

John Keeley Dies at 75

Recent succession planning should protect his legacy and serve shareholders well.

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John L. Keeley Jr., who founded Chicago-based Keeley Asset Management Corporation (KAMCO) in 1982, died on June 4 at age 75 of complications from a blood clot. Keeley fostered the firm's distinctive investment strategy, which focuses on companies undergoing restructuring, such as those emerging from bankruptcy and recent spin-offs. Flagship fund Keeley Small Cap Value (KSCVX) opened in 1993, and the lineup began expanding in 2005. The firm offers eight funds today, including five that follow its classic restructuring strategy, two dividend-oriented value strategies, and a recently launched international small-cap value fund.

While Keeley was long the face of the firm and the sole portfolio manager, he paid increasing attention in recent years to key-man risk and succession planning. Keeley's nephew Brian Keeley joined KAMCO in 2006, and in 2011 was named a comanager on the funds managed by John Keeley, those that follow the restructuring strategy. That year, Ed Ciskowski, a KAMCO analyst since 2008, was named a second comanager on one of those funds, Keeley All Cap Value (KACVX). The hiring of Kevin Chin from Cramer Rosenthal McGlynn in 2013 was the culmination of an extensive search for a portfolio manager with a value-oriented investment background that would complement the Keeley approach, and Chin became a second comanager of the other four restructuring-strategy funds.

Just last month, the gradual transition of leadership was completed: Chin and Brian Keeley took over as co-lead portfolio managers on Small Cap Value, Small-Mid Cap Value (KSMVX), Mid Cap Value (KMCVX), and Alternative Value (KALVX). (Ciskowski had already assumed the lead role on All Cap Value in January 2015.)

Chin was also named co-chief investment officer, alongside John Keeley; he will now be the firm's sole CIO. John Keeley had still intended to play an active part in the investment process, to ensure the continuity of the firm's unique philosophy and strategy. However, he remains an example of strong stewardship thanks to a well-laid succession plan.

John Keeley's son Kevin Keeley, the firm's CEO, will assume the role of president and continue to lead all noninvestment responsibilities.

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