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Ex-Weinstein Chair Says Hearsay Used In Ch. 11 'Scream' Row

By **Jeff Montgomery**

Law360 (August 4, 2021, 6:16 PM EDT) -- The Weinstein Co.'s former co-chair Robert Weinstein on Wednesday said Spyglass Entertainment Co.'s attempts to shoot down his claim to a cut of proceeds from the film "Scream 4" were hearsay, denying arguments that his rights ended with the entertainment company's Delaware Chapter 11 sale.

Responding to Spyglass Media Group's **assertions**, Weinstein, brother of jailed sex offender and former entertainment mogul Harvey Weinstein, said that **his rights to a percentage** of the movie proceeds survived U.S. Bankruptcy Judge Mary F. Walrath's approval of the 2018 deal that handed Weinstein Co. assets to a business that afterward became Spyglass.

The asset purchase agreement "did not (and could not) extinguish Mr. [Robert] Weinstein's participation in the covered titles," including "Scream 4," the response said, adding, "It is well established that a debtor's estate 'succeeds to no more interest than the debtor had'" prior to bankruptcy.

Spyglass produced an undated and unexecuted declaration from an attorney to support its denial, Robert Weinstein said, but that purported hearsay document "does not identify a single letter, email, notation or specific conversation in which the [Spyglass] assertions were actually expressed."

Amounts at stake were not detailed, but Weinstein's response noted that Spyglass itself referenced "millions" at issue in the dispute, which focused on Weinstein's asserted 1.87% interest in the movie.

Attorneys for the buyer "aggressively negotiated whether affiliates of TWC — including Mr. Weinstein — would retain their participation interests following the closing of the transaction," Spyglass said in its response to Robert Weinstein's initial claims. "Based on the clear language of the asset purchase agreement," amounts due prior to the sale are now excluded liabilities, it added.

Robert Weinstein argued that an employee at what became Spyglass provided a statement at his request confirming his participation rights with company officials, supporting his demand for payment.

The Weinstein Co. retreated into Chapter 11 in Delaware in March 2018 with plans for a sale after a wave of sexual assault allegations against co-founder Harvey Weinstein, who last year was convicted of rape and sexual assault in New York and was sentenced to 23 years in prison.

In July, California officials transported Harvey Weinstein from a prison in western New York to Los Angeles to face trial on similar criminal charges there.

Most of the company's assets were sold for about \$280 million to pay secured creditors, with Spyglass acquiring the studio's film and television assets.

The Weinstein Co. Chapter 11 liquidation plan was confirmed in January, with the debtor's insurance companies paying \$35.3 million into a settlement fund that will earmark \$17 million for victims and \$8.4 million for other claims. An additional \$9.7 million will go toward defense costs of other estate representatives.

Representatives for the two sides did not immediately respond to requests for comment.

Robert Weinstein is represented by Adam G. Landis, Kerri K. Mumford and Matthew R. Pierce of Landis Rath & Cobb LLP and Robert S. Chapman of Sauer & Wagner LLP.

The Weinstein Co. liquidating trustee is represented by Robert J. Feinstein, Debra I. Grassgreen, Jason H. Rosell and Colin R. Robinson of Pachulski Stang Ziehl & Jones LLP.

Spyglass is represented by R. Craig Martin, Matthew S. Sarna, Rachel Ehrlich Albanese and Brett Ingerman of DLA Piper.

The case is In re: TWC Liquidation Trust LLC, case number 1:18-bk-10601, in the U.S. Bankruptcy Court for the District of Delaware.

--Additional reporting by Vince Sullivan. Editing by Ellen Johnson.

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