

EXHIBIT 3

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

IN RE:) Case No. 21-30085-hdh11
) (Jointly Administered)
) Chapter 11
)
NATIONAL RIFLE ASSOCIATION) Courtroom 1
OF AMERICA AND SEA GIRT LLC,) 1100 Commerce Street
) Dallas, Texas 75242-1496
Debtors.)
) April 8, 2021
) 9:03 a.m.
) (MORNING SESSION)

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

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

* * *

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N/A

*The Court admitted through to the signature by the NRA of the agreement only

**The parties are to redact the private information, reiterated again by the Court on Page 83

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

3 I'm starting the morning off wrong, I don't have my
4 check-in sheet, so let's just do this the old fashion way.
5 I'll take appearances.

6 MR. GARMAN: Your Honor, Greg Garman appearing for
7 the debtors. The same crew from my team, and I understand that
8 Mr. Neligan will be joining me later this morning, and then
9 finally Kent Correll, Mr. LaPierre's personal attorney, is in
10 our trial room.

11 THE COURT: Welcome back.

12 MR. GRUBER: Judge, Mike Gruber and Brian Mason are
13 on the conference this morning.

14 THE COURT: Welcome back to you.

15 MR. GRUBER: Thank you.

16 MR. SHEEHAN: Your Honor, this is Jim Sheehan from
17 the Attorney General's Office in New York, and I'm accompanied
18 by Mr. Gerrit Pronske and the team that you saw yesterday.

19 THE COURT: Welcome to you.

20 MR. LAPIERRE: And, Your Honor, Wayne LaPierre. I'm
21 here on behalf of the NRA.

22 THE COURT: Welcome back.

23 MR. WATSON: Your Honor, Jermaine Watson of Bonds
24 Ellis Eppich Schafer Jones, along with Clay Taylor,
25 representing -- representing Phillip Journey and some other

1 Board members and a former Board member.

2 THE COURT: Welcome back, Mr. Watson.

3 MR. WATSON: Thank you, Judge.

4 THE COURT: Welcome.

5 MS. LAMBERT: Good morning, Judge Hale. This is Lisa
6 Lambert, I'm here on behalf of the United States Trustee. With
7 me is Liz Young, and Marc Salitore will be in and out. And Mr.
8 Bublick will be joining us later this afternoon when Ms. Young
9 has to leave.

10 THE COURT: Welcome back.

11 MR. DRAKE: Good morning, Your Honor. This is Scott
12 Drake, along with Lou Strubeck from Norton Rose Fulbright on
13 behalf of the Official Committee of Unsecured Creditors.

14 THE COURT: Welcome back to you.

15 MR. BUCHANAN: Your Honor, this is Thomas Buchanan,
16 I'm here on behalf of Christopher Cox.

17 THE COURT: Welcome back to you, Mr. Buchanan.

18 MR. BUCHANAN: Thank you, Your Honor; good morning.

19 THE COURT: Anyone else wish to make an appearance?

20 MS. JACKSON: Your Honor, this is Katherine Jackson.
21 I'm appearing on behalf of the District of Columbia Attorney
22 General.

23 THE COURT: Good morning.

24 MS. JACKSON: Good morning, Your Honor.

25 THE COURT: All right. Let me -- at least paraphrase

1 what I said at the end of the day yesterday about taping,
2 video, or images, and things like that. That's strictly
3 prohibited, and you cannot use those in any kind of broadcast.

4 I hope that that was clear yesterday. I was
5 disappointed to hear that that was going on yesterday
6 afternoon.

7 All right, I think we're at Mr. LaPierre's continued
8 examination. Is there anything that we need to talk about
9 before I swear him in again?

10 MR. PRONSKE: Your Honor --

11 UNIDENTIFIED ATTORNEY: No, Your Honor. I'm sorry,
12 Gerrit.

13 MR. PRONSKE: Your Honor, if I could, I just -- I
14 thought it might be helpful for the Court if we give you a
15 little bit of a -- kind of a preview of where we're going in
16 timing.

17 So we're obviously going to finish with Mr. LaPierre
18 today, and then to further try to streamline things, we are
19 going to -- instead of calling Sonya Rowling, we were going to
20 designate her deposition, and then we'll forego a direct
21 examination of her, and cross-examine her if they call her.

22 We are submitting Gayle Stanford's deposition by
23 submission, as I said yesterday, but we're have about a 20-
24 minute clip or highlight reel that we want to show, if there's
25 time this afternoon.

LaPierre - Direct/Sheehan

25

1 Q Did you tell Mr. Cox in 2017 that you had planned to fire
2 Mr. Powell?

3 A I think I may have told Mr. Cox that it may end up going
4 in that direction.

5 Q Mr. Cox -- you -- I'm sorry. You agreed to a contract
6 from Mr. Cox that provided for payment of over \$2 million over
7 a number of years after you resigned, is that correct?

8 A That contract was -- I agreed to it, it was negotiated by
9 Colonel North and the other officers.

10 MR. SHEEHAN: Your Honor, move to strike everything
11 after "I agreed to it."

12 THE COURT: Sustained.

13 MR. GARMAN: Your Honor, I would actually like to
14 revisit that one. The question was you agreed to a contract
15 from Mr. Cox. I believe the answer is simply -- was he signed
16 it, but explained someone else negotiated it. I believe it to
17 be responsive, but --

18 THE COURT: You'll have him on -- well, actually it's
19 cross or redirect, whichever you want. I'll stick with my
20 ruling.

21 MR. GARMAN: Yes, sir. Yes, sir.

22 BY MR. SHEEHAN:

23 Q The NRA stopped paying on the contract with Christopher
24 Cox after the first payment, correct?

25 A Correct.

LaPierre - Direct/Sheehan

26

1 Q And the NRA has been involved in an arbitration proceeding
2 with Mr. Cox since the fall of 2019, correct?

3 A That is correct.

4 Q And the NRA has spent over \$6 million to the Brewer firm
5 to litigate that contract, is that correct?

6 A That -- I'm not sure of the exact figure, but that -- we
7 have been paying the Brewer firm to litigate that.

8 Q Is six million about what you would expect?

9 A It's quite possible it's in that range.

10 Q And the NRA has also paid \$1.8 million in fees to Mr.
11 Cox's counsel, correct?

12 A Yes, I believe we have.

13 Q During the time that Mr. Cox was the head of ILA, did he
14 report to you at the NRA?

15 A He did.

16 Q Did you ever do a performance evaluation of Mr. Cox?

17 A I worked with Mr. Cox literally every week, so I'm -- a
18 performance evaluation was ongoing.

19 Q Did you ever do a written performance evaluation of his
20 services?

21 A I don't think I did.

22 Q Mr. Cox raised concerns with you about the cost of the
23 Ackerman contracts, correct?

24 A The cost of the Ackerman contracts?

25 Q Yes.

1 imagine collectively, we'll be less than 30 minutes.

2 THE COURT: Okay. Why don't we think in terms of
3 that being a 30-minute matter, and then I'm going to break, and
4 visit with law clerks, and come back, and hopefully can give
5 you a ruling within just a few minutes after that after we've
6 talked about it some more.

7 So we'll take that up at 1:15. If you're not
8 involved in that, you're certainly welcome to ring in and watch
9 us, but we won't get back to evidence with Mr. Gruber finishing
10 up his examination until, I would think, you know, getting
11 close to 2 o'clock probably.

12 Mr. LaPierre, during the break, you're not to speak
13 to anyone about your testimony, do you understand that?

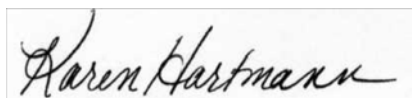
14 MR. LAPIERRE: Yes, Your Honor.

15 THE COURT: Okay. We'll be in recess until 1:15
16 central time.

17 (Whereupon, the morning session recessed at 12:02 p.m.)
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CERTIFICATE OF TRANSCRIBER

I, KAREN HARTMANN, a certified Electronic Court Transcriber, certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.



Karen Hartmann, AAERT CET 475 Date: April 8, 2021
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