

Gawker's Nick Denton Blames Everyone but Himself

Steve Tobak

After a federal judge refused to shield Nick Denton from personal liability in Hulk Hogan's \$140 million invasion of privacy verdict against him and Gawker Media, the founder followed his company into Chapter 11 bankruptcy protection, as expected.

In a [memo to employees yesterday](#), Denton paints himself as a paragon of journalistic integrity – the victim of a vendetta by a billionaire bully who “didn't like the coverage,” he said. Denton was referring to [Silicon Valley venture capitalist and entrepreneur Peter Thiel](#), who bankrolled Hogan's lawsuit to the tune of \$10 million.

Defiant to the last, Denton sounds like a virtuous hero who fought the good fight for the free speech rights of his team and journalists everywhere. I could almost picture him riding off into the sunset with his head held high. I wanted to cheer for the guy, give him a hearty pat on the back and wish him Godspeed on his journey.

Then I remembered, this is Nick Denton. Damn, the guy's good. He almost had me going for a minute there.

Look, Denton is not some neophyte who just walked in off the street and got taken to the cleaners in a frivolous lawsuit. This was not his first bout with the legal system. He knew the risks. As I see it, in refusing repeated requests by Hogan's people to take down the secret sex tape at the heart of the lawsuit, Denton brought this upon himself.

Gawker apparently believed that their First Amendment rights would trump Hogan's invasion of privacy or defamation claims. And I bet their risk analysis also included a discussion of who had the bigger war chest, Gawker or Hogan? The answer, of course, would have been Gawker, had Thiel not gotten involved. Bummer.

As any savvy corporate officer who has been around the court system will tell you, a trial can go either way. If you can't survive the downside, don't bet the farm on winning. Don't let your ego get away from you and write checks that reality can't cash. Make no mistake, that's exactly what happened here.

If I didn't know better, I would say the memo was a load of self-indulgent nonsense by a narcissistic media mogul with more hubris than business sense. If Denton had a modicum of humility and self-awareness, he would see this enormous fiasco for what it is: an unforced error that will cost him and his company dearly.

But I think the memo has a far more practical purpose than that. More likely, it's a desperate attempt to pump up Gawker's valuation ahead of the bankruptcy auction slated for next month. Ziff-Davis is currently the lead bidder with \$90 million on the table – a steep drop from the [\\$250 million Gawker was said to be worth](#) prior to the Florida jury ruling.

The problem is that nearly all of [Denton's wealth is tied up in the company](#). According to the *Wall Street Journal*, his only significant assets are his Manhattan apartment and his 30% stake in Gawker. And since the verdict has him personally on the hook for \$10 million and jointly liable for another \$115 million, the more Gawker sells for, the better his chances of coming out of this with some money in his pocket.

Don't get me wrong. I have no love for Hogan or dislike for Denton or Gawker. I have no skin in this game. I don't know if the jury got it

right or if the award won't be reduced or the verdict vacated on appeal. What rubs me the wrong way is a business leader who won't own up to his own bad business decisions.

Rather, Denton has been all over the map about Hogan's and Thiel's "true motives," making thinly veiled attempts at trying and retrying the case in the court of public opinion while painting himself as the victim and the real victim as a bully.

First he accused them of trying to bankrupt him and put Gawker out of business. Back in March, he made a convoluted, if not conspiratorial, argument [that the lawsuit wasn't about the sex video at all](#), but another video with racial slurs. Recently, he's been talking up [Thiel's support for Donald Trump](#), presumably to appeal to the anti-Trump crowd.

I think it is all much more simple than that: What this is really about is a guy who let his oversized ego get the better of him. He bet everything he had – including his company – and lost it all. Maybe someday he'll look in the mirror and see who really caused his demise.