

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

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

Plaintiff,

v.

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

Defendants.

Index No.: 451625/2020

FINAL JUDGMENT

THIS MATTER captioned above having come on for a jury trial on January 8, 2024 through February 16, 2024 in Part 3 before the Hon. Joel M. Cohen, Justice of the Supreme Court, New York County, and the parties herein having appeared by counsel, and the issues having been duly tried, and the jury having rendered a mixed verdict on the 23rd of February, 2024 (NYSCEF 3078);

WHEREAS on January 17, 2024, the Court so ordered the Stipulation of Settlement and Order of Dismissal between Plaintiff and Defendant Joshua Powell (NYSCEF 2724);

WHEREAS the Court granted a directed verdict on the record in favor of certain defendants on certain causes of action (*see* NYSCEF 3570, Tr. at 4473–4479);

WHEREAS on July 9, 2024, the Court so ordered the Stipulation between Plaintiff and Defendant Wilson Phillips concerning non-monetary relief against Defendant Wilson Phillips (NYSCEF 3393);

WHEREAS a second trial on non-monetary remedies was held before the Hon. Joel M.

Cohen on July 15, 2024 through July 29, 2024, and the Court having issued an Interim decision on the record on June 29, 2024 (NYSCEF 3265, Tr. at 2246:18-2264:17) and having ordered the Parties to confer on “specific forms of relief that [the Court is] considering” (*id.* at 2255:13-18); and the parties having submitted their proposal and supporting papers (NYSCEF 3581–3623);

WHEREAS, the Court heard oral argument with respect to the parties’ proposed judgments (NYSCEF 3626);

It is now therefore

ADJUDGED the fifth, sixth, seventh, eighth, ninth, tenth and eleventh causes of action asserted in the second amended verified complaint dated May 2, 2022 (NYSCEF 646 [“Second Amended Complaint”]) are **DISMISSED**; it is further

ADJUDGED, with respect to the first cause of action in the Second Amended Complaint, Judgment is entered in favor of the Plaintiff, The People of the State of New York, by Letitia James, Attorney General of the State of New York (“Plaintiff”), and against Defendant National Rifle Association of America (“NRA”) as determined by the jury, and as such the NRA shall implement the following reforms as remedial measures the Court finds based on the evidence adduced at the trials in this action are reasonably necessary to prevent future violations of law:

- (1) **Annual Compliance Report to Members.** In advance of the 2026 Members Meeting, and for at least five (5) years after the entry of this Judgment and continuing until the Board votes to discontinue the same, the NRA shall issue an NRA Annual Compliance Report to Members, substantially in the form filed by the NRA at NYSCEF 3593, Ex. 1 (attached and incorporated herein as Exhibit I hereto), which shall additionally disclose, for each annual reporting period: (i) aggregate first class travel expense, and the number of such trips; (ii) aggregate charter travel expense, and the number of such trips; (iii) the number of exceptions to the travel policy granted; and (iv) the identities of the “top five” individuals for whom travel-policy exceptions were granted (ranked by the number of exceptions). A preliminary report shall be issued in advance of the 2025 Members’ Meeting containing as many items as reasonably practicable.
- (2) **Enhanced Form 990 Certification.** The NRA shall direct that each year, its Executive Vice President and Treasurer execute, in connection with Form 990, a certification that

based on their knowledge, the form contains no material misstatement or omission, in a form substantively consistent with Section 302 of the Sarbanes-Oxley Act, 15 U.S.C. § 7241.

- (3) **CHAR500 Certification.** For the next five (5) years, and continuing until the Board votes to discontinue the same, the NRA Treasurer and Executive Vice President shall certify the NRA's required annual regulatory filings with the New York Office of the Attorney General, specifically the CHAR500 and its accompanying documents.
- (4) **Secure Board Portal.** The Secretary's Office shall implement, by March 1, 2025, a secure portal that will enable digital dissemination of Board, committee, and corporate documents to Board members, and shall enable convenient encrypted communication with Board members. If the secure portal is not fully operative during the time that the Form 990 covering tax-year 2023 is prepared and reviewed, a draft of that document shall be shared with Board members via other secure electronic means. The NRA shall share a draft of its 2023 Form 990 no later than three (3) weeks in advance of the anticipated filing date, and shall conduct an in-person or digital meeting, open to the entire Board of Directors, during which Board members in attendance shall receive a briefing regarding the draft tax return. The NRA shall post, at a minimum, the following materials on the secure portal and shall update them as needed:
- a. All versions of the NRA bylaws in effect during the five (5) years prior to the entry of this Judgment.
 - b. All consolidated audited financial statements for the ten (10) years prior to the entry of this Judgment.
 - c. All CHAR500 and Form 990s for the NRA for the ten (10) years prior to the entry of this Judgment.
 - d. The current employee handbook.
 - e. The current Board-enacted policies.
 - f. Board members' names and contact information.
 - g. Current committee membership information.
 - h. All reports and minutes of committees for the three (3) years prior to the entry of this Judgment; provided, however, that the NRA shall not be required to make executive session minutes accessible to users of the portal who would not otherwise be entitled to view them.
 - i. Material decisions issued in this litigation (*e.g.* decisions on motions to dismiss, summary judgment motions, jury verdict, bench-trial decision, final judgment, including appeals).
- (5) **Director Nomination Policy.** The NRA shall adopt a Director Nomination Policy substantially in the form filed by the NRA at NYSCEF 3593, Ex. 2 (attached and

incorporated herein as Exhibit 2 hereto), such that the Nominating Committee shall then endeavor to identify up to 20 additional candidates who (i) satisfy the Required Qualifications; and (ii) did not serve more than one term on the Board of Directors prior to 2022 ("New Qualified Candidates"). If the Nominating Committee identifies more New Qualified Candidates than can practicably be included on the ballot, the Nominating Committee may select or prioritize New Qualified Candidates for inclusion based on the skills and qualities identified and published in its report. The Nominating Committee shall endeavor to nominate up to 20 New Qualified Candidates each year. If the Nominating Committee receives fewer than 20 New Qualified Candidates, the Nominating Committee will nominate the maximum lesser number of New Qualified Candidates it identifies.

The NRA shall amend the Personal Factsheet and Biographical Questionnaire completed by each director candidate to include questions about financial conflicts, a consent to abide by directors' legal duties and NRA Board policy, and a consent to a background check.

The NRA shall provide an online alternative to the hard copy petition process contained in Article VIII, Section 3 of the NRA's bylaws, so that the entire process is accessible and can be completed electronically.

- (6) **Ballots.** For at least the next three (3) election cycles, the NRA shall post on its website contemporaneously with the mailing of the ballot to eligible voting members a statement, prepared by the candidate, for each candidate appearing on the ballot for the position of director.
- (7) **The Audit Committee Shall Be An Elected Committee of the Board.** The NRA shall amend its bylaws to treat the Audit Committee as an elected committee of the Board for purposes of N-PCL § 712(a) subject to an amended Audit Committee Charter adopted by the Board. The amendment shall be structured such that no committee is designated a "committee of the Board" until its constituents have been appointed by the Board. The President shall put forward nominations for the committee, each of which shall be voted upon individually seriatim by the Board. In the event one or more of the candidates so nominated is rejected by vote of the Board, nominations for replacement candidates shall be made from the floor.
- (8) **Restriction on Audit Committee Membership.** No individual who served on the Audit Committee at any time during the years 2014 through 2022 (the years during which the jury found violations of law occurred) shall be elected to the Audit Committee again.
- (9) **Protection for the Chief Compliance Officer.** Within thirty (30) days of the entry of final judgment herein, the NRA and its Chief Compliance Officer shall execute a

severance agreement substantially in the form filed by the NRA at NYSCEF 3593, Ex. 3 (attached and incorporated herein as Exhibit 3). The severance agreement shall provide for a severance payment equivalent to two (2) years salary in the event of termination without cause or resignation for Good Reason. The term of the contract shall be three years.

- (10) **Additional Related-Party Transaction Restrictions.** The NRA shall amend its Conflict of Interest and Related Party Transaction policy to incorporate the changes set forth in the form filed by the NRA at NYSCEF 3593, Ex. 4 (attached and incorporated herein as Exhibit 4), which may set a de minimis dollar-value threshold for related party transactions below which Board approval is not required, consistent with NY Not-for-Profit Corporation Law § 102 (24) . The amended policy shall be enacted by the NRA within thirty (30) days of the entry of final judgment in this action, and the NRA shall disseminate and make readily available in electronic form the revised policy to all NRA personnel and the full NRA Board of Directors.
- (11) **Consultant.** The NRA shall retain a Court-approved consultant to work with the Chief Compliance Officer and staff to make recommendations to the Board of Directors in connection with implementing any directives from the Court in the above- captioned action, as well as regarding best governance practices. The NRA shall submit the name and background information of its proposed consultant to the Court and the Attorney General. After giving the Attorney General 14 days to comment, the Court will decide whether to approve the candidate or require the NRA to propose a new one. The proposed consultant shall not be someone who appeared as a witness at trial on behalf of the NRA in this matter.
- (12) **Committee on Organization.** The Committee on Organization shall study the Board composition, standardized protocols, and committee scope. The committee shall consider the voice of the members; input of the compliance office and consultant; best practices of not-for-profit organizations including purpose and scope of the organization, current and future needs, and legal and regulatory requirements. The recommendations of the committee shall reflect the diversity of ideas, experiences, capabilities and backgrounds to ensure inclusion of viewpoints and interests, thus securing the freedom of association of all NRA members. The recommendations of the committee shall be presented to the Board for consideration at its April 2025 meeting.
- (13) **Independent Auditor.** The NRA shall continue to retain Aprio (if it is willing to accept the retention) as an independent auditor, to continue to perform special procedures for a minimum of three (3) years. The NRA shall publish the Aprio audit opinion to members. If, at any time, during the next three years the NRA needs or wishes to retain an independent auditor other than Aprio, the NRA shall seek Court approval.

IT IS FURTHER ADJUDGED, with respect to the second cause of action in the Second Amended Complaint, judgment is entered in favor of Plaintiff, 28 Liberty Street New York, New York 10005, against Defendant Wayne LaPierre, c/o Correll Law Group, 250 Park Avenue, 7th Floor, New York, New York 10177, as determined by the jury, and as such LaPierre shall pay directly to the NRA the sum of \$4,351,230.02 with pre-judgment interest at the rate of nine (9) percent accruing from the date of February 23, 2024 (no settlement or compromise of this amount by the NRA and Mr. LaPierre shall be effective unless approved by the Court); it is further

ADJUDGED that Defendant Wayne LaPierre shall be barred from any fiduciary position as an officer or director of the NRA or any entity under the NRA's direct control for a period of ten (10) years, from July 29, 2024, to July 28, 2034; it is further

ADJUDGED that with respect to the fourth cause of action in the Second Amended Complaint, Judgment shall be entered in favor of Plaintiff, 28 Liberty Street New York, New York 10005, against Defendant Wilson Phillips, c/o Winston & Strawn LLP, 200 Park Avenue New York, New York 10166, as determined by the jury, and as such Phillips shall pay directly to the NRA the sum of \$2,000,000, with pre-judgment interest at the rate of nine (9) percent accruing from the date of February 23, 2024 (no settlement or compromise of this amount by the NRA and Mr. Phillips shall be effective unless approved by the Court); it is further

ADJUDGED that with respect to Defendant John Frazer, Plaintiff's requests for relief are **DENIED**; and it is further

ADJUDGED that Plaintiff's request for costs and disbursements is **DENIED**.

ENTER:

Joel M. Cohen 12/9/24
Hon. Joel M. Cohen, J. S.C.

Milton Adair Tonglong
Clerk of the Court:

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Exhibit 1

NRA Annual Compliance Report to Members

Dear NRA Member,

Consistent with our commitment to good governance and stewardship of NRA dollars—your dollars—in furtherance of the Association’s mission, we write to update you on certain facts and figures relevant to the compliance environment at the NRA. Although no line item in this report could, standing alone, tell a comprehensive story, we hope that taken together they provide an informative snapshot about how the NRA manages money and prevents waste, fraud and abuse.

A. Our Objective:

This report provides the results of certain independent, internal compliance reviews in the following areas:

- Travel and entertainment expenses;
- Contract negotiations, execution, and subsequent payments;
- Related-party transactions; and
- Whistleblower reports.

B. Scope and Methodology:

Travel and Entertainment Expenses. Annually a random sample set of travel and business entertainment expenses is selected to evaluate their compliance with the NRA Travel and Business Expense Reimbursement Policy. The random sampled set of transactions may include those of directors, officers, and staff. Results of this evaluation are reported to you.

Contract Negotiations, Execution, and Subsequent Payments. Annually, we review samples of (i) contracts newly executed by the NRA during the preceding year; and (ii) contracts renewed by the NRA during the preceding year. We then test these contracts for compliance with relevant NRA policies. For example, depending upon the subject matter of the contract and the dollar amount, compliance tests may be performed to ensure that competitive bids were obtained or that appropriate authorizations for the contract were secured. In addition, payments made pursuant to the sampled contracts may be reviewed to ensure that those payments complied with relevant NRA policies and the terms and conditions of the contracts, and that any relevant invoices had appropriate documentary support.

Related Party Transactions. “Related Party Transactions” are certain arrangements or transactions involving the NRA or an NRA affiliate in which an NRA director, officer, key employees, or their family members have a financial interest. Every NRA director, officer, and key employee must complete annual training regarding these types of transactions and the policies governing them as part of our annual compliance review. Completion rates for related questionnaires designed to detect relationships that could give rise to related-party transactions will be reported. Assessment is performed regarding whether responses and disclosures made on the questionnaires were appropriately handled, and whether any related party transactions which occurred were appropriately approved and memorialized, with relevant supporting materials

retained by the Secretary of the NRA and/or the Secretary of the Audit Committee (as applicable).

Whistleblower Reports. The NRA is proud of its culture of integrity and transparency and maintains a sound whistleblower policy and a robust reporting procedure. Our directors and staff are required to complete whistleblower training. The results of an analysis of whistleblower reports received by the NRA is reported, including but not limited to reports received through the NRA's anonymous Integrity Hotline. The NRA maintains an internal case-management system for these reports, and a sample of those case files may be subject to compliance related testing. We ensure that each report sampled was properly handled, with an appropriate Audit Committee response where applicable. We also disclose certain statistics about whistleblower reports. Whistleblower confidentiality is important to the NRA, so we will never disclose a whistleblower's name, nor information sufficient to identify the identity of the whistleblower.

C. Results:

Travel and Other Business Expenses

During the period from DATE through DATE, the general ledger included aggregate travel and business entertainment expenses incurred by the NRA of \$ _____. Of this amount, \$ _____ was incurred by Board members, \$ _____ was incurred by salaried NRA officers, and \$ _____ was incurred by other staff. Of the items that we tested we noted that there were no travel or other business expenses that qualified as exceptions to applicable NRA policies. [Our testing procedures identified a finding discussed below]. Expense reports were properly completed, business purpose was defined, support was provided, and expense reports were submitted timely. We noted no instances of first class or charter travel in our sample set. Further, we noted no instance of an unreasonable lodging expense.

Sample illustrative disclosure if an audit finding is reported:

We identified one instance in which a travel expense (totaling \$150) was submitted by a staff member without express documentation of business purpose but approved by a supervisor based on an inferred business purpose. The staff member and supervisor each received additional training on the business-purpose documentation requirement.

Contract Negotiations, Execution, and Subsequent Payments

Ten Highest Compensated Independent Contractors

The following disclosure describes the ten highest compensated independent contractors that received more than \$100,000 in compensation for services, whether professional or other services, from the NRA during the reporting period.

(sample rows)

Vendor Description	Compensation
Telemarketing and Member Services	\$ 25,000,000.00
Law Firm - Outside Counsel - Banking and Insurance Litigation	\$ 19,000,000.00
Information Technology - Cybersecurity	\$ 1,453,000.00

With respect to each of these vendors and based upon the sampled set of transactions tested, no instances of non-compliance with the Procurement Policy and/or Purchasing Procedures Manual guidelines of the NRA were noted.

Related Party Transactions

As a result of our testing, we noted that all Board Members, Officers, and Key Employees received NRA's prescribed training regarding related party transactions. We noted that financial disclosure questionnaires were completed and analyzed for related party transactions. The following related party transactions were approved by the Audit Committee and the Board of Directors of the NRA.

Description of Transaction	NRA Person(s) Involved	Dollar Amount Paid by NRA
NRA Board Member John Jones is a celebrated recording artist whose autographed guitars have historically sold at auction, at NRA fundraising events, for an average of \$2,500 a piece. The NRA Advancement Division sought and obtained advance approval from the Audit Committee to purchase ten autographed guitars for \$500 a piece, slated for auction at upcoming fundraisers. After reviewing recent auction pricing for John Jones memorabilia, reviewing data about the NRA's past auctions of similar guitars, and speaking with the Advancement Division about the upcoming fundraising calendar, the Audit Committee approved the transaction as fair, reasonable, and in the best interest of the NRA.	John Jones (Director)	\$ 5,000.00

Whistleblower Reports

As a result of our testing, we verified that training was provided to all stakeholders (board members and staff) in the organization regarding whistleblower complaints. We tested 5 investigations and determined that the whistleblower complaints were appropriately investigated, memorialized, reported to the audit committee and the outcome was documented. We reviewed the reports from the Hotline case management system. There were a total of _____ reports during the reporting period. Of these reports, []% were unsubstantiated, []% were partially substantiated and []% were substantiated.

We appreciate your support for the NRA and the Second Amendment freedom, as well as your interest in the NRA's compliance function.

Sincerely,
Robert Mensinger
Chief Compliance Officer

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Exhibit 2

Director Nomination Policy

The Nominating Committee of the National Rifle Association of America (the "Committee") has adopted the following policy (the "Director Nomination Policy") to assist it in fulfilling its duties and responsibilities as provided in the NRA Bylaws.

1. **Personal Fact Sheet and Biographical Questionnaire.** As a precondition for nomination by the Committee, any candidate for the Board of Directors must complete the Personal Fact Sheet and Biographical Questionnaire. Each Personal Fact Sheet and Biographical Questionnaire must be signed and attested to by the applicant, transmitted in clear legible form, and completed and provided to the Nominating Committee early enough for distribution to the Committee at least seven days before the Committee's meeting.
2. **Desired Qualities and Skills.** The Nominating Committee shall periodically review, with the NRA's President and Vice Presidents, the desired qualifications, attributes, skills, and experiences of candidates for the Board, taking into account the NRA's current and anticipated projects and challenges and the Board's existing membership. The Nominating Committee shall also seek input from other leadership as applicable and feasible, to identify skills, expertise, or issues from which the Nominating Committee may benefit when evaluating candidates. Prior to considering candidates in a particular election cycle, the Nominating Committee shall identify and memorialize a list of desired qualities and skills which it seeks in director candidates for the upcoming year. This list shall be included in the Report of the Nominating Committee.
3. **Re-Nominating Incumbents: Nominating Committee Considerations.** In addition to Required Qualifications discussed herein, in determining whether to re-nominate incumbent directors or individuals who served on the Board in the past, the Nominating Committee may consider additional appropriate criteria, such as the director's attendance at meetings and committee meetings. Such considerations shall be weighed impartially, and the Nominating Committee shall comply at all times with the NRA Statement of Corporate Ethics and the NRA Whistleblower Policy.
4. **Required Qualifications.** When considering director candidates for nomination, the Nominating Committee shall consider whether each candidate meets the following criteria (collectively, the "Required Qualifications"):
 - i. Has sufficient time to effectively carry out the duties of a Board member.
 - ii. Affirms a commitment to abide by duties of good faith and care.
 - iii. Affirms a commitment to abide by NRA Bylaws and policies established by the NRA Board.

- iv. Is free of potential conflicts, including: receipt of funds from the NRA, an NRA affiliate, or an NRA vendor, under circumstances that could compromise the director's independence or present legal or regulatory risks; relationships that could impact the independence of the NRA's financial auditor; or relationships with organizations adverse or otherwise hostile to the NRA.
- v. Exhibits integrity, professionalism, and clear support for the interests of the NRA and its stakeholders. Such criterion, however, shall not penalize candidates who, although sharing the Association's purposes and objectives, express differing or dissenting views about particular business, financial, or operational decisions made by the NRA in furtherance of those purposes and objectives

Each year, the Nominating Committee shall nominate candidates as follows:

- (1) The Nominating Committee shall review the candidacy of any incumbent director who seeks re-nomination, and shall identify candidates it chooses to re-nominate. Every incumbent re-nominated must satisfy the Required Qualifications.
- (2) The Nominating Committee shall then endeavor to identify up to 20 additional candidates who (i) satisfy the Required Qualifications; and (ii) did not serve more than one term on the Board of Directors prior to 2022 ("New Qualified Candidates"). If the Nominating Committee identifies more New Qualified Candidates than can practicably be included on the ballot, the Nominating Committee may select or prioritize New Qualified Candidates for inclusion based on the skills and qualities identified and published in its report. The Nominating Committee shall endeavor to nominate up to 20 New Qualified Candidates each year. If the Nominating Committee receives fewer than 20 New Qualified Candidates, the Nominating Committee will nominate the maximum lesser number of New Qualified Candidates it identifies.

Nothing in this Director Nomination Policy shall affect the nomination of directors by petition of the members as set forth in Bylaws Art. VIII, Section 3.

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Exhibit 3

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") by and between the National Rifle Association of America (the "NRA" or the "Association") and Robert Mensinger (the "Executive") is effective as of the ___ day of August, 2024 (the "Effective Date").

WHEREAS, the Executive is currently employed by the Association in the elected office of Chief Compliance Officer pursuant to the Bylaws of the National Rifle Association of America (as may be amended from time to time, the "Bylaws"); and

WHEREAS, the Association and the Executive wish to set forth the terms of the Executive's employment, as well as post-employment matters in the event that the Executive is removed from, or fails to win re-election to, the Chief Compliance Officer position;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto agree as follows:

1. Employment. On the terms and conditions set forth in this Agreement, the Association agrees to employ the Executive, and the Executive agrees to be employed by the Association, for the term set forth in Section 2 hereto and in the positions and with the duties set forth in Section 3 hereof.

2. Term. The employment of the Executive by the Association pursuant to the terms of this Agreement shall commence on the Effective Date and, unless sooner terminated as hereinafter set forth, shall end on the Expiration Date. For purposes of this Agreement, the "Expiration Date" will be December 31, 2029, or such later date up to and through December 31, 2030, as the parties shall mutually agree. To the extent that the Executive's employment with the Association continues following the Expiration Date, he will be an at-will employee of the Association and this Agreement will not govern his rights or entitlements to compensation or any benefits hereunder in respect of his services rendered after the Expiration Date.

3. Position and Duties. Until the date of any Termination of Employment (defined below), the Executive shall serve as Chief Compliance Officer of the Association, performing all of the duties set forth in Article V, Section 2(b) of the Bylaws. As of the Effective Date, it is mutually contemplated that the Executive will, under the direction of the Board of Directors:

- a. Oversee the Association's compliance with applicable laws and regulatory requirements (including, without limitation, any consent decree, Assurance of Discontinuance, settlement agreement or final judgment issued in *People of the State of New York, by Letitia James v. The National Rifle Association of America, Wayne LaPierre, and John Frazer*, Index No. 451625/2020 (N.Y. Sup. Ct.)), the Bylaws, and the Association's policies and procedures;
- b. Verify that the compliance programs at the Association are sufficient for identifying, preventing, detecting, and reporting noncompliance, and that such programs provide for effective and efficient operations; and

- c. Verify that internal controls are in-place in connection with the preparation and accurate presentation of NRA's financial reports;
 - d. Make regular reports and recommendations regarding compliance matters to the Board of Directors and to such committees as may be appropriate; and
 - e. Have such other duties as may be assigned from time to time by the Board of Directors, the Executive Committee, and/or the Audit Committee.
 4. Place of Performance. In connection with the Executive's employment by the Association, the Executive shall be based (i) in Woodlands, Texas, with travel to the Association's principal executive offices as reasonably required or (ii) at such other place as the Association and the Executive mutually agree.
 5. Compensation.
 - a. Base Salary. As of the Effective Date, in his capacity as Chief Compliance Officer, the Executive currently receives a base salary (the "Base Salary") of \$400,000 per year, as recommended by the Officers Compensation Committee of the Association's Board of Directors (the "Compensation Committee") and established by the Board on May 20, 2024. For the duration of the Term, the Compensation Committee shall review the Base Salary at least annually, in accordance with the Bylaws, for the purpose of determining whether the Base Salary should be adjusted based on a review of market conditions; the Compensation Committee shall make a recommendation to the Board of Directors for any adjustment to the Base Salary.
 - b. Other Compensation and Benefits. In addition to his Base Salary, the Association shall provide to Executive such other benefits as are customarily provided to other similarly situated employees at the Association, subject to eligibility as provided in each such benefit plan or program, and provided further that changes in such plans or arrangements may be made, including termination of any such plans or arrangements, if such change occurs pursuant to a program applicable to all similarly situated executives of the Association and does not result in a disproportionately greater reduction in the rights of or benefits to the Executive as compared with any other executive of the Association.
 6. Termination of Employment.
 - a. Death. The Executive's employment hereunder shall terminate upon the Executive's death.
 - b. By the Association. The Association may terminate the Executive's employment hereunder under the following circumstances:

- i. Disability. The Association may terminate the Executive's employment hereunder for Disability. For purposes of this Agreement, the Association shall have the right to terminate the Executive's employment by reason of "Disability" if, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from his duties hereunder on a full-time basis for the entire period of six (6) consecutive months, and within thirty (30) days after written notice of termination is given shall not have returned to the performance of his duties hereunder on a full-time basis.
- ii. Cause. The Association may terminate the Executive's employment hereunder at any time for Cause. For purposes of this Agreement, "Cause" shall mean (A) the willful and continued failure by the Executive to substantially perform his duties to the Association (other than any such failure resulting from the Executive's incapacity due to physical or mental illness), after demand for substantial performance is delivered by the Association that specifically identifies the manner in which the Association believes the Executive has not substantially performed his duties, which is not cured within thirty (30) days after notice of such failure has been given to the Executive by the Association, (B) the willful engaging by the Executive in misconduct that is materially injurious to the Association, monetarily or otherwise, including any conduct that is in violation of the written Bylaws, policies or procedures of the Association, including policies relating to sexual harassment and/or hostile work environment, or (C) the Executive's commission of any felony or any crime involving dishonesty in respect of the business or affairs of the Association or any of its affiliates, members, or donors. No act, or failure to act, on the Executive's part shall be considered "willful" if done, or omitted to be done, by him in good faith and with reasonable belief that his action or omission was in the best interest of the Association. A termination of the Executive for Cause may only occur subject to the procedures prescribed in Article V, Section 3(b) of the Bylaws, and the minutes or report of any Executive Committee or Board proceeding effecting the for-Cause termination shall summarize the circumstances asserted by the Association to constitute Cause.
- iii. Without Cause. The Executive's employment shall be deemed terminated by the Association without Cause if, absent documentation of Cause as set forth above, the Executive is removed from the Chief Compliance Officer position pursuant to the procedure prescribed in Bylaws Article V, Section 3(b). The Association may not, under any other circumstance, terminate the Executive's employment without Cause.
- c. By the Executive. The Executive may terminate the Executive's employment hereunder at any time, with or without Good Reason.
- i. For purposes of this Agreement, "Good Reason" shall mean any one or more of the following circumstances which arise without the Executive's consent

and without Cause: (A) a reduction in the Executive's Base Salary below 75% of the Base Salary in effect as of the Effective Date; (B) the Nominating Committee's failure to nominate the Executive for reelection as Chief Compliance Officer or the Board's failure to re-elect him as Chief Compliance Officer, absent documentation of Cause as set forth above; (C) a material reduction in the Executive's duties and responsibilities as in effect immediately prior to such reduction; (D) the assignment to the Executive of duties that are materially inconsistent with his position or duties or that materially impair the Executive's ability to function independently and ethically as Chief Compliance Officer; (E) the determination, by a majority vote of the Audit Committee, that the Executive has been afforded insufficient budgetary, personnel, or other resources by the Association to adequately perform the functions of the Chief Compliance Officer as set forth by the Bylaws; or (F) a material breach by the Association of any material provision of this Agreement.

- ii. A termination for Good Reason shall mean a termination by the Executive effected by written notice given by the Executive to the Association within ninety (90) days after the Executive's first having knowledge of the Good Reason event, unless the Association shall, within thirty (30) days after receiving such notice, take such action as is necessary to fully remedy such Good Reason event, in which case the Good Reason event shall be deemed to have not occurred.

7. Compensation Upon Termination.

- a. Accrued Obligations. If the Executive's employment is terminated during the term of this Agreement for any reason, the Association shall pay accrued amounts and benefits to the Executive in accordance with the Association's policies.
- b. Severance Benefits. If during the term of this Agreement the Association terminates the Executive's employment other than for Cause or Disability or if the Executive terminates the Executive's employment for Good Reason, the Association shall pay or provide a severance benefit equal to [INSERT -- e.g., two (2) times the Base Salary] then in effect, with such sum to be paid in substantially equal proportionate installments in accordance with the Association's normal payroll practices, commencing with the first payroll period in the month following the month in which the date of termination occurs, for a period of [INSERT -- e.g., two years].
- c. Conditions to Receiving Severance Benefits. The amounts payable to Executive under Section 7.b shall be contingent upon and subject to both the Executive's compliance with covenants contained and referenced in this Agreement and the Executive's execution and non-revocation of a separation agreement containing customary terms and a general waiver and release of claims, on or prior to the sixtieth (60th) day following the date of termination.

8. Notices. All notices, demands, requests or other communications required or permitted to be given or made hereunder shall be in writing and shall be delivered, telecopied or mailed by first class registered or certified mail, postage prepaid, addressed as follows:

a. If to the Association:

National Rifle Association of America
Office of the General Counsel
11250 Waples Mill Rd.
Fairfax, VA 22030

b. If to the Executive:

[MENSINGER NOTICE ADDRESS]

or to such other address as may be designated by either party in a notice to the other. Each notice, demand, request or other communication that shall be given or made in the manner described above shall be deemed sufficiently given or made for all purposes three (3) days after it is deposited in the U.S. mail, postage prepaid, or at such time as it is delivered to the addressee (with the return receipt, the delivery receipt, the answer back or the affidavit of messenger being deemed conclusive evidence of delivery) or at such time as delivery is refused by the addressee upon presentation.

9. Severability. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the other provisions of this Agreement, which shall remain in full force and effect.

10. Advice of Counsel. Prior to execution of this Agreement, the Executive was advised by the Association of his right to seek independent advice from an attorney of the Executive's own selection regarding this Agreement. The Executive acknowledges that he has entered into this Agreement knowingly and voluntarily and with full knowledge and understanding of the provisions of this Agreement after being given the opportunity to consult with counsel.

11. Amendment; Waiver. This Agreement shall not be amended, altered or modified except by an instrument in writing duly executed by the parties hereto. Neither the waiver by either of the parties hereto of a breach of or a default under any of the provisions of this Agreement, nor the failure of either of the parties, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder, shall thereafter be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any provisions, rights or privileges hereunder.

12. Headings. Section and subsection headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

13. Governing Law. This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia (but not including the choice of law rules thereof).

14. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and it supersedes all prior oral or written agreements, commitments or understandings with respect to the matters provided for herein, including, for the avoidance of doubt, the Original Employment Agreement.

15. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement, or have caused this Agreement to be duly executed on their behalf, as of the day and year first hereinabove written.

Date:

THE EXECUTIVE

By: _____

Date:

THE ASSOCIATION

By: _____

FILED: NEW YORK COUNTY CLERK 12/11/2024 01:46 PM

FILED: NEW YORK COUNTY CLERK 10/04/2024 10:06 PM

RECEIVED NYSCEF: 12/11/2024

NYSCEF DOC. NO. 3593

RECEIVED NYSCEF: 10/04/2024

Exhibit 4

NRA Board Policy Concerning Related Party Transactions

Under the NRA Conflict of Interest and Related Party Transaction Policy (the “NRA Conflict Policy”) and New York law, codified in N.Y. N-PCL §§ 102 and 715, special restrictions and approval requirements apply to “Related Party Transactions,” a term denoting any transaction, agreement, or other arrangement in which a “related party” of the NRA has a financial interest and in which the NRA, or one of the NRA’s affiliates, is a participant, subject to certain exceptions. Between 2018 and 2022, the Audit Committee confronted a number of Related Party Transactions involving directors, officers, and “key employees” of the NRA (another term defined in the NRA Conflict Policy). Although such transactions are sometimes fair and reasonable and in the best interests of the Association, the Board of Directors strongly disfavors them, including due to the appearance of self-dealing which such transactions may create. The NRA shall hereinafter follow this Policy to emphasize, and operationalize, a firm stance against such transactions, especially if they are not explicitly approved by a majority of the Board.

This Policy supplements, but does not abridge or otherwise modify, the requirements for Related Party Transactions set forth in the NRA Conflict Policy. The terms “Related Party Transaction,” and “Relative,” and “Key Employee” are defined as set forth in the NRA Conflict Policy.

1. Any Related Party Transaction must be approved in advance by the Audit Committee as set forth in the NRA Conflict Policy. The Audit Committee shall not approve any Related Party Transaction involving an arrangement, payment, relationship, or financial interest which was improperly omitted by an NRA director, officer, or Key Employee from his or her most recent Financial Disclosure Questionnaire. The Audit Committee shall affirmatively determine, as a precondition for any approval, that the transaction is fair, reasonable, and in the best interest of the NRA, and shall append to the relevant resolution any materials considered which informed the committee’s determination.
2. Following Audit Committee approval, as a precondition for any such transaction, the transaction must additionally be approved by an affirmative majority vote of the NRA Board of Directors.
3. The Audit Committee shall not ratify any Related Party Transaction which was not properly disclosed and approved in advance. Instead, it is the policy of the NRA Board of Directors that if any Related Party Transaction occurs without proper approval as set forth in this policy, the transaction can be ratified only by a majority of the Board. In the absence of such ratification, (i) the transaction shall be voided or rescinded by the NRA to the extent legally practicable, and (ii) the director(s), officer(s), or Key Employee(s) involved in the transaction shall be referred to the Ethics Committee or the Compliance Office—as appropriate—for discipline. Discipline shall presumptively include monetary sanctions sufficient to compensate the NRA and/or NRA affiliate for

any expenditure, waste, loss, or damage to the NRA and/or NRA affiliate in connection with the unapproved transaction, including consequential and reputational damages.

For the avoidance of doubt, nothing in this policy prevents the NRA or affiliates from providing financial support to state clubs and associations where NRA Board members, officers, or key employees (1) serve as unpaid volunteers; or (2) serve in compensated positions so long as the financial support from the NRA or an affiliate has no impact on their compensation and the individual has no role at NRA in approving the support.

451625/2020

Judgment

