

OFFICE SPACE DAVID KALT



# A string of classics, celebrities

CEO of Chicago Music Exchange gives a tour of his guitar store

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David Kalt sees his Roscoe Village retail guitar center as more an art gallery than a store.

"(The store) literally is 20 years of slaving to get these guitars, so it really has become an institution because of that," said Kalt, owner and chief executive of The Chicago Music Exchange on Lincoln Avenue. "I'm sort of like the curator. I just want to keep it alive."

Kalt bought the 20-year-old company in June 2010. He said its "massive collection of old guitars that are very hard to find" and its expansive, three-story space with vaulted ceilings, duct work, wood floors, Oriental rugs and cushy couches separates it from big-box retailers such as Guitar Center.

The white walls serve as a canvas for colorful guitars ar-

anged in three rows according to price, lowest to highest. Framed guitars and photos of the people who played them, such as the legendary Les Paul, hang from support beams around the store. Chandeliers and track lighting illuminate instruments that date from the '50s.

"What makes this place so unique is the emphasis on vintage and collectible guitars like no other collection in the world," Kalt said of his inventory of some 2,500 guitars. "It's kind of a mecca for a lot of international customers because so many of these American, iconic guitars that really represent America are still here."

But don't expect to find Yama-has or other Asian-made guitars.

"People pay a premium for 'Made in the USA,'" Kalt said. "'Made in the USA' holds its value and represents quality in the guitar world, more so than I think any other industry. It's similar to Harley-Davidson."

Kalt said his 12,000-square-foot space, along with guitars that run \$500 to \$40,000, can be intimidating.

"There's so much eye candy," Kalt said. "But it's really meant to

be inviting, and I find that novices are inspired here after that initial jaw-dropping moment, and they play with the instruments."

Equally intimidating can be the celebrities who stop in. Framed photos show Green Day's Billie Joe, Melissa Etheridge, Maroon 5 and Adele on stops at the store.

"She was going crazy over guitars," Kalt said of Adele's recent visit. "She bought like six guitars. You don't always know (when a famous musician or actor enters the store). They don't come in and say, 'Hey, I'm (a celebrity).'"

But far from being star-struck, Kalt views his celebrity encounters as mingling with people who share his deep passion for music and vintage guitars. And that's when he heads for his main office upstairs, where he has hosted high-end clientele, including Johnny Depp and Steve Miller.

Kalt said he spends at least five to six hours in the office, which includes a small sitting area where he goes over details with customers. Behind his desk near the back of the exposed-brick room, a 1967 Fender Telecaster is propped against the wall. It's a favorite of country singer Brad Paisley, a

frequent guest in the office.

"He's going to eventually buy it," Kalt said. "For a musician, it's this ongoing process. They want to make sure it's right. That's why I'm keeping it up here, because if I put it downstairs, it'll sell."

Same for Kalt's "vault of holy grail of collectibles," which include some of the "rare of the rare" vintage guitars, such as one made for Jimi Hendrix; a 1960 Gibson Les Paul, which runs \$300,000-\$500,000; and actor Richard Gere's 1958 Gibson ES 335.

Kalt's store seems untouched by today's struggling economy. Six months ago, he bought the building next door to create a drum-only retail room, and construction is under way on a new building behind the store that will contain staff offices, a warehouse, and a shipping and receiving area to accommodate his expanding e-commerce business. Kalt said it has grown nearly 200 percent since he bought the company.

"This is a really special place that is beyond just the local Chicago music store, and I want to really take it to the next level," Kalt said. "We're trying to build character in everything we do."

A large sign that says "Potential is interesting, performance is everything" sits atop a wooden bookshelf behind Kalt's desk. He calls it his motto.

"It's funny. It applies to music, but it really applies to business," Kalt said. "I have theories about the relationship between music, computers and software."

It's a relationship that has evolved since Kalt moved to Chicago in 1989 after graduating from the University of Michigan to become a recording engineer/producer. He later shifted to software engineering, starting a travel-related technology solutions firm, Third Party Solutions, in the '90s. In 2000, he founded online brokerage OptionsXpress.

"I got the seven-year itch," Kalt said. "I loved software and music and the financial markets, but if I was 50 years old and still doing that, it wasn't what I was meant to do, so I gracefully exited. I still trade — I buy and sell guitars. This was the perfect marriage for me."

For more photos of Kalt's space, go to [chicagotribune.com/kalt](http://chicagotribune.com/kalt).

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