Jerry Kohlberg Jr., Businessman Who Challenged Wall Street, Owner of Gazette, Dies

Julia Wells  Saturday, August 1, 2015 - 5:56am  UPDATED THURSDAY, AUGUST 6, 2015 - 6:30PM

Jerry Kohlberg Jr., the private equity industry visionary who became one of Wall Street’s biggest critics, quiet philanthropist, family man and nimble third baseman on the Chilmark softball field, died July 30 at his home on Job’s Neck cove in Edgartown, surrounded by his family. Mr. Kohlberg, who was 90, had battled cancer for a number of years, attacking his illness the same way he lived his life, with toughness, piercing intelligence and sheer willpower.

He and his wife Nancy bought the Gazette nearly five years ago, marking a new chapter in the 164-year-old newspaper of record for the Island and continuing its ownership as a family-held, independent publishing entity. “My goal is to give back to the Vineyard and to the Gazette,” he
In a lifetime of accomplishments, he believed above all in doing the right thing. “To thine own self be true — I feel like I’ve heard Dad say it a hundred times,” his daughter Karen Kohlberg Davis said. Daughter Pamela Kohlberg added, “He felt moral issues came into everything.”

He had summered on the Vineyard since the 1940s, first in Chilmark and later in Edgartown. David Flanders helped the Kohlbergs find their first piece of land in Chilmark and Emmett Carroll built them a house. Many years later he and Nancy bought part of what was formerly Pohogonot Farm and built their current home on a tranquil cove of the Edgartown Great Pond.

Jerome Spiegel Kohlberg Jr. was born on July 10, 1925, and grew up in New Rochelle, N.Y., a member of the generation whose outlook was shaped by the Depression. His father was in the import/export business, and his mother was a writer and charity worker who had a profound influence on him. “She, even more than my father, imbued in my brother and me a sense of values and ethics,” he said in an autobiography. “She stressed the importance of standing up for what is right.”

He was educated in public schools and later enrolled at Swarthmore College, where he was a popular student and competitive athlete. He was inspired by the college’s Quaker philosophy; many years later when he joined the Swarthmore board of trustees he described himself as the college’s first Jewish Quaker.

In 1943, he joined the Navy, serving in Panama as a supply officer. After the war he used the GI Bill to attend Harvard Business and Columbia Law schools, and later fought to ensure veterans continued to receive education benefits. He married Nancy Seiffer in 1948; they had four children: Karen, Pam, Jim and Andy. After law school he clerked in Portland, Ore., for Gus Solomon, a federal district court judge who became a lifelong role model. In 1955 he left the law and headed for Wall Street.

He spent 21 years at Bear Stearns, along the way developing a strong set of creative innovation skills in finance. “I had a dream that companies could be bought and investments made in undervalued businesses,” he told his friend Peter Kunhardt, who conducted an oral history with him, “where we as financiers would invest our own money, time and effort right along side the others and stand or fall on that. I loved the business of buying companies and helping them prosper.”

In 1976 he founded Kohlberg, Kravis, Roberts and Co., partnering with Henry Kravis and George Roberts, two younger cousins who had begun their careers under his mentorship. He
put up his own money to start the company and agreed to guarantee the salaries of his partners given the risk involved.

K.K.R. became known worldwide, and the leveraged buyout revolutionized the financial investment industry.

In 1983 Mr. Kohlberg was diagnosed with acoustic neuroma, a type of brain tumor. Following surgery and a year of recovery, he returned to K.K.R. where he found the culture had changed for the worse. “His signature down-to-earth style and sense of fairness had been replaced with fast-paced hostile takeovers that included extra fees to enrich K.K.R. His whole philosophy of business, and life, was being challenged,” wrote Mr. Kunhardt.

The threshold moment was chronicled in the book Barbarians at the Gate by Bryan Burrough and John Helyar about the fall of RJR Nabisco:

“The gap between Kohlberg and Kravis was widened by the stark difference in their lifestyles. Kohlberg was a homebody, married to the same woman for forty years. Money hadn’t changed him. He dressed simply, led a quiet family life, and spent his free time playing tennis or reading thick volumes of fiction or biography. His idea of entertaining was tossing a softball around on a Sunday afternoon and retiring early to read.”

In March 1987, Mr. Kohlberg left the company he had founded, stunning Wall Street with a final boardroom speech where he said in part: “We must all insist on ethical behavior or we will kill the golden goose.”

He went on to found an independent investment company with his son James, retiring in 1994. He continued a wide array of philanthropic pursuits, from the corridors of Washington D.C. where he championed campaign finance reform, to the Vineyard where he backed education, conservation and sustainable farming initiatives.

A lifelong athlete, he was a legendary figure at Chilmark Sunday softball, known for his skills at third as well as at the plate. “I played third up until I got too old, then I went to short, then to second as my arm gave out, but that took 50 years” he told former Gazette managing editor Lauren Martin in a 2010 personal interview as he was preparing to buy the newspaper.

Adam Wilson, an Oak Bluffs resident and the Aquinnah town administrator, recalled the early years of softball at Toomey’s field in a comment published on the Gazette website this week. “Jerry loved playing third, the ‘hot’ corner,” Mr.
Wilson wrote. “He had a floppy hat and wore granny glasses and always vowed that no ground ball would get past him (And none ever did). Arguments would always break out about players beating the throw to first or how far the mythical foul line went toward the house and driveway. Some of the arguments were quite heated. But Jerry was always viewed as being the wisest among us and his pleading to end an argument with, can we just play ball, would rule the day.

“I think if you went back to Toomey’s, you’d find Jerry standing there, glove, hat, glasses and all, just waiting for someone to hit him a ground ball.” Although few of the regulars knew, Jerry Kohlberg was the reason the field later got a fence and other improvements.

He and Nancy lived in Edgartown and at Cabbage Hill Farm in Mt. Kisco, N.Y. They bought the Gazette in November 2010 from the Reston family with great excitement for the future. “I want the Gazette to be a vibrant voice for the Vineyard community far into the future,” he said. In the interview with Ms. Martin, he reflected on the moment at hand. “I’ve never owned a newspaper and I probably won’t again,” he said. “We’ve got to keep this the kind of paper it has been: a country, sophisticated, wonderful paper on a unique Island with unique people.”

As for the wisdom of the investment, he said: “This is a different kind of investment. It’s an investment in preserving something that’s worth preserving. Newspapers are an important part of democracy.”

The following year he hired Jane Seagrave, a journalist and top executive at the Associated Press, as Gazette publisher.

He was remembered warmly this week by friends and acquaintances. “A wise, wise man,” said Sarah Bartlett, dean of the CUNY Graduate School of Journalism in New York who authored a book about K.K.R. and is a family friend. “He always asked the most insightful questions that always made you think harder about things you thought you knew the answers to.” She said his interest in journalism was piqued following the purchase of the Gazette. “Being able to help a local community paper play an essential role in community building — that was thrilling for him,” Ms. Bartlett said.

Davis Weinstock, a Chilmark resident who with his wife Betsy is a longtime family friend, remarked on Mr. Kohlberg’s extraordinary strength of character. “He was enormously interested in you no matter who you were,” Mr. Weinstock said. “He felt he already knew about himself; he not only didn’t need any hand holding as a friend but it was all about you. You had 100 per cent of his attention.”

In addition to his wife Nancy, he is survived by four children, Karen Kohlberg Davis of Petersham, Pamela Kohlberg of Chestnut Hill, James A. Kohlberg of Portola Valley, Calif., and Andrew S. Kohlberg of Del Mar, Calif.; 12 grandchildren and three great-grandchildren.

Funeral services will be private.
Anne Williamson, Edgartown As a member of the Vineyard community and subscriber to the Gazette, I can simply say Jerome Kohlberg Jr. enriched my life through his philanthropy.

August 1, 2015 - 9:04am reply Very Annoyed, Vineyard Haven I did not know the Mr. Kohlberg but after reading his obituary -- the world lost an ethically and moral man. I believe more people should adopt his philosophy -- His statement in 1987 explains what happened to our country. My condolences to the family.

August 1, 2015 - 10:48am reply Tom & Stacy Wallace, Edgartown Our condolences to a wonderful family. Few people have affected a community, inspired good deeds and helped anonymously as this great man has. The spirit of collective accomplishments, mutual benefits and promoting the joy of giving back has been inspiring and will be remembered. He will be dearly missed.

August 1, 2015 - 11:46am reply obporch, ob One of the most gracious and friendly people I know. Thank you Mr K for helping out.

August 1, 2015 - 12:53pm reply Liz Slaughter, New Rochelle One from our Hall of Fame. Mr Kohlberg was a supportive and kind friend.

August 1, 2015 - 12:56pm reply Michael Fisch, Phoenix, Arizona Mr. Kohlberg was an inspiring man who demonstrated with his actions that giving back to his communities, nature, and his fellow man was more important that accumulating more money and things. His vision of The Gazette going forward will be a lasting treasure for the Vineyard. May his spirit flow in the gentle breeze of the island.

August 1, 2015 - 4:06pm reply Michael K Schweitzer, MV and FL My sincerest condolences to the Kohlberg family. One of the kindest, truest visionaries I've ever met. He will be greatly missed.

August 1, 2015 - 5:20pm reply Adam Wilson, Oak Bluffs I played softball with Jerry many years ago in the back yard at Toomey's in Chilmark. It was the worst softball playing field in the United States (right field went uphill, left field had sapling cedar trees growing on it and the infield was such that every ground ball was an adventure in catching and making the throw to 1st base! Jerry loved playing 3rd, the "hot" corner. He had a floppy hat and wore granny glasses and always vowed that no ground ball would get past him (And none ever did!). As was the case during those games, arguments would always break out about players beating the throw to 1st or how far the mythical foul line went towards the house and driveway. Some of the arguments for quite heated. But Jerry was always viewed as being the wisest among us and his
pleading to end an argument with, "can we just play ball?!" Would rule the day... Jerry was also very kind offering me a ride when i'd go out to State Rd to hitch hike after the game. He'd often drive me on that jeep of his all the way to my house, even though it was several miles past the turn off to his home. Jerry's passing is a sad one for me. The nostalgic reflection of those simpler, happier days playing softball and hitch hiking around the island are part of my past now. But I am happy that Jerry was a part of my early adulthood lifestyle on the Vineyard. I think if you went back to Toomey's you'd find Jerry standing there, glove, hat, glasses and all, just waiting for someone to hit him a ground ball.

August 1, 2015 - 9:34pm reply Christine Powers, Waltham, MA My condolences to the Kohlberg family. I left the Gazette in 1987, so I did not have the opportunity to know Mr. Kohlberg. Who now owns the Gazette?

August 2, 2015 - 12:54am reply Gerald S Jones, Edgartown MA We were so sorry to hear about Jerry's death. We've lost one of "good guys." I met him and Nancy a few times on The Pond, walking various properties on the Island, being a part of The Vision Fellowship work, etc. He sense of being and doing right has been a real model to me. Pam you are in my thoughts, and pass on our prayers to your family, for me. His standards and values will live on forever. Gerald.

Just One of the Guys on the Sandlot

Tony Horwitz    Thursday, August 13, 2015 - 5:39pm

Softball players at Flan ders Field in Chilmark paid tribute last Sunday to Jerome Kohlberg, who died two weeks ago at the age of 90.

"Jerry," as he was known at the weekly summer game, had a storied 50-year career, beginning in the 1940s at the rugged, rock-strewn patch called Toomey Field. Teammates remember his speed on the base paths and his skill at scooping grounders from the sand pit that constituted third base. Over time, a fading throwing arm forced Mr. Kohlberg to the other side of the infield, then into early retirement from softball in his seventies.

Most of all, however, players celebrated Mr. Kohlberg as a warm and humble presence in a game known for its first-names-only informality and good-humored banter. He always wore a red floppy hat that "made him look more like a peasant or monk than a titan of business,"
recalls Jason Balaban, who joined the game as a child and was often driven home by Mr. Kohlberg in a beat-up Land Rover with grinding gears.

Another veteran, Mark Friedman, was unaware of Mr. Kohlberg’s last name or fame, and knew only the “important stuff, like whether he was a pull hitter and could make the pivot on an occasional double-play grounder.”

Then, in the late 1980s, when the game temporarily moved to West Tisbury, Mr. Kohlberg covered almost the entire cost of a new outfield fence (as well as providing fresh softballs every season). Mr. Friedman recalls quipping to a fellow player, “Jerry must have a really good job.” He was “dumbfounded” to learn that the unassuming Mr. Kohlberg was one of the most successful figures on Wall Street.

“He epitomized the egalitarian spirit of Chilmark softball,” says David Dince, who began playing with Mr. Kohlberg as an 11-year-old in 1964. For decades, he adds, “many of us continued to know nothing of his immense success in life off the field. He was simply Jerry to us — an excellent ball player and one of the nicest guys you will ever meet.”

I joined the Chilmark game in 2006, after Mr. Kohlberg’s mitt and signature hat had been retired. But when I met him a few years ago and mentioned softball, his face lit up as he regaled me with tales of the game’s fellowship and chatter. He never let on that he was one of the all-time greats at negotiating Chilmark’s sand, rocks and poison ivy.

After the tributes last Sunday, the softballers shouted a “hip-hip-hooray!” for Mr. Kohlberg, observed a moment of silence and then resumed play. Much fun and many fielding errors followed.

Tony Horwitz pitched the second game at Chilmark last Sunday, surrendering 24 runs and earning a well-deserved loss. He lives in West Tisbury.

Vineyard Notebook
To keep up with the news sign up for our free twice-a-week email, the Vineyard Gazette Notebook (http://visitor.r20.constantcontact.com/d.jsp?llr=iphes8mab&p=o&m=1113321512424&sit=v8mpda9hb&f=21db08ca-507f-47ae-9b5b-83997261b406).
Good morning Gazette readers:

Whenever Jerry Kohlberg visited the Gazette he would stop at each desk to say hello to everyone individually. He knew each employee by name, and if they were a writer, by their bylines too. Often writers would receive notes from him expressing how much he appreciated a certain story.

During the summer months, Jerry would also ask after the interns. He wanted to meet them, know how they were doing and find out what they were working on. These are usually college kids, unaware that the man in the baseball cap listening intently to them was a former titan of Wall Street. In much the same way, he was just Jerry on the Chilmark ball field, his native competitiveness the only hint that the affable third baseman had another side.

More than the untold financial contributions he made over decades, often anonymously, to help the greater Vineyard community, it was his generosity of spirit that we will most remember.

The Vineyard Gazette mourns the loss of Jerry Kohlberg while it also celebrates the life of an exceptional man.