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Fisker Files for Bankruptcy With Plan to Sell Assets

By Dawn McCarty and Tiffany Kary - Nov 23, 2013

Fisker Automotive Inc., whose \$103,000 luxury hybrid car was driven by celebrities including Justin Bieber and Leonardo DiCaprio, filed for bankruptcy with plans to sell itself to Hybrid Tech Holdings LLC.

The Anaheim, California-based company listed assets of as much as \$500 million and debt of as much as \$1 billion in a Chapter 11 petition filed yesterday in U.S. Bankruptcy Court in Wilmington, [Delaware](#). Assets include a shuttered General Motors Co. factory in Wilmington that Fisker had planned to reopen.

Safety recalls, a battery supplier that went bankrupt and shipments lost to [Hurricane Sandy](#) all contributed to the company's financial woes, Henrik Fisker, the auto designer who co-founded the company, told Congress in a hearing April 24.

A House Oversight and Government Reform subcommittee scrutinized a \$529 million federal loan granted to Fisker in 2009, questioning why the government had made it in the first place and what the company would do to repay taxpayers.

Fisker missed its first payment on the low-interest U.S. loan on April 22. It had drawn about \$193 million of the loan before being cut off by the U.S. Energy Department for missing milestones.

Assembly Halted

Founded in 2007, the closely held company halted assembly of its Karma sedans last year when the supplier of its lithium-ion batteries, A123 Systems Inc., filed for bankruptcy. Fisker sought a claim of \$140 million in A123's bankruptcy, and has said the company, since renamed B456 Systems Inc., supplied it with a defective product.

In April, B456 got approval of a settlement with Fisker reducing the claim to \$15 million.

The Energy Department, which was criticized over loan guarantees to failed solar-panel maker Solyndra LLC, gave Fisker a loan primarily so it could acquire and restart production at the closed GM plant in Delaware.

BMW Group, with a claim of \$74 million, is listed as the largest creditor without collateral backing its claim.

The case is *In re Fisker Automotive Inc.*, 13-13086, U.S. Bankruptcy Court, District of Delaware (Wilmington).

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