

California Court Confirms Kevin Spacey Must Pay \$31 Million to House of Cards Producers

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The Los Angeles County Superior Court has confirmed an arbitrator's October 2021 award of \$31 million to be paid by actor Kevin Spacey to producers of the Netflix show *House of Cards* for Spacey's alleged breach of contract. As we [previously reported](#), the producers alleged that Spacey was responsible for millions of dollars in costs and lost revenue the show incurred when allegations of Spacey's sexual harassment and sexual assault against *House of Cards* crew members surfaced in 2017, leading the producers to halt production and eventually rewrite the show to remove Spacey, who starred in the first five seasons.

In confirming the arbitration award, the court rejected Spacey's argument that the arbitrator exceeded his authority by considering evidence "extrinsic" to Spacey's alleged breach of contract. The court interpreted this to mean "circumstantial" evidence and noted that there is no reason an arbitrator cannot consider circumstantial evidence when determining an award.

The court also noted that vacating an arbitration award is a high bar even in close cases and that Spacey "fail[ed] to demonstrate that this is even a close case." The arbitration award was within the arbitrator's authority because it bore a rational relationship to the breach of contract, *i.e.*, it was aimed at compensating the show's producers for the effects of the breach, namely the costs and lost revenue, which are "fairly typical compensatory damages" in breach of contract cases.

This is a cautionary tale for those in positions of power who might be charged with illegally harassing their co-workers: The employer may not only fire such individuals, it also may seek affirmative relief against them in the form of monetary damages incurred by the employer as a result of their untoward actions.

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