

Weinstein Company Folds, Taking With it Victim Compensation

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The Weinstein Company (TWC) says it's filing for **bankruptcy** after a potential sale of the company fell through, putting in jeopardy lawsuits filed against Harvey Weinstein by dozens of women for alleged **sexual abuse** including **rape**.

Bankruptcy makes the women plaintiffs "unsecured creditors" who will receive a mere fraction of any legal compensations were the company economically sound.

Last month TWC executives were in talks with a group of investors to sell the company for **US\$500 million** to a group of investors led by Maria Contreras-Sweet, a former member of the Barack Obama administration.

Shortly after, the **New York State Attorney General Eric Schneiderman** sued TWC - founded in 2005 by the Hollywood elite brothers, Harvey and Bob Weinstein - for "egregious examples of sexual misconduct by Harvey Weinstein and repeated violations of New York Law by company officials that endangered employees."

Reuters says the NYS lawsuit "complicated negotiations" for the company's sale.

Schneiderman, whose lawsuit included a provision that TWC "must ensure that victims will be compensated" up to a total of US\$90 million, said today he's "disappointed" in the Weinstein Company's decision to file for bankruptcy.

Since October over **80 women** affiliated with the company, including Gwyneth Paltrow, Angelina Jolie, Rosanna Arquette and Mira Sorvino, have accused Weinstein, a once top Hollywood executive, of **sexual misconduct** and company officials of **covering it up**.

Weinstein denies the charges.

"A deal (to sell the company) would have been best for everyone involved, including victims, assuming a sizeable amount of money was set aside from the acquisition to compensate victims," said New York lawyer Doug Wigdor, who represents several of the women bringing charges against Weinstein for alleged sexual abuse.

However other lawyers who represent Weinstein's victims disagree.

"We don't think that the bankruptcy will ultimately limit what the **victims** could get," said Elizabeth Fegan, an attorney representing victims in a pending class action lawsuit. "Our claims are not only against The Weinstein Company but also against the board of directors, which will continue to have liability."

Fegan adds that the company's insurance money could also be drawn from to compensate the

women.

"While we recognize that this is an extremely unfortunate outcome for our employees, our creditors and any victims, the board has no choice but to pursue its only viable option to maximize the Company's remaining value: an orderly bankruptcy process," TWC said in an email.