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

IN RE:) BK. NO: 21-30085-HDH-11
)
NATIONAL RIFLE)
ASSOCIATION of AMERICA)
D E B T O R.)

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TRANSCRIPT OF PROCEEDINGS

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(Morning Session)

BE IT REMEMBERED, that on the 21st day of April, 2021,
before the HONORABLE HARLIN D. HALE, United States Bankruptcy
Judge at Dallas, Texas, the above styled and numbered cause
came on for hearing, and the following constitutes the
transcript of such proceedings as hereinafter set forth:

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I N D E X

PAGE

Appearances

2

WILLES LEE

DIRECT EXAMINATION

BY: Mr. Garman

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E X H I B I T I N D E X

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NRA Exhibit 273

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NRA Exhibit 663

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NRA Exhibit 664

60

Ackerman Exhibit 184

50

1 P R O C E E D I N G S

2 THE COURT: Good morning. This is the
3 Bankruptcy Court in Dallas. I'll call the names of folks
4 that have registered for the NRA case. And then I'll take
5 other appearances.

6 Mr. Neligan, Buncher, and Gaither?

7 MR. GARMAN: Your Honor, this is Greg Garman.
8 Mr. Buncher asked me to make his appearance for him.

9 THE COURT: Thank you.
10 Jennifer Jones of the D.C. Office of Attorney General.

11 MS. JONES: Yes, Your Honor, good morning.

12 THE COURT: Welcome.

13 Pronske, Van Horn and Kathman?

14 MR. VAN HORN: Good morning, Your Honor. We
15 are present.

16 THE COURT: Welcome.

17 Sheehan, Stern, Connell and Thompson?

18 MR. VAN HORN: I see Ms. Connell on-line, but
19 her video just went out.

20 THE COURT: All right. They're all here, is
21 that right, Mr. Van Horn?

22 MR. VAN HORN: I believe so, yes.

23 THE COURT: Okay. Thanks.

24 Salitore, Lambert?

25 MS. LAMBERT: Your Honor, Lisa Lambert and

1 Marc Salitore for the United States Trustee.

2 THE COURT: Welcome.

3 Mason, Gruber, Acosta, Carroll, and Taylor?

4 MALE SPEAKER: Here, Your Honor. Thank you.

5 THE COURT: Thank you.

6 Drake, Hendrix, and Smith?

7 MALE SPEAKER: Good morning, Your Honor. We
8 are here. Thank you.

9 THE COURT: Welcome.

10 Mr. Garman and your group?

11 MR. GARMAN: Yes, sir. Mr. Robichaux and
12 Mr. Morton from Anchor are here. And Mr. Correll is also
13 present.

14 THE COURT: Welcome.

15 Jermaine Watson and Clay Taylor?

16 MALE SPEAKER: Good morning, Your Honor.
17 Jermaine Watson and Clay Taylor are here.

18 THE COURT: Welcome back.

19 Does anyone else wish to make an appearance in the NRA
20 case?

21 MR. BUCHANAN: Yes, Your Honor. This is
22 Thomas Buchanan.

23 THE COURT: Welcome back, Mr. Buchanan.

24 MR. BUCHANAN: Thank you, Your Honor.

25 THE COURT: Anyone else wish to make an

1 appearance?

2 All right. One piece of news. My 1:30 docket that we
3 had that interrupted us last week has gone away, so on this
4 one, we can come back without interruption this afternoon.

5 Mr. Garman, I had asked yesterday you mentioned some
6 issues on timing. Do you want to tell me about visiting with
7 other folks and where you look at on timing?

8 MR. GARMAN: So let me start with the
9 housekeeping matters.

10 Yesterday I announced that Board Members King, Willes
11 Lee, and Plots would be our first three witnesses. I let the
12 New York AG and Ackerman know that Plots is our accountant
13 and, I guess, not always available, well, just because I want
14 him. So last night I indicated I'd start with King and Lee
15 and then add Ursling, is a third witness, if we get to him
16 today. So that would be my plan for the day.

17 We did get from your clerk this morning available
18 times. I haven't had a chance to re-group with the other
19 parties. Maybe we could talk about that at lunch or after
20 court today and get back to you as to whether or not there's
21 an agreement on timing going forward. But we haven't covered
22 it yet.

23 THE COURT: Okay.

24 MR. GRUBER: Your Honor, this is Mike Gruber.

25 Real quick, since I think we're going to have a long

1 day, or a full day. Could we determine who else might be
2 substituted in for Mr. Plots?

3 MR. GARMAN: Yeah. As I indicated in my email
4 last night, Mr. Gruber -- I don't know if you were on it.
5 But when I found out Mr. Plotts, he's an accountant, wasn't
6 available, I let your team know that the third witness, if we
7 get to him today, would be Mike Ursling.

8 MR. GRUBER: Okay. Thank you very much. I
9 apologize. Thanks.

10 THE COURT: Okay. And I have asked for next
11 Thursday, so we can have a full day next Thursday, for one my
12 colleagues, who's very gracious to cover. There are some
13 matters on the afternoon that we would have to work around.
14 And since I've come out here, I see that she's responded that
15 she would graciously do that. So know that you have a 9 hour
16 day next Thursday. Sorry we can't get to you sooner.

17 You may call your first witness.

18 MR. GARMAN: Yes, sir. Your Honor, the
19 National Rifle Association opens by calling Colonel Willes
20 Lee.

21 MR. LEE: I'm present. Thank you.

22 THE COURT: Would you raise your right hand,
23 sir?

24 (The witness was sworn by the Court.)

25 THE COURT: You may proceed.

1

WILLES LEE

2 The witness, having been duly sworn to tell the truth,

3 testified on his oath as follows:

4

DIRECT EXAMINATION

5 BY MR. GARMAN:

6 Q. Good morning, Colonel Lee.

7 A. Good morning counsel. And good morning to all of
8 you on here. Good morning, Your Honor.

9 Q. Colonel, could you give a brief introduction of
10 yourself and your background to the Court?

11 A. I will. Thank you.

12 My name is Willes Lee. I am blessed to have been
13 married for 42 years. Same woman. We've known each other
14 for 49. We have grown children. We embarked on our journey
15 together when I was accepted as a cadet at the United States
16 Military Academy at West Point. I graduated from the Academy
17 with a degree in engineering. And began a year long series
18 of training in the U.S. Army. Began with graduating from the
19 U.S. Army Ranger School, arguably the most rigorous mentally
20 and physically training challenge in training that the
21 military offers. And I'm proud to wear the Ranger Tab as
22 indicative of that.

23 Our first tour of duty was in Germany during the Cold
24 War. I was assigned as a Tank Platoon Leader on the
25 Choloplandia border, not 2 miles from my Soviet Russian --

1 Soviet and Russian counterparts. As a Tank Platoon Leader,
2 and it's a progressive leadership opportunity in the
3 military, I had responsibility for five tanks. Approximately
4 \$12 million worth of equipment. More importantly, for 20 to
5 25 soldiers at any one time. And military leadership is a
6 little different than in the civilian world. We're
7 responsible for everything, absolutely everything from duty
8 performance to paying their bill for those under our charge.
9 That tour ended in four years as a company commander now with
10 18 tanks, about \$40 million total worth of equipment, and
11 almost 100 soldiers under my care.

12 We left Germany to a tour in -- to school at Fort
13 Belvoir, Virginia. And then a tour of duty in Kentucky. I
14 spent one year teaching ROTC, which is Reserve Officer
15 Training Corp, preparing leaders for entering into the
16 military at Kentucky State University, a historic black
17 college. And then two years after the University of
18 Kentucky, we went back to Germany. Requested to go back to
19 Germany to serve during the Cold War on the border. And I
20 was assigned to the Army Headquarters there. My duties there
21 entailed mostly as a current operations officer chasing
22 terrorists and doing coordination with our Soviet
23 counterparts to try and keep the heat down across the border.

24 From Germany, we came back to a year a schooling at --
25 a unique schooling at Fort Leavenworth, Kansas, which is the

1 Army's commanding general staff college. During that year of
2 school, I also earned a master's degree in public
3 administration. From Fort Leavenworth we deployed to Fort
4 Stewart, Georgia for a three year tour. But within a week of
5 arriving there, our unit was averted to deploy for a Desert
6 Shield and Desert Storm. I participated in Desert Shield and
7 Desert Storm for the course of about a year, with the
8 deployment, the defense of Saudi Arabia, and the attack into
9 Iraq. Following that, we completed the tour in Fort Stewart
10 and I began my first assignment to the Pentagon. And the
11 Pentagon is where all the staff heads of our military are
12 located. So there's the Army staff, the Navy staff, the Air
13 Force, and Marines. I was assigned to the Joint Staff, which
14 is the pinnacle of our operations in the military. I was an
15 operations officer, responsible for all of the nuclear
16 operations; submarines, bombers, missile force. And I did
17 that for three years.

18 I was awarded a command in Hawaii following that. So
19 for two years I spent commanding in Hawaii a series of
20 installations. Initially five, got reduced to four as we did
21 base closures. Approximately \$100 million worth of assets
22 and 1,000 military and civilian personnel. The final tour --
23 and I'll say, I am part of that 1 percent of the -- of our
24 population in the U.S. who is able and allowed to defend
25 freedom. And I'm very proud of that. So we came back to the

1 Pentagon for a final tour. And at the Pentagon I was --
2 didn't work any current operations. But I was the branch
3 chief responsible for the Western Hemisphere. And we were
4 generally chasing terrorists, a lot of drug interdiction.
5 And responding to natural and man-made disasters. And that
6 completed our Army career early on. But you can tell, a lot
7 of what I am and what I do is predicated by that Army career.

8 Q. So that was quite thorough. But could you provide
9 for the Court a bit more explanation as to the tour you did
10 for Desert Shield and Desert Storm?

11 A. Desert Shield, I deployed to Desert Shield as a
12 division operations officer. On deployment, our division
13 numbered about 17,000 soldiers and about 500 M1 tanks and
14 Bradley Fighting Vehicles. Total, we had thousands of
15 vehicles and pieces of equipment. I did that duty,
16 responsible for all of the operations and tracking all of the
17 operations as we mounted the defense of Saudi Arabia during
18 Desert Shield. Prior to the ground war I was reassigned and
19 I was a battalion executive officer of a tank battalion. And
20 a tank battalion is about 54 to 60 M1 tanks and Bradley
21 Fighting Vehicles. When we began our defense, we numbered
22 about 500 members of our task force. When we crossed the
23 border, it was about 750. We were part of that great left
24 hook that was so well publicized that, in fact, encircled the
25 Iraqi forces who were in Kuwait. Caused them to retreat out

1 of Kuwait. Destroyed a lot of their forces prior to the
2 conclusion of that war.

3 Q. And, sir, do you hold -- do you hold top secret
4 clearance?

5 A. I do. My first opportunity to have a top secret
6 clearance was on that assignment in Germany when I mentioned
7 working with counterparts in the Soviet Union and chasing
8 terrorists. But it's not only top secret clearance. It's
9 code worded clearance. So while some folks have top secret
10 clearance, they're not necessarily authorized access to
11 programs that they have nothing to do with. In this case, I
12 had code worded clearance for those programs. Mostly
13 involved dealing with the Soviets and with the terrorism.

14 Q. Sir, are there any awards or declarations that you
15 are particularly proud of?

16 A. There are. But I'll note that I'm -- for the
17 context of this Court, I'll explain this and give an
18 overview, but typically not something we discuss. I
19 mentioned already graduating from Ranger School, which is the
20 only declaration that I wear. But in the course of our
21 career, I was also awarded a Legion of Merit for my duties at
22 the Army Headquarters in Europe. Now, chasing terrorists and
23 working with Soviet counterparts, the Legion of Merit, it's
24 the third highest award offered in peacetime to our military.
25 The distinction at that point, and the reason I bring it up

1 is I was the only captain to that date, junior officer, to
2 have received the Legion of Merit. I'm sure others have
3 since. But that's why I bring it up. That was a
4 distinction.

5 During the deployment for Desert Storm, the combat in
6 Desert Storm, I was awarded a Bronze Star Medal for combat
7 performance. And then at the end of the career, at the end
8 of my career with the Pentagon, I was awarded the Distinguish
9 Superior Service Medal, which is the second highest medal
10 awarded in peacetime. Usually reserved for flag and general
11 officers. But I was honored to receive that. Not just for
12 my time at the Pentagon, but it was for a career.

13 Q. So switching gears. When did you first become a
14 member of the National Rifle Association?

15 A. To just join the National Rifle Association,
16 counsel, I can't pin a date. It was either just before I
17 went to the Academy or just after I graduated.

18 Q. Sorry, my mute button got stuck there, Colonel.

19 So not to -- not to embarrass you or pin you down on an
20 exact age, but could you approximate how many years ago was
21 it that you joined the NRA?

22 A. I'll have to calculate the years. But that was, I
23 entered West Point in 1973 and graduated in 1977.

24 Q. Okay. And did there come a time when you became
25 more involved with the NRA?

1 A. There was. When one leaves the military, and
2 especially as a combat arms officer, it's hard to find a
3 niche. And so I tried to be retired for a year. I worked in
4 a couple of different business positions. But then I got
5 involved in politics. And as a grassroots political
6 activist, I started working on a couple of campaigns. I
7 moved up through the ranks. And began going to conference,
8 conventions, meetings, eventually at the national level. And
9 there I ran into some folks who were either board members or
10 on the staff of the NRA and we got to talking. That piqued
11 my curiosity that there would be an opportunity, because the
12 Second Amendment is my hot button political issue. And I'd
13 always been around and involved in guns from shooting early,
14 hunting early with my father, through my military career. So
15 I sought out and requested to be -- to participate in the NRA
16 process. In 2015, I was appointed to an NRA Committee and
17 began service with the NRA.

18 Q. And what committee was that, sir?

19 A. That -- what we then called the Urban Affairs
20 Committee. And it was a committee designed for outreach into
21 urban areas. But, specifically, to do outreach to
22 organizations and individuals who typically wouldn't be
23 associated with the NRA, even though they support the Second
24 Amendment Right. It was led by, and some of you may know
25 this name, Roy Innis was a huge civil rights activist. And

1 while he was the president of CORE, the Congress of Racial
2 Equity, and I was honored, I was proud to be able to join his
3 committee. He was a board member and chaired the committee.

4 Q. And so there came a time when you stood for
5 election to the board of directors of the National Rifle
6 Association?

7 A. There is. And as an activist, I sought, based on
8 that experience, in my experience with members of the NRA, I
9 sought election in 2016. And I lost. So I sought
10 re-election in 2017, this time not -- in 2016, I had been
11 nominated. I lost that election. I ran again in 2017. And
12 I'll note, I was not nominated that year. There's the
13 process of if anybody thinks we get selected and we get
14 picked to run and things like that, I ran by petition. But
15 in the course of all of that, in January 2017, when we lose
16 an election, we stay on a list. And if there's an opening on
17 the board, either somebody resigns or there's a death or a
18 medical reason, those members who didn't get elected move up
19 onto the board. In January '17, who I spoke of before, Roy
20 Innis died, just unfortunate timing. And I moved onto the
21 board at that time. And then won election in April to serve
22 a two-year term.

23 Q. So just for avoidance of doubt, that was April of
24 what year, sir?

25 A. April of 2017.

1 Q. Okay. And then there came a time when you stood
2 for election to become an officer of the board, correct?

3 A. There was. There is. I was relatively new to the
4 board, but we had a lot of turmoil at the 2019 annual
5 meeting. In looking, it was probably presumptuous of me to
6 throw my name in the hat. But I decided at that time to
7 throw my name in the hat to run for second vice president. I
8 was honored and will explain some of the board members. If
9 you can understand, their backgrounds are as extensive and
10 robust as mine. I was very humbled to be elected by my peers
11 on the board into the position of second vice president. And
12 re-elected again last Fall.

13 Q. And so what are your duties as the second vice
14 president?

15 A. Specifically my duties are to be prepared to assume
16 the duties of the first vice president and the president in
17 their absence, if that happens. Otherwise, it is to do
18 duties as assigned by the president. I'm also a member of
19 each of our committees, an extensive list of committees,
20 minus three that are independent committees. So I have those
21 duties. But I'm also the chairman of three of our
22 committees.

23 Q. Okay. So you've mentioned the committees now a
24 couple of times, sir. How many committees does the National
25 Rifle Association have?

1 A. It's extensive. We have 38 standing committees and
2 a handful of other special committees, which are organized
3 either for a specific time period or a specific event.

4 Q. Sir, could you open NRA Exhibit 273? It should be
5 in the folder on the computer.

6 A. Counsel, give me a second. Let me get some glasses
7 out here.

8 What was that number again, please, counsel?

9 Q. 273, sir. And that's National Rifle Association
10 Exhibit 273.

11 A. I have that.

12 Q. Sir, at the outset, can I have you identify this
13 exhibit for the Court?

14 A. Yes. These are the minutes of the meeting of the
15 board of directors of the National Rifle Association dated
16 January 11th, 2020.

17 Q. Okay. And, sir, the only reason I had you open
18 this document is to turn to the index that begins on page 3,
19 pdf page 3, sir.

20 A. I have that.

21 Q. And so those -- well, I'd like you to tell me
22 whether or not this list of committees represents the total
23 universe of committees of the National Rifle Association?

24 A. Counsel, without studying it, I don't know if it's
25 all of the committees. But it appears to be the majority of

1 the committees that we have.

2 Q. Okay. And so this exhibit has already been
3 admitted into evidence. But could you explain to me and the
4 Court how the committees' function and the types of reports
5 that are identified here in Exhibit 273?

6 A. We have an extensive amount of programs and
7 activities that we conduct at the NRA. And we have
8 committees, elected board members and folks who aren't
9 necessarily members but assigned to the committees fill out
10 these committees to provide oversight and guidance to all of
11 the activities conducted by the NRA.

12 Q. And do these committees take action?

13 A. They are. The action is taken through the
14 executive vice president recommendations. And sometimes it's
15 a function of changing a process that we use for, say,
16 competitive shooting. And sometimes it's to provide guidance
17 and oversight of our programs and maybe our Legal Affairs
18 Committee, for example.

19 Q. Okay. And do you serve on any of these committees,
20 sir?

21 A. As second vice president, I sit on all but three of
22 these committees, directly sit on all but three. And I
23 chair -- in particular, I chair three committees.

24 Q. And what three committees do you chair?

25 A. Currently for this year I'm chairing the NRA

1 Military & Veteran's Affairs Committee, the NRA Education &
2 Training Committee, and the NRA -- well, and I'm most pleased
3 by chairing the NRA Outreach Committee.

4 Q. Could you -- could you tell us about the work that
5 you do through the NRA Outreach Committee?

6 A. Yes. And one of the reasons I said I'm most
7 pleased, the NRA Outreach Committee is what we used to term,
8 and I told you my first committee was the Urban Affairs.
9 It's grown in scope to not just the urban areas, but across
10 all of the areas of the United States. But the Outreach
11 Committee is a Committee organized to provide outreach to
12 organizations and individuals who would typically be less
13 associated with the NRA, but they support the Second
14 Amendment. In this Committee, the representation, much like
15 our board, much like our membership, is across the board.
16 Every bit of politics that can be imagined is represented on
17 this Committee from race, Hispanics, Blacks, Asians, and
18 across the board. Probably religions -- we've got a member
19 who's gay. We have shooters. We have folks who are older,
20 younger. But it is a great cross-section of all of our
21 organization.

22 Q. Colonel Lee, what does the National Rifle
23 Association mean to you?

24 A. Well, this is -- it may sound corny to some of the
25 folks that are on here. But to me, the Rifle -- and you can

1 tell from my background. The Rifle -- the National Rifle
2 Association to me represents freedom. And we do that through
3 protecting the Second Amendment and providing programs about
4 sports shooting. But it's about freedom. And it's about, as
5 it turns out, not just the Second Amendment, but what we're
6 seeing in this last year or two years, it's about the First
7 Amendment, also. And that's why I'm here. I've been a
8 defender of freedom all my life and I feel like I am serving
9 that here.

10 Q. Sir, I know you are not the NRA historian, but
11 could you give us a high-level overview of the history of the
12 NRA?

13 A. Yes. Well, let me say, the NRA is the premier,
14 best in the business, non-governmental firearms education
15 training and safety organization in the world. In the U.S.,
16 in particular, we are also the leading advocate -- because we
17 have a Constitution and the Second Amendment. We are the
18 leading advocate of the Second Amendment. But we didn't
19 begin that way. We began after the Civil War when several
20 Union generals were trying to fill a gap. Their issue was,
21 in general, Yankee soldiers couldn't shoot straight. They
22 didn't have that background. So they built a training
23 organization to prepare civilians to enter the military -- to
24 be more prepared to enter the military service. So we were a
25 marksmanship organization. And this is America. Any time

1 you get talking about marksmanship when you get two Americans
2 together, you are going to compete. And so we began
3 conducting competitions in marksmanship.

4 Through that, though, what ended up -- I mentioned this
5 is toward the -- it was at the end of the Civil War. It was
6 into those days. And we, by virtue of the Second Amendment,
7 we became what is the oldest and longest standing civil
8 rights organization, because we champion the right of all
9 people. In this case it were freed slaves, slaves, blacks,
10 and Chinese would come over to work on the railroads, of all
11 people to be able to defend themselves, their God given right
12 to defend themselves and the Second Amendment Right to keep
13 and bear arms.

14 Q. Sir, could you tell us about a few of the past
15 notable leaders of the NRA?

16 A. We have a great past and many great people. You'll
17 recognize a lot of these names. And as an example, I'll
18 start with presidents. Teddy Roosevelt was a member of the
19 NRA. Not just a great president, but notably a great
20 outdoorsman. Jack Kennedy, democrat, was a member of the
21 NRA and bring all the way up folks, obviously in Texas,
22 George H. W. Bush. In particular for this group, I'll note
23 that Howard Taft was president, but also the Chief Justice of
24 the Supreme Court was an NRA member. But it varies, as I
25 said. We are very diverse. There are a lot of different

1 folks, authors. Many of you know Tom Clancy. But everyone
2 here knows Ernest Hemingway. They are members of the NRA.
3 We've got some other figures of note, Chuck Yeager, who
4 arguably is where the term, The Right Stuff, came from. He
5 was a member, as was Astronaut Wally Schirra. There are
6 celebrities. We have actors, I'll mention -- and what comes
7 to mind for most folks as president of the NRA, Charlton
8 Heston. But Roy Rogers was a member of the NRA. And then
9 some sports figures. Nolan Ryan, Hall of Fame baseball
10 pitcher either was or still is the president of the Texas
11 Rangers, he's a member of the NRA. And we have current
12 high-level athletes who are members now. But that's just in
13 general.

14 In politics, presidents and hundreds of senators, U.S.
15 senators and congressmen have been notably -- I'll bring up
16 that John Dingell, Michigan democrat, for 60 years in the
17 U.S. House of Representatives was a member of the NRA. So
18 there have been many high-level, notable names that we
19 recognize who have been members.

20 Q. Sir, I'd like to turn to the current board of the
21 National Rifle Association. Can you -- can you describe for
22 us the make up of the current board?

23 A. I can, counsel. But can I first explain how we get
24 here?

25 This, for me, drives to the independence and the

1 strength of the NRA board. We are elected by the members of
2 the NRA. And it's no easy feat. There's 5 million members
3 across the nation. There's about 2.2 million voting,
4 eligible members. But the NRA doesn't tell us where they are
5 or who they are. So in the process of an election, any of us
6 running for an election has to go out -- and this is the
7 darndest election. It's nothing like any of us have
8 experienced. If you're running for governor, you know your
9 voters are the constituents in your state. If you're running
10 for Congress, they're in your district. The NRA members are
11 spread out across America and we don't know where or who they
12 are. So we have to reach out, just (indecipherable word)
13 approach, to use a term, and find those members to convince
14 them not only to then vote, but to vote for us. So this is
15 not an easy task to become a member of the NRA board.

16 And once you get to the NRA board, you'll find that it
17 is a diverse, extremely diverse lot that we have that, again,
18 represents all of America. Excuse me, counsel. And I
19 apologize if I get excited about this. But this is some
20 amazing people that I'm pleased to work with. We have
21 politicians. We have a former governor. We have a sitting
22 congressman. We have a former congressman. We have
23 athletes, one of whom, as an example, is a -- has won a
24 couple of Super Bowls. And because I'm here in Dallas, and I
25 won't mention the team he played for because they are arch

1 rivals with the Cowboys, but he's also in the College Hall
2 of -- Football Hall of Fame. We have a -- to continue on
3 sports, a woman, a lady who is one of the most decorated
4 olympians ever and is the only female athlete to have ever
5 won a medal, several of them gold, in six consecutive
6 olympics. Maybe the only olympian period. But we also have
7 other notables who are businessmen, CPAs, lawyers, Harvard
8 educated lawyers, to fill all -- with all of these
9 committees, we have a lot of duties and we have to provide
10 oversight to a lot of aspects of the committee. But those
11 are just some of the notables that we have.

12 I'd like to drill down, though. Some of us, though,
13 are activists. And that's what I am. And in those cases, it
14 is a -- it is a test of will, leadership, and shows our
15 independent in getting elected for this board.

16 And, I'm sorry, counsel, I can go on, if you want more
17 details. But as you can tell, I'm a little excited about the
18 people I get to work with.

19 Q. No, sir. No, sir, that was great.

20 Is there a shortage of leadership, in your opinion, on
21 the NRA board of directors?

22 A. Counselor, from what I described, as I said, I
23 could go into a lot of -- when I talk about businessmen,
24 these are high-level functioning businessmen, lawyers,
25 athletes. No, there is no shortage of leadership. There are

1 times when, to my chagrin, and I say this jokingly to the
2 Court, when I think there's a little too much leadership on
3 the board of directors.

4 Q. Sir, who do you believe the NRA serves?

5 A. Oh, I know. The NRA serves, specifically serves
6 our 5 million members. But there are also 14 million
7 members, 14 million Americans, arguably up to 20 million, we
8 think they are NRA members. Either they were members and
9 their membership lapsed, or just because they believe what we
10 believe. There's also 120 million firearms owners in the
11 U.S. But we represent all 330 million Americans. Because as
12 we've seen, it's not just about the Second Amendment. It's
13 about freedom. It's about the First Amendment. And whether
14 you agree with the NRA or you disagree, whether you call me
15 names or you give me accolades, we represent all of those
16 folks. But specifically, counselor, we are charged with
17 representing our 5 million members.

18 Just as an antidote, I attended what we call an Aisle
19 of Form. It's at our annual meeting and it's held in a hall
20 that -- a stadium. Typically, depending on the city we're
21 in, between 5,000 and 7,000 members are in the room. And in
22 this one location, politicians give updates on where we are
23 on the Second Amendment. But when Mr. LaPierre got up, part
24 of -- and gave an overview of our Second Amendment advocacy,
25 but then he exhorted the crowd and he asked them, he turned

1 to the crowd and he said, if you -- and to give you some
2 examples. If you are a school teacher, stand up. If you
3 are -- do custodial work, stand up.

4 MR. GRUBER: Your Honor --

5 A. If you do --

6 MR. GRUBER: Your Honor, this is Mike Gruber.

7 Could we object on hearsay?

8 THE COURT: Yes.

9 MR. GRUBER: Could we also ask for a -- okay.
10 Could we also ask for -- and this is -- first of all, I want
11 to tell the witness I respect and thank you for your service.
12 Amazing background.

13 THE WITNESS: Thank you.

14 MR. GRUBER: But, Judge, could we also ask
15 that we go to a traditional narrative, as far as this goes.
16 It's very hard to make any objections and nobody wants to
17 with this witness, I guarantee you.

18 THE COURT: Yeah. Why don't we move into
19 question and answer, Mr. Garman.

20 MR. GARMAN: Sure. Okay, Your Honor.

21 Q. So, sir, is the NRA growing?

22 A. The NRA is growing. We had a good year last year
23 with membership. But I'll give you some examples that give
24 more specific numbers.

25 Since January 1st of this year through the end of

1 March, we gained 140,000 new members, digitally. So that
2 doesn't include members that joined either responding to our
3 publications or say at a gun show or the Friends of NRA
4 Dinner.

5 Q. And, sir, who are these -- who are these new
6 members? What are their demographics? What do they look
7 like?

8 A. It's all of America. And their demographics match
9 all of America. What we saw last year was about 20 million
10 firearms sold. 8.4 million first time firearms owners. 40
11 percent of them were women. 40 percent of them were
12 minorities. The greatest growing demographic of firearms
13 owners are blacks, which are 58.4 percent last year. Right
14 now we're seeing an increase in membership from Asian
15 Americans, mostly as a reaction to the violence and the
16 offense they're seeing during this -- during the year of the
17 virus.

18 Q. Sir, I'd like to turn your attention now to the
19 services that the National Rifle Association provides to its
20 members.

21 What does the NRA do specifically in the context of
22 firearm training and education?

23 A. The NRA is the gold standard of firearms education,
24 training and most importantly safety programs. We have
25 125,000 NRA certified instructors across the nation. We

1 instruct, we train approximately 1 million Americans every
2 year. And I say NRA certified. The NRA training is accepted
3 at the federal level and in every state in many cases as
4 qualifications for folks to either carry or get a permit for
5 a firearm.

6 Q. And so what about the area of conservation and
7 hunting?

8 A. We are a huge named proponents of hunting and
9 conservation. We provide on-line training, which has grown
10 exponentially this past year during the virus for hunters to
11 prepare for hunting season, or to receive certification for
12 hunting training. About 600,000 hunters participated in that
13 last year. We also -- there's eight states who outright
14 accept our training to be -- to grant hunting licenses in
15 their states. We have a robust hunters leadership forum,
16 which is a philanthropic -- philanthropic organization which
17 helps to fund ongoing hunting and conservation efforts, among
18 others. But we are a huge proponent of hunting.

19 Q. Sir, are you familiar with the Hunters for the
20 Hungry Program?

21 A. I am. The Hunters for the Hungry Program is one
22 way that we, that hunters give back to others who are less
23 fortunate. It's a program that's coordinated and we help in
24 its coordination. And it occurs in all 50 states. And we've
25 had to coordinate not just with the FDA, but with food

1 processing in all states. But hunters last year, as an
2 example, contributed 1 million pounds of game, which equated
3 to 8.1 million meals for folks who are not fortunate enough
4 to be able to put meat on their table.

5 Q. And for Avoidance of Dove, sir, is that an NRA
6 program?

7 A. It is an NRA program in which we participate. But
8 there a lot of folks who participate in this program.

9 Q. And, yes, sir. And the Whittington Center, can you
10 tell us about the Whittington Center?

11 A. The Whittington Center is 33,000 acres of God's
12 country in Northern New Mexico. It is high-desert type of
13 environment that the NRA owns. There are 25 ranges. You can
14 shoot almost anything there. But more important, there's
15 cabins and there's opportunities for families to go to the
16 Whittington Center to for, as an example, participate in
17 guided or unguided hunts, to just be in the outdoors, or be
18 away from, I guess, the urban environment, the crutch of our
19 daily lives.

20 Q. Yes, sir. And what does the NRA do to support
21 competitive shooting?

22 A. The NRA, as I said, we're a competitive nation.
23 And in the course of a year, the NRA will sanction over
24 11,000 competitive shooting events. We actually host
25 ourselves 50 national championships. And we train coaches

1 who then train students at the high school and college level,
2 or their club level to compete in competitions.

3 Q. And what about law enforcement, what does the NRA
4 do to support law enforcement, sir?

5 A. We -- since 1960, we've been training law
6 enforcement officers to train their officers. We currently
7 have 13,000 NRA certified trainers across the nation who are
8 law enforcement officers who then go back and train their
9 organizations in shooting. It's not a shooting course. Law
10 enforcement officers already have to be trained and qualified
11 with their individual firearms. What we do is train the
12 trainers who go back to train their organizations.

13 Q. And, sir, are you familiar with the Institute for
14 Legislative Affairs, or what we refer to as IILA?

15 A. I am. IILA is the organization we use to defend
16 some of the programs that we're discussing now. But it is
17 our body, our legislative affairs body. So we participate in
18 pro-gun and fight anti-gun legislation. But also it's an
19 organization that leads our efforts in -- during election
20 time.

21 Q. And so --

22 A. It's --

23 Q. I'm sorry.

24 A. It's surprising, because of the nature of America
25 right now, folks will think we're mostly IILA. But IILA,

1 itself, is about one-fifth of our organization, one-fifth of
2 our budget, probably less than one-fifth of our manpower.

3 Q. And, sir, how does the work of IRA -- IILA relate
4 to the other services the NRA provides?

5 A. IILA came about and is designed, essentially the
6 way I would describe it, is to protect the Second Amendment
7 Rights. And it protects all of these programs that we have
8 for that are designed for our members.

9 Q. And, sir, the Civil Rights Defense Fund that IILA
10 operates, can you briefly explain that to the Court?

11 A. It is a defense fund to be able to assist folks who
12 in some way have had their Second Amendment Rights either
13 stripped or attacked. We've seen CDRF assist in over 600
14 cases since the initiation of the program.

15 Q. And so we're all interested in keeping this trial
16 moving. But maybe you can tell us a single example of the
17 type of work that the Civil Rights Defense Fund protects.

18 A. And I apologize, counsel. I'll try to be -- I'll
19 try to be quick. Recently there has been in the news one
20 case, as an example, with the on-line schooling that we saw
21 last year during the virus. A student in the South was --
22 the teacher saw a BB gun on the floor behind the student.
23 The student was suspended from school, simply because there
24 was BB gun on the floor with his sneakers and everything
25 else. And we entered to assist that student in his lawsuit.

1 Q. And so what about grassroots volunteers like
2 yourself? What does the NRA do to support and promote that
3 type of work?

4 A. We have a robust grassroots operation. Our members
5 are very active. They're very passionate. But to give you
6 some examples of numbers. In the 2020 cycle, and there's
7 COVID, so numbers are down, but over 1.6 million of our
8 grassroots volunteers assisted in reaching out to over 20
9 million voters across the nation. And if I'm speaking too
10 fast or moving too fast on this, I -- and I apologize. I
11 understand the Court's time.

12 Q. Thank you for your answers. I do appreciate them.

13 Sir, does the NRA have programs specifically designed
14 for women?

15 A. We do. Women are the -- by far the greatest
16 growing demographic of all folks interested in the Second
17 Amendment and firearms. And, in particular, we've seen the
18 rise because of women wanting to be able to protect
19 themselves and protect their families. So we have several
20 programs set up. One is a specific training program. And,
21 often -- and understand, not to do identity politics, but
22 women are more comfortable learning and getting instruction
23 from women. So we have a woman on target training program
24 which specifically teaches firearms training. But we have
25 another program that's gained great popularity. It's Refuse

1 to be a Victim. And it was originated to teach women
2 generally how to avoid dangerous situations, or to be more
3 situationally aware. That's not, however, taught just by NRA
4 instructors. We have taught a lot of other organizations,
5 law enforcement and civic organizations to provide that
6 training. And we've seen over 630,000 women, and now men,
7 taking that training. So we do a lot of programs
8 specifically for -- with women.

9 Q. Are you familiar with the Women's Wildlife
10 Management & Conservation Scholarship?

11 A. Yes. This is a scholarship fund that's run through
12 our Women's Policy Committee at the NRA. And it's targeted
13 towards the future. We award \$5,000 scholarships to
14 deserving young women. These are rising college juniors or
15 seniors who are getting degrees in either conservation or
16 wildlife management.

17 Q. And -- so what about the NRA Women's Leadership
18 Forum, can you tell the Court what that is?

19 A. The Women's Leadership Forum is an incredible
20 organization that was brought about by Ms. LaPierre, Susan
21 LaPierre. It's a philanthropic organization. They donate to
22 all of the various activities and programs at the NRA.
23 Incredibly powerful, active women who they -- women wanted to
24 make an impact on the Second Amendment and our civil rights.
25 To date, they have contributed or gifted over \$100 million,

1 at the expense of about \$4 million to the NRA. So from my
2 perspective, that is an incredible return on the investment
3 from these very, very -- I'm grateful for these women.

4 Q. And who leads -- who leads --

5 MR. VAN HORN: And, Your Honor, I'd like to
6 object and move to strike for lack of foundation and personal
7 knowledge.

8 THE COURT: Mr. Garman, do you want to respond
9 to that?

10 MR. GARMAN: Yes, sir. Sir, he is the second
11 vice president of the National Rifle Association. Mr. Lee
12 has -- Colonel Lee has personal knowledge of what he's
13 testifying to. I'm happy to ask him additional foundation
14 questions, if we want to continue.

15 THE COURT: All right. Why don't you do that.
16 I'll sustain on foundation. So why don't you lay some
17 foundation.

18 MR. GARMAN: Okay.

19 Q. Sir, in your capacity as the second vice president,
20 do you have knowledge of the finances of the National Rifle
21 Association?

22 A. I do. And I attended and was a key note speaker at
23 the last Women's Leadership Foundation meeting, annual
24 meeting. And met with the leaders there.

25 Q. And, sir, do you personally know how much the NRA

1 Women's Leadership Forum has raised in gifts over the years?

2 A. I do. We have received contributions and gifts of
3 over \$100 million.

4 Q. And do you have personal knowledge as to how much
5 it has cost to support the efforts to raise that money?

6 A. I do. And it's approximately \$4 million.

7 MR. VAN HORN: Your Honor, again, objection. I
8 don't believe the foundation has been laid for even the
9 answers to those two questions with respect to the underlying
10 documents or anything else that would have been reviewed to
11 confirm those amounts.

12 THE COURT: Overruled.

13 Q. Sir, who leads the NRA Women's Leadership Forum?

14 A. Ms. LaPierre, Susan LaPierre leads the forum. She
15 is the co-chair with another one of our volunteers, now board
16 member. But it is a -- it's a volunteer position. She's
17 done this for, I believe it's about ten years. Now, being a
18 volunteer myself and in this position, it's just an
19 incredible effort. And I'm appreciative because, obviously,
20 none of our volunteers are forced to stand up. They don't
21 have to do this. But this is, as I said, in my view, a fight
22 for freedom. A fight for Second Amendment. And I appreciate
23 her taking on that responsibility.

24 Q. Sir, let's turn to the Eddie Eagle Gun Safety
25 Program. Do you have personal knowledge of this program?

1 A. Counsel, I do. And most of the folks in this room
2 in some way or manner know about this program. Eddie Eagle
3 is our safety program that teaches young people, very young
4 people, kindergarten, third, fourth grade, what to do around
5 firearms or if they encounter firearms. We are the only --
6 none of the so-called gun safety organizations do this type
7 of training. Eddie Eagle goes into classrooms, goes into
8 community organizations, civic organizations and they teach
9 young people, we've all heard this, stop, don't touch, run
10 away, tell a grownup. And that's instruction we give. And
11 that's a contribution to safety. And I'm most proud that
12 this summer, probably, with our -- as schools open up, we
13 will cross a threshold of having taught 33 million children
14 firearm safety.

15 Q. So what about the National School Shield Program?

16 A. National School Shield Program was a responsive
17 program to fill a void as we saw school shootings come to for
18 and no one was filling the void of preparing schools to, in
19 fact, be prepared or avoid having school shootings. We
20 gather experts. We go into a community, either a school or a
21 school complex, and we gather all of the people in that
22 community who are responsible for safety. And it may be ENS,
23 law enforcement, school administrators. And they, not us,
24 they come up with a plan to better their safety and better
25 their security of their facilities. Most noticeable --

1 notable is that the program is free to the user. We fund
2 that. That's one of the programs that we do as giving back
3 to the community.

4 Q. And, sir, how many schools have gone through this
5 program?

6 A. Since its inception we've participated and worked
7 with 775 schools or campuses in over 30 states.

8 Q. Sir, turning your attention to the Great American
9 Outdoor Show. Could you briefly tell the Court what this
10 program is for NRA members?

11 A. Yes. This is one of our premier shows. The Great
12 American Outdoor Show is ten days of outdoor show in
13 Harrisburg, Pennsylvania. We have over 240 seminars. We
14 have thousands of vendors come through there. And it's
15 everything outdoors. So if you want to take a fishing trip
16 to South America, or a hunting trip to Europe, you can sign
17 up there. If you want to buy a boat, you can buy two boats,
18 or a firearm. Many opportunities. Archery, you can not just
19 buy something dealing with archery, you can actually shoot on
20 an archery course. I am most pleased because arguably the
21 best milk shakes in the East Coast are there. And I'm a big
22 fan of the hot dogs. But in that ten days, we have over
23 250,000 folks come through our doors to see their wares, to
24 participate with us.

25 Q. Sir, we're getting close to being done with the

1 questions I'm going to ask you about the Association. But I
2 would like you to tell the Court about the NRA Annual Meeting
3 and how it impacts your members.

4 A. Thank you, counsel. The NRA Annual Meeting --
5 excuse me, again. I'm sorry, Your Honor. This is allergy
6 season, so you have to put up with me on that.

7 We conduct the Annual Meeting each year in a different
8 location, rotating location. This year in Houston we'll
9 celebrate our 150th anniversary. It's an opportunity for our
10 members, and their guests, to join us in not just celebrating
11 the NRA, but to get updates from our leaders, political
12 leaders and activists. We have many seminars. An exhibit
13 hall that spans over 4 acres of exhibitors. And we will
14 have, and have had in the last five years, up to 80,000 of
15 our members and their guests come through our doors for that
16 Annual Meeting.

17 Q. And, sir, the NRA operates three museums across the
18 country. Could you tell us about those?

19 A. We do. We have a small museum at the Whittington
20 Center, which I described earlier. The most traffic museum
21 is in Springfield, Missouri, that sees over a million
22 visitors each year. And then our Keystone Museum is
23 co-located with our NRA Headquarters in Northern Virginia
24 with a great repository of not just the American history of
25 firearms, but American culture.

1 Q. Sir, could you describe for the Court the magazines
2 that the NRA publishes?

3 A. We have four official journals. We're soon to
4 bring on the fifth one. They're all targeted to different
5 audiences. We have one, as an example, specifically targeted
6 toward hunters. The newest one will be aimed toward women
7 and women shooters. Our cornerstone and our longest serving
8 magazine is American Rifleman, which has a monthly
9 publication reach of just over 1.6 million, more digitally.

10 Q. And, sir, last but not least, could you describe
11 for the Court the work that the NRA Foundation does?

12 A. I can. The NRA Foundation is a 501(c)(3). Since
13 we began the NRA Foundation, they've raised over \$450 million
14 to contribute to the shooting sport. So it goes to law
15 enforcement, firearms education, training and safety. It's
16 an amazing program cornerstoned by some folks who know of our
17 Friends of NRA Dinners that we host. 13,000 volunteers
18 across the nation host about 1,100 dinners each year.
19 Notable about that program is it's not just -- this is a
20 bottom up organization, so it's -- monies -- the net monies
21 are split between the states that raise that money and the
22 NRA. The NRA, then, puts those grants into national
23 programs, but the states get to allocate the money where they
24 see fit on grants. The most recent that I noticed was a
25 sheriff's department who had requested and received a \$1,300

1 grant to simply replenish their hearing and eye protection.

2 Q. So, sir, before we go any further, do you get paid
3 by the NRA, or do you have any contractual relationships with
4 the NRA?

5 A. I do not. I'm a volunteer. And I have to say that
6 in the process of this past year and now this litigation,
7 sometimes this is a full-time job, but I'm not compensated.

8 Q. Sir, I assume you know Wayne LaPierre?

9 A. Yes.

10 Q. And -- well, can you tell the Court what your
11 opinion is of Mr. LaPierre?

12 A. Mr. LaPierre is of the highest character and the
13 most, one of the most hardest working gentleman that
14 literally I've ever known. And from my background, you can
15 imagine I've known some pretty top-notch people.

16 Q. Do you -- do you trust the leadership and the
17 judgment of Mr. LaPierre?

18 A. I do.

19 Q. If there came a day when you lost that confidence
20 or lost trust in his judgment, would you take steps to
21 replace him?

22 A. Yes, counsel, I would. And, understand, this has
23 been the cornerstone of my career and my life. I'm here with
24 a duty to uphold the Constitution, particularly the Second
25 Amendment and to serve on behalf of our members. So, yeah,

1 if there's -- I'll harken back to my beginnings at West
2 Point, a cadet won't lie, cheat, or steal, nor tolerate
3 others who do. If it were LaPierre or anybody else, I would
4 not tolerate that.

5 Q. How has the NRA grown under Mr. LaPierre's
6 leadership?

7 A. This is some of the incredible story. Mr. LaPierre
8 took over the NRA about 30 years ago. We were \$100 million
9 organization. We had about 1 1/2, maybe about 2 million
10 members. But we knew we wanted to provide more programs for
11 our members and we knew we were coming into more attacks from
12 folks who are anti-Second Amendment. And in Mr. LaPierre's
13 term, we've grown to this very powerful \$300 million
14 organization with 5 million members who are arguably the
15 most, the most strong civil rights organization certainly in
16 the U.S.

17 Q. Is it your experience -- well, strike that.

18 Does the board of directors, of which you are a member,
19 exercise judgment independent and separate from the wishes of
20 Mr. LaPierre?

21 A. Yes.

22 MR. MASON: Objection; leading.

23 THE COURT: Sustained. We need just one
24 lawyer from Ackerman, though. We can't have both you and
25 Mr. Gruber doing objections from this point on.

1 Also, Mr. Garman, I don't want to cut you or the
2 witness off, but I do think the witness needs to be more
3 focused on just answering your questions.

4 MR. GARMAN: Yes, sir.

5 Q. Sorry, I actually forgot where I was.

6 Sir, what is your experience with the way the board of
7 directors exercises its obligations?

8 A. Each -- as I've described, our directors are very
9 strong and powerful people in their individual right. And I
10 find that to be the same when they come do their duties as a
11 director.

12 Q. Sir, does the board of directors have its own legal
13 counsel?

14 A. We do.

15 Q. And who is that legal counsel?

16 A. Mr. Davis. Mr. Whit Davis.

17 Q. Does Mr. Davis represent management at the NRA?

18 A. No. Mr. Davis is our board counsel.

19 Q. And how did Mr. Davis come to have the job as board
20 counsel?

21 A. We had an opening at the board counsel. Mr. Davis
22 applied for the job. Interviewed with -- I interviewed him.
23 We had several lawyers interview him, Sandy Ferman, Scott
24 Bockleson interviewed him. And then he was hired shortly --
25 in that time frame. I don't know the specific date. But it

1 was the Spring of 2019.

2 Q. Do you have an understanding that Mr. Davis --
3 well, do you know whether or not Mr. Davis has ever worked
4 for Bill Brewer?

5 A. No. He has not worked for Bill Brewer. There
6 is -- Mr. Davis was general counsel, general counsel to a
7 business who entered into a multi-billion dollar law --
8 multi-billion dollar lawsuit. And that company hired Brewer.
9 But Davis was in a role as general counsel to that company.

10 Q. Who did Mr. Davis replace as board counsel?

11 A. A gentleman named Steve Hart.

12 Q. Changing subjects, sir.

13 Do you have an opinion as to what would happen if the
14 National Rifle Association were dissolved?

15 MR. VAN HORN: Your Honor, object. Calls for
16 speculation.

17 THE COURT: I'm going to overrule that and let
18 the witness answer the question.

19 A. There's clearly a call, just by the numbers of
20 cited, of Americans who want to participate in all of our
21 programs. So at a minimum by dissolving it, it would be a
22 great disservice to all of those participants. There's no
23 organization who does what we do or can do what we do.
24 Likewise, there would be no defenses, not just for the Second
25 Amendment, but for the First Amendment. So it would be a

1 disaster, I think, for America.

2 Q. Sir, do you have an opinion as to what would happen
3 if a Receiver were appointed by a Court to oversee the
4 operations of the NRA?

5 A. Yes.

6 MR. VAN HORN: Objection; calls for
7 speculation. And lack of foundation for his knowledge of
8 what a Receiver does or does not do.

9 THE COURT: Sustained on lack of foundation.

10 Q. Sir, do you -- are you familiar with the action
11 being brought by Attorney General James in the State of New
12 York?

13 A. I am.

14 Q. And do you have an understanding as to whether or
15 not a Receiver is a potential remedy?

16 A. I understand that -- yes, I understand that's the
17 remedy that would be sought to seize our assets.

18 Q. And what do you understand a Receiver to be?

19 A. A Receiver would take control of our organization
20 to dictate all of the actions of our organization.

21 Q. And do you have an opinion as to what would happen
22 if a Receiver, if such a Receiver were appointed over the
23 NRA?

24 A. Again, it would be disastrous. It would be the end
25 of the NRA. We rely on the bond that we have with our

1 members. And our members trust and have elected us to these
2 positions.

3 Q. And, sir, do you support -- I'll lay a foundation,
4 sir.

5 Are you aware of a motion that has been brought by
6 Judge Journey to appoint an Examiner in this case?

7 A. I am.

8 Q. And do you support the appointment of an Examiner,
9 as sought by Judge Journey?

10 A. I do not. Not with the extraordinary powers,
11 again, to be able to --

12 MR. VAN HORN: Objection; non-responsive
13 beyond the first part of his answer.

14 THE COURT: Sustained.

15 Colonel Lee, if you'd just listen to the question
16 that's pending and answer it, I think you'll get off the
17 stand quicker.

18 Q. Sir --

19 MR. GARMAN: Yes, Your Honor.

20 Q. Sir, why don't you support the appointment of such
21 an Examiner?

22 A. An Examiner with the power to hire and fire elected
23 officials for an organization, our membership elects us for a
24 reason. And that's going a step too far. It puts somebody
25 else in charge of the NRA who they didn't elect.

1 Q. Why do you believe that putting someone they didn't
2 elect in charge of the NRA would cause problems?

3 A. They elected us. We have a bond of trust that we
4 built throughout the years, throughout many legislative
5 battles, and throughout all of our programs. That is a bond
6 of trust that we don't find in any other organizations.

7 Q. And why is it you need the support and trust of
8 your members?

9 A. It's not just support and trust of our members.
10 They are the NRA. Our members are the NRA. And they believe
11 in what we're doing and they've supported us in our actions.

12 Q. Do you think that the questions Judge Journey has
13 raised by way of his motion are important?

14 A. Yes. Yes. Those questions are serious.

15 Q. And notwithstanding the fact they're important
16 questions -- strike that.

17 Why would you -- if they're important questions, why
18 would you not support the appointment of an Examiner?

19 A. Well, I explained why I wouldn't support an
20 Examiner. But those questions, there's questions we do seek
21 answer to. And we have a lot of people working on them from
22 counsel within the NRA to outside the NRA, from tax lawyers,
23 to CFOs, to Audit Committees. So a lot of folks are looking
24 at all of the various questions.

25 Q. Okay. Sir, are you familiar with what a chief

1 restructuring officer is?

2 A. I am.

3 Q. And do you support the appointment of a chief
4 restructuring officer for the National Rifle Association?

5 MR. VAN HORN: Objection, Your Honor, lack of
6 foundation for his knowledge of what a chief restructuring
7 officer does and the basis of that knowledge.

8 THE COURT: Sustained.

9 Q. Sir, what do you understand a chief restructuring
10 officer to be?

11 A. A chief restructuring officer in the Chapter 11
12 process is brought into an organization to help them navigate
13 their way toward whatever it is the issue of that particular
14 Chapter 11 is.

15 Q. And have, in the course of this case, you
16 personally interviewed chief restructuring officer
17 candidates?

18 A. Yes.

19 Q. Stepping back. In addition to those you
20 interviewed, did you consider a variety of potential chief
21 restructuring officer candidates?

22 A. Yes.

23 Q. And how many did you interview?

24 A. We were presented with eight and narrowed it down
25 to four to be interviewed.

1 Q. And who is it that interviewed these candidates?

2 A. The members of our (indecipherable word); myself,
3 Mr. Cotton, Ms. Meadows, our executive vice president,
4 Mr. LaPierre. And we had counsel present, also, our Chapter
5 11 counsel, Mr. Neligan and you, counsel, Mr. Garman.

6 Q. Okay.

7 MR. VAN HORN: Your Honor, I guess I'd also
8 like to object and just raise one procedural issue, to the
9 extent this testimony is being adduced for the application to
10 appoint a CRO. I don't believe Mr. Lee was designated as a
11 witness for that particular application. And we're just
12 trying to understand, also, what is his testimony going to
13 with respect to that application versus the debtors' case in
14 chief right now.

15 THE COURT: Well, yesterday on the record I
16 said that as part of the case in chief for the NRA if they
17 could present their motion. So I'm going to overrule their
18 objection.

19 Q. Sir, did there come a time where you and the
20 Special Litigation Committee identified a candidate you
21 wanted to bring before the Court to be appointed as the chief
22 restructuring officer?

23 A. Yes.

24 Q. And who is that candidate?

25 A. Mr. Louis Robichaux of Anchor Consulting.

1 Q. And why did you personally identify Mr. Robichaux
2 as the candidate you wanted to bring before the Court?

3 A. He -- in my view, he was the absolute most
4 qualified, most well-prepared for these duties.

5 Q. And so could you turn to, this would be Ackerman
6 Exhibit 184.

7 A. I have that.

8 Q. Okay. And can you identify and tell the Court what
9 this document is?

10 A. This is --

11 MR. VAN HORN: Your Honor, I'm sorry. We
12 don't have that Exhibit 184. Can we just pause for one
13 second to bring that up?

14 THE COURT: Sure.

15 MR. GARMAN: Counsel it is, I will represent
16 to you and the Court, it is an Ackerman exhibit, but it is
17 docket 519 that I believe is broken into two parts, also.

18 MR. VAN HORN: Docket 519, is that the CRO
19 application?

20 THE COURT: It is.

21 MR. GARMAN: Yes.

22 MR. VAN HORN: Thank you, Your Honor. I have
23 it, Your Honor.

24 THE COURT: Okay. Thank you, Mr. Van Horn.

25 Q. Colonel, I think my question was whether you could

1 identify this document for the Court?

2 A. I can. It is the application of the debtors for an
3 order authorizing the retention and employment of Anchor
4 Consulting Group, LLC, and appointment of Louis E. Robichaux
5 IV, as the debtors' chief restructuring officer.

6 Q. And, sir, (inaudible few words due to audio cutting
7 out), do you instruct your counsel to file this application?

8 A. We did. I did.

9 Q. Sir, could you turn to page 31 of 47 of that pdf?

10 A. I have that, counselor.

11 Q. And can you tell the Court what -- what begins here
12 on page 37?

13 A. On 37?

14 Q. I'm sorry, 31, 31. My mistake.

15 A. This is an April letter that is, the subject is the
16 retention of Anchor to provide chief restructuring officer
17 services.

18 Q. And what do you understand -- what do you
19 understand this document to do?

20 A. This document sets out the agreement between the
21 NRA and Anchor Consulting on the duties of a CRO.

22 Q. Was this a document that was negotiated between the
23 parties?

24 A. It was.

25 Q. And were you personally involved in those

1 negotiations?

2 A. I was.

3 Q. And what types of provisions were negotiated
4 between the Special Litigation Committee and Anchor?

5 A. It included the terms of the agreement which were
6 whatever -- however we'd fund this. But it also laid out the
7 scopes and authorities of all of the different parties.

8 Q. And, sir, could you turn to page -- pdf page 45 of
9 47? You should see a document that's labeled Schedule 2.

10 A. I have that.

11 Q. And what is Schedule 2?

12 A. Schedule 2 is the -- are the specifics of the
13 process that we'll use. Appointing a CRO and the reporting
14 duties of the CRO and then the CRO's scope of duties and the
15 responsibilities.

16 Q. And is this what you were referring to in your
17 testimony when you said the scope of duties was negotiated?

18 A. Yes.

19 Q. And in your own words, could you describe what you
20 understand the scope of the proposed CRO's duties to be?

21 A. Yes. And it goes back to the trust and bond that
22 we have with our memberships. So the duties for running the
23 NRA now with the CRO would be divided between effectively
24 mission operations and management operations. So what we do
25 for mission and that's what's part of the business. The

1 mission operations would stay totally within the elected
2 officials of the Association, because that's what our members
3 appointed -- elected us to do. The business operations,
4 though, where we were looking for another opportunity to have
5 another set of eyes on to help us through this process, would
6 be overseen by, in this case, Mr. Robichaux.

7 Q. And when you say the mission operations, can you be
8 more specific as to what functions those are?

9 A. They're core functions. So it's all of the --

10 MR. VAN HORN: I'm going to object --

11 A. -- Capitol Hill or within the states. But it's
12 also our --

13 Q. Mr. Lee, Colonel Lee, when an objection is raised,
14 you should stop talking until the Court gets a chance to rule
15 on it.

16 A. I apologize, counsel. I didn't hear an objection.
17 Thank you.

18 THE COURT: And I didn't hear it.

19 MR. VAN HORN: Yeah. Just an objection on
20 document speaks for itself for that question.

21 THE COURT: I'll sustain that.

22 Q. Okay. Colonel Lee, do you see at the bottom of
23 page 45 where it says, scope of duties and then it highlights
24 core fundamental mission, operations, and then separately
25 identifies management operations?

1 A. I do.

2 Q. Do you believe that these provisions, as written in
3 this document, accurately and fairly reflect the agreement
4 reached between the NRA and Anchor?

5 A. Yes.

6 Q. And why is it important to -- strike that.

7 Was it important to you to reach this balance?

8 A. Extremely important.

9 Q. And why?

10 A. Because of the bond that we have with our
11 membership who elected us. We maintain control. The elected
12 officers and the staff of the NRA maintain control of those
13 mission critical operations, while we have Mr. Robichaux to
14 help us oversee our business functions, which are financial
15 and legal of nature.

16 Q. Okay. Sir, I'd like to turn you back now to the
17 time you joined the board in 2017.

18 What was the political power of the National Rifle
19 Association when you joined?

20 A. In 2017, we were feeling a pretty -- we had a
21 pretty heavy feeling. We had just won the White House. We
22 had a majority, I think it was, if not 10 seat, it was about
23 10 seat majority in the U.S. Senate. We had a strong
24 majority in the U.S. House. Two-thirds of the governors were
25 supports. And many of the state legislatures. So we had a

1 very good feeling politically at that time, but we're with
2 the NRA. So we also knew that was going to mobilize a lot of
3 the anti-gun, anti-Second Amendment folks to come after us.

4 Q. Sure. And did you come -- did you ever come to
5 hear about a call between Attorney General Schneiderman and
6 board member Tom King?

7 A. I did.

8 MR. VAN HORN: Objection; calls for hearsay.

9 MR. GARMAN: Your Honor, I simply asked him
10 whether he knew of the call.

11 MR. VAN HORN: That would still be based upon
12 hearsay.

13 THE COURT: I think this fact has already come
14 into the record. I'm going to overrule it.

15 Q. And did the NRA take any action in response to that
16 telephone call?

17 A. We did. We began a process -- New York State had
18 changed some of their not-for-profit laws. But with that
19 telephone call, we also began a process of what we termed,
20 the course correction. But we believed we were in compliance
21 with not-for-profit laws, but you never know. So we decided
22 to take a complete 100 percent look at all of our processes.
23 And that began late in 2017.

24 Q. Did you -- was there a time in which the State of
25 New York through it's Department of Financial Services began

1 to take action against the National Rifle Association?

2 MR. VAN HORN: Objection, Your Honor, leading.

3 MR. MASON: Also, vague. Vague and
4 foundation.

5 MR. GARMAN: So, Your Honor, I'm struggling
6 here a bit. I wasn't leading enough and now I'm leading too
7 much. I'm trying to find a middle ground.

8 THE COURT: Just restate your question on
9 vagueness. I sustain on vagueness.

10 Q. Sir, do you -- do you understand what the
11 Department of Financial Services is?

12 A. Yes.

13 Q. And what is it?

14 A. It's an organization of the New York State
15 government that oversees New York not-for-profit
16 organizations.

17 Q. And did there come a time in which the Department
18 of Financial Services sought to take action against the
19 National Rifle Association?

20 A. There is. They threatened different businesses in
21 New York with action, if they did any business with the NRA,
22 in particular, or any firearms association.

23 Q. Could you open NRA Exhibit 663, please?

24 And I'm going to refer you to an exhibit, sir.

25 A. I have 663.

1 MR. VAN HORN: And if I may have a moment,
2 Mr. Garman. Was it one of the exhibits added?

3 MR. GARMAN: I'm having a slight technical
4 problem on my end. If I could have 20 seconds here, or 30
5 seconds.

6 THE COURT: Sure.

7 MR. GARMAN: I'm sorry about that, everyone.

8 Q. Sir, could I turn your attention to page 50 of 131
9 of the pdf?

10 A. Give me a second here.

11 I have that.

12 Q. Sir --

13 MR. GARMAN: I'm sorry. Is the rest of --
14 everybody else there?

15 MR. VAN HORN: I'm there, Your Honor. But I
16 would object to the extent this document is not in evidence,
17 and asking questions about a document that's not in evidence.

18 THE COURT: Sustained on that, Mr. Garman.

19 MR. GARMAN: Well, sir, I did plan to move it
20 into evidence. I was next going to move Exhibit 663 into
21 evidence.

22 MR. VAN HORN: Hearsay. Objection based on
23 hearsay, lack of foundation.

24 MR. GARMAN: So, Your Honor --

25 THE COURT: 663 is in evidence.

1 Q. Colonel, have you seen page 50 of Exhibit 663
2 before?

3 A. Yes.

4 Q. And what do you understand this to be?

5 A. This is on the direction of the Governor of New
6 York, Maria Vullo, who was the Superintendent of Financial
7 Services sent a letter, a threat to all insurers, any
8 insurance business doing business in the State of New York
9 that there would be review and action by the State of New
10 York if they did any business with the -- specifically with
11 the NRA, or any firearms, gun promotion organizations.

12 MR. VAN HORN: Objection, Your Honor. The
13 document can speak for itself. And move to strike the
14 testimony.

15 THE COURT: Sustained.

16 Q. Sir, is there a -- is there a particular portion of
17 this letter that caused the NRA to take action?

18 A. There is. And all of the letter is offensive to
19 me. But the last sentence of the letter, in particular, and
20 I'll quote, the Department encourages regulated institutions
21 to review any relationships they have with the NRA or similar
22 gun promotion organizations, and to take prompt actions to
23 managing these risks and promote public health and safety.

24 Q. What action -- what actions did the NRA take in
25 response to this letter, and in particular that language?

1 A. For this letter threatening insurance organizations
2 and another similar one for banking organizations, the NRA
3 filed a First Amendment lawsuit against the Governor of New
4 York and the Head of Financial Services.

5 Q. And, sir, could you turn to page 2 of this pdf, so
6 it will be page 2 of this Exhibit 663?

7 A. I have that.

8 Q. Okay. And, sir, who do you understand the
9 defendants of this lawsuit to be?

10 A. Per this pdf, Andrew Cuomo, individually and in his
11 official capacity, and Maria T. Vullo, both individually
12 and in her official capacity, and the New York State
13 Department of Financial Services.

14 Q. And what lawyers did the National Rifle Association
15 hire to bring this case?

16 A. Brewer & Associates.

17 Q. Stepping back, before we talk about the Brewer
18 Firm.

19 Did other organizations, other civil rights
20 organizations come to the defense of the National Rifle
21 Association after this lawsuit was commenced?

22 A. Well, many did. And we received a lot of support
23 because of the recognition that this was not a Second
24 Amendment fight, this was a First Amendment fight. We were
25 most pleased and surprised, frankly, that the ACLU, in

1 particular David Cole, who is their national political
2 director, did a brief in support of us, because -- this is
3 even the ACLU. We don't partner with them very often. But
4 their recognition that this was a First Amendment fight.

5 MR. VAN HORN: Your Honor, objection; move to
6 strike everything after the first part of his answer. I
7 believe he just answered, yes, to the question.

8 THE COURT: And your evidentiary objection is
9 what?

10 MR. VAN HORN: That it was non-responsive to
11 the question. The question was a yes or no question.

12 THE COURT: Sustained.

13 And I don't want to keep saying this. But I think it
14 will go a lot faster, Colonel Lee, if you just listen to the
15 question and answer it. All right?

16 THE WITNESS: Yes, Your Honor. My apologies.

17 THE COURT: It's okay.

18 Q. Colonel Lee, does the ACLU -- are you aware of the
19 ACLU ever previously coming to the defense of the National
20 Rifle Association?

21 A. No.

22 Q. Sir, could you open NRA 664?

23 A. I have that.

24 Q. Okay.

25 MR. GARMAN: Your Honor, I move to admit

1 Exhibit 664.

2 MR. VAN HORN: One second, Your Honor.

3 We object on grounds of hearsay. It's like the brief
4 of another party that is neither the NRA nor the State of New
5 York Office of the Attorney General.

6 THE COURT: NRA 664 is in.

7 Q. Sir, is this the brief of the ACLU you were
8 referring to in your testimony?

9 A. Yes.

10 Q. Okay. Sir, I think I asked the question, but I'm
11 going to ask it again. Who -- what law firm did you hire to
12 bring the action that is the subject of NRA Exhibit 663?

13 A. The Brewer Law Firm.

14 Q. And what is your experience and exposure to the
15 Brewer Law Firm?

16 A. Having worked with them now for this past year,
17 certainly, or knowing about them prior to that in board
18 meeting briefings, extremely talented. Extremely
19 professional. And quite capable of handling this level of
20 lawsuit.

21 Q. Is this the only lawsuit that the NRA has asked the
22 Brewer Law Firm to represent them on?

23 A. It is not, no. Sorry.

24 Q. Okay. How many -- how many actions, if you know --
25 strike that.

1 How many matters, if you know, does the Brewer Firm
2 work on for the National Rifle Association?

3 A. It varies, but I believe it's between 10 and 12.

4 Q. Okay. And is that based upon your personal
5 knowledge?

6 A. Yes.

7 Q. And what types of matters does the NRA ask the
8 Brewer Firm to work on?

9 A. Big matters. Typically external attacks on the
10 NRA. And certainly these national-level governmental attacks
11 on the NRA.

12 Q. And do you have an understanding as to how much the
13 Brewer Firm has been paid in professional fees since they've
14 been hired?

15 A. Yes. Approximately \$60 million -- I'm sorry, yes.

16 Q. And how much, sir?

17 A. Approximately \$60 million.

18 Q. And does that amount of money concern you?

19 A. Yes. Yes. It's a huge number.

20 Q. But do you -- well, do you have concerns over the
21 quality of the representation the NRA has received from the
22 Brewer Firm?

23 A. Not at all. I'm sorry, no.

24 Q. That's fine. That's fine, Colonel.

25 And do you have concerns over the efficiency of the

1 work the Brewer Firm has done?

2 A. No.

3 Q. In your own words, can you -- can you tell the
4 Court how you are satisfied, given your concern over the size
5 of the bill?

6 A. I understand litigation is expensive. And right
7 now, especially with the Brewer Firm, we're facing a lot of
8 cases where they had to be involved and are leading the
9 effort in our litigation. So, yes, the amount of litigation,
10 the cost of litigation concerns me. But the Brewer Firm
11 effort, that's not my concern. They've done great work for
12 us.

13 Q. Sir, do you have a concern over the level of
14 influence that the Brewer Firm exerts over the National Rifle
15 Association?

16 A. No.

17 Q. And why not?

18 A. I've explained. And you can tell from my
19 background and all of the other board members, we understand.
20 Brewer provides legal counsel and guidance. I know that I am
21 responsible for my organization, as is the other officers and
22 Wayne LaPierre. We make the decisions. I appreciate all of
23 the counsel and guidance. But we understand who is
24 responsible for our organization.

25 Q. Have you ever experienced the Brewer Firm -- strike

1 that.

2 Have you ever had a problem with the Brewer Firm
3 following your directions?

4 A. No.

5 Q. Would you take steps to fire the Brewer Firm, if
6 circumstances were warranted?

7 A. Yes.

8 Q. Okay. Sir, I'd like to move on now to the New York
9 Attorney General's action. I believe you testified earlier
10 today that you're familiar with the New York Attorney
11 General's enforcement action?

12 A. I did.

13 Q. And what remedy is she seeking?

14 A. To dissolve the NRA, or to seize all of our assets.

15 Q. Okay.

16 MR. GARMAN: Your Honor, I'm starting a new
17 topic. Just looking for a little guidance here as to when
18 Your Honor would want to take a break. I've probably got --
19 I'm really bad at estimating, but I'm probably, I don't know,
20 maybe up to 45 minutes left.

21 THE COURT: I think we probably need to stop,
22 then, and give everybody a break, including me.

23 Colonel Lee, during the break, you're not to speak with
24 anyone about your testimony, including lawyers. Do you
25 understand that?

1 THE WITNESS: Yes, sir, I do.

2 THE COURT: Okay. All right. It's almost 12,
3 so let's stop until 1:15. I think on the docket it shows we
4 start back at 2, but let's start back at 1:15 this afternoon.

5 We'll be in recess.

6 (End of Morning Session.)

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C E R T I F I C A T E

I, CINDY SUMNER, do hereby certify that the foregoing constitutes a full, true, and complete transcription of the proceedings as heretofore set forth in the above-captioned and numbered cause in typewriting before me.

/s/Cindy Sumner

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