

AI-02014 SeriesNotes Icahn Restless Billionaire

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Topic is the HBO Series called Icahn: The Restless Billionaire. Deep dive about the documentary. Who is Icahn? What are his contributions to the world? What are his major accomplishments? What are his major blunders or scandal? List 22 lessons learned from the way he lived his life, business, investment decision making.

The HBO documentary, "Icahn: The Restless Billionaire," is a deep dive into the life and career of Carl Icahn, a legendary and often controversial figure in American finance.¹ The film explores his beginnings, his rise to prominence as a "corporate raider," and his later transformation into a prominent activist investor.² It includes interviews with Icahn himself, as well as with family members, business journalists, and other notable figures.³

Who Is Carl Icahn?

Carl Celian Icahn is an American financier and investor, widely regarded as one of the most successful and influential figures on Wall Street.⁴ He is best known for his "activist investor" approach, where he acquires significant stakes in companies and then pressures management to make changes he believes will increase shareholder value.⁵ This often involves divesting non-core assets, cutting costs, and even replacing the board of directors.⁶ His aggressive tactics in the 1980s earned him the moniker "corporate raider."⁷ He is the founder and controlling shareholder of Icahn Enterprises, a diversified conglomerate.⁸

Major Contributions and Accomplishments

Icahn's career has had a significant impact on the corporate world.⁹ His main contribution has been popularizing **shareholder activism**, a strategy that has forced many companies to become more accountable to their owners. He has been instrumental in unlocking billions of dollars in shareholder value by identifying undervalued companies and pushing for changes to improve their performance.¹⁰ His influence is so great that the mere news of his investment in a company can cause its stock price to surge, a phenomenon known as the "**Icahn lift.**"¹¹

Key accomplishments include:

- **TWA:** His hostile takeover of Trans World Airlines (TWA) in the 1980s, while controversial, was a major deal that cemented his reputation. He later sold off TWA's valuable assets for a substantial profit.
- **Time Warner:** In the 2000s, he led a major campaign against Time Warner, demanding a breakup of the media conglomerate to increase shareholder value.
- **Apple:** In 2013, he took a significant stake in Apple and publicly urged CEO Tim Cook to buy back more stock, arguing the company was sitting on too much cash.¹² This move was followed by a massive share buyback and a subsequent rise in Apple's stock price.
- **Philanthropy:** Beyond his business ventures, Icahn is also a noted philanthropist.¹³ He has made significant donations to institutions, particularly in medicine and education, including a \$200 million gift to the Mount Sinai School of Medicine, which was renamed the Icahn School of Medicine at Mount Sinai in his honor.¹⁴

Major Blunders and Scandals

Despite his successes, Icahn's career is not without its failures and controversies.¹⁵

- **TWA:** The TWA deal remains a major point of criticism. After acquiring and asset-stripping the company for his own profit, he left it burdened with significant debt, which led to its eventual bankruptcy.¹⁶ Critics argue that his actions were a textbook example of a corporate raider putting personal gain over the well-being of a company and its employees.¹⁷

- **Hindenburg Research Report:** In 2023, short-seller firm Hindenburg Research published a report alleging that Icahn Enterprises was overvalued and operated similarly to a "Ponzi scheme" with an unsustainable dividend payout.¹⁸ This led to a significant drop in the company's stock price, and while Icahn refuted the claims, he admitted to making a massive loss of nearly \$9 billion over several years on short bets against the market.¹⁹
 - **Blockbuster:** He made a significant investment in Blockbuster in the mid-2000s, believing the company was undervalued.²⁰ He lost nearly his entire investment as the video rental giant failed to adapt to the rise of streaming services like Netflix.
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22 Lessons Learned from Icahn's Life and Career

1. **Don't follow the herd.** Icahn is a contrarian investor who makes his biggest bets when others are selling.²¹
2. **Activist investing can create value.** By pressuring underperforming management, you can unlock hidden value in a company.
3. **Understand the business.** Don't just look at stock charts; study the company's fundamentals and its market position.
4. **Buy assets, not just stocks.** Invest in companies whose underlying assets are undervalued.
5. **Be patient.** Success often requires a long-term perspective and the ability to hold a position through volatility.²²
6. **Find your edge.** Icahn's edge was his deep knowledge of corporate finance and his willingness to engage in hostile takeovers.²³
7. **Cash is king.** Always maintain sufficient capital reserves to capitalize on opportunities and weather downturns.
8. **Be prepared to get your hands dirty.** Activist investing requires more than just buying shares; it involves fighting for change.
9. **Embrace conflict.** Don't be afraid to take on entrenched management and fight for what you believe is right.

10. **Analyze management.** A company's leadership is a critical factor in its success or failure.
11. **Have strong conviction.** When you find a good idea, bet big on it.
12. **Know when to cut your losses.** Icahn eventually sold his stake in Blockbuster after realizing his investment thesis was wrong.
13. **Don't fight the Fed.** One of his biggest blunders was betting against the market after the Federal Reserve's massive stimulus.²⁴
14. **Focus on the long term.** While he made short-term trades, his most profitable ventures were long-term campaigns for change.
15. **Don't get emotional.** Business and investing decisions should be based on rational analysis, not feelings.
16. **Be an opportunist.** Look for mispriced assets and chaotic situations that others are avoiding.
17. **Don't underestimate "natural stupidity."** As Icahn himself said, he makes money "studying natural stupidity" on corporate boards.²⁵
18. **Balance risk and reward.** While his bets are big, he often uses financial engineering to limit his personal risk.
19. **Recognize your power.** Once you have a significant stake, you have leverage. Use it.
20. **Give back.** Despite his ruthless reputation, his extensive philanthropy shows a different side and a commitment to society.
21. **Legacy is complicated.** His career shows that an investor can be both a value creator and a corporate destructor.
22. **The pursuit never ends.** The "restless billionaire" title reflects his constant drive and the fact that for him, the game of investing never truly ends.²⁶

Does he have a big connection to Mt Sinai hospital in NY? Tell more on this side of his life - the Philanthropic and benevolent side of the billionaire

Yes, Carl Icahn has a significant connection to Mount Sinai Hospital in New York, which extends into a major part of his philanthropic legacy.

The Icahn School of Medicine at Mount Sinai

In 2012, in recognition of his substantial contributions, the Mount Sinai School of Medicine was renamed the **Icahn School of Medicine at Mount Sinai**. The name change was a direct result of Icahn's **\$200 million donation**, which was the largest single gift in the hospital's history and one of the biggest donations ever to a U.S. medical school at the time. This donation was intended to support general medical research and specific research in the field of genomics, which focuses on understanding how genes and their interactions can affect health and disease.

Broader Philanthropy

While the Mount Sinai donation is his most publicized act of benevolence, it's not the only one. Icahn's charitable interests are primarily focused on **medicine, education, and child welfare**. His philanthropic efforts include:

- **The Children's Rescue Fund:** He established this organization to fund the construction of **Icahn House**, a complex in The Bronx that provides housing and support for homeless families, particularly single pregnant women and single mothers with children.
- **Education:** In addition to his support for Mount Sinai, he has funded seven **Icahn Charter Schools** in The Bronx, with the mission of providing a rigorous academic program to underprivileged students. He has also made significant donations to his alma mater, Princeton University, sponsoring the **Carl C. Icahn Laboratory** for genomics research.
- **Sports:** Icahn has also supported the Randall's Island Sports Foundation, donating funds for the construction of **Icahn Stadium**, a track and field stadium on Randall's Island in New York City.

These acts demonstrate a side of the often-portrayed "corporate raider" that is focused on giving back to the community and supporting causes he believes can make a lasting impact.

Tell about the Tappan deal with Icahn.

The Tappan deal was a landmark event in Carl Icahn's career, as it was his first major takeover attempt and established the blueprint for his future as a "corporate raider" and activist investor.¹

The Background

In the late 1970s, Tappan Company was a well-known manufacturer of kitchen stoves and appliances, with a long history as a family-owned business.² However, the company was struggling to adapt to a changing market dominated by larger, more efficient competitors.³ Its stock was trading at a significant discount to its underlying value, a situation that caught the eye of Carl Icahn.⁴

Icahn's Strategy

Icahn's approach to Tappan was classic "activist investor" behavior, though the term wasn't widely used at the time. Here's how he did it:

1. **Buying a Stake:** Icahn quietly began acquiring a large block of Tappan stock, eventually becoming the company's largest shareholder.⁵ This was a crucial first step, as it gave him leverage.
2. **Gaining a Board Seat:** Using his significant ownership, Icahn initiated a **proxy fight**, a battle to persuade shareholders to vote for his slate of directors rather than the company's existing board. He succeeded, gaining a seat on the board of directors.
3. **Forcing a Sale:** Once on the inside, Icahn pushed the company's management to sell the business.⁶ He argued that the company was undervalued and that a sale would unlock the true value for all shareholders.
4. **The Outcome:** Icahn's pressure led to a sale to the Swedish appliance maker **AB Electrolux**.⁷ The deal was a major success for Icahn, who made nearly \$3 million on his investment, effectively doubling his money.⁸

The Legacy of the Tappan Deal

The Tappan deal was a turning point for Carl Icahn. It was a concrete example of his core investment philosophy: identifying undervalued companies with poor management, acquiring a significant stake, and then forcing changes to unlock value.⁹ This success propelled him into the spotlight as a formidable force on Wall Street and gave him the confidence and capital to pursue much larger and more complex deals, such as his infamous takeover of TWA.

The deal also cemented his reputation as a "corporate raider," a term that carried negative connotations. Critics saw Icahn as a ruthless opportunist who cared little

for the long-term health of the company or its employees, and only for his own profit. For Icahn, however, the deal was simply the logical result of an inefficient market where management wasn't acting in the best interest of the owners—the shareholders.

Does Icahn enterprise still exist in 2025? Tell more. What is the Ticker symbol?

Yes, Icahn Enterprises still exists in 2025.¹ It is a publicly traded company and a significant entity in the financial world.²

The ticker symbol for Icahn Enterprises is **IEP**.³ It is traded on the NASDAQ stock exchange.⁴

More on Icahn Enterprises

Icahn Enterprises is a diversified holding company, which means it holds a collection of different businesses across various industries.⁵ While it is often seen as a direct reflection of Carl Icahn's investment philosophy, it is a separate corporate entity.

Here are some key points about Icahn Enterprises:

- **Diverse Portfolio:** The company's portfolio is broad and includes interests in sectors such as:
 - **Investment:** The company's primary business segment, which consists of its proprietary investment funds.⁶
 - **Energy:** This includes refining and marketing petroleum products.
 - **Automotive:** This segment includes automotive repair and maintenance services, as well as the sale of aftermarket parts.
 - **Food Packaging:** Manufacturing and selling products used in the processed meat industry.⁷
 - **Real Estate:** A portfolio of investment properties, as well as development and resort operations.
 - **Home Fashion:** Manufacturing and distribution of home fashion consumer products.
 - **Pharma:** A smaller segment focused on pharmaceutical products and services.⁸

- **Carl Icahn's Control:** Carl Icahn and his affiliates are the majority owners of Icahn Enterprises, holding a significant portion of its outstanding units.⁹ This gives him direct control over the company's direction and strategy.
- **Controversies and Financial Performance:** The company's financial performance has been subject to scrutiny, especially after a short-seller report in 2023 alleged that it was overvalued.¹⁰ The company's stock price has experienced significant volatility in recent years, and it has reported losses in some quarters.¹¹ However, it continues to operate and report its financial results publicly, and its various business segments are actively managed.¹²

In essence, Icahn Enterprises is the vehicle through which Carl Icahn executes his investment and activist strategies, making it a direct representation of his business and financial operations.

Contrast side by side IEP vs BRK

When contrasting Icahn Enterprises (IEP) and Berkshire Hathaway (BRK), you are essentially contrasting the investment philosophies of two of the most legendary figures in modern finance: Carl Icahn and Warren Buffett. While both companies are diversified holding companies, their core strategies, business models, and corporate cultures are fundamentally different.

Here is a side-by-side comparison:

| Feature | Icahn Enterprises (IEP) | Berkshire Hathaway (BRK.A, BRK.B) |
|------------------------------|--|---|
| Founding Figure | Carl Icahn | Warren Buffett and Charlie Munger |
| Ticker Symbols | IEP (NASDAQ) | BRK.A (Class A) & BRK.B (Class B) (NYSE) |
| Investment Philosophy | Activist Investing. Icahn is a contrarian investor who takes significant stakes in undervalued and often poorly managed companies. His goal is to become an activist and force management to implement changes (e.g., divestitures, cost-cutting, share buybacks) to unlock shareholder | Value Investing. Buffett focuses on acquiring high-quality businesses with strong moats (competitive advantages) and excellent management. He buys and holds these companies for the long term, with the goal of benefiting from their sustained growth and cash flow. His |

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| | value. His approach is often confrontational and aggressive. | approach is hands-off and collaborative. |
| Business Segments | A diversified conglomerate with a strong emphasis on its investment funds. Other segments include Energy, Automotive, Food Packaging, Real Estate, and Home Fashion. The portfolio is often fluid as Icahn buys and sells businesses. | A vast, stable conglomerate with major operations in Insurance (GEICO, etc.), Manufacturing, Energy, Services and Retailing, and Transportation (BNSF Railway). Many of its holdings are well-known, high-quality businesses. |
| Dividend Policy | Has historically paid a significant dividend, often with the goal of returning cash to unitholders. The sustainability of this dividend has been a point of controversy and a subject of short-seller scrutiny. | Does not pay a regular dividend. Buffett and Munger believe in reinvesting all of the company's earnings into new investments and acquisitions to compound capital for shareholders. |
| Capital Structure | A master limited partnership (MLP) with a more complex legal structure than a traditional corporation. This structure has specific tax implications for investors. | A traditional corporation with two classes of stock (A and B). The Class B shares were created to be more accessible to a wider range of investors. |
| Corporate Culture | Defined by Carl Icahn's personality—aggressive, confrontational, and focused on short-term catalysts to create value. The company's performance is often closely tied to Icahn's specific campaigns. | Known for its conservative, disciplined, and patient approach. The culture is built on trust, integrity, and long-term thinking, a reflection of Buffett's and Munger's principles. |
| Key Metrics & Financial Performance | Financial performance can be highly volatile due to its significant reliance on investment gains and losses from activist positions. The company has faced scrutiny over its valuation and debt levels. | Financial performance is generally stable and predictable due to its diversified portfolio of cash-generating businesses. The company's value is often measured by the growth of its book value and operating earnings. |
| Market Perception | A vehicle for "alpha" generation through specific, high-stakes bets. | A stable, long-term investment often seen as a proxy for the broader American economy. It is |

It is seen as a more speculative and aggressive investment.

a "safe haven" for many conservative, buy-and-hold investors.

Tabulate the value of the company side by side, go back 20 years

Creating a side-by-side table of the value of Icahn Enterprises (IEP) and Berkshire Hathaway (BRK) over the last 20 years presents a clear illustration of their contrasting investment philosophies and performance. It's important to note that a direct price comparison is not entirely equitable, as the companies have different share structures, dividend policies, and market capitalizations. However, a look at their price history reveals their respective risk and reward profiles.

Note on Data: The values provided are approximate end-of-year closing prices for a representative class of stock for each company (BRK.B for Berkshire Hathaway). These values reflect not just capital appreciation but also the impact of stock splits (for BRK.B) and the issuance of new units (for IEP).

IEP vs. BRK: 20-Year Value Comparison (Approximate End-of-Year Stock Price)

| Year | Icahn Enterprises (IEP) | Berkshire Hathaway (BRK.B) |
|-------------|-------------------------|----------------------------|
| 2024 | ~\$9 | ~\$453 |
| 2023 | ~\$19 | ~\$358 |
| 2022 | ~\$28 | ~\$310 |
| 2021 | ~\$52 | ~\$298 |
| 2020 | ~\$47 | ~\$229 |
| 2019 | ~\$74 | ~\$231 |
| 2018 | ~\$71 | ~\$210 |
| 2017 | ~\$56 | ~\$202 |
| 2016 | ~\$54 | ~\$161 |
| 2015 | ~\$55 | ~\$142 |
| 2014 | ~\$78 | ~\$148 |
| 2013 | ~\$111 | ~\$117 |
| 2012 | ~\$90 | ~\$92 |

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|------|--------|-------|
| 2011 | ~\$75 | ~\$76 |
| 2010 | ~\$64 | ~\$77 |
| 2009 | ~\$43 | ~\$64 |
| 2008 | ~\$56 | ~\$60 |
| 2007 | ~\$121 | ~\$86 |
| 2006 | ~\$99 | ~\$70 |
| 2005 | ~\$80 | ~\$58 |

Key Takeaways from the Data

- IEP's Volatility:** The table clearly shows the high volatility of Icahn Enterprises's stock price. There are periods of dramatic growth (e.g., from 2009 to 2013) and equally dramatic declines (e.g., the fall from its 2013-2014 peak and the sharp drop from 2023). This reflects Icahn's activist strategy, where the value is tied to specific, high-risk, high-reward campaigns and investments. The recent drop from 2023 to 2024 highlights the impact of the Hindenburg Research report and significant investment losses.
- BRK's Stability and Steady Growth:** Berkshire Hathaway's stock price, in contrast, shows a more consistent, upward trajectory. While it has had periods of slower growth or slight declines (e.g., 2008), it has largely avoided the sharp, dramatic swings seen in IEP. This reflects Buffett's philosophy of buying high-quality, stable businesses that generate predictable cash flow over time.
- A Tale of Two Philosophies:** The historical data is a perfect visual representation of the core difference between the two companies. IEP is a bet on Carl Icahn's ability to identify and "fix" broken companies, making its value dependent on his active, often confrontational, management style. BRK is a bet on a diversified portfolio of businesses with solid fundamentals, where value is compounded over time through a disciplined, hands-off approach.

Tabulate the gain in % of the company side by side, go back 20 years

Based on the provided approximate end-of-year stock prices, here is a side-by-side tabulation of the annual percentage gain or loss for Icahn Enterprises (IEP) and Berkshire Hathaway (BRK.B) over the last 20 years.

Annual Percentage Gain/Loss (Approximate)

| Year | Icahn Enterprises (IEP) Gain (%) | Berkshire Hathaway (BRK.B) Gain (%) |
|------|----------------------------------|-------------------------------------|
| 2024 | -52.63 | 26.54 |
| 2023 | -32.14 | 15.48 |
| 2022 | -46.15 | 4.03 |
| 2021 | 10.64 | 30.13 |
| 2020 | -36.49 | -0.87 |
| 2019 | 4.23 | 10.00 |
| 2018 | 26.79 | 3.96 |
| 2017 | 3.70 | 25.47 |
| 2016 | -1.82 | 13.38 |
| 2015 | -29.49 | -4.05 |
| 2014 | -29.73 | 26.50 |
| 2013 | 23.33 | 27.17 |
| 2012 | 20.00 | 21.05 |
| 2011 | 17.19 | -1.30 |
| 2010 | 48.84 | 20.31 |
| 2009 | -23.21 | 6.67 |
| 2008 | -53.72 | -30.23 |
| 2007 | 22.22 | 22.86 |
| 2006 | 23.75 | 20.69 |
| 2005 | NaN | NaN |

Observations

The data on percentage changes further highlights the contrast between the two companies' investment approaches:

- **IEP's Volatility:** The table shows extreme swings in IEP's performance, with annual gains of over 20% in some years (e.g., 2010, 2012, 2013) and equally dramatic losses of over 30% in others (e.g., 2008, 2020, 2023, 2024). This

reflects the high-risk nature of activist investing and the impact of both major wins and significant losses.

- **BRK.B's Consistency:** Berkshire Hathaway's returns are notably more stable. While it has had negative years (e.g., 2008, 2011, 2020), the magnitude of the losses is significantly smaller than IEP's, and its positive returns are more consistent, showing a steady compounding of value over time.
- **A Tale of Two Philosophies:** The numbers tell the story of the two different investment philosophies. Icahn's approach is about making massive, high-stakes bets on specific companies, leading to big wins and big losses. Buffett's approach is about steady, long-term growth by buying and holding a portfolio of high-quality businesses, which leads to more predictable and less volatile returns over the long run.