

As woes escalate for Harvey Weinstein's former company, potential buyers begin to circle

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Hollywood is already starting to kick the tires of the Weinstein Co., barely a week after sexual misconduct allegations surfaced against its ousted co-founder, Harvey Weinstein.

Woes escalated for Weinstein and his former company this week as police in New York and London began criminal investigations into alleged sexual assault by the film producer. Questions are also swirling about whether board members and other executives were aware of harassment claims, raising more doubts about viability of the New York movie and television studio.

Studios, production companies, distributors and other investors have been calling bankers to assess whether to bid for pieces of the company, as well as film and TV projects, if the firm is unable to stay afloat, said four entertainment industry executives who



Harvey Weinstein, who was fired from his company Sunday in the wake of sexual harassment allegations. Police in New York and London are investigating alleged sexual assault by Weinstein. (Jacques DeMarthon / AFP/Getty Images)

asked to remain anonymous to protect business relationships.

The company did not respond to requests for comment Thursday.

Weinstein Co. Co-Chairman Bob Weinstein and President and Chief Operating Officer David Glasser have been scrambling to save the company as allegations mount against the “Shakespeare in

Love” producer. Executives have made calls to creative partners to keep them from fleeing and have been working to rebrand and carry on under a different name after cutting ties with Harvey Weinstein.

But the board is coming under pressure to liquidate the Weinstein Co.’s assets, said people familiar

with the matter. The firm was already facing financial strains because of a lack of commercial hits and increasing competition in the indie cinema space before Weinstein's alleged misconduct surfaced.

Amid the widening scandal, Apple has already dropped a planned Elvis series by the Weinstein Co., and Amazon.com has said it is reviewing its options on its projects with the embattled firm.

"This company's got no place to go in its current form," said Los Angeles investment banker Lloyd Greif, chief executive of Greif & Co. "The value of the business is now in pieces, not as a whole, because this is such a huge stain on the company."

Though Weinstein Co. as a whole is in peril, potential buyers may be interested in certain film and television projects that could be in limbo if they remain at the studio. The Weinsteins had been trying to unload part of their TV business, known for "Project Runway," for years.

Also complicating matters is the Weinstein Co.'s library of films. In 2010, Goldman Sachs and an insurance company took possession of more than 200 of the studio's films as part of a debt restructuring.

Concerns about the company's future escalated Thursday after the New York Police Department said it is seeking out women who may

have been victims of Harvey Weinstein's alleged behavior. Police in New York are said to be looking into a 2004 incident in which Weinstein allegedly sexually assaulted an actress.

"Based on information referenced in published news reports the NYPD is conducting a review to determine if there are any additional complaints relating to the Harvey Weinstein matter," said Det. Sophia Mason of the NYPD. "No filed complaints have been identified as of this time."

At the same time, London law enforcement officers are reportedly pursuing their own sexual assault case against Weinstein over an incident that allegedly occurred in the 1980s.

In addition, the Weinstein Co. is facing additional allegations that executive and board members were aware of settlements Harvey Weinstein had made with women since 2015. David Boies, a lawyer who has represented Weinstein and his companies in legal matters, told the New York Times that the company and board was told of three or four settlements with women when Weinstein's contract with the firm was up for renewal.

Boies, who has represented Weinstein, his namesake company and his prior company Miramax, is not working with Weinstein in any sexual harassment cases. Boies declined to comment Thursday.

The disclosure comes just two days after the remaining members

of the Weinstein Co. board, including Bob Weinstein, denied having any knowledge of misconduct, saying they were "shocked and dismayed" by reports.

"These alleged actions are antithetical to human decency," the directors said in a statement Tuesday. "These allegations come as an utter surprise to the board. Any suggestion that the board had knowledge of this conduct is false."

The remaining members of the company's diminished board, Lance Maerov, Richard Koenigsberg and Tarak Ben Ammar, also signed the statement. Four Weinstein Co. board members resigned last week in reaction to the sexual misconduct allegations.

The company was already vulnerable to civil lawsuits because firms are considered strictly liable for sexual harassment by managers under New York and California law. But the fresh details about the board's alleged knowledge are potentially even more damaging, said Los Angeles attorney and former federal prosecutor Manny Medrano.

"That is profoundly problematic for the board and the company if it is in fact true that board members knew of this conduct by Harvey Weinstein," Medrano said.