

Iconic American guitar maker Gibson files for bankruptcy

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Gibson, maker of iconic guitars like this Elvis Presley's limited edition Gibson EJ-200E, filed for Chapter 11 protection

Gibson, maker of iconic guitars for the likes of John Lennon, Elvis Presley and BB King, filed for bankruptcy protection on Tuesday after

facing mounting debt and other financial challenges.

The [company](#), based in the American country music capital Nashville, Tennessee since 1894, filed for Chapter 11 protection—meaning it aims to reorganize its business and restructure its finances.

The company said in a statement it had reached a deal with a majority of its creditors that would give them an ownership stake.

The historic maker of Gibson- and Epiphone-branded guitars will wind down a consumer audio business which makes headphones, speakers and other products under Philips and other brand names, and focus on its core musical instrument and professional audio equipment operations.

The company had been featured last year at the White House's "Made in America" week as part of President Donald Trump's promotion of US manufactured goods over allegedly unfair imports. Other American brands manufacture some of their guitars outside the United States.

Gibson CEO Henry Juskiewicz said in a statement the company had been working to improve its finances "over the past 12 months."

"We have sold non-core brands, increased earnings and reduced working capital demands," he said.

"The decision to re-focus on our core business, musical instruments, combined with the significant support from our noteholders, we believe will assure the company's long-term stability and financial health."

Gibson has struggled to stay afloat after a series of brand acquisitions, and in February hired a new financial director.

It had some \$375 million in debt due later this year, according to US

media reports.

The restructuring comes four years after Gibson spent \$135 million to expand, purchasing the Dutch entertainment [brand](#) Philips.

Gibson instruments are part of modern music history—graced by the hands of legends such as Rolling Stone Keith Richards and Jimmy Page of Led Zeppelin.

A year earlier, one of Lennon's favorite Gibson guitars sold for \$2.4 million.

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