Carl Icahn: Bio, Profile, Books, Quotes, Videos - Resource Page

FINANCIAL GENIUS AND LEGENDARY CORPORATE RAIDER, TURNED SHAREHOLDER, ACTIVIST, AND CEO OF ICahn CAPITAL MANAGEMENT. HE IS A TOTAL BUSINESS MAN WITH A MATHEMATICIANS' INDIFFERENCE AND A SENSE OF HUMOR PAR EXCELLENCE

Carl Celian Icahn ranks as America’s 20th richest man, with a net worth of 13 billion dollars in 2011. Current estimates put his worth to around 14 billion US dollars.

- TWA Hostile takeover, (1985), owner (1985-93)
- Texaco Forced it into bankruptcy, (1987)
- Anchor Hocking Major shareholder/raider
- American Can Major shareholder/raider
- Member of the Board of American Property Investors, Inc. (as Chairman 1990-)
- Member of the Board of American Railcar Industries (as Chairman 1994-)
- Member of the Board of Blockbuster Video (2005-)
- Member of the Board of Federal-Mogul (2007-, as Chairman, 2008-)
- Member of the Board of Icahn Enterprises LP (as Chairman)
Profile:

Carl Icahn was born on Feb. 16, 1936 in Brooklyn and lived in Far Rockaway, Queens, New York. From his childhood, he lived with his parents in a small American home. His mother was an educator, and his father was a lawyer.

His notoriety as an atheist was the biggest obstacle in his career. He studied at a local public school, Far Rockaway High. Subsequently he proceeded to Princeton University. His mother wanted him to be a doctor, so after earning his bachelor's degree in philosophy in 1957, he started studying medicine.

He rapidly realized that surgery was not his genre. After two years, he was recruited by the army and soon after he finished serving, he returned to New York to venture into the business world on Wall Street.

His business turned into a success in 1961 when he was a listed agent of Dreyfus & Company. He worked hard and developed an insight into convertible arbitrage and built up a large enterprise.

Throughout 1968, he was able to secure a seat on the New York Stock Exchange and launched Icahn & Co. Inc., a brokerage firm. In 1978, he began to sprawl his interests into a variety of businesses.

Since his start, Icahn has developed an impressive resume over the years.

Over the years, he had won senior positions in various corporations including RJR, Nabisco, Texaco, Phillips Petroleum, Western Union, Gulf & Western, Viacom, American Can, USX, Marvel, Imclone, Federal-Mogul, Kerr-McGee, Medimmune, BEA Systems, and Time Warner. He was the head of Bayswater Realty & Capital Corp. in 1979; and Chairman of ACF Industries, Inc. in 1984, along with many others.

Now he is president of Icahn Enterprises, a versatile company, involved in a myriad of business activities like metals, real estate, and FMCG. He has been the Chairman of American Railcar since 1994 and controller of Blockbuster since May 2005. He became chief executive of ImClone systems in 2006. In January, 2008, he assumed the position of the Chairman of Federal-Mogul.

- Member of the Board of ImClone (2006-)
- Member of the Board of Marvel Comics (as Chairman)
- Member of the Board of Tappan
- Member of the Board of WCI Communities (2007-)
- Member of the Board of XO Communications (as Chairman, 2006- )
- Member of the Board of Yahoo (2008-09)
He, along with his wife, serves on the board of a number of foundations, including the Icahn Charitable foundation, the Foundation for a Greater opportunity, and the Children’s Rescue Fund. Serving the Foundation for a Greater opportunity, he established three teaching institutions in the South Bronx.

In 2007, the New York State English dialect and Arts written tests revealed 80 percent of the children at the Carl C. Icahn School passed the written test, securing 36.7 percent higher than the neighborhood mean, and 97 percent passed the examination, securing 37.5 percent higher in mathematics.

Moreover, he sponsors the Icahn Scholars Program at Choate Rosemary Hall. The Children’s Rescue Fund began in the Icahn House in The Bronx, a 65-unit complex for destitute families, housing lone pregnant women and single women with young kids. Furthermore, he manages Icahn House East, a shelter for the homeless established in New York town.

He is one of the 10 greatest stock market maharishi of all times “whose unyielding strategies have earned billions for them”, with Benjamin Graham, Warren Buffett, George Soros, Peter Lynch, Kirk Kerkorian, Jesse Livermore, Edward Lampert, Philip Fisher, and William J. O’Neil.

Another peculiarity that he secured throughout all these years is that he is ranked third as one of the five most dreaded finance personalities in America, with such other differentiated personalities as Bill Gates, John D. Rockefeller, J.P. Morgan, and George Soros.

"The word terrifying is apt for these men. Gates, Soros, Icahn, Rockefeller, and Morgan all embody sufficient power (financial, mental, and political), to trigger awe, esteem, and, consequently, fright. It is improbable that they will ever inspire their own costume line, but they will forever run chills down the spines of bankers, investors, and financial figures alike.”

Yet another feature in his trail of unending achievements is the “Icahn Lift,” the title given to the escalation in the stock index that occurs when Carl Icahn begins buying shares in a company.

The Icahn lift happens because of his standing for creating value for the shareholders of the businesses in which he takes an interest. He buys shares in a company that he believes is undervalued, and then conceives a design to rectify the difficulties. This generally includes spinning off revenue earning segments, altering administration, axing costs, and buying back stock.

Icahn's hedge fund has generated annual returns between 48% and 53% since 1990.

Current holdings here, recent buys and sells-here.

Books

The Alpha Masters: Unlocking the Genius of the World's Top Hedge Funds
**INVESTMENT PHILOSOPHY**

Icahn's approach involves targeting a business he thinks is badly managed and whose stock price is under valued. He succeeds when the markets are in a recession; when everyone shows a bearish trend, he starts buying.

He secures a large ownership position to gain entrance for a position on the company's board of directors. More often than not, his first requirement is to dump the CEO and mostly, devolving the company into many parts for a convenient sell off.

Wall Street experts say that most of the time he is triumphant, since he is frightening and unyielding. He has been viewed as such a dependable gold mine that investment managers characteristically set up buying the company's shares, and whether Icahn is victorious or not, he does leave with vigorous stock price profits.

1. Strategic M&A is one of Carl Icahn’s favorite investment themes and currently represents around 30 percent of Icahn Fund ltd. Private equity firms, now without cheap financing options, can no longer outbid strategic buyers. In a number of industries, such as healthcare, software, and energy, large consolidators can achieve significant synergies and use strong balance sheets to complete transactions.

2. The "Icahn Lift;" This is the Wall Street catchphrase that describes the upward bounce in a company's stock price that typically happens when Carl Icahn starts buying the stock of a company he believes is poorly managed. Since the mid 1980s, Icahn has had titanic battles with multiple U. S. corporations, resulting, most of the time, in significant capital gains for these companies' shareholders and, of course, making Icahn a multi-billionaire, whom Forbes ranked as the 46th richest in the world in 2008. Icahn is viewed either as one of history's most ruthless corporate raiders, or as a positive force for increased shareholder activism, who seeks to correct the abuses of greedy and/or incompetent corporate management.

3. Icahn's strategy involves targeting a company he thinks is in bad shape from a management point of view and whose stock price is trading below value. He thrives
when the markets are on a downtrend; when everyone else is selling, he starts buying. He accumulates enough of an ownership position to lobby for a position on the company's board of directors. Usually his first demand is to dump the CEO and, oftentimes, to consider breaking up the company into separate parts and selling them off.

4. A classic example of Icahn's business principles happened in 2006 he planned to oust CEO Richard Parsons and break up Time Warner. He could not do exactly what he had planned for. When Icahn was questioned about his abortive attempt (in a February 2007 *Time Magazine* interview) Icahn said "Dick Parsons agreed to do what we wanted most, that is a $20 billion buyback of the stock. He did what he promised, and the stock is up 30 percent. That helps shareholders. Our [hedge] fund made $250 million. It's a nice way to lose."

5. During the 1980s, Icahn used another approach. He bought controlling interests in undervalued companies with financing from Wall Street investment banks and then sold the individual parts of those businesses separately to other companies. Often, Icahn pocketed more than what he paid for the company as a single entity.

6. Icahn has a notorious penchant for buying distressed companies, railing against their CEOs, and then reaping sweet financial rewards. When he increased his Lionsgate stake from 4 percent to 9 percent, Nikki Finke issued the following caveat to Jon Feltheimer, Lionsgate's president: "Be afraid. Be very afraid, Jon Feltheimer."

HOW CARL CELIAN ICAHN THINKS?

Icahn tells a story. He was at the Bellagio Hotel in Las Vegas a few months ago and played poker with professional gamblers. In a $40,000 game, he wound up as one of two players left in a hand of seven-card stud. Icahn had two pairs; his opponent was showing four to a straight. The pro tipped off Icahn that he had seen his cards and said that because Icahn was an amateur, he felt obliged to tell him so. The pro then bet the table max: $4,000. Icahn, who had been about to fold, announced to the table, "I learned a long time ago that in big business and big poker, there are no nice guys," and matched the bet. His two pairs prevailed.

SOME OF THE BUSINESS FEATS

1. Carl Celian Icahn during 2007 raised his ownership stake in BEA to 13.2 percent from slightly more than 11 percent. The billionaire investor, Carl Icahn, is pushing hard to get BEA Systems on the auction block. Icahn is calling on BEA to put the proverbial "for sale" sign in its window and may threaten to pursue a proxy fight to get a seat on the company's board of directors. Icahn's recent move to increase his ownership stake inched him closer to triggering BEA's anti-takeover defense, otherwise known as a shareholder rights plan, or poison pill. The poison pill would flood additional shares into
the market and dilute his holdings, should his ownership stake hit the 15 percent mark. It is unlikely Icahn will cross that critical point.

2. The self-proclaimed shareholder activist Carl Icahn bought into Blockbuster half a decade ago, its stock was worth $10, give or take. He ultimately spent well over $300 million stocking up on shares. Largely it was to lead the effort that would lead to the ousting of then CEO John Antioco, a battle that began at the May 2005 shareholders meeting, where Icahn and his slate of “dissidents”, as The New York Times put it at the time, were elected to Blockbuster’s board of directors. Carl Icahn at the time was “elated by this grand victory for corporate governance.”

3. Carl Icahn’s four-month campaign to win a board seat on Motorola ended in May 2007 at the cell phone maker’s annual shareholder’s meeting in Chicago. The vote could help determine the future strategy for Motorola, the second-largest maker of cell phones in the world. The company, which had gained significant market share in the past, has seen its profits plummet as competition heats up. The fight intensified as Icahn and Motorola each issue dueling letters, press releases and advertisements to try to persuade shareholders to take their side. Icahn, who initiated the battle after Motorola reported disappointing earnings, believes that the company is mismanaged and he wants to see the company spend its cash differently. He has also called for a management change if the situation does not improve, personally criticizing Motorola CEO Ed Zander. In a full-page advertisement in The Wall Street Journal, Icahn cited a remark attributed to Zander: “I love my job. I hate my customers.” “It sounds like something straight out of Alice in Wonderland,” Icahn said in his letter to shareholders.

4. Yahoo and the nation’s most famous activist investor, Carl Icahn, have reached a deal that will end the high-stakes proxy fight for control of the Internet Company. Icahn has a record of trying to push corporate executives to do what they do not want to. Proxy fights are always risky and they often devalue the very asset that the two sides are fighting for. Therefore, in this case, Yahoo gave up some seats and, as Mahaney notes, Icahn gave up the chance to take control over the entire board of directors.

Investor Carl Icahn was trying to take over the board of directors and get Yahoo to sell to Microsoft. With today’s deal, Icahn gets three seats on the board including one for him. It is a victory of sorts for Yahoo’s CEO, who will remain in charge, but it also reflects Icahn’s influence. Icahn is frustrated with Yahoo management’s refusal to make a deal with Microsoft.

1. Investor Carl C. Icahn and Time Warner Inc. had announced an agreement in 2006, under which, Icahn had to drop his bid to seek control of the company and Time Warner to do some of the things the dissident shareholder had recommended. The agreement called for Icahn not to contest the company’s slate of directors at its shareholders meeting in May, 2006. In return, Time Warner was to increase its share repurchase program from $12.5 billion to $20 billion, matching a figure proposed in a report Icahn released later calling for a major restructuring of the media giant.

QUOTES:
1. “In life and business, there are two cardinal sins, the first is to act precipitously without thought, and the second is to not act at all. Unfortunately the board of directors and top management of Times Warner already committed the first sin by merging with AOL, and we believe they are currently in the process of committing the second; now is not a time to move slowly and suffer the paralysis of inaction.”

2. “You learn in this business: It you want a friend, get a dog.”

3. “Too often it's not the most creative guys or the smartest. Instead, the ones are best at playing politics and soft-soaping their bosses. Boards don't like tough, abrasive guys.”

4. “I believe there are and will be major opportunities to enhance Time Warner's value in future combinations. However these transactions might not be achievable if Time Warner enters into long-term arrangements that preclude future flexibility such as an agreement regarding search functionality.”

5. “We're not about liquidating companies. But if you do that, why is that terrible? We're not blowing up the factories. The person who buys it should be able to make the asset more productive.”

6. “We have bloated bureaucracies in Corporate America. The root of the problem is the absence of real corporate democracy.”

7. “A great company in the media business needs visionary leaders, not a conglomerate structure headquartered in Columbus Circle that second guesses.”

VIDEOS (Links)

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INTERVIEWS (Links)

1. Corporate Hell-Raiser
'I can go in and save 30% in almost any company because there is so much waste and mismanagement.'

1. **10 Questions for Carl Icahn: Time Magazine**
2. **Clorox is 'Very Undervalued': Carl Icahn**
   1. Carl Icahn is still looking for trouble
   2. Carl Icahn: Wall Street Back To Its Old Tricks
   3. Alan Murray's Interview with Carl Icahn
   4. Not so fast Mr. Icahn, Lions Gate Entertainment is trying to defend itself
5. **Carl Icahn Top Hedge Fund Managers of 2010**
6. **Carl Icahn: Yes, I Want to Buy Clorox, Really**
9. **Carl Icahn: The Sell Off Is Over Done**

**CARL ICAHN’S BUSINESS (Links)**

1. **Carl Icahn Basically Just Made One Of His Top Men Sign A Pre-Nup**
2. **Carl Icahn Made $535 Million Last Week**
3. **Phil Falcone: This Generation’s Carl Icahn**
4. **Carl Icahn Just Got A $415 Million Present**
5. **This Is Why The Dodd-Frank Hedge Fund Regulation Failed**
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**Old articles:**

* **Icahn Gets Split Rjr Separating Tobacco, Food Divisions -..** 1999
* **Ever Contrary, Arnold Will Support Icahn In Texaco Battle** .
* **Icahn ready to step down at TWA** 1992
* **Icahn Battle With USX Is Expected to Be Close**. 1990
* **Texaco And Icahn End Their Feud** ? 1989
Uniroyal May Be Target Of Takeover Artist Carl Icahn, 1985