



Written by [Bob Adelman](#) on March 26, 2018

## Remington Arms Declares Bankruptcy, Will Continue Operating Under Chapter 11

Remington Arms [filed for bankruptcy protection](#) under Chapter 11 in Delaware on Sunday evening. Directors of the 200-year-old company — America's oldest gun maker — threw in the towel: "Directors have determined that it is advisable and in the best interests of the Company that the Company file ... a Voluntary Petition ... for Chapter 11 [bankruptcy]."



Observers blamed the president and Adam Lanza for the filing. Remington's sales of its iconic shotguns, rifles, and pistols were increasing during the 2016 presidential election as American gun owners, fearing that anti-gun Hillary Clinton would assume the presidency in November, went on a buying spree. When Donald Trump won, those gun buyers not only breathed a sigh of relief, they ended the spree, leaving gun shops with vast inventories and gun manufacturers such as Remington with falling sales and revenues.

Others blamed Adam Lanza for using one of Remington's products, its Bushmaster AR-15, to kill 20 youngsters in Newtown, Connecticut, in December 2012. They note that the families of those victims filed a class-action wrongful-death lawsuit against Remington two years later, which lawsuit is presently before the Connecticut Supreme Court.

Those much more familiar with Remington's recent history are blaming the company itself for its troubles, resulting in its bankruptcy filing.

Cerberus, the holding company that tried to build a gun-industry empire, bought a number of gun industry companies, including Remington. At the time, the company was having troubles, but Cerberus' owners thought they could turn it around. But a combination of poor choices by the company's top management and the faulty rollout of its new R51 9mm pistol in 2014 set in motion the events that led to the filing.

But its new owners, JPMorgan Chase and Franklin Resources, who traded their investments in the company's nearly one billion dollars of debt for what's left of the company, are planning, once the bankruptcy petition is accepted, to find a new buyer for it. In the meantime the company will continue operating, making its firearms and paying its bills. As Mark Twain famously said following the publishing of his obituary in a London paper, "The reports of my death are greatly exaggerated."

So it is with Remington. The new temporary owners of Remington are highly motivated to find new



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management for the company to steer it out of bankruptcy and back to profitability. The problems with its R51 9mm pistol have been remedied, as noted by one of its early reviewers. Wrote Richard Mann for *Gun Digest*:

[The company] wasn't prepared to mass-produce the R51 with its novel architecture.... This resulted in ... 3,000 potentially problematic R51s being shipped.

The second mistake was not taking swift ownership of its bungle.

The company's response was slow, but it solved its problems with the firearm. Concluded Mann: "Two years after the initial launch, the Remington R51 might not be the 'best new compact 9mm handgun on the market,' but I think it's certainly one of the top choices."

The class-action lawsuit, based on the Lanza shooting, is pending before the Connecticut Supreme Court. But according to New York attorney Robert Fellows, the bar for conviction is high:

If you can prove that a manufacturer knew in some way that the gun [used by Lanza] would end up in the hands of a proscribed purchaser — someone who shouldn't have the gun — you might be able to show liability. But it is going to be very difficult.

Remington isn't going out of business and neither are America's other gun makers. When the dust settles, the iconic 200-year-old gun maker will still be in business, along with its competitors. As Joanna Allhands, the opinion editor for the *Arizona Republic*, put it: "I wouldn't read too much into the bankruptcy filing, as if this is the beginning of the end for the [American] firearms industry. The companies that are making great products will survive."

Image: Screenshot of [an ad at Remington.com](#)

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