

KKR co-founder Jerome Kohlberg dies age 90

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Jerome Kohlberg Jr, one of the three men who built one of New York's most famous leveraged-buyout businesses, Kohlberg Kravis Roberts & Co, has died at the age of 90.

Kohlberg, who left the business that now calls itself KKR some 28 years ago, died on Thursday at his home in Martha's Vineyard, Massachusetts, according to US media reports. The cause of death was cancer, the reports said.

Kohlberg was once described by Fortune magazine as the "spiritual father of the entire LBO industry". He is remembered for having been instrumental in helping to pioneer the idea of making money by buying stakes in companies and helping them to grow and become more efficient.

Joining him in launching the business he set up in 1976 were Henry Kravis and George Roberts, two cousins who had been younger colleagues of Kohlberg's at Bear Stearns & Co, where all three had been working.

Within a matter of years Kohlberg Kravis Roberts was famous, particularly after it took over the tobacco and food conglomerate RJR Nabisco. That deal became the subject of a best-selling book, *Barbarians at the Gate*, which was later made into a film.

However, Kohlberg, who is said to have had little appetite for large-scale, hostile takeovers, had left the company before that deal was completed. He founded another investment firm, Kohlberg & Co, in 1987, with his son James as co-founder.

Although he retired from that business in 1994, it has continued to operate in the private equity space. Last May, for example, AltAssets reported that it had agreed to sell a medical device maker, Phillips-Medisize, to Golden Gate Capital, for around \$800m.

Kohlberg grew up in the New York City suburbs, attended public schools, and then earned a bachelor's degree from Swarthmore College in Pennsylvania. He later received a law degree from Columbia University and a master's degree in business administration from Harvard University.

In a statement, KKR co-chairman and co-chief executive Roberts said Kohlberg had been “a man of integrity and moral courage” who had also been “a friend and mentor to Henry [Kravis] and me” for many years.

“Jerry cared about people and gave freely of his time and wealth,” he added.

“Henry and I are proud that our firm’s name is Kohlberg Kravis Roberts. Jerry will be missed and remembered by many.”

Kravis called Kohlberg a “real visionary” who had played an important role in developing the private equity model in the 1960’s, and later, “a true mentor to George Roberts and me”.

“Subsequently, he became an important factor in launching KKR, the first private equity firm, with George and me,” he added.

“In addition, his philanthropic work helped many important organizations, which are substantially better off due to his involvement with his counseling and his philanthropy.”

In addition to his son, Kohlberg is survived by his wife, Nancy, their three other children, 12 grandchildren, and three great-grandchildren.