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Loews Corp.

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Introduction

The story of Loews Corporation is one of American entrepreneurship, adaptability, and vision—a narrative woven into the very fabric of the nation’s business landscape. Founded in the wake of World War II, Loews rose from humble beginnings, rooted in a single resort hotel in New Jersey, to become an influential and remarkably diversified conglomerate. Over the decades, what began as a family venture by Laurence and Robert Tisch would evolve into a powerhouse spanning hotels, insurance, energy, packaging, and beyond.

As with many iconic American companies, the journey of Loews is defined by strategic risk-taking, creative ambition, and a relentless pursuit of opportunity. The company’s early history is a testament to the entrepreneurial spirit of its founders, whose bold hotel expansions laid the groundwork for even more ambitious undertakings. The pivotal acquisition of Loew’s Theatres ushered the Tisch brothers into the national spotlight, transforming their business and setting the stage for new ventures into tobacco, insurance, and timepieces—each acquisition reshaping the company’s character and potential.

Throughout its existence, Loews has shown a remarkable ability to adapt. In response to shifting economic climates and the demands of ever-changing industries, the company has diversified and reimaged itself time and again. From the substantial purchase of CNA Financial, which anchored Loews' revenue streams and enabled future investments, to forays into energy drilling and natural gas pipelines with Diamond Offshore and Boardwalk Pipelines, Loews has continuously demonstrated foresight and flexibility. The acquisition and growth of Altium Packaging illustrate a commitment to innovation even in mature markets, positioning the company at the crossroads of tradition and transformation.

At its core, Loews Corporation has remained a family business, shaped by the values and vision of the Tisch family. Leadership has passed through the generations, with each new steward balancing a respect for tradition with an embrace of modernity. Loews' decentralized management philosophy and emphasis on subsidiary autonomy have fostered resilience, enabling rapid adaptation while maintaining strong oversight and accountability. This approach, coupled with a conservative financial ethos, has allowed the corporation to navigate market turbulence and emerge strengthened from economic downturns.

Today, Loews stands at a crucial juncture. With holdings in insurance, energy, hospitality, and packaging, its portfolio is both broad and deep—offering unique opportunities as well as distinct challenges. As global industries evolve in the face of

technological change, shifting consumer preferences, and an increasing focus on sustainability, the company's ability to innovate and remain agile will be more important than ever.

This book traces the remarkable history of Loews Corporation, examining the milestones that shaped its path, reviewing its present structure and achievements, and contemplating the challenges and opportunities that lie ahead. Through the lens of Loews' evolution, we gain insight into not only the story of a single corporation but also the broader currents of American business—and the enduring legacy of entrepreneurial ambition.

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CHAPTER ONE: The Birth of Loews: Origins and Aspirations

The tale of Loews Corporation begins not with a grand corporate merger or a Wall Street debut, but with a relatively modest investment in a New Jersey resort town in the aftermath of World War II. In 1946, a young Laurence Tisch, armed with \$125,000 from his parents, embarked on his first entrepreneurial endeavor: the purchase of a 300-room winter resort in Lakewood, New Jersey. This initial venture, the Laurel-in-the-Pines Hotel, proved to be a lucrative one, and within a year, Tisch had bought out his partner. This early success set the stage for a partnership that would define Loews for decades to come.

Shortly after this initial triumph, Laurence's brother, Robert Tisch, joined him in the burgeoning hotel business. This marked the true genesis of the Tisch brothers' empire, a lifelong collaboration where Laurence focused on financial matters and Robert handled the operational management. Their synergy was immediate and effective, and together they began to expand their hospitality footprint. Over the next decade, the brothers rapidly acquired and leased a dozen hotels, primarily in the popular vacation destinations of Atlantic City and the Catskills.

The Tisch brothers applied a clear and effective strategy to their growing portfolio. They invested in refurbishments, implemented shrewd cost-cutting measures, enhanced facilities, and, where appropriate, raised room rates. This hands-on approach and keen eye for value allowed them to turn each acquisition into a profitable enterprise. Their reputation as astute hoteliers grew with each successful turnaround.

A significant milestone in their expansion came in 1956 with the construction of their first purpose-built hotel, the Americana in Bal Harbour, Florida. This wasn't just any hotel; it was a grand, \$17 million undertaking, designed to be a beacon of luxury even amidst the opulent landscape of Miami Beach. The Americana quickly garnered acclaim, earning the title of Miami's "hotel of the year." This flamboyant yet successful venture underscored the brothers' ambition and their ability to execute large-scale projects, further solidifying their position in the hospitality industry.

The year 1959 marked a pivotal turning point that would irrevocably alter the course of the Tisch brothers' business and lay the groundwork for the diversified conglomerate known today as Loews Corporation. Following a landmark 1948 Supreme Court antitrust ruling, major movie studios were compelled to divest their theater chains. This legal landscape created an unprecedented opportunity for

investors with foresight.

Seizing this moment, the Tisch brothers acquired a controlling interest in Loew's Theatres from MGM in 1959. This acquisition was far more than just buying a chain of cinemas; it was a strategic move that fundamentally reshaped their business. Loew's Theatres, founded by Marcus Loew in 1904, had a rich history, initially as a chain of nickelodeons that evolved into lavish movie palaces across the United States. For decades, Loew's Incorporated had even served as the parent company and distribution arm for Metro-Goldwyn-Mayer (MGM) until the antitrust ruling forced their separation.

The acquisition of 102 movie theaters nationwide, despite the aging nature of many of the properties, immediately catapulted the Tisch brothers into a new league. The company was listed on the New York Stock Exchange the same year, a testament to the scale and perceived potential of this new venture. By the summer of 1960, the Tisch brothers had gained full control of the company, and both Laurence and Robert became co-chairmen. It was around this time that the apostrophe in "Loew's" was strategically dropped from the corporate name, simplifying it to "Loews Corporation." While the exact reasoning behind the dropping of the apostrophe isn't definitively documented, it was likely part of a broader trend of companies simplifying their names for branding, marketing, and later, for ease of online search and domain registration.

While the theaters themselves might have been showing their age and were not perfectly suited for the emerging multiplex trend, the Tisch brothers were not primarily interested in the cinematic experience itself. Their interest lay in the underlying real estate assets. Many of these theaters were situated on highly valuable urban properties, and the brothers recognized their undervalued potential. They were correct in their assessment, and soon embarked on a strategy of closing and demolishing many of these older theaters, selling the vacant lots to developers to reap significant profits. This strategic move showcased their financial acumen and their willingness to transform assets for maximum value, a hallmark of their future diversified endeavors. The sale of the movie theater business itself would eventually occur in 1985, though the Loew's brand name continued to operate under different ownership.

The acquisition of Loew's Theatres served as a crucial springboard for the Tisch brothers' ambitions. With the proceeds from their successful hotel ventures and the significant real estate holdings from the theater chain, they had the capital and the momentum to embark on a far more ambitious path of diversification. This pivotal moment cemented their reputation as astute investors with an eye for undervalued assets and a knack for transforming them into lucrative opportunities. The stage was now set for Loews Corporation to expand beyond hospitality and entertainment into a broad spectrum of industries, laying the foundation for the diversified American conglomerate it would become.

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