

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

PEOPLE OF THE STATE OF NEW YORK,
BY LETITIA JAMES,
ATTORNEY GENERAL OF
THE STATE OF NEW YORK,
Plaintiff,

v.

THE NATIONAL RIFLE ASSOCIATION
OF AMERICA, INC., WAYNE LAPIERRE,
WILSON PHILLIPS, JOHN FRAZER, and
JOSHUA POWELL,
Defendants.

Index No. 451625/2020
(Cohen, J.)

**Verified Answer of Wilson Phillips to
Amended and Supplemental Verified
Complaint**

Defendant Wilson Phillips (“Phillips”) by and for his Verified Answer to Plaintiff’s Amended and Supplemental Verified Complaint (“Original Complaint”), Plaintiff’s Verified First Amended Complaint (“Amended Complaint”), and Plaintiff’s Amended and Supplemental Verified Complaint (“Supplemental Complaint”) (jointly, “Complaint”) says as follows. Unless expressly admitted, all allegations in the Complaint are denied.

PRELIMINARY STATEMENT

(Paragraphs 1-15)

1. The allegations contained in Paragraph 1 are admitted.
2. Phillips denies the allegations of Paragraph 2, 3, 5 and 6, lacks knowledge sufficient to admit or deny Paragraphs 4, 7 ,8, and 13 and denies Paragraphs 9-11. Paragraphs 12,14, and 15 contain legal conclusions to which Phillips is not required to admit or deny.

PART ONE-THE PARTIES

(Paragraphs 16 – 23)

3. The allegations of Part One of the Complaint, with the exception of Paragraph 22, relate to other named parties, purport to represent the contents of the NRA bylaws, and/or include legal conclusions to which no responsive pleading is required.
4. As regarding Paragraph 22, Phillips admits that he served as Treasurer of the NRA between 1993 and 2018 when he retired. Phillips admits that he maintains a residence in Texas.

PART TWO-JURISDICTION AND VENUE

(Paragraphs 24 – 28)

5. The allegations of Part Two include legal conclusions to which no responsive pleading is required.

PART THREE-APPLICABLE LAW

(Paragraphs 29 – 57)

6. The allegations of Part Three contain legal conclusions to which no responsive pleading is required.

PART FOUR-THE NRA'S HISTORY AND INTERNAL GOVERNANCE**I. THE NRA'S HISTORY**

7. Upon information and belief, the allegations about the NRA's founding, purpose, history and tax-exempt status set forth in Paragraphs 58 –61, are admitted.
8. Phillips admits that LaPierre has been involved with the NRA for nearly 30 years, but denies Plaintiff's characterization of LaPierre's tenure and the remaining allegations of Paragraph 62.

II. THE NRA'S INTERNAL STRUCTURE AND GOVERNANCE**A. The NRA's Organizational Structure**

9. The allegations of Paragraph 63 and 64 are admitted.

B. The NRA's Bylaws

10. The allegations of Paragraph 65 contain legal conclusions to which no responsive pleading is required.
11. Phillips admits that the NRA is organized pursuant to bylaws as stated in Paragraph 66, but refers the Court to the bylaws for a true and accurate statement of their contents.

i. Board of Directors

12. The allegations of Paragraph 67 contain legal conclusions to which no responsive pleading is required. Additionally, Paragraph 67 purports to represent the contents of the NRA's certificate of incorporation, to which Phillips directs the Court for a true and accurate statement of its contents.

13. The allegations of Paragraph 68 purport to represent the contents of the NRA bylaws, to which Phillips directs the Court for a true and accurate statement of its contents.

ii. NRA Officers

14. Phillips admits the allegations of Paragraph 69.
15. Phillips admits the allegations of Paragraph 70.
16. Phillips admits the allegations of Paragraph 71.

a. Executive Vice President

17. Phillips admits the allegations of Paragraph 72.
18. Phillips admits the allegations of Paragraph 73.
19. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 74.
20. Phillips admits the allegations of Paragraph 75.
21. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 76.

b. President

22. The allegations contained in Paragraph 77 include legal conclusions to which no responsive pleading is required.
23. Phillips admits the allegations of Paragraph 78.
24. Upon information and belief, Phillips admits the allegations of Paragraph 79.

c. Vice Presidents

25. Phillips admits the allegations of Paragraph 80.

d. Treasurer/Secretary/Executive Directors

26. Phillips admits the allegations of Paragraph 81.
27. Phillips admits the allegations of Paragraph 82.

- 28. Phillips admits the allegations of Paragraph 83.
- 29. Phillips admits the allegations of Paragraph 84.
- 30. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 85.

iii. Standing and Special Committees

- 31. Phillips admits that the NRA Board of Directors has multiple standing and special committees, but otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 86.

a. Officers Compensation Committee

- 32. Phillips admits that the NRA had an officers compensation committee, and directs the Court to the relevant corporate documents for a true and accurate statement of their contents about the officers compensation committee as stated in the allegations of Paragraph 87.

b. Executive Committee and Executive Counsel

- 33. Phillips admits that the NRA had an Executive Committee, and directs the Court to the relevant corporate documents for a true and accurate statement of their contents about the Executive Committee as stated in the allegations of Paragraph 88.
- 34. Phillips admits that the NRA had an Executive Council, and directs the Court to the relevant corporate documents for a true and accurate statement of their contents about the Executive Counsel as stated in the allegations of Paragraph 89.

c. Nominating Committee

- 35. Phillips admits that the NRA had a Nominating Committee, and directs the Court to the relevant corporate documents for a true and accurate statement of their contents about the Nominating Committee as stated in the allegations of Paragraphs 90-91.

d. Audit Committee

36. Phillips admits that the NRA had an Audit Committee and directs the Court to the Audit Committee Charter, the NRA's bylaws, the NRA Policy Manual, the NRA Statement of Corporate Ethics, and relevant corporate documents for a true and accurate statement of their contents about the Audit Committee as stated in the allegations of Paragraph 92-98. Further, Paragraph 92 purports to represent the contents of statute N-PCL § 712a and state a legal conclusion, to which no response is required.

iv. Disclosure Requirements and Prohibitions on Private Benefits and Reimbursements Absent Board Approval.

37. The allegations of Paragraph 99 purport to quote the NRA bylaws, and therefore do not require a response except to refer the Court to the bylaws for a true and accurate statement of their contents.
38. The allegations of Paragraph 100 purport to quote the NRA bylaws, and therefore do not require a response except to refer the Court to the bylaws for a true and accurate statement of their contents.
39. The allegations of Paragraph 101 purport to quote the NRA bylaws, and therefore do not require a response except to refer the Court to the bylaws for a true and accurate statement of their contents.

C. The NRA's Policy and Procedures on Hiring, Spending, Procurement, Travel Reimbursement, Conflicts of Interest, and Related Party Transactions.

40. The allegations of Paragraph 102 purport to quote the NRA Employee Handbook and the NRA Policy Manual and therefore do not require a response except to refer the Court to these documents for a true and accurate statement of their contents.

i. Contract Review Policy

41. The allegations of Paragraph 103 purport to describe the NRA Contract Review Policy and therefore do not require a response except to refer the Court to the policy for a true and accurate statement of its contents.
42. The allegations of Paragraph 104 purport to describe an NRA policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.
43. The allegations of Paragraph 105 purport to describe an NRA policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.
44. The allegations of Paragraph 106 purport to describe an NRA memorandum and therefore do not require a response except to refer the Court to the relevant memorandum for a true and accurate statement of its contents.
45. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 107.

ii. Employment Rules

46. The allegations of Paragraph 108 purport to describe NRA employment policies and therefore do not require a response except to refer the Court to the relevant policies for a true and accurate statement of their contents.
47. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 109.

iii. Independent Contractors

48. The allegations of Paragraph 110 purport to describe an NRA policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.

iv. Travel and Business Expense Reimbursement Policy

49. The allegations of Paragraph 111 purport to describe an NRA policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.
50. The allegations of Paragraph 112 purport to describe an NRA policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.
51. The allegations of Paragraph 113 purport to describe an NRA policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.
52. The allegations of Paragraph 114 purport to describe an NRA policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.
53. The allegations of Paragraph 115 purport to describe an NRA policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.
54. The allegations of Paragraph 116 purport to describe an NRA policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.

v. Statement of Corporate Ethics

- 55. The allegations of Paragraph 117 purport to describe an NRA Statement of Corporate Ethics and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.
- 56. The allegations of Paragraph 118 purport to describe an NRA whistleblower policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.
- 57. The allegations contained in Paragraph 119 include legal conclusions to which no responsive pleading is required.

vi. Purchasing Policy

- 58. The allegations of Paragraph 120 purport to describe an NRA Purchasing Policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.
- 59. The allegations of Paragraph 121 purport to describe an NRA Purchasing Policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.
- 60. The allegations of Paragraph 122 purport to describe an NRA Purchasing Policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.
- 61. The allegations contained in Paragraph 123 include legal conclusions to which no responsive pleading is required.
- 62. The allegations of Paragraph 124 purport to describe an NRA Purchasing Policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.

63. The allegations of Paragraph 125 purport to describe an NRA Purchasing Policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.

vii. Officers and Board of Directors Policy – Disclosure of Financial Interests

64. The allegations of Paragraph 126 purport to describe an NRA Officers and Board of Directors Policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.
65. The allegations of Paragraph 127 purport to describe an NRA Officers and Board of Directors Policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.
66. The allegations of Paragraph 128 purport to describe an NRA Officers and Board of Directors Policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.
67. The allegations of Paragraph 129 purport to describe an NRA public filings and therefore do not require a response except to refer the Court to the relevant filings for a true and accurate statement of their contents.
68. The allegations contained in Paragraph 130 include legal conclusions to which no responsive pleading is required.

viii. Conflict of Interest and Related Party Transaction Policy

69. The allegations of Paragraph 131 purport to describe an NRA Conflict of Interest and Related Party Transaction Policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.

70. The allegations contained in Paragraph 132 include legal conclusions to which no responsive pleading is required.
71. The allegations of Paragraph 133 purport to describe an NRA Conflict of Interest and Related Party Transaction Policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.
72. The allegations of Paragraph 134 purport to describe an NRA Conflict of Interest and Related Party Transaction Policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.
73. The allegations of Paragraph 135 purport to describe an NRA Conflict of Interest and Related Party Transaction Policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.
74. The allegations of Paragraph 136 purport to describe an NRA Conflict of Interest and Related Party Transaction Policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.

PART FIVE-DEFENDANTS' VIOLATIONS OF NEW YORK LAW

**III. WIDESPREAD VIOLATIONS OF LAW OF THE NRA'S SENIOR
MANAGEMENT UNDER THE LEADERSHIP AND DIRECTION OF
WAYNE LAPIERRE**

75. Phillips admits the allegations of Paragraph 137 were true at the time of his retirement from the NRA, but denies knowledge or information sufficient to form a belief as to the truth of the allegations at present.
76. Phillips admits the allegations of Paragraph 138 were true at the time of his retirement from the NRA, but denies knowledge or information sufficient to form a belief as to the truth of the allegations at present.

- 77. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 139.
- 78. Phillips admits that LaPierre hired Phillips as Treasurer and he served in that position for 26 years until his retirement in 2018, but otherwise denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 140.
- 79. Phillips admits that LaPierre hired Frazer as General Counsel, but otherwise denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 141.
- 80. Phillips admits that LaPierre hired Powell as his Chief of Staff in 2016, but otherwise denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 142.

- 81. Phillips denies the allegations of Paragraph 143.

A. LaPierre's Improper Spending and Expensing

- 82. Phillips denies the allegations of Paragraph 144.
- 83. Phillips denies the allegations of Paragraph 145.
- 84. Phillips denies the allegations of Paragraph 146.

i. LaPierre's Private Flights

- 85. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 147.
- 86. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 148.
- 87. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 149.

88. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 150.
89. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 151.
90. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 152.
91. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 153.
92. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 154.
93. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 155.
94. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 156.
95. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 157.
96. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 158.
97. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 159.
98. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 160.

99. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 161.
100. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 162.
101. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 163.
102. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 164.
103. The allegations contained in Paragraph 165 include legal conclusions to which no responsive pleading is required.

ii. LaPierre's Bahamas and Yachting Trips

104. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 166.
105. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 167.
106. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 168.
107. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 169.
108. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 170.
109. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 171.

110. Phillips admits that NRA partnered with ATI to produce and develop a television show called Crime Strike, but Phillips denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 172.
111. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 173.
112. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 174.
113. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 175.
114. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 176.
115. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 177.
116. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 178.
117. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 179.
118. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 180.
119. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 181.

iii. LaPierre's Personal Travel Consultant

120. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 182.

121. The allegations of Paragraph 183 purport to describe an NRA Travel Policy and therefore do not require a response except to refer the Court to the relevant policy for a true and accurate statement of its contents.
122. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 184.
123. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 185.
124. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 186.
125. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 187.
126. Phillips denies the allegations of Paragraph 188.
127. Phillips denies the allegations of Paragraph 189.
128. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 190.
129. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 191.
130. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 192.
131. Phillips admits that he asserted the Fifth Amendment, as directed by counsel, in response to certain questions posed during his deposition as part of the NRA's bankruptcy proceeding. Phillips denies the remaining allegations of Paragraph 193.

- 132. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 194.
- 133. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 195.
- 134. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 196.
- 135. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 197.
- 136. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 198.

iv. LaPierre's Personal Expense Reimbursements

- 137. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 199.
- 138. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 200.
- 139. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 201.
- 140. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 202.
- 141. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 203.
- 142. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 204. To the extent the allegations in Paragraph 204 purport to describe an NRA Travel Reimbursement Policy and therefore do not require a

response except to refer the Court to the relevant policy for a true and accurate statement of its contents.

- 143. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 205.
- 144. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 206.
- 145. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 207.
- 146. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 208.
- 147. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 209.

v. LaPierre's Consulting Budget

- 148. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 210.
- 149. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 211.
- 150. Phillips admits the allegations of Paragraph 212 were true at the time of his retirement from the NRA, but denies knowledge or information sufficient to form a belief as to the truth of the allegations at present.
- 151. Phillips denies the allegations of Paragraph 213.
- 152. Phillips denies the allegations of Paragraph 214.
- 153. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 215.

154. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 216.

vi. LaPierre's Security Costs

155. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 217.

156. The allegations contained in Paragraph 218 include legal conclusions to which no responsive pleading is required.

157. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 219.

158. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 220.

159. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 221.

160. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 222.

161. Upon information and belief, Phillips admits the allegations of Paragraph 223.

162. Phillips admits that he and Ackerman executive executed an agreement on May 11, 2018, and refers the Court to that agreement for a true and accurate statement of its contents as stated in the allegations of Paragraph 224.

163. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 225.

164. Phillips admits that WBB Investments LLC sent an invoice to the NRA for \$70,000, but refers the Court to the applicable NRA policy for a true and accurate statement of its contents as stated in the allegations of Paragraph 226.

165. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 227
166. Phillips admits the allegations of Paragraph 228, except to the extent it purports to represent the contents of written communications, which Phillips directs the Court to the communications in question for a true and accurate statement of their contents.
167. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 229.

B. Wilson “Woody” Phillip’s Conflicts of Interest, Related Party Transactions, and Self-Dealing

168. Phillips admits he served as Treasurer of the NRA from 1992 to 2018, but denies Plaintiff’s characterization of his performance as Treasurer as alleged in Paragraph 230.
169. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 231, but to the extent a response is required, Phillips denies the allegations.
170. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 232.
171. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 233.
172. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 234.

i. Phillips’s Conflict of Interest with Respect to HomeTelos

173. Phillips admits that the NRA paid certain sums of money to HomeTelos and that he had a friendship with the CEO of HomeTelos, but otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 235.

174. Phillips denies that there was a “potential conflict of interest,” but admits the other allegations of Paragraph 236.
175. Phillips denies the allegations of Paragraph 237.
176. The allegations of Paragraph 238 purport to represent the contents of Phillips’s conflict of interest disclosure forms, to which Phillips refers the Court for a true and accurate statement of their contents. Phillips denies that any of his disclosures on the referenced forms were improper.
177. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 239.
178. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 240.
179. Phillips denies the first sentence of Paragraph 241, admits the second sentence of Paragraph 241, and directs the Court to the Audit Committee’s statement for a true and accurate statements of its contents.

ii. Phillips’s July 2018 Trip on Grand Illusion

180. Phillips lacks knowledge of the testimony of LaPierre and therefore can neither admit or deny it. Otherwise, he admits the allegations of Paragraph 242.
181. Phillips admits he disclosed the trip on the Financial Disclosure Questionnaire, but refers the Court to that document for a true and accurate statement of its contents as stated in the allegations of Paragraph 243.
182. Phillips admits knowledge of the Audit Committee ratifying his trip, but directs the Court to the relevant written documents for a true and accurate statement of their contents as stated in the allegations of Paragraph 244.

iii. Phillips's Consulting Agreement

183. Phillips admits the first sentence of Paragraph 245. The remainder of the allegations in Paragraph 245 state legal conclusions to which no response is required.
184. Phillips admits that he entered into a consulting agreement with the NRA, and refers the Court to the agreement for a true and accurate statement of its contents as stated in Paragraph 246.
185. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 247.
186. Phillips denies the allegations of Paragraph 248.
187. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 249.
188. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 250.
189. Phillips admits that he submitted certain monthly invoices to the NRA to be paid to WHIP LLC, and that WHIP LLC received certain payments from the NRA, but otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 251.

C. Joshua Powell's Conflicts of Interest, Related Party Transactions, and Negligence

190. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 252.
191. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 253.

192. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 254.
193. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 255.
194. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 256.

i. Powell's Compensation

195. Phillips admits he was involved in setting Powell's compensation, but directs the Court to the referenced employment documents for a true and accurate statement of their contents as stated in the remaining allegations of Paragraph 257.
196. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 258.
197. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 259.
198. Phillips admits the allegations of Paragraph 260.

ii. Powell's Spending and Reimbursement Requests

199. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 261.
200. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 262.
201. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 263.
202. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 264.

203. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 265.
204. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 266.
205. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 267.

iii. Powell's and Phillips's Negligence in Entering into Multimillion-Dollar Verbal Contracts

206. Phillips admits the allegations of Paragraph 268.
207. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 269.
208. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 270.
209. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 271.
210. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 272.
211. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 273.

iv. Powell's Conflict of Interest Concerning His Wife's Employment

212. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 274.
213. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 275.

- 214. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 276.
- 215. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 277.
- 216. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 278.
- 217. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 279.
- 218. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 280.

v. Powell's Related Party Transaction with His Father

- 219. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 281.

vi. Powell's Record of Alleged Sexual Harassment and Discrimination

- 220. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 282.
- 221. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 283.
- 222. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 284.
- 223. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 285.

D. John Frazer's Negligence and Certifications of False or Misleading Annual Filings

224. Phillips admits the allegations of Paragraph 286 were true at the time of his retirement from the NRA, but denies knowledge or information sufficient to form a belief as to the truth of the allegations at present.
225. Upon information and belief Phillips admits the allegations of Paragraph 287.
226. Upon information and belief Phillips admits the allegations of Paragraph 288.
227. Upon information and belief Phillips admits the allegations of Paragraph 289.
228. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 290.
229. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 291.
230. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 292.

i. Failure to Comply with Relevant Governance Requirements

231. The allegations contained in Paragraph 293 include legal conclusions to which no responsive pleading is required.
232. The allegations contained in Paragraph 294 include legal conclusions to which no responsive pleading is required.

ii. Certification of False or Misleading Annual Filings

233. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 295.
234. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 296.

E. Improper Expenditures by LaPierre's Senior Assistant and Direct Report

- 235. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 297.
- 236. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 298.
- 237. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 299.
- 238. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 300.
- 239. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 301.
- 240. Phillips denies the allegations of Paragraph 302.
- 241. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 303.
- 242. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 304.
- 243. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 305.
- 244. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 306.
- 245. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 307.
- 246. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 308.

247. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 309.

248. The allegations contained in Paragraph 310 include legal conclusions to which no responsive pleading is required.

F. LaPierre's Improper Use of NRA Funds to Influence Board Elections.

249. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 311.

250. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 312.

IV. THE NRA'S USE OF LONGTIME VENDORS AND CONSULTING AGREEMENTS TO HIDE IMPROPER EXPENDITURES, SELF-DEALING, AND RELATED PARTY TRANSACTIONS

251. Phillips denies the allegations of Paragraph 313.

A. Ackerman McQueen and Mercury Group

i. The NRA's Decades-Long Relationship with Ackerman

252. Phillips admits the allegations of Paragraph 314.

253. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 315.

254. Phillips denies the allegations of Paragraph 316.

255. Phillips admits the allegations of Paragraph 317 were true at the time of his retirement from the NRA, but denies knowledge or information sufficient to form a belief about the events after the date of his retirement.

256. Upon information and belief, Phillips admits that LaPierre and the President of the Mercury Group had a close relationship, but denies knowledge or information to form a belief as to the remaining allegations of Paragraph 318.

257. Upon information and belief, Phillips admits the allegations of Paragraph 319.

ii. The NRA's Practices Concerning Ackerman's Budgeting and Invoicing

258. Upon information and belief, Phillips admits the allegations of Paragraph 320.

259. The allegations of Paragraph 321 purport to quote the Services Agreement and therefore do not require a response except to refer the Court to this document for a true and accurate statement of its contents.

260. Phillips admits the allegations of Paragraph 322.

261. Phillips admits the allegations of Paragraph 323.

262. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 324.

263. Phillips denies the first and third sentences of Paragraph 325, and as to the second sentence, directs the Court to the NRA's complaint for a true and accurate statement of its contents.

iii. NRA Executives' Misuse of Out of Pocket Expenses

264. Phillips denies the allegations of Paragraph 326.

265. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 327.

266. Phillips admits that Ackerman billed the NRA for out of pocket expenses, but directs the Court to the referenced invoices for a true and accurate statement of their contents as stated in the allegations of Paragraph 328. Phillips denies that "Ackerman took no steps to verify whether the out of pocket expenses were compliant with NRA policies governing travel and entertainment."

267. Phillips denies the allegations of Paragraph 329.

268. Phillips admits the annual NRA budget contained a line item for Pass-Through Expenses, but directs the Court to the annual budgets for a true and accurate statement of their contents as stated in the allegations of Paragraph 330.
269. The allegations contained in Paragraph 331 include legal conclusions to which no responsive pleading is required.
270. Phillips denies the allegations of Paragraph 332.
271. Upon information and belief, Phillips admits that a “pass through arrangement” was used at times to pay for certain NRA expenses, but denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 333.
272. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 334.
273. Upon information and belief, Phillips admits that a “pass through arrangement” was used at times to pay for certain travel expenses, but denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 335.
274. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 336.
275. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 337.
276. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 338.
277. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 339.

278. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 340.

279. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 341.

iv. The NRA's Failure to Conduct Proper Oversight of Ackerman Billing

280. Phillips denies the allegations of Paragraph 342, except he admits that he was generally aware of the process.

281. Phillips denies the allegations of Paragraph 343.

v. NRA Executives' Misuse of Under Wild Skies Television Programming

282. Upon information and belief, Phillips admits the allegations of Paragraph 344.

283. Phillips admits the allegations of Paragraph 345, except as to the reference "Upon information and belief, since 2010, the NRA has paid UWS over \$18 million", which Phillips denies knowledge or information sufficient to form a belief as to the truth of this allegation.

284. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 346.

285. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 347.

286. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 348.

287. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 349.

vi. The NRA's Supplemental Income Payments to Under Wild Skies' Principal

288. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 350
289. Phillips denies the allegations of Paragraph 351.
290. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 352.
291. The allegations of Paragraph 353 purport to represent the contents of invoices, and Phillips refers the Court to these invoices for a true and accurate statement of their contents, without which Phillips can neither admit nor deny the allegations of Paragraph 353.
292. Phillips denies the allegations of Paragraph 354.

B. Consulting Agreements with Former Employees

293. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 355.

i. Consulting Agreement with Former Executive Director of General Operations

294. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 356.
295. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 357.
296. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 358.
297. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 359.

298. Phillips admits that he signed a consulting agreement, but otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 360.
299. The allegations of Paragraph 361 purport to represent the contents of the referenced consulting agreement, therefore Phillips directs the Court to this agreement for a true and accurate statement of its contents.
300. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 362.

ii. Consulting Agreement with Former NRA Employee/NRA Foundation Executive Director

301. Phillips admits that the NRA Foundation Executive entered into a consulting agreement with the NRA, but otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 363. Additionally, Phillips directs the Court to the referenced agreement for a true and accurate statement of its contents as stated in Paragraph 363.
302. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 364.
303. The allegations of Paragraph 365 purport to represent disclosures on NRA's IRS Forms, to which Phillips directs the Court for a true and accurate statement of their contents, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 365.
304. Paragraph 366 purports to represent the contents of a consulting agreement, and therefore does not require a response, except to direct the Court to the referenced document for a true and accurate statement of its contents.

305. The allegations contained in Paragraph 367 include legal conclusions to which no responsive pleading is required.
306. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 368.
307. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 369.
308. Phillips denies the allegations of Paragraph 370.
309. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 371.
310. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 372.

iii. Consulting Agreement with Former NRA Managing Director of Affinity and Licensing

311. Phillips admits that the former NRA Managing Director of Affinity and Licensing entered into a consulting agreement with the NRA, but otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 373.
312. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 374.
313. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 375.
314. Phillips admits he signed the agreement, but directs the Court to the referenced agreement for a true and accurate statement of its contents as stated in Paragraph 376.

- 315. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 377.
- 316. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 378.
- 317. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 379.
- 318. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 380.
- 319. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 381.

C. Related Party Transactions with Board Members

- 320. The allegations contained in Paragraph 382 include legal conclusions to which no responsive pleading is required.

i. Board Member No. 1

- 321. Upon information and belief, Phillips admits the allegations of Paragraph 383.
- 322. Upon information and belief, Phillips admits the allegations of Paragraph 384.
- 323. Phillips admits the existence of an agreement between the NRA and Board Member No. 1 but denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 385. Additionally, Phillips directs the Court to the referenced agreement for a true and accurate statement of its contents as stated in Paragraph 385.
- 324. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 386.

325. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 387.
326. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 388.
327. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 389.
328. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 390.
329. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 391.

ii. Board Member No. 2

330. Upon information and belief, Phillips admits the allegations of Paragraph 392, except as to the allegation “Board Member No. 2 was not re-nominated in 2020”, which Phillips denies knowledge or information sufficient to form a belief as to the truth of this allegation as it post-dates his retirement.
331. Phillips admits that Board Member No. 2 entered into a consulting agreement with the NRA, but otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 393. Additionally, Phillips directs the Court to the referenced agreement for a true and accurate statement of its contents as stated in Paragraph 393.
332. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 394.
333. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 395.

334. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 396.

335. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 397.

iii. Board Member No. 3

336. Phillips admits the allegations of Paragraph 398.

337. Upon information and belief Phillips admits the allegations of Paragraph 399.

338. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 400.

339. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 401.

340. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 402.

iv. Board Member No. 4

341. Phillips admits the allegations of Paragraph 403.

342. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 404.

343. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 405.

344. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 406.

345. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 407.

346. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 408.

347. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 409.

v. Board Member No. 5

348. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 410.

349. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 411.

350. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 412.

**V. THE INDIVIDUAL DEFENDANTS RECEIVED EXCESSIVE
COMPENSATION THAT THE NRA DID NOT ACCURATELY
DISCLOSE**

**A. The NRA Board Failed to Follow an Appropriate Process to Determine
Reasonable Compensation for NRA Executives**

351. The allegations contained in Paragraph 413 include legal conclusions to which no responsive pleading is required.

352. The allegations contained in Paragraph 414 include legal conclusions to which no responsive pleading is required.

353. The allegations contained in Paragraph 415 include legal conclusions to which no responsive pleading is required.

354. The allegations of Paragraph 416 purport to quote the NRA bylaws, and therefore do not require a response except to refer the Court to the bylaws for a true and accurate statement of their contents.

355. Phillips denies the allegations of Paragraph 417.
356. Phillips denies the allegations in Paragraph 418.
357. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 419.
358. Phillips admits the allegations in Paragraph 420, but denies that there was anything improper about his conduct described in Paragraph 420.
359. Phillips admits that he provided talking points to the OCC Chair as alleged in Paragraph 421 and refers the Court to that document for a true and accurate statement of its contents. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in the second sentence of Paragraph 421.
360. Phillips denies knowledge or information sufficient to admit or deny the allegations of Paragraph 422, except as to the allegation “The OCC recommended that Phillips’s total compensation be increased from approximately \$669,000 in 2017 to approximately \$830,000 in 2018, which included a bonus of \$210,000,” which Phillips admits.
361. Phillips denies knowledge or information sufficient to admit or deny the allegations contained in Paragraph 423.
362. Phillips denies the allegations of Paragraph 424.
363. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 425.
364. The allegations contained in Paragraph 426 include legal conclusions to which no responsive pleading is required.
365. Phillips denies the allegations of Paragraph 427.
366. Phillips denies the allegations of Paragraph 428.

367. Phillips denies the allegations of Paragraph 429.

B. The Officers Compensation Committee and the NRA Board Failed to Consider or Approve LaPierre's and Phillips's Complete Compensation Prior to Making Compensation Determinations

368. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 430.

369. The allegations contained in Paragraph 431 include legal conclusions to which no responsive pleading is required.

370. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 432.

371. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 433.

372. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 434.

373. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 435.

374. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 436, except as to signing the post-employment contract, which Phillips admits.

375. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 437.

376. Phillips admits he signed the letter referenced in Paragraph 438, but directs the Court to the letter for a true and accurate statement of its contents, and otherwise denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations in Paragraph 438.

377. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 439.
378. As to Paragraph 440, Phillips admits to signing the memorandum agreement and directs the Court to that document for a true and accurate statement of its contents. Phillips denies knowledge or information sufficient to form a belief as to the truth of the other allegations contained in Paragraph 440.
379. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 441.
380. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 442.
381. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 443.
382. Phillips admits the allegation in Paragraph 444 of having an NRA-issued credit card but Phillips denies the rest of the allegations of Paragraph 444
383. Phillips denies the allegations of Paragraph 445.

C. LaPierre Failed to Properly Determine Powell's Compensation

384. Phillips admits the allegations of Paragraph 446.
385. Phillips admits he was involved in setting Powell's compensation, but directs the Court to the referenced employment documents for a true and accurate statement of their contents as stated in the remaining allegations of Paragraph 447.
386. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 448.

D. The NRA's Compensation Disclosures to the Attorney General and the Internal Revenue Service Were False or Misleading

387. The allegations contained in Paragraph 449 include legal conclusions to which no responsive pleading is required.
388. The allegations contained in Paragraph 450 include legal conclusions to which no responsive pleading is required.
389. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 451.
390. The allegations contained in Paragraph 452 include legal conclusions to which no responsive pleading is required.
391. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 453.
392. The allegations contained in Paragraph 454 include legal conclusions to which no responsive pleading is required.
393. Upon information and belief Phillips admits the allegations of Paragraph 455.
394. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 456.
395. Phillips denies the allegations of Paragraph 457.
396. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 458.
397. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 459.
398. The allegations contained in Paragraph 460 include legal conclusions to which no responsive pleading is required.

399. Phillips denies the allegations of Paragraph 461.

VI. THE NRA'S RETALIATION AGAINST DISSIDENTS ON THE BOARD

A. Dissident No. 1

i. LaPierre Recruits Dissident No. 1 as President and Negotiates Ackerman Contract

400. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 462.

401. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 463.

402. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 464.

403. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 465.

404. Upon information and belief Phillips admits the allegations of Paragraph 466, but directs the Court to the quoted Services Agreement for a true and accurate statement of its contents.

405. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 467.

406. Phillips denies the allegations of Paragraph 468

407. Upon information and belief Phillips admits the allegations of Paragraph 469.

ii. Dissident No. 1 Undertakes His Fiduciary Responsibilities as NRA President

408. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 470.

409. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 471.
410. Upon information and belief, Phillips admits the allegations of Paragraph 472.
411. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 473.
412. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 474.
413. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 475.
414. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 476.
415. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 477.
416. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 478.
417. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 479.
418. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 480.

iii. LaPierre Voices Concern about Dissident No. 1's Contract

419. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 481.
420. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 482.

- 421. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 483.
- 422. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 484.
- 423. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 485, but refer the Court to the quoted documents for a true and accurate statement of their contents.
- 424. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 486.
- 425. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 487.
- 426. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 488.
- 427. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 489.

B. Dissident Board Members

- 428. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 490.
- 429. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 491.
- 430. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 492.
- 431. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 493.

432. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 494.

VII. THE NRA BOARD'S FAILURES RESULTING IN VIOLATIONS OF LAW

433. Phillips denies the allegations of Paragraph 495.
434. The allegations contained in Paragraph 496 include legal conclusions to which no responsive pleading is required.
435. The allegations of Paragraph 497 purport to describe the Mission Statement of the NRA Audit Committee and therefore do not require a response except to refer the Court to the policy for a true and accurate statement of its contents.
436. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 498.
437. Phillips denies the allegations of Paragraph 499.
438. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 500.
439. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 501.
440. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 502.

A. Audit Committee's Failure to Respond Adequately to Whistleblowers

441. The allegations contained in Paragraph 503 include legal conclusions to which no responsive pleading is required.

442. The allegations of Paragraph 504 purport to describe the NRA Statement of Corporate Ethics and therefore do not require a response except to refer the Court to the policy for a true and accurate statement of its contents.
443. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 505.
444. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 506.
445. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 507.
446. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 508.
447. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 509.
448. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 510.
449. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 511.
450. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 512.
451. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 513.
452. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 514.

453. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 515.

454. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 516.

B. Audit Committee's Failure to Appropriately Review and Approve Related Party Transactions and Conflicts of Interest

455. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 517.

456. The allegations contained in Paragraph 518 include legal conclusions to which no responsive pleading is required. Additionally, the allegations of Paragraph 518 purport to describe the NRA Conflict of Interest and Related Party Transaction Policy and therefore do not require a response except to refer the Court to the policy for a true and accurate statement of its contents.

457. The allegations of Paragraph 519 purport to describe the policy of the Audit Committee and therefore do not require a response except to refer the Court to the policy for a true and accurate statement of its contents.

458. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 520.

459. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 521.

460. The allegations contained in Paragraph 522 include legal conclusions to which no responsive pleading is required.

461. Phillips denies the allegations of Paragraph 523.

462. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 524.
463. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 525.
464. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 526.
465. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 527.
466. The allegations contained in Paragraph 528 include legal conclusions to which no responsive pleading is required.
467. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 529.
468. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 530.
469. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 531.
470. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 532.
471. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 533.
472. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 534, except as to Subpart ii of 534 which Phillips denies.

473. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 535.

474. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 536.

C. Audit Committee's Failure to Oversee Adequately the External Auditors

475. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 537.

476. The allegations of Paragraph 538 purport to describe the NRA Audit Committee's Charter and therefore do not require a response except to refer the Court to the policy for a true and accurate statement of its contents.

477. The allegations of Paragraph 539 contain legal conclusions which do not require a response from Phillips.

478. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 540.

479. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 541.

480. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 542.

481. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 543.

482. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 544.

483. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 545.

484. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 546.
485. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 547.
486. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 548.
487. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 549.
488. The allegations contained in Paragraph 550 include legal conclusions to which no responsive pleading is required.

D. The Audit Committee Acted Ultra Vires in Indemnifying Officers, Directors, and Employees

489. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 551.
490. Phillips denies sufficient knowledge or information to form a belief as to the truth of the allegations contained in Paragraph 552.

VIII. THE NRA'S FAILURE TO INSTITUTE AN EFFECTIVE COMPLIANCE PROGRAM

491. Phillips denies the allegations of Paragraph 553.
492. Phillips denies the allegations of Paragraph 554.
493. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 555.
494. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 556.

- 495. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 557.
- 496. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 558.
- 497. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 559.
- 498. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 560.
- 499. The allegations contained in Paragraph 561 include legal conclusions to which no responsive pleading is required.
- 500. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 562.

IX. THE NRA'S FALSE REGULATORY FILINGS

- 501. The allegations contained in Paragraph 563 include legal conclusions to which no responsive pleading is required.
- 502. The allegations contained in Paragraph 564 include legal conclusions to which no responsive pleading is required.
- 503. Regarding Paragraph 565, Phillips admits he signed the referenced documents but otherwise denies the allegations.
- 504. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 566.
- 505. Phillips denies the allegations of Paragraph 567.
- 506. Phillips denies that he made any false or misleading statements or omissions as alleged in Paragraph 568, and refers the Court to the forms cited in this Paragraph for a true and

accurate statement of their contents. Phillips otherwise denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 568 and all of its subparts.

X. THE NRA'S VIOLATION OF ITS DUTIES UNDER THE NEW YORK PRUDENT MANAGEMENT OF INSTITUTIONAL FUNDS ACT

- 507. The allegations contained in Paragraph 569 include legal conclusions to which no responsive pleading is required.
- 508. The allegations contained in Paragraph 570 include legal conclusions to which no responsive pleading is required.
- 509. The allegations contained in Paragraph 571 include legal conclusions to which no responsive pleading is required.
- 510. The allegations contained in Paragraph 572 include legal conclusions to which no responsive pleading is required.
- 511. The allegations contained in Paragraph 573 include legal conclusions to which no responsive pleading is required.
- 512. The allegations contained in Paragraph 574 include legal conclusions to which no responsive pleading is required.
- 513. The allegations contained in Paragraph 575 include legal conclusions to which no responsive pleading is required.
- 514. The allegations contained in Paragraph 576 include legal conclusions to which no responsive pleading is required.
- 515. Upon information and belief, Phillips admits the allegations of Paragraph 577.
- 516. The allegations contained in Paragraph 578 (a) include legal conclusions to which no responsive pleading is required. Phillips denies the allegations of Paragraph 578, (b)-(p).

517. The allegations contained in Paragraph 579 include legal conclusions to which no responsive pleading is required.

**XI. THE DEFENDANTS' CONTINUED BREACHES SINCE THE
ATTORNEY GENERAL'S COMPLAINT**

518. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 580.

A. Purported Remediation Has Been Inadequate

**i. Audit Committee Fails to Adequately Supervise the NRA's New
Auditors**

519. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 581.

520. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 582.

521. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 583.

522. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 584.

523. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 585.

524. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 586.

525. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 587.

526. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 588.

ii. The Process of Preparing the NRA 2019 990 Raises Concerns

527. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 589.
528. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 590.
529. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 591.
530. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 592.
531. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 593.
532. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 594.
533. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 595.
534. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 596.

iii. LaPierre Fires the (Now Former) Treasurer

535. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 597.
536. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 598.
537. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 599.

iv. The 2019 Form 990 Disclosure of Excess-Benefit Transactions

538. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 600.
539. The allegations contained in Paragraph 601 include legal conclusions to which no responsive pleading is required. Phillips denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 601.
540. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 602, including subparts i- vii.
541. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 603.
542. The allegations contained in Paragraph 604 include legal conclusions to which no responsive pleading is required. Phillips denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 604.

v. Ongoing Violations of NRA Policy and Procedures

543. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 605.
544. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 606.
545. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 607.
546. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 608.

547. Phillips denies the allegations of Paragraph 609 regarding any verbal approval purportedly given by Phillips. Phillips denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 609.
548. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 610.
549. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 611.
550. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 612.
551. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 613.
552. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 614.

B. The NRA Files for Bankruptcy to Evade the Attorney General's Regulatory Authority. A Bankruptcy Court Dismisses the Proceeding for Lack of Good Faith

553. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 615.
554. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 616.

i. The Special Litigation Committee

555. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 617.
556. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 618.

557. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 619.

558. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 620.

ii. LaPierre's 2021 Employment Agreement

559. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 621.

560. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 622.

561. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 623.

562. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 624.

C. The Board had Incomplete Information about the Bankruptcy When Presented with the 2021 Employment Agreement for Approval.

563. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 625.

564. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 626.

565. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 627.

566. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 628.

567. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 629.

568. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 630.

D. LaPierre Filed for Bankruptcy without Informing the Board or Consulting with his Staff

569. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 631.

570. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 632.

571. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 633.

572. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 634.

573. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 635.

574. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 636.

E. The NRA Admits it Filed for Bankruptcy to “Dumb New York” and Evade the Regulatory Authority of the New York Attorney General

575. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 637.

576. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 638.

577. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 639.

F. Following a Twelve-Day Trial, the NRA Bankruptcy is Dismissed for Lack of Good Faith

578. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 640.

579. The allegations of Paragraph 641 contain legal conclusions to which no responsive pleading is required.

580. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 642.

581. The allegations of Paragraph 643 contain legal conclusions to which no responsive pleading is required.

582. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 644.

583. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 645.

584. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 646.

FIRST CAUSE OF ACTION

Dissolution of the NRA – N-PCL §§ 112(a)(1), 112(a)(5), 1101(a)(2)
(Against Defendant NRA)

585. Regarding Paragraph 647, Phillips incorporates his responses to Paragraphs 1-646.

586. The allegations contained in Paragraph 648 include legal conclusions to which no responsive pleading is required.

587. The allegations contained in Paragraph 649 include legal conclusions to which no responsive pleading is required.
588. The allegations contained in Paragraph 650 include legal conclusions to which no responsive pleading is required.
589. The allegations contained in Paragraph 651 include legal conclusions to which no responsive pleading is required.
590. The allegations contained in Paragraph 652 include legal conclusions to which no responsive pleading is required.
591. The allegations contained in Paragraph 653 include legal conclusions to which no responsive pleading is required.
592. The allegations contained in Paragraph 654 include legal conclusions to which no responsive pleading is required.
593. The allegations contained in Paragraph 655 include legal conclusions to which no responsive pleading is required.
594. The allegations contained in Paragraph 656 include legal conclusions to which no responsive pleading is required.
595. The allegations contained in Paragraph 657 include legal conclusions to which no responsive pleading is required.
596. The allegations contained in Paragraph 658 include legal conclusions to which no responsive pleading is required.
597. The allegations contained in Paragraph 659 include legal conclusions to which no responsive pleading is required.

598. The allegations contained in Paragraph 660 include legal conclusions to which no responsive pleading is required.

599. The allegations contained in Paragraph 661 include legal conclusions to which no responsive pleading is required.

SECOND CAUSE OF ACTION
Dissolution of the NRA – N-PCL §§ 112(a)(7), 112(a)(2)(D)
(Against Defendant NRA)

600. Phillips incorporates responses to Paragraphs 1-661 in regards to Paragraph 662.

601. The allegations contained in Paragraph 663 include legal conclusions to which no responsive pleading is required.

602. The allegations contained in Paragraph 664 include legal conclusions to which no responsive pleading is required.

603. Phillips denies the allegations of Paragraph 665.

604. The allegations contained in Paragraph 666 include legal conclusions to which no responsive pleading is required.

THIRD CAUSE OF ACTION
For Breach of Fiduciary Duty Under N-PCL §§ 717 and 720 and Removal Under N-PCL
§§ 706(d) and 706(d) AND 714(c)
(Against Defendant LaPierre)

605. Phillips incorporates responses to Paragraphs 1-666 in regards to Paragraph 667.

606. Upon information and belief Phillips denies allegations contained in Paragraph 668

607. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 669.

608. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 670.

609. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 671.

FOURTH CAUSE OF ACTION
For Breach of Fiduciary Duty to the NRA Under N-PCL §§ 717 and 720 and
Removal Under N-PCL §§ 706(d) and 706(d) and 714(c)
(Against Defendant Frazer)

610. Phillips incorporates responses to Paragraphs 1-671 in regards to Paragraph 672.
611. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 673.
612. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 674.
613. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 675.
614. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 676.

FIFTH CAUSE OF ACTION
For Breach of Fiduciary Duty Under N-PCL §§ 717 and 720
(Against Defendant Phillips)

615. Phillips incorporates responses to Paragraphs 1-676 in regards to Paragraph 677.
616. Phillips denies the allegations of Paragraph 678.
617. Phillips denies the allegations of Paragraph 679.
618. Phillips denies the allegations of Paragraph 680.

SIXTH CAUSE OF ACTION
For Breach of Fiduciary Duty Under N-PCL §§ 717 and 720
(Against Defendant Powell)

619. Phillips incorporates responses to Paragraphs 1-680 in regards to Paragraph 681.

620. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 682.
621. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 683.
622. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 684.

SEVENTH CAUSE OF ACTION
For Breach of EPTL § 8-11.4
(Against Defendant LaPierre)

623. Phillips incorporates responses to Paragraphs 1-684 in regards to Paragraph 685.
624. The allegations contained in Paragraph 686 include legal conclusions to which no responsive pleading is required.
625. The allegations contained in Paragraph 687 include legal conclusions to which no responsive pleading is required.
626. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 688.

EIGHTH CAUSE OF ACTION
For Breach of EPTL § 8-11.4
(Against Defendant Frazer)

627. Phillips incorporates responses to Paragraphs 1-688 in regards to Paragraph 689.
628. The allegations contained in Paragraph 690 include legal conclusions to which no responsive pleading is required.
629. The allegations contained in Paragraph 691 include legal conclusions to which no responsive pleading is required.
630. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 692.

NINTH CAUSE OF ACTION
For Breach of EPTL § 8-11.4
(Against Defendant Phillips)

631. Phillips incorporates responses to Paragraphs 1-692 in regards to Paragraph 693.
632. The allegations contained in Paragraph 694 include legal conclusions to which no responsive pleading is required.
633. The allegations contained in Paragraph 695 include legal conclusions to which no responsive pleading is required.
634. Phillips denies the allegations of Paragraph 696.

TENTH CAUSE OF ACTION
For Breach of EPTL § 8-11.4
(Against Defendant Powell)

635. Phillips incorporates responses to Paragraphs 1-696 in regards to Paragraph 697.
636. The allegations contained in Paragraph 698 include legal conclusions to which no responsive pleading is required.
637. The allegations contained in Paragraph 699 include legal conclusions to which no responsive pleading is required.
638. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 700.

ELEVENTH CAUSE OF ACTION
Wrongful Related-Party Transactions – N-PCL § 112(a)(10), 715(f) and EPTL § 8-1.9(c)(4)
(Against Defendant LaPierre)

639. Phillips incorporates responses to Paragraphs 1-700 in regards to Paragraph 701.
640. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 702.
641. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 703.

642. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 704.

TWELFTH CAUSE OF ACTION
Wrongful Related-Party Transactions – N-PCL §§ 112(a)(10), 715(f)
and EPTL § 8-1.9(c)(4)
(Against Defendant Powell)

643. Phillips incorporates responses to Paragraphs 1-704 in regards to Paragraph 705.
644. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 706.
645. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 707.
646. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 708.

THIRTEENTH CAUSE OF ACTION
Wrongful Related-Party Transactions – N-PCL §§ 112(a)(10), 715(f)
and EPTL § 8-1.9(c)(4)
(Against Defendant Phillips)

647. Phillips incorporates responses to Paragraphs 1-708 in regards to Paragraph 709.
648. Phillips denies the allegations of Paragraph 710.
649. Phillips denies the allegations of Paragraph 711.
650. Phillips denies the allegations of Paragraph 712.

FOURTEENTH CAUSE OF ACTION
Wrongful Related-Party Transactions – N-PCL §§ 112(a)(10), 715(f)
and EPTL § 8-1.9(c)(4)
(Against Defendant NRA)

651. Phillips incorporates responses to Paragraphs 1-712 in regards to Paragraph 713.
652. The allegations contained in Paragraph 714 include legal conclusions to which no responsive pleading is required.

653. The allegations contained in Paragraph 715 include legal conclusions to which no responsive pleading is required.
654. The allegations contained in Paragraph 716 include legal conclusions to which no responsive pleading is required.
655. The allegations contained in Paragraph 717 include legal conclusions to which no responsive pleading is required.
656. The allegations contained in Paragraph 718 include legal conclusions to which no responsive pleading is required.
657. The allegations contained in Paragraph 719 include legal conclusions to which no responsive pleading is required.

FIFTEENTH CAUSE OF ACTION
Violation of the Whistleblower Protections of N-PCL § 715(b) and EPTL § 8-1.9
(Against Defendant NRA)

658. Phillips incorporates responses to Paragraphs 1-719 in regards to Paragraph 720.
659. The allegations contained in Paragraph 721 include legal conclusions to which no responsive pleading is required.
660. The allegations contained in Paragraph 722 include legal conclusions to which no responsive pleading is required.
661. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 723.
662. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 724.

SIXTEENTH CAUSE OF ACTION
For Breach of NYPMIFA, Article 5-A of the N-PCL
(Against Defendant NRA)

663. Phillips incorporates responses to Paragraphs 1-724 in regards to Paragraph 725.

664. The allegations contained in Paragraph 726 include legal conclusions to which no responsive pleading is required.
665. The allegations contained in Paragraph 727 include legal conclusions to which no responsive pleading is required.
666. The allegations contained in Paragraph 728 include legal conclusions to which no responsive pleading is required.
667. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 729.

SEVENTEENTH CAUSE OF ACTION
For False Filings Under Executive Law §§ 172-d(1) and 175(2)(d)
(Against Defendant NRA and Frazer)

668. Phillips incorporates responses to Paragraphs 1-729 in regards to Paragraph 730.
669. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 731.
670. The allegations contained in Paragraph 732 include legal conclusions to which no responsive pleading is required.

EIGHTEENTH CAUSE OF ACTION
For Unjust Enrichment Derivatively in Favor of the NRA
Under N-PCL § 623 and common law
(Against LaPierre, Phillips, Frazer and Powell)

671. Phillips incorporates responses to Paragraphs 1-732 in regards to Paragraph 733.
672. The allegations contained in Paragraph 734 include legal conclusions to which no responsive pleading is required.
673. The allegations contained in Paragraph 735 include legal conclusions to which no responsive pleading is required.

674. The allegations contained in Paragraph 736 include legal conclusions to which no responsive pleading is required.
675. The allegations contained in Paragraph 737 include legal conclusions to which no responsive pleading is required.
676. The allegations contained in Paragraph 738 include legal conclusions to which no responsive pleading is required.
677. The allegations contained in Paragraph 739 include legal conclusions to which no responsive pleading is required.
678. The allegations contained in Paragraph 740 include legal conclusions to which no responsive pleading is required.
679. The allegations contained in Paragraph 741 include legal conclusions to which no responsive pleading is required.
680. The allegations contained in Paragraph 742 include legal conclusions to which no responsive pleading is required.
681. The allegations contained in Paragraph 743 include legal conclusions to which no responsive pleading is required.
682. The allegations contained in Paragraph 744 include legal conclusions to which no responsive pleading is required.
683. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 745.
684. Phillips denies the allegations of Paragraph 746.
685. Phillips denies the allegations of Paragraph 747.
686. Phillips denies the allegations of Paragraph 748.

687. Phillips denies the allegations of Paragraph 749.
688. The allegations contained in Paragraph 750 include legal conclusions to which no responsive pleading is required.
689. Upon information and belief Phillips admits the allegations in Paragraph 751 have been made in the Complaint, but denies the allegations have merit as to him.
690. The allegations contained in Paragraph 752 include legal conclusion to which no responsive pleading is required.
691. Phillips denies the allegations of Paragraph 753
692. Regarding the Prayer for Relief, Phillips does not need to admit or deny because the prayers set out legal conclusions; however, Phillips denies the allegations and denies that Plaintiff is entitled to any of the prayed for relief against him.

FIRST AFFIRMATIVE DEFENSE

The Supplemental Complaint fails to state a claim against Defendant Phillips.

SECOND AFFIRMATIVE DEFENSE

Whatever injuries may have been sustained were caused in whole or in part, or were contributed to, by the culpable conduct and/or want of care on the part of an entity or individuals over whom Phillips had no control.

THIRD AFFIRMATIVE DEFENSE

The NRA, whom Plaintiff alleges sustained damages due to the actions of Defendant Phillips, failed to mitigate said damages.

FOURTH AFFIRMATIVE DEFENSE

The Court lacks jurisdiction over Defendant Phillips.

FIFTH AFFIRMATIVE DEFENSE

That the relative culpability of each party who is or may be liable for the damages alleged by the plaintiff in this action should be determined in accordance with the decisional and statutory law of the State of New York, and the equitable share of each party's liability for contribution should be determined and apportioned in accordance with the relative culpability, if any, of each such party pursuant to Article 14 of the CPLR.

WHEREFORE, Defendant Wilson Phillips demands judgment dismissing the Complaint and the First Amended Complaint against him with prejudice.

Dated: September 15, 2021
New York, New York

By: /s/ Seth Farber

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Counsel for Defendant Wilson Phillips

VERIFICATION

STATE OF TEXAS)

)

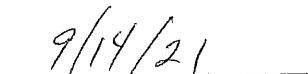
COUNTY OF DALLAS)

Wilson Phillips, being duly sworn, deposes and says:

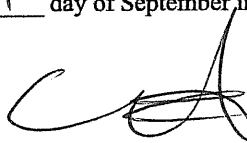
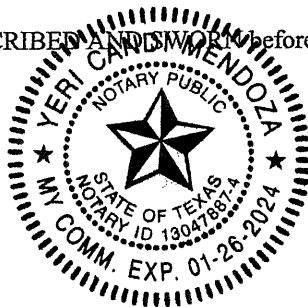
I am a named defendant in the above-captioned action. I have read the foregoing Answer to the Amended and Supplemental Complaint and know the contents thereof; that the same are true of my own knowledge, except as to matters therein stated to be alleged upon information and belief, and as to those matters, I believe them to be true.



Wilson Phillips



Date

SUBSCRIBED AND SWORN before me on this 14 day of September in 2021.

Notary Public in and for the State of Texas