


# Weinstein sex-abuse settlement rejected by federal judge

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After more than a year of negotiations, infighting, numerous roadblocks and a criminal rape conviction for Harvey Weinstein, U.S. District judge Alvin K. Hellerstein rejected a proposed settlement between the disgraced mogul and nine women who said he sexually assaulted or abused them.

U.S. District Judge Alvin Hellerstein in New York said Tuesday he wouldn't consent to the \$18.9-million settlement in part because the agreement tried to include claims by women who asked to be excluded from the deal. He said the proposal settlement unfairly included women who simply met Weinstein, in addition to those who were sexually assaulted by him.

"Not every woman was captured in the same way," Hellerstein said. "Your settlement would create inequality among all of those people."

Attorneys for women who opted out of the settlement praised the 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," said Douglas Wigdor, who represents six women who allege they were abused by Weinstein, in a statement. "On behalf of our clients, we look forward to pursuing justice against Harvey Weinstein and his many enablers."

Elizabeth A. Fegan, an attorney representing the class action plaintiffs, expressed disappointment in the ruling.

"We've long held that we needed to find justice for all the women that Weinstein preyed upon in a fair and equitable way," Fegan said in a statement. "Now, we need to turn our attention to litigating our clients' individual cases."

The women agreeing to the proposed settlement — actresses and screenwriters — sued the former movie producer in December 2018. They alleged his company, its officers and directors, and Miramax, the studio he once ran, enabled his predatory conduct. The only remaining defendant in the case is Weinstein, after others won dismissals.

On Monday, one day before the hearing, numerous women vociferously objected to the agreement, denouncing it as offering inadequate compensation to the victims while enabling Weinstein and the directors of his namesake company to evade accountability or liability.

“This is great news,” said Rowena Chiu, a former assistant for Weinstein who worked in Miramax’s London office. She alleges that Harvey attempted to rape her during the 1998 Venice International Film Festival. Weinstein has denied claims of having nonconsensual sex.

“We have been conditioned to expect the worst and that was true of this too,” said Chiu, who is not participating in the class action settlement. “But this is a good indication that the wheels of justice are finally changing and turning for the better. I am grateful that the burden is not just on the survivors to say this is unfair to women.”

From the start, the negotiations were fraught and complex, according to various parties involved.

The settlement was contingent upon all of the plaintiffs being aligned. In this case, there were numerous accusers across multiple jurisdictions, each with her own claims and agendas.

In addition to a class action suit of alleged victims and former Weinstein Co. employees, there are at least 18 women with individual suits against Weinstein for sexual misconduct, assault or harassment.

Last year, as the process dragged on, some attorneys, including Wigdor, rejected the proposal outright, while victims expressed disgust at the process; one called it “absolutely re-traumatizing.”

New York-based Weinstein Co. filed for bankruptcy in March 2018 and later sold off most of its assets to private equity firm Lantern Capital Partners for \$289 million.

Last June, a dispute between the estate of the Weinstein Co. and former directors who’ve been accused of enabling Weinstein’s alleged misconduct threatened to derail the settlement altogether.

The directors and officers of Weinstein Co. declined a demand that they pay \$5 million to help defray the estate’s debts. In exchange, the estate would agree to keep the company in Chapter 11 bankruptcy and not liquidate assets by pursuing a Chapter 7 filing, according to two people involved in the matter.

Under the proposal, the estate would not retain a law firm that could sue the directors for failing to protect the company from Weinstein’s alleged sexual misconduct. The directors balked, however, saying that the \$5 million should be paid out by other parties; the estate rejected that idea.

The numerous hurdles also jeopardized the amount of the potential payout. The sum that went before the judge was considerably less than what was initially proposed when an investor group sought to buy the Weinstein Co. assets two years ago. That deal, which eventually collapsed, included a victims' fund of up to \$90 million.

Weinstein is currently serving a 23-year sentence at a maximum security prison in upstate New York after his conviction at a trial this year. He was convicted of committing a criminal sexual act and third-degree rape.

A representative for Weinstein declined to comment. He has denied all wrongdoing and plans to appeal.