre's

1 expenses, is that correct?

2 A Well, again, the process prior to my arrival, I'm not an
3 expert on, but I wanted -- as I got into the business, I wanted
4 to improve that process, as well.

5 Q Well, the process before your arrival was that his
6 expenses were processed by a low-level staffer at ILA, is that
7 correct?

8 A That's my understanding.

9 Q And you also identified that there was a lack of
10 communication between staff and senior management, is that
11 correct?

12 A I believe that's a fair characterization.

13 Q It was during your tenure that Mr. LaPierre started
14 regular staff meetings, is that correct?

15 A I don't know what he did prior to my arrival, but we did
16 have regular staff meetings towards the end of my tenure.

17 Q So in the beginning of your tenure, that wasn't happening,
18 correct?

19 A No.

20 Q And these issues that you identified had been going on for
21 a few years, is that correct?

22 A Again, I focused my efforts on -- when I found things, I
23 tried to fix them. I didn't do a -- I didn't spend a lot of
24 time looking at history or how far back, you know, issues went.
25 I just -- in terms of focusing my bandwidth, that's what I

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1 I tried to -- I tried to drive.

2 Q But fair to say that they weren't issues that just popped
3 up overnight, is that right?

4 A I don't think they were recent issues, no, ma'am.

5 Q But in 2017, NRA got a clean audit opinion, isn't that
6 right?

7 A I believe that's the case.

8 Q And in 2018, the NRA also got a clean audit opinion?

9 A I believe that's correct.

10 Q So is it fair to say that getting a clean audit opinion
11 doesn't correlate with not having a host of internal control
12 problems?

13 A I think that -- people don't understand what an audit, is,
14 but an audit --

15 Q Mr. Spray, my question was just is it fair to say that
16 just because you get a clean audit opinion doesn't mean you
17 don't have all of the internal control problems of the kind
18 that we just listed out?

19 A I believe the financials were correct in those years. The
20 control environment had room for improvement.

21 Q Right. So the clean audit opinion speaks to whether or
22 not the financials have material misstatements, correct?

23 A Depending on the scope of the audit, that's typically the
24 case.

25 Q And that's the kind of audit that the NRA was getting,

1 correct?

2 A In the case of the Aronson audit, they were -- they were
3 also, per my request, looking at the control environment.
4 Prior to that, I don't know exactly what conversations happened
5 between Woody and RSM, etc.

6 Q Okay. So let's go back to my question, that when you get
7 a clean audit opinion, it's not -- am I -- is I correct that
8 the RSM audits were not internal control audits, correct?

9 A I'd have to pull the scope of their -- of their work and
10 their -- and what they report out on. I just don't recall as I
11 sit here what the full scope of their audits were.

12 Q Okay. But I just -- in an effort to tie up some loose
13 ends, we went through a host -- quite a list of internal
14 control issues that you identified at the NRA, correct?

15 A Areas that we improved, correct.

16 Q Areas where there were problems before you made the
17 improvements, correct?

18 A I can't say they all manifested in problems, but the
19 process is important.

20 Q So where the processes were, in your opinion, deficient,
21 correct?

22 A They could be improved, yes, ma'am.

23 Q Okay. And during that time that those areas existed at
24 the NRA, the NRA was still getting clean audit opinions,
25 correct?

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1 A Every audit that I'm aware of --

2 Q They were still getting clean audit opinions, correct?

3 A -- was -- was -- was clean, yes.

4 Q If you could please pull up NYAG 18, which has been
5 admitted into evidence.

6 UNIDENTIFIED ATTORNEY: Ms. Fuchs, I'm sorry, what
7 exhibit are you looking at?

8 MS. FUCHS: Eighteen. One eight.

9 A I'm on it.

10 Q And that is the CHAR500 that attaches the audited
11 financial statement, do you see that?

12 A Yes.

13 Q And if you will turn, please, to Page 19 -- we'll go ahead
14 and look at Page 17 first just to orient yourself.

15 A Okay.

16 Q That's the cover page for the financial statements, do you
17 see that?

18 A Yes.

19 Q And then 18 is the independent auditor's report, which
20 perhaps we have looked at, do you see that?

21 A Yes.

22 Q And if I can direct your attention to the section that
23 says "auditor's responsibility."

24 (Pause)

25 Q Do you see that section?

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1 A Yes. Yes, I do.

2 Q Okay. And in the second paragraph, the statement of the
3 auditor's responsibility, it states, "In making those risk
4 assessments, the auditor considers internal control relevant to
5 the entity's preparation and fair presentation of the financial
6 system -- statements, I'm sorry, in order to design audit
7 procedures that are appropriate in the circumstances, but not
8 for the purpose of expressing an opinion on the effectiveness
9 of the entity's internal control. Accordingly, we express no
10 such opinion."

11 Do you see that?

12 A I do.

13 Q And this was the report that was provided at the end of
14 the audit for the 2019 financials, correct?

15 A It does appear -- that appears to be the case, yes.

16 Q Okay. And if you could please pull up New York Attorney
17 General Exhibit 10.

18 A Okay.

19 MS. FUCHS: And I believe that this has been entered
20 into evidence, if not, I would move that it be entered into
21 evidence.

22 A Okay, I'm on it.

23 THE COURT: Let's wait to see if the debtors --

24 MR. CICILIANO: I don't have an objection.

25 THE COURT: To the extent 10 is not in already, 10 is

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1 admitted. That's the NYAG 10.

2 (NYAG's Exhibit 10 admitted in evidence)

3 MS. FUCHS: Thank you.

4 BY MS. FUCHS:

5 Q And if I could, this is the engagement letter with the
6 Aronson's firm for the financials for the 2020 year, correct?

7 So this is their second engagement letter.

8 A It appears to be the case, yes.

9 Q And if I could direct you, please, to Section 3 of the
10 audit procedures on --

11 A Okay.

12 Q I apologize. If I -- yeah, it is Section 3, but on Page
13 3, scroll down. And there's a paragraph that begins, "Our
14 audit will include," do you see that?

15 A Yes.

16 Q And in that paragraph, it states again, "An audit is not
17 designed to provide an assurance on internal control or
18 identify deficiencies in internal control. Accordingly, we
19 will express no such opinion."

20 Do you see that?

21 A Yes.

22 Q So the most recent engagement with the NRA's external
23 auditors was also not specifically an internal control audit,
24 is that correct?

25 A That's what this implies, but that's not correct.

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1 Q Is there anything that states -- in writing that states
2 that it is an internal control audit?

3 A I had conversations with the auditor about looking at our
4 internal controls, and they addressed that. And I believe if
5 you pull the Audit Committee presentation that Aronson
6 provided, you'll find comments about items that they did, in
7 fact, review as it relates to the control environment.

8 Q Mr. Spray, this engagement letter with Aronson that -- I
9 believe you signed, correct?

10 A I believe I did, yes.

11 Q If you scroll down. Does not engage Aronson to perform an
12 internal control audit, does it?

13 A It's not --

14 Q It doesn't, does it?

15 A -- atypical to have them -- this set a scope --

16 MS. FUCHS: Your Honor, I --

17 A (Indiscernible - multiple speakers) --

18 MS. FUCHS: I object as non-responsive.

19 A -- increase that scope as you go, or change that scope as
20 you go.

21 THE COURT: Sustained.

22 A And they did, in fact, look at the --

23 THE COURT: The question --

24 MS. FUCHS: And I move to strike.

25 THE COURT: Sustained. The question relates to the

1 letter.

2 A The original scope did not include that, that's correct.

3 Q Do you have anything in writing expanding the scope?

4 A We have the results of the audit, and that was presented
5 in the Audit Committee where they presented their findings as
6 it relates to that additional scope.

7 Q Is it your testimony that they presented their findings
8 for the 2020 financials?

9 A I don't know what the 2020 financials, no, I haven't -- I
10 -- I wasn't part of the organization then.

11 Q Right. So this engagement letter -- I just want to make
12 sure we're all on the same page, I'm not trying to trick you.
13 Just for the Court, so that we have a clear record, this
14 engagement letter is for the audit of the 2020 financials, is
15 that correct?

16 A Yes.

17 Q And it doesn't provide that it's an internal control
18 audit, correct?

19 A Correct.

20 Q And there hasn't been a presentation of the findings of
21 the 2020 audit, correct?

22 A I believe there was preliminary findings for 2020. It's
23 not just the 2020 financials, but it's for the 2020 calendar
24 year, and they work on that audit throughout the year.

25 Q And you believe that was presented.

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1 A I believe it was, yes, ma'am.

2 Q Were you there for that presentation?

3 A I believe I was.

4 Q And, again, is there anything in writing that expands the
5 scope of the Aronson engagement?

6 A Not that I recall.

7 Q Okay. If you could please take a look at NYAG Exhibit 12.

8 A Okay.

9 MS. FUCHS: And I move that NYAG Exhibit 12 be
10 entered into evidence, please.

11 MR. CICILIANO: No objection.

12 THE COURT: NYAG 12 is in.

13 (NYAG's Exhibit 12 admitted in evidence)

14 MS. FUCHS: Thank you, Your Honor.

15 BY MS. FUCHS:

16 Q Mr. Spray, NYAG Exhibit 12 is the representation letter
17 from the NRA to the Aronson firm, is that correct?

18 A That's correct.

19 Q And the representation letter is provided by the audit
20 client at the time that the audit is completed, is that
21 correct?

22 A Typically it's about the same time, yes.

23 Q And it contains a series of representations from the
24 client to -- to the auditors, correct?

25 A Yes.

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1 Q To make clear the lines of responsibility, is that fair to
2 say?

3 A I think it's to ensure that the information provided is
4 complete and correct.

5 Q Right, it's a form of representation from management to
6 the auditors that we have provided you accurate and complete
7 information, correct?

8 A Correct.

9 Q And it's supposed to be signed by members of management
10 with overall responsibility for financial and operating
11 matters, is that correct?

12 A Correct.

13 Q It signifies that those individuals are taking
14 responsibility for the representations and in the financial
15 statements, is that correct?

16 A I think it's to ensure that they are committed to what's
17 on the page in terms of the best of their knowledge.

18 Q Got it. And it's usually signed by the CEO of an
19 organization, isn't it?

20 A It --

21 MR. CICILIANO: Objection.

22 A -- can be.

23 MR. CICILIANO: Objection; lack of foundation, calls
24 for speculation.

25 THE COURT: Overruled.

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1 You may answer the question, sir.

2 A I've seen it -- I've seen it numerous ways, but, yes, it
3 can be signed by the CEO, that's right.

4 Q Typically the CEO is one of those people attesting to the
5 accuracy of the information, correct?

6 A I don't know about typically. I don't know that that's --
7 I just don't know if that's true or not.

8 Q During your tenure, Wayne LaPierre never signed a
9 representation letter, did he?

10 A I believe he did not.

11 Q Okay, you can put that aside. Mr. Spray, you testified on
12 Tuesday that Mr. LaPierre is critical to the fundraising of the
13 NRA, is that correct?

14 A Yes.

15 Q Now there are many ways in which the NRA and its
16 affiliates raise funds, is that right?

17 A Yes.

18 Q It's a pretty large and diverse operation, isn't it?

19 A It's not overly complex, but there are -- there are some
20 complexity to it.

21 Q Okay. Oh, in terms of the components, there are direct
22 marketing campaigns, correct? Direct mail seeking
23 contributions, is that right?

24 A Yes, through vendors.

25 Q Right. And that's overseen by Todd Grable, or at least

1 during your tenure.

2 A Yes.

3 Q And there's a department dedicated to soliciting funds
4 from high-value donors, is that correct?

5 A Correct.

6 Q That's Advancement, is that the name of it?

7 A Yes, ma'am.

8 Q And that is led by Tyler Schropp, correct?

9 A Correct.

10 Q And they hold events, correct?

11 A Yes.

12 Q And do other forms of outreach to potential high-value
13 donors, is that right?

14 A That's my understanding, yes.

15 Q Do you know in like a regular non-COVID year about how
16 many events Advancement would hold?

17 A There's separate types of events, so they also raised
18 funds for the foundation, and those are a significant number of
19 events, they're called Friends' Dinners. Certainly hundreds of
20 those, and they also have events that are different that are
21 geared more towards the high net worth donors, I don't know how
22 many of those they hold a year.

23 Q More than ten?

24 A I'd say maybe about ten.

25 Q Okay.

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1 A A magnitude.

2 Q And you referenced the Friends' of Dinners [sic], that's
3 Friends of the NRA or FNRA, correct?

4 A Correct.

5 Q And like you said, in a typical non-COVID year, there are
6 hundreds of Friends' Dinners, correct?

7 A Yes.

8 Q All over the country, correct?

9 A Correct.

10 Q And then there are also Workplace Giving Programs, is that
11 right?

12 A I believe there are, yes.

13 Q Through what's known as the CFC where you can devote part
14 of your paycheck to an organization that you want to support,
15 is that correct?

16 A I -- I don't recall that, but I -- I -- it could very well
17 be the case.

18 Q Okay. And how about corporate sponsorships? There are
19 also corporate sponsorships, correct?

20 A Yes.

21 Q And I've seen reference to like round-up programs where if
22 you purchase something, you can round up and donate the change
23 to the NRA, that's also out there, correct?

24 A Yes, I'm familiar with that, as well.

25 Q And lots of staff at the NRA to make this all happen,

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1 correct?

2 A Less than there used to be.

3 Q There are field representatives, is that correct?

4 A Yes.

5 Q Advancement staff, is that correct?

6 A Yes.

7 Q Volunteers, also, isn't that right?

8 A Many volunteers.

9 Q From within the NRA's dedicated membership, correct?

10 A I don't think it's a requirement to be a member to
11 volunteer, no.

12 Q So some of the volunteers are members, and then you also
13 have volunteers that are not members, correct?

14 A I'm saying I don't know.

15 Q Okay. And all of these people and departments contribute
16 to the fundraising efforts of the NRA, correct?

17 A The NRA and the NRA Foundation.

18 Q So, Mr. Spray, is it your sworn testimony that -- it's not
19 your sworn testimony --

20 MS. FUCHS: Let me strike that and let me start over.

21 Q Mr. Spray, isn't it fair to say that the NRA could survive
22 without Mr. LaPierre at the helm?

23 A I think it would be very challenging. All of those that
24 you mentioned are all driven by Wayne -- Wayne's personal
25 involvement. And I think it would be very challenging without

1 his presence, certainly in the short-term at some point, they
2 may find a successor, but I think that would be challenging.

3 Q You think that the NRA -- the NRA's very survival could
4 hinge on whether or not Mr. LaPierre is there at the head?

5 A Certainly as a fundraiser, whether or not -- running the
6 NRA, I don't know. But I know that nobody can attract dollars
7 the way that Mr. LaPierre can that I've -- in my short tenure
8 that we've found.

9 Q And so you think the work of all of the staff, the
10 Advancement personnel, the members, volunteers would be totally
11 unsuccessful?

12 A When they come to those meetings, they come to meet with
13 Wayne.

14 Q Is Wayne at all of those meetings? He's at the hundreds
15 of dinners a year?

16 A No, no, no, I'm referring to the net worth items, and I
17 believe membership -- Todd Grable can certainly speak to it
18 much more intelligently than I can, but I think as they raise
19 funds through membership, it's -- there's metrics that are kept
20 on whose signature can raise money, what the messages are, and
21 Mr. LaPierre is the only signature that I have seen that has a
22 significant payback in terms of mailers and things of that
23 nature.

24 Q Have you conducted any studies on what the NRA's
25 fundraising would be without Mr. LaPierre?

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1 A We've done studies of alternative signatures, and I didn't
2 personally do those, but through membership, they have. And
3 I've seen the results of some of those, and --

4 Q What was -- what was the reduction?

5 A Well, the result was that the payback on cost of printing
6 and mailing wasn't there without Wayne's signature.

7 Q And was that on one particular script?

8 A I believe there were several tests that have been run,
9 with Colonel North and a few other people.

10 Q And do you believe that nobody at the NRA could come up
11 with some alternative method by which the NRA could still raise
12 the funds?

13 A I certainly hope over time that that's the case, but I
14 think over the short-term, it would be -- it would be decimated
15 to the financials -- the top line financials --

16 Q (Indiscernible - multiple speakers).

17 A -- (indiscernible - multiple speakers) at the helm.

18 Q Are you familiar -- you're familiar with the concept of
19 continuity of operations, correct?

20 A I am.

21 Q What does that phrase mean to you?

22 A It -- it -- to me, it means -- it's critical to have a
23 successor plan in place, and ensure operations can be continued
24 for whatever reason. Not just people, but systems or whatever
25 reason there could be an interruption.

1 Q And the NRA doesn't have a succession plan for Mr.
2 LaPierre, does it?

3 A Not since Mr. Cox left, no.

4 Q And that creates a danger for the organization, doesn't
5 it?

6 A Yes.

7 Q Have you conducted any studies of donations that are
8 currently being withheld because Mr. LaPierre is at the helm of
9 the NRA?

10 A It's difficult to know. There's been discussion on it,
11 and the conclusion was with what limited information we had was
12 that it wasn't a material holdup.

13 Q And who was that discussion with?

14 A With Tyler and with Wayne, primarily.

15 Q Mr. LaPierre said it didn't -- there weren't --
16 represented that there weren't people who are withholding
17 donations because he was still the leader?

18 A Well, no, I track the incoming donations and commitments
19 working with Tyler's team, or used to, and we weren't seeing a
20 material degradation when we looked at seasonality and some of
21 the other timing of the elections, and things of that nature.
22 We tried to overlay those things, and we didn't see a material
23 change.

24 Q Well, I'm not sure I understand. My question was whether
25 you are aware of donations out there, potentially in the tens

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1 of millions of dollars that are being withheld because Mr.
2 LaPierre is still running the NRA?

3 A Okay. The answer to that question is no.

4 Q Now you testified that Mr. LaPierre was --

5 MS. FUCHS: Strike that.

6 Q Mr. LaPierre has been at the head of the NRA for about 30
7 years, is that correct?

8 A I believe so.

9 Q He was Executive Vice President while Woody Phillips was
10 Treasurer, correct?

11 A Yes.

12 Q He was there when the NRA entered into the consulting
13 services agreement with Mr. Phillips, is that correct?

14 A He was there, yes.

15 Q And he was the Executive Vice President during the entire
16 course of the Ackerman relationship, wasn't he?

17 A I believe so.

18 Q He was the Executive Vice President while Mildred Hallow
19 was using the AmEx card for improper personal purchases,
20 correct?

21 UNIDENTIFIED ATTORNEY: Objection; misstates prior
22 testimony, assumes facts not in evidence.

23 THE COURT: Overruled.

24 A I'm -- I'm not aware of those specific charges on AmEx.
25 But there have been challenges with Millie, yes.

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1 Q Well, and, in fact, the schedule, the 990 for 2019,
2 reports a significant diversion of assets, is that correct?

3 A Yes, ma'am, but I don't believe that was to the AmEx card.

4 Q Okay. So I apologize. So it was Ms. Hallow, though, who
5 is associated with that significant diversion of assets,
6 correct?

7 A Yes, ma'am.

8 Q And that was in the tens of thousands of dollars, is that
9 correct?

10 A I believe so, yes.

11 Q And Mr. LaPierre is Ms. Hallow's direct supervisor,
12 correct?

13 A That's correct.

14 Q And she still works for him, is that correct?

15 A As of January 29th, she did, yes.

16 Q That being the date of your departure, the last you know.

17 A Correct.

18 Q Okay. And it was on Mr. LaPierre's watch that Mr. Weaver,
19 a former NRA official, was given a \$720,000 severance
20 agreement, is that correct?

21 A I don't have a lot of information about Mr. Weaver, that
22 was before my tenure.

23 Q But that was during Mr. LaPierre's tenure, correct?

24 A Yes.

25 Q And it was on Mr. LaPierre's watch that Josh Powell was

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1 hired, correct?

2 A Yes.

3 Q In fact, he was the one who hired Josh Powell.

4 A I don't know.

5 Q Okay. Are you aware that Josh Powell was fired from the
6 NRA, correct?

7 A I am.

8 Q Had a security escort walk him out of the building, is
9 that correct?

10 A I don't believe that's true.

11 Q It was under Mr. LaPierre's watch that Mr. Powell was made
12 acting CFO while you were in the hospital, is that correct?

13 MR. CICILIANO: Your Honor, I would just object
14 generally to the scope, as well as the fact that it's become
15 cumulative with direct. I mean they're just going to ask the
16 same questions again.

17 THE COURT: I think it is --

18 MR. CICILIANO: It seems repetitive and a waste of
19 time.

20 THE COURT: I think it's within the scope, but it is
21 getting cumulative. So you may want to wind down on this area.

22 MS. FUCHS: Will do, Your Honor; thank you.

23 THE WITNESS: When appropriate, could I have a
24 request to have a quick bathroom break, but we can continue
25 until we're done.

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1 THE COURT: You may. Let's see how much longer we
2 have, that's a very fair request. How much longer do you have
3 with the witness, Counsel?

4 MS. FUCHS: Three minutes, is that okay? But I don't
5 want to hold you up, Mr. Spray.

6 THE WITNESS: No, that's fine.

7 MS. FUCHS: Okay.

8 THE WITNESS: That's fine.

9 MS. FUCHS: Thank you.

10 BY MS. FUCHS:

11 Q You testified as to the compliance seminars held at the
12 NRA, correct?

13 A Yes.

14 Q Mr. LaPierre never attended any of them, is that right?

15 A I don't recall seeing him there, no.

16 Q You testified about the NRA's efforts to comply with its
17 conflicts of interest policy, is that correct?

18 A I did discuss that, yes.

19 Q And when you arrived, you felt that disclosure was not
20 robust, is that correct?

21 A I didn't have an opinion about that. That was John Frazer
22 who both communicated that, and improved that process.

23 Q It's an important part of the compliance program, correct?

24 A Yes.

25 Q Any one of these policies needs to be more than just

1 writing on paper, is that right?

2 A Yes.

3 Q It needs to be followed to be effective, is that correct?

4 A Yes.

5 Q Are you aware that Mr. LaPierre first disclosed his NRA
6 conflict of interest statement -- that he first disclosed
7 several stays on a vendor's yacht for the first time last week?

8 A Only through the press.

9 MR. CICILIANO: I would just object, it misstates
10 testimony, assumes facts not in evidence.

11 THE COURT: Overruled.

12 A I only know what I've read in the press on that topic.

13 Q Because you weren't aware of Mr. LaPierre disclosing that
14 fact on his conflict of interest statement any time before, is
15 that correct?

16 A I had no knowledge of his disclosures prior to that, no.

17 Q You testified on Tuesday that you were aggressive in the
18 email to John Frazer and his staff regarding Board member
19 travel, is that correct?

20 A I was.

21 Q That's because you had worked hard to make strides in
22 NRA's compliance, correct?

23 A The whole team had worked very hard, and I didn't want to
24 see us take a step back.

25 Q You didn't want to backslide, is that correct? That's the

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1 word that you used.

2 A That's correct.

3 Q And you're no longer at the NRA, correct?

4 A I -- until the Board finds a new Treasurer, I'm in some
5 sort of purgatory.

6 Q You're not providing any services to the NRA.

7 A None beyond what we've talked about, transition items that
8 -- now complete.

9 Q You're not there to monitor compliance with --

10 A No.

11 MS. FUCHS: Your Honor, if I may, I would just like
12 to check my notes while we take the break, and potentially
13 reserve no more than five minutes.

14 THE COURT: Okay. No more than five minutes, and Mr.
15 Acosta, I believe examined this witness last time, so he'll be
16 up next.

17 Mr. Spray, during the break, don't speak with anyone
18 about your testimony.

19 We'll take a ten-minute recess, and then the AG is
20 limited to five more minutes, at most.

21 MR. GRUBER: Your Honor, this is --

22 MS. FUCHS: Thank you, Your Honor.

23 MR. GRUBER: Your Honor, this is Mike Gruber. Could
24 I -- Mr. Acosta has got a briefing deadline that he's working
25 on, and I was going to do the questioning, if that would not be

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1 a problem. He's not really available right now to do it.

2 THE COURT: Typically I don't do that, Mr. Gruber.
3 We do the same lawyer. I'll allow it this time, but everyone
4 should know, that's not really the process that I think most
5 judge trials are handled, so you're outside the norm.

6 We'll be in recess.

7 (Recess 9:41 a.m./Reconvene 9:59 a.m.)

8 THE COURT: We'll go back on the record in NRA. I
9 apologize for the extended delay, we had a system problem after
10 we took a recess.

11 Mr. Garman and Ms. Connell, I looked at the matter
12 that was filed last night. I assume y'all might like to have
13 some oral argument, am I right on that?

14 MR. CICILIANO: Your Honor, for Mr. Garman who is not
15 in the room, I have never known him to be -- to shy away from
16 oral arguments. I can emphatically say yes.

17 THE COURT: Okay. Ms. Connell?

18 MS. CONNELL: And I would say yes.

19 THE COURT: Ms. Connell? I'm sorry, Ms. Connell?

20 MS. CONNELL: I'm sorry, I spoke over Your Honor.
21 Yes, I would like oral argument, please.

22 THE COURT: Okay. Here's my thinking: My Courtroom
23 Deputy is trying to figure out something, but I think if the
24 NRA can respond by noon on Monday, why don't we set this at 4
25 o'clock on Monday afternoon, so that gives the AG time, and

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1 also the Court time to look at the response over the lunch
2 hour.

3 We have a 1:30 docket. In looking at it, I think
4 we'll probably be done by 4, or thereabouts. So if y'all could
5 be patient, if we can't start right at 4 central time, and if -
6 - and if you could relay that to Mr. Garman, Counsel.

7 MR. GARMAN: I'm here, Your Honor.

8 THE COURT: Oh, Mr. Garman.

9 MR. GARMAN: Here.

10 THE COURT: I'm sorry, we're talking about you behind
11 your back. I wanted to go ahead and give you a little bit of
12 time on Monday after y'all have responded to argue the motion
13 of the AG, and then my plan is to then hopefully be ready to
14 give you a ruling first thing on Tuesday, or thereabout,
15 sometime in the morning on Tuesday, as you get ready for your
16 case. Does that 4 o'clock time work for you?

17 MR. GARMAN: Yes, sir.

18 THE COURT: Okay. And I was saying, I don't know if
19 you heard, we have a 1:30 docket, I'm just looking at what it
20 is and kind of guessing, I'm thinking they're going to be done
21 by 4. If not, it will be thereabouts, and then we'll just take
22 you up right after they're done, okay?

23 MR. GARMAN: We'll be flexible; thank you, Your
24 Honor.

25 THE COURT: All right.

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1 MS. CONNELL: Thank you, Your Honor.

2 THE COURT: And if the AG could file a notice of
3 setting for 4 o'clock on Monday, I would appreciate that.

4 MS. CONNELL: Absolutely; thank you, Your Honor.

5 THE COURT: My pleasure.

6 Does the NYAG have any more questions of Mr. Spray?

7 MS. FUCHS: Two questions, Your Honor.

8 THE COURT: Okay.

9 MS. FUCHS: Maybe two and a half.

10 BY MS. FUCHS:

11 Q Mr. Spray, the audit for 2020 isn't complete yet, correct?

12 A (No verbal response).

13 Q I believe you're muted.

14 A Sorry about that. Yes, I believe it would be complete
15 now, but it wasn't at the time of my departure, but I don't
16 know. As of January, it was not complete.

17 Q And even though you are technically Treasurer, you didn't
18 play any role in overseeing the audit or any audit procedures
19 after January 28th, is that correct?

20 A That's correct.

21 Q With respect to Schedule L of the 990, so that's NYAG
22 Exhibit 8, you never got information that you needed to verify
23 the calculation of Mr. LaPierre's excess benefits, correct?

24 A Correct.

25 Q You were told it was privileged, correct?

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1 A Correct.

2 Q Okay; thank you.

3 MS. FUCHS: No further questions. I pass the
4 witness.

5 THE COURT: Thank you, Counsel.

6 Mr. Gruber?

7 MR. GRUBER: Thank you, Your Honor.

8 Can everybody hear me okay?

9 THE COURT: Yeah, I can.

10 MR. GRUBER: All right.

11 RECROSS-EXAMINATION

12 BY MR. GRUBER:

13 Q Good morning, Mr. Spray. How are you today?

14 A Good; thank you.

15 Q There's been a lot of talk about the critical nature of
16 Mr. LaPierre to fundraising, especially at the NRA. And we've
17 just been through some of that, isn't that correct?

18 A That's correct.

19 Q Do you recall what Charles de Gaulle said about
20 indispensable men?

21 A I don't know what Charles de Gaulle says about it, but I
22 know what I feel about it.

23 Q Do you recall that he said the cemeteries are full of
24 them?

25 A Something along those lines, yeah.

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1 MR. CICILIANO: I would just object, Your Honor;
2 relevance.

3 MR. GRUBER: Your Honor, it's the basis for my -- my
4 predicate for my questioning.

5 THE COURT: I'll overrule that to give him a little
6 latitude.

7 Go ahead.

8 BY MR. GRUBER:

9 Q So wouldn't you agree with the basic sentiment there --
10 and not just that, you know, people pass away, but they're
11 incapacitated, all types of things, would you agree that, you
12 know, history shows us that there really is no such thing in
13 the long run as an indispensable person?

14 A I agree in the long run.

15 Q Okay. Just very briefly, could you explain to me the
16 status of your severance situation?

17 A I don't know anything more than the severance agreement
18 that's in the record, and the fact that Wayne and team has
19 communicated to me that they intend to honor it.

20 Q But they haven't signed your final severance agreement, is
21 that correct?

22 A Well, I don't know that there's ever anything to sign. I
23 think the severance agreement has already been signed by Wayne
24 and the officers a year or so ago. I don't know that there
25 will be anything else that will be signed.

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1 Q Is it up to Mr. LaPierre as to whether -- that it's
2 contested at this time?

3 A I would think it would be -- he would have a vote. I
4 don't know who would contest it, but I would think he would
5 certainly have an opinion about that.

6 Q As things go at the NRA, wouldn't you agree that he would
7 have the final say?

8 A He and the officers.

9 Q So -- but let me ask you this: Is there anything
10 complicated that still needs to be done with regard to that
11 agreement?

12 A Well, I think -- I think the only thing that's outstanding
13 is the Board replacing me so I can move to the terms of the
14 agreement as opposed to being on administrative leave.

15 Q And -- and do you know who is supposed to be your
16 replacement?

17 A I only know that an interim has been named, whether or not
18 that person will be -- or an acting, I guess, is the title.
19 Whether or not that person is permanent, I don't know.

20 Q So how much is it -- how much is in play if your severance
21 agreement is honored? What amount of money is in play?

22 A I believe it's 18 months of my base, no bonus.

23 Q And how much -- how much is your pay? How much would that
24 come out to in dollars?

25 A Yeah, I'm not trying to be evasive, it's just that I took

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1 a voluntary pay cut, and the way it's written is based off your
2 last -- what you're being paid. So there's some discussion
3 about whether it's my approved base or my voluntary pay cut
4 base. So --

5 Q What do you think it should be?

6 A I think it should be 18 months --

7 Q And what amount would that be at the higher amount?

8 A Right -- it'd be right around \$750,000.

9 Q Okay. Is that -- and without going into detail, is that a
10 significant amount of money towards your retirement?

11 A It wouldn't hurt.

12 Q And as we sit here today, as you've stated, Mr. LaPierre
13 would have a probably pretty significant say in whether that's
14 approved or not, as you testified today, isn't that the case?

15 A Well, it's already been approved, it was approved a year,
16 a year and a half ago. And he did have a say in whether or not
17 it was approved when it was approved.

18 Q You haven't been paid it, have you?

19 A No.

20 Q And whether it gets paid or not, or it's contested or not
21 potentially, is up to largely Mr. LaPierre, isn't that true?

22 A I think Mr. LaPierre and the officers will opine on that
23 point.

24 Q What happens to the officers if they disagree with Mr.
25 LaPierre?

1 A I can't answer that.

2 Q What historically has happened to any officer that
3 disagrees with Mr. LaPierre?

4 A I -- I --

5 MR. CICILIANO: I would just object; foundation.

6 THE COURT: Overruled.

7 You may answer.

8 MR. GRUBER: Your Honor, I think we've got a whole
9 trial of foundation.

10 THE COURT: I overruled the objection. You may
11 answer the question, sir.

12 A I just -- I just don't know.

13 Q You've said that you questioned establishing the \$5
14 million trust fund to be, I guess, handled by the Brewer law
15 firm and Mr. Brewer, is that correct?

16 A I'm sorry, can you restate? I didn't understand the
17 question.

18 Q You've stated that you had some concerns about
19 establishing the \$5 million trust fund that Mr. Brewer would
20 handle, is that correct, for the bankruptcy?

21 A I don't agree with the question. I don't think Mr. Brewer
22 was handling it. My understanding was NRA officials would
23 handle whether or not dollars went out of that trust fund.

24 Q Okay. Let me ask you this: Whatever the -- what was
25 supposed to be a bankruptcy trust fund, is that correct, it was

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1 supposed to be a bankruptcy trust?

2 A My understanding was it was going to be a way to pay law
3 firms whose lines of expertise included bankruptcy.

4 Q In connection with the potential bankruptcy for the NRA,
5 is that correct?

6 A That wasn't my ex ante understanding, no.

7 Q So did you think the \$5 million could be used for
8 anything?

9 A Just legal fees.

10 Q But wasn't it legal fees in connection with the -- with
11 bankruptcy work?

12 A As it turned out, that was the case.

13 Q Did you know it was going to be used the day before the
14 bankruptcy was actually filed to pay Mr. Brewer's outstanding
15 bills?

16 A I didn't know specifics of what it would be used for.

17 Q Did you approve the day before the bankruptcy was filed
18 approximately a million two being taken out of that trust
19 account to pay Mr. Brewer's past legal fees?

20 A I never approved any expenditures out of the trust fund.

21 Q Would you have approved that the day before bankruptcy?

22 A Again, I didn't know a bankruptcy was being filed, so I --
23 I would have no reason to not approve it.

24 Q But it would make it difficult to make a decision or not
25 in the absence of knowing that a bankruptcy was going to be

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1 filed, is that correct?

2 A That's certainly -- when I had no knowledge of the
3 bankruptcy being filed, I just -- I wouldn't know how to
4 approve or not approve items.

5 Q So I want to talk a little bit about the meeting on
6 October 11th that you've testified about that you have
7 characterized as being at least unfriendly on the part of the
8 Ackerman McQueen personnel, you -- October 11th of 2018, I
9 believe.

10 A It was very acrimonious, yes.

11 Q And you've specifically stated that -- well, let me ask
12 you this: Before that, had you been going back and forth with
13 Mr. Winkler on issues that were then eventually discussed on
14 October 11th?

15 A I don't recall. I know Mr. Winkler and I have had, you
16 know, quite a few conversations on a lot of different topics,
17 primarily around getting paid, and timing of payments, and
18 content of backup, and things of that nature. I don't know
19 specifically what we talked about before, during, or after, how
20 it related to that meeting.

21 Q You looked at --

22 A (Indiscernible - multiple speakers).

23 Q Okay. Well, specifically, weren't two of the big issues
24 at the meeting whether there would be -- budget cuts, number
25 one, isn't that one of them?

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1 A Really there were two topics, as far as I was concerned,
2 on the agenda: We were in or heading towards Q4. 2018, we had
3 significant cash issues. I was looking for levers to pull to
4 mitigate those cash issues, and Wayne and I flew down to ask
5 about, you know, what work had been done; was there a scope we
6 could not do in Q4 of '18; and if so, how much, and what would
7 be the implications to the 2019 budget as we were putting that
8 together at the same time.

9 Q And then you said there was another issue, what was the
10 other issue?

11 A I'm sorry, the first one was Q4 of '18; the second one was
12 2019 full year discussion.

13 Q And how about documents as far as, you know, providing
14 documents to the NRA?

15 A I don't recall being focused around backup as much at that
16 meeting. This was primarily a cash flow meeting.

17 Q Do you recall in your testimony the other day when you
18 were asked:

19 "Q Was Ackerman McQueen receptive to removing money from
20 the budget?"

21 And you said:

22 "A No, they were -- they -- or they were not."

23 Do you recall saying that?

24 A There was significant pushback, although we did make some
25 progress eventually.

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1 Q But do you recall saying the other day that when it came
2 to removing money from the budget, they were not receptive?

3 A Words to that effect, that's what I believe, yes.

4 Q And did you also say they were very upset, and it was very
5 surprising to you to see a supplier treat a customer the way
6 that Wayne and you were treated in that meeting, do you recall
7 saying that?

8 A Yes, especially -- especially towards Wayne.

9 MR. GRUBER: Objection, Your Honor, to non-responsive
10 after yes.

11 THE COURT: Sustained.

12 BY MR. GRUBER:

13 Q And then also, that you thought it was very
14 unprofessional, and you thought it was uncalled for, and it was
15 not a good experience, do you recall that?

16 A Yes.

17 Q As far as being unreceptive to taking money out of the
18 budget, that's not a true statement, is it?

19 A I believe everything I've said is true.

20 Q And when you say you were surprised by the reaction, you -
21 - you knew that they were incredibly frustrated before the
22 meeting began over issues concerning the budget, did you not?

23 A I don't know that they were frustrated, angry, entitled, I
24 don't know what the right word would be, but they weren't
25 cooperative.

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1 Q But you knew that a week before, did you not? A week
2 before the meeting, you knew that they were concerned about how
3 the budget cuts were being handled.

4 A Well, I'm sure we wouldn't have flown down there if had
5 gone smoothly prior to that.

6 Q My question is did you know that they were frustrated with
7 how the budget cuts were being handled with --

8 A I don't know how they felt, I've already answered that.

9 Q Didn't Ackerman perform a large variety of services for
10 the NRA?

11 A Yes.

12 Q And they had dozens of different projects at any time,
13 isn't that right?

14 A I don't know if dozens is the right descriptor, but they
15 had multiple work streams, yes.

16 Q And isn't it true that Ackerman had just been given a
17 blanket instruction to cut its budget by a certain amount with
18 no guidances to how those cuts would be made?

19 A I -- I don't recall the specifics, but if there's
20 communication to that effect, then there's communication to
21 that effect. I knew we needed to cut costs in Q4 of '18, and
22 they were our largest vendor.

23 MR. GRUBER: Objection to the second half of his
24 answer, Your Honor.

25 THE COURT: Sustained.

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1 BY MR. GRUBER:

2 Q Would you agree that as of the date of the meeting,
3 Ackerman had not been given guidance on how to apply the cuts?

4 A I -- I don't know.

5 Q Do you recall receiving a letter just a few days before
6 the meeting expressing frustration by Ackerman McQueen that it
7 was not given guidance on how to make the budget cuts that the
8 NRA was asking for?

9 A I don't recall receiving a letter like that, but it's
10 quite possible.

11 Q If you could look at AMC Exhibit 74, and if -- we have a
12 cut that I'd like to put on the board, but if you want to look
13 at it in your materials, that's fine.

14 MR. GRUBER: I'd ask that the cut we have of it be
15 put on the screen.

16 (Pause)

17 MR. GRUBER: And can you blow that up a little bit,
18 Stephanie?

19 BY MR. GRUBER:

20 Q Sir, do you recall getting the letter on October 5th,
21 2018?

22 A No, I don't recall that. I'm not saying I didn't get it,
23 I'm simply saying I don't recall October 5th.

24 Q Can you read the first line? It says, "Your letter of
25 October 5 regarding budget adjustment fails to tell us which of

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1 the options are offered to the NRA with -- which of the options
2 we offer to the NRA with respect to fourth quarter work you
3 desire we implement."

4 Do you see that they're prepared to implement the
5 budget cuts, but they have options that they presented to you?

6 A I -- I disagree with that assessment.

7 MR. GRUBER: Would you go down to the second
8 paragraph and highlight that?

9 (Pause)

10 Q All right. It says, "To reiterate, the parties' severance
11 agreement of April 30, 2017 as amended, recognizes the NRA
12 reserves to itself the right to modify or cancel work in
13 progress if it -- it provides for mechanisms specifically
14 designed to lessen the financial impact."

15 Do you see that you're being told that?

16 A I see the highlight, yes.

17 Q And they talk about acting in good faith, and reasonable
18 behavior, do they not?

19 A They talk about it.

20 MR. GRUBER: Would you go down to the third
21 paragraph?

22 (Pause)

23 Q It says, "Craig, you can understand our frustration in
24 this regard. Starting as early as my August 15, 2018 letter,
25 we requested guidance from the NRA on various issues. That was

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1 followed by communications on September 24, 20 -- September 25,
2 September 28, most recently October 2nd. The request for
3 clarification regarding what work the NRA desires AMC to
4 continue to perform and what work you desire us to cancel or
5 otherwise adjust have gone unanswered throughout this exchange.
6 I cannot overstate the importance of having specific direction
7 from you on which of these options we offered your organization
8 desires us to proceed. We have critical staffing and other
9 personnel issues dependent on which options you choose."

10 And they ask you to respond immediately, do they not?

11 A That's what it says.

12 Q So they've had multiple letters where there -- anywhere in
13 there, does it say we're not going to do it? We're not going
14 to do a budget cut?

15 A They give us three options as opposed to working with us
16 to find cuts. No other options --

17 Q Each one of them --

18 A No other options were appropriate --

19 Q Each one of the options --

20 A No other options were helpful, no other options got us
21 where we needed to get to.

22 MR. GRUBER: Objection, Your Honor, as non-
23 responsive.

24 THE COURT: Overruled.

25 Q So -- but under each of the options, they were willing to

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1 make the budget cuts, they just wanted to know which way to do
2 it. They wanted to know your preference, did they not?

3 A False. Their options did not meet the budget cuts, if I
4 recall.

5 Q That's -- you -- do you know that -- you know that for a
6 fact, sir?

7 A I said if I recall, that's -- look, Wayne and I had to fly
8 down there.

9 MR. GRUBER: Objection; non-responsive.

10 A Do you think we would have flown --

11 THE COURT: Sustained.

12 A -- down there if there --

13 MR. GRUBER: Objection; non-responsive.

14 A -- (indiscernible - multiple speakers) resolved the week
15 before?

16 THE COURT: Sustained.

17 MR. GRUBER: Your Honor, I would ask that Exhibit 74
18 -- AMC Exhibit 74 be admitted.

19 MR. CICILIANO: I don't have an objection.

20 THE COURT: AMC 74 is in.

21 (AMC's Exhibit 75 admitted in evidence)

22 MR. GRUBER: Thank you.

23 BY MR. GRUBER:

24 Q And you don't -- you don't believe that Exhibit 74 shows
25 that they're attempting to comply with the NRA's directives?

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1 A I think they're attempting to document three options that
2 didn't meet our requirements, I do believe that.

3 Q But if you're asking them to cut money out of the budget,
4 doesn't it make sense that you work with them to figure out
5 what services the NRA prioritizes? Do you think that's
6 unreasonable, first of all?

7 A I think that they weren't trying to prioritize. I think
8 they were trying to obfuscate that issue.

9 Q And that's -- that's a judgment you're making, is that
10 correct?

11 A It's opinion, and you asked for it.

12 Q No, I didn't. I asked for facts. And isn't it true that
13 actually when y'all met, one of the things y'all did is you
14 went through and made decisions on what services the NRA felt
15 were important, and which ones that weren't, as far as making
16 the budget cuts?

17 A None of which were the three options laid out in that
18 letter.

19 MR. GRUBER: Objection; non-responsive.

20 THE COURT: Sustain that.

21 Q I'm asking you, did you at that meeting sit down and do
22 what -- at least as far as guidance --

23 (Interruption from non-participating individuals)

24 THE COURT: Would you please mute yourself other than
25 Mr. Gruber and the witness; thank you.

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1 Sorry, Mr. Gruber.

2 MR. GRUBER: No problem, Your Honor.

3 BY MR. GRUBER:

4 Q So -- so did you not sit down and try and prioritize at
5 the meeting and actually accomplish prioritizing what the NRA
6 wanted to spend its money on, and not in furtherance of budget
7 cuts?

8 A You used a lot of negatives in there, I'm not sure -- in
9 that inference? I mean we made cuts, but they had nothing to
10 do with those three options that they laid out in their letter,
11 which were not options.

12 MR. GRUBER: Objection as non-responsive.

13 THE WITNESS: I'm trying to answer your question.

14 MR. GRUBER: You are not. Your Honor, I object to
15 him being non-responsive. He's trying to testify like -- his
16 counsel can bring him back through.

17 THE COURT: Sustained.

18 THE WITNESS: I'm trying to give you the facts.

19 THE COURT: Okay. Sustain the objection. Just
20 listen to the question, Mr. Spray, so you can get off the stand
21 quicker.

22 Q My question is did you work with AMC that day to
23 prioritize what the budget cuts would be?

24 A Yes.

25 Q And did you, in fact, accomplish the budget cuts that day?

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1 A Some.

2 Q You -- are you saying you did not accomplish the total
3 amount of budget cuts required that day?

4 A I don't believe we did.

5 Q And wasn't one of the big issues Bill Brewer's involvement
6 in this proceeding -- in the proceedings between the -- let me
7 take that back. Isn't the problem -- one of the problems
8 expressed by AMC at that meeting that day was that Mr. Brewer
9 would be involved in the things going on with regard to
10 budgeting and materials being requested?

11 A I don't recall discussion around Brewer's involvement in
12 budgeting. However, I do recall their concern about his
13 request of backup materials.

14 Q Are you -- are you aware that Bill Brewer is the son-in-
15 law to Angus McQueen, the principal owner of Ackerman McQueen?

16 A Yes.

17 Q And do you understand that a Federal judge has determined
18 that there is a direct competitor relationship between Mr.
19 Brewer and his law firm and Ackerman McQueen?

20 A No.

21 MR. CICILIANO: I would just object; lacks
22 foundation, assumes facts not in evidence.

23 THE COURT: And what -- where are we going with this,
24 Mr. Gruber, on relevance?

25 MR. GRUBER: Your Honor, as far as relevance, they've

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1 gotten on, and they made a big deal about, you know, how
2 uncooperative our clients were, and all the things they refused
3 to do, and that they're the problem, they've always used them
4 as the scapegoat. And that's just not a clear reflection of
5 what happened at the meeting.

6 THE COURT: Well, I'd suggest don't spend much more
7 time on it for purposes of your motion to dismiss/motion to
8 appoint a trustee.

9 MR. GRUBER: Yes, Your Honor.

10 THE COURT: The objection that was made is overruled.
11 BY MR. GRUBER:

12 Q Are you familiar with -- are you -- isn't it the case that
13 Mr. Brewer's bills are the reason you had a budget problem at
14 that time?

15 A The reason we had a budget problem was our expenses
16 exceeded our revenue.

17 MR. GRUBER: Objection, Your Honor; that's not my
18 question.

19 THE COURT: Overruled.

20 Q Specifically were those -- the reason you couldn't meet
21 your obligations at that time is because of the size of the
22 Brewer legal bills?

23 A I don't know how to answer that. The legal bills were an
24 obligation, so you're asking the question -- it doesn't make
25 any sense.

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1 Q Did the Brewer legal bills cause your budget problems, in
2 part?

3 A Clearly not because we have them now, and we have a big
4 excess in 2020.

5 Q Well, based on your income at the time, weren't the Brewer
6 legal bills a large part of the reason you couldn't make
7 payments?

8 A Legal bills were a large part of our expenses, yes, but
9 not as big as Ackerman McQueen.

10 MR. GRUBER: Objection. Objection, Your Honor.

11 THE COURT: Sustained as to the last part.

12 Q Would you look at Ackerman McQueen Exhibit 73?

13 MR. GRUBER: And could we put the clip up on the
14 board -- or on the screen?

15 THE COURT: What's the number, Mr. Gruber?

16 MR. GRUBER: I'm sorry, AMC 73.

17 THE COURT: Thank you.

18 Q Do -- the -- do you see the statement --

19 MR. GRUBER: Can you move down a little bit? Let's
20 see.

21 Q Yes, can you see the statement, "We have updated the
22 monthly billing schedule to reflect the redaction on A1F and
23 shifted around some of the annual meeting billings to
24 accurately -- more accurately address workload, but those
25 amounts have not changed. When Nader is at the building next,

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1 he will bring it by your office. Thank you, again, for helping
2 us along with the new processes and making it manageable. We
3 appreciate you. Have a good weekend."

4 Do you believe that that statement reflects where you
5 were at the time on your relationship with Ackerman McQueen?

6 A I was working hard to rebuild relationships with them,
7 yes.

8 MR. GRUBER: If you go to -- let's see, if you go --
9 scroll down a little bit more, if you can.

10 (Pause)

11 MR. GRUBER: All right.

12 Q You had said a little while ago that you -- you felt
13 personally you had a couple people that you felt good about,
14 but you're saying that didn't reflect the (inaudible - audio
15 fading in and out) that you were having with Ackerman McQueen
16 overall?

17 A I think that's probably fair. I try to get along with
18 everybody on a personal level.

19 Q So I believe the other day you said, when asked about
20 receiving backup from AMC on invoices, you've stated that you
21 didn't receive all the backup on those invoices -- on invoices,
22 is that correct?

23 A It was a continuum. At different points -- points in
24 time, we'd receive, you know, some better, some worse. So it
25 was over a period of time, it was -- there's not one answer

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1 because it changed. It did get better, I think, as we moved
2 forward.

3 Q Well, and you stated that the other day that you believe
4 that some have still not been -- have still not been provided,
5 or that things are still being requested from AMC to today that
6 haven't been complied with, is that what your statement was?

7 A That's my understanding, yes, sir.

8 MR. GRUBER: Could we pull up AMC Exhibit 114, which
9 is a deposition excerpt at Page 285, Page 13 to Page 286-5?

10 (Pause)

11 Q And do you recall in your deposition being asked:

12 "Q But as you sit here today, you don't know what's been
13 provided, is that correct?"

14 And would you read your response?

15 A Answer:

16 "A I'm sure there have been some things. I'm sure there
17 is a whole litany of things that you have to go and
18 inventory. I don't have any inventory -- any idea what
19 has or hasn't been provided at this time."

20 Q And then the question was:

21 "Q Okay, so are you personally aware of any specific
22 documents that as of today Ackerman has failed or refused
23 to provide?"

24 And what's your answer?

25 A I say:

1 "A No."

2 Q Were you under -- were you aware under the special
3 services agreement with AMC that Mr. LaPierre was supposed to
4 be the liaison to AMC?

5 A I think that that person, that designee was changed
6 periodically. I know there were letters that went out, and I
7 don't recall exactly who was the liaison, at which point in
8 time.

9 Q Well, do you understand that it was either Mr. LaPierre,
10 or he had to specifically designate the person?

11 MR. CICILIANO: I would just object as to relevance.

12 THE COURT: Relevance. Relevance, Mr. Gruber?

13 MR. GRUBER: Again, he came on, and made a lot of
14 statements about the -- about AMC, and why they were, you know,
15 uncooperative at meetings, and other things. And there was an
16 agreement that Mr. LaPierre was to be the specific liaison or
17 he'd have a designee, and that was no longer the case.

18 THE COURT: I think you've done a nice job of
19 covering those things for your client. Remember that we're not
20 going to be settling up the dispute between your client, at
21 least the lawsuit dispute between your client and the debtors.
22 So I really do suggest you move on.

23 MR. GRUBER: Okay. If I could, though, just point
24 out, Your Honor, we didn't intend to do this. They keep
25 bringing it up, all right?

Spray - Recross/Ciciliano

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1 THE COURT: I --

2 MR. GRUBER: So that's --

3 THE COURT: Well --

4 MR. GRUBER: -- by way of explanation.

5 THE COURT: I understand, but I should be able to
6 filter out the underlying dispute between the two of you.

7 MR. GRUBER: All right; thank you. One second, Your
8 Honor.

9 (Pause)

10 MR. GRUBER: Your Honor, I'll pass the witness at
11 this time.

12 THE COURT: Thank you. Does anyone else have any
13 questions of Mr. Spray before the debtors' counsel gets one
14 more opportunity with him?

15 (No audible response heard)

16 THE COURT: Mr. Ciciliano, I believe you get Mr.
17 Spray now.

18 MR. CICILIANO: Thank you, Counsel.

19 RECROSS-EXAMINATION

20 BY MR. CICILIANO:

21 Q Mr. Spray, very briefly. Is it typical that a scope of an
22 audit changes over the course of the audit?

23 A Not necessarily typical, no.

24 Q Does it occur?

25 A It occurs.

Spray - Recross/Ciciliano

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1 Q And is it your understanding that the Aronson audit
2 changed to include a look at internal controls?

3 MS. FUCHS: Objection; leading.

4 THE COURT: Sustained.

5 Q Are you aware of -- well, do you know if Aronson looked at
6 internal controls --

7 A I believe --

8 Q (Indiscernible - multiple speakers).

9 A I believe they did.

10 Q And did you request that?

11 A I believe I did.

12 Q We talked about -- I believe it was Ms. Fuchs had asked
13 you about -- counsel -- one of the counsels asked you about
14 your letter to John Frazer. And I believe you testified you
15 were working hard to make strides.

16 Even in a perfect entity, is there always a need to
17 remind people about the policies?

18 A Yes, but possibly not so aggressively.

19 Q And you -- oh. You were shown a letter that's Ackerman
20 Exhibit 74, do you recall that?

21 A I do.

22 Q What did you interpret that letter to be?

23 A I felt like at the time, this was a documentation --
24 attempted documentation -- I'm sorry, I'm bringing it up now --
25 and up to -- up to that point, I felt like I had gotten very

Spray - Recross/Ciciliano

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1 little cooperation or support from our vendor trying to get
2 cost reductions, and it felt to me like there were excuses and
3 trying to avoid, and that sort of thing, and this was just a
4 letter sort of throwing some mud in the water to obfuscate what
5 was going on.

6 Q In 2018, were the legal expenses associated with Brewer &
7 Counselors as big as Ackerman McQueen's costs?

8 A Ackerman McQueen was our largest vendor.

9 MR. CICILIANO: I have no further questions, Your
10 Honor.

11 THE COURT: Thank you.

12 Just for the record, does anybody else have any
13 questions of this witness?

14 (No audible response heard)

15 THE COURT: Mr. Spray, you're free to go. A rule has
16 been invoked, I just want to say this for the record again, on
17 testimony, so you're not to speak to anyone about your
18 testimony until I've ruled, which will be approximately a week
19 after we've closed the case. Do you understand that?

20 MR. SPRAY: Yes, sir.

21 THE COURT: Okay; thank you.

22 MR. SPRAY: Thank you.

23 MR. CICILIANO: Thanks, Craig.

24 THE COURT: Mr. Pronske, I'll just turn back to you,
25 who is your next witness?

1 MR. MASON: Good morning, Your Honor. This is Brian
2 Mason. We're going to be calling Tony Makris as the next
3 witness. If you could give just two or three minutes to get
4 Mr. Makris set up.

5 THE COURT: I'd be happy to.

6 Are you going to go first, Mr. Mason?

7 MR. MASON: I am, if that's okay, Your Honor.

8 THE COURT: Yeah, that's okay.

9 MR. MASON: Because he's my client.

10 THE COURT: To, that's okay.

11 (Pause)

12 MR. BUNCHER: Your Honor, this is Doug Buncher. I
13 tried to appear earlier when you asked for appearances, but for
14 some reason, I couldn't get my microphone working. I have been
15 on the line.

16 THE COURT: Glad to have you with us this morning,
17 Mr. Buncher.

18 MR. BUNCHER: Thank you, Your Honor.

19 (Pause)

20 MR. MASON: And, Your Honor, while we're getting Mr.
21 Makris set up, just for the record, Mr. Makris is physically
22 located at my office, Dorsey's office here in Dallas. He's on
23 a different floor, but he is in a separate conference room, and
24 will be by himself during the questioning.

25 THE COURT: Okay.

Makris - Direct/Mason

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1 (Sound check conducted of system/Pause)

2 MR. MAKRIS: Good morning, Your Honor; gentlemen.

3 MR. MASON: Tony, can you hear me okay?

4 MR. MAKRIS: I can hear you fine.

5 MR. MASON: Your Honor, can you hear Mr. Makris okay?

6 THE COURT: I can hear him, and I can see him now,

7 um-hum.

8 Mr. Makris, would you raise your right hand?

9 ANTHONY MAKRIS, SWORN

10 THE COURT: All right. Mr. Mason?

11 MR. MASON: Thank you, Your Honor.

12 DIRECT EXAMINATION

13 BY MR. MASON:

14 Q Mr. Makris, if I could ask you just to speak up just a
15 little bit, I just want to be sure that I can hear you. But
16 could you please state your full name for the record?

17 A Anthony S. Makris, M A K R I S.

18 Q Mr. Makris, how are you employed?

19 A I'm employed by Ackerman McQueen.

20 Q What's your title?

21 A I believe my title is still Executive Vice President.

22 Q How long have you been with Ackerman?

23 A I started -- I hired Angus and Ackerman McQueen to do work
24 for me in 1987. They subsequently hired me as a consultant,
25 and then I think I took over their Washington office in 1991.

Makris - Direct/Mason

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1 Q When you say "the Washington office," are you referring to
2 the Mercury Group?

3 A The Mercury Group had been -- the papers had been filed,
4 but at that time, it was still Ackerman McQueen. It
5 subsequently became the Mercury Group, I don't know the exact
6 date.

7 Q And if I -- if you could, Mr. Makris, just speak up a
8 little bit more, maybe push the -- I'm having a little bit of
9 trouble hearing you.

10 A I'm not sure what mike I'm -- is it the mike on the -- on
11 the computer?

12 Q That's a little bit better, if you could just speak up --

13 A I can --

14 Q -- a little bit, I think we'll be okay.

15 A (Indiscernible - multiple speakers).

16 Q Mr. Makris, is -- Mr. Makris, is Mercury Group a
17 subsidiary of Ackerman McQueen?

18 A Yes.

19 Q What is the -- what is the -- what kind of business is
20 Mercury Group?

21 A It's a crisis communications and strategic communications
22 company.

23 Q What were your job responsibilities with Mercury Group?

24 A To service clients and their needs in what were frequently
25 difficult public arenas.

Makris - Direct/Mason

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1 Q I want to briefly talk about your background prior to
2 Ackerman. Do you have any law enforcement experience?

3 A Yes, I was recruited by the FBI out of high school at 17,
4 I worked for them for a year trying to go to college. I --
5 that didn't work, I went back and went to Auburn University,
6 majored in political science and criminal justice, and when I
7 turned 21, I went to work with the Lee County Sheriff's
8 Department as a Reserve Deputy, which I did for about five
9 years.

10 Q Do you have any legal experience?

11 A I have a law degree from American University.

12 Q Have you practiced law?

13 A I have not.

14 Q What about -- what about governmental experience or
15 background? Can you tell the Court briefly about any
16 experience you have there?

17 A Well, I worked in the United States Senate staff in my
18 time as an undergrad in a cooperative education program, I've
19 had two years on the United States Senate staff. And I worked
20 for other -- I've had government jobs in the summertime as a
21 student.

22 And then I was recruited by the Reagan administration
23 -- the second Reagan administration as a Deputy Assistant
24 Secretary of Defense for the Office of Secretary of Defense.

25 Q Did you have a security clearance with that?

Makris - Direct/Mason

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1 A I had a security clearance starting with the Bureau, and
2 then I had mostly a PS clearance from the time I was 17, a few
3 lapses, and then when I went to the Pentagon, I was upgraded to
4 top secret special access (indiscernible).

5 Q Prior to 2019, have you been involved with any television
6 shows?

7 A I started a television show in 1993 called Under Wild
8 Skies, I spent 15 years on ESPN, five years on NBC Sports, and
9 six years on the Outdoor channel.

10 Q What kind of show is Under Wild Skies?

11 A It's a hunting outdoor show.

12 Q Was it affiliated with the NRA?

13 A The NRA was the prime motivator in me starting the show
14 because they wanted me out there talking about hunting and the
15 shooting sports.

16 Q I want to talk a little bit about your relationship with
17 the NRA. Are you an NRA member?

18 A I am an NRA member, I'm a benefactor member.

19 Q What is a benefactor member?

20 A The highest level of membership.

21 Q How long have you been an NRA member?

22 A Since I was 8 years old.

23 Q Is it fair to say you've worked closely with the NRA over
24 the years?

25 A Yes.

Makris - Direct/Mason

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1 Q Have you been involved with recruiting any officers or
2 directors over the years?

3 A Yes.

4 Q Anyone in particular?

5 A Everybody would recognize Charlton Heston, Tom Selleck,
6 Don Milius, who's a writer and director, and some other people
7 in the shooting world.

8 Q What was your relationship with Mr. Heston?

9 A I was -- by his own words -- his political guru, he said
10 that in his autobiography. But I worked with and staffed him
11 for 23 years, from 1984 until his final -- I'm trying to think
12 of the right word -- um -- I'm trying to think of the right
13 word -- impermanent with Alzheimer.

14 Q Have you assisted the NRA over the years in any
15 fundraising efforts?

16 A Yes, I have.

17 Q Could you just briefly describe for the Court some various
18 ways that you've done that?

19 A Well, generally to specific, recruiting Mr. Heston to run
20 for the Board, and then run for the chairs brought an
21 imaginable -- I mean tens of millions, if not hundreds of
22 millions of dollars worth of financial benefit of his six-year
23 presidency, and his association with the organization.

24 Mr. Selleck contributed a number of movie items and
25 paraphernalia, and memorabilia that we used to do sweepstakes

1 on the cover of magazines, and raised millions and millions of
2 dollars.

3 I have also identified a number and helped to qualify
4 a number of large donors of substantial individual gifts,
5 including one, at my last information was the largest single
6 donation they've ever gotten, the one from the Peterson trust.

7 Q When did you start performing services for the NRA?

8 A I worked as a volunteer for the NRA from the late
9 '70's/early '80's until they hired me in late '89, I believe it
10 was.

11 Q Is it fair to say that you've been intimately involved
12 with the NRA's fundraising efforts, communications, strategy,
13 and branding over the last few decades?

14 A Yes.

15 Q Let's talk a little bit about Wayne LaPierre. Do you know
16 Wayne LaPierre?

17 A I do.

18 Q How do you know Mr. LaPierre?

19 A I met Mr. LaPierre in my office in 1980 when I was running
20 a group called the Coalition for Peace Through Strength which
21 was a defense and foreign policy working group, and we did --
22 as part of our political activities, we did a number of
23 fundraising, breakfast, lunch, and dinners to coordinate
24 fundraisers for members of the House of Senate, and some
25 governors, and Mr. LaPierre was at the NRA, and he was in

Makris - Direct/Mason

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1 Federal Affairs at the time, and I believe he attended some of
2 my political action committee fundraisers, and that's when I
3 first met him.

4 MR. GARMAN: Counsel --

5 Q Can you --

6 MR. GARMAN: Counsel, I'm terribly sorry to
7 interrupt. I'm having a hard time hearing the witness, I don't
8 know if anyone else is.

9 THE WITNESS: I can speak -- I mean I can -- I hate
10 to -- I don't want to shout at you and y'all get tired of
11 hearing me anyway, but I can lean forward, my position won't be
12 as ideal for the camera, but I've got enough camera time as it
13 is, so -- I can do this if that makes a difference to you, sir.

14 MR. GARMAN: That is better; thank you, sir.

15 THE WITNESS: I will do as much as I can to project.

16 BY MR. MASON:

17 Q Mr. Makris, could you just briefly describe your
18 relationship with Mr. LaPierre over the last few decades?

19 A Mr. LaPierre sought people that had skill sets that he
20 didn't possess. And I had a considerable amount of experience
21 as a competitive shooter, as a gun store owner, gun dealer, law
22 enforcement officer, I had an extensive background in defense
23 and foreign policy. And so he sought advice from me in a
24 number of arenas, the ones I've named, and others, technical
25 aspects of gun, ammunition, I even advised him privately on his

Makris - Direct/Mason

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1 healthcare, his wife's healthcare, his family's healthcare,
2 security issues.

3 Q Did you previously consider Mr. LaPierre like a brother to
4 you?

5 A We were close friends, and I knew at all times --

6 MR. GARMAN: Your Honor, I'm going to object to the
7 extent we're leading the witness.

8 THE COURT: Sustained.

9 Q Mr. Makris, have you ever referred to Mr. LaPierre as your
10 brother?

11 A Yes.

12 MR. GARMAN: Your Honor, same objection.

13 THE COURT: Same ruling.

14 Q Mr. Makris, have you ever heard Mr. LaPierre refer to you
15 as his brother?

16 A Yes.

17 Q As of 2018, Mr. Makris, did you have an opportunity, based
18 upon your relationship with Mr. LaPierre, to observe what you
19 believed to be his inner circle?

20 A I did.

21 Q Who were those individuals that you believed to be part of
22 Mr. LaPierre's inner circle?

23 A It varied on the subject matter, but I would say Angus
24 McQueen, myself, Chris Cox on some matters, Millie Hallow on
25 some matters, the general counsel, John Frazer on some matters,

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1 David McKenzie, I know he spent a lot of time with, but I was
2 never -- maybe once or twice at a social thing around Wayne and
3 David McKenzie, so I don't know what that's -- that subject
4 matter was.

5 Q In the 30 plus years that you've known Mr. LaPierre, have
6 you ever witnessed Mr. LaPierre using emails?

7 A No.

8 Q In the 30 plus years that you've known Mr. LaPierre, have
9 you ever witnessed him using text messages?

10 A No.

11 Q Over the years, did you have an opportunity to observe Mr.
12 LaPierre's management style at the NRA?

13 A I did.

14 Q Did Mr. LaPierre ever describe his management style to
15 you?

16 A He did, he referred to it as management by chaos and
17 (indiscernible - multiple speakers).

18 Q Did he --

19 A He told -- go ahead.

20 Q And did he explain to you --

21 MR. GARMAN: Your Honor, I object -- I object to the
22 hearsay, and I move to strike.

23 THE COURT: That's overruled.

24 MR. MASON: Your Honor --

25 THE COURT: You may --

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1 BY MR. MASON:

2 Q Mr. Makris, did Mr. --

3 MR. MASON: I apologize, Your Honor.

4 THE COURT: That's okay.

5 Q Mr. Makris, did Mr. LaPierre ever explain to you what he
6 meant by management by chaos?

7 A Yes, he said if you kept the -- each of his advisors,
8 sources, managers, whatever you want to call them, at odds with
9 each other, then he would maintain control.

10 Q Did you observe any particular examples of Mr. LaPierre
11 engaging in that activity?

12 A Yes.

13 Q What's an example that comes to mind?

14 A Well, he frequently would instruct me, or instruct Angus,
15 or other Ackerman employees to not provide information to the
16 Treasurer's Office, to Josh Powell, to the attorney, Bill
17 Brewer, to Chris Cox. He said only give this to me, only give
18 this information to me.

19 MR. GARMAN: Your Honor, I need to -- Your Honor, I
20 need to lodge an objection. To the extent this is personal
21 knowledge, that's fine, but the answer included and instructed
22 others, I believe that's hearsay.

23 THE COURT: I don't think the statement of Mr.
24 LaPierre is going to be hearsay.

25 I overrule the objection.

Makris - Direct/Mason

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1 BY MR. MASON:

2 Q Mr. Makris, have you ever heard Mr. LaPierre use the term
3 "throwing gasoline on the fire"?

4 A Yes.

5 Q How often did you hear Mr. LaPierre use that term?

6 A Frequently in the middle of a political fight. He would
7 say I need -- in speeches and in -- and a direct mail copy, I
8 need gasoline. I need gasoline.

9 Q Did he ever explain to you what he meant by throwing
10 gasoline on the fire?

11 A Words that would stimulate the NRA membership to join the
12 fight.

13 Q Over the years, did you have an opportunity to observe Mr.
14 LaPierre's relationship with Angus McQueen?

15 A I did.

16 Q How would you describe Mr. LaPierre's relationship with
17 Mr. McQueen?

18 A In times of crisis, that would be the first phone call
19 Wayne would make, to Angus McQueen, I might be the second. And
20 he sought and hung on virtually every word that Angus said
21 during those times. I have witness Wayne calling to present a
22 problem, be it a political problem, a congressional problem, or
23 a mass shooting, or some other problem, and then pull out a
24 stack of legal pads and write down every single word that Angus
25 McQueen said.

Makris - Direct/Mason

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1 Q Did you ever heard Mr. LaPierre refer to Mr. Angus McQueen
2 as Yoda?

3 A Frequently.

4 Q Did he -- did he ever explain what he meant by that?

5 A He told me, and others in my presence, that he -- that he
6 thought Angus McQueen was Yoda because he was simply the best
7 communicator, and the best strategist he had ever met.

8 Q I want to switch gears a little bit, Mr. Makris. Did you
9 attend a meeting in October of 2018 with various agency
10 executives and Mr. LaPierre?

11 A Yes.

12 Q Who was at that meeting?

13 A I don't know that I'll be able to recite everyone from
14 memory, but it was Angus McQueen, Revan McQueen, Melanie
15 Montgomery, Bill Winkler, myself, Wayne LaPierre, Craig Spray,
16 and I might be missing a few others that came in and out.

17 Q Where did that meeting take place?

18 A In the Ackerman McQueen executive offices in Dallas.

19 Q Do you recall the purpose of that meeting?

20 A It had two purposes: One was a normal fourth quarter
21 conference that we would have every year to plan and budgets
22 for the coming year. And we also put on that agenda discussion
23 of the increasing and frequent harassing and threatening
24 communications from Bill Brewer and Josh Powell.

25 Q Do you know Bill Brewer?

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1 A I do.

2 Q How do you know him?

3 A He hired me in, I believe, 2005 or '06 to help with crisis
4 communications efforts on behalf of the Willey Brothers.

5 Q How long did that relationship last?

6 A Only a few months.

7 Q Did you terminate the relationship, or did Mr. Brewer?

8 A I did.

9 Q Why?

10 A I -- I found his work style and his ethics something I
11 just couldn't work with.

12 Q Were you involved with the decision of the NRA to retain
13 Mr. Brewer and his law firm in early 2018?

14 A I wasn't involved in the selection until the final two
15 selectees: One was Chuck Cooper, and the other was Bill
16 Brewer, and Wayne called me and asked me what I thought.

17 Q What did you think?

18 A I said, well, you've known Chuck Cooper, and he's done
19 work for the National Rifle Association since 1988, he was a
20 young Assistant Attorney General in the Reagan administration,
21 he's a constitutional lawyer, he has practiced numerous cases
22 before the Supreme Court, and he's a very enthusiastic Second
23 Amendment supporter, gun owner, shooter, and a fine attorney.

24 Q Were you aware at the time that Mr. Brewer was the son-in-
25 law of Angus McQueen?

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1 A Yes.

2 Q What did you understand their relationship to be at the
3 time?

4 MR. GARMAN: Your Honor, I object on relevance
5 grounds.

6 THE COURT: Relevance, Mr. Mason?

7 MR. MASON: Your Honor, if you would just provide me
8 a little bit of leeway here, I'm about to, I believe, establish
9 that relevance.

10 THE COURT: I will.

11 BY MR. MASON:

12 Q Mr. Makris, what did you understand the relationship
13 between Mr. Brewer and Mr. Angus McQueen to be at that time?

14 A They had been at odds with each other since the very
15 beginning of Mr. Brewer's relationship with Mr. McQueen's
16 oldest daughter, Skye.

17 Q Now when you were having this discussion with Mr. LaPierre
18 about whether or not the NRA should retain the Brewer firm, do
19 you recall his response to you?

20 A He said that -- he said -- I said I think you should
21 retain Chuck Cooper. And he told me that others had made the
22 same recommendation, and then that Steve Hart recommended Bill
23 Brewer.

24 Q During the summer of 2018, did you have conversations with
25 Josh Powell regarding Mr. Brewer?

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1 A Yes, I did.

2 Q And at that time, who was Josh Powell? Who was -- what
3 was his role with the NRA?

4 A He had worn several hats. He was Wayne's Chief of Staff,
5 and then he was also the head of General Operations.

6 Q Did you have an understanding of the relationship between
7 Mr. Powell and Mr. Brewer at that time?

8 A I did.

9 Q And regarding the conversations with Mr. Powell, what did
10 Mr. Powell tell you with respect to -- well, let me ask it this
11 way. Did you have a conversation with Mr. Powell relating to
12 Mr. Brewer's feelings about Ackerman McQueen?

13 A Yes, Mr. Powell --

14 MR. GARMAN: Your Honor, I'm going to object on
15 hearsay grounds again. Mr. Powell is not a representative of
16 the NRA, and hasn't been for some time.

17 THE COURT: At the time, Mr. Mason, was Mr. Powell
18 with the NRA, at the time that this statement was made?

19 MR. MASON: Yes.

20 THE COURT: Overruled.

21 MR. MASON: Yes, Your Honor.

22 THE COURT: Overruled. You may answer the question,
23 sir.

24 BY MR. MASON:

25 Q Mr. Makris, you can go ahead.

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1 A Yes, he -- he issued -- he said that Brewer -- his words --
2 - exact words were "Brewer" -- close as I remember -- "Brewer
3 says you guys are in a lot of trouble, I mean this is criminal,
4 you're going to be raided by the authorities in the State of
5 New York, your office is going to be raided by the FBI, you're
6 going to be brought up on RICO charges."

7 MR. GARMAN: So, Your Honor, I'm not going to
8 continue to object to hearsay, but this one is problematic in
9 that it's Josh Powell making an out-of-court statement as to
10 what Mr. Brewer said. I do not believe that's admissible.

11 THE COURT: I'm going to stick with my ruling on
12 that.

13 BY MR. MASON:

14 Q Mr. Makris, so I want to be sure I understand your
15 testimony. Mr. Powell indicated that Mr. Brewer stated that
16 Ackerman was -- their offices were going to be raided by the
17 FBI, and they were going to be brought up on RICO charges, is
18 that correct?

19 A Correct.

20 Q Did Mr. Powell tell you that on just one occasion?

21 A More than one occasion.

22 Q How many times?

23 A At least two that I remember because I remember the
24 setting. But those threats were thrown around quite a bit by
25 Mr. Powell, and at least one other to me.

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1 Q Did you view them as threats?

2 A Of course, I did.

3 Q Did you communicate that to your colleagues at Ackerman?

4 A Yes, I did.

5 Q Besides Mr. Powell, did you hear about these threats from
6 Mr. Brewer or from other people?

7 A Yes.

8 Q Who?

9 A Steve Hart, who, at the time, was the general counsel for
10 the Board.

11 Q And at the time that you had that conversation -- well,
12 let me ask it this way, what -- when you discussed that with
13 Mr. Hart, what time period was that?

14 A It was of the same time of June/July, summertime of '18.

15 Q Around that same time, was Mr. McQueen -- was Mr. Angus
16 McQueen diagnosed with cancer?

17 A He had been diagnosed with cancer several months before.

18 Q When you had that conversation with Mr. Hart, do you
19 recall where you were?

20 A I was in a car on the way to the airport for a business
21 trip. And the only -- the reason I remember that is I remember
22 looking at the Potomac and the park and the greenery, thinking
23 what a lovely day to have that sort of thing thrown in your
24 face.

25 Q What did Mr. Hart specifically tell you with respect to

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1 Mr. Brewer?

2 A He said you -- he said you guys are -- well, he said, I
3 mean this is criminal, I mean Brewer said he's going to have
4 you indicted criminally.

5 Q So Mr. --

6 A He repeated the RICO charges again.

7 Q Mr. Brewer said that he was going to have Ackerman McQueen
8 indicted?

9 A That's correct.

10 Q Mr. Makris, when you heard these -- what you've described
11 as threats being made, did you have any concerns about the FBI
12 or RICO?

13 A Not -- not really. I've got a relationship with very high
14 members of the Bureau. Longtime, lifelong relationships with
15 people I worked with back in the '70's. And, you know, I was
16 quite sure that Josh Powell didn't know what RICO stood for.

17 Q When you had that conversation with Mr. Hart and Mr.
18 Brewer's threats, did you communicate those concerns to
19 colleagues at Ackerman, as well?

20 A Yes.

21 Q So if we fast forward then -- I want to go back to the
22 October of 2018 meeting that we started with, were the concerns
23 about Mr. Brewer raised at that October 11th, 2018 meeting?

24 A Yes, they were.

25 MR. GARMAN: Your Honor, I believe we've now explored

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1 this. I stand by my relevance objection that these
2 conversations have nothing to do with the appointment of a
3 trustee or the dismissal of this case.

4 THE COURT: Overruled on relevance.

5 BY MR. MASON:

6 Q Mr. Makris, did -- were -- did Ackerman have concerns
7 about dealing with Mr. Brewer in light of these threats that
8 had been made?

9 A It was -- yes.

10 Q Were those concerns expressed to Mr. LaPierre at that
11 October, 2018 meeting?

12 A They were.

13 Q What was Mr. LaPierre's response to that?

14 A It started with us talking about you can't -- we can't
15 have -- our relationship is based on trust and cooperation, we
16 can't have a relationship with constant threats, harassment,
17 repeated -- repeated demands for production of documents that
18 have already been produced, and it's just an over and over and
19 over again, clearly a form of harassment. And Revan McQueen
20 stated at that time if this is going to continue, we are
21 prepared to invoke the separation agreement, and resign this
22 account. I mentioned --

23 MR. GARMAN: Your Honor, I object.

24 THE COURT: Mr. Garman?

25 MR. GARMAN: I'm terribly sorry, I didn't mean to

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1 interrupt. But I --

2 THE COURT: That's okay.

3 MR. GARMAN: I did not mean to interrupt, but I do
4 object to the witness testifying as to what Mr. Revan McQueen
5 said.

6 THE COURT: Sustained.

7 BY MR. MASON:

8 Q Your Honor, at that -- I mean -- I'm sorry, not -- not
9 Your Honor. Mr. Makris, at that October, 2018 meeting, if the
10 -- if Ackerman's concerns with Mr. Brewer were not resolved,
11 was -- do you have an understanding as to whether or not
12 Ackerman was prepared to resign the NRA account?

13 MR. GARMAN: Your Honor, I object to leading the
14 witness.

15 THE COURT: Sustained.

16 Q Mr. Makris, were there -- well, let me ask it this way:
17 Were the concerns about Mr. Brewer -- well, you testified that
18 the concerns with Mr. Brewer's continued involvement were
19 expressed to Mr. LaPierre. So my question is what was Mr.
20 LaPierre's response to that?

21 A He begged us not to resign the account, pleaded with us to
22 stay with him. He said, please don't leave me, please stay
23 with me. Brewer and Josh will be gone in 30 to 60 days,
24 they're going to wrap all this up, and they're going to be
25 gone, and I need you guys, please promise me you'll stay with

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1 me.

2 Q Would you describe those conversations as being emotional?

3 A I think it was -- it was intense and serious. I don't
4 think there was any emotion here at all. It was simply a
5 statement that it can't go on like this, and we can't -- we
6 can't sit there and just take this kind of harassment.

7 Q During that October, 2019 [sic] meeting, did -- did you
8 ever express to Mr. LaPierre or Mr. Spray that the NRA should
9 not be permitted to audit Ackerman's books and records?

10 A No, they had audited us for 38 years on an annual basis.

11 Q Was there a discussion during that October, 2018 meeting
12 relating to the budget?

13 A Yes.

14 Q What do you recall Mr. LaPierre and Mr. Spray telling you
15 with respect to the budget?

16 A It started like most budget discussions started, and that
17 is we've got to find some savings, we've got to make some
18 substantial cuts, you know, this was -- it frequently happens
19 after a pro Second Amendment administration's elected that the
20 NRA fundraising will fall off. He said we've got to make some
21 serious cuts. So we pulled out a line-by-line item and said,
22 okay, let's start talking about what you're prepared to do
23 without.

24 Q Did you view any of the discussions surrounding the budget
25 as hostile or emotional?

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1 A No.

2 Q At the conclusion of that meeting, did Mr. LaPierre or Mr.
3 Spray express any frustrations to you regarding the meeting or
4 Ackerman?

5 A No, other than Wayne continued to plead that we would not
6 leave him, that we would stay with the NRA.

7 Q Let's jump forward to January of 2019. Did you attend a
8 meeting with Mr. LaPierre in January of 2019?

9 A Yes.

10 Q What was the purpose of that meeting?

11 A It was another meeting that took place on an annual basis
12 when he would come to Dallas for the Dallas Flyer Club
13 (phonetic), we would all get together and discuss the first and
14 second quarter of Wayne's speeches, communications, travel
15 plans, any possible advertisement or branding, or speech-
16 writing support.

17 Q Do you recall who attended that meeting?

18 A I wouldn't be able to name everybody because people came
19 in and left, and there were people sitting at the back of the
20 room. But it was Revan, Angus, myself, Melanie Montgomery,
21 Henry Martin, Bill Powers that worked for the Mercury Group,
22 Nader Tavangar who works for Mercury Group, Wayne LaPierre, I
23 think I said Henry Martin, didn't I? And then there might have
24 been some audiovisual people and some other people helping to
25 run the audiovisual.

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1 Q As of that meeting in January of 2019, had your
2 relationship with Mr. LaPierre changed?

3 A Demonstrably.

4 Q In what ways?

5 A I had started when I had -- the meeting in October when I
6 -- he called me at my house in South Carolina and said I'd like
7 you to fly up here, and then fly down to Dallas with me so we
8 can catch up, we haven't talked in a few weeks, and I'd like to
9 catch up. And so I said, I'd be happy to.

10 And then the day before I was supposed to leave to go
11 to Dallas -- or to go to Washington to Dallas, he called and
12 said, you're just going to have to meet me in Dallas, they
13 don't want you on the airplane.

14 Q And are you going back to the -- are we talking about
15 right before the October, 2018 meeting?

16 A Correct.

17 Q Okay. And kind of from October of 2018 and that meeting
18 until January of 2019, how did your relationship change, if at
19 all, with Mr. LaPierre?

20 A It did -- it had decidedly changed, it was dwindling to,
21 you know, very little contact, very few calls. They were
22 troubled conversations when I called him or when he called me.
23 And so it -- I mean it's -- it's measurable when you've known
24 somebody for almost 40 years, and you know how often they
25 called you, and what they talked to you about, and how often

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1 they sought advice when it all of a sudden stops, it's -- it's
2 palpable.

3 Q Did you have an understanding that Mr. LaPierre's
4 relationship with other Ackerman executives had also changed
5 prior to that January, 2019 meeting?

6 A There was a general discussion about what was going on
7 with the organization, and their lack of communication, not
8 just with us, but with the members and the public, and how the
9 organization was being changed from a communications
10 organizations to a litigation organization.

11 Q During the January, 2019 meeting, was -- was there more
12 discussion about Mr. LaPierre's relationship with Mr. Brewer?

13 A Yes, it was -- it was -- it was continuing, and the 30 and
14 60 days were coming to an end, and it was still ongoing.

15 Q What -- what, if anything, did Mr. LaPierre tell you at
16 that January meeting about Mr. Brewer's continuing involvement
17 with the NRA?

18 A Well, he started talking about what we would have called
19 in the Pentagon "mission creep," and we were talking
20 specifically about a CPAC speech, and he said Bill Brewer's
21 going to write that. And so we'd always written the CPAC
22 speech, and Wayne commented that Bill Brewer didn't like our
23 last CPAC speech, so he didn't want us to write anymore.

24 And at that point in time, I looked at Wayne because
25 we had been close friends, and I had done a lot of -- let's say

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1 service, both personal and professional for him. And I said, I
2 don't understand what has you so scared that you're willing to
3 forsake everybody that has helped you for 38 years, turn your
4 back on us all, and turn your entire life and this organization
5 over to a guy you barely know, who is a (indiscernible -
6 muffled) democrat, who's given Beto O'Rourke and Mike Bloomberg
7 and doesn't even like the Second Amendment, and you're turning
8 everything over to him, what has you so scared?

9 Q And what was Mr. -- what was Mr. LaPierre's response to
10 that?

11 A He said Bill Brewer's the only one that can keep me out of
12 jail.

13 Q Did he say that to just you?

14 A No, the whole room heard it. I mean he said it in a
15 roomful of people. He said you -- Bill -- Bill has said he's
16 the only one that can keep me out of jail, he's the only one
17 standing between me and -- he said it more than one way.

18 Q He said he's the only one standing between you and -- and
19 -- between him and what?

20 A And jail. And he said in the -- he said to me on other
21 occasions he's the only one standing between -- he said he was
22 the only one standing between me and the guys with handcuffs or
23 me and an orange jumpsuit.

24 Q Was that the first time that you had heard Mr. LaPierre
25 tell you that Bill Brewer was the only people that could keep

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1 him out of jail? And if I -- let me rephrase that. Was that
2 the first time, Mr. Makris, that you had heard Mr. LaPierre
3 tell you that Bill Brewer was the only person that was going to
4 keep him out of jail?

5 A It was the only time that he elaborated on it. He had
6 said -- he had alluded to it earlier, and said the things that
7 I told you earlier. But when I'd say for what, and he would
8 say, honestly, I haven't done anything.

9 Q Are you aware of Mr. LaPierre telling others in your
10 presence that Bill Brewer was the only person that could keep
11 him out of jail?

12 A Well, he told that roomful of people in January of 2019,
13 so virtually everybody in the room heard it. So that was
14 others in my presence.

15 I had heard the same threat repeated by Steve Hart,
16 that Bill Brewer has convinced Wayne that he's going to go to
17 jail if he doesn't have Brewer representing him.

18 Q Let me ask you, Mr. Makris, during your 30-year
19 relationship with Mr. LaPierre, did you ever witness him do
20 anything or say anything that would make you believe that Mr.
21 LaPierre should be concerned about going to prison?

22 A No.

23 Q As somebody that was -- or who is intimately involved with
24 the NRA's public image of brand for nearly 40 years, do you
25 have an opinion as to whether Mr. LaPierre's personal brand is

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1 as strong today as it once was?

2 A It most assuredly is not.

3 Q Why not?

4 A If you look at what has happened to the NRA's public image
5 and their public communications in the last three years, it's a
6 graduate level course in what not to do in communications.

7 That organization in 2016 was at its pinnacle, and
8 perhaps the most powerful political organization in the United
9 States at the time. And in three years, it's disappeared from
10 the scene, not mentioned, not heard of, and you just got a
11 textbook example of what a national election looks like without
12 the NRA involved.

13 MR. MASON: Your Honor, I'll pass the witness.

14 THE COURT: I guess -- let's keep going in the same
15 order. I don't think it's fair that Mr. Garman gets crosses as
16 to everybody else. So, New York Attorney General, why don't
17 you go next?

18 MR. WANG: Thank you, Your Honor. William Wang on
19 behalf of the New York Attorney General.

20 Your Honor, can you hear me?

21 THE COURT: I can hear you. Now I can see you on the
22 bigger screen; thank you. Yes, welcome.

23 MR. WANG: Great; thank you very much.

24 CROSS-EXAMINATION

25 BY MR. WANG:

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1 Q Good afternoon, Mr. Makris.

2 A Good afternoon, Mr. Wang.

3 Q Good morning in Dallas; good afternoon here in New York.

4 A Yes, sir.

5 Q You've testified to your long relationship with Mr.

6 LaPierre. Was traveling with Mr. LaPierre part of that

7 relationship?

8 A On occasion, at his direction, yes.

9 Q Mr. Makris, have you ever been to the Mayo Clinic in
10 Arizona?

11 A Yes, I have.

12 Q Have you ever been to the Mayo Clinic in Arizona with Mr.
13 LaPierre?

14 A Yes, I have.

15 Q When did you go to the Mayo Clinic in Arizona with Mr.
16 LaPierre?

17 MR. GARMAN: Your Honor, I don't believe that -- I
18 object. I don't believe that the New York Attorney General can
19 lead anymore than Ackerman McQueen, given the coordinated
20 effort of their motion.

21 THE COURT: I agree with you. Don't lead, Mr. Wang.

22 MR. WANG: Yes, Your Honor.

23 BY MR. WANG:

24 Q Mr. Makris, can you describe the types of travel you might
25 engage in with Mr. LaPierre as part of your relationship with

1 him through the NRA?

2 A I engaged in virtually anything that he -- he would call
3 and say I need you to go with me on a trip, and it would -- you
4 know, whatever that trip was, if he wanted me to go with him, I
5 would go. It might be to a trade show, it might be to a public
6 appearance, it might be to -- once he called and asked me to go
7 to San Antonio and help his nephew pick out an apartment and
8 interview for a job. It -- he might be worried about a health
9 issue and call me and ask me what I thought he should do about
10 it. You know, I've been to the Mayo Clinic with him before
11 when he was worried about various issues and -- and had gotten
12 a very serious diagnosis from a doctor who thankfully was
13 wrong. And he would -- and he'd call me and say, what should I
14 do? That -- I was a lot of Wayne's "what should I do" calls
15 for both professional and personal, be it security, be it his
16 healthcare, be it Susan's healthcare.

17 Q And as a result of one of those "what should I do" calls,
18 did Mr. LaPierre ever ask you to go to the Mayo Clinic with
19 him?

20 A He asked me --

21 MR. GARMAN: Your Honor, we're leading again.

22 THE COURT: Sustained.

23 BY MR. WANG:

24 Q Mr. Makris, you described various trips that you've taken
25 with Mr. LaPierre, and you mentioned one of those trips was the

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1 Mayo Clinic. Can you describe the circumstances of that trip,
2 please, for the Court?

3 A The last time I went to the Mayo Clinic was in -- with Mr.
4 LaPierre was in 2018, and I was in Las Vegas at the SHOT Show
5 and the Antique Gun Show, which are two big trade shows, and
6 then SCI, which is another big trade show, Safari Club
7 International. And SHOT is Shooting, Hunting, Outdoor Trade is
8 the industry trade show. And he called me distraught, and he
9 said that his local doctor in Washington had given him a very
10 severe diagnosis, and in the interest of Mr. LaPierre's
11 privacy, I won't go into that.

12 THE COURT: Could I just -- could I just caution you
13 on that, for everybody. I don't see a need at all, unless you
14 all do for some reason that you need to convince me that would
15 go into too much detail about Mr. LaPierre's --

16 BY MR. WANG:

17 Q Mr. Makris, without revealing anything about Mr.
18 LaPierre's medical --

19 THE COURT: Thank you.

20 Q -- situation.

21 THE COURT: Thank you.

22 A Yes, he called me, he was -- I was not going to talk about
23 what had happened, but he was worried, and he said what should
24 I do? And I said I think you need to go to Mayo and get some,
25 you know, world renown specialist to have a look at this, and

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1 put your mind at ease.

2 And he said, well, can you get me in? And I said,
3 absolutely. And so -- and he said, will you go with me? And I
4 said, absolutely.

5 Q And then did that take place, Mr. Makris?

6 A I believe the initial trip -- and I'm speaking from
7 memory, it was -- it was in 2018, on or around the time of the
8 SHOT Show and the Antique Gun Show in Las Vegas. So it would
9 have been late January or February.

10 Q And, Mr. Makris, you said the initial trip. Were there
11 any other additional trips, Mr. Makris?

12 A From that trip, he -- he had to go to Mayo to see a
13 specialist, get a diagnosis, get a regimen of treatment, do the
14 treatment, come back, and make sure the treatment had worked.

15 Q And did you -- and you said he had to go back. Were you
16 with him? Did you accompany him when he went back?

17 A I did.

18 Q And when was that, Mr. Makris?

19 A It would have been in April of 2018, it was -- I think he
20 had a 60-day regimen he had to do.

21 MR. GARMAN: Your Honor, I'd like to lodge a
22 relevance objection. We've spent a lot of time now on Mr.
23 LaPierre's health, and I don't understand --

24 MR. WANG: Your Honor, we're going to focus on the
25 travel to -- the travel and the entertainment revolving around

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1 this trip, and I'm just trying to lay the factual foundation
2 for the circumstances surrounding the trip.

3 THE COURT: Overruled.

4 BY MR. WANG:

5 Q Mr. Makris, did you have to travel in order to get to
6 Arizona and the Mayo Clinic?

7 A Mr. LaPierre volunteered to stop in Arizona and -- I mean
8 to stop in Las Vegas and pick me up on the way to the Mayo
9 Clinic in Scottsdale in a private plane.

10 Q And when you went to Arizona, how many nights did you
11 stay?

12 A I -- I don't recall exactly. There is a hotel bill in our
13 record, but I think it was three or four nights. He had to do
14 a series of tests, and then follow-up. So --

15 Q Do you recall where you stayed when you were in
16 Scottsdale, Arizona with Mr. LaPierre?

17 A At the Four Seasons, Scottsdale.

18 Q You had mentioned Mr. LaPierre volunteered to pick you up.
19 What does that mean?

20 A He -- he was going to fly to Scottsdale on a private
21 airplane, and he volunteered to stop in Arizona, and I would
22 meet him -- I mean in Las Vegas -- excuse me, I keep misstating
23 that. And to stop in Las Vegas and meet him at an FBO and he
24 can pick me up.

25 Q And you described a hotel stay in Arizona, what was the

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1 name of that hotel?

2 A The Four Seasons.

3 Q How was that hotel stay paid for?

4 A It was paid for on my Ackerman McQueen credit card.

5 Q And did you submit an expense -- for an expense
6 reimbursement for that payment?

7 A Yes.

8 Q What was the --

9 MR. GARMAN: Mr. Makris -- I apologize, Mr. Wang.

10 Mr. Makris, can you speak up a little bit? I'm having a little
11 bit of trouble hearing you.

12 THE WITNESS: Sure.

13 Q What was the --

14 A I did -- I did submit an expense report for that trip.

15 Q Can you describe the way the expense reimbursement process
16 would work for expenses incurred while traveling with Mr.
17 LaPierre?

18 A Ackerman McQueen had a very good system, and basically if
19 I incurred an expense on the company credit card, I will fill
20 out an expense report, outlining the date, time, persons
21 involved, purpose of the trip, and submit it through our
22 accounting channels, and it would be vetted by our accounting
23 department. And then once they had agreed on it, and made --
24 they thought they had everything they needed, they submitted it
25 to NRA for reimbursement.

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1 Q Mr. Makris, can I ask you to (inaudible - audio fading in
2 and out) Exhibit 89.

3 THE COURT: Mr. Wang, we're having --

4 Q (Indiscernible - multiple speakers)

5 THE COURT: Mr. -- pardon me, Mr. Wang. We're having
6 a little trouble, at least I'm having a little trouble,
7 understanding your question there. Could you restate it? It's
8 a technical issue, I think.

9 MR. WANG: I was asking Mr. Makris to open up NYAG
10 Exhibit 89, can you hear me, Your Honor?

11 THE COURT: I can hear you, it's still a little
12 echoy, but I did hear you then; thank you.

13 THE WITNESS: I'm getting there, Mr. Wang, just a
14 second. You know that advertising agencies are not PC
15 companies, they're MAC companies.

16 BY MR. WANG:

17 Q Let me know -- let me know when you've found NYAG Exhibit
18 89, please.

19 A It's opening, I do believe. Yes, this is the Four
20 Seasons --

21 MR. GARMAN: I'm sorry, Mr. Makris, I don't mean to
22 interrupt. But I can barely hear you.

23 THE WITNESS: Okay, I'm sorry. When I -- when I use
24 a computer, I can't -- I can't loom over this microphone, I'm
25 getting very close to the microphone in order for y'all to hear

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1 me. But I said I have opened Exhibit 89, and it is a bill from
2 the Four Seasons, in October -- excuse me -- in April of 2018 -
3 - from April the 16th through April the 19th.

4 MR. WANG: (Inaudible - audio fading in and out)
5 pursuant to our stipulation and agreement, there is a name that
6 appears on this document, we understand that is a name that
7 should be redacted, and obviously it will be redacted, and if
8 it -- to the extent we admit it as part of our evidence.

9 BY MR. WANG:

10 Q But, Mr. Makris, I'm just asking you not read the name
11 that is referred to in the body of this receipt.

12 A Okay.

13 Q Mr. Makris --

14 A You were a little garbled, Mr. Wang. You said you want me
15 to not read it or to read it?

16 Q Yeah.

17 A What do you want?

18 MR. WANG: Mr. Makris, maybe we need to take a break
19 in order for both of us to improve our audio situations. I
20 think people are having trouble hearing your volume, and for
21 some reasons I'm coming out garbled, even though --

22 THE WITNESS: Yeah, it just started. So --

23 MR. WANG: Your Honor, may we take a brief break to
24 fix that technology issue?

25 THE COURT: Why don't we take a five-minute break?

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1 And, Mr. Wang, we're going to stop around noon for everybody to
2 have a little bit longer break, a lunch break. So keep that in
3 mind, too. But let's just take five minutes now to fix any
4 problems we've got going, all right?

5 (Recess 11:33 a.m./Reconvene 11:37 a.m.)

6 THE COURT: Mr. Wang, are you ready?

7 MR. WANG: Yes, Your Honor.

8 THE COURT: That's a lot better, Mr. Wang.

9 MR. WANG: Great, these -- these headphones are
10 pretty good.

11 (Pause)

12 THE COURT: Are you ready?

13 MR. WANG: Yes, Your Honor.

14 THE COURT: You may proceed.

15 MR. WANG: Thank you, Your Honor.

16 BY MR. WANG:

17 Q Mr. Makris, before we went on break, we were looking at
18 NYAG Exhibit 89. Can you describe what NYAG 89 is?

19 A It's a hotel bill from the Four Seasons in Scottsdale,
20 Arizona.

21 Q Was this the hotel bill from the time you traveled with
22 Mr. LaPierre to Scottsdale, Arizona?

23 A This would have been the second trip, yes.

24 Q When you -- when you -- when you stayed Scottsdale Four
25 Seasons, did you pay for yourself?

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1 A No.

2 Q How was this bill paid for?

3 A I think the whole thing was billed back to National Rifle
4 Association.

5 Q Did this amount reflect charges for you and you alone?

6 A I -- let me look at this entire bill, but I think there's
7 more to it than this. I think this was just the folio for the
8 one person because I don't see -- I only see the one room
9 charge on there. If you'll notice that all these say "routed
10 from," "routed from," so I don't think that my bill is on
11 there.

12 Q Mr. Makris, just directing your attention to where it says
13 "routed from," and then there is a name. Is that the name that
14 you understand is used by Mr. LaPierre in travel?

15 A Yes.

16 Q Was this a receipt for Mr. LaPierre's hotel stay?

17 A Yes.

18 Q And this -- this charge, this expense was submitted by you
19 for reimbursement, right?

20 A Yes.

21 MR. WANG: I move for Exhibit -- NYAG Exhibit 89 to
22 be admitted into evidence.

23 MR. GARMAN: I have no objection, Your Honor.

24 THE COURT: 89 -- NYAG 89 is in.

25 (NYAG's Exhibit 89 admitted into evidence)

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1 BY MR. WANG:

2 Q Mr. Makris, I'll ask you to please open up NYAG Exhibit
3 86.

4 A Right.

5 Q Does NYAG Exhibit 86 look familiar to you?

6 A It does.

7 Q What is it?

8 A This is the proper form that our accounting department
9 does to detail and authorize expenses.

10 Q Is this report maintained by Ackerman McQueen in the
11 ordinary course of business?

12 A Yes.

13 MR. WANG: Your Honor, I move -- I offer NYAG Exhibit
14 86 into evidence.

15 MR. GARMAN: I have no objection, Your Honor.

16 THE COURT: NYAG 86 is in.

17 (NYAG's Exhibit 86 admitted into evidence)

18 Q Mr. Makris, just directing your attention to the second
19 page, Page 2 of 5 of the PDF, towards the bottom of the page,
20 do you see an entry for \$9,550?

21 A Yes, I do.

22 Q Was that the charge for the -- one of the trips to the
23 Mayo Clinic in Arizona and the hotel stay at the Four Seasons?

24 A Yes, it was.

25 Q Mr. Makris, to the best of your knowledge, were there any

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1 NRA meetings held in Scottsdale, Arizona during either of your
2 trips to the Mayo Clinic with Mr. LaPierre?

3 A Not to the best of my knowledge.

4 Q Mr. Makris, do you know if Mr. LaPierre met with donors
5 during either of these trips?

6 A I don't believe he did, no.

7 Q Mr. Makris, did you meet with any potential NRA donors
8 during either of these trips?

9 A I -- I -- I don't know that I can answer that, Mr. Wang,
10 because I do -- there is one donor in Arizona that I used to
11 get together with on a regular basis, but I don't remember that
12 I did on this trip.

13 Q Well, Mr. Makris, to the best of your knowledge, was there
14 any NRA business associated with either of these trips?

15 A Not other than Mr. LaPierre's healthcare.

16 Q What was the purpose of the trips you took in January of
17 2018 and April of 2018 with Mr. LaPierre to Scottsdale,
18 Arizona?

19 A To deal with Mr. LaPierre's concern and treatment of the
20 serious medical issue.

21 Q Okay. Mr. LaPierre [sic], I'm going to -- I'm going to
22 turn to another issue that you've testified a little bit about.
23 Other than your role as an advisor to Mr. LaPierre, did you
24 have any other roles and responsibilities for the NRA?

25 A Well, I -- I -- generally anyone would call me about a

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1 media issue, a communications issue, input on a speech, or
2 input on a press release, or add, or is this a good idea, or is
3 that a bad idea, and they frequently brought things to me that
4 -- some staffer would bring things to me that they wanted me to
5 discuss or bring to Wayne's attention.

6 Q Were you consulted on issues involving fundraising?

7 A I was.

8 Q Did you have any specific roles and responsibilities with
9 respect to fundraising?

10 A I did, I was -- earlier on, I just provided advice on how
11 to approach people, and to qualify them, and to see if they
12 were interested in perhaps a large donation. But also in
13 smaller areas of, like I said before, with sweepstake, and
14 magazine covers, and that sort of thing. I would sometimes
15 make a cut, or a chop, as we say in the business, on a
16 fundraising letter, or something that he wanted to see if it
17 was the proper phraseology.

18 And then that sort of grew more and more into -- as
19 Under Wild Skies grew where I helped to identify and qualify
20 large donors.

21 Q Was that role ever formalized as a relationship?

22 A It was.

23 Q Were you compensated in that role?

24 A I was.

25 Q Well, let me back up for a minute. When was that role

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1 formalized for you?

2 A It started in 2009. A dear friend of mine, and a great
3 American and an interesting character, Bob Peterson -- Robert
4 E. Peterson, Peterson Publications had passed away in 2007,
5 and after the estate was dealt with, it was a sizeable estate,
6 just several billion dollars, his widow, Margie Peterson, had
7 asked me to come and talk about what to do with his gun
8 collection which, again, was extensive, 2,309 guns worth
9 \$55 million. And so --

10 Q Mr. Makris, the -- the -- in 2009, your relationship with
11 the NRA and your fundraising capacity was formalized, is that
12 what you said?

13 A That's what I'm saying, it happened in conjunction with
14 this Peterson gift, and it was going to be quite a -- it
15 already had been quite a bit of work. It was going to be quite
16 a bit of work in addition to what I was normally charged with
17 doing to qualify this gift, and to build a Peterson gallery,
18 and to deal in inventory of guns, and all that sort of thing.
19 So I said, you know, we need to -- this is far beyond what I'm
20 being compensated for, we need to come up with an arrangement
21 for some sort of additional compensation.

22 Q How much were you compensated for the fundraising related
23 services that you would provide?

24 A It was just under \$600,000. I think it was five ninety-
25 five, five -- it might have been five ninety-seven, I'd have to

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1 look at it. There are -- there's paper, there are invoices.

2 Q Was that amount an annual amount?

3 A It was an annual amount broken up in six installments that
4 were invoiced as supplementals.

5 Q And how was that paid to you?

6 A It was paid --

7 Q Was it paid to you personally?

8 A No, it was paid through my corporation, Under Wild Skies,
9 which is an S corporation.

10 Q Was there a written contract detailing these services?

11 A There was not.

12 Q Why wasn't there a written contract detailing these
13 services?

14 A During the discussions about additional compensation with
15 Mr. LaPierre and Mr. Phillips -- Woody Phillips, I said do you
16 want me to do an additional contract, do you want me to do a
17 consulting contract? And they said, no, we've already got a
18 contract with Under Wild Skies, we'll just do it through Under
19 Wild Skies.

20 Q Who negotiated this agreement with you?

21 A Wayne negotiated initially, and then told me to talk to
22 Woody and put it all in place.

23 Q Is this agreement still in effect?

24 A No.

25 Q When did it end?

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1 A I think they stopped paying it in two thousand -- late
2 2018. They might have made one payment in '19, I can provide
3 that answer, but I don't have it on the top of my head. And --
4 I had always told them, I said, look, any time you want me to
5 stop doing this, you can stop paying me, it's -- I'm -- it's
6 just it's a lot of work, and a lot of responsibility. I mean
7 just, again, the Peterson thing was \$55 million worth of guns.
8 We didn't lose a single gun. We didn't anything. I
9 inventoried it like, you know, criminal evidence, so it was --
10 there was a lot of work and a lot of extra time.

11 Q How -- how would you assist in your fundraising capacity?

12 A I would --

13 Q Would you set up events?

14 A I would set up events, and usually -- trade shows, and I
15 started doing this 20 some odd years ago, having dinners with a
16 few high donors. And it drew from a dinner of ten or 12 people
17 to dinners of 30 people, and then we decided to do it in the
18 form of a reception, and we called an Under Wild Skies Smoker.
19 And the last one we did in Dallas, there were probably -- I
20 didn't count, but there were, you know, somewhere between 80
21 and 100 people there.

22 Q And, Mr. Makris, without -- without disclosing any
23 specific donor names because we're certainly sensitive to not
24 disclosing any donor names, do you know if your fundraising
25 events were successful?

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1 A They were tremendously successful, and there were a number
2 of, you know, seven figure and eight figure donations that were
3 -- that had sprung from those original initial contacts. And
4 every year, I -- I would say, look, do you want me to do this?
5 And if you want me to do this, this is what it's going to take,
6 and this is what it's going to cost. And if you don't want me
7 to do it, I understand. And so we did it every year because it
8 was successful, and I witnessed NRA employees, you know, from
9 the Office of Advancement shaking hands on deals, you know,
10 worth millions of dollars at the event. They were well-
11 attended by the captains of industry, the leaders of the
12 hunting and shooting communities, and particularly in Dallas, a
13 lot of high net worth individuals. And they came to it because
14 they knew me, they were fans of Under Wild Skies, but they
15 might not have at least initially ever come to an NRA event,
16 which is why we did them the way we did them.

17 Q And you had said that this agreement is no longer in
18 effect. Do you know why the agreement ended?

19 A They simply stopped paying.

20 Q And that was in 2019, is that correct?

21 A I don't know if they made a payment in '19. I could
22 provide that for the record, but I don't have it off the top of
23 my head. But it was either late '18 or '19.

24 Q Mr. Makris, I'll ask you to open up NYAG Exhibit 341.

25 A I'm having trouble -- every time I go from 340 it skips to

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1 342. It doesn't -- let me see if I got it now. I did. I got
2 it now.

3 Q You got that?

4 A All right.

5 Q You got that opened, Mr. Makris?

6 A I do.

7 Q Does this -- does NYAG 341 look familiar to you, Mr.
8 Makris?

9 A Give me a second to look at it.

10 (Pause)

11 A Yes.

12 Q On the first page of the document in the middle
13 paragraph -- I'm sorry.

14 MR. WANG: Your Honor, I move for -- I offer NYAG
15 Exhibit 341 into evidence.

16 MR. GARMAN: Your Honor, with the audio, I couldn't
17 hear whether -- I couldn't hear Mr. Makris' last answer as to
18 whether or not he had seen this document. If counsel could
19 represent the answer?

20 MR. WANG: I believe he said yes.

21 MR. GARMAN: I have no objection, Your Honor.

22 THE COURT: NYAG 341 is in.

23 (NYAG's Exhibit 341 admitted in evidence)

24 BY MR. WANG:

25 Q Mr. Makris, in the second paragraph, there is a reference

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1 to charges on his account at Landini's, do you know what
2 Landini's is?

3 A Yes.

4 Q What is it?

5 A It's a restaurant in Old Town Alexandria that I've
6 frequented since 1980.

7 Q Do you -- do you own a house account at Landini's?

8 A I have a house account at Landini's and the Sister Cigar
9 Club CXIII Rex.

10 Q Did you ever -- did you ever have meals with Mr. LaPierre
11 at Landini's?

12 A Yes.

13 Q Can you describe for the Court how payment at Landini's or
14 CXIII Rex would work if you owned a house account?

15 A You would go in and have your meal, and the staff -- like
16 I said, I've known most of them for, you know, 30 years --
17 would bill the amount and the number of people to your account,
18 and then you would -- you would get that statement monthly.

19 Q Mr. Makris, did NRA employees ever bill meals through your
20 house account?

21 A Yes.

22 Q And can you describe how that process would take place?

23 A It started with Millie, and then sort of grew. Millie
24 Hallow. And Wayne would go "Millie's going to take a bunch of
25 people to dinner at Landini Brother, and I told them to just

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1 charge it on your account, and you can submit it, and we'll
2 reimburse it."

3 And then it grew from Millie to Vanessa to
4 Josh Powell, and I don't know if Tyler Schropp ever charged
5 anything on my account or not. But I would -- at first, I
6 said, please, if y'all just tell me so that I can complete my
7 expense reports by putting who was there and the purpose. But
8 then it fell off, and I just started writing this as expense
9 incurred by Millie, or incurred by Josh, or incurred by --

10 Q And you permitted this process to take place?

11 A Well, it was in full disclosure with the CFO and the CEO
12 of the organization, and they were -- I wrote it up, submitted
13 it in the normal pattern with documentation, receipts, and
14 submitted them for reimbursed it -- and reimbursement, and they
15 reimbursed it for, you know, decades.

16 Q Just directing your attention, Mr. Makris, to the second
17 page of Exhibit 341, does this represent a list of Landini's
18 charges that Mr. Powell would have incurred on your house
19 account?

20 A Yes.

21 Q And turning to the third page, there are several entries
22 for Ms. Millie Hallow. Does that represent charges that Ms.
23 Hallow would have incurred on your house account?

24 A Yes.

25 Q And where it says WLP, do you know who that stands for?

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1 A Wayne LaPierre.

2 Q And there are some Landini charges for Mr. LaPierre
3 incurred on your house account on this list, as well.

4 A Correct.

5 Q Mr. Makris, did there come a time when the NRA asked you
6 to discontinue allowing NRA employees to use your Landini's
7 house account?

8 A The way -- the answer is a qualified yes. The way they --
9 they said was in October of '18, they said no longer are you
10 allowed to incur any expenses that don't have written -- prior
11 written approval, and it involved like five people doing the
12 prior written approval. And so at that point in time, I -- I
13 just instructed the Landini's management to not let anybody
14 from NRA charge anything on my account anymore.

15 Q And -- and AMC or you complied with that request not to
16 allow any further charges on your house account.

17 A Correct. Vanessa Shahidi made an attempt after the August
18 meeting, and tried to charge 45 hundred dollars on my account.
19 I was out-of-town, and Landini's management called and said
20 Vanessa is here trying to charge a 45 hundred dollars dinner on
21 your account, is that okay? And I said, no, it's not.

22 Q Do you know why the NRA didn't just open their own
23 accounts at Landini's?

24 A No, sir.

25 Q Mr. Makris, just going back to your trips to Scottsdale,

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1 how did you get to and from Scottsdale?

2 A Mr. LaPierre stopped and picked me up in Las Vegas, and
3 I'm trying to remember after that, I think he -- he -- he
4 either took me back to Las Vegas or took me to another
5 destination, but I don't remember.

6 Q Did you pay for those flights, Mr. Makris?

7 A No, sir, I would not have incurred those flights if not on
8 his direct instructions.

9 Q Do you know who did pay for those flights?

10 A I do not.

11 Q Do you know who arranged that travel?

12 A Gayle Stanford.

13 Q And do you know who Gayle Stanford is?

14 A I do.

15 Q Who is she?

16 A She's a travel consultant, and she -- I think she booked
17 Mr. LaPierre's travel exclusively.

18 MR. WANG: Your Honor, I have no further questions
19 for this witness, and I pass the witness. And I acknowledge
20 that it is 11:59, and I don't want to stand between anyone and
21 their lunch.

22 THE COURT: Mr. Wang, why don't you talk to every
23 lawyer involved in this hearing and tell them how you did that.
24 That's good. Good timing.

25 (Laughter)

1 THE COURT: All right.

2 MR. WANG: Right on time.

3 THE COURT: Mr. Makris, during the lunch break, we're
4 going to take an hour and 15 minutes for lunch. Don't speak
5 with anyone about your testimony since you're right in the
6 middle of your examination, do you understand that?

7 MR. MAKRIS: Yes, Your Honor, I do.

8 THE COURT: All right.

9 Let me just see where we're going in the afternoon.
10 Does the Journey group have questions of this witness?

11 MR. TAYLOR: No, Your Honor, we're going to pass at
12 this time.

13 THE COURT: Okay.

14 And Mr. Drake or Mr. Strubeck?

15 MR. HENDRIX: I'll give you Mr. Hendrix, Your Honor,
16 and we will not have any questions for Mr. Makris.

17 THE COURT: All right.

18 And, Mr. Garman, I'm not going to hold anybody to the
19 minute, but how long do you think your cross is going to take
20 of this witness?

21 MR. GARMAN: I'm going to try and do better than 45
22 minutes.

23 THE COURT: Okay. And, again, you know, I don't want
24 to step on anybody's time.

25 Okay, Mr. Makris, we'll be back with you at 1:15.

1 Everyone will be back on the record at 1:15 central time.

2 Thank you.

3 (Whereupon, at 12:01 p.m., the hearing was adjourned.)

4

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6 CERTIFICATE OF TRANSCRIBER

7

8 I, KAREN HARTMANN, a certified Electronic Court
9 Transcriber, certify that the foregoing is a correct transcript
10 from the electronic sound recording of the proceedings in the
11 above-entitled matter.

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17 Karen Hartmann, AAERT CET 475 Date: April 16, 2021

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