
From: Barry Josephson <[REDACTED]>
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To: Jeff Epstein
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Do you know Lantern Capital?
I'm in NYC, you?
Best,
Barry J

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Weinstein Co. Names Lantern Capital as Winning Bidder for Assets

<https://cdn1.thr.com/sites/default/files/imagecache/NFE_Landscape/2017/10/gettyimages-542739972-h_2017.jpg>
Harvey Weinstein Courtesy of Christian Alminana/Getty Images

Lantern Capital is the winning bidder to acquire The Weinstein Co., the once prestigious studio behind The King's Speech, The Artist, Project Runway and various other films and television shows, the embattled company said Tuesday.

"Lantern's bid clearly achieves the highest and best value for the estate and its creditors," said Ivona Smith, a member of The Weinstein Co. board. "We look forward to working with Lantern to close the transaction and consummate the going concern sale."

When TWC filed for bankruptcy in March after Harvey Weinstein's sexual misconduct left the company reeling, Texas-based Lantern became the stalking horse bidder with a \$310 million cash offer and the assumption of project-related debt. By late Monday, when bids were due, the private equity firm had the only bid to acquire the debtor's full assets, according to an insider.

The winner won't officially be unveiled until a hearing in Delaware Bankruptcy Court next week, but already there's some controversy as word of Lantern's potential triumph has circulated.

According to the law firm of Hagens Berman, representing several Weinstein accusers in a class action lawsuit, a late bid had arrived from Inclusion Media, a New York-based company to be formed by theatrical producer Howard Kagan.

The full value of Kagan's bid hasn't been made clear. Nevertheless, the group of Weinstein accusers had been rallying behind this particular bid for TWC because it creates a settlement fund of \$25 million, plus four percent equity in Inclusion, for victims.

TWC said in a statement that it had concluded that Inclusion Media's bid "was not a bona fide offer."

"Earlier today, news outlets reported that the Company received a letter of interest from Inclusion Media, a potential bidder backed by Howard Kagan," TWC stated.

The company added: "That letter, submitted after the bid deadline, was a conditional indication of interest that contemplated substantially less value to the estate, and did not include a purchase agreement, a financing commitment, a deposit, or a number of other requirements for a qualified bid. While the Inclusion letter did claim to offer certain attractive aspects for victims, the Debtors concluded after discussions with Mr. Kagan that the Inclusion letter was not a bona fide offer."

A legal team representing the debtor is charged with picking the best deal, and it will be put before the judge to approve.

The Weinstein accusers are now opposing a TWC sale to Lantern, but if the highest-value offer isn't deemed best, that could cause competing objections from the many creditors who figure to be the beneficiaries of a sale. Plus, many A-list talent, studios with joint projects and distributors like Netflix are going to want adequate assurance that the buyer can perform contractual obligations.

The objecting group of Weinstein accusers could themselves benefit even if Lantern emerges as the victor. Indeed, the lead plaintiff in the class action lawsuit is the chairwoman on the Official Committee of Unsecured Creditors, which could also move to collect more money for the debtors' estate by pushing for a Litigation Trustee to investigate malfeasance claims against TWC insiders.

Asked to clarify the pessimism surrounding the Lantern offer, a spokesperson for Hagens Berman responded, "Doom and gloom because TWC assets are going to be sold and leave nothing in the short term for victims."

May 1, 4:40 p.m. Updated with Weinstein Co. statement on Lantern as the winning bidder.

See The Original Story <<https://www.hollywoodreporter.com/thr-esq/lantern-capital-gains-edge-weinstein-asset-sale-1107440>>

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