

Federal Judge Rejects \$46.8 Million Settlement Of Harvey Weinstein Sexual Abuse Claims

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TOPLINE

U.S. District Court Judge Alvin Hellerstein on Tuesday rejected a \$46.8 million settlement of civil suits against Harvey Weinstein accusing him of sexual misconduct.

KEY FACTS

The settlement would have used insurance company funds to pay off the remaining claims in the Weinstein Company bankruptcy, with \$18.9 million going to class-action claimants and their attorneys, \$5.4 million to individual plaintiffs and additional money to trade creditors, defense attorneys working for Weinstein and the other Weinstein Company officers and directors.

At the preliminary approval hearing Tuesday in the U.S. District Court for the Southern District of New York, which lasted only 20 minutes, Hellerstein said that the case is not suitable for class action, that the agreement would treat all victims the same and that “women who have been raped are entitled to a much greater recovery than those who just met him.”

Hellerstein also objected to a plan to set aside money to help Weinstein and the former board of the Weinstein Company pay defense costs, saying, “the idea that Harvey Weinstein could get a defense fund ahead of the plaintiffs is obnoxious.”

According to the agreement, a “special master” would evaluate each woman’s claim and assign a monetary value, which Hellerstein objected to, saying that it should be up to a judge to decide and was an “abdication of the court’s responsibility.”

Lawyers for the victims applauded Hellerstein’s decision: “We have been saying for over a year-and-a-half that the settlement terms and conditions were unfair and should never be imposed on sexual assault survivors,” Douglas Wigdor, Kevin Mintzer and Bryan Arbeit said in a joint statement, calling it a “one-sided proposal.”

Weinstein's civil attorney, Imran Ansari, said earlier this month that Weinstein "remains intently focused in defending himself on all remaining legal matters, including the appeal of his criminal conviction, civil lawsuits and the charges filed against him in LA."

key background

Weinstein is serving 23 years in prison in New York after being convicted of committing sex crimes. Weinstein has denied the allegations.

chief critic

New York Attorney General Letitia James was part of the class-action suit that created the \$18.9 million settlement. “For more than two years, my office has fought tirelessly in the pursuit of justice for the women whose lives were upended by Harvey Weinstein. This agreement is a win for every woman who has experienced sexual harassment, discrimination, intimidation, or retaliation by her employer,” James said in a statement. On Tuesday, her office said in a statement that it will “review the decision and determine next steps.”

what we don't know

Hellerstein's decision is a setback in the Weinstein Company bankruptcy process — attorneys had hoped to confirm a liquidation plan by the end of 2020.