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Lifetime Achievement Winner Peter Kalis: Global empire builder returns to roots

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By taking K&L Gates LLP around the globe from 400 employees in six offices to 2,000 in 46 sites, working through multiple mergers and name changes, and accelerating firm revenue by 700 percent to surpass \$1 billion, Peter Kalis entered the ranks as one of Pittsburgh's most successful empire builders.

Now he's back to being a lawyer full-time.

"I will continue as a partner of the firm, but with no role in management," Kalis said. "My plan otherwise is to have no plan."

Opting against seeking a sixth term at the helm was not a difficult decision. "The firm was ready for a change," he said.

In fact, it took two people to fill his shoes, which is indicative of how the demands of the job have changed greatly over two decades.

On March 1, James Segerdahl succeeded Kalis as managing partner and Michael Caccese assumed the chairman's role.

It took unique skills and vision for Kalis to steer K&L Gates. But for all his big law experience, this is still a guy whose first job was night manager at a McDonald's in his hometown of Wheeling, W.Va., and still insists he considered enrolling at the fast food giant's Hamburger University, albeit briefly.

Nevertheless, Kalis has done the unexpected.

Who could have predicted that a Pittsburgh law firm would wind up combining with Seattle's Preston Gates Ellis LLP where William Gates II, father of Microsoft Corp.'s founder, had been a partner? Or that the combined firm would attach that famous last name in 2007 and brand its downtown headquarters K&L Gates Center.

And then there's the \$10 million endowment the firm made last year to Carnegie Mellon University – a client that does not have a law school – to examine ethical issues arising from artificial intelligence.

Kalis is a study in contrasts. He is as proud of his West Virginia roots as his time at the University of Oxford and can quote passages



Peter Kalis led K&L Gates LLP for two decades before resigning the position to return to legal work at the firm earlier this year.

by W.H. Auden as handily as he cites hockey stats. He can elegantly present a witty riff on law from the Magna Carta to modern day torts in less than 30 minutes.

But, if riled, he can unleash his inner Yosemite Sam without hesitation.

Kalis arrived in the city's Central Business District as an associate at then-Kirkpatrick, Lockhart, Johnson & Hutchison, something of an upstart firm itself, having spun out of Reed

Smith LLP in 1946.

He earned a bachelor's degree at West Virginia University, a juris doctorate from Yale University, and a Ph.D. from Oxford. He clerked for U.S. Supreme Court Justice Byron White. He could have gone anywhere, but he chose Pittsburgh.

"Growing up in Wheeling, I was a rabid Pirates and Steelers fan," he said. "That helped. I had no desire to stay in Washington or to

follow my classmates to New York.”

White, for whom Kalis was working during his job search, starred in 1938 as a running back for the Pirates, as the Steelers were then known, and was given the nickname “Whizzer” for his elegance on the gridiron.

“Justice White would sometimes come into my office and talk about the early Steelers – Mr. [Art] Rooney, Johnny “Blood” McNally and others,” Kalis said. “After that, could you see me anywhere but Pittsburgh? The deal was sealed when I was able to spend a little time with Chuck Queenan, Dave Brownlee, Sandy Ferguson and others at the firm. Justice White taught me that basketball is a collision sport and law is a contact sport. He unknowingly prepared me for Chuck Queenan.”

Now chairman emeritus of K&L Gates, Queenan was a mentor to Kalis and remains an inspiration.

“Obviously, his academic credentials were very, very significant,” Queenan said. “The son of Greek immigrants who ran a restaurant, he went to WVU and had a wonderful record there and on to Oxford. Most of our Rhodes Scholars come up with a master’s and Pete came with a doctorate in philosophy during the same time frame. He was law journal editor-in-chief at Yale University, clerk to Byron Raymond “Whizzer” White. He was a great pick and a remarkable talent.”

Kalis distinguished himself early when the firm was handling insurance coverage in the asbestos area for a client.

“This toxic tort liability was an issue that needed to be focused on strategically,” Queenan said. “He saw that. Leaders have to be on top of the ever-present change in the law.”

Kalis worked to build the practice in the 1980s with the help of a small team of lawyers including Segerdahl, positioning K&L Gates as a national leader in the area.

“In that time frame, we didn’t have a management track and instead traditionally looked to lawyers who were successful in client markets and who had demonstrated an aptitude for leadership,” Kalis said. “Not a bad formula when you think about it.”

Kalis came to a leadership role during an era where firms rapidly evolved in many directions, geography being the most obvious.

“My contemporaries have been called the building generation of law firm leaders,” Kalis said. “I admire them all because they successfully drove cultural change in a brutally competitive industry, maintained their dignity

PETER KALIS

Partner, former chairman and managing partner, K&L Gates LLP

- ▶ **Career:** Law clerk to J. Skelly Wright, chief judge, U.S. Court of Appeals, District of Columbia Circuit, and Associate Justice Byron R. White, U.S. Supreme Court. Joined Kirkpatrick, Lockhart, Johnson & Hutchison in 1980 as an associate. Made partner in 1985; became chairman of the management committee in 1997. The title changed in 2007 to chairman and global managing partner.
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while doing so, and have the scars to show for it.

“But as a Wheeling guy, I have to tip my hat to my Wheeling buddy, Greg Jordan, who [then was] one of the top executives at PNC. At Reed Smith, he inherited a staid, white-shoe culture and yanked it by main force into the 21st century. It took a Wheeling guy to get that done.”

Jordan, nine years Kalis’ junior, had served as his house-sitter while earning his own law degree at the University of Pittsburgh. When the two wound up running the largest law firms in Pittsburgh, the spirit of competition intensified as did a special kinship. Kalis and Jordan spurred each other on.

“I’d say that Pete was the right person at the right time in the right place,” Jordan said. “He took over a very good regional law firm with top quality lawyers and turned it into a national law firm and, when globalization really was driving the economy, rolled right into turning it into a global powerhouse. I really admire what Pete was able to accomplish.

“He’s an incredibly brilliant and strategic person who is able to see around the corners, and that’s enabled him to start that international expansion a little later than some firms – and to catch up and pass just about everyone.”

Ask Kalis what drove the geographic growth and he is succinct.

“Fear,” he said. “We didn’t want to become irrelevant to meeting our clients’ legal needs

in a globalizing world.”

K&L Gates developed a strategy designed to focus on how to capitalize on local opportunities within the framework of its global network of offices, and that is what Kalis believes to be a “great differentiator” for his firm.

“In 2016, 30 percent of our revenues arose from work sourced in one office and performed in another,” he said. “Much of that is cross-border work. We routinely help Pittsburgh companies with their challenges in Europe, Asia, Australia, South America, the Middle East and across the U.S.”

Kalis’ instinct for where the business was heading wasn’t limited to toxic tort or international expansion.

“The issue of security of data was one of the coming areas of law that would be important to clients and to firms and he positioned K&L in terms of putting talent about to enable us to be responsive,” Queenan said. “It’s one of many times he spotted areas of the law coming down the pipeline and positioned the firm to be on top of it.”

Kalis also saw the importance of culture and inclusiveness. K&L Gates was the first firm in the U.S. to appoint a chief diversity officer.

“There are very few things Pete doesn’t do well and his reaching out early in the game to minorities and women was obviously the right thing to do,” Queenan said. “That reflects his thinking about how to grow the firm, how to nurture lawyers and to be very fair.”

Kalis said he can’t think of a single achievement over more than 36 years at K&L Gates that he can claim as his own.

“Law is a team sport,” he said. “This is not false modesty, this is fact. From a team standpoint, I’m proud that we have begun to build something worthy of our great predecessors – Bob Kirkpatrick, Chuck Queenan, Bill Gates [II] and more. It’s now left to others to complete the job.”

Caccese and Segerdahl, 61 and 54 respectively, don’t expect to have 20-year tenures.

“Pete is one of a kind,” Caccese said. “What you do is take the best of what he’s created and add to them.”

If there’s a next act for Kalis, such as taking a role in the community or academia, Jordan wouldn’t be surprised.

“Having left that kind of a job, in some ways for me it’s been easier to leave completely and relatively quickly into some new, interesting place,” Jordan observed. He left Reed Smith in 2013 to become general counsel at PNC Financial Services Group Inc.

“He has so much to offer and contribute and, while he loves the firm and intends to stay and help them, he could have another career if he wanted it,” Jordan said.