



Written by [Luis Miguel](#) on February 22, 2021

New York AG Asks Judge to Scrap NRA Bankruptcy Case as Part of Effort to Dismantle Gun Group

Letitia James, the attorney general for the State of New York, [asked a federal judge](#) to throw out the National Rifle Association's bankruptcy case, a move that would prevent the gun rights group from relocating to Texas and thus evading the AG's attempt to shut the NRA down.

James characterized the NRA as acting in "bad faith" and seeking to use bankruptcy merely to escape prosecution over allegations that its leaders, such as CEO Wayne LaPierre, spent millions of dollars of the organization's funds on personal expenses.



AP Images

"The National Rifle Association of America, Inc. ('NRA') seeks bankruptcy protection while claiming to be solvent and 'in its strongest financial condition in years,'" wrote James' office in a February 12 filing made public last week.

"It invokes the jurisdiction of this court while publicly proclaiming that it filed its petition because it is 'dumping New York,' 'utilizing the protection of the bankruptcy court,' and 'organizing its legal and regulatory matters in an efficient forum,' essentially fleeing or seeking an end run around a pending regulatory enforcement action in New York."

The NRA is hoping that the bankruptcy filing would require James to petition the bankruptcy court, along with the New York state court she is suing in, in order to seize the organization's assets. But tossing out the bankruptcy case would block those plans, likely forcing the NRA to come up with a different legal strategy.

NRA lawyer William Brewer called James' maneuver "another transparent move in a partisan crusade to shut down the NRA." He pointed to the fact that the New York AG called the gun rights group a "terrorist organization" during her campaign as an indication of her bias.

"It is no surprise she now objects to the NRA's plan to avail itself of the benefits of Chapter 11 — for its members and all who support its Second Amendment advocacy," Brewer said.

For her part, James called the NRA's plan to move to Texas "extraordinary" in her filing, arguing that the group "has decided that it can cross state borders with its assets and open up in a different jurisdiction to evade law enforcement action" in New York. She also maintained that the NRA, which reported its assets were more than double its liabilities in a filing on Monday, claims to be solvent and accused it of using bankruptcy simply "to avoid regulation in the state where [it] is chartered and subject to oversight."

Brewer, however, fired back at her arguments, stating that the NRA gladly looks forward to making its case in court.



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“Attorney General James claims that Chapter 11 is an attempt to ‘end run’ litigation between her office and the NRA. That is false,” Brewer said. “As the Association has said repeatedly, it welcomes the opportunity to litigate these contrived claims and the motives which led to their filing.”

In the case that the NRA’s bankruptcy bid isn’t thrown out, James asked the court to remove the organization’s leadership and name a trustee to oversee it during bankruptcy. She proposed that there was cause to do so “based upon the demonstration of fraud, dishonesty, and gross mismanagement by the current management.”

Embittered NRA donors who have joined in a class-action lawsuit against the NRA have also said they will request a trustee.

“It’s in everybody’s best interest to get a trustee in there, certainly from the creditors’ point of view, and, I would argue, even for the five million members because every dime that they waste in frivolous litigation is a dime less that could go to the core mission,” [said](#) David Dell’Aquila, who leads the class-action lawsuit.

The NRA case comes as the Biden administration and the Democrat-controlled Congress seek to pass sweeping gun control. H.R. 127, a bill introduced by Representative Sheila Jackson Lee (D-Texas), would, along with several other restrictions on gun ownership, create a national gun registry.

The bill, which would go as far as requiring Americans to reveal where in their homes they store their firearms, would be a massive infringement by the government of citizens’ Second Amendment-protected rights. Because the information of the gun registry would be public record, criminals could easily use it to know which homes to break into and where to look to steal guns they could go on to commit crimes with. Ultimately, gun-control efforts such as this would not make law-abiding citizens more safe, but less so.



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