Lorenzo Ayres

Books

The shelf behind the deals. Most of these you have never heard of, which is the point.

These are the books that defined how I think about structuring and dealmaking. No airport bestsellers. If a book is on here, something in it shows up in how I actually put deals together.

01

Margin of Safety

Seth Klarman, 1991

> HarperBusiness, one printing of roughly five thousand copies, never reprinted by the author's choice. Used copies run four figures.

Risk first, reward second, and the book that made those one idea instead of a trade-off.

02

The special situations books

Maurece Schiller, 1955 to 1966

> Five originals, long out of print. The authorized reprints edited by Tobias Carlisle and Tom Jacobs, 2016 to 2019, are the findable way in.

Five forgotten books from the fifties, and the ancestor of every strange structure I get excited about.

03

Mosaic: Perspectives on Investing

Mohnish Pabrai, 2004

> Grammer Buff, out of print, now scarce and sought after.

Pabrai's first book, written before anybody was listening, and better for it.

04

globalization: n. the irrational fear that someone in China will take your job

Bruce Greenwald and Judd Kahn, 2008

The Greenwald almost nobody reads. Watch him take a fear everybody repeats and walk it back until it falls apart.

05

Competition Demystified

Bruce Greenwald and Judd Kahn, 2005

The clearest thinking on moats ever put between two covers, and the source of my own version of it.

06

Distress Investing

Martin Whitman and Fernando Diz, 2009

What a balance sheet actually means when the company stops paying, written by somebody who did it for a living.

07

Merger Masters

Kate Welling and Mario Gabelli, 2018

Thirty arbitrageurs explaining what they actually do, in their own words, with the bad deals left in.

08

King Icahn

Mark Stevens, 1993

> Out of print. Icahn reportedly hated it, which is part of why it is worth reading.

The structuring playbook, written by somebody Icahn was not cooperating with.

09

Dear Chairman

Jeff Gramm, 2016

Eight fights between shareholders and boards, told through the actual letters.

10

Barbarians at the Gate

Bryan Burrough and John Helyar, 1989

The best book on how a deal actually gets done, disguised as a story about a cigarette company.

11

Buy Then Build

Walker Deibel, 2018

The case for buying a business with cash flow instead of starting one without any.

12

The Art of M&A

Alexandra Reed Lajoux and Stanley Foster Reed, 1989

The reference nobody reads cover to cover, and the one I open the most.

13

Breakthrough Advertising

Eugene Schwartz, 1966

> Long out of print. Clean copies have gone for several hundred dollars and occasionally much more.

The best book on persuasion ever written, and the one that taught me you cannot create demand.

14

Scientific Advertising

Claude Hopkins, 1923

A hundred years old, free online, and still more useful than most of what got published last year.

15

The Boron Letters

Gary Halbert, 1984

Letters from a copywriter to his son, written from federal prison, and better than that sounds.

16

Way of the Wolf

Jordan Belfort, 2017

The straight line system, which is the method every closer in my business is trained on.

17

Ogilvy on Advertising

David Ogilvy, 1983

Better than his famous one, because this is the one where he shows his work.

18

The Strategy and Tactics of Pricing

Thomas Nagle and Georg Müller, 1987

Price is not a number you land on at the end. It is the decision everything else has to agree with.

19

Setting the Table

Danny Meyer, 2006

How a premium experience actually gets delivered, by somebody who had to do it every night.

20

100 Baggers

Christopher Mayer, 2015

What lets something go up a hundred times, studied case by case, and the same move I run on physical assets.

21

World Commodities and World Currency

Benjamin Graham, 1944

> McGraw-Hill, 1944. Long out of print and almost never mentioned alongside the two everybody knows.

The Graham nobody knows exists, and he is not talking about stocks at all.

22

Storage and Stability

Benjamin Graham, 1937

> McGraw-Hill, 1937. The earlier and more practical of the two forgotten Grahams.

Written in the Depression, about surpluses nobody wanted, by the man who later wrote the book on buying what nobody wants.

23

Walker's Manual of Unlisted Stocks

Harry Eisenberg, editor, the 2000 edition

> Published annually. A physical directory, now largely obsolete, which is exactly what makes it worth owning.

A phone book of companies nobody could find, and the most on-thesis thing on this shelf.

24

The Takeover Game

John Brooks, 1987

The Brooks book nobody brings up, about the decade that invented the modern hostile deal.

25

Bankruptcy Investing: How to Profit from Distressed Companies

Ben Branch and Hugh Ray

The procedure manual that sits next to Whitman's argument.

26

The Crash and Its Aftermath: Securities Markets 1929 to 1933

Barrie Wigmore, 1985

> Greenwood Press. Reference-dense and long, and it has never had a popular edition.

Everybody has read a story about 1929. This is the price data.

27

Selling America Short

Richard C. Sauer, 2010

> Wiley.

An SEC lawyer explaining why the frauds he could see were the hardest ones to stop.

28

Outsmarting the Smart Money

Lawrence A. Cunningham, 2002

The Cunningham that is his own rather than an edit of Buffett's.

29

The Inefficient Stock Market and The New Finance

Robert A. Haugen

> Prentice Hall. Two related books, usually found together and usually found secondhand.

A man who spent thirty years telling finance academia it was wrong, and was.

30

Distant Force

George A. Roberts, 2007

> Privately published. Not really sold, mostly passed around, and hard to get hold of even now.

The best book about capital allocation ever written, and it was never really published.

31

Rising To Power: Paul Desmarais and Power Corporation

Dave Greber, 1987

> Out of print.

A holding company almost nobody outside Canada can name, built by a man who started with a bus line.

32

The Joy of Achievement: Conversations with J.R.D. Tata

R.M. Lala

Fifty years running a group whose owner is a charity, which changes every incentive in it.

33

Pleased But Not Satisfied

David L. Sokol

> Self-published, and largely given away rather than sold.

An operator's book, by the man who was going to run Berkshire and then was not.

34

The Story of Bank of America: Biography of a Bank

Marquis James and Bessie Rowland James, 1954

> Marquis James won the Pulitzer twice. This one is almost never read.

A bank built on the customers every other bank had already turned down.

35

Citibank: A Century in Asia

Peter Starr, 2002

A commissioned history, which is a real limitation and still worth the shelf space.

36

See's Famous Old Time Candies: A Sweet Story

Margaret Moos Pick, 2005

> A company history, sold mostly in the shops. Not a business book and not shelved as one.

The company Buffett calls his best purchase, written as the kind of book nobody reads.

37

The Farmer From Merna

Karl Schriftgiesser, 1955

> Out of print since the fifties.

How State Farm got built by insuring the customers every other insurer had already priced as bad.

38

Shaw Industries: A History

Randall L. Patton, 2002

Carpet. A commodity nobody can tell apart, and somebody built a moat in it anyway.

39

Secrets of Professional Turf Betting

Robert L. Bacon, 1956

> Long out of print and quietly famous. It gets passed between investors far more than between gamblers.

Horse racing, 1956, and a cult book among people who have never placed a bet.

40

Iron Will: Cleveland-Cliffs and the Mining of Iron Ore

Terry S. Reynolds and Virginia P. Dawson, 2011

A hundred and fifty years of one company surviving an industry that killed almost everybody in it.

41

You Bet: The Betfair Story

Colin Cameron, 2009

Somebody built a market where there had only ever been a middleman, and the middlemen have still not forgiven it.

Not on the shelf

The Little Book That Beats the Market

Joel Greenblatt, 2005

A fine book, and that is the problem.

More shelves as I get around to writing them up.

No affiliate links on this page. Nothing here pays me.