

You've Got Mail From Carl Icahn

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The war between Carl Icahn, who wants a seat on the Motorola board, and company directors, who don't want Icahn, is going to shareholder's mailboxes.

Exactly one week after Motorola said its shareholder notices for its annual meeting would urge them not to support Icahn, Icahn Icahn has filed with the Securities and Exchange Commission to mail proxies asking them for their help.

Icahn's proxy card will say that "Mr. Icahn urges stockholders to vote for him" while Motorola's notice will read "Mr. Icahn's nomination has NOT been endorsed by your Board of Directors. We urge stockholders NOT to sign any proxy card that may receive from the Icahn Entities."

The 42nd richest man in the world is asking Motorola shareholders to vote him to one of the eleven seats on the company's Board of Directors at the May 7 annual meeting. Monday's filing says Icahn will ask that shareholders cast their remaining votes for Motorola's candidates, with the exception of John A. White John A. White .

Icahn insists, however, he didn't select White for "any particular reason." Icahn needed to specifically target one of the candidates to maximize his chances of earning a seat.

Monday's filing also revealed that Icahn has upped his holdings of Motorola recently, as he said he would do. (See: "Icahn Wants More Motorola.") Previous filings showed Icahn and his affiliates owned about 33.5 million shares of Motorola, or 1.4% of those outstanding. In today's filings, Icahn said he and his affiliates own about 59.4 million shares, or 2.5% of those outstanding.

"Increasing his shares definitely helps him in trying to get a seat but even this significant number is not enough to get the job done on its own," said Edward Snyder, Principal Analyst at Charter Equity Research.

Snyder explained to get the necessary votes, Icahn will need to win the favor of the mutual funds that are the largest holders of Motorola stock. Since those funds generally prefer long-term plans because they usually hold shares for relatively longer periods of time, Icahn's currently stated goals might not make him the most appealing candidate. Icahn has said he wants the company to take debt to quickly return cash to investors. (See: "Icahn Calls On Motorola.")

"He has to articulate a longer-term strategic vision for the company," said Snyder.

Shares of Motorola were up 7 cents, or 0.4%, to \$18.54 in Monday trading.