

Electric car company Fisker files for bankruptcy

WASHINGTON, USA: Fisker Automotive, whose high-end electric cars caught the eye of Justin Bieber and other celebrities, has filed for bankruptcy protection.



The Fisker Sunset. Fisker Automotive has filed for bankruptcy protection. Image: Wiki Images

The California-based company also announced it had entered an asset purchase agreement with Hybrid Tech Holdings, LLC.

"After having evaluated and pursued all other alternatives, we believe the sale to Hybrid and the related Chapter 11 process is the best alternative for maximising Fisker Automotive's value for the benefit of all stakeholders," Marc Beilinson, Fisker's chief restructuring officer, said in a statement.

"We believe that the Fisker Automotive technology and product development capability will remain a guiding force in the evolution of the automotive industry under Hybrid's leadership."

Fisker was started in southern California in 2007 by former Aston Martin and BMW designer Henrik Fisker and German business partner Bernhard Koehler.

Financial struggles

While it did not have the expected success with its pricey hybrid Karma sports car - which it billed as "a bold expression of uncompromised responsible luxury" - it did attract interest from the likes of stars such as Bieber, Leonardo DiCaprio and Ashton Kutcher.

Having struggled financially for some time, the company announced in April that it was laying off 75% of its workforce.

The bankruptcy could become a political hot potato because the US government had focused on Fisker to encourage the development of green energy, providing it with loans.

The Wall Street Journal cited the Department of Energy as saying it had recovered US\$53m of the US\$192m Fisker owed to the government, leaving US\$139m unpaid.

Two Republican members of Congress - House Energy and Commerce Committee Chairman Fred Upton and Oversight and Investigations Subcommittee head Tim Murphy - have already lashed out over the matter.

"Fisker's collapse closes yet another sad chapter in (the Department of Energy's) troubled portfolio," they said in a joint statement.

"The jobs that were promised never materialised and, once again, taxpayers are on the hook for the administration's reckless gamble," the politicians said in a joint statement.

During the 2012 US presidential election campaign, Republicans repeatedly highlighted the fate of solar energy firm Solyndra, which went bankrupt after getting a US\$500m government loan guarantee.

Source: AFP via I-Net Bridge



The Fisker Karma battled to attract buyers but did get plenty of attention. Image: [Tree Hugger](#)

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