From Allegations to Adjudication! Court Strips Lively–Baldoni Case to a Retaliation Reckoning

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The April 2, 2026, decision in the dispute between Blake Lively and Justin Baldoni is best understood as a post discovery narrowing that leaves the case both smaller and more legally coherent. Judge Lewis Liman granted the defendants' motion for judgment on the pleadings and motion for summary judgment in substantial part, dismissing most of the claims and allowing only a limited set to proceed. This was not an early-stage plausibility ruling. It was a merits-driven assessment of what the record can actually support.

What remains is precise. Lively's retaliation claim under the California Fair Employment and Housing Act proceeds against the production entities. Her aiding and abetting retaliation claim proceeds against the public relations firm. Her breach of contract claim proceeds against the entity that signed the Contract Rider Agreement. The rest of the case, including Title VII, Labor Code retaliation, and the common law theories, has been dismissed.

The contractual analysis is where the opinion does some of its most important work, and it explains why the case looks the way it does now. The court treated two agreements very differently, and the reason is not subtle. One was never signed. One was.

The Actor Loanout Agreement failed as a matter of contract formation. The court focused on express language that made execution a condition of any obligation. The agreement provided that the company's obligations were conditioned on "receipt of executed copies of this Agreement signed by Lender and Artist." It also required execution of the inducement. Those provisions were not treated as boilerplate. They were treated as dispositive. Lively never signed. The parties continued to negotiate material terms, including the very provision addressing sexual harassment and remedies. On those facts, the court held there was no binding contract to enforce.

That conclusion carries broader significance than this case. The court rejected the idea that substantial performance can override an express intent not to be bound absent execution. Filming occurred. Compensation was paid. Negotiations continued. None of that altered the contractual analysis. Where the parties clearly reserve the right not to be bound until signature, courts will enforce that reservation. In practical terms, the court treated the ALA as exactly what it was in the record. An unconsummated negotiation.

The Contract Rider Agreement, by contrast, is the rare piece of paper in this record that does exactly what lawyers expect a contract to do. It was signed. It contains operative language. And that language goes directly to the theory that survived. Paragraph 10 provides that there shall be "no retaliation of any kind" against Lively for raising concerns, including retaliation "during publicity and promotional work." That provision is not abstract. It is tailored to the very conduct Lively alleges occurred after she raised complaints.

The court's willingness to let the contract claim proceed flows directly from that text. The difference in treatment between the ALA and the CRA is therefore not a matter of judicial preference. It is a straightforward application of contract law. An unsigned agreement with disputed terms does not bind. A signed agreement with a clear anti-retaliation clause does.

The retaliation analysis follows a similar pattern of doctrinal precision. Several claims failed because they required an employment relationship that the court concluded was not present. That determination eliminated the Title VII and Labor Code theories. But FEHA retaliation is written differently. It protects any person who engages in protected activity. That statutory distinction is what allows the claim to proceed.

The court also declined to treat the alleged conduct as too remote from California to support a FEHA claim. It found a sufficient connection based on allegations that California-based actors directed and executed the challenged conduct. That holding keeps California law in play and preserves a framework that is often broader than its federal counterpart.

The most closely watched aspect of the case, the alleged reputational campaign, survives but only in the narrow sense that matters at this stage. The court did not find that retaliation occurred. It held that a reasonable jury could find it occurred. It also held that the defendants' explanation that they were protecting their reputations and the film does not resolve the issue as a matter of law. Competing explanations are for a jury where the record supports them.

That brings us to the question that tends to get lost in the headlines. What about Baldoni himself. Is he out? The answer is no, but his exposure is materially reduced. Many of the claims asserted directly against him, including harassment and certain statutory claims, have been dismissed. However, he remains a defendant to the extent he is part of the group alleged to have engaged in retaliatory conduct and conspiracy. The case against him now lives or dies on the retaliation theory rather than on the broader set of claims originally pleaded.

The same narrowing applies across the board. Wayfarer is no longer in the contract case because it was not a party to the agreements and the argument was not preserved. But it remains in on retaliation. The public relations entity remains in on aiding and abetting. The film specific entity remains in on both retaliation and contract. The cast of defendants is still present. The script they are operating under is simply much tighter.

What the court has done is not to decide who is right. It has decided what can be decided later. The case now turns on a set of familiar but demanding questions. Whether Lively engaged in protected activity. Whether she experienced adverse action after doing so. Whether that action was motivated by retaliation. And whether it breached a written promise prohibiting retaliation.

For a legal audience, the lesson is as straightforward as the holding. Contracts matter in the form they are actually executed, not the form in which they are discussed. Statutes matter in the words they actually use, not the words we assume they contain. And at summary judgment, claims survive not because they are compelling in the abstract, but because the record permits a reasonable jury to accept them.

The case that remains is narrower. It is also more dangerous in a familiar way. Retaliation claims tend to turn on motive and sequence rather than a single discrete act. Those are questions that courts are often reluctant to resolve as a matter of law. That is why, even after a ruling that eliminates most of the complaint, this litigation is far from over.