Kohlberg Kravis Roberts

KKR & Co . L.P. (formerly known as Kohlberg Kravis Roberts & Co .) is an American multinational private equity firm , specializing in leveraged buyouts , headquartered in New York City . The firm sponsors and manages private equity investment funds . A pioneer in the leveraged buyout industry , the firm has completed over $ 400 billion of private equity transactions since its inception .

The firm was founded in 1976 by Jerome Kohlberg , Jr . , and cousins Henry Kravis and George R. Roberts , all of whom had previously worked together at Bear Stearns , where they completed some of the earliest leveraged buyout transactions . Since its founding , KKR has completed a number of landmark transactions including the 1989 leveraged buyout of RJR Nabisco , which was the largest buyout in history to that point , as well as the 2007 buyout of TXU , which is currently the largest buyout completed to date . KKR has completed investments in over 160 companies since 1977 , completing at least one investment in every year except in 1982 and in 1990 .

KKR has 13 additional offices in the United States , Europe and Asia . The firm is currently located in the Solow Building (9 W. 57th Street) , but recently announced its intentions to occupy a newly constructed 30 Hudson Yards .

In October 2009 , KKR listed shares in the company through KKR & Co . , an affiliate that holds 30 % of the firm 's ownership equity , with the remainder held by the firm 's partners . In March 2010 , KKR filed to list its shares on the New York Stock Exchange (NYSE) , with trading commencing four months later , on July 15 , 2010 .

The Firm KKR

KKR is operated by its managing partners Henry Kravis and George R. Roberts and a team of approximately 140 investment professionals and 400 total employees , organized into industry @-@ focused groups . KKR is headquartered in the Solow Building at 9 West 57th Street , Manhattan , New York , with U.S. offices in Menlo Park , San Francisco , Houston , and Washington , D.C. , and offices abroad in London , Paris , Hong Kong , Tokyo , Beijing , Mumbai , Dubai , Seoul , São Paulo and Sydney .

KKR invests primarily through leveraged buyouts as well as growth capital investments (including " PIPE " investments in public companies) . It has traditionally specialized in private equity investments , focusing on specific industry sectors where the firm has created nine dedicated investment groups . The industries in which KKR has developed a specialization include :

Chemicals
Consumer products
Energy & natural resources
Financial services
Health care
Industrial
Media and communications
Retail
Technology

The professionals in each of KKR 's industry @-@ focused groups are expected to have developed a proficiency in their respective industries . The firm has traditionally had strong ties with its investors .

Investment funds and other affiliates

Private equity funds

KKR has historically relied primarily on private equity funds , pools of committed capital that are raised from a broad array of institutional investors (e.g. , pension funds , insurance companies ,

investment banks , commercial banks , endowments , fund of funds , high @-@ net @-@ worth individuals , sovereign wealth funds) . As of March 31 , 2014 , KKR had completed fund @-@ raising for approximately 23 traditional investment funds in the US , Europe and Asia with total committed capital of approximately US $ 80 billion :
Source : SEC Filings

= = = KKR Financial = = =

KKR Financial (NYSE : KFN) is a real estate investment trust (REIT) and specialty finance company that invests in residential and commercial mortgage loans and mortgage @-@ backed securities as well as corporate loans and debt securities , asset @-@ backed securities and equity securities . KFN was founded in 2004 raising $ 795 million in a private placement and raised $ 849 million in a June 2005 initial public offering , increasing the size of the offering from an original $ 600 million target . KKR had initially considered structuring KFN as a business development company like Apollo Management 's Apollo Investment Corporation but chose to pursue the REIT structure to capitalize on the strength in REIT valuations at the time .

KFN was an early casualty of the subprime mortgage crisis and in September 2007 , Henry Kravis and George Roberts injected $ 270 million into the company . On February 20 , 2008 , KFN was once again forced to delay the repayment of billions of dollars of commercial paper , and began a new round of talks with creditors . In April , KFN sold a controlling interest in a real estate subsidiary to an investment firm to raise cash and entered an agreement with the noteholders of certain secured commercial paper issued by two asset @-@ backed entities . Following the transaction , KFN converted from a REIT to a LLC .

= = = KKR Private Equity Investors = = =

KKR Private Equity Investors (Euronext : KPE) is a publicly traded private equity fund that invests as a fund of funds in KKR private equity funds . KPE also co @-@ invests in transactions alongside KKR 's private equity funds . KPE was founded in 2006 . In May 2006 , KKR raised $ 5 billion in an initial public offering for a KPE to serve as a new permanent investment vehicle listing it on the Euronext exchange in Amsterdam . KKR raised three times more than it expected , as many of the investors in KPE were hedge funds seeking exposure to private equity but could not make long term commitments to private equity funds . As private equity had been booming in preceding years , investing in a KKR fund was attractive to investors .

However , KPE 's first @-@ day performance was lackluster , trading down 1 @.@ 7 % and trading volume was limited . Initially , a handful of other private equity firms and hedge funds had planned to follow KKR 's lead but shelved those plans when KPE 's performance continued to falter after its IPO . KPE 's stock declined from an IPO price of ? 25 per share to ? 18 @.@ 16 (a 27 % decline) at the end of 2007 and a low of ? 11 @.@ 45 (a 54 @.@ 2 % decline) per share in Q1 2008 .

KPE disclosed in May 2008 that it had completed approximately $ 300 million of secondary sales of selected limited partnership interests in , and undrawn commitments to , certain KKR @-@ managed funds in order to generate liquidity and repay borrowings .

In October 2009 KPE changed its name to KKR & Co . (Guernsey) L.P. , which was delisted from Euronext Amsterdam in July 2010 while common units of KKR & Co . L.P. began trading on the New York Stock Exchange under the symbol ? KKR ? .

= = History = =

= = = Founding and early history = = =

Running the corporate finance department for Bear Stearns in the 1960s and 1970s , Jerome Kohlberg and later with protégés Henry Kravis and George Roberts completed a series of what they described as " bootstrap " investments beginning in 1964 ? 65 . They targeted family @-@ owned businesses , many of which had been founded in the years following World War II which by the 1960s and 1970s were facing succession issues . Many of these companies lacked a viable or attractive exit for their founders as they were too small to be taken public and the founders were reluctant to sell out to competitors and so a sale to a financial buyer could prove attractive .

Their acquisition of Orkin Exterminating Company in 1964 is among the first significant leveraged buyout transactions . In the following years the three Bear Stearns bankers would complete a series of buyouts including Stern Metals (1965) , Incom (a division of Rockwood International , 1971) , Cobblers Industries (1971) , and Boren Clay (1973) , as well as Thompson Wire , Eagle Motors and Barrows through their investment in Stern Metals . Despite a number of highly successful investments , the $ 27 million investment in Cobblers ended in bankruptcy .

By 1976 , tensions had built up between Bear Stearns and Kohlberg , Kravis and Roberts , which led to the formation of Kohlberg Kravis Roberts & Co. in that year . Most notably , Bear Stearns executive Cy Lewis had rejected repeated proposals to form a dedicated investment fund within Bear Stearns and Lewis took exception to the amount of time spent on outside activities . In 1976 , Kravis had been required to serve as interim CEO of a failing direct mail company named Advo .

The new KKR completed its first buyout , that of manufacturer A.J. Industries , in 1977 . KKR raised capital from a small group of investors including the Hillman Company and First Chicago Bank . By 1978 , with the revision of the ERISA regulations , the nascent KKR was successful in raising its first institutional fund with over $ 30 million of investor commitments . In 1981 , KKR expanded its investor base significantly when the Oregon State Treasury 's public pension fund invested in KKR 's acquisition of retailer Fred Meyer , Inc . Oregon State remains an active investor in KKR funds .

KKR closed out the 1970s completing the public @-@ to @-@ private buyout of Houdaille Industries in 1979 , probably the largest take @-@ private of a public company to that point . As the 1980s began , KKR was among the most prominent practitioner of leveraged buyouts and would prove the most prolific of the private equity investors in the 1980s . Among the firm 's most notable acquisitions during the 1980s buyout boom were the following :

= = = Barbarians at the Gate ? KKR 's leveraged buyout of RJR Nabisco = = =

After the 1987 resignation of Jerome Kohlberg at age 61 (he later founded his own private equity firm , Kohlberg & Co .) , Henry Kravis succeeded him as senior partner . Under Kravis and Roberts , the firm was responsible for the 1988 leveraged buyout of RJR Nabisco . RJR Nabisco proved to be not only the largest buyout in history to that time , at $ 25 billion ($ 31 @.@ 1 billion , including assumed debt) as well as a high @-@ water mark and sign of the end of the 1980s buyout boom . RJR ? Nabisco , which would remain the largest buyout for the next 17 years , was chronicled in Barbarians at the Gate : The Fall of RJR Nabisco , and later made into a television movie starring James Garner .

In 1988 , F. Ross Johnson was the President and CEO of RJR Nabisco , formed in 1985 by the merger of Nabisco Brands and R.J. Reynolds Tobacco Company , a leading producer of food products (Shredded Wheat , Oreo cookies , Ritz crackers , Planters peanuts , Life Savers , Del Monte Fruit and Vegetables , and Snickers Chocolate) as well as Winston , Camel and Salem cigarettes . In October 1988 , Johnson proposed a $ 17 billion ($ 75 per share) management buyout of the company with the financial backing of investment bank Shearson Lehman Hutton and its parent company , American Express .

Several days later , Kravis , who had originally suggested the idea of the buyout to Johnson , presented a new bid for $ 20 @.@ 3 billion ($ 90 per share) financed with an aggressive debt package . KKR had the support of significant equity co @-@ investments from leading pension funds and other institutional investors . Investors included Coca @-@ Cola , Georgia @-@ Pacific and United Technologies corporate pension funds , as well as endowments from MIT , Harvard and the New York State Common Retirement Fund However , KKR faced criticism from existing investors over the firm 's use of hostile tactics in the buyout of RJR .

KKR proposed to provide a joint offer with Johnson and Shearson Lehman but was rebuffed and

Johnson attempted to stonewall KKR 's access to financial information from RJR . Rival private equity firm , Forstmann Little & Co. was invited into the process by Shearson Lehman but attempted to provide a bid for RJR with a consortium of Goldman Sachs Capital Partners , Procter & Gamble , Ralston Purina and Castle & Cooke .

Ultimately the Forstmann consortium came apart and did not provide a final bid for RJR . Many of the major banking players of the day , including Shearson Lehman Hutton , Drexel Burnham Lambert , Morgan Stanley , Goldman Sachs , Salomon Brothers and Merrill Lynch were actively involved in advising and financing the parties .

In November 1988 , RJR set guidelines for a final bid submission at the end of the month . The management and Shearson group submitted a final bid of $ 112 , a figure they felt certain would enable them to outflank any response by Kravis and KKR . KKR 's final bid of $ 109 , while a lower dollar figure , was ultimately accepted by the board of directors of RJR Nabisco . KKR 's offer was guaranteed , whereas the management offer lacked a " reset " , meaning that the final share price might have been lower than their stated $ 112 per share .

Additionally , many in RJR 's board of directors had grown concerned at recent disclosures of Ross Johnson ' unprecedented golden parachute deal . Time Magazine featured Ross Johnson on the cover of their December 1988 issue along with the headline , " A Game of Greed : This man could pocket $ 100 million from the largest corporate takeover in history . Has the buyout craze gone too far ? " . KKR 's offer was welcomed by the board , and , to some observers , it appeared that their elevation of the reset issue as a deal @-@ breaker in KKR 's favor was little more than an excuse to reject Ross Johnson 's higher payout of $ 112 per share . Johnson received $ 53 million from the buyout . KKR collected a $ 75 million fee in the RJR takeover . At $ 31 @.@ 1 billion of transaction value (including assumed debt) , RJR Nabisco was by far the largest leveraged buyout in history .

In 2006 and 2007 , a number of leveraged buyout transactions were completed which , for the first time , surpassed the RJR Nabisco leveraged buyout in terms of nominal purchase price . The deal was first surpassed in July 2006 by the $ 33 billion buyout of U.S. hospital operator Hospital Corporation of America , in which KKR participated , though the RJR deal was larger , adjusted for inflation . However , adjusted for inflation , none of the leveraged buyouts of the 2006 ? 07 period would surpass RJR Nabisco . The RJR transaction benefited many of the parties involved . Investment bankers and lawyers who advised KKR walked away with over $ 1 billion in fees . Kravis and Roberts attracted an unprecedented amount of publicity that turned the cousins into instant celebrities . Size did not , however , guarantee success as the high purchase price and debt load would burden the performance of the investment , which KKR overcame , raising a new investment fund and continuing to invest throughout the 1990s .

= = = Early 1990s : The aftermath of RJR Nabisco = = =

The buyout of RJR Nabisco was completed in April 1989 and KKR would spend the early 1990s repaying the RJR 's enormous debt load through a series of asset sales and restructuring transactions . After the RJR Nabisco deal , KKR did not complete a single investment in 1990 , the first and only other year , besides 1982 , with no new investment activity . They would not complete another major leveraged buyout transaction for more than three years , largely because of the shutdown of the high yield bond market and the collapse of Drexel Burnham Lambert which filed for bankruptcy in February 1990 . KKR began to focus primarily on its existing portfolio companies acquired during the buyout boom of the late 1980s . Six of KKR 's portfolio companies completed IPOs in 1991 , including RJR Nabisco and Duracell .

As the new decade began , KKR began restructuring RJR . In January 1990 , it completed the sale of RJR 's Del Monte Foods to a group led by Merrill Lynch . KKR had originally identified a group of divisions that it could sell to reduce debt . Over the coming years , RJR would pursue a number of additional restructurings , equity injections and public offerings of stock to provide the company with added financial flexibility . KKR contributed $ 1 @.@ 7 billion of new equity into RJR in July 1990 to complete a restructuring of the company 's balance sheet that appeased unhappy bondholders . KKR 's equity contribution as part of the original leveraged buyout of RJR had been only $ 1 @.@ 5 billion . In mid @-@ December 1990 , RJR announced an exchange offer that would swap debt in RJR for a new public stock in the company , effectively an unusual means of taking RJR public again and simultaneously reducing debt on the company .

RJR issued additional stock to the public in March 1991 to further reduce debt , resulting in an upgrade of the credit rating of RJR 's debt from junk to investment grade . KKR began to reduce its ownership in RJR in 1994 , when its stock in RJR was used as part of the consideration for its leveraged buyout of Borden , Inc . , a producer of food and beverage products , consumer products , and industrial products , in an unprecedented and complex transaction . The following year , in 1995 , KKR would divest itself of its final stake in RJR Nabisco when Borden sold a $ 638 million block of stock .

While KKR no longer had any ownership of RJR Nabisco by 1995 , its original investment would not be fully realized until KKR exited its last investment in 2004 . After sixteen years of efforts , including contributing new equity , taking RJR public , asset sales and exchanging shares of RJR for the ownership of Borden , Inc . , KKR finally sold the last remnants of its 1989 investment . In July 2004 , KKR agreed to sell its stock in Borden Chemical to Apollo Management for $ 1 @.@ 2 billion .

= = = Early 1990s : Investments = = =

In the early 1990s , the absence of an active high yield market prompted KKR to change its tactics , avoiding large leveraged buyouts in favor of industry consolidations through what were described as leveraged buildups or rollups . One of KKR 's largest investments in the 1990s was the leveraged buildup of Primedia in partnership with former executives of Macmillan Publishing , which KKR had failed to acquire in 1988 . KKR created Primedia 's predecessor , K @-@ III Communications , a platform to buy media properties , initially completing the $ 310 million divisional buyout of the book club division of Macmillan along with the assets of Intertec Publishing Corporation in May 1989 .

During the early 1990s , K @-@ III continued acquiring publishing assets , including a $ 650 million acquisition from News Corporation in 1991 . K @-@ III went public , however instead of cashing out , KKR continued to make new investments in the company in 1998 , 2000 and 2001 to support acquisition activity . In 2005 , Primedia redeemed KKR 's preferred stock in the company but KKR was estimated to have lost hundreds of millions of dollars on its common stock holdings as the price of the company 's stock collapsed .

In 1991 , KKR partnered with Fleet / Norstar Financial Group in the 1991 acquisition of the Bank of New England , from the US Federal Deposit Insurance Corporation . In January 1996 , KKR would exchange its investment for a 7 @.@ 5 % interest in Fleet Bank . KKR completed the 1992 buyout of American Re Corporation from Aetna as well as a 47 % interest in TW Corporation , later known as The Flagstar Companies and owner of Denny 's in 1992 . Among the other notable investments KKR completed in the early 1990s included World Color Press (1993 ? 95) , RELTEC Corporation (1995) and Bruno 's (1995) .

= = = 1996 ? 1999 = = =

By the mid @-@ 1990s , the debt markets were improving and KKR had moved on from the RJR Nabisco buyout . In 1996 , KKR was able to complete the bulk of fundraising for what was then a record $ 6 billion private equity fund , the KKR 1996 Fund . However , KKR was still burdened by the performance of the RJR investment and repeated obituaries in the media . KKR was required by its investors to reduce the fees it charged and to calculate its carried interest based on the total profit of the fund (i.e. , offsetting losses from failed deals against the profits from successful deals) .

KKR 's activity level would accelerate over the second half of the 1990s making a series of notable investments including Spalding Holdings Corporation and Evenflo (1996) , Newsquest (1996) , KinderCare Learning Centers (1997) , Amphenol Corporation (1997) , Randalls Food Markets (1997) , The Boyds Collection (1998) , MedCath Corporation (1998) , Willis Group Holdings (1998) , Smiths Group (1999) , and Wincor Nixdorf (1999) .

KKR 's largest investment of the 1990s would be one of its least successful . In January 1998 , KKR and Hicks , Muse , Tate & Furst agreed to the $ 1 @.@ 5 billion buyout of Regal Entertainment Group . KKR and Hicks Muse had initially intended to combine Regal with Act III Cinemas , which KKR had acquired in 1997 for $ 706 million and United Artists Theaters , which Hicks Muse had agreed to acquire for $ 840 million in November 1997 . Shortly after agreeing to the Regal takeover , the deal with United Artists fell apart , destroying the strategy to eliminate costs by building a larger combined company . Two years later , in 2000 , Regal encountered significant financial issues and was forced to file for bankruptcy protection ; the company passed to billionaire investor Philip Anschutz .

= = = 2000 ? 2005 = = =

At the start of the 21st century , the landscape of large leveraged buyout firms was changing . Several large and storied firms , including Hicks Muse Tate & Furst and Forstmann Little & Company were dragged down by heavy losses in the bursting of the telecom bubble . Although , KKR 's track record since RJR Nabisco was mixed , losses on such investments as Regal Entertainment Group , Spalding , Flagstar and Primedia (previously K @-@ III Communications) were offset by successes in Willis Group , Wise Foods , Inc . , Wincor Nixdorf and MTU Aero Engines , among others .

Additionally , KKR was one of the few firms that was able to complete large leveraged buyout transactions in the years immediately following the collapse of the Internet bubble , including Shoppers Drug Mart and Bell Canada Yellow Pages . KKR was able to realize its investment in Shoppers Drug Mart through a 2002 IPO and subsequent public stock offerings . The directories business would be taken public in 2004 as Yellow Pages Income Fund , a Canadian income trust .

In 2004 a consortium comprising KKR , Bain Capital and real estate development company Vornado Realty Trust announced the $ 6 @.@ 6 billion acquisition of Toys " R " Us , the toy retailer . A month earlier , Cerberus Capital Management , made a $ 5 @.@ 5 billion offer for both the toy and baby supplies businesses . The Toys ' R ' Us buyout was one of the largest in several years . Following this transaction , by the end of 2004 and in 2005 , major buyouts were once again becoming common and market observers were stunned by the leverage levels and financing terms obtained by financial sponsors in their buyouts .

In 2005 , KKR was one of seven private equity firms involved in the buyout of SunGard in a transaction valued at $ 11 @.@ 3 billion . KKR 's partners in the acquisition were Silver Lake Partners , Bain Capital , Goldman Sachs Capital Partners , Blackstone Group , Providence Equity Partners , and TPG Capital . This represented the largest leveraged buyout completed since the takeover of RJR Nabisco in 1988 . SunGard was the largest buyout of a technology company until the Blackstone @-@ led buyout of Freescale Semiconductor . The SunGard transaction was notable given the number of firms involved in the transaction , the largest club deal completed to that point . The involvement of seven firms in the consortium was criticized by investors in private equity who considered cross @-@ holdings among firms to be generally unattractive .

= = = Since 2005 and the Buyout Boom = = =

In 2006 , KKR raised a new $ 17 @.@ 6 billion fund the KKR 2006 Fund , with which the firm began executing a series of some of the largest buyouts in history . KKR 's $ 44 billion takeover of Texas @-@ based power utility , TXU , in 2007 , proved to be the largest leveraged buyout of the mid @-@ 2000s buyout boom and the largest buyout completed to date . Among the most notable companies acquired by KKR in 2006 and 2007 were the following :

Other non @-@ buyout investments completed by KKR during this period included Legg Mason , Sun Microsystems , Tarkett , Longview Power Plant and Seven Network . In October 2006 , KKR acquired a 50 % stake in Tarkett , a France @-@ based distributor of flooring products , in a deal valued at about ? 1 @.@ 4 billion ($ 1 @.@ 8 billion) . On November 20 , 2006 , KKR announced it would form a A $ 4 billion partnership with the Seven Network of Australia . On January 23 , 2007 , KKR announced it would invest $ 700 million through a PIPE investment in Sun Microsystems . In

January 2008 , KKR announced it had made a $ 1 @.@ 25 billion PIPE investment in Legg Mason through a convertible preferred stock offering .
In addition to its successful buyout transactions , KKR was involved in the failed buyout of Harman International Industries (NYSE : HAR) , an upscale audio equipment maker . On April 26 , 2007 , Harman announced it had entered an agreement to be acquired by KKR and Goldman Sachs . As the financing markets became more adverse in the summer of 2007 , the buyout was on tenuous ground . In September 2007 , KKR and Goldman backed out of the $ 8 billion buyout of Harman . By the end of the day , Harman 's shares had plummeted by more than 24 % upon the news .

= = = Initial public offering = = =

In 2007 , KKR filed with the Securities and Exchange Commission to raise $ 1 @.@ 25 billion by selling an ownership interest in its management company . The filing came less than two weeks after the initial public offering of rival private equity firm Blackstone Group . KKR had previously listed its KPE vehicle in 2006 , but for the first time , KKR would offer investors an ownership interest in the management company itself . The onset of the credit crunch and the shutdown of the IPO market dampened the prospects of obtaining a valuation attractive to KKR . The flotation was repeatedly postponed , and called off by the end of August .
The following year , in July 2008 , KKR announced a new plan to list its shares . The plan called for KKR to complete a reverse takeover of its listed affiliate KKR Private Equity Investors in exchange for a 21 % interest in the firm . In November 2008 , KKR announced a delay of this transaction until 2009 . Shares of KPE had declined significantly in the second half of 2008 with the onset of the credit crunch . KKR has announced that it expects to close the transaction in 2009 . In October 2009 , KKR listed shares in KKR & Co. on the Euronext exchange , replacing KPE and anticipates a listing on the New York Stock Exchange in 2010 . The public entity represents a 30 % interest in Kohlberg Kravis Roberts . In October 2010 , KKR acquired about nine members of Goldman Sachs Group proprietary trading team after entertaining offers from investment firms such as Perella Weinberg and Blackrock . With Goldman shutting down its proprietary trading operations , its executives , led by Bob Howard , will help KKR expand beyond leveraged buyouts into areas such as hedge funds .

= = = 2010 to present day = = =

In January 2014 , KKR acquired Sedgwick Claims Management Services Inc for $ 2 @.@ 4 billion from two private equity companies - Stone Point , and Hellman & Friedman .
In June 2014 , KKR announced it was taking a one @-@ third stake in a Spanish energy business of Acciona Energy , at a cost of ? 417 million ($ 567 million) . The international renewable energy generation business operates renewable assets , largely wind farms , across 14 countries including the United States , Italy and South Africa .
In August 2014 , KKR announced it was investing $ 400 million to acquire Fujian Sunner Development , China 's largest chicken farmer , which breeds , processes and supplies frozen and fresh chickens to consumers and corporate clients , such as KFC and McDonald 's , across China .
In September 2014 , the firm invested $ 90 million in a lighting and electrics firm Savant Systems .
In January 2015 , KKR confirmed its purchase of British rail ticket website thetrainline.com , previously owned by Exponent . The purchase sum is unknown .
In October 12 , 2015 , KKR announced that it has entered into definitive agreement with Allianz Capital Partners to acquire their majority stake in Selecta Group , a European vending services operator .

= = Notable current and former employees = =

Over the years , KKR has seen the departure of many of its original partners , the most notable being original co @-@ founder Jerome Kohlberg . After a leave of absence due to an illness in 1985

, Kohlberg returned to find increasing differences in strategy with his partners Kravis and Roberts . In 1987 , Kohlberg left KKR to found a new private equity firm Kohlberg & Company . Kohlberg & Company returned to the investment style that Kohlberg had originally practiced at Bear Stearns and in KKR 's earlier years , acquiring smaller , middle @-@ market companies .

Since 1996 , general partners of KKR have included Henry Kravis , George R. Roberts , Paul Raether , Robert MacDonnell , Jose Gandarillas , Michael Michelson , Saul Fox , James Greene , Michael Tokarz , Clifton Robbins , Scott Stuart , Perry Golkin and Edward Gilhuly . Among those who left were Saul Fox , Ted Ammon , Ned Gilhuly , Mike Tokarz and Scott Stuart who had been instrumental in establishing KKR 's reputation and track record in the 1980s . KKR remains tightly controlled by Kravis and Roberts . The issue of succession has remained an important consideration for KKR 's future as an ongoing institutionalized firm .

Saul A. Fox left KKR in 1997 to found Fox Paine & Company , a middle market private equity firm with over $ 1 @.@ 5 billion of capital under management

Clifton S. Robbins left KKR to join competitor General Atlantic Partners in 2000 and later founded Blue Harbour Group , a private investment firm based in Greenwich , Connecticut .

Edward A. Gilhuly and Scott Stuart left KKR in 2004 to launch Sageview Capital . Prior to this , Gilhuly was the managing partner of KKR 's European operations , based in London ; Stuart managed KKR 's energy and consumer products industry groups .

Ted Ammon , started several new ventures including Big Flower Press , which printed newspaper circulars , and Chancery Lane Capital , a boutique private equity firm , before being murdered in his Long Island home October 2001 . The lover of his estranged , now deceased wife , Generosa , was later convicted .

Paul Hazen , served as chairman and CEO of Wells Fargo (1995 ? 2001) . Hazen later returned to KKR to serve as chairman of Accel @-@ KKR , a joint venture with Accel Partners and later as chairman of KKR 's publicly listed affiliate , KFN .

Clive Hollick , Baron Hollick , CEO of United News and Media (1996 ? 2005)

Ken Mehlman joined KKR in 2008 as Global Head of Public Affairs .

Scott C. Nuttall (born 1972) , heads KKR 's fastest @-@ growing department , the Global Capital and Asset Management Group , which includes Asset Management , Capital Markets and Client and Partner Group . He joined KKR in November 1996 after leaving the Blackstone Group . His group , the firm 's fastest @-@ growing division , has $ 25 billion under management . With the support of co @-@ founder George Roberts , Nuttall has largely spearheaded the campaign to expand KKR beyond its institutional investors (legacy and otherwise) into credit investment , and alternative investments , pointing out that there are billions " in revenues up for grabs " .

David Petraeus , selected to serve as chairman of the newly formed KKR Global Institute (2013 ? present)

Joseph Grundfest , Professor at Stanford Law School and youngest SEC Commissioner

= = Works about KKR = =