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# SEC Charges Carl Icahn and Icahn Enterprises L.P. for Failing to Disclose Pledges of Company's Securities as Collateral for Billions in Personal Loans

FOR IMMEDIATE RELEASE | 2024-99

Washington D.C., Aug. 19, 2024 — The Securities and Exchange Commission today announced charges against Carl C. Icahn and his publicly traded company, Icahn Enterprises L.P. (IEP), for failing to disclose information relating to Icahn's pledges of IEP securities as collateral to secure personal margin loans worth billions of dollars under agreements with various lenders. IEP and Icahn agreed to pay \$1.5 million and \$500,000 in civil penalties, respectively, to settle the SEC's charges.

According to the SEC's orders, from at least December 31, 2018, through the present, Icahn, who is IEP's controlling shareholder and Chairman of the board of directors of IEP's general partner, pledged approximately 51 to 82 percent of IEP's outstanding securities as collateral to secure personal margin loans worth billions of dollars under agreements with various lenders. Notwithstanding Icahn's various margin loan agreements and amendments, IEP failed to disclose Icahn's pledges of IEP securities as required in its Form 10K until February 25, 2022. Icahn also failed to file amendments to Schedule 13D describing his personal margin loan agreements and amendments, which dated back to at least 2005, and failed to attach required guaranty agreements. Icahn's failure to file the required amendments to Schedule 13D persisted until at least July 9, 2023.

"The federal securities laws imposed independent disclosure obligations on both Icahn and IEP. These disclosures would have revealed that Icahn pledged over half of IEP's outstanding shares at any given time," said Osman Nawaz, Chief of the SEC Enforcement Division's Complex Financial Instruments Unit (CFIU). "Due to both disclosure failures, existing and prospective investors were deprived of required information."

The SEC's orders find that IEP violated Section 13(a) of the Securities Exchange Act of 1934 and Rule 13a-1 thereunder and that Icahn violated certain beneficial ownership reporting provisions of the Exchange Act. Without admitting or denying the findings, IEP and Icahn agreed to cease and desist from future violations and to pay the civil penalties referenced above.

The SEC's investigation was conducted by Annie Hancock and Brian Fitzpatrick of the Asset Management Unit (AMU), Kelly Rock of the CFIU, Ling Yu of the New York Regional Office, and Kam Lee of SEC headquarters, with assistance from Nicholas Panos from the Office of Mergers & Acquisitions and Kevin Gershfeld and William Connolly from the Office of Investigative and Market Analytics. It was supervised by Joshua Brodsky and Mr. Nawaz of the CFIU and Corey Schuster of the AMU.

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Last Reviewed or Updated: Aug. 19, 2024

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