

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): October 6, 2016

READING INTERNATIONAL, INC.

(Exact Name of Registrant as Specified in its Charter)

<u>Nevada</u> (State or Other Jurisdiction of Incorporation)	<u>1-8625</u> (Commission File Number)	<u>95-3885184</u> (IRS Employer Identification No.)
<u>6100 Center Drive, Suite 900, Los Angeles, California</u> (Address of Principal Executive Offices)		<u>90045</u> (Zip Code)

Registrant's telephone number, including area code: **(213) 235-2240**

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events.

Reading International, Inc. (“Reading” or the “Company”), through its press release dated October 26, 2016, announced today that final judgment was entered on October 20, 2016 by the District Court, Clark County, Nevada dismissing with prejudice all claims against the Company’s directors contained in the previously filed derivative lawsuit brought by plaintiff stockholders consisting of funds managed by Messrs. Whitney Tilson and Jonathan M. Glaser. The derivative lawsuit was previously filed in the District Court, Clark County, Nevada under the caption T2 Accredited Fund, LP, a Delaware limited partnership, doing business as Kase Fund; T2 Qualified Fund, LP, a Delaware limited partnership, doing business as Kase Qualified Fund; Tilson Offshore Fund, Ltd, a Cayman Islands exempted company; T2 Partners Management I, LLC, a Delaware limited liability company, doing business as Kase Management; T2 Partners Management Group, LLC, a Delaware limited liability company, doing business as Kase Group; JMG Capital Management, LLC, a Delaware limited liability company; and Pacific Capital Management, LLC, a Delaware limited liability company (collectively the “T2 Derivative Plaintiffs”), derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, Ellen M. Cotter, Guy Adams, Edward Kane, Douglas McEachern, William Gould, Judy Coddling, Michael Wrotniak and Craig Tompkins and Does 1 through 100, inclusive, as defendants, and, Reading International, Inc., a Nevada corporation, as Nominal Defendant. The Nevada District Court’s order provided that all parties were responsible for their own attorneys’ fees and costs. The parties modified the terms of the Settlement Agreement and Release of Claims previously filed by the Company in its Form 8-K filed with the Securities and Exchange Commission on July 13, 2016, to address concerns expressed by the Nevada District Court as to the scope and extent of certain releases.

Item 9.01 Financial Statements and Exhibits.

- 99.1 Press release issued by Reading International, Inc. on October 26, 2016, entitled [“Reading International Dismissal of Derivative Claims”].
 - 99.2 Order Granting Settlement with T2 Plaintiffs and Final Judgment dated October 20, 2016.
 - 99.3 Settlement Agreement and Release of Claims dated October 6, 2016.
-

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

READING INTERNATIONAL, INC.

Date: October 26, 2016

By: /s/ Devasis Ghose
Name: Devasis Ghose
Title: Chief Financial Officer

Reading International Announces Final Judgment Dismissal of Derivative Lawsuit With Prejudice

Los Angeles, California – (BUSINESS WIRE) - October 26, 2016 - Reading International, Inc. (NASDAQ: RDI) announced today that the District Court of the State of Nevada entered its Final Judgment on October 20, 2016, dismissing with prejudice all claims against our Company's directors (the "Derivative Claims") contained in the derivative lawsuit brought by various funds managed by Messrs. Whitney Tilson and Jonathan M. Glaser (the "Plaintiff Stockholders"). The parties modified the terms of the Settlement Agreement and Release of Claims previously filed by the Company in its Form 8-K filed with the Securities and Exchange Commission on July 13, 2016, to address concerns expressed by the District Court as to the scope and extent of certain releases. As modified, the District Court found the settlement agreement to be "fair, reasonable, adequate and in the best interest of stockholders." The Court's Order provided that all parties will be responsible for their own legal fees and expenses. No compensation was paid to the Plaintiff Stockholders in connection with the settlement.

Ellen Cotter, Chair, President and Chief Executive Officer, commented, "We are pleased to have resolved this matter. We remain focused on driving long-term value for all Reading stockholders and appreciate the support of stockholders like Messrs. Glaser and Tilson as we pursue this important objective."

As reported in our July 13, 2016 press release, Messrs. Glaser and Tilson advised our Company in connection with the settlement of their Derivative Claims: "We are pleased with the conclusions reached by our investigations as Plaintiff Stockholders and now firmly believe that the Reading Board of Directors has and will continue to protect stockholder interests and will continue to work to maximize shareholder value over the long term. We appreciate the Company's willingness to engage in open dialogue and are excited about the Company's prospects. Our questions about the termination of James Cotter, Jr., and various transactions between Reading and members of the Cotter family - or entities they control - have been definitively addressed and put to rest. We are impressed by measures the Reading Board has made over the past year to further strengthen corporate governance. We fully support the Reading Board and management team and their strategy to create stockholder value."

About Reading International, Inc.

Reading International (<http://www.readingrdi.com>) is in the business of owning and operating cinemas and developing, owning and operating real estate assets. Our business consists primarily of:

- the development, ownership and operation of multiplex cinemas in the United States, Australia and New Zealand; and
- the development, ownership and operation of retail and commercial real estate in Australia, New Zealand and the United States, including entertainment-themed centers in

Australia and New Zealand and live theater assets in Manhattan and Chicago in the United States.

Reading manages its worldwide business under various brands:

- in the United States, under the
 - Reading Cinema brand (<http://www.readingcinemasus.com>);
 - Angelika Film Center brand (<http://www.angelikafilmcenter.com>);
 - Consolidated Theatres brand (<http://www.consolidatedtheatres.com>);
 - City Cinemas brand (<http://www.citycinemas.com>);
 - Beekman Theatre brand (<http://www.beekmantheatre.com>);
 - The Paris Theatre brand (<http://www.theparistheatre.com>);
 - Liberty Theatres brand (<http://libertytheatresusa.com>); and
 - Village East Cinema brand (<http://villageeastcinema.com>)
- in Australia, under the
 - Reading Cinema brand (<http://www.readingcinemas.com.au>);
 - Newmarket brand (<http://readingnewmarket.com.au>); and
 - Red Yard brand (<http://www.redyard.com.au>)
- in New Zealand, under the
 - Reading Cinema brand (<http://www.readingcinemas.co.nz>);
 - Rialto brand (<http://www.rialto.co.nz>);
 - Reading Properties brand (<http://readingproperties.co.nz>);
 - Courtenay Central brand (<http://www.readingcourtenay.co.nz>); and
 - Steer n' Beer restaurant brand (<http://steernbeer.co.nz>).

Reading International, Inc., contact:

Dev Ghose
Executive Vice President & Chief Financial Officer
(213) 235-2240

or

Andrzej Matyczynski
Executive Vice President - Global Operations
(213) 235-2240



CLERK OF THE COURT

1 NEOJ
2 MARK E. FERRARIO, ESQ.
3 (NV Bar No. 1625)
4 KARA B. HENDRICKS, ESQ.
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17 *Counsel for Reading International, Inc.*

18 **DISTRICT COURT**

19 **CLARK COUNTY, NEVADA**

20 *In the Matter of the Estate of*

21 **JAMES J. COTTER,**

22 *Deceased.*

23 **JAMES J. COTTER, JR.,** *derivatively on*
24 *behalf of Reading International, Inc.,*

25 *Plaintiff,*

26 *v.*

27 **MARGARET COTTER, ELLEN COTTER,**
28 **GUY ADAMS, EDWARD KANE,**
DOUGLAS McEACHERN, TIMOTHY
STOREY, WILLIAM GOULD, and DOES 1
through 190, inclusive,

Defendants.

And

READING INTERNATIONAL, INC., *a*
Nevada Corporation,

Nominal Defendant.

Case No. A-15-719860-B
Dept. No. XI

Coordinated with:

Case No. P 14-082942-E
Dept. XI

Case No. A-16-735305-B
Dept. XI

**NOTICE OF ENTRY OF ORDER
GRANTING SETTLEMENT WITH THE
PLAINTIFFS AND FINAL
JUDGMENT WITH EXHIBIT 1
ATTACHED**

GREENBERG TRAURIG, LLP
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Las Vegas, Nevada 89169
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TO: All parties and their counsel of record:

YOU AND EACH OF YOU will please take notice that on October 21, 2016, the Court entered the *Order Granting Settlement with 77 Plaintiffs and Final Judgment with Exhibit I Attached*, a copy of which is attached hereto as Exhibit A.

DATED: this 21st day of October, 2016.

GREENBERG TRAUBER, LLP

s/ Mark E. Ferrario

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1 **CERTIFICATE OF SERVICE**

2 Pursuant to Nev. R. Civ. P. 5(b)(2)(D) and E.D.C.R. 8-05, I certify that on this day, I
3 caused a true and correct copy of the foregoing *Notice of Entry of Order Granting Settlement*
4 *With T2 Plaintiff's and Final Judgment with Exhibit 1 Attached* to be filed and served via the
5 Court's Wizard E-Filing system on all registered and active parties. The date and time of the
6 electronic proof of service is in place of the date and place of deposit in the mail.

7 DATED: this 21st day of October, 2016.

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9 */s/ Andrea Lee Roschiff*
10 An employee of GREENBERG TRAUBIG, LLP

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EXHIBIT A

LY 4108020001


CLERK OF THE COURT

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14 *Counsel for Reading International, Inc.*

15 **DISTRICT COURT**
16 **CLARK COUNTY, NEVADA**

17 JAMES J. COTTER, JR.,
18 Plaintiff,
19 v.
20 READING INTERNATIONAL, INC., a
21 Nevada corporation; DOES 1-100, and
22 ROE ENTITIES, 1-100, inclusive,
23 Defendants.

24 **Case No. A-15-719860-B**
25 Dept. XI
26 **Coordinated with:**
27 Case No. P 14-082942-E
28 Dept. XI
Case No. A-16-735305-B
Dept. No. XI

29 In the Matter of the Estate of
30 JAMES J. COTTER,
31 Deceased.
32 JAMES J. COTTER, JR., individually and
33 derivatively on behalf of Reading
34 International, Inc.
35 Plaintiff,
36 v.
37 MARGARET COTTER, et al,
38 Defendants.

39 **ORDER GRANTING SETTLEMENT**
40 **WITH T2 PLAINTIFFS AND FINAL**
41 **JUDGMENT**

42 **Hearing Date: October 6, 2016**
43 **Time: 8:30a.m. and 1:00 p.m.**

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1 Presently pending is the Joint Motion for Final Approval of Settlement and Dismissal
2 ("Joint Motion"), filed by Intervenor Plaintiffs T2 Partners Management, LP, T2 Accredited
3 Fund, LP, T2 Qualified Fund, LP, Tilson Offshore Fund, LTD., T2 Partners Management I,
4 LLC, T2 Partners Management Group, LLC, JMG Capital Management, LLC, Pacific Capital
5 Management, LLC, and Defendants Margaret Cotter, Ellen Cotter, Guy Adams, Edward Kane,
6 Douglas McEachern, William Gould, Judy Coddling, Michael Wrotniak, Craig Tompkins, and
7 Nominal Defendant, Reading International, Inc. The Court having reviewed the Motion and
8 grounds therefore, having heard any objections thereto, and having heard the arguments of the
9 parties, FINDS AS FOLLOWS:

10 1. The Court previously granted preliminary approval of the proposed settlement
11 based upon the terms as set forth in the Joint Motion for Preliminary Approval of Settlement of
12 Derivative Claims on August 4, 2016. At that time, the Court determined that settlement
13 appeared presumptively valid, subject only to any objections at the final approval hearing. The
14 Court also approved a Notice of Settlement ("Notice") to be provided to shareholders of Reading
15 International Inc. ("RDI");

16 2. The Nevada Rules of Civil Procedure and due process have been satisfied in
17 connection with the Notice;

18 3. Subsequent to service of the Notice, the Court received three objections to the
19 proposed settlement from: James J. Cotter, Jr.; Diamond A Partners, L.P. and Diamond A.
20 Investors, L.P.; and Mark Cuban; and

21 4. The Court after considering all objections and responses thereto and having held a
22 hearing on October 6, 2016, the Court modified the Settlement Agreement and Release of Claims
23 ("Modified Settlement Agreement"). The Modified Settlement Agreement is set forth in **Exhibit**
24 **1**, hereto.

25 Based on such findings, the Court, HEREBY ORDERS THE FOLLOWING:
26
27

GREENBERG TRAUERIG, LLP
3777 Howard Hughes Parkway, Suite 400 N
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1. The Modified Settlement Agreement is fair, reasonable, adequate and in the best interest of stockholders;
2. Pursuant to the request of Defendants and the Intervening Plaintiffs, all claims contained in the First Amended Complaint filed by T2 Partners Management, LP, T2 Accredited Fund, LP, T2 Qualified Fund, LP, Tilson Offshore Fund, LTD., T2 Partners Management I, LLC, T2 Partners Management Group, LLC, JMG Capital Management, LLC, Pacific Capital Management, LLC, are dismissed in their entirety with prejudice.
3. The Intervenor Plaintiffs, the Defendants, and the Nominal Defendant shall each be responsible for their own attorneys' fees and costs.

DATED this 20th day of October, 2016.


DISTRICT COURT JUDGE Jw

Respectfully submitted by:

ROBERTSON & ASSOCIATES, LLP

/s/ Alexander Robertson
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Attorneys for Plaintiffs and Intervenors, T2 Partners Management, LP, et al.

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/s/ Marshall M. Searcy, III
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Attorneys for Defendants William Gould

SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

THIS SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS ("Settlement Agreement") is made this ____ day of October 2016 (the "Execution Date") by and between T2 PARTNERS MANAGEMENT, LP, T2 ACCREDITED FUND, LP, T2 QUALIFIED FUND, LP, TILSON OFFSHORE FUND, LTD., T2 PARTNERS MANAGEMENT I, LLC, T2 PARTNERS MANAGEMENT GROUP, LLC, JMG CAPITAL MANAGEMENT, LLC, PACIFIC CAPITAL MANAGEMENT, LLC, WHITNEY TILSON AND JONATHAN GLASER ("T2 Plaintiffs") and MARGARET COTTER, ELLEN COTTER, GUY ADAMS, EDWARD KANE, DOUGLAS MCEACHERN, WILLIAM GOULD, JUDY CODDING, MICHAEL WROTNIAK, CRAIG TOMPKINS and READING INTERNATIONAL, INC. ("Reading" or the "Company") (collectively "Defendants"). T2 Plaintiffs and Defendants are collectively referred to as the "Parties" and each as a "Party."

This Settlement Agreement is subject to Court approval as set forth in the Notice of Pendency and Settlement of Action which is attached hereto as **Exhibit A**.

RECITALS

WHEREAS, on June 12, 2015, Reading's Board of Directors terminated James J. Cotter, Jr. as the President and Chief Executive Officer of Reading.

WHEREAS, that same day, Mr. Cotter, Jr. filed a lawsuit, styled as both an individual and a derivative action, and titled "James J. Cotter, Jr., individually and derivatively on behalf of Reading International, Inc. vs. Margaret Cotter, et al." against the Company, Ellen Cotter, Margaret Cotter, Guy Adams, William Gould, Edward Kane, Douglas McEachern, and Timothy Storey in the Eighth Judicial District Court of the State of Nevada (the "James Cotter, Jr. Action").

WHEREAS, on August 6, 2015, the Company received notice that a Motion to Intervene in the James Cotter, Jr. Action and a proposed derivative complaint had been filed by the T2 Plaintiffs in the Eighth Judicial District Court. On August 11, 2015, the Court granted the motion of the T2 Plaintiffs, allowing these plaintiffs to file their complaint (the "T2 Complaint").

WHEREAS, on September 9, 2015, certain of the Individual Defendants filed a Motion to Dismiss the T2 Complaint. The Company joined this Motion to Dismiss on September 14, 2015. The hearing on this Motion to Dismiss was vacated as the T2 Plaintiffs voluntarily withdrew the T2 Complaint, with the parties agreeing that T2 Plaintiffs would have leave to amend the T2 Complaint.

WHEREAS, on February 12, 2016, the T2 Plaintiffs filed an amended complaint (the "Amended T2 Complaint"). The T2 Plaintiffs purported to bring a derivative action on behalf of Reading and its stockholders, and alleged in their Amended T2 Complaint various violations of fiduciary duty, abuse of control, gross mismanagement and corporate waste by the defendants (the "T2 Action"). More specifically the Amended T2 Complaint sought the reinstatement of James J. Cotter, Jr. as President and Chief Executive Officer and certain monetary damages, as well as equitable injunctive relief, attorney fees, and costs of suit. The defendants in the T2 Action are the same as named in the James Cotter, Jr. Action as well as Director Judy Coddington.

Director Michael Wrotniak, and Company legal counsel, Craig Tompkins (collectively and without differentiation, the "Individual Defendants" and each an "Individual Defendant"). The Amended T2 Complaint deleted its request for an order disbanding Reading's Executive Committee and for an order "collapsing the Class A and B stock structure into a single class of voting stock." The Amended T2 Complaint added a request for an order setting aside the election results from the 2015 Annual Meeting of Stockholders, based on an allegation that Ellen Cotter and Margaret Cotter were not entitled to vote the shares of Class B Common Stock held of record by the Estate of James Cotter, Sr. and the Living Trust established by James Cotter, Sr.

WHEREAS, in connection with the litigation, James Cotter, Jr. and the T2 Plaintiffs conducted extensive discovery on these matters, which included depositions of Guy Adams, Margaret Cotter, Ellen Cotter, William Gould, Edward Kane, Douglas McEachern, Timothy Storey, and James Cotter, Jr. In response to discovery requests, Reading produced over 13,900 documents, and the Individual Defendants produced over 7,900 documents.

WHEREAS, in connection with efforts to settle this matter, the Parties engaged in extensive discussions.

WHEREAS, the Parties wish to settle all claims asserted in the T2 Action.

WHEREAS, all Parties recognize the time and expense that would be incurred by further litigation and the uncertainties and risks inherent in such litigation and have concluded that the interests of the Parties, including the stockholders or Reading, would be best served by a settlement of the T2 Action on the terms reflected herein.

NOW THEREFORE, in consideration of the mutual releases, covenants and undertakings hereinafter set forth, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

TERMS

1. Incorporation of Recitals

The foregoing recitals are incorporated into this Settlement Agreement as if fully set forth herein.

2. Consideration

As consideration for the Settlement and dismissal with prejudice of the T2 Action, the Parties have mutually agreed upon the terms of a press release discussing the reasons for the Settlement and further agree, as set forth hereinbelow, not to disparage each other in connection with the T2 Action.

3. Reasons for Settlement

a. The T2 Plaintiffs brought derivative claims with the intention of ensuring that the interests of all Reading stockholders were being appropriately protected. In connection with the litigation, the T2 Plaintiffs conducted extensive discovery on the matters alleged in the T2 and

Jim Cotter, Jr. Complaints, discovery that included depositions of Guy Adams, Margaret Cotter, Ellen Cotter, William Gould, Edward Kane, Douglas McEachern, Timothy Storey, and James Cotter, Jr. Following their efforts on behalf of the stockholders, the T2 Plaintiffs have concluded that continuing with their derivative stockholder litigation would provide no further benefit to Reading's stockholders, including the T2 Plaintiffs.

The T2 Plaintiffs believe that the Settlement provides substantial and immediate benefits for Reading and its current stockholders. In addition to these substantial benefits, T2 Plaintiffs and their counsel have considered: (i) the attendant risks of continued litigation and the uncertainty of the outcome of the T2 Action; (ii) the probability of success on the merits; (iii) the inherent problems of proof associated with, and possible defenses to, the claims asserted in the T2 Action; (iv) the desirability of permitting the settlement to be consummated according to its terms; (v) the expense and length of continued proceedings necessary to prosecute the T2 Action against the Defendants through trial and appeals; (vi) the T2 Plaintiffs' confidence in the Reading Board of Directors and its management after conducting extensive discovery and (vii) the conclusion of the T2 Plaintiffs and their counsel that the terms and conditions of the Settlement Agreement are fair, reasonable, and adequate, and that it is in the best interests of Reading and its current stockholders to settle the T2 Action on the terms set forth herein. Based on T2 Plaintiffs' Counsel's thorough review and analysis of the relevant facts, allegations, defenses, and controlling legal principles, T2 Plaintiffs' Counsel believes that the settlement set forth in this Settlement Agreement is fair, reasonable, and adequate, and confers substantial benefits upon Reading and its current stockholders. Based upon T2 Plaintiffs' Counsel's evaluation as well as T2 Plaintiffs' own evaluation, T2 Plaintiffs have determined that the settlement is in the best interests of Reading and its current stockholders and has agreed to settle the T2 Action upon the terms and subject to the conditions set forth in the Settlement Agreement and summarized herein. T2 Plaintiffs believe that Defendants will continue to act in good faith to use best practices with regard to board governance, protection of stockholder rights, and maximizing value for all its stockholders, which actions shall include (i) providing to the Compensation Committee's independent compensation consultant the names of certain companies previously suggested by the T2 Plaintiffs as possible market comparables for consideration in 2017 and (ii) the Company anticipates continuing to hold regular corporate earnings conference calls and to continue to engage with investors around earnings. Further Management has informed T2 that incident to the financing of pre-development activities at the site, it anticipates refinancing the existing loan between Reading and Sutton Hill Properties, LLC.

b. The Defendants deny any and all allegations of wrongdoing, liability, violations of law or damages arising out of or related to any of the conduct, statements, acts, or omissions alleged in the T2 Action, and maintain that their conduct was at all times proper, in the best interests of Reading and its stockholders, and in compliance with applicable law. The Defendants further deny any breach of fiduciary duties or aiding and abetting any breach of such a fiduciary duty. The Defendants also deny that Reading or its stockholders were harmed by any conduct of the Defendants alleged in the T2 Action or that could have been alleged therein. Each of the Defendants asserts that, at all relevant times, they acted in good faith and in a manner they reasonably believed to be in the best interests of Reading and all of its stockholders.

c. Defendants, however, recognize the uncertainty and the risk inherent in any litigation, and the difficulties and substantial burdens, expense, and length of time that may be necessary to defend this proceeding through the conclusion of trial, post-trial motions, and appeals. In particular, Defendants are cognizant of the burdens this litigation is imposing on Reading and its management, and the impact that continued litigation will have on management's ability to continue focusing on the creation of stockholder value. Defendants wish to eliminate the uncertainty, risk, burden and expense of further litigation, and to permit the operation of Reading without further distraction and diversion of its directors and executive personnel with respect to the T2 Action. Defendants have therefore determined to settle the T2 Action on the terms and conditions set forth in the Settlement Agreement solely to put the Released Claims (as defined herein) to rest finally and forever, without in any way acknowledging any wrongdoing, fault, liability, or damages.

4. Release

Subject to Court approval, a judgment will be entered (the "Judgment"). Upon entry of the Judgment, the T2 Action will be dismissed in its entirety and with prejudice and the following releases will occur:

a. **Release of Claims by Reading, T2 Plaintiffs, and Other Reading Stockholders:** The T2 Plaintiffs, who have purported to bring derivative claims on behalf of Reading and all its stockholders, shall fully, finally, and forever release, settle, and discharge, and shall forever be enjoined from prosecuting, the Released T2 Plaintiffs' Claims.

i. "Released T2 Plaintiffs' Claims" means all any and all claims, that have been asserted in the T2 Action by T2 Plaintiffs derivatively on behalf of Reading against any of the Individual Defendants' Releasees. The Parties acknowledge that this Release does not serve to require dismissal of the claims raised by James Cotter Jr. in his Second Amended Complaint.

The Parties acknowledge that this Release does not prevent Reading or the Individual Defendants from raising any counterclaims or defenses in the James Cotter Jr. Action.

b. **Release of Claims by Defendants:** Reading on behalf of itself and the Individual Defendants on behalf of themselves and any other person or entity who could assert any of the Released Defendants' Claims on their behalf, in such capacity only, shall fully, finally, and forever release, settle, and discharge, and shall forever be enjoined from prosecuting, the Released Defendants' Claims against T2 Plaintiffs' Releasees.

i. "Released Defendants' Claims" means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues, and controversies of any kind, nature, or description whatsoever, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims, whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule (including claims within the exclusive jurisdiction of the federal courts), that arise out of or

relate in any way to the institution, prosecution, or settlement of the claims against Defendants in the T2 Action, except for claims relating to the enforcement of the Settlement. For the avoidance of doubt, the Released Defendants' Claims do not include claims based on the conduct of the T2 Plaintiffs' Releasees after the Effective Date.

ii. "T2 Plaintiffs' Releasees" means T2 Plaintiffs and their respective current or former agents, employees, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, advisors, consultants, investment bankers, entities providing any fairness opinion, underwriters, brokers, dealers, financing sources, lenders, commercial bankers, attorneys, personal or legal representatives, accountants, and associates. T2 Plaintiffs' Releasees do not include, and specifically exclude James Cotter, Jr.

c. Nothing contained in this Settlement Agreement is intended to, or does release any claims that Defendants may have against any of their insurers or that any insurers may have against any Defendant.

5. Submission of Documents to Court

As soon as practicable after this Settlement Agreement has been executed, the Parties shall apply jointly to the Court for entry of an Order substantially in the form attached hereto as **Exhibit B** (the "Preliminary Approval Order"): i) providing among other things, a request for preliminary approval of the Settlement as fair, reasonable, adequate and in the best interest of stockholders; ii) seeking approval of the Notice of Pendency and Settlement of Action; and iii) requesting a Settlement Hearing.

If the Court approves this Settlement, the Parties shall jointly request entry of the proposed Order and Final Judgment substantially in the form attached hereto as **Exhibit C**. The Order and Final Judgment shall, among other things: i) determine the requirements of the Nevada Rules of Civil Procedure and due process have been satisfied in connection with the Notice detailed below; ii) approve the Settlement as fair, reasonable, adequate and in the best interest of stockholders; and iii) dismiss the T2 Action with prejudice on the merits as against any and all Defendants.

6. Notice Of Pendency and Settlement of Action

The Notice of Pendency and Settlement of Action, in substantially the form annexed hereto as **Exhibit A**, shall be mailed by Reading at least 45 calendar days prior to the Settlement Hearing to all stockholders of Reading as listed on the stock registry, to their respective last known address. Furthermore, Reading shall use reasonable efforts to give notice to beneficial owners of Reading common stock by providing, at the expense of Reading additional copies of the Notice of Pendency and Settlement of Action to any record holder requesting the Notice who are entitled to notice.

7. Non Disparagement

The purpose of this Agreement is to resolve the T2 Action for the benefit of the Parties and Reading stockholders. Accordingly the T2 Plaintiffs covenant and agree that they will not engage in any conduct, make or disclose any statement, either orally or in writing, that would cast any Defendant or their affiliates in a false or negative light, and agree not to aid, assist or encourage others to do so, in any fashion or forum. Similarly, Defendants covenant and agree that they will not engage in any conduct, make or disclose any statement, either orally or in writing that would cast the T2 Plaintiffs or their affiliates in a false or negative light, and agree not to aid, assist or encourage others to do so, in any fashion or forum. If any third party makes any inquiry with respect to any of the claims or causes of action alleged against any Party, then the Party to whom such inquiry is made shall only respond that such matters were resolved in a satisfactory manner pursuant to a confidential settlement agreement. Notwithstanding the above, T2 Plaintiffs acknowledge that no Defendant will have responsibility for the actions of any other Defendant or for the actions of James J. Cotter, Jr.

Notwithstanding the above, T2 Plaintiffs acknowledge that this Agreement does not prohibit the Individual Defendants from any disclosures required in their capacity as fiduciaries of Reading. Further, nothing herein shall prevent any Party from testifying truthfully in a court of law and/or complying with a court order.

8. Joint Press Release

The Parties to this Settlement Agreement mutually agree to issue a press release in a form satisfactory to all Parties hereto indicating that the Parties have amicably resolved their disputes to the mutual satisfaction of all Parties. The press release shall not identify any substantive terms or conditions of this Agreement and shall be in a form substantial similar to **Exhibit D**.

9. General Provisions

This Settlement Agreement and compliance with this Settlement Agreement shall not be construed as an admission by any Party of any liability whatsoever, or as admission by any Party of any violation of the rights of the others, violation of any order, law, statute, duty or contract whatsoever.

The Parties hereto represent and acknowledge that in executing this Settlement Agreement they do not rely and have not relied upon any representation or statement made by any of the Parties or by any of the Parties' agents, attorneys or representatives with regard to the subject matter or effect of this Settlement Agreement or otherwise, other than those specifically stated in this written Settlement Agreement. This Settlement Agreement expresses the entire agreement of the Parties hereto with respect to the subject matter hereof. No recitals, covenants, agreements, representations, or warranties of any kind whatsoever have been made or have been relied upon by any Party hereto, except as specifically set forth in this Agreement. All prior discussions and negotiations between the Parties have been or are merged and integrated into, and are superseded by, this Agreement.

10. Mutual Cooperation

The Parties hereby agree to use their best efforts and good faith in carrying out all of the terms of this Settlement Agreement. Each Party hereto shall perform such further acts and execute and deliver such further documents as may be reasonably necessary or convenient to carry out the purposes of this Settlement Agreement.

11. Interpretation of Agreement

None of the Parties shall be deemed to be the drafter of this Settlement Agreement. In the event a court construes this Settlement Agreement, such court shall not construe this Settlement Agreement or any provision hereof against either Party as the drafter of the Settlement Agreement. The headings used in this Agreement are for reference only and shall not affect the construction of the Agreement.

12. Choice of Law

This Settlement Agreement shall be governed by, and construed in accordance with, the laws of the State of Nevada, without regard to conflict of law principles. The Parties agree that the Court shall have exclusive jurisdiction over any action to enforce this Settlement Agreement.

13. Counterparts

This Settlement Agreement may be executed in any number of separate counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument and fax copies shall be deemed originals.

14. Attorneys' Fees

Each Party shall bear its own costs and attorney fees incurred in connection with this Settlement Agreement. However, if any Party to this Settlement Agreement brings suit against the another Party, the purpose of which is to enforce, challenge, or clarify the terms of this Settlement Agreement, the prevailing party in such action shall be entitled to reimbursement for its actual attorney fees and costs in so enforcing, challenging or clarifying this Settlement Agreement.

15. Notice in Connect with Settlement Agreement

All notices or demands of any kind that any Party is required to or desires to give in connection with this Settlement Agreement shall be in writing and shall be delivered by e-mail and by depositing the notice or demand in the United States mail, postage prepaid, and addressed to the Parties as follows:

T2 Plaintiffs:	Robertson & Associates, LLP c/o Alexander Robertson, IV 32121 Lindero Canyon Road, Suite 200 Westlake Village, California 91361
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Reading International: Greenberg Traurig, LLP
c/o Mark E. Ferrario, Esq.
3773 Howard Hughes Pkwy., Suite 400N
Las Vegas, Nevada 89169
Email: mferrario@gtlaw.com

Ellen Cotter, Margaret
Cotter, Guy Adams,
Edward Kane, Douglas
McEachern, Judy
Coddington and Michael
Wrotniak:

Quinn Emanuel Urquhart & Sullivan, LLP
c/o Marshall M. Searcy III
865 S. Figueroa Street, 10th Floor
Los Angeles, California, 90017

William Gould:

Bird, Marella, Boxer, Wolpert, Nessim,
Drooks, Lincenberg & Rhow, P.C.
c/o Ekwan E. Rhow
1875 Century Park East, 23rd Floor
Los Angeles, California, 90067

Craig Tompkins:

Santoro Whitmire, LTD.
c/o Nicholas J. Santoro
10100 W. Charleston Blvd. #250
Las Vegas, NV 89135

16. Miscellaneous

This Settlement Agreement shall be binding on and inure to the benefit of the Parties, their respective current or former agents, employees, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors, and successors-in-interest. No Party shall assign this Settlement Agreement or any of its rights and obligations hereunder, to any third party. Notwithstanding the above, T2 Plaintiffs acknowledge that no Defendant will have responsibility for the actions of any other Defendant or for the actions of James J. Cotter, Jr.

All of the exhibits hereto are incorporated herein by reference as if set forth herein verbatim, and the terms of all exhibits are expressly made part of this Settlement Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the last day set forth below.

Dated this 9th day of Oct, 2016.

T2 PARTNERS MANAGEMENT, LP

By: Whitney Tilson
Its: Managing Partner

Dated this 9th day of Oct, 2016.

T2 QUALIFIED FUND, LP

By: Whitney Tilson
Its: Managing Partner

Dated this 9th day of Oct, 2016.

T2 PARTNERS MANAGEMENT I, LLC

By: Whitney Tilson
Its: Managing Member

Dated this ___ day of _____, 2016.

JMG CAPITAL MANAGEMENT, LLC

By: _____
Its: _____

Dated this 9th day of Oct, 2016.

WHITNEY TILSON

Whitney Tilson

Dated this ___ day of _____, 2016.

MARGARET COTTER

Dated this 9th day of Oct, 2016.

T2 ACCREDITED FUND, LP

By: Whitney Tilson
Its: Managing Partner

Dated this 9th day of Oct, 2016.

TILSON OFFSHORE FUND, LTD.

By: Whitney Tilson
Its: Managing Partner

Dated this 9th day of Oct, 2016.

T2 PARTNERS MANAGEMENT GROUP, LLC

By: Whitney Tilson
Its: Managing Member

Dated this ___ day of _____, 2016.

PACIFIC CAPITAL MANAGEMENT, LLC

By: _____
Its: _____

Dated this ___ day of _____, 2016.

JONATHAN GLASER

Dated this ___ day of _____, 2016.

ELLEN COTTER

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the last day set forth below.

Dated this ____ day of _____, 2016.

T2 PARTNERS MANAGEMENT, LP

By: _____
Its: _____

Dated this ____ day of _____, 2016.

T2 QUALIFIED FUND, LP

By: _____
Its: _____

Dated this ____ day of _____, 2016.

T2 PARTNERS MANAGEMENT I, LLC

By: _____
Its: _____

Dated this ____ day of _____, 2016.

JMG CAPITAL MANAGEMENT, LLC

By: _____
Its: _____

Dated this ____ day of _____, 2016.

WHITNEY TILSON

Dated this ____ day of _____, 2016.

MARGARET COTTER

Dated this ____ day of _____, 2016.

T2 ACCREDITED FUND, LP

By: _____
Its: _____

Dated this ____ day of _____, 2016.

TILSON OFFSHORE FUND, LTD.

By: _____
Its: _____

Dated this ____ day of _____, 2016.

T2 PARTNERS MANAGEMENT GROUP, LLC

By: _____
Its: _____

Dated this ____ day of _____, 2016.

PACIFIC CAPITAL MANAGEMENT, LLC

By: _____
Its: _____

Dated this ____ day of _____, 2016.

JONATHAN GLASER

Dated this ____ day of _____, 2016.

ELLEN COTTER

Dated this ___ day of _____, 2016.

GUY ADAMS

Dated this ___ day of _____, 2016.

EDWARD KANE

Dated this ___ day of _____, 2016.

DOUGLAS MCEACHERN

Dated this ___ day of _____, 2016.

WILLIAM GOULD

Dated this ___ day of _____, 2016.

JUDY CODDING

Dated this 7th day of October, 2016.

MICHAEL WROTHIAK



Dated this ___ day of _____, 2016.

CRAIG TOMPKINS

Dated this ___ day of _____, 2016.

READING INTERNATIONAL, INC.

