

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

-----X
THE NATIONAL RIFLE ASSOCIATION OF AMERICA,

Plaintiff,

-against-

OLIVER NORTH,

Defendant.
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Index # 903843-20

COMPLAINT

Plaintiff National Rifle Association of America (“Plaintiff,” the “NRA,” or the “Association”) files this Complaint against defendant Oliver North (“Defendant” or “North”), upon personal knowledge as to all facts regarding itself and upon information and belief as to others, as follows:

I.

PRELIMINARY STATEMENT

1. Like many nationally recognized 501(c)(4) organizations, the NRA operates pursuant to Bylaws that govern the conduct of the Association, its members, its officers, and its 76-person Board of Directors.¹ The NRA has grown to approximately five million members since it was founded almost 150 years ago due, in significant measure, to the principled leadership of its Board of Directors and its strict adherence to the policies that regulate member conduct.

2. Under the NRA’s Bylaws (the “Bylaws”), a member in good standing of the NRA is entitled to lodge with the Secretary of the NRA a complaint seeking the expulsion or other discipline of another member for good cause, such as conduct contrary to or in violation of the

¹ The NRA’s Bylaws are attached to this Complaint as Exhibit A.

Bylaws. Under the Bylaws, a complaint must be verified, and any subsequent proceedings are confidential. When a complaint is filed, it is referred to the NRA's Ethics Committee, which, after considering it, must determine whether the charges in the complaint, if proved, would warrant suspension, expulsion, or other discipline, or should be dismissed.²

3. If the Ethics Committee determines that the charges, if proved, would warrant suspension, expulsion, or other discipline, the accused member is afforded the opportunity to request a hearing, an impartial forum where testimony must be under oath and the accused member may be represented by counsel to defend his or her conduct and maintain their membership status. As designed, this process guarantees that rights and responsibilities are afforded to the NRA, any complaining member, and any members who are the subject of disciplinary proceedings.

4. Following such a hearing, the NRA's Hearing Board then prepares a recommended determination on whether good cause exists for expulsion from NRA membership, if another form of discipline is appropriate, or if the member should remain in good standing with the organization.

5. The full Board of Directors then considers the Hearing Board's recommendation and votes to either dismiss the charges or, by three-quarters vote, order the accused member's expulsion, suspension, or other discipline.

² The Complaint contains information that defendant may argue should be filed under seal pursuant to Rule 216.1(a) of the Uniform Rules for Trial Courts (the "Rule"). In order to afford defendant an opportunity to exercise his right under the Rule, the NRA redacted certain allegations in the Complaint. Should defendant elect not to seek a sealing order under the Rule, the NRA will file an unredacted version of the Complaint.

6. On August 5, 2019, NRA life member Thomas J. King, who also serves as the Executive Director and Chairman of the New York State Rifle and Pistol Association,³ filed with the NRA's Secretary a sworn complaint against NRA member North (the "Disciplinary Complaint"). The Disciplinary Complaint seeks the expulsion of North from the NRA's membership pursuant to the Bylaws.

7. Although North has been on notice of the Disciplinary Complaint since September 2019, nearly eight months later, on May 18, 2020, North threatened to sue the NRA—under Section 715-B of New York's Not-For-Profit Corporation Law—if the proceedings initiated by the Disciplinary Complaint move forward as contemplated by the NRA's Bylaws. In obvious anticipation of an adverse outcome and apparently unwilling to defend his actions or conduct, North based his threat on a contrived allegation that he is a whistleblower and that, by being subjected to the ordinary process prescribed by the NRA's Bylaws for the adjudication of one member's complaint against another, the NRA is retaliating against North. To be a whistleblower, North must have made good faith reports of alleged illegalities or improprieties at the NRA that he reasonably believed were true, which he did not do. In any case, North cannot rely on New York's whistleblower statute to prevent the disciplinary proceedings from moving forward.

8. In order to dispel any notion that North's continued membership in the Association is not governed by its Bylaws, the NRA seeks a declaratory judgment that an outcome of disciplinary proceedings conducted in conformity with the Bylaws is binding on the NRA, King, and North.

³ The New York State Rifle and Pistol Association (or "NYSRPA") is an official NRA-affiliated State Association which is the largest and oldest Second Amendment advocacy organization in New York.

9. In addition, for the reasons set forth below, the NRA seeks a declaration that North's refusal in June 2019 to resign from his employment at Ackerman McQueen in order to remedy a situation that the NRA Board's Audit Committee had determined to be an irreconcilable conflict of interest was an election by North to forfeit his NRA Board membership.

II.

JURISDICTION AND VENUE

10. The Court has personal jurisdiction over North pursuant to N.Y. Civil Practice Law and Rules ("CPLR") Sections 302(a)(1) and 302(a)(3) because (i) North is a member, has served several terms as a member of the NRA's Board of Directors, and is a former officer of the NRA; (ii) the NRA is a not-for-profit corporation organized under the laws of New York; (iii) North threatened to sue the NRA under Section 715-B of New York's Not-For-Profit Corporation Law, and (iv) North is alleged to have committed tortious acts causing injury to person and property within New York, should have reasonably expected his tortious acts to have consequences in New York, and derives substantial revenue from interstate or international commerce.

11. Venue is proper in Albany County pursuant to CPLR §§ 503(a) and 509 because the NRA designates Albany County as the place of trial and the NRA is a not-for-profit corporation organized under the laws of New York.

III.

PARTIES

12. Plaintiff National Rifle Association of America is a corporation organized under the laws of New York with its principal place of business in Fairfax, Virginia.

13. Defendant North is an individual who resides in Virginia. He is a member of the NRA, has served several terms as a member of the NRA's Board of Directors, and is a former officer of the NRA.

IV.
STATEMENT OF RELEVANT FACTS

A. Plaintiff National Rifle Association Of America

14. Plaintiff National Rifle Association of America is a not-for-profit corporation organized under the laws of New York. The NRA is America's leading provider of gun-safety and marksmanship education for civilians and law enforcement. It is also the foremost defender of the Second Amendment to the United States Constitution. A 501(c)(4) tax exempt organization, the NRA has approximately five million members—and its programs reach many millions more. It was founded in 1871 and operates pursuant to its Bylaws, which specify, among other things, membership eligibility, procedures for admission to membership, privileges, rights, and duties of members, and procedures for voluntary and involuntary terminations of membership and disciplinary proceedings.

B. Defendant Oliver North

15. Lieutenant Colonel Oliver North (Ret.) is an individual who resides in Virginia and is a member of the NRA. He is also an employee of Ackerman McQueen (the NRA's former advertising and communications firm) and has served several terms as a member of the NRA's Board of Directors. For a certain time period in 2018 and 2019, he also served as the NRA's President and was therefore an NRA officer. On or about August 5, 2019, Tom King, a member of the NRA filed a complaint against North seeking expulsion of North from the NRA's membership pursuant to Article III Section 11 of the NRA's Bylaws. In May 2020, North threatened to sue the NRA if the Association continues to move forward with the resulting

disciplinary proceedings even though the NRA was simply following the steps contemplated in its Bylaws.

C. The NRA's Bylaws Set Forth The Rights And Responsibilities Of The Organization – And Those It Serves, Including Procedures For “Involuntary Termination Of Membership And Disciplinary Proceedings.”

a. Eligibility for Becoming a Member

16. Article III, Section 1 of the NRA's Bylaws defines eligibility terms for becoming a member of the NRA. Specifically, that provision states: “Any citizen of the United States who is and while he remains of good repute, who subscribes to the objectives and purposes of the Association [which are separately set forth in Article II of the Bylaws] . . . shall be eligible to be a member of the Association, provided that citizens of foreign nations and organizations composed in whole or in major part of citizens of foreign nations may be admitted to membership as provided in Sections 3 and 4 of this Article.” Article III, Section 1 also states: “No individual who is a member of, and no organization composed in whole or in part of individuals who are members of, any organization or group having as its purpose or one of its purposes the overthrow by force and violence of the Government of the United States or any of its political subdivisions shall be eligible for membership.”

b. Procedures for Becoming a Member.

17. Further, Article III, Section 5 of the Bylaws specifies the procedure for becoming an NRA member as follows: “An appropriate card, certificate or insignia shall be issued to each member as evidence of membership. Any applicant for . . . membership . . . may be refused admission . . . by the Board of Directors for any reason deemed by it to be sufficient.”

c. NRA Members' Rights and Privileges.

18. Article III, Section 6 of the Bylaws defines NRA members' rights and privileges. For example, it states: “All members shall have the privilege of requesting and receiving from the

Association such advice and assistance as may be currently available concerning small arms, ammunition and accessories, range construction, and organization and management of clubs and competitions.” As another example, the Bylaws state that “all . . . members of the Association shall be entitled to a subscription to the official journal as a privilege of membership.” Under the Bylaws, “[a]ll members shall [also] have the privilege to attend and be heard at all official meetings of members, and shall have the right to attend all meetings of the Board of Directors, Executive Committee, and standing and special committees of the Association, except during executive sessions thereof.”

d. Duties of NRA Members.

19. Article III, Section 9 of the Bylaws states that the duties of NRA members are “to assist in every feasible manner in promoting the objectives of the Association as set forth in Article II of these Bylaws and to act at all times and in every matter in a manner befitting a sportsman and a good citizen.”

e. Purposes and Objectives of the NRA.

20. Article II of the Bylaws, in turn, defines the purposes and objectives of the Association as follows: “1. To protect and defend the Constitution of the United States, especially with reference to the God-given inalienable right of the individual American citizen guaranteed by such Constitution to acquire, possess, collect, exhibit, transport, carry, transfer ownership of, and enjoy the right to use, keep and bear arms, in order that the people may exercise their individual rights of self-preservation and defense of family, person, and property, and to serve in the militia of all law-abiding men and women for the defense of the Republic and the individual liberty of the citizens of our communities, our states and our great nation; 2. To promote public safety, law and order, and the national defense; 3. To train members of law enforcement agencies, the armed

forces, the National Guard, the militia, and people of good repute in marksmanship and in the safe handling and efficient use of small arms; 4. To foster, promote and support the shooting sports, including the advancement of amateur and junior competitions in marksmanship at the local, state, regional, national, international, and Olympic levels; 5. To promote hunter safety, and to promote and defend hunting as a shooting sport, for subsistence, and as a viable and necessary method of fostering the propagation, growth and conservation, and wise use of our renewable wildlife resources.” Article II of the Bylaws also states: “The Association may take all actions necessary and proper in the furtherance of these purposes and objectives.”

f. Voluntary Termination of Membership.

21. Article III, Section 10 of the Bylaws sets forth the procedures for voluntary termination of membership: “Any . . . member may terminate his or her membership at any time by a resignation in writing sent by first class United States mail to the Secretary of the Association.”

g. Involuntary Termination of Membership and Disciplinary Proceedings.

22. Finally, Article III, Section 11 of the Bylaws, entitled “Involuntary Termination of Membership and Disciplinary Proceedings,” sets forth procedures for expulsion, suspension, and discipline of NRA members. Those procedures consist of several formal stages, including (i) a signed and notarized complaint by a member in good standing against an accused member seeking expulsion, suspension, or discipline for “good cause,” including but not limited to, several examples set forth in the Bylaws; (ii) a transmittal of the complaint to the NRA’s Ethics Committee; (iii) the Ethics Committee’s determination whether to dismiss the charges or recommend expulsion, suspension, or discipline; (iv) notice to the accused member and the accused member’s election whether to demand a hearing on the charges or consent to the action

recommended by the Ethics Committee; (v) assuming the accused member elects to request a hearing, a hearing before the Hearing Board, a panel of three members of the NRA's Committee on Hearings with no personal interest in the proceedings elected by members of the Committee on Hearings; (vi) a post-hearing recommendation by the Hearing Board to the NRA's full Board of Directors; and (vii) a vote by the full Board of Directors based on the Hearing Board's recommendation on whether to dismiss the charges against the accused member or, by three-quarters vote, order the accused member's expulsion, suspension or other discipline.

23. Specifically, Article III, Section 11(b) of the Bylaws entitled "Discipline, Suspension and Expulsion," states: "Any individual . . . member may be disciplined, suspended, or expelled for good cause, including but not limited to, any conduct as a member that is contrary to or in violation of the Bylaws of the Association; for . . . without limitation, conduct disruptive of the orderly operation of the Association in pursuit of its goals; violating one's obligation of loyalty to the Association and its objectives; or willfully making false statements or misrepresentations about the Association or its representatives."

24. Article III Section 11(d), "Procedure for Discipline, Suspension, or Expulsion," states that "[a]ny member of the Association in good standing may file a complaint with the Secretary of the Association against any individual . . . member."

25. It goes on to state: "The complaint must be in writing, notarized, and signed by the complainant. It must distinctly describe the cause for which the member's discipline, suspension, or expulsion is sought. No complaint shall be filed or considered with respect to the same facts or transactions as an earlier filed complaint. . . . [T]he complaint shall be based solely on facts, events, and transactions that shall have occurred not more than three years prior to the filing of the complaint. All exhibits referred to in the complaint shall accompany the complaint."

26. After a complaint is filed with the NRA's Secretary, the Secretary "shall transmit the complaint to the [NRA's] Ethics Committee for consideration at its next meeting." Art. III Section 11. At that meeting, "The Ethics Committee shall determine whether the charges if proved [at a hearing] would warrant suspension, expulsion, or other discipline, or should be dismissed." *Id.*

27. Under the Bylaws, "[i]f the Ethics Committee determines not to dismiss the charges, it shall propose a resolution providing for suspension, expulsion, or other discipline as the appropriate remedy in the event the charges are proved, or a hearing is not requested." *Id.*

28. The NRA Secretary then must inform the accused member (i) of the proposed suspension, expulsion, or other discipline by mailing him or her a copy of the Ethics Committee's resolution, enclosing a copy of the complaint, any exhibits, and the Bylaws of the Association; and (ii) of the right of the accused member to a hearing as provided for under the Bylaws. *Id.* The Secretary must also inform the accused member that "unless the member requests a hearing in writing received by the Secretary within forty-five days after the date of such notice, the proposed resolution will be submitted to the [NRA's] Board of Directors for adoption."

29. The Bylaws also provide: "If a hearing is timely requested [by the accused member], the Secretary shall immediately notify the Chairman of the Committee on Hearings." Under Section 12 of Article III of the Bylaws, "[t]he Committee on Hearings shall be appointed by the President and composed of nine members entitled to vote, no more than six of whom shall be members of the Board of Directors or Executive Council."⁴ The President is an Officer of the NRA. She is nominated for the position by the Nominating Committee of the NRA's Board and

⁴ The Executive Council is a non-voting advisory body to the NRA Board of Directors. Executive Council members are elected for life by the Board. Bylaws Art. VII. Currently and historically, the Executive Council consists of past NRA Presidents and other former officers.

is elected by the Board of Directors. Bylaws Art. V. Section 1 (“The President . . . shall be elected annually by and from the Board of Directors.”) Members of the Board of Directors, in turn, are elected by the NRA’s members. Bylaws Art. VIII Section 2(a) (“Directors shall be elected from among the lifetime members of the Association.”).

30. Article III Section 12 of the Bylaws, in turn, states that a Hearing Board composed of three hearing officers shall be elected by and from the membership of the Committee on Hearings, none of whom shall have any personal interest in the proceeding. Section 12 also states: “No more than two such hearing officers may be members of the Board of Directors or the Executive Council. The hearing officers shall choose a chairman from among their membership. The Hearing Board shall hold a hearing upon at least sixty days’ notice to the complainant and the accused.”

31. Under the Bylaws, at the hearing, the accused member has the right to be represented by counsel. NRA Bylaws, Article III Section 11. The Chairman of the Hearing Board shall preside at the hearing and may rule on all procedural matters. *Id.* Further, no testimony is accepted unless it is provided “under oath.” *Id.* In addition, as a matter of practice, the Hearing Board Chairperson can order additional procedures for the hearing to ensure that the hearing allows for the presentation of all relevant evidence and affords the accused member important procedural rights, including the right to call witnesses in his defense and to cross examine witnesses against him.

32. In addition, under the Bylaws, “[a]t the conclusion of the hearing, the Hearing Board shall determine its recommendation to the Board of Directors.” Thereafter, “[u]pon receiving the recommendation of the Hearing Board, . . . , the Board of Directors [of the NRA], in Executive Session, shall consider the submission at its next meeting and [i] may dismiss

the charges or, [ii] by a three-quarters vote, order the [a] expulsion, [b] suspension or [c] other discipline of the accused member.”

33. Finally, under the Bylaws, “All proceedings under [Section 11 of Article III] shall be confidential.”

D. Since May 2018, North Engaged in Conduct that Created Challenges for the NRA and Put into Question His Loyalty to the NRA and Its Objectives.

34. As alleged elsewhere in this Complaint, on August 5, 2019, NRA life member King filed with the NRA’s Secretary a sworn complaint against North. In his complaint, King seeks expulsion of North from the NRA’s membership.

35. The disciplinary proceedings against North—as against any other accused members—are confidential. Unfortunately, much about North’s demise as a leader on the NRA’s Board and the context in which it occurred—that is, the NRA’s relationship with and severance of ties with North’s employer, Ackerman McQueen—has been reported in the news and appeared in public court filings.

36. In brief, since May 2018, North has been employed by Ackerman. Until April 2019, however, the details of his contract with Ackerman were concealed by him and Ackerman from the NRA. This was problematic and created undue exposure for the NRA because Ackerman was a major vendor of the NRA, North was hired by Ackerman to host a television show for which Ackerman was paid by the NRA, and North, at the same time, served as the NRA’s Director and, in 2018/2019, as its President. This created a conflict of interest for North and difficulty for the NRA because, under the NRA’s Conflict of Interests Policy, commercial transactions between a Director or an officer, on the one hand, and the NRA (or, under certain circumstances, a vendor it pays), on the other hand, must be reviewed and approved by the NRA’s Board of Directors—or a designated committee of the Board—to ensure that the terms of the

transaction serve the best interests of the NRA. As part of their fiduciary duties to the NRA, its Directors and officers, therefore, must fully disclose to the NRA the terms of any such transaction to enable such a review and to ensure that the NRA complies with applicable laws as well as internal policies.

37. Specifically, New York law requires that the NRA Board of Directors, or an authorized committee thereof, review and approve “any transaction, agreement, or any other arrangement in which [a director or officer of the NRA] has a financial interest and in which the [NRA or an affiliate] is a participant.” *See* New York Not-For-Profit Corporation Law Section 715. Of course, a board of directors may define additional restrictions on transactions giving rise to potential conflicts of interest; and, consistent with best practices, the NRA’s Conflict of Interest Policy requires disclosure of contracts between NRA leadership and vendors, like Ackerman, that receive funds from the NRA.

38. Aware that North entered into a contract with Ackerman (the “North Contract”), the NRA diligently sought to comply with its obligations concerning analysis and formal approval of the North Contract. During September 2018, the Audit Committee of the NRA Board of Directors reviewed a purported summary of the material terms of the North Contract and ratified the relationship pursuant to New York law—subject to carefully drawn provisos designed to avoid any conflicts of interest.

39. When the Audit Committee enacted that September 2018 resolution, it was assured that the NRA’s counsel would review the North Contract in full. Unfortunately, that turned out to be false, at least for the duration of 2018, as both Ackerman and North, in breach of their duties to the NRA, stonewalled the NRA and refused to provide the North Contract. Thereafter, a game of “cat and mouse” persisted for nearly six months.

40. Eventually, in February 2019, Ackerman acceded to a brief, circumscribed, “live” review of the North Contract (but not to retention of any copies of the document) by the General Counsel of the NRA. This review revealed that the previous “summary” of the North Contract, which had been provided to the Audit Committee the previous September, was inaccurate. Among other things, the NRA’s brief review of the North Contract revealed that: (i) North was not a third-party contractor of Ackerman but a full-time employee with fiduciary duties to Ackerman that supersede his duties to the NRA; (ii) the prior disclosures about the costs borne by the NRA in connection with the North Contract were not accurate; and (iii) the contract imposed obligations on North that prevent him from communicating fully and honestly with other NRA fiduciaries about Ackerman. Against the backdrop of escalating concerns about Ackerman’s own failure to comply with its obligations under its Services Agreement with the NRA and applicable law, the NRA became determined to resolve these issues.

41. By letters dated March 25 and 26, 2019, the NRA’s General Counsel sought additional visibility regarding the North Contract and related business arrangements, as well as copies of other material business records pursuant to the Services Agreement with Ackerman.

42. By this point, the NRA had been requesting North’s contract with Ackerman for more than six months. However, North continued to stonewall the NRA. Although North entered into this contract on or about May 15, 2018, he did not submit a copy to the NRA until April 2019.

43. The disclosure confirmed that North was an employee of Ackerman—not an independent contractor of Ackerman as the NRA had previously been led to believe. This means that during all that time, unbeknownst to the NRA, North was a fiduciary of Ackerman. While resisting requests for full disclosure and refusing cooperation with the NRA’s effort to comply with the laws applicable to a non-profit and the NRA’s internal policies, North conspired with his

employer and others to manufacture allegations against the outside counsel for the NRA which was directing the NRA's compliance efforts, including the effort to gain greater transparency from Ackerman and North.

44. Under the guise of being an "independent" director, in or around March 2019, North wrote a letter to the NRA's Audit Committee raising purported concerns about the amount of the law firm's fees—a measure designed to distract from scrutiny of North and his employer, Ackerman. This is an act he now claims entitles him to whistleblower protections. In reality, any outside counsel of the NRA works under the supervision of the Executive Vice President and CEO, coordinates closely with the Office of the General Counsel and Chief Financial Officer, and collaborates with various committees of the NRA's Board of Directors. As was known to North, the relationship with outside counsel had been vetted and approved.

45. Subsequent to the revelations regarding North being a fiduciary of Ackerman, another bombshell revelation came to light—neither he nor Ackerman were meeting their obligations in connection with his employment agreement with Ackerman. Although Ackerman had advised the NRA that it had contracted with North to host "[t]welve feature length episodes" of a digital documentary series, to be produced "during each 12 months of a three-year [a]greement," it became evident that eleven months into North's engagement only three episodes were available, and none are "feature-length."

46. Although North and Ackerman produced only a fraction of the "American Heroes" episodes for which Ackerman and he were paid millions of dollars, neither North nor Ackerman has provided any financial reimbursement to the NRA. Nor did North facilitate a report from Ackerman about the production costs it charged the NRA for the failed series despite it having been requested.

47. In addition, in April 2019, North, in conspiracy with others, resorted to drastic behavior: an extortion scheme, the objective of which was to enrich himself and protect his employer, Ackerman, at the expense of the NRA.

48. Specifically, on or about April 24, 2019, North contacted by telephone an aide of NRA Executive Vice President and CEO Wayne LaPierre and relayed the contents of a letter that Ackerman purportedly planned to disseminate. On the telephone call with the aide, North described a laundry list of misleading, malicious allegations that the letter would contain—the centerpiece of a reputational attack meant to harm the Association, Wayne LaPierre, and senior members of the NRA leadership team. Notably, according to North, the letter would (selectively) disclose travel and related expense records—the same types of records that the NRA had been requesting from Ackerman for months and Ackerman had refused to provide confidentially for the NRA’s review. After withholding this information for more than six months in an attempt to stonewall the NRA’s compliance efforts, Ackerman and North now threatened to strategically and selectively publicize the information in a manner calculated to cause maximum reputational harm.

49. On the same telephone call with LaPierre’s aide, North proceeded to issue an ultimatum: LaPierre must resign from his position as CEO of the NRA and support North’s continued tenure as President—or the supposed letter manufactured by Ackerman would be publicized in furtherance of a national smear campaign. LaPierre was later informed he also had to meet a third condition: arrange for the NRA to withdraw its lawsuit against Ackerman—filed just days earlier—which sought to compel Ackerman to turn over to the NRA Ackerman’s records in accordance with Ackerman’s contractual and fiduciary obligations.

50. On the telephone call with LaPierre's aide, North took the position that unless LaPierre acceded to these demands immediately, he would become the target of a PR campaign meant to embarrass both LaPierre and the NRA through the promulgation of falsehoods. North assured LaPierre's aide that if LaPierre acted upon the ultimatum immediately, Ackerman's salacious and untrue accusations would not surface.

51. To further induce LaPierre to comply with the extortion demand, North made an additional, stunning offer: If LaPierre cooperated, North indicated that he could "negotiate with" Ackerman's co-founder to secure an "excellent retirement" for LaPierre. In other words, in exchange for retreating from enforcing the NRA's legal rights, and ceding leadership of the NRA to Ackerman's salaried agent, Ackerman appeared to be offering LaPierre a lucrative backroom retirement "deal."

52. It is now known that, in furtherance of his scheme to extort LaPierre, North had been secretly working with errant NRA lawyers and other fiduciaries to draft a "crisis memo" that would be strategically released to apply pressure to LaPierre in the event he did not accept North's "offer" to step aside.

53. Of course, LaPierre rejected North's offer and, in accordance with his professional obligations, immediately notified the full Board of Directors of its existence. In the ensuing days, LaPierre attended the NRA Members Meeting and NRA Board of Directors meeting-forums in which he answered questions from King and others about the extortion demand. It was during this time that King and other NRA board members learned not only that LaPierre's aide received the telephonic extortion demand, but that long-time NRA board member and current NRA President Carolyn Meadows also heard most of North's statements to the aide.

54. Notably, North and his co-conspirators orchestrated telephone calls, meetings, and related threats, through a series of text messages and calls, all in furtherance of their unlawful scheme. For example, Dan Boren, an NRA board member at the time, employed by one of Ackerman's other major clients, the Chickasaw Nation, relayed the contents of Ackerman's threatened letter to North and helped to choreograph the ultimatum that was presented to LaPierre. Moreover, in email correspondence transmitted over non-NRA servers, Boren admitted his knowledge that Ackerman may have been invoicing the NRA for full salaries of employees who were actually working on the Chickasaw account. The same text messages and email messages also demonstrate that another errant NRA fiduciary, Chris Cox (the former Executive Director of the NRA's Institute for Legislative Action)—speculated by some to be a likely successor for LaPierre—participated in the Ackerman/North/Boren conspiracy.

55. As became widely publicized, the attempted coup by Ackerman, spearheaded by North, failed. After North failed to appear at the above-mentioned Members Meeting and Board of Directors meeting, a new President was nominated and elected.

E. May 2019: The NRA Demands That North Address His Conflict Of Interest.

56. On May 30, 2019, the NRA's Audit Committee rescinded its previous resolution passed in September 2018 approving North's participation in the North Contract while continuing his service as an NRA Board member. The committee did so because it concluded that its previous approval was based upon information that was not complete and not accurate. The committee also noted that North's actions in connection with the extortion demand underscored his conflict, and that the conflict was "irreconcilable."

57. By letter dated May 31, 2019, following the resolution by the NRA's Audit Committee regarding the "irreconcilable conflict" arising from North's employment with

Ackerman, the NRA Secretary and General Counsel wrote to North's counsel requesting that North resign—either from his remaining leadership positions with the NRA or from Ackerman. The letter from the NRA Secretary and General Counsel also advised North that “[a]bsent the Audit Committee’s approval, Col. North’s continued, simultaneous service as a board and Executive Council member, on the one hand, and an employee of Ackerman McQueen, on the other hand, violates Article V, Section 5 of the NRA’s Bylaws, as well as the NRA’s Conflict of Interest and Related-Party Transaction Policy adopted by the Board on January 9, 2016.”⁵

58. North, however, has yet to acknowledge his conflict, or duties—as directed by the NRA. Indeed, he specifically refused to take either action requested by the NRA. He informed the NRA of this in a letter sent by his counsel, dated June 12, 2019, where he dismissed as allegedly meritless the request to step down from his leadership positions at the NRA or from Ackerman.

F. August 5, 2019: Tom King, An NRA Member And A Director, Seeks Expulsion Of North From The NRA’s Membership.

59. On August 5, 2019, King, an NRA member in good standing, filed a complaint against North with the NRA’s Secretary John C. Frazer. The written, notarized, and signed 9-page complaint (not counting the accompanying exhibits), distinctly describes the cause for which North’s expulsion is sought under Article III Section 11 of the NRA’s Bylaws. The basis for the complaint: Since at least in or around May 2018, North acted contrary to and in violation of the NRA’s Bylaws, engaged in conduct that was disruptive of the orderly operation of the NRA in pursuit of its goals, and violated his obligation of loyalty to the NRA and its objectives.

⁵ Article V Section 5 of the NRA’s Bylaws states: “No Director or member of the Executive Council shall receive any salary or other private benefit unless specifically authorized by resolution of the Board of Directors or an authorized committee thereof.”

G. September 12, 2019: The NRA's Ethics Committee Considers Tom King's Complaint And Determines That The Charges Would Warrant Expulsion If Proved.

60. On September 12, 2019, at its next meeting, in accordance with the NRA's Bylaws, the NRA's Ethics Committee considered the King Complaint and "determined that the charges [against North] would warrant expulsion, and that the defendant be expelled in the event the charges are proved or a hearing is not requested." The Ethics Committee also resolved to request that, pursuant to Article III, Section 11(d)(6) of the NRA Bylaws, the NRA Secretary promptly notify North of the Ethics Committee's action, and further inform North that he has the right to request a hearing within forty five days of the date of the Secretary's notice, and that if the defendant does not timely request a hearing, the Ethics Committee's proposed resolution will be submitted to the NRA Board of Directors for adoption."

H. September 18, 2019: NRA Secretary Notifies North Of The King Complaint And The Ethics Committee's Resolution.

61. On September 18, 2019, as required by the NRA's Bylaws and requested by the Ethics Committee, NRA Secretary Frazer notified North by letter that a complaint had been filed against North by an NRA member pursuant to Article III, Section 11(d) of the Bylaws of the NRA. The letter enclosed a copy of Tom King's complaint and its exhibits, along with a copy of the Bylaws of the NRA. Frazer's letter quoted the Ethics Committee's resolution and advised North: (i) "[I]n accordance with Article III, Section 11(d)(6) of the NRA Bylaws, you have the right to request a hearing within forty-five (45) days of the date of this letter. Your request for a hearing must be received by this office no later than November 2, 2019;" and (ii) "pursuant to Article III, Section 11(d)(6), if you do not request a hearing, the Ethics Committee's proposed resolution [that North be expelled unless he requests a hearing] will be submitted to the NRA Board of Directors for adoption."

I. October 31, 2019: North Elects To Demand A Hearing.

62. On October 31, 2019, North through counsel responded to Frazer's letter dated September 18, 2019 and demanded a hearing.

J. May 1, 2020: North And King Are Advised Of The Date Of The Hearing And Their Rights.

63. In letters dated May 1, 2020, Jacqueline Mongold, Acting Secretary of the NRA's Committee on Hearings, advised King (as the complainant) and North (as the accused member) that the Hearing Board "intends to convene . . . for the purpose of making a recommendation to the Board of Directors of the NRA concerning the sworn complaint filed against [North] by . . . King."

64. In her letters, Mongold advised King and North that "[t]he hearing [would] be conducted on August 12, 2020, commencing at 11:00 am EDT at the headquarters of the National Rifle Association, 11250 Waples Mill Road, Fairfax, Virginia 22030-9400."

65. Mongold also informed King and North that "[t]he Hearing Board intends to proceed in regard to this matter on the testimony, written submissions, and affidavits of the parties" and that "[t]he hearing will be conducted in a manner designed to facilitate the full disclosure of all relevant facts and information, and to provide all interested parties, including [King and North], an opportunity to be heard."

66. Mongold's letter also advised King and North of their rights to, among other things:

- Call witnesses;
- Offer written materials, exhibits, affidavits, and other evidence that King and North wish the Hearing Board to consider as long as they are submitted by no later than June 1, 2020;
- Make an opening statement and a summation statement;

- Be present during the hearing process;
- Confront and cross-examine any witnesses;
- Appear at the hearing in person or via written submission;
- In the event King or North chooses not to appear in person or through counsel, submit any “relevant additional statements, documents, information or other evidence you wish to submit, including testimony in the form of sworn affidavits.”

67. Mongold requested that King and North inform her in writing whether they intend to be present at the hearing and whether they intend to appear in person or through counsel.

K. May 18, 2020: North Threatens To Sue The NRA Under New York’s Whistleblower Statute Unless The NRA Abandons Its Adjudication Of King’s Complaint.

68. In a letter dated May 18, 2020—seven months *after* he demanded a hearing—North, through counsel, demanded that the NRA cease the disciplinary proceedings.

69. In the same letter, North claims that, in or around April of 2019, he blew the whistle on alleged financial improprieties at the NRA and was therefore entitled to the protections of New York’s whistleblowing statute. On top of that, North threatened to sue the NRA under the whistleblower statute if the NRA did not, in effect, cancel the hearing scheduled for August 12, 2020, and allowed him to remain a member of the NRA.

70. Specifically, the letter alleges: “These proceedings to involuntarily terminate North as a member of the NRA under Article III, Section 11 of the NRA Bylaws is the NRA’s latest act of illegal retaliation. The NRA must cease these proceedings. If the NRA instead decides to move forward, North reserves his right to enforce New York’s whistleblower protections in court. *See*

Pietra v. Poly Prep Country Day Sch., 2016 WL 11432581, 2016 N.Y. Slip Op. 32916, at 7 (N.Y. Sup. Ct. 2016).”⁶

71. After North threatened to sue the NRA if it were to comply with the procedures set forth in its Bylaws, the Hearing Board—and King—elected to pause the disciplinary proceedings so that the NRA can seek assistance from the Court.

72. The whistleblower statute North cites in his letter states: “[T]he board of every corporation . . . shall adopt, and oversee the implementation of, and compliance with, a whistleblower policy to protect from retaliation persons who report suspected improper conduct. Such policy shall provide that no director, officer . . . or volunteer of a corporation who in *good faith* reports any action or suspected action taken by or within the corporation that is illegal, fraudulent or in violation of any adopted policy of the corporation shall suffer intimidation, harassment, discrimination or other retaliation or, in the case of employees, adverse employment consequence.” New York NPCL Section 715-B(a) (emphasis added). The statute was passed to incentivize employees and others within an organization to come forward with good faith concerns about compliance within the organization by guaranteeing whistleblowers protection from harassment and retaliation. Ironically, the NRA did previously receive internal whistleblower complaints about the North Contract and the insufficiency of North’s disclosures to the NRA

⁶ Should North in fact sue the NRA under the statute, the NRA reserves all rights to move to dismiss any such lawsuit on the grounds that, among other things, the statute he cites does not create a private cause of action. *Compare Pietra v. Poly Prep Country Day Sch.*, No. 506586/2015, 2016 WL 11432581, at *1 (N.Y. Sup. Ct. Oct. 07, 2016) (N.Y. N.P.C.L. Section 715-B creates a private cause of action) *with Ferris v. Lustgarten Found.*, 2017 WL 3897058 (N.Y. Sup. Ct. 2017) (N.Y. N.P.C.L. Section 715-B does not create a private cause of action). Of course, the point of this action is not to argue North’s standing under the statute but to obtain a judicial determination that, among other things, any outcome of the disciplinary proceedings against North, as long as they are conducted in conformity with the NRA’s Bylaws, are binding on the NRA, King, and North.

related to it, which is among the reasons why the NRA so diligently and persistently pursued disclosure of the North Contract.

73. As required by the law, the NRA's whistleblower policy states: "It is the responsibility of each NRA employee, director, and contractor to report in good faith any concerns he or she may have regarding actual or suspected violations of this Corporate Ethics Policy or any NRA policies or controls."

74. The NRA's whistleblower policy also states:

- "No person who in good faith makes a report pursuant to this policy shall suffer intimidation, harassment, retaliation, discrimination, or adverse employment consequences because of such report."
- "A report is made in good faith if the person making the report reasonably believes that the information reported is true and constitutes a violation of the law or of NRA policies or controls."
- "The Secretary of the Audit Committee, in conjunction with the NRA Office of the General Counsel and any outside counsel or professionals they deem appropriate, shall be responsible for investigating and resolving all whistleblower reports. At the discretion of the Office of the General Counsel, investigative responsibilities may also be delegated to NRA staff including, where appropriate, Human Resources staff. In the course of investigating and resolving whistleblower concerns, neither the Secretary of the Audit Committee, nor the NRA Office of the General Counsel, nor any professionals or staff to whom investigative responsibilities are delegated shall take any action, unless legally required, that would compromise the identity of a person who reported a concern anonymously,

or would otherwise compromise the integrity of any investigation. For example, under no circumstances shall a person who is the subject of a whistleblower complaint be involved in the investigative process (except as necessary for the conduct of such process, *e.g.*, such person may be interviewed to elicit relevant facts), nor shall the person be present for any Board or committee deliberations or voting which relate to the whistleblower complaint.”

75. However, New York’s whistleblower statute—just like the NRA’s whistleblower policy—applies only to those who report suspected violations of New York law or NRA policy and do so in “good faith.” North never made such reports and any actions he characterizes as such were not taken in “good faith.” As noted above, those reports were contrived by North with the singular goal of deflecting scrutiny from him and his employer, Ackerman.

76. In any case, even where NY NPCL Section 715-B applies, given the procedural safeguards under the NRA’s Bylaws, the Association is entitled and in fact must follow its Bylaws when a disciplinary proceeding is initiated. The Association is entitled to and must follow its Bylaws and: (i) allow its Hearing Board to hold a hearing on a member’s complaint; (ii) allow the Hearing Board to formulate a recommendation to the Board as prescribed by the Bylaws; and (iii) allow its Board of Directors to vote on the Hearing Board’s recommendation by either dismissing the charges or adopting a disciplinary action against North through expulsion, suspension or otherwise.

77. Notably, although North accuses the NRA of whistleblower retaliation, he does not claim that the disciplinary proceedings against him are not being conducted in accordance with the NRA’s Bylaws.

V.

CAUSE OF ACTION

A. First Cause of Action: Declaratory Relief

78. The NRA repeats the allegations contained in the preceding paragraphs.

79. An actual and justiciable controversy exists between the NRA and North.

80. King filed a complaint against North in August of 2019. The complaint seeks North's expulsion from the NRA's membership.

81. Until North threatened on May 18, 2020 to sue the NRA, the NRA and its various constituents had been carrying out their responsibilities under the Bylaws with regard to the disciplinary proceedings against North. At every step, North was afforded every procedural right safeguarded to him as an accused member by the Bylaws. North does not claim otherwise.

82. However, in the face of North's threat, the NRA cannot continue to move forward with the expulsion proceedings without risking a lawsuit by North.

83. The NRA contends that North is not a whistleblower and, in any case, under its Bylaws, the NRA and its various constituents (including the Hearing Board and its full Board) must follow the remaining steps for the disciplinary proceedings that are so carefully laid out in the NRA's Bylaws.

84. The NRA is a membership organization whose Bylaws set forth the rules for admitting members, expelling members, members' privileges, and members' duties. The Bylaws clearly state that conduct that is, among other things, contrary to the NRA's Bylaws and in violation of the Bylaws constitutes good cause for expulsion. In addition, the NRA's Bylaws create a series of procedural rights to ensure that the accused and the complainant are treated fairly.

At the conclusion, the Board is empowered by the Bylaws to either dismiss the charges or to expel, suspend, or discipline the accused member.

85. The NRA further contends that it will not be violating any laws if it completes steps remaining in the disciplinary proceedings against North as contemplated by the Bylaws, including, without limitation, if (i) the Hearing Board holds a hearing and makes a recommendation on the complaint filed by King against North; (ii) its Board votes on the recommendation; and (iii) King's complaint against North is thus heard and determined with finality.

B. Second Cause of Action: Declaratory Relief

86. The NRA repeats the allegations contained in the preceding paragraphs.

87. An actual and justiciable controversy exists between the NRA and North.

88. Over a year ago, in May 2019, the NRA's Audit Committee resolved that an irreconcilable conflict exists such that North cannot both remain an employee of Ackerman and simultaneously serve as a member of the NRA's Board of Directors.

89. In May 2019, the Audit Committee also rescinded its prior approval of North's continued participation in the North Contract during his Board membership.

90. On or about May 31, 2019, North was advised by the NRA's Secretary and General Counsel that, given the absence of the Audit Committee's approval, North's continued service in both roles—as an employee of Ackerman and an NRA Board member—violates (i) the NRA's Conflict of Interest and Related Party Transaction Policy, and (ii) Section 5 of Article V of the Bylaws, which states that no Board member shall receive any compensation from the NRA in the absence of the Audit Committee's approval.

91. To date, North has refused to resign from his employment at Ackerman or from the NRA's Board.

92. The NRA seeks a declaration that North's refusal in June 2019 to resign from his employment at Ackerman McQueen in order to remedy the related party transaction was an election by him to forfeit his NRA Board membership.

VI.

DEMAND FOR RELIEF

WHEREFORE Plaintiff respectfully requests that the Court enter a judgment in favor of Plaintiff the National Rifle Association of America and against Defendant Oliver North:

1. Declaring, including pursuant to Section 3001 of the CPLR, that:
 - (i) NY NPCL 715-B does not prohibit the NRA from following the process prescribed in its Bylaws for the adjudication of member complaints, including, without limitation, Thomas J. King's complaint against North;
 - (ii) accordingly, the NRA shall not be deemed to violate NPCL 715-B if it or its constituents complete steps contemplated by the NRA's Bylaws for the disciplinary proceedings against North, including, without limitation, if: (a) its Hearing Board proceeds to conduct a hearing on King's complaint against North in accordance with the Bylaws, and (b) its Board of Directors, upon consideration of the Hearing Board's post-hearing recommendation, votes to either dismiss the charges against North or, by a three-quarters vote (required under the Bylaws), order the expulsion, suspension, or other discipline of North;
 - (iii) any outcome of disciplinary proceedings against North, as long as they are conducted in conformity with the NRA's Bylaws, is binding on the NRA, King, and North; and

- (iv) North’s refusal in June 2019 to resign from his employment at Ackerman McQueen in order to remedy the related party transaction—the North Contract—was an election by him to forfeit his NRA Board membership; and
2. Granting Plaintiff National Rifle Association of America any and all relief that the Court deems just and proper.

Dated: June 12, 2020
New York, New York

Respectfully submitted,

s/ Svetlana M. Eisenberg
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Svetlana M. Eisenberg

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