

MEDIA

Gawker and Hulk Hogan Reach \$31 Million Settlement

By SYDNEY EMBER NOV. 2, 2016

In fighting a lawsuit filed by the former professional wrestler Hulk Hogan, Gawker Media lost nearly everything — the verdict, its founder, its independence — but it maintained its resolute conviction that it would win on appeal.

On Wednesday, however, Gawker capitulated, settling with Hulk Hogan, whose real name is Terry G. Bollea, for \$31 million, according to court documents, and bringing to a close a multiyear dispute that stripped the company of much that once defined it.

Faced with a \$140 million judgment in the invasion of privacy lawsuit brought by Hogan over the publication of a video that showed him having sex with a friend's wife — and the later revelation that Peter Thiel, the billionaire Silicon Valley entrepreneur, was financing the lawsuit and others against the company — Gawker filed for bankruptcy in June and ultimately sold itself in August to Univision for \$135 million.

The sale brought an end to the company's independence, and Nick Denton, its founder and chief executive, left. Univision took down other Gawker articles that were involved in litigation. Gawker.com, which was at the center of the Hulk Hogan

lawsuit, was shut down. Gawker Media even lost its name — the sites that Univision acquired are now part of the Gizmodo Media Group.

All of these developments were viewed by some as the end of an era, and journalists — not just those who had worked at Gawker — published articles that often read like obituaries for a media company that had ushered in a certain style of irreverent, no-holds-barred journalism online.

Still, those at the company held on to a steadfast belief that it was in the right and that it would be vindicated on appeal. The fight became a symbol of press freedom, pitting a wealthy individual against a take-no-prisoners news organization.

But that fight ultimately proved too difficult to sustain.

“After four years of litigation funded by a billionaire with a grudge going back even further, a settlement has been reached,” Mr. Denton said in a blog post on Wednesday.

“All-out legal war with Thiel would have cost too much, and hurt too many people, and there was no end in sight,” Mr. Denton added. “Gawker’s nemesis was not going away.”

Mr. Denton did not respond to a request for further comment.

In May, Mr. Thiel, a founder of PayPal and one of the earliest investors in Facebook, acknowledged in an interview with *The New York Times* that he was providing financial support for Mr. Bollea’s lawsuit, saying he was financing cases against Gawker because it published articles that “ruined people’s lives for no reason.” Mr. Thiel was outed as gay by *Valleywag*, one of Gawker’s now-defunct blogs, nearly a decade ago.

In a statement issued on Wednesday, Mr. Thiel said, “It is a great day for Terry Bollea and a great day for everyone’s right to privacy.”

David Houston, a lawyer for Mr. Bollea, said in a statement of his own, “As with any negotiation for resolution, all parties have agreed it is time to move on.”

Some Gawker employees struck a more ominous tone and expressed outrage over what the decision could represent.

“This entire sorry spectacle spells doom for anybody who aspired to do what we aspired to do,” said John Cook, the executive editor of Gizmodo Media Group.

Gawker Media was not the only casualty. Mr. Denton, who was also a defendant in the lawsuit, filed for personal bankruptcy in August, saying, “I don’t have that kind of money lying around.” Mr. Bollea’s lawyers also pursued money from another defendant, Albert J. Daulerio, the former editor in chief of Gawker.com.

The debtors have had settlement discussions with Mr. Denton though they have not reached a final agreement, according to the court documents filed on Wednesday.

Gawker Media also settled two other lawsuits, according to the documents — with Shiva Ayyadurai over a 2012 article about a claim that he invented email, and with the journalist Ashley Terrill over a 2015 article about her efforts to uncover information about a former Tinder executive. Those articles, as well as the one involving Mr. Bollea, will be removed from the internet as part of the deal between the sides.

Ms. Terrill will receive \$500,000 from Gawker Media, and Mr. Ayyadurai will receive \$750,000, according to the court documents. It is not clear if Mr. Thiel was supporting those lawsuits. Charles J. Harder, a Los Angeles-based lawyer who represented Mr. Bollea, also represented Ms. Terrill and Mr. Ayyadurai.

“History will reflect that this settlement is a victory for truth,” Mr. Ayyadurai said in a statement.

If the settlements are approved by the bankruptcy judge, the money would come from the proceeds of the sale to Univision.

Founded in 2002, Gawker became a go-to site for New York media gossip and a magnet for young journalists who would later go on to work at places like The New Yorker, The Awl and Time. Mr. Denton was widely known for saying journalists shared their most interesting stories at the bar after work, and his mission was to

guide those stories onto his sites — to entertain and surprise their readers with information that traditional news organizations often shied away from.

There had been murmurings for months of a potential settlement between Gawker and Mr. Bollea, but even in the weeks leading up to its sale to Univision, Gawker maintained its typical swagger, hosting parties — one at a burlesque club in Lower Manhattan — and publishing articles as part of a “senior week” in August that seemed both to be a collection of pie-in-the-sky stories and a reminder of its brashness.

On Wednesday, employees were angry but melancholy. Some wondered why the settlement had come now, after so many months.

“Obviously, the way that we ran this, we suffered the maximal possible damage and gained the least from it,” said Tom Scocca, the executive features editor of Gizmodo Media Group. “A settlement at this point does nothing to repair any of the harm that was done.”

One longtime employee, Hamilton Nolan, had a more cursory response over email: “Ugh.”

David Streitfeld contributed reporting.

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