

The Weinstein Company in Talks to Sell to Colony Capital

By Hilarie Bellis, J.D. Candidate 2019 | October 31, 2017

On Monday, October 16, The Weinstein Company (“Company”) announced that the studio has [entered into an agreement](#) with private equity firm Colony Capital. The struggling studio was left in a financial flux after multiple Hollywood actresses came forward with sexual harassment, sexual assault, and rape allegations against co-founder Harvey Weinstein. It was also revealed that Weinstein had reached at least [eight settlements](#) with women accusing him of sexual harassment and unwanted physical contact.

The Company has been struggling financially over the recent years due to the studio’s films’ poor performances at the box office. The New York based studio, known for Oscar winning films including *The King’s Speech* and *The Artist*, was founded by brothers Bob and Harvey Weinstein; the two brothers currently own 42% of the production company. Weinstein was [fired](#) by the board of the Company earlier in October due to the rising allegations of sexual misconduct.

In addition to the Company’s financial difficulties, internal investigations into Weinstein’s conduct may [cost](#) the studio between \$20 and \$40 million dollars. Additionally, the association with Weinstein is likely to hurt the studio’s upcoming slate of pictures. The Company has [pushed](#) back its Oscar hopeful, *The Current War*, from its original November 24, 2017 release date to later in 2018. Amazon Studios has also decided [not to move forward](#) with a David O. Russell television project that was to be a co-production with the Company.

Colony Capital was founded by Thomas J. Barrack Jr., a former business partner and close friend of President Trump. The private equity firm has experience with the movie business: in 2010, Colony Capital purchased Miramax, a production company that was also founded by the Weinstein brothers. Tarak Ben Ammar, a board member of the Company, said that Colony Capital had [entered into an agreement](#) with the studio to buy most of the Company’s television and movie properties. While the deal with Colony Capital will provide the Company a much-needed financial boost, many of the studio’s partners have cut ties amid the allegations against Weinstein. Goldman Sachs recently announced it is looking at options for its small stake in the production company.