Subject: FORMATION OF SPECIAL COMMITTEE ON CRISIS MANAGEMENT

JOHN FRAZER & WILLIAM “WIT” DAVIS :

PLEASE FIND ATTACHED A CONFIDENTIAL MEMORANDUM FROM ME TO THE EXECUTIVE COMMITTEE NOTIFYING THE MEMBERS THAT I HAVE FORMED A SPECIAL COMMITTEE ON CRISIS MANAGEMENT AND AM IN THE PROCESS OF ASSIGNING MEMBERS. PLEASE INCLUDE THE ATTACHMENTS BELOW WHEN TRANSMITTING THE MEMO.

YOUR ACKNOWLEDGEMENT OF RECEIPT & TRANSMISSION TO THE EX COMM WILL BE APPRECIATED.

JOHN: PLEASE ENSURE OUR EVP/CEO AND WILLIAM “WIT” DAVIS, OUR NEW BOARD COUNSEL ARE PROVIDED WITH THIS ENITRE MISSIVE.

DO NOT HESITATE TO CALL WITH ANY QUESTIONS.

SEMPER FIDELIS, OLIVER NORTH

"SEMPER FIDELIS" IS MORE THAN A SLOGAN FOR U.S. MARINES. “ALWAYS FAITHFUL” IS A WAY OF LIFE.

NATIONAL RIFLE ASSOCIATION OF AMERICA
OFFICE OF THE PRESIDENT
11250 WAPLES MILL ROAD
FAIRFAX, VIRGINIA 22030

OLIVER L. NORTH
President

CONFIDENTIAL

To: Executive Committee of the NRA

From: Oliver North, NRA President

Cc: John Frazer, NRA General Counsel
William Davis, NRA Board Counsel

Date: April 25, 2019

Re: Formation of a Crisis Management Committee

THE NRA FACES A CRISIS

The NRA faces a crisis that could affect its ability to operate as a nonprofit organization.

1. On 17 April 2019, the *New Yorker* magazine published a devastating article raising serious allegations about mismanagement, which, if true, threaten the existence of the NRA's nonprofit status. See Attachment 1. Earlier critical articles appeared in the *Wall Street Journal* and the *New York Times*. Because these articles allege mismanagement of nonprofit funds, they may provoke investigations by the New York Attorney General, the IRS, or other authorities. These investigations could last years and be damaging to the NRA.

2. On 12 April 2019, the NRA filed a public lawsuit in the state court of Virginia against Ackerman McQueen alleging that Ackerman failed to provide financial information requested by the NRA. The suit was filed without consultation and without informing members of the NRA Board of Directors or key officers of the NRA, and its public airing of what might be an internal dispute has cast the NRA in a bad light.

3. On 22 April 2019, Ackerman McQueen responded to the lawsuit with a series of letters making allegations against Wayne LaPierre, the NRA's EVP/CEO. For example, one letter from Ackerman McQueen suggested that Mr. LaPierre received $270,000 worth of

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clothing from Ackerman McQueen for which he did not pay. Another letter from Ackerman McQueen suggested that Mr. LaPierre received over $240,000 in travel, hotels, and limousines paid for by Ackerman McQueen, which ultimately were reimbursed by the NRA. See Attachment 2 and Attachment 3.

4. On 22 April 2019, shortly after Ackerman McQueen sent the letters referenced above to Mr. LaPierre and NRA Board Counsel Steve Hart, Mr. LaPierre fired Mr. Hart. Mr. LaPierre fired Mr. Hart without consulting with the Board, and promptly after Mr. Hart sent the Ackerman McQueen letters to the NRA Audit Committee with the message that the Board has a fiduciary duty to inquire further into the letters.

5. For two months, based on the advice of NRA Board Counsel, I and others have been urging Mr. LaPierre to conduct an independent, outside review of the substantial payments that the NRA has been making to Brewer Attorneys & Counselors. As a nonprofit organization, the NRA has a duty to be good stewards of its funds, and I have been informed that the NRA has made payments to Brewer exceeding $24 million. On 18 April, 2019, Richard Childress and I submitted a letter to the Audit Committee explaining multiple reasons why we need to review these extraordinary payments. Mr. LaPierre has consistently opposed such a review. See Attachment 4.

CRISIS MANAGEMENT COMMITTEE

As President of this Association, I have a fiduciary duty to respond to this crisis. Pursuant to NRA Bylaw Article V, Section 2, I hereby form a Special Committee of the Board of Directors called the "CRISIS MANAGEMENT COMMITTEE." The CRISIS MANAGEMENT COMMITTEE is tasked with addressing and resolving the problems identified above so we can fulfil our duties and get on with our mission of protecting the Second Amendment.

The CRISIS MANAGEMENT COMMITTEE will do the following:

1. Supervise a confidential, privileged, internal investigation to determine whether there is substance/validity to the allegations set forth in the *New Yorker* article and other publications, particularly to remediate any issues with the NRA's compliance with rules, regulations, and law applicable to nonprofit organizations.

2. Supervise a confidential, privileged, internal investigation into the letters from Ackerman McQueen dated 22 April 2019, which suggest financial impropriety.

3. Examine the process that led to the NRA's filing of a lawsuit against Ackerman McQueen, including who authorized the filing of that lawsuit and whether any Directors were advised/consulted prior to the filing of the lawsuit on 12 April 2019.

4. Determine whether there is a basis to resolve whatever differences exist between NRA and Ackerman McQueen in an arbitration or other forum.

5. Consult with a prominent expert in the governance of nonprofit organizations, who will assist the CRISIS MANAGEMENT COMMITTEE in implementing best practices to ensure that the NRA is in compliance with all rules, regulations, and law applicable to nonprofit organizations.

6. Supervise an outside, independent review of the invoices submitted by Brewer Attorneys & Counselors, which total more than $24 million over a short period of time.

7. Establish procedures to keep the NRA's Executive Committee and full Board advised of key decisions and strategies developed over the months ahead.

I am working to appoint members to the CRISIS MANAGEMENT COMMITTEE, and intend to see that this Special Committee addresses and remediates the problems identified above. We owe this to the NRA and its 147+ year history of protecting the Second Amendment.

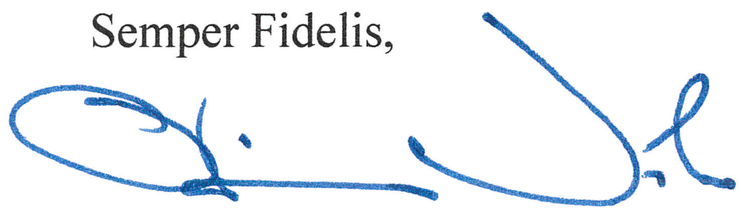
ADDENDUM

John Frazer & William Davis:

Please pass a copy of this document and its four attachments as OFFICIAL CORRESPONDENCE to the members of our Executive Committee and our Executive Vice President/CEO.

Your acknowledgement that this has been done will be much appreciated.

Semper Fidelis,



Oliver North
NRA President

Attachments:

1. New Yorker Article
2. AckMc letter re clothing
3. AckMc letter re expenses
4. President North, 1st VP Childress letter to Audit Committee

"Semper Fidelis" is more than a slogan for U.S. Marines.
"Always Faithful" is a way of life