

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
Second 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”), Plaintiff’s Amended and Supplemental Verified Complaint (“Supplemental Complaint”), and Plaintiff’s Second Amended Verified Complaint (“Second 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 – 56)

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 57 –60, 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 61.

II. THE NRA’S INTERNAL STRUCTURE AND GOVERNANCE

A. The NRA’s Organizational Structure

9. The allegations of Paragraphs 62 and 63 are admitted.

B. The NRA’s Bylaws

10. The allegations of Paragraph 64 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 65, 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 66 contain legal conclusions to which no responsive pleading is required. Additionally, Paragraph 66 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 67 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 68.
15. Phillips admits the allegations of Paragraph 69.
16. Phillips admits the allegations of Paragraph 70.

a. Executive Vice President

17. Phillips admits the allegations of Paragraph 71.
18. Phillips admits the allegations of Paragraph 72.
19. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 73.
20. Phillips admits the allegations of Paragraph 74.
21. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 75.

b. President

22. The allegations contained in Paragraph 76 include legal conclusions to which no responsive pleading is required.
23. Phillips admits the allegations of Paragraph 77.
24. Upon information and belief, Phillips admits the allegations of Paragraph 78.

c. Vice Presidents

25. Phillips admits the allegations of Paragraph 79.

d. Treasurer/Secretary/Executive Directors

26. Phillips admits the allegations of Paragraph 80.
27. Phillips admits the allegations of Paragraph 81.

28. Phillips admits the allegations of Paragraph 82.
29. Phillips admits the allegations of Paragraph 83.
30. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 84.

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 85.

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 86.

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 87.
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 88.

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 89-90.

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 91-97. Further, Paragraph 91 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 98 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 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.
39. 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.

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 101 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 102 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 103 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 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.
44. The allegations of Paragraph 105 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 106.

ii. Employment Policies

46. The allegations of Paragraph 107 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 108.

iii. Independent Contractors

48. The allegations of Paragraph 109 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 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.
50. 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.
51. 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.
52. 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.
53. 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.
54. 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.

v. Statement of Corporate Ethics

55. The allegations of Paragraph 116 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 117 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 118 include legal conclusions to which no responsive pleading is required.

vi. Purchasing Policy

58. The allegations of Paragraph 119 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 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.
60. 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.
61. The allegations contained in Paragraph 122 include legal conclusions to which no responsive pleading is required.
62. The allegations of Paragraph 123 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 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.

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

64. The allegations of Paragraph 125 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 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.
66. 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.
67. The allegations of Paragraph 128 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 129 include legal conclusions to which no responsive pleading is required.

viii. Conflict of Interest and Related Party Transaction Policy

69. The allegations of Paragraph 130 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 131 include legal conclusions to which no responsive pleading is required.

71. The allegations of Paragraph 132 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 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.
73. 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.
74. 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.

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 136 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 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.
77. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 138.

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 139.
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 140.
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 141.
81. Phillips denies the allegations of Paragraph 142.

A. LaPierre's Improper Spending and Expensing

82. Phillips denies the allegations of Paragraph 143.
83. Phillips denies the allegations of Paragraph 144.
84. Phillips denies the allegations of Paragraph 145.

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 146.
86. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 147.
87. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 148.
88. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 159.

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

100. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 161.
101. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 162.
102. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 163.
103. The allegations contained in Paragraph 164 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 165.
105. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 166.
106. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 167.
107. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 168.
108. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 169.
109. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 170.
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 171.

- 111. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 172.
- 112. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 173.
- 113. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 174.
- 114. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 175.
- 115. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 176.
- 116. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 177.
- 117. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 178.
- 118. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 179.
- 119. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 180.

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 181.
- 121. The allegations of Paragraph 182 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 183.
123. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 184.
124. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 185.
125. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 186.
126. Phillips denies the allegations of Paragraph 187.
127. Phillips denies the allegations of Paragraph 188.
128. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 189.
129. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 190.
130. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 191.
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 192.
132. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 193.
133. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 194.

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

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 198.
- 138. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 199.
- 139. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 200.
- 140. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 201.
- 141. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 202.
- 142. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 203. 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 204.

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

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 209.
- 149. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 210.
- 150. Phillips admits the allegations of Paragraph 211 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 212.
- 152. Phillips denies the allegations of Paragraph 213.
- 153. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 214.
- 154. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 215.

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 216.
156. The allegations contained in Paragraph 217 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 218.
158. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 219.
159. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 220.
160. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 221.
161. Upon information and belief, Phillips admits the allegations of Paragraph 222.
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 223.
163. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 224.
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 225.
165. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 226

166. Phillips admits the allegations of Paragraph 227, 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 228.

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 229.
169. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 230, 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 231.
171. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 232.
172. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 233.

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 234.
174. Phillips denies that there was a “potential conflict of interest,” but admits the other allegations of Paragraph 235.

175. Phillips denies the allegations of Paragraph 236.
176. The allegations of Paragraph 237 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 238.
178. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 239.
179. Phillips denies the first sentence of Paragraph 240, 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 241.
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 242.
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 243.

iii. Phillips's Consulting Agreement

183. Phillips admits the first sentence of Paragraph 244. 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 245.
185. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 246.
186. Phillips denies the allegations of Paragraph 247.
187. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 248.
188. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 249.
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 250.

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 251.
191. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 252.
192. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 253.
193. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 254.

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

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 256.
196. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 257.
197. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 258.
198. Phillips admits the allegations of Paragraph 259.

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 260.
200. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 261.
201. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 262.
202. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 263.
203. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 264.
204. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 265.

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

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

206. Phillips admits the allegations of Paragraph 267.
207. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 268.
208. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 269.
209. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 270.
210. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 271.
211. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 272.

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 273.
213. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 274.
214. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 275.
215. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 276.

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

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 280.

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 281.
- 221. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 282.
- 222. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 283.
- 223. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 284.

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

- 224. Phillips admits the allegations of Paragraph 285 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 286.

- 226. Upon information and belief, Phillips admits the allegations of Paragraph 287.
- 227. Upon information and belief, Phillips admits the allegations of Paragraph 288.
- 228. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 289.
- 229. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 290.
- 230. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 291.

i. Failure to Comply with Relevant Governance Requirements

- 231. The allegations contained in Paragraph 292 include legal conclusions to which no responsive pleading is required.
- 232. The allegations contained in Paragraph 293 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 294.
- 234. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 295.

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 296.
- 236. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 297.

237. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 298.
238. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 299.
239. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 300.
240. Phillips denies the allegations of Paragraph 301.
241. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 302.
242. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 303.
243. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 304.
244. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 305.
245. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 306.
246. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 307.
247. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 308.
248. The allegations contained in Paragraph 309 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 310.
250. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 311.

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 312.

A. Ackerman McQueen and Mercury Group**i. The NRA's Decades-Long Relationship with Ackerman**

252. Phillips admits the allegations of Paragraph 313.
253. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 314.
254. Phillips denies the allegations of Paragraph 315.
255. Phillips admits the allegations of Paragraph 316 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 317.
257. Upon information and belief, Phillips admits the allegations of Paragraph 318.

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

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

259. The allegations of Paragraph 320 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 321.
261. Phillips admits the allegations of Paragraph 322.
262. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 323.
263. Phillips denies the first and third sentences of Paragraph 324, 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 325.
265. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 326.
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 327. 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 328.
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 329.

269. The allegations contained in Paragraph 330 include legal conclusions to which no responsive pleading is required.
270. Phillips denies the allegations of Paragraph 331.
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 332.
272. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 333.
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 334.
274. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 335.
275. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 336.
276. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 337.
277. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 338.
278. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 339.
279. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 340.

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

280. Phillips denies the allegations of Paragraph 341, except he admits that he was generally aware of the process.
281. Phillips denies the allegations of Paragraph 342.

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

282. Upon information and belief, Phillips admits the allegations of Paragraph 343.
283. Phillips admits the allegations of Paragraph 344, 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 345.
285. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 346.
286. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 347.
287. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 348.

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 349
289. Phillips denies the allegations of Paragraph 350.

290. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 351.
291. The allegations of Paragraph 352 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 352.
292. Phillips denies the allegations of Paragraph 353.

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 354.

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 355.
295. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 356.
296. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 357.
297. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 358.
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 359.

299. The allegations of Paragraph 360 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 361.

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 362. Additionally, Phillips directs the Court to the referenced agreement for a true and accurate statement of its contents as stated in Paragraph 362.

302. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 363.

303. The allegations of Paragraph 364 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 364.

304. Paragraph 365 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 366 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 367.
- 307. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 368.
- 308. Phillips denies the allegations of Paragraph 369.
- 309. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 370.
- 310. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 371.

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 372.
- 312. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 373.
- 313. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 374.
- 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 375.
- 315. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 376.

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

C. Related Party Transactions with Board Members

- 320. The allegations contained in Paragraph 381 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 382.
- 322. Upon information and belief, Phillips admits the allegations of Paragraph 383.
- 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 384. Additionally, Phillips directs the Court to the referenced agreement for a true and accurate statement of its contents as stated in Paragraph 384.
- 324. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 385.
- 325. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 386.

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

ii. Board Member No. 2

- 330. Upon information and belief, Phillips admits the allegations of Paragraph 391, 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 392. Additionally, Phillips directs the Court to the referenced agreement for a true and accurate statement of its contents as stated in Paragraph 392.
- 332. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 393.
- 333. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 394.
- 334. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 395.

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

iii. Board Member No. 3

336. Phillips admits the allegations of Paragraph 397.
337. Upon information and belief, Phillips admits the allegations of Paragraph 398.
338. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 399.
339. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 400.
340. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 401.

iv. Board Member No. 4

341. Phillips admits the allegations of Paragraph 402.
342. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 403.
343. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 404.
344. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 405.
345. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 406.
346. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 407.

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

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 409.
349. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 410.
350. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 411.

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 412 include legal conclusions to which no responsive pleading is required.
352. The allegations contained in Paragraph 413 include legal conclusions to which no responsive pleading is required.
353. The allegations contained in Paragraph 414 include legal conclusions to which no responsive pleading is required.
354. The allegations of Paragraph 415 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 416.
356. Phillips denies the allegations in Paragraph 417.

357. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 418.
358. Phillips admits the allegations in Paragraph 419, but denies that there was anything improper about his conduct described in Paragraph 419.
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 420.
360. Phillips denies knowledge or information sufficient to admit or deny the allegations of Paragraph 421, 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 422.
362. Phillips denies the allegations of Paragraph 423.
363. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 424.
364. The allegations contained in Paragraph 425 include legal conclusions to which no responsive pleading is required.
365. Phillips denies the allegations of Paragraph 426.
366. Phillips denies the allegations of Paragraph 427.
367. Phillips denies the allegations of Paragraph 428.

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 429.
369. The allegations contained in Paragraph 430 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 431.
371. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 432.
372. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 433.
373. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 434.
374. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 435, 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 436.
376. Phillips admits he signed the letter referenced in Paragraph 437, 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 437.

377. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 438.
378. As to Paragraph 439, 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 439.
379. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 440.
380. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 441.
381. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 442.
382. Phillips admits the allegation in Paragraph 443 of having an NRA-issued credit card but Phillips denies the rest of the allegations of Paragraph 443
383. Phillips denies the allegations of Paragraph 444.

C. LaPierre Failed to Properly Determine Powell's Compensation

384. Phillips admits the allegations of Paragraph 445.
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 446.
386. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 447.

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

399. Phillips denies the allegations of Paragraph 460.

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 461.

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

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

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

404. Upon information and belief, Phillips admits the allegations of Paragraph 465, 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 466.

406. Phillips denies the allegations of Paragraph 467.

407. Upon information and belief, Phillips admits the allegations of Paragraph 468.

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 469.

409. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 470.
410. Upon information and belief, Phillips admits the allegations of Paragraph 471.
411. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 472.
412. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 473.
413. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 474.
414. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 475.
415. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 476.
416. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 477.
417. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 478.
418. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 479.

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 480.
420. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 481.

- 421. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 482.
- 422. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 483.
- 423. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 484, 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 485.
- 425. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 486.
- 426. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 487.
- 427. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 488.

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 489.
- 429. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 490.
- 430. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 491.
- 431. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 492.

432. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 493.

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

433. Phillips denies the allegations of Paragraph 494.
434. The allegations contained in Paragraph 495 include legal conclusions to which no responsive pleading is required.
435. The allegations of Paragraph 496 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 497.
437. Phillips denies the allegations of Paragraph 498.
438. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 499.
439. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 500.
440. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 501.

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

441. The allegations contained in Paragraph 502 include legal conclusions to which no responsive pleading is required.
442. The allegations of Paragraph 503 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 504.
- 444. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 505.
- 445. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 506.
- 446. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 507.
- 447. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 508.
- 448. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 509.
- 449. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 510.
- 450. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 511.
- 451. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 512.
- 452. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 513.
- 453. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 514.

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

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 516.

456. The allegations contained in Paragraph 517 include legal conclusions to which no responsive pleading is required. Additionally, the allegations of Paragraph 517 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 518 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 519.

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

460. The allegations contained in Paragraph 521 include legal conclusions to which no responsive pleading is required.

461. Phillips denies the allegations of Paragraph 522.

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

- 463. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 524.
- 464. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 525.
- 465. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 526.
- 466. The allegations contained in Paragraph 527 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 528.
- 468. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 529.
- 469. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 530.
- 470. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 531.
- 471. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 532.
- 472. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 533, 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 534.

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

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 535.
476. The allegations of Paragraph 537 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 538 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 539.
479. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 540.
480. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 541.
481. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 542.
482. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 543.
483. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 544.
484. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 545.

- 485. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 546.
- 486. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 547.
- 487. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 548.
- 488. The allegations contained in Paragraph 549 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 550.
- 490. Phillips denies sufficient knowledge or information to form a belief as to the truth of the allegations contained in Paragraph 551.

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

- 491. Phillips denies the allegations of Paragraph 552.
- 492. Phillips denies the allegations of Paragraph 553.
- 493. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 554.
- 494. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 555.
- 495. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 556.

- 496. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 557.
- 497. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 558.
- 498. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 559.
- 499. The allegations contained in Paragraph 560 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 561.

IX. THE NRA'S FALSE REGULATORY FILINGS

- 501. The allegations contained in Paragraph 562 include legal conclusions to which no responsive pleading is required.
- 502. The allegations contained in Paragraph 563 include legal conclusions to which no responsive pleading is required.
- 503. Regarding Paragraph 564, 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 565.
- 505. Phillips denies the allegations of Paragraph 566.
- 506. Phillips denies that he made any false or misleading statements or omissions as alleged in Paragraph 567 and refers the Court to the forms cited in that 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 567 and all of its subparts.

X. THE DEFENDANTS' CONTINUED BREACHES SINCE THE ATTORNEY GENERAL'S COMPLAINT

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

A. Purported Remediation Has Been Inadequate

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

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

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

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

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

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

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

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

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

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

- 526. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 577.
- 527. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 578.
- 528. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 579.
- 529. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 580.
- 530. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 581.
- 531. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 582.
- 532. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 583.
- 533. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 584.

iii. LaPierre Fires the (Now Former) Treasurer

- 534. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 585.
- 535. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 586.
- 536. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 587.

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

537. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 588.
538. The allegations contained in Paragraph 589 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 589.
539. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 590, including subparts i- vii.
540. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 591.
541. The allegations contained in Paragraph 592 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 592.

v. Ongoing Violations of NRA Policy and Procedures

542. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 593.
543. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 594.
544. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 595.
545. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 596.

546. Phillips denies the allegations of Paragraph 597 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 597.
547. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 598.
548. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 599.
549. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 600.
550. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 601.
551. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 602.

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

552. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 603.
553. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 604.

i. The Special Litigation Committee

554. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 605.
555. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 606.

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

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

ii. LaPierre's 2021 Employment Agreement

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

559. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 610.

560. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 611.

561. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 612.

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

562. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 613.

563. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 614.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

578. The allegations of Paragraph 629 contain legal conclusions to which no responsive pleading is required.

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

580. The allegations of Paragraph 631 contain legal conclusions to which no responsive pleading is required.

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

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

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

CAUSES OF ACTION

**FIRST CAUSE OF ACTION
For Breach of EPTL 8-1.4
(Against Defendant NRA)**

584. Regarding Paragraph 635, Phillips incorporates his responses to Paragraphs 1-634.

585. The allegations contained in Paragraph 636 include legal conclusions to which no responsive pleading is required.

586. The allegations contained in Paragraph 637 include legal conclusions to which no responsive pleading is required.
587. The allegations contained in Paragraph 638 include legal conclusions to which no responsive pleading is required.
588. The allegations contained in Paragraph 639 include legal conclusions to which no responsive pleading is required.
589. The allegations contained in Paragraph 640 include legal conclusions to which no responsive pleading is required.
590. The allegations contained in Paragraph 641 include legal conclusions to which no responsive pleading is required.
591. The allegations contained in Paragraph 642 include legal conclusions to which no responsive pleading is required.
592. The allegations contained in Paragraph 643 include legal conclusions to which no responsive pleading is required.

SECOND 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)

593. Phillips incorporates responses to Paragraphs 1-643 in regard to Paragraph 644.
594. Upon information and belief Phillips denies allegations contained in Paragraph 645.
595. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 646.
596. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 647.

609. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 648.

THIRD 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 1-648 in regard to Paragraph 649.
611. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 650.
612. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 651.
613. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 652.
614. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 653.

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

615. Phillips incorporates responses to Paragraphs 1-653 in regard to Paragraph 654.
616. Phillips denies the allegations of Paragraph 655.
617. Phillips denies the allegations of Paragraph 656.
618. Phillips denies the allegations of Paragraph 657.

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

619. Phillips incorporates responses to Paragraphs 1-657 in regard to Paragraph 658.

620. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 659.
621. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 660.
622. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 661.

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

623. Phillips incorporates responses to Paragraphs 1-661 in regard to Paragraph 662.
624. The allegations contained in Paragraph 663 include legal conclusions to which no responsive pleading is required.
625. The allegations contained in Paragraph 664 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 665.

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

627. Phillips incorporates responses to Paragraphs 1-665 in regard to Paragraph 666.
628. The allegations contained in Paragraph 667 include legal conclusions to which no responsive pleading is required.
629. The allegations contained in Paragraph 668 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 669.

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

631. Phillips incorporates responses to Paragraphs 1-669 in regard to Paragraph 670.
632. The allegations contained in Paragraph 671 include legal conclusions to which no responsive pleading is required.
633. The allegations contained in Paragraph 672 include legal conclusions to which no responsive pleading is required.
634. Phillips denies the allegations of Paragraph 673.

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

635. Phillips incorporates responses to Paragraphs 1-673 in regard to Paragraph 674.
636. The allegations contained in Paragraph 675 include legal conclusions to which no responsive pleading is required.
637. The allegations contained in Paragraph 676 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 677.

TENTH 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 1-677 in regard to Paragraph 678.

640. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 679.
641. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 680.
642. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 681.

ELEVENTH 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 1-681 in regard to Paragraph 682.
644. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 683.
645. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 684.
646. Phillips denies knowledge of information sufficient to form a belief as to the truth of the allegations contained in Paragraph 685.

TWELFTH 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 1-685 in regard to Paragraph 686.
648. Phillips denies the allegations of Paragraph 687.
649. Phillips denies the allegations of Paragraph 688.
650. Phillips denies the allegations of Paragraph 689.

THIRTEENTH 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 1-689 in regard to Paragraph 690.
- 652. The allegations contained in Paragraph 691 include legal conclusions to which no responsive pleading is required.
- 653. The allegations contained in Paragraph 692 include legal conclusions to which no responsive pleading is required.
- 654. The allegations contained in Paragraph 693 include legal conclusions to which no responsive pleading is required.
- 655. The allegations contained in Paragraph 694 include legal conclusions to which no responsive pleading is required.
- 656. The allegations contained in Paragraph 695 include legal conclusions to which no responsive pleading is required.
- 657. The allegations contained in Paragraph 696 include legal conclusions to which no responsive pleading is required.

FOURTEENTH 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 1-696 in regard to Paragraph 697.
- 659. The allegations contained in Paragraph 698 include legal conclusions to which no responsive pleading is required.
- 660. The allegations contained in Paragraph 699 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 700.

662. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 701.

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

663. Phillips incorporates responses to Paragraphs 1-701 in regard to Paragraph 702.
664. Phillips denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 703.
665. The allegations contained in Paragraph 704 include legal conclusions to which no responsive pleading is required.
666. 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.

AFFIRMATIVE DEFENSES

Without admission that he carries the burden of proof as to any of the following, Phillips asserts the following defenses (which, for convenience only, are all labeled “affirmative defenses”) without waiver of other applicable defenses not included herein, which Phillips reserves the right to assert after they become known to him:

FIRST AFFIRMATIVE DEFENSE

The Complaint fails to state a claim against Phillips.

SECOND AFFIRMATIVE DEFENSE

Whatever damages 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 Phillips, failed to mitigate said damages.

FOURTH AFFIRMATIVE DEFENSE

The Court lacks jurisdiction over 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.

SIXTH AFFIRMATIVE DEFENSE

The Court lacks subject matter jurisdiction over some or all of the causes of action.

SEVENTH AFFIRMATIVE DEFENSE

The Complaint violates CPLR 3014 which mandates that a pleading be limited to plain and concise statements and that its paragraphs "shall contain, as far as practicable, a single allegation."

EIGHTH AFFIRMATIVE DEFENSE

Plaintiff's claims and related requests for remedial action and other relief against Phillips are barred, in whole or in part, by the doctrines of estoppel, waiver, and laches.

NINTH AFFIRMATIVE DEFENSE

Plaintiff's claims and related requests for remedial action and other relief against Phillips are barred, in whole or in part, by Plaintiff's unclean hands.

TENTH AFFIRMATIVE DEFENSE

Under New York law, Phillips “shall have no liability” under Plaintiff’s claims because, at all times, as an officer of the corporation, he discharged his responsibilities in good faith and with that degree of diligence, care, and skill which ordinarily prudent persons in a similar position would exercise in like circumstances performed his responsibilities within the scope of appropriate business judgment and deserving of the protections of the business judgment rule.

ELEVENTH AFFIRMATIVE DEFENSE

Plaintiff’s claims against Phillips exceed the bounds of the Attorney General’s authority by asserting against Phillips non-statutory claims which are devoid of any fault-based elements in a manner inconsistent with the N-PCL’s statutory scheme.

TWELFTH AFFIRMATIVE DEFENSE

Each of Plaintiff’s statutory claims must fail against Phillips because they do not allege that he acted with the fault necessary to satisfy the fault-based scheme codified by the New York Legislature.

THIRTEENTH AFFIRMATIVE DEFENSE

Plaintiff’s claims and related requests for remedial action – which include imposing on Phillips a permanent bar preventing him from serving as an officer, director, or trustee of any not-for-profit or charitable organization authorized to conduct business or solicit charitable donations in the State of New York – are not authorized by the laws of the State of New York.

FOURTEENTH AFFIRMATIVE DEFENSE

Plaintiff’s claims against Phillips for return of compensation paid to him violate the statutory authority granted to it which does not imbue the Attorney General with the power to avoid contracts or transactions between the corporation and its officers and directors.

FIFTEENTH AFFIRMATIVE DEFENSE

Plaintiff's attempt to bring a derivative action on behalf of the NRA against Phillips cannot be sustained due to its failure adequately to allege the futility of making a demand upon the NRA Board of Directors, especially in view of the lack of a single allegation of demand futility expressly connected to Phillips, who is a former officer and employee of the NRA.

SIXTEENTH AFFIRMATIVE DEFENSE

The Complaint seeks an injunction and other equitable relief from Phillips on the basis of conduct of others over whom Phillips had no control and for whose actions Phillips is not liable.

SEVENTEENTH AFFIRMATIVE DEFENSE

The damages suffered by Plaintiff, or any third parties, were proximately caused by intervening and superseding actions and occurrences including, but not limited to, actions of persons, entities, and/or forces over which Phillips exerted no control and for which Phillips has no responsibility.

EIGHTEENTH AFFIRMATIVE DEFENSE

Any recovery by Plaintiff against Phillips must be set-off or reduced, abated, or apportioned to the extent that any other intervening or superseding action or occurrence caused or contributed to damages awarded to Plaintiff.

NINETEENTH AFFIRMATIVE DEFENSE

Plaintiff's claims and related requests for remedial action and other relief against Phillips are barred to the extent acts or omissions of third parties caused the alleged injury and damages complained of in this lawsuit.

TWENTIETH AFFIRMATIVE DEFENSE

Plaintiff's claims and related requests for remedial action and other relief against Phillips are barred, in whole or in part, by the applicable statute of limitations and other statutory time limitations.

TWENTY-FIRST AFFIRMATIVE DEFENSE

Plaintiff's claims and related requests for remedial action and other relief against Phillips must fail, in whole or in part, because Phillips did not make any false or misleading statement of material fact or omit any material fact when he had a duty to speak and is not responsible in law or in fact for any alleged false or misleading statement or omission of material fact made by others.

TWENTY-SECOND AFFIRMATIVE DEFENSE

Plaintiff's claims and related requests for remedial action and other relief against Phillips are unwarranted and moot because Phillips acted at all times in good faith and because there is no substantial likelihood that Phillips will violate the statutes, rules, or provisions specified in the Complaint's claims for relief.

TWENTY-THIRD AFFIRMATIVE DEFENSE

Plaintiff's claims and related requests for remedial action and other relief against Phillips violate the United States Constitution to the extent they seek to bar Phillips permanently from serving as an officer, director, or trustee of any not-for-profit or charitable organization authorized to conduct business or solicit charitable donations in the State of New York, as such relief presents an unlawful infringement and restraint on interstate commerce in violation of the Commerce Clause.

TWENTY-FOURTH AFFIRMATIVE DEFENSE

Plaintiff's claim for unjust enrichment against Phillips must fail because, among other reasons, he did not receive any "excess benefit" from participation in an "excess benefit transaction" as set forth under Internal Revenue Code Section 4958.

TWENTY-FIFTH AFFIRMATIVE DEFENSE

Plaintiff's causes of action and related requests for remedial action and other relief against Phillips are barred, in whole or in part, by the First Amendment to the United States Constitution, which requires that state regulation of not-for-profit corporations engaged in protected speech be conducted in the least intrusive manner possible and the relief sought against Phillips in this action trespasses upon fundamental freedoms protected by the due process clause of the Fourteenth Amendment since the effect of removal and a lifetime nationwide ban on service to any not-for-profit corporation that conducts any activities in New York or solicits members or funds in New York would be to abridge his right to engage in lawful association with others in support of their common beliefs, and would have the effect of chilling freedom of speech and assembly and curtailing his freedom to associate and freedom to speak freely on Second Amendment issues and other issues of public concern.

TWENTY-SIXTH AFFIRMATIVE DEFENSE

Phillips has no liability for any of Plaintiff's claims of violations of EPTL § 8-1.9(c)(4) because each challenged transaction was fair, reasonable and in the best interest of the NRA at the time the NRA approved it.

TWENTY-SEVENTH AFFIRMATIVE DEFENSE

Phillips has no liability for any of Plaintiff's claims of violations of EPTL § 8-1.9(c)(4) or N-PCL § 715(f) because each challenged transaction that was not approved in accordance with either (i) subparagraph one or two of EPTL § 8-1.9(c) or (ii) paragraphs (a) or (b) of N-PCL § 715

at the time that it was entered into (i) was fair, reasonable and in the best interest of the NRA at the time the NRA approved it and (ii) was subsequently ratified, documented, and subjected to appropriate procedures, in accordance with EPTL § 8-1.9(c)(8) and N-PCL § 715(j).

TWENTY-EIGHTH AFFIRMATIVE DEFENSE

Pursuant to N-PCL § 717(b), Phillips has no liability for any actions as an officer or director of the NRA because he acted in good faith at all times in discharging his duties and appropriately relied on information, opinions, reports or statements prepared or presented in accordance with the requirements of N-PCL § 717(b).

TWENTY-NINTH AFFIRMATIVE DEFENSE

Phillips adopts and incorporates by reference herein as if made by him any affirmative defense articulated by any other defendant in this action not included here, and Phillips reserves his right to amend this answer and/or to add any additional affirmative and/or other defenses for which a sufficient basis may be determined at a latter point in these proceedings

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

Dated: June 6, 2022
New York, New York

By: /s/ Seth Farber
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Counsel for Defendant Wilson Phillips

VERIFICATION

STATE OF TEXAS)

)

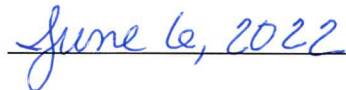
COUNTY OF DALLS^{apt})

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 Second Amended and Supplemental Verified 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 6 day of June in 202²_{pt}Notary Public in and for the
State of Texas