

Harvey Weinstein faces new criminal probe as his company gets a financial lifeline from L.A. billionaire

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The Weinstein Co., roiling from sexual harassment and rape allegations against ousted co-founder Harvey Weinstein, has secured some much-needed financial relief from Los Angeles billionaire Thomas Barrack.

The mini-studio announced Monday that it has entered an agreement for Barrack's private equity firm Colony Capital to provide a cash infusion to the New York-based company.

Colony and the Weinstein Co. — known for producing films such as “Silver Linings Playbook,” “Django Unchained” and the reality television series “Project Runway” — also said that they have entered a negotiation period for a sale of all or part of the beleaguered firm's assets. Financial details were not disclosed.



Movie producer Harvey Weinstein was fired from the Weinstein Co. on Oct. 8. (Jordan Strauss / Invision)

The deal with Barrack, a close ally of President Trump, is a sign of how dire the situation was for the Weinstein Co., outside bankers told The Times. The Weinstein Co. had already come on hard times because of the poor performance of its films, and the mounting allegations against its former co-chairman have further threatened its survival. The company has

swiftly lost board members and TV deals in the wake of the scandal.

“There's a desperation that is dense in the air coming from the Weinstein Co.'s headquarters,” said Eric Schiffer, chief executive of the Patriarch Organization, a private equity firm. “It's like being on the Hindenberg when everyone's jumping off.”

The mounting woes include criminal probes into Weinstein's behavior. The New York Police Department has opened an investigation into a 2004 rape allegation and is reexamining a more recent sexual assault allegation that was previously rejected by prosecutors, according to a law enforcement source.

In Britain, actress Lysette Anthony filed a formal crime report with Merseyside Police in the United Kingdom alleging she was raped by the movie mogul at her London home in the late 1980s. London's Metropolitan police acknowledged that on Oct. 11 they opened a formal probe into an allegation from that period.

Los Angeles Police Capt Billy Hayes, who oversees the Robbery Homicide Division that handles high-profile sex crimes, said the department doesn't have any active investigations into Harvey Weinstein.

"We absolutely encourage anyone who may be a victim of sexual assault to come forward and report the crime," Josh Rubenstein, LAPD's director of communications.

Weinstein has denied all allegations of nonconsensual sex.

The negotiations with Colony Capital come less than two weeks after the New York Times published an investigation detailing decades of alleged sexual



THOMAS BARRACK, founder of Colony Capital, has agreed to provide a cash infusion to Weinstein Co. and is negotiating to buy all or part of the studio's assets. (Evan Vucci / Associated Press)

harassment by Weinstein. Last week, the New Yorker published its own investigation in which three women accused him of rape. Numerous other women have also come forward with allegations.

The producer has apologized for some of his behavior and denied the rape claims. But backlash against him and his company has been swift. On Oct. 8, Weinstein Co. fired him. On Saturday, he was expelled from the Academy of Motion Picture Arts and Sciences.

Harvey Weinstein's brother, Bob, now the lone chairman of their company, has been scrambling to save his namesake studio.

Bob Weinstein said Friday that the company was not shutting down or for sale, but his statement was immediately met with heavy

skepticism from inside the studio and from the industry.

Bob Weinstein was not mentioned in the Colony Capital announcement, which characterized the capital infusion as a way to stabilize the firm.

"We believe that Colony's investment and sponsorship will help stabilize the company's current operations, as well as provide comfort to our critical distribution, production and talent partners around the world," Weinstein Co. board member Tarak Ben Ammar said in a statement. "Colony's successful experience and track record in media and entertainment will be invaluable to the company."

Barrack and Colony Capital are no strangers to the Weinsteins or to Hollywood. In 2010, a group of

investors including Colony Capital and construction magnate Ronald Tutor bought film and TV firm Miramax — which was founded by Harvey Weinstein and his brother, Bob — from Walt Disney Co. (The Weinsteins had left Miramax in 2005.)

Barrack sold Miramax to Qatar-based broadcaster BeIN Media Group last year. Colony also helped set up a TV joint venture between Miramax and the Weinstein Co. in 2013.

“We believe the [Weinstein] company has substantial value and growth potential,” Barrack said in a statement. “We will help return the company to its rightful iconic position in the independent film and television industry.”

The billionaire, who made his fortune in real estate, also does not shy away from controversial figures. He was a staunch supporter of Trump’s presidential campaign, landing a major speaking gig at the Republican National Convention last year. He also chaired Trump’s inauguration committee. In sharp contrast, Harvey Weinstein was a big fundraiser for Democratic politicians including Hillary Clinton.

In 2008, Barrack saved Michael Jackson’s Neverland Ranch from foreclosure when Colony acquired a loan that was in default.

Barrack swooped in for the Weinstein Co. as its future was

looking increasingly bleak. Amazon Studios cut ties with Weinstein Co. last week, dooming a high-profile television project from director David O. Russell. Amazon had ordered two seasons of the untitled drama. Amazon will continue with a second show it was co-producing with Weinstein Co., but it will go forward without the studio’s involvement.

On Friday, investment banking firm Goldman Sachs said it was exploring options for what to do with its small stake in the studio. A Goldman Sachs spokesman has said the firm’s stake is now worth less than \$1 million.

“Tom Barrack loves distressed deals, and this is a fire sale with a capital F,” said Lloyd Greif, CEO of Los Angeles investment bank Greif & Co.

The allegations against Harvey Weinstein have been sordid, and they have led numerous women to come forward with additional allegations against him and others in Hollywood. His accusers include Angelina Jolie, Gwyneth Paltrow and Rosanna Arquette.

In the New York Times report, actress Ashley Judd described meeting Weinstein at a Beverly Hills hotel for what she thought was a business breakfast meeting. Instead, she said, Weinstein had her come up to his hotel room, met

her in a bathrobe and asked if she could watch him shower or he could give her a massage.

The article also said Weinstein reached at least eight settlements with women after being confronted with sexual harassment allegations.

The New Yorker report said three women alleged Weinstein had raped them, and that others expressed suspicion that the producer had retaliated against them for refusing his advances or complaining about him.