

Steve Kailas President

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Steve Kailas was originally a litigator dealing with the representation of business interests in commercial bankruptcy cases. His activities delivered contractual desserts for his creditor clients in bankruptcy and reorganization venues. Representing creditors and creditors' committees, Steve has a rich history of exposing, litigating and reversing fraudulent transfers to recover for creditors. His victories delivered handsome dividends to creditors.



Through the years, his successes have included the substantive consolidation of debtor estates to assure equitable treatment of all classes of creditors, and the piercing of the corporate veil of an alter ego entity to reach assets improperly transferred to avoid creditors. His legal experience includes complex litigation to recover preferential payments under bankruptcy law and state insolvency law in a vast number of legal disputes and complex factual scenarios.

Steve has played a leading role in Wisconsin creditors' rights law, and via legal persuasion, the law in other jurisdictions as well. KMKSC has taken a lead on its own initiative on aspects of the law that significantly impact its creditor clients. KMKSC was the dominant participant in the successful campaigns to avoid organized efforts to repeal the protection of the bulk sales law under the Uniform Commercial Code of Wisconsin. KMKSC also waged a successful six-year battle to reduce the time for litigants to render a commercial debt to judgment from 45 days to 20 days. This was a significant victory for business creditors that has noticeably increased the potential for faster court rulings and full recovery.

Since the 1930's, KMKSC has been a business law firm. During his 30-year tenure as President, Steve has molded KMKSC into a legal resource uniquely positioned to provide excellent yet cost-efficient legal support for the varied business interests of its clients. Steve has been a driving force in establishing KMKSC as a nationally recognized champion of business creditors' rights, known for its tenacious and effective representation of clients anywhere in the United States, and in international trade disputes and forums.



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Steve continues to drive KMKSC forward. During his watch the firm has continually enlarged and enhanced the services it offers to clients and its ability to deliver them in a form that best conforms with each client's individual needs and operational practices. KMKSC has aggressively adopted new technology to increase the efficiency and transparency of our service to our clients. He has also taken a leading role in expanding the legal capabilities of the attorneys of KMKSC, in line with the evolving needs of business people in a world where the Internet, outsourcing and an increasingly global market raise new challenges for businesses and the lawyers that they rely on.

Under his leadership, KMKSC has expanded its capability to enforce contractual commitments beyond North America and to achieve favorable outcomes in the most complex forms of negotiation, litigation and alternative dispute resolution. KMKSC has developed into a source of assistance to clients in regional, national and international transactions and risk management. This is accomplished by the creation of a responsible and reliable network of carefully selected local counsel that have proven their worth as counsel in needed venues, rather than the formation and utilization of expensive high-profile foreign offices. The effective management of this invaluable pool of local, national and international talent and expertise continues to assure premium results at a conservative cost.

Steve's efforts have led to KMKSC achieving a number of groundbreaking decisions, of which a few examples are:

- A decision from the Wisconsin Supreme Court establishing the right of an unsecured creditor to have a sheriff seize and execute upon a court judgment against the assets of a debtor and forcing a judicial sale to find an equity in excess of the rights and value of an existing security interest held by a secured creditor in the subject assets.
- A Seventh Circuit rule that guarantees issued by a business do not evaporate when the company is absorbed by a related company or entity. The court held that the rights and obligations of the merged company or business survive, and thus continue liability to the company meant to be protected by the subject guarantee, noting that otherwise merger would effectively represent a means to invalidate any personal obligations entered into by the owners of a company.
- Establishing the right of a creditor to reach the assets of a subsidiary debtor corporation where the parent debtor corporation was effectively converted into the subsidiary with all assets residing in the former subsidiary that became the parent. While the complex maneuvers appeared legal, and other creditors accepted the *fait accompli*, KMKSC was able to secure payment against a substantial debt owed its client by persuading the federal court involved to pierce the corporate veil between the two corporations.



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- In a question of first impression concerning Wisconsin property law, Steve led a KMKSC team that secured a ruling that a state court receiver's lien is valid in Wisconsin from the date the debtor was served notice to appear at supplementary proceedings to discover assets. Following certification to the Wisconsin Supreme Court, the U.S. Court of Appeals for the Seventh Circuit confirmed that the firm's client held a superior claim to that of the bankruptcy trustee of the debtor, with the result that all of the debtor's assets were applied to the credit of the client's judgment. This has provided formidable leverage for judgment creditors to defeat the rights of bankruptcy trustees, when they move quickly to attach the debtor's assets to their judgment liens.

Practice Areas:

- Bankruptcy Law
- Commercial Bankruptcy
- Commercial Collections
- Commercial Law
- Creditors Rights

Professional Honors:

- Chair, Liquidation of Commercial Debt Practice Group, Primerus International Society of Law Firms
- Highest Martindale-Hubble rating, AV, for skill and integrity in the practice of law
- Designated a Wisconsin Super Lawyer® in the areas of Business and Corporate Law, Bankruptcy & Creditor/Debtor Rights and Construction/Surety 2006 –
- Member, Advisory Board of Directors of Marquette University Law School
- Member, Woolsack Society of Marquette University Law School

Bar Admissions:

- Wisconsin
- U.S. District Court, Eastern District of Wisconsin
- U.S. District Court, Western District of Wisconsin
- U.S. Court of Appeals, Seventh Circuit
- U.S. Supreme Court





Professional Associations and Memberships:

- State Bar of Wisconsin
~ Business Section, Bankruptcy Section; Section on International Law
- Commercial Law League of America
- Committee for Liaison with National Conference of Bankruptcy Judges, 1970- 1980
- Practice and Procedures Committee, 1975-1978
- Uniform Commercial Code Committee, 1978-1980
- Committee on Bankruptcy, 1980-
~ Bankruptcy and Creditors' Rights Sections

Education:

- Marquette University Law School, J.D., 1959

Community Involvement:

- Board Member, Orthodox Christian Charities of Wisconsin.



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