Dan Loeb's Books: Recommended Reading List

Hat tip to Market Folly for the find.

Daniel Seth Loeb is founder of Third Point LLC, a New York based hedge fund managing over $5.5 billion in assets. Loeb is well known in the financial world for writing public letters in which he expresses disapproval of the performance and conduct of other financial executives. Less than 10% of Third Point's $5.5 billion goes to shareholder activism. Third Point has returned over 15% since inception absolutely crushing the S&P 500.

Dan Loeb spoke at the Jewish Enrichment Center in mid 2009, as the stock market was starting to recover. The speech lasts well over an hour and covers a variety of topics. Loeb discusses philanthropy, his value investing philosophy, the stock market, and conducts a long Q and A with the audience. The video is embedded below.

The most interesting part of the video is where he asked by a reader for his lost of the best books on investing. Loeb gives a list of books that he describes as "everybody has to read".

Below is the list:

Edwin Lefevre's Reminiscences of a Stock Operator.

Loeb calls the book a classic. The book is the thinly disguised biography of Jesse Livermore, a remarkable character who first started speculating in New England bucket shops at the turn of the century. Livermore, who was banned from these shady operations because of his winning ways, soon moved to Wall Street where he made and lost his fortune several times over. What makes this book so valuable are the observations that Lefèvre records about investing,
speculating, and the nature of the market itself.

Joel Greenblatt's *You Can Be a Stock Market Genius*

Dan states that this is "probably the best book ever." Greenblatt’s book explains how best to invest such as spin-offs, mergers, risk arbitrage, etc. Loeb uses many of the strategies discussed in this book in his own investing strategy. Loeb is now alone in his administration of the book. Seth Klarman also recommends Greenblatt's book on his list of favorite books as detailed [here](#).

- Howard Schilit's *Financial Shenanigans*

  This is probably the best book I ever read on accounting. The author details various tricks that management have used, and will continue to use in the future. They consist of various manipulations of the income statement, and the cash flow statement.

- Kathryn Staley's *The Art of Short Selling*

  is a book about finding tricks used by management in financial statements, and using the information to short the company. I previously stated in my review of this book that can be found [here](#), that long only investors such as myself can learn a lot from the book.

Loeb also mentions his favorite "non-investing" book. Jim Loehr's *The Power of Story*

Loeb stated that the book can "change your destiny in business and in life."