

# **EXHIBIT 29**

WILSON H. PHILLIPS, JR. VOLUME 1  
 NATIONAL RIFLE ASSOC. vs ACKERMAN MCQUEEN

August 30, 2021

1-4

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|--|---|
| <p style="text-align: right;">Page 1</p> <p>1 IN THE UNITED STATES DISTRICT COURT<br/>                 2 FOR THE NORTHERN DISTRICT OF TEXAS<br/>                 3 DALLAS DIVISION<br/>                 4 NATIONAL RIFLE ASSOCIATION OF *<br/>                 AMERICA, *<br/>                 5 Plaintiff and Counter- *<br/>                 Defendant, *<br/>                 6 and *<br/>                 7 WAYNE LAPIERRE, *<br/>                 8 Third-Party Defendant, *<br/>                 9 V. * Case No. 3:19-cv-02074-G<br/>                 10 ACKERMAN MCQUEEN, INC., *<br/>                 11 Defendant and Counter- *<br/>                 Plaintiff, *<br/>                 12 and *<br/>                 13 MERCURY GROUP, INC., HENRY *<br/>                 14 MARTIN, WILLIAM WINKLER, and *<br/>                 MELANIE MONTGOMERY, *<br/>                 15 Defendants. *</p> <p>16<br/>                 17<br/>                 18<br/>                 19 *****<br/>                 20 VIDEO AND VIDEOCONFERENCE DEPOSITION OF<br/>                 21 WILSON PHILLIPS<br/>                 22 AUGUST 30, 2021<br/>                 23 (Reported Remotely)<br/>                 24 VOLUME 1<br/>                 25 *****</p> <p style="text-align: right;">Page 2</p> | <p style="text-align: right;">Page 3</p> <p>1 A P P E A R A N C E S<br/>                 2 FOR THE DEFENDANTS AND COUNTER-PLAINTIFF:<br/>                 3 BRIAN E. MASON (Via Videoconference)<br/>                 Dorsey &amp; Whitney, LLP<br/>                 4 300 Crescent Court, Suite 400<br/>                 Dallas, Texas 75201<br/>                 5 (214) 981-9900<br/>                 mason.brian@dorsey.com<br/>                 6<br/>                 7 FOR THE PLAINTIFF AND COUNTER-DEFENDANT:<br/>                 8 PHILLIP J. FURIA (Via Videoconference)<br/>                 SERHIY MOSHAK (Via Videoconference)<br/>                 9 G. MICHAEL GRUBER (Via Videoconference)<br/>                 Brewer, Attorneys &amp; Counselors<br/>                 10 1717 Main Street, Suite 5900<br/>                 Dallas, Texas 75201<br/>                 11 (214) 653-4000<br/>                 pjf@brewerattorneys.com<br/>                 12<br/>                 13 FOR MR. WILSON PHILLIPS:<br/>                 14 MARK S. WERBNER (Via Videoconference)<br/>                 Werbner Law<br/>                 15 5600 W. Lovers Lane, Suite 116-314<br/>                 Dallas, Texas 75209<br/>                 16 (214) 884-4548<br/>                 mwerbner@werbnerlaw.com<br/>                 17<br/>                 18 ALSO PRESENT VIA VIDEOCONFERENCE:<br/>                 19 MARK HENDRIX - Videographer<br/>                 MELANIE MONTGOMERY - Defendant<br/>                 20 EMILY DAVIS - with Dorsey &amp; Whitney<br/>                 21<br/>                 22<br/>                 23<br/>                 24<br/>                 25</p> <p style="text-align: right;">Page 4</p> <p>1 I N D E X<br/>                 2 Appearances . . . . . Page 3<br/>                 3 Exhibit Index . . . . . Page 5<br/>                 4 Stipulations . . . . . Page 8<br/>                 5 Examination by Mr. Mason . . . . . Page 8<br/>                 6 Signature and Corrections . . . . . Page 218<br/>                 7 Reporter's Certificate . . . . . Page 219<br/>                 8<br/>                 9<br/>                 10<br/>                 11<br/>                 12<br/>                 13<br/>                 14<br/>                 15<br/>                 16<br/>                 17<br/>                 18<br/>                 19<br/>                 20<br/>                 21<br/>                 22<br/>                 23<br/>                 24<br/>                 25</p> |
| <p>1 ANSWERS AND DEPOSITION OF WILSON PHILLIPS, produced<br/>                 2 as a witness at the instance of the Defendants and<br/>                 3 Counter-Plaintiff, taken in the above-styled and<br/>                 4 -numbered cause on the 30th day of August, 2021, A.D.,<br/>                 5 beginning at 9:03 a.m., before Brandy Cooper, a<br/>                 6 Certified Shorthand Reporter in and for the State of<br/>                 7 Texas, in the offices of Wilson &amp; Strawn located in<br/>                 8 Dallas, Texas, in accordance with the Federal Rules of<br/>                 9 Civil Procedure and the agreement hereinafter set forth.<br/>                 10<br/>                 11<br/>                 12<br/>                 13<br/>                 14<br/>                 15<br/>                 16<br/>                 17<br/>                 18<br/>                 19<br/>                 20<br/>                 21<br/>                 22<br/>                 23<br/>                 24<br/>                 25</p>   |   |



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|--------|---|------|--------|--|------|
| No.    | Description   | Page | No.    | Description  | Page |
| 1      | Services Agreement; 4-30-17   | 44   | 1      | PROCEEDINGS  |      |
| 2      | Amendment No. 1 to Services Agreement; 5-6-18   | 172  | 2      | THE VIDEOGRAPHER: Today's date is August                 |      |
| 3      | Volume 2 of Mr. LaPierre's Deposition in his Individual Capacity and as Corporate Representative of the NRA of America  | 114  | 3      | the 30th. We are on the record at approximately          |      |
| 4      | Letter to Mr. Winkler from the NRA regarding Services Agreement Dated 4-30-17 (As Amended 5-6-18)                       | 150  | 4      | 9:03 a.m. at the start of Media 1 in the deposition of   |      |
| 5      | Letter to Mr. Winkler from the NRA regarding Examination of Files, Books and Records; 8-8-18                            | 153  | 5      | Woody Phillips, in the matter of the National Rifle      |      |
| 6      | Letter to Mr. Winkler from Mr. Phillips regarding Examination of Files, Books and Records; 8-14-18                      | 157  | 6      | Association of America versus Ackerman McQueen, Inc.,    |      |
| 7      | Letter to Mr. Winkler from the NRA regarding Your Letter of 8-27-18   | 159  | 7      | Civil Action No. 3:19-cv-02074-G in the United States    |      |
| 8      | Letter to Mr. Phillips from Mr. Winkler regarding Your Letter of 8-29-18  | 161  | 8      | District Court for the Northern District of Texas,       |      |
| 9      | NRA 2017 Budget Planning - 10-6-16  | 88   | 9      | Dallas Division.   |      |
| 10     | Employment Agreement - Executed Version   | 181  | 10     | Would all counsel please introduce                       |      |
| 11     | National Rifle Association of America Report of the Audit Committee   | 187  | 11     | themselves on the record, starting with counsel          |      |
| 12     | 2018 Budget NRA Final   | 106  | 12     | appearing in person with the witness.                    |      |
| 13     | Declaration of Todd Grable in Support of the NRA's Opposition to the Defendants' Motion For Partial Summary Judgment    | 201  | 13     | MR. WERBNER: This is Mark Werbner.                       |      |
| 14     | Declaration of Wayne LaPierre in Support of the NRA's Opposition to the Defendants' Motion For Partial Summary Judgment | 205  | 14     | I represent the witness this morning, Mr. Wilson         |      |
| 15     | Employment Agreement  | 165  | 15     | Phillips.  |      |
| 16     | Text Messages between Mr. Phillips and Ms. Montgomery   | 177  | 16     | MR. MASON: Good morning. This is Brian                   |      |
| 17     | Electronic Funds Transfer Remittance Advice   | 143  | 17     | Mason at Dorsey & Whitney on behalf of Ackerman McQueen, |      |
| 18     |   |      | 18     | Mercury Group, Melanie Montgomery, Bill Winkler and      |      |
| 19     |   |      | 19     | Henry Martin.  |      |
| 20     |   |      | 20     | MR. FURIA: Good morning. This is Phillip                 |      |
| 21     |   |      | 21     | Furia from Brewer Attorneys & Counselors; I'm here with  |      |
| 22     |   |      | 22     | my colleague, Serhiy Moshak. We represent plaintiff,     |      |
| 23     |   |      | 23     | counter-defendant, National Rifle Association. Thank     |      |
| 24     |   |      | 24     | you.   |      |
| 25     |   |      | 25     | THE REPORTER: Are there any stipulations                 |      |
|        |   |      |        | or agreements for the record before we begin?            |      |
|        |   |      |        | MR. MASON: Not that I'm aware of.                        |      |
|        |   |      |        | THE REPORTER: One moment.                                |      |
|        |   |      |        | Can we go off the record a second?                       |      |
|        |   |      |        | THE VIDEOGRAPHER: We're off the record at                |      |
|        |   |      |        | 9:05.  |      |
|        |   |      |        | (Break was taken.)                                       |      |
|        |   |      |        | THE VIDEOGRAPHER: We're on the record at                 |      |
|        |   |      |        | 9:08.  |      |
|        |   |      |        | THE REPORTER: I'm sorry.                                 |      |
|        |   |      |        | This is the video deposition of Wilip --                 |      |
|        |   |      |        | Wilson Phillips. It is being conducted remotely in       |      |
|        |   |      |        | accordance with the First Emergency Order Regarding the  |      |
|        |   |      |        | COVID-19 State of Disaster, Paragraphs 2.b and c. The    |      |
|        |   |      |        | witness is located at the offices of Wilson & Strawn     |      |
|        |   |      |        | located in Dallas, Texas.                                |      |
|        |   |      |        | My name is Brandy Cooper, CSR No. 7211.                  |      |
|        |   |      |        | I am administering the oath and reporting the deposition |      |
|        |   |      |        | by stenographic means from my residence in the State of  |      |
|        |   |      |        | Texas. My business address is 1700 Pacific Avenue,       |      |
|        |   |      |        | Suite 1000, in Dallas, Texas. The witness has been       |      |
|        |   |      |        | identified to me through attestation of counsel.         |      |
|        |   |      |        | WILSON PHILLIPS,   |      |
|        |   |      |        | having been first duly sworn, testified as follows:      |      |
|        |   |      |        | EXAMINATION  |      |

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1 BY MR. MASON:  
 2 Q. Good morning, Mr. Phillips. Before we get  
 3 started, I just --  
 4 MR. MASON: I do want to confirm,  
 5 Mr. Furia, are you -- are you here?  
 6 We need to go off the record. It looks  
 7 like Mr. Furia -- we just lost him on the Zoom.  
 8 THE VIDEOGRAPHER: We are off the record  
 9 at 9:10.  
 10 (Break was taken.)  
 11 THE VIDEOGRAPHER: We're on the record at  
 12 9:11.  
 13 Q. (BY MR. MASON) Good morning, Mr. Phillips. As  
 14 I mentioned previously, my name is Brian Mason. I  
 15 represent Ackerman McQueen, Mercury Group, Mr. Winkler,  
 16 Ms. Montgomery and Mr. Winkler and Mr. Martin in a  
 17 lawsuit that is currently pending in District Court here  
 18 in Dallas, Texas. I know you and I had an opportunity  
 19 to visit briefly, I believe in March during the NRA  
 20 Bankruptcy proceeding and I understand that you have,  
 21 therefore, been through this process before.  
 22 Before we get started, just a couple of  
 23 quick things, reminders. If at any point in time you  
 24 need to take a break, just let me know. I'm happy to  
 25 accommodate that. It's important, especially in this

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1 digital virtual world that we're conducting this  
 2 deposition in, that we do everything we can to not speak  
 3 over each other so Ms. Cooper can do her very best to  
 4 have us a clean record today.  
 5 If at any point in time today you do not  
 6 understand a question that I ask, I would ask that you  
 7 please ask me to rephrase it so that you do understand  
 8 it, and I will do my best to -- to do that; is that  
 9 fair?  
 10 A. That's fair.  
 11 Q. Could you please state your full name for the  
 12 record?  
 13 A. Wilson Haywood Phillips, Jr.  
 14 Q. Mr. Phillips, where do you currently reside?  
 15 A. In Dallas, Texas.  
 16 Q. What's your home address?  
 17 A. 4602 Gilbert Avenue, Dallas, 75219.  
 18 Q. How long have you lived in Dallas?  
 19 A. Seven or eight years.  
 20 Q. Prior to that time, where did you reside?  
 21 A. In Vienna, Virginia.  
 22 Q. Was that when you were working for the National  
 23 Rifle Association of America?  
 24 A. Yes.  
 25 Q. Can you describe your educational background

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1 for the jury, please?  
 2 A. Yes. I have a bachelor's of business  
 3 administration from Wake Forest University.  
 4 Q. What year did you graduate, if you -- if you  
 5 recall?  
 6 A. 1970.  
 7 Q. Do you have any master's degrees?  
 8 A. I do not.  
 9 Q. Do you have any certifications?  
 10 A. Not at the present time.  
 11 Q. Did you previously have any certifications?  
 12 A. Yes. Certified public accountant.  
 13 Q. How long were you a certified public  
 14 accountant, approximately?  
 15 A. Yeah, maybe 25-plus years.  
 16 Q. Besides your CPA certification, have you  
 17 previously had any other certifications?  
 18 A. No.  
 19 Q. Are you currently employed?  
 20 A. No.  
 21 Q. I understand that you're currently retired?  
 22 A. That's correct.  
 23 Q. When did you retire?  
 24 A. In fall of 2018.  
 25 Q. Prior to the fall of 2018, how were you

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1 employed?  
 2 A. I was employed by the National Rifle  
 3 Association of America.  
 4 Q. And if at any point in time during the  
 5 deposition today I refer to the NRA, can we agree that  
 6 we're referring to the National Rifle Association of  
 7 America?  
 8 A. Yes.  
 9 Q. When did you start working at the NRA?  
 10 A. 1992, I believe.  
 11 Q. So is it fair to say that from approximately  
 12 1992 until 2018, you were employed at the NRA?  
 13 A. Yes.  
 14 Q. And if my math serves me, I believe that's  
 15 about 26 years; is that fair?  
 16 A. That's fair.  
 17 Q. During those 26 years at the NRA, what was your  
 18 job title?  
 19 A. The job title that was consistent during that  
 20 time was treasurer, and then sometimes it was treasurer  
 21 and CFO.  
 22 Q. So from 1992 until the fall of 2018, you were  
 23 treasurer of the NRA?  
 24 A. Correct.  
 25 Q. And during that 26-year time period, you were

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1 also, at certain points, chief financial officer of the  
 2 NRA as well; is that -- is that correct?  
 3 A. That's correct.  
 4 Q. Do you recall when you first became chief  
 5 financial officer of the NRA?  
 6 A. It was in the 1990s. I don't recall the date  
 7 exactly the board added that to my title.  
 8 Q. When you became treasurer and CFO of the NRA, I  
 9 believe you said in the -- in the 1990s, did you  
 10 maintain both of those job titles throughout the  
 11 remainder of your time at the NRA until you retired in  
 12 the fall of 2018?  
 13 A. No.  
 14 Q. When did you cease becoming CFO of the NRA?  
 15 A. I think it was March 2018 when we hired the  
 16 person that was going to replace me when I retired.  
 17 Q. And is that person that you're referring to  
 18 Craig Spray?  
 19 A. That's correct.  
 20 Q. What were your job responsibilities as  
 21 treasurer of the NRA?  
 22 A. They were -- included oversight of the  
 23 accounting function and purchasing and IT, Information  
 24 Technology. And that pretty much sums it up.  
 25 Q. Did those job responsibilities stay fairly

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1 consistent during your time as treasurer from 1992 to  
 2 the fall of 2019?  
 3 A. They did.  
 4 Q. What were your job responsibilities as CFO at  
 5 the NRA?  
 6 A. It was just the same -- same responsibilities,  
 7 it was just addition -- additional titles that one of  
 8 the board members in the '90s thought should be added to  
 9 make it clear.  
 10 Q. So in terms of the differences in your job  
 11 responsibilities as CFO and treasurer, they're more or  
 12 less the same?  
 13 A. Yes.  
 14 Q. Let's go back to, if we can, approximately  
 15 the 2015 to fall of 2018 time period, if we can, please.  
 16 Who did you report to at the NRA during that time?  
 17 A. I reported, as -- as I told you, to Wayne  
 18 LaPierre, but I also had a report -- a reporting  
 19 responsibility to the board.  
 20 Q. Anyone else besides Mr. LaPierre and the NRA  
 21 board?  
 22 A. No.  
 23 Q. As treasurer of the NRA, did you have various  
 24 employees that would report to you?  
 25 A. Yes.

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1 Q. During that 2015 to 2018 time period,  
 2 approximately how many individuals would you say  
 3 reported to you?  
 4 A. Are you talking about direct reports or --  
 5 Q. Well, that -- that's a good -- that's a good  
 6 distinction. Let's -- let's talk first about direct  
 7 reports. How many people approximately from 2015 to  
 8 2018 while you were treasurer and CFO would directly  
 9 report to you?  
 10 A. I -- I would say five direct reports during  
 11 that time.  
 12 Q. Who -- who were those five individuals that you  
 13 believe directly reported to you during that time  
 14 period?  
 15 A. One was Rick Tedrick, the -- the head of  
 16 accounting -- I just went blank. I'm sorry. I have to  
 17 come back to her. The head of purchasing was Lisa  
 18 George. IT was Tony Hayes. And still blank, although  
 19 she -- the person I'm short -- can't remember the name  
 20 of is -- also reported to me through Rick Tedrick, so we  
 21 can just stick with Rick Tedrick.  
 22 How many have I given you so far, three or  
 23 four?  
 24 Q. So I've got Rick Tedrick. I've got Lisa  
 25 George, I believe you said.

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1 A. Yeah.  
 2 Q. Miss -- Miss Hayes or Tony Hayes?  
 3 A. Tony, yeah. He's Mr. Hayes.  
 4 Q. Mr. Hayes -- sorry, go ahead.  
 5 A. Yeah. And for one period, Mike Marcellin,  
 6 M-A-R-C-E-L-L-I-N. And I think that's it.  
 7 Q. Did Michael Erstling ever directly report to  
 8 you, to your knowledge?  
 9 A. No, but he -- he was in the -- he's in the  
 10 chain. He reported to me through Rick Tedrick.  
 11 Q. What about Sonya Rowling?  
 12 A. That's the ones I was trying to think the names  
 13 of. Same thing there, she -- she reported to me through  
 14 Rick Tedrick.  
 15 Q. What about Lisa Supernaugh?  
 16 A. Oh, I'm sorry, she was my assistant. Yes.  
 17 Q. What about Portia Padilla? Did I say that  
 18 right?  
 19 A. Padilla, yeah. She reported to Sonya Rowling.  
 20 She was in the chain. She was the accounts payable  
 21 supervisor.  
 22 Q. So in terms of the direct reports that you  
 23 recall, Mr. Tedrick was one, Lisa George was another,  
 24 Tony Hayes and Mike Marcellin. Do I have that correct?  
 25 A. That's correct.

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1 Q. And then I believe you said there was a few  
2 individuals that reported to you indirectly because they  
3 reported to Mr. Tedrick; is that correct?  
4 A. Correct. Correct.  
5 Q. Do you recall how many people reported directly  
6 to Mr. Tedrick?  
7 A. I think the ones we listed. I'm trying to  
8 think beyond that. I think the ones we've listed  
9 covered his direct reports.  
10 Q. So that would include Mr. -- Mr. Erstling  
11 reported to Mr. Tedrick; is that correct?  
12 A. That's correct.  
13 Q. And then I believe you also said Ms. Sonya  
14 Rowling reported to Mr. Tedrick during that time period?  
15 A. Yes.  
16 Q. And Ms. Supernaugh you said was your assistant,  
17 correct?  
18 A. Correct. As I was phasing out, she picked up  
19 some other assistant responsibilities.  
20 Q. In terms of indirect reporting, how many people  
21 would you say that you approximately oversaw from 2015  
22 to 2018 as treasurer and CFO?  
23 A. I would guess 30 plus.  
24 Q. Do you recall what Mr. Tedrick's title was with  
25 the NRA during that 2015 to 2018 time period?

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1 A. I don't recall.  
2 Q. How long did you work with Mr. Tedrick at the  
3 NRA?  
4 A. I'm -- I'm guessing close to 20 years, 15 to 20  
5 years.  
6 Q. Do you recall if Mr. Tedrick was working at the  
7 NRA when you started in 1992?  
8 A. He was not.  
9 Q. He was not.  
10 Do you recall it being sometime in the  
11 '90s that he began working at the NRA?  
12 A. I do.  
13 Q. During the time that Mr. Tedrick began working  
14 at the NRA, approximately in the late '90s until the  
15 fall of 2018, did he report directly to you?  
16 A. Yes.  
17 Q. What were Mr. Tedrick's job responsibilities  
18 accident during the 2015 to 2018 time period?  
19 A. He oversaw kind of the accounting and reporting  
20 functions.  
21 Q. Was that generally Mr. Tedrick's role and  
22 responsibility even prior to 2015?  
23 A. Yes.  
24 Q. Was that Mr. Tedrick's -- generally his  
25 responsibilities as far back as you can remember?

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1 A. Yes.  
2 Q. How often during that approximately 2015 to  
3 2018 time period would you interact with Mr. Tedrick?  
4 MR. FURIA: Objection to form.  
5 You can answer.  
6 A. It was often.  
7 Q. (BY MR. MASON) And do you recall, would you  
8 talk to them daily, every other day, approximately?  
9 A. Yeah, at least weekly. Our offices were next  
10 to each other's.  
11 Q. Fair enough.  
12 Was Mr. Tedrick involved at all in the  
13 NRA's relationship with Ackerman McQueen?  
14 A. Yes.  
15 MR. FURIA: Objection to form.  
16 Q. (BY MR. MASON) How was Mr. Tedrick involved in  
17 the NRA's relationship with Ackerman McQueen?  
18 A. He was involved in the budgeting process as it  
19 related to Ackerman McQueen, and he was involved in  
20 doing some audits at accounts at Ackerman McQueen where  
21 they kept the records.  
22 Q. Anything else that comes to mind?  
23 A. Can you ask the first part of the question  
24 again? I'm sorry.  
25 Q. Sure. Sure. I was just trying to understand,

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1 you testified that you knew that Mr. Tedrick was  
2 involved in the relationship with Ackerman McQueen. And  
3 so my question was, to your knowledge, what kind of  
4 responsibilities and jobs did Mr. Tedrick have as it  
5 related to the NRA's relationship with Ackerman?  
6 MR. FURIA: Objection to form.  
7 A. The things -- things I mentioned and he may --  
8 may have been involved in -- in the billing process,  
9 payment of the Ackerman McQueen bills.  
10 Q. (BY MR. MASON) So when you say that  
11 Mr. Tedrick was involved in the budgeting process, what  
12 do you mean by that?  
13 A. NRA had -- had a schedule that began in August  
14 in one year -- any year to develop the budget for the  
15 following year. And it would start with each -- each  
16 division having to submit their budget estimates for the  
17 next year and the Ackerman McQueen part was part of  
18 that. And there was a lot of back and forth during the  
19 fall to get to a point where we presented the budget to  
20 the finance committee and ultimately to the board. And  
21 the Ackerman McQueen piece of that was important and  
22 Rick Tedrick spent a bunch of time during that process  
23 with that.  
24 Q. Was the time that Mr. Tedrick spent with  
25 respect to the NRA and Ackerman McQueen budget, was that



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1 on -- was that internal dealings within the NRA? Or do  
 2 you recall Mr. Tedrick being involved in the direct  
 3 budgeting process between the NRA and Ackerman?  
 4 A. It was mostly internal. He may have had  
 5 conversations I didn't know about.  
 6 Q. Did you enjoy working with Mr. Tedrick during  
 7 your time at the NRA?  
 8 A. I did.  
 9 Q. Do you believe that he did good work for the  
 10 NRA?  
 11 A. He did do good work.  
 12 Q. Do you believe that Mr. Tedrick was  
 13 trustworthy?  
 14 A. Yes.  
 15 MR. FURIA: Objection to form.  
 16 You can answer.  
 17 Q. (BY MR. MASON) How long have you known Michael  
 18 Erstling?  
 19 A. Ten-plus years. I don't think exactly. I met  
 20 him when he was hired.  
 21 Q. So would that have been sometime, to your  
 22 recollection, in the late 2000s, approximately? Or  
 23 around 2010?  
 24 A. Maybe a little before that, but I don't know  
 25 the answer to that.

Page 22

1 Q. During the 2015 to 2018 time period, do you  
 2 recall what Mr. Erstling's job responsibilities were at  
 3 the NRA?  
 4 A. I think his title was budget coordinator.  
 5 Q. Do you know if Mr. Erstling had any involvement  
 6 in the NRA's relationship with Ackerman McQueen?  
 7 A. I'm not aware of any direct involvement. He  
 8 would have given input during the budgeting process.  
 9 Q. And when you say "the budgeting process," are  
 10 you talking again about the internal NRA budgeting  
 11 process?  
 12 A. That's correct.  
 13 Q. Did you enjoy working with Mr. Erstling?  
 14 A. I did.  
 15 Q. How long, approximately, have you known Lisa  
 16 Supernaugh?  
 17 A. I met her when she first came to work in my  
 18 office, but that was maybe 20 years ago.  
 19 Q. Did -- was Mr. Supernaugh -- Ms. Supernaugh,  
 20 excuse me. Let me start over.  
 21 Was Ms. Supernaugh at the NRA, to your  
 22 recollection, when you started in 1992?  
 23 A. No.  
 24 Q. Once Ms. Supernaugh was hired, did you work  
 25 with her in some form or fashion until you retired from

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1 the NRA in the fall of 2018?  
 2 A. I did.  
 3 Q. Did Ms. Supernaugh, at any point in time, have  
 4 any involvement in the NRA's relationship with Ackerman  
 5 McQueen?  
 6 A. She would have by virtue of being in my office,  
 7 but I can't specifically think of a -- a role. But she  
 8 would have communicated with them from time to time.  
 9 Q. Ms. Supernaugh, I believe you testified, was  
 10 your assistant between approximately -- from 2015 until  
 11 the fall of 2018 when you retired?  
 12 A. Yes.  
 13 Q. Who hired -- who at the NRA hired you back in  
 14 1992?  
 15 A. I had had several meetings with Wayne LaPierre  
 16 and the guy that, at the time, was the head lobbyist,  
 17 head of the Institute for Legislative Action, and the  
 18 chief of staff and then a committee of the board, and  
 19 then the board ultimately hired me.  
 20 Q. Did you know Mr. LaPierre prior to your time at  
 21 the NRA beginning in 1992?  
 22 A. I did not.  
 23 Q. When you were hired in 1992, was Mr. LaPierre  
 24 the executive vice president of the NRA?  
 25 A. Yes.

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1 Q. Once you were hired and began in 1992 as  
 2 treasurer -- well, let me ask this: At some point in  
 3 time, Mr. Phillips, isn't it true that you began working  
 4 or becoming involved with the NRA's relationship with  
 5 Ackerman McQueen?  
 6 A. Yes.  
 7 Q. Did that -- did that start shortly after you  
 8 became treasurer in 1992?  
 9 A. Within a few years. I'm not sure it was  
 10 immediate, although I would have been -- within at least  
 11 the first few years, I started having relationships with  
 12 them on the business side.  
 13 Q. So is it fair to say that for approximately 20  
 14 years, you were involved with the NRA's relationship  
 15 with Ackerman McQueen?  
 16 A. Yes.  
 17 Q. Besides Mr. LaPierre, is there anyone else at  
 18 the NRA that you believe was more directly involved in  
 19 the NRA's relationship with Ackerman McQueen?  
 20 MR. FURIA: Objection to form.  
 21 A. Ask that -- ask that again. I --  
 22 Q. (BY MR. MASON) Sure. Let me -- yeah.  
 23 A. Try a different way.  
 24 Q. Sure. Let me -- let me see if I can ask it  
 25 again.

WILSON H. PHILLIPS, JR. VOLUME 1  
NATIONAL RIFLE ASSOC. vs ACKERMAN MCQUEEN

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1 Is it fair to say -- well, let me ask this  
 2 question first: During those 20 years that you worked  
 3 with Ackerman McQueen, would you agree that Wayne  
 4 LaPierre was the main point of contact on the NRA's side  
 5 between the NRA and Ackerman McQueen?  
 6 A. Yes.  
 7 Q. Would it be fair to say that you were the  
 8 second in command below Mr. LaPierre in terms of the  
 9 relationship?  
 10 MR. FURIA: Objection to form.  
 11 A. I think it would depend on the -- the nature of  
 12 the relationship or what the issue was. I had no role  
 13 in -- in, you know, setting messaging and that sort of  
 14 thing.  
 15 Q. (BY MR. MASON) When you began working -- when  
 16 you began working with Ackerman McQueen -- or let me ask  
 17 it this way: When you began at the NRA in 1992, did you  
 18 understand that the NRA and Ackerman McQueen already had  
 19 a relationship?  
 20 A. Yes.  
 21 Q. Did you have an understanding as to how far  
 22 back that relationship went?  
 23 A. No.  
 24 Q. During your -- the approximately 20 years that  
 25 you worked with Ackerman McQueen, can you describe for

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1 the jury how -- how -- what kind of interactions you had  
 2 with them, how you worked with them?  
 3 MR. FURIA: Objection to form.  
 4 Q. (BY MR. MASON) Let me ask that question again.  
 5 Did you work closely with -- with Ackerman  
 6 McQueen for approximately 20 years?  
 7 A. Yes.  
 8 Q. How did you work closely with them?  
 9 A. Mostly -- mostly on the -- the budgeting  
 10 issues. I did -- I attended most meetings with Ackerman  
 11 McQueen where new -- new ways of messaging or new issues  
 12 would be raised, but I was -- my role was more how  
 13 the -- what the financial impact would be as opposed to  
 14 is this a good message.  
 15 Q. Approximately how many meetings would you  
 16 say -- in person -- let me ask this again.  
 17 In the approximately 20 years that you  
 18 worked with Ackerman, approximately how many in-person  
 19 meetings would you say you attended with them?  
 20 A. Per year? Or are you talking about this whole  
 21 period of time?  
 22 Q. How about this whole period of time?  
 23 A. Wow. 60, maybe 70. Several a year.  
 24 Q. During those 60 to 70 meetings, is it fair to  
 25 say that the majority of those meetings included, from

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1 the NRA side, yourself and Mr. LaPierre?  
 2 MR. FURIA: Objection to form.  
 3 A. Yes.  
 4 Q. (BY MR. MASON) From approximately 2015 until  
 5 the summer of 2018, how often would you communicate with  
 6 someone from Ackerman McQueen?  
 7 A. It was more often during that period, but maybe  
 8 several times a month. During that period I lived in  
 9 Dallas too, so it was easier to -- to have a meeting as  
 10 opposed to a phone call.  
 11 Q. Did you ever -- were there ever times that you  
 12 went to visit Ackerman to review the -- the work that  
 13 they were doing, the -- the concepts, the art, basically  
 14 the core work product that they were putting together?  
 15 A. They -- most times, they -- if they had  
 16 something new, they would show it to me, not for  
 17 approval, but just show me what -- what's going on.  
 18 Q. Was that to -- was it your understanding that  
 19 that was to keep you informed as to what they were  
 20 working on?  
 21 A. Yes.  
 22 Q. How long do you recall -- well, let me ask it  
 23 this way: Is that something that Ackerman did during  
 24 the course of those 20 years that you were involved in  
 25 the relationship?

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1 MR. FURIA: Objection to form.  
 2 A. It probably was more frequent in the last five  
 3 years.  
 4 Q. (BY MR. MASON) When you had these  
 5 opportunities and you would meet with Ackerman and be  
 6 able to see the work product, if you will, that they  
 7 were doing, did you have opportunities to then go  
 8 communicate that to Mr. LaPierre?  
 9 MR. FURIA: Objection to form.  
 10 A. I did. I take -- I take it these are things  
 11 that he would have known about before they showed them  
 12 to me.  
 13 Q. (BY MR. MASON) During that 2015 to summer of  
 14 2018 time period, how often would you communicate,  
 15 approximately, with Mr. LaPierre about Ackerman McQueen  
 16 and the work that they were doing?  
 17 MR. FURIA: Objection to form.  
 18 A. I don't think very often about Ackerman  
 19 McQueen. There would be board discussion at -- during  
 20 the budget process, say from August through October.  
 21 Those would be -- (inaudible).  
 22 THE REPORTER: I'm sorry, sir. I'm sorry,  
 23 sir, could you speak up for me. August to October what?  
 24 THE WITNESS: August to October, during  
 25 the budget process, it would be more often that I would





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1 have a conversation about Ackerman McQueen with Wayne  
2 LaPierre.  
3 Q. (BY MR. MASON) From approximately 2010 until  
4 your retirement in 2018, besides Mr. LaPierre, are you  
5 aware of anyone else that would communicate more  
6 regularly than yourself with Ackerman?  
7 A. I'm sorry, ask that --  
8 Q. Let me -- let me -- let me ask -- let me ask  
9 that again.  
10 From -- besides Mr. LaPierre, from 2010  
11 until approximately 2018, when you -- when you retired,  
12 was there anyone else, to your knowledge, that was more  
13 involved in the Ackerman McQueen relationship than  
14 yourself?  
15 MR. FURIA: Objection to form.  
16 A. I don't think so, unless it was Chris Cox. And  
17 I don't know what Chris -- Chris had his own direct  
18 relationship there.  
19 Q. (BY MR. MASON) During your time at the NRA,  
20 did you believe that Ackerman was open and transparent?  
21 A. Yes.  
22 MR. FURIA: Objection to form.  
23 Q. (BY MR. MASON) During those 20 years that you  
24 were involved with the NRA's relationship with Ackerman  
25 McQueen, were you able to observe Mr. LaPierre's

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1 involvement with Ackerman McQueen?  
2 A. Yes.  
3 Q. How would you describe Mr. LaPierre's  
4 involvement with Ackerman McQueen?  
5 MR. FURIA: Objection to form.  
6 A. I'd say -- I'd say his -- his relationship,  
7 particularly with Angus McQueen, was instrumental in --  
8 in developing our messaging and our kind of getting into  
9 the 21st Century.  
10 Q. (BY MR. MASON) Did you have an understanding  
11 as to how often Mr. LaPierre communicated with Angus?  
12 MR. FURIA: Objection to form.  
13 A. His direct communication when I wasn't there?  
14 I really don't know.  
15 Q. (BY MR. MASON) Would you agree that  
16 Mr. LaPierre was intimately involved in the work that  
17 Ackerman was doing for the NRA?  
18 A. I would --  
19 MR. FURIA: Objection to form.  
20 THE WITNESS: Who's doing the objecting?  
21 Can I give you more time?  
22 MR. FURIA: Yes. That would be fantastic.  
23 THE WITNESS: Okay. I'm sorry I keep  
24 cutting you off.  
25 MR. FURIA: It's not for me to instruct

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1 you in that, but if you want --  
2 THE WITNESS: I will.  
3 MR. FURIA: -- by all means.  
4 THE REPORTER: Would you repeat your  
5 answer then, sir?  
6 THE WITNESS: Somebody's got to repeat the  
7 question.  
8 Q. (BY MR. MASON) Would you agree that  
9 Mr. LaPierre was intimately involved in the work that  
10 Ackerman was doing for the NRA?  
11 MR. FURIA: Objection to form.  
12 A. I said I would agree.  
13 THE REPORTER: Thank you.  
14 Q. (BY MR. MASON) So if my math is correct, if  
15 you started in 1992, and I guess we established that you  
16 left in -- you retired in 2018, so is it fair to say  
17 that you -- you worked with Mr. LaPierre for  
18 approximately 26 years during your time at the NRA?  
19 A. Did you hear the "yes"?  
20 Q. I did not.  
21 A. Okay. I said "yes."  
22 Q. Do you recall ever seeing during that -- those  
23 26 years Mr. LaPierre sitting down and writing an  
24 e-mail?  
25 A. Writing it -- writing it himself?

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1 Q. Correct.  
2 A. No.  
3 Q. Did you have any knowledge as to whether  
4 Mr. LaPierre was careful not to put things in writing?  
5 MR. FURIA: Objection to form.  
6 A. I don't know about that. I know things came  
7 out from his office, memos to individuals or to whole  
8 staff.  
9 Q. (BY MR. MASON) Do you recall Mr. LaPierre ever  
10 providing Ackerman McQueen with any written  
11 instructions?  
12 A. No.  
13 Q. Do you recall Mr. LaPierre ever providing  
14 Ackerman McQueen with any written authorization to  
15 conduct work for the NRA?  
16 A. Well, there was the overall relationship  
17 agreement and I don't know who signed that.  
18 Q. Sure. And fair enough. Setting -- setting  
19 aside the -- the Services Agreement between the parties  
20 or any contract governing the parties' relationship, do  
21 you recall Mr. LaPierre ever providing Ackerman McQueen  
22 with any written authorization to conduct work for the  
23 NRA?  
24 A. No.  
25 Q. Did you ever have any discussions with

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1 Mr. LaPierre why -- as to why he did not communicate  
2 with Ackerman in writing?  
3 A. No.  
4 Q. Do you recall having any discussions with  
5 Mr. LaPierre -- LaPierre about confidentiality or  
6 security concerns?  
7 MR. FURIA: Objection to the extent that  
8 any conversation you had included counsel, the NRA, we  
9 would instruct you that the NRA will assert its rights  
10 under the attorney/client privilege and ask that you not  
11 answer that question.  
12 A. I'm sorry, Mr. Mason, can you repeat the  
13 question so I can --  
14 Q. (BY MR. MASON) Sure.  
15 Do you recall having any discussions with  
16 Mr. LaPierre about confidentiality or security?  
17 A. Yes.  
18 MR. FURIA: And I'll just raise the same  
19 objection and instruction concerning about whether the  
20 conversation involved counsel.  
21 A. I do -- I do recall.  
22 Q. (BY MR. MASON) Do you recall having any of  
23 those conversations with Mr. LaPierre prior to the  
24 spring of 2018?  
25 A. Yes.

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1 Q. What -- what do you recall Mr. LaPierre --  
2 well, let me -- let me ask it this way: What do you  
3 recall about your conversations prior to the spring of  
4 2018 with Mr. LaPierre about confidentiality and  
5 security?  
6 MR. FURIA: I'm going to object again and  
7 just -- Mr. Mason, perhaps you can just discern whether  
8 any of these communications involved counsel and then I  
9 can just stand down, rest easy.  
10 MR. MASON: Yeah.  
11 Q. (BY MR. MASON) Mr. -- Mr. Phillips, to the  
12 extent that you had a conversation with Mr. LaPierre  
13 where counsel was involved, I'm not asking you to  
14 disclose the substance of those communications. But to  
15 the extent that you had prior conversations with  
16 Mr. LaPierre about confidentiality and security without  
17 counsel being involved, then I'd like to explore what  
18 you recall about those conversations. So let me -- let  
19 me ask the question again with that understanding.  
20 What do you recall about your  
21 conversations with Mr. LaPierre prior to the spring of  
22 2018 regarding confidentiality and security?  
23 A. I don't recall a specific conversation with  
24 them. It was kind of a general feeling of concern about  
25 leaks, even from my -- my department and my accountants,

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1 of -- of information, that -- mainly leaks to the press.  
2 Q. Was it your understanding that Mr. LaPierre had  
3 concerns about confidentiality and security?  
4 A. Yes.  
5 Q. How far back do you believe those -- well, let  
6 me ask it this way: Do you -- when do you first recall  
7 learning about Mr. LaPierre's concerns about  
8 confidentiality and security?  
9 A. I don't recall that.  
10 Q. Do you recall whether it was sometime in the --  
11 in the 1990s? In the 2000s?  
12 A. I'd say I became aware sometime in the 1990s,  
13 because I shared -- shared the feeling.  
14 Q. And to your knowledge, did Mr. LaPierre's  
15 concerns relating to confidentiality and security  
16 continue up until you left or retired from the NRA in  
17 2018?  
18 A. To my -- to my knowledge, yes.  
19 Q. Do you recall ever being in meetings with  
20 Mr. LaPierre and Ackerman McQueen where Mr. LaPierre's  
21 confidentiality and security concerns were discussed?  
22 A. Not specifically.  
23 Q. Do you generally recall Mr. LaPierre having  
24 discussions with anyone from Ackerman about his  
25 confidentiality and security concerns?

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1 A. Yes.  
2 Q. When did you find out that Angus McQueen had  
3 cancer?  
4 A. Fall of 2018. It was shortly before he passed  
5 away.  
6 Q. You recall finding out about that he -- that he  
7 had cancer in the fall of 2018?  
8 A. Yes.  
9 Q. How did you find that out?  
10 A. I don't recall.  
11 Q. Do you recall if someone from Ackerman told you  
12 that?  
13 A. I don't.  
14 Q. Do you recall having any conversations with  
15 Mr. LaPierre regarding Angus McQueen's cancer in the  
16 fall of 2018?  
17 A. I don't recall.  
18 Q. Do you recall having any conversations with  
19 anyone at the NRA regarding Angus McQueen's cancer in  
20 the fall of 2018?  
21 A. I don't think so.  
22 Q. From your perspective, from approximately 2010  
23 to the time you retired in 2018, was there someone or  
24 multiple individuals at Ackerman McQueen that you viewed  
25 as kind of your main point of contact?

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1 A. Yes.

2 Q. Who was that individual or individuals?

3 A. Melanie Montgomery.

4 Q. Anyone else besides Ms. Montgomery, that --

5 that -- to be clear, that you viewed as kind of your

6 main point of contact at Ackerman?

7 A. No. Just Melanie.

8 Q. Was it your understanding that Mr. LaPierre's

9 main point of contact was Angus McQueen?

10 A. Yes.

11 Q. Do you recall there being instances where you

12 would be contacted by Mr. LaPierre regarding some sort

13 of initiative or project that was discussed between

14 Mr. LaPierre and Angus, and Mr. LaPierre explaining to

15 you to essentially go communicate with Ms. Montgomery to

16 work out the details?

17 MR. FURIA: Objection to form.

18 A. It's possible.

19 Q. (BY MR. MASON) How long have you known

20 Ms. Montgomery?

21 A. I met her shortly after I started working at

22 NRA, so probably 1993, 1994.

23 Q. Do you believe that she is an honest and

24 truthful person, based upon your dealings with her?

25 MR. FURIA: Objection to form.

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1 A. I -- I do.

2 Q. (BY MR. MASON) At any point in time during the

3 20-plus years you worked with Ackerman, did

4 Ms. Montgomery do or say anything that made you question

5 her integrity?

6 A. No.

7 Q. So I'll represent to you, Mr. Phillips, that in

8 1999, there was a Services Agreement that was entered

9 into between the NRA and Ackerman McQueen.

10 Were you aware of that?

11 A. I was aware there was a Services Agreement.

12 Q. Did you have any role in the drafting or

13 negotiating of the 1999 Services Agreement?

14 A. I would have reviewed it and possibly had

15 input, but I don't know where it was drafted.

16 Q. Do you know who at the NRA was responsible for

17 negotiating the 1999 Services Agreement with Ackerman

18 McQueen?

19 A. I don't.

20 Q. Do you know who at the NRA was involved in the

21 drafting of the 1999 Services Agreement with Ackerman

22 McQueen?

23 A. I do not.

24 Q. You're aware that in April of 2017, the NRA and

25 Ackerman entered into another service Services

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1 Agreement, correct?

2 A. I am aware of that.

3 Q. What was your role with respect to that 2017

4 Services Agreement?

5 A. I -- I don't -- I don't recall. If I was

6 involved, it was minimal.

7 Q. I'm sorry, I -- you said, I -- I don't recall

8 if I was involved -- oh, it was minimal?

9 A. Yes.

10 Q. Were you involved with any of the negotiations

11 involving the 2017 Services Agreement?

12 A. I don't recall.

13 Q. Do you recall reviewing the 2017 Services

14 Agreement before it was executed by the NRA and

15 Ackerman?

16 A. I don't recall reviewing it.

17 Q. Were you aware of the NRA conducting any kind

18 of audit or examination of Ackerman McQueen's books and

19 records at or around the time that the parties entered

20 into the 2017 Services Agreement?

21 MR. FURIA: Objection to form.

22 A. No.

23 Q. (BY MR. MASON) Were you aware of Steve -- let

24 me ask it this way: Were you aware in 2017 at any point

25 in time of Steve Hart visiting Ackerman McQueen's

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1 headquarters and examining their books and records?

2 A. No.

3 Q. Do you know who at the NRA was involved in the

4 negotiation or drafting of the 2017 Services Agreement?

5 A. No.

6 Q. What was your understanding as to why the

7 parties were entering into the 2017 Services Agreement?

8 A. I think at the time, I really wasn't aware, but

9 it -- we were -- we were looking at a lot of operational

10 things at the time at NRA, and that was probably just a

11 piece of that. We were -- we were looking at procedures

12 and -- and I assume it was part of that. We were

13 looking at contracts, etc.

14 Q. Do you know if -- well, let me ask this:

15 Did -- did the services that Ackerman provided to the

16 NRA expand from 1999 to 2017?

17 A. Yes.

18 Q. Do you recall in which way -- in what ways it

19 expanded?

20 A. Mostly technology online, you know, reaching

21 our members with -- you know, basically online

22 messaging.

23 Q. Do you recall in 2017 there being -- or being

24 involved in discussions with Ackerman relating to

25 contracts that Ackerman was entering into on behalf of

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1 the NRA?  
 2 A. Yes.  
 3 Q. What was your understanding as to those --  
 4 well, let me ask it this way: Did you have a particular  
 5 terminology or description for -- for those kinds of  
 6 contracts that Ackerman would -- would enter into with a  
 7 third party on -- for the benefit of the NRA?  
 8 MR. FURIA: Objection to form.  
 9 A. Are you talking about contracts with  
 10 spokespeople?  
 11 Q. (BY MR. MASON) Well, that -- that would be --  
 12 yeah, that would be one example. Dana Loesch, for --  
 13 for example, did you -- did you refer to the Dana --  
 14 you're aware that Dana Loesch had a contract with  
 15 Ackerman McQueen, right?  
 16 A. That's correct.  
 17 Q. And you're aware that the NRA essentially paid  
 18 Ackerman McQueen to then pay Dana Loesch under that  
 19 contract, correct?  
 20 A. Yes.  
 21 MR. FURIA: Objection to form.  
 22 THE WITNESS: Sorry.  
 23 Q. (BY MR. MASON) Did you -- did you refer to --  
 24 during your -- during your time at the NRA, did you  
 25 refer to a contract such as Ms. Loesch's contract as a

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1 third-party contract? Or an NRA contract? Or anything  
 2 like that?  
 3 A. I would have called it a third-party contract  
 4 or maybe a spokesperson contract.  
 5 Q. So let me make sure that I understand. If  
 6 Ackerman McQueen entered into a contract with a third  
 7 party that the NRA was then paying Ackerman to provide  
 8 compensation under that contract, was it your  
 9 understanding that that was, in your mind, a third-party  
 10 contract?  
 11 MR. FURIA: Objection to form.  
 12 A. Yes.  
 13 Q. (BY MR. MASON) Do you recall being in -- do  
 14 you recall discussing these third-party contracts with  
 15 Ackerman McQueen in 2016, '17, and '18?  
 16 A. Yes.  
 17 Q. Do you recall in 2016, '17, and '18, there  
 18 being more third-party contracts?  
 19 MR. FURIA: Objection to form.  
 20 A. Yes.  
 21 Q. (BY MR. MASON) Once the party -- let me ask  
 22 you this: After the parties executed the 2017 Services  
 23 Agreement, do you recall whether you were ever provided  
 24 a copy of that contract?  
 25 A. I don't recall.

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1 Q. 2017, do you recall -- in 2017 -- let me ask it  
 2 this way: After April of 2017 through the remainder of  
 3 2017, do you recall ever reviewing the 2017 Services  
 4 Agreement?  
 5 A. I don't.  
 6 Q. Do you recall reviewing the 2017 Services  
 7 Agreement at any point in time in 2018?  
 8 A. No.  
 9 Q. After the NRA and Ackerman McQueen enter into  
 10 the 1999 Services Agreement, do you recall whether you  
 11 were provided a copy of that contract?  
 12 A. Yes, I was.  
 13 Q. From 1999 when that contract was entered into  
 14 until 2018 -- 2017, do you recall ever referring back to  
 15 the 1999 Services Agreement?  
 16 MR. FURIA: Objection to form.  
 17 A. Maybe once or twice.  
 18 Q. (BY MR. MASON) Do you recall why during  
 19 that -- those times?  
 20 A. I don't.  
 21 Q. Let's do this, Mr. Phillips. You hopefully  
 22 have a screen next to you with -- it's called AgileLaw.  
 23 MR. MASON: Can we put in Exhibit 1,  
 24 please.  
 25 MS. DAVIS: Sorry to interrupt. This is

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1 Emily at Dorsey. Who's logged in as the witness?  
 2 MR. MASON: I'm not sure. Are we not  
 3 able -- are you not able to drop it in?  
 4 MS. DAVIS: I don't see anyone admitted as  
 5 witness yet, so I can't show it. I have Daniel Sloan,  
 6 Phil Furia and Mr. Moshak.  
 7 MR. MASON: All right. Let's -- let's go  
 8 off the record then, if we can, real quick and get  
 9 you -- get you set up on Agile, Mr. Phillips.  
 10 THE VIDEOGRAPHER: We are off the record  
 11 at 10:17.  
 12 (Break was taken.)  
 13 THE VIDEOGRAPHER: We are on the record at  
 14 10:26, start Media 2.  
 15 Q. (BY MR. MASON) Okay. Mr. Phillips, before the  
 16 break, we were trying to have Exhibit 1 pulled up. Do  
 17 you have Exhibit 1 pulled up now on your screen?  
 18 (Exhibit No. 1 was marked.)  
 19 A. I do.  
 20 Q. (BY MR. MASON) And Exhibit 1, for the record,  
 21 is AM0000162. Do you recognize Exhibit 1?  
 22 A. I do.  
 23 Q. This is the Services Agreement between the NRA  
 24 and Ackerman McQueen from April of 2017, correct?  
 25 A. Correct.



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1 Q. And you've seen this document before, correct?

2 A. Yes.

3 Q. If you will, on the first page, do you see that

4 the -- the first Roman numeral that says "Services,"

5 then it has Subsection A?

6 A. I do.

7 Q. And it says, Public relations, crisis

8 management, strategic marketing services. Do you see

9 that?

10 A. Yes.

11 Q. Did the -- did Ackerman McQueen provide, to

12 your knowledge, public relations, crisis management and

13 strategic marketing services to the NRA pursuant to this

14 Exhibit 1?

15 A. I'm reading all of this. Yes.

16 Q. Okay. If we can go to Page 2, please, under

17 Subsection B, Advertising and Creative Services. If

18 you'll let me know when you're there?

19 A. I'm there.

20 Q. That first paragraph, do you see where it

21 states, The services described below, with the exception

22 of media planning and placement, which is addressed

23 separately, is a subcategory of this section, will be

24 provided to NRA on a project job basis based on the fair

25 market value of the work as determined by NRA and AMc.

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1 Do you see that?

2 A. I see that.

3 Q. During your 20-year dealings with Ackerman

4 McQueen, were you involved in working with Ackerman to

5 determine the fair market value for certain advertising

6 and creative services that Ackerman provided for the

7 NRA?

8 A. I'm sorry, can you ask the -- the part about

9 fair market value again, please?

10 Q. Sure.

11 During -- during your 20-year dealings

12 with Ackerman McQueen, were you involved in working with

13 Ackerman to determine the -- the fair market value for

14 certain advertising and creative services that Ackerman

15 provided for the NRA?

16 A. The agreement says, As determined by the NRA

17 and Ackerman McQueen. So most of what was contemplated

18 under these services, there may not be a separate fair

19 market to -- to look at. But yes, we -- you know, we

20 determined -- we agreed upon this as fair value for this

21 work.

22 Q. So when you say there may not be a separate

23 fair market to look at, what exactly do you mean by

24 that?

25 A. For example, let's say it's advertising -- or

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1 let's pick one of these here. Let's take the first one,

2 speech writing services, you might have been able to get

3 a less expensive speech written, but it wasn't going to

4 reach the -- the market that this speech was going to

5 be. Or it may not be the -- the -- the speeches I'm

6 thinking about are kind of the speeches that might set

7 the tone for the next six months in terms of messaging.

8 And so that may have more -- more value,

9 but it would be hard to find another place to measure --

10 (inaudible).

11 THE REPORTER: I'm sorry --

12 A. Fair market value is often just an agreed

13 upon --

14 THE REPORTER: Excuse me, sir, you're

15 going to have to speak up. So that may have more

16 value --

17 A. May have more of a value based on its -- its

18 use and I think -- I think you get the point.

19 Q. (BY MR. MASON) And -- and I believe you were

20 about to say it was your -- you understood fair market

21 value to be what a willing buyer and willing seller

22 would agree to? I don't want to put words in your

23 mouth.

24 A. Well, that's --

25 MR. FURIA: Objection to form.

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1 Q. (BY MR. MASON) Well, let me -- let me ask it

2 this way: What -- what is your understanding of fair

3 market value as it pertains to the relationship between

4 the NRA and Ackerman McQueen?

5 A. I think fair market value would be what NRA and

6 Ackerman McQueen agreed upon for the project.

7 Q. You believe that the relationship between --

8 well, let me ask it this way: Do you believe that the

9 work that Ackerman McQueen did for the NRA was unique?

10 MR. FURIA: Objection to form.

11 A. Yes.

12 Q. (BY MR. MASON) Why do you believe that?

13 A. Yes.

14 Well, it takes years of -- years of

15 experience to understand the audience that the NRA is

16 reaching and understand the implications of the

17 messaging.

18 Q. During -- during your -- during your time at

19 the -- at the NRA and your involvement with Ackerman

20 McQueen, would you be involved with negotiating certain

21 services or initiatives for Ackerman to provide to the

22 NRA?

23 A. Yes.

24 Q. Do you ever recall an instance where you were

25 negotiating a price for certain services or initiatives



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1 for Ackerman to provide to the NRA where you asked  
 2 Ackerman to provide you with certain information that  
 3 they did not provide?  
 4 MR. FURIA: Objection to form.  
 5 A. No.  
 6 Q. (BY MR. MASON) Do you ever recall being  
 7 involved -- well, let me -- let me ask it this way:  
 8 Were you ever involved -- strike that.  
 9 Did Mr. LaPierre ever discuss pricing with  
 10 Ackerman McQueen directly in your presence?  
 11 MR. FURIA: Objection to form.  
 12 A. I don't recall a time.  
 13 Q. (BY MR. MASON) Do you ever recall an instance  
 14 where Mr. LaPierre asked for information from Ackerman  
 15 McQueen relating to any sort of project or initiative  
 16 that Ackerman McQueen was going to do for the NRA where  
 17 that information was not provided by Ackerman?  
 18 A. There was a lot of negatives in there, but I  
 19 don't recall a time where we weren't furnished what we  
 20 asked for.  
 21 Q. Would you agree that if the NRA did not believe  
 22 that a price quoted by Ackerman was based upon fair  
 23 market value, then the -- that the NRA had the right to  
 24 reject that price?  
 25 MR. FURIA: Objection to form.

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1 A. Repeat that, please, Brian.  
 2 Q. (BY MR. MASON) Sure.  
 3 If Ackerman provided a -- a price or quote  
 4 for some sort of project or initiative and the NRA  
 5 thought that that number was too high or it was not  
 6 based upon fair market value, would you agree that the  
 7 NRA had the right to reject that price quote?  
 8 MR. FURIA: Objection to form.  
 9 A. Yes.  
 10 Q. (BY MR. MASON) Do you recall instances where  
 11 Ackerman McQueen would provide you with a price quote or  
 12 a fee estimate on a certain project or initiative that  
 13 you told Ackerman, We can't do -- we can't do it for  
 14 that amount of money?  
 15 MR. FURIA: Objection to form.  
 16 A. I do. It may be we'd have to say, How do we  
 17 offset some of this cost?  
 18 Q. (BY MR. MASON) Was that something -- were  
 19 you -- were you having constant communications with  
 20 Ackerman about -- well, strike that.  
 21 Let's go to the next page and Section C,  
 22 Media Planning and Placement Services. Do you see that?  
 23 A. I see it.  
 24 Q. Do you have an understanding of what that --  
 25 that means?

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1 A. I'm just going to take a second to read it.  
 2 I do.  
 3 Q. What is your understanding of what "Media  
 4 Planning and Placement Services" means?  
 5 A. More -- more traditional advertising,  
 6 magazines, television, other print.  
 7 Q. Would an example of media planning and  
 8 placement services be a situation where the NRA wanted  
 9 to place a television advertisement with Fox News?  
 10 A. Yes.  
 11 Q. Were you involved with discussions with  
 12 Ackerman McQueen about Ackerman placing television  
 13 advertisements on behalf of the NRA?  
 14 A. Yes, at various times.  
 15 Q. Were you involved -- when you had those  
 16 discussions with Ackerman McQueen, did you discuss the  
 17 pricing structure relating to the placement of those  
 18 television advertisements?  
 19 A. Yes.  
 20 Q. Did you believe, based on your discussions with  
 21 Ackerman McQueen, that they were doing the best they  
 22 could to secure the best available rates for television  
 23 advertisements?  
 24 MR. FURIA: Objection to form.  
 25 A. I did.

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1 Q. (BY MR. MASON) Let's take the Fox News  
 2 example. In 2016, did the NRA place various television  
 3 advertisements with Fox News?  
 4 A. I believe so.  
 5 Q. Was that, in part, because 2016 was an election  
 6 year?  
 7 A. It's possible.  
 8 Q. Did the NRA historically spend more money on  
 9 media planning and placement services during election  
 10 years?  
 11 A. Yes.  
 12 Q. What was your understanding of the process that  
 13 Ackerman and the NRA would -- would have with respect to  
 14 placing certain television advertisements with Fox News?  
 15 A. I really don't recall. There was -- there was  
 16 a relationship with Fox News that -- that did relate to  
 17 the election year, but I can't recall what that was.  
 18 Q. Do you recall that certain -- and if you  
 19 referred to the placement of television advertisements  
 20 as "media buys"? Have you heard that term before?  
 21 A. Yes.  
 22 Q. The -- the media buys that the TV has  
 23 historically placed with Fox News can run in the -- you  
 24 know, a million dollars, right? It's a lot of money?  
 25 A. Yes.

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1 Q. Did you -- well, let me ask it -- let me ask it  
 2 this way: Was it your understanding that the NRA would  
 3 pay Ackerman McQueen for that media buy so that then  
 4 Ackerman McQueen could take that money and pay Fox News?  
 5 A. Yes.  
 6 Q. Was it your understanding that these media buys  
 7 that were being purchased by Ackerman McQueen were being  
 8 purchased on the NRA's behalf?  
 9 A. Yes.  
 10 Q. At any point in time that you were involved  
 11 with relating to the -- to any media buy, did you ever  
 12 have a concern that Ackerman McQueen was not taking the  
 13 appropriate steps to secure the best available rate for  
 14 that media buy?  
 15 A. I did not.  
 16 Q. Do you recall specifically -- well, strike  
 17 that.  
 18 Is it fair to say that Ackerman McQueen  
 19 performed a significant number of different kinds of  
 20 services for the NRA over the years?  
 21 A. Yes.  
 22 Q. Do you believe that Ackerman was effective in  
 23 helping the NRA build its brand during your 20 years in  
 24 working with them?  
 25 A. Yes.

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1 Q. Why do you believe that?  
 2 A. There was -- there was a lot of success during  
 3 those 20 years on a lot of fronts financially with the  
 4 organization, and a lot of that was attributed to the  
 5 messaging that happened during that time and kind of the  
 6 technology that was introduced.  
 7 Q. Do you believe that Ackerman McQueen was  
 8 effective in helping Mr. LaPierre build his brand during  
 9 your 20-year relationship with them?  
 10 A. Yes.  
 11 Q. Why do you believe that?  
 12 A. Just observing over the years and the -- the  
 13 speeches that were written -- written for him, yeah,  
 14 the -- the advice and discussions he had with Angus  
 15 McQueen were, you know, often kind of set the message  
 16 that we would go forward with for a while.  
 17 Q. Take a look at Page 5 of the Services  
 18 Agreement, Exhibit 1. Under Subsection E, Other  
 19 Projects.  
 20 A. Yeah, I see it.  
 21 Q. And under Subsection E, Other Projects, it  
 22 states, If AMc undertakes, at NRA's request, additional  
 23 or special assignments not included within the services  
 24 described in this project, the charges made by AMc will  
 25 be agreed upon in advance whenever possible. If no

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1 specific agreement was made, AMc will charge NRA a fair  
 2 market price for the work performed.  
 3 Do you see that?  
 4 A. I see that.  
 5 Q. Did you have an understanding as to what this  
 6 Other Projects provision meant?  
 7 MR. FURIA: Objection to form.  
 8 A. No. The agreement seems pretty comprehensive.  
 9 Q. (BY MR. MASON) Was it your understanding that  
 10 these other projects were projects that Ackerman and the  
 11 NRA would undertake that would be outside of the annual  
 12 budgeting process?  
 13 A. Not necessarily. Depending on the timing the  
 14 other project arose.  
 15 Q. During 2016 and '17, do you recall instances  
 16 throughout those time periods where Ackerman and the NRA  
 17 would agree to do certain projects that were not  
 18 previously agreed upon in the annual budget?  
 19 A. Yes.  
 20 Q. What was your understanding of how those  
 21 projects would be negotiated in --  
 22 MR. FURIA: Objection to form.  
 23 Q. (BY MR. MASON) Let me ask it this way: Did  
 24 you have an understanding as to how Ackerman and the NRA  
 25 would agree upon a price with respect to those projects

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1 that were not previously agreed upon in the annual  
 2 budget?  
 3 MR. FURIA: Objection to form.  
 4 A. It might vary some, but usually it was -- a  
 5 price would be presented and we'd -- we'd look at it and  
 6 try to figure -- figure out where we could reduce  
 7 something else in the budget or -- or basically add  
 8 income. For example, if it was a NRATV show, to find a  
 9 way to get advertising income on it. But we'd -- we'd  
 10 try to look at a way to make the budget still work out.  
 11 And often it didn't, and so we'd look at other places in  
 12 the NRA budget to -- to offset the -- the extra cost.  
 13 Q. (BY MR. MASON) Were you involved with the  
 14 negotiations with Ackerman McQueen with respect to those  
 15 projects that were not originally part of the annual  
 16 budget?  
 17 A. Yes.  
 18 Q. Would you receive directive from Mr. LaPierre  
 19 as to what the additional project was going to be that  
 20 was not part of the annual -- originally agreed-upon  
 21 annual budget?  
 22 A. Most -- most often that would be in a meeting  
 23 with Mr. LaPierre and Ackerman McQueen when the idea was  
 24 presented. I don't know if he'd have prior discussions  
 25 or not, but that would be the way as opposed to

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1 Mr. LaPierre calling me in and saying, I've agreed to  
 2 do this project, here's what it's going to cost.  
 3 Q. Let's take a look at that same page under  
 4 Billing and Payment, Subsection A. Do you see that?  
 5 A. I do.  
 6 Q. And if you go down to the third line, there's a  
 7 sentence that begins, All out-of-town travel. Do you  
 8 see that?  
 9 A. Yes.  
 10 Q. It states, All out-of-town travel expenses  
 11 shall require prior written approval in accordance with  
 12 written procedures established by the NRA executive vice  
 13 president or his designee.  
 14 Do you see that?  
 15 A. I do.  
 16 Q. Do you recall, prior to the summer of 2018, any  
 17 written procedures established by Mr. LaPierre being  
 18 provided to Ackerman McQueen?  
 19 A. No.  
 20 Q. This sentence also says, Or his designee. Do  
 21 you see that?  
 22 A. I do.  
 23 Q. And are you familiar with the "designee" term  
 24 that is used here in Subsection A?  
 25 A. I'm familiar with what -- what "designee"

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1 means.  
 2 Q. Do you know whether in -- let me ask it this  
 3 way: After 2000 -- after the 2017 Services Agreement  
 4 was entered into, do you know whether you were  
 5 Mr. LaPierre's designee under the 2017 Services  
 6 Agreement?  
 7 A. Not officially.  
 8 Q. Do you know if you were unofficially his  
 9 designee?  
 10 A. I don't recall being named designee for this  
 11 purpose.  
 12 Q. Do you recall after April of 2017 until the  
 13 fall of 2018 ever having a discussion with Mr. LaPierre  
 14 about you being his designee under the 2017 Services  
 15 Agreement?  
 16 A. No.  
 17 Q. Are you --  
 18 A. No.  
 19 Q. Prior to -- are you aware whether you were ever  
 20 an authorized designee under the 1999 Services  
 21 Agreement?  
 22 A. I'm sorry, Mr. Mason, can you repeat it?  
 23 Q. Sure.  
 24 Are you aware whether you were ever an  
 25 authorized designee under the 1999 Services Agreement

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1 between the NRA and Ackerman McQueen?  
 2 A. I'm not aware of that.  
 3 Q. Are you aware of any authorized designees under  
 4 the 1999 Services Agreement between 1999 and 2017?  
 5 A. No.  
 6 Q. Under the 2017 Services Agreement, are you  
 7 aware of any authorized designee between April of 2017  
 8 and July of 2018?  
 9 A. I'm not.  
 10 Q. Are you aware whether Mr. LaPierre's designee  
 11 ever provided Ackerman McQueen with written procedures  
 12 regarding out-of-town travel expenses prior to August of  
 13 2018?  
 14 A. I am not.  
 15 Q. Do you -- do you recall any instance between  
 16 the year 2000 and the spring of 2018 -- let me ask it  
 17 this way: Do you recall any instance between 2000 and  
 18 the fall of 2018 where the NRA refused to pay Ackerman  
 19 for any out-of-town travel because they did not have  
 20 prior written approval from Mr. LaPierre?  
 21 A. I don't recall any time.  
 22 Q. Do you recall any instance between the year  
 23 2000 and the fall of 2018 where the NRA refused to pay  
 24 Ackerman for any out -- out-of-town travel because they  
 25 did not have prior written approval from Mr. LaPierre's

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1 designee?  
 2 A. No.  
 3 Q. The next sentence says, Payment of travel  
 4 expenses not approved in advance may result in denial of  
 5 reimbursement.  
 6 Do you see that?  
 7 A. I see that.  
 8 Q. Was it your understanding that, to the extent  
 9 Ackerman did not receive prior written approval from  
 10 Mr. LaPierre or his designee for out-of-town travel,  
 11 that the NRA had the option to deny reimbursement for  
 12 those travel expenses?  
 13 MR. FURIA: Objection, form.  
 14 A. Did you say was it my understanding?  
 15 Q. (BY MR. MASON) Yes.  
 16 A. No, it was not. I read this, I see they had  
 17 the option.  
 18 Q. Do you see anything in Subsection A under  
 19 Billing and Payment that requires Ackerman McQueen to  
 20 provide a certain level of detail or backup in their  
 21 invoices sent to the NRA?  
 22 MR. FURIA: Objection to form.  
 23 A. No.  
 24 Q. (BY MR. MASON) If you will, Mr. Phillips, will  
 25 you read through B, C, D and E, under the Billing and

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1 Payment provision of the 2017 Services Agreement and  
 2 tell me whether you believe there's any provision in the  
 3 Billing and Payment section that requires Ackerman  
 4 McQueen to provide a certain level of detail or backup  
 5 with respect to the invoices it submits to the NRA.  
 6 MR. FURIA: Objection to form.  
 7 A. I don't see anything like that.  
 8 Q. (BY MR. MASON) If you'll go down to  
 9 Subsection D under Billing and Payment, you see where it  
 10 says, Special assignments not included in this agreement  
 11 which cannot reasonably be included under the monthly  
 12 fee must be approved in accordance with written  
 13 procedures established by the NRA executive vice  
 14 president or his designee and the charges made by AMc  
 15 shall be agreed upon in advance where reasonable.  
 16 Do you see that?  
 17 A. I do.  
 18 Q. Do you recall ever reviewing any written  
 19 procedures established by Mr. LaPierre relating to the  
 20 work that Ackerman McQueen was doing for the NRA?  
 21 A. I don't.  
 22 Q. Do you recall ever reviewing any written  
 23 procedures established by Mr. LaPierre's designee  
 24 relating to the work that Ackerman McQueen was doing for  
 25 the NRA?

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1 A. No.  
 2 Q. Do you believe it's important for the NRA to  
 3 provide Ackerman McQueen with policies and procedures  
 4 that they expect Ackerman to follow and comply with?  
 5 A. I'm sorry, I need you to repeat that again,  
 6 please.  
 7 Q. Sure.  
 8 Do you believe it's important for the NRA  
 9 to provide Ackerman McQueen with policies and procedures  
 10 that they expect Ackerman to follow?  
 11 A. Yes.  
 12 Q. Do you recall ever having a conversation with  
 13 Mr. LaPierre prior to the fall of 2018 regarding written  
 14 procedures established by him or his designee relating  
 15 in any way to Ackerman McQueen?  
 16 A. No.  
 17 MR. FURIA: Objection to form.  
 18 Q. (BY MR. MASON) If you go to the next page,  
 19 please, Mr. Phillips, under Subsection E. Do you see  
 20 that paragraph?  
 21 A. Yes.  
 22 Q. And did you -- I believe just a moment ago,  
 23 you -- you briefly reviewed Subsection E?  
 24 A. I did. Let me just put it back in current.  
 25 Okay.

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1 Q. If you go to the last sentence of Subsection E,  
 2 it states, NRA shall notify AMc of any questions  
 3 concerning any invoices within ten business days after  
 4 receipt.  
 5 Do you see that?  
 6 A. I do.  
 7 Q. What was your understanding of the purpose of  
 8 that particular sentence in the 2017 Services Agreement?  
 9 MR. FURIA: Objection to form.  
 10 A. I don't recall being aware of this in 2017 or  
 11 '18.  
 12 Q. (BY MR. MASON) To the extent that the NRA had  
 13 concerns or questions relating to invoices that were  
 14 submitted by Ackerman McQueen, who at the NRA would be  
 15 responsible for notifying Ackerman McQueen about those  
 16 questions or concerns?  
 17 MR. FURIA: Objection to form.  
 18 A. I'm sorry, start with who at NRA would?  
 19 Q. (BY MR. MASON) Sure. Yeah, let me see if I  
 20 can ask it again.  
 21 Do you recall instances, Mr. Phillips,  
 22 where you or someone else within the NRA had a question  
 23 or a concern about an invoice that Ackerman submitted to  
 24 the NRA?  
 25 A. It's possible. I don't recall a specific

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1 instance, but it's possible Rick Tedrick would talk to  
 2 them. It's possible Rick would come to me and I would  
 3 talk to them. And I just can't think of an example.  
 4 Q. Is there anyone else besides your -- yourself  
 5 or Mr. Tedrick that comes to mind that would have  
 6 communicated directly with Ackerman McQueen regarding  
 7 any questions or concerns about Ackerman's invoices to  
 8 the NRA?  
 9 A. It's possible --  
 10 MR. FURIA: Objection to form.  
 11 THE WITNESS: Sorry.  
 12 A. It's possible that Lisa Supernaugh may have  
 13 been -- largely a technical question of trying to decide  
 14 where to code the bill in NRA's accounts.  
 15 Q. (BY MR. MASON) Anyone else besides  
 16 Ms. Supernaugh, yourself or Mr. Tedrick that comes to  
 17 mind in terms of NRA personnel that would have raised  
 18 any questions or concerns with respect to Ackerman's  
 19 invoices directly with Ackerman McQueen?  
 20 A. No.  
 21 Q. Do you recall any instance where the NRA had  
 22 concerns about an Ackerman invoice that were not  
 23 properly addressed by Ackerman?  
 24 MR. FURIA: Objection to form.  
 25 A. No, I don't.



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1 Q. (BY MR. MASON) Do you recall any instance  
2 where the NRA raised a question about an Ackerman  
3 invoice that you recall that that question was not  
4 properly addressed by Ackerman?  
5 MR. FURIA: Objection to form.  
6 A. I don't recall a time.  
7 Q. (BY MR. MASON) If we go down to the next  
8 section, Subsection 4, do you see "Confidentiality"?  
9 A. Yes.  
10 Q. Would you agree that confidentiality was  
11 important to the NRA with respect to its relationship  
12 with Ackerman McQueen?  
13 A. Yes.  
14 Q. Did you ever have conversations with Ackerman  
15 regarding them keeping -- well, let me -- let me strike  
16 that.  
17 Do you know why this particular section  
18 was included in the 2017 Services Agreement?  
19 A. Let me read this whole section.  
20 Okay. Let's go back and ask the question  
21 again, I'm sorry.  
22 Q. Sure.  
23 Do you have an understanding,  
24 Mr. Phillips, as to why this confidentiality section was  
25 included in the 2017 Services Agreement?

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1 A. I take it -- well, the confidentiality of -- of  
2 the issues that were involved in the relationship were  
3 really important.  
4 Q. And we talked that you worked closely with --  
5 with Ackerman for at least 20 years, right?  
6 A. Yes.  
7 Q. Do you recall having conversations with them  
8 about confident -- well, confidential information?  
9 A. Yes.  
10 Q. Do you recall being involved in discussions  
11 with Ackerman regarding confidentiality in general?  
12 A. Yes.  
13 Q. During your 20-year relationship, were there  
14 times that you observed the NRA providing Ackerman with  
15 confidential information?  
16 A. Yes.  
17 Q. Do you recall any instance that you personally  
18 observed where you did not believe that Ackerman took  
19 appropriate steps to keep the NRA's confidential  
20 information confidential?  
21 A. I can -- I can think of one -- one occasion  
22 only that -- where some artwork leaked out before NRA  
23 had a chance to use it.  
24 Q. And when did -- when did that occur?  
25 A. Quite some time ago.

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1 Q. Would that be --  
2 A. Otherwise, I thought their -- I thought their  
3 confidentiality maintenance was -- was good.  
4 Q. Do you believe that Ackerman, based on your  
5 experiences with them, took their confidentiality  
6 obligations with respect to the NRA seriously?  
7 A. Yes.  
8 Q. And the artwork that you're referring to, was  
9 that something in the 1990s? Was it in the 2000s?  
10 A. I think 1990s, could have been early 2000s.  
11 Q. Aside from that single instance with the  
12 artwork, do you personally recall witnessing an instance  
13 that you believed that Ackerman was not complying with  
14 its confidentiality obligations to the NRA?  
15 A. No.  
16 Q. If we can, let's go to the next -- let's go to  
17 Page 9 of the Services Agreement, Roman numeral 8,  
18 Examination of Records.  
19 A. I'm there.  
20 Q. And do you see where it states, During the term  
21 of the Services Agreement, AMc authorizes NRA, upon  
22 reasonable notice, to examine AMc and Mercury's files,  
23 books and records with respect to matters covered under  
24 the Services Agreement.  
25 Do you see that?

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1 A. I do.  
2 Q. Are you familiar with this provision?  
3 A. I can understand it. I see it. I'm not sure I  
4 was familiar prior to this, but -- as I'm not sure it  
5 existed in the previous agreement.  
6 Q. During your 20-years relationship with  
7 Ackerman, do you recall instances where the NRA would  
8 conduct examinations or audits of Ackerman's books and  
9 records?  
10 A. Yes.  
11 Q. Was that --  
12 MR. FURIA: Just could you please register  
13 my objection to form to that last question.  
14 A. I'll answer again. Yes.  
15 Q. (BY MR. MASON) And during those instances,  
16 Mr. Phillips, did you personally refer to those as  
17 examinations? Or did you refer to them as audits? Or  
18 something else?  
19 A. Most likely audits. Same thing as examination,  
20 though.  
21 Q. During those audits -- well, let me ask this:  
22 Were those audits, to your recollection, conducted  
23 approximately each year?  
24 A. I thought so, until recently, but yeah, I think  
25 in recent years, they were not as often.



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1 Q. Okay. And we'll talk about those here in a  
2 little bit.  
3 With respect to the Examination of Records  
4 provision on Page 9 of Exhibit 1, are you aware of --  
5 well, let me -- first of all, there's nothing in the  
6 Examination of Records provision that permits the NRA to  
7 copy AMc and Mercury's files, books and records,  
8 correct?  
9 A. Correct.  
10 MR. FURIA: Objection to form.  
11 Q. (BY MR. MASON) And the last sentence of the  
12 last portion of this provision states, With respect to  
13 matters covered under this Services Agreement.  
14 Do you see that?  
15 A. Yes.  
16 Q. What was your understanding as to the files,  
17 books and records that the NRA could examine with  
18 respect to matters covered under the 2017 Services  
19 Agreement?  
20 A. Well, it's pretty broad and I -- I can't think  
21 of anything specifically that would be excluded from  
22 being available.  
23 Q. And when you say you can't think of anything  
24 that would be excluded, are you referring to files,  
25 books and records relating to work that Ackerman

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1 performed for the NRA?  
2 A. Yes.  
3 Q. You understood that Ackerman McQueen, during  
4 your dealings with them, had other clients than the NRA,  
5 correct?  
6 A. Yes.  
7 Q. Was it your understanding that under this  
8 Examination of Records provision, the NRA had the right  
9 to examine Ackerman's files, books and records with  
10 respect to other Ackerman clients?  
11 A. No.  
12 Q. If you'll go down at the bottom of the page,  
13 Roman numeral 11 is titled "Termination." Do you see  
14 that?  
15 A. I do.  
16 Q. And if you'll go to the next page, please,  
17 Mr. Phillips, under Section E.  
18 A. I see it.  
19 Q. And if you'll just read that -- that  
20 provision -- that paragraph beginning, Upon the  
21 explanation or termination of the Services Agreement,  
22 please.  
23 A. Okay. All right. There's a lot in there, but  
24 ask questions.  
25 Q. Sure.

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1 If you will, go down to, I believe it's  
2 line 5, the sentence begins, For all noncancellable  
3 contracts -- do you see that?  
4 A. Right.  
5 Q. It states, For all noncancellable contracts  
6 entered into between AMc and third parties for the  
7 benefit of the NRA, herein the AMc third-party NRA  
8 contracts, the NRA agrees to pay AMc upon such  
9 expiration or termination the balance of the  
10 compensation payable under such AMc third-party NRA  
11 contracts as of the date of expiration or termination so  
12 that AMc can fulfill its obligations under said  
13 contracts after expiration or termination.  
14 Do you see that?  
15 A. I do.  
16 Q. Do you have an understanding as to what that  
17 particular sentence is referring to?  
18 A. My first reaction would be it's referring to  
19 what I call the spokespeople on NRA News, but these are  
20 basically third-party contracts. You know, I can't  
21 think of an example, but it could extend to, you know,  
22 any -- any other contracts related to NRA services that  
23 Ackerman McQueen was paying for that it had committed  
24 to.  
25 Q. Do you recall as you sit here right now any AMc

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1 third-party NRA contract that Ackerman McQueen entered  
2 into without the NRA's knowledge or consent?  
3 A. I don't.  
4 Q. And in this sentence, it says, All  
5 noncancellable contracts. Do you have an understanding  
6 as to what a noncancellable contract is under this  
7 particular provision?  
8 A. It would be a contract with a -- with a  
9 provision that may talk about termination, but is not --  
10 not cancellable.  
11 Q. Was it your understanding that if the Services  
12 Agreement and the relationship between the NRA and  
13 Ackerman McQueen expired or was terminated, that the NRA  
14 would pay Ackerman McQueen the balance of any  
15 compensation payable under any third-party contract?  
16 MR. FURIA: Objection to form.  
17 A. That's what this agreement says.  
18 Q. (BY MR. MASON) Was part of the purpose of that  
19 provision to make sure that if the Services Agreement  
20 expires or is terminated, that Ackerman McQueen is  
21 essentially not left out to dry, if you will, with  
22 respect to certain third-party contracts?  
23 MR. FURIA: Objection to form.  
24 A. Yes.  
25 Q. (BY MR. MASON) If you go down to -- if you go

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1 down to Subsection F, it says, In consideration of the  
 2 dedication of a substantial number of personnel and  
 3 resources to provide the services under this agreement  
 4 and the necessity to maintain such staffing levels and  
 5 resource allocations to enable AMc to continue to  
 6 provide such services upon any renewals hereof, the NRA  
 7 agrees to pay AMc a fair and equitable termination fee  
 8 to compensate it for the inevitable severances and other  
 9 reasonable costs incurred in conjunction with such  
 10 expiration or termination.  
 11 Do you see that?  
 12 A. I do.  
 13 Q. Mr. Phillips, as of 2017, did you have an  
 14 understanding as to whether or not Ackerman had a  
 15 substantial number of personnel and resources committed  
 16 to providing services to the NRA under the 2017 Services  
 17 Agreement?  
 18 MR. FURIA: Objection to form.  
 19 A. Yes.  
 20 Q. (BY MR. MASON) What do you recall those  
 21 personnel and resources to be?  
 22 A. Well, there was -- there -- the list of  
 23 personnel that NRA used in its budgeting process, that  
 24 kind of was used to build a basic monthly fee. And I  
 25 would say these people would be -- at least the ones

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1 that were dedicated to NRA, would be part of that. And  
 2 if the relationship terminated, the NRA would have to  
 3 let them go -- I mean Ackerman McQueen would have to let  
 4 them go.  
 5 Q. And was it your understanding under this  
 6 provision that then the NRA would pay Ackerman McQueen  
 7 in order to compensate those individuals?  
 8 A. That's the way I read it now.  
 9 MR. FURIA: I'll just register my  
 10 objection to form for the last question, please.  
 11 Q. (BY MR. MASON) Mr. Phillips, during your time  
 12 at the NRA, you understood that the NRA was a New York  
 13 nonprofit organization, correct?  
 14 A. Correct.  
 15 Q. And you understood that the NRA was governed by  
 16 New York nonprofit law, correct?  
 17 A. Yes.  
 18 Q. You also understood that Ackerman was a  
 19 for-profit corporation based out of Oklahoma City,  
 20 correct?  
 21 A. Yes.  
 22 Q. You understood that -- you understood that  
 23 Ackerman --  
 24 A. I'm sorry.  
 25 Q. You understood during your time at the NRA that

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1 Ackerman was not governed by New York nonprofit law,  
 2 correct?  
 3 MR. FURIA: Objection to form.  
 4 A. Correct.  
 5 Q. (BY MR. MASON) Isn't it true that there's  
 6 nothing in the 2017 Services Agreement that requires  
 7 Ackerman McQueen to make sure that the NRA is complying  
 8 with New York nonprofit law?  
 9 MR. FURIA: Objection to form.  
 10 A. I'm sorry, ask that one more time, please.  
 11 Q. (BY MR. MASON) Sure.  
 12 Are you -- are you aware of any provision  
 13 in the 2017 Services Agreement that requires Ackerman  
 14 McQueen to make sure that the NRA is complying with  
 15 New York nonprofit law?  
 16 MR. FURIA: Objection to form.  
 17 A. No.  
 18 MR. MASON: I'm at a good breaking point  
 19 here. Do y'all want to go ahead and take a quick  
 20 five-minute break?  
 21 MR. FURIA: Yeah, sure. And figure --  
 22 figure what, lunch in an hour or so?  
 23 MR. MASON: Whatever Mr. Phillips and  
 24 Mr. Werbner want to do is fine, and -- and you as well.  
 25 Let's go ahead and go off the record.

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1 THE VIDEOGRAPHER: We are off the record  
 2 at 11:28, end Media 2.  
 3 (Break was taken.)  
 4 THE VIDEOGRAPHER: We're on the record at  
 5 11:39, start Media 3.  
 6 Q. (BY MR. MASON) Mr. Phillips, I'd like to  
 7 switch gears a little bit and talk about the NRA and  
 8 Ackerman McQueen budgeting process. I believe you  
 9 referenced this a little bit earlier in your testimony,  
 10 but was there a -- an annual budgeting process that the  
 11 NRA and Ackerman McQueen conducted?  
 12 A. Yes.  
 13 Q. Did that annual budgeting process -- well, let  
 14 me -- let me ask this: Was there typically a meeting in  
 15 or around the fall of a calendar year to discuss the  
 16 NRA/Ackerman annual budget for the upcoming year?  
 17 A. Yes.  
 18 Q. Were you part of those annual budget meetings?  
 19 A. I was.  
 20 Q. How far back do you recall attending those  
 21 annual -- annual budget meetings?  
 22 A. Many years. I can't even think of -- I'd say  
 23 15-plus years.  
 24 Q. So for about 15-plus years, you attend an  
 25 annual meeting with Ackerman McQueen in or around the

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1 fall of a calendar year to discuss the NRA/Ackerman  
 2 budget for the upcoming year; is that fair?  
 3 A. That would be the start of the process. It  
 4 would be collaborative over the next several months.  
 5 Q. Fair -- fair enough.  
 6 Would there be -- would there typically be  
 7 numerous like subsequent meetings that would occur after  
 8 kind of an initial annual budget meeting?  
 9 A. Yes, there may be with different individuals  
 10 based on the topic, but there would be other meetings or  
 11 phone calls.  
 12 Q. Explain to the jury how the annual budgeting  
 13 process worked with respect to Ackerman and the NRA.  
 14 A. I'll put it in the context of the overall  
 15 process, which was it would start in -- in August of the  
 16 year where every division of NRA had a -- had a budget  
 17 and a budget coordinator.  
 18 And Ackerman McQueen would fall, kind of  
 19 in concept, at least, in that same category where they  
 20 would submit what they saw to be their -- their budget  
 21 for the following year with explanations of what was in  
 22 there. And Ackerman McQueen, I think, would start at  
 23 the same time looking at -- at what they had from the  
 24 previous year, where we were at this point.  
 25 And so all these different divisions goes

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1 in one -- one kind of big budgeting system. But they  
 2 would do their budget and then submit it and it would  
 3 get rolled up into the total organization's budget.  
 4 Often, when that happened, we'd have a  
 5 budget that had significantly more expenses than  
 6 revenues, so then we'd go back and say, Okay, where do  
 7 we make adjustments to bring this budget in line? And  
 8 so during that whole process, we'd have discussions with  
 9 the Ackerman McQueen part of it -- part of the budget  
 10 also.  
 11 And finally, it would -- it would end up  
 12 in the finance committee of the board would meet in  
 13 early December for kind of a first look at the budget,  
 14 which they would look at again right after the new year  
 15 when the board would meet, and it would get submitted to  
 16 the board for approval.  
 17 Q. Once the budget -- once the NRA and Ackerman  
 18 budget was approved by the board, would -- would you or  
 19 Mr. LaPierre then go back to Ackerman and confirm that  
 20 we've got an agreed-upon approved budget for the  
 21 upcoming year?  
 22 A. I don't know if he went back to them. Somehow  
 23 there would be some communication that the board  
 24 approved the budget.  
 25 Q. When the NRA/Ackerman budget was presented to

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1 the finance committee, who would typically do those --  
 2 who would typically present it to the finance committee  
 3 from 2010 to 2017?  
 4 A. I'm hesitating because in 2017 -- but that  
 5 would have been me during that time period.  
 6 Q. How many people, approximately, would -- would  
 7 serve on the NRA finance committee that would be  
 8 involved in the discussions relating to the NRA/Ackerman  
 9 annual budget?  
 10 A. I think 12 other than -- somewhere in that  
 11 range, 10 to 15, maybe. It may vary from year to year.  
 12 Q. Did you provide the finance committee with  
 13 copies of the proposed NRA/Ackerman budget -- annual  
 14 budget?  
 15 A. Their -- their -- I -- I don't think we would  
 16 provide the detail that we had from Ackerman McQueen,  
 17 but it would -- the Ackerman McQueen numbers would be  
 18 part of the entire -- entire budget package.  
 19 Q. So as far back as you can remember, would the  
 20 finance committee for the National Rifle Association  
 21 have to approve the annual budget between the NRA and  
 22 Ackerman McQueen?  
 23 A. They approved the overall budget that included  
 24 those numbers.  
 25 Q. During the annual budget meetings that you

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1 reference with Ackerman, were those typically  
 2 meetings -- in the fall of a calendar year, were those  
 3 typically meeting -- in-person meetings?  
 4 A. There would be at least one in-person meeting,  
 5 maybe more.  
 6 Q. Was there one kind of, you know, big every fall  
 7 like this is our -- this is our meeting -- this is our  
 8 annual meeting for the year to sit down and talk, at  
 9 least initially, about what the budget is going to look  
 10 like for the next year?  
 11 A. Yeah, it -- it would be more likely once --  
 12 right after that first rollup when we knew we had to go  
 13 back and make some adjustments, it would be at that  
 14 point where we would get together with them about it,  
 15 you know, where -- where we could adjust.  
 16 Q. During the -- the 20 years that you were  
 17 involved in the NRA's relationship with Ackerman, would  
 18 Mr. LaPierre attend these in-person budget meetings?  
 19 A. Sometimes.  
 20 Q. Would he attend them more often than not?  
 21 A. I can't recall that. I think -- you know, I  
 22 would keep him informed, but I -- I'm trying to picture  
 23 the meetings. And usually, this was pretty detailed  
 24 that we would get into. But at some point, he would --  
 25 he'd be involved and there would be a meeting with him

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1 about the entire budget. And if Ackerman McQueen was a  
 2 part of the adjustments or anything new and significant,  
 3 we'd talk about that then.  
 4 Q. But you do have a recollection of Mr. LaPierre  
 5 attending at least some of the annual budget meetings  
 6 with Ackerman McQueen, correct?  
 7 A. You know, I think so. I really -- I shouldn't  
 8 guess, but I -- in all those years, there would have  
 9 been one -- one or two, at least.  
 10 Q. So as you sit here right now, you don't recall  
 11 Mr. LaPierre attending more than just one or two of the  
 12 annual budget meetings with Ackerman?  
 13 MR. FURIA: Objection to form.  
 14 A. Yeah, it's a -- I'm not trying to evade the  
 15 answer. I'm just -- I know he was involved. And, you  
 16 know, whether it was a budget meeting with Ackerman, I  
 17 just -- you know, I don't know. I know -- I know when  
 18 there were issues, he'd be informed or he would be  
 19 involved. But in terms of sitting there through the --  
 20 through the entire meeting -- or it may be tagged on to  
 21 another meeting that was -- with Ackerman McQueen where  
 22 we might discuss it. But he would have -- if there were  
 23 issues there, he would have been aware.  
 24 Q. (BY MR. MASON) If the meetings that you do  
 25 recall attending, besides yourself and possibly

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1 Mr. LaPierre, do you recall any other NRA  
 2 representatives attending -- attending these annual  
 3 budget meetings from approximately 2010 to 2018?  
 4 A. That would be some of the team I talked about  
 5 before, Mr. Erstling, Ms. Rowling, Rick Tedrick and  
 6 sometimes Mr. LaPierre.  
 7 Q. And my question may not have been very clear,  
 8 but when you refer to Mr. Erstling, Ms. Rowling and  
 9 Mr. Tedrick attending, you're not talking about  
 10 attending the actual sit-down, in-person meetings  
 11 between the NRA and Ackerman McQueen, right?  
 12 A. Right.  
 13 Q. Who -- who besides yourself --  
 14 A. More I -- I was talking about our -- our  
 15 internal meetings where we had to -- had to decide  
 16 what -- what to do and what we would present back to --  
 17 to Ackerman McQueen or Mr. LaPierre.  
 18 Q. Do you recall ever being involved in strategic  
 19 planning meetings with Ackerman McQueen?  
 20 A. Yes.  
 21 Q. How often would those meetings occur, generally  
 22 speaking, from 2010 to 2018?  
 23 A. For me, two or three times a year.  
 24 Q. Would Mr. LaPierre attend those strategic  
 25 planning meetings?

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1 A. Yes.  
 2 Q. Do you recall any instance where Mr. LaPierre  
 3 did not attend one of the strategic planning meetings  
 4 between 2010 and 2018?  
 5 A. No.  
 6 Q. During those strategic planning meetings, do  
 7 you recall there being discussions from time to time  
 8 about the NRA/Ackerman budget?  
 9 A. If it involved something new, we talked about  
 10 cost.  
 11 Q. Was that part of the reason that you would  
 12 attend those strategic planning meetings, to the extent  
 13 that that -- that came up?  
 14 A. It could be. It could be that I was -- I was  
 15 there from another issue that -- and just stayed in the  
 16 meeting when the strategic planning part was introduced.  
 17 Q. During these meetings with -- these annual  
 18 budget meetings with Ackerman in the fall of each  
 19 calendar year, do you recall generally who would attend  
 20 those from Ackerman McQueen?  
 21 A. Usually a pretty large group would attend them  
 22 on -- if there was something new, some issue of maybe  
 23 Ackerman McQueen's personnel that were involved in that.  
 24 But it was -- it would be a fairly large group of  
 25 people.

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1 Q. Anyone in particular that comes to mind?  
 2 A. Well, Revan McQueen, toward -- toward -- I'd  
 3 say toward the end; Melanie Montgomery. I think some  
 4 of -- some of the others -- other staff, I'm just trying  
 5 to think who else was kind of a regular, and I just went  
 6 blank on his name, the -- toward -- the last -- last few  
 7 years, the -- I'm sorry, his name won't come -- come  
 8 back to me. He -- his -- his role was in -- in kind of  
 9 data analysis guy. I just can't think of his name.  
 10 But anyway it could be kind of a -- it  
 11 depended on whether we were focussing on NRATV or  
 12 something else as to who would come back and be --  
 13 Q. What about -- I'm sorry, I didn't mean to  
 14 interrupt you. What about Angus McQueen, would he  
 15 typically attend those meetings?  
 16 A. Yes.  
 17 Q. What about Tony Makris, would he typically  
 18 attend those meetings?  
 19 A. Sometimes. I would say most times.  
 20 Q. What about Nader Tavangar?  
 21 A. Yes.  
 22 Q. What about Lacey Duffy?  
 23 A. Yes. Thanks for your help.  
 24 Q. Do you recall -- were there ever meetings  
 25 that -- well, strike that.



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1 Do you ever recall attending a meeting  
 2 with Ackerman McQueen where Mr. LaPierre was present  
 3 where Angus McQueen was also not present?  
 4 MR. FURIA: Objection to form.  
 5 A. I'm sorry, you'll have to repeat that for me,  
 6 please.  
 7 Q. (BY MR. MASON) Sure.  
 8 Do -- do you recall attending any  
 9 sit-down, in-person meetings with Ackerman McQueen where  
 10 Mr. LaPierre was present and Angus McQueen was also not  
 11 present?  
 12 MR. FURIA: Objection to form.  
 13 A. I can't recall a specific -- I can't recall a  
 14 specific time, but I -- I would expect there would be  
 15 some of those meetings where Angus was not attending.  
 16 Q. (BY MR. MASON) During the annual budget  
 17 meetings, how long would they typically last? I believe  
 18 you -- you said earlier they were pretty detailed?  
 19 A. Yes.  
 20 Q. Would they last multiple hours? Most of the  
 21 day?  
 22 A. I'd say several hours.  
 23 Q. Would you walk through various line -- budgeted  
 24 line items to discuss during these meetings?  
 25 A. Yes.

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1 Q. During the annual budget meetings that you  
 2 attended, do you recall any instance where you requested  
 3 additional information relating to a particular line  
 4 item -- budget line item that Ackerman McQueen failed to  
 5 provide you?  
 6 A. No.  
 7 Q. During the annual budget meetings that you  
 8 attended, do you recall any instance where Mr. LaPierre  
 9 requested additional information relating to the budget  
 10 that Ackerman failed to provide?  
 11 A. No.  
 12 Q. The NRA and the Ackerman relationship was the  
 13 client, right?  
 14 A. (No response.)  
 15 Q. Let me -- let me -- yeah.  
 16 A. Say that another way.  
 17 Q. Sure.  
 18 In -- in the NRA/Ackerman relationship,  
 19 the NRA was the client, right? And Ackerman McQueen was  
 20 the vendor?  
 21 A. Yes.  
 22 Q. So at the end of the day, the NRA, as the  
 23 client, was the one that dictated what was ultimately --  
 24 let me ask it -- let me ask it a different way.  
 25 So at the end of the day, the NRA was the

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1 one that got to decide how it wanted to spend its money  
 2 with Ackerman McQueen, correct?  
 3 MR. FURIA: Objection to form.  
 4 A. Correct.  
 5 Q. (BY MR. MASON) Did you have an understanding  
 6 as to whether the annual budget was important to  
 7 Ackerman McQueen?  
 8 MR. FURIA: Objection to form.  
 9 A. Yeah, I think it was. We talked about it and  
 10 it was -- I know that where we stood against the budget  
 11 during the year, I would share with them and it seemed  
 12 to be important.  
 13 Q. (BY MR. MASON) Do you know whether they made  
 14 staffing decisions based upon the agreed-upon annual  
 15 budget?  
 16 MR. FURIA: Objection to form.  
 17 A. Yes.  
 18 Q. (BY MR. MASON) Do you know if they made  
 19 decisions relating to third-party vendors based upon the  
 20 agreed-upon annual budget?  
 21 MR. FURIA: Objection to form.  
 22 A. Yeah, I don't know the answer to that.  
 23 Q. (BY MR. MASON) Let's take a look,  
 24 Mr. Phillips, at Exhibit 339 that my colleague will drop  
 25 into the AgileLaw.

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1 (Exhibit No. 339 was marked.)  
 2 MR. FURIA: We have it.  
 3 Q. (BY MR. MASON) And if you would, Mr. Phillips,  
 4 just skim through this document and let me know if  
 5 you've seen this before.  
 6 A. Yeah, it looks like a document I've seen  
 7 before.  
 8 Q. And for the record, this is NRA AMc 57337.  
 9 Does this appear to be a budget planning document  
 10 relating to the 2017 NRA and Ackerman budget?  
 11 A. Yes.  
 12 MR. FURIA: Objection to form.  
 13 Q. (BY MR. MASON) And if you go to Page 2,  
 14 there's a -- a chart that says "2017 Budget Planning" at  
 15 the top. Do you see that?  
 16 A. I do.  
 17 Q. Does this -- does this chart -- and I'm not  
 18 talking about this one in particular. But does the  
 19 chart and the format of this chart look familiar to you?  
 20 A. It does. It may be different every year, but  
 21 this one -- this one I recall.  
 22 Q. Were these -- was the format of what we're  
 23 looking at here on Page 2 in terms of this budget, is  
 24 this something that Ackerman would have provided to you  
 25 during the -- the budgeting process?



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1 A. Yes.

2 Q. And I believe you testified that during the

3 annual budgeting process, you all would walk through

4 each particular line item, if you will, to discuss the

5 budget for it; is that fair?

6 A. That's fair.

7 Q. So when we talk through walking through each

8 line item, would it be similar to a -- a document such

9 as this with these various boxes and -- and line items?

10 A. I think sometimes some of these would have been

11 talked about as a group. For example, Mercury Group,

12 instead of each line item there, we may look at the

13 entire context. But generally, you know, everything

14 would be included in our review.

15 Q. If you will, look at the top box here under,

16 2017 Budget Planning Meeting. And it's -- it has a

17 title of "NRATV" at the top. Do you see that?

18 A. Yes.

19 Q. And then it has a line item relating to

20 commentators and spokespeople. Do you see that?

21 A. Yes.

22 Q. Do you have an understanding as to what

23 commentators and spokespeople refer to under the

24 NRA/Ackerman budget?

25 A. Yes.

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1 Q. And what is that?

2 A. These -- these would be Dana Loesch, for

3 example.

4 THE REPORTER: I'm sorry? I'm sorry, what

5 was that, data ledge.

6 THE WITNESS: Dana Loesch.

7 THE REPORTER: Okay.

8 THE WITNESS: L-O-E-S-C-H.

9 A. It would be people -- people like that. And

10 there was several -- several others that were hired by

11 Ackerman McQueen that were part of the NRATV.

12 Q. (BY MR. MASON) And we'll talk about those in a

13 little bit as well.

14 Do you see where it says, NRATV

15 programming?

16 A. Yes.

17 Q. Did you have an understanding as to what NRATV

18 programming was?

19 A. I think it referred to all of the other kind of

20 regular content on NRATV and keeping that fresh.

21 Q. Then on the next box or group, if you will,

22 it's titled "Mercury Group." Do you see that?

23 A. I do.

24 Q. And then the first line item there is, MG fee.

25 Do you see that?

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1 A. Yes.

2 Q. Did you have an understanding as to what "MG

3 fee" meant?

4 A. I don't recall, but I think I know what it is.

5 Q. Do you know if "MG fee" was referring to the --

6 at least in part, to the salaries of certain Mercury

7 Group executives like, for example, Tony Makris?

8 A. Yes.

9 Q. Do you know what "MG Op X" is?

10 A. No.

11 Q. And then at line 3, Pass-through expenses. Did

12 you have an understanding as to what "pass-through

13 expenses" meant?

14 A. Yes.

15 Q. What was that understanding?

16 A. It would be expenses paid for by Ackerman

17 McQueen or Mercury Group for mostly travel and

18 entertainment related to NRA.

19 Q. And then if we go down to "Initiatives," it

20 looks like there's four different initiatives. Do you

21 see that?

22 A. Yes.

23 Q. FSP Year 2, did you understand that referred to

24 Freedom's Safest Place?

25 A. Yes, I did -- I did at the time.

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1 Q. Do you recall what Freedom's Safest Place was?

2 A. Yes. It -- it was a -- a large multiyear

3 campaign, that NRA was Freedom's Safest Place. And

4 that -- that term was used at conventions and other --

5 other big events during the year.

6 Q. And the next line item says, Carry initiative.

7 Do you see that?

8 A. Yes.

9 Q. Did you have an understanding as to what that

10 referred to?

11 A. It was for services related to conceal carry.

12 I'm not sure what the exact initiatives are, because it

13 was a lot going on in that area at that time, including

14 a program called Carry Guard.

15 Q. So was it your understanding that that Carry

16 Guard would be included in the carry initiative line

17 item?

18 A. I would expect so.

19 Q. Then there's a hunting initiative. Do you see

20 that?

21 A. Yes.

22 Q. What was your understanding of the hunting

23 initiative?

24 A. It was, from the -- from the Ackerman McQueen

25 perspective and from the NRA as it's presented, it was

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1 basically a way to support the consent of hunting. And  
 2 they did that through some -- some really nice video and  
 3 it would be used online, but also used in speeches, etc.  
 4 And I think that's mostly what was used in there.  
 5 At the same time, there was a -- a  
 6 hunting -- kind of a special donor membership type thing  
 7 that was -- it was more elite hunters, and I think they  
 8 helped with that too. But it was -- each hunter, to  
 9 join, was \$100,000 and it cut off at a hundred people so  
 10 it was a pretty significant program. I'm not sure that  
 11 in -- at this time in 2017, it was a big part of this  
 12 budget, though.  
 13 Q. Do you recall Liberty -- Liberty University  
 14 wanting to do a Wayne LaPierre Second Amendment Center?  
 15 A. I do.  
 16 Q. Do you recall the NRA asking Ackerman McQueen  
 17 to -- to work on that?  
 18 A. Yes.  
 19 Q. Do you recall whether Mr. LaPierre suggested  
 20 changing the line item on the budget to historical  
 21 initiative database so that the building didn't know  
 22 what it was?  
 23 MR. FURIA: Objection to form.  
 24 A. I don't recall that. No.  
 25 Q. (BY MR. MASON) Do you recall Mr. LaPierre

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1 making comments to you about not trusting people within  
 2 the NRA building?  
 3 A. About -- about the Liberty University?  
 4 Q. About -- about anything.  
 5 A. Anything? Yes.  
 6 Q. What do you recall him saying about that?  
 7 A. We were both very cognizant about  
 8 confidentiality among our staff.  
 9 Q. Mr. Phillips, with respect to -- well, let me  
 10 ask it this way: During the annual budgeting process,  
 11 do you recall discussions with Ackerman regarding  
 12 certain fee-based positions that -- that the NRA would  
 13 reimburse Ackerman for?  
 14 A. Ask that a different way, please.  
 15 Q. Sure.  
 16 Do you recall having discussions with  
 17 Ackerman about the NRA paying for the full salary of  
 18 certain Ackerman employees and also including overhead  
 19 and a commission for Ackerman?  
 20 A. Yeah, I do. I didn't see that as reimbursing  
 21 their pay. I saw it as a way to -- to build up the  
 22 overall fee that we -- became the monthly fee. But I  
 23 would have expected if one of those people were to -- to  
 24 leave, that the fee would be reduced by that amount.  
 25 You see the distinction I'm making?

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1 Q. I -- I -- I do.  
 2 The individuals that you discuss with  
 3 Ackerman where the NRA would pay their salary plus a  
 4 commission plus -- I mean I'm -- plus a commission plus  
 5 overhead, did you -- do you ever recall them being  
 6 referred to as fee-based positions or employees?  
 7 A. I don't.  
 8 Q. Did you have a particular terminology that you  
 9 or -- a potential way that you described the -- the  
 10 employees that the NRA would pay the full salary for,  
 11 including overhead and -- and a commission to Ackerman?  
 12 A. I didn't have a name, but I would -- in  
 13 conversation, I would have called them "dedicated  
 14 employees."  
 15 Q. That was a term that you -- you recall using  
 16 with Ackerman?  
 17 A. I don't recall using it, but it's what I would  
 18 have thought.  
 19 Q. And so when you -- when you refer to dedicated  
 20 employees, you're referring to an employee that the NRA  
 21 was paying the full salary for, plus overhead, plus  
 22 commission to Ackerman?  
 23 A. Yep. I don't remember the commission, but I  
 24 remember full -- full salary, or half salary. There  
 25 were some that were not full-time. But again, I saw it

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1 as a way to bill the fee as opposed to reimbursement of  
 2 the salaries. And we would -- we would look at their  
 3 salaries and know what -- and we knew what the overhead  
 4 fee was.  
 5 Q. Were there -- so there was certain employees  
 6 where the -- the NRA would pay Ackerman for their  
 7 salaries and would -- would an example of that be  
 8 Colonel North?  
 9 MR. FURIA: Objection to form.  
 10 A. No. And you'd have to give me a time frame. I  
 11 think I -- anything related to Colonel North, I was  
 12 already out of the picture.  
 13 Q. (BY MR. MASON) Fair -- fair enough.  
 14 Were there certain -- according to your  
 15 term, were there certain dedicated employees that you  
 16 viewed as being employees that could not be substituted  
 17 in for?  
 18 MR. FURIA: Objection to form.  
 19 Q. (BY MR. MASON) Let me -- that was a bad  
 20 question. Let me see if I can rephrase it.  
 21 Was Dana -- did you consider Dana Loesch a  
 22 dedicated employee?  
 23 A. No.  
 24 Q. And why not?  
 25 A. She was -- she was in a different category and

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1 something I didn't really understand the full  
 2 implications of, but she was a spokesperson and there  
 3 was some reasons for her to work through Ackerman  
 4 McQueen that allowed her more freedom of speech and  
 5 protect the NRA from what she might say.  
 6 And that's about the extent of my  
 7 knowledge about -- about that. She -- she and several  
 8 other spokespeople have kind of a different status  
 9 because of -- they were constantly on, well, NRATV or  
 10 otherwise being used as radio or TV.  
 11 Q. Do you know who Colion -- Colion Noir is?  
 12 A. Yes.  
 13 Q. Was Mr. Noir someone that you considered a  
 14 dedicated employee?  
 15 A. I can't recall.  
 16 Q. Do you recall Mr. Noir being referred to as  
 17 a -- as talent at any point in time?  
 18 A. Yes.  
 19 Q. And what about Ms. Loesch, do you recall her  
 20 being referred to as an -- as a NRATV talent as well?  
 21 A. Yes.  
 22 Q. Would Grant Stinchfield be another example of  
 23 NRATV talent that you were knowledgeable about during  
 24 your time at the NRA?  
 25 A. Yes. Yes.

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1 Q. You know Tony Makris, correct?  
 2 A. Yes.  
 3 Q. Did you consider Tony Makris a dedicated  
 4 employee?  
 5 A. I think we had him on the dedicated employee --  
 6 or on the list when we built up the -- built up the  
 7 budget, but he also -- he had a number of other roles  
 8 too, as you know.  
 9 Q. So when you use the term "dedicated employee,"  
 10 let's -- let's talk about Grant Stinchfield. You're  
 11 familiar who Grant Stinchfield is, right?  
 12 A. Yes.  
 13 Q. And you're familiar that -- you know that Grant  
 14 Stinchfield had a show on NRATV, correct?  
 15 A. Correct.  
 16 Q. And Grant Stinchfield was an NRATV talent,  
 17 correct?  
 18 A. That's what I believe.  
 19 Q. Grant Stinchfield was not someone that you  
 20 could -- that Ackerman could just sub in for, you know,  
 21 somebody for Grant Stinchfield on one week and -- and be  
 22 getting the same value or -- or -- because Grant  
 23 Stinchfield was not in the chair, right?  
 24 MR. FURIA: Objection, form.  
 25 A. That's -- that's correct.

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1 Q. (BY MR. MASON) Was -- do you recall there  
 2 being discussions with Ackerman regarding a producer for  
 3 Grant Stinchfield's show?  
 4 A. No.  
 5 Q. Do you know whether or not there was a producer  
 6 for Grant Stinchfield's show?  
 7 A. I don't know.  
 8 Q. Do you recall whether Ackerman hired a  
 9 cameraman to record Grant Stinchfield's show?  
 10 A. I do not know.  
 11 Q. Let me -- let me see if I can ask it this way:  
 12 The "dedicated employee" term that you used,  
 13 Mr. Phillips, were those employees individuals that the  
 14 NRA entrusted Ackerman McQueen to go out and hire to  
 15 work for NRATV?  
 16 A. Yes.  
 17 Q. You did not personally care whether or not  
 18 Ackerman McQueen hired John Doe or Jane Doe as the  
 19 producer for the Grant Stinchfield show as long as that  
 20 person was qualified, correct?  
 21 MR. FURIA: Objection to form.  
 22 A. Correct. Correct.  
 23 Q. (BY MR. MASON) The NRA entrusted Ackerman to  
 24 go out and fill the position, if you will, correct?  
 25 A. Correct.

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1 Q. Do you recall there being instances where  
 2 certain dedicated employees either left Ackerman McQueen  
 3 or were sick or were on some sort of leave where  
 4 Ackerman would reach out and notify you that we're going  
 5 to have to sub somebody else in?  
 6 A. I think so. I -- I can't remember the name,  
 7 but I can think of one instance where someone left and  
 8 they had to -- to back -- backfill a position.  
 9 Q. So when you use the term "NRA" -- or you use  
 10 the term -- when you use the term "dedicated employees,"  
 11 you're really referring to dedicated NRA positions,  
 12 right?  
 13 MR. FURIA: Objection to form.  
 14 A. Yeah. Yes, I am.  
 15 Q. (BY MR. MASON) Let me ask it another way.  
 16 Mr. Phillips, when you refer to dedicated employees, are  
 17 you referring to a dedicated position?  
 18 MR. FURIA: Objection to form.  
 19 A. I think that's fair to say.  
 20 Q. (BY MR. MASON) If we go back to Exhibit 339,  
 21 the third page, Appendix 2, do you see at the top where  
 22 it says, NRA News employees?  
 23 A. Yes.  
 24 Q. And then there's a list of various employees'  
 25 names. And then at the bottom, it says, NRATV anchor,

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1 NRATV engineer. Do you see that?  
 2 A. I do.  
 3 Q. Was it your understanding that the list of  
 4 employees here on Appendix 2 were NRA-dedicated  
 5 positions?  
 6 MR. FURIA: Objection, form.  
 7 A. Well, they -- they have a -- have a specific  
 8 focus as far as their own separate page from -- from the  
 9 others. They seem to be -- from the ones I know, seem  
 10 to be producers of the -- of the NRA News various shows.  
 11 Q. (BY MR. MASON) Let me see if I can ask it  
 12 another way. Do you -- are the list of people  
 13 identified here on Exhibit 2 under NRA News employees,  
 14 are these individuals that you recall the NRA entrusting  
 15 Ackerman McQueen to go out and hire to work on the NRA  
 16 account?  
 17 MR. FURIA: Objection, form.  
 18 A. Yes.  
 19 THE WITNESS: I'm sorry.  
 20 A. Yes.  
 21 Q. (BY MR. MASON) You see at the bottom, the  
 22 second-to-last line, it says, NRATV anchor. Then it  
 23 says -- it looks like somebody wrote in, Grant  
 24 Stinchfield Newsmax. Do you see that?  
 25 A. I do.

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1 Q. Do you know whose handwriting that is?  
 2 A. That's mine.  
 3 Q. Did you have an understanding that when  
 4 Ackerman would hire one of these NRA dedicated -- well,  
 5 let me -- did you have an understanding that when  
 6 Ackerman would hire someone for one of these  
 7 NRA-dedicated positions, that they would then provide  
 8 you with the name of -- of that individual?  
 9 A. Yes. Usually they were excited about the hire  
 10 and so we'd all know.  
 11 Q. Do you know who Ashley Root is?  
 12 A. No.  
 13 Q. If Ashley -- if the NRA agreed to pay Ackerman  
 14 McQueen \$50,000, which was the entirety of Ms. Root's  
 15 salary at Ackerman McQueen, what was your expectation in  
 16 terms of the work that Ms. Root would do for the NRA?  
 17 MR. FURIA: Objection to form.  
 18 A. My expectation is that she -- she would produce  
 19 what they hired her to -- to do.  
 20 Q. (BY MR. MASON) You're aware that Ackerman does  
 21 not bill -- did not bill the NRA on an hourly basis,  
 22 correct?  
 23 A. That's correct.  
 24 Q. You're also -- but you're aware that -- that  
 25 Ackerman did keep time sheets, correct?

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1 A. Correct.  
 2 Q. If Ms. Root logged 3,000 hours on her time  
 3 sheet for the NRA account in 2017, do you believe that  
 4 the NRA was getting the full value for the \$50,000 that  
 5 they were paying for Ms. Root?  
 6 MR. FURIA: Objection to form.  
 7 A. That's a lot of hours, so I would expect so, so  
 8 long as she's competent.  
 9 Q. (BY MR. MASON) If Ms. Root, from time to  
 10 time -- well, if there was an instance where Ms. Root  
 11 got asked to work on another Ackerman client project and  
 12 spent five hours on -- on that particular project, what,  
 13 in your opinion, would be -- would need to be the number  
 14 of hours or time spent by Ms. Root on the NRA account in  
 15 a year in order for the NRA to get the full value for  
 16 what they're paying Ms. Root?  
 17 MR. FURIA: Objection to form.  
 18 A. You guys are lawyers. You know how many  
 19 chargeable hours there are in a year, like 2080 or  
 20 something like that. And I -- this gets back to my view  
 21 that these people that were in the -- in the -- on the  
 22 list of designated employees were a way of building up  
 23 the annual budget as opposed to they're charging these  
 24 hourly rates.  
 25 Does that help answer that?

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1 Q. (BY MR. MASON) I believe it does.  
 2 If you go to the next page in Exhibit  
 3 339 -- and before we talk about that, would it be fair  
 4 to say, Mr. Phillips, that there were certain dedicated  
 5 positions that the NRA was paying for as opposed to the  
 6 particular individual that was filling that role?  
 7 MR. FURIA: Objection to form.  
 8 A. Is this Appendix 3? Or in general?  
 9 Q. (BY MR. MASON) In general.  
 10 A. Yes.  
 11 MR. WERBNER: Would this be a good place  
 12 to break for lunch?  
 13 MR. MASON: Yeah. If we can just take  
 14 maybe five more minutes, I think we can finish up with  
 15 this document, if that works.  
 16 MR. WERBNER: Sure. Okay.  
 17 Q. (BY MR. MASON) Mr. Phillips, on -- on  
 18 Appendix 3, at the top, it says, 2017 Commentator  
 19 Spokespeople.  
 20 Do you see that?  
 21 A. I do.  
 22 Q. And then there's various individuals that are  
 23 identified as talent?  
 24 A. Yes.  
 25 Q. Was it your understanding that commentator,



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1 spokespeople and talent were -- kind of all referred to  
 2 as the same category of individuals working on NRATV?  
 3 A. Yeah, I would say the descriptions were  
 4 interchangeable, in my opinion.  
 5 MR. MASON: All right. We can go ahead  
 6 and break for lunch.  
 7 THE VIDEOGRAPHER: We are off the record  
 8 at 12:32, end Media 3.  
 9 (Break was taken.)  
 10 THE VIDEOGRAPHER: We're on the record at  
 11 1:18, start Media 4.  
 12 Q. (BY MR. MASON) Mr. Phillips, prior to our  
 13 lunch break, we were spending some time talking about  
 14 the NRA and Ackerman McQueen annual -- annual budget.  
 15 Do you recall that?  
 16 A. I do.  
 17 Q. Do you recall being involved in the discussion  
 18 surrounding the 2018 annual budget?  
 19 A. Yes. I had to figure out what year that was.  
 20 Q. Do you recall attending budget-related meetings  
 21 in or about January 2018 with Ackerman executives in  
 22 Dallas?  
 23 A. I just don't remember.  
 24 Q. Let's take a look at NRA Exhibit 425, please.  
 25 MR. MASON: Ms. Davis, are you there?

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1 MS. DAVIS: (No response.)  
 2 MR. MASON: Ms. Davis, are you there?  
 3 MS. DAVIS: (No response.)  
 4 Q. (BY MR. MASON) All right. Let's try it  
 5 another way. Mr. Phillips, I am going to try and share  
 6 my screen. Can you see that document on the screen?  
 7 A. I think so, if I get a little closer.  
 8 MR. MASON: For the record, this is  
 9 Ackerman Exhibit 425, Bates labeled AMc TX 00065392.  
 10 (Exhibit No. 425 was marked.)  
 11 Q. (BY MR. MASON) Have you seen this document  
 12 before, Mr. Phillips?  
 13 A. I -- I would have seen the final 2018 budget.  
 14 I assume that's what this is.  
 15 Q. And then let me be sure, let me -- let me show  
 16 you the second page as well. And I'll scroll back up  
 17 here to the -- to the first page that says "NRA Final"  
 18 at the top. Do you see that?  
 19 A. I do.  
 20 Q. And then there's a 1-5-18 here at the bottom.  
 21 Do you see that?  
 22 A. Yes.  
 23 Q. Do you recall attending a budget meeting with  
 24 Ackerman on or about January 5th, 2018, relating to the  
 25 2018 budget?

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1 A. It's possible this would have been just before  
 2 the January board meeting. If we -- if we were trying  
 3 to make any -- any adjustments from the finance  
 4 committee, we would have been doing it about this time.  
 5 Q. And if you look down here under Initiatives,  
 6 we've got NRA Carry Guard, 2018 budget, \$4.35 million.  
 7 Do you see that?  
 8 A. I do.  
 9 Q. Do you recall when the -- well, let me -- let  
 10 me back up.  
 11 What is Carry Guard?  
 12 A. It was a program of the NRA in development at  
 13 this time. It may have been already launched in 2018,  
 14 but it was a series of items that -- for concealed carry  
 15 permit holders, some education, some insurance sales.  
 16 Those are the two biggest things.  
 17 Q. Who at the NRA was -- or do you know who at the  
 18 NRA was ultimately responsible for the Carry Guard  
 19 program?  
 20 A. Josh Powell.  
 21 Q. Was it your understanding that Mr. Powell came  
 22 up with the concept behind Carry Guard?  
 23 MR. FURIA: Objection to form.  
 24 And I would just note that if the answer  
 25 requires you to reveal communications you had with

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1 counsel, I would instruct you not to answer as the NRA  
 2 is asserting its attorney/client privilege.  
 3 THE WITNESS: Okay.  
 4 A. I can't remember where -- where it originated.  
 5 Q. (BY MR. MASON) But your recollection is that  
 6 Mr. Powell was the individual primarily responsible for  
 7 Carry Guard at the NRA?  
 8 A. Yes, at this time, he was.  
 9 Q. Was the NR -- was the Carry Guard program an  
 10 expensive initiative for the NRA?  
 11 A. Yes.  
 12 Q. Do you know what happened to the Carry Guard  
 13 initiative?  
 14 A. I don't. I left before -- while it was still  
 15 being developed.  
 16 Q. Now, if we look at Exhibit 425, we talked  
 17 briefly before, under Operations, there's a line item  
 18 here called, Pass-through Expenses. Do you see that?  
 19 A. Yes.  
 20 Q. And the --  
 21 A. No, I saw it before. Hang on a second. We're  
 22 not there yet. Are we over here -- okay.  
 23 THE WITNESS: Where should I be looking?  
 24 MR. WERBNER: I think it's on your  
 25 computer. It's under Operations.



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1 THE WITNESS: I might have to -- who can  
2 move mine? Can I do it?  
3 Q. (BY MR. MASON) Here, I can -- I can make my --  
4 A. Well, I've got -- okay. That helps. And then  
5 keep going down. Keep going. Whoa. Is there another  
6 page of this?  
7 Q. There is another page.  
8 A. I think it's at the bottom of that page.  
9 Q. What are you looking for on here, Mr. Phillips?  
10 A. I'm looking for pass-through expenses. Oh, I  
11 see it now. I've got it.  
12 Q. This is on Page 2. And then I'm going to go up  
13 to Page 1 that says, NRA Final.  
14 And do you see under Operations here, it  
15 has pass-through expenses, \$950,000?  
16 A. I do.  
17 Q. When you joined the NRA in 1992, did you have  
18 an understanding as to whether the NRA was running  
19 pass-through expenses through Ackerman McQueen prior to  
20 your arrival?  
21 A. You asked when I joined? I'm not sure I knew  
22 it when I joined. I learned about them later, but I  
23 just don't remember when.  
24 Q. Sure. But after you joined the NRA, you  
25 learned at some point in time that the NRA was running

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1 pass-through expenses through Ackerman McQueen?  
2 A. Yes.  
3 Q. And here under the 2018 budget, we have --  
4 according to this document, it's budgeted for \$950,000.  
5 Do you see that?  
6 A. That's correct.  
7 Q. Did the NRA typically budget for approximately  
8 \$950,000 each year, beginning in 2014?  
9 A. I think it was lower in 2014. I'm not sure.  
10 Q. What about in 2015?  
11 A. I can't remember in 2015 either.  
12 Q. I believe you testified your understanding of  
13 the pass-through expenses was these were expenses for  
14 travel and entertainment?  
15 A. Mostly travel and entertainment.  
16 Q. Anything else besides travel and entertainment  
17 that you recall?  
18 A. No.  
19 Q. Who were -- what -- what individuals were you  
20 aware of that had travel and entertainment expenses that  
21 were being included in this pass-through line item?  
22 A. Wayne LaPierre, Tyler Schropp. And I don't  
23 know if Tony Makris was in here or if he was somewhere  
24 else in the budget.  
25 Q. Do you recall whether -- I'm sorry, go ahead.

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1 A. I said that's all I can think of at the moment.  
2 Q. Do you recall whether any of Mr. Nader  
3 Tavangar's expenses relating to travel with Mr. LaPierre  
4 were included as part of the pass-through expenses line  
5 item?  
6 A. Yes, they should have been. I assume this is  
7 the line item they came in on.  
8 Q. Who is Gail Stanford?  
9 A. She books travel for Wayne LaPierre; possibly  
10 for Tyler Schropp; possibly -- also maybe in here there  
11 would be some Chris Cox expenses.  
12 Q. Do you recall whether any expenses relating to  
13 Ms. Stanford were part of the pass-through expenses line  
14 item at any point in time?  
15 A. I believe so.  
16 Q. Have you ever heard of Landini's?  
17 A. Yes.  
18 Q. Do you recall whether any expenses relating to  
19 Landini's were ever comprised of the pass-through  
20 expenses line item on the NRA/Ackerman budget?  
21 A. I don't know directly, but I expect this is  
22 where the expenses would be related to Landini's.  
23 Q. Do you know why the NRA and Ackerman had a line  
24 item for pass-through expenses in the annual budget?  
25 A. Well, they were -- Ackerman McQueen was -- was

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1 paying these and they had to come back to NRA in some  
2 form, and this was a way that we could track them. And  
3 so if we ever had to verify them, we would have them all  
4 in one place.  
5 Q. Was the purpose of having the pass-through  
6 expenses line item, at least in part, for Mr. LaPierre's  
7 confidentiality and security concerns?  
8 MR. FURIA: Objection to form.  
9 A. Yes. Okay. Yes.  
10 Q. (BY MR. MASON) Do you recall budget meetings  
11 with Ackerman McQueen where there was discussions as to  
12 what the budget line item should be for pass-through  
13 expenses for an upcoming year?  
14 A. It would be in this context. I don't remember  
15 a specific discussion.  
16 Q. I believe you testified earlier that you would  
17 go through each line item in the budget. So would that  
18 also include the pass-through expenses line item?  
19 A. At what -- at what point are you talking  
20 about -- drawing testimony about going through line  
21 items? Is this with the audit committee -- I mean  
22 finance committee?  
23 Q. No. Let me -- let me -- let me rephrase the --  
24 let me rephrase the question.  
25 Do you recall Mr. LaPierre ever being

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1 present for a meeting with Ackerman McQueen where the  
 2 pass-through expenses were discussed?  
 3 A. I can't recall a time.  
 4 Q. So you're not saying that it didn't happen,  
 5 you're just saying, as you sit here today, you cannot  
 6 recall, correct?  
 7 A. That's correct.  
 8 Q. Do you recall being in any meeting with  
 9 Mr. LaPierre where the expenses that were comprised --  
 10 that were comprising these pass-through expenses were  
 11 discussed in any way?  
 12 A. I can't -- I can't recall. We may have had a  
 13 discussion, but -- maybe not in one of these meetings,  
 14 but a discussion about how to optimize the benefit on  
 15 private air travel.  
 16 Q. Do you recall ever having any discussions with  
 17 Mr. LaPierre about the pass-through expenses that the  
 18 NRA was running through Ackerman McQueen?  
 19 MR. FURIA: Objection to form.  
 20 A. I don't recall a time.  
 21 Q. (BY MR. MASON) And again, you're not saying  
 22 that you didn't have those conversations, you're just  
 23 saying that, as you sit here today, you don't recall,  
 24 correct?  
 25 A. That's correct.

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1 MR. MASON: Ms. Davis, can we put up  
 2 Exhibit 66, please?  
 3 (Exhibit No. 66 was marked.)  
 4 MR. FURIA: And if things are working on  
 5 that front, perhaps she can put it into AgileLaw, that  
 6 last exhibit.  
 7 MR. MASON: Yes. That's exactly what I  
 8 was going to ask.  
 9 Ms. Davis, can you also -- we looked at  
 10 Exhibit 435, so if you would drop that one in as well.  
 11 Q. (BY MR. MASON) Mr. Phillips, if you will pull  
 12 up Exhibit 66, this is a -- this is a deposition  
 13 transcript for Mr. LaPierre from the recent NRA  
 14 Bankruptcy in March of 2021. And if you will, go down  
 15 to Page -- Page 230 -- I'm sorry, 390 of the actual  
 16 transcript, which will be PDF Page 38 of 64.  
 17 A. We're there.  
 18 Q. And if you look at Page 390, beginning on line  
 19 4, do you see the question that begins, Did you know?  
 20 Do you see that?  
 21 A. Yes.  
 22 Q. So this is a question to Mr. LaPierre: Did you  
 23 know that the NRA was running pass-through expenses  
 24 through Ackerman McQueen prior to?  
 25 Answer: No, I didn't. Then there's an

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1 objection. Answer: No, I did not.  
 2 Question: You were not aware of that?  
 3 Answer, no. Objection to form. No.  
 4 Do you see that?  
 5 A. I do.  
 6 Q. Given your involvement with Ackerman McQueen  
 7 over the years ago, along with Mr. LaPierre -- knowing  
 8 about Mr. LaPierre's involvement with Ackerman McQueen,  
 9 is it surprising to you that Mr. LaPierre would testify  
 10 under oath that he was not even aware that the NRA was  
 11 running pass-through expenses through Ackerman McQueen?  
 12 MR. FURIA: Objection to form.  
 13 A. Well, it would if -- it could be the definition  
 14 of pass-through expenses he saw differently. But he  
 15 would know that Ackerman McQueen was paying for certain  
 16 NRA costs and then billing them for it.  
 17 Q. (BY MR. MASON) How do you know that  
 18 Ackerman -- I'm sorry.  
 19 How do you know that Mr. LaPierre knew  
 20 that Ackerman was paying for certain posts and then  
 21 billing them -- billing to NRA back for it?  
 22 A. Well, that's an assumption on my part, too. I  
 23 don't have a specific example.  
 24 Q. If you go to, on the same page, Page 392, line  
 25 9.

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1 A. Okay.  
 2 Q. I'm sorry, Page -- Page 392, line 5, do you  
 3 know what -- what those pass-through expenses were for?  
 4 MR. FURIA: Objection to form. Objection  
 5 to foundation.  
 6 Q. (BY MR. MASON) Answer, I don't know what  
 7 they're for. I've never even focussed on that before.  
 8 Question, do you recall ever asking what  
 9 the pass-through expenses were. Objection to form.  
 10 Objection to foundation.  
 11 I don't. I didn't -- as I said, I did not  
 12 spend much time at all building the Ackerman McQueen, if  
 13 any -- building the Ackerman McQueen budget each year.  
 14 I mean I was focussed more on what I just talked about  
 15 earlier. I would see the final -- the final figures,  
 16 but I don't remember being in a whole number of budget  
 17 meetings with Ackerman as their budget was put together.  
 18 Do you see that?  
 19 A. I do.  
 20 Q. And then the question is, So I just want to be  
 21 sure that the record is clear, it's your testimony,  
 22 Mr. LaPierre, that you do not know what the pass-through  
 23 expenses were between Ackerman and the NRA?  
 24 Objection to form. Go ahead and answer.  
 25 I don't.

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1 Do you see that?

2 A. I do.

3 Q. Given your knowledge of Mr. LaPierre's

4 relationship -- close relationship with Ackerman McQueen

5 over the years, is it surprising to you that

6 Mr. LaPierre would testify under oath that he didn't

7 know what those pass-through expenses were?

8 MR. FURIA: Objection to form.

9 A. Yeah, I -- my best guess is that, you know, the

10 term "pass-through expenses" may not have rung a bell

11 with him and may not have been defined earlier. But

12 he -- he would have known that there was certain things

13 that Ackerman McQueen paid for that they were reimbursed

14 for by NRA.

15 Q. (BY MR. MASON) Were -- do you ever recall

16 referring to those expenses as out-of-pocket expenses?

17 A. It's possible, or at least it's possible

18 somewhere on some document they're referred to that way.

19 Q. Well, what I'm trying to figure out is you were

20 saying that Mr. LaPierre may not know what pass-through

21 expenses were because he didn't understand what the

22 definition was of that term. And so what I'm trying --

23 my question for you is, is there another term that comes

24 to mind based on prior discussions that you may have had

25 with him or seen that would suggest that Mr. LaPierre

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1 knew that the NRA was running certain expenses through

2 Ackerman McQueen?

3 MR. FURIA: Objection to form.

4 A. Yeah, I can't -- I can't think -- think of a

5 term. He's not an accountant, so pass through or out of

6 pocket means one thing to accounting guys. It means a

7 lot to attorneys that pass them through. But it's

8 possible that, you know, he -- he didn't fully

9 understand the question. But it's also, you know, if --

10 it's also true that he would have -- would have had to

11 known that, over the years that -- and I can't think of

12 a specific example, he would have had to know that there

13 were certain costs being paid for by Ackerman McQueen.

14 Q. (BY MR. MASON) Do you recall ever having any

15 conversations with Mr. Tedrick regarding the

16 pass-through expenses?

17 MR. FURIA: Objection, form.

18 A. Yes.

19 Q. (BY MR. MASON) What do you recall about those

20 conversations with Mr. Tedrick?

21 A. Well, there were two occasions that he and I

22 went to Oklahoma City and I kind of audited the

23 pass-through expenses. He spent time on pass-through

24 expenses and I spent time kind of on the overall

25 relationship, including the people that were charging --

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1 we were charging based on their salaries.

2 Q. Do you recall approximately what years those

3 two occasions were that you and Mr. Tedrick went to

4 Oklahoma City?

5 A. Yeah, well, I can't say. They were -- they

6 were quite some time ago for me. But Tedrick would go

7 more often.

8 Q. Was it your understanding that Mr. Tedrick was

9 going to audit the Ackerman books and records each year

10 on behalf of the NRA?

11 A. That was my understanding.

12 Q. Do you recall how far back Mr. Tedrick -- or do

13 you recall when Mr. Tedrick began auditing Ackerman's

14 books and records each year?

15 A. I can't recall. It could be any time within a

16 ten-year time frame back in, you know, 15 years plus

17 ago.

18 Q. Do you believe Mr. Tedrick was conducting those

19 auditing prior to 2010?

20 A. I think so.

21 Q. When you joined the NRA in 1992, did you have

22 an understanding as to whether or not the NRA was

23 auditing Ackerman's books and records each year?

24 A. No.

25 Q. I'm sorry, I didn't -- I missed that answer.

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1 A. I'm sorry I said -- I'm sorry, I said "no."

2 Q. Okay. From approximately the year 2000 to

3 2018, was it your understanding that someone from the

4 NRA was going to conduct some form of an annual audit of

5 Ackerman McQueen?

6 MR. FURIA: Objection, form.

7 A. Yes.

8 Q. (BY MR. MASON) As you sit here right now,

9 you're not saying those audits didn't occur prior to

10 2000 -- the year 2000, you just don't recall, correct?

11 A. You're correct.

12 Q. Why was the NRA conducting annual audits of

13 Ackerman?

14 A. Well, because of -- because of the pass-through

15 expenses, we wanted to be sure that the backup was being

16 maintained, because these charges ultimately were going

17 to be reported by the NRA.

18 Q. Was it your understanding that that was the

19 purpose of the annual audit going back to the year 2000?

20 A. Yes.

21 Q. Are you aware of -- between 2000 and 2010,

22 whether the NRA looked at any other Ackerman books and

23 records relating to anything else besides the

24 pass-through expenses?

25 A. Yes. It would have -- would have looked at

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1 the -- the schedules of -- of the what we called earlier  
 2 "dedicated employees" and -- and what their salaries  
 3 were, kind of looking at the same type of chart --  
 4 creating the same kind of chart that we looked at  
 5 earlier.  
 6 Q. On the -- on the dedicated employees or the  
 7 positions that we talked about earlier, was one of the  
 8 things that the NRA would look at the amount of time  
 9 that those certain employees were spending on the NRA  
 10 account?  
 11 A. When I went, we did not look at -- you're  
 12 talking about going back to time sheets, I think. We  
 13 didn't do that. But I think it's possible there were  
 14 other times when Mr. Tedrick was there that he -- he  
 15 looked at the timekeeping as well.  
 16 Q. So was it your understanding that Mr. Tedrick  
 17 was conducting annual audits of Ackerman McQueen from  
 18 approximately the year 2000 until 2016, '17?  
 19 MR. FURIA: Objection to form.  
 20 A. It was since -- I've since learned he didn't go  
 21 every year.  
 22 Q. (BY MR. MASON) Was it your understanding that  
 23 when Mr. Tedrick would conduct these audits, that he  
 24 would travel to Oklahoma City to Ackerman McQueen's  
 25 headquarters?

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1 A. Yes.  
 2 Q. Would Mr. Tedrick report back to you after  
 3 these annual audits?  
 4 A. Sometimes.  
 5 Q. Do you recall Mr. Tedrick raising any  
 6 complaints with you regarding any of the audits he  
 7 conducted of Ackerman's books and records?  
 8 A. I don't recall a time he would have done that.  
 9 Q. Do you recall Mr. Tedrick ever raising any  
 10 concerns with you about Ackerman McQueen not maintaining  
 11 proper documentation to support the pass-through  
 12 expenses?  
 13 A. No.  
 14 Q. Prior to the summer of 2018, are you aware of  
 15 Mr. Tedrick ever raising concerns with anyone at the NRA  
 16 about Ackerman McQueen not maintaining proper  
 17 documentation to support the pass-through expenses?  
 18 A. I do not.  
 19 Q. Prior to the fall of 2018, do you recall anyone  
 20 raising any concerns about the NRA's examination of  
 21 Ackerman's books and records?  
 22 A. I'm sorry, can you repeat that?  
 23 Q. Sure.  
 24 Prior to the fall of 2018, do you recall  
 25 anyone raising any concerns about the NRA's examination

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1 of Ackerman's books and records?  
 2 A. No.  
 3 Q. Prior to the fall of 2018, do you recall anyone  
 4 raising any concerns about the backup documentation  
 5 maintained by Ackerman for any of the work that it was  
 6 doing for the NRA?  
 7 A. No.  
 8 Q. So you -- you testified that you recall there  
 9 being two different instances where you went to  
 10 Ackerman's headquarters to audit their books and  
 11 records; is that correct?  
 12 A. There were two different occasions. I  
 13 wouldn't -- I wouldn't say I went to audit their books  
 14 and records; that's a bigger scope. I audited their  
 15 relationship with NRA.  
 16 Q. What kinds of -- what kind of documents do you  
 17 recall reviewing during those two instances?  
 18 A. Well, we split the -- the task between Rick  
 19 Tedrick and me. And I remember more vividly the first  
 20 one for some reason, but it was -- Mr. Tedrick did  
 21 out-of-pocket expenses and maybe a few other things and  
 22 I tried to build a -- kind of an overall relationship  
 23 with NRA to see kind of what profit percentage for  
 24 Ackerman McQueen was on the NRA work. So that -- that  
 25 involved, you know, the people as well as the -- you

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1 know, the other costs that they had.  
 2 Q. And during -- during the two instances that you  
 3 recall auditing Ackerman's books and records, during --  
 4 during both of those instances, would you say that you  
 5 audited the -- or you examined the overall relationship  
 6 to -- in part, to determine what the profit percentage  
 7 was for Ackerman?  
 8 MR. FURIA: Objection to form.  
 9 A. Yes. Yes.  
 10 Q. (BY MR. MASON) During the two audits that you  
 11 did -- or during the two instances where you went to  
 12 examine Ackerman's books and records, did you look at  
 13 the out-of-pocket expenses at all?  
 14 A. Not the first time; possibly some the second  
 15 time, I just don't recall.  
 16 Q. During the two instances where you were  
 17 physically present examining Ackerman's books and  
 18 records, do you recall having any concerns at all about  
 19 the -- the documentation that Ackerman was maintaining  
 20 for its work for the NRA?  
 21 A. No.  
 22 MR. FURIA: Objection, form.  
 23 Q. (BY MR. MASON) During the two instances where  
 24 you were physically present examining Ackerman's books  
 25 and records, did you -- do you recall having any



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1 concerns about Ackerman McQueen's profit percentage with  
 2 respect to the work that it was doing for -- for the  
 3 NRA?  
 4 MR. FURIA: Objection, form.  
 5 A. No.  
 6 Q. (BY MR. MASON) Do you recall an instance where  
 7 Mr. Tedrick, during one of his audits, attempted to take  
 8 copies of documents away from Ackerman's place of  
 9 business?  
 10 A. I don't recall.  
 11 Q. So, again, you're not saying that it didn't  
 12 happen, you just don't have a recollection as you're  
 13 sitting here today?  
 14 A. That's -- that's right, I'm not saying it  
 15 didn't happen.  
 16 Q. If I understand your testimony, the two  
 17 instances where you went to examine Ackerman's books and  
 18 records, you were accompanied by Mr. Tedrick?  
 19 A. Yes.  
 20 Q. At any point in time during those two  
 21 examinations, did Mr. Tedrick raise any concerns with  
 22 you about the information that he had reviewed at  
 23 Ackerman's headquarters?  
 24 A. No.  
 25 Q. Do you recall any instance where you requested

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1 information from Ackerman during an audit and that  
 2 information was not provided to you?  
 3 A. No.  
 4 Q. Are you aware of any instance where someone  
 5 else from the NRA -- well, let me back up.  
 6 Prior to the summer of 2018, are you aware  
 7 of anyone else from the NRA examining Ackerman's books  
 8 and records and expressing concern about the  
 9 documentation being maintained by Ackerman?  
 10 MR. FURIA: Objection to form.  
 11 A. No.  
 12 Q. (BY MR. MASON) Prior to the summer of 2018,  
 13 are you aware of anyone at the NRA that requested  
 14 additional information from Ackerman during any audit  
 15 that was not provided to them?  
 16 A. No.  
 17 Q. Prior to the summer of 2018, do you recall any  
 18 complaint from anyone at the NRA about a single audit  
 19 that the NRA conducted of Ackerman McQueen?  
 20 MR. FURIA: Objection to form.  
 21 A. No.  
 22 Q. (BY MR. MASON) If Mr. Tedrick had concerns  
 23 about the information that he was reviewing during his  
 24 audits of Ackerman, did you expect that Mr. Tedrick  
 25 would have reported that to you?

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1 MR. FURIA: Objection to form.  
 2 A. Yes.  
 3 Q. (BY MR. MASON) Between -- between 1992 and the  
 4 summer of 2018, do you recall a single instance of  
 5 anyone from Ackerman ever denying you access or  
 6 information relating to any of Ackerman's work for the  
 7 NRA?  
 8 MR. FURIA: Objection to form.  
 9 A. I do not.  
 10 Q. (BY MR. MASON) Let's switch gears a little bit  
 11 and talk about invoicing and billing. During your time  
 12 at the NRA, would Ackerman McQueen submit regular  
 13 invoices to the NRA for payment?  
 14 A. Yes.  
 15 Q. Did you have an understanding as to how those  
 16 invoices would be submitted to the NRA?  
 17 A. (No response.)  
 18 Q. Let me -- let me ask it in a little bit  
 19 better -- in a little bit better way.  
 20 Was it your understanding that -- that  
 21 Ackerman McQueen would e-mail over its invoices to the  
 22 NRA for payment and processing?  
 23 A. I believe so, but I -- I would say they would  
 24 be printed out. Sorry.  
 25 Q. Do you recall who at the NRA was initially

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1 responsible for receiving or invoicing the Ackerman  
 2 invoices?  
 3 A. They could have been addressed to me or they  
 4 could have gone directly to Lisa Supernaugh. That's my  
 5 recollection.  
 6 Q. Was Mr. Tedrick involved with the processing of  
 7 Ackerman's invoices at the NRA?  
 8 A. I expect so.  
 9 Q. Do you recall whether Mr. Tedrick was involved  
 10 in approving any of Ackerman's invoices?  
 11 A. I don't know. Sorry. I don't know.  
 12 Q. And we'll look at a couple of the invoices in a  
 13 few minutes. But in terms of the -- the agreed-upon  
 14 annual budget and the invoices, was it your  
 15 understanding that -- setting aside agreed-upon projects  
 16 outside of the annual budget, that the NRA would receive  
 17 one-twelfth of the agreed-upon annual budget for certain  
 18 line items?  
 19 A. Yes.  
 20 MR. FURIA: Objection to form.  
 21 MR. MASON: What's the basis of the  
 22 objection?  
 23 MR. FURIA: It was a very compound and  
 24 convoluted question, respectfully.  
 25 Q. (BY MR. MASON) Let's see if I can rephrase it

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1 for the -- for the record, Mr. Phillips.  
 2 A. Sure.  
 3 Q. When the NRA received monthly budgets from  
 4 Ackerman McQueen -- I'm sorry, let me back up.  
 5 When the NRA received monthly invoices  
 6 from Ackerman McQueen, did you have an understanding as  
 7 to whether or not those corresponded to the agreed-upon  
 8 annual budget?  
 9 A. Yes --  
 10 MR. FURIA: Objection to form.  
 11 A. -- that would be one -- one set of -- one set  
 12 of invoices. They may bill for other special projects,  
 13 too.  
 14 Q. (BY MR. MASON) And setting aside those special  
 15 projects, what was your understanding as to how the  
 16 Ackerman invoices corresponded to the agreed-upon annual  
 17 budget?  
 18 A. One-twelfth.  
 19 Q. Can you explain what you mean by that?  
 20 A. Well, take the annual budget and divide it by  
 21 12 and pay that monthly.  
 22 Q. Was that separately allocated based on  
 23 individual line items?  
 24 A. I don't -- I don't recall.  
 25 Q. There were certain invoices, though, that were

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1 processed based upon expenses incurred as opposed to a  
 2 fixed fee, correct?  
 3 A. Correct.  
 4 Q. For example, the pass-through expenses,  
 5 correct?  
 6 A. Correct.  
 7 Q. But if there was a line item for, let's say,  
 8 talent, and we talked about what talent was earlier, was  
 9 it your understanding that Ackerman would invoice the  
 10 NRA each month for one-twelfth of the agreed-upon annual  
 11 budget for talent?  
 12 A. I don't know the answer to that.  
 13 Q. When the NRA received Ackerman's invoices, how  
 14 were they processed internally at the NRA?  
 15 A. I think they would come to my attention or Lisa  
 16 Supernaugh, and Lisa would get the required signatures  
 17 on the invoice and then would submit it to financial  
 18 services for payment.  
 19 Q. Was it your responsibility to review the  
 20 invoice and confirm that the work had been done for each  
 21 particular invoice?  
 22 A. Not me specifically, but, you know, it would  
 23 depend on the nature of the invoice as to who should  
 24 have signed off on it. And, you know, I wanted to be  
 25 sure that the appropriate signatures were there.

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1 Q. So when you were brought the Ackerman invoices,  
 2 would you then determine who internally at the NRA  
 3 needed to review those invoices to make sure that the  
 4 work was being done and billed correctly?  
 5 A. Mostly. Some of it could have been done  
 6 earlier by Lisa Supernaugh, who would know by the nature  
 7 of the invoice who to take it to. But otherwise, you  
 8 know, we would decide who needed to sign off.  
 9 Q. How was that decision typically made as to  
 10 whether -- as to who needed to sign off?  
 11 A. Be a discussion between me and Lisa, or maybe  
 12 Lisa and somebody else, if I wasn't in the office.  
 13 Q. Did the NRA have certain requirements for  
 14 officers or executives to approve an invoice based upon  
 15 the amount in the invoice?  
 16 A. Yes.  
 17 Q. Do you recall generally what those requirements  
 18 were?  
 19 A. Generally, there was one set above 50,000 and I  
 20 think there was another set of rules above \$100,000.  
 21 And usually, you know, if it was above one of the  
 22 thresholds, you needed to get a signature of a specified  
 23 officer level or a division director.  
 24 Q. So if an Ackerman invoice came in for \$10,000,  
 25 who -- in 2016, who within the NRA would need to provide

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1 approval to pay that invoice?  
 2 MR. FURIA: Objection to form.  
 3 A. It would be the senior person in -- wherever --  
 4 whatever the project was that Ackerman was billing for.  
 5 Q. (BY MR. MASON) Would that senior person need  
 6 to sign off in some way on the particular invoice before  
 7 it was processed for payment?  
 8 A. It would be in the initial -- normally, there  
 9 was a stamp on the -- that Lisa Supernaugh would put on  
 10 the front of the invoice, and the signatures or initials  
 11 would go under there.  
 12 Q. So I want to be sure I understand the process.  
 13 The Ackerman invoices are received by the NRA. They're  
 14 printed out and brought to you. Ms. Supernaugh puts  
 15 stamps on the invoices. And then generally, between the  
 16 two of you, you decide where those invoices need to be  
 17 sent for approval within the NRA?  
 18 A. Yeah. And she'd only -- she'd only come to me  
 19 on it if there was a question and we didn't already have  
 20 a history there. If I wasn't in the office, she may go  
 21 to Rick Tedrick to see too.  
 22 Q. And you say "she may go to Mr. Tedrick to see  
 23 too," you're referring if -- if you weren't available,  
 24 Ms. Supernaugh may go to Rick Tedrick in order to  
 25 determine where the Ackerman invoice needed to go within

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1 the NRA for approval?

2 A. Yeah. That plus you had to sign a chart of

3 accounts code to it and that would be on the -- on

4 the -- in the context of the rubber stamp, too.

5 Q. Was it Ms. Supernaugh's responsibility to

6 assign the appropriate accounts code for the invoice?

7 Or was that the responsibility of the particular

8 department or individual involved with the work being

9 done on the invoice?

10 A. I'd say 90 something percent of it,

11 Ms. Supernaugh did it because she knew the nature of it.

12 Otherwise, I'm not sure how the exceptions would be

13 done.

14 Q. And so I believe you said any -- you recall the

15 NRA policy under 50 -- \$50,000, a senior person would

16 have to -- to sign off on it. What was the NRA policy

17 with respect to invoices that were greater than \$50,000?

18 A. That's where it might take two officers.

19 I'm -- I don't recall. But that sounds -- sounds the

20 right cutoff, two officers' signatures.

21 Q. And then I believe you testified that it was

22 your understanding or your recollection that for

23 invoices over \$100,000, there was a different level of

24 signoff within the NRA?

25 A. Yeah. You're right, I said that. Maybe if

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1 it's a payment in context with a larger contract, that

2 extra signature -- that had already been signed off on,

3 that extra signature might not be required. Or extra

4 processing may not be required because it was already

5 done for the big contract.

6 Q. Whose responsibility was it at the NRA to

7 review the Ackerman invoice that was coming in and

8 correspond it to the appropriate agreed-upon budget line

9 item?

10 A. Well, if you put the code on when it was being

11 submitted for payment, it would go into the system, so

12 once a month, we could see, you know, where -- where we

13 were relative to the budget. Again, get reports out of

14 the system month to month. So the first process would

15 be to code the invoice. Then the code got entered when

16 the invoice was paid. And at the end of the month, a

17 report was generated it would show where we were in

18 spending relative to the budget.

19 Q. Did you have an understanding as to

20 Mr. Frazer's role with respect to approving Ackerman

21 invoices from 2014 to 2018?

22 MR. FURIA: Object to the extent that your

23 answer would require you to reveal information or

24 communications that you had with Mr. Frazer involving

25 legal advice, I would ask that you not provide that

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1 answer, as the NRA is asserting its rights under the

2 attorney/client privilege.

3 THE WITNESS: All right.

4 A. The answer is I don't know. He's an officer so

5 he might fall -- fall into that category.

6 Q. (BY MR. MASON) Do you -- would it have been

7 your responsibility or were you -- let me ask it this

8 way: Do you -- were you ever involved with bringing

9 Ackerman invoices to Mr. Frazer and asking for a signoff

10 on them?

11 A. No.

12 Q. Do you know who was?

13 MR. FURIA: Objection to form.

14 A. I think that would be the role of Lisa

15 Supernaugh.

16 Q. (BY MR. MASON) So when the Ackerman invoice

17 would first come in, I believe you testified they would

18 be printed out and -- and provided to you in hard copy?

19 A. Yeah, I would see them in hard copy, when I saw

20 them.

21 Q. Do you recall -- do you ever recall an instance

22 where you received an Ackerman invoice and you were

23 concerned about the lack of detail provided in the

24 Ackerman invoice?

25 A. No.

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1 Q. Do you ever recall an instance where you

2 received and reviewed an Ackerman invoice and you were

3 concerned about the lack of backup documentation

4 supporting the invoice?

5 A. No.

6 Q. Are you aware -- well, let me ask you this:

7 Prior to -- prior to the summer of 2018, do you recall

8 anyone within the NRA coming to you and having concerns

9 about the amount of detail provided in any of the

10 Ackerman McQueen invoices?

11 A. I do not.

12 Q. Prior to the summer of 2018, do you recall

13 anyone with -- within the NRA coming to you and having

14 concerns about the amount of backup documentation that

15 was submitted with a particular invoice?

16 A. No.

17 Q. If the NRA had concerns about the amount of

18 information provided on a particular Ackerman invoice,

19 was it your understanding that the NRA had a right to

20 request additional information?

21 MR. FURIA: Object to form.

22 A. Yes. Yes.

23 Q. (BY MR. MASON) Do you recall an -- any

24 instance where the NRA asked Ackerman McQueen, prior to

25 the summer of 2018, to provide additional information on

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1 its invoices that Ackerman McQueen did not comply with?

2 A. No.

3 Q. Do you recall a single instance prior to the

4 summer of 2018 where anyone from the NRA asked Ackerman

5 McQueen to provide additional backup documentation to

6 support an invoice and learning that that documentation

7 was not provided?

8 A. I do not.

9 Q. Prior to the fall of 2018, do you recall

10 reviewing an Ackerman invoice that you did not

11 understand what the goods or services were for?

12 MR. FURIA: Object to form.

13 A. I don't --

14 Q. (BY MR. MASON) Let me -- let me -- I'm going

15 to withdraw that question.

16 A. Okay.

17 Q. Was it your understanding, Mr. Phillips, that

18 if the NRA paid an Ackerman invoice, that the NRA was

19 comfortable with the amount of detail and backup

20 provided by Ackerman McQueen to support that invoice?

21 MR. FURIA: Objection to form.

22 A. Yes.

23 Q. (BY MR. MASON) Prior to the fall of 2018, do

24 you recall a single invoice that Ackerman sent over to

25 the NRA that was not paid by the NRA?

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1 A. I don't -- do not.

2 Q. At any point in time, do you recall having any

3 discussions with Mr. LaPierre about the level of detail

4 in Ackerman McQueen's invoices?

5 A. I don't recall a time where we talked about it.

6 Q. Do you recall ever having a conversation -- let

7 me ask you this: Do you recall Mr. LaPierre expressing,

8 either to you or other parties in your presence, a

9 desire to keep certain invoices discreet?

10 MR. FURIA: Objection.

11 To the extent that that would require you

12 to reveal the communications that were had between

13 Mr. LaPierre and an attorney for the purpose of

14 obtaining legal advice, I'd ask that you not answer the

15 question, as the NRA asserts its attorney/client

16 privilege.

17 THE WITNESS: Do I need to answer this?

18 MR. WERBNER: Can you repeat the question?

19 Q. (BY MR. MASON) Yeah. I -- I do not want you

20 to reveal conversations that you may have had with the

21 NRA's attorneys relating to legal advice.

22 My question was, do you recall

23 Mr. LaPierre expressing to either you or others in your

24 presence a desire to keep certain Ackerman McQueen

25 invoices discreet?

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1 MR. FURIA: So it's the same objection.

2 And to the extent that there's any question as to

3 whether Mr. Phillips is able to answer that question

4 without running afoul of the attorney/client privilege,

5 I would suggest we take a few-moment break and I can

6 consult with Mr. Werbner?

7 MR. WERBNER: Yeah, that would be fine.

8 THE WITNESS: Let's do that. It's time

9 for one anyway.

10 MR. WERBNER: Yeah.

11 THE WITNESS: Can I do that?

12 MR. MASON: Yeah. Let's take a break.

13 THE VIDEOGRAPHER: We're off the record at

14 2:23, end Media 4.

15 (Break was taken.)

16 THE VIDEOGRAPHER: We're on the record at

17 2:38, start Media 5.

18 Q. (BY MR. MASON) Mr. Phillips, before we took a

19 break, I believe the pending question was, do you recall

20 Mr. LaPierre expressing to you or others in your

21 presence a desire to keep certain Ackerman McQueen

22 invoices discreet?

23 MR. FURIA: So the instruction was an

24 objection on the basis that if revealing attorney/client

25 communications would be involved, that you shouldn't

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1 answer. So again, I understand that Mr. Werbner and

2 Mr. Phillips may have consulted and -- but that's the

3 objection and the instruction.

4 MR. WERBNER: I'll just add that I'm not

5 sure the witness recalls the way that question was

6 formatted, but to whatever extent he does, he's made

7 clear to me that lawyers were not present; therefore, to

8 the extent he remembers, I'll allow him to answer the

9 question.

10 A. Okay. I don't recall a specific time, but I --

11 I know we were in agreement on that, so there must have

12 been some discussion at some point.

13 Q. (BY MR. MASON) When you said you know that we

14 were in a -- in an agreement on that, what do you mean?

15 A. An agreement that the bills should not be too

16 detailed.

17 Q. And you're referring to an agreement -- or

18 discussion between yourself and Mr. LaPierre?

19 A. Yes.

20 Q. Was that communi- --

21 A. I don't know -- I don't know of a specific one.

22 I just know we -- we were in agreement of that, I know

23 that from some -- somehow.

24 Q. And that was communicated to Ackerman McQueen,

25 correct?



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1 A. I assume so.

2 Q. Wouldn't you agree that in order to -- let me

3 ask it this way: Do you recall communicating to

4 Ackerman McQueen that their bill should not be too

5 detailed?

6 A. I don't recall that.

7 Q. So that was something that Mr. LaPierre

8 communicated that -- communicated to Ackerman McQueen?

9 MR. FURIA: Objection to form.

10 A. No, I just don't -- I just don't recall. I

11 don't know who would have communicated it. It would

12 have been quite some time ago.

13 Q. (BY MR. MASON) Do you recall, prior to the

14 fall of 2018, having any discussions with Mr. LaPierre

15 regarding the amount of backup documentation provided in

16 Ackerman's invoices to the NRA?

17 A. Is this different from the earlier question?

18 Why don't you repeat it so I can get --

19 Q. Sure. I believe what we were just talking

20 about a few minutes ago was the amount of detail on the

21 invoice itself. Is that -- was that your understanding

22 as well?

23 A. Yes.

24 Q. And so my question now is, do you recall, prior

25 to the fall of 2018, having any discussions with

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1 Mr. LaPierre regarding the amount of backup

2 documentation or support provided with Ackerman

3 McQueen's invoices to the NRA?

4 A. I don't recall any discussions with

5 Mr. LaPierre about that.

6 Q. Do you recall any instances where you would

7 take an Ackerman McQueen invoice and show it to

8 Mr. LaPierre?

9 MR. FURIA: Objection, form.

10 A. I don't recall a specific time, but I may -- I

11 may have asked him from time to time about an invoice

12 from Ackerman McQueen.

13 Q. (BY MR. MASON) Prior to August the 8th of

14 2018, are you aware of anyone at the NRA asking Ackerman

15 McQueen to change or modify how they invoice the NRA?

16 A. I'm aware of it based on something I saw after

17 the fact just recently in connection with the

18 litigation. And just I can't remember where I saw that.

19 It's something I read. But I think Craig Spray had

20 asked for something that he couldn't get.

21 Q. And your recollection is that that was before

22 August of 2018?

23 A. No. I think it was after. I don't know -- I

24 don't know the timing. Sometime in mid-2018. But

25 whether it was before or after the summer, I don't know.

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1 Q. Okay. Let's -- let's then back up a little

2 bit.

3 Prior to the spring of 2018, are you aware

4 of anyone at the NRA asking Ackerman to change or modify

5 how they invoice the NRA?

6 A. No.

7 Q. Let's take a look at 517, please.

8 (Exhibit No. 517 was marked.)

9 Q. (BY MR. MASON) And Exhibit 517, for the

10 record, is NRA AMc 00052128. Let me know when you've

11 got Exhibit 517 up, please, Mr. Phillips.

12 A. It's there.

13 Q. And if you will -- I understand this is an

14 82-page PDF, but if you could just skim through this and

15 tell me if you generally recognize what this -- what

16 this is.

17 Do you recognize Exhibit 517?

18 A. Oh, yes, I recognize some of the -- some of the

19 pages.

20 How far down do you want me to go? It's

21 80 pages. I'm still on Page 4.

22 Q. Does this look like a compilation of various

23 invoices that were approved and paid by the NRA to

24 Ackerman McQueen?

25 MR. FURIA: Objection, form.

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1 THE WITNESS: Sorry.

2 A. Yes, it does.

3 MR. FURIA: I just want to render

4 another -- I just want to render another objection in

5 that I don't see how that's -- how the witness could

6 possibly answer that by looking at the first four pages,

7 but -- maybe that's more of an observation than an

8 objection.

9 A. I'm assuming the following pages look like the

10 first ones in terms of what they are.

11 Q. (BY MR. MASON) If you want to -- if you want

12 to flip through --

13 A. I'll flip through 82, if you want me to.

14 Q. Well, I'm not going to ask you about all -- all

15 82 invoices -- all 82 pages. So let's -- let's focus

16 on -- let's go to Page 2, which is NRA AMc 0052129.

17 Do you see that?

18 A. I do.

19 Q. And do you recognize this particular page?

20 A. It looks like kind of a normal deal from

21 Ackerman McQueen.

22 Q. And if you look at the top left, it says,

23 Production invoice, and then it looks like it's

24 addressed to you. Do you see that?

25 A. Yes.

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1 Q. And according to this particular invoice, it  
2 says NRTRAV. Do you see that?  
3 A. Yes.  
4 Q. Did you have an understanding as to what NRTRAV  
5 was?  
6 A. National Rifle Travel.  
7 Q. And below that, it says, Details attached. Do  
8 you see that?  
9 A. I do.  
10 Q. If you go to the next page, at the top of the  
11 next page, it says, NRTRAV, and then it has travel  
12 expenses. And in those areas, there's expenses listed  
13 out here. Do you see that?  
14 A. I do.  
15 Q. Does this appear to be -- well, let me ask you  
16 this: Have you -- have you seen a summary of -- did you  
17 understand this to be a summary or a compilation of the  
18 travel expenses that Ackerman incurred on behalf of the  
19 NRA with respect to this particular invoice?  
20 A. Yes.  
21 Q. And if we go back to the second page, per the  
22 record, this is Invoice No. 154771. Do you see that?  
23 A. I do.  
24 Q. And there is a -- there appears to be a few  
25 stamps on this particular invoice. Do you see that?

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1 A. I see your exhibit stamp, but I'm looking for  
2 the others.  
3 Q. I'm on Page -- Page 2 of --  
4 A. I got it. Yeah. I have it here. I see one --  
5 I see two stamps.  
6 Q. And I believe you -- you mentioned earlier that  
7 Ms. Supernaugh was responsible for placing stamps on the  
8 Ackerman invoices; is that correct?  
9 A. Yeah, that's what I said before. I see one of  
10 these is Rick Tedrick.  
11 Q. And when you say you see one of these is Rick  
12 Tedrick, what -- what are you referring to specifically?  
13 A. It's the stamp that says, Goods and services  
14 have been received.  
15 Q. So is it your understanding that Mr. Tedrick  
16 would have placed that stamp on this particular invoice?  
17 A. No. He would have signed the stamp. Somebody  
18 else, probably Lisa Supernaugh, would have stamped and  
19 filled in the code -- the codes. And then he signed it.  
20 Q. And then here there's a stamp that says, Goods  
21 and services have been received. And then it says, PO  
22 Number, and it's blank. Do you see that?  
23 A. Yes.  
24 Q. And then there it says, AC NT number. I assume  
25 that means account number?

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1 A. Correct.  
2 Q. And 5400, do you see that?  
3 A. Yeah.  
4 Q. How is the -- how is this particular account  
5 number coded internally at the NRA?  
6 A. Well, it's -- that would be the -- the basic  
7 account meaning PR or something like that, and then the  
8 sub-accounts would be profit centers within the broader  
9 account number.  
10 Q. What does CC-PR GM number stand for?  
11 A. Program number. I'm not sure about the CC.  
12 Q. And if the program number or -- and then it  
13 says 82999.4954. Do you see that?  
14 A. I do.  
15 Q. Do you know if that number is a unique number  
16 to the Ackerman account? Or is that an internal code at  
17 the NRA?  
18 A. That's an internal code at NRA. It's a  
19 sub-account for PR. It may have some direct  
20 relationship with Ackerman, but it may be more broader.  
21 I just don't know.  
22 Q. And then is it your understanding that that is  
23 Mr. Tedrick's signature there at the bottom in the  
24 middle of the page with that stamp?  
25 A. Yes. Yes.

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1 Q. And this is an invoice for just under \$13,000,  
2 correct?  
3 A. Yes.  
4 Q. So is this an invoice that Mr. Tedrick would  
5 have the authority to sign off on without anyone else's  
6 approval because it was under \$50,000?  
7 A. Yes. There may be even another level under 50,  
8 I'm not sure, but it's definitely within his ability to  
9 sign off on.  
10 Q. All right. Let's go to -- let's go to PDF  
11 Page 6 of 82. For the record, this is -- the Bates  
12 number is NRA AMc\_00352133.  
13 Are you there, Mr. Phillips?  
14 A. I'm on the page. I'm trying to find your --  
15 okay. I got it. Yeah.  
16 Q. And then at the top of the page, this is  
17 Invoice No. 154706. Do you see that?  
18 A. I see that.  
19 Q. And this is an invoice for out-of-pocket  
20 expenses, correct?  
21 A. Yes.  
22 Q. Was it your understanding that out-of-pocket  
23 expenses was synonymous with the pass-through expenses  
24 that were agreed upon in the NRA and Ackerman McQueen  
25 annual budget?

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1 MR. FURIA: Objection to form.  
 2 A. Yes, I believe so.  
 3 Q. (BY MR. MASON) And this particular invoice is  
 4 for a little bit over \$77,000, correct?  
 5 A. That's correct.  
 6 Q. And there's a stamp here -- there's, again, two  
 7 stamps on this particular invoice, and one of the stamps  
 8 on the right says, Financial services division approval  
 9 for over \$50,000.  
 10 Do you see that?  
 11 A. Yes.  
 12 Q. So were these stamps -- was this a stamp that  
 13 would have been placed on Ackerman invoices that  
 14 exceeded \$50,000?  
 15 A. Yes.  
 16 Q. It looks like there's a line for an officer --  
 17 for two officers and then someone else -- it says -- is  
 18 that, FSD submitted to treasurer's office?  
 19 A. You're talking about the third signature there?  
 20 Q. Yes.  
 21 A. Oh, wait. No, wait. I do not see anything  
 22 else in here, no.  
 23 FSD is Financial Services Division, but I  
 24 still don't see that FSD.  
 25 Do you have color there for you? I'm

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1 looking at the red one.  
 2 Q. Yes. So let's just go to the first line, this  
 3 particular invoice, 154706.  
 4 Is it your understanding that this -- the  
 5 first signature on there is Mr. Tedrick's signature?  
 6 A. Yes.  
 7 Q. And then do you recognize that second signature  
 8 on this invoice?  
 9 A. I don't. The first word looks like John, but I  
 10 don't recognize the signature.  
 11 Q. And what about the initials on the -- on the  
 12 final line, do you recognize those?  
 13 A. No.  
 14 Q. Let's take a look at Ackerman Exhibit 133.  
 15 (Exhibit No. 133 was marked.)  
 16 A. I've got it.  
 17 Q. (BY MR. MASON) And for the record, this is NRA  
 18 AMc\_00068307. Do you see Exhibit 133, Mr. Phillips?  
 19 A. Yes.  
 20 Q. Do you recognize this document?  
 21 A. Yeah, I saw it once before.  
 22 Q. This is a letter addressed to Mr. Winkler at  
 23 Ackerman McQueen dated August 8, 2018, correct?  
 24 A. Yes.  
 25 Q. And this letter is -- if you go to the second

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1 page, it is signed by you, correct?  
 2 A. That's my signature. I think it may be a  
 3 signature machine.  
 4 Q. And when you say "signature machine," what are  
 5 you referring to?  
 6 A. There's a device in the office that has -- has  
 7 a font that, if I'm not in the office or things need to  
 8 be signed, I can approve it on the phone and Lisa  
 9 Supernaugh will get it signed on the machine.  
 10 Q. Do you recall whether -- let me ask you this:  
 11 Did you draft Exhibit 133?  
 12 A. I did not draft it.  
 13 Q. Do you know who prepared Exhibit 133?  
 14 A. I do not.  
 15 Q. Was Exhibit 133 provided to you by someone  
 16 else?  
 17 A. I don't recall. I think I would have given  
 18 permission to sign it if -- if Lisa asked, but I don't  
 19 recall anything about the document.  
 20 Q. Do you know if Exhibit 33 was provided to you  
 21 by the NRA's counsel?  
 22 MR. FURIA: Objection. I have suspicion  
 23 that Mr. Phillips is going to say he doesn't remember.  
 24 But if -- I think this is a situation where we're  
 25 potentially breaching or verging on the attorney/client

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1 privilege so --  
 2 Q. (BY MR. MASON) And I'm not -- I'm not asking  
 3 you --  
 4 MR. FURIA: So I'm allowed --  
 5 MR. MASON: Yeah, I'm not asking  
 6 Mr. Phillips to discuss any conversations that he may  
 7 have had with the NRA's counsel.  
 8 Q. (BY MR. MASON) I'm just simply asking a  
 9 yes-or-no question, if you know whether Exhibit 133 was  
 10 provided to you by the NRA's counsel?  
 11 MR. FURIA: I think you can answer that  
 12 yes, no, or I don't recall.  
 13 THE WITNESS: I know.  
 14 A. It's August -- I have to say I don't recall.  
 15 Q. (BY MR. MASON) Do you recall reviewing this  
 16 document before it was sent out on August 8th, 2018?  
 17 A. I do not.  
 18 Q. Do you know why Exhibit 133 was sent to  
 19 Mr. Winkler?  
 20 MR. FURIA: Objection.  
 21 To the extent that will require you to  
 22 reveal attorney/client communications, I would construct  
 23 you not to answer.  
 24 Q. (BY MR. MASON) And again, I don't want to get  
 25 into any conversations. I think you can answer the

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1 question yes or no, just as to do you know why Exhibit  
 2 133 was sent to Mr. Winkler?  
 3 MR. FURIA: Yeah, we have no issue with  
 4 you answering the question of whether you know why, but  
 5 going into the detail may not be a proper area.  
 6 A. I don't know why.  
 7 Q. (BY MR. MASON) And -- and let me ask this  
 8 question again. I don't want you to get into any  
 9 discussions that you had. I just want to know, yes or  
 10 no, did you have any discussions with NRA counsel about  
 11 133 -- Exhibit 133 before it was sent to Mr. Winkler?  
 12 A. No.  
 13 Q. Did you -- were you the one that actually sent  
 14 Exhibit 133 to Mr. Winkler?  
 15 A. No.  
 16 Q. Do you know who did?  
 17 A. No.  
 18 Q. Let's take a look at Exhibit 134.  
 19 (Exhibit No. 134 was marked.)  
 20 Q. (BY MR. MASON) And Exhibit 134, for the  
 21 record, is NRA AMc\_00068309. Do you see 134,  
 22 Mr. Phillips?  
 23 A. I do.  
 24 Q. This is a -- another letter dated August the  
 25 8th, 2018. Do you see that?

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1 A. Yes.  
 2 Q. Again, this is a letter addressed to  
 3 Mr. Winkler at Ackerman McQueen, correct?  
 4 A. Correct.  
 5 Q. And this letter is signed by you at the bottom,  
 6 correct?  
 7 A. Correct. Same -- same issue with signature  
 8 machine.  
 9 Q. So the signature on this particular document  
 10 you believe was also from a signature machine?  
 11 A. Yes.  
 12 Q. Do you recall reviewing this document, this  
 13 letter before it was sent out?  
 14 A. I do not.  
 15 Q. So I guess you don't recall whether you made  
 16 any changes to Exhibit 134 before it was sent out; is  
 17 that fair?  
 18 A. That's fair.  
 19 Q. Did the -- yes or no, did the NRA's counsel  
 20 provide you with 130 -- Exhibit 134?  
 21 MR. FURIA: I'm going to object on the  
 22 basis of the attorney/client privilege. I do think that  
 23 providing someone something is considered a  
 24 communication. So I'm going to say that that's an  
 25 answer -- or I'm sorry, a question where NRA will assert

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1 its privilege, and instruct the witness not to answer.  
 2 MR. WERBNER: Based on that, I think  
 3 Mr. Phillips, you should fall that instruction.  
 4 MR. MASON: So just so I'm clear,  
 5 Mr. Furia --  
 6 MR. FURIA: Sure.  
 7 MR. MASON: -- is that not something that  
 8 would be reflected on a -- on a privilege log by the  
 9 NRA?  
 10 MR. FURIA: Well, I don't know whether  
 11 handing someone something would make it to a privilege  
 12 log. I honestly don't know the answer to that.  
 13 You know, look, the attorney client  
 14 privilege actually includes things like nonverbal  
 15 communications, like nods and winks. So I mean  
 16 certainly, if it can get to that level, it can include  
 17 other types of nonverbal communication. And I don't  
 18 know that I've ever seen any of that logged. So I think  
 19 it's a form of communication.  
 20 MR. MASON: Mr. Phillips --  
 21 MR. FURIA: And I just don't want to be  
 22 seen to waive it, even though he's likely to say he  
 23 doesn't know the answer.  
 24 Q. (BY MR. MASON) Mr. Phillips, are you going to  
 25 follow the NRA's counsel's instruction?

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1 MR. WERBNER: I think under this  
 2 situation, he should. So you need to confirm that,  
 3 Mr. Phillips.  
 4 THE WITNESS: Okay. What do I do confirm  
 5 it, just say yes?  
 6 MR. WERBNER: Say you're not going to  
 7 answer.  
 8 A. I'm not -- I can't answer.  
 9 Q. (BY MR. MASON) Did you have any discussions,  
 10 yes or no, with any of the NRA's lawyers relating to  
 11 Exhibit 134, without going into any of the substance of  
 12 those discussions?  
 13 A. No.  
 14 Q. First paragraph says, As you know, the NRA is  
 15 involved in -- well, let me ask you this: Did you  
 16 prepare -- you did not prepare Exhibit 134, correct?  
 17 A. Correct.  
 18 Q. And you don't know, as you sit here today,  
 19 whether or not you authorized Exhibit 134 to be sent out  
 20 on your behalf, correct?  
 21 A. As I sit here today, I -- my reluctance is I've  
 22 never known Lisa Supernough to use that -- use that  
 23 signature machine without calling me.  
 24 Q. Do you know if -- do you know if anyone else in  
 25 August of 2018 had access to your signature machine?



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1 A. I don't know.

2 Q. Do you know whether Ms. Supernaugh was the one  
3 that actually placed your electronic signature on  
4 Exhibit 134?

5 A. No.

6 Q. In the first paragraph of this letter, in the  
7 second line, it says, To inform the NRA's legal  
8 strategy, including with respect to common legal  
9 interests which we share with AMc.

10 Do you see that?

11 A. Yes.

12 Q. Do you know what common legal interests are  
13 being referred to here?

14 A. I have no idea.

15 Q. Let's take a look at 137, please.  
16 (Exhibit No. 137 was marked.)

17 Q. (BY MR. MASON) Exhibit 137, for the record, is  
18 NRA AMc\_0057152. Do you see Exhibit 137, Mr. Phillips?

19 A. I do.

20 Q. Do you recognize this document?

21 A. I do. I think I've seen it in connection with  
22 some kind of litigation.

23 Q. Do you recall reviewing Exhibit -- let me back  
24 up.

25 This is a letter dated August 14th, 2018,

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1 addressed to Bill Winkler at Ackerman McQueen, correct?

2 A. Correct.

3 Q. And does this have your electronic signature at  
4 the bottom as well?

5 A. It is. It's older, but I think there are two  
6 of them. Maybe it depends on if they're using a pen.  
7 But it's my -- it's my electronic signature, one of  
8 them.

9 Q. Do you know -- do you know, as you sit here  
10 today, who put your electronic signature on Exhibit 137?

11 A. I do not.

12 Q. Did you prepare Exhibit 137?

13 A. I did not.

14 Q. Do you know who did?

15 A. I do not.

16 Q. Did you review this August 14th, 2018 letter to  
17 Mr. Winkler before it was sent to Mr. Winkler?

18 A. Not that I recall.

19 Q. So as you sit here today, you don't know  
20 whether you authorized anyone to send Exhibit 137 to  
21 Mr. Winkler on or about October 14th, 2018, correct?

22 A. Correct.

23 Q. Prior to August of 2018, were you aware of  
24 anyone from the NRA requesting information from Ackerman  
25 McQueen relating to Carry Guard?

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1 A. I was not aware.

2 Q. Prior to August of 2018, were you aware of  
3 whether the NRA's counsel was requesting information  
4 from Ackerman McQueen relating to Carry Guard?

5 A. I was not.

6 Q. Prior to August of 2018, were you aware of  
7 whether anyone from the Brewer Law Firm had interviewed  
8 anyone from Ackerman McQueen relating to Carry Guard?

9 A. I was not aware.

10 Q. Let's take a look at Exhibit 145, please.  
11 (Exhibit No. 145 was marked.)

12 Q. (BY MR. MASON) For the record, Mr. Phillips,  
13 this is Exhibit 145, Bates numbered NRA AMc\_0057263. Do  
14 you see Exhibit 145?

15 A. I see it.

16 Q. Do you recognize this as a letter dated  
17 August 29th, 2018, again addressed to Mr. Winkler at  
18 Ackerman McQueen?

19 A. Yes.

20 Q. And if you go to the third page of this  
21 particular document, does it appear that your electronic  
22 signature was placed on Exhibit 145?

23 A. It does.

24 Could I have just a minute to go back and  
25 read this?

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1 Q. Absolutely.

2 A. It looks a little more familiar than the other  
3 two did.

4 No, I've just seen it before. I don't --  
5 I can't remember when I saw it.

6 Q. Did you prepare Exhibit 145?

7 A. No.

8 Q. Do you know if you reviewed Exhibit 145 prior  
9 to your electronic signature being affixed to the  
10 letter?

11 A. I don't recall. I think I would have fixed --  
12 (inaudible).

13 THE REPORTER: I'm sorry --

14 Q. (BY MR. MASON) Yeah, let's look at the first  
15 sentence --

16 THE REPORTER: I'm sorry --

17 Q. (BY MR. MASON) -- that says, Thank you for  
18 your response to Woody Phillips' latest letter  
19 requesting review of certain books and records  
20 maintained by Ackerman McQueen and Mercury Group  
21 pursuant to the party's Services Agreement.

22 Do you see that?

23 A. I do.

24 Q. Do you typically refer to yourself in the third  
25 party?

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1 A. I really doubt that. No.

2 Q. So as you sit here today, Mr. Phillips, you

3 don't know whether you authorized Exhibit 145 to be sent

4 on your behalf to Ackerman McQueen; is that correct?

5 A. I do not know. I don't recall authorizing

6 this.

7 Q. Do you recall having discussions -- well, let

8 me ask you this: In between -- we looked at some

9 letters from you from August the 8th and this one is

10 dated August 29th of 2018, correct?

11 A. Yes.

12 Q. Do you recall during that approximately

13 three-week time period having discussions with anyone

14 relating -- at the NRA relating to any of these exhibits

15 that we've just looked at from you, these letters that

16 were signed by you?

17 A. I do not.

18 Q. Do you know who prepared Exhibit 145?

19 A. Yes.

20 Q. You do know who prepared Exhibit 145?

21 A. I'm sorry, I thought it was, do I have it. No,

22 I don't.

23 Q. Let's take a look at 147.

24 (Exhibit No. 147 was marked.)

25 Q. (BY MR. MASON) Exhibit 147, for the record, is

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1 AMc-057593. Have you seen Exhibit 147 before?

2 A. I think I saw it in a previous deposition.

3 Q. This is a letter dated September 4th, 2018

4 addressed to you from Mr. Winkler at Ackerman McQueen,

5 correct?

6 A. Correct.

7 Q. Do you recall receiving this letter on or about

8 September 4th, 2018?

9 A. I do not recall.

10 Q. In the first paragraph, beginning on the third

11 line, Mr. Winkler states, You have stated to our people

12 that these letters are not being drafted or reviewed by

13 you.

14 Do you recall -- my question for you,

15 Mr. Phillips, is do you recall speaking with anyone at

16 Ackerman on or about August or September of 2018 about

17 how these letters were not being drafted or reviewed by

18 you?

19 A. I don't remember that.

20 Q. And again, you're not saying that you didn't

21 have those conversations, you're just stating that, as

22 you sit here today, you don't recall, correct?

23 A. That's correct.

24 Q. Okay. Were you aware, Mr. Phillips, that the

25 NRA was conducting a -- an audit or examination of

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1 Ackerman McQueen in September of 2018?

2 A. I was not.

3 Q. Were you aware that the NRA or its

4 representatives were conducting an audit of Ackerman

5 McQueen in November of 2018?

6 A. No.

7 MR. FURIA: Objection, form.

8 Q. (BY MR. MASON) Do you recall whether the law

9 firm of Cooper & Kirk, on behalf of the NRA, conducted

10 an audit or examination of Ackerman's books and records

11 in November of 2018?

12 A. No, I didn't know about that.

13 Q. Do you recall whether the Brewer Law Firm, on

14 behalf of the NRA, conducted an audit or exam -- or an

15 examination of Ackerman's books and records in September

16 of 2018?

17 A. No.

18 Q. Are you aware of any audit or examination of

19 Ackerman's books and records -- well, let me ask it a

20 different way.

21 Were you aware, in or around February of

22 2019, that the NRA had an outside auditor conducting an

23 examination of Ackerman's books and records?

24 A. No.

25 Q. Have you ever heard of FRA?

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1 A. FRA?

2 Q. Yeah. Let me -- let me --

3 Have you ever heard of Forensic Risk

4 Alliance?

5 A. No.

6 Q. Do you recall having any conversations with

7 anyone in the fall of 2018 regarding the NRA's

8 examination of Ackerman McQueen's books and records?

9 A. No.

10 Q. Do you recall hearing any complaints from

11 anyone at the NRA in the fall of 2018 regarding

12 Ackerman's alleged failure to comply with the NRA's

13 examinations of their books and records?

14 A. You'll have to ask that again.

15 Q. Sure.

16 Do you recall in the fall of 2018 hearing

17 any complaints from anyone at the NRA regarding Ackerman

18 McQueen's alleged failure to comply with the NRA's

19 request to examine their books and records?

20 A. No.

21 Q. We talked a little bit earlier about Dana

22 Loesch. Do you recall whether Ms. Loesch entered into a

23 contract with Ackerman McQueen, at any point in time?

24 A. Yes, I believe so.

25 Q. And we'll take a look at the employment

Page 165

1 agreement.

2 Do you recall whether you reviewed the

3 contract between Ms. Loesch and Ackerman before it was

4 executed?

5 A. I might have seen it.

6 Q. Do you recall attending a dinner with

7 Ms. Loesch, her husband, Mr. LaPierre and others at

8 Ackerman McQueen at Abacus in Dallas, Texas, in or

9 around 2017?

10 A. Yes.

11 Q. Do you recall there being discussions at that

12 dinner about Ms. Loesch being -- working as an employee

13 of Ackerman McQueen?

14 A. I don't know if it was that specific, but it

15 was -- there was discussion about her coming on board as

16 a spokesperson, whatever the terminology was, on NRATV.

17 Q. Was it your understanding that Ackerman McQueen

18 would be providing benefits to Ms. Loesch as part of the

19 agreement with Ackerman and Ms. Loesch?

20 A. I don't think we talked about that at the

21 dinner.

22 Q. Let's take a look at Exhibit 505.

23 (Exhibit No. 505 was marked.)

24 Q. (BY MR. MASON) For the record, Exhibit 505 is

25 Bates stamped AMc 000055. Let me know when you have

Page 166

1 Exhibit 505 up, please, Mr. Phillips.

2 A. I do.

3 We're getting there. Are you starting at

4 the top?

5 Q. I don't need you to read through every -- every

6 word of this -- of this document. I just ask that you

7 flip through the pages and -- and if you can identify

8 whether you believe you've seen this document before.

9 A. I don't recall it, but it's probable I've seen

10 it.

11 Q. This is -- do you recognize this to be an

12 employment agreement between Dana Loesch and Ackerman

13 McQueen?

14 A. I do.

15 Q. And at the -- at the top, it says that it is

16 made and entered into as of January 1st, 2018. Do you

17 see that?

18 A. Yes, I see it.

19 Q. Do you recall, in or around January of 2018,

20 whether or not you -- whether you were aware that

21 Ms. Loesch was an employee of Ackerman McQueen?

22 A. Yes.

23 Q. Do you recall Ackerman McQueen and Colonel

24 North -- let me ask -- let's back up a little bit.

25 Do you know Lt. Colonel Oliver North?

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1 A. I do.

2 Q. How long have you known Colonel North?

3 A. Quite some time. Maybe 12, 15 years.

4 Q. Did you have an opinion as to -- during those

5 12 or 15 years, did you have an opinion as to whether or

6 not Colonel North was a man of integrity?

7 A. Yes.

8 Q. Did you -- and what was that opinion?

9 A. Thought he was a man of integrity.

10 Q. Did you believe, based on your relationship

11 with Colonel North, that he cared about the NRA?

12 A. Yes.

13 Q. Did you believe, based on your relationship

14 with Colonel North, that he cared about his relationship

15 with Wayne LaPierre?

16 A. Yes.

17 Q. Based on your relationship with Colonel North,

18 do you believe that Colonel North did what he could to

19 look out for the best interests of the National Rifle

20 Association?

21 MR. FURIA: Objection, form.

22 A. As far as I knew -- as far as I know.

23 Q. (BY MR. MASON) At some point in time in

24 2018 -- in early 2018, did you become aware that Colonel

25 North and Ackerman McQueen were going to enter into a

Page 168

1 contract?

2 A. Yes.

3 Q. Isn't it true that the -- the intent was that

4 Colonel North and Ackerman McQueen would enter into a

5 contract and then the NRA would pay Ackerman McQueen to

6 then turn around and compensate Colonel North under

7 their contract?

8 MR. FURIA: Objection to form.

9 A. That's what I understood. I wasn't party to

10 the details while they were discussing it.

11 Q. (BY MR. MASON) Let me -- let me ask it this

12 way --

13 A. Sure.

14 Q. -- how did you under- -- did you have -- you

15 said you knew that -- you became aware that Colonel

16 North and Ackerman McQueen were going to enter into a

17 contract. My question is, did you have an understanding

18 as to how Ackerman McQueen was going to pay Colonel

19 North under that contract?

20 A. Not -- not directly. I would assume some --

21 the costs would be borne largely by NRA as -- for what

22 he was producing for NRA.

23 Q. Did you have an understanding as to whether

24 Colonel North was going to be leaving Fox to take the

25 position of NRA president?

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1 A. I had heard that.

2 Q. And you were aware that the -- the office of

3 president of the NRA is a -- is an uncompensated

4 position, correct?

5 A. That's correct.

6 Q. Do you recall having any direct contact with

7 Colonel North prior to his contract with Ackerman

8 McQueen being executed?

9 A. Let me ask you something, it's any contact --

10 Q. Yeah, let me -- and let me --

11 A. We had the annual meeting.

12 Q. Sure. That's -- that's fair.

13 So I'll represent to you, Mr. --

14 Mr. Phillips, that the -- the Ackerman McQueen/Colonel

15 North contract was entered into in May of 2018. Do you

16 recall -- do you recall having discussions prior to

17 Ackerman and Colonel North executing the contract with

18 Colonel North relating to his contract with Ackerman

19 McQueen?

20 A. I don't recall --

21 MR. FURIA: Objection to form.

22 A. -- doing that.

23 Q. (BY MR. MASON) Do you recall --

24 A. I don't recall that -- that -- that kind of

25 discussion. I know there were -- there were lots of

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1 meetings going on and everyone was in town -- in Dallas

2 for the annual convention. And there was a lot of

3 huddling with lawyers and -- and all, but I wasn't a

4 party to that.

5 Q. Do you recall having any conversations with

6 Mr. LaPierre about Colonel North's contract with

7 Ackerman McQueen in the spring of 2018?

8 A. I don't recall.

9 Q. Do you recall there being any discussions in

10 the spring of 2018 about Colonel North's desire to have

11 health insurance because of the medical condition of his

12 wife?

13 A. No.

14 Q. Do you recall reviewing Colonel North's -- do

15 you recall reviewing a draft of Colonel North's contract

16 with Ackerman McQueen at any point in time prior to its

17 execution?

18 A. I think the first copy I saw of that is when it

19 was executed. Melanie Montgomery gave me a copy.

20 Q. So your -- your recollection is the first time

21 that you saw Colonel North's contract was after it was

22 executed and Ms. Montgomery provided you a copy?

23 A. Right. And I assume what I got was an executed

24 copy, but I -- I just kept it with all my other

25 materials from the annual meeting of members. Took it

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1 back to Virginia and got it filed -- or gave it to Lisa

2 Supernaugh to file because I was on my way out. Craig

3 Spray had already come in and become CFO.

4 Q. Do you recall Ms. Montgomery actually providing

5 you a copy of the Colonel North and Ackerman McQueen

6 contract in May of 2018?

7 A. I recall her giving me an envelope, and I

8 looked at the first page of it and it -- it was the

9 Oliver North contract.

10 Q. And as you sit here today, you don't recall

11 whether that was an executed copy or not, correct?

12 A. You're correct. I assumed it was at the time,

13 but I don't really have a good reason to believe that.

14 Q. And your recollection is that you took the

15 envelope with the Oliver North contract back to your --

16 well, let me ask it this way: You testified that you

17 recall Ms. Montgomery providing you a copy with an

18 envelope that included the Oliver North contract,

19 correct?

20 A. That's correct.

21 Q. And that was in May of 2018, approximately?

22 A. That's correct.

23 Q. Do you recall what you did with that envelope

24 and that contract after you were provided it by

25 Ms. Montgomery?

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1 A. I put it with my materials going back to

2 Virginia, but I honestly I've tried to think about what

3 I did with it and I can't remember.

4 Q. Do you recall whether you provided it to anyone

5 else at the NRA?

6 A. I do not recall.

7 Q. Do you recall at any point in time from May of

8 2018 to present whether anyone associated with the NRA

9 had asked you whether or not you had a copy of Colonel

10 North's contract with Ackerman McQueen?

11 A. They have not.

12 Q. Do you also recall reviewing a copy of the

13 Colonel North contract with Ms. Montgomery in her office

14 in Dallas in May of 2018?

15 A. I don't remember doing that.

16 Q. Do you recall, in May of 2018, the NRA and

17 Ackerman McQueen entering into an amendment to the 2017

18 Services Agreement?

19 A. Can you tell me more about it?

20 Q. Sure.

21 A. (Inaudible.)

22 Q. Sure. Let's -- let's just take a look at it.

23 Let's look at Exhibit 2, please.

24 (Exhibit No. 2 was marked.)

25 Q. (BY MR. MASON) And for the record, Ackerman



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1 Exhibit 2 is Bates labeled AMc-056592. Do you  
 2 recognize, Mr. Phillips, Exhibit 2?  
 3 A. I do.  
 4 Q. What do you recognize Exhibit 2 to be?  
 5 A. It's an amendment to the Services Agreement  
 6 which basically kind of sets up a -- a letter of credit  
 7 to ensure Ackerman McQueen gets paid for the work  
 8 they're doing.  
 9 Q. When you say "to make sure that Ackerman  
 10 McQueen gets paid for the work that they're doing," are  
 11 you referring to the NRA's intent to make sure that  
 12 Ackerman McQueen gets paid for the work that they're  
 13 doing in the event that the NRA's unable to properly pay  
 14 Ackerman's invoices to the NRA?  
 15 MR. FURIA: Objection to form.  
 16 A. Yes, unable to pay or -- I think it had timing  
 17 too was a factor in there, if there was -- you know,  
 18 extremely slow in paying, I take it the letter of credit  
 19 kicked in there, too.  
 20 Q. (BY MR. MASON) Prior to this amendment -- and  
 21 this amendment is dated May the 6th, 2018, correct?  
 22 A. Yes. May -- May 6th, correct?  
 23 Q. I'm sorry, I stand corrected. This amendment  
 24 is dated May 6th, 2018, correct?  
 25 A. Correct.

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1 Q. Prior to May 6th, 2018, did the NRA have  
 2 problems with timely paying some of Ackerman McQueen's  
 3 invoices?  
 4 MR. FURIA: Objection to form.  
 5 THE WITNESS: Was that an objection?  
 6 MR. FURIA: I just objected to the form of  
 7 the question. You can go ahead and answer.  
 8 THE WITNESS: Okay.  
 9 A. Yes, the cash flow cycles were always unusual  
 10 at NRA, so sometimes the payments would be slow,  
 11 especially to -- to the big -- to the big vendors.  
 12 Q. (BY MR. MASON) Do you know, after this  
 13 Amendment No. 1 was executed in May of 2018, whether the  
 14 NRA failed to pay any Ackerman invoices within 30 day?  
 15 A. I don't know.  
 16 Q. And if we look at -- well, let's go to Page 2.  
 17 First of all, Amendment No. 2 -- sorry. Amendment  
 18 No. 1, Exhibit 2, this was signed by you, correct?  
 19 A. Yes.  
 20 Q. And is that an electronic signature? Or is  
 21 that your actual signature?  
 22 A. No, it looks -- that's my -- my actual. And  
 23 the writing below is my writing too, my printed name and  
 24 title.  
 25 Q. Do you recall where you were when you signed

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1 this particular amendment?  
 2 A. What's the date?  
 3 Q. May 6th of 2018.  
 4 A. Probably Dallas, Texas.  
 5 Q. Exhibit 2, this Amendment No. 1 to the 2017  
 6 Services Agreement is also signed by Pete Brownell,  
 7 correct?  
 8 A. That's correct.  
 9 Q. What was Pete Brownell's -- and Pete Brownell  
 10 was affiliated with the NRA at the time, correct?  
 11 A. That's correct.  
 12 Q. He was the president of the NRA, correct?  
 13 A. I believe so.  
 14 Q. And then at the bottom, there's two attest  
 15 signatures. Do you see that?  
 16 A. Not yet. Yes.  
 17 Q. Do you recognize either one of those  
 18 signatures?  
 19 A. Carolyn Meadows was the second vice president.  
 20 And I can't tell the other one.  
 21 Q. If we go back and look at the first page of  
 22 Exhibit 2, under the second paragraph, Amendment of  
 23 Paragraph 3E. Do you see that?  
 24 A. Yes.  
 25 Q. And then about halfway down, do you see the

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1 sentence that begins, NRA acknowledges?  
 2 A. Yes.  
 3 Q. It states, NRA acknowledges that its failure to  
 4 pay such an invoice within 30 days will cause  
 5 substantial financial damage to AMc.  
 6 Do you see that?  
 7 A. That's right.  
 8 Q. Did you agree with that statement when you  
 9 executed Exhibit 2 on behalf of the NRA?  
 10 A. Yes.  
 11 Q. Then it states, Accordingly, if at any time NRA  
 12 fails to timely pay the invoice, NRA agrees that it  
 13 shall post a \$3 million letter of credit, the LOC for  
 14 the benefit of AMc.  
 15 Do you see that?  
 16 A. I see that.  
 17 Q. It says, The LOC shall continue in existence  
 18 for the term of the agreement and shall be maintained at  
 19 \$3 million at all times.  
 20 Do you see that?  
 21 A. I do.  
 22 Q. The LOC may only be drawn upon to pay in full  
 23 invoices for service fee billings outstanding more than  
 24 30 days old.  
 25 Do you see that?

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1 A. I do.  
 2 Q. Do you recall whether a letter of credit was  
 3 actually signed with a financial institution?  
 4 A. I don't.  
 5 Q. Let's take a look at Exhibit 514.  
 6 MR. WERBNER: Would this be a good place  
 7 to take a break, if you're leaving this topic?  
 8 MR. MASON: It's the same topic. So we  
 9 can take a break now or we can go a few minutes.  
 10 MR. WERBNER: Yeah. When you finish the  
 11 topic, that's fine.  
 12 MR. MASON: Okay. For the record,  
 13 Exhibit 514 is AMcTX-00065643.  
 14 (Exhibit No. 514 was marked.)  
 15 Q. (BY MR. MASON) Do you have Exhibit 514 up,  
 16 Mr. Phillips?  
 17 A. I do.  
 18 Q. And I'll represent to you that this is a text  
 19 message from Melanie Montgomery's cell phone. Do you  
 20 see that?  
 21 A. I do.  
 22 Q. Do you see at the top where it says, Woody's  
 23 cell?  
 24 A. Yes.  
 25 Q. And then about halfway down the middle of the

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1 page, it says May 7th, 2018. Do you see that?  
 2 A. Yes.  
 3 Q. And did you understand Ms. Montgomery here to  
 4 say, Can you give me a fast call when you have a chance  
 5 please, and you respond, Soon?  
 6 A. Yes.  
 7 Q. And then Ms. Montgomery says, Thank you. You  
 8 see that?  
 9 A. Right.  
 10 Q. And then you state, LOC is signed. Do you see  
 11 that?  
 12 A. I do.  
 13 Q. So was a letter of credit signed on or about  
 14 May 7, 2018?  
 15 A. Yeah, I can't recall what happened back then,  
 16 but I don't think I would have texted it was signed if  
 17 it wasn't.  
 18 Q. Do you recall being involved in any discussions  
 19 with any third-party financial institutions regarding  
 20 the \$3 million line of credit?  
 21 A. Letter of credit?  
 22 Q. Letter -- letter of credit. I apologize.  
 23 A. I don't recall. That would have -- it would  
 24 not have been my -- my job, but it would have been my  
 25 successor's or Rick Tedrick that had a banking

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1 relationship.  
 2 Q. Was it your understanding that once  
 3 Amendment No. 1 was executed, that the NRA would go  
 4 ahead and execute the letter of credit and -- and get  
 5 the \$3 million letter of credit set up with a financial  
 6 institution?  
 7 MR. FURIA: Objection to form.  
 8 A. I think that's what the agreement said.  
 9 Q. (BY MR. MASON) So it was -- it was your  
 10 understanding that as a result of the amendment to the  
 11 Services Agreement in May of 2018, the NRA was required  
 12 to take certain steps to go ahead and set up that  
 13 \$3 million letter of credit, correct?  
 14 A. I think that's the process.  
 15 Q. As you sit here, though, you don't know whether  
 16 or not that was ever done?  
 17 A. I do not.  
 18 Q. Do you know who at the NRA in or around May of  
 19 2018 would have been responsible for setting up that  
 20 \$3 million letter of credit?  
 21 A. Well, Craig Spray was already on board, and  
 22 then with the banking relationship, I think was still  
 23 with Rick Tedrick. So I would expect one of them.  
 24 Q. When you say the banking relationship was still  
 25 with Rick Tedrick, do you recall what bank Mr. Tedrick

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1 had a relationship with?  
 2 A. It was Wells Fargo Bank.  
 3 Q. Do you recall ever having any conversations  
 4 with Mr. Tedrick relating to the \$3 million letter of  
 5 credit?  
 6 A. No, I just don't remember.  
 7 Q. Would it be surprising to you if the NRA never  
 8 formally posted the \$3 million of -- \$3 million letter  
 9 of credit as described in Amendment No. 1 to the  
 10 Services Agreement?  
 11 A. No.  
 12 Q. Why not?  
 13 A. I just think if you have one extreme, things  
 14 just slip through the crack. You come back from the  
 15 annual meeting and it's summertime and then it kind of  
 16 gets out of sight out of mind.  
 17 Q. But you testified that it was your  
 18 understanding that under the Amendment No. 1 to the  
 19 Services Agreement, the NRA was -- was required to go  
 20 ahead and post that \$3 million letter of credit,  
 21 correct?  
 22 A. Correct. It should have been done.  
 23 Q. On Exhibit 514, Ms. Montgomery next says,  
 24 Great, I need to run one change by you on the -- on the  
 25 contract for North that we got from his attorneys.

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1 Do you see that?

2 A. Yes.

3 Q. Do you recall having any conversations with

4 Ms. Montgomery on or about May 7th, 2018 regarding the

5 Colonel North contract?

6 A. It's possible it occurred. I can't remember

7 anything about it. But I -- I would have still been in

8 Dallas at that time.

9 MR. WERBNER: So why don't we take a break

10 here?

11 MR. MASON: Okay. How much time do y'all

12 need?

13 MR. WERBNER: Five or ten minutes.

14 MR. MASON: Okay.

15 THE VIDEOGRAPHER: We're off the record at

16 3:54, end Media 5.

17 (Break was taken.)

18 (Mr. Gruber joins the deposition.)

19 THE VIDEOGRAPHER: We're on the record at

20 4:09, start Media 6.

21 Q. (BY MR. MASON) Mr. Phillips, we were just

22 talking about Colonel North's contract with Ackerman

23 McQueen. If we can, let's take a look at Exhibit 344,

24 please.

25 (Exhibit No. 344 was marked.)

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1 Q. (BY MR. MASON) And for the record, Exhibit 344

2 is -- there's three different Bates numbers on it, but

3 the Bates number at the top is AMc-056595.

4 Do you see Ackerman Exhibit 344,

5 Mr. Phillips?

6 A. Yes.

7 Q. I'll represent to you that this is a fully

8 executed copy of the employment agreement between

9 Colonel North and Ackerman McQueen dated May 15th, 2018.

10 I believe you testified earlier that when

11 Ms. Montgomery provided you a copy of the North contract

12 in or around May of 2018 that you took a look at the

13 first page?

14 A. Well, I remember -- remember seeing a number on

15 there, so can we scroll down here just to see if it's

16 possible? There it is, the compensation. It was just

17 that first page while it was in the envelope still.

18 Q. Do you recall in or around May of 2018 being --

19 being aware that Colonel North was going to be entering

20 into an employment agreement with Ackerman McQueen?

21 A. I knew they were discussing.

22 Q. You knew that they were discussing Colonel

23 North being an employee of Ackerman McQueen, correct?

24 A. Correct. Correct.

25 Q. Was it your understanding that the draft or the

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1 copy of the employment agreement that was provided to

2 you by Melanie Montgomery was going to ultimately be the

3 one executed by Colonel North and Ackerman?

4 A. I thought so, but I'm not -- I don't think she

5 necessarily said that to me. She -- it was as we were

6 leaving the room, she gave me a -- gave me an envelope

7 that had -- had -- had a contract in it. And I assumed

8 it was the signed contract just to take back and keep in

9 our files.

10 Q. Was the Colonel North and Ackerman McQueen

11 contract one of the reasons that the NRA and Ackerman

12 McQueen agreed to enter into Amendment No. 1 to the

13 Services Agreement?

14 A. Is that the letter of credit agreement?

15 Q. Correct.

16 A. It's possible.

17 Q. Let's take a look one more time real quick back

18 to Exhibit 2, if we can. If you'll let me know when you

19 have it up, please.

20 A. Okay. It's there.

21 Q. At the bottom of the first page, Amendment to

22 Paragraph 11E. Do you see that?

23 A. Yes.

24 Q. And then if you go about halfway down that

25 paragraph that begins, For all noncancellable contracts

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1 enter into -- do you see that?

2 A. Yes.

3 Q. And it states, For all noncancellable contracts

4 entered into between AMc and third parties for the

5 benefit of the NRA, herein AMc's third-party NRA

6 contracts, the NRA agrees to pay AMc upon such

7 expiration or termination the balance of the

8 compensation payable under such AMc third-party NRA

9 contracts.

10 MR. MASON: Can you hear me? No? Can you

11 hear me?

12 THE REPORTER: I can hear you fine.

13 MR. FURIA: Looks like they may have lost

14 audio or something.

15 MR. MASON: Can you -- I'm not sure I can

16 hear you, Mr. Phillips. Yeah, I can't hear you.

17 Why don't we go off the record and get

18 that figured out real quick, please.

19 THE REPORTER: We're off the record at

20 4:16.

21 (Break was taken.)

22 THE VIDEOGRAPHER: We're on the record at

23 4:20.

24 Q. (BY MR. MASON) Okay. Mr. Phillips, I believe

25 after we got the audio issue fixed, we were talking

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1 about -- we were looking at a particular provision in  
 2 the Amendment No. 1 to the Services Agreement,  
 3 Exhibit 2.  
 4 Are you still there?  
 5 A. Yes.  
 6 Q. And if you go down to the bottom of the first  
 7 page, Paragraph 3, about halfway down, do you see the  
 8 sentence that begins, For all noncancellable contracts?  
 9 A. Yes.  
 10 Q. And that sentence states, For all  
 11 noncancellable contracts entered into between AMc and  
 12 third parties for the benefit of the NRA, herein AMc  
 13 third-party NRA contracts, the NRA agrees to pay AMc  
 14 upon such expiration or termination the balance of the  
 15 compensation payable under such AMc third-party NRA  
 16 contracts, and then on the second page, it says,  
 17 Including, but not limited to the AMc third-party NRA  
 18 contracts with Dana Loesch and Oliver North.  
 19 Do you see that?  
 20 A. Yes.  
 21 Q. So was it your understanding that part of the  
 22 reason for the NRA and Ackerman McQueen entering into  
 23 the Amendment No. 1 to the Services Agreement related in  
 24 part to the Colonel North contract with Ackerman  
 25 McQueen?

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1 A. Again, makes sense based on the timing.  
 2 Q. And according to Page -- the top of Page 2, the  
 3 NRA third-party -- I'm sorry, the AMc third-party NRA  
 4 contracts are not limited to solely Dana Loesch and  
 5 Colonel North, correct?  
 6 A. So you -- where are you? Included -- I've got  
 7 it, included, but not limited to -- wait a minute. I  
 8 might just be reading right over it every time, but I  
 9 don't see it. Where are you? Are you in Paragraph 3?  
 10 Q. I'm in -- I'm in Paragraph 3.  
 11 My question is --  
 12 A. Okay. Just ask that.  
 13 Q. -- was it your understanding that when the NRA  
 14 agreed to pay Ackerman McQueen for all noncancellable  
 15 contracts at the expiration or termination of the  
 16 Services Agreement, that that included, but was not  
 17 limited to the AMc contracts with Colonel North and Dana  
 18 Loesch?  
 19 A. That's the way I would read it. I'm not sure  
 20 how it was discussed as they were developing it.  
 21 THE REPORTER: Sir, would you make sure  
 22 and keep your voice up for me.  
 23 THE WITNESS: I will. Sorry.  
 24 Do I need to do that again?  
 25 THE REPORTER: That's okay.

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1 THE WITNESS: Okay.  
 2 Q. (BY MR. MASON) Mr. Phillips, do you recall  
 3 attending to September 2018 NRA board meetings?  
 4 A. Yes, but my role changed. My successor was  
 5 elected to treasurer at that meeting, too. So whether I  
 6 attended all of the meetings or not, I can't recall.  
 7 Q. Do you remember whether you attended the audit  
 8 committee meeting in September of 2018?  
 9 A. I did. I did the first part anyway.  
 10 Q. Do you recall during the audit committee  
 11 meeting in September of 2018 there being a discussion  
 12 relating to Colonel North's contract at Ackerman  
 13 McQueen?  
 14 A. I don't recall that.  
 15 Q. Let's take a look at Exhibit 349, please.  
 16 (Exhibit No. 349 was marked.)  
 17 Q. (BY MR. MASON) Exhibit 349, for the record, is  
 18 Bates labeled 0LN00178. Do you have Exhibit 349 up,  
 19 Mr. Phillips?  
 20 A. I do. I do.  
 21 Q. Do you recognize this as the report of the  
 22 audit committee from September of 2018?  
 23 A. Yes.  
 24 Q. And if you go down to the bottom of the first  
 25 page, do you see where it says, The audit committee met

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1 at the Westin Arlington Gateway in Arlington, Virginia  
 2 on September the 6th, 2018?  
 3 A. Yes.  
 4 Q. And if you continue to read on, do you see  
 5 where it indicates that you were present for that  
 6 meeting?  
 7 A. Yes.  
 8 Q. So do you recall being present for the audit  
 9 committee meeting on or about September 6th, 2018?  
 10 A. Yes.  
 11 Q. And if you go to the second page, about a third  
 12 of the way down, it says that the committee went into  
 13 executive session at 12:40 and rose from executive  
 14 session at 2:33, having adopted the following  
 15 resolutions. Do you see that?  
 16 A. Yes.  
 17 Q. And then you have a resolution pertaining to  
 18 Colonel North on Page 2. Do you see that?  
 19 A. Yes.  
 20 Can you give me a minute to back up and  
 21 see -- there's something just not clicking with me here.  
 22 Q. Sure.  
 23 A. Go back to Page 1. Now go back.  
 24 Are these supposed to be part of the same  
 25 document? Yeah.



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1 Okay. I've seen what I wanted to see.  
 2 Q. Do you recall there being a discussion at the  
 3 September 2018 NRA board meetings regarding Colonel  
 4 North's contracts with Ackerman McQueen?  
 5 A. If there was an executive session, I wouldn't  
 6 have been in there. But I don't recall it.  
 7 Q. So if there was an executive session to discuss  
 8 Colonel North's contract during the September 2018 board  
 9 meeting, your recollection is you would not have been  
 10 present for that?  
 11 A. That's correct.  
 12 Q. Do you recall having conversations with anyone  
 13 outside of -- let me ask it this way: Do you recall  
 14 having conversations with anyone at the NRA in September  
 15 of 2018 relating to Colonel North's contract with the  
 16 NRA?  
 17 A. No.  
 18 Q. Do you recall anyone in the fall of 2018 asking  
 19 you questions regarding your knowledge with respect to  
 20 Colonel North's contract with Ackerman McQueen?  
 21 A. Tell me the time frame again, please.  
 22 Q. In the -- do you recall in the fall of 2018  
 23 anyone asking you any questions regarding your knowledge  
 24 with respect to Colonel North's contract with Ackerman  
 25 McQueen?

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1 A. I don't recall.  
 2 Q. Do you recall anyone in the spring of 2019  
 3 asking you any questions about Colonel North's contract  
 4 with -- Colonel North's contract with Ackerman McQueen?  
 5 A. I'm trying to put that in a timeline. I do not  
 6 recall.  
 7 Q. Let me ask it this way: At some point in time  
 8 in 2019, did you become aware that there was a dispute  
 9 ongoing between Colonel North and certain executives at  
 10 the NRA?  
 11 A. Yes.  
 12 Q. What was your understanding of that dispute?  
 13 A. I didn't -- I didn't know -- you know, I was  
 14 out by that time, but I know it was fairly -- fairly  
 15 public and it -- I think something centered around the  
 16 annual meeting time or the -- yeah, the meeting, the  
 17 actual board meeting.  
 18 Q. Were you -- were you aware that in the fall of  
 19 2018 and spring of 2019 that the NRA was requesting a  
 20 copy of Colonel North's contract?  
 21 A. No.  
 22 Q. We talked earlier this morning about  
 23 Mr. Tedrick's role with respect to Ackerman McQueen. Do  
 24 you recall that?  
 25 A. I do.

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1 Q. Do you recall whether there was a point in time  
 2 where Mr. Tedrick stopped doing audits of Ackerman  
 3 McQueen's books and records?  
 4 A. I don't recall, but I've heard since then that  
 5 he was not going every year.  
 6 Q. And I don't want you -- well, let me ask you  
 7 this: When you heard that he was not going every year,  
 8 who did you hear that from?  
 9 A. I can't remember, honestly.  
 10 Q. When was the last time you talked to  
 11 Mr. Tedrick?  
 12 A. 2019, probably, if -- if that recently, maybe  
 13 spring of 2019. His father passed away sometime, yeah,  
 14 that's the last time I talked to him.  
 15 Q. You said that you recently learned that  
 16 Mr. Tedrick had stopped doing the audits of Ackerman  
 17 McQueen each year; is that correct?  
 18 A. That's correct.  
 19 Q. And you don't -- you don't know when  
 20 Mr. Tedrick stopped doing that?  
 21 A. I don't know.  
 22 Q. Are you aware of whether Steve Hart conducted  
 23 any audits of Ackerman McQueen in 2015, '16 or '17?  
 24 A. Only from what I've read in -- in materials in  
 25 connection with this litigation.

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1 Q. Do you know if there was a point in time where  
 2 Mr. Tedrick was no longer involved with processing  
 3 Ackerman's invoices?  
 4 A. No.  
 5 Q. As far as you understood, was Mr. Tedrick  
 6 involved in processing Ackerman's invoices until you  
 7 retired in the fall of 2018?  
 8 A. Yes.  
 9 Q. In 2016, do you recall -- well, let me ask you  
 10 this: In or around 2004, were you aware of something  
 11 called NRA News?  
 12 A. Yes.  
 13 Q. What was your understanding for NRA News?  
 14 A. In 2004, as I -- as I became to know it as NRA  
 15 News, it was an online -- online news -- news program.  
 16 Grant Stinchfield was kind of the host of -- host of it.  
 17 But NRA News kind of covered a broader -- broader  
 18 spectrum, too, I think, in terms of -- I don't know if  
 19 it included the radio and online TV show at the time. I  
 20 can't remember which (inaudible) so I'm not sure how all  
 21 that fit, but it was basically kind of a 24-hour news  
 22 with -- not always live, but replays of -- of the  
 23 various gun-related subjects.  
 24 Q. In 2016, were -- were there discussions between  
 25 the NRA and Ackerman McQueen to change the name of NRA

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1 News to something else?

2 A. I think it became NRATV, but I don't recall the  
3 timing or when that happened.

4 Q. Do you recall what the purpose of NRATV was?

5 A. I'm not sure how to answer that exactly, but it  
6 was -- it was a -- a way to take a lot of the content  
7 that NRA had and develop some new content, but do  
8 something similar to what Fox TV people are doing now  
9 with their -- I forget the name they have, but they  
10 basically have a subscription service for kind of a  
11 broader spectrum of -- of conservative-related projects  
12 for them, but NRA would be everything from real views to  
13 shooting sports, people learning to shoot for the first  
14 time, self-defense, all of that.

15 Q. Was -- did you understand that one of the  
16 purposes for NRATV was so that Mr. LaPierre could have  
17 additional voices out in the public to help promote the  
18 Second Amendment?

19 A. Yes.

20 Q. Did you understand that one of the purposes of  
21 NRATV was to be used as a crisis communication tool if  
22 there was some sort of mass shooting or something like  
23 that?

24 A. Yes.

25 Q. Do you recall one of the purposes of NRATV

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1 being to reach a younger and more diverse audience for  
2 the NRA?

3 A. Yes.

4 Q. Do you recall that that was something that was  
5 important to Mr. LaPierre?

6 A. Yes.

7 Q. Do you know why?

8 A. Mr. LaPierre just, I think, had a really good  
9 sense for where you needed to be in the -- in the  
10 spectrum, whether it's needed a presence in Hollywood or  
11 young people or retirees.

12 Q. Do you recall attending any meetings with  
13 Ackerman McQueen where NRATV analytics were discussed?

14 A. Yes.

15 Q. Do you recall approximately how many meetings  
16 you attended?

17 A. At least two, could be three or four.

18 Q. During those meetings, did Ackerman executives  
19 provide information -- analytical information relating  
20 to the viewership for NRATV?

21 A. Yes.

22 Q. Do you -- did Mr. LaPierre attend those  
23 meetings, to your recollection, where Ackerman discussed  
24 the NRATV analytics?

25 A. Yes, at least -- at least the two I -- I can

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1 remember attending, he was there.

2 Q. Do you recall Mr. LaPierre raising any concerns  
3 with respect to the NRATV analytics during those two  
4 meetings that you recall attending?

5 A. He may have raised the issue of we got to get  
6 this right and find a way to look at it, but I'm not  
7 sure -- I don't recall any complaint he had about it.

8 Q. Have you ever heard the term "unique view"?

9 A. Unique view?

10 Q. Yes.

11 A. I've heard it --

12 Q. Do you have --

13 A. -- (inaudible).

14 Q. That was going to be my next question. Do  
15 you -- do you have an understanding of what a unique  
16 view is in the -- in a sense of analytics?

17 A. Yes, well, it would be -- online, it's -- it  
18 would be one person not double counted in any way.

19 Q. Do you recall being in any meetings with  
20 Ackerman and Mr. LaPierre where unique views were  
21 specifically discussed?

22 A. I'm sure they used the terminology, but I don't  
23 know the context.

24 Q. During these meetings that you were in with  
25 Ackerman and Mr. LaPierre where NRATV analytics were

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1 discussed, did you form an opinion as to whether you  
2 believed Mr. LaPierre understood the analytics that were  
3 being presented to him?

4 A. Yes.

5 MR. FURIA: Please register my objection  
6 to form.

7 Q. (BY MR. MASON) Did you believe that, based on  
8 your observations that -- did you understand, based upon  
9 your observations of Mr. LaPierre in those meetings,  
10 that he understood the NRATV analytics that were being  
11 presented to him?

12 MR. FURIA: Objection, form.

13 A. Yes.

14 Q. (BY MR. MASON) Do you recall in any of the  
15 meetings that you were with -- strike that.

16 Do you recall in the meetings that you  
17 attended with Mr. LaPierre and Ackerman McQueen  
18 regarding NRATV analytics Mr. LaPierre ever requesting  
19 any analytics data that Ackerman McQueen did not provide  
20 to him?

21 MR. FURIA: Objection to form.

22 A. No.

23 Q. (BY MR. MASON) Have you ever heard of  
24 Performance Improvement Partners, or PIP?

25 A. No. It's familiar in something I may have

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1 looked at in connection with this litigation, but I  
 2 didn't -- I don't relate it to anything.  
 3 Q. Let me -- let me ask this: Do you recall there  
 4 being a PIP dashboard -- or let me -- do you recall  
 5 being with Ackerman McQueen and discussing NRATV  
 6 analytics where a dashboard was discussed?  
 7 A. Yes.  
 8 Q. What was your understanding of that -- the  
 9 dashboard?  
 10 A. It was -- it was in -- very far along in  
 11 development at the time, I remember it, and it was very  
 12 impressive. It would give you at -- at any time you --  
 13 or any period of time you wanted to block out, you could  
 14 see things like unique views, how many people stayed on  
 15 for how long and you could kind of set your -- your  
 16 barometers there. I don't know if that specific one,  
 17 but this was the last meeting I remember attending, I  
 18 was very impressed with the ability to not just say we  
 19 had so many views, we -- you could basically dig deep  
 20 into how -- the quality of the audience in the views  
 21 there.  
 22 Q. Do you recall how many -- on how many occasions  
 23 you actually were provided access and reviewed the  
 24 dashboard?  
 25 A. I remember that one time and maybe a second

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1 time that I was -- I was there for another meeting. But  
 2 I remember -- I mean it seemed to be pretty much  
 3 operational at the time, the last time I saw it.  
 4 Q. Do you recall attending a meeting with  
 5 Mr. LaPierre and Ackerman McQueen where Mr. LaPierre was  
 6 also shown the dashboard?  
 7 A. Yes.  
 8 Q. Do you recall anyone from Ackerman McQueen ever  
 9 telling yourself or Mr. LaPierre that the NRA could be  
 10 provided access to the dashboard if it wanted it?  
 11 A. Yes.  
 12 Q. Do you recall on how many different occasions  
 13 Ackerman McQueen told you or -- well, let me ask this:  
 14 Do you recall Ackerman McQueen telling Mr. LaPierre that  
 15 they could provide Mr. LaPierre with access to the  
 16 dashboard if he wanted it?  
 17 A. I don't recall that, but it's possible.  
 18 Q. Do you recall Mr. LaPierre -- well, let me ask:  
 19 Do you believe, based on your dealings with Ackerman  
 20 McQueen and the meetings that you attended on NRATV  
 21 analytics, that NRATV was intentionally withholding any  
 22 information from the NRA?  
 23 A. No.  
 24 Q. Based upon your meetings with Ackerman McQueen  
 25 discussing NRATV analytics, did you ever get the

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1 impression that Ackerman McQueen was misrepresenting the  
 2 viewership of NRATV?  
 3 A. No. I thought the opposite. I thought we were  
 4 getting more and more close to the quality of the  
 5 viewership and how we could evaluate it.  
 6 Q. Do you recall ever having any conversations  
 7 regarding Mr. Powell being provided access to the  
 8 dashboard?  
 9 A. No.  
 10 Q. Do you recall any conversations with  
 11 Mr. LaPierre where he indicated that he did not want  
 12 Mr. Powell to have access to the dashboard?  
 13 A. No.  
 14 Q. Do you ever recall having conversations --  
 15 well, do you recall Mr. LaPierre ever stating to you or  
 16 Ackerman McQueen that he wanted to see the NRATV  
 17 analytics before others at the NRA?  
 18 A. No.  
 19 Q. Do you recall Ackerman McQueen ever expressing  
 20 frustration with you or Mr. LaPierre regarding their  
 21 inability to get information from the NRA in order to  
 22 help monetize NRATV?  
 23 A. No.  
 24 Q. And you're not -- just for the record, you're  
 25 not saying that it didn't happen, you're just saying, as

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1 you sit here today, you don't recall, correct?  
 2 A. That's correct.  
 3 Q. Do you recall when -- when I say "monetize  
 4 NRATV," do you know what I'm referring to?  
 5 A. I do.  
 6 Q. Do you recall being involved in discussions  
 7 with Ackerman McQueen regarding the monetization of  
 8 NRATV?  
 9 A. Yes.  
 10 Q. Do you recall when those conversations began?  
 11 A. I don't. As NRATV grew, though, we knew we had  
 12 to find some way to offset some costs.  
 13 Q. Was that more in the 2018 time period?  
 14 A. I'd say I would have thought a little before  
 15 that, but I may be mixed -- there was another program  
 16 called -- called "Life of Duty" that was kind of merged  
 17 into NRATV and we -- we did some sponsorship items with  
 18 that, too. It was kind of a military service type  
 19 organization -- or program.  
 20 Q. Do you know what Membership Marketing Partners  
 21 is?  
 22 A. Yes.  
 23 Q. Do you recall discussing -- do you recall being  
 24 involved with any discussions with Ackerman McQueen  
 25 regarding their inability to obtain certain information

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1 from Membership Marketing Partners to try and help  
 2 monetize NRATV?  
 3 A. No. I don't recall that.  
 4 Q. And again, you're not saying it didn't happen,  
 5 you're just saying, as you sit here today, you don't  
 6 recall, correct?  
 7 A. That's correct.  
 8 Q. Do you recall attending a meeting in October of  
 9 2018 with Todd Grable and others from the NRA and  
 10 various Ackerman McQueen executives?  
 11 A. I don't recall that. It may have happened, I  
 12 just don't recall the meeting. Tell me the date again.  
 13 Q. October of 2018.  
 14 A. Okay.  
 15 Q. Let's take a look at Ackerman Exhibit 437,  
 16 please.  
 17 (Exhibit No. 437 was marked.)  
 18 Q. (BY MR. MASON) And, Mr. Phillips, I'll  
 19 represent to you this was a declaration that was filed  
 20 by Todd Grable in support of the NRA's opposition to  
 21 Ackerman McQueen's motion for partial summary judgment  
 22 in this litigation.  
 23 Do you know Todd Grable?  
 24 A. Yes.  
 25 Q. How long has he been with the NRA, to your

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1 knowledge?  
 2 A. Maybe eight, ten years, today.  
 3 Q. And if you will, I'd like to go down to PDF  
 4 Page 9 of 11. It's an e-mail from Mr. Grable to Derek  
 5 Robinson and Kyle Crew. Do you see that?  
 6 A. Yes.  
 7 Q. And it references an attachment meeting summary  
 8 NRATV. Do you see that?  
 9 A. Yes.  
 10 Q. Then if you go to the next page, there's a  
 11 document titled "Meeting Summary." Do you see that?  
 12 A. Uh-huh.  
 13 Q. And it lists various attendees?  
 14 A. Yes.  
 15 Q. Do you recall attending a meeting in or around  
 16 October of 2018 with Revan McQueen, Mr. Grable,  
 17 Mr. Robinson, Mr. Crew, Mr. Farrell, Ms. Montgomery and  
 18 other Ackerman executives?  
 19 A. I don't recall it, but it is -- it's possible.  
 20 Something's ringing a bell here when I see some of the  
 21 names that would have been in the meeting there. But  
 22 can I -- can I read on down a little farther?  
 23 Q. Sure.  
 24 A. Okay. Just to get the context, I may remember  
 25 it.

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1 THE WITNESS: Keep going. Is there  
 2 another page?  
 3 A. I just -- I just -- I just don't know. I'm  
 4 trying to -- part of it is just trying to see if I  
 5 recognize the language of Todd Grable, but I really  
 6 can't tell.  
 7 Q. (BY MR. MASON) Okay. Let's go to the -- let's  
 8 go to the last page real quick, if we can.  
 9 A. All right.  
 10 Q. And if you -- there's corporate questions  
 11 moving forward. Do you see that?  
 12 A. Yes.  
 13 Q. And then the last bullet point says, Does AM  
 14 have to be a registered fundraising agent?  
 15 Do you see that?  
 16 A. Yes.  
 17 Q. Do you recall being involved in any discussions  
 18 with Ackerman McQueen in the fall of 2018 about becoming  
 19 a registered fundraising agent for the NRA?  
 20 A. No.  
 21 Q. Do you know what landing page is?  
 22 A. Yes.  
 23 Q. Do you recall being involved in discussions  
 24 with Ackerman McQueen in the fall of 2018 regarding  
 25 landing pages associated with NRATV?

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1 A. I do not.  
 2 Q. Who is Jackie Plunckett?  
 3 A. (No response.)  
 4 Q. Do you know Jackie Plunckett, Mr. Phillips?  
 5 A. I think I have met her.  
 6 THE WITNESS: Can I speculate on that?  
 7 A. I think she was hired by Josh Powell in the --  
 8 kind of in the tech area.  
 9 Q. (BY MR. MASON) Do you know where -- when you  
 10 say "in the tech area," are you referring to the  
 11 analytics area?  
 12 A. Yeah, well, that would be part of it.  
 13 Q. Do you know if Ms. Plunckett had any meetings  
 14 or conversations with anyone from Ackerman McQueen  
 15 relating to NRATV?  
 16 A. I do not.  
 17 Q. Do you know why Ms. Plunckett left the NRA?  
 18 A. No.  
 19 Q. Do you recall, during any of your meetings with  
 20 Ackerman McQueen, Ackerman McQueen offering the NRA to  
 21 go out and hire a third-party auditing firm to examine  
 22 the NRATV analytics if they had any concerns?  
 23 A. No.  
 24 Q. You're not testifying that it didn't happen,  
 25 you just don't recall as you sit here today?



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1 A. That's correct.

2 Q. Let's take a look at exhibit -- well, before we

3 do that, do you recall being in meetings with Ackerman

4 McQueen and Mr. LaPierre where he would take meetings on

5 a notepad?

6 A. Yes.

7 Q. Was that something that you witnessed

8 Mr. LaPierre do often?

9 A. Yes.

10 Q. Did Mr. LaPierre ever share those notepads with

11 you, either during meetings or after meetings?

12 A. No.

13 Q. Did you ever speak with Mr. LaPierre regarding

14 the notes that he was taking on those yellow notepads?

15 A. No.

16 Q. But you witnessed Mr. LaPierre making various

17 notations on his notepads during various meetings,

18 correct?

19 A. That's correct.

20 Q. Let's take a look at Ackerman Exhibit 438,

21 please.

22 (Exhibit No. 438 was marked.)

23 Q. (BY MR. MASON) If you will,

24 Mr. LaPierre (sic) -- Mr. LaPierre -- Mr. Phillips, for

25 the record, this is a declaration of Mr. LaPierre that

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1 was submitted in support of the NRA's opposition to

2 Ackerman's motion for partial summary judgment.

3 If you will, Mr. Phillips, go to Page 2,

4 please.

5 A. I'm there.

6 Q. If you look at Paragraph 3, Mr. LaPierre states

7 that, Although the financial aspects of the NRA's

8 relationship with AMc were largely managed by the NRA's

9 treasurer's office, I participated in important big

10 picture discussions with AMc's leadership about the

11 direction of its work with the NRA. And then it goes on

12 and continues.

13 Do you see that?

14 A. Yes.

15 Q. The last sentence of Paragraph 3 states, Often

16 but not always, I would annotate these notepads with a

17 capital letter A as follows to indicate input from Angus

18 McQueen.

19 Do you see that?

20 A. Yes.

21 Q. And if you will, Mr. Phillips, skim down for

22 me, please, to PDF Page 15 of 45.

23 A. Which page was that?

24 THE VIDEOGRAPHER: I've got it.

25 Q. (BY MR. MASON) For the record, we're looking

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1 at the Bates number page NRA AMc 00091719.

2 Do you see that, Mr. Phillips?

3 A. Yes.

4 Q. Do you see that "A" at the top of the page?

5 A. I do.

6 Q. Do you recall ever witnessing Mr. LaPierre

7 write on his notepads an "A" similar to what is being

8 marked on here on this page?

9 A. No. But I never -- I couldn't say anything

10 about anything he wrote on his notepad.

11 Q. Did you have any involvement with the NRA's

12 hiring of Josh Powell?

13 A. (No response.)

14 Q. And I'm switching gears here now.

15 A. Yeah, I know. I'm trying -- trying to

16 remember. I think he was -- he was hired before I knew

17 he was hired. But he and I worked together a lot right

18 at first when he was -- right after he was hired.

19 Q. That was going to be my next question, whether

20 you worked closely with Mr. Powell at certain times.

21 A. I did at -- at first and then his position

22 changed a couple times, and then he was kind of caught

23 up in Carry Guard and some other things so I worked with

24 him less.

25 Q. Did you believe that Mr. Powell -- he was hired

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1 as the chief of staff of Mr. LaPierre, correct?

2 A. I believe so.

3 Q. Did you believe that Mr. Powell did a -- a good

4 job as chief of staff for Mr. LaPierre while he was at

5 the NRA?

6 A. I'm trying to think of -- evaluate his job. He

7 basically brought in kind of disruption to a lot of ways

8 we had done things before and that aspect I liked. But

9 then, you know, carry -- carried it through in getting

10 people to cooperate, he didn't do that well with that.

11 Q. Did you ever witness Mr. Powell being

12 disrespect to NRA staff?

13 A. No, but I heard it a lot.

14 Q. How often would you hear about -- about that?

15 A. Once a week, twice a week, maybe.

16 Q. For how long?

17 A. More just right at first. I don't know after

18 that, people would -- would not -- or nobody talked to

19 me about it.

20 MR. MASON: All right. Let's do this: If

21 we can take just a quick five-minute break, I think I'm

22 about done, let me just check my notes and see if

23 there's any follow-up questions that I have.

24 THE WITNESS: If you don't mind, I'm going

25 to run to the men's room?

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1 MR. MASON: Absolutely.  
 2 THE VIDEOGRAPHER: We're off the record at  
 3 5:04.  
 4 (Break was taken.)  
 5 THE VIDEOGRAPHER: We're on the record at  
 6 5:14.  
 7 Q. (BY MR. MASON) Mr. Phillips, I am about done,  
 8 subject to any recross that I may have. But before I do  
 9 pass the witness, is there any of your testimony from  
 10 today that you believe needs to be clarified or changed  
 11 as you sit here right now?  
 12 MR. WERBNER: I'm going to object to the  
 13 form of the question, that's overbroad and  
 14 inappropriate, so I'm not really sure he should answer a  
 15 question that broad. We've been here almost seven  
 16 hours, so he'll have an opportunity to review the  
 17 transcript and he can, in accordance with the Rules,  
 18 make changes, if necessary, at that time.  
 19 MR. FURIA: I join in the objection.  
 20 Q. (BY MR. MASON) Are you going to follow your  
 21 counsel's instruction, Mr. Phillips?  
 22 A. I am.  
 23 MR. MASON: With that, Mr. Phillips, I  
 24 appreciate the time. I will pass the witness, subject  
 25 to my right to ask any follow-up questions after

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1 Mr. Furia.  
 2 MR. FURIA: Thank you, Brian. So we've  
 3 been on -- I guess on the record for a little over six  
 4 hours and we've been going a little over eight since the  
 5 start here. And I definitely have an amount of  
 6 questions that's measured in hours, not minutes,  
 7 probably four or five hours. And at this point, I would  
 8 suggest that we just, you know, leave this open and  
 9 mutually agree to come back at a date and time that's  
 10 convenient for Mr. Werbner, for Mr. Phillips. I wanted  
 11 to see if that's something that we could agree to at the  
 12 point?  
 13 MR. MASON: And obviously, Mr. Werbner and  
 14 Mr. Phillips can ultimately make the decision, but I'll  
 15 note for the record that Ackerman served Mr. Phillips  
 16 with a third-party subpoena, I believe a month and a  
 17 half ago. At no point in time am I aware of anyone from  
 18 the NRA attempting to cross-subpoena him and/or request  
 19 any time to question him, aside from earlier this  
 20 morning when this deposition began.  
 21 And I'll also note, according to the  
 22 recent order entered by Judge Fish last week, and  
 23 including him expressing his frustration with the  
 24 parties as to why discovery was not concluded sooner, I  
 25 believe that, obviously subject to Mr. Werbner and --

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1 and of course Mr. Phillips, that we need to -- to try  
 2 and get everything we can discovery wise wrapped --  
 3 wrapped up sooner than later so that we can proceed to  
 4 trial in this matter.  
 5 But of course, ultimately, that's up to  
 6 Mr. Phillips and Mr. Werbner.  
 7 MR. WERBNER: I would just say that we  
 8 came today fully expecting that the deposition would  
 9 fully conclude within the Rules' seven-hour limitation,  
 10 so I'm disheartened by the fact that we get to this  
 11 point late in the day and hear that other counsel has  
 12 four or five hours of questions, or at least a number of  
 13 hours of questioning.  
 14 So I'm not agreeing to reconvening the  
 15 deposition. I think it should conclude today and I  
 16 think that's only fair to Mr. Phillips. And I don't  
 17 think it's going to take hours to finish. So I would  
 18 urge that the deposition be concluded today. If not,  
 19 you know, if a new deposition notice comes and a new  
 20 subpoena comes -- and I'm happy to except service, by  
 21 the way. It doesn't need to be service on Mr. Phillips,  
 22 but if that comes, then I guess we'll address that at  
 23 that point.  
 24 MR. FURIA: Okay. So -- and again, I  
 25 can -- I'll just need to confirm some things on my end.

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1 So it would be your preference then that we continue  
 2 with potentially upwards of four or five hours of  
 3 questioning now?  
 4 MR. WERBNER: No. I'd like you to  
 5 continue, but I think the deposition is limited to seven  
 6 hours, so I'll give you a little leeway. I mean you  
 7 have 45 minutes and, you know, I'll certainly allow you  
 8 to go beyond that to some degree. But I think you'd  
 9 have to notice your own deposition if you are looking at  
 10 wanting to take a deposition approaching seven hours.  
 11 MR. FURIA: Okay. And just for the  
 12 record, our court reporter and our videographer, are you  
 13 guys going to be okay to stay if we make it another four  
 14 or five hours?  
 15 THE REPORTER: I'm going to vote no to  
 16 that, just physically. I can stay, I'm at home, but  
 17 physically it's kind of hard. But I'm not going to be  
 18 the party pooper either.  
 19 MR. WERBNER: We're not going to go for  
 20 four or five hours, I don't think that complies with the  
 21 Rules. So I'm talking more about like an hour and 45  
 22 minutes.  
 23 MR. FURIA: Okay. I mean so certainly  
 24 if -- I mean we -- we do need a full and fair  
 25 opportunity to examine Mr. Phillips. And as you've

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1 noted, he's been deposed for over six hours. So -- I  
 2 mean look, if we need to serve our own notice our own  
 3 subpoena, that's certainly something we can do, but I  
 4 would hope that we can, you know, dispense with  
 5 formalities to the extent possible.  
 6 So I think in the first instance, let me  
 7 just have a few minute break, just to consult with my  
 8 partners and my client to make sure we're all on the  
 9 same page and how we want to proceed here, and then I'll  
 10 come back on and I'll -- I'll explain my position.  
 11 THE VIDEOGRAPHER: We are off the record  
 12 at 5:20.  
 13 (Break was taken.)  
 14 THE VIDEOGRAPHER: We're on the record at  
 15 5:27.  
 16 MR. FURIA: I don't see Mr. Phillips, but  
 17 that's okay. Do we have a reporter?  
 18 THE VIDEOGRAPHER: Oh, hang on. Sorry.  
 19 THE WITNESS: Sorry about that.  
 20 MR. FURIA: Okay. Are we back on the  
 21 record?  
 22 THE VIDEOGRAPHER: Yes, we are.  
 23 MR. FURIA: Okay. So I'm just going to  
 24 put my position on the record. So the discussion that  
 25 we've now had concerning bringing the deposition to a

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1 conclusion at this point, the NRA has, I would say,  
 2 considerably four or five hours of questioning  
 3 remaining. The witness -- the witness, witness's  
 4 counsel and also the court reporter have indicated that  
 5 that, they may not be able to accommodate that  
 6 additional time for questioning.  
 7 Mr. Phillips' counsel has indicated that  
 8 he would be willing to accept service of a -- either a  
 9 subpoena or notice for continued questioning. So at  
 10 this time we are going to reserve our rights to serve  
 11 those notices and seek to exercise our right to  
 12 cross-examine the witness and we will do so at a time  
 13 that's convenient for all the parties involved.  
 14 MR. MASON: Just for the record,  
 15 Mr. Furia, I guess first and foremost, are you saying  
 16 that you have four to five hours of examination based  
 17 upon my six-hour examination today?  
 18 MR. FURIA: We have four or five hours  
 19 worth of questions for this witness. That's all that  
 20 I'm saying.  
 21 MR. MASON: Regardless of whether or not  
 22 it is related to my questioning today; is that correct?  
 23 MR. FURIA: Well, I think all of the  
 24 questioning that we would have is related to your  
 25 questioning in some way, to some degree. I mean we're

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1 talking about a limited universe of issues and you've  
 2 asked your questions on them and we wish to do the same,  
 3 and we need to be afforded our right to do the same  
 4 under the Rules.  
 5 MR. MASON: Well, and I'll just state for  
 6 the record that, again, the discovery deadline was  
 7 August the 6th. Ackerman McQueen served a subpoena for  
 8 Mr. Phillips well before the discovery deadline passed  
 9 that attempted to procure his testimony prior to it. At  
 10 no point in time have I been made aware of any attempts  
 11 by the NRA to try and subpoena Mr. Phillips, his  
 12 testimony as well.  
 13 We are now over three weeks past the  
 14 discovery deadline. We are approximately 40 days  
 15 potentially from the trial setting in this case. And  
 16 the NRA, over the course of the next -- of the last 30  
 17 to 45 days, has repeatedly cancelled and rescheduled and  
 18 pushed various depositions back of numerous witnesses.  
 19 And so to the extent that the NRA does  
 20 attempt to serve a notice or subpoena on Mr. Phillips  
 21 after today, we intend to assert our right to object and  
 22 to take that issue up with the court as appropriate.  
 23 MR. FURIA: And I would just -- I guess we  
 24 probably shouldn't go back and forth and back and forth  
 25 on this, but just to respond to that briefly, I would

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1 note that Mr. Mason's position that depositions beyond  
 2 this date is not consistent with what has actually been  
 3 occurring in this case. In fact, Mr. Mason's firm has  
 4 depositions scheduled to take place after today,  
 5 including depositions of an expert and nonparty.  
 6 All that being said again, just to  
 7 reiterate our position, we are entitled to our up to  
 8 seven hours of cross-examination -- or of examination.  
 9 We do not believe we need that much time, but we need  
 10 four or five hours. The witness is unable to provide  
 11 that at this time. The court reporter is unable to  
 12 provide that at this time. We will proceed, as I  
 13 indicated, and we'll endeavor to schedule further  
 14 examination on a date and time that works for everybody.  
 15 MR. MASON: And again, just briefly to  
 16 respond to Mr. Furia with respect to the depositions  
 17 that have occurred after the discovery deadline, it's  
 18 our position, and the correspondence between the party  
 19 reflects that, that Ackerman McQueen did anything and  
 20 everything possible to try and complete discovery prior  
 21 to August the 6th, and the fact that we're still taking  
 22 depositions in this case is not the result of any  
 23 actions or inactions of Ackerman McQueen, with the sole  
 24 exception of one deposition that we did have to  
 25 reschedule because a colleague of mine was up in the

WILSON H. PHILLIPS, JR. VOLUME 1  
NATIONAL RIFLE ASSOC. vs ACKERMAN MCQUEEN

August 30, 2021  
217-220

Page 217

1 middle of the night very ill. And that will be  
 2 addressed with the court this week.  
 3 But with that said, we don't need to go  
 4 back and forth on this issue.  
 5 MR. FURIA: Agreed. Just we're not --  
 6 we're not in agreement as to the back and forth of  
 7 what's occurred, but I think we can both agree to leave  
 8 it at that.  
 9 THE VIDEOGRAPHER: Are we finished for  
 10 today, gentlemen?  
 11 MR. FURIA: Yes.  
 12 THE VIDEOGRAPHER: We are off the record  
 13 at 5:33. This concludes today's deposition, end  
 14 Media 6.  
 15 (End of Proceedings.)  
 16  
 17  
 18  
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1 CORRECTIONS AND SIGNATURE  
 2 WITNESS: Wilson Phillips DEPOSITION DATE: 8-30-21  
 3 PAGE/LINE CORRECTION REASON FOR CHANGE  
 4 \_\_\_\_\_  
 5 \_\_\_\_\_  
 6 \_\_\_\_\_  
 7 \_\_\_\_\_  
 8 \_\_\_\_\_  
 9 \_\_\_\_\_  
 10 \_\_\_\_\_  
 11 \_\_\_\_\_  
 12 \_\_\_\_\_  
 13 \_\_\_\_\_  
 14 \_\_\_\_\_  
 15 I, WILSON PHILLIPS, have read the foregoing  
 16 deposition and hereby affix my signature that same is  
 17 true and correct except as noted herein.  
 18 \_\_\_\_\_  
 19 WILSON PHILLIPS  
 20 CA# 3:19-cv-02074-G  
 21 STATE OF TEXAS )  
 22 Subscribed and sworn to before me by the said  
 23 witness, WILSON PHILLIPS, on this the \_\_\_\_ day of  
 24 \_\_\_\_\_, 2021.  
 25 \_\_\_\_\_  
 NOTARY PUBLIC IN AND FOR  
 THE STATE OF TEXAS  
 My Commission Expires: \_\_\_\_\_

Page 219

1 STATE OF TEXAS )  
 2 I, Brandy Cooper, a Certified Shorthand Reporter  
 3 duly commissioned and qualified in and for the State of  
 4 Texas, do hereby certify that there came before me on  
 5 the 30th day of August, A.D., 2021, at 9:03 a.m., at the  
 6 offices of Wilson & Strawn, in the City of Dallas, State  
 7 of Texas, the following named person, to wit: WILSON  
 8 PHILLIPS, who was by me duly cautioned and sworn to  
 9 testify the truth, the whole truth and nothing but the  
 10 truth, of knowledge touching and concerning the matters  
 11 in controversy in this cause; and that he was thereupon  
 12 carefully examined upon his oath, and his examination  
 13 was reduced to writing under my supervision; that the  
 14 deposition is a true record of the testimony given by  
 15 the witness.  
 16 I further certify that the witness has requested a  
 17 review pursuant to Rule 30(e)(2).  
 18 I further certify that I am neither attorney or  
 19 counsel for, nor related to or employed by any of the  
 20 parties to the action in which this deposition is taken,  
 21 and further that I am not a relative or employee of any  
 22 attorney or counsel employed by the parties hereto, or  
 23 financially interested in the action.  
 24 CERTIFIED TO BY ME on this 2nd day of September,  
 25 2021.

Page 220

1 *Brandy Cooper*  
 2 \_\_\_\_\_  
 3 BRANDY COOPER, CSR  
 4 Certification Expires 3-31-2023  
 5 Firm Registration No. 286  
 6 1700 Pacific Avenue, Suite 1000  
 7 Dallas, Texas 75201  
 8 (214) 257-1436  
 9  
 10  
 11 Taxable cost of original charged to Defendants and  
 12 Counter-Plaintiff: \$ \_\_\_\_\_  
 13 Attorney: Mr. Mason  
 14  
 15  
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# **EXHIBIT 30**

WILSON PHILLIPS Volume 2  
 NRA vs ACKERMAN MCQUEEN, INC.

October 20, 2021  
 221-224

Page 221

1 IN THE UNITED STATES DISTRICT COURT  
 2 FOR THE NORTHERN DISTRICT OF TEXAS  
 3 DALLAS DIVISION  
 4 NATIONAL RIFLE ASSOCIATION OF \*  
 AMERICA, \*  
 5 Plaintiff and Counter- \*  
 Defendant, \*  
 6 and \*  
 7 WAYNE LAPIERRE, \*  
 8 Third-Party Defendant, \* Case No. 3:19-cv-02074-G  
 9 V. \*  
 10 ACKERMAN MCQUEEN, INC., \*  
 11 Defendant and Counter- \*  
 Plaintiff, \*  
 12 and \*  
 13 MERCURY GROUP, INC., HENRY \*  
 14 MARTIN, WILLIAM WINKLER, and \*  
 MELANIE MONTGOMERY, \*  
 15 Defendants. \*  
 16  
 17  
 18  
 19 \*\*\*\*\*  
 20 VIDEO AND VIDEOCONFERENCE DEPOSITION OF  
 WILSON PHILLIPS  
 21 VOLUME 2  
 OCTOBER 20, 2021  
 (Reported Remotely)  
 22 \*\*\*\*\*  
 23  
 24  
 25

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1 A P P E A R A N C E S  
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 5  
 6  
 7 FOR THE PLAINTIFF AND COUNTER-DEFENDANT:  
 8 SVETLANA M. EISENBERG (Via Videoconference)  
 GISELLE GRANT (Via Videoconference)  
 9 Brewer, Attorneys & Counselors  
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 14  
 15 MARK S. WERBNER (Via Videoconference)  
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 16 Dallas, Texas 75209  
 (214) 884-4548  
 mwerbner@werbnerlaw.com  
 17  
 18 ALSO PRESENT VIA VIDEOCONFERENCE:  
 19  
 20 MARK HENDRIX - Videographer  
 MELANIE MONTGOMERY - Defendant  
 DANIELLE SLOAN - with Winston & Strawn  
 21  
 22  
 23  
 24  
 25

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1 ANSWERS AND DEPOSITION OF WILSON PHILLIPS, produced  
 2 as a witness at the instance of the Plaintiff and  
 3 Counter-Defendant, taken in the above-styled and  
 4 -numbered cause on the 20th day of October, 2021, A.D.,  
 5 beginning at 8:59 a.m., before Brandy Cooper, a  
 6 Certified Shorthand Reporter in and for the State of  
 7 Texas, in the offices of Wilson & Strawn located in  
 8 Dallas, Texas, in accordance with the Federal Rules of  
 9 Civil Procedure and the agreement hereinafter set forth.  
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1 of the Deposition

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

2 THE VIDEOGRAPHER: Today's date is October

3 20th, 2021. We are on the record at approximately 8:59

4 a.m. at the start of Media 1 in the deposition of Woody

5 Phillips in the matter of National Rifle Association

6 versus Ackerman McQueen, Inc., Civil Action

7 3:19-cv-02074-G in the United States District Court for

8 the Northern District of Texas, Dallas Division.

9 Would all counsel please identify

10 themselves on the record starting with counsel appearing

11 in person with the witness.

12 MR. WERBNER: This is Mark Werbner of

13 Werbner Law. I represent the witness, Woody Phillips.

14 MR. MASON: Good morning. This is Brian

15 Mason on behalf of Ackerman McQueen, Mercury Group, Bill

16 Winkler, Melanie Montgomery and Henry Martin.

17 MS. EISENBERG: Svetlana Eisenberg on

18 behalf of the National Rifle Association of America from

19 Brewer Attorneys and Counselors. I'm joined by Giselle

20 Grant.

21 Good morning, Mr. Grant.

22 THE WITNESS: Good morning.

23 THE REPORTER: One moment. Are there any

24 stipulations or agreements for the record before we

25 begin?

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1 MS. EISENBERG: I think we can get started

2 as soon as the witness is sworn.

3 THE REPORTER: This is the video and

4 videoconference deposition of Wilson Phillips, Volume 2.

5 The witness is located at the offices of Winston &

6 Strawn, located in Dallas, Texas.

7 My name is Brandy Cooper, CSR No. 7211.

8 I am administering the oath and reporting the deposition

9 remotely by stenographic means from my residence in the

10 State of Texas. My business address is 1700 Pacific

11 Avenue, Suite 1000, Dallas, Texas. The witness has been

12 identified to me through attestation of counsel.

13 MR. WERBNER: Svetlana, you're muted.

14 THE REPORTER: You muted, ma'am.

15 WILSON PHILLIPS,

16 having been first duly sworn, testified as follows:

17 EXAMINATION

18 BY MS. EISENBERG:

19 Q. Good morning, Mr. Phillips. This is Svetlana

20 Eisenberg. As you know, I represent the NRA in this

21 matter, and I will be taking your deposition this

22 morning. How are you today?

23 A. I'm fine, thank you. Good morning.

24 Q. I'm having a little difficulty hearing you.

25 I'm just going to see if we can fix the volume for a

Page 229

1 second.

2 MS. EISENBERG: Mr. Werbner, are you with

3 the witness?

4 MR. WERBNER: Yes, I am. We're sitting

5 right next to each other.

6 MS. EISENBERG: I can barely hear you as

7 well.

8 MR. WERBNER: We'll try to speak up. The

9 microphone can't be moved, and it's a little further

10 away. Is this better?

11 MS. EISENBERG: I apologize. We're just

12 going to dial through the phone that's going to take a

13 bit. Let's go off the record for just one second.

14 THE VIDEOGRAPHER: We're off the record at

15 9:03.

16 (Break was taken.)

17 THE VIDEOGRAPHER: We're on the record at

18 9:05.

19 Q. (BY MS. EISENBERG) Mr. Phillips, do you

20 understand that you are here today to testify in the

21 litigation between the NRA and Ackerman and certain

22 individuals?

23 A. Yes.

24 Q. And this is the second day of your deposition

25 in that case; is that correct?

Page 230

1 A. Yes.

2 Q. What did you do to prepare for today's

3 deposition?

4 A. Nothing.

5 Q. And you recall meeting with Mr. Mason and being

6 asked questions by him earlier this year?

7 A. In a deposition?

8 Q. Yes. Do you remember being questioned by

9 Mr. Mason, attorney for Ackerman?

10 MR. MASON: Are you talking about, just to

11 be clear, Svetlana, in the bankruptcy or this case?

12 MS. EISENBERG: Well, that's a good

13 question.

14 Q. (BY MS. EISENBERG) Do you remember being

15 questioned by Mr. Mason in this case earlier this year?

16 A. Yes.

17 Q. In connection with --

18 A. (Inaudible).

19 Q. Sorry. Go ahead. I interrupted you.

20 A. I said, I do. I do recall --

21 Q. In connection -- in advance of that testimony,

22 what did you do to prepare?

23 A. I don't recall. I think I looked to see what

24 the case was about.

25 Q. And what did you do to see what the case was

Page 231

1 about?

2 A. I really don't recall.

3 Q. Do you recall if you reviewed documents or met

4 with certain individuals or had conversations?

5 A. No conversations. Whatever documents may have

6 been available, perhaps it was from the bankruptcy

7 transcript.

8 Q. Uh-huh. Mr. Werbner is one of your attorneys;

9 is that correct?

10 A. Yes.

11 Q. You did not meet with Mr. Werbner to prepare

12 for the first day of your deposition in this case?

13 A. I might have. I don't recall.

14 Q. And do you understand that you're testifying

15 under oath?

16 A. Yes.

17 Q. And do you understand that it is important to

18 give answers that are truthful?

19 A. I do.

20 Q. And also answers that are accurate?

21 A. Yes.

22 Q. Now could you please confirm that you are not

23 taking any medications that might prevent you from being

24 able to testify truthfully and accurately today?

25 A. I confirm that.

Page 232

1 Q. Thank you. Is it fair to say that you are the

2 NRA's former treasurer and CFO?

3 A. Yes.

4 Q. When did you serve in that role?

5 A. From 1992 till 2018.

6 Q. And who appointed you to that position?

7 A. Board of directors.

8 Q. What were some of your responsibilities as the

9 NRA's treasurer?

10 A. I oversaw the financial operations and also

11 worked in several areas of finding new income sources.

12 Q. And is it fair to say that in that position you

13 were in charge of the NRA's books of account?

14 A. Yes.

15 Q. What, if any, reporting obligations did you

16 have to the NRA's board in that position?

17 A. The board had a finance committee made up of

18 about twelve people; I reported to them. Then I also

19 reported to the total board when they met.

20 Q. What types of matters did you report to the

21 finance committee?

22 A. Over that period of time, there would have been

23 various, but mainly results of financial operations.

24 Three or four times a year we would meet, and if there

25 were any new activities that the board wanted an update



Page 233

1 on, I would give that as well.  
 2 Q. I'd like to show you an exhibit. It's a  
 3 Management Representation Letter to RSM.  
 4 MS. EISENBERG: Ms. Grant, would you mind  
 5 letting us know when it's in the exhibit share.  
 6 MS. GRANT: Sure.  
 7 MR. MASON: Ms. Eisenberg, I'm trying to  
 8 join Agile law and it's saying it's not currently  
 9 active. Have y'all activated it or are y'all currently  
 10 in it?  
 11 MR. WERBNER: We're not in it.  
 12 MS. EISENBERG: So Mr. Mason, we want to  
 13 make sure that you can see whatever exhibits we're  
 14 showing to the expert witness, and I'm not sure what the  
 15 problem might be.  
 16 MR. MASON: Can everybody else --  
 17 MR. WERBNER: No.  
 18 THE REPORTER: No.  
 19 Q. (BY MS. EISENBERG) Let me just ask you  
 20 generically. From time to time, Mr. Phillips, did you  
 21 sign management representation letters for RSM?  
 22 A. Yes.  
 23 Q. And who is RSM or what is RSM?  
 24 A. RSM, for a number of years has been NRA's  
 25 outside independent accountants, auditors.

Page 234

1 Q. And what types of functions or roles did they  
 2 perform for the NRA?  
 3 A. The principal one was an annual financial  
 4 audit.  
 5 Q. And can you tell the ladies and gentlemen of  
 6 the jury what the purpose of an outside audit is?  
 7 A. It is to have an independent firm attest that  
 8 the results of operations and balance sheet of the  
 9 organization are fairly presented.  
 10 Q. Now, you testified earlier that you signed  
 11 management representation letters to RSM. What was the  
 12 purpose of those letters?  
 13 A. Those letters are for management to represent  
 14 that the financial statements are the product of the  
 15 organization that its management and the auditors are  
 16 attesting that they're only fairly presented.  
 17 Q. When it came time for you to sign such letters,  
 18 what did you do to assure yourself that the  
 19 representations contained in such letters were accurate?  
 20 A. To begin with, I relied on staff that was --  
 21 that prepared those that was -- or had furnished  
 22 information to the auditors. I relied on their  
 23 expertise, and also I would have been involved as the  
 24 financial statements were being developed in  
 25 understanding various aspects of mainly new issues that

Page 235

1 arose during the year.  
 2 Q. Who are the staff on whom you relied on your  
 3 execution of management representation letters?  
 4 A. Who are they?  
 5 Q. Yes.  
 6 A. Well, there was a financial services division  
 7 that included a number of CPAs on our staff, headed up  
 8 at the time by Sonya Rowling, R-O-W-L-I-N-G. There was  
 9 a overseer of that that worked with me named Rick  
 10 Tedrick. There was a staff accountant, had a better  
 11 title than that, but Mike -- Michael Ursling.  
 12 Q. So would you say there were others --  
 13 A. There were quite a few.  
 14 Q. Okay. Let's talk about Ms. Rowling first.  
 15 During your tenure at the NRA, did you get to work with  
 16 her?  
 17 A. Yes.  
 18 Q. During that time, did you have an opportunity  
 19 to observe her in the performance of her work duties?  
 20 A. Yes.  
 21 Q. And when you did so, did you form a view as to  
 22 whether she had integrity?  
 23 A. Yes.  
 24 Q. And what was your opinion of her integrity?  
 25 A. She had integrity.

Page 236

1 Q. And what about her honesty, did you consider  
 2 her to be an honest person?  
 3 A. Yes.  
 4 Q. What did you think her of skill sets?  
 5 A. She was very competent.  
 6 Q. And what about Mr. Ursling, I believe you  
 7 mentioned him as well?  
 8 A. Yes.  
 9 Q. What did you think of his integrity?  
 10 A. He had high integrity.  
 11 Q. You believed him to be a person of integrity?  
 12 A. Yes.  
 13 Q. Did you believe Mr. Ursling to be an honest  
 14 person?  
 15 A. I did.  
 16 Q. And what was your opinion of his skill sets?  
 17 A. He also was very competent.  
 18 Q. What about Mr. Tedrick, did you believe that he  
 19 was a man of integrity?  
 20 A. Yes.  
 21 Q. Did you believe him to be an honest person?  
 22 A. I did.  
 23 Q. And what was your opinion of his skill sets?  
 24 A. He was very competent.  
 25 Q. How would you describe Mr. LaPierre's

Page 237

1 management style?

2 A. Well, he had a good management style for kind

3 of seeing the big picture of the organization. He was

4 extremely good in managing the fundraising and messaging

5 component of the organization. And he seemed to -- at

6 least in my experience, was close to the people that

7 worked for him to know what areas were important in

8 their areas that may have been outside of his direct

9 piece.

10 Q. The opinions that you formed about his

11 management style, are they based on your personal

12 observations of him at work?

13 A. Yes.

14 Q. Shifting gears a little bit. Other than

15 testimony in this case, the Chapter 11 case and the New

16 York Attorney General's litigation, have you testified

17 under oath before?

18 A. Yes.

19 Q. Where?

20 A. There were two cases that come to mind that

21 were both related to Affinity programs at the NRA and --

22 actually one with that and one was related to the

23 valuation of the office building for property tax

24 purposes.

25 Q. Any other proceedings come to mind in terms of

Page 238

1 proceedings in which you gave under-oath testimony?

2 A. No.

3 Q. When you worked at the NRA as a treasurer and

4 CFO, was it your understanding that certain donors of

5 the NRA valued confidentiality?

6 MR. MASON: Objection --

7 A. Yes.

8 MR. MASON: -- speculation, foundation.

9 Q. (BY MS. EISENBERG) And to the extent --

10 A. Yes.

11 Q. -- you believed that certain donors valued

12 confidentiality, what was your belief based on?

13 MR. MASON: Objection, foundation,

14 speculation.

15 Q. (BY MS. EISENBERG) You may answer.

16 A. Based on -- it was based on knowing most of

17 these donors and otherwise in discussions about

18 reporting donations of -- it was based on input from

19 other staff. I can't recall who it may have been, but

20 had a clear opinion that the most of the donors really

21 valued confidentiality.

22 Q. Just to be clear, were there times when donors

23 expressed to you that they were willing to donate money

24 to the NRA but only on the condition of it remaining

25 confidential?

Page 239

1 A. I'm aware that there were some of those. I

2 can't remember any that may have told me specifically.

3 But yes, I know there was -- I know firsthand or

4 secondhand at least.

5 Q. To the extent it's not firsthand but

6 secondhand, who told you that?

7 A. The staff of the NRA Foundation would have told

8 me that. One that comes to mind would have been Tyler

9 Schropp, yes.

10 Q. Did you understand the concern that the donors

11 had?

12 A. Yes.

13 Q. Can you explain to the ladies and gentlemen of

14 the jury why, in your understanding, they had that

15 concern?

16 A. Well, they tended to be people of high net

17 worth. Privacy in all areas was -- mean something to

18 them. I don't know their reasons, but it could -- I

19 would be speculating if I said why. But I do know that

20 it could have been something as simple as want their own

21 record of another hundred organizations coming after

22 them for donations as well.

23 Q. Did you personally take the donors' preference

24 for confidentiality seriously?

25 A. Yes, very.

Page 240

1 Q. Do you know if others of the NRA took that

2 seriously as well?

3 A. Yes.

4 MR. MASON: Objection, foundation, calls

5 for speculation.

6 Q. (BY MS. EISENBERG) Did you ever have an

7 opportunity to see or hear Mr. LaPierre do or say

8 something that indicated to you that he too took

9 seriously donors' preference for confidentiality?

10 A. Yes.

11 Q. And based on that, what was your belief as to

12 whether or not Mr. LaPierre cared about preserving donor

13 confidentiality when needed?

14 A. I know he valued it.

15 Q. Did the NRA take steps to ensure that donors'

16 identities and other information about them remained

17 confidential?

18 A. Yes.

19 Q. Were you personally part of the group of the

20 individuals who ensured that that was the case?

21 A. I would have been one of the -- one of the

22 people.

23 Q. And what are some of the things that the NRA

24 did when you served as treasurer to ensure that the

25 donors' preference for confidentiality was respected?

Page 241

1 MR. MASON: Objection, foundation.  
 2 A. Well, the main one was in the Form 990 that's  
 3 reported, you have to report donors and the amounts to  
 4 the IRS. That's in a nonpublic part of the information  
 5 return. And so we took great steps to be sure that that  
 6 didn't become public. The second would be the staff of  
 7 the Foundation who worked mostly with those donors. So  
 8 would be from their training and experience that  
 9 confidentiality was valued.  
 10 THE REPORTER: I didn't -- I don't think I  
 11 got that whole last sentence. You broke out some.  
 12 THE WITNESS: I'm sorry. They knew from  
 13 their training and experience that confidentiality was  
 14 valued.  
 15 Q. (BY MS. EISENBERG) And by "they" who are you  
 16 referring to?  
 17 A. The staff of the NRA Foundation.  
 18 Q. Did you instruct the staff of the NRA  
 19 Foundation to ensure that the donors' identity wasn't  
 20 inadvertently left on a publicly available form?  
 21 A. On the publicly available form, that would not  
 22 have been the staff of the Foundation, that would have  
 23 been people that worked in the accounting and tax area.  
 24 The people that worked for me -- and yes, we had lots of  
 25 discussions about that.

Page 242

1 Q. And what was the weight of those discussions?  
 2 A. It was that confidentiality was valued.  
 3 Q. Did the discussion also include the point it  
 4 was really important for those working at the NRA to  
 5 affirmatively take steps to ensure that confidentiality  
 6 was respected?  
 7 A. Yes.  
 8 Q. What are some of the other things that NRA did  
 9 to ensure that donors' preference for confidentiality  
 10 was respected?  
 11 A. I can't think of any others offhand other than  
 12 general training.  
 13 Q. Certainly. We'll come back to that later.  
 14 Switching topics a little bit. When you  
 15 worked at the NRA and served as its treasurer, did you  
 16 have an understanding as to whether or not there were  
 17 security threats against Wayne LaPierre?  
 18 A. Yes.  
 19 Q. What was your understanding based on?  
 20 A. He would tell me about a few. Then other  
 21 discussions I would have with NRA security personnel.  
 22 They may not tell me specifics, but I knew there were  
 23 times where they would say, Don't come back to town  
 24 until we tell you it's okay.  
 25 Q. And in the answer you just gave, "they" is

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1 security of the NRA?  
 2 A. Yes.  
 3 Q. And to whom did they say, Don't come back until  
 4 it's safe?  
 5 A. To Mr. LaPierre.  
 6 Q. And by "don't come back," do you mean don't  
 7 come back to your house?  
 8 A. Yes.  
 9 Q. Based on your discussions with Mr. LaPierre and  
 10 NRA security that you just referenced, what was your  
 11 general understanding about what, if any, security  
 12 threats from LaPierre faced?  
 13 A. The nature of the threats?  
 14 Q. Yes. The nature and the extent of the threat?  
 15 A. So they could be anywhere from death threats to  
 16 here's how to get to his house from the trail behind his  
 17 house, those types of things.  
 18 Q. Did security of the NRA take steps to ensure  
 19 that in light of the security threat, steps were taken  
 20 to ensure that Mr. LaPierre remained safe?  
 21 A. Yes.  
 22 Q. What steps were taken by your department and  
 23 those who reported to you, if any, to ensure that  
 24 Mr. LaPierre's safety remained paramount?  
 25 A. It wasn't our direct role, but if certain

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1 things had to be done to improve his security, my  
 2 department would pay for those.  
 3 Q. And what about his travel-related records, was  
 4 anything done with regard to his travel-related records  
 5 to ensure that --  
 6 A. Yes. Yes. The travel-related documents were  
 7 maintained separate. They were -- they were brief.  
 8 They may have the city pairs for the travel, but they  
 9 were maintained away from the NRA's department,  
 10 accounting department.  
 11 Q. And how was maintaining it away from the NRA's  
 12 financial department designed to ensure Mr. LaPierre's  
 13 safety?  
 14 A. Some were paid through Ackerman McQueen, and  
 15 some were paid through NRA's Institute For Legislative  
 16 Action as a -- which had a different set of bookkeeping.  
 17 But then there was some -- some I believe that were paid  
 18 through NRA's normal process, but they, they just --  
 19 they had limited information.  
 20 Q. When you say that "they had limited  
 21 information," are you referring to documents?  
 22 A. Yes.  
 23 Q. And by "limited information," what do you mean?  
 24 A. It would be the city pairs for the trips. So  
 25 for example, going from New York to Washington, D.C.,

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1 that would essentially be all that it said.

2 Q. Why was it important to have limited

3 information on the documentation in order to ensure

4 Mr. LaPierre's safety?

5 A. So the security people thought that

6 establishing patterns, having that available would be

7 something that we would like to try to avoid.

8 MS. EISENBERG: I would like to take a

9 two-minute off the record break, if that's okaying with

10 everyone.

11 MR. WERBNER: Okay.

12 MR. MASON: Sure.

13 THE VIDEOGRAPHER: We are off the record

14 at 9:31.

15 (Break was taken.)

16 THE VIDEOGRAPHER: We're on the record at

17 9:34.

18 Q. (BY MS. EISENBERG) Mr. Phillips, I'd like to

19 show you, through the Zoom share, a document. Ms. Grant

20 will display it on the screen for us.

21 This is a multi-page document, and it is

22 dated March 8, 2016. It is addressed to RSM, US. LLP.

23 Can you see it on your screen, sir?

24 A. Yes.

25 MS. EISENBERG: Ms. Grant, would you

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1 please make it a little bit smaller on the screen and

2 scroll through the document to allow the witness an

3 opportunity to review it in general terms.

4 Q. (BY MS. EISENBERG) So for the record, we will

5 mark this document as NRA Exhibit 1. It also does have

6 a stamp that says NRA Exhibit 8, but that's from a

7 different case.

8 (Exhibit 1 was marked.)

9 Q. (BY MS. EISENBERG) Mr. Phillips, what is NRA

10 Exhibit 1?

11 A. This is the Management Representation Letter

12 for the year ending December 31st, 2015, it's dated --

13 Q. The presentation --

14 A. -- March 8, 2016.

15 Q. And this is a representation to whom?

16 A. Representation to the outside independent

17 accountants, RSM.

18 Q. Independent accountants of the National Rifle

19 Association of America, correct?

20 A. Can you repeat that, please?

21 Q. Whose independent accountant?

22 A. It's for the National Rifle Association, and

23 its affiliated organizations.

24 Q. Who signed this representation letter?

25 A. A number of people, let's go down. Do you want

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1 me to say their names?

2 Q. That would be wonderful. Thank you.

3 MS. EISENBERG: And Ms. Grant, if you

4 don't mind scrolling down to Page 4, that would be

5 great.

6 A. Okay. I did. Keep going. Rick Tedrick, Sonya

7 Rowling. Can you scroll down? Can you scroll down

8 more? Christine Majors, for the NRA Foundation; Mary

9 Rose Adkins, for the NRA Institute For Legislative

10 Action; Angela St. Onge; Christopher Boyd, for NRA

11 Foundation; and Ray Smith, for the Institute For

12 Legislative Action, for their PVF.

13 Q. (BY MS. EISENBERG) Thank you, Mr. Phillips.

14 I'd like to focus on some of the specific

15 representations. If we can please go to representation

16 11. Do you have that --

17 A. I can see it.

18 Q. -- Page 3 in front of you?

19 A. Can you make it a little bigger?

20 Q. Certainly. And I will read it for the record.

21 It states, All transactions that have been -- I'm sorry,

22 let me start again.

23 All transactions have been recorded in the

24 accounting records and are reflected in the financial

25 statements.

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1 Now, you are a former CPA, right?

2 A. Yes.

3 Q. And you were a CPA when you served as the NRA's

4 treasurer, correct?

5 A. Yes.

6 Q. What does CPA stand for?

7 A. Certified public accountant.

8 Q. What does one need to do to become a certified

9 public accountant?

10 A. Sorry. You broke up.

11 Q. What does one need to do in order to become a

12 CPA?

13 A. Well, a college course of study in accounting,

14 that is four or five years. And then there's a CPA exam

15 that has to be taken, it's in several parts. But those

16 are the two major things.

17 Q. As a CPA, did you understand why RSM wanted to

18 know that actions were recorded in the accounting

19 records?

20 A. Yes.

21 Q. And what was your understanding as to why they

22 wanted to have that representation?

23 A. Their role was to attest that the financial

24 statements fairly presented the financial positions for

25 the organization being audited. If they're attesting to



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1 that they needed to know (inaudible).  
 2 THE REPORTER: To know what? They needed  
 3 to know what, sir?  
 4 A. They needed to know that it was complete.  
 5 THE REPORTER: Thank you.  
 6 Q. (BY MS. EISENBERG) When you signed Exhibit  
 7 1, was it your belief that all transactions had, in  
 8 fact, been recorded in the accounting records of the  
 9 NRA?  
 10 A. Yes.  
 11 Q. And when you signed it, was it also your belief  
 12 that all transactions had been reflected in the NRA's  
 13 financial statements?  
 14 A. Yes.  
 15 Q. Let's take a look at No. 13 and read it for the  
 16 record. Is the font size sufficiently large,  
 17 Mr. Phillips, or would you --  
 18 A. Yes.  
 19 Q. -- like you to make it big or small?  
 20 A. That's fine.  
 21 Q. Great. No. 13 states, We have no knowledge of  
 22 allegations of fraud or suspected fraud affecting the  
 23 entity's financial statements involving (a), management,  
 24 (b) employees who have significant roles in internal  
 25 controls, (c) others where the fraud could have a

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1 material effect on the financial statements.  
 2 Let me ask you where there's a reference  
 3 to financial statements in Section 13C, is that a  
 4 reference to the NRA's financial statements?  
 5 A. Yes. It's the NRA consolidated with all its  
 6 affiliated organizations.  
 7 Q. When you signed this representation letter, did  
 8 you believe the representations that you made in Section  
 9 13?  
 10 A. Yes.  
 11 Q. And was it, in fact, accurate that you had no  
 12 knowledge of allegations of fraud by anyone where the  
 13 fraud could have a material affect on the financial  
 14 statements?  
 15 A. Yes.  
 16 Q. And you had no knowledge of allegations of  
 17 fraud or suspected fraud by the NRA's management?  
 18 A. Yes.  
 19 Q. When you signed this letter, was it also your  
 20 belief that you had no knowledge of allegations of fraud  
 21 or suspected fraud by employees of the NRA who had  
 22 significant roles in internal control?  
 23 A. Yes.  
 24 Q. Why does RSM want to know whether or not you  
 25 know of such allegations?

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1 A. Ask that again. I'm trying to --  
 2 Q. For what purpose was RSM asking you for this  
 3 representation? As a CPA, do you have a sense as to why  
 4 this was important for the NRA's outside auditor?  
 5 A. Yes. They're attesting to the statements being  
 6 fairly presented. And if these events had occurred,  
 7 then that could affect the ability for them to say the  
 8 statements were fairly presented.  
 9 Q. Let's take a look at No. 15. 1-5. I'll read  
 10 the first sentence for the record. It states, We have  
 11 no knowledge of noncompliance or suspected noncompliance  
 12 of laws and regulations whose effects should be  
 13 considered when preparing financial statements.  
 14 Mr. Phillips, where it refers to "we" in  
 15 the first sentence of Paragraph 15, does "we" include  
 16 yourself and other individuals who signed the letter?  
 17 A. Yes.  
 18 Q. When you signed this management representation  
 19 letter to RSM, was this representation that I just read  
 20 truthful and accurate?  
 21 A. Yes.  
 22 Q. Was it, in fact, your belief at the time that  
 23 you had no knowledge of noncompliance with laws and  
 24 regulations whose effects should be considered when  
 25 preparing the NRA's financial statement?

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1 A. Yes.  
 2 Q. Let's take a look at Item 18. 1-8. I'll read  
 3 it for the record. It states, We are aware of no  
 4 significant deficiencies, including material weaknesses,  
 5 in the design or operation of internal controls that  
 6 would adversely affect the NRA's ability to record,  
 7 process, summarize and report financial data.  
 8 Again, does "we" in Paragraph 18 refer to  
 9 yourself and other individuals who signed this  
 10 management representation letter?  
 11 A. Yes.  
 12 Q. What are internal controls?  
 13 A. They're checks and balances within the  
 14 organization to ensure that both the assets are being  
 15 protected and any disclosures that are required to  
 16 management or parties are presented fairly.  
 17 Q. When you signed this management representation  
 18 letter to RSM, was it, in fact, the fact that you were  
 19 not aware of any significant deficiencies in the design  
 20 or operation of the NRA's internal controls that would  
 21 adversely affect the Association's ability to record,  
 22 process, summarize or report financial data?  
 23 A. Yes.  
 24 Q. This was a truthful statement, correct?  
 25 A. Yes.

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1 Q. Is there anything in the representation letter  
2 that was in any way incorrect?  
3 A. Not to my knowledge.  
4 Q. Let's take a look at what we'll mark as Exhibit  
5 2, which is another Management Representation Letter.  
6 For the record, this one is dated March 8th, 2017 (sic).  
7 (Exhibit 2 was marked.)  
8 A. I have it.  
9 Q. (BY MS. EISENBERG) What is Exhibit 2?  
10 A. It's a representation letter for the year --  
11 the audit for the year ended December 31st, 2017, and  
12 this was dated as you said, March 7th, 2018 from the  
13 National Rifle Association and the signatures --  
14 signatories to RSM, the outside accountants.  
15 Q. Were you amongst the individuals who signed  
16 this letter?  
17 MS. EISENBERG: And Ms. Grant, could you  
18 please display the last page of this exhibit.  
19 A. I'm not on this exhibit. I don't recall if I  
20 signed -- signed this at the time because I was  
21 retiring, and my replacement was just coming on board as  
22 a chief financial officer. The date is so close, I  
23 can't tell you.  
24 Q. (BY MS. EISENBERG) Do you recall sitting here  
25 today whether or not you signed this one?

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1 A. No.  
2 Q. Were you in any way involved in the outside --  
3 or were you in any way involved with assisting outside  
4 auditors in or around March 2018 in their audit?  
5 A. We would have -- we would have had a meeting  
6 to set the scope of the audit and another meeting when  
7 the year end work, which resulted in their opinion  
8 happening. So I can't recall specifically, but I would  
9 have been involved with that.  
10 Q. Now, is there anything that you knew at that  
11 time that that in any way, shape or form indicated to  
12 you that the NRA's financial transactions were not  
13 accurately recorded in its books or records?  
14 A. No.  
15 Q. And were you at the time of this March 2018  
16 audit aware of any allegations of fraud business  
17 management of the NRA?  
18 A. No.  
19 Q. Were you at that time in March of 2018 aware of  
20 any allegations of fraud by employees of the NRA with  
21 signature roles in internal controls?  
22 A. No.  
23 Q. And were you aware of any allegations of fraud  
24 or suspected by fraud by others where -- by others,  
25 meaning other than management or employees -- where the

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1 fraud could have a material effect on the consolidated  
2 financial statements of the NRA?  
3 A. No.  
4 Q. In or around March of 2018, as the outgoing  
5 treasurer of the NRA, were you aware of any significant  
6 deficiencies in the design or operation of the NRA's  
7 internal controls that could adversely affect the  
8 Association's ability to record, process, summarize or  
9 report financial data?  
10 A. No.  
11 Q. Let's take a look at what we'll mark as Exhibit  
12 3. And before we move on, I should say that Exhibit  
13 2 -- I think I misspoke is dated March 7, 2018.  
14 March -- sorry, and Exhibit 3 is dated March 8, 2017.  
15 (Exhibit 3 was marked.)  
16 MS. EISENBERG: It's No. 25. Thank you.  
17 Q. (BY MS. EISENBERG) Mr. Phillips, what is this  
18 letter to RSM US LLP dated March 8, 2017?  
19 A. It's the -- looks like the same representation  
20 letter dated a day later than the one we just reviewed.  
21 Q. Let's take a look at the last page --  
22 A. And --  
23 Q. -- of the representation letter.  
24 A. No, I'm sorry, this is 2017.  
25 Q. Are you amongst those who signed Exhibit 3?

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1 A. Yes.  
2 Q. And this signified that you agreed with the  
3 representations contained within this letter?  
4 A. Yes.  
5 Q. On or about what dates did you sign Exhibit 3?  
6 A. Mid-March, 2017.  
7 Q. When you signed this letter, Exhibit 3, on --  
8 in or around March of 2017, was it your belief that the  
9 NRA's financial transactions were accurately recorded in  
10 its books and records?  
11 A. Yes.  
12 Q. When you signed this letter in or around March  
13 of 2017, was it your belief that there were no  
14 deficiencies in the NRA's internal controls?  
15 A. Yes.  
16 Q. When you signed this letter in or around March,  
17 2017, was it also your belief that you had no knowledge  
18 of allegations of fraud or suspected fraud affecting the  
19 NRA's financial statement involving either management  
20 with significant roles in internal control or others  
21 where the fraud could have a material affect on the  
22 financial statements of the NRA?  
23 A. That was so long, I forgot the first. What  
24 were you asking?  
25 Q. Fair enough. So Section 13, if we can please

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1 go up to the penultimate page of Exhibit 3, it states,  
 2 We have no knowledge of allegations of fraud or  
 3 suspected fraud affecting the entity's financial  
 4 statements involving, (a) management, (b) employees who  
 5 have significant roles in internal control, (c) others,  
 6 where the fraud could have a material affect on the  
 7 financial statement.  
 8 My question, Mr. Phillips, is whether  
 9 these representations -- well, there are multiple  
 10 representations in Section 13. Are there any  
 11 representations in here that are not accurate?  
 12 A. No.  
 13 Q. I will refer to Ackerman during the deposition,  
 14 and if that's okay with you, we'll agree that that  
 15 refers to both Ackerman as well as its affiliate Mercury  
 16 Group. Is that okay?  
 17 A. It's okay with me.  
 18 Q. Great. What types of services did Ackerman  
 19 perform for the NRA while you served as its treasurer?  
 20 A. That's a long period of time, but they helped  
 21 set the annual messaging, the crisis management,  
 22 advertising, you know, as the years went on, they got  
 23 more and more involved in something called NRA TV, which  
 24 was programming for online. That's kind of the major  
 25 things.

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1 Q. As the treasurer of the NRA, did you have a  
 2 view as to whether or not Ackerman was a trusted vendor?  
 3 A. Yes.  
 4 Q. Did you personally trust Ackerman?  
 5 A. I did.  
 6 Q. And what did you trust them to do?  
 7 A. I trusted them to give good advice to have the  
 8 quality -- quality of the work product was outstanding.  
 9 But I trusted -- trusted them basically to look out in  
 10 their realm for the best interest of the National Rifle  
 11 Association.  
 12 Q. And did that trust include trust that they  
 13 would maintain confidential any information that they  
 14 learned in the course of their work for the NRA?  
 15 MR. MASON: Objection, vague and  
 16 ambiguous, foundation.  
 17 A. Yeah, that trust included those things.  
 18 Q. (BY MS. EISENBERG) From time to time, did the  
 19 NRA reimburse Ackerman, if you know, for expenses  
 20 incurred by its employees purportedly in their  
 21 performance of their work for the NRA?  
 22 A. Yes.  
 23 Q. Was it your understanding as the treasurer of  
 24 the NRA that those expenses, in order to be reimbursed,  
 25 have to be for an NRA business purpose?

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1 A. Yes.  
 2 Q. Why is it important that expenses that are  
 3 reimbursed to a vendor are for an NRA business purpose?  
 4 A. I think it's obvious on its surface, that NRA  
 5 funds that are going to be paid to -- for a service and  
 6 that service is in NRA's best interest.  
 7 Q. What is IRS?  
 8 A. Internal Revenue Service.  
 9 Q. Is it a federal agency --  
 10 A. Yes.  
 11 Q. -- governmental agency?  
 12 Now is it important from the IRS's  
 13 perspective that any expenses that get reimbursed be  
 14 documented?  
 15 A. Yes.  
 16 Q. Did the NRA have any internal policies that  
 17 mandated such documentation?  
 18 MR. MASON: Objection, vague and  
 19 ambiguous.  
 20 A. I believe so -- yeah, I believe so.  
 21 MR. MASON: Ms. Eisenberg, I apologize for  
 22 interrupting. If we're done with the exhibit, do you  
 23 mind taking that off the screen?  
 24 MS. EISENBERG: Would be happy to do so.  
 25 MR. MASON: Thank you. Appreciate it.

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1 MS. EISENBERG: Absolutely.  
 2 Q. (BY MS. EISENBERG) Fair to say that as  
 3 treasurer of the NRA, you expected all vendors to only  
 4 submit for reimbursement, reimbursement requests for  
 5 expenses that were related to their work for the NRA?  
 6 A. Yes.  
 7 Q. And that included Ackerman?  
 8 A. Yes.  
 9 Q. Fair to say that you expected vendors to  
 10 maintain documentation that reflected that the expenses  
 11 for which they sought reimbursement was, in fact, for  
 12 the NRA's business purpose?  
 13 A. Correct.  
 14 Q. Did Ackerman provide the NRA with records  
 15 that reflected that the expenses for which Ackerman  
 16 sought reimbursement were for the NRA's business  
 17 purpose?  
 18 A. In my experience, they made them available when  
 19 requested.  
 20 Q. Did they physically send it or e-mail it to the  
 21 NRA?  
 22 A. No.  
 23 Q. And did you have an understanding as to why  
 24 they did not send it physically to the NRA?  
 25 A. It was -- it was for confidentiality. The

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1 records were maintained at Ackerman McQueen's offices in  
 2 Oklahoma City. They were available for review by NRA  
 3 staff.  
 4 Q. Confidentiality of what?  
 5 A. Well, could be travel, certain travel, which we  
 6 discussed. But it could be for -- explain it -- could  
 7 be for some materials or some program they were  
 8 developing that we didn't want exposure until we were  
 9 ready to submit it to television stations or magazines.  
 10 Q. Did you have any concerns about the fact that  
 11 Ackerman wasn't actually sending to you documentation  
 12 for the business purpose of their expenses when they  
 13 sought reimbursement?  
 14 A. No. I assumed they were keeping those  
 15 records -- records there.  
 16 Q. And what was your assumption based on?  
 17 A. On two, maybe three occasions, I went with  
 18 Mr. Tedrick to Oklahoma City to -- when he was reviewing  
 19 those kind of in-house audits of...  
 20 Q. What during your visits gave you the comfort  
 21 that you could trust Ackerman?  
 22 A. Well, partly relying on what Mr. Tedrick was  
 23 doing while I was there sitting next to him and my role  
 24 was -- as I remember it, was to see what he was doing,  
 25 but also to kind of look at the overall relationship

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1 with Ackerman McQueen in terms of its profitability to  
 2 them.  
 3 Q. I'd like to shift topics a little bit and ask  
 4 you if you ever observed Mr. LaPierre do anything that  
 5 you would characterize as dictatorial?  
 6 A. Did you say dictatorial?  
 7 Q. Yes.  
 8 A. Well, he was the last word on a number of  
 9 things, but I wouldn't use the word dictatorial.  
 10 Q. Would you use the word micromanager?  
 11 A. No.  
 12 Q. Did you ever think that Mr. LaPierre's work  
 13 philosophy was management by chaos?  
 14 A. Again, I wouldn't use those words.  
 15 Q. Did you ever get the sense that Mr. LaPierre  
 16 tried to keep factions inside the NRA fighting with each  
 17 other?  
 18 A. No.  
 19 Q. Did you ever observe Mr. LaPierre do or say  
 20 anything that suggested to you that he panicked at the  
 21 thought of public scrutiny?  
 22 A. I'm sorry, can you repeat that?  
 23 Q. Did you ever observe Mr. LaPierre do or say  
 24 anything that suggested to you that he, quote, panicked,  
 25 at the thought of public scrutiny, close quote?

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1 A. Again, wouldn't use the word "panic." I would  
 2 know if he had a major speech or interview that he may  
 3 lose a little sleep preparing for it, but not panic.  
 4 MS. EISENBERG: Let's take a five-minute  
 5 break, a convenience break, and we'll also use that time  
 6 to fix the exhibit share, if that's okay with the  
 7 witness and Mr. Werbner.  
 8 MR. WERBNER: That's okay.  
 9 THE WITNESS: Okay.  
 10 THE VIDEOGRAPHER: We are off the record  
 11 at 10:07, end of Media 1.  
 12 (Break was taken.)  
 13 THE VIDEOGRAPHER: We're on the record at  
 14 10:22, start Media 2.  
 15 Q. (BY MS. EISENBERG) Mr. Phillips, did the NRA  
 16 have a auto signature machine?  
 17 A. Yes.  
 18 Q. And was there an auto signature card as the  
 19 NRA's treasurer?  
 20 A. Yes.  
 21 Q. Can you please explain what that machine was?  
 22 A. It's basically -- in today's terms, it's a font  
 23 they can use to put my signature on an document as an  
 24 old -- like the old check signing machines used to do.  
 25 But it basically puts my signature on a document.

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1 Q. Why can't someone like yourself just sign it  
 2 yourself?  
 3 A. Well, based on travel schedules and general  
 4 availability. That's the purpose of those is to have  
 5 the ability to put that file in a document to  
 6 essentially sign it.  
 7 Q. And what do you do to make sure that no one  
 8 misused your signature in your absence?  
 9 A. My assistant, Lisa Supernaugh, was in charge of  
 10 it. There was some process -- she couldn't leave it  
 11 laying around. She had a way to keep it secure, and  
 12 then she wouldn't use it without my permission.  
 13 Q. What if she was on vacation?  
 14 A. I may find someone else to assign it.  
 15 Q. Did you give strict instructions to those  
 16 authorized to use it to only use the machine if you, in  
 17 fact, agreed to sign something?  
 18 A. Correct.  
 19 Q. In other words, it was not a sort of blanket  
 20 type of authorization, correct?  
 21 A. That's correct.  
 22 Q. Who is Dwayne Reno?  
 23 A. Repeat that, please.  
 24 Q. Who is Dwayne Reno?  
 25 A. He was a person that worked in my office.



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1 Q. What was his role?

2 A. Well, his role changed over time, but he was

3 hired as an administrative assistant, and his duties may

4 have changed over time to take on a specific

5 responsibility. But I can't think of a specific thing

6 to tell you.

7 Q. We are displaying Exhibit 4 in the exhibit

8 share. And it may take a moment, but we hope that you

9 will see it on your end, Mr. Phillips as well.

10 (Exhibit 4 was marked.)

11 A. I have it.

12 Q. (BY MS. EISENBERG) If you can, please open the

13 document. For the record, it is Bates numbers

14 NRA-AMc\_00202407. Does Exhibit 4 appear to be an e-mail

15 thread?

16 A. Yes.

17 Q. Are you copied or -- well, how many e-mails

18 are in the thread?

19 A. You mean how many recipients?

20 Q. I apologize. Let me direct your attention to

21 the e-mail message at the bottom of Exhibit 4. It is

22 sent on August 8, 2018 at 10:27 a.m. Do you see that?

23 A. Yes.

24 Q. Who is this e-mail message from?

25 A. From me.

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1 Q. To whom did you send this e-mail message?

2 A. To the head of security.

3 Q. At the NRA?

4 A. Yes.

5 Q. And that gentleman's name is Jim Staples,

6 correct?

7 A. Correct.

8 Q. Did you copy anyone on your e-mail?

9 A. Yes.

10 Q. Whom did you copy?

11 A. Dwayne Reno, who we just discussed; Rick

12 Tedrick; Craig Spray.

13 Q. Can you please read the three-line e-mail

14 message that you sent that's pretty short?

15 A. Please give Dwayne access to my signature

16 machine. I have some things to go out this week on my

17 letter head. Okay to keep secure in the treasurer's

18 office until Lisa returns. Dwayne will get my

19 permission to use it each time.

20 Q. Did you give Mr. Reno permission to use your

21 signature machine on or about August 8, 2018?

22 A. I don't recall it, but it looks like I did.

23 Q. Mr. Phillips, switching gears a little bit,

24 what is WBB, LLC?

25 A. It's a limited liability corporation that Bill

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1 Winkler at Ackerman McQueen had set up.

2 Q. Did you have an understanding as to the purpose

3 for which he set it up?

4 A. I thought it was -- my recollection of it

5 personally was it was in existence when we first started

6 discussing it, but that's probably not important. My

7 recollection was to have a vehicle to purchase or

8 otherwise make available some place of residence for

9 Wayne LaPierre and his wife when they couldn't come back

10 to Northern Virginia for security purposes.

11 Q. Did you have an understanding as to what the

12 plan was in terms of who was going to pay for the

13 purchase of the house?

14 A. Yes.

15 Q. What was your understanding?

16 A. My understanding was that WBB, which would have

17 been some group of Ackerman McQueen, would purchase it

18 and we would work out an arrangement to have its use for

19 Mr. LaPierre and his wife.

20 Q. And by "we," where you say "we would work out,"

21 are you referring to the NRA?

22 A. The NRA and Ackerman McQueen.

23 Q. And where you say to "have its use for

24 Mr. LaPierre," by "its," are you referring to the

25 house?

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1 A. Yes.

2 Q. Did you have an understanding as to where WBB

3 was going to get the money to invest the house?

4 A. Well, I didn't know specifically.

5 Q. Did you have an understanding that the NRA was

6 in any way going to contribute --

7 A. No.

8 Q. -- to the funds that WBB would then use to buy

9 the house?

10 A. No.

11 Q. You didn't have that understanding, correct?

12 A. Correct.

13 Q. Did there come a time when you signed a company

14 agreement of WBB Investments, LLC?

15 A. Yes.

16 Q. Who is Gina Betts?

17 A. I don't know.

18 Q. Were any attorneys involved in the preparation

19 of the agreement of WBB Investments, LLC that you

20 signed?

21 A. I assume it was drafted by attorneys for

22 Ackerman McQueen, but none were -- none were involved

23 from NRA's perspective.

24 Q. When you say that you assume that it was

25 drafted by attorneys for Ackerman McQueen, what was your

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1 assumption based on, Mr. Phillips?  
 2 A. Well, I knew Ackerman McQueen had good  
 3 attorneys, and prior experience had been that if I had  
 4 to have discussions with them, that they had used  
 5 qualified attorneys.  
 6 Q. By "they," you mean Ackerman?  
 7 A. Ackerman McQueen.  
 8 Q. And what led you to believe or to assume that  
 9 Ackerman used counsel in connection with the drafting of  
 10 the company agreement of WBB Investments, LLC?  
 11 A. For the part I read, it looked like a legal  
 12 document that would have been drafted by an attorney.  
 13 Q. We have placed in the exhibit share what we  
 14 have marked as Exhibit 5.  
 15 (Exhibit 5 was marked.)  
 16 Q. (BY MS. EISENBERG) Do you have it in front of  
 17 you, Mr. Phillips?  
 18 A. Yes, I do.  
 19 Q. And what is it?  
 20 A. It's the agreement I think you were referring  
 21 to that involves WBB Investments and the purchase of a  
 22 property to house Mr. and Mrs. LaPierre when they  
 23 couldn't go back to Northern Virginia.  
 24 Q. Does your signature appear on the penultimate  
 25 page of Exhibit 5?

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1 A. Yes.  
 2 Q. And what appears on the last page of Exhibit 5?  
 3 A. It's an exhibit that shows the ownership and  
 4 capital contribution to the -- to WBB, which would own  
 5 the property.  
 6 Q. Who are listed at the contributors?  
 7 A. National Rifle Association for 99 percent and  
 8 DJ Investments for one percent.  
 9 Q. Did you realize that that's what the exhibit to  
 10 the agreement said when you applied your signature --  
 11 A. I did not --  
 12 Q. -- to the agreement?  
 13 A. I did not.  
 14 Q. And had you realized it when you have signed  
 15 the agreement?  
 16 A. No.  
 17 Q. When you signed the agreement, were you acting  
 18 on the assumption that it was drafted with the  
 19 assistance of Ackerman's counsel?  
 20 A. Yes.  
 21 Q. Did you have an understanding as to which  
 22 lawyer or lawyers Ackerman used to prepare this  
 23 agreement?  
 24 A. No.  
 25 Q. You don't know if it was Mr. Mason's firm,

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1 Dorsey, or some other firm?  
 2 MR. MASON: Objection, foundation.  
 3 A. I don't know.  
 4 Q. (BY MS. EISENBERG) You just know it was --  
 5 A. I don't --  
 6 Q. -- a group of lawyers?  
 7 A. I just -- you know, looking at the terminology,  
 8 as we just looked at again, it looks like it was drafted  
 9 by an attorney.  
 10 Q. Mr. Phillips, you previously testified when  
 11 Mr. Mason asked you questions that you don't recall  
 12 being involved with any of the negotiations involving  
 13 the 2017 Services Agreement between the NRA and  
 14 Ackerman. Do you recall that testimony?  
 15 A. I do.  
 16 Q. And is that a truthful statement? You don't  
 17 recall having any involvement in such negotiations?  
 18 A. It's true.  
 19 Q. And is it also the case that you don't recall  
 20 even reviewing the 2017 Services Agreement between the  
 21 NRA and Ackerman?  
 22 A. I don't.  
 23 Q. Now, Mr. Mason asked you if you had an  
 24 understanding as to what, quote, other projects, close  
 25 quote, provision meant in the Services Agreement. And

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1 you said, No, the agreement seems pretty comprehensive.  
 2 When you said "no," I just want to understand, were you  
 3 saying that you did not have an understanding as to what  
 4 the other projects provision meant?  
 5 A. I don't -- I really don't recall the context.  
 6 Maybe you can help me.  
 7 Q. Certainly.  
 8 MS. EISENBERG: Ms. Grant, let's upload  
 9 what's internally marked as No. 37 in the exhibit share  
 10 and we'll mark it as Exhibit 6.  
 11 (Exhibit 6 was marked.)  
 12 Q. (BY MS. EISENBERG) Mr. Phillips, pivoting back  
 13 to a document here, please let us know when you have  
 14 Exhibit 6 on your screen.  
 15 A. I do.  
 16 Q. And it is a multi-page document, and it also  
 17 bears the exhibit stamp from a different deponent's  
 18 deposition. It states NRA Exhibit -- NRA Tedrick 13,  
 19 but for purposes of this deposition, we'll mark it as  
 20 Exhibit 6. For the record, it states at the top of the  
 21 first page, National Rifle Association of America.  
 22 Underneath that, it states in all caps, Travel and  
 23 Business Reimbursement Policy.  
 24 Mr. Phillips, would you be so kind as to  
 25 please scroll through the document and let us know once

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1 you've had an opportunity to do so?

2 A. Okay.

3 Q. What is Exhibit 6?

4 A. It's a document for NRA staff outlining the

5 Travel Expense Reimbursement Policy.

6 Q. Did the NRA have rules when you served as its

7 treasurer about what travel and business reimbursements

8 could be made to the NRA's employees?

9 A. Yes.

10 Q. And does Exhibit 6 demonstrate what those rules

11 were?

12 A. Yes.

13 Q. Let's take a look at Section 5, Roman Numeral V

14 of the Travel Expense Reimbursement Policy. It's called

15 Lodging, Meals and Entertainment Expenses.

16 A. We're still trying to get -- okay. We're

17 there.

18 Q. Okay. Thank you so much. And you can scroll

19 down to the next page under Subsection B, under Section

20 5, it states Entertainment/Business Expense. Do you see

21 that?

22 A. Yes.

23 Q. Are you generally familiar with the

24 requirements set forth in Subsection 5B of the NRA's

25 Travel Expense Reimbursement Policy?

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1 A. Yes.

2 Q. And were you familiar with them when you served

3 as treasurer?

4 A. Yes.

5 Q. What requirements are stated in Section 5B of

6 the NRA's Travel Expense Reimbursement Policy?

7 A. Should I read them?

8 Q. Certainly, that would be wonderful. Thank you.

9 A. When submitted, the date of the entertainment,

10 the nature of the expenditure, whether it's for lunch,

11 dinner, theater, sporting event, etc., a brief

12 description of business purpose, the names and business

13 relationship of the parties entertained, and the dollar

14 amount.

15 Q. And as an officer of the NRA, did you expect

16 other officers and employees of the NRA to maintain

17 documentation --

18 A. Yes.

19 Q. -- as listed here?

20 A. Yes.

21 Q. Right above the list, there's a sentence that

22 states, To meet the IRS requirements, the employees must

23 provide the following information.

24 What does this list have to do with IRS

25 requirements?

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1 A. I think the IRS specifies certain things that

2 must be done in order to make business expenses

3 deductible for for-profit organizations.

4 Q. And what about non-for-profit organizations?

5 MR. MASON: Objection, vague and

6 ambiguous, foundation.

7 A. And I don't know.

8 Q. (BY MS. EISENBERG) Have you ever heard the

9 term "accountable plan"?

10 A. Yes.

11 Q. What is that?

12 A. It's a plan whereby expenses that are valid

13 business expenses get reimbursed to employees as opposed

14 to the organization indirectly for those expenses.

15 Q. As an officer of the NRA, did you expect all of

16 the NRA's vendors to comply with the sum and substance

17 of the requirements set forth in Section 5B of this

18 policy?

19 A. Yes.

20 Q. And did that include Ackerman?

21 A. Yes.

22 Q. When you served as treasurer of the NRA, did

23 you trust Ackerman to maintain such documentation for

24 expenses for which Ackerman sought reimbursement from

25 the NRA?

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1 A. Yes.

2 Q. Let's show -- Mr. Phillips, we're going to

3 place in the exhibit share the 2017 Services Agreement.

4 I recall you testifying that you haven't seen it, but I

5 just want to show it to you, in any case. Let us know

6 when you can see 7 in your screen share.

7 (Exhibit 7 was marked.)

8 A. It's there.

9 Q. (BY MS. EISENBERG) Did you see this document,

10 Exhibit 7, when it was signed in April of 2017 -- I

11 should say in or around April of 2017?

12 A. I don't recall.

13 Q. Who is this document signed by?

14 A. Alan Cors for NRA and Melanie Montgomery for

15 Ackerman McQueen.

16 Q. What was Mr. Cors' role at the NRA at the time?

17 A. He was president at the time.

18 Q. You did not sign this document; is that right?

19 A. That's correct.

20 Q. And you don't recall reviewing it before

21 Mr. Cors signed it?

22 A. I don't know.

23 Q. Do you recall any discussions with Mr. Cors in

24 reference to this agreement?

25 A. No.

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1 Q. Do you recall any discussions with Mr. LaPierre  
2 about this agreement?  
3 A. I had a general awareness that the NRA  
4 attorneys were working on updating the agreement.  
5 Q. And where did that --  
6 A. (Inaudible).  
7 Q. I'm sorry. I am so sorry. Please go ahead.  
8 A. Yeah. I don't remember who the discussion was  
9 with.  
10 Q. Sitting here right now, you don't recall having  
11 any discussion with Mr. LaPierre about this agreement?  
12 A. Correct.  
13 Q. But you recall that you were generally aware  
14 that someone was working on it?  
15 A. Yes.  
16 Q. And did you have that awareness in or around  
17 May -- I'm sorry, April of 2017?  
18 A. I believe so.  
19 Q. And do you recall any specifics that were  
20 shared with you when you gave the general awareness that  
21 someone was working on the agreement, Exhibit 7?  
22 A. I do not.  
23 Q. And fair to say that you didn't have any role  
24 in negotiating this Services Agreement, Exhibit 7?  
25 A. Fair to say that.

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1 Q. Did you have any knowledge as to who negotiated  
2 this agreement for the NRA?  
3 A. I believe an attorney, Steve Hart was involved.  
4 Q. And did you have any awareness as to who  
5 negotiated this agreement on behalf of Ackerman McQueen?  
6 A. No.  
7 Q. May I ask, would you please turn to Section 4  
8 of the agreement, Exhibit 7, which appears on Page 6.  
9 A. Okay.  
10 Q. What is the title of Section 4?  
11 A. Confidentiality.  
12 Q. What is your understanding as to what Section 4  
13 mandates?  
14 A. To kind of summarize, it outlines that NRA's  
15 confidential information at the time, be it held by or  
16 known by Ackerman McQueen, they'll -- the use of that  
17 information is only for the limited purposes of its  
18 services to NRA.  
19 Q. Do you have general awareness that that's what  
20 the agreement said when you served as treasurer of the  
21 NRA?  
22 A. Not specifically related to this agreement, but  
23 I would expect that it may have been in previous  
24 agreements as well, but we expected that to be true.  
25 Q. By "we," you mean yourself and other officers

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1 of the NRA?  
2 A. Yes.  
3 Q. And "expected it to be true," by that, do you  
4 mean you expected Ackerman to maintain the NRA's  
5 confidential information confidential?  
6 A. Yes.  
7 Q. Did you also expect as treasurer of the NRA  
8 that Ackerman would only use the NRA's confidential  
9 information for the limited purpose of providing  
10 services under this agreement?  
11 A. Yes.  
12 Q. Did there ever come a time while you were still  
13 treasurer or CFO of the NRA when you discussed the  
14 Services Agreement with anyone at the NRA?  
15 A. Did you say this Services Agreement?  
16 Q. Yes. The 2017 Services Agreement between  
17 Ackerman and the NRA.  
18 A. I don't recall.  
19 Q. You don't recall having any such discussions?  
20 A. About this one.  
21 Q. Do you recall having discussions about some  
22 other agreement?  
23 A. Previous -- we reviewed this agreement -- the  
24 agreement for services with Ackerman McQueen from time  
25 to time.

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1 Q. By "we," are you referring to yourself and  
2 others at the NRA?  
3 A. Yes, NRA, some officers and myself.  
4 Q. In contrast, however, you don't recall having  
5 such discussions about the 2017 agreement; is that  
6 right?  
7 A. That's right.  
8 MS. EISENBERG: May we take a five-minute  
9 break? I just want to check my notes.  
10 MR. MASON: Sure.  
11 THE VIDEOGRAPHER: We are off the record  
12 at 10:57.  
13 (Break was taken.)  
14 THE VIDEOGRAPHER: We're on the record at  
15 11:03.  
16 Q. (BY MS. EISENBERG) Mr. Phillips, during the  
17 break, did you discuss your testimony with anyone?  
18 A. No.  
19 Q. Was there a SWAT team incident that involved  
20 Mr. LaPierre?  
21 A. Yes.  
22 Q. How did you find out about it?  
23 A. He told me.  
24 Q. What did he say to you the incident involved?  
25 A. He described the -- what occurred. Do you want



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1 me to describe all that?

2 Q. Yes, please.

3 A. The -- someone had called in to the police

4 reporting to be Mr. LaPierre saying he had killed his

5 wife or was going to kill his wife, and it was three

6 o'clock in the morning. And the SWAT team from Fairfax

7 County Police showed up at his house and basically came

8 in many numbers to basically apprehend him.

9 Q. What happened next, based on what he told you?

10 A. They kept -- he said, that's okay, she's right

11 here. You can talk to her. And they still insisted on

12 him coming out with his hands up in the middle of the

13 night.

14 Q. And in your mind, what if anything, did that

15 demonstrate about the threat to Mr. LaPierre's safety

16 and security?

17 A. Well, it was one -- one of the things, among

18 others, that our security people had seen online and

19 otherwise general fear -- threats, most of which I don't

20 know about.

21 Q. Switching topics, you left the NRA in or around

22 the end of 2018; is that fair?

23 A. Sometime in the fourth quarter of 2018.

24 Q. And since then, have you been in touch with

25 your former colleagues from the NRA?

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1 A. I was for a few months in 2019, and then not

2 since then.

3 Q. What about the NRA's vendors and service

4 providers, have you been in touch with any of the

5 representatives of the NRA's vendors since leaving the

6 NRA?

7 A. I'm just kind of going through a list there.

8 I wished a couple of them happy birthday. There was one

9 whose spouse died that I called and gave my condolences.

10 But I have not discussed NRA business with anyone.

11 Q. And since leaving the NRA, have been in touch

12 with any representative of Ackerman?

13 A. Same thing there. I had discussions with some

14 of them in the first half of 2019, but not since then.

15 We decided not to -- not to talk to each other.

16 Q. With whom from Ackerman did you have

17 discussions in the first half of 2019?

18 A. Melanie Montgomery, for one.

19 Q. Anyone else?

20 A. That's all I can recall.

21 Q. So possible there might have been another

22 person, you just don't recall who?

23 A. Correct. Lacey Duffy maybe with -- would have

24 been lunch with Melanie.

25 Q. When you -- how many times did you speak to

Page 283

1 Ms. Montgomery in the first half of 2019?

2 A. Once or twice.

3 Q. Do you have a distinct recollection of any

4 conversations in the first half of 2019?

5 A. It was generally just social.

6 Q. Do you recall anything specific? Were any of

7 those instances when you spoke to her in the first half

8 of 2019 in person?

9 A. Yes.

10 Q. Were there more than one in-person meetings

11 with Ms. Montgomery in the first half of 2019?

12 A. I don't recall.

13 Q. With regard to the one that you do recall

14 speaking to her in person, where were you and she when

15 you had that interaction?

16 A. At some restaurant in Dallas. I can't recall

17 where.

18 Q. Was it lunch, dinner or something else?

19 A. Lunch.

20 Q. Was anyone else present?

21 A. I believe Lacey Duffy.

22 Q. So you think it might have been just

23 Ms. Montgomery, or it might have been her and Lacey

24 Duffy, but you just don't recall either way?

25 A. Correct.

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1 Q. Who suggested the idea of the lunch with

2 Ms. Montgomery?

3 A. I don't recall.

4 Q. What do you recall being the purpose of the

5 lunch?

6 A. Just a friendly lunch. We worked together for

7 many years.

8 Q. Other than the lunch with Ms. Montgomery that

9 you just described, were there other interactions with

10 Ms. Montgomery in the first half of 2019?

11 A. I don't recall.

12 Q. Do you recall that in or around August of --

13 I'm sorry, do you recall that in or around April of

14 2019, the NRA filed a lawsuit against Ackerman?

15 A. I didn't know it at the time.

16 Q. Do you remember learning about it at some later

17 point?

18 A. Yes.

19 Q. When you were having lunch with Ms. Montgomery

20 had you learned about the lawsuit?

21 A. I don't believe so.

22 Q. Other than Ms. Montgomery and Lacey Duffy, did

23 you have any interactions with any representatives of

24 Ackerman McQueen in the first half of 2019?

25 A. I don't recall specific dates, but I remember

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1 something when Angus McQueen's wife passed away. I  
 2 believe that was for 2019 -- '19.  
 3 Q. At lunch with Ms. Montgomery, who paid for it?  
 4 A. Ms. Montgomery.  
 5 Q. Do you know whether or not she expensed it to  
 6 Ackerman?  
 7 A. I do not.  
 8 Q. Since your departure as treasurer of the NRA,  
 9 has anyone else who represents Ackerman in any capacity  
 10 bought you any meals or anything else of value?  
 11 A. Not that I recall.  
 12 Q. Have you received any presents or gifts from  
 13 anyone from Ackerman since leaving the NRA?  
 14 A. I don't think so.  
 15 Q. Have you been in touch with -- I'm sorry, have  
 16 you had any meals with representatives of any vendors of  
 17 the NRA other than Ackerman since leaving the  
 18 Association?  
 19 A. I don't recall specifically, but you know, I  
 20 was active during the first half of 2009, so it's  
 21 possible.  
 22 Q. What did you discuss during your lunch with  
 23 Ms. Montgomery and potentially Lacey Duffy in Dallas --  
 24 at the Dallas restaurant?  
 25 A. I don't recall.

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1 Q. Do you have any recollection of any topic that  
 2 was discussed?  
 3 A. I don't believe we discussed any business at  
 4 all.  
 5 Q. What did you talk about?  
 6 A. Just general things friends talk about when  
 7 they have lunch.  
 8 Q. Is she a friend?  
 9 A. Yes.  
 10 Q. Do you consider anyone else from Ackerman to be  
 11 a friend?  
 12 A. Well, I worked with a lot of people there. We  
 13 had a good relationship. I would call that friendly.  
 14 Q. Understood. Did you consider yourself to be  
 15 friends with Mr. Makris?  
 16 A. Yes.  
 17 Q. Is he still a friend?  
 18 A. I haven't talked to him since sometime in 2019.  
 19 Q. When you spoke to Mr. Makris sometime in 2019,  
 20 was that in person, on the phone or something else?  
 21 A. It was on the phone.  
 22 Q. Did he call you?  
 23 A. I think so. I called him.  
 24 Q. How long was that call?  
 25 A. Not too long.

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1 Q. And when you say "not too long," can you give  
 2 us a sense of what that means in your mind?  
 3 A. Under ten minutes.  
 4 Q. What did you say to Mr. Makris when you called  
 5 him?  
 6 A. I don't recall.  
 7 Q. Do you have any recollection of the subject  
 8 matter?  
 9 A. I remember us saying we weren't going to  
 10 discuss Ackerman McQueen or NRA because -- it must have  
 11 been at that time the lawsuit had been filed.  
 12 Q. What did Mr. Makris say to you during that  
 13 phone call?  
 14 A. I don't recall, just general discussion. How  
 15 are you doing?  
 16 Q. When you concluded the call, did you agree with  
 17 Mr. Makris to either get together or speak again or have  
 18 some kind of interaction in the future?  
 19 A. No.  
 20 Q. What about Bill Winkler, William Winkler, the  
 21 CFO, did you consider him to be a friend?  
 22 A. He was a business friend. Again, we worked  
 23 together over the years, but we were -- we were not  
 24 quote, friendly.  
 25 Q. Do you still consider him to be a business

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1 friend?  
 2 A. Well, I'm not doing the business anymore, so  
 3 no. If I saw him, I would be friendly to him.  
 4 Q. When was the last time you spoke to him?  
 5 A. Sometime in 2018.  
 6 Q. Do you know a gentleman named Bill Powers?  
 7 A. Yes.  
 8 Q. Who is Bill Powers?  
 9 A. Bill is a person who has worked from time to  
 10 time for NRA and for Ackerman McQueen in public  
 11 relations.  
 12 Q. When you were treasurer of the NRA and he  
 13 worked for Ackerman McQueen, did you consider Mr. Powers  
 14 to be a friend?  
 15 A. I liked him, but we didn't have a close  
 16 relationship.  
 17 Q. Fair to say that today you share the same  
 18 sentiment towards him?  
 19 A. Yes. I would be friendly if I met him on the  
 20 street.  
 21 Q. Any -- I'm sorry, what was your last  
 22 interaction with him?  
 23 A. Oh, month, a long time ago. I couldn't tell  
 24 you.  
 25 Q. Mr. Angus McQueen passed away in the summer of

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1 2019, some months after you left the NRA. Did you have  
 2 any interactions with Angus after your departure from  
 3 the NRA but before his passing?  
 4 A. No.  
 5 Q. What about Revan McQueen, did you consider  
 6 Revan to be a friend when you were treasurer?  
 7 A. He was Angus' son. I watched him grow up and  
 8 we were friendly.  
 9 Q. Did you consider Angus to be a friend?  
 10 A. I do.  
 11 Q. When -- when was your last interaction with  
 12 Revan McQueen?  
 13 A. Again, sometime in 2018.  
 14 Q. And have you had any interactions with any  
 15 attorneys for Ackerman since leaving the NRA?  
 16 A. Well, I've had the interaction during our  
 17 depositions.  
 18 Q. Fair enough. Setting aside the depositions in  
 19 which you participated and testified, did you have any  
 20 other interactions with any counsel for Ackerman since  
 21 leaving the NRA?  
 22 A. I don't believe so.  
 23 Q. What about the Attorney General's office? You  
 24 were recently deposed in that action. But setting aside  
 25 your deposition, did you ever have any meetings with

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1 representatives of that office?  
 2 A. No.  
 3 Q. What about phone calls?  
 4 A. No.  
 5 Q. What about remote Zoom calls or the like?  
 6 A. No.  
 7 Q. We looked earlier at the WBB Investments  
 8 Operating Agreement. Do you recall looking at that  
 9 document?  
 10 A. I do.  
 11 Q. And my question is: When you signed that  
 12 agreement, were you relying on the advice of the  
 13 attorneys who you understood Ackerman gained in  
 14 connection with that agreement?  
 15 MR. MASON: Objection, misstates his prior  
 16 testimony.  
 17 MS. EISENBERG: I'm just asking.  
 18 Q. (BY MS. EISENBERG) Were you relying indirectly  
 19 on the advice and counsel of Ackerman's attorneys when  
 20 you signed that agreement?  
 21 MR. MASON: Objection, calls for a legal  
 22 conclusion.  
 23 A. I -- I wasn't specifically relying on their  
 24 advice. I was relying on what I understand their role  
 25 was. At the time, we were confused as to what we had

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1 agreed upon.  
 2 Q. (BY MS. EISENBERG) By we, do you mean yourself  
 3 as a representative of the NRA?  
 4 A. Myself as a representative and Mr. LaPierre.  
 5 Q. What was Mr. LaPierre confused about?  
 6 A. Both of us thought from our first meeting that  
 7 the funds could come from Ackerman McQueen and that we  
 8 would have a separate agreement for use of the property.  
 9 Q. When you applied your signature to that  
 10 agreement, what did you understand you were agreeing to?  
 11 A. What we had discussed before and that -- what I  
 12 just described.  
 13 Q. Understanding that you didn't rely on -- well,  
 14 let me strike that.  
 15 When you signed that agreement, did you  
 16 rely on the work that Ackerman's counsel had done in  
 17 drafting the operating agreement?  
 18 MR. MASON: Objection, calls for a legal  
 19 conclusion.  
 20 A. I'd say yes.  
 21 Q. (BY MS. EISENBERG) Did you trust Ackerman's  
 22 attorneys to get it right?  
 23 MR. MASON: Objection, vague and  
 24 ambiguous.  
 25 A. Yes.

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1 Q. (BY MS. EISENBERG) In fact, you did not seek  
 2 separate legal advice from Mr. Hart or anyone else,  
 3 correct?  
 4 A. Correct.  
 5 Q. Have you texted with Ms. Montgomery since  
 6 leaving the NRA?  
 7 A. I don't know. Again, you know, it's possible  
 8 during the first six months of 2019.  
 9 Q. Is there anyone else who works for Ackerman or  
 10 who represents Ackerman whom you've texted since leaving  
 11 the NRA?  
 12 MR. MASON: Objection, form.  
 13 A. I don't think so.  
 14 Q. (BY MS. EISENBERG) Are there any people who  
 15 work for Ackerman or associated with Ackerman with whom  
 16 you've e-mailed since leaving the NRA?  
 17 A. Again, the first six months of 2019, it's  
 18 possible. I don't recall.  
 19 Q. What did you have for lunch when you met with  
 20 Ms. Montgomery?  
 21 MR. WERBNER: You know, we're probably  
 22 getting down to the ridiculous if you're asking about a  
 23 lunch that he barely recalls.  
 24 Let me ask you, I have -- speaking of  
 25 lunch, a commitment at 12:45. Can you give me a guess

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1 as to whether I need to postpone that or not? I will if  
 2 I need to.  
 3 MS. EISENBERG: Mr. Werbner, I'll be more  
 4 than happy to address any questions you may have. May  
 5 we first allow the witness to first answer the pending  
 6 question?  
 7 MR. WERBNER: You mean what he had for  
 8 lunch?  
 9 A. I have no idea.  
 10 MS. EISENBERG: Okay. Let's go off the  
 11 record, and I'll address Mr. Werbner's question.  
 12 MR. WERBNER: Thank you.  
 13 THE VIDEOGRAPHER: We're off the record at  
 14 11:25.  
 15 (Break was taken.)  
 16 THE VIDEOGRAPHER: We're on the record at  
 17 11:26.  
 18 Q. (BY MS. EISENBERG) Okay. Mr. Phillips, we  
 19 are -- we have placed in the exhibit share Exhibit 8.  
 20 If you can please confirm that you can see it.  
 21 (Exhibit 8 was marked.)  
 22 A. I can see it.  
 23 Q. (BY MS. EISENBERG) Terrific. For the record,  
 24 this is a multi-page document, Bates number on the first  
 25 page is NRA-AMc\_00063970. And the last page is the

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1 same, ends in 63973.  
 2 Please take a look at the document,  
 3 Mr. Phillips.  
 4 A. Yes, I have it --  
 5 Q. Does this appear to be -- thank you. Does this  
 6 appear to be an e-mail message that you sent on or about  
 7 August 8, 2018?  
 8 A. Yes.  
 9 Q. To whom did you send this e-mail?  
 10 A. To Bill Winkler and Melanie Montgomery.  
 11 Q. What were their roles at the time?  
 12 A. Bill Winkler was the CFO of Ackerman McQueen.  
 13 And Melanie Montgomery, I don't know her title exactly,  
 14 but she was the key relationship person there with  
 15 National Rifle Association.  
 16 Q. And you see in the subject it says, 2018.08.07  
 17 WP Ltr to AMc Contract Compliance?  
 18 A. Yes.  
 19 Q. Did you attach a document by that name to your  
 20 e-mail message to Mr. Winkler and Ms. Montgomery?  
 21 A. There is an attachment there.  
 22 Q. That's right. So the third and the fourth page  
 23 of the exhibit in the draft letter; is that correct?  
 24 A. Correct.  
 25 Q. What is this letter that you attached to the

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1 e-mail message to Mr. Winkler and Ms. Montgomery?  
 2 A. It looks like an update of procedures under the  
 3 Services Agreement with Ackerman McQueen -- between  
 4 Ackerman McQueen and NRA for -- the procedures for  
 5 supporting invoices. And if any we go down farther, I  
 6 think it's for the payment of services.  
 7 Q. And is this agreement -- is this draft letter  
 8 intended for your signature?  
 9 A. Yes.  
 10 Q. And the proper e-mail message doesn't say  
 11 anything. Did you have a phone call or an in-person  
 12 conversation with either Mr. Winkler or Ms. Montgomery  
 13 around the time of this e-mail message?  
 14 A. I don't recall that specifically.  
 15 Q. Did you typically send e-mail messages to  
 16 Mr. Winkler without any text in the body of the e-mail  
 17 message?  
 18 A. No.  
 19 Q. Understanding that you don't specifically  
 20 recall a phone call or an in-person conversation, do you  
 21 have a generic recollection of any interaction with  
 22 anyone at Ackerman around the time of this e-mail  
 23 message?  
 24 A. I do not.  
 25 Q. Where were you when you sent this e-mail

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1 message to Mr. Winkler?  
 2 A. I don't -- I don't recall. I'd have to look  
 3 back at a calendar, and even there, I may not see it.  
 4 Q. Let's take a look at Exhibit 5 -- I'm sorry,  
 5 Exhibit 9.  
 6 (Exhibit 9 was marked.)  
 7 A. This is a different one. All right.  
 8 Q. (BY MS. EISENBERG) And for the record, 9 is  
 9 multi-page document, Bates numbered NRA-AMc\_00063974  
 10 ends with 976.  
 11 Is Exhibit 9 an e-mail message from you to  
 12 Mr. Winkler and Ms. Montgomery?  
 13 A. It's directed to be from me.  
 14 Q. Who sent this e-mail message?  
 15 A. I don't know. It says it's from me. It could  
 16 be from my e-mail account, but it doesn't have the  
 17 details on there.  
 18 Q. In or around August of 2019, did you give  
 19 someone authority to send e-mail messages on your behalf  
 20 from your e-mail address?  
 21 MR. WERBNER: I think you meant 18?  
 22 MS. EISENBERG: Thank you.  
 23 A. 2018?  
 24 Q. (BY MS. EISENBERG) Let me rephrase that.  
 25 In or around August of 2018, at the time



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1 of this e-mail message, did you give authority to  
 2 others at the NRA or anyone, for that matter, to send  
 3 e-mail messages on your behalf from your NRA e-mail  
 4 address?  
 5 A. It's possible from time to time, I would give  
 6 Lisa Supernaugh authority to go ahead and put my  
 7 signature on the document.  
 8 Q. Sort of like the -- not sort of, but the auto  
 9 signature that we previously discussed?  
 10 A. Yes, that's correct.  
 11 Q. Understood. I'm asking a slightly different  
 12 question. This is an e-mail message; it attaches a  
 13 draft letter that was not signed, but it was sent from  
 14 your NRA account. And my question was: Did you send  
 15 it? And you said, Basically, you don't know.  
 16 So my next question is: Could Lisa  
 17 Supernaugh -- or did you give Lisa Supernaugh authority  
 18 to send e-mail messages on your behalf from your e-mail  
 19 account?  
 20 A. I don't recall that at that time. I might  
 21 have. Also, it's possible -- I notice that Craig Spray  
 22 was copied there, but he was on board the new CFO. So  
 23 it's possible he sent it from me, since I was still  
 24 treasurer.  
 25 Q. So it sounds like sitting here right now, you

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1 have no recollection of sending this e-mail message?  
 2 A. That's correct.  
 3 Q. It's possible that you sent it, but you don't  
 4 recall doing that?  
 5 A. I doubt -- looking at the format, I doubt I  
 6 sent it, but I may have authorized someone to send it.  
 7 Q. When you say "looking at the format, I doubt,"  
 8 what do you mean? What about the format of the e-mail  
 9 message on Exhibit 9 suggests that?  
 10 A. When it says "from" it doesn't have the e-mail  
 11 address there.  
 12 Q. Uh-huh.  
 13 A. 9.  
 14 Q. Anything else about the format of Exhibit 9  
 15 that makes you doubt that it was you who sent this  
 16 e-mail message?  
 17 A. I can't recall a time where I didn't say  
 18 something on the cover as opposed to just sending  
 19 attachments. But again, that's possible that I did.  
 20 Q. Do you recall giving Lisa Supernaugh  
 21 authorization to send e-mail messages from your account  
 22 at some point?  
 23 A. I don't recall doing that, but, you know, if --  
 24 I could have. I just don't recall ever doing that.  
 25 Q. Do you recall giving authority to anyone other

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1 thanking Lisa Supernaugh to send e-mail messages from  
 2 your e-mail account?  
 3 A. No.  
 4 Q. What about Craig Spray, did you ever give him  
 5 authority to send e-mail messages from your e-mail  
 6 account?  
 7 A. No. I would have expected him to send them  
 8 from his.  
 9 Q. When you said that you think maybe it was he  
 10 who sent it, what makes you say that if you didn't give  
 11 him authority to send e-mail messages from your account?  
 12 What are you -- could you explain what you meant there,  
 13 please?  
 14 A. Well, it's just the subject matter and the fact  
 15 that he had been on board now for several months. And  
 16 we were now involved in asking for information, I  
 17 believe, from Ackerman McQueen. And he was -- at that  
 18 point, I was getting close to retirement.  
 19 Q. What about the fact that you just mentioned  
 20 makes you think that he used your e-mail message -- I'm  
 21 sorry, your e-mail address to send an e-mail message  
 22 from your address?  
 23 A. Well, just that it's -- yeah, on its surface, I  
 24 don't have a good reason for that. I just know that he  
 25 was on board and he would have been involved in this

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1 subject matter.  
 2 Q. Let's take a look at Exhibit 8, the one we just  
 3 looked at previously.  
 4 A. 8?  
 5 Q. Do you have that in front of you?  
 6 A. Yes.  
 7 Q. Do you recall sending this e-mail message, the  
 8 one that's in Exhibit 8?  
 9 A. No, same thing there.  
 10 Q. In other words, sitting here right now, you  
 11 have no recollection of sending this e-mail message?  
 12 A. I don't.  
 13 Q. And do you similarly doubt that it was you who  
 14 sent this e-mail message?  
 15 A. I doubt that I did it, but again, I could have  
 16 given somebody authority to do it if they said we're  
 17 just sending Ackerman McQueen something as we boost up  
 18 our internal procedures.  
 19 Q. Do you recall going to a meeting with Ackerman  
 20 McQueen representatives shortly after Mr. Spray started  
 21 at the CFO at the NRA?  
 22 A. I do.  
 23 Q. Where was that meeting?  
 24 A. It was at Ackerman McQueen's offices. I don't  
 25 recall if it was Oklahoma City or Dallas.

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1 Q. Did you and Mr. Spray travel to that meeting  
2 together?  
3 A. I don't recall.  
4 Q. After the meeting, did you and he travel for  
5 part of the way together?  
6 A. It is possible I could have driven him to the  
7 airport or back to a hotel.  
8 Q. Who from Ackerman attended that meeting?  
9 A. Angus McQueen, Revan McQueen, Melanie  
10 Montgomery, and I don't recall anyone else.  
11 Q. And other than yourself and Mr. Spray, did  
12 anyone else attend on behalf of the NRA?  
13 A. Wayne LaPierre.  
14 Q. Do you remember approximately how long the  
15 meeting lasted?  
16 A. I don't recall.  
17 Q. How would you characterize the nature of  
18 Ackerman's reaction to Mr. Spray as the new incoming  
19 CFO?  
20 A. Well, it was an introductory meeting. They had  
21 one disagreement on -- that got heated for a moment.  
22 But the rest of the meeting was -- was like a normal  
23 meeting of introduction.  
24 Q. Please tell us a little bit more about that  
25 heated moment.

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1 A. Well, we were discussing the records that were  
2 kept at Ackerman McQueen. And Mr. Spray understood  
3 Ackerman McQueen to say we'll decide what we let you  
4 see, and they argued about that for a minute as to who  
5 the client was and who held the records. But I think  
6 the meeting went on after that for other topics and it  
7 was okay.  
8 Q. And when you said somebody said "we'll decide  
9 what we will let you see," who is the "we" in that  
10 sentence, Ackerman?  
11 A. No. That was NRA saying to Ackerman -- no, I'm  
12 sorry, we'll -- we'll decide would have been Bill  
13 Winkler at Ackerman McQueen. He didn't say it in so  
14 many words, but that was -- you know, that's -- that was  
15 the way Craig Spray took it.  
16 Q. Now, did Mr. Winkler say whatever he said in  
17 response to something that Mr. Spray said first?  
18 A. I don't recall.  
19 Q. What -- did you have an understanding as to  
20 what records Mr. Winkler was talking about when he said  
21 that?  
22 A. I don't know specifically. I think it involved  
23 any records related to our accounts or our relationship.  
24 Q. And other than someone saying, Well, we'll  
25 decide what we'll let you see -- well, first of all, is

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1 it Bill Winkler -- is it your recollection it is Bill  
2 Winkler who said we will decide what we will let you  
3 see?  
4 A. It was Bill Winkler. And again, I was  
5 paraphrasing. I'm not sure he was quite that direct,  
6 but that's the way Mr. Spray took it.  
7 Q. How did you take it?  
8 A. I mean, I took it -- I took more the overall  
9 indication between the two of them than in the context  
10 of just figured well, that's something we'll have to  
11 work out.  
12 Q. Fair enough. Did you have any discussions with  
13 Bill Winkler after the meeting about the heated  
14 exchange?  
15 A. I don't recall that.  
16 Q. Did you have any discussions with anyone at  
17 Ackerman about the heated exchange?  
18 A. Again, I don't recall.  
19 Q. You don't recall whether or not you did; is  
20 that correct?  
21 A. It's possible. I don't recall.  
22 Q. Did you have any discussions with anyone at all  
23 about the heated exchange about this meeting?  
24 A. I think I commented on it to Wayne LaPierre and  
25 I also discussed it with Mr. Spray.

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1 Q. When you commented on it to Mr. LaPierre, what  
2 did you say in sum and substance?  
3 A. In sum and substance, the gist of what I was  
4 saying is this is something we can work out and still  
5 get what we need.  
6 Q. And by "get what we need," what are you  
7 referring to?  
8 A. Access to records.  
9 Q. Was it your view that even if Bill Winkler  
10 was the one deciding what the NRA could see, you would  
11 still -- the NRA would, nonetheless, get what it needed?  
12 A. Yes.  
13 Q. And on what basis did you reach that view?  
14 A. Just 20 years of history with them, the  
15 visits -- you know, the audits of our account where they  
16 paid our expenses -- their out-of-pocket expenses and  
17 the general relationship that we had developed over the  
18 years.  
19 Q. Thank you, Mr. Phillips. I'm having a  
20 technology issue. I apologize. My realtime  
21 disconnected. We're going to go off the record for just  
22 a minute to fix it. And of course, if you'd like to  
23 take a longer convenience break, we have no objection.  
24 THE VIDEOGRAPHER: We are off the record  
25 at 11:47 in Media 2.

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1 (Break was taken.)

2 THE VIDEOGRAPHER: We're on the record at

3 11:52.

4 Q. (BY MS. EISENBERG) So Mr. Phillips, this is

5 not a trick question. But because I failed to ensure

6 that our court reporter was back on the record, I will

7 ask you the same questions from sum and substance that I

8 just asked you after we came back from the break.

9 So first question is this: When you spoke

10 to Mr. Phillips (sic) in reference to the heated

11 exchange between Mr. Spray and Ackerman's

12 representatives in that meeting that we just discussed,

13 was that in person, over the phone or something else?

14 MR. MASON: Objection --

15 MR. PHILLIPS: Go ahead, Brian.

16 MR. MASON: I was just going to say

17 objection. I believe you mean Mr. LaPierre, not

18 Mr. Phillips.

19 MS. EISENBERG: Thank you, Mr. Mason, I

20 appreciate it. Let me start over.

21 Q. (BY MS. EISENBERG) Mr. Phillips, when you

22 discussed with Mr. LaPierre the heated exchange that

23 occurred between Mr. Spray and representatives of

24 Ackerman McQueen at the meeting that we just discussed,

25 was your interaction with Mr. LaPierre in person, over

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1 the phone or something else?

2 A. I believe it was in person.

3 Q. Where were you and Mr. LaPierre during that

4 in-person interaction?

5 A. I don't recall.

6 Q. What did Mr. LaPierre say to you after you

7 shared your observation?

8 A. I think he just acknowledged that I had told

9 them. We didn't have a big discussion about it.

10 Q. Was anyone else present during your

11 conversation with Mr. LaPierre during which you shared

12 your observation of the heated exchange that occurred at

13 that meeting that we just discussed?

14 A. I don't think so.

15 Q. When that heated exchange occurred and

16 Mr. Winkler said what you testified earlier in sum and

17 substance, did any representatives of Ackerman McQueen

18 make statements to the same effect other than

19 Mr. Winkler?

20 A. I don't recall.

21 Q. Had there been any other heated exchanges or

22 notable exchanges in the same vein anyone between

23 Mr. Spray and anyone from Ackerman that you personally

24 observed at any point?

25 A. No.

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1 MR. MASON: Objection, vague and

2 ambiguous. But go ahead.

3 THE WITNESS: Sorry, Brian.

4 Q. (BY MS. EISENBERG) So fair to say this was the

5 only exchange that you would characterize as a heated

6 exchange between Mr. Spray and others at Ackerman?

7 A. Yes.

8 Q. After the meeting, did you at any point learn

9 that anyone from Ackerman reached out to anyone at the

10 NRA to complain about Mr. Spray?

11 A. I don't think so. I'm not aware of that.

12 Q. You're not aware of anyone making --

13 A. Right.

14 Q. -- this outreach?

15 Do you know Jacquelyn Plunckett?

16 A. You'd have to tell me more about her. I kind

17 of recognize the name, but --

18 Q. Was there a person who worked at the NRA who

19 came to the NRA from Google and had the expertise

20 relevant to --

21 A. Yes.

22 Q. -- NRA that --

23 A. That is the person I was thinking of.

24 Q. Did you meet with her when she worked at the

25 NRA?

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1 A. I met her. I don't recall meeting with her.

2 Q. And when you met her, what was the context?

3 A. Hello, she's on board, that's it.

4 Q. And has there been any discussion between you

5 and anyone at Ackerman concerning Ms. Plunckett in any

6 way, shape or form?

7 A. Well, I think Josh Powell hired her, and I

8 don't know if he introduced us or not, but I knew about

9 her through him.

10 Q. Did Bill Winkler ever speak to you about her?

11 A. I don't recall that.

12 Q. Did Tony Makris ever speak to you about her?

13 A. Same there, I don't recall Tony Makris talking

14 about her.

15 Q. Did Melanie Montgomery ever speak to you about

16 Ms. Plunckett?

17 A. Not that I recall.

18 Q. Did Revan McQueen ever speak to you about

19 Ms. Plunckett?

20 A. Again, not that I recall.

21 Q. And just generally, do you recall any

22 conversation with anyone from Ackerman about

23 Ms. Plunckett?

24 A. No.

25 Q. When I asked you if you received gifts or

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1 presents from anyone at Ackerman since your departure at  
 2 the NRA, you said something in sum and substance that  
 3 was short of an unequivocal no. I can look it up --  
 4 right now, but it was -- like I said, short of an  
 5 unequivocal no.  
 6 Is there a way to find out whether or not  
 7 that has occurred since your departure?  
 8 A. Not that I know of. You know, it's possible I  
 9 got a Christmas present in 2018 from them, but other  
 10 than that, the way would be on their books and records,  
 11 not mine.  
 12 Q. Did you say the "weight" would be on their  
 13 books and records?  
 14 A. No. The way to substantiate it would be on  
 15 their books and records.  
 16 Q. Understood.  
 17 THE REPORTER: Thank you.  
 18 Q. (BY MS. EISENBERG) Mr. Phillips, switching  
 19 topics a little bit, would it be fair to say, based on  
 20 your experience and personal observation, that Angus  
 21 McQueen served as a trusted advisor of the NRA?  
 22 A. Yes.  
 23 Q. And is it fair to say that he served as an  
 24 advisor on strategic and creative issues?  
 25 A. Yes.

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1 THE REPORTER: Strategic and creative?  
 2 I'm sorry.  
 3 MS. EISENBERG: Strategic and creative  
 4 issues.  
 5 THE REPORTER: Thank you.  
 6 Q. (BY MS. EISENBERG) Would you agree that he was  
 7 one of the NRA's most trusted advisors?  
 8 MR. MASON: Objection, foundation, also to  
 9 the extent it calls for a legal conclusion.  
 10 Q. (BY MS. EISENBERG) I'm not asking you to share  
 11 a legal conclusion of any kind, just your personal  
 12 observation. Would you agree that he was one of the  
 13 NRA's must trusted advisors while you served as  
 14 treasurer of the NRA?  
 15 MR. MASON: Same objection.  
 16 A. Yes, I would agree.  
 17 Q. (BY MS. EISENBERG) Would you agree that  
 18 Ackerman entrusted sensitive information -- I'm sorry,  
 19 left me rewind.  
 20 Would you agree that NRA trusted sensitive  
 21 information to Ackerman?  
 22 A. Yes.  
 23 Q. Would you agree that that sensitive information  
 24 pertained to the NRA?  
 25 A. Yes.

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1 Q. Would you agree that that sensitive information  
 2 pertaining to the NRA that the NRA shared with Ackerman  
 3 was expected by the NRA to be maintained in confidence?  
 4 MR. MASON: Objection, foundation.  
 5 A. Yes.  
 6 Q. (BY MS. EISENBERG) Do you recall speaking to  
 7 Ms. Hallow about any type of issue related to the 2015  
 8 trip to Russia?  
 9 A. I don't recall discussing with Ms. Hallow  
 10 directly, but it's possible I did. I was aware that  
 11 there were some issues from that -- from that trip.  
 12 Q. In terms of Mr. LaPierre's management style,  
 13 would you agree that he was the type of leader who could  
 14 get the best out of the employees?  
 15 MR. MASON: Objection, vague and  
 16 ambiguous.  
 17 A. Yes.  
 18 Q. (BY MS. EISENBERG) And would you give him high  
 19 marks for integrity?  
 20 A. Yes.  
 21 Q. We spoke earlier about the WBB Investments,  
 22 LLC. Do you recall that discussion?  
 23 A. Yes.  
 24 Q. And you shared your recollection that the point  
 25 was to provide safe housing for Mr. LaPierre when

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1 needed?  
 2 A. Yes.  
 3 Q. Who came up with the idea in the first place?  
 4 MR. MASON: Objection, foundation.  
 5 A. I don't know specifically.  
 6 Q. (BY MS. EISENBERG) I think I'm nearly done.  
 7 And in fact, I think I will reserve a little bit of time  
 8 in case I have questions after Mr. Mason is done with  
 9 any of his questions.  
 10 MS. EISENBERG: May I take a two-minute  
 11 break just to make sure that I'm not missing anything in  
 12 my notes?  
 13 MR. WERBNER: Sure.  
 14 MS. EISENBERG: Thank you.  
 15 THE VIDEOGRAPHER: We are off the record  
 16 at 12:06.  
 17 (Break was taken.)  
 18 THE VIDEOGRAPHER: We're on the record at  
 19 12:09.  
 20 Q. (BY MS. EISENBERG) We are placing an exhibit  
 21 in the share. It will be Exhibit 10.  
 22 (Exhibit 10 was marked.)  
 23 Q. (BY MS. EISENBERG) Please let us know if you  
 24 can see it. Mr. Phillips, Exhibit 10 is a multi-page  
 25 document, the Bates numbers NRA-AMc\_00185505 ending with



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1 5507. On the first page, it states in bold at the top,  
 2 Ackerman McQueen/Mercury Group, quote, Audit, close  
 3 quote, Process and Findings.  
 4 Do you have Exhibit 10 in front of you?  
 5 A. I do.  
 6 Q. Please take a moment to peruse it.  
 7 A. All right.  
 8 Q. What is Exhibit 10?  
 9 A. Well, it's a -- kind of an explanation of a  
 10 review of Ackerman McQueen's accounts. I can't tell who  
 11 drafted it though. It refers to me in the third person,  
 12 but someone who looked at -- is talking about the scope  
 13 of what they did in the 2014 audit. And so that's all I  
 14 can say about it.  
 15 Q. And you are basically reading from the document  
 16 as it's --  
 17 A. Yep.  
 18 Q. -- on the screen in front of you?  
 19 A. I am.  
 20 Q. Have you seen it before today?  
 21 A. I don't recall. It is possible I saw it. It  
 22 was a 2014 audit, so 2015 -- so it was six years ago.  
 23 But I can't say anything else about it.  
 24 Q. Do you recall having a discussion with  
 25 Mr. Tedrick about any of the subject matter addressed in

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1 this memo?  
 2 A. Looking at it, I would have guessed that  
 3 Mr. Tedrick prepared it after his -- with his visit  
 4 there, I just don't know. I can't tell.  
 5 Q. Okay. We're going to show you a new Exhibit  
 6 which is going to be marked as Exhibit 11.  
 7 (Exhibit 11 was marked.)  
 8 Q. (BY MS. EISENBERG) And for the sake of  
 9 expediency and respecting everyone's time, it will  
 10 consist of multiple documents. So let's wait for that  
 11 to appear in the screen share.  
 12 Okay. 11 should be available.  
 13 A. Okay.  
 14 Q. Mr. Phillips, I will represent to you that  
 15 these are a series of memoranda that are dated earlier  
 16 than Exhibit 10.  
 17 A. Yes.  
 18 Q. But by title are similar to what we just looked  
 19 at.  
 20 A. Uh-huh.  
 21 Q. You previously told Mr. Mason that you have no  
 22 recollection of Mr. Tedrick sharing with you reports he  
 23 prepared after conducting an examination of Ackerman's  
 24 books and records. My question to you is whether  
 25 looking at any of the reports within Exhibit 11

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1 refreshes your recollection about whether he, in fact,  
 2 did share such reports with you after preparing them?  
 3 A. It doesn't refresh my recollection. It's  
 4 entirely possible he would have shown me what he had.  
 5 But I think some of that I would remember too. And  
 6 they're good reports, but I just don't recall them.  
 7 Q. I don't mean to pry.  
 8 MS. EISENBERG: I promise, Mr. Werbner,  
 9 that I will stick to just a few questions in this  
 10 regard.  
 11 Q. (BY MS. EISENBERG) Did you have an accident in  
 12 or around fall of I believe 2015?  
 13 A. I did. I don't remember which year, but that's  
 14 about the right time. Six years ago.  
 15 Q. I'm very sorry about that. And without getting  
 16 into too much detail, can you tell us what affect it had  
 17 on your abilities to function at the time and  
 18 afterwards?  
 19 A. Well, I'm -- as part of the accident, among a  
 20 lot of other things, it was a head injury that I  
 21 recovered from. But I had friends and family would say  
 22 I didn't recall things or didn't remember things as  
 23 well, but that's it.  
 24 Q. And without getting into any specifics, would  
 25 you characterize it as a serious accident?

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1 A. Yes.  
 2 Q. Did it require hospitalization?  
 3 A. Yes.  
 4 Q. And did it require months of recovery?  
 5 A. I really don't recall months, but maybe. It's  
 6 so --  
 7 Q. Fair enough. Thank you.  
 8 A. Okay.  
 9 MS. EISENBERG: At this point, I will pass  
 10 the witness. And I will reserve a few minutes for any  
 11 follow-up questioning after Mr. Mason is done, assuming  
 12 Mr. Mason has questions.  
 13 FURTHER EXAMINATION  
 14 BY MR. MASON:  
 15 Q. I've just got a few minutes. I know  
 16 Mr. Werbner has somewhere to be, and I know,  
 17 Mr. Phillips, we had an opportunity to visit previously.  
 18 I so will attempt to be brief.  
 19 Earlier Ms. Eisenberg asked you about  
 20 internal controls. Do you recall that?  
 21 A. Yes.  
 22 Q. Over the course of your 20 years in working  
 23 with Ackerman, did you ever have any concerns about  
 24 their internal controls?  
 25 A. No.

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1 Q. You were asked a series of questions earlier  
2 about expenses. Are you aware of Ackerman ever  
3 submitting an expense reimbursement request for  
4 something that the NRA did not believe was for  
5 legitimate NRA business purpose?  
6 A. No.  
7 Q. You were asked earlier about whether Ackerman  
8 physically mailed or e-mailed certain back up or support  
9 to the NRA. Do you recall that?  
10 A. Can you put it in context?  
11 Q. Sure. I believe -- and we can go back and  
12 look at the question and answer. But I believe the  
13 question related to whether Ackerman ever e-mailed or  
14 physically mailed certain documentation or expense  
15 reimbursement documentation over to the NRA. Do you  
16 recall that?  
17 A. I don't -- I actually don't even recall the  
18 question from this morning, but now I understand it. I  
19 don't believe they sent back-up information through the  
20 mail or online, if you're talking just about back-up  
21 information.  
22 Q. Sure. So my question for you is: If the NRA  
23 requested additional information from Ackerman McQueen,  
24 would you have expected them to have sent that either by  
25 e-mail or mail or in person?

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1 A. I would have expected -- not that I would have  
2 asked them to do this, but I would have expected them to  
3 send that to their people either in Virginia or in  
4 Texas, wherever that was going to be needed. And they  
5 would have delivered it by hand.  
6 Q. And based on your prior testimony, you don't  
7 recall an instance where the NRA requested additional  
8 support or back up for invoices or expenses that  
9 Ackerman McQueen did not provide, correct?  
10 A. Correct.  
11 Q. You were asked earlier about the NRA's travel  
12 and business reimbursement -- I mean, travel and  
13 business expense reimbursement policy. Do you recall  
14 that?  
15 A. Yes.  
16 Q. And if we need to refer back to the exhibit,  
17 I'm happy to do that. Do you have any personal  
18 knowledge as to whether that travel and business expense  
19 reimbursement policy was ever provided to Ackerman  
20 McQueen?  
21 A. No.  
22 Q. And you testified previously that you believe  
23 it's important for the NRA to provide its vendors with  
24 policies and procedures that it expects them to follow,  
25 correct?

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1 A. Correct.  
2 Q. I believe you were asked earlier about who at  
3 the NRA this travel and expense reimbursement policy  
4 would apply to. Do you recall that?  
5 A. Yeah, I -- yes, we'll just go on.  
6 Q. Let me ask it a different way.  
7 Did the NRA's travel and expense  
8 reimbursement policy also apply to Wayne LaPierre?  
9 A. There were exceptions for him because of his  
10 position and his security issues and generally  
11 confidentiality issues.  
12 Q. Besides Mr. LaPierre, were there exceptions for  
13 other NRA officers, directors or employees?  
14 A. It would depend on the context when exceptions  
15 would be made, but one in particular was the head of the  
16 Foundation and plan giving was Tyler Schropp, who  
17 sometimes was dealing with donors that had significant  
18 net worths.  
19 Q. Do you recall ever having any conversations  
20 with Ackerman McQueen about the NRA's concerns with  
21 respect to Ackerman following the NRA's expense policy?  
22 A. I do not.  
23 Q. At any point in time, while you were serving as  
24 the CFO and treasurer of the NRA, did you have any  
25 concerns about Ackerman maintaining the appropriate

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1 documentation required under Section 5 of the travel and  
2 expense reimbursement policy?  
3 A. No.  
4 Q. If the NRA did have concerns about Ackerman  
5 maintaining the appropriate documentation pursuant to  
6 Section 5 of the travel and expense reimbursement  
7 policy, do you believe that the NRA could have refused  
8 to reimburse Ackerman McQueen for those expenses?  
9 A. Yes.  
10 Q. During your 20 years in working with Ackerman  
11 McQueen, do you recall a single instance where the NRA  
12 did not reimburse Ackerman because it did not believe  
13 that Ackerman maintained appropriate documentation for  
14 the expenses for which it was seeking reimbursement?  
15 A. No.  
16 Q. During your 20 years in working with Ackerman,  
17 do you recall a single instance where the NRA did not  
18 reimburse Ackerman because it did not believe that  
19 Ackerman provided sufficient documentation or  
20 information relating to the expenses for which it was  
21 seeking reimbursement?  
22 MS. EISENBERG: Objection, foundation.  
23 You may answer.  
24 THE WITNESS: Okay.  
25 A. Sorry to ask you to say that again.

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1 Q. (BY MR. MASON) Sure. During your 20 years in  
2 work with Ackerman McQueen, do you recall a single  
3 instance where the NRA did not reimburse Ackerman  
4 because it did not believe that Ackerman had provided  
5 sufficient documentation or information relating to the  
6 expenses for which it was seeking reimbursement?  
7 A. No. No.  
8 Q. During your 20 years in working with Ackerman,  
9 do you recall a single instance where the NRA did not  
10 reimburse Ackerman because it did not believe that  
11 Ackerman provided a valid business purpose relating to  
12 an expense for which it was seeking reimbursement?  
13 MS. EISENBERG: Objection, foundation.  
14 You may answer.  
15 A. No.  
16 Q. (BY MR. MASON) As the CFO and treasurer of the  
17 NRA, was it ultimately your responsibility to make sure  
18 that Ackerman was providing the NRA with the information  
19 that it requested regarding expense reimbursement?  
20 A. Say that again. I'm trying to think of some of  
21 the records we kept at Ackerman McQueen --  
22 Q. Sure.  
23 A. Go ahead.  
24 Q. I'll repeat the question.  
25 As the CFO and treasurer of the NRA, was

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1 it ultimately your responsibility to make sure that  
2 Ackerman was providing the NRA with the information that  
3 it requested regarding expense reimbursement?  
4 A. Yes.  
5 Q. As CFO and treasurer of the NRA, if the NRA  
6 had concerns regarding the information that Ackerman  
7 McQueen maintained regarding the expenses for which  
8 it sought reimbursement, would it ultimately have been  
9 your responsibility to address that with Ackerman  
10 McQueen?  
11 MS. EISENBERG: Objection.  
12 A. Yes. Did you hear the answer?  
13 Q. (BY MR. MASON) I did. Thank you, sorry. I  
14 was looking to see if I had another question on this.  
15 As CFO and treasurer of the NRA, was it  
16 ultimately your responsibility to make sure that  
17 Ackerman was maintaining appropriate documentation  
18 for the expenses that it sought reimbursement from the  
19 NRA?  
20 A. Yes.  
21 Q. And according to your prior deposition, we've  
22 talked about the prior audits that the NRA did of  
23 Ackerman McQueen, correct?  
24 A. Correct.  
25 Q. And one of the things that the NRA looked at

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1 during those audits was whether or not Ackerman McQueen  
2 was maintaining the appropriate documentation for the  
3 expenses that it sought reimbursement from the NRA,  
4 correct?  
5 A. Correct.  
6 Q. And you testified previously that you were  
7 not aware of any concerns with respect to the  
8 documentation that Ackerman McQueen maintained for the  
9 expenses for which it sought reimbursement from the NRA,  
10 correct?  
11 A. Correct.  
12 Q. With respect to the audit reports or these  
13 audit report documents that we just looked at, Document  
14 10 and then the documents in the various, I guess,  
15 reports that are compiled as part of Document 11, to the  
16 extent that Mr. Tedrick provided you with these reports,  
17 would you have expected him to have electronically sent  
18 you a copy of these reports?  
19 A. I don't know. Our offices were right next to  
20 each other, so he could have given me a copy.  
21 Q. Okay.  
22 A. (Inaudible).  
23 Q. If you will -- I apologize.  
24 A. I said most likely, he would have given me a  
25 copy.

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1 Q. If you will, go to Document 10, please. This  
2 relates to the 2014 audit.  
3 A. Yes, I have that.  
4 Q. And I believe that was the audit that you --  
5 one of the audits that you personally participated in?  
6 A. I believe so. I saw my name as part of this  
7 report farther down.  
8 Q. And if you look down at the first page, there's  
9 a heading that says, Monthly Fees, Fees Involving  
10 Personnel. Do you see that?  
11 A. Yes, I have it.  
12 Q. And then if you go down to the findings below,  
13 it says, Total Net Income For the Period and then it's  
14 got a little over 17 million. The total number of hours  
15 worked on the NRA account was approximately 227,000  
16 resulting in an average hourly rate of \$74.75 per hour.  
17 Do you see that?  
18 A. Yes.  
19 Q. To your knowledge, did the NRA ever have a  
20 concern about Ackerman McQueen not billing the NRA by  
21 the hour?  
22 A. I got -- there's a negative in there.  
23 Q. Yeah. Let me see if I can ask it another way.  
24 A. All right.  
25 Q. Do you have an opinion as to -- strike that.

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1 Let's go to the second page and under the  
2 heading out-of-pocket expenses. Do you see that?  
3 A. Yes.  
4 Q. It states, The 2013 and 2014 out-of-pocket  
5 expenses were reviewed by Woody Phillips in that first  
6 paragraph. Do you see that?  
7 A. I do.  
8 Q. These expenses included all the receipts and  
9 other supporting documentation surrounding the  
10 out-of-pocket expenses, a detailed reconciliation was  
11 provided of the out-of-pocket expense reports to the  
12 monthly amount billed to the NRA for the end 2013 and  
13 through November of 2014.  
14 Do you see that?  
15 A. Yes.  
16 Q. And the findings below, all business  
17 documentation received agreed with a detailed  
18 reconciliation for 2013 and 2014.  
19 Do you see do you see that?  
20 A. I do.  
21 THE REPORTER: Would you read a little  
22 slower for me?  
23 MR. MASON: Did you get that last part?  
24 THE REPORTER: No, but I'll have the  
25 document, I assume.

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1 Q. (BY MR. MASON) Mr. Phillips, as part of the  
2 audit you were personally involved with, is it true that  
3 for the out-of-pocket expenses for 2013 and 2014 all  
4 business documentation and receipts agreed with the  
5 detailed reconciliation for those years?  
6 A. Yes.  
7 Q. And if you go to the third page, you see the  
8 heading, Travel Expenses?  
9 A. Yes.  
10 Q. And if you go down to the bottom, it says,  
11 Findings. Do you see that?  
12 A. Yes.  
13 Q. And it states, All of the supporting  
14 documentation was included and agreed to, the invoices  
15 tested, in addition the travel policy consistent with  
16 the NRA travel policy.  
17 Do you see that?  
18 A. Yes.  
19 Q. Is that finding consistent with your  
20 recollection relating to this particular audit?  
21 A. Yes.  
22 Q. You were asked earlier about a meeting that  
23 took place in 2018 involving yourself and Mr. Spray and  
24 certain AMc executives. Do you recall that?  
25 A. I do.

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1 Q. Do you recall whether any of the AMc executives  
2 participated in that meeting by video conference?  
3 A. I don't recall. It was customary at most of --  
4 most of our meetings had somebody -- particularly if  
5 they were in their offices, somebody was tied in through  
6 video conference. But I don't recall that specifically.  
7 Q. Do you recall going to dinner after that  
8 meeting with Mr. Spray, Melanie Montgomery and Lacey  
9 Duffy?  
10 A. I don't recall, but again, it's possible.  
11 Q. You were asked earlier about the accident that  
12 you had a few years back.  
13 Have you ever been formally diagnosed with  
14 any form of memory loss either from the accident or  
15 otherwise?  
16 A. No.  
17 Q. You were asked various questions about WBB and  
18 the house in Dallas. Do you recall that?  
19 A. I do.  
20 Q. And I believe your testimony was that it was  
21 your understanding that the purpose of this house was  
22 relating to security concerns for Mr. LaPierre; is that  
23 correct?  
24 A. That's correct.  
25 Q. Would it be concerning to you if Mr. and Mrs.

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1 LaPierre were interested in joining the country club  
2 associated with the house that they were looking at in  
3 Dallas?  
4 MS. EISENBERG: Objection, refers to facts  
5 not in evidence, mischaracterizes the record, calls for  
6 speculation.  
7 You may answer.  
8 A. It would -- I would need to know more about  
9 what the intended use of the country club was for, how  
10 he would use it.  
11 Q. (BY MR. MASON) Were you aware that  
12 Ms. LaPierre was planning to make various updates  
13 and changes to the house in Dallas, if it was acquired?  
14 MR. WERBNER: Unless --  
15 MS. EISENBERG: Objection --  
16 MR. WERBNER: Unless I'm mistaken, I think  
17 we've been through all this before, and I'm going to  
18 object to the repetitiveness.  
19 And just as a professional courtesy, I'd  
20 ask Brian how much longer you have? I'm really crunched  
21 up against something right now.  
22 MR. MASON: Sure, I'm almost done.  
23 Q. (BY MR. MASON) Mr. Phillips, you were shown  
24 the WBB Company Agreement earlier, and I believe your  
25 testimony was that you do not recall seeing Exhibit A



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1 that laid out both the ownership structure and the  
 2 capital contribution for WBB; is that correct?  
 3 A. No, I think I -- I think I saw it, but  
 4 didn't -- I just read by it quickly. I signed that  
 5 document in the hallway when somebody told me that we  
 6 needed to get it out that night. So I did not focus on  
 7 it.  
 8 Q. Do you recall who told you that it needed to  
 9 get out that night?  
 10 A. I don't. It was one of our people in the  
 11 accounting department.  
 12 Q. Do you recall whether there were any funds that  
 13 the NRA sent to Ackerman McQueen with respect to WBB or  
 14 the potential purchase of this home?  
 15 A. Yes. I believe it was \$70,000 that WBB would  
 16 hold in case we needed emergency earnest money to tie up  
 17 the house until we could work out our deals.  
 18 Q. Do you know who authorized that \$70,000 to be  
 19 paid?  
 20 A. I did.  
 21 Q. And you testified that it was your  
 22 understanding that Ackerman McQueen was going to be  
 23 purchasing the \$6.5 million house?  
 24 A. Well, Ackerman McQueen or certain parties  
 25 relating to Ackerman McQueen, yes.

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1 Q. Do you recall anyone from Ackerman McQueen  
 2 specifically telling you that Ackerman McQueen was going  
 3 to be purchasing a \$6.5 million house for Mr. and Mrs.  
 4 LaPierre?  
 5 A. No, there was a total breakdown in  
 6 communication between Ackerman McQueen and Mr. LaPierre  
 7 and myself about that, and we realized that -- I knew  
 8 that NRA could not buy the house without full board  
 9 approval under the not-for-profit laws. So we just --  
 10 we were not talking on the same plane during that time.  
 11 Q. Do you recall whether you or anyone else from  
 12 the NRA inquired as to whether or not the NRA could  
 13 actually purchase this home?  
 14 Strike that.  
 15 A. Say that better.  
 16 Q. Do you recall having discussions with anyone  
 17 within the NRA about whether the NRA could purchase a  
 18 home for Mr. and Mrs. LaPierre?  
 19 A. I don't recall specifically, no.  
 20 Q. Let me just make sure. I think I'm about done.  
 21 MR. MASON: Thank you, Mr. Phillips. I'll  
 22 pass the witness. We'll reserve to ask any follow-ups,  
 23 which I hope will not be necessary.  
 24 MS. EISENBERG: Just three minutes,  
 25 Mr. Werbner.

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1 MR. WERBNER: Thank you.  
 2 FURTHER EXAMINATION  
 3 BY MS. EISENBERG:  
 4 Q. Mr. Phillips, could you please take a look at  
 5 Exhibit 12 which would be in your screen share?  
 6 (Exhibit 12 was marked.)  
 7 Q. (BY MS. EISENBERG) It is a rough transcript of  
 8 your question and answer that you and Mr. Mason did a  
 9 few minutes ago. Let me know when you have Exhibit 12  
 10 in front of you.  
 11 A. I do.  
 12 Q. And you were asked -- the picture is in my  
 13 phone and I can't find it now.  
 14 So you were asked as CFO and treasurer of  
 15 the NRA, Was it ultimately your responsibility to make  
 16 sure that Ackerman was maintaining appropriate  
 17 documentation for the expenses that it sought  
 18 reimbursement from the NRA, and your answer was yes.  
 19 Can you please clarify that answer?  
 20 A. Well, we were -- they were passing through some  
 21 expenses to the NRA and we were going to make sure that  
 22 Ackerman was maintaining the records to support that.  
 23 Those records, by the way, were available to our  
 24 auditors if they wanted to go see them, and with any  
 25 other person that we would give approval to see the

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1 records.  
 2 Q. Fair to say that you were not the CFO of  
 3 Ackerman?  
 4 A. No, but when we did our reviews --  
 5 MR. WERBNER: Just answer the question.  
 6 THE WITNESS: Okay.  
 7 A. No, I was not the CFO.  
 8 Q. (BY MS. EISENBERG) You were not its treasurer?  
 9 A. No.  
 10 Q. You were not its controller?  
 11 A. No.  
 12 Q. People who worked for Ackerman did not report  
 13 to you?  
 14 A. They did not.  
 15 Q. You did not access -- you did not have  
 16 unfettered access to their offices?  
 17 A. No.  
 18 Q. You did not have unfettered access to  
 19 Ackerman's books?  
 20 A. I did not.  
 21 Q. You did not have unfettered access to their  
 22 records?  
 23 A. Did not.  
 24 MS. EISENBERG: No further questions.  
 25 Thank you very much -- questions, thank you very much

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1 for your time.

2 MR. WERBNER: This concludes the

3 deposition. Thank you, Counsel.

4 THE VIDEOGRAPHER: Brandy, do you need

5 anything else before we go off the record?

6 THE REPORTER: Not on the record, thank

7 you.

8 MS. EISENBERG: I just wanted -- so before

9 we go off the record, just read in the Bates numbers of

10 the various memos that comprise Exhibit 11.

11 MR. WERBNER: You don't need me or

12 Mr. Phillips for that, do you?

13 MS. EISENBERG: We don't.

14 THE WITNESS: Thank you, everyone.

15 THE REPORTER: Thank you.

16 MS. EISENBERG: And I'll ask Ms. Grant to

17 do that, Ms. Cooper. She'll come over and read that

18 into the record.

19 THE REPORTER: Before we do that,

20 Mr. Mason, I want to ask, if you might leave, do you

21 want a rush for three days or no rush?

22 MR. MASON: No, we don't need a rush.

23 Thank you.

24 THE VIDEOGRAPHER: Mr. Mason, do you need

25 a copy of this video?

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1 MR. MASON: Yes, we do need a copy of the

2 video.

3 THE VIDEOGRAPHER: Thank you.

4 THE REPORTER: All right, Ms. Grant.

5 MS. GRANT: Are you ready?

6 THE REPORTER: Yes.

7 MS. GRANT: So I'm reading off Document 11

8 which is Exhibit 11.

9 THE REPORTER: Okay.

10 MS. GRANT: Okay. The first of the

11 document reads Ackerman McQueen/Mercury Group Audit

12 Process and Findings the Bates stamp is

13 NRA-AMc\_00137590 -- and let me take you to the last page

14 of that document -- through NRA-AMc\_00185511. And it's

15 a 159-page document.

16 Do you want me to read the individual?

17 MS. EISENBERG: Yes.

18 MS. GRANT: Now I'll take you through each

19 individual set of documents.

20 So the first document, the Bates are going

21 to be NRA-AMc\_00137590 --

22 THE REPORTER: I'm sorry. Could you say

23 that again? I got behind? AMc\_ --

24 MS. GRANT: Sure. AMc\_00137590.

25 THE REPORTER: Okay.

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1 MS. GRANT: Through NRA-AMc\_00137593.

2 Now the second document in this 19-page

3 PDF, I'll just use the Bates from beginning to end.

4 NRA-AMc\_00089371 through NRA-AMc\_00089374. And

5 apologies, after AMc, there's an underscore there.

6 The third document in the 19-page PDF, the

7 Bates is NRA-AMc\_00185512 through -- just a moment --

8 through NRA-AMc\_00185513.

9 The next PDF in the 19-page document, the

10 Bates is NRA-AMc\_00185514 through NRA-AMc\_00185515.

11 And then I'll read off the last PDF for

12 you. Okay. The Bates is NRA-AMc\_00185508 through

13 NRA-AMc\_00185511.

14 Ms. Cooper, do you need me to reread any

15 of the Bates?

16 THE REPORTER: No, ma'am, I've got them.

17 MS. GRANT: Thank you so much.

18 THE REPORTER: And I've got that we marked

19 Exhibits 1 through 12.

20 MS. GRANT: Yes.

21 THE VIDEOGRAPHER: We are off the record

22 at 12:50. This concludes today's deposition in Media 3.

23 (End of Proceedings.)

24

25

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1 CORRECTIONS AND SIGNATURE

2 WITNESS: Wilson Phillips DEPOSITION DATE: 10-20-21

3 PAGE/LINE CORRECTION REASON FOR CHANGE

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12 \_\_\_\_\_

13 \_\_\_\_\_

14 \_\_\_\_\_

15 I, WILSON PHILLIPS, have read the foregoing

16 deposition and hereby affix my signature that same is

17 true and correct except as noted herein.

18 \_\_\_\_\_

19 WILSON PHILLIPS

20 CA# 3:19-cv-02074-G

21 STATE OF TEXAS )

22 Subscribed and sworn to before me by the said

23 witness, WILSON PHILLIPS, on this the \_\_\_\_ day of

24 \_\_\_\_\_, 2021.

25 \_\_\_\_\_

NOTARY PUBLIC IN AND FOR  
THE STATE OF TEXAS

My Commission Expires: \_\_\_\_\_



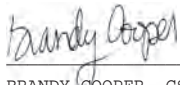
WILSON PHILLIPS Volume 2  
NRA vs ACKERMAN MCQUEEN, INC.

October 20, 2021  
337-338

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1 STATE OF TEXAS )  
2 I, Brandy Cooper, a Certified Shorthand Reporter  
3 duly commissioned and qualified in and for the State of  
4 Texas, do hereby certify that there came before me on  
5 the 20th day of October, A.D., 2021, at 8:59 a.m., at  
6 the offices of Wilson & Strawn, in the City of Dallas,  
7 State of Texas, the following named person, to wit:  
8 WILSON PHILLIPS, who was by me duly cautioned and sworn  
9 to testify the truth, the whole truth and nothing but  
10 the truth, of knowledge touching and concerning the  
11 matters in controversy in this cause; and that he was  
12 thereupon carefully examined upon his oath, and his  
13 examination was reduced to writing under my supervision;  
14 that the deposition is a true record of the testimony  
15 given by the witness.  
16 I further certify that the witness has requested a  
17 review pursuant to Rule 30(e)(2).  
18 I further certify that I am neither attorney or  
19 counsel for, nor related to or employed by any of the  
20 parties to the action in which this deposition is taken,  
21 and further that I am not a relative or employee of any  
22 attorney or counsel employed by the parties hereto, or  
23 financially interested in the action.  
24 CERTIFIED TO BY ME on this 25th day of October,  
25 2021.

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1  
2   
3 BRANDY COOPER, CSR  
4 Certification Expires 3-31-2023  
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10  
11 Taxable cost of original charged to Plaintiff and  
12 Counter-Defendant: \$ \_\_\_\_\_  
13 Attorney: Ms. Eisenberg  
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