

# [***Forbes Daily: Rudy Giuliani Is Now America s Bankrupt Mayor***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:69XX-HH61-JBCM-F3PM-00000-00&context=1516831)

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**Highlight:** White House concerns over acquisition of U.S. Steel; The "January effect" for stocks; MySpace cofounder's latest move; Shipping routes disrupted in the Red Sea; and more

**Body**

**This is a published version of the Forbes Daily newsletter, you can sign-up to get Forbes Daily in your inbox here.**

Good morning,

As of 10:27 p.m. EST last night, it s**officially the start of winter in the Northern Hemisphere.**

Last night was the winter solstice,the longest night and shortest day of the year. The reason? The Earth s axis is tilted by 23.5 degrees, so as we orbit around the sun each year, different places receive sunlight for different lengths of time.

The good news is the days will gradually get longer until we reach 12 hours of daylight and 12 hours of darkness at the March equinox.

A quick programming note: This is our last regular edition ofForbes Daily for 2023 as we take some time off for the holidays. We hope you have a relaxing holiday, and we ll be back in your inbox in the new year!

**BREAKING NEWS**

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People search through buildings, destroyed during Israeli air strikes in the southern Gaza Strip on November 12, 2023 in Khan Yunis, Gaza. (Photo by Ahmad Hasaballah/Getty Images)

Getty Images

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More than20,000 Palestinians in Gaza have been killed in the ongoing warbetween Israel and Hamas, the enclave s Hamas-run health ministry said in an update on Friday, as the United Nations Security Council once again delayed a vote on a resolution to allow desperately needed aid to enter the Palestinian territory. Friday s gruesome milestone means **nearly 1% of Gaza s prewar population of 2.3 million has been killed**in the war.

The White House**expressed national security concerns about Nippon Steel s proposed acquisition of U.S. Steel**on Thursday,calling for the $14.9 billion deal to be closely scrutinized. In a White House statement, National Economic Council Director Lael Brainard said while President Joe Biden welcomes foreign investment, he also believes the proposed takeover of U.S. Steel by a foreign company, even one from a close ally, deserves serious scrutiny for the potential impact it may have on national security and supply chain reliability.

**BUSINESS + FINANCE**

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Billionaire investor Mario Gabelli

PHOTO BY ROY ROCHLIN/GETTY IMAGES

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The so-called January effect, or the**propensity for stocks to produce outsized gains during the month of January**, is typically associated with smaller stocks and those that have recently incurred big losses. rounded up a dozen smaller stocks held by billionaireslike Mario Gabelli with good prospects for better times in 2024, including shares of companies like Ingles Markets, Utz Brands and Sinclair.

Ark Invest, the asset manager run by famed stock picker Cathie Wood,bought Tesla stock for the first time in eight months this weekin a purchase worth $27.5 million at Tesla s Wednesday closing share price, a **clear sign of confidence from Wood in her long-held favorite Tesla.** Ark is on a path of recovery after a dreadful 2022 erased the fund s years of market-beating gains that earned Wood s reputation as a top stock picker.

**WEALTH + ENTREPRENEURSHIP**

Finance whizThomas Peterffy made his fortune trading options, making markets and building a brokerage for sophisticated traders.**He is now one of the 25 wealthiest Americans, with an estimated $26.2 billion fortune.** In an interview with**Forbes**, he shares his investment wisdom including why he relies on his own research when placing risky bets.

**TECH + INNOVATION**

Venture capital firmRed Cell Partners announced it has raised a $91 million fundto**invest in startups in healthcare and defensetech**, with an eye toward opportunities in artificial intelligence and machine learning. Its ambitious goal is to have the companies it backs to emerge from stealth in less than two years with contracts already in hand to start generating revenue quickly.

MySpace cofounder Chris DeWolfe has launched businesses to capitalize on many of the major pivots in consumer technology over the past two decades. Hislatest move was co-founding Plai Labs earlier this yearto **leverage AI and Web3 technologies in building the next generation of social platforms** with tools like a personalized text-to-video generator called PlaiDay. I ve been in the middle of all the iterations of the web, says DeWolfe.

**MONEY + *POLITICS***

Rudy Giulianifiled for Chapter 11 bankruptcy Thursday,one day after the**cash-strapped former New York City mayor** was ordered to immediately start paying $148 million to two former Georgia election workers who levied a defamation lawsuit against him. The bankruptcy filing listed estimated assets of between $1 million and $10 million and reported $100 million to $500 million of estimated liabilities.

**SPORTS + ENTERTAINMENT**

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Danielle Brooks and Taraji P. Henson take part in SiriusXM's Town Hall With The Cast Of 'The Color Purple' Hosted By Gayle King at SiriusXM Studios on December 11, 2023 in New York City. (Photo by Cindy Ord/Getty Images for SiriusXM)

Getty Images for SiriusXM

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Taraji P. Henson, an Oscar and Emmy nominee who stars in the upcoming musical remake of**The Color Purple**, isreceiving an outpouring of support from fellow actors, many of whom shared similar experiences, after she teared up talking about**being underpaid as a Black woman in Hollywood**on Gayle King s radio show this week. Henson told King she s tired of getting paid a fraction of the cost despite her award-winning, decades-long acting career, and that every time she breaks another glass ceiling, she finds herself at the bottom again like I never did what I just did.

**TRENDS + EXPLAINERS**

Global shipping firms have paused and rerouted operations in the Red Sea due to risks of attacks by Yemen s rebel Houthi group, leading companies like Swedish furniture maker Ikea and dairy group Danone towarn of shortages and delays as they seek alternative trading routes. The **cargo that shippers have diverted from going through the Red Sea is worth $80 billion**as of Tuesday.

**DAILY COVER STORY**

**How Rebellion Defense, The $1 Billion Military AI Startup Hyped By Silicon Valley, Wound Up In A Nosedive**

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ILLUSTRATION BY STEPHANIE CUI FOR FORBES; PHOTO BY NATALYABUROVA; MSGDI

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**TOPLINE** Launched in 2019 with funding from former Google CEO Eric Schmidt,**Rebellion Defense quickly became one of the highest profile defense tech companies**around, eventually reaching a $1 billion valuation.

But its ascent is difficult to track. The company had little proven record as a government contractor and never secured a large commercial market. Meanwhile, its marquee product, Nova, had been unable to find widespread adoption.

And it lost out on a major military contract in the works for months that the AI startup s leadership had assured employees was all but secured. Potentially worth tens of millions of dollars, the deal with the Department of Defense was expected to unlock a new round of funding for Rebellion and solidify its reputation as**one of the Pentagon s biggest allies in the sprint to win the AI arms race.**

The month after CEO Chris Lynch a tech entrepreneur-turned-Pentagon executive delivered the bad news to staff at Rebellion s Washington, D.C. headquarters in March, approximately 90 employees, many who had recently joined, were laid off. By September, Lynch was also gone, as were Rebellion s U.K. operations.

While Rebellion presented a veneer of success and influence, with frequent visits from military brass to its flashy offices in D.C. and London, interviews with 18 former employees and advisors to the company, in addition to public contracts reviewed by**Forbes**,suggest that it**overwhelmingly benefitted from aspirational, investor-induced hype.**

Earlier this year, Lynch had painted rosy projections for 2023 to some employees and the board, varying from $50 million to almost $100 million in total contract value, according to three former staff. The actual figure, these people said, was closer to $20 million.

Meanwhile, after disclosures showed it spent $430,000 lobbying the federal government on AI matters, government procurement records show**Rebellion has received just $7.2 million from publicly listed contracts this year.**

**WHY IT MATTERS**  I just thought: They are a billion dollar company, they have to have [a core product], it s probably just top secret, a former Rebellion employee told**Forbes**. By the time I got into the company, people were like, Well, we don't really have one.

**MORE** Do You Speak Droidish? The Pentagon Is Spending Millions On A Language For Drones

**FACTS AND COMMENTS**

**Warner Bros. Discovery and Paramount Global are in talks to potentially merge**, allowing a new entertainment goliath to competein the streaming wars. Paramount+, a streaming platform owned by Paramount Global, and Max, a streaming platform owned by Warner Bros., have both struggled recently to build a subscriber base:

**63 million:** The number of Paramount+ subscribers, compared to Netflix s nearly 250 million

**Over $60 billion:** The amount of debt the two companies have as of the third quarter

**A global news powerhouse :** The result of the potential combination of CNN and CBS,Axios reports, owned by Warner Bros. and Paramount Global, respectively

**STRATEGY AND SUCCESS**

Four trends that grew in popularity this year canhelp you reach your financial goals in 2024: prioritize paying off high-interest credit card debt, plan for early retirement and, while you shouldn t use it for investing advice, leverage AI tools to help understand financial concepts. Lastly, continue to challenge societal norms and**manage your finances according to your values,**not what you think you re supposed to do.

**VIDEO**

https://www.forbes.com/video/6343672802112/

**QUIZ**

An 18-year-old hacker who stole and leaked video clips from the highly anticipated Grand Theft Auto VI video game will be sent to a secure hospital in the U.K. until he s no longer deemed a danger to the public. The video game leak occurred when**the hacker was already out on bail for breaching which major tech company**

A. Apple

B. Google

C. Nvidia

D. Tesla

Check your answer.

**BEYOND THE NEWSROOM**

* Forbes is seeking nominations for our inaugural list of America s Top 200 Lawyers. Our aim is to identify the finest in the profession, read more on how to make a recommendation here.

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