

READING INTERNATIONAL INC
 Form 4
 September 14, 2006

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 COTTER JAMES J

2. Issuer Name and Ticker or Trading Symbol
 READING INTERNATIONAL INC [RDI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 500 CITADEL DRIVE, SUITE 300
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 09/08/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
 Chief Executive Officer

COMMERCE, CA 90040

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V Amount (A) or (D) Price | | | |
| Class B Voting Common Stock | | | | | 1,023,888 | I | James J. Cotter Living Trust |
| Class A Nonvoting Common Stock | | | | | 2,411,273 | I | James J. Cotter Living Trust |
| Class A Nonvoting Common Stock | 09/08/2006 | | S | 990,000 ⁽¹⁾ D 5.44 ₍₂₎ | 10,000 ⁽¹⁾ | I | Cotter Enterprises, LLC |

| | | | |
|---|-----------|---|----------------------------------|
| Class A Nonvoting Common Stock | 1,565,782 | I | Hecco Ventures ⁽³⁾ |
| Class A Nonvoting Common Stock | 29,730 | I | Profit Sharing Plan |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Benef Own Follo Repor Trans (Instr |
|---|--|---|---|--------------------------------------|--|--|---|---|--|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| | | | | | | Code | V (A) (D) | | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| COTTER JAMES J 500 CITADEL DRIVE SUITE 300 COMMERCE, CA 90040 | X | X | Chief Executive Officer | |

Signatures

/s/ James J.
Cotter

09/08/2006

**Signature of
Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Represents the sale and issuance by Cotter Enterprises, LLC ("Cotter LLC") of a 99% non-voting interest in Cotter LLC to Cotter 2005 Children's Trust U/D/T ("Trust"), an irrevocable trust. Beneficiaries of the Trust are Mr. Cotter's three children: Ellen M. Cotter, Margaret

(1) Cotter, and James J. Cotter, Jr. Mr. Cotter, as the managing member of Cotter LLC, retains sole voting and investment power with respect to the 1,000,000 shares held by Cotter LLC, but his pecuniary interest is limited to the 10,000 shares shown based on his 1% interest in Cotter LLC.

(2) Price reflects the price received for a 99% non-voting interest in Cotter Enterprises, LLC, and represents a discount from the value of the underlying securities reflecting the illiquid and non-controlling nature of the limited liability company membership interest involved. The price is subject to adjustment upward or downward based on a third party appraisal, which is currently in process.

Mr. Cotter is the general partner of a limited partnership which is, in turn, the general partner of Hecco Ventures, a California partnership.

(3) Mr. Cotter has voting power over the shares owned by Hecco Ventures. His interest varies from time to time depending upon the extent of his capital account in the limited partnership and of the limited partnership's capital account in Hecco Ventures.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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