

THE WALL STREET JOURNAL.

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WSJ.com

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DJIA 43914.12 ▼ 234.44 0.53%

NASDAQ 19902.84 ▼ 0.7%

STOXX 600 519.20 ▼ 0.1%

10-YR. TREAS. (Reopening) yield 4.323%

OIL \$70.02 ▼ \$0.27

GOLD \$2,687.50 ▼ \$46.30

EURO \$1.0467

YEN 152.64

What's News

Business & Finance

◆ **Warner Bros. Discovery** said it is restructuring into two operating divisions, one focused on the legacy cable TV business and the other on streaming and studios. **B1**

◆ **Activist investor** Starboard has built a significant position in Riot Platforms and is pushing for changes at the bitcoin-mining operator, people familiar with the matter said. **B1**

◆ **Major U.S. stock indexes** fell, with the S&P 500 and Dow both declining 0.5% and the Nasdaq retreating 0.7%. **B8**

◆ **Chanel named** 40-year-old French-Belgian designer Matthieu Blazy as its next artistic director, a position he will take up in the new year. **B1**

◆ **Italian luxury-fashion group** Brunello Cucinelli lifted its sales forecasts for the year as clients continue to place orders for its 2025 collections. **B3**

◆ **Creditors including** Daimler Truck Financial Services say they are owed tens of millions of dollars following alleged fraud by bankrupt trucking company Kal Freight. **B3**

◆ **The IEA raised** next year's oil-demand estimates, citing the impact of China's stimulus measures, and predicted a subdued pace of growth. **B1**

◆ **YouTube said** it would raise the monthly cost of its TV streaming service to \$82.99 from \$72.99 starting Jan. 13, an increase it attributed to the rising cost of content. **B4**

◆ **Blackstone agreed to** acquire a mixed-use office complex in Tokyo for \$2.6 billion from hotel and railway operator Seibu. **B3**

World-Wide

◆ **Biden is commuting** the sentences of around 1,500 people while he considers more clemency actions before he leaves office, including possible pre-emptive pardons of officials who have clashed with Trump. **A1**

◆ **The Trump transition** team has started to explore pathways to dramatically shrink, consolidate or even eliminate the top bank watchdogs in Washington. **A1**

◆ **The Biden administration** is overhauling rules for how banks can charge overdraft fees to customers and the industry is lobbying to prevent them from going into effect. **A2**

◆ **Trump is weighing** options for stopping Iran from being able to build a nuclear weapon, including the possibility of preventive airstrikes, a move that would break with the U.S. policy of containing Tehran with diplomacy and sanctions. **A7**

◆ **Congressional Republicans** are looking to Trump to break the party's logjam over its 2025 legislative strategy as they debate whether to introduce one or two bills to achieve their tax and border goals. **A4**

◆ **Police were investigating** the appearance of dozens of mysterious drones in the skies over New Jersey in recent weeks, including near power lines and at least three military facilities. **A3**

◆ **Some women with** the earliest stages of breast cancer could be carefully monitored, undergoing surgery and radiation only if the disease advances, new data suggest. **A3**

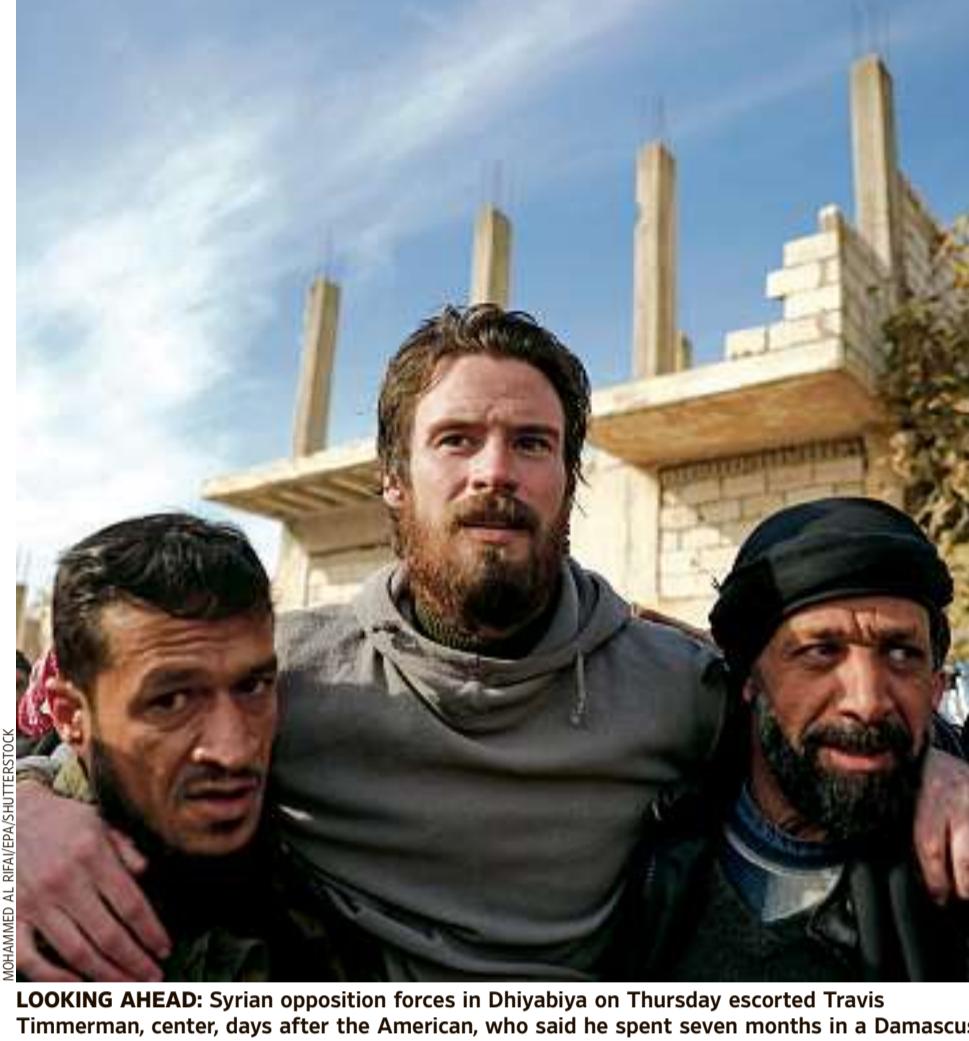
JOURNAL REPORT

C-Suite Strategies: Tech tops best-managed list, led by Apple. **R1-12**

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Missing U.S. Citizen Emerges in Syria



LOOKING AHEAD: Syrian opposition forces in Dhiyabiya on Thursday escorted Travis Timmerman, center, days after the American, who said he spent seven months in a Damascus prison after being arrested on a pilgrimage, was among thousands who were freed. **A7**

At Grim Syrian Prison: '99% of Them Are Dead'

BY JARED MALSIN

SAYDNAYA, Syria—Syrians searching for missing loved ones are combing the grounds of the country's most notorious prison, chipping away at the concrete floor to look for hidden cells or tombs.

Their best hope for answers may not lie deep in the concrete and steel, but in the papers of Syria's bureaucracy of cruelty. Sheaves of documents—banal, yet evil—track some of the thousands of people who disappeared into the country's

sprawling detention network since the regime of President Bashar al-Assad moved to suppress a 2011 uprising.

"Ninety-nine percent of them are dead," said Ammar Al-Bara, a lawyer in a crisp white shirt and stylish gray coat who said families had asked him to search for their relatives.

He pulled a sheet from a bundle of prison records tucked under one arm, and read from a table of names: "Executed, executed, dead from sickness."

Rebels opened the military-

run Saydnaya prison on Sunday after ousting Assad, freeing detainees and allowing the public to search for the missing. Civilians, militia soldiers, lawyers and a rescue team from Turkey picked through heaps of clothes left in the cellblocks and stared at the red rope nooses hanging from a concrete wall behind the building.

As many as 50 people were hanged each day in the prison, the State Department said in 2017.

Sadeq Al-Falaj, a 48-year-old Damascus resident, said he was

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Biden Selects Record Number For Clemency

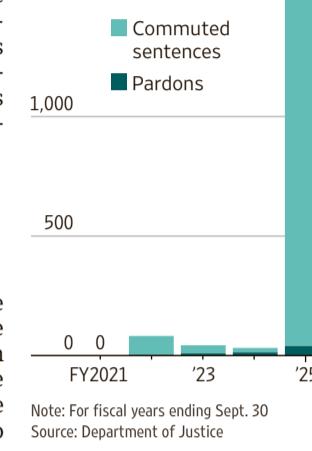
WASHINGTON—President Biden is commuting the sentences of around 1,500 people while he considers more clemency actions before he leaves office, including possible pre-emptive pardons of officials who have clashed with President-elect Donald Trump.

By Catherine Lucey,
C. Ryan Barber
and Gareth Vipers

The White House said the commutations were for people who were released from prison and placed in home confinement during the Covid-19 pandemic. Biden also pardoned 39 Americans convicted of nonviolent crimes, particularly drug offenses.

The mass commutation comes after Biden issued a surprise pardon for his son, Hunter Biden, this month, wiping away criminal convictions on tax and gun charges, and drawing criticism from Republicans and some Demo-

Biden's acts of clemency



Note: For fiscal years ending Sept. 30

Source: Department of Justice

crats. The president said he would continue to review clemency petitions in the coming weeks.

Additional moves are under active discussion, a person familiar with the conversations said. Those could include commuting sentences for people

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Trump Eyes Cutting Banking Agencies

BY GINA HEEB

The Trump transition team has started to explore pathways to dramatically shrink, consolidate or even eliminate the top bank watchdogs in Washington.

In interviews with potential nominees to lead bank regulatory agencies, Trump advisers and officials from his newfound Department of Government Efficiency have, for example, asked whether the president-elect could abolish the Federal Deposit Insurance Corp., people familiar with the matter said.

Advisers have asked the

nominees under consideration for the FDIC, as well as the Office of the Comptroller of the Currency, if deposit insurance could then be absorbed into the Treasury Department, some of the people said.

Any proposal to eliminate the FDIC or any agency would require congressional action. While past presidents have reorganized and rebranded departments, Washington has never shut a major cabinet-level agency and rarely closed

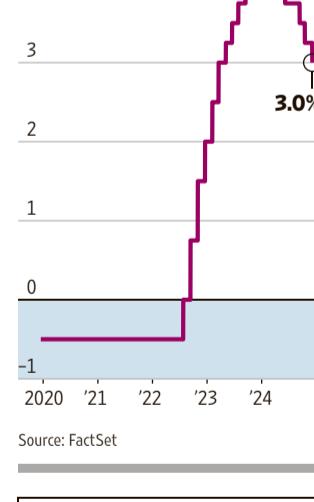
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◆ Overdraft rules are overhauled..... A2

ECB Reduces Interest Rates

The ECB cut interest rates by a quarter point, aiming to stabilize an economy rocked by debt worries in France and ahead of threatened tariffs. **A8**

European Central Bank deposit rate



Source: FactSet

Long Parental Leave Was Key To Netflix Culture. That's Over.

Staff worry giant is losing the identity that fueled its success

BY JESSICA TOONKEL

Netflix made headlines nearly a decade ago when it unveiled one of corporate America's most generous parental-leave benefits, pledging to give new moms and dads unlimited time off in their child's first year.

It was a promise Netflix couldn't keep. The policy was in line with a core company value, "freedom and responsibility," the idea that employees can be trusted to set their own boundaries. But more staffers than expected took full advantage of the benefit, and Netflix ultimately found it unsustainable.

The company has spent the past few years walking back the leave policy, issuing vague and sometimes conflicting guidance internally without explicitly retracting the one-year benefit, according to internal communications reviewed by The Wall Street Journal, as well as interviews with current and former employees.

Taking more than six months is now widely understood to be an unwise career move.

The pullback on parental leave points to a central tension now roiling Netflix. The streaming giant credits its culture, and founding principles such as employee freedom, for fueling much of its success. It has long been known for a competitive workplace that embraces radical transparency and blunt feedback, while also letting employees make their own decisions around spending and time off, trusting them to work in the company's interest. Executives credited this "no rules" atmosphere for attracting the best talent.

But as it grows, Netflix is revisiting those long-held mantras, worrying they're no longer practical for a company that has some 14,000 employees—a more than 60% jump from before the pandemic. It has also shifted its focus to profitability, under pressure from Wall Street,

Please turn to page A9

Presidents Have Slim Inflation Options

BY JUSTIN LAHART

Inflation played a starring role in November's election, and part of Donald Trump's pitch was that he would cool things off.

"I won on groceries," the president-elect said in an interview on Sunday on "Meet the Press." In his nomination-acceptance speech at the Republican National Convention in July, Trump said he would "end the devastating inflation crisis immediately."

Despite his pledge to lower inflation, if Trump follows through on some of his tariff and immigration plans, economists worry he might do just the opposite.

The pace of inflation had significantly cooled before the election. But anger hasn't subsided, and costs are far higher than they were before the pandemic. On Wednesday, new inflation numbers suggested that progress on driving down rising costs had stalled. Prices for groceries, for example, were up 1.6% from a year earlier in November. But they were up 27% from February 2020.

Overall consumer prices were up 2.7% in November from a year earlier, a far cry from the 9.1% notched in 2022 but still a tad higher than the month before. New data on Thursday showed that a month-over-month change in producer prices was more than economists had expected.

Any rise, even a small one, comes on top of already-high prices vexing Americans.

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For Some Fans, 'Saturday Night Live' Is a Whodunit

* * *

Army of amateur sleuths sets out to solve one of show's few mysteries

BY MARK MAURER

When the credits start rolling on "Saturday Night Live," most people turn off the TV and go to bed. Shawn Alvaria goes to work.

His task: Figure out who wrote each of the sketches.

For a show that has been studied and picked apart as much as SNL, determining the identity of a sketch's creators can be surprisingly hard. The show, now in its 50th year, generally doesn't publicize the writers behind each bit so their contributions often get overlooked.

Alvaria is part of a small army of amateur sleuths dedi-

cated to creating a paper trail. Some diligently chart the credits for each episode based on cast members' and writers' posts on social media. Others spend hours on the standby line for a chance to get inside and monitor the activity offstage for clues. One connected a writer to a sketch by following a cast member on his stand-up tour.

Cast members

regularly pen sketches with the writers on staff, sometimes working through the night on the Tuesday before a show to complete a draft that will be tested out at a table read the next day. When the sketch becomes a hit, the attention brings everyone's contributions to light. For most of the others, broad public recognition never comes.

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Talking meatball

INSIDE



MANSION

Luxury homeowners in Chicago are selling at a loss, and looking for someone to blame. **M1**

SPORTS

The PGA tour and LIV have a deal—if they get a nod from Washington. **A12**

U.S. NEWS

Inflation Options Are Slim

Continued from Page One

What can Trump do?

The problem presidents face with inflation is that there is only so much they can do to cool it off. Bringing overall prices down would be even harder—and unwelcome. Falling prices, or deflation, would make it harder for borrowers to repay their loans, stifling the economy.

Many of the measures economists might prescribe to reduce inflation, such as increasing innovation, reducing regulatory burdens or boosting the U.S. workforce's skills, would take years, if not decades, to bear fruit.

The effectiveness of past presidential efforts to control inflation has been mixed. Inflation cooled in response to Richard Nixon's price controls and then burst higher when those controls were removed. Gerald Ford's "Whip Inflation Now" campaign was widely derided. Jimmy Carter persuaded the Fed in March 1980 to introduce stringent controls

on the use of credit, tanking spending and leading to large job losses. The controls were removed that July.

There are also plenty of things outside the president's direct control that can raise prices. Think supply-chain disruptions, natural disasters, far-off wars or Fed policy mistakes.

Consider Trump's promise to reduce energy costs through faster permitting and weaker environmental regulations—to "drill, baby, drill." Trump's oil and natural-gas supporters love his antiregulatory bent, but they don't seem as eager to drill more. A fossil-fuel glut during his first term caused debt strains for many drillers, leading them to focus more on returning capital to shareholders than investing in new production.

Even if U.S. oil production, which has been at a record, doesn't move up meaningfully, energy costs might still be poised to fall as a result of factors outside the U.S. The International Energy Agency in November lowered its oil-demand-growth projections for 2025, citing "below-par underlying global economic conditions, as well as clean energy technology deployment." Oil production, meanwhile, looks poised to rise, "so what you have is too much oil

Producer Prices Jump in November

Producer prices rose by a larger-than-expected 0.4% in November from a month earlier, the latest sign of strengthening inflationary pressures.

Economists surveyed by The Wall Street Journal had forecast that the producer-price index, a measure of the prices businesses receive for their goods and services, would increase by a seasonally adjusted 0.2%.

The Labor Department said the rise was driven by a jump in goods prices, which rose 0.7%, while services increased by a milder 0.2%.

From a year earlier, the PPI increased 3%, the largest year-over-year increase since February 2023. Excluding food and energy prices, the core reading was up 0.2% in November, meeting expectations.

—Harriet Torry

chasing too few consumers," energy economist Phil Verleger said.

With all that in mind, what should Americans expect for inflation in 2025? Will it continue its bumpy path downward, stall out or turn higher?

There are signs that favor lower inflation in the year ahead. One is that there has been a degree of "catch-up inflation" in the recent data, such as car insurers that get regulatory approval to raise rates to offset higher costs. But those effects should fade.

Also, U.S. productivity growth looks to have picked up, which probably has something to do with the reordering

of work that the pandemic set off. Improved productivity can help lower inflation, since a more efficient workforce can produce goods and services at a lower cost.

The general view among economists on inflation is that, absent any big changes to government policy, "We're just on some kind of glide path back to something in the ballpark of where we were before," said Emi Nakamura, an economist at the University of California, Berkeley.

Trump has threatened high duties against Chinese goods in particular and 25% tariffs against Mexico and Canada. If he follows through, that could

push up prices on an array of products, including Canadian lumber and oil and Mexican fruits and vegetables. Prices for autos, in particular, could go higher, since car companies rely on a complex manufacturing network that spans the U.S., Canada and Mexico.

There could be at least partial offsets. If tariffs bite into consumers' buying power, for example, their demand for other products might drop, weighing on prices for those items. Retaliatory tariffs would lower the demand for U.S. goods abroad, boosting domestic supplies. The dollar could strengthen against other currencies, lowering the price

of imports, but making U.S. exports less competitive.

Immigration restrictions could also push up prices, particularly on goods and services from businesses that rely heavily on immigrant labor. Goldman Sachs estimates that the share of workers who are unauthorized immigrants is about 13% in the construction industry and 16% in the animal-processing and slaughtering industry, for example.

Some of the things that might push inflation higher in the new year could be transitory. Prices might rise in response to tariffs, but that would presumably be a one-time increase.

One problem with a fresh bout of inflation is that people and businesses might do more to try to get in front of it than they did a couple of years ago—which could be inflationary in itself.

There are signs that inflation expectations could be shifting. Some retailers' holiday-shopping pitch to shoppers is to buy now, before tariffs hit. And in the latest University of Michigan survey of consumers, there was a surge in the share of people who said it was a good time to buy major household items, such as furniture, refrigerators and televisions, because they think prices are going up.

U.S. WATCH



Tamika Palmer, at left, the mother of Breonna Taylor, shown above, discusses the consent decree the U.S. Justice Department reached with the city of Louisville, Ky.

FAA Chief, Deputy To Exit in January

Federal Aviation Administration chief Mike Whitaker will depart his role Jan. 20, when Donald Trump becomes president, according to an internal memo.

Whitaker, a Biden appointee, is the latest leader of the air-safety agency to serve a brief tenure, despite a five-year term intended to shield the FAA administrator from politics. Whitaker will have served little more than a year.

Whitaker's deputy Katie Thomson will leave the agency Jan. 10, the memo said.

The FAA regulates aerospace manufacturers such as Boeing and airline safety, while also operating the nation's air-traffic control system and civilian airspace.

The FAA has undergone various changes in how it oversees Boeing after two 737 MAX jets crashed during Trump's first term. Whitaker has been further changing how the agency oversees the aircraft maker after a fuselage panel blew off a 737 MAX operated by Alaska Airlines earlier this year.

—Andrew Tangel

KENTUCKY Louisville, DOJ Set Police Reform Pact

The Justice Department and the city of Louisville, Ky., reached an agreement to reform the city's police force after an investigation prompted by the fatal police shooting of Breonna Taylor and police treatment of protesters.

The consent decree, which must be approved by a judge, follows a federal investigation that found Louisville police engaged in a pattern of violating constitutional rights and discrimination against the Black community.

Louisville Mayor Craig Greenberg noted that "significant improvements" have been implemented since Taylor's death in March 2020.

Taylor, a 26-year-old Black woman, was roused from her bed by police who came through the door using a battering ram after midnight on March 13, 2020. Officers fired shots after Taylor's boyfriend, saying he feared an intruder, shot an officer in the leg. Taylor was struck several times and died in her hallway.

The police department has undergone several leadership changes since Taylor's death.

—Associated Press

WASHINGTON, D.C. Smirnov in Deal To Plead Guilty

A former FBI informant accused of falsely claiming that President Biden and his son Hunter accepted bribes has agreed to plead guilty to federal charges, according to court papers filed Thursday.

As part of the plea deal with Justice Department special counsel David Weiss, Alexander Smirnov will admit he fabricated the story that became central to the Republican impeachment inquiry in Congress.

The plea agreement comes weeks after prosecutors filed new tax-evasion charges against Smirnov. The two sides will recommend a sentence of at least two years behind bars and no more than six years, according to the agreement.

David Chesnoff and Richard Schonfeld, attorneys for Smirnov, said they would make their case for a fair sentence in court and declined to comment further.

Smirnov has agreed to plead guilty to charges of tax evasion and causing a false FBI record, according to court papers.

—Associated Press

Cuts Eyed For Banking Agencies

Continued from Page One

other agencies like the FDIC that aren't.

Bank executives are optimistic President-elect Donald Trump will ease a host of regulations on capital cushions and consumer protections as well as scrutiny of consolidation in the industry. But FDIC deposit insurance is considered near sacred. Any move that threatened to undermine even the perception of deposit insurance could quickly ripple through banks and in a crisis might compound customer fears.

After several banks failed last year, customers panicked about whether their deposits were safe at smaller banks. Many fled to the biggest of big banks who are perceived to be so important that the government would never let them fail.

Since then, banks have been calling for wider deposit-insurance protections to keep smaller banks competitive.

The discussions underscore the drastic approach Trump could take in his attempt to slash the size of the government and ease oversight, including for the highly regulated financial industry.

Potential bank-regulator nominees have interviewed with Treasury Secretary pick Scott Bessent and the new DOGE department, the outside advisory group co-chaired by Elon Musk and Vivek Ramaswamy, some of the people said.

Musk in November also called for the elimination of the Consumer Financial Protection Bureau, an agency Republicans have long hated.

"There are too many duplicative regulatory agencies," Musk said.

Trump advisers and potential nominees have also discussed plans to either combine

or otherwise restructure the main federal bank regulators: the FDIC, OCC and the Federal Reserve, the people said.

Project 2025, a policy document drawn up by the Heritage Foundation and former Trump officials, calls for the merging of the FDIC, OCC and nonmonetary policy parts of the Fed, along with the National Credit Union Administration. (Trump has said he had nothing to do with Project 2025.)

Rep. Andy Barr, a Republican from Kentucky and Trump ally on the House Financial Services Committee, has backed the plan to eliminate or drastically alter the CFPB and said he wants to get rid of what he calls "one-size-fits-all" regulation for banks.

Banks have a love-hate relationship with the oversight of multiple regulators. Some like it to the extent it can allow them to shop between regulators for a lighter touch. But they often complain about mixed messages and contradictory rulings.

"We could streamline on financial regulation," said former FDIC Chair Sheila Bair. "But it is really hard to get done."

A proposal to eliminate a bank regulator would struggle to gain the support of Congress and the industry, she said.

"Banks may complain, but at the end of the day, they like to have their own regulator they have a relationship with," Bair said. "They like the status quo."

Frank Sorrentino III, chief executive at ConnectOne Bank in Englewood Cliffs, N.J., said there needs to be more alignment among the regulators. But it is helpful for the system to have multiple regulators that understand the "size, complexity and future challenges" of different banks, he said.

With technology such as

Any proposal to eliminate any agency would require action from Congress.

Republicans will hold thin majorities in both the Senate and the House next year, but are unlikely to find any Democratic support for dramatic changes.

Democrats were the party after the 2008 crisis to close one banking regulator. Many of the worst offending lenders in that crisis were supervised by the Office of Thrift Supervision, which wasn't a cabinet-level agency. The 2010 Dodd-Frank law abolished the agency by folding it into the OCC.

—Peter Rudegeair and Corrie Driebusch contributed to this article.

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Prices for food at home, change from a year earlier



Source: Labor Department via St. Louis Fed

U.S. NEWS

Wray's FBI Exit Puts Focus on Patel

By SADIE GURMAN

WASHINGTON—Christopher Wray's announcement that he'll step aside as Federal Bureau of Investigation director adds new urgency to the candidacy of Kash Patel, as key senators weigh whether the Trump loyalist has the right background and temperament to run the nation's premier law enforcement agency.

A right-wing provocateur, Patel, 44 years old, has said he would radically transform the bureau, shrinking its power, closing its Washington headquarters, and replacing the national security workforce with "people who won't undermine the president's agenda."

His priorities and overtly partisan approach are strikingly different from those of Wray and most every other director in the bureau's history.

Some Republicans see Patel's eagerness to upend the bureau and go after President-elect Donald Trump's perceived enemies as a welcome change after years of investigations they saw as wrongly targeting Trump and conservatives. Trump, who announced the Patel nomination on Nov. 30, called him "the most qualified Nominee to lead the FBI in the Agency's History."

Sen. Markwayne Mullin (R., Okla.), who met with Patel on Tuesday, said they didn't discuss any specific reshaping of the FBI but that he supports Patel's plans for change. "Every one of these agencies needs serious reform," Mullin said.

As of Thursday, Patel had met with 17 Republican senators, many of whom said they intended to back him.

Critics say Patel's résumé masks a lack of management experience.

grasp of how the FBI works.

"The President-elect wants to replace his own appointee with an unqualified loyalist," Sen. Dick Durbin (D., Ill.) the current Senate Judiciary Committee chairman, said.

Patel has echoed Trump's own criticism that the bureau has been on a witch hunt to undermine him, led by politically corrupt agents and prosecutors who leak stories to the press. "I'd shut down the F.B.I. Hoover Building on Day 1 and reopen it the next day as a museum of the 'deep state,'" Patel said in a September podcast.

—James Fanelli
and Xavier Martinez
contributed to this article.

Watch a Video



Scan this code for a video on Kash Patel, Trump's pick to lead the FBI.

Amazon Vows \$1 Million For Trump Inauguration

By DANA MATTIOLI

Amazon.com is planning a \$1 million donation to Donald Trump's inaugural fund, as founder Jeff Bezos and other tech leaders shore up ties with the incoming administration.

The donation is being prepared as Bezos, Amazon's executive chairman, is slated to visit the president-elect next week at his Mar-a-Lago club in Palm Beach, Fla., according to people familiar with the matter.

Tech companies have been the target of intense criticism by Trump and his allies, and

other tech leaders have hastened to smooth ties with him.

Mark Zuckerberg directed Meta Platforms to also make a \$1 million contribution to Trump's inaugural fund, The Wall Street Journal reported.

Bezos and the company decided on the contribution this week, and told Trump's team, some of the people said. "Bezos is donating through Amazon," said a person close to Bezos. Amazon also will stream the inauguration through Prime Video, a separate, in-kind donation valued at \$1 million, another of the people said.



Cases of a type of breast cancer called ductal carcinoma in situ are usually caught on routine mammograms.

Study Questions Need for Surgery In Some Early Breast-Cancer Cases

By BRIANNA ABBOTT

When a woman learns she has breast cancer, her reaction is often: take it out. Now doctors say that might not always be necessary.

Some women with the earliest stages of breast cancer could be carefully monitored, undergoing surgery and radiation only if the disease advances, new data suggests.

The strategy is akin to one already used in early prostate cancer, as doctors are increasingly looking at whether they can pull back on some cancer therapies, to spare patients side effects and costs.

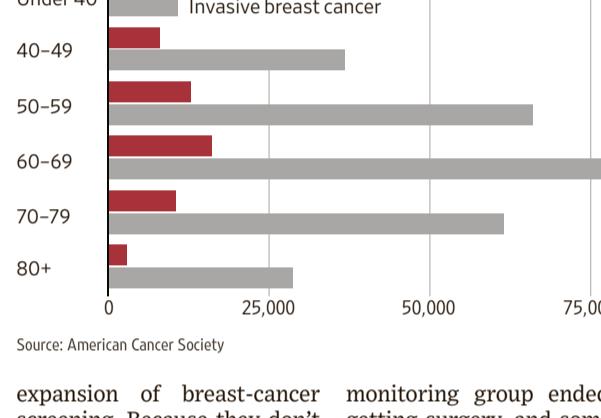
"This is really the first study to confirm our suspicions that there's a subset of low-risk patients that could do just as well without surgery," said Dr. Nancy Chan, a breast-cancer specialist at NYU Langone's Perlmutter Cancer Center, who wasn't involved in the study. "It's really encouraging."

Some doctors said there wasn't enough long-term data to prove that the practice is safe. How aggressively to treat this form of early-stage cancer—and whether to call it cancer at all—is controversial.

Some 300,000 women in the U.S. are diagnosed with invasive breast cancer each year. But an additional 50,000 are diagnosed with "stage zero" breast cancer, also called ductal carcinoma in situ, or DCIS, which occurs when there are cancer cells in a woman's milk duct but not in her breast tissue. The disease itself poses little risk but can turn into the more dangerous, invasive cancer.

Caught almost exclusively on routine mammograms, cases of DCIS became more common with the advent and

Estimated new breast cancer cases among U.S. women in 2022, by age



expansion of breast-cancer screening. Because they don't know who will go on to develop invasive breast cancer, oncologists in the U.S. generally advise women with DCIS to get a combination of surgery, radiation and hormone therapy.

Some doctors suspect that DCIS might be overtreated.

"It was a data-free zone because we already treated it like a cancer," said Dr. E. Shelley Hwang, a breast-cancer surgeon at Duke Cancer Institute, who led the trial. "We didn't know what we could dial back on."

Hwang and her colleagues recruited some 950 women ages 40 and older with a type of low-risk DCIS that is sensitive to hormones. The women were split into two groups: One was recommended standard care—surgery with or without radiation—while the other was recommended mammograms every six months. The monitoring group could opt for surgery at any time and had to get surgery if the disease progressed.

Most women in both groups took hormone therapy to help keep cancer growth in check. Some 17% of women in the

monitoring group ended up getting surgery, and some assigned to the treatment group declined to get an operation.

Two years later, the rates of women who developed invasive breast cancer were similar between the groups, less than 10%, the researchers found. The women also reported comparable rates of anxiety, a concern when doctors are considering dialing-back treatment.

Women who got standard care reported more arm problems and breast pain, but that resolved over time. The results were published in the academic journals *JAMA* and *JAMA Oncology* and presented at the San Antonio Breast Cancer Symposium on Thursday.

The findings might not apply to certain groups including younger women, who would likely have to live with the risk of invasive disease for a longer period. And some doctors said that it was too early to draw conclusions.

"With only two years of follow-up, we would expect the likelihood of problems to be low," said Dr. Monica Morrow, a breast-cancer surgeon at Me-

morial Sloan Kettering Cancer Center in New York, who wasn't involved in the trial. "It's just not long enough to say how safe this is or isn't."

The researchers will continue to follow the women over time. But the trial so far shows that women don't need to rush into surgery because they hear the word "cancer," they said.

"It's not an emergency," said Dr. Ann Partridge, a senior researcher on the trial and a breast-cancer specialist at Dana-Farber Cancer Institute in Boston. "Women can really take a pause, take a deep breath, and make good decisions."

When Tina Clark was told that she had DCIS in 2019 after a routine mammogram, her mind went to her husband and nephew. Her nephew had already lost his mother to breast cancer, and her husband's health was failing and required regular tests and trips to the hospital.

Clark didn't think her husband would be able to care for her if she got more intense treatment.

"It would have been a tremendous hardship," said Clark, 63, who lives in Maine.

"Even if it was going to put off more-aggressive treatment for a year, it was worth it to me, so I could be there for him and my nephew."

Clark enrolled in the trial, traveling to Boston for mammograms every six months, using it as an occasion to get a good meal or see a show in the city. Her husband died later that year.

In 2023, a more-concerning cancer appeared in her other breast, and she got surgery and hormone therapy to treat it. Her original DCIS hasn't progressed.

New Jersey Drone Sightings Leave Officials Baffled

Dozens of mysterious drones have appeared in the skies over New Jersey in recent weeks, perplexing state and federal officials and agitating residents.

By Lara Seligman,
Gordon Lubold and
Andrew Tangel

The drones, which residents there have reported seeing over military installations, power lines and suburban neighborhoods, appear eerily similar to a fleet that swarmed sensitive national security sites on Virginia's eastern shoreline one year ago.

Eyewitnesses in New Jersey describe the sightings as loud and numerous, much larger than those typically used by hobbyists, and appearing primarily at night. They have been spotted in eight counties across the state including near at least three military facilities.

The drone incidents over New Jersey are the latest in a series of bizarre episodes involving large, unmanned aircraft flying freely over American soil near sensitive sites that have baffled investigators.

During two weeks last December, swarms of drones buzzed over Joint Base Langley-Eustis in Virginia, forcing commanders there to remove sensitive aircraft. Officials from the Pentagon to the



A photo from Bernardsville, N.J., shows what appears to be multiple drones flying over the town on Dec. 5.

White House brainstormed responses, but never publicly identified who was flying them or what they were doing.

The Pentagon said that it was monitoring the reports of unauthorized drone flights in the vicinity of Naval Weapons Station Earle and Picatinny Arsenal, an Army research center, in New Jersey.

A defense official said they have also appeared near Joint Base McGuire-Dix, about an hour from New York City. Pentagon spokeswoman Sabrina Singh said the Defense Department has "no evidence" that the New Jersey drones are coming from a foreign entity

or the work of an adversary.

State officials have said that local law enforcement have tracked the drones flying to and from the ocean, in a similar pattern to some of those that appeared over Langley last year.

At a New Jersey briefing on Wednesday, attended by at least 150 township mayors and the state police, officials reported that the Coast Guard has witnessed 50 such drones flying from the ocean to land and then back.

State police have been investigating the incidents for three weeks, with the first sighting on Nov. 18, said the

—Joanna Stern
contributed to this article.

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U.S. NEWS

Biden Picks 1,500 for Clemency

Continued from Page One
on federal death row to life in prison. Top White House officials have also been debating whether Biden should issue wide-ranging pardons to people who the White House fears could be targeted by the incoming Trump administration, people familiar with the conversations said.

The White House called Biden's announcement the largest single-day of clemency for any president in modern U.S. history, a record that excludes such categorical actions as President Jimmy Carter's blanket pardons for all Vietnam War deserters.

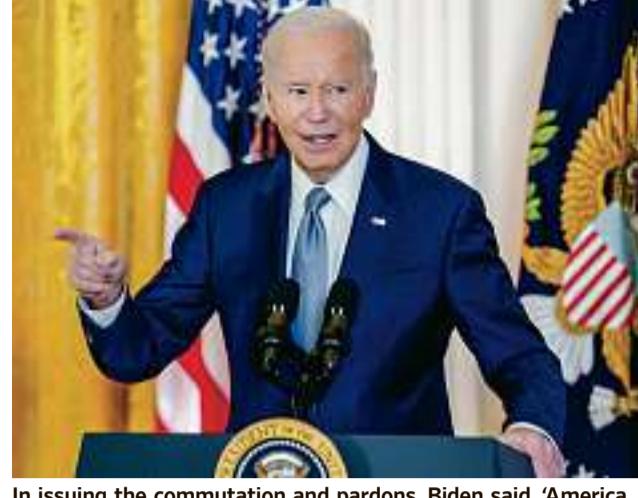
"America was built on the promise of possibility and second chances," Biden said. "As president, I have the great privilege of extending mercy to people who have demonstrated remorse and rehabilitation."

Recent presidents have issued controversial clemency actions often shortly before leaving office.

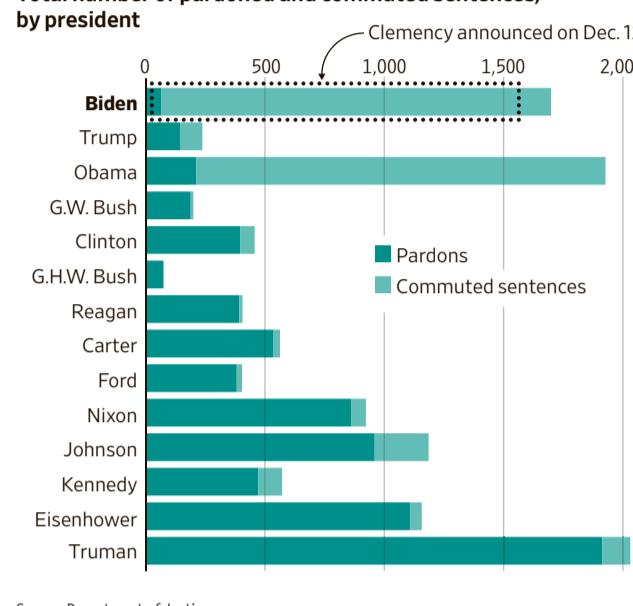
Trump issued pardons to former campaign chairman Paul Manafort, longtime adviser Roger Stone and Charles Kushner, his son-in-law's father. Manafort and Stone were charged as part of an investigation of Russian interference in the 2016 election. Kushner was sentenced to two years in prison on charges related to witness tampering during a federal investigation of his business.

President Bill Clinton pardoned fugitive commodities trader Marc Rich, whose ex-wife was a major donor to the Democratic Party and Clinton's presidential library. President Barack Obama commuted the sentence of Chelsea Manning, convicted on charges related to passing classified documents to WikiLeaks.

Biden's list issued on Thursday didn't include any high-profile figures. And while advo-



In issuing the commutation and pardons, Biden said, 'America was built on the promise of possibility and second chances.'



Source: Department of Justice

cates for clemency cheered Thursday's move, they noted that the pardons and commutations were going to people who aren't currently behind bars.

"They're important, but they don't get anybody out of prison," said Mark Osler, a law professor at the University of St. Thomas in Minnesota. He said Biden's clemency record so far contrasted with that of Obama, who he said "went deep, who granted clemency to a lot of people who were doing life in prison and released them."

Biden issued a proclamation in 2022 pardoning many people convicted of marijuana possession, and advocates hope he finishes his term ex-

panding clemency to cases of marijuana trafficking.

Before Thursday's announcement, Biden had issued 26 pardons and 135 commutations, according to a list on the Pardon Attorney's website. During their terms, President Donald Trump issued 144 pardons and 94 commutations, while Obama issued 212 pardons and 1,715 commutations.

Prisons became fertile breeding grounds for infection during the pandemic, and some people who were incarcerated were released in efforts to stop the virus from spreading. The commutations issued on Thursday are for those people who were released and are deemed to have

successfully reintegrated into their communities.

The president's several dozen pardons cover people who were convicted of nonviolent crimes and were praised as active in their communities. They included James Yarbrough, 79 years old, of Arlington, Tenn., who served in the Air Force and earned a Purple Heart, as well as Rosetta Davis, 60, of Colville, Wash., who works as a peer supporter for people dealing with substance abuse.

Biden has come under increasing pressure to use executive powers before leaving office. In late November, a group of Democratic lawmakers sent Biden a letter pushing him to grant clemency and issue pardons before Trump takes office on Jan. 20.

Advocacy groups have been calling for a swath of clemency actions, including for people on federal death row and with marijuana convictions. Biden has previously issued blanket pardons for those convicted of minor marijuana-related crimes, but those didn't make federal inmates eligible for release.

No decision has been made as to whether to pursue pre-emptive pardons, a person familiar with the talks said. Those considered for such actions might include officials who were involved with Trump's impeachments and members of a congressional committee that looked into the Jan. 6, 2021, attack on the U.S. Capitol.

Trump has hinted at seeking possible jail time for figures involved in the Jan. 6 investigation, including former Rep. Liz Cheney (R., Wyo.) and Rep. Bennie Thompson (D., Miss.).

Some of those who could receive such a pardon have said they don't think it is needed.

"I don't think the incoming president should be threatening his political opponents with jail time. That's not the kind of talk we should hear from the president in a democracy," said newly sworn-in Sen. Adam Schiff (D., Calif.), who served on the Jan. 6 committee when he was in the House.

"Nor do I think that a pardon is necessary for the members of the

Jan. 6 Committee."

New Air Force One Won't Arrive Soon

President-elect Donald Trump didn't get to fly on a new Air Force One during his first term. He likely won't get to fly on a new presidential plane in his second term, either.

*By Sharon Terlep,
Andrew Tangel and
Andrew Restuccia*

The long-delayed project has fallen so far behind schedule that Boeing has told the Air Force that it expects to deliver the new jets after Trump leaves the White House, according to people familiar with the matter. That means the airplanes wouldn't be ready until 2029 or later.

Frustrated with the delays, Trump raised the project with Boeing CEO Kelly Orteberg when the two men spoke by phone in November. As he prepares to return to the White House, Trump has repeatedly asked advisers about the status of Boeing's work.

Boeing used to be a great American company, he has told aides, according to people briefed on the discussions. What happened to them? Trump has asked.

Boeing and Air Force representatives declined to discuss the project's timeline. "We take pride in this work. Our focus is on delivering two exceptional Air Force One airplanes for the country," the company said in a statement. An Air Force spokeswoman

is seen in the Oval Office in 2019.



A model of the new design for Air Force One, featuring a red, white and blue paint job, is seen in the Oval Office in 2019.

said the schedule for the project is expected to be updated this spring. The new schedule could mean a delay for one of the aircraft's first flights, currently slated for March 2026.

A spokeswoman for Trump's transition team didn't respond to a request for comment.

It was Trump in his first term—after more than a year of negotiations—who awarded Boeing a \$3.9 billion contract to deliver new presidential planes to replace two 747s that have been in service since President George H.W. Bush was in the White House.

After first suggesting the Pentagon should cancel the deal, he personally negotiated a lower price tag and ordered a new paint job of red, white and blue.

Boeing has booked more than \$2 billion of charges tied to the fixed-price contract, which has gone over budget and been troubled by production glitches and management issues.

It is one of several Pentagon projects that have sapped Boeing's finances and led to the ouster of its top defense executive.

That executive, Ted Colbert, warned this summer that the program was struggling with problems from supply chain snags to worker shortages. "Our team is fighting through a very, very challenging program," he told reporters in July.

GOP Looks to Trump to Set Legislative Agenda in 2025

BY RICHARD RUBIN

WASHINGTON—There is one Republican who can break the party's logjam over its 2025 legislative strategy: President-elect Donald Trump, whom lawmakers are watching for a crucial call about the GOP's priorities.

Trump hasn't weighed in explicitly on the debate that has been raging among congressional Republicans: whether to have one big bill or if they should have a bill focused on border enforcement followed by a separate tax bill. The two-bill approach favored by senators has momentum, including support from a key incoming administration official. But any path requires near-unanimity among Republicans in Congress, and top lawmakers say they haven't made final decisions.

If and when Trump takes a side, that would likely settle the dispute and shape Congress's policy agenda for next year.

"Once he lays down the law, they're not going to risk going against it," said Stephen Myrow, managing partner of Beacon Policy Advisors, a Washington research firm.

The what-goes-first dispute is an early indication of the challenges that Republicans will face next year in using their unified—but slim—control of government to turn their priorities into law. And it is a sign of Trump's ability to be the ultimate referee, leveraging his electoral mandate and popularity within the party.

Republicans will have a 53-47 majority in the Senate, and they won the House 220-215. The real House margin will be even tighter—as close as 217-215 early in the year because of expected vacancies. That gives extraordinary leverage to any handful of GOP lawmakers who want to halt the process at any step.

It gives Trump—for now, the party's unifying force—the opportunity to weigh in and get his way or take sides in in-

traparty disputes. That is something he did only sparingly in 2017, when Republicans controlled the government and failed to finish a healthcare bill before rallying to cut taxes late that year.

This time, Sen. John Thune (R., S.D.), the incoming majority leader, offered a two-bill strategy, and he is backed by Sen. Lindsey Graham (R., S.C.) and Stephen Miller, a longtime senior Trump aide and incoming deputy chief of staff for policy, who recently touted the plan. Sen. Mike Rounds (R., S.D.) said Miller's comments were a strong-enough indication of where the new administration is heading.

Their idea: Move fast on border enforcement, energy and national defense in January to deal with what they see as urgent problems. They would wait until 2025 to hash out what could be a complex tax bill that will require tough decisions on the state and local tax deduction, budget deficits,

clean-energy tax credits and Trump's campaign-trail tax promises.

Miller has been among Trump's allies privately encouraging the president-elect and congressional Republicans to support this idea, according to people briefed on the matter. Trump has privately been receptive to focusing on the border bill first and trying to pivot quickly to the tax bill, one of the people explained.

The Trump transition team didn't respond to a request for comment.

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It gives Trump—for now, the party's unifying force—the opportunity to weigh in and get his way or take sides in in-

know we can do quickly—border, defense, energy—and then come back with another package," Thune said Tuesday.

But Rep. Jason Smith (R., Mo.), chairman of the House Ways and Means Committee, has been resisting. Put everything in one big bill, he said, or risk the tax bill falling short.

"I just want the incoming administration to have all the information," Smith said Wednesday. "My responsibility is to get the president's tax priorities passed out of the House, and I know the dynamics of the House more than any senator does."

House Republicans met in Speaker Mike Johnson's office until 9:45 p.m. Tuesday to hash through their plans, Rep. Beth Van Duyne (R., Texas) said at a Semafor event Wednesday.

There will be two major bills, she said, but there is still debate about whether taxes go into the first one.

Smith and Thune met Wednesday afternoon and

Smith said afterward that he hadn't changed his view.

Van Duyne, a Ways and Means member, said House Republicans have been working for more than a year on their tax ideas and could produce a tax bill by March.

"Yes, it's complicated, but we already have a very strong provable framework," she said. "The concern is that you're going to run out of time, political capital and actually willpower to get things done if they're not done soon enough."

House members' concerns about the difficulty of moving bills through their narrow majorities might not resonate with Trump, Myrow said.

"The easier narrative story to sell to Trump is: Don't you want an early win?" he said.

—Brian Schwartz contributed to this article.

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G R A F F

U.S. NEWS

Shooting Heightens Ghost Guns Debate

3-D-printed weapons are increasingly common among criminals, police say

The homemade handgun and suppressor that police say was used in last week's killing of a UnitedHealthcare executive is intensifying the debate over the growing presence of such firearms in the U.S.

The suspect in Brian Thompson's death, Luigi Mangione, was arrested Monday in Altoona, Pa., carrying a 9mm handgun and silencer that appeared to have some parts made in a 3-D printer, according to New York Police Department Chief of Detectives Joseph Kenny. Police said they

By Cameron McWhirter, Jacob Gershman and John West

believed the so-called ghost gun was the weapon used in the shooting outside a Manhattan hotel.

"I have no tolerance, nor should anyone, for one man using an illegal ghost gun to murder someone because he thinks his opinion matters most," Pennsylvania Gov. Josh Shapiro said Monday.

Mangione was detained on firearm, forgery and other charges in Pennsylvania and later charged in New York with five criminal counts, including second-degree murder and criminal possession of a weapon. After a hearing Tuesday, Mangione's lawyer said that his client plans to plead not guilty to all of the charges. "I've seen zero evidence at this point," the lawyer said of the allegations.

Cody Wilson, director of Defense Distributed, a Texas-based nonprofit that develops digital schematics of firearms, and Defcad, an online site offering schematics for 3-D-printed guns, reviewed photographs of the gun police confiscated Monday. He said the weapon's frame was likely manufactured by a 3-D printer, while the barrel and sliding mechanism likely came from a

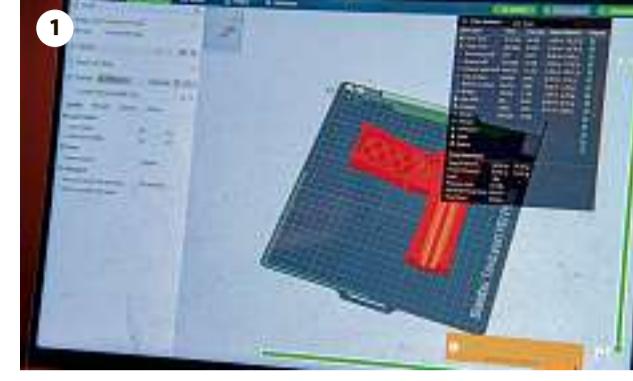


Photo 1: A Wall Street Journal reporter downloaded a blueprint for a toy gun. Photo 2: A relatively inexpensive desktop printer is able to manufacture objects like ghost guns in a matter of hours. Photo 3: After a few clicks, the printer was building it.



kit, which can be purchased legally online or at a gun show. He suspected the frame was a Glock variant that would have taken several hours to print, using the right materials.

Ghost guns are increasingly available because of technological advancements—including the prevalence of 3-D printers, as well as online blueprints, instructional videos and discussion boards about how to make such firearms. These weapons lack serial numbers, buyers aren't required to have background checks, and sellers aren't required to keep records of their sales, making the guns largely untraceable.

Efforts to regulate ghost guns have accelerated in recent years as the Biden administration pushed a rule requiring commercial manufacturers of firearm kits to stamp serial numbers on their products. Gun-rights activists are challenging the rule in a case awaiting a decision at the U.S.

Supreme Court.

Ghost guns commonly use a mix of 3-D-printed and traditionally manufactured parts. Assembly often requires technical know-how, time and effort. Makers can use forums on platforms like X and Reddit to exchange advice on printing and assembly techniques.

The number of these weapons in the U.S. is unknown, but between 2016 and 2020, more than 23,000 unserialized guns were recovered from crime scenes, according to the Justice Department. During that time, such guns were recovered in connection with hundreds of homicides and attempted homicides, including the 2019 shooting at a California high school that left two students and the shooter dead. The 16-year-old shooter



JACOB MENENDEZ FOR WSJ

used a .45-caliber handgun built from parts. In 2017, a Northern California man, who was prohibited from possessing firearms because of a restraining order, killed five people using a semiautomatic rifle that he made.

Law-enforcement officials have said the use of such weapons in crimes is increasing.

"The ability to get them is pretty scary nowadays," said Sgt. Jake Comber, who heads the police special enforcement unit in Tracy, Calif.

"We get ghost guns weekly."

It is unclear if or how the suspect in the Manhattan shooting built the gun, where he obtained the parts or material and how much training he received in firearms. Gun owners from shooting ranges to on-

line forums have hotly debated these issues since Mangione's arrest.

In surveillance video, the shooter is seen raising the handgun with a suppressor and firing at Thompson.

Ken Baye, founder of Stoddard's Range and Guns in Atlanta, said the shooter in the video appeared to have some training. His stance while firing and the rapidity with which he cleared the misfire showed "he has spent some time at a range" or trained extensively online. But Baye also said a typical gun owner wouldn't be interested in a ghost gun because they are prone to jamming.

As homemade guns have become more popular in recent years, they have come under increasing federal and state regulation.

In 2022, the Biden administration issued a rule subjecting do-it-yourself firearm kits to the federal Gun Control Act. The rule, under review by the

U.S. Supreme Court, requires that businesses that make and sell gun-assembly kits be federally licensed, conduct background checks and mark key component parts with serial numbers.

Since 2016, more than a dozen states, including California and New York, have imposed restrictions on self-made guns. Some states allow the weapons to be made as long as they are serialized, while others prohibit 3-D printing of the guns. New York's law makes it a crime to possess untraceable gun parts. It is also illegal in New York to possess a suppressor.

Gun-rights groups have resisted these efforts in court. They have brought federal lawsuits challenging ghost-gun laws as unconstitutional, including in pending cases against Oregon, Colorado, Nevada and Delaware.

Courts have upheld bans on guns with obliterated serial numbers. But the question of whether Americans have a Second Amendment right to make unserialized firearms for their own personal use remains unsettled. A federal court in 2022 blocked restrictions enacted in Delaware, while other courts this year allowed laws in Oregon and Colorado to stay in effect. The rulings differed on whether untraceable homemade guns are commonly used for lawful purposes, a key factor in gun-rights litigation.

Second Amendment advocates say the 3-D printing of firearms is rooted in an American tradition of home gunsmithing going back to the nation's founding.

Court fights have also erupted over efforts by state law enforcement to block online access to downloadable firearm blueprints. In a long-running case, Defense Distributed, the nonprofit that disseminates digital 3-D schematics of firearms, has been battling New Jersey's attorney general over its right to do so. The group says it has a First Amendment speech right to publish the files, which the state argues would endanger public safety.

Haggling With Insurers Getting Worse, Doctors Say

BY JOSHUA CHAFFIN AND JULIE WERNAU

The killing of a top health insurance executive outside a Midtown Manhattan hotel last week triggered an outpouring of public anger at an industry many Americans blame for the ills of the nation's healthcare system.

Count doctors among the aggrieved.

They deal day in and day out with insurers including UnitedHealthcare, whose chief executive, Brian Thompson, was shot to death last week by an assassin who targeted him outside the company's annual investor conference. Doctors say their frustration is born of intimate experience and has been building for years.

Their chief complaint is the aggravation and expense of convincing insurance companies to pay them for their patients' treatment. Even when they are ultimately approved, MRI scans and other vital but costly procedures often require days of campaigning and paperwork, say doctors.

"It's getting worse," said Dr. Zulfiqar Ahmed, an internist in Augusta, Ga., who has practiced in the U.S. for 35 years. "This is not only UnitedHealthcare—this is universal in this country."

Like other clinicians, Ahmed made clear he was appalled by Thompson's killing

and those who have justified—or even celebrated—it on social media. "My heart is saddened for this Mr. Thompson," he said. "He's just part of the system, part of this big enormous system."

Still, doctors say that sympathy doesn't change their feelings about having to haggle with doctors employed by UnitedHealthcare and other insurers to evaluate proposed procedures—and oftentimes, reject them.

"They hire certain doctors, and they sit at a desk, and their whole purpose is to deny or delay," Ahmed said, echoing a common complaint among doctors.

Health insurers say they play a valuable role financing the medical care that saves the lives of many patients. Denials keep a lid on unnecessary care and high costs, companies say, thereby keeping treatment affordable for everyone. Insurers also note that doctors, hospitals and drugmakers play a big role in soaring healthcare spending that they are trying to restrain, while ensuring patients get the medical care they need.

In a message to employees Wednesday, **UnitedHealth Group** CEO Andrew Witty memorialized Thompson's "profoundly positive impact" on people's lives.

Doctors won a rare victory over an insurer last week. In

November, Elevance Health's Anthem unit had said it wouldn't cover anesthesiology claims for surgeries in Connecticut, New York and Missouri that went beyond a certain time limit, prompting outrage from specialists and New York Gov. Kathy Hochul. It reversed course on Nov. 5.

An Anthem Blue Cross Blue Shield spokesman said its policy change had been widely misinterpreted. "It never was and never will be the policy of Anthem Blue Cross Blue Shield to not pay for medically necessary anesthesia services," he added.

America's Health Insurance Plans, a national industry trade association, said state laws dictate how long an insurer has to pay providers and ensure that they are paid in a timely manner. Delays can be caused when providers go out of network or are using manual processes to submit claims and receive payments, it said.

The industry's overall rate of prior authorization denials isn't public. Medicare Advantage plans, a popular form of health insurance, denied 7.4% of 46.2 million requests submitted on behalf of enrollees in 2022, up from 5.7% in 2019, according to an analysis of federal data by KFF, a health-policy nonprofit. A recent Inspector General audit found that 13% of prior authorization denials from Medicare Advantage plans were for benefits that should otherwise have been covered under Medicare.

Even when insurers pay, doctors may still find themselves on the hook. Consider the plight of Dr. Anthony Ekong, an ophthalmologist specializing in retinal care who has built a solo practice in Bangor, Maine.

Last month, Ekong received letters from a company called Cotiviti, which is an auditor for the insurer WellCare, a unit of Centene. In an effort to provide



Dr. Anthony Ekong, who specializes in retinal care, treats a patient in Bangor, Maine.

RYAN DAVID BROWN FOR WSJ

Dentist Gave Up, Sold His Practice After 'Shenanigans'

Dr. Richard Lechner, a family dentist in New Britain, Conn., for years paid for three administrative staff members whose days, he said, were mostly spent fighting with insurers.

"They're always throwing up roadblocks for prac-

titioners like me to get paid," Lechner said. Requests for additional documentation, or claims of paperwork lapses, were, he said, "specifically designed to prolong, prolong, prolong and then hope the dentist gives up."

Last year, he sold his private practice.

"The primary reason I sold my dental practice is because I couldn't keep up with the insurance companies' shenanigans," he said. "I thought I was going to have a stroke."

excellent customer service, Cotiviti wrote, it had reviewed payments Ekong had received for treating elderly patients with macular degeneration and macular edema. It determined WellCare had overpaid. The bill: more than \$300,000.

"We would have to pay if they switched to another insurer. The Strouts ended up reluctantly moving their care to their local hospital, which still accepts their insurance. The Strouts worry that the hospital could also end up dropping the insurance."

A representative for Centene said the company is looking into the issue further and hopes to amicably resolve it.

Andrew MacLean, chief executive of Maine Medical Association, said he receives phone calls every day from physicians struggling with health insurers demanding so-called clawbacks for bills that had already been paid. "It almost feels like they do it because they can," MacLean said.

In a recent post on X, Dr. Alan Nguyen, a spine special-

ist in Fort Myers, Fla., noted that when insurance-company doctors reject an MRI request, he now asks for their name and health-provider identification number. "I tell them if a cancer is missed, then the patient will know who to sue," wrote Nguyen. In an interview, he said he believes the situation had worsened significantly over the last five years.

A familiar lament among doctors is how sweeping changes over the last 20 years—some instigated by insurers, others not—have degraded their profession. Once autonomous and highly esteemed, doctors are increasingly employees of large hospital chains and find themselves trapped between insurers and their own cost-conscious management.

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WORLD NEWS

Trump Weighs Iran Options

Team considering military moves, says economic pressure could fall short

BY ALEXANDER WARD
AND LAURENCE NORMAN

President-elect Donald Trump is weighing options for stopping Iran from being able to build a nuclear weapon, including the possibility of preventive airstrikes, a move that would break with the long-standing policy of containing Tehran with diplomacy and sanctions.

The military-strike option against nuclear facilities is under more serious review by some members of his transition team, who are weighing the fall of President Bashar al-Assad's regime—Tehran's ally—in Syria, the future of U.S. troops in the region, and Israel's decimation of regime proxy militias Hezbollah and Hamas.

Iran's weakened regional position and recent revelations of Tehran's burgeoning nuclear work have turbocharged sensitive internal dis-

cussions, transition officials said. Deliberation on the issue remains in early stages, however.

Trump has told Israeli Prime Minister Benjamin Netanyahu that he is concerned about an Iranian nuclear breakout on his watch, said two people familiar with their conversations, signaling he is looking for proposals to prevent that outcome. The president-elect wants plans that stop short of igniting a new war, particularly one that could pull in the U.S. military, as strikes on Tehran's nuclear facilities have the potential put the U.S. and Iran on a collision course.

Iran has enough highly enriched uranium alone to build four nuclear bombs, making it the only nonnuclear weapon country to be producing 60% near-weapons-grade fissile material. It would take just a few days to convert that stockpile into weapons-grade nuclear fuel. U.S. officials have said it could take Iran several months to field a nuclear weapon.

Trump's team is devising what it calls a "maximum pressure 2.0" strategy against the regime, people familiar with the planning said, the sequel to his first-term approach center-

ing on strict economic sanctions. This time, the president-elect and his aides are fleshing out military steps that could be key to its anti-Tehran campaign, though still paired with tighter financial penalties.

Two broad options have come up, including in some talks that have taken place with Trump, said four people familiar with the planning.

One path, described by two people familiar with the plan, involves sending more U.S. forces, warplanes, and ships to the Middle East. The U.S. also could sell advanced weapons to Israel, strengthening its offensive firepower to take Iranian nuclear facilities offline.

The threat of military force, especially if paired with U.S.-imposed sanctions that cripple Iran's economy, might convince Tehran that there is no choice but to diplomatically resolve the crisis.

Another path is to seek to use the threat of military force, especially if paired with U.S.-imposed sanctions, to drive Tehran into accepting a diplomatic resolution.

It isn't clear which option

Trump, who has talked about avoiding a third world war and

brokering deals with Tehran, would choose. While Trump has insisted that he seeks to avoid massive escalation in the Middle East, he told Time in an interview published Thursday that there is a chance the U.S. could go to war with Iran, partly because Tehran plotted to assassinate him. "It's a very volatile situation," he said.

Some incoming administration officials haven't fully weighed in on the issue, and proposals could shift as cabinet officials get into place, classified information becomes available, and discussions are held with regional allies. Trump rarely delves deep into details about foreign-policy matters until he is presented with finalized options, say former Trump administration officials.

Iran's United Nations mission didn't respond to requests for comment. Leaders in Tehran have long denied that they seek to acquire a nuclear weapon.

The Israeli government also didn't respond to requests for comment about whether it would pre-emptively attack Iran during the Trump administration. But in November, after holding three calls with Trump, Netanyahu said they "see eye to



The Fattah-1 missile system on display at a parade in Tehran.

ROZBEH FOULADI/ZUMA PRESS

eye on the Iranian threat."

Trump aides and confidants supporting military options for his second term said the main idea would be to support Israeli strikes on Iranian nuclear facilities such as Natanz, Fordow and Isfahan, and even potentially have the U.S. participate in a joint operation.

Many Israeli current and former officials say there are big uncertainties of how successful Israel would be in mounting a solo attack on Iran's nuclear facilities, some of which are deep underground.

Still, some of Trump's allies insist his first months back in office present him with the rare opportunity to counter Iran's nuclear buildup while the regime is weakened.

Iran has given the U.S. as-

surances it wouldn't assassinate Trump in retaliation for his 2020 order to kill top Iranian paramilitary leader Qassem Soleimani.

Iran's new president, Masoud Pezeshkian, appears to be appealing to Trump's appetite for high-profile deals.

But Iranian officials say they won't negotiate with the U.S. under pressure, and they told European officials in Geneva last month that they wouldn't take any unilateral steps to clip back their nuclear program. Iranian officials have long made it clear their reaction to a strike would be to kick out U.N. inspectors and leave the Non-Proliferation Treaty, which commits Tehran to not develop nuclear weapons.



GABRIEL FERNANDEZ FOR WSJ
Prisoners' bodies were taken to a Damascus hospital.

Most Syrian Inmates Are Likely Dead

Continued from Page One
looking for information about his nephew, who had been taken by the security services a decade earlier.

"We're hopeful, but I feel like we're looking for a needle in a haystack. We haven't found even a trace," he said as he stood among a pile of papers in a prison-administration office.

The nephew, Jaber Al-Falaj, who was a sophomore philosophy major at a Damascus university, disappeared after his arrest in a dormitory, his uncle said. Jaber had stayed out of the protests against Assad in 2011 and even avoided political posts online, his family said. They had received no information about his whereabouts.

"If he's dead, then there's nothing we can do about it," his uncle said.

Cells that held large groups of prisoners were cluttered with discarded clothing. Thin mattresses were scattered on the floor. Etched on the wall of one cell: "Some day."

Assad's ouster has created an opportunity for Syrians to reckon with more than half a century of abuses by the former leader's family. With mili-

tary backing from Russia and Iran, Assad remained in power for more than a decade after Syrians launched the 2011 uprising. He fled to Russia last weekend as opposition forces surged to the capital, while government soldiers shed their uniforms and surrendered.

After the uprising, the regime expanded its use of torture and mass arrests to an industrial scale, according to Western governments, human-rights groups and survivors of the abuses. By 2022, some 100,000 Syrians had gone missing. Foreign nationals also disappeared.

Along with his use of chemical weapons and bombing of rebel-held areas, Assad's prisons are a global symbol of his regime's brutality and a key reason that an array of countries shunned him. Hundreds of thousands of people died during the Syria's civil war, and 12 million people were uprooted from their homes.

A 2014 report by senior international war-crimes prosecutors found evidence that the Assad government executed some 11,000 detainees. A Syrian military photographer who documented the bodies of the dead smuggled out hundreds of thousands of photographs that were later used as evidence in war-crimes prosecutions. The defector's code name, Cesar, was used to name a law passed by Congress in 2019 to impose sanctions on the Assad regime.

Now, with rebel groups in



SAMEER AL-DOUYMI/AGENCE FRANCE PRESSE/GTY IMAGES
A woman held a human skull in the morgue of Damascus hospital on Thursday as people searched for missing loved ones.

Missing American Man Turns Up Near Damascus

An American who turned up in Syria on Thursday said he was detained after crossing into the country on foot seven months ago on a Christian pilgrimage.

Travis Timmerman appears to have been among thousands of people released from Syria's notorious prisons after rebels reached Damascus over the

weekend, overthrowing President Bashar al-Assad.

In a video, Timmerman could be seen lying on a mattress under a blanket in what appeared to be a private house. A group of men in the video said he was being treated well and would be safely returned home.

Later, a Syrian family said they found Timmer-

man, who is 29 years old and from Missouri, barefoot on a road in the countryside near Damascus on Thursday.

Earlier this year, a Missouri State Highway Patrol bulletin said he had gone missing in Hungary in early June. In late August, Hungarian police put out a missing persons announcement.

—Associated Press

control of the capital, Syrians are searching for information about the missing.

At Damascus Hospital, a medical facility in the capital, tearful civilians pushed through the doors to look at dozens of bodies that medics said were recovered from prisons since Assad's fall. The

stench of decaying flesh filled

the air.

The bodies lie on stretchers,

in stainless-steel lockers and on

the ground in the courtyard ad-

jacent to the hospital.

Women and men filed into the rooms, peeling back white sheets to reveal corpses. Some were desiccated and graying.

Others had died only days ear-

lier, according to forensic medi-

cal officials.

Medics struggled to hold back the civilians, some clutching photos of long-missing relatives.

"Just a second!" shouted one medic as he waved for the people to back out of a room full of corpses on tables.

"That's my son! That's my son!" screamed a woman, causing a ripple in the

crowd. The mother, Damascus resident Amira Homsi, recognized her son from a pair of star tattoos on his chest. Her son, 20-year-old ironworker Mohammed Faiz Abu Shakra, was hanging out with friends at a neighbor's house late at night when the security forces abducted him on Oct. 26. An otherwise apolitical young man, he confided to family and friends that he was thinking of joining the underground opposition to the regime. One of his friends, his mother believes, reported it to the government.

A man with a coarse black beard, his body lay on a black plastic sheet. Dried blood and abrasions marred his chest and a large bandage was across his abdomen.

"I wish my eyes went blind so I didn't have to see this sight," said Homsi. "I wish they hadn't told me to come and identify him. He would have stayed in my mind the way he used to look."

WORLD WATCH



RADIEL CUNHA/REUTERS
PAYING TRIBUTE: A pilgrim carries a statue on Virgin of Guadalupe feast day, in Mexico City. Thousands gathered to honor the virgin on the 493rd anniversary of her apparition in 1531.

PAKISTAN Ex-Prime Minister And Wife Indicted

A Pakistani court on Thursday indicted imprisoned former Prime Minister Imran Khan and his wife in one of several graft cases they face, said officials and his party.

Khan and his wife, Bushra Bibi, pleaded not guilty when a judge in the garrison city of Rawalpindi read them the charges. The couple is accused of keeping and selling state gifts, including jewelry they received when Khan was in office, at a value less than their market price.

Under Pakistan's laws, government officials and politicians are allowed to keep gifts they get while in office from foreign dignitaries, but must pay their market value and declare how much they earned from their sales.

The hearing of the case

was adjourned until Dec. 18.

—Associated Press

GAZA STRIP At Least 25 Killed In Israeli Airstrike

An Israeli airstrike hit the central Gaza Strip on Thursday, killing at least 25 Palestinians and wounding dozens more, said Palestinian medics. Hours after President Biden's national security adviser raised hopes about a truce to end the war.

Officials at two Gaza hospitals said they received a combined total of 25 bodies from the attack on a multi-story residential building in the Nuseirat refugee camp. Photos showed a completely collapsed building.

Palestinian medics also reported that over 40 people, most of them children, were being treated at hospitals.

There was no immediate comment from Israel.

The Israeli military says

Hamas militants hide among Gaza's civilian population.

—Associated Press

CANADA Restrictions on U.S. Alcohol Considered

Canada's most populous province may bar American-made alcohol in addition to restricting electricity exports to Michigan, New York and Minnesota if President-elect Donald Trump imposes tariffs on all Canadian products, a senior official said Thursday.

The official in Ontario Premier Doug Ford's government said that it's considering restricting Ontario's liquor-control board from buying U.S.-made alcohol. Ontario is also weighing restricting exports of critical minerals required for electric-vehicle batteries, and preventing U.S.-based companies from the government's procurement process, the official said on condition of anonymity because the functionality wasn't authorized to speak publicly about the potential measures.

—Associated Press

WORLD NEWS

Europe Should Oversee a Ukraine Cease-Fire, Trump Tells Leaders

President-elect tells Macron, Zelensky Europe would have to shoulder burden

The outlines of President-elect Donald Trump's initial efforts to end the war in Ukraine from his visit to Europe last week are starting to emerge. The main takeaway: Europe would have to shoulder most of

By Laurence Norman
Jane Lytvynenko
and Stacy Meichtry

the burden of supporting Kyiv with troops to oversee a truce and weapons to deter Russia.

At a meeting in Paris on Dec. 7, Trump told Ukrainian President Volodymyr Zelensky and French President Emmanuel Macron that he doesn't support Ukrainian membership of the North Atlantic Treaty Organization, but that he wants to see a strong, well-armed Ukraine emerge from any cessation of fighting, according to officials briefed on the meeting.

Trump said Europe should play the main role in defending and supporting Ukraine and he wants European troops present in Ukraine to monitor a cease-fire, according to the officials. He hasn't ruled out U.S. support for the arrangement, but no U.S. troops would be involved, they said.

Trump also pushed the Europeans to do more to get the Chinese to press the Kremlin to end the conflict, according to a person briefed on the meeting. They discussed using tariffs on China as a bargaining chip.

Trump has said he wants to bring a swift end to the three-year war but has given few details in public about how he plans to do it. European officials have said that in postelection conversations, the president-elect mainly has asked questions and sought out views, and that they don't think he has formed a clear plan.



Rescuers prepare to lift a body from a building that was heavily damaged in a Russian missile strike in Zaporizhzhia, Ukraine.

Any effort to end the war will face stiff headwinds, particularly from Russian President Vladimir Putin, who has shown no inclination to end a conflict he feels he is winning—even though Russian gains are slow and with heavy losses.

For Kyiv, a cease-fire along the current front lines would be a painful step, ceding control for the foreseeable future of 20% of the country.

Trump isn't wedded to a specific plan, aides say, and hasn't thought deeply about the issue. Members of his transition team and confidants are drawing up proposals and briefing him. Key decisions will come after his national-security team is in place and Trump has had further conversations with allies—and potentially Putin himself.

The incoming president has criticized U.S. aid to Ukraine, raising concerns in Kyiv and European capitals that he

could cut off support. While European countries have given more total aid to Ukraine than the U.S., Washington has been crucial for military aid.

The discussions about putting European troops on the ground in Ukraine are still at an early stage, with several unresolved questions, including which European countries would be involved, the number of troops, Washington's role in supporting the arrangement and whether Russia would accept a deal involving troops from NATO countries.

However, what started as quiet discussions between British and French officials about the possibility have broadened to include Trump, Zelensky and other European governments, according to people briefed on discussions.

On Thursday, several European foreign ministers met in Berlin for discussions on security guarantees. NATO chief

Mark Rutte invited the leaders of the U.K., France, Germany, Italy and Poland, as well as European Commission President Ursula von der Leyen, to meet with Zelensky in Brussels to discuss the security guarantees, according to two officials familiar with the plans.

Any European troops on the ground would be part of a specific peacekeeping or cease-fire monitoring force and wouldn't be a NATO operation, officials said. The Biden administration, many European capitals and the incoming Trump administration have all spoken of wanting to avoid direct fighting between Russia and NATO troops, fearing it could escalate into a global conflict. But there are widespread fears that even if Moscow accepts a truce, it would use it to rebuild its forces and try again to invade unoccupied areas of Ukraine.

In February, Macron floated the idea of Europe putting

troops in Ukraine after discussions among European leaders in Paris, but he didn't specify the conditions for doing so. The idea was dismissed by Berlin and NATO among others, but Trump's push for a truce has revived discussions.

There are still doubts about the idea. European governments are likely to be wary about a force that would put them in a position of having to resist a Russian breach of a cease-fire. French officials have made clear that the idea would need to involve some kind of U.S. backup, something it isn't clear a Trump administration would consider. It isn't certain European countries would be able to spare the troops or get the political backing to participate.

Putin has said talk of sending NATO-country troops into Ukraine "raises the real threat of a nuclear conflict." Zelensky has welcomed the suggestion of putting troops on the ground.

Russia's Global Ambitions Are Stalled

By THOMAS GROVE

The collapse of the House of Assad has exposed a seam of vulnerability for another autocrat, one of the former Syrian leader's strongest allies: Russian President Vladimir Putin.

At the height of Putin's great power ambitions, Moscow sought to project its might far beyond the country's vast frontiers. It planted bases in the Middle East and Arctic, expanding a shadowy mercenary force into Africa and competing with the U.S. and China for global influence.

Now, with Moscow's money, attention and ammunition focused on the Ukraine war, the Kremlin's global power projects are in slow decay.

In Syria, Russia's air and naval bases have served as a regional bridgehead to funnel troops, mercenaries and arms across the Mediterranean to Africa. Russia's foothold in Syria was cemented by its 2015 bombing campaign that saved Bashar al-Assad, and forced Washington, Israel and the Gulf states to reckon with the Kremlin as a new power

player in the region. Moscow, however, didn't unleash a similar level of air power against the rebel offensive that overthrew Assad this month.

With Assad gone, Russia's arrangement in Syria is in doubt. The future of its bases there is subject to talks with the new Syrian leadership.

If Russia is stripped of its main leverage in the region, it would have to look elsewhere, including to Algeria, Sudan or Libya, for potential replacement bases—though few options offer the same advantages as Syria's Tartus port, one of Russia's few accessible warm-water ports.

The fall of Damascus has forced the question for Moscow: Keep playing costly great-power games to compete with the U.S. and China, or cut its losses and retreat to exert strength in its own backyard. Some advisers close to the Kremlin have decided on the latter, betting that to do otherwise isn't worth the effort or financial burden.

"The least important thing in the world today is the issue of status and prestige," Fyodor Lukyanov, the head of a Kremlin



Russian soldiers prepared to evacuate a position in Qamishli in northeastern Syria on Thursday.

lin advisory council on defense and foreign policy, wrote in one of Moscow's most influential policy journals the day after Assad fled to Moscow.

The question for the Kremlin extends to a host of projects that Putin once promoted to reassess Russia's position on the global stage and remodel Moscow into the kind of power player that challenged U.S. dominance throughout the Cold War.

Assad's fall also will make

Moscow realign its relations with players across the region, including Israeli Prime Minister Benjamin Netanyahu, with whom Putin hasn't spoken publicly in a year. In the Gulf, Saudi Arabia is working to wrestle oil-market share from Russia, threatening Moscow's oil revenues as military spending has reached post-Soviet highs.

Russia's success in Syria turned into a blueprint for Russian intervention elsewhere, from the Central Afri-

can Republic, where Russia's Wagner mercenaries protected President Faustin-Archange Touadera from rebel groups, to Sudan, Libya and Mali.

The crumbling of one of Russia's closest allies strikes a blow against the Kremlin's brand in Africa, where leaders saw Russia as a guarantor for their regimes against domestic and foreign enemies.

"If you're an African leader relying on Russian muscle to stay in power, the fall of Assad's Syria is an important cautionary tale," said Daniel Drezner, a professor of international politics at the Fletcher School of Law and Diplomacy at Tufts University. "Though the fact Assad landed in Moscow after all, does prove Russia doesn't leave its own behind."

It also isn't clear how Russia's diminished status will affect potential Ukraine talks with President-elect Donald Trump, who wants to bring Putin and Ukrainian President Volodymyr Zelensky to the table. Some Russia analysts expect Putin to pummel Ukraine even harder, on the battlefield and in talks, to demonstrate his resolve.

China's Xi To Decline Inaugural Invitation

By LINGLING WEI
AND ALEX LEARY

Despite being invited, Xi Jinping isn't planning to attend Donald Trump's inauguration next month, but he might send a senior official to represent him, said people close to Beijing's thinking.

It would be unusual for a leader of a foreign country to be present as a U.S. president gets sworn in—much less one of an American adversary. Ambassadors and other lower-level foreign dignitaries are sometimes invited. In addition to inviting Xi, Trump's advisers have said they are considering inviting other world leaders to the inauguration. The president-elect has often broken with precedent, arguing that voters have empowered him to rethink the way Washington works.

One person close to the decision to invite Xi said that while Trump wants competition with China, he also values the relationship with the Chinese leader.

Although Beijing for months has tried and failed to get access to Trump's inner circle, a trip by Xi to Washington would represent a political risk Beijing would find unacceptable.

The president-elect pledged late last month that he will place tariffs on Mexico, Canada and China on the first day of his second term if the countries don't act to slow the flow of migrants and drugs into the U.S. Leaders from both of the U.S.'s neighbors rushed to get in touch. Within days, Mexican President Claudia Sheinbaum talked to Trump in a phone call both described as positive, while Canadian Prime Minister Justin Trudeau flew to Mar-a-Lago to have dinner with Trump.

While Trump told NBC News in an interview that aired Sunday that he had had recently communicated with Xi, people close to Beijing said Xi and Trump haven't spoken directly since the tariff threats.

The Chinese leader has signaled to the incoming U.S. administration that Beijing will hit back should Trump follow up on his tariff threats. In his Nov. 7 congratulatory message to Trump, Xi said, "History tells us that both countries stand to gain from cooperation and lose from confrontation."

Behind the scenes, however, Chinese officials have been searching for ways to get in touch with the Trump team—only to have their outreach efforts rebuffed so far.

Former and current Chinese officials including China's former ambassador to Washington, Cui Tiankai, who built connections with Trump's son-in-law, Jared Kushner, during the first Trump presidency, have had limited success in getting through to Trump's inner circle.

The people close to Beijing's thinking said Xi isn't going to fly to Washington to celebrate Trump's win, especially in light of the incoming American leader's tariff threats to China.

"China would be concerned with the risk of potential hostile actions by the Trump administration after Xi's visit, which would jeopardize Xi's authority and credibility," said Yun Sun, director of the China program at the Stimson Center, a Washington think tank.

—Andrew Restuccia contributed to this article.

ECB Cuts Rates Again to Bolster Flagging Growth

By TOM FAIRLESS

The European Central Bank lowered interest rates by a quarter point, aiming to stabilize an economy rocked by debt worries in France and highly exposed to the trade tariffs threatened by President-elect Donald Trump.

The ECB reduced its key interest rate to 3% from 3.25%, widening a gap in benchmark borrowing costs with the Federal Reserve. It was the third cut in as many meetings and came hours after the Swiss National Bank surprised investors with a larger-than-expected half-point cut to 0.5%.

The ECB downgraded its growth forecast for the year and only expects the economy to grow 0.7% in 2024 and 1.1% in 2025. While the inflation threat hasn't been fully extinguished, the risks of recession are rising.

Hours before the ECB move, Switzerland's central bank cut its key interest rate for a fourth straight meeting. The SNB wants to rein in the strengthening Swiss franc and protect its exporters amid heightened uncertainty around global trade.

The franc, often seen as a haven asset, has strengthened markedly against the euro in recent years. Cutting faster and deeper than the ECB

keeps the franc from strengthening too quickly.

The Swiss franc made the biggest move, dropping about 0.5% against the euro. The euro ticked up slightly against the dollar after the ECB-rate decision, but is hovering near its lowest level against the dollar in nearly two years. European stocks and government bond yields were little changed.

The outlook for Europe's economy has darkened again. Business confidence indicators have weakened further in recent weeks, while headline inflation rose for a second straight month to 2.3% in November, creating an uncomfort-

able stagflationary backdrop.

Germany, Europe's biggest economy, has barely grown since before the pandemic. In France, the second-largest eurozone economy, the government collapsed last week sparked by a disagreement about how to lower the massive budget deficits, sending the country's borrowing costs higher.

Weaker growth in China, a key export destination, and persistently higher energy prices brought about by the Ukraine war have hammered consumers and businesses across the continent.

Investors expect the ECB to cut interest rates significantly

more than the Federal Reserve or Bank of England in the coming months, reaching a terminal rate of about 1.75% by next summer, roughly 2 percentage points lower than the Fed. All that is weighing on the euro, pushing it below \$1.05.

"It's not yet mission accomplished," said ECB President Christine Lagarde of the fight against inflation, noting uncertainties in the economic outlook. She acknowledged that some ECB officials had proposed a larger half-point rate cut this week. "When you still have 4% services inflation [and] growth is slowing down, you have to be very cautious."

Dollars per Euro, past three days



FROM PAGE ONE

Netflix Culture Is Changing

Continued from Page One

instead of subscriber growth.

The company's evolution, which has included clamping down on freewheeling spending and reining in employee criticism of content, has prompted anxiety and confusion in Netflix's ranks about whether its unique culture is still intact.

Staff have seized on the parental-leave policy as a stark example of how they think Netflix is losing what makes it special. "Netflix always had a different approach than other companies in that they said it's important for employees to be with their babies," said Clara Guimarães, a former São Paulo, Brazil-based production employee for Netflix. "Now it feels like it's more about the business needs."

Sergio Ezama, Netflix's chief talent officer, said the company hadn't pulled back on its parental-leave policy. A Netflix spokesman said the leave policy "has always been to 'take care of your child and yourself.'" He added that "employees have the freedom, flexibility and responsibility to determine what is best for them and their family."

The spokesman said that over the past four years, the average parental leave has held steady at 6.3 months for U.S. employees and 7.5 months for those outside of the U.S. The company didn't provide a breakdown between birth and non-birth parents.

In June, after an annual review meeting of executives, the company removed the "freedom and responsibility" section of its founding culture memo—a widely cited document that enshrines Netflix's core values.

Ted Sarandos, co-CEO, said in an October interview at WSJ Tech Live, a Journal event in Laguna Beach, Calif., that Netflix never meant for its culture to be static and that it needs to change as the business evolves.

Sarandos said the original culture memo was created when the company had a few hundred employees, so updating it makes sense. "It was probably a little more emphasis on freedom than responsibility, and we think you need to have both," he says. "But the core values in the new document are all in the old document."

Netflix's culture should "reflect how we work, not dictate how we work," he said.

Focus on profits

Reassessing the leave policy is part of a wider cultural reset at Netflix. There are no longer internal companywide emails to explain why someone was fired, a ritual that some found off-putting but that was meant as an exercise in transparency, a prized Netflix value, said current and former employees.

Workers are no longer encouraged to share corporate documents on everything from strategy to performance "broadly and systematically," as the culture memo once instructed. In the past, the idea was that the flow of information would invite candid feedback and debate; these days, the company limits what documents are available to most employees.



point for evaluating how much time away they needed for bonding and care, nor did we assume that employees would view this as a 1-year-leave," a human-resources official wrote to managers.

Despite pushback, human resources implemented the changes and wrote up guidance for managers about how to handle the conversation with employees. Among the instructions, Netflix advised managers to "First, Say Congratulations," according to two people familiar with the guidance.

Postpandemic cuts

Employees' concerns about leave policies intensified in 2022 after Netflix's pandemic boom subsided.

Netflix was also trying to manage increasing requests for leave. Co-founder and then-co-CEO Reed Hastings instructed top lieutenants that senior leaders had changed the culture memo to state that most employees follow local norms when taking parental leave. "Good to clean up these old oversimplifications," Hastings wrote in a November 2022 email.

Some executives expressed concerns in leadership meetings that it seemed like a lot of employees who were on parental leave or who had just returned from it were being let go, according to people involved in the discussions. The concern was that it could look like Netflix was targeting people on leave.

Netflix has revised its official guidance on parental leave for employees several times, most recently in October when it removed language from workplace culture documents on its website that stated "new parents generally take 4-8 months." The new language in that document doesn't refer to a number of months and instead encourages employees to talk to their managers about what's best for them and the company.

Federal law requires companies of Netflix's size to provide 12 weeks of unpaid parental leave, and states have varying requirements, some requiring a number of weeks of paid leave. Laws governing Netflix's international offices also vary.

Recruiting advantage

Netflix's competitors in both the tech and entertainment industries generally offer a range of eight to 24 weeks of paid parental leave.

Initially, the idea behind Netflix's policy of offering unlimited parental leave in the first year was to be more generous than rivals and gain a competitive advantage in recruiting, according to people familiar with the discussions.

"We want employees to have the flexibility and confidence to balance the needs of their growing families without worrying about work or finances," the company's chief talent officer at the time, Tawni Cranz, wrote in 2015 on Netflix's blog. Cranz told other executives

that it could look like Netflix was targeting people on leave. Netflix said employees weren't targeted for layoffs because they were on parental leave. A spokesman said Netflix did an analysis and found that only a very small percentage of those impacted by the layoffs were on parental leave.

In many cases, Netflix agreed to pay these types of laid-off workers for the remainder of their leave, plus severance, according to people familiar with the matter.

Guimarães, the Brazil-based production employee, was laid off in a reorganization last year just days before she was set to return from a seven-month maternity leave. The ambiguity around how much time employees are actually allowed to take for parental leave "can impact how long people feel comfortable taking," she said.

Several employees said human-resources staffers and managers told them that six months is the actual allotment for leave, and that beyond that, managers would have to approve extended time.

"At Netflix we generally honor six months of maternity leave," a human-resources manager told one employee earlier this year, according to a recording reviewed by the Journal.

"Anything of that or above that...is really based on the discretion of the leader in the business. But generally it's six months of maternity leave."

A Netflix spokesman said that isn't accurate and the leave policy isn't a set time of six months, and he referred the Journal to the company's description of its parental leave policy in its initial statement.

When one employee told his manager that his partner was expecting, the manager said, "You're not taking a year are you?" according to a person familiar with the situation. The employee's job was eliminated in a reorganization this year shortly before he returned from a six-month paternity leave.

SNL's Amateur Sleuths

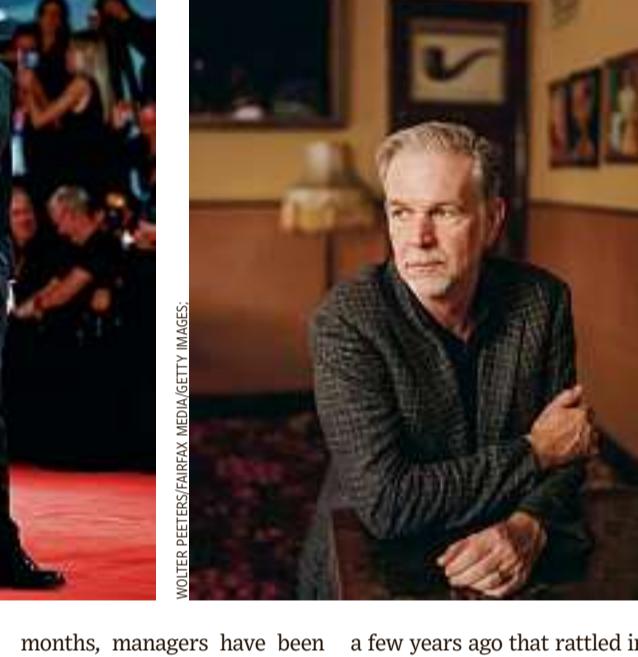
Continued from Page One

posted his charts of the writers' credits on Reddit for every episode since 2017.

"I've always been very curious about how a show like SNL comes together within the week," he says. "I really like trying to connect the dots."

After an episode ends, Alviar spends hours over the next couple of days combing cast members' social-media accounts for clues. This fall he started getting paid to report his findings for a late-night news website, LateNighter.

Alviar and other members of the community say this fixation adds to their experience and makes them feel like insiders. The credits also help them better understand what's working or isn't, or predict who will be promoted or fired.



The company has long said it values internal debate, but that once a decision is made it expects staff to sign on. Netflix added language to its culture memo in 2022 saying this includes decisions about Netflix programming that employees find offensive. The additions came after an employee walkout over a Dave Chappelle comedy special that some said insulted transgender people.

Since then, several former employees told the Journal they felt uncomfortable speaking out on their concerns about diversity or racism and were wary of attending meetings of minority-employee resource groups.

Amy Reinhard, Netflix's then-head of production, acknowledged this issue, specifically for Black employees, in an internal memo last year. She said such experiences are "unacceptable" and outlined steps she was taking, including holding quarterly roundtables between herself and Black employees.

While Netflix's expense policy remains simply "Act in Netflix's best interests," the company's heightened focus on profits—compared with the early days, when adding millions of customers was enough to wow Wall Street—has led to new cost controls.

Netflix used to give managers broad discretion to set salaries well above market to recruit and retain talent. In the past few

months, managers have been asked to keep salaries within the range of 50% to 95% of employees' peer groups, according to emails reviewed by the Journal, bringing Netflix more in line with industrywide pay.

The company has even put limits on how much Netflix swag, including coffee mugs, sweatshirts and baby onesies, an employee can order after the perk seemed to be overused, according to people familiar with the situation. After years of unlimited orders, employees are now limited to \$300 worth of merchandise a year.

At the annual review meeting this spring, when hundreds of Netflix executives convened at the JW Marriott in downtown Los Angeles, they hashed out the proposed changes to the culture memo, according to attendees. A common question arose: If we take freedom out of our culture, what are we?

Some acknowledged the change was necessary. Some executives had started to joke that the pillar of "freedom and responsibility" should be called "freedom and responsibility without the responsibility."

In the end, the company made the change.

Netflix's new mindset of cost-consciousness, which controlled what had been ballooning spending on operations and people, has aided the company's recovery from a sluggish period

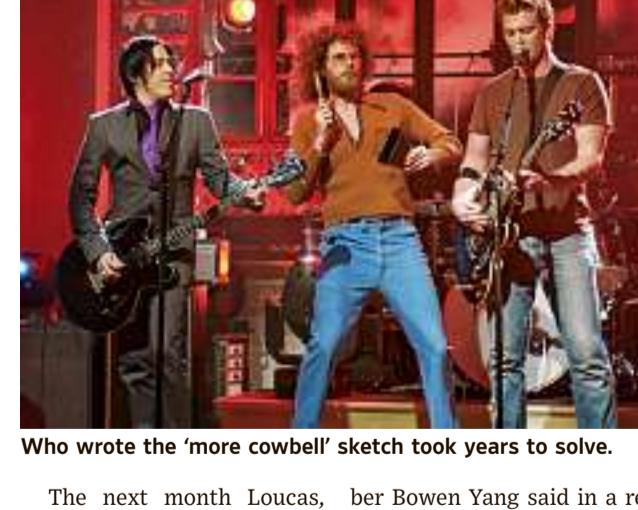
a few years ago that rattled investors. In the first half of 2022, Netflix lost more than one million subscribers, its first decline in more than a decade. The streaming giant's stock dropped more than 50% that year.

Company shares are now trading at all-time highs, and subscriber growth and income have recovered strongly. New challenges could arise as the growth boost the company got from a crackdown on user password sharing wears off.

The long-term risk for Netflix is that the characteristics that made its workplace distinct will erode, making it harder to attract and retain talent, said Harry Kraemer, a management professor at Northwestern University's Kellogg School of Management.

"Culture impacts employee trust, engagement and people's ability to feel part of a company," Kraemer said. "If you start fooling around with culture and trust, you risk losing those people."

Netflix said it didn't have a problem attracting or retaining talent, saying its acceptance rate for job offers is 93% and voluntary attrition rate is 3%.



Who wrote the 'more cowbell' sketch took years to solve.

that she didn't anticipate that many people would take a full year of leave. But such requests started coming in within 24 hours of the policy being announced. Some employees who had just returned from parental leave began asking managers if they could get an extension.

By 2018, Netflix was taking action to rein in how people used the policy, proposing new language to clarify that most employees take four to eight months off.

"We did not plan for employees to use 1-year as the starting

from any playwright.

Alviar says he's too shy to directly ask the writers if they penned a sketch. But former SNL writer Alan Linic fed Alviar multiple credits when he was on staff for the 2018-2019 season, saying, "Just don't let 'em know I'm the one who told you" in a Reddit message.

One of the sketches in question featured Matt Damon and Leslie Jones arguing about the rock band Weezer.

Bolder fans go to the source.

Bronwyn Douwsma, 42, in recent years messaged former longtime SNL writer Robert Smigel to find out who wrote several sketches from his era, including one of their all-time favorites: a 1987 sketch in which Phil Hartman plays a disturbed obstetrician who delivers only girls.

"I just responded to how dark it was for that period of the show," says Douwsma, a government clerk in Halifax, Nova Scotia.

Writing credits of the early years, long before social media, can be the hardest to track down. Smigel, known for his "TV Funhouse" shorts on the show, has helped Dou-

wsma fill in some of the blanks for their personal website.

"Bronwyn contacts me periodically, and, when I have time, I try and recall what I can," Smigel says. "I'm really just helping Bronwyn satisfy their own curiosity when they ask me."

Colin Chapman, a hospice chaplain in Merrimack, N.H., says immersing himself in SNL lore serves as an escape. He enjoys trying to guess whether one of his favorite writers, Streeter Seidell, wrote a sketch as he's watching live.

Andrew Haskell, a middle-school English teacher in the Boston area, says knowing the writers enhances the viewing experience in the same way that understanding how coaches drew up a play makes football more fun to watch.

"If you can identify who had their hands in writing a sketch, then it does almost feel like you have a place in that office," says Haskell, 29, who moonlights as a stand-up comedian.

ARTS IN REVIEW



FILM REVIEW | KYLE SMITH

'September 5': Tragedy Gets Televised

A drama follows the ABC Sports team during the 1972 Munich Olympics



'ENJOY YOUR DAY OFF,' an ABC Sports director tells crew members after closing up shop on another fast-paced block of coverage of the Munich Summer Olympics. Relaxing will shortly be dropped from everyone's agenda, however. It's just before dawn on Sept. 5, 1972. "September 5," a riveting look at what happened inside the studio's control room for a period of a little over 24 hours, recounts events that erupted when Palestinian militants broke into the barely defended Olympic Village and took members of the Israeli delegation hostage, demanding that their conferees in the Middle East be freed from prison. Producers who are on the scene to cover swimming and volleyball suddenly find themselves thrust into the role of showing the world a confusing hard-news event as it unfolds, with facts held out of reach and conflicting information coming in.

The Munich hostage seizure was far from the first terrorist attack of the 1970s, but an exchange on what to call the perpetrators—guerrillas? terrorists?—is a useful reminder that such incidents were once sufficiently uncommon as to lull the world into an unjustified sense of safety. The German police assigned to protect the athletes' quarters, as the film reminds us, were not even armed. Thirty-six years after the Nazi-led Berlin Olympics, what prided itself on being the New Germany was so determined to be seen as peaceful and nonthreatening that it strayed into foolhardy naïveté.

Written and directed with such intensity that it rushes by as though everything is happening for the first time, "September 5" nevertheless takes a clinical approach that gives it extra heft.

With the exception of a couple of out-of-place speeches, it seems more like focused observation than manipulation for dramatic effect. It's also a rarity in that it's a European production about Americans. The director, Tim Fehlbaum, is a Swiss who went to film school in Munich. He also wrote the script with Moritz Binder, a Munich native, and an American who lives in Germany, Alex David.

Imbuing the role with captivating gravitas and authority, Peter Sarsgaard plays Roone Arledge, the president of ABC Sports and

the leader of the team covering the Games from a small building within sight of the athletes' village. A younger producer, Geoffrey Mason (a superb John Magaro), has just come on duty in the pre-dawn hours when word gets out that there has been a break-in at the Israeli athletes' quarters. We learn things as Mason and Arledge do, and like them we scarcely pause to catch our breath.

The frantic search for information, the fog of confusion, the tension between being first and being right, and the sense that a

first draft of history is being written are all familiar to those who have spent time covering breaking news. As a journalist, a child of the '70s and a one-time resident of Germany, I have a triple special interest here that not all others will share, but I place "September 5" among the most incisive and evocative movies ever produced about my trade. This is how it feels to try to make sense of chaos for the world.

Journalists are at a remove from the events they cover, though some of the characters depicted

Peter Sarsgaard (left) as Roone Arledge, above; a scene from the movie, below.

feel a personal stake because they're Jewish (such as network executive Marvin Bader, played in a remarkably self-effacing turn by Ben Chaplin) or German (Leone Benesch's interpreter, who would very much like her country not to come off badly). For others, it's merely the hunger for facts that produces an adrenaline-drenched fervor that is perhaps unknown in many fields.

Movies about journalism tend to tip into either reverence or bitter satire. This one exhibits a refreshing balance. Arledge is presented as the personification of calm, effective leadership under duress, yet the film is honest enough to get at some of the trade's dirty little secrets. One is that the media often pick up and repeat one another's reports, which can become like a game of telephone and lead to grievous error. Sharp-eyed viewers will note that, in the era before mass recording of television, no penalty whatsoever was paid for getting something completely wrong; each moment simply disappeared as it happened. Moreover, Arledge and Co. are seen discovering to their horror that they were giving unwitting aid to the terrorists by showing images of police approaching them on a rooftop.

Fantasy properly earns a lot of praise in movies, but this one shows how effective they can be at re-creating a gut-punch of reality. "September 5" is tough, rough, messy and gritty, in the tradition of American cinema from the decade in which it takes place.

PARAMOUNT (2)

TELEVISION REVIEW | JOHN ANDERSON

A Polished Pop Star in Concert

To the disgruntlement of the divinely overlooked, some people seem to have been kissed multiple times by God. Talent. Looks. Charisma. A select few can even stroll a perilous S-shaped stage in London's Royal Albert Hall—in heels—and not trip over an ankle-tangling gown the color of a stop light. One of the bonuses of "An Evening With Dua Lipa," a holiday gift from CBS, is that the star is convincingly happy to be there. And why not?

Ms. Lipa, the U.K.-based pop artist, joins something of an exclusive club with her network special, Adele and Lady Gaga having preceded her in recent years with in-concert programs of their own. The common thread among them, besides a huge fan base and millions in record sales, is that they can actually sing: The only special effects that Ms. Lipa seems to rely on are the 53 members of the Heritage Orchestra (conducted by Ben Foster) nestled in the crooks of that snaky stage; a pop band; a percussion section; and background singers. She has a velvety lower

register, her deep voice being a signature. Her range is high and wide, though one wonders if the material—much of it coming from her recent collection, "Radical Optimism"—presents any enormous challenge. One can certainly envision the singer at some point, perhaps when dance music loses its artistic appeal for her, doing an album of American Songbook standards. She has the makings of a torch singer, and at only 29 years old displays a plausibly girlish wonder at how she got where she is.

She is also, at the same time, a pro, with an approach in her performance that isn't quite formula and is well short of shtick, but noticeable in a context like "An Evening With." Most of her numbers open with a plaintively emotional verse, then the drummer kicks things into rhythmic overdrive. This happens enough to notice; ordinarily, a singer in any pop genre will do a few barn-burners then cool matters down with a ballad. The crowd in Albert Hall—where there are seats, presumably, though few are in use—don't seem in the



mood for a slow song. But in terms of musical pacing, the set list could use a tweak.

(The commercial interruptions, at the same time, preclude the kind of flow one might get in a conventional concert setting.)

That said, Ms. Lipa is out to please and does, turning the vault-like hall into an intimate space. The 90-minute program also features interview segments that are charming breathers between performances, which include new songs like "Houdini," "Maria" and "Anything for Love"; the "Barbie" hit "Dance the Night"; the 2020 "Levitating" (without DaBaby, mercifully); and, inevitably, "Be the One," which still has the best hooks of any Dua Lipa re-

cording—the reason why she says she'll probably be singing it "for the rest of my life."

All irony aside, a "surprise" appearance by Elton John, wearing something on his head, has the veteran rocker dueling with Ms. Lipa on their mutual hit "Cold Heart," the hook to which is the now-52-year-old "Rocket Man." As Ms. Lipa may find, happily, there's no escaping success.

An Evening With Dua Lipa
Sunday, 8:30 p.m., CBS

ELIZABETH MIRANDA/CBS
Mr. Anderson is the Journal's TV critic.

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ARTS IN REVIEW

THEATER REVIEW | CHARLES ISHERWOOD

Unwrapping Drama

'Cult of Love' observes fractious family relationships on Christmas Eve

O come all ye who remain faithful to plays about fracturing families, which continue to cover the theatrical landscape like a deep winter snow in Connecticut, where the latest entry in this enduring genre, Leslye Headland's "Cult of Love," takes place on Christmas Eve. Assemble at Broadway's Hayes Theater to behold a sultry comedy-drama from Second Stage in which pathologies pile up like gifts under a tree that would need to be the size of the monster at Rockefeller Center to comfortably accommodate them.

The evergreen nestled at the back of the Dahl family dining room is itself an impressive specimen. Bill (David Rasche) and Ginny (Mare Winningham) do not stint when it comes to holiday décor. The energy required to illuminate the strands of colored lights artfully arranged around their house could power a skyscraper for a year, and the collection of wreaths adorning the walls could strangle a herd of reindeer.

Despite their almost aggressive holiday cheer—family sing-alongs recur frequently, like LPs dropping on an old stereo—Bill and Ginny are less generous or, to put it charitably, just clueless when it comes to doling out love and understanding to their adult children and their partners.

Their oldest son, Mark (Zachary Quinto), a soon-to-be-unemployed lawyer who once aspired to the priesthood—the Dahls are, or in some cases were, staunch Christians—tries to make nice with his semiestranged wife, Rachel (Molly Bernard), whose patience with the family has worn thin. (She still resents having to convert from Judaism to marry Mark.) He also grows annoyed upon learning that his youngest sister, Diana (Shailene Woodley), mother of a new baby and pregnant again, and her Episcopal priest husband, James (Christopher Lowell), have been staying



with Bill and Ginny for several weeks—similar invitations have not been extended to Mark or his sister Evie (Rebecca Henderson).

Ginny is genial to Evie and her wife, Pippa (Roberta Colindrez), but it is really accidental that Ginny forgot to make the requested tea for Pippa, when she brings a cup for Diana? Evie sees it as the latest subtle indication of homophobia. Speaking of forgetfulness: Evie buttonholes Mark about broaching the subject of their father's increasing senility, or worse. When Mark testily tells her that this may not be the best time, she retorts, "Christmas is exactly the time to talk about things we never talk about."

As that line suggests, Ms. Head-

land writes dialogue that crackles with biting humor often thinly disguising aggression. "Cult of Love," directed with skilled traffic-control instincts by Trip Cullman, contains enough barbed wit to keep the play absorbing. But Ms. Headland has dunked her characters into a familiar soup of troubles and bitter resentments, to a point approaching oversaturation, and included some startling new ones to freshen the recipe. (An exorcism?)

Ginny insists on holding dinner for the arrival of her youngest son, Johnny (a refreshingly jovial

Rasche and Ms. Winningham are sad and touching as parents who wrap themselves in a comfy cocoon of denial. Both fine actors express their characters' bewilderment at the encompassing chaos, and their inability to recognize hard truths

when they are glaring brighter than all those Christmas lights. (Bill has a somewhat out-of-nowhere speech about his own traumatic upbringing that Mr. Rasche nevertheless makes convincing.)

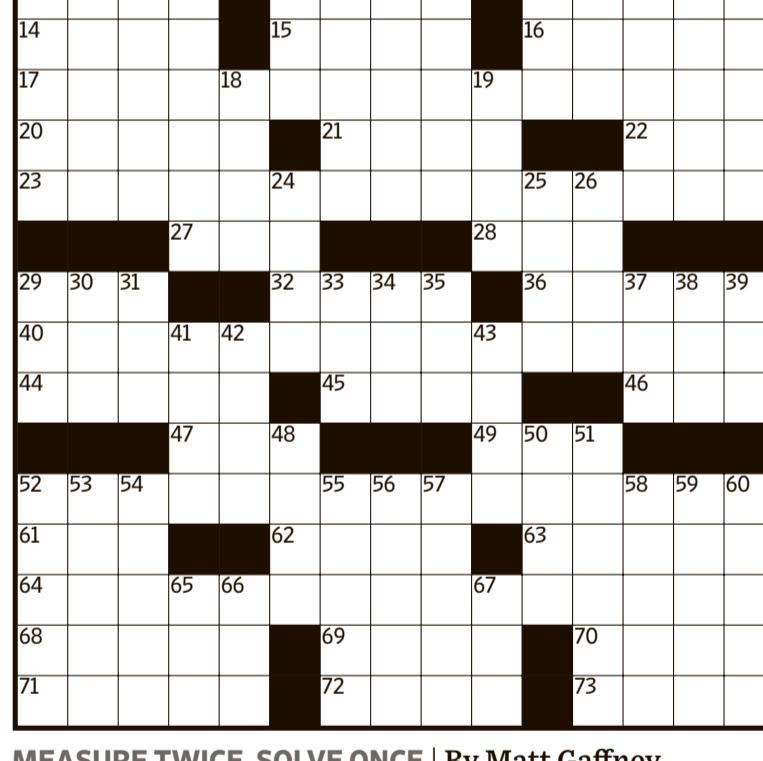
Ms. Henderson's Evie sprays simmering irritation in everyone's direction, while as Pippa, Ms. Colindrez tries to keep Evie even-keeled despite being continually astounded by the unique Dahl brands of dysfunction. Mr. Quinto has a challenging role as Mark, evincing persuasively his complicated loyalties and sometimes contradictory beliefs: He's an atheist one minute but reverts to a firm believer in God's boundless love and sacrifice, or so a long speech to Loren would suggest, by play's end. And Ms. Woodley makes a confident Broadway debut in another tricky role. Diana exudes an almost childlike innocence, but Ms. Woodley negotiates her alarming descent into confusion and religious mania with hair-raising conviction.

"Cult of Love" at times resembles—final holiday metaphor!—a Christmas tree so decked out with ornaments that it is perpetually on the verge of toppling over. But thanks to the charisma and conviction of the actors, it never quite does. And after the fires have all been put out, the play ends on a note of affecting poignancy, as the Dahl children find a moment of musical harmony, even though it is likely that their comity will soon pass, perhaps forever.

Cult of Love
Hayes Theater, 240 W. 44th St., \$79-\$199, 212-541-4516, closes Feb. 2, 2025

Mr. Isherwood is the Journal's theater critic.

The WSJ Daily Crossword | Edited by Mike Shenk



MEASURE TWICE, SOLVE ONCE | By Matt Gaffney

The answer to this week's contest crossword is a five-letter adjective.

Across

- 1 Put away for now
- 5 Lose your footing
- 9 Banks or limits preceder
- 14 "How did it take me so long to see that?"
- 15 Short on thrills
- 16 Unscrupulous man
- 17 Away from public view
- 20 "Tommy" or "Tosca," say
- 21 Fizzy glassful
- 22 Half of hex-
- 23 Noted pop artist
- 27 Camera type
- 28 ___'wester (kind of hat)
- 29 Psychic's claim
- 32 Taj Mahal site
- 36 Overused
- 40 DiCaprio/Hanks movie
- 44 Warren Buffett's hometown
- 45 Tiniest speck
- 46 Big hallucinogen
- 47 One of four of 52
- 49 Prefix with light
- 52 Time to talk turkey
- 61 Edebiri in "The Bear"
- 62 Hardly a threat
- 63 Yankee Yogi
- 64 Very essence
- 68 Winning
- 69 Single
- 70 Lend up at the net
- 71 Food from a tandoor

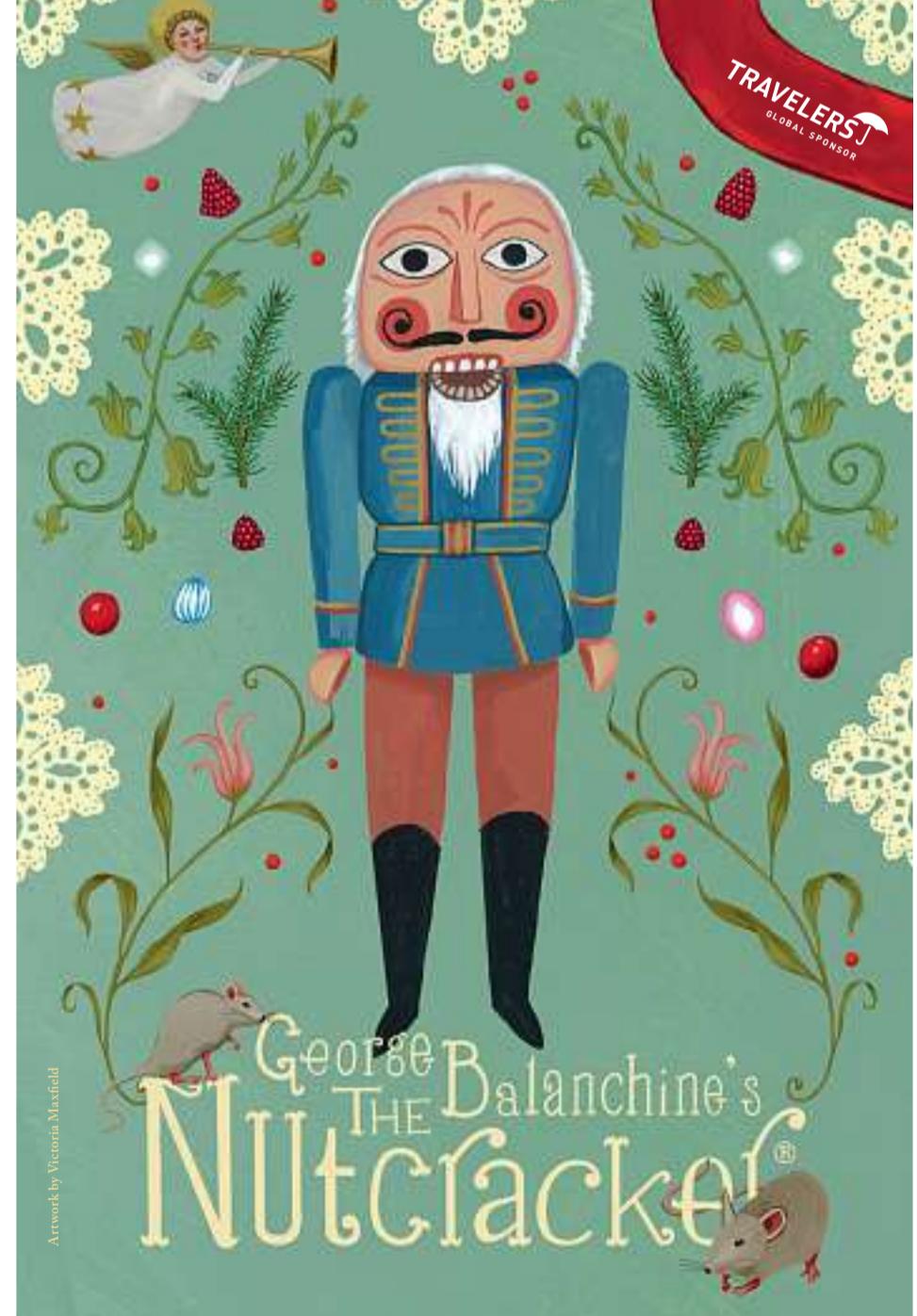
PUZZLE CONTEST

- 35 Toward the wake
- 37 Athletes often tear it
- 38 Part of UNLV
- 39 Wind down
- 41 Wacky Jackie
- 42 Overrated writer
- 43 Cooler brand
- 48 "Full Court Press" channel
- 50 The New York Liberty are its current champs
- 51 "We're on the same page here"
- 52 Touch lightly, as a shoulder
- 53 African scavenger
- 54 Cane-shaped part of the body
- 55 Sneakiness
- 56 About to receive
- 57 In a competition
- 58 Determination
- 59 Making cat noises
- 60 "Live at the Acropolis" musician
- 65 Ill, to Jr.
- 66 Word with special or photo
- 67 Jensen Huang, notably

Previous Puzzle's Solution

D	E	M	A	N	D	H	A	N	D	O	V	E
R	E	A	L	I	A	R	E	A	C	O	D	E
E	R	R	A	N	D	S	T	A	N	D	O	U
S	N	E	A	K		F	R	A		D	C	I
C	H	O	I	R		E	M	U	S	S	O	A
I	O	N	S	B		I	E	L	C	N	O	T
A	G	E	A	R		A	U	R	A	P	A	U
S	T	R	A	N	D	I	N	G				
C	A	S	I	N	G	I	A	N	S	S	A	I
A	M	I	N	O		N	E	C	K	O	P	O
S	I	L	K	F		I	S	H	S	P	I	T
A	D	E	E	L		A	S	P	E	N	P	E
B	A	N	D	R		B	A	N	D	A	S	A
A	L	T	O	S	O	A	L	O	S	C	H	O
S	A	N	D	T	R	A	P			A	N	D

► Email your answer—in the subject line—to crossovercontest@wsj.com by 11:59 p.m. Eastern Time Sunday, Dec. 15. A solver selected at random will win a WSJ mug. Last week's winner: Louis Lana, New York, NY. Complete contest rules at WSJ.com/Puzzles. (No purchase necessary. Void where prohibited. U.S. residents 18 and over only.)



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SPORTS



I still don't quite believe it.

But there he was, Thursday afternoon, in Chapel Hill, the Grumpy Lobster Boat Captain himself, Bill Belichick freshly installed as the University of North Carolina's \$10 million a year football coach.

He wore spotless powder blue, dropped that he'd talked to "Michael" (Jordan, if you're wondering), laughed at the athletic director's corny gag (a blazer with the sleeves cut off) and piled on as much charm as a 72-year-old six-time Super Bowl winner can manage. He showed off his late father's old UNC sweatshirt, reminded the audience he'd been a toddler there, and drew a laugh when he claimed his first words were the local gospel:

"Beat Duke."

Maybe it's true, maybe not. Does it matter? Bill Belichick, the Sleaveless Kenobi, the Beethoven of Bluntness, is the UNC football coach, and college football may never be the same.

I'm shocked. I presumed Bill Belichick's stern mug would find its way back to grimacing on an NFL sideline. There was significant history (breaking Don Shula's wins record) left to be made. His fledgling media career felt like a forced stop. (How long can a serious man fake laugh on TV, anyway?)

Could still happen down the road, I guess. But an NFL reprise feels remote now that Belichick has joined the multisports mecca of Michael, Dean, Mia Hamm and Erin Matson—but no one's idea of a big-time college football powerhouse.

Just to be careful: if I were a Carolina trustee, I would learn from the jilted 2000 New York Jets and hide all the stationery, as well as the napkins, in case Belichick gets cold heels and wants to scribble out a hurried resignation as the *HC of the UNC*. He batted away the suggestion of a short stint.

"I didn't come here to leave," Belichick said.

The Athletic reported that Belichick's deal is for five seasons, at \$10 million per—the sort of scratch you have to offer the only head coach in NFL history to win six Super Bowls. He's putting some of the old Foxborough band back together—longtime pal Mike Lombardi is onboarding as UNC football's GM. (Amusing footnote: as a state employee, the inner workings of Belichick's comp, contract and correspondence are about to become public in a way he never experienced in the NFL.)

Belichick's prodigious football education began in the college ranks, of course. His father, Steve, briefly served as a Tar Heel assistant before spending more than three decades on the staff at the Naval Academy, his only child Billy tagging along for scouting and film sessions in Annapolis.

That sort of campus childhood can cultivate nostalgia. Wesleyan Cardinal Belichick's affection for college sports is well known.

JASON GAY

Belichick Takes a Stunning Leap

The Grumpy Lobster Boat Captain makes a detour for campus life and 12-team playoff dreams



North Carolina coach Bill Belichick drew a laugh during his news conference when he claimed his first words were the local gospel: 'Beat Duke.'

"This is really kind of a dream come true," he said.

We've seen a version of this move: the aging genius, worn by the grind, retreating to a leafier, slower-paced life, impressing students with his hard-earned lessons and flinty sense of humor.

But that's not the turbo-blender Belichick—now the oldest active coach in big time college ball—is walking into in 2024. The college game today is hardly distinguishable from the pro trade. Top players can command millions in name, image, likeness deals as the NCAA seeks the go-ahead to allow schools to start revenue sharing and paying athletes directly. The transfer portal has become tantamount to free agency, with players coming and going, seeking better offers.

This hectic professionalization made Belichick's close friend, Nick Saban, run screaming from his Tuscaloosa kingdom. It's possible, though, that Belichick sees the mercenary atmosphere as an edge: his pinnacle NFL success came in

the salary-cap era, where rosters stayed fluid and players came and went, often on the coach's whim.

He'll have to be careful: College coaches are expected to hide, or at least dampen, their ruthlessness. Even if the game has long been a cold, cruel business...the public still thinks of these athletes as kids.

It's one of many reasons Belichick at UNC becomes great theater: How a coach not known for soothsaying small talk or finesse can sand down the edges for a mayoral role like college football coach. Everyone's on their best behavior at the opening press conference, but does Belichick have the patience for media, boosters, sponsors and other front-facing aspects of his new role at a public university? Can he recruit? Can "Do Your Job" work in a living room?

The comparison has been re-

peatedly made to quick studies like Deion Sanders, but Prime is a youthful charisma orchid compared to Belichick. And it was funny to watch disciples Tom Brady, Rob Gronkowski and Julian Edelman lampoon the idea of Belichick in college just a few days ago.

"Do you really want to come here? We don't really want you, anyway," Brady said, doing a solid impression of his former boss.)

To land at Carolina, of all places? *Basketball school*—that's how UNC gets described. You can add women's soccer dynasty—the Tar

Heels recently won their 23rd NCAA title. There's also the field hockey juggernaut, coached by the 24-year-old wunderkind Matson, plus some excellent lacrosse, where Belichick's buddy, Johns Hopkins legend Dave Pietramala, now serves as defensive coordina-

tor for the men's team.

I'll say this: College is undeniably a more intriguing move than the NFL. Was anyone really that psyched to watch Belichick try and make lemonade out of the Jacksonville Jaguars? Belichick's turn to college can be interpreted as a statement, and that statement is: *Life is way too short to coach the New York Giants or the Jets.*

He'll work Saturdays instead. I've already heard theorizing that the Carolina 2025 schedule isn't that hard, and the GLBC must feel a turnaround is within reach.

To think: Less than a year from now, we might be hearing the greatest NFL coach ever urging the selection committee to consider his Tar Heels for the 12-team playoff. (*Does anyone wanna see Clemson again?* he'd growl.) Alternatively, could Belichick talk up the honor of being invited to the Pop-Tarts Bowl?

I still don't believe it. We're onto Duke. We're on to N.C. State. We're on to Wake Forest. Bill Belichick has gone back to school.

JARED C. TILTON/GETTY IMAGES

The PGA Tour, LIV Have a Deal—but There's One Holdup

BY ANDREW BEATON
AND LOUISE RADNOFSKY

WHEN THE PGA TOUR announced a stunning alliance with the Saudi backers of LIV Golf that it had spent months battling on and off the course, the plan was for the two sides to have a final agreement by the end of the year.

That is, the end of last year. Ever since they committed to striking a deal, there has been no public sign of headway. At times, it has seemed as if the former warring enemies were struggling to come to terms—or even that things had quietly fallen apart.

The biggest question in golf over the past 12 months has also been the most repetitive: What's taking them so long?

Quietly, though, the two sides have made significant progress and have actually reached an agreement for Saudi Arabia's Public Investment Fund to invest over a billion dollars in the PGA Tour, people familiar with the matter said. Yet that investment hasn't been formally unveiled because it's in front of the Justice Department, which had already been investigating the golf industry over potential antitrust violations.

If it goes through, Saudi Arabia's Public Investment Fund would pour \$1.5 billion into PGA Tour Enterprises in return for a minority stake. And while the sides still have numerous issues to work out in order to achieve fans' dreams of reunifying the top players in the sport, things are now looking as bright as ever that the deal will withstand antitrust scrutiny and allow the two sides to proceed.



LIV has lured many of the biggest names in golf including two-time U.S. Open champion Bryson DeChambeau.

While they await a nod from the Justice Department that they can go ahead, the sides know there's a new administration about to enter office—and President-elect Donald Trump hasn't been shy about wanting to usher through a deal.

Before he had even finished naming his cabinet, Trump was playing a round of golf with PGA Tour commissioner Jay Monahan at Trump's golf club in West Palm

Beach. A day later he had the head of the Saudi sovereign wealth-fund, Yasir Al-Rumayyan, sitting next to him ringside at a UFC event in New York.

Trump said ahead of the election that it would take him "the better part of 15 minutes to get that deal done."

Soon, his Justice Dept. will be in a position to do just that—by signaling that it won't object to the Tour and PIF moving ahead

with their agreement.

Since launching LIV in 2022, the Saudis spent billions to gain a foothold in the golf world. The controversial new circuit lured many of the biggest names in the sport such as Phil Mickelson, Bryson DeChambeau and Brooks Koepka with offers of enormous paydays. It also sent the PGA Tour scrambling. The two circuits sued and countersued one another, creating a bitter divide at the top of

the pro game.

That animosity is what made it so stunning when the two sides agreed to join forces last year, with an agreement to end litigation and reach terms on a full pact by the end of 2023.

As the calendar flipped to 2024, though, that deal never arrived. Hopes of watching DeChambeau regularly tee it up against the likes of Rory McIlroy and the other stars who remained with the PGA Tour seemed to drift further and further away.

In reality, the sides did come to an agreement over the course of the year. The problem is that it wasn't just a two-way negotiation. The Justice Dept. was already interested in the PGA Tour for potential anticompetitive behavior. When the Tour announced it was going into business with its biggest rival—one that had already accused the Tour of acting as a monopoly—it meant that any pact would inevitably be heavily scrutinized.

In some ways, it's no surprise that the Tour and the Saudis came to a deal. Each had something to offer the other: PIF had money, the Tour had a successful golf business. Despite LIV's star power and deep pockets, it has struggled to gain traction with fans or come up with anything that approaches a sustainable business model.

Now the sides are optimistic that the incoming Trump administration could greenlight a deal and accelerate a thorny reunification process. In some ways, settling a financial investment was the easy part—they'll still have to figure out how to reintegrate the players and stitch the game back together.

OPINION

The Great RFK Jr. Charade



POTOMAC WATCH
By Kimberley A. Strassel

The Republican Senate mantra these days is that a president is entitled to cabinet members he trusts to carry out his agenda. Does the same apply to a pick the president-elect has acknowledged is both unqualified and hostile to the most basic Republican ideals?

Welcome to the Robert F. Kennedy Jr. nomination, one of the more counterproductive Washington charades in recent history. Donald Trump has, in payback for late-stage election support, nominated a man for the vital cabinet position (health and human services) whom he once labeled a "Democrat Plant" and a bigger threat to the country than Joe Biden. Now meet the Republican senators, activists and influencers who are so clueless—and so blindly eager to salute the leader—that they can't see the opportunity to save Mr. Trump from a deal he would never have made in other circumstances.

Mr. Trump was unvarnished (and accurate) in his judgment of Mr. Kennedy—until the third-party candidate suspended his presidential run in August. In a four-minute video in May and in other social-media posts, Mr. Trump laid out in-depth the Kennedy positions and history that deserved to make him a nonstarter with Republican and conservative voters

and elected officials. He's a "Radical Left Liberal" who is "totally Anti-Gun, an Extreme Environmentalist who makes the Green New Scammers look Conservative, a Big Time Tixer and Open Border Advocate, and Anti-Military/Vet," Mr. Trump said. He added that he'd even "take Biden over Junior" because under Mr. Kennedy the country "would collapse immediately." "He's not a Republican, so don't think you're going to vote for him and feel good. He's a radical left Democrat. Let the Democrats have RFK Jr. They deserve him."

Only, apparently, it's now Republicans who do.

Mr. Trump wasn't alone. Prior to Mr. Kennedy's endorsement, the GOP universe was clear-eyed about the radical environmentalist who spent decades on a mission to destroy the Trump base. An online search finds pages of stories of Mr. Kennedy's efforts to cripple farmers, ranchers, loggers and oil workers. Others outline his disdain for markets, core freedoms and limited government.

In 2023—well before Mr. Trump won the nomination—the Republican National Committee put out an RFK fact sheet listing dozens of offensive positions. His belief that the National Rifle Association is a "terror group"; his support of affirmative action to stop "self perpetuating" "racist policies"; his opposition to fracking and the Keystone Pipeline and his view that oil companies and "climate de-

niers" should be jailed or given "the death penalty"; his Hillary Clinton endorsements. Mr. Kennedy in 2016 explained that the real difference between Mr. Trump and Hitler was that Hitler had "a plan," whereas Mr. Trump was "non compos mentis." (Mr. Kennedy has since apologized for those remarks.)

Some justifiers will point out that Mr. Trump routinely lambasts Republicans and later makes nice. (Nothing new here!) Others will say his Kennedy criticism was driven entirely by electoral politics.

Why won't the Senate take an opportunity to save Trump from a bad political deal?

(He didn't really mean it!) But this is different. Mr. Trump's barbs against fellow Republicans stem from his perceptions of wavering loyalty, which explain his later reconciliations. His criticism of progressive Democrats like Nancy Pelosi or Bernie Sanders (or RFK Jr.) by contrast tend to be consistent—because they are rooted in what Mr. Trump correctly understands to be enormous world-view differences.

Until now—which ought to be a hint. It seems not to have occurred to Senate Republicans—who ought to have learned a little bit about Mr. Trump by now—that he needs a rescue here. No insider be-

lieves this is a heartfelt pick. Even political naïfs understand what happened: This agreement was entirely transactional. Mr. Trump saw an opportunity to gain RFK's endorsement. The price was a promise of a big post. The president-elect is holding true to that deal as a businessman, so he won't dare whisper misgivings for fear of leaks.

Instead Senate Republicans are playing monkey-see-monkey-do to an extent that even Mr. Trump must be exasperated. Nearly every GOP senator looks at Mr. Kennedy with wincing concern—knowing the havoc the anticapitalist big-government regulator can and will wreak on a Trump agenda. Yet no one steps up to save the president. If Joe Biden chose Hull Hogan to be Treasury secretary, does anyone think Democrats would have let him step into that trap? But so desperate right now are Republicans to nod along that they are abdicating the real job of advice and consent—and protection.

Presidents do deserve the honor of naming their picks. But in today's insane world of more than 1,000 Senate-confirmable positions even the most capable president will pick a lemon, a charlatan or, in this case, a person who had them over the barrel. The need for confirmation by a Senate majority exists in part to help the president, and to spare him—and the country—the future headache. The Senate ought to try it.

Write to kim@wsj.com.

man nature, being raised back to the divine."

God, Cardinal Dolan continues, "has revealed himself as the divine Architect, as the supernatural Artist." Our churches, and Notre-Dame in particular, "remind us of those works of art that literally lift the mind and heart to the heavens." Americans, "as people of faith," wanted to participate in the restoration and contributed because of their "sense of autonomy, that comes from not being dependent on any government for our religious freedom." Cardinal Dolan recalls a visit from a group of French bishops "when St. Patrick's Cathedral was being restored at a cost of \$180 million, and I had to raise the money. Well, doesn't the government pay for that?" a bishop asked.

The cardinal says his response was to choke on his orange juice.

Cardinal Dolan believes American Catholicism is different from Catholicism in France. "If religion is only cultural baggage, it will eventually shrink, and that's what's happening in Europe," he says. "We've got our problems in the Catholic Church in the United States, for sure. But we don't have the problem of cultural exhaustion." It's that "zest," he believes, that makes Americans generous.

Mr. Varadarajan, a Journal contributor, is a fellow at the American Enterprise Institute and at New York University Law School's Classical Liberal Institute.

Notre-Dame, an American Treasure in Paris

HOUSES OF WORSHIP By Tunku Varadarajan

Michel Picaud remembers the first gift he received from an American donor. It was in the spring of 2017, and the 71-year-old retired engineer had been tasked to run the Friends of Notre-Dame de Paris. Notre-Dame, the Gothic cathedral in the heart of the French capital, was "in a very dire state. The flying buttresses were beginning to crumble." This was two years before the great fire that tore through the cathedral. Restoration was needed even then but proceeded at a lackadaisical pace.

Mr. Picaud's brief was to raise money in America. In a Zoom conversation from his home in Saint-Germain-en-Laye, near Paris, he says he was given three years by the archbishop of Paris and a budget of €200,000. Days into his project, he received a call from a lawyer in the U.S. Janet C. Ziegler, 83, had died at her home in Wilkes-Barre, Pa., and had left \$62,500 to Mr. Picaud's charity. "It was as if it came from the sky, from the blue," he remembers. It was his first taste of American generosity.

By April 15, 2019—the morning of the fire—Mr. Picaud had raised \$2 million from 700 American donors. In the week after, he was getting "400 donations an hour" from the U.S. "My smartphone crashed." Today, the Friends of Notre-Dame de Paris has 45,000 donors stateside and

has raised \$57 million for the official reconstruction effort. The total collected from American givers, including \$5 million from other sources, is \$62 million, making private American citizens, foundations and companies the largest donors "by far" outside France. "Two-thirds of all international contributions came from the U.S." And of the 45,000 Americans who've reached for their wallets, Mr. Picaud estimates that 40% are Catholic. The rest are, he says with a smile, "the rest."

These include prominent Jews, such as the businessmen Henry Kravis and Maurice "Hank" Greenberg. The former, with his wife, Marie-Josée Kravis, and the latter, through his Starr Foundation, gave \$10 million each. In an email to me, Mrs. Kravis says, "Henry and I were in Paris when the fire occurred and we immediately decided we had to support reconstruction efforts. Notre-Dame is an international symbol of both religious fervor and secular pilgrimage and we didn't wait to be asked to help."

Other donors to the Friends of Notre-Dame de Paris range from Ken Langan, founder of Home Depot, to "an old lady in an assisted living center in the Midwest, who sent a letter saying 'I love Notre-Dame, I love Paris, I love France, and I send you this.' It was a \$10 note, we see, just in the envelope."

How does Mr. Picaud explain this American generosity toward a reconstruction

effort in a distant land? His answer suggests that France, for Americans, isn't so foreign. They remember the liberation of Paris in 1944 or have seen the pictures of GIs in the square outside the cathedral. "I think American people have the feeling that Notre-Dame de Paris belongs to them as much as to French people." The French, for their part, have been stunned by

The U.S. raised some \$62 million to help reconstruct the great Gothic cathedral.

Americans' willingness to help. "I'm not surprised myself, because I know Americans," Mr. Picaud says. "But French people, when they discover that American people have given so much to Notre-Dame, they struggle to understand why. Many had not realized that there was this bond."

Cardinal Timothy Dolan, archbishop of New York, attended the cathedral's reopening on Sunday. In a conversation after his return home, he ascribes the American generosity to "divine inspiration." Americans wanted to be "part of this magnificent providential experiment in the recovery, the repair, the renewal, the resilience of Notre-Dame Cathedral." The restoration, he says, "represents the most noble part of humanity, of hu-

man nature, being raised back to the divine."

God, Cardinal Dolan continues, "has revealed himself as the divine Architect, as the supernatural Artist." Our churches, and Notre-Dame in particular, "remind us of those works of art that literally lift the mind and heart to the heavens." Americans, "as people of faith," wanted to participate in the restoration and contributed because of their "sense of autonomy, that comes from not being dependent on any government for our religious freedom." Cardinal Dolan recalls a visit from a group of French bishops "when St. Patrick's Cathedral was being restored at a cost of \$180 million, and I had to raise the money. Well, doesn't the government pay for that?" a bishop asked.

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Republicans Can Save Women's Sports

By Gerald Posner

Protecting women's sports should be at the top of the Trump administration's to-do list. The issue gained national attention in 2022, when male swimmer Lia Thomas, who had been ranked 65th among men in the nation for the 500-yard freestyle, won an NCAA swimming championship while competing as a woman. A United Nations report last month revealed that men identifying as women have won 890 medals in 29 female-only sports worldwide.

The Education Department in April proposed a regulation adding "gender identity" as a protected category to Title IX rules. Title IX, enacted in 1972, bans sex discrimination by federally funded educational institutions. The new rule, which went into effect Aug. 1, allows males unrestricted access to female locker rooms and bathrooms. It also

signals approval of men participating in and dominating women's athletics.

Republicans tried unsuccessfully to pre-empt the Title IX changes. In 2023 the House passed the Protection of Women and Girls in Sports Act, which defined sex as "based solely on a person's reproductive biology and genetics at birth." When it got to

Congress should pass a bill to make clear males can't play on female teams.

the Senate, Alabama's Tommy Tuberville—who began his career as a high-school girls' basketball coach—asked for unanimous consent. Hawaii's Sen. Mazie Hirono objected, saying it would bar people from playing sports "consistent with their gender." Ma-

jority Leader Chuck Schumer stymied the bill. In July Sen. Cindy Hyde-Smith (R., Miss.) and Rep. Mary Miller (R., Ill.), introduced a resolution under the Congressional Review Act to reverse the Biden regulation. It passed the House along party lines, 210-205. Mr. Schumer again made certain it died in the Senate.

Federal courts blocked the Biden administration rule in 26 states. The Supreme Court upheld these injunctions and may eventually take up the new rule itself. The new Republican-controlled Congress could settle the matter quickly by passing a bill to reverse the Biden Title IX modifications. It would sail through the House, maybe even winning some support from Democratic representatives who saw the potency of the issue in the November election. Massachusetts Rep. Seth Moulton has said that his party is "out of touch" and that he doesn't want his daughters playing in sports against males.

New Senate Majority Leader John Thune could force Democrats to vote on the issue. It takes 60 votes to overcome a filibuster. Republicans will have 53, and the new Senate will have 10 members from states Donald Trump carried. Should the effort to restore Title IX stall in the Senate, Mr. Trump can issue an executive order barring institutions that receive federal funding from allowing male athletes to participate in athletic programs designed for girls and women. It will get tied up in litigation, but at least the federal government will be on the right side of the issue. The Trump administration should be at the forefront to restore fairness and demonstrate quickly that elections have real consequences for protecting women's rights.

Mr. Posner is author of "Pharma: Greed, Lies and the Poisoning of America."

BOOKSHELF | By Anne Curzan

Talk Like a Brit? It's Easy Peasy

Gobsmacked!

By Ben Yagoda

Princeton, 288 pages, \$24.95

Now that "Webster's" has become a household name for any American dictionary, we can lose sight of the man, Noah Webster, and his patriotic vision for the original "American Dictionary of the English Language," first published in 1828. For Americans to have their own dictionary "is not only important, but, in a degree necessary," he wrote in the preface. "For, although the body of the language is the same as in England, and it is desirable to perpetuate that sameness, yet some differences must exist."

Webster recorded for the first time some distinctly American words (i.e., Americanisms), such as *skunk* and *squash*. We can also thank Webster for many spelling differences that continue to this day: *theater*, *realize*, *defense* and *honor* (American) versus *theatre*, *realise*, *defence* and *honour* (British).

So what should we make of American menus listing *starters* and *mains*? Or our Netflix *queue*, not to mention *booking* a room or running out for a coffee. Ben Yagoda, a professor emeritus of English at the University of Delaware, has been tracking these "not one-off Britishisms" (a phrase he abbreviates to "NOOBs") and the way they have infiltrated our daily lives in the United States. And while many words and phrases still feel British (think *cuppa*, *ginger* and *bum*), others are common and hiding in plain sight (*dicey*, *piece of cake*, *scrounge*, *bonkers*). Mr. Yagoda looks at these and many other U.K.-to-U.S. vocabulary transplants in "Gobsmacked! The British Invasion of American English."

His engaging romp through dozens of NOOBs dips back into the 19th century to catch what may be the first NOOB (*awfully*), whiskers through the world wars, and then dives deeply into the past three-plus decades, a time Mr. Yagoda calls "the period of High NOOB-ishness."

NOOBs flocked across "the pond" with popular British TV shows (e.g., "The Crown" and "Downton Abbey") and books (J.K. Rowling's "Harry Potter" series), along with British celebrities such as James Corden and John Oliver, influential British journalists such as Tina Brown, and the online availability of British periodicals more generally.

Should we blame—or celebrate—the internet and social media for the recent profusion of Britishisms? Mr. Yagoda suggests we should withhold judgment. There's a robust history of complaint about Americanisms and Britishisms alike, and, he argues, there's nothing to fear from such an influx.

Language varieties, Mr. Yagoda notes, change over time, but American and British varieties of English remain distinctive—a condition that Webster and others championed from the early days of the U.S. (Note that this use of *early days* is not a NOOB, but it's *early days* is. Tracking Britishisms is a subtle business!) The linguistic differences range from our vowels to our lexicons, from our spelling (even if *grey* is growing more popular in the U.S.) to our grammars. We don't all want to sound the same: Language helps form our national identities. It both bonds our communities and establishes their boundaries.

Importantly, NOOBs aren't as new as they might appear. For example, for all its associations with Los Angeles in the 1970s, the neologism *smog* (from *smoke* + *fog*) first appeared in Britain as early as 1905. And *soccer*, seen as deeply American and sometimes mocked as such, is a NOOB (Mr. Yagoda finds it being used in England in 1885, differentiating the sport from another kind of football—*rugby*).

It would be *easy peasy* (a Britishism of mysterious origins) to predict that "Gobsmacked!" will engage anyone fascinated by language or drawn to crosswords and similar puzzles. But there's more for anyone who wants to go further

Many Britishisms are part of everyday speech in America. Confused about whether a word has made its way from the U.K.? Join the queue.

into word sleuthing. Subtly sandwiched between the introduction and the first chapter is an unnumbered section called "Terminology, Abbreviations, and Resources." Readers may be inclined to skip it, but it contains the keys to the lexical castle: a concise, accessible overview of how we historians of language do our work, and some tips for how to use language reference works like a pro.

For example, Mr. Yagoda explains why it isn't accurate to say that the first citation in the "Oxford English Dictionary" is the first use of the word in English. (Because new words typically show up in speech first, and the OED relies primarily on written text.) He points readers to "Green's Dictionary of Slang," which Jonathan Green has put online for everyone looking for a well-researched dictionary of slang words and their histories. And "Gobsmacked!" demonstrates the illuminating ways Google Books Ngram Viewer can track word usage over time. How to properly parse its complex charts? Mr. Yagoda labels his answer as "regrettably technical," but it's clear and involves the wonderful Britishism *kerfuffle*, so it's anything but regrettable.

With such tools in hand, readers are invited into the hunt for NOOBs. Mr. Yagoda humanizes the detective work of tracking how words move from dialect to dialect and how they change over time. He confesses his own errors, such as initially accepting the myth that *bumbershoot* came from the U.K. He later established that it is in fact an Americanism that became associated with umbrella-carrying Brits.

Over a century ago, Brander Matthews, a Columbia University professor of dramatic literature whose book "Parts of Speech" (1901) is quoted in the OED's entry for *Briticism*, shared Mr. Yagoda's embrace of words hopping the pond: "For an American to object to a Briticism . . . is equivalent to a refusal to allow the English language to grow. It is to insist that it is good enough now." In "Gobsmacked!" Mr. Yagoda shows readers how to delight in the lexical creativity of this ever-changing language.

Ms. Curzan is the author, most recently, of "Says Who?: A Kinder, Funnier Usage Guide for Everyone Who Cares About Words."

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OPINION

REVIEW & OUTLOOK

Nasdaq Gets a Diversity Quota Rebuke

Businesses often fall for political fads, especially when peddled by the left. Nasdaq earned a deserved legal rebuke for its progressive genuflection on Wednesday, as the Fifth Circuit Court of Appeals struck down the Securities and Exchange Commission's approval of the stock exchange's diversity mandate (*Alliance for Fair Board Recruitment v. SEC*).

In 2020, at the height of woke politics, Nasdaq CEO Adena Friedman proposed diversity quotas for the boards of its listed companies. At least one director would have to be a woman and another had to be a racial minority or self-identify as "LGBTQ+." Companies also could comply by publicly disclosing their reason for not meeting the quotas. The SEC approved the policy in 2021.

But as Judge Andrew Oldham writes for a 9-8 Fifth Circuit majority, Nasdaq is using its cartel power in a way Congress wanted to prevent when it amended the 1934 Exchange Act in 1975 to require that the SEC approve changes to exchange rules. Congress concluded that exchanges "left to their own devices might wield their market power for purposes that would not comport with the public interest."

The SEC may approve exchange rules only after public comment if it finds them to be "consistent with the requirements of" the Exchange Act. SEC Chairman Gary Gensler claimed Nasdaq's diversity mandate would promote "just and equitable principles of trade," remove impediments to free markets and "protect investors and the public interest."

The 118th Congress is slinking to its unlamented end, but we shouldn't let it pass without noting a missed opportunity on the National Defense Authorization Act. Congress is eager to pass more "emergency" spending, but it won't do more to serve its main duty of providing for national defense in a dangerous world.

House and Senate conferees have agreed to \$884 billion in fiscal 2025 defense spending, kneeling to the spending caps set in 2023's debt-ceiling bill. The House passed the bill this week. This number rejects the additional \$25 billion that Mississippi Republican Roger Wicker skillfully negotiated to include in the Senate version of the bill. This authorization is inadequate to current defense needs and does no favors to President-elect Donald Trump.

So-called House conservatives threatened to blow up Mike Johnson's speakership if the final bill included the Senate number, despite their success in muscling through many of their own priorities in the NDAA. Only a few GOP dissenters could defeat Mr. Johnson in the looming Jan. 3 vote for the next Speaker. Mr. Trump chose to stay out of the debate.

Mr. Trump ran on "peace through strength," and his GOP platform vowed to make America's military the "most modern, lethal and powerful." He won't do that with the current defense budget, which is sliding to a post-World War II low of less than 3% of GDP. President Biden, bowing to his party's left, proposed a defense cut after inflation in every one of his budgets.

by enhancing corporate disclosures.

Judge Oldham dismisses the SEC's justifications. He says Congress passed the Exchange

The Fifth Circuit rejects the SEC's approval of a mandate for directors.

claimed objectives.

"Congress did not authorize SEC to mandate disclosure of any information whatsoever," the judge stresses. "Rather, it vested SEC with a limited power to compel disclosure of basic corporate and financial information." This is a shot at Mr. Gensler's climate disclosure rule, which is also under review in the Fifth Circuit.

There's also no limiting principle. Judge Oldham writes that an exchange could use a similar justification to mandate quotas or disclosure of "the religious affiliations of companies' directors. Or the presidential candidate they voted for in the most recent election. Or their position on the hottest political issue of the day. Or whether they recycle, drive electric vehicles, and take public transit."

The court ruled SEC approval of the Nasdaq rule violates the Supreme Court's major questions doctrine, which requires clear Congressional authorization for significant administrative actions. Add this to Mr. Gensler's string of legal defeats. As for Ms. Friedman and Nasdaq, maybe stop courting political blessings and stick to helping Americans share in the bounty of American capitalism.

A Bipartisan Defense Failure

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Mr. Wicker's increases target pressing needs such as homeland air and missile defense (what Mr. Trump calls an Iron Dome for America); submarine and shipbuilding to compete with China; space superiority; and rebuilding munitions capacity and stockpiles, notably in long-range fires. The Senate bill also included steps to inject more competition and innovation into defense procurement.

The silver lining is that new Senate GOP leader John Thune is teeing up Plan B for early next year. The idea is to use the first of two budget bills in 2025 to address border security, energy production and national defense.

This is a chance to add back the Wicker priorities, which are also Mr. Trump's. Democrats for years have used the 60-vote filibuster rule to hold defense increases hostage to "parity" with domestic spending, but that won't apply in the 51-vote budget reconciliation process that the GOP majority will control.

Mr. Thune and Lindsey Graham, the next budget chairman, are vowing to offset any spending increases with comparable cuts in that first 2025 budget bill. There's plenty of Mr. Biden's spending to cut. But national defense has to be a priority in a world that is far more perilous than the one Mr. Trump inherited when he first took office in 2017.

America's political class has been sleep-walking for years as global threats mount, and history won't forgive the Republicans of the 2020s if they join the Republicans of the 1930s in failing to protect the country.

Biden's Midnight Trade Sabotage

The Biden Administration has only a month to go, but its economic damage isn't finished. Our sources say an inter-agency trade policy committee is seeking to erode investor-state dispute settlement (ISDS) protections under U.S. trade agreements with Colombia, Mexico and Canada as it leaves town.

Most U.S. trade agreements include independent tribunals to arbitrate disputes between foreign governments and investors. The goal is to provide an impartial forum for foreign investors to challenge hostile government actions. Investors are entitled to monetary damages if they prevail. The U.S. has never lost a case, but a political right-left axis wants to weaken the protections.

Robert Lighthizer, Donald Trump's first-term trade representative, negotiated limitations on the international tribunals in the revised U.S. trade pact with Mexico and Canada. He and his allies on the left say businesses would build more factories in the U.S. if there were fewer legal protections for overseas investments. But this opens the door to leftwing governments that want to nationalize U.S. investments and harm U.S. shareholders.

The USMCA scrapped protections for investments in Canada and restricted the power of tribunals in disputes with Mexico. But now progressives complain that any such protections hinder their climate goals because foreign governments might be forced to compensate businesses if they take actions that harm fossil-fuel investments.

The United Nations' Special Rapporteur on human rights and the environment last year called investor protections a "major obstacle to the urgent actions needed to address the planetary environmental and human rights crises" and urged countries to "unilaterally or jointly terminate existing" trade agreements with them.

President Biden promised when he ran in 2020 to exclude investor protections from new

trade agreements. His Administration hasn't negotiated any owing to hostility from unions and leftwing groups like Public Citizen and Re-think Trade. Unsatisfied, progressives are urging him to remove investor protections from existing agreements.

"These provisions tilt the playing field even further in favor of large corporations, incentivizing offshoring and undermining the sovereignty of the United States and other governments," Sen. Elizabeth Warren and 32 other Democrats wrote to Trade Rep Katherine Tai last spring. ISDS "continues to harm human rights and hinder efforts to address climate change."

Their exhortations come as leftwing governments in Latin America seek to seize and maroon foreign investments, especially in energy and mining. Mexico's new president Claudia Sheinbaum wants to ban hydraulic fracturing and new open-pit mining. American investors are also tangling with the Mexican state-owned oil company Pemex.

In March 2023, Mexican soldiers took over a cargo terminal owned by Alabama-based construction company Vulcan Materials near Playa del Carmen. Former Mexican President Andrés Manuel López Obrador later banned extraction of construction material in the area. Vulcan says, with cause, that Mexico is expropriating its property.

Enter Biden trade officials, who are negotiating with the Mexican and Colombian governments to add "interpretative" text to U.S. trade agreements that would make it harder for Vulcan and other U.S. businesses to prevail in international tribunals. They plan to present their revisions to Congress as a *fait accompli*.

If Biden officials amend trade agreements without a vote of Congress, Mr. Trump could claim the changes aren't binding. Republicans might also be able to use a Congressional Review Act resolution to overturn the Biden trade coup. Even in his final days, Mr. Biden is letting the left run his economic policy.

He wants to rewrite deals to remove investor protections abroad.

OPINION

LETTERS TO THE EDITOR

Vets Recognize Hegseth as One of Their Own

Regarding Pete Hegseth's op-ed "I've Faced Fire Before. I Won't Back Down" (Dec. 5): In 1915, in the First World War, Winston Churchill, with faults well on display, was being turned out of the Admiralty. His wife, Clementine, made a deep appeal to the Prime Minister, Herbert Asquith. She wrote, "Winston may in your eyes and in those with whom he has to work have faults, but he has the supreme quality which I venture to say very few of your present or future Cabinet possess—the power, the imagination, the deadlines to fight Germany."

I would not compare Mr. Hegseth, of course, to Churchill. I know Pete; he has had some rocky, troubled years and he knows he has much to answer for. To take a line from Evelyn Waugh, "his diaries will need some editing."

But the men—and women—who have been in combat know that he is one of them. They know that he has wit, the imagination and the nerve to root out the wokeness that has

eroded the sense of character and mission in the upper ranks of the military.

HADLEY ARKES
Washington

Mr. Hegseth makes more of a case for why he should be nominated for secretary of veteran affairs—his service and advocacy on behalf of veterans—instead of defense secretary.

As a SecDef nominee, Mr. Hegseth should have laid out the top challenges faced by the Pentagon in the next four years: fielding organized, trained and equipped U.S. forces that can deal with the emergent military threat from China; Vladimir Putin's quest for a Greater Russia; and regional instability caused by Iran and North Korea. Add to this the imperative to reinvigorate our technology and industrial bases, so they can sustain our current military forces yet rapidly pivot to new threats posed by our adversaries.

PAUL BERG
Bellevue, Neb.

The Pre-Emptive Pardons Are Political Traps

Does the language of the Constitution's Article II, Section 2, giving the president the power "to grant Reprieves and Pardons for Offenses against the United States," authorize "pre-emptive pardons" by a lame-duck president of close associates who may be targeted by his successor but who never have been criminally charged? That is an issue that can be authoritatively resolved only by the Supreme Court ("What Biden's Lawfare Has Wrought," Review & Outlook, Dec. 6).

President Biden's advisers may be

NATHAN LEWIN
Washington

Mr. Lewin, a Washington lawyer, has argued more than two dozen cases before the Supreme Court.

Our Community Banks Deserve Protection Too

"What Trump Bank Views Mean for Savers" (Heard on the Street, Dec. 5) accurately depicts the moral hazard created by the federal government's haphazard approach to covering uninsured deposits at failed banks. But its takeaway that consumers should hold uninsured deposits only at the largest banks demonstrates the real, continuing danger of the nation's too-big-to-fail problem.

While customers of First National Bank of Lindsay, Okla., were guaranteed access to only 50% of their uninsured deposits after the bank failed, regulators last year quickly invoked the "systemic risk exception" to protect all depositors in the failed Silicon Valley Bank, then the 16th-largest bank in the country. This disparity in the government's approach to bank failures shows how too-big-to-fail is

REBECA ROMERO RAINIE
President and CEO, Independent Community Bankers of America
Washington

ObamaCare and Brian Thompson's Shooting

Regarding Allysa Finley's "UnitedHealthcare and the ObamaCare Con" (Life Science, Dec. 9): The Affordable Care Act was passed in 2010. The Republicans have had 14 years to come up with something better, and they have failed.

Meanwhile, I enjoy reminding my Republican friends of the thousands and thousands of dollars they have saved on healthcare costs for their families due to two of the law's provisions. First, coverage cannot be denied for pre-existing conditions. Sec-

ond, before ObamaCare, as soon as your children reached the age of 21, they had to get their own insurance.

With ObamaCare, they can remain on the family policy until they turn 26.

How quickly many have forgotten what it was like before ObamaCare. If it is such a con, why haven't Republicans removed and replaced it?

ERLE FLAD
Berkeley, Calif.

The recent past has given us much ado about lawfare, in which the power of the government is directed against political enemies. Currently, this is generally about Democrats using the law to persecute Trump associates or supporters. But that isn't an example of a two-tiered justice system; it is only an abuse of the legal system for political ends.

An excellent example of a two-tiered justice system is the murder of UnitedHealthcare CEO Brian Thompson. One man was killed and, as a result, the search for the killer was all over the news. His picture was on the front page of newspapers and all over news feeds; police departments made every effort to find him. Now, success is ours, we are told. We'll have none of that.

In other news, at least 14 shot, four fatally, in Chicago over the weekend. Ho hum.

LEWIS GUIGNARD
Union Grove, N.C.

Some Criticisms and Some Commendations for Kessler

Andy Kessler's "Donald Dos and Donald Don'ts" (Inside View, Dec. 2) is chock-full of great ideas. Unfortunately, one of Mr. Kessler's ideas, to stop subsidizing electric vehicles, misses the point on the protection of American jobs. While it is true that Chinese EV makers like BYD make inexpensive cars, and it could be true that it would cost very few American jobs, allowing in cheap Chinese imports has routed our industrial base. There also is the broader issue of China's intent to remove competitors throughout the world with cheap, subsidized products.

Acknowledging that China is an enemy should change how we look at small, seemingly harmless threats.

ERIC SANDBERG
Tucker, Ga.

President-elect Trump, please do

take Mr. Kessler's advice. I have been aware of Mr. Kessler's brilliance since the early 1990s, when he was a sell-side Wall Street securities analyst and I was a principal and portfolio manager at a registered investment-advisory firm. He was one of the most insightful analysts from whom we received research, and nothing has changed in the ensuing 30 years.

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Memphis, Tenn.

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TOM WHITMAN
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Pepper ... And Salt

THE WALL STREET JOURNAL



"If I can't get a firm decision, I'd accept a wobbly acquiescence."

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OPINION

The Stakes For Speech Of Trump's Civil Verdict

By Philip Hamburger

New York state bluntly informed President-elect Trump's lawyers this week that it won't agree to vacate the massive civil fraud judgment against him and his family. Although the state's intransigence surely disappoints Mr. Trump and his family, it isn't altogether regrettable. The case can now proceed, which means it will clarify our freedom of speech.

At stake for the Trumps is \$364 million plus interest. That's a lot to risk on a single decision—so it's understandable that the Trumps asked Attorney General Letitia James to drop the case. The outcome, however, was predictable. Ms. James has all her political ambitions resting on this case, so she couldn't concede. Almost dismissively, she had her deputy solicitor general, Judith Vale, write back that the state wouldn't budge.

Letitia James presses her case. The president-elect has a chance to vindicate the First Amendment.

Ms. James brought the case against the Trumps for fraudulently misstating valuations of their properties in violation of New York's Executive Law. That law (as I've written in these pages) defines fraud in terms of untruths without requiring proof of deceptive intent, negligence or harm. The statute doesn't even require proof that the untrue information is material. The statute thus lets government target mere untruths.

Government, however, isn't the arbiter of truth and can't punish anyone for mere untruths. As Judge George Hay (1765–1830) put it, "It is obvious in itself, and it is admitted by all men, that freedom of speech means the power uncontrolled by law, of speaking either truth or falsehood at the discretion of each individual, provided no other individual be injured." Under the Executive Law, the state needn't show that any individual was injured.

The question is familiar from current doctrine. In *U.S. v. Alvarez* (2012), a case involving "stolen valor" or false claims of military honor, the Supreme Court explained that the Constitution "rejects the notion that false speech should be in a general category that is presumptively unprotected." That largely disposes of the case against the Trumps. The only variation here is that this case involves business speech, but it's not evident that should make any difference.

Even if New York has a compelling government interest in punishing some business speech that's merely untrue—without evidence of culpability, particular damage or even materiality—it has no lawful interest in punishing all such speech. Put another way, the Executive Law's sweeping assault on all business untruths isn't narrowly tailored and thus fails the applicable test for constitutional review.

The Executive Law gives the New York attorney general a roving license to single out business speech she doesn't like, including that of political opponents. It enables her to punish their dissenting views with draconian penalties. Therefore, the statute has long been a disgrace to the state.

Whatever you think about the Trumps, their case involves something more precious than all their money. It concerns our free speech. The judges should follow the First Amendment, Supreme Court precedent, and simple common sense by holding the Executive Law unconstitutional.

Mr. Hamburger teaches at Columbia Law School and is CEO of the New Civil Liberties Alliance. He has filed a friend-of-the-court brief in this case.

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We Are All Mercantilists Now

By Greg Jensen

Time magazine in 1965 published an article whose title quoted Milton Friedman: "We Are All Keynesians Now." Using fiscal deficits to manage business cycles—once an unorthodox idea—had become mainstream, driving market outcomes in the decades that followed.

When society's beliefs about the role of government shift, it affects investors. Philosophical shifts alter how people expect the government to respond to changes in economic conditions and determine to what extent policy drives economies. The rise of Keynesianism, for instance, became critical for understanding the global financial crisis and Covid shock.

For much of the post-World War II era, neoliberalism was the mainstream economic ideology. Countries lowered tariffs, integrated their economies and specialized according to areas of comparative advantage. The U.S. helped create global institutions, like the World Trade Organization, to enforce free trade.

This system of global cooperation and robust institutions has been crumbling as China in particular, and other countries to varying degrees, has pushed the boundaries. With Donald Trump's election, the postwar economic order is poised to change for good.

It will be replaced by a quasi-modern mercantilist system. The term "mercantilism," popularized in the 18th century, was used to describe economic policies of colonial powers that focused on managing the economy to build up state power.

Modern mercantilism today is built on four tenets: First, the state has a large role in orchestrating the economy to increase national wealth and strength. Second, trade balances are an important determinant of national wealth and strength, and trade deficits should be avoided. Third, industrial policy is used to



promote self-reliance and defense. Fourth, national corporate champions are protected.

Mercantilist ideology is contagious. The postwar system of free trade relied on America's soft power and the general respect that many nations had for the system. But as countries defected and adopted mercantilist policies, the global system

China's emergence as an economic power helped fuel the rise of protectionist views on trade worldwide.

lacked sufficient authority to stop them. Each time another country adopted mercantilist policies, it pushed others to react similarly.

China turned a slow drip into a death spiral. While many countries had pushed the boundaries before China did, its economic size and the effectiveness of its mercantilist policies broke the pre-existing order. Through currency management, public procurement, state subsidies,

protectionism and other implicit subsidies, China has developed a range of leading industries, including electric vehicles, solar power, and batteries.

China's emergence as an economically powerful strategic competitor to the U.S. worries many in the free world. It has raised concerns about supply-chain dependencies, the lack of robust manufacturing, and an ailing defense industrial base. The political and social consequences of lost domestic manufacturing jobs are leading policymakers to second-guess whether cheaper consumer goods and a more market-efficient allocation of capital are worth it. Over the past eight years, the Trump and Biden administrations have chipped away at the WTO order—putting tariffs on Chinese imports, using export controls to limit China's access to advanced semiconductors, and pushing industrial policies like the Inflation Reduction Act and the Chips Act.

With China and the U.S. now in the mercantilist camp, pressure is growing for Europe to follow. The Continent is torn between its commitment to WTO principles and the need to respond to competitive threats.

French President Emmanuel Macron, who's pushing for a more independent Europe, had some sharp remarks following the U.S. election: "The world is made up of herbivores and carnivores. If we decide to remain herbivores, then the carnivores will win and we'll be a market for them."

Modern mercantilism will reshape the global economic order. Government policies will reduce the competitive pressures companies face, as their survival will be a matter of national interest. Tariffs, industrial policy and export controls will define a market for the kinds of companies the government wants to exist. The market's role in determining companies' success will diminish.

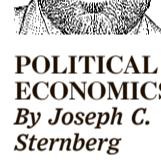
Countries that rely on rising, persistent trade surpluses to achieve growth are the most at risk in a mercantilist world, as the U.S.—the world's largest trade-deficit economy—becomes unwilling to absorb these surpluses. And retaliation to mercantilist policies is likely to extend beyond tariffs.

Countries with trade deficits will have the upper hand in trade wars because they will have more imports to tariff than their trading partners. Competing countries will likely respond with a range of measures. Retaliation could be explicit, such as China adding more companies to its Unreliable Entity List, which restricts investments in China and participation in China-related export activity. Or retaliation could be subtle, such as Europe intensifying antitrust efforts or digital service taxes that would affect large U.S. tech companies.

Capitalists have long worried that socialism would end the Reagan-Thatcher economic system. Instead, modern mercantilism is poised to strike the final blow. We are all mercantilists now, and the implications are profound and unavoidable.

Mr. Jensen is co-chief investment officer at Bridgewater Associates.

Assad's Fall



POLITICAL ECONOMICS
By Joseph C. Sternberg

That whooshing sound you heard this week was an enormous sigh of relief let loose by European leaders as Bashar al-Assad fled to Russia. The strongman's fall from power is generally good news for the people he previously subjugated in Syria, but Europeans seem to hope this event can also solve one of their most pressing problems: immigration.

Observe how to date Europe's most visible response to the crisis in Syria has been . . . to try to send Syrians back from Europe. As of this writing, more than a dozen governments across Europe have suspended the processing of asylum applications filed by Syrian citizens on European soil, and some politicians are talking almost giddily about the prospect that refugees whose applications already have been approved could be induced to go back.

The Syrian civil war, which started in 2011, was the trigger for the massive wave of illegal migration that has added European politics for nearly a decade. The biggest inflow started in 2015, and it's hard to say for sure exactly how big the influx was, because some tried to cross the border multiple times before they succeeded or have gone entirely undocumented.

The best proxy probably is the number of first-time applications for asylum, which is migrants' preferred method for obtaining a legal ability to stay. Nearly 7.7 million people from outside the European Union filed such applications between January 2015 and August this year, around 2.4 million of those in the first two years. Of those, some 20% were Syrians—in most years, the largest national cohort.

This human flood has pushed Europe to the breaking point, institutionally and politically. The new arrivals availed of a complex of human-rights and asylum legislation that was devised in the wake of World War II as Western countries

Won't Resolve Europe's Migration Crisis

reckoned with their disgraceful reluctance to accept Jews fleeing Adolf Hitler's Reich. But the process of applying for asylum and adjudicating claims is every bit as slow and cumbersome as you'd expect.

Nearly a million applications had yet to receive a first decision from an EU state as of September, with another 133,000 pending in Britain. The majority of applications are approved at that stage. Those that are rejected can, and often do, appeal. While this process grinds along, taxpayers must subsidize applicants with social welfare, housing and other support.

You can see why this might annoy European voters. It gets worse. Many migrants are more or less law-abiding, but some aren't. Terrorist infiltration or recruitment among migrants is a constant worry. In some instances, such as the August knife attack that killed three in Solingen, Germany, Syrian refugees have been accused of terrorist acts.

Looming over all this has been the suspicion that even many of the relatively peaceable new arrivals aren't "refugees" in the sense Europeans had in mind when they developed current laws. A common observation of photos of the migrant tide

in 2015 was how few of them were women or children or the elderly and how many appeared to be working-age young men.

Europe's political class, incapable of securing its border and deterring or deporting illegal migrants over the past decade, now hopes the faraway events of the past week offer a

The Continent looks to repatriate refugees, but Syria hasn't been liberated so much as overrun.

deus ex machina. If all these Syrian "refugees" claimed to be fleeing Mr. Assad's henchmen and prisons, the thinking goes, the collapse of that regime obviates any need for these migrants to seek shelter in Europe.

The celebration is both premature and pathetic, and for the same reason. Syria hasn't been liberated from the Assad regime so much as it's been overrun by competing militias that may or may not harbor sympathies for extreme Islamism. Governments will have to litigate the safety or otherwise of the new Syrian re-

gime exhaustively (and exhaustingly) before anyone can be refused entry, let alone sent home.

And what has the EU done to create a Syria to which it could return refugees? EU governments spent more than €33 billion over 13 years on the "Syria crisis" broadly defined. Yet it isn't obvious what efforts Europe has made to cultivate a civil society that might prove helpful now. Europe lacks the military wherewithal to shape events in the way Israel, say, has done by taking out Syria's chemical-weapons stockpiles before unsavory elements could capture them.

As a consequence, while Europe hopes the transition in Syria will ease the refugee crisis, leaders must fear the opposite. The nightmare scenario would be a new flow of migrants fleeing neo-Islamist rule.

The core of Europe's political crisis of illegal migration is voters' perception that their governments are incapable of taking decisive action to manage their foreign and domestic security, and instead are hostage to events elsewhere—namely, millions of foreigners' individual decisions to storm Europe's borders. The fall of the Assad regime isn't the solution to that overarching problem.

Don't Make DOGE About Nothing

By Susan Dudley

Elon Musk and Vivek Ramaswamy met with congressional Republicans last week to promote their plans for the Department of Government Efficiency. As they wrote in these pages last month, their vision for reducing the size of government hinges on fewer regulations. There's ample opportunity for regulatory reform, but so far the discussion reminds me of "Seinfeld." DOGE will make recommendations, the president will pause enforcement of rules, and—yada yada yada—smaller government.

Some of Messrs. Musk and Ramaswamy's suggestions are sound, such as using technology to identify regulations that are duplicative, outdated or based on questionable statutory authority. They also wisely plan to work with the Office of Management and Budget to achieve their goals. The OMB and its Office of Information and Regulatory Affairs, which oversees federal regulations, have the institutional knowledge to reduce inefficiencies and regulatory excess and are accustomed to sparring with regulatory agencies. DOGE's efforts will also benefit from its two leaders' promises to crowdsource recommendations for reform.

But some of DOGE's promises are naive. Pausing enforcement of regulations via executive orders will work in some cases for a limited time. Permanently rescinding regulations, however, requires work from the agencies DOGE is looking to retrench.

The 1946 Administrative Procedure Act requires these agencies to justify and seek public comment on intended regulatory changes before issuing a final rule. This could take a year or longer and even then may be challenged in court. Agencies will need to support the proposed changes with rigorous legal, scientific and cost-benefit analyses. This process likely won't be finished by July 4, 2026, DOGE's self-imposed shutdown date.

Musk and Ramaswamy can't just 'yada yada yada' their way through the deregulatory process.

Messrs. Musk and Ramaswamy say they'll rely on the Supreme Court's recent decision in *Loper Bright Enterprises v. Raimondo* (2024), which overturned an earlier ruling that required courts to defer to agencies' interpretations of ambiguous statutes. That may work in some cases, but *Loper Bright* cuts both ways. It also means courts won't automatically defer to the Trump administration's interpretation of ambiguous statutes as it deregulates.

Messrs. Musk and Ramaswamy write in the Journal that they will "focus particularly on driving change through executive action based on existing legislation rather than by passing new laws." But anything

passed by executive action can be reversed just as easily. The two should work with Congress to achieve more lasting reforms. One immediate opportunity will be using the Congressional Review Act to rescind regulations issued during the final months of the Biden administration, which requires only a simple majority in both chambers and the president's signature.

Further opportunities lie in lawsuits challenging Biden regulations. Twenty states have sued the Biden administration over its rules on how agencies must comply with the National Environmental Policy Act. The Trump administration won't need to continue defending Joe Biden's changes, and it could agree to revert to its 2020 NEPA rules aimed at streamlining the burdensome permitting process and expediting new energy and infrastructure projects.

Messrs. Musk's and Ramaswamy's entrepreneurial experience will bring fresh ideas to government, but they must recognize that the regulatory state is bound by procedures designed to ensure transparency and accountability. They can't yada yada yada over the important parts. They must do their homework and work with Congress to ensure that DOGE's reforms stick.

Ms. Dudley is the founder and former director of the George Washington University Regulatory Studies Center. She served as administrator of the Office of Information and Regulatory Affairs, 2007-09.

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Warner Discovery to Restructure

Reorganization into cable and streaming units sets stage for possible deals later

By JOE FLINT

Warner Bros. Discovery said it is restructuring into two operating divisions, one focused on the legacy cable TV business and the other on streaming and studios, a move that could set the company up for dealmaking down the road.

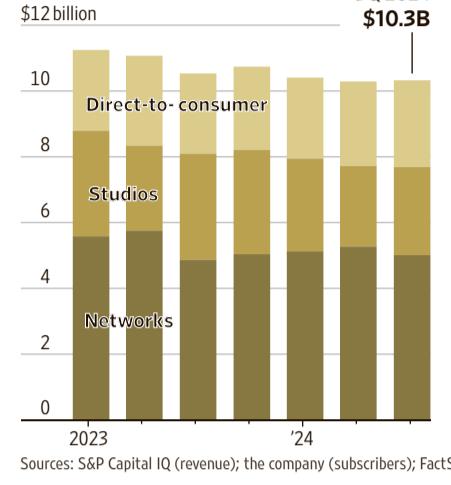
Warner said Thursday it will merge the unit that currently houses its Max and Discovery+ streaming services as well as HBO with another division that includes its Warner Bros. movie and TV production operations.

That streaming-and-studios unit would sit alongside the legacy cable unit, which includes networks such as TNT, CNN, TBS, Food Network and HGTV.

The proposed reorganization comes as Warner seeks to persuade Wall Street that it is set up to compete with other entertainment industry giants and deep-pocketed streaming rivals such as **Netflix**, **Apple** and **Amazon.com**.

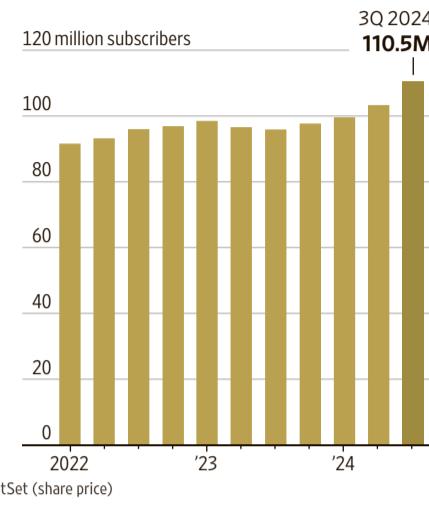
Warner Bros. Discovery Chief Executive David Zaslav said that the new structure "better aligns our organization and enhances our flexibility with potential future strategic opportunities across an evolving media landscape."

Warner Bros. Discovery segment revenue

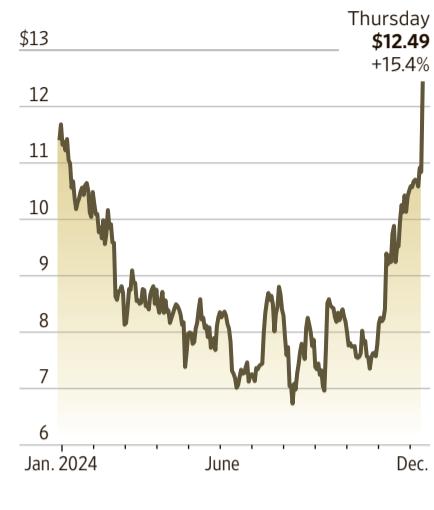


Sources: S&P Capital IQ (revenue); the company (subscribers); FactSet (share price)

Streaming subscribers



Share price, year to date



The new structure will be in place by mid-2025. A scene from HBO's 'House of the Dragon.'

Chanel Names Blazy as New Head Designer

By RORY SATRAN

Chanel, one of the world's most successful and prestigious luxury brands, has announced that Matthieu Blazy will be its next artistic director.

The 40-year-old French-Belgian designer comes to the Parisian fashion house after a successful four-year run at Bottega Veneta, where his achievements include reinventing its signature woven Intrecciato handbags and introducing the brand's first fragrances in decades. Amid a global luxury spending slowdown, Bottega was the rare brand in Kering's portfolio that saw growth this past quarter. The choice of Blazy indicates a desire for a low-drama, high-touch designer who could boast the same kind of longevity that Karl Lagerfeld, who held the top role at Chanel for over 30 years, enjoyed.

Blazy will join Chanel in 2025 and will be responsible for all ready-to-wear, haute couture and accessories collections. He will report to president of fashion Bruno Pavlovsky. In a joint statement,



Matthieu Blazy will be responsible for ready-to-wear, haute couture and accessories collections.

Chairman Alain Wertheimer and Chief Executive Leena Nair called Blazy "one of the most gifted designers of his generation." Louise Trotter, most recently at Carven, was announced as the next creative director of Bottega Veneta Thursday.

The appointment ends six months of speculation over who would succeed Virginie Viard as Chanel's top designer, one of fashion's most plum positions. Viard, a loyal deputy of the late Lagerfeld, spent around 30 years at the company including five as creative

director.

Since Viard's departure in June, nearly every top designer in fashion was rumored to be in the mix as her successor, including Sarah Burton (who ended up at Givenchy), Hedi Slimane (who left his post at Celine earlier this year), the

wunderkind Simon Porte Jacquemus and Marc Jacobs.

Amid designer musical chairs and a cooling luxury climate, Chanel's vacant position had achieved a near-mythic quality. The privately owned brand, second in scale only to Louis Vuitton, appears unscathed by recent slowdowns, with revenue rising 16% to \$19.7 billion in 2023. During the hunt for a new creative lead, the design studio put out a couture collection, a spring ready-to-wear collection and a Métiers d'art collection in Hangzhou, China. But in the front rows of those shows, the chatter was less about the clothes and more about who might take the reins of Chanel.

Chanel, founded in 1910 by Coco Chanel, is revered for its tweed suits, little black dresses, ballet flats, fragrances like No. 5 and the increasingly expensive quilted handbags. The sprawling company is owned by Wertheimer and his brother Gérard. The intensely private Wertheimer family first invested in Chanel's perfume business in 1924, later acquiring

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Conagra Courts Users Of Weight-Loss Drugs

By JESSE NEWMAN

Taking Ozempic? **Conagra Brands** thinks frozen pineapple chicken and beef merlot pair well with that.

The packaged-food giant is rolling out a new label that dubs a selection of its Healthy Choice frozen meals "GLP-1 friendly," part of an effort to pitch its products to a growing group of consumers: people who are eating less.

Starting in January, the label will appear on 26 products, which Conagra said have high protein content and low calorie counts and are a good source of fiber.

GLP-1 drugs help people lose weight by eating less. Many patients' diets change, as they aim to increase their protein intake to offset lost muscle mass and boost fiber to help with digestive problems.

The new marketing message is the latest move by a food company girding for broader adoption of the drugs.

Ozempic, Wegovy and other popular GLP-1s are shaking up America's food business, denting sales for some brands and offering others potential opportunities.

"It's a big enough audience," said Bob Nolan, Conagra's senior vice president of demand science. "We want to give them a little extra help and connect them to our brand first."

Conagra, like other food giants, has been fighting a sales slump as consumers have recoiled against higher grocery prices. The company has been running promotions to woo shoppers back to its frozen meals after a period in which many turned to cooking from scratch and to leftovers. It also has launched new products and run ads to boost frozen-vegetable sales after some consumers traded down to canned vegetables.

Other big food companies have launched products designed to meet the specific di-

INSIDE



TECHNOLOGY

A cyberattack detected last month is still disrupting Krispy Kreme ordering. **B4**



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Investors shouldn't count on help from the Fed next year. **B9**

IEA Increases Its Projection For 2025 Oil-Demand Growth

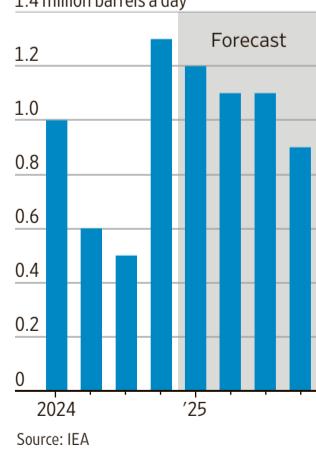
By JULIA PETRONI

The International Energy Agency lifted next year's oil-demand estimates citing the impact of China's stimulus measures, but said the pace of growth is expected to remain subdued.

The Paris-based organization now forecasts global demand to grow by 1.1 million barrels a day in 2025 from 990,000 barrels a day previously. Estimates for this year were instead cut to 840,000 barrels a day from 921,000 barrels a day, largely due to lower-than-anticipated deliveries in China, Saudi Arabia and Indonesia.

Both forecasts are considerably lower than last year's growth of more than 2 million barrels a day, reflecting a weaker macroeconomic environment and shifts in oil consumption. The agency's projections also remain substantially below those of OPEC, which still sees demand growth at robust levels of 1.61

World oil demand, net change from previous year



Source: IEA

million barrels a day this year and 1.45 million barrels a day next year.

"The bigger question for 2025 remains global oil demand," the IEA said. "The abrupt halt to Chinese oil demand growth this year, along with sharply lower increases in other notable emerging and

Activist Starboard Has Stake In Miner Of Bitcoin

By LAUREN THOMAS AND BEN GLICKMAN

Activist investor Starboard Value has built a significant position in **Riot Platforms** and is pushing for changes at the bitcoin-mining operator, according to people familiar with the matter.

Riot, based in Castle Rock, Colo., had a market value of nearly \$4 billion with its stock price down almost 25% this year through Wednesday, even during a broad cryptocurrency rally. The stock climbed nearly 5% Thursday.

The exact size of Starboard's position couldn't be learned.

As a crypto miner, Riot uses high-powered computers to process bitcoin transactions by solving complex mathematical problems, receiving bitcoin as payment.

Starboard has been in discussions with Riot's management team to push the company to convert some of its bitcoin-mining facilities into capacity for hyperscalers, or large data-center users, the people said.

Hyperscalers are companies that operate large-scale data centers designed to handle massive amounts of computing power and storage capacity.

Data centers operated by companies such as Amazon Web Services and Alphabet's Google Cloud have grown increasingly important as the artificial-intelligence boom gobble up even more computing power and resources.

In a statement Thursday, Riot said it had spoken with Starboard on several occasions and welcomed its input, as well as the views of other shareholders.

"We are committed to creating value for all shareholders, and we look forward to constructive dialogue with Starboard on ways to achieve this shared goal," the company said.

Riot's share price came under pressure this year while the company was pursuing a merger with another bitcoin miner, Bitfarms.

Riot built a nearly 20% stake in its rival in hopes of forming the largest publicly traded bitcoin miner, but talks for a full sale didn't result in a deal. Riot later struck a settlement with Bitfarms in September for a spot on the board.

Crypto companies have rallied since the November presi-

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developing economies [...] has tilted consensus towards a softer outlook."

Chinese oil demand was flat year over year in October, but fell compared with the previous month. The agency expects the top crude importer to register demand growth of 140,000 barrels a day in 2024 and 220,000 barrels a day in 2025, above previous growth estimates of 190,000 barrels a day.

Total global demand is expected to average 102.8 million this year and 103.9 million barrels a day the next.

The IEA said its current market balance still indicates a supply surplus of 950,000 barrels a day next year, even though the decision by the Organization of the Petroleum Exporting Countries and its allies to delay production increases has materially reduced the potential overhang. If OPEC+ begins unwinding voluntary cuts from the end of March as planned, the surplus

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Chanel Taps Head Designer

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in its fashion business.

The Wertheimer brothers, along with Nair, took their time selecting Blazy to be its next creative lead. Blazy, who was raised in Paris by parents who worked in the art and antiques business, went to fashion school at La Cambre in Brussels. He designed clothing at Maison Margiela, as well as at Celine under Phoebe Philo, before becoming design director of Calvin Klein under Raf Simons from 2016 to 2019. He joined Bottega Veneta in 2020 and was named to the top post in 2021.

Critics and customers alike have largely swooned for Blazy's vision at Kering-owned Bottega Veneta. He emphasized Italian craftsmanship with pieces including

The choice indicates a desire for a low-drama, high-touch designer.



Bottega Veneta fashion show in Milan this past September.

Bottega Veneta, he caught on quickly. The way he reinvented the brand's signature Intrecciato woven leather pieces offers a clue to how he might reinvent one of Chanel's most-valuable intellectual properties: its quilted handbags with their chain straps. One feat he accomplished at Bottega Veneta was an Intrecciato handbag woven from one long strip of leather.

Blazy's organized and methodological approach may also have cinched the deal for this notoriously punishing job.

In an interview earlier this year, he said, "I can do five things in

the day. I'd rather have five meetings where I touch a bit of everything than one full day of ready-to-wear or bags."

As Chanel looks to a competitive future, Blazy's focus and 360-degree approach may help boost Chanel's already considerable influence. "I always say [creative directors] are like cooks," said Blazy. "You put ingredients together and at the end, it should create a full environment."

How Liquid Death Turned Plain Water Into a \$1.4 Billion Beverage Brand



Scan this code to watch a video on how the company, which sells water in what look like beer cans, achieved a \$1.4 billion valuation in 2024. WSJ explores how it is disrupting the packaged-water industry.

BUSINESS & FINANCE

EU Regulator Backs Ozempic for Kidney Disease



CHARLOTTE DE LA FUENTE FOR WSJ

Novo Nordisk said the European Union's drug regulator supports label expansion of its Ozempic diabetes drug to reflect its potential to lower the risk of conditions related to kidney disease in adults with Type 2 diabetes.

The European Medicines Agency's backing comes after a trial earlier this year

showed that Ozempic slows the progression of chronic kidney disease and cuts the risk of kidney failure, heart attack, stroke and death in patients with Type 2 diabetes.

Data from the study showed the drug cuts the risk of kidney disease-related events in diabetic patients by 24%.

"Approximately 40% of people with Type 2 diabetes develop chronic kidney disease, and there is a need for treatments that can help to reduce kidney disease progression," Martin Holst Lange, executive vice president for development at Novo Nordisk, said Thursday.

"With this positive opinion,

Ozempic will become the first and only GLP-1 receptor agonist to show lowering of risk of kidney disease progression in adults with Type 2 diabetes and chronic kidney disease."

Novo Nordisk also has filed for a label expansion in the U.S., and a decision is expected in the first half of 2025.

—Dominic Chopping

IEA Lifts Forecast for Oil Demand

Continued from page B1
would increase to 1.4 million barrels a day.

Last week, OPEC and its allies further extended voluntary production cuts of 2.2 million barrels a day until the

end of March, with producers now set to unwind those cuts over a period of 18 months.

Thursday's IEA report comes as oil prices remain under pressure due to concerns over weaker demand trends in China and prospects of an oversupplied market next year. But turmoil in the Middle East after the fall of Syrian President Bashar al-Assad and China's pledge to boost stimulus have provided some support this week. Brent crude currently trades around \$73 a barrel, while the U.S. oil

gauge, West Texas Intermediate, is around \$70 a barrel.

Meanwhile, global oil supply rose by 130,000 barrels a day in November, the IEA said, due to a continued recovery of Libyan and Kazakhstan output.

Total supply is seen at an average of 102.9 million barrels a day this year and 104.8 million barrels a day next year.

Output from non-OPEC+ countries decreased last month due to seasonally weaker Brazilian biofuels production and the impact of hurricanes in the U.S. Gulf of

Mexico, but overall supply growth is still projected at 1.5 million barrels a day in both 2024 and 2025.

Crude supply from OPEC+'s member countries rose by 310,000 barrels a day to 41.4 million barrels a day in November, led by the return of Libyan volumes to the market.

Output from the 18 OPEC+ members subject to production quotas stood 680,000 barrels a day above their implied target, mainly due to Kazakhstan, according to IEA calculations.

Conagra Labels Food For GLP-1s

Continued from page B1
etary needs of weight-loss drug users, though their packaging doesn't mention the medications.

The Healthy Choice brand, born in the 1980s, was originally designed to appeal to older people with heart problems. Conagra executives said the decision to add new labeling reflects broader adoption of weight-loss medications and consumers who are becoming more familiar with the GLP-1 nomenclature. The frozen meals themselves aren't changing.

Executives said expanding the use of weight-loss drugs has had a "slightly positive" impact on Conagra's business, owing in large part to overall higher demand for frozen single-serve meals and appetizers. People who seek convenient food options to control their meal portions and consume less fat are driving purchases, the company said.

In some cases, GLP-1s are presenting challenges for food makers.

Hershey Chief Executive Michele Buck said in November that the candy and snack company is registering a mild impact from weight-loss drugs. Buck said Hershey is carefully monitoring patients' eating behaviors so it can ensure its portfolio has the right offerings for them.

The U.S. Department of Agriculture and the Food and Drug Administration regulate labeling claims on food, such as those related to nutrient content and health. Conagra said it sent new label concepts to the USDA for review and after receiving feedback, it gained approval in October for all products bearing the new label.

Conagra executives said the company plans to launch marketing for its newly labeled frozen meals, including campaigns with social-media influencers. The label could be added to other Conagra products in the future, the company said.



A New Documentary From WSJ Opinion

Go inside the tenure of the shortest-governing British Prime Minister in a new documentary from WSJ Opinion, "The Prime Minister vs. The Blob." The film, made in collaboration with Palladium Pictures, features an interview with Liz Truss, where she shares the story in her own words, and perspectives from Tory and Labour party critics.

WATCH NOW

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WSJ OPINION

BUSINESS NEWS

Daimler Truck Arm Says Kal Freight Owes It Millions

By LIZ YOUNG AND BECKY YERAK

Creditors including **Daimler Truck Financial Services** say they are owed tens of millions of dollars following alleged fraud by bankrupt trucking company **Kal Freight**.

The arm of truck and bus maker Daimler Truck that provides financing to commercial vehicle owners said Kal Freight owes the company about \$139 million, debt that is secured by the titles to 1,625 tractors and trailers, according to a filing in the U.S. Bankruptcy Court in Houston.

Kal Freight, a truckload operator that also offers logistics services and dedicated fleet operations for customers, filed for chapter 11 bankruptcy protection last week, saying its financial condition was hurt by unprofitable efforts to become a vertically integrated business and an investment in additional vehicles during the height of the Covid-19 pandemic.

The closely held company owes at least \$325 million to creditors that include Daimler, TBK Bank and **Bank of America**, records show.

Banc of America Leasing & Capital, an equipment-financing arm of Bank of America, in a separate filing said Kal Freight is accused of "double-pledging of collateral, inappropriate accounting, and the pledging of fictitious equipment as collateral" and that it believes those allegations are "credible and serious."

Daimler said in its filing that it advanced about \$17 million to Kal Freight to buy 164 trailers from Monon, Ind.-based trailer manufacturer Vanguard National Trailer, but that Kal Freight never paid Vanguard or received the trailers.

The filing said Kal Freight

delivered Daimler titles for the trailers and made monthly payments on the loan as if it had bought and received the equipment.

Lawyers for Kal Freight, Vanguard and Banc of America Leasing & Capital didn't respond to requests for comment Thursday. Attorneys for Daimler weren't available for comment.

Daimler also alleged that Kal Freight transferred the ownership of about 366 trailers that were Daimler collateral to Big Rig Trailers & Leasing, a Canadian affiliate of Kal Freight. That transfer was in violation of the Daimler loan documents, Daimler said. Big Rig then sold, leased or pledged those trailers to third parties in Canada, Daimler said.

Daimler didn't receive any proceeds and said the transfer might cost the company \$20 million.

Kal Freight also transferred other trucks and trailers to affiliate Kal Trailers & Leasing, a truck and trailer dealer, which then sold the equipment to third parties, Daimler said. Daimler said it didn't receive proceeds from those sales.

The deals have placed the recovery of about \$40 million in Daimler loans "in serious doubt," according to the filing. Before filing for bankruptcy, Kal Freight asked Daimler if it could keep using 543 trucks and 10 trailers—which represent about \$61 million in collateral—as it continues operations during the bankruptcy proceedings, Daimler said.

Daimler agreed to let Kal Freight keep using the equipment if certain conditions were met, including that independent directors be brought in.



GETTY IMAGES

The Italian company has been one of the few high-end brands to report growth, thanks to ultra-high-net-worth clients.

Fashion Group Brunello Cucinelli Lifts Outlook Amid Robust Sales

By MAURO ORRU
AND ANDREA FIGUERAS

Italian luxury-fashion group **Brunello Cucinelli** lifted its sales forecasts for the year as clients continue to place orders for its 2025 collections.

The group said in an update to investors late Wednesday that it now expects sales growth of 11% to 12% this year, above previous guidance of around 10%. The company also is forecasts strong profit, though it didn't provide a figure.

Shares in Milan climbed 8% Thursday. Other stocks in the luxury-goods market edged higher, with **Prada** and Gucci owner **Kering** up 1% and Birkin handbag maker **Hermès**

rising 1.2%.

Brunello Cucinelli said it was closing the year with robust orders for its 2025 spring and summer collections. Orders for its 2025 fall and winter women's precollection, which was presented in November, are also coming in strong.

While most of its rivals in the luxury-goods industry grapple with slowing sales and sluggish spending in the key Chinese market and elsewhere in Asia, Brunello Cucinelli has been one of the few high-end brands to report growth, thanks to ultra-high-net-worth clients.

Brunello Cucinelli continues to show robust growth despite a difficult environment,

benefiting from the brand's strong positioning in absolute luxury, Equita SIM analyst Paola Carboni said in a note to clients.

Other names like Hermès that cater to the wealthiest customers also continued to report strong sales growth despite the current slowdown in demand for luxury goods.

Brunello Cucinelli benefits from lower exposure to China compared with its rivals, Carboni said. Luxury brands that are highly exposed to the Chinese market have been grappling with difficult trading conditions due to weak consumer sentiment as the country continues to face an economic malaise.

French conglomerate

LVMH Moët Hennessy Louis Vuitton—home to Dior and Celine as well as its flagship Louis Vuitton brand—logged lower sales for the third quarter. **Salvatore Ferragamo** also posted lower sales in the quarter amid weak demand in Asia.

In contrast, Brunello Cucinelli said fourth-quarter growth should be in line with the third quarter, when it posted sales of €300 million, the equivalent of \$314.9 million, compared with €274.4 million a year earlier.

The group said it continued to expect sales growth of around 10% a year for 2025 and 2026, doubling by the end of the decade when compared with its 2023 figure.

Blackstone Pays \$2.6 Billion For Tokyo Office Complex

By KOSAKU NARIOKA

Blackstone has agreed to acquire a mixed-use office complex in Tokyo for \$2.6 billion from hotel-and-railway operator **Seibu Holdings**, a vote of confidence in the Japanese capital's property market.

The U.S. asset manager said Thursday that the acquisition of Tokyo Garden Terrace Kioicho is its largest-ever deal across its businesses in the Japanese market.

Located in the heart of Japan's capital, Tokyo Garden Terrace Kioicho is a 2.4 million-square-foot development that includes offices, high-end residential units, a luxury hotel, stores and restaurants.

"We are thrilled to partner with Seibu and add this prime, mixed-use property to our real-estate portfolio in Japan," said Daisuke Kitta, head of real estate for Japan at Blackstone.

Kitta said Japan has entered a new era of companies seeking partners to divest themselves of assets for further growth.

Blackstone's previous acquisitions in Japan include **Takeda Pharmaceutical's** consumer healthcare business and **Sony Group's** payment-services business.

The U.S. company has built a diversified real-estate portfolio in Japan, investing in ho-



Tokyo Garden Terrace Kioicho includes homes and stores.

tels, rental housing, logistics and data centers.

Seibu said the company has been reviewing all properties as potential sale targets so it can use proceeds to develop and acquire new properties.

The Japanese company said

it would continue to be involved in managing Tokyo Garden Terrace Kioicho and its hotel.

Japan has witnessed a sharp rise in foreign visitors in recent years as easing visa rules and a weak yen propelled a tourism boom.

Korean Air Completes Asiana Deal

By KWANWOO JUN

Korean Air Lines has acquired a controlling stake in **Asiana Airlines** for about \$1 billion, concluding a four-year merger process involving South Korea's top two airlines.

Korean Air said Thursday that it had completed the payment of a total of 1.5 trillion won, equivalent to \$1.05 billion, for 131.6 million shares, or a 63.88% stake in Asiana.

"The acquisition represents a strategic milestone for Korea's aviation industry," Ko-

rean Air said in a statement, adding that Asiana is now one of its subsidiaries.

Asiana will form a new board of directors in January to operate independently before it is fully integrated into Korean Air within two years, the statement said.

The merger process began in November 2020 but was delayed over antitrust concerns raised by some global regulators.

The two South Korean air-

lines navigated reviews by 14 major global antitrust authori-

ties, including the European Union's competition policy body, to secure approval for the merger.

For EU approval, Korean Air had agreed to cede four of its Europe-bound air routes to domestic rival T'way Air. It also signed a deal of 470 billion won to sell Asiana's cargo business to local competitor Air Incheon.

Three low-cost airlines affiliated with Korean Air and Asiana will be integrated to create a single budget carrier in South Korea, Korean Air officials say.

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How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are consolidated from trades reported by various market centers, including securities exchanges, FINRA, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Footnotes:
i-New 52-week high; l-New 52-week low; dd-Indicates loss in the most recent four quarters.

Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day.

Thursday, December 12, 2024

Stock Sym Close Chg Net Stock Sym Close Chg Net

A B C

AAON AAON 131.27 -1.09 ArchCapital AGCL 93.92 -0.15 BuildersFirst BLDR 170.68 -1.48

ADOM ADM 30.8 0.16 BungeGlobal BUN 83.59 -1.70

AES AES 13.52 -0.07 BurlingtonSts BURL 289.90 -5.59

Afac AFL 104.38 0.17 CACI Intl CACI 14.00 -16.00

AGNC Invlt AGNC 9.54 -0.06 Anixter ANX 341.58 -2.42 AstraZeneca AZN 66.94 -0.46

APA APA 22.94 0.56 AtmoEnergy ATMO 140.22 -0.19 Avangrid AVGR 48.61 -0.43

ASE Tech ASX 9.7 -0.14 AutoZone AZO 30.2 -0.47 BCI Group CBRE 139.69 2.03

ASML ASM 713.10 -1.33 Cummins CMI 370.57 0.42 Curtiss-Wright CWG 366.27 -5.48

AT&T T 23.36 -0.12 Autodesk ADSK 309.34 1.88 CyberArkSoftware CYBR 321.54 -2.46

Affirm AFRM 68.77 -1.16 Aleris ALC 212.67 0.69

AmericanAero ALAB 122.45 -0.17 CGI A GIB 112.31 -2.36

Ansys ANSS 131.27 -1.09 AstraZeneca AZN 66.94 -0.46

AtmosEnergy ATMO 140.22 -0.19 Avangrid AVGR 48.61 -0.43

Autodesk ADSK 309.34 1.88 BCI Group CBRE 139.69 2.03

AbbottLabs ABT 113.86 -0.28 Cognitec CFT 31.32 0.12

AbbVie ABV 173.19 -1.18 Cognos CNO 31.66 -0.28

Accenture ACN 360.18 -3.66 Cognos CNO 31.66 -0.28

AcuityBrands ABY 322.78 -1.77 Cognos CNO 31.66 -0.28

Adobe ADBE 474.63 -5.30 Cognos CNO 31.66 -0.28

AdvDrainageSys AMDS 130.06 0.45 Cognos CNO 31.66 -0.28

AerCap AER 95.00 -1.31 Cognos CNO 31.66 -0.28

Affirm AFRM 68.77 -1.16 Cognos CNO 31.66 -0.28

AiglenTechs A 140.91 -0.28 Cognos CNO 31.66 -0.28

AiglenTechs A 140.91 -0.28 Cognos CNO 31.66 -0.28

AgileLogiMines AME 85.21 -2.14 Cognos CNO 31.66 -0.28

AirProducts APD 310.89 -1.47 Cognos CNO 31.66 -0.28

Airbnb ARBN 137.47 -1.37 Cognos CNO 31.66 -0.28

AkamaiTech AKAM 100.00 -0.00 Cognos CNO 31.66 -0.28

AlamosGold AGI 19.55 -0.83 Cognos CNO 31.66 -0.28

Albermarle ALB 103.30 -0.04 Cognos CNO 31.66 -0.28

Albertsons ASR 19.12 -0.89 Cognos CNO 31.66 -0.28

Alcoa AA 39.62 -0.08 Cognos CNO 31.66 -0.28

Alcoa ALC 85.74 -0.83 Cognos CNO 31.66 -0.28

BancoBradesco BBBQ 1.94 -0.02 Cognos CNO 31.66 -0.28

BankOne BCHP 22.53 -0.13 Cognos CNO 31.66 -0.28

CanderelProppty CPT 120.93 -0.49 Cognos CNO 31.66 -0.28

DeltaEnergy ATMO 140.22 -0.19 Cognos CNO

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

43914.12 ▼234.44, or 0.53%
High, low, open and close for each trading day of the past three months.



Bars measure the point change from session's open

Current divisor 0.16268413125742

Last P/E ratio 27.58 26.96

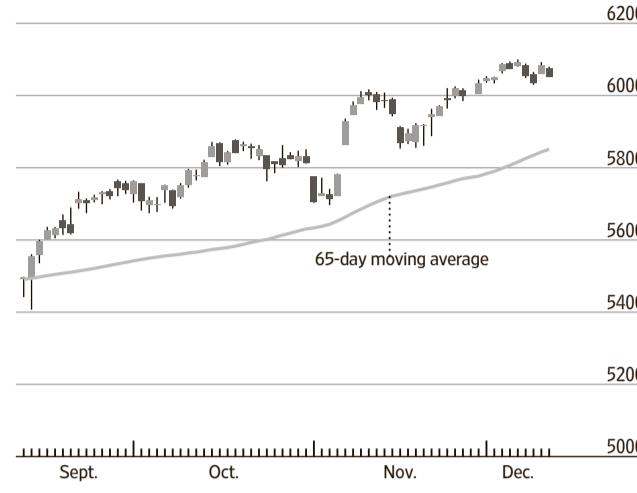
P/E estimate * 22.91 19.87

Dividend yield 1.83 1.97

All-time high 45014.04, 12/04/24

S&P 500 Index

6051.25 ▼32.94, or 0.54%
High, low, open and close for each trading day of the past three months.



Last P/E ratio * 25.41 21.74

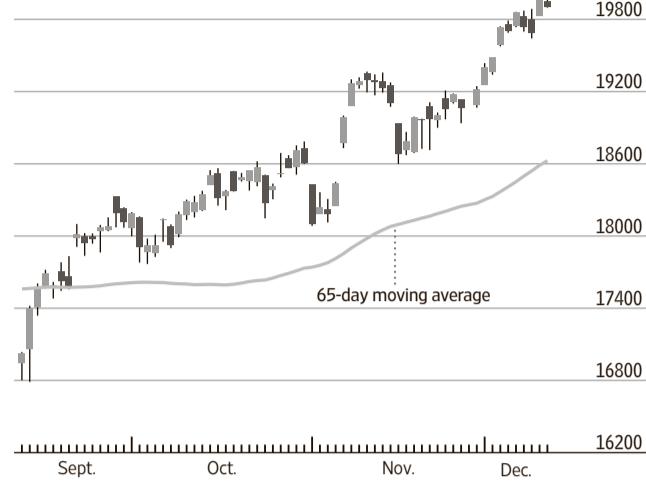
P/E estimate * 22.54 20.41

Dividend yield * 1.22 1.57

All-time high 6090.27, 12/06/24

Nasdaq Composite Index

19902.84 ▼132.05, or 0.66%
High, low, open and close for each trading day of the past three months.



Last P/E ratio * 33.92 28.35

P/E estimate * 28.27 27.34

Dividend yield ** 0.75 0.82

All-time high: 20034.89, 12/11/24

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; **Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr.ann.
Dow Jones										
Industrial Average	44208.60	43903.27	43914.12	-234.44	-0.53	45014.04	37082.00	17.9	16.5	6.9
Transportation Avg	16922.43	16705.86	16842.77	-2.66	-0.02	17754.38	14781.56	5.8	5.9	0.9
Utility Average	1010.84	1001.31	1002.72	-1.21	-0.12	1079.88	829.38	11.8	13.7	2.3
Total Stock Market	60618.39	60319.44	60319.44	-354.90	-0.58	60836.59	46849.48	27.6	26.2	7.8
Baron's 400	1326.53	1316.15	1316.22	-11.02	-0.83	1356.99	1039.19	23.5	22.7	6.7
Nasdaq Stock Market										
Nasdaq Composite	20018.24	19897.38	19902.84	-132.05	-0.66	20034.89	14510.30	34.8	32.6	8.4
Nasdaq-100	21715.83	21596.66	21615.27	-148.71	-0.68	21763.98	16282.01	30.7	28.5	9.8
S&P										
500 Index	6079.68	6051.25	6051.25	-32.94	-0.54	6090.27	4688.68	28.2	26.9	8.7
MidCap 400	3315.97	3293.61	3294.36	-18.67	-0.56	3390.26	2691.79	18.9	18.4	5.8
SmallCap 600	1511.63	1497.76	1498.23	-12.59	-0.83	1544.66	1241.62	15.1	13.7	2.8
Other Indexes										
Russell 2000	2391.86	2360.59	2361.08	-33.08	-1.38	2442.03	1913.17	18.0	16.5	2.2
NYSE Composite	19898.00	19769.08	19769.09	-121.94	-0.61	20272.04	16522.83	18.2	17.3	5.5
Value Line	646.43	642.36	642.40	-4.02	-0.62	656.04	566.64	9.0	8.2	-0.9
NYSE Arca Biotech	5997.50	5919.02	5919.02	-78.48	-1.31	6154.34	4861.76	11.1	9.2	4.0
NYSE Arca Pharma	972.39	959.13	960.95	-8.81	-0.91	1140.17	882.28	7.9	5.6	7.3
KBW Bank	133.52	132.29	132.33	-0.67	-0.51	138.78	91.80	37.0	37.8	-0.2
PHLX® Gold/Silver	154.73	151.50	151.54	-5.77	-3.67	175.74	102.94	22.0	20.6	6.9
PHLX® Oil Service	76.83	75.43	75.58	-1.55	-2.01	95.25	72.67	-9.1	-9.9	11.0
PHLX® Semiconductor	5005.80	4946.65	4982.19	-45.61	-0.91	5904.54	3908.85	21.6	19.3	8.4
Cboe Volatility	13.95	13.39	13.92	0.34	■ 2.50	38.57	11.86	11.5	11.8	-9.4

\$ Nasdaq PHLX

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	% chg	After Hours High	Low
Broadcom	AVGO	12,419.9	204.76	24.10	13.34	214.77	176.64
NVIDIA	NVDA	9,342.5	138.41	1.07	0.78	146.84	129.15
SPDR S&P 500 ETF Trust	SPY	5,573.7	605.00	0.67	0.11	605.66	507.18
AMC Entertainment	AMC	5,024.5	4.32	0.01	0.12	4.34	4.30
Apple	AAPL	4,229.1	247.26	-0.71	-0.28	251.73	247.00
iShares iBoxx \$ HY Cp Bd	HYG	3,917.4	79.70	0.06	0.08	79.85	79.51
Alphabet Cl A	GOOGL	3,724.5	191.11	-0.85	-0.44	192.43	159.83
Direxion Dly SCOND 3 BL	SOXL	3,576.0	29.63	1.17	4.11	29.75	28.18

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Direxion Dly AVGO Bull 2X AVL	AVL	101.1	28.75	6.14	27.16	29.60	22.42
Defiance Dly Target 2X Lg	AVGX	505.9	26.83	5.36	24.97	27.99	20.51
RH	RH	619.5	452.00	70.62	18.52	465.80	375.00
Broadcom	AVGO	12,419.9	204.76	24.10	13.34	214.77	176.64
EVgo Cl A	EVGO	2,590.2	7.03	0.81	12.94	7.78	6.22

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Repare Therapeutics	RPTX	884.6	2.52	-1.45	-36.52	4.50	2.45
Candela Therapeutics	CADL	1,606.1	7.87	-1.93	-19.69	9.98	7.27
FIGS	FIGS	236.9	5.66	-0.34	-5.67	6.10	5.66
Berkshire Hills Bancorp	BHLB	51.3	28.75	-1.51	-4.99	30.26	28.75
Direxion Dly Semi 3 Bear	SOXS	1,235.4	21.91	-0.93	-4.07	23.02	21.79

Sources: FactSet; Dow Jones Market Data

Trading Diary

Volume, Advancers, Decliners

NYSE NYSE Amer.

Total volume* 877,567,672 14,990,204

Adv. volume* 235,546,731 4,048,461

Decl. volume* 626,324,931 10,788,680

Issues traded 2,860 299

Advances 723 83

Declines 2,069 207

Unchanged 68 9

New highs 68 3

New lows 66 11

Closing Arms' 1.00 0.39

Block trades* 4,523 184

Nasdaq NYSE Arca

Total volume* 7,047,551,263 233,472,217

Adv. volume* 3,436,550,210 51,920,110

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract		Contract			Open
	Open	High	Low	Settle	Chg	interest

Copper-High (CME)-25,000 lbs.; \$ per lb.

Dec 4,2805 4,2805 4,1700 4,1950 -0,0190 1,705

March'25 4,2625 4,3350 4,2175 4,2445 -0,0190 124,696

Gold (CMX)-100 troy oz.; \$ per troy oz.

Dec 2725,10 2736,00 2677,40 2687,50 -46,30 2,903

Jan'25 2737,80 2745,10 2683,30 2695,10 -46,40 3,212

Feb 2753,60 2761,20 2696,70 2709,40 -47,30 373,243

April 2772,60 2780,40 2717,50 2730,40 -46,20 56,210

June 2795,30 2801,80 2740,60 2752,40 -45,50 35,690

Aug 2808,70 2820,60 2760,00 2773,50 -42,20 12,855

Palladium (NYM)-50 troy oz.; \$ per troy oz.

Dec 991,50 997,00 991,50 983,00 -19,70 6

March'25 10,10 10,24 10,50 987,00 991,50 -21,00 14,778

Platinum (NYM)-50 troy oz.; \$ per troy oz.

Dec 937,00 937,00 936,10 936,60 -10,40 1

Jan'25 950,60 961,70 938,00 940,70 -10,10 63,764

Silver (CMX)-5,000 troy oz.; \$ per troy oz.

Dec 32,530 32,770 31,225 31,228 -1,334 643

March'25 32,790 33,330 31,495 31,619 -1,348 123,469

Crude Oil, Light Sweet (NYM)-1,000 bbls.; \$ per bbl.

Jan 70,43 70,72 69,14 70,02 -0,27 172,620

Feb 69,97 70,27 68,74 69,66 -0,21 262,100

March 69,52 69,95 68,43 69,35 -0,17 197,342

April 69,31 69,64 68,18 69,14 -0,12 86,660

June 68,83 69,21 67,81 68,80 -0,04 172,452

Dec 67,45 67,79 66,57 67,51 0,05 152,333

NY Harbor ULSD (NYM)-42,000 gal.; \$ per gal.

Jan 2,2290 2,2465 2,2004 2,2366 ,0133 85,743

Feb 2,2343 2,2511 2,2068 2,2424 ,0129 83,322

Gasoline-NY RBOB (NYM)-42,000 gal.; \$ per gal.

Jan 1,9915 1,9990 1,9559 1,9885 ,0027 85,099

Feb 2,0010 2,0083 1,9659 1,9974 ,0021 82,929

Natural Gas (NYM)-10,000 MMbtu.; \$ per MMbtu.

Jan 3,364 3,559 3,282 3,455 ,077 171,568

Feb 3,135 3,280 3,062 3,205 ,047 170,208

March 2,781 2,854 2,708 2,791 ,006 259,481

April 2,804 2,864 2,734 2,813 ,005 113,362

May 2,900 2,962 2,839 2,916 ,007 103,919

Jan'26 4,428 4,478 4,382 4,459 ,021 101,166

Agriculture Futures

Corn (CBT)-5,000 bu.; cents per bu.

Dec 436,50 439,00 431,75 431,75 -6,25 319

March'25 447,75 448,00 442,50 443,50 -4,75 807,644

Oats (CBT)-5,000 bu.; cents per bu.

Dec 348,25 348,25 346,00 339,25 4,50 1

March'25 356,25 363,00 356,25 362,00 4,50 3,252

Soybeans (CBT)-5,000 bu.; cents per bu.

Jan 995,00 998,25 988,00 995,75 ,25 236,863

March'20 1002,00 1005,25 996,25 1003,25 ,50 325,247

Soybean Meal (CBT)-100 tons; \$ per ton.

Dec 287,70 288,60 284,70 286,50 -1,50 647

March'25 298,10 299,40 296,70 296,40 -2,10 218,223

Interest Rate Futures

Ultra Treasury Bonds (CBT)- \$100,000; pts 32nds of 100%

Dec 124,030 125,030 123,150 123,220 -1,12 10,220

March'25 124,300 125,040 123,130 123,210 -1,13 1,763,030

Treasury Bonds (CBT)- \$100,000; pts 32nds of 100%

Dec 117,180 118,010 117,000 117,050 -2,70 14,576

March'25 118,020 118,060 117,020 117,080 -29,00 1,843,594

Treasury Notes (CBT)- \$100,000; pts 32nds of 100%

Dec 110,175 110,225 110,075 110,100 -9,50 15,048

March'25 110,215 110,250 110,085 110,120 -10,00 4,471,665

5 Yr. Treasury Notes (CBT)- \$100,000; pts 32nds of 100%

</

MARKETS & FINANCE

Stock Indexes Slip in Quiet Trading

Investors weigh producer-price figures; Fed cut still expected next week

U.S. stock indexes declined Thursday in ho-hum trading after the latest inflation reading left intact the case for another interest-rate cut.

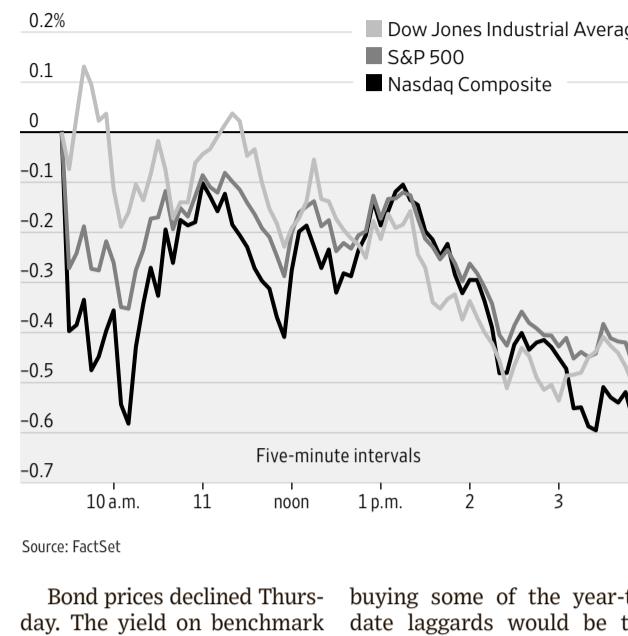
The Nasdaq Composite fell 0.7% after topping 20000 on Wednesday for the first time. Markets

The S&P 500 shed 0.5%. The Dow Jones Industrial Average also slipped 0.5%, or 234 points.

Bitcoin, bond prices, gold and oil futures fell, too.

November's producer-price index rose 0.4% from October, the Bureau of Labor Statistics said. That was a little above analysts' expectations but not enough to shake investors' confidence that Federal Reserve officials will trim borrowing costs when they meet next week.

It became a near certainty among traders that the Fed will follow central banks in Europe and Canada in another round of rate cuts after the consumer-price index was as expected Wednesday. Interest-rate futures data from CME Group show that traders think it is nearly a lock that the Fed will cut rates by 0.25 percentage point.



Source: FactSet

Bond prices declined Thursday. The yield on benchmark 10-year Treasury notes ended at 4.323%, up from 4.27% on Wednesday. Yields rise as buying some of the year-to-date laggards would be the general theme that could bleed through in price action over the next few weeks," he said.

Elsewhere:

◆ The Swiss National Bank made a steeper-than-expected cut, slashing its main interest rate to 0.5% from 1%. Meanwhile, the European Central Bank cut its deposit rate by 0.25 percentage point, as forecast.

◆ Global stocks mostly rose. Japan's Nikkei 225 Index and Hong Kong's Hang Seng each

added 1.2%. Germany's DAX added 0.1% to close at a new record.

◆ Natural-gas futures hit their highest price in more than a year after Energy Information Administration data showed domestic stockpiles were drawn down more last week than traders expected. At \$3.455 per million British thermal units, the heating and power-generation fuel has more than doubled from lows earlier this year.

—Ryan Dezember and Angus Berwick

AUCTION RESULTS

Here are the results of Thursday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

EIGHT-WEEK BILLS

Applications	\$20,951,160,200
Accepted bids	\$75,255,530,000
"noncompetitively"	\$1,382,892,200
"foreign noncompetitively"	70,000
Auction price (rate)	99.33733%

Yield: 4.34%

Coupon equivalent: 74.12%

Cusip number: 912797N68

The bills, dated Dec. 17, 2024, mature on Feb. 11, 2025.

FOUR-WEEK BILLS

Applications	\$251,523,231,500
Accepted bids	\$22,157,590,200
"noncompetitively"	\$2,570,620,000
"foreign noncompetitively"	100,000
Auction price (rate)	99.67022%

Yield: 4.31%

Coupon equivalent: 74.12%

Cusip number: 912797MX2

The bills, dated Dec. 17, 2024, mature on Jan. 14, 2025.

30-YEAR BONDS

Applications	\$52,746,240,100
Accepted bids	\$22,157,590,200
"noncompetitively"	\$2,570,620,000
"foreign noncompetitively"	100,000
Auction price (rate)	99.42290%

Yield: 4.50%

Coupon equivalent: 74.12%

Cusip number: 912810UE6

The bonds, dated Dec. 16, 2024, mature on Nov. 15, 2054.

W X Y Z

Lowered their price targets for the stock.

Broadcom

The semiconductor supplier's shares fell 1.4%, after rallying Wednesday on reports that Broadcom was working with Apple on AI software.

Adobe

Shares of the Photoshop maker sank 13% after its annual earnings and sales forecasts disappointed Wall Street.

STOCK SPOTLIGHT

Warner Bros. Discovery

The entertainment conglomerate said it would structure into two operating divisions, one focused on the legacy cable-TV business and the other on streaming and studios. Warner shares ended 15% higher.

Uber Technologies

Shares edged up 0.4%, after having sold off on Wednesday after General Motors said it would wind down its Cruise program.

Uber had partnered recently with Cruise to bring its robotaxis onto the ride-hailing platform.

Microsoft

The company said it would record an impairment charge of \$800 million tied to its minority investment in GM's Cruise. Microsoft's shares crept up 0.1%.

Meta Platforms

The company donated \$1 million to the president-

elect's inaugural fund, the latest step by Chief Executive Mark Zuckerberg to bolster his relationship with Donald Trump. Shares edged lower by about 0.3%.

Dave & Buster's

Shares dropped 13% after a sharp fall on Wednesday following the arcade-restaurant operator's report of a significantly wider quarterly loss and the resignation of its chief executive. Some analysts

lowered their price targets for the stock.

Broadcom

The semiconductor supplier's shares fell 1.4%, after rallying Wednesday on reports that Broadcom was working with Apple on AI software.

Adobe

Shares of the Photoshop maker sank 13% after its annual earnings and sales forecasts disappointed Wall Street.

Biggest 1,000 Stocks | WSJ.com/stocks

Continued From Page B5

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
T	T	124.50	-1.26	T	T	139.46	-0.69	T	T	109.00	-0.27	T	T	109.00	-0.27	T	T	124.49	-1.27	T	T	124.50	-1.26
TE	TE	10.52	-0.52	TE	TE	19.64	-0.04																
TEC	TEC	14.75	-0.14	TEC	TEC	14.75	-0.05																
TEF	TEF	12.52	-1.39	TEF	TEF	12.46	-0.41																
TG	TG	12.64	-0.32																				
TKO	TKO	14.43	-2.10																				
TMUS	TMUS	23.27	-1.07																				
TPG	TPG	6.37	-2.09																				
TRW	TRW	120.94	-0.75																				
TT	TT	19.64	-0.04																				
TTT	TTT	19.64	-0.04																				
TTT	TTT	19.64	-0.04																				
TTT	TTT	19.64	-0.04																				
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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Google's Quantum Boost Doesn't Really Compute

Alphabet's sagging stock has been primed for any good news, but the payoff is years away at best

One of Google's science projects is paying off in a big way, albeit way early.

Alphabet, parent company of the internet search giant, has seen its stock jump 10% this week, since Google announced a new in-house chip called Willow designed to power quantum computing.

This type of computing uses qubits—more-complex objects than the binary bits used in today's computing—to perform far more complicated calculations than possible with current technology.

The technology could ultimately be used to engineer things like medicines at a molecular level, produce hyperaccurate weather forecasts many days in advance and even break current data encryption protocols.

But as even Google's announcement makes clear, quantum computing is still a long way off from any commercial use. "The next challenge for the field is to demonstrate a first 'useful, beyond-classical' computation on today's quantum chips that is relevant to a real-world application," wrote Google's Quantum AI head, Hartmut Neven, in a blog post on Monday.

In a post on the X platform, Alphabet Chief Executive Officer Sundar Pichai described Willow as "an important step in our journey to build a useful quantum computer with practical applications in areas like drug discovery, fusion

energy, battery design + more."

That makes the \$211 billion added to the company's market capitalization this week look speculative at best. Google's massive advertising business generates nearly that same amount annually now. It also exceeds the total market value of 94% of S&P 500 companies.

Many factors are likely at play. Pichai's post on X got the attention of platform owner Elon Musk, who responded "Wow" to his 207 million followers. That might have sparked a surge of interest among investors who closely follow the volatile billionaire; call option trades on Alphabet hit the second-highest level this year on Tuesday, according to data from Vanda Research.

Google also has been primed for any sort of good news lately. Worries about the company's competitive position in generative artificial intelligence and fears that the federal government will be successful in breaking up the company have combined to cast a shadow on the parent company's stock. Before this week, Alphabet's shares had lagged behind most of the company's big tech peers as well as the S&P 500 and Nasdaq for the year.

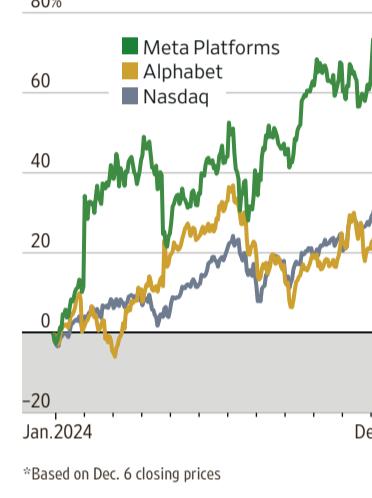
Alphabet was the only of the megacap tech stocks to be trading below 20 times projected earnings for the next four quarters. Rival **Meta Platforms** fetched around 25 times forward earnings at the



JOSH EDSON/AGENCE FRANCE PRESSE/GETTY IMAGES

Google this week announced a new in-house chip called Willow designed to power quantum computing.

Share-price and index performance, year to date

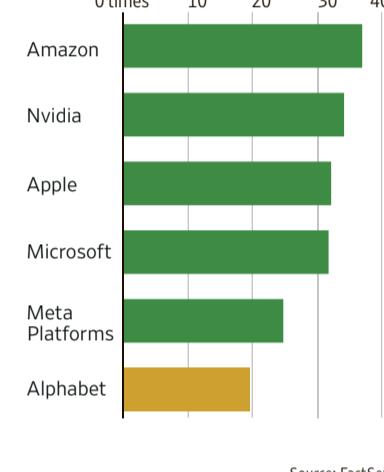


*Based on Dec. 6 closing prices

start of the week, while **Apple**, **Microsoft**, **Amazon.com** and **Nvidia** all carry multiples above 30 times, according to FactSet.

Quantum computing doesn't solve Google's problems with the government, but analysts say the

Share price as a multiple of forward earnings*



Source: FactSet

sentiment," wrote Justin Post of BofA Securities. "While quantum is still years from broad commercial adoption, the new Willow quantum chip showcases, in our view, Google's lead in quantum research," wrote Colin Sebastian of Robert W. Baird.

The more pressing question for Google now is whether its technical muscle can address the challenges generative AI could bring to its core business. In a recent survey of U.S. internet users, Evercore ISI reported "a modest rise over the last six months for ChatGPT as a primary search engine." But analyst Mark Mahaney added that Google maintained its share in "highly commercial" search use cases such as shopping and travel. "This does suggest that Google's search revenue growth is unlikely to be negatively impacted anytime soon by search share shifts," he wrote.

Google's quantum computing breakthroughs will need those clicks to keep coming.

—Dan Gallagher



Jerome Powell's Federal Reserve is expected to cut interest rates at its December meeting.

Investors Shouldn't Count on Much Help From Fed Next Year

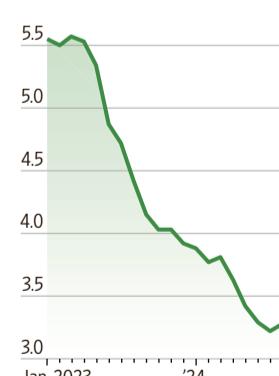
Could the Federal Reserve be done cutting rates after December? That shouldn't be ruled out.

Markets seemed undisturbed by Wednesday's inflation data, which showed consumer prices rising 2.7% in November from a year earlier, up from 2.6% in October. The S&P 500 climbed 0.8%, and the Nasdaq closed above 20,000 for the first time. Perhaps that reflected relief that the reading was merely in line with expectations instead of ticking even higher and delivering a nasty surprise.

Nonetheless, the data confirms an unsettling trend that inflation's decline has halted, or at least stalled. Core consumer prices excluding food and energy rose 3.3% from a year earlier, similar to the pace at which they have been rising for several months now. Of particular concern was services inflation which, excluding energy services, came in at 4.6% year over year.

That doesn't seem like enough to discourage the Fed from plans to cut rates at its December meeting. As of Wednesday, futures markets were pricing in a 96% chance of that happening, according to the CME Fed-Watch tool. Markets are betting that the gradual slowdown in hiring over the past

Core consumer-price index, change from a year earlier



Source: St. Louis Federal Reserve

jobs are still posting decent gains, and overall economic momentum remains strong, with real gross domestic product growth measuring an annualized 2.8% in the third quarter. With inflation now clearly stuck at around 3%, above the Fed's 2% target, what compelling reason is there to keep cutting?

And that is before taking into account likely Trump administration policies such as tax cuts, an immigration crackdown and new tariffs. Just how much of each we will get and when remains uncertain, but it seems highly likely that there will be at least some of all three. And all of these policies would likely be inflationary.

The Fed publicly insists it isn't even thinking about these policy implications yet. But the public data already gives the Fed enough reason to pause rate cuts, which would have the added benefit of allowing it to wait and see what happens under President Trump.

So at the very least, don't expect the Fed to keep merrily cutting in the early months of next year. And don't dismiss the possibility that this could be a kind of "one and done" easing cycle: 1 full percentage point off interest rates, and no more.

—Aaron Back



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\$5 Million
Patrick Dovigi
flips for a profit
after eight
months. **M12**

MANSION

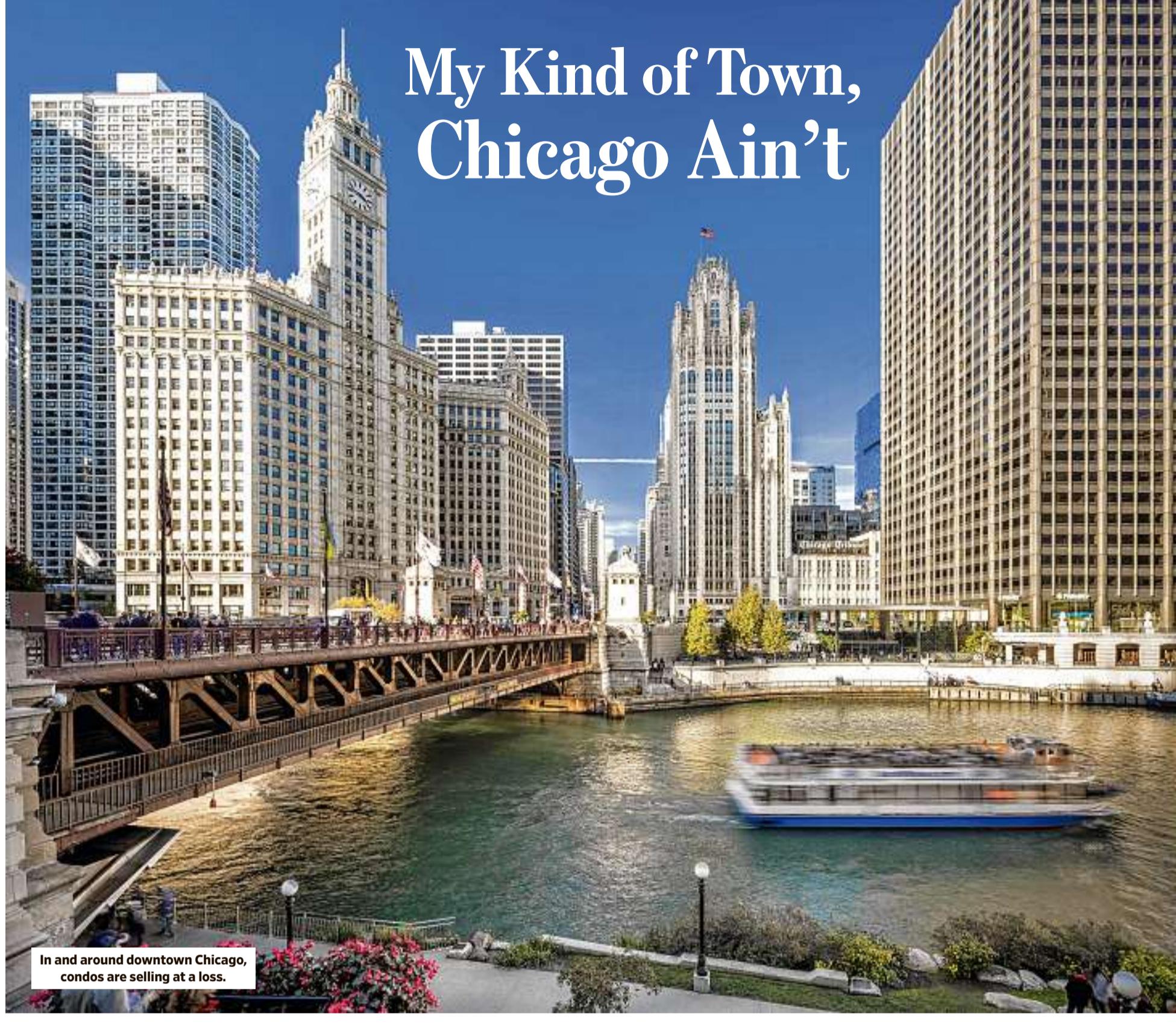
THE WALL STREET JOURNAL.

HOMES | MARKETS | PEOPLE | REDOS | SALES

Nate Bargatze
The comedian
learned to make
himself the
punchline. **M10**

Friday, December 13, 2024 | **M1**

My Kind of Town, Chicago Ain't



In and around downtown Chicago,
condos are selling at a loss.



This townhouse is asking less than its purchase price.

Ken Griffin and other wealthy homeowners in the Windy City are selling at a loss—and looking for someone to blame

BY KATHERINE CLARKE

For nearly a decade, billionaire hedge-fund magnate Ken Griffin and Illinois Gov. JB Pritzker have been locked in a highly public feud. So it came as no surprise when Griffin, after selling a portion of his Chicago penthouse for a dramatic 44% loss last month, was quick to take a shot at Pritzker, blaming “failed political leadership in Illinois” for rising crime and declining luxury real-estate values in the Windy City.

The saga took a bizarre turn, however, when the mystery buyer of Griffin’s 9 West Walton Street penthouse turned out to be none other than Pritzker himself.

The two men haven’t revealed how the deal came together, but

the sale highlights a broader issue in the Chicago real-estate market: High-end sellers are losing money, and looking for someone to blame.

Chicago’s luxury real-estate market has seen a precipitous drop in recent years. In the third quarter, there were 28 Chicago home sales of \$4 million or more, plummeting 28% from 39 in the same period of 2021, according to data from BrokerMetrics. The median price of those sales was \$4.625 million, down from \$5 million in 2021’s third quarter.

Luxury condos in Chicago’s downtown and Gold Coast neighborhoods have been particularly hard-hit, local real-estate agents said. The median price of Chicago

Please turn to page M4



Griffin took a loss at 9 West Walton Street.

CLOCKWISE FROM TOP: TRIBUNE TOWER; DL DEVELOPMENT; JIM TSCHETTER/C360 IMAGES; DRAPER WHITE (DOVIGI)

New Kids, New Life, New House

A single dad renovated this Florida home to make space for both himself and his sons

BY NANCY KEATES

FOUR YEARS AGO, when Keith Jacobson was 57 years old, he became a single father of identical-twin boys. It meant an extreme change of lifestyle for the former investment banker turned real-estate developer and art collector.

Instead of traveling to Europe for weeks at a time or working for stints in New York, he is now at home in Miami every weekday to take his sons to and from school and to activities such as music lessons and Taekwondo. No more dinners out with friends on a whim. Now he eats with the children almost every night and reads them bedtime stories. On weekends, he swims with them for hours in the



Keith Jacobson in the living area of his newly renovated home in Coconut Grove, Fla.



pool or takes them to a nearby park where they hunt for snails and lizards. When he goes out to brunch, the children go with him.

A big shift was where he lived. The 3,000-square-foot house he had renovated in the trendy area of Mid-Beach didn’t fit his situation anymore. He wanted an extra bedroom for a live-in nanny, a home

Please turn to page M8

PRIVATE PROPERTIES



Aspen Gets Two Big-Ticket Listings

In the inventory-starved real-estate market of Aspen, Colo., a pair of spec mansions is coming on the market—one for \$45 million and another for \$36.5 million—in an unusual dou-

ble offering for the affluent ski area.

On Aspen's Red Mountain, the \$45 million home is roughly 7,200 square feet with six bedrooms, while the \$36.5 million home

spans about 5,600 square feet with five bedrooms in Aspen's West End. The sellers are father-daughter developers Robert Scannell and Lauren Scannell Cooke. The two also have a third Aspen project under way, which will be completed this summer.

Scannell and Cooke paid \$8.4 million for the Red Mountain property in 2017, property records show. After initially planning to remodel an existing home on three-quarters of an acre, Cooke said, they scrapped those plans and built a new home using a variety of natural stone, including granite, onyx and marble. Then, in 2020, they paid \$4.6 million for the 0.13-acre West End property. They razed a log cabin on the site and built a new, roughly 5,600-square-foot house.

Scannell is a co-founder of Indianapolis-based Scannell Properties, a developer of commercial real-estate, including warehouse and distribution centers. Cooke, 38, who has a degree in interior architecture, said that about eight years ago she helped her father and his wife, Cynthia Scannell, remodel their Aspen residence, an experience that prompted them to take on speculative projects in the luxury ski-resort area.

Because of zoning rules that limit the size of Aspen houses, about half of the West End house is below grade to provide more liv-

ing space, Cooke said. To bring in natural light, there are walkable skylights on the outdoor patio. Some of the interior walls on the home's lower level are also made of glass. There is also a two-car garage with a hydraulic lift, she said. A few doors down, a mansion and an adjacent parcel sold for \$42.925 million in 2022, records show.

Scannell and Cooke's foray into luxury real-estate development comes at a time when Aspen is facing a distinct lack of new-construction homes, real-estate agents said. Many other Aspen developers are pulling back, thanks to the high cost of land and labor, a shortage of development opportunities and increased building regulations in Aspen and Pitkin County, which includes Aspen, Snowmass Village, Basalt and several other communities.

Seeking to limit overdevelopment, the county has

reduced the maximum permissible size for new homes, while the city of Aspen in 2022 imposed a months-long moratorium on new construction. Starting that year, the city has also limited the number of demolition permits it issues each year in an effort to reduce the environmental impact of construction.

"You could never label them pro-development, let's put it that way," said long-time Aspen developer Bill Guth, referring to city and county officials. Guth, who is also a member of Aspen's City Council, called the demolition-permit cap a "farce" that has stymied construction. Guth currently has one project—a 10,000-square-foot home—in the pipeline and said a project that cost him \$500 a foot to build 15 years ago would now cost \$2,200 a foot. "The table stakes are so high," he said.

Scannell and Cooke purchased three development sites in 2017, 2020 and 2021. "The projects still made sense to us," Cooke said. "Luckily, the moratorium did not impact our progress." She said now they are poised to benefit from Aspen's sharp home-price appreciation in recent years. After initially hoping to sell the spec homes for around \$4,000 a foot, Scannell and Cooke are now aiming for more than \$5,600 a foot.

"Now all of a sudden there's a lack of inventory," she said. "It has worked out to our advantage."

—E.B. Solomont



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PRIVATE PROPERTIES

Mets Shortstop Francisco Lindor To Buy Manhattan Penthouse

Baseball star Francisco Lindor, shortstop for the New York Mets, is in contract to purchase a penthouse on Manhattan's Upper East Side for roughly \$20 million, according to people familiar with the situation.

The six-bedroom apartment, which was asking \$22.95 million, sits atop an under-construction boutique condominium being developed by EJS Group. The unit measures about 5,000 square feet with multiple terraces and 11-foot ceilings, according to the listing description.

Ted Segal, founder and president of EJS, declined to comment on the deal, but said that the project has been experiencing strong momentum and is now about 50% sold after starting sales in March.

Lindor, 31, didn't respond to a request for comment. He previously played for the Cleveland Indians, now known as the Guardians, but signed with the Mets in 2021, when owner billionaire Steve Cohen gave him a \$341 million contract.

Born in Puerto Rico, Lindor moved to Florida as a child. He



bought a home on Lake Apopka near Orlando, Fla., for \$2.9 million in 2021, property records show. He and his wife, Katia Reguero Lindor, have two daughters.

Architecture firm Beyer Blinder Belle designed the exterior of the 36-unit Manhattan building, which is slated for completion next year, EJS Group said. Amenities include a children's playroom, an outdoor fireplace, a movie theater and a virtual sports room for playing golf, soccer, hockey and basketball on a simulator, according to listings website StreetEasy.

EJS purchased the site in early 2021, in the depths of the Covid pandemic, for roughly \$32 million. "We decided to lean into New York City at a time when many others were leaning out," Segal said. "It's very gratifying to see how the market's responding to the vision we had for the project."

Alexa Lambert of Compass Development Marketing Group represented the developer in the deal with Lindor, while Dan Benichou of Douglas Elliman represented Lindor.

—Katherine Clarke

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DOVE MOUNTAIN

Tucson, Arizona

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MANSION

Chicago Market

Continued from page M1

condos above \$1 million dropped 9.1% in the third quarter from the third quarter of 2021, according to a recent report by brokerage @properties.

By comparison, Chicago single-family homes, as well as prices in suburbs such as Evanston and Naperville, haven't seen those types of declines. The median price of Chicago single-family homes above \$1 million rose 14% in the third quarter from the same period of 2021. But older homes that need work are lingering on the market, agents said.

Real-estate agents say the beginnings of the downtown stem from 2020, when Chicago was in lockdown at the peak of the pandemic.

Following protests related to the killing of George Floyd, the city saw unrest and a dramatic spike in violent crime. There were violent clashes between police and protesters throughout that summer, and mass looting caused stores in the downtown area to be boarded up.

While cities like New York and San Francisco have rebounded from periods of strife in the wake of Floyd's killing, Chicago has seen its overall crime rate remain high. Crime in the city has climbed 36% year-to-date compared with the same period of 2020, due in large part to major spikes in theft and carjackings, although murders in Chicago have declined by 26%, according to statistics from the Chicago Police Department.

The spike in crime—along with higher interest rates—has hurt the market downtown.

"The high-end downtown luxury market has definitely taken a

28%
Drop in the number
of Chicago home
sales over \$4 million
in Q3 2024 from
Q3 2021



big hit," said Nancy Tassone of Jameson Sotheby's International Realty, who worked on the Griffin purchase and sale. "Once [the social unrest] happened, we couldn't recover from it."

Chicago developer Jim Letchinger said his friends in the suburbs still ask him, "Are you OK downtown?"

Starting in 2020, fear of crime downtown scared away one of the luxury market's deepest buyer pools: empty-nesters moving from the Chicago suburbs to Florida, but keeping a place in Chicago as a pied-à-terre, said Compass real-estate agent Jeff Lowe.

"People used to sell their giant mansions out there and then they would buy an apartment in the city and a place in Arizona or Florida," he said. "What happened during the pandemic was they started skipping the downtown part."

Crime has also caused tension between local politicians and some of the state's wealthiest residents. Griffin cited crime as a de-



Hedge-fund billionaire Ken Griffin, left, recently sold a penthouse apartment to Illinois Gov. JB Pritzker, right.

termining factor when he announced that his hedge fund, Citadel, would relocate from Chicago to Miami in 2022, saying that, among other incidents, one of his colleagues was robbed at gunpoint while getting a coffee. Citadel was one of a number of major corporations, including Boeing, Caterpillar and Tyson Foods, to relocate from the Chicago area around that time. Pritzker didn't respond to requests for comment.

But real-estate industry insiders say Griffin can't blame everything on crime, since the record \$58.75 million he paid for his 9 West Walton Street penthouse was far

higher than anything Chicago had seen before. In 2017, Griffin agreed to buy four units atop the under-construction high rise, asking Letchinger, the developer, to effectively re-

think the top of the tower. Griffin's plan was to combine the four units into a sprawling penthouse, for which he was willing to pay more than double the previous home sale record for the Windy City.

"He overpaid," said real-estate agent Jennifer Ames of Engel & Völkers Chicago, who wasn't involved in the transaction.

Years later, Griffin is selling off the pieces of the still-unfinished trophy penthouse, including selling two of the four floors to Pritzker.

There are very few Chicago buyers capable of paying that kind of money for a home, Letchinger said. "It's unlikely he would have

found anybody to pay him anything close to what he spent," he said. While such buyers are common in New York or Palm Beach, Fla., "we don't see them in Chicago very often."

The quadruplex would likely have sold for an even greater loss had Griffin built it out, Letchinger added. "He just wanted to sell. And quite frankly, if he sold for \$5 million or \$10 million less or more, it doesn't make any difference to him."

The home likely makes sense for Pritzker because it was built with security in mind and has private elevator access, said Lowe, who wasn't involved in the deal. "It's interesting, because they politically hate each other," he said.

Griffin's highly visible sell-off will only worsen the perception of the values across the market, local agents said.

The Condo Slump

Just north of Chicago's central business core, the city's tree-lined Gold Coast neighborhood has long been home to some of its wealthiest citizens, as well as its upscale boutiques and finest restaurants, said local agent Susan Miner of Premier Relocation and Real Estate Services. The area includes some of Chicago's most important historic mansions as well as more modern condo buildings like 9 West Walton.

Recently, however, the owners of Gold Coast condos have been cutting their losses. A three-bedroom residence at 9 West Walton recently had its price cut to \$4.975 million, inching below the \$4.986 million the seller paid in 2019, property records show. Another unit recently went into contract with an asking price of \$6.495 million; its seller paid \$6.95 million in 2019. Griffin recently relisted another of his four units for \$8.5 million, far less than the \$12.13 million he paid in 2017, records show.

High-end buildings in and around Chicago's downtown are seeing a similar phenomenon. In

Please turn to page M5



At the condo project One Chicago, roughly 35% of the units remain unsold after five years of sales.



20%
Price cut on some
One Chicago
units

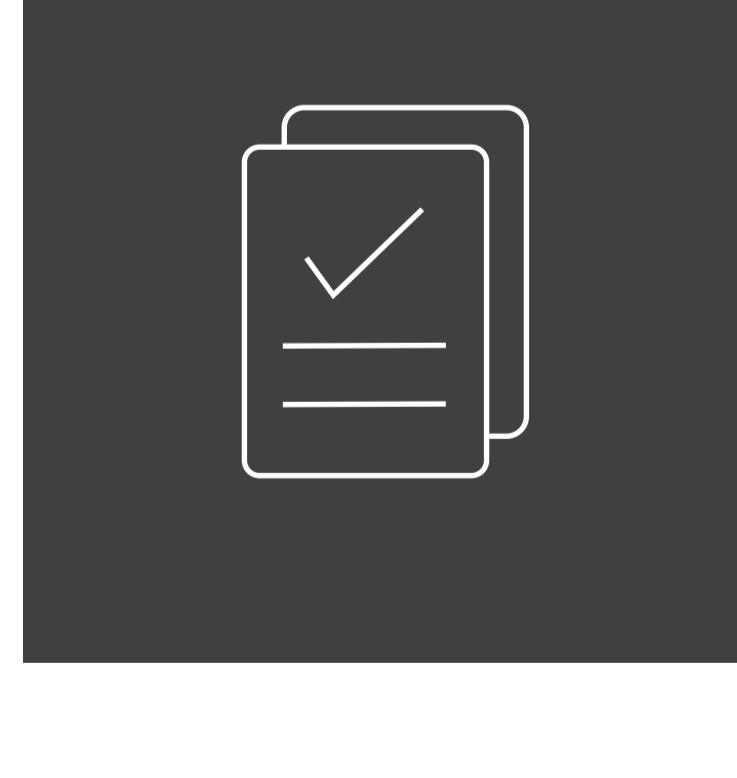
CLOCKWISE FROM TOP: POSITIVE IMAGE; CHRISTOPHER DILTS/BLOOMBERG NEWS (PRITZKER); BRENT BORCHARDT/WHT STUDIOS; JOL DE DEVELOPMENT; DAVID KASNIC FOR WSJ (GRIFFIN)

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THE WALL STREET JOURNAL.

Brown Harris Stevens

1. Park Views From Every Room
1 Central Park S. 2BR. 2.5 Bath.
\$10.495M. Web #19831439.
Burt F. Savitsky 917-561-0925
Jessica L. Savitsky 917-767-2648
2. 6 Story West Village
Mansion with Elevator
125 West 11th. 7BR. 5.5 Bath.
\$25M. Web #23165026.
David E. Kornmeier 917-494-4302
3. 52 Acre Haven of Elegance & Beauty
104 Dans Hwy, New Canaan, CT.
9BR. 10.4 Bath. \$25.5M. Web #24048661.
Rob Johnson 203-979-2360
Mary Higgins 203-247-1625
4. High Floor Pre-War Condo on Park Avenue
610 Park Ave. 4BR. 5 Bath.
\$11.95M. Web #23254160.
Leslie R. Coleman 212-906-9387



1

2



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13



14



15

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5. Magnificent Brownstone on Place Block
34 1st Pl. 7BR. 5 Bath.
\$4.25M. Web #23167580.
Victoria Capozucca 347-881-8033

6. Flatiron Penthouse Condo
with Private Roof Deck
24 East 21st. 4BR. 4.5 Bath.
\$7.75M. Web #23197720.
Dean Dunbar 973-454-6990
Mike Lubin 917-371-6723

7. Glamorous Park Avenue Home
510 Park Ave. 4BR. 4 Bath.
\$5.75M. Web #23278937.
Jamie S. Joseph and The Pashby
Sarasohn Team 917-215-5993

8. Palatial Condo with Park to River Views
245 West 99th. 4BR. 3.5 Bath.
\$5.35M. Web #23256688.
Matthew D. Hughes 212-906-9351

9. Real Tribeca Loft with
12 Oversized Windows
125 Watts St. 3BR. 2 Bath.
\$3.6M. Web #23101241.
Rachel Wood 917-533-6360
Scott Olsen 646-932-2492

10. Stately Candela on Sutton
1 Sutton Place S. 4BR. 4.5 Bath.
\$5.975M. Web #23203177.
Susanne Rhow 917-509-6253
Doug Eichman 917-741-9046
Jack C. Antebi 732-865-4743

11. Sprawling Park View Prewar Condo
25 Central Park West. 3BR. 3.5 Bath.
\$6.75M. Web #23084231.
Irene Lowenkron 917-743-9928
Kristin Lowenkron 917-566-8701

12. "QUERENCIA" - A Rare Offering
433 Rapp Road N. Valatie, NY.
5BR. 4 Bath. \$3.25M. Web #23220976.
Nancy Felcetto 917-626-6755
Richard Orenstein 212-381-4248

13. South and West Corner Views
322 West 57th. 2BR. 2 Bath.
\$2.995M. Web #23261878.
Dorothy Somekh 917-299-6670

14. Pre-War Classic 6 in Prime 70s
130 East 75th. 3BR. 2.5 Bath.
\$2.695M. Web #23105282.
Katharine F. Tuckerman 917-612-5225
Julianne Simmons 917-913-1918

15. Sunshine and Opportunity
126 West 11th. 3BR. 1 Bath.
\$1.865M. Web #23187570.
M. Candace Roncone 917-951-4389
Conor M. Casey 401-741-0075

16. Spectacular Park Views
From Every Window
10 West 66th. 1BR. 1.5 Bath.
\$1.795M. Web #23259352.
Pamela Ajhar 212-588-5639
Joseph Sheehan 917-715-8908



127 E 73rd St, NY • 6BD 6BA 2HB • \$31,000,000
22' wide mansion, fully updated, approx 10,000 SF.
Patricia.Farman-Farmaian@compass.com



620 Park Ave, PH14, NY • 12 Rms • \$19,750,000
PH pre-war duplex w terrace, views & 3 wbfplcs.
Alexa Lambert • alexa.lambert@compass.com



501 Harbor Point Rd, FL • 6,125 SF • \$10,500,000
Longboat Key 5BD 5.5BA waterfront. Corner lot.
Rich Polese • rich.polese@compass.com



435 E 52nd St, 11A, NY • 4BD 5.5BA • \$8,250,000
Panoramic River views, 5,400 SF, 2 balc, 2 wbfplcs.
M. Blumenfeld • mark.blumenfeld@compass.com



739 Washington St, NY • 6BD 3.5BA • \$6,900,000
WV 1 fam TH, 4 stories, 3,692 SF interior + garden.
Lee Ann Jaffee • leeann.jaffee@compass.com



25 E End Ave, PH16, NY • 3BD 3.5BA • \$5,995,000
Grand pre-war penthouse w terraces on the River.
Laurie Stolowitz • laurie.stolowitz@compass.com



377 W 11th St, 3G, NY • 2BD 2.5BA • \$3,000,000
WV duplex loft with wbfplc & tall windows. Views.
M. Cashman • maryellen.cashman@compass.com



215 W 88th St, 9H, NY • 3BD 2.5BA • \$2,745,000
Mint renovated condo. W/D, 24hr DM, prime loc.
Shari Cohen • shari.cohen@compass.com



225 E 73rd St, 4CC, NY • 3BD 3BA • \$2,500,000
Exceptional & spacious with tree top vus & wbfplc.
Cornelia V. • cornelia.vanamburg@compass.com



140 W 22nd St, 5D, NY • 1BD 1BA • \$1,525,000
Mint pre-war 908 SF condo, 11' ceil, CAC, W/D, DM.
William Vitiello • william.vitiello@compass.com



300 E 59th St, 3105, NY • 1BD 1.5BA • \$1,075,000
Mint 31st fl corner apt, 2 balconies with fab views.
L. Hoerrner + P. Eger • petra.eger@compass.com



575 Park Ave, 1401, NY • 2BD 2BA • \$925,000
Mint pre-war. Land lease extended until Dec 2124.
Maureen McCarron • mmccarron@compass.com

Manhattan

157 W 57th St, 56C | 4 BD 4 BA 1 HB | \$21,500,000
Perched on a high flr with views of CP. DM condo.
Jorge Lopez • jorge.lopez@compass.com

993 5th Ave, Flr 4 | 6 BD 6 BA 1 HB | \$17,500,000
In excellent condition with views of The Met.
Melissa R. Kaiser • melissa.kaiser@compass.com

953 5th Ave, PH | 3 BD 3 BA 2 HB | \$15,000,000
Exceptional pre-war triplex w stunning CP views.
Elizabeth Goss + J. Hall • lib.goss@compass.com

115 CPW, 18JK | 3 BD 3 BA 2 HB | \$8,500,000
Move-in ready 2 terrs o'looking the Dakota & CP.
Rosette Arons • rosette.arons@compass.com

812 Fifth Ave, Mais. S | 4,500 SF | \$7,750,000
Elegant 5BD 4.5BA with 1,440 SF garden. Co-excl.
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275 W 10th St, 10C | 3 BD 3 BA 1 HB | \$7,200,000
Four star living at The Shepard. Prime WV.
M. Cashman • maryellen.cashman@compass.com

360 E 72nd St, C1801 | 6 BD 6 BA 1 HB | \$5,850,000
Modern duplex on a high floor with terrace.
Alexa Lambert • alexa.lambert@compass.com

252 7th Ave, PHY | 2 BD 3 BA 1 HB | \$4,650,000
Triplex PH w den, home offc, outdr kit, terr w vus.
Elizabeth Goss • lib.goss@compass.com

221 W 77th St, 4E | 3 BD 3 BA 1 HB | \$4,595,000
Lux condo w tall windows, Juliet balcony. Near CP.
Catherine Harding • charding@compass.com

32 W 22nd St, Flr 10 | 4 BD 2 BA | \$4,349,000
Chelsea pre-war condo loft with 3,000 SF space.
Eyal Zabari • ezabari@compass.com

535 Park Ave, 14C | 2 BD 2 BA | \$3,999,999
Stunning designer condition, 10'6" ceil, grand rms.
M. Blumenfeld • mark.blumenfeld@compass.com

22 E 18th St, 4E | 2+ BD 2 BA | \$3,995,000
Renovated, spacious dream loft with orig details.
Jonathan Lavoie • jlavoie@compass.com

24 Gramercy Park S, 1/2E | 3 BD 3 BA | \$3,600,000
Charming twnhse duplex, wbfpl, FS. Key to park.
M. Cashman • maryellen.cashman@compass.com

900 Fifth Ave, 4B | 3 BD 4 BA | \$3,495,000
Beautiful classic 7 with a lib & direct views of CP.
Karen Whiton • karen.whiton@compass.com

641 Fifth Ave, 28A | 2 BD 2 BA 1 HB | \$2,999,000
Spacious 1,792 SF condo w open city & CP views.
Tracie Golding • tracie.golding@compass.com

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525 E 80th St, 10B | 4 BD 3 BA 1 HB | \$2,595,000
Spacious, S&N expos. FS condo on a charming blk.
William Vitiello • william.vitiello@compass.com

252 7th Ave, 10H | 2 BD 2 BA | \$2,550,000
Bright & spacious 1,600 SF loft-like Chelsea condo.
Pamela D'Arc • pamela.darc@compass.com

83 Walker St, 5 | 2 BD 2 BA | \$2,495,000
Tribeca condo loft, exposed brick, low monthlies.
M. Cashman • maryellen.cashman@compass.com

1160 Park Ave, 8C | 2 BD 3 BA | \$2,495,000
Grand & light-filled classic 6 with wbfpl & high ceil.
Christine Miller Martin • cmm@compass.com

60 E 8th St, 10E | 2 BD 2 BA | \$2,350,000
GV mint, light, bright & airy with a balcony.
Melissa R. Kaiser • melissa.kaiser@compass.com

133 CPW, 11 | 3 BD 2 BA 1 HB | \$2,300,000
Pre-war gem with CP vus, Indry/storage rm & CAC.
Ria Browne • ria.browne@compass.com

133 W 22nd St, 12B | 2 BD 2 BA 1 HB | \$2,295,000
High flr, sunny & mint in boutique Chelsea condo.
James J. Schoenfeld • jschoenfeld@compass.com

10 Leonard St, 6N | 2 BD 2 BA | \$2,275,000
Tribeca pre-war loft with orig details. Exposed brk.
Amy Bonomi • amy.bonomi@compass.com

115 E 67th St, 3B | 3 BD 3 BA | \$1,950,000
Sunny classic 6 pre-war in white glove DM co-op.
Tracie Golding • tracie.golding@compass.com

38 E 85th St, 10E | 2 BD 1 BA 1 HB | \$1,795,000
Beautifully designed, low maintenance \$1,060/mo.
Ria Browne • ria.browne@compass.com

350 W 71st St, 5F | 2 BD 2 BA | \$1,695,000
Mint boutique FS condo 3 expos, W/D, prime loc.
C. Appelbaum • cappelbaum@compass.com

137 E 36th St, 1B | 1 BD 1 BA | \$925,000
Boutique sunny pre-war TH, high ceilings, wbfplc.
Christine Miller Martin • cmm@compass.com

137 E 75th St, 2E | 1 BD 1 BA | \$925,000
Boutique sunny pre-war TH, high ceilings, wbfplc.
Christine Miller Martin • cmm@compass.com

308 E 79th St, 9E | 1 BD 1 BA | \$890,000
Newly renov pre-war DM co-op. Spacious & bright.
James Hall + A. Hall • jameshall@compass.com

33 E End Ave, 9F | 2 BD 1 BA | \$800,000
Sunny co-op with a balcony & an x-lrg primary BD.
Lori Powers • lori.powers@compass.com

1185 Park Ave, 1A | 2 BD 2 BA | \$725,000
Med office can be configured as a pre-war apt.
M. Blumenfeld • mark.blumenfeld@compass.com

225 E 86th St, 207 | 1 BD 1 BA | \$715,000
Chic condo triplex in Yorkville, 16' ceilings. Views.
Robert Faust • robert.faust@compass.com

515 E 85th St, 6D | 1 BD 1 BA | \$615,000
Spacious & sunny with large LR & separate DA.
Valerie Artzt • valerie.artzt@compass.com

435 E 57th St, 7D | 1 BD 1 BA 1 HB | \$599,000
Emery Roth spacious pre-war on tree-lined street.
Sharon W. Flynn • sharon.flynn@compass.com

130 E 18th St, 10R | Studio 1 BA | \$575,000
Gramercy high flr, sunny & lrg, closets galore.
Lauren Pelletier • lpelletier@compass.com

135 E 39th St, 5E | 1 BD 1 BA | \$500,000
Art deco pre-war gem. High ceilings, casement wind.
Robert Faust • robert.faust@compass.com

200 E 24th St, 201 | Alcove 1BA | \$399,000
Spacious & renovated loft-like, 4 closets. DM bldg.
Christine Miller Martin • cmm@compass.com

Manhattan

50 E 89th St, 14C | 1 BD 1 BA 1 HB | \$1,100,000
Spacious co-op with a balcony. A block from CP.
Alexa Lambert • alexa.lambert@compass.com

907 Fifth Ave, 4F | 1 BD 1 BA | \$995,000
Sunny, shabby chic, pied-a-terre. Nego. See now.
Gloria Sheldon • gloria.sheldon@compass.com

138 E 36th St, 9C | 3 BD 3 BA | \$975,000
Best priced pre-war classic 6. Great light & bones.
Julie Perlin • julie.perlin@compass.com

32 Gramercy Park S, 13H | 1 BD 1 BA | \$950,000
Sunny, high floor with Gramercy Park views & key.
Jonathan Lavoie • jlavoie@compass.com

137 E 36th St, 2A | 1 BD 1 BA 1 HB | \$925,000
Crnr w S&W expos. Gym, rf deck, bike rm, storage.
Julie Perlin • julie.perlin@compass.com

157 E 75th St, 2E | 1 BD 1 BA | \$925,000
Boutique sunny pre-war TH, high ceilings, wbfplc.
Christine Miller Martin • cmm@compass.com

308 E 79th St, 9E | 1 BD 1 BA | \$890,000
Newly renov pre-war DM co-op. Spacious & bright.
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Emery Roth spacious pre-war on tree-lined street.
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130 E 18th St, 10R | Studio 1 BA | \$575,000
Gramercy high flr, sunny & lrg, closets galore.
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135 E 39th St, 5E | 1 BD 1 BA | \$500,000
Art deco pre-war gem. High ceilings, casement wind.
Robert Faust • robert.faust@compass.com

200 E 24th St, 201 | Alcove 1BA | \$399,000
Spacious & renovated loft-like, 4 closets. DM bldg.
Christine Miller Martin • cmm@compass.com

Bklyn+NY State+Manhattan

397 5th Ave | 8 BD 4 BA 2 HB | \$5,375,000
Prime Park Slope 3 sty mixed use, (4) 2BD rentals.
Roseanne D. • rdegliuomini@compass.com

637 Carlton Ave | 4 BD 1 BA 2 HB | \$3,250,000
Prospect Hts multi-fam TH, 9 rms, 4 flrs & garden.
Violette Tonuzi • violette.tonuzi@compass.com

250 Island Dr, Hillsdale | 3 BD 3 BA | \$2,495,000
Modern lake cottage & carriage house on 11 acres.
John Barbato • john.barbato@compass.com

72 Notzel Rd | 3 BD 2.5 BA | \$2,400,000
Indoor & outdoor living in Ancram. Newly built.
John Barbato • john.barbato@compass.com

1390 Eastern Pkwy | 10 BD 8 BA | \$2,268,000
C

MANSION



A Lincoln Park house recently sold for just under its asking price.

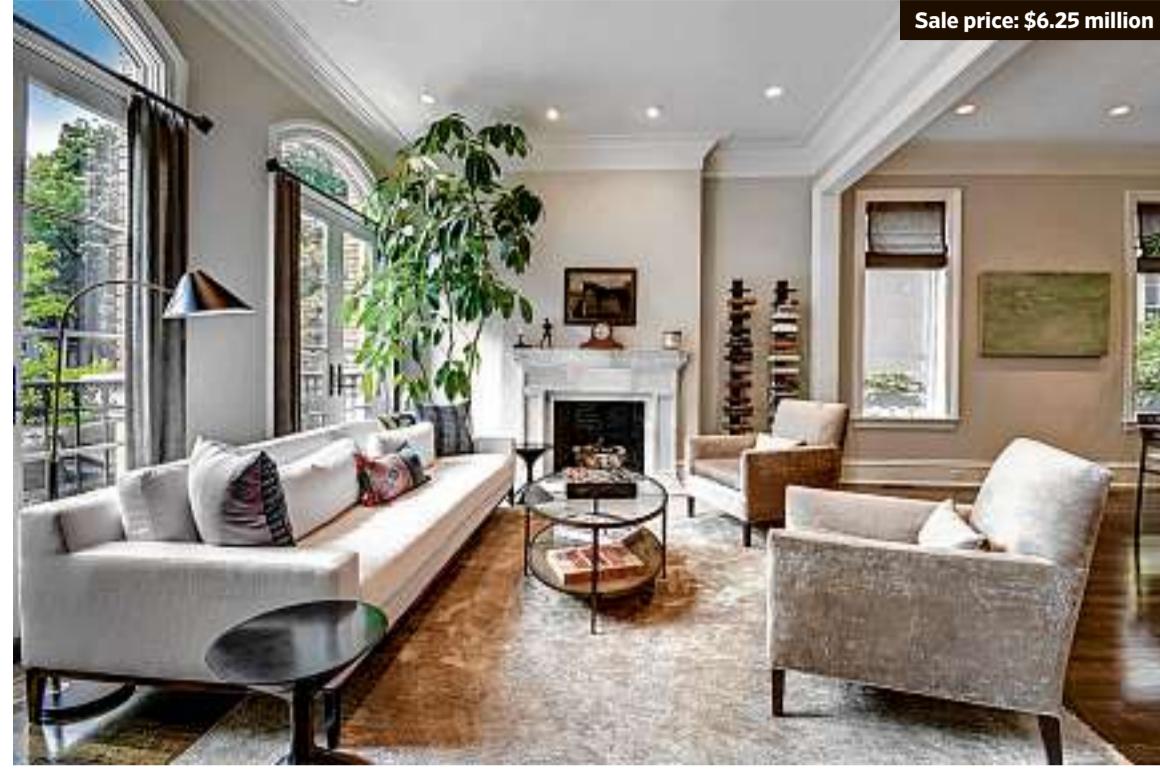
November, a condo at the Four Seasons Hotel Chicago sold for \$1.025 million, 43% less than the seller paid for it in 2000, and even less than the \$1.61 million the developer sold it for in 1989, records show.

Developers of some of Chicago's newest high-rises have also struggled with slower sales than they originally projected. At the recently completed Tribune Tower Residences, developers CIM Group and Golub & Company have cut prices on units by up to 30%, Zillow shows.

While a spokesperson for the developer said that price cut was more dramatic than others in the building, CIM co-founder Shaul Kuba said the company has adjusted pricing on certain units. A second residential building CIM had planned for the Tribune site has been put on pause because "the time now is not right," Kuba said.

At Letchinger's latest condo project, One Chicago, roughly 35% of the building's 77 units remain unsold after five years of sales. "It started with a bang," Letchinger said. "We had 19 or 20 sales in the first four or five weeks. Then, we didn't see anybody for a year and a half. There was a point in time where we didn't know if we'd ever sell another condo."

Letchinger has cut some prices at the building by as much as 20%



Sale price: \$6.25 million

and rented out some units.

Part of the problem, said Ames, is that Chicago has never attracted the international buyers that have propped up condo markets in cities like New York and Miami. Moreover, she said, "our market is not flashy. It's not like Beverly Hills."

Agents and developers say condo sales have picked up in the last few months. Letchinger said he has sold 18 units at One Chi-



Asking price: \$3.995 million

cago in the last four months, for instance.

"I think we're starting to find the bottom," said Lowe.

The Single-Family Divide

Just over a decade ago, Richard and Michaela Parrillo reportedly spent roughly \$65 million building a lavish, European-inspired house in the Lincoln Park neighborhood. In August, the house sold for just \$15.25 million.

The Parrillo home wasn't for everyone. It had an entryway inlaid with marble from the French Pyrenees and a bronze and 22-karat-gold staircase.

"Somebody could gold plate their whole place, and it doesn't mean that someone's gonna pay for it," said Ames. The Parrillos couldn't be reached for comment.

While the sale of the Parrillo residence was a unique situation, the sellers' woes weren't. There are fewer single-family homes than condos for sale on the Gold Coast, which has helped prop up their values. Still, houses that need work or have quirky features are languishing on the market, agents said.

Real-estate agent Suzanne Gig-

milliat of @properties recently dropped the price on two of her Gold Coast listings. An 1800s townhouse is now asking \$4.395 million, well below the \$5.78 mil-

lion the seller paid in 2011, and a row house from the same period is asking \$3.995 million. The seller paid \$3.95 million in 2005, records show.

Bill Rudnick and Lisa Walker lost money recently when they sold their 19th-century row house on the Gold Coast after deciding to relocate to Florida, according to Rudnick, 60, an executive at a wealth- and asset-management firm. The couple listed the house for \$2.19 million in 2021 and sold in August for just \$1.65 million, the same amount they paid about 15 years prior, despite having poured six figures into renovating the property, Rudnick said.

He attributed the loss to there being a "taint" to the area that was hard to overcome. Ultimately, however, he was sanguine about the loss. "We loved the house and we enjoyed the money we put into it."

There are bright spots in the market, particularly when it comes to move-in ready, new-construction houses, local agents said. A circa-2008 townhouse in Lincoln Park sold in October for \$6.25 million, slightly under its original \$6.9 million asking price, according to Zillow.



Sale price: \$1.65 million

Bill Rudnick sold his Chicago home for the same amount he paid in 2011.

CLOCKWISE FROM TOP: SHOWINGTIME; (2): VHT STUDIOS; JIM TSCHETTER/C30 IMAGES

Ouje Mango Rif House

Four Seasons Resort Estates Nevis, Caribbean

Price: \$8,750,000

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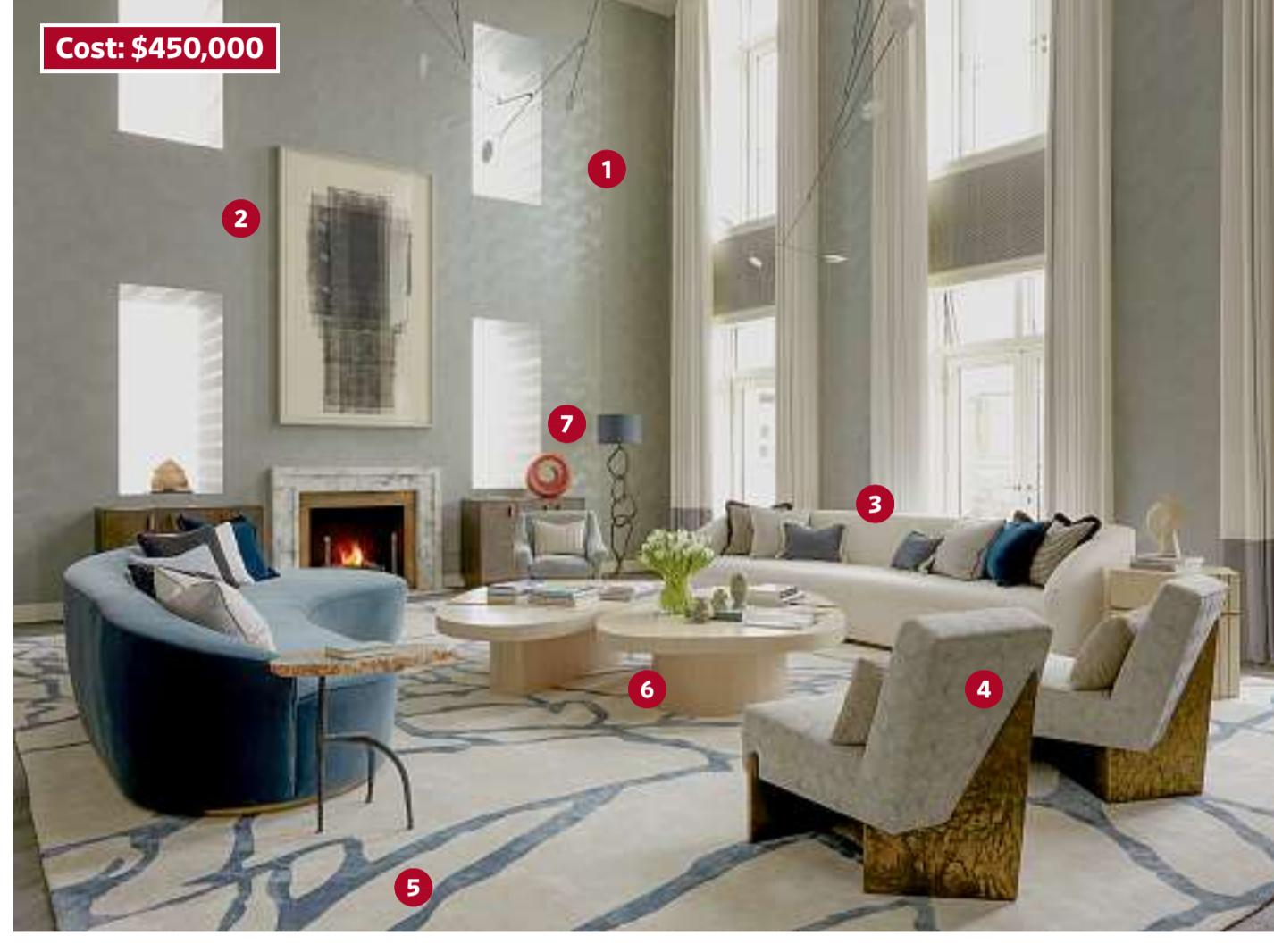
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MANSION

ANNOTATED ROOM

Supersizing the Living Room

A businessman in London with a new expansive apartment—with a very, very tall great room—fills the space



BY ELAINE PAOLONI QUILICI

An international businessman in his 50s who owns residences around the world was looking for a London outpost. In 2020, he purchased an expansive apartment in a development that used to be part of King's College. He sought London-based Studio Vero for help in designing the space, which had a rather bland interior.

The heart of the 7,500-square-foot duplex is the double-volume, 38-by-30-foot living room. The home's previous owner combined two apartments by removing the ceiling in this room to connect the two levels. "It's really a one-off in London because you just don't get these volumes," says Venetia Rudebeck, who co-founded Studio Vero with Romanos Brihi. To fill the room, everything needed to be scaled up. Not only did the artwork and decorative accessories have to fit the cavernous space, but the drapery, the upholstery and the fireplace had to be oversize as well. This required the help of artisans who could create bespoke pieces.

"These are sizes that are far more relevant to the [United] States," Brihi says. "In London, our upholsterers were almost laughing. They had never made sofas that big." Studio Vero added some curved lines to break up the squareness of the room. A sinuous sofa and pair of rounded coffee tables were created to soften the space.

Brihi and Rudebeck decided to turn the walls themselves into art by having them hand-painted. "It all had to be hand-sketched on the walls prior to them applying the paints," Brihi says.

Here are some of the design features of the roughly \$450,000 living room renovation.

1. Decorative artist Henry van der Vlijver took about 16 weeks to hand paint the walls. "We wanted something with a bit of texture and interest, but that was subtle," Rudebeck says. // **Price:** \$63,000

2. To fill the space over the fireplace, the designers chose the painting "Fall," by Antony Gorm-

ley (2015-16). Because the owner has homes abroad, they wanted the London locale to highlight contemporary British artists. // **Price:** \$34,000

3. The designers worked with George Smith on the oversize sofas. "There were people sewing the fabric onto the backs [inside the home], because we just

couldn't get the sofas inside in one piece," Brihi says. // **Price:** straight sofa \$16,200; curved sofa \$24,000

4. The chairs were inspired by an antique and created with the help of Ben Whistler (metal base) and Lauren Hwang New York (fabric). // **Price:** \$21,000 for the pair

5. Knowing this wasn't a highly trafficked space, the designers opted for a light-colored area rug by Stepevi. The teal branch design complements the coffee table detail. // **Price:** \$33,300

6. To amplify the coffee tables made of sycamore wood by Ben Whistler, the designers added a shallow "crack" that runs through

the surface and poured liquid metal into the groove. // **Price:** \$23,300

7. The bold red circular sculpture "Eclipse Smooth Red" by Matthew Chambers (2019) adds punctuation to the room. "The shot of dark red at the back is subtle but powerful," Brihi says. // **Price:** \$5,600

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MANSION

New Kids, New Home

Continued from page M1
office, a playroom and more space for the children to run around. He wanted a bigger pool and areas where he could hide when he needed to be alone.

For all those reasons, in 2021 after the twins were born, Jacobson bought a seven-bedroom, 8,500-square-foot house for \$3.7 million in Coconut Grove, a quieter, greener neighborhood than Mid-Beach.

The boxy white Colonial-style house was built by a developer in 2005 as a spec house. Jacobson says the home's ample moldings and traditional fireplace gave it what he calls "Old-Lady Style." He liked the layout, which let him separate the playroom and children's bedrooms from his bedroom and entertainment areas.

But while the house fulfilled his need for more space and separation, it was lacking in another part of his life that he treasured: his passion for one-of-a-kind modern architecture and art. He had renovated most of his past homes in a design-forward fashion and he wanted to make where he lived now reflect his own sense of uniqueness.

"My life is path breaking. I'm a single, gay, older dad. I didn't have any role models," he says. "I would have built my own new modern house, but I didn't have time." Building a new house would take at least three years, he says. He wanted to move in much more quickly than that.

For help in turning the nondescript Colonial into something more interesting, he turned to renowned Miami architect Rene Gon-



Jacobson and his sons by the pool, where they spend hours playing. The Spiral Gold Circuit, right, is a light installation.



zalez, a longtime friend whose work he admired. Gonzalez, known for his inventive, modern, light-filled creations, hesitated at first.

Gonzalez usually designs spaces he initiates instead of renovations, and he wasn't impressed with what he describes as the nonde-

script existing house. In the end, he took on the project for two reasons: He wanted Jacobson to live somewhere he would find joy, and he knew that Jacobson would be open to a more extensive, art-focused transformation and wouldn't put in design restrictions. "He's a courageous person in all elements of his life," says Gonzalez.

The resulting one-year, \$2 million renovation is what Gonzalez describes as a series of interventions, camouflaged as art installations, rather than a restructuring. "There are moments that create dramatic differences," says Gonzalez.

In the double-height main living room and stairway hall, Gonzalez worked with artist and designer Johanna Grawunder to create the Spiral Gold Circuit: mul-



tiered custom light installations made of bronze and acrylic that produce mobile-like, floating Mondrianish abstract geometric shapes reflected off a mirror on the ceiling. He put in Rosso Levanto red marble walls, some honed and some rough acid-etched, over the fireplace and by the stairway to make a new

curved stairwell alcove. Another area of focus was the kitchen and family room, one large open space at the far end of the first floor, with glass windows and doors that show the lush, tropical greenery of the backyard. Gonzalez changed all the surfaces in the kitchen, adding wood and granite. In the family room, he designed a full-wall custom cabinet system that has light and mirrors, making the shelves appear to be floating and to reflect the myriad objects—from Shona sculptures to ceramic and glass vases to a bowl of ostrich eggs—on each shelf. Glossy, sheer white, "plastic fantastic" curtains stretch from the ceiling to the floor.

Upstairs, the changes were more cosmetic, involving paint, furniture, curtains and rugs. Long hallways stretch in two directions: The arched openings are painted in colors that progress from darker to lighter, with yellows and greens on one side and blues on the moldings facing the other direction to enhance a feeling of anticipation, Gonzalez says.

In the main bedroom, dark-blue velvet curtains are intended to create a sense of intimacy by acting as an envelope.

Even though Gonzalez never puts moldings into the homes he designs, he decided not to touch the existing moldings in the house. "We just looked at it as a backdrop," he says. "I had to pick my battles."

Jacobson, formerly an investment banker, grew up in Cape Town, South Africa, until his senior year in high school, when his family moved to Westport, Conn. For most of his life, he had

CLOCKWISE FROM BOTTOM LEFT: ALEXIA FODERE FOR WSJ.; MICHAEL STAVRIDIS/RENE GONZALEZ ARCHITECTS

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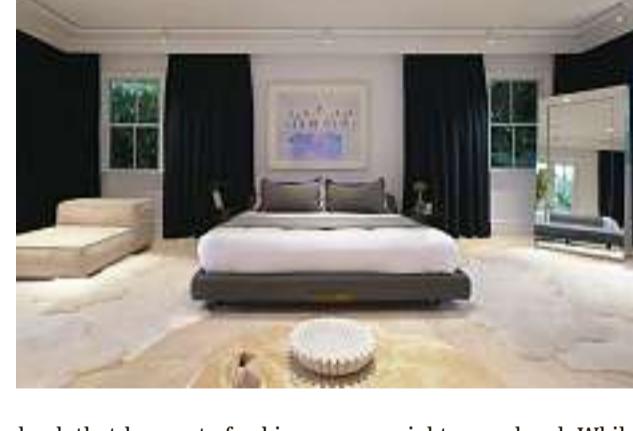
ALEXIA FODERE FOR WSJ (3)

no interest in being a father, Jacobson says. But as he got older, his friends started having children. "I felt like I wanted something more meaningful," he says. He wasn't in a committed relationship, which meant he would be parenting on his own.

He found an egg donor and a surrogate, who got pregnant in February 2020. The boys lived with him at his Mid-Beach house for a few months after they were born until Jacobson realized it would be too small in the long term. They moved to a three-bedroom apartment, with a room for a live-in nanny, for a year while the renovation of the Coconut Grove house was

under way.

Now, he works as a real-estate developer from home so that he can have breakfast with his 4-year-old sons (it is Cheerios or oatmeal when he's cooking; eggs when the housekeeper cooks). He drives the children to and from nursery school every weekday, about 10 minutes each way. In the afternoon, he spends time with them as they eat their snacks, then either he or the nanny will take them to their activities. He eats dinner with the boys. (The housekeeper cooks for them; Jacobson eats ready-made meals.) While the nanny is giving them a bath, he finds his reading glasses. Each boy picks a



book that he wants for his bedtime story.

Jacobson occasionally travels, but usually just for long weekends. He has stopped going to dinner with friends on weeknights, limiting his social life to

one night a weekend. While he still has his core group of friends, he has ventured out a little, talking to some of the moms from school. The house has a big playroom, a bedroom for the live-in nanny, a swimming



Jacobson's office, left, got only some repainting as part of the renovation.

pool where he spends hours with the children on weekends, and even a room for storing presents such as Legos, Magna-Tiles and air rocket sets. He says the twins get so many gifts for their birthday from friends that he spaces them out. He likes to make Toll House cookies with the boys in the new kitchen.

The main bedroom suite is usually off-limits to the rest of the family: It includes a sitting room where Jacobson likes to relax on his own. The boys are also rarely in his office, the formal dining room or the main living room with the sculptural light fixture and red marble, he says.

Jacobson has a long real-estate history. He bought a 5,000-square-foot loft in New York's SoHo for \$2 million in 2000 and hired an architect, spending around \$1 million to make the raw space livable. During a 2003 sabbatical when he traveled around the world, he rented the loft for \$50,000 a month to Nicole Kidman for nine months. He then sold the loft to Harvey Weinstein for \$6.8 million after Kidman moved out.

Kidman could not be reached for comment. Representatives for Weinstein said he could not be

reached for comment.

In 2005, Jacobson spent \$4.5 million on two floor-through apartments in a glassy, modern Richard Meier-designed building, part of a complex known as the Meier Towers in Greenwich Village in Manhattan. He spent around \$1.3 million to create a duplex and sold it in 2011 for \$10.5 million. As he was renovating those apartments, Jacobson and his brother developed a new building on West 19th Street called 520 West Chelsea that was designed by Selldorf Architects.

Jacobson still owns a 3,000-square-foot apartment in New York, which he bought for \$7 million in 2011 and renovated for around \$1.5 million. In 2012, Jacobson paid \$500,000 for the circa-1928 Mid-Beach house in Miami. He did a \$1.2 million renovation and liked spending time there so much that he moved in full time in 2018.

Jacobson says he invested so much into his new Coconut Grove house because he loves architecture and art. "I don't play golf. This is my hobby," he says. He plans to live there for a long time, at least until his twins go to college. "I decided to do it the way I wanted," he says.

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MANSION

HOUSE CALL | NATE BARGATZE

This Comedian's Role Model Was His Dad—a Clown and Magician

The Netflix stand-up star on his family's 'water only' rule and the joy of making himself the punchline

Even as a kid, I embraced my inner nice guy. After I was cut from the high school basketball team, I channeled my enthusiasm into rooting for them. I even painted my face for every game.

In class, I was funny, but I wasn't loud or crazy. My side comments were always hushed so teachers wouldn't hear them. I didn't want to be disruptive or hurt their feelings.

All of this was my way of fitting in and standing out. By my senior year, I managed to win the award for most school spirit. I didn't win class clown. I came in second.

We lived in Old Hickory, Tenn., about a half-hour north of Nashville on the Cumberland River. Most of the parents in town worked at the big DuPont plant. My parents didn't. My father was a clown and then a magician. We were different.

My dad, Stephen, had always wanted to be a clown and a magician. He and my mother, Carol, met in 8th grade, so she saw the whole ride and understood. He taught school for 10 years in Coopersburg, Tenn., and then did motivational talks at high schools for the Tennessee Secondary School Athletic Association while entertaining on the side.

My parents were Catholic but raised us Baptist after they moved from Louisville, Ky., to Tennessee. Being nice to others was a household principle. Insulting someone for a laugh was frowned upon.

My parents didn't have much money when my younger brother,

Nate Bargatze in September. Below right, with his father, a professional clown and magician, at home in Old Hickory, Tenn., in 1981.



Derek, and I were still at home. They were just getting by. During the rare times we went out to eat, they had a water-only rule. Soda was an unnecessary expense.

Growing up, I watched my dad do his magic tricks. He practiced them on me, so I knew how they were done. I thought he was cool. My father was sensitive, like Robin Williams in the 1998 film "Patch Adams." Because my dad's feelings were always on the surface, he made me more empathetic and caring.

My mom is very funny, more like me in terms of setting up jokes. Dad is more slapstick in his delivery. But what I always admired is how he made fun of himself. He taught me there's nothing funnier than making yourself part of the punchline.

I started performing when I was around 11 in skits that my dad and his friend wrote. At church, they created these simple rural characters—Ned and Jed. I'd join, dressed nerdy with suspenders, and say something dumb. What I loved most was the audience's laughter.

I didn't do well in high school, but I loved being there. I was homecoming king. For our yearbook we listed where we thought we'd be in 10 years. I joked "Playing in the NBA," but it happened. I played for my church in the Nashville Baptist Association, so technically it was the NBA.

After high school, I tried to go to college but wound up at a com-

had comedians on. I wanted to take a shot.

One day, I told a guy at work. He said another guy we worked with wanted to do improv at some place called Second City in Chicago. I talked to the other guy, and we went. I spent eight weeks there and learned that improv wasn't a good fit.

Instead, I took a stand-up class at Jim Rauth's Comedy College in Chicago. For graduation, in 2003, the teacher took us to a bar where we all had our first stand-up experience. We did well since the audience knew we were just starting out.

My turning-point year was 2008, when I was booked on Comedy Central's stand-up show "Live at Gotham," "Late Night with Conan O'Brien" and the Montreal comedy festival. My first Netflix special was in 2017.

Today, I live with my wife, Laura, and our daughter, Harper, in Nashville. We moved into our home in 2015. I loved that it was in a cul-de-sac with no through traffic.

We have a big backyard and lots of space. Inside, we have an open living room, dining area and kitchen, where we all hang out. You can see everyone at once, so you don't have to go searching for family members.

Laura and Harper see the more serious side of me, the driven and



munity college for a year. Then I went to Western Kentucky University for a semester and failed out. My parents were relieved: They no longer had to pay those bills.

Out in the job market, I became a water-meter reader. My parents were overjoyed. I had a job with the county and had benefits. At the time, I loved "The Bob & Tom Show," a syndicated radio program that aired on WFBQ in Indianapolis and always

determined person, not the stand-up guy. For them, it's like me growing up with my dad. Audiences see the magic. Family sees the work.

—As told to Marc Myers

Nate Bargatze, 45, is a comedian and actor who specializes in family-friendly stand-up. He will host a CBS holiday special on Dec. 19, and his Netflix comedy special, "Your Friend, Nate Bargatze," starts streaming on Dec. 24.

Bargatze standing during a 'Saturday Night Live' sketch in 2023



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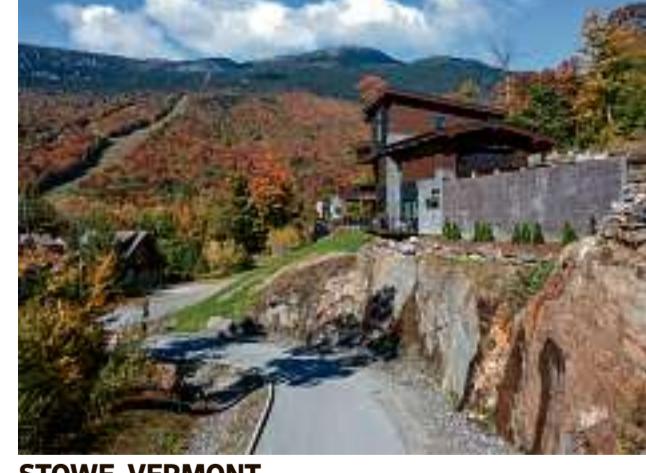
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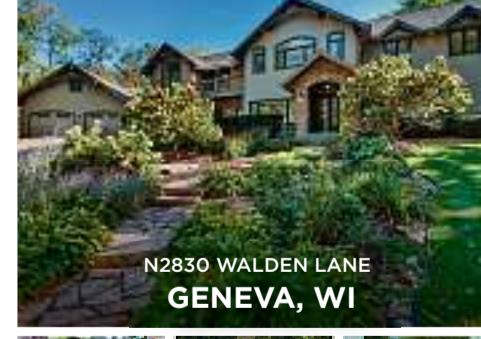
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Entrepreneur Patrick Dovigi Flips Another Aspen Mansion

Patrick Dovigi, the former hockey player and entrepreneur, is at it again. This time, he has sold an Aspen, Colo., mansion for \$55 million, \$6.25 million more than he paid for it in April.

Located in downtown Aspen, the roughly 8,000-square-foot

house wasn't on the market at the time of the sale. The identity of the buyer isn't known.

Dovigi, founder of the environmental services and waste-management company Green For Life Environmental, bought the house for \$48.75 million from longtime Aspen residents Ken Sack and his wife, Sheri Alden Sack, who had renovated it. Dovigi added a bedroom for a total of eight, but made few other changes to the property, according to people familiar with the purchase.

In recent years, Dovigi has bought and sold multiple Aspen



DRAPER WHITE (2)

homes at significant profits. This spring, he sold a mansion overlooking downtown Aspen for \$108 million to former casino mogul Steve Wynn and financier Thomas Peterffy, after buying it for \$72.5 million in 2021. In 2022, Dovigi sold a home for \$55 million, \$10.5 million more than he paid a year prior. Most recently, Dovigi paid \$59.75 million for an Aspen house once owned by the actor Jack Nicholson.

A former hockey goalie, Dovigi was drafted by the NHL's Edmonton Oilers in 1997 and played for several years.

Overall, Aspen real-estate values shot up during Covid, with a string of \$30 million-plus deals. During the first half of 2024, the number of Aspen home sales rose 24% from the same period of last year, according to Tim Estin of Aspen Snowmass Sotheby's International

Realty. The median single-family home price in Aspen was \$16.5 million, up 19% from \$13.9 million during the first half of 2023.

Riley Warwick of Douglas Elliman, who brokered both sides of the Dovigi sale, declined to comment.

—E.B. Solomont

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NORTH TEXAS' #1 LUXURY BROKERAGE

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President Russ Anderson: Naughty and nice applies to brokerages, too.

From the President's P.O.V.

**Anderson, anytime**Don't miss Russ Anderson's weekly thoughts, always on briggsfreeman.com/blog

At a time of year when a lot of reflection is going on about our own business — How did we do? What didn't work? What will we build on? — I keep thinking about the things that make our brokerage wholly unique, and why anyone would want to work with us.

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network within a network — one that also benefits our clients and advisors.

I could go on. In fact, I will, next week, all about the things that make just Briggs Freeman Sotheby's International Realty unique. It's a good list — and it involves you.

Don't worry. You're firmly in the Nice column.

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JOURNAL REPORT

C-SUITE STRATEGIES



Apple Tops the List of Best-Managed Companies of 2024

Tech companies hold six of the top 10 spots, while Mastercard jumped to fifth place from 24th last year

BY RAY A. SMITH

TECHNOLOGY companies continue to hold most of the top spots in the annual Management Top 250 ranking of America's best-run companies, with **Apple** unseating **Microsoft** at No. 1.

Rounding out the top four are **Nvidia**, Microsoft—which came in at No. 1 the previous four years—and **Intel**.

Two other tech companies scored in the top 10: **Alphabet** in eighth place, falling from fourth place last year, and **Adobe**, rising to ninth place from 19th.

Four nontech companies are represented in the top 10, one more than last year. **Mastercard** placed fifth, rising from 24th in 2023. (**International Business Machines**, No. 5 last year, fell to 20th place this year.) **Philip Morris International**

jumped to 10th place from 32nd. **Johnson & Johnson** rose to sixth place from 13th. And **Procter & Gamble** held on to its No. 7 spot.

The Management Top 250 ranking compares companies using the late management guru Peter Drucker's principles to identify the most effectively managed businesses. This year, 842 companies were graded in five categories (customer satisfaction, innovation, social responsibility, em-

ployee engagement and development, and financial strength) based on 35 indicators supplied by third-party data providers. The statistical model that produces the ranking was created by researchers at Claremont Graduate University's Drucker Institute. Bendable Labs, a private firm, works with Drucker to perform the calculations and interpret them.

Companies that are in the top

Please turn to page R2

JOURNAL REPORT | MANAGEMENT TOP 250

What's New in the Rankings of Best-Managed Companies for 2024

The biggest change this year: capturing customer sentiment by counting clicks

BY RICK WARTZMAN AND KELLY TANG

One way to judge how satisfied consumers are with a company's products or services is to ask them—opinions typically gleaned by conducting surveys or convening panels.

But there's another technique that captures customer sentiment, and it has become ever more relevant in our online age: Count clicks.

That's why this year, we're adding a new metric to our measure of corporate effectiveness, which serves as the foundation for the Management Top 250, a ranking published annually since 2017 through a partnership between The Wall Street Journal and Claremont Graduate University's Drucker Institute. Devised by the research firm ROI Rocket, this new metric, a "digital positioning score," looks at the amount of activity a company realizes over time, as compared with its industry peers, across four channels: search, traffic on its website (or sites), social media and any apps it has.

When things are popping online, it's "in-

terpret them. In 2024, we analyzed a total of 842 large, publicly traded corporations.

To bring the new metric into the mix, we carefully assessed the digital positioning score to ensure that it correlated well with the other indicators in its category, and that it didn't degrade the statistical relationship between customer satisfaction and overall effectiveness.

Positive buzz

Fertig notes that not all online activity is positive. For instance, when a restaurant chain suffers an E. coli outbreak or an airline has a high-profile accident, people often swarm the internet, causing a spike in the inputs that ROI Rocket tracks.

But such incidents are usually rare and fleeting, according to Fertig, whereas true customer satisfaction spurs people to return again and again to their favorite brands' digital domains. "The positive buzz is more sustainable," Fertig says. It reflects "a loyal customer base."

Target has witnessed this phenomenon. It came in at No. 133 in this year's Drucker rankings, driven to a large degree by a very strong customer-satisfaction score of 59.4 (though the retailer has been losing market share to Walmart and Amazon.com, and its share price plunged last month after it reported another disappointing quarter). "The lines have blurred between physical and digital shopping," says Prat Vemana, Target's

can then be redeemed for products, special offers, retailer gift cards and cash back.

The Beauty Squad program has some 5.3 million members and is a prominent feature of e.l.f.'s app, which also has a tool that lets customers "try out" makeup products and shades virtually before they buy. When shoppers use the app, "we see higher average order values, they purchase more frequently and have stronger retention rates," says Kory Marchisotto, the chief marketing officer at e.l.f.

"The feedback we get from the community from our digital channels is the most real and real-time we can get," Marchisotto adds. "We have created campaigns, launched products, and changed formulas and packaging based on comments we receive on social and from our Beauty Squad loyalists."

B2B insight

In the Drucker model, the digital positioning score augments data supplied by the American Customer Satisfaction Index, J.D. Power and wRatings. All of that is derived by querying consumers about various aspects of their experience with a company's offerings, including convenience, clarity of product information, whether their expectations around quality were met, and how likely they are to recommend what the company is selling to a friend or colleague.

One drawback with this approach is that it can be difficult to unearth data for companies in the B2B space—businesses that sell to other businesses, as opposed to individual consumers. Although most big companies conduct their own customer-satisfaction surveys, they tend to guard the results closely, and third-party surveying of corporate buyers can be challenging.

The digital positioning score presents a way around this limitation. In fact, by adding it, we were able to increase the total universe of companies we examined this year by 48—all while tightening the criteria for inclusion in the Management Top 250. To be listed, a company now needs three valid indicators in each of the five categories, up from two.

In some ways, the addition of the digital positioning score signals a generational shift, as millennial and Gen-Z buyers advance in their careers. "Digital natives are now becoming decision makers

in B2B," says Barbara Winters, a principal analyst at Forrester, which recently forecast that by next year, more than half of large B2B transactions—those of \$1 million or more—will be processed through digital self-service channels.

Winters says, however, that even if a customer's interaction begins with their own online research and ends with a purchase made through the vendor's website or marketplace, successful sales often include a human touch along the way. "It's a blend," she says.

The lesson there is clear: When it comes to caring for customers, having great platforms is increasingly important, but having great people always has been—and always will be—essential.

Rick Wartzman is co-president and **Kelly Tang** is chief data scientist at Bendable Labs. They are also both senior research fellows at Claremont Graduate University. They can be reached at reports@wsj.com.



dicate of how people view a brand," says Rod Fertig, ROI Rocket's chief data officer. "It's predictive of future revenue growth."

The Drucker Institute's model for measuring corporate effectiveness, which now includes 35 metrics in all, is rooted in the core teachings of management scholar and former Wall Street Journal columnist Peter Drucker, who died in 2005. Among them: "To satisfy the customer is the mission and purpose of every business."

In addition to customer satisfaction, the rankings provide insight into four other areas: innovation, social responsibility, employee engagement and development, and financial strength.

Companies are compared in each of these five categories, as well as in their overall effectiveness, through standardized scores with a range of 0 to 100 and a mean of 50. We define "effectiveness" as Drucker did: "doing the right things well."

Bendable Labs, a private firm, works with the institute to perform the calculations and

chief digital and product officer. "We see physical-plus-digital-plus-social as a connected and immersive ecosystem."

He points out that more than half of those who make a purchase in a Target store have visited the company's app or website the same day. That "shows us how shoppers move fluidly from physical to online and back again," Vemana says.

Of course, what happens online is not only a gauge of customer satisfaction; it can also gove it.

Just ask e.l.f. Beauty, the cosmetics company, which finished at No. 164 in this year's Drucker rankings—a showing that was propelled by, among other factors, a customer-satisfaction score of 59.7. e.l.f. has been investing heavily to boost its digital presence, including through its Beauty Squad loyalty program, which lets customers earn points for every dollar they spend, as well as for connecting to the company on social media, completing a beauty profile, uploading receipts, playing games and more. The points

ers in B2B," says Barbara Winters, a principal analyst at Forrester, which recently forecast that by next year, more than half of large B2B transactions—those of \$1 million or more—will be processed through digital self-service channels.

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Rick Wartzman is co-president and **Kelly Tang** is chief data scientist at Bendable Labs. They are also both senior research fellows at Claremont Graduate University. They can be reached at reports@wsj.com.

Customer Top 10

The top scores for customer satisfaction among the Management Top 250

Iron Mountain	73.8
Intel	72.1
Ball	70.8
Owens Corning	70.6
Estee Lauder	70.3
Deere	70.1
Johnson Controls Intl.	69.5
Prologis	69.2
Caterpillar	69.1
Trane Technologies	69.1

Ties are listed in alphabetical order.

Source: Drucker Institute

Employee Top 10

The top scores for employee engagement and development among the Management Top 250

Texas Pacific Land	78.2
Nvidia	74.8
Intuit	73.3
ServiceNow	70.8
Autodesk	70.5
Cadence Design Systems	69.7
Adobe	69.6
Cisco Systems	69.3
ConocoPhillips	69.3
Microsoft	68.5

Ties are listed in alphabetical order.

Source: Drucker Institute

Financial Top 10

The top scores for financial strength among the Management Top 250

Nvidia	138.7
Apple	120.4
Microsoft	99.4
Alphabet	96.6
Amazon.com	90.6
Procter & Gamble	87.5
Walmart	84.0
Meta Platforms	82.7
JPMorgan Chase	80.9
Progressive	78.3

Source: Drucker Institute

Innovation Top 10

The top scores for innovation among the Management Top 250

Apple	99.9
Microsoft	97.6
Walmart	93.2
Amazon.com	90.8
Johnson & Johnson	88.1
Exxon Mobil	87.7
Corteva	86.3
Uber Technologies	86.0
Nike	85.5
Philip Morris Intl.	85.4

Source: Drucker Institute

Social Top 10

The top scores for social responsibility among the Management Top 250

Intel	73.6
Elevance Health	72.3
Accenture	71.9
Adobe	71.8
Qualcomm	71.2
Analog Devices	71.0
HP	69.6
Hess	69.0
Microsoft	68.5
Abbott Laboratories	68.3

Ties are listed in alphabetical order.

Source: Drucker Institute

changed pay and titles for corporate staff, including a reduction in stock compensation for about 4% of corporate workers as part of a reorganization; changed its wage structure for hourly workers, cutting pay for some new store hires; laid off hundreds of corporate workers; and asked most remote workers to move to offices.

A Walmart spokeswoman pointed out a number of ways the company has invested in its associates, including raising average store-manager salary, starting a new bonus program for store hourly associates, and launching a program that helps hourly store and supply-chain associates learn new trade skills and move into higher-paid technician roles.

A number of healthcare, life-sciences and pharmaceutical

companies dropped down the list as their Covid boost has faded.

Pfizer, which dropped to 45th from 12th last year, has struggled to escape its postpandemic slump. After the Covid-19 emergency receded, sales of the company's vaccine and antiviral products tanked much more than executives forecast. At the same time, new drug launches underdelivered, and Pfizer's first stab at the booming anti-obesity market flamed out.

Eli Lilly, which fell to 35th place from 11th last year, had a bumpy start to 2024 as supply constraints for a popular class of diabetes and obesity drugs limited its first-quarter sales growth. But the company signaled that a big increase in production capacity was on the horizon. By the following quarter,

the drugmaker ramped up its supplies, and sales of its diabetes drug Mounjaro and weight-loss injection Zepbound beat analysts' estimates.

Beyond pharmaceuticals, other companies that saw significant drops included **Tesla** and **Chevron**. Tesla, which dropped to No. 199 from 103 last year, got lower scores on every category except innovation. Chevron, which fell to 229th from 99th last year, had lower scores in customer satisfaction, innovation and financial strength.

Pfizer, Chevron and Eli Lilly had no comment. Tesla didn't respond to inquiries.

Ray A. Smith is a staff reporter in The Wall Street Journal's New York bureau. Email him at ray.smith@wsj.com.

JOURNAL REPORT | MANAGEMENT TOP 250

Management Top 250

A ranking of U.S. companies by the Drucker Institute

The Management Top 250 ranking, developed by the Drucker Institute, measures corporate management effectiveness by examining performance in five areas: customer satisfaction, employee engagement and development, innovation, social responsibility and financial strength. The ranking is based on an analysis of 35 data inputs provided by 16 third-party sources.

The Management Top 250 are the top U.S. companies among 842 that were included in a Drucker Institute study. To be included in the study, a company had to be part of the Dow Jones U.S. Total Stock Market Index or the S&P Composite 1500 Index (or both) and meet at least one of these criteria: Its shares were a component of the S&P 500 stock index as of June 30, 2024; its revenue was \$3 billion or

more as of March 31, 2024, and it had a market capitalization of \$6 billion or more as of June 30, 2024; regardless of revenue, its market capitalization was \$10 billion or more as of June 30, 2024. All data collected by the Drucker Institute was the most current available as of June 30, 2024.

A detailed explanation of the methodology can be found with the ranking table at [WSJ.com/ManagementTop250](#).

RANKING	COMPANY	OVERALL SCORE (Out of a possible 100)	CUSTOMER SATISFACTION SCORE	EMPLOYEE ENGAGEMENT SCORE	INNOVATION SCORE	SOCIAL RESPONSIBILITY SCORE	FINANCIAL STRENGTH SCORE	SECTOR
1	Apple	92.1	64.7	62.7	99.9	63.2	120.4	Technology
2	Nvidia	90.1	59.4	74.8	73.0	66.2	138.7	Technology
3	Microsoft	88.8	58.2	68.5	97.6	68.5	99.4	Technology
4	Intel	78.5	72.1	64.2	82.0	73.6	45.7	Technology
5	Mastercard	75.7	55.1	66.9	79.8	66.5	71.0	Financial Services
6	Johnson & Johnson	75.5	51.9	66.2	88.1	64.5	66.4	Health Care/Life Sciences
7	Procter & Gamble	75.2	66.0	63.2	75.2	53.5	87.5	Consumer Goods
8	Alphabet	74.2	51.5	65.0	74.9	57.6	96.6	Technology
9	Adobe	73.9	58.8	69.6	71.1	71.8	56.3	Technology
10	Philip Morris International	73.8	59.2	68.5	85.4	58.3	58.1	Consumer Goods
11	Visa	73.6	59.1	64.8	78.0	63.7	64.9	Financial Services
12	Deere	73.4	70.1	58.7	82.3	59.7	55.1	Industrial Goods
13	Nike	72.6	63.3	59.1	85.5	58.8	58.3	Consumer Goods
14	Qualcomm	72.3	53	59.3	79.4	71.2	60.8	Technology
15	Cisco Systems	72.1	64.8	69.3	65.4	67.3	55.0	Technology
16	Oracle	71.9	66.4	55.1	77.1	63.4	60.9	Technology
17	PepsiCo	71.5	62.2	55.1	74.3	67.3	63.2	Consumer Goods
17	Salesforce	71.5	65.7	68.0	71.4	63.3	49.7	Technology
19	Amazon.com	71.3	56.2	49.1	90.8	47.3	90.6	Retail/Wholesale
20	International Business Machines	71.2	60.4	61.9	71.4	67.6	58.2	Business/Consumer Services
21	Walmart	71.1	55.7	41.5 	93.2	54.9	84.0	Retail/Wholesale
22	General Motors	70.3	62.9	55.8	73.2	61.6	66.4	Automotive/Vehicles
23	Costco Wholesale	70.1	66.6	58.9	75.8	51.7	68.6	Retail/Wholesale
24	Intuit	69.5	59.3	73.3	62.3	67.0	50.0	Technology
25	Lockheed Martin	69.3	63.0	62.7	72.2	57.9	59.3	Industrial Goods
26	American Express	69.1	58.2	64.5	72.0	61.4	57.3	Financial Services
26	Colgate-Palmolive	69.1	65.2	65.3	52.8	67.2	65.2	Consumer Goods
28	GE Aerospace	68.8	67.5	55.8	74.3	57.4	57.2	Industrial Goods
29	Caterpillar	68.7	69.1	57.1	70.9	54.9	61.9	Industrial Goods
30	HP	68.5	62.2	63.9	60.7	69.6	52.1	Technology
31	Accenture	68.2	63.2	63.2	52.1	71.9	59.9	Business/Consumer Services
32	Cummins	67.9	62.0	56.2	77.1	61.0	49.8	Automotive/Vehicles
33	Merck	67.7	60.9	64.5	58.2	66.9	58.0	Health Care/Life Sciences
34	JPMorgan Chase	67.5	53.8	61.7	64.7	56.6	80.9	Financial Services
35	Eli Lilly	67.3	60.1	65.3	57.1	60.0	70.5	Health Care/Life Sciences
36	Amgen	67.1	62.2	62.1	67.3	60.9	52.6	Health Care/Life Sciences
37	Hilton Worldwide Holdings	66.9	68.3	62.1	55.0	65.1	54.1	Leisure/Arts/Hospitality
37	MetLife	66.9	54.8	62.1	62.2	66.5	62.2	Financial Services
39	Dow	66.6	55.8	63.8	76.0	59.1	46.9	Basic Materials/Resources
39	Prologis	66.6	69.2	67.7	58.5	60.6	44.9 	Real Estate/Construction
41	Abbott Laboratories	66.4	54.8	58.2	70.2	68.3	49.1	Health Care/Life Sciences
41	Owens Corning	66.4	70.6	56.9	52.7	68.3	53.5	Real Estate/Construction
43	Eaton	66.3	63.0	55.0	65.1	64.7	54.5	Industrial Goods
43	RTX	66.3	55.2	53.2	83.6	60.0	48.8	Industrial Goods
45	Pfizer	66.1	59.8	56.6	74.1	62.7	45.3	Health Care/Life Sciences
46	AbbVie	65.8	58.7	62.8	62.5	60.9	58.2	Health Care/Life Sciences
46	Meta Platforms	65.8	40.4 	56.3	81.2	52.7	82.7	Technology
46	Verizon Communications	65.8	51.3	57.8	61.3	63.2	75.7	Telecommunication Services
49	Ecolab	65.7	64.6	55.4	67.8	62.1	48.9	Business/Consumer Services
49	Ford Motor	65.7	58.6	54.4	65.5	62.0	63.9	Automotive/Vehicles
51	Dell Technologies	65.6	57.7	62.3	62.7	60.5	60.2	Technology
52	Autodesk	65.5	59.0	70.5	54.6	64.3	51.4	Technology
52	Edwards Lifesciences	65.5	62.9	60.7	63.3	63.1	47.5	Health Care/Life Sciences
54	Coca-Cola	65.4	67.1	58.2	57.4	59.4	60.3	Consumer Goods
54	Iron Mountain	65.4	73.8	47.6	63.0	59.9	55.3	Real Estate/Construction
56	Bristol-Myers Squibb	65.2	58.8	56.1	76.4	56.7	50.3	Health Care/Life Sciences
57	General Mills	65.0	61.6	61.4	63.9	60.1	50.6	Consumer Goods
58	S&P Global	64.8	66.8	61.6	54.9	64.8	46.9	Financial Services
59	Northrop Grumman	64.7	59.0	62.3	66.1	59.7	49.1	Industrial Goods
60	Cadence Design Systems	64.5	58.5	69.7	54.3	60.8	55.0	Technology
60	Hewlett Packard Enterprise	64.5	59.2	63.9	55.9	67.3	48.6	Technology
62	eBay	64.3	47.7	55.3	77.5	63.7	50.7	Retail/Wholesale
63	Kimberly-Clark	64.1	57.8	57.2	68.0	56.1	59.4	Consumer Goods
63	Medtronic	64.1	56.5	55.1	69.2	65.8	45.1	Health Care/Life Sciences
65	Uber Technologies	64.0	50.3	49.6	86.0	55.8	54.0	Transportation/Logistics
66	Advanced Micro Devices	63.9	58.9	67.5	53.6	65.0	47.8	Technology
67	AT&T	63.8	56.4	50.2	64.0	57.8	74.1	Telecommunication Services
68	Hershey	63.7	65.0	55.6	53.4	66.7	51.9	Consumer Goods
69	Regeneron Pharmaceuticals	63.6	63.5	58.5	56.4	61.3	54.4	Health Care/Life Sciences
70	Bank of America	63.5	46.7	61.0	67.2	60.6	61.7	Financial Services
70	Boston Scientific	63.5	52.6	62.4	66.6	61.6	49.3	Health Care/Life Sciences
72	Citigroup	63.4	49.7	55.6	72.2	62.8	52.6	Financial Services
73	Trane Technologies	63.3	69.1	55.2	43.9	68.3	56.6	Real Estate/Construction

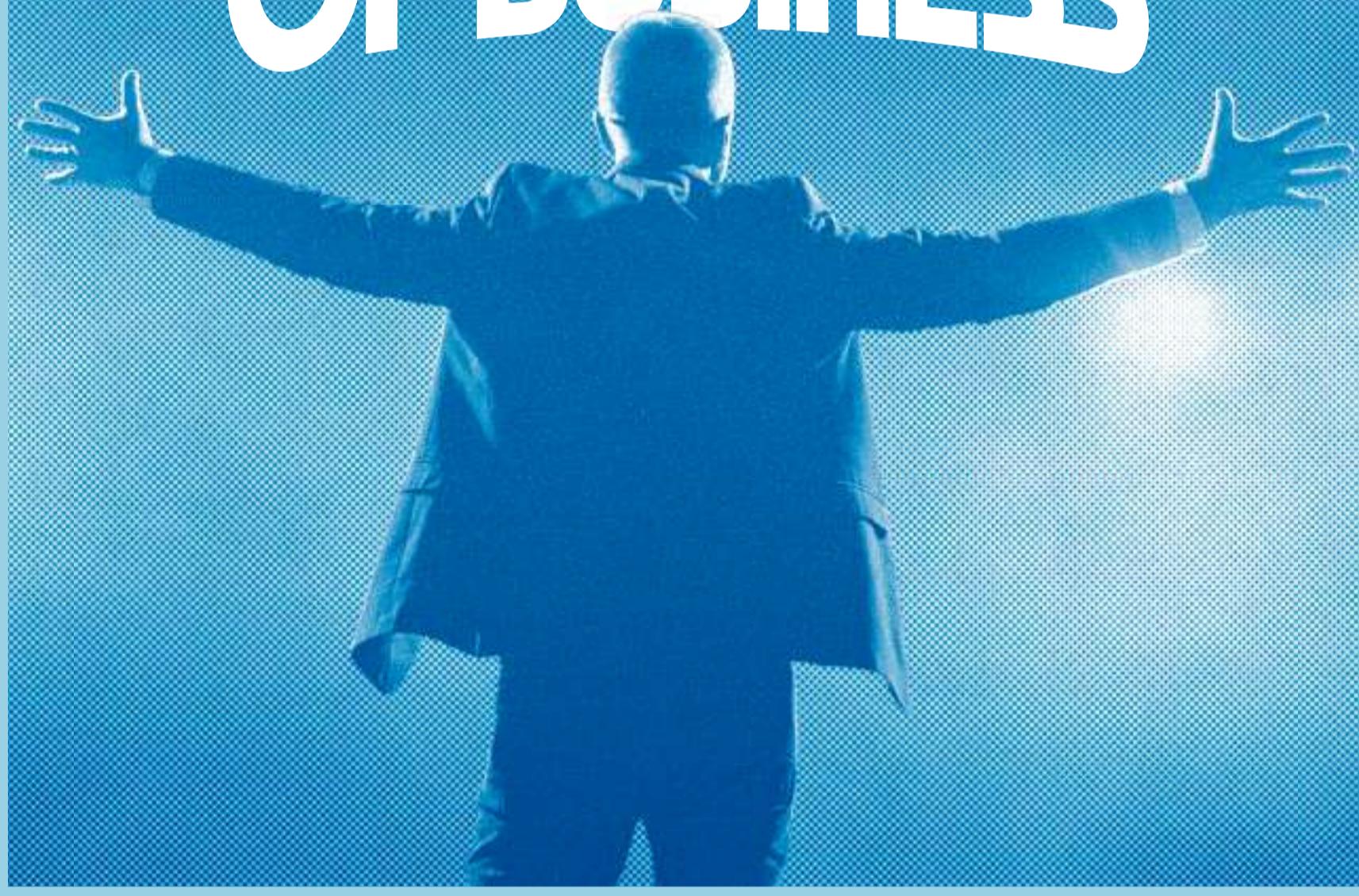
Sources: Drucker Institute, using data from American Customer Satisfaction Index; American Opportunity Index, a joint project of the Burning Glass Institute, Harvard Business School and the Schultz Family Foundation; Clarivate; CSRHub; Glassdoor; HIP Investor; Indeed; ISS EVA; JD Power; Lightcast; LSEG Data & Analytics; Prof. Dimitris Papanikolaou of Northwestern University and Prof. Amit Seru of Stanford University; ROI Rocket; Supply Chain Resource Cooperative; Sustainalytics; and wRatings. Note: Alice Korngold, chief executive officer of Korngold Consulting in New York, developed the methodology for a portion of the social responsibility category.

Ties are in alphabetical order.

 Score is in the bottom 25% of the 842 companies examined for this ranking.

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JOURNAL REPORT | MANAGEMENT TOP 250

RANKING	COMPANY	OVERALL SCORE (Out of a possible 100)	CUSTOMER SATISFACTION SCORE	EMPLOYEE ENGAGEMENT SCORE	INNOVATION SCORE	SOCIAL RESPONSIBILITY SCORE	FINANCIAL STRENGTH SCORE	SECTOR
73	Vertex Pharmaceuticals	63.3	58.6	66.3	54.5	59.3	56.1	Health Care/Life Sciences
75	Home Depot	63.2	54.3	53.7	63.1	55.8	73.9	Retail/Wholesale
75	United Rentals	63.2	66.5	62.9	46.4	62.3	55.2	Business/Consumer Services
77	Booz Allen Hamilton Holding	63.1	53.7	64.4	60.1	60.0	55.7	Business/Consumer Services
78	Honeywell International	62.9	53.0	58.4	68.8	59.7	51.3	Business/Consumer Services
79	Ball	62.8	70.8	55.6	47.8	67.9	44.9 ▼	Industrial Goods
80	Gilead Sciences	62.7	57.1	60.2	57.1	64.6	50.9	Health Care/Life Sciences
80	Rockwell Automation	62.7	65.2	56.1	59.3	60.7	47.6	Industrial Goods
82	CBRE Group	62.6	53.5	60.5	46.2	65.5	72.0	Real Estate/Construction
83	Allstate	62.5	58.3	45.2	70.2	57.7	61.7	Financial Services
84	Jacobs Solutions	62.4	64.7	56.7	56.7	61.4	48.6	Business/Consumer Services
84	Schlumberger	62.4	53.0	60.7	69.0	56.5	50.5	Energy
86	Cardinal Health	62.2	62.5	49.2	53.1	64.3	63.0	Retail/Wholesale
86	Starbucks	62.2	49.2	45.4	80.8	55.6	61.4	Leisure/Arts/Hospitality
88	Intuitive Surgical	62.1	41.7 ▼	62.7	79.4	54.1	51.9	Health Care/Life Sciences
89	Altria Group	61.9	56.5	59.3	62.9	52.5	61.2	Consumer Goods
89	Automatic Data Processing	61.9	55.0	55.4	60.5	55.9	67.5	Business/Consumer Services
89	Marriott International	61.9	60.8	60.7	54.1	60.1	53.0	Leisure/Arts/Hospitality
89	Palo Alto Networks	61.9	55.6	66.3	46.8	62.8	60.1	Technology
89	Tetra Tech	61.9	66.7	56.2	57.0	57.7	49.5	Business/Consumer Services
89	Weyerhaeuser	61.9	62.4	50.5	60.8	64.7	46.4	Real Estate/Construction
95	United Parcel Service	61.7	62.1	45.8	68.3	55.4	57.8	Transportation/Logistics
96	Estee Lauder	61.6	70.3	55.7	50.9	61.6	45.6	Consumer Goods
96	ServiceNow	61.6	57.2	70.8	45.2	61.2	54.4	Technology
96	T-Mobile US	61.6	63.3	51.2	52.3	58.7	66.8	Telecommunication Services
99	Mondelez International	61.4	61.7	58.4	50.9	62.8	52.6	Consumer Goods
100	Exxon Mobil	61.3	37.5 ▼	50.8	87.7	44.5	76.7	Energy
100	Las Vegas Sands	61.3	58.1	46.7	67.1	60.7	53.0	Leisure/Arts/Hospitality
100	W.W. Grainger	61.3	62.5	63.1	44.7	58.3	61.8	Retail/Wholesale
103	FMC	61.1	65.8	56.7	58.6	56.9	44.8 ▼	Basic Materials/Resources
103	Jones Lang LaSalle	61.1	54.1	56.3	57.1	66.6	49.7	Real Estate/Construction
105	Johnson Controls International	60.9	69.5	50.7	50.3	64.8	46.2	Real Estate/Construction
105	UnitedHealth Group	60.9	51.1	50.6	58.2	60.3	72.2	Financial Services
107	Aecom	60.8	67.0	52.3	55.2	59.8	48.1	Real Estate/Construction
108	Clorox	60.7	66.1	51.7	54.9	60.2	49.9	Consumer Goods
109	KBR	60.5	57.6	61.3	55.2	60.0	48.7	Real Estate/Construction
110	Duke Energy	60.4	51.6	58.1	67.3	56.9	48.6	Utilities
111	Agilent Technologies	60.3	57.6	61.1	48.7	64.6	49.6	Health Care/Life Sciences
111	Analog Devices	60.3	56.6	58.2	47.1	71.0	46.8	Technology
111	Becton Dickinson	60.3	53.1	59.1	63.9	59.7	44.6 ▼	Health Care/Life Sciences
111	Molson Coors Beverage	60.3	65.2	57.2	52.9	58.4	47.7	Consumer Goods
111	NXP Semiconductors	60.3	53.0	61.8	47.5	67.6	53.0	Technology
116	Capital One Financial	60.2	46.2	61.2	71.6	56.0	46.1	Financial Services
116	Exelon	60.2	48.1	61.2	67.8	57.0	47.6	Utilities
118	Deckers Outdoor	60.0	55.9	54.6	51.4	59.4	66.0	Consumer Goods
118	Hartford Financial Services Group	60.0	53.5	54.9	55.7	62.9	56.1	Financial Services
120	Etsy	59.9	57.5	60.7	61.2	56.9	42.3 ▼	Retail/Wholesale
120	Motorola Solutions	59.9	48.4	66.3	43.8	67.7	57.4	Technology
122	ConocoPhillips	59.8	46.2	69.3	56.1	57.0	55.4	Energy
122	Hasbro	59.8	60.5	42.6 ▼	71.9	63.2	35.0 ▼	Consumer Goods
124	Ralph Lauren	59.7	66.0	56.0	46.2	60.5	52.1	Consumer Goods
124	TE Connectivity	59.7	67.9	52.2	49.7	60.1	49.9	Industrial Goods
126	NetApp	59.5	57.0	59.5	50.7	58.9	56.3	Technology
127	Corteva	59.4	48.0	53.4	86.3	45.2	46.7	Basic Materials/Resources
128	Carnival	59.3	51.4	60.8	57.5	60.0	49.6	Leisure/Arts/Hospitality
128	Xylem	59.3	65.0	55.0	48.9	62.9	44.6 ▼	Industrial Goods
130	Ingersoll Rand	59.2	66.8	53.7	43.3	64.4	49.6	Industrial Goods
131	Moody's	59.1	60.7	55.4	48.5	62.4	51.7	Financial Services
131	Workday	59.1	59.6	61.9	49.2	60.1	46.3	Technology
133	Akamai Technologies	59.0	55.2	65.0	52.4	59.0	45.1 ▼	Technology
133	Target	59.0	59.4	48.3	55.4	63.0	51.8	Retail/Wholesale
135	Airbnb	58.9	45.8	58.5	71.0	40.9 ▼	72.6	Leisure/Arts/Hospitality
135	Pentair	58.9	67.2	50.4	55.7	55.2	48.5	Industrial Goods
137	Emerson Electric	58.8	56.2	56.1	58.3	56.5	51.3	Industrial Goods
137	McCormick	58.8	63.6	52.8	53.7	59.2	46.2	Consumer Goods
137	PayPal Holdings	58.8	53.6	52.6	61.9	61.0	46.4	Financial Services
140	Zoetis	58.7	55.2	55.7	55.6	59.4	51.8	Health Care/Life Sciences
141	Archer Daniels Midland	58.5	64.0	53.7	51.5	54.4	55.2	Consumer Goods
141	FedEx	58.5	63.0	45.0	57.1	56.4	57.1	Transportation/Logistics
141	Synopsys	58.5	55.2	58.4	56.5	55.1	52.8	Technology
144	Best Buy	58.4	61.6	48.8	53.4	61.0	50.8	Retail/Wholesale
144	Texas Instruments	58.4	51.7	60.9	47.7	63.1	54.1	Technology
146	Leidos Holdings	58.2	53.6	54.6	60.2	56.5	51.2	Business/Consumer Services
146	Wells Fargo	58.2	45.1	47.7	71.7	54.2	61.5	Financial Services
148	Campbell Soup	58.1	58.9	54.1	52.6	61.7	45.9	Consumer Goods
148	DuPont	58.1	57.0	55.0	63.0	53.3	45.8	Basic Materials/Resources
148	Kellanova	58.1	60.0	55.2	51.5	58.3	50.5	Consumer Goods
148	Netflix	58.1	48.5	58.2	68.6	48.5	54.9	Media/Entertainment
152	FactSet Research Systems	58.0	58.1	62.4	49.2	56.3	49.2	Media/Entertainment
152	Humana	58.0	60.1	56.8	53.6	55.9	48.0	Financial Services
154	Bank of New York Mellon	57.9	53.1	47.2	62.4	62.6	47.2	Financial Services
154	Danaher	57.9	57.1	54.0	54.0	60.7	47.5	Health Care/Life Sciences
156	Cigna Group	57.8	47.4	51.0	53.1	67.0	57.2	Financial Services
156	L3Harris Technologies	57.8	57.7	51.3	52.1	65.1	44.7 ▼	Technology
156	Lululemon Athletica	57.8	57.3	63.4	52.3	49.3	55.9	Consumer Goods
159	Nasdaq	57.7	55.4	62.3	46.2	63.1	44.7 ▼	Financial Services
159	Royal Caribbean Group	57.7	49.9	58.3	55.3	56.6	57.1	Leisure/Arts/Hospitality
159	Travelers	57.7	53.2	63.0	47.0	55.7	59.5	Financial Services
162	Boeing	57						

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JOURNAL REPORT | MANAGEMENT TOP 250

RANKING	COMPANY	OVERALL SCORE (Out of a possible 100)	CUSTOMER SATISFACTION SCORE	EMPLOYEE ENGAGEMENT SCORE	INNOVATION SCORE	SOCIAL RESPONSIBILITY SCORE	FINANCIAL STRENGTH SCORE	SECTOR
162	Elevance Health	57.6	42.9 ▼	54.5	48.6	72.3	56.3	Financial Services
164	AGCO	57.5	50.2	55.9	62.9	57.1	46.1	Industrial Goods
164	e.l.f. Beauty	57.5	59.7	60.0	54.2	43.5	62.6	Consumer Goods
164	Texas Pacific Land	57.5	52.5	78.2	37.4 ▼	44.8	72.1	Energy
167	Arch Capital Group	57.4	46.6	62.3	60.4	46.6	64.4	Financial Services
168	Hess	57.2	51.6	61.0	39.3 ▼	69.0	51.0	Energy
168	Progressive	57.2	52.6	60.4	42.8 ▼	50.6	78.3	Financial Services
170	Delta Air Lines	57.1	50.9	64.9	58.4	46.5	55.7	Transportation/Logistics
171	Ansys	56.9	59.7	64.0	45.9	55.8	44.7 ▼	Technology
171	DexCom	56.9	55.4	53.8	58.6	55.9	46.5	Health Care/Life Sciences
171	Juniper Networks	56.9	51.5	60.9	46.9	64.4	45.9	Technology
174	Coty	56.7	57.1	50.9	55.0	59.6	46.2	Consumer Goods
174	McKesson	56.7	55.3	52.9	48.2	52.8	69.8	Retail/Wholesale
176	Principal Financial Group	56.6	52.6	55.5	48.4	63.9	48.9	Financial Services
176	Stryker	56.6	50.5	59.5	58.6	52.8	50.0	Health Care/Life Sciences
178	Aptiv	56.5	58.1	45.8	53.9	62.1	48.5	Automotive/Vehicles
179	Aflac	56.4	51.4	49.9	55.1	57.5	59.0	Financial Services
179	Cognizant Technology Solutions	56.4	54.3	52.9	54.9	57.2	50.5	Technology
181	Halliburton	56.3	48.0	52.0	68.0	51.6	50.9	Energy
181	LyondellBasell Industries	56.3	50.1	58.4	53.9	57.0	50.8	Basic Materials/Resources
183	BlackRock	56.2	51.7	60.2	52.5	55.5	49.7	Financial Services
183	Comcast	56.2	45.3	52.7	59.0	56.8	58.8	Media/Entertainment
185	Illinois Tool Works	56.1	55.2	44.9	62.6	52.2	56.4	Business/Consumer Services
186	Avery Dennison	56.0	63.9	50.1	49.6	56.3	47.5	Industrial Goods
186	Baxter International	56.0	54.5	49.6	54.6	63.7	41.8 ▼	Health Care/Life Sciences
186	Block	56.0	57.4	54.0	69.1	44.6	41.4 ▼	Technology
186	Electronic Arts	56.0	53.5	54.5	55.4	56.8	47.5	Consumer Goods
186	MSCI	56.0	51.1	62.8	45.9	57.9	52.2	Financial Services
191	Otis Worldwide	55.9	61.1	49.9	43.0 ▼	58.0	59.4	Industrial Goods
191	Paychex	55.9	55.4	45.1	61.8	52.1	55.9	Business/Consumer Services
191	Thermo Fisher Scientific	55.9	53.4	50.0	54.4	58.9	51.8	Health Care/Life Sciences
194	Gartner	55.7	60.3	61.3	44.9	49.4	55.1	Business/Consumer Services
194	Lennox International	55.7	59.2	51.3	43.7	57.0	60.4	Real Estate/Construction
194	Yum Brands	55.7	40.2 ▼	60.5	52.9	58.2	60.4	Leisure/Arts/Hospitality
197	Bath & Body Works	55.6	51.9	50.6	66.8	48.8	49.8	Retail/Wholesale
197	Carrier Global	55.6	58.3	40.5 ▼	57.5	59.5	50.5	Real Estate/Construction
199	Hologic	55.5	60.8	52.1	51.6	55.3	45.2	Health Care/Life Sciences
199	Interpublic Group	55.5	55.8	47.4	49.8	64.4	47.3	Business/Consumer Services
199	PPG Industries	55.5	49.5	43.2 ▼	65.7	59.0	47.6	Real Estate/Construction
199	Tesla	55.5	56.2	44.6	61.6	47.1	63.0	Automotive/Vehicles
203	Fortinet	55.4	59.8	56.4	47.0	51.2	55.0	Technology
203	Micron Technology	55.4	51.2	52.3	51.9	62.7	46.3	Technology
203	Williams-Sonoma	55.4	55.4	38.8 ▼	54.2	61.4	58.3	Retail/Wholesale
206	Tapestry	55.3	57.8	56.2	48.4	54.7	49.6	Consumer Goods
207	GoDaddy	55.1	52.9	51.5	51.4	52.4	63.2	Technology
207	International Flavors & Fragrances	55.1	63.2	46.3	56.2	56.4	38.5 ▼	Basic Materials/Resources
209	Nucor	55.0	60.7	66.2	45.6	43.1 ▼	53.4	Basic Materials/Resources
209	Wesco International	55.0	51.1	46.4	58.2	60.1	48.1	Industrial Goods
211	Lincoln Electric Holdings	54.9	62.4	43.7 ▼	53.0	54.0	52.4	Industrial Goods
212	AES	54.8	41.7 ▼	59.8	55.2	61.7	44.0 ▼	Utilities
212	FTI Consulting	54.8	49.4	59.0	56.1	50.9	50.8	Business/Consumer Services
212	Kraft Heinz	54.8	55.9	47.8	60.3	52.5	47.1	Consumer Goods
212	ResMed	54.8	51.6	58.1	53.9	52.4	49.5	Health Care/Life Sciences
212	Southern	54.8	50.5	58.7	56.0	50.1	51.0	Utilities
217	J.M. Smucker	54.7	56.2	50.9	58.8	51.5	45.8	Consumer Goods
217	Southwest Airlines	54.7	49.6	60.5	59.7	49.7	44.0 ▼	Transportation/Logistics
217	Western Digital	54.7	56.4	47.5	52.5	61.5	42.7 ▼	Technology
220	Lowe's	54.6	53.2	46.0	50.5	57.9	59.8	Retail/Wholesale
220	Science Applications International	54.6	55.3	55.7	56.8	47.5	50.2	Business/Consumer Services
222	Chubb	54.5	53.5	49.8	55.5	48.0	62.5	Financial Services
222	HubSpot	54.5	55.1	62.0	44.3	58.1	41.6 ▼	Technology
224	Ingredion	54.4	51.2	48.0	62.6	51.8	50.0	Consumer Goods
224	Prudential Financial	54.4	51.5	48.3	49.0	58.4	59.7	Financial Services
224	PulteGroup	54.4	63.7	55.8	41.8 ▼	45.6	63.1	Real Estate/Construction
227	Crown Holdings	54.3	61.6	46.7	47.0	59.6	45.9	Industrial Goods
227	Morningstar	54.3	51.6	57.9	46.1	59.3	47.2	Media/Entertainment
229	Chevron	54.2	25.9 ▼	60.1	66.3	53.6	63.3	Energy
229	Republic Services	54.2	56.6	45.4	52.2	56.8	52.0	Business/Consumer Services
229	Tractor Supply	54.2	64.9	42.0 ▼	47.3	55.9	53.2	Retail/Wholesale
229	Verisk Analytics	54.2	57.5	53.9	47.8	50.5	56.4	Business/Consumer Services
233	Consolidated Edison	54.1	37.9 ▼	56.9	65.7	53.7	48.6	Utilities
233	Goldman Sachs Group	54.1	56.5	51.8	47.4	56.7	50.1	Financial Services
233	Insulet	54.1	53.3	50.8	53.4	56.5	47.2	Health Care/Life Sciences
233	Morgan Stanley	54.1	50.1	55.9	52.6	54.4	50.1	Financial Services
233	ON Semiconductor	54.1	50.1	47.5	45.9	65.6	53.4	Technology
233	Trimble	54.1	57.0	55.0	47.9	55.8	45.2	Industrial Goods
239	3M	54.0	44.1 ▼	49.6	73.4	51.7	39.8 ▼	Business/Consumer Services
239	Baker Hughes	54.0	45.5	55.1	51.4	61.2	48.2	Energy
239	Cintas	54.0	55.3	48.0	53.3	50.9	58.3	Business/Consumer Services
239	Sherwin-Williams	54.0	55.7	51.8	52.6	50.8	53.2	Retail/Wholesale
243	Bunge Global	53.9	52.9	56.5	50.1	51.2	53.2	Agriculture
243	Corning	53.9	51.2	50.1	56.3	56.8	45.5	Industrial Goods
243	Regions Financial	53.9	51.7	47.1	49.7	65.0	44.9 ▼	Financial Services
243	TJX	53.9	53.5	48.2	42.2 ▼	60.0	62.0	Retail/Wholesale
247	Expedia Group	53.8	51.0	52.2	57.7	52.1	48.5	Leisure/Arts/Hospitality
247	Fortune Brands Innovations	53.8	63.3	50.8	49.4	50.6	46.4	Real Estate/Construction
247	GE HealthCare Technologies	53.8	60.5	57.6	51.1	44.2	49.5	Health Care/Life Sciences
247	Keurig Dr Pepper	53.8	58.5	41.4 ▼	51.7	60.5	47	

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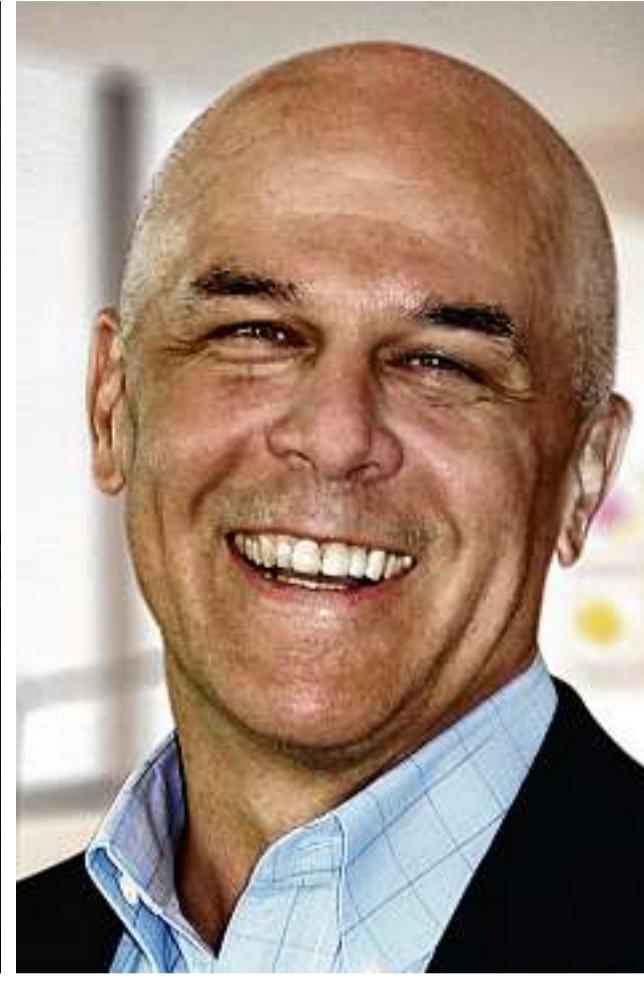
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JOURNAL REPORT | WSJ CEO COUNCIL



Simon Freakley, Francesca Cornelli and Pat Geraghty voiced CEOs' priorities.

A Wish List From CEOs for The Trump Administration

Advice from the Wall Street Journal's CEO Council on the economy, healthcare, technology and energy

WHAT DO executives want from the incoming Trump administration? To find out, members of The Wall Street Journal's CEO Council, gathering at their annual summit, in Washington, D.C., split into working groups to discuss what they would like to see the president prioritize when it comes to the economy, healthcare, technology and energy.

The co-chairs of each group then presented their findings in a session moderated by Alan Murray, president of the WSJ Leadership Institute.

Jim Continenza, executive chairman and chief executive of Eastman Kodak, and Francesca Cornelli, dean of the Kellogg School of Management at Northwestern University, outlined the members' economic priorities. Robert Garrett, CEO of Hackensack Meridian Health, and Pat Geraghty, president and CEO of GuideWell, discussed healthcare priorities. Jason Girzadas, CEO of Deloitte US, and Oleg Rogynsky, founder and CEO of People.ai, presented technology priorities. And Simon Freakley, CEO of AlixPartners, unveiled members' energy to-dos.

One note: The executives were summarizing the views of their respective groups, and not their own or their company's views. Edited excerpts follow.

The Economy

- JIM CONTINENZA:** We got a lot of input on the economy, and one of the really important things that came up was tariffs. They were front and center.

The group stressed globalization, friendships and knowing who your strategic friends are. Are you tariffing everybody? Are you tariffing things that are or aren't made in the U.S.? Are you tariffing things that cost more to manufacture, but the finished goods come across less expensive?

The message was to be cautious about tariffs, don't just throw them around. Make sure you understand the long-term effect. Make sure they stay in place long enough, so that if you invest in capital expenditures, you get your money back.

Another issue that came up was infrastructure in the U.S., putting more dollars in, fixing roads and potholes. And when are we going to get a long, high-speed rail across this country? We talk green. We talk energy. If you want a lot less carbon, put more planes on the ground and let trains do that transportation. We're way behind on this.

- FRANCESCA CORNELLI:** Another thing that came up was immigration. There was consensus that tariffs plus deportations is a double-whammy that could be too much for business. There also was a lot of discussion about how the increasing population in the U.S. could be an advantage, versus the shrinking population in China.

healthcare. Our recommendation is keep people covered. We don't want to see the uninsured in the country rise up.

Everyone who runs a business cares about the Medicaid program, the Medicare program and the Affordable Care Act. If those programs wither away, all of that ends up being shifted to the employer spend on healthcare. So those are critical elements.

We also are concerned that the U.S. is woefully unprepared for another pandemic, so we've got to support and protect what we're doing at the National Institutes of Health and Centers for Disease Control and Prevention. As for "what can we do going forward that might be different or new," is a partnership with the food industry to look at healthy alternatives. Clearly, that's going to be on the agenda of Robert F. Kennedy Jr., Trump's pick for Health and Human Services secretary, and we believe

There also is a need for innovation in healthcare delivery, specifically delivering healthcare at sites other than hospitals.

That could mean hospital-at-home programs, where patients in need of acute-care level can actually be seen in a home through 24/7 monitoring. It might mean expansion of ambulatory-care settings, whether that be surgery centers, urgent-care centers, imaging centers. Healthcare that is delivered outside the four walls of the hospital is more efficient, less expensive.

- ALAN MURRAY:** A quick question on the telehealth. I didn't realize this, but that actually exploded in the pandemic, and then went backward.

- GARRETT:** It did go backward. During the pandemic we were seeing in our medical group at Hackensack Meridian Health, as

laws that also are a barrier to the U.S. being the epicenter of AI innovation. As a result, there's a need for some new approaches. We talked about potentially exploring a public-private partnership model. Unfortunately, there aren't a lot of good examples of those at scale, so there probably would be pioneering work required in this regard.

- OLEG ROGYNSKY:** Given that the new administration is more open to business and less likely to impose stringent regulations, the approach that could work for the government would be to provide guidelines [on some of the topics plaguing AI innovation], rather than taking a big-stick approach at every step.

Those might include friendly, legal-immigration guidelines to grow, invite and retain AI talent in the country, and workforce re-training for the roles that may get displaced by AI.

Also needed are intellectual-property content and privacy guidelines, and policies to enable leadership in language-model training without destroying whole industries like media, as well as tax-and-liability policy to enable predictable operation of both sides of the equation.

And last, we spoke a lot about infrastructure, energy and hardware policy to allow the U.S. to maintain AI supremacy globally.

Energy and climate

- SIMON FREAKLEY:** First, when it comes to energy and the climate, there is a need to recast the narrative. That means not just avoiding the polar opposites of climate change is a hoax on one end, and the world is on fire on another, but recasting the narrative around what it will take, how long it will take and how much it will cost to ground the voting population in the reality of our challenges.

Second, we talked about the importance of faster permitting. Permitting came up again and again in terms of the time it takes—10 years on average to permit a new liquefied natural-gas plant. Nuclear permitting, of course, isn't even in the dialogue at the moment, but it is critical to the clean-energy agenda.

Third, there needs to be an honest discussion about the power needed to drive AI, which as we heard from the tech break-out is one of the biggest opportunities for the Trump administration. And that's before we even talk about the power needed to drive the crypto business.

Finally, there is a need for better consistency between administrations [on energy and climate policy] because of the multiyear nature of the investments required. Without some visibility over successive administrations, it is very difficult for business leaders to make the necessary investments.



Jim Continenza and Robert Garrett at the CEO summit

But then the message was that we really need an intentional policy that is tactical and granular. We really need to look more at how to attract skilled labor.

The next point was about retribution and civility. We don't want the incoming administration to focus on retribution. We want to grow. We want to move forward. Stability and predictability are good for business.

Healthcare

- PAT GERAGHTY:** Affordability is the most important issue in

we can be part of advancing that. Then there is artificial intelligence. We think there is an enormous opportunity for AI to play a very big role in healthcare, both from a quality delivery and efficiency standpoint.

- ROBERT GARRETT:** We also believe the healthcare cost curve can be bent by encouraging the new administration to focus on prevention.

Access to care is a big issue. One out of three Americans don't have a primary-care physician. One thing we talked about was encouraging medical schools, encouraging health systems, to expand access to care through a larger primary-care network.

We also would encourage the administration to help us invest in virtual primary care. During the pandemic, we saw a big increase in telemedicine. We think that can be an effective strategy going forward to enhance connections between primary-care physicians and patients.

an example, about 70% to 80% of all visits through telehealth. Now, it's down to 30%. But that's still double what it was pre-pandemic.

Technology/artificial intelligence

- JASON GIRZADAS:** The business community is enthusiastic about the incoming administration putting AI at the center of the White House agenda, as evidenced by the appointment of AI czar [David Sacks], who is credible and respected across the industry.

We believe AI needs to be a national priority and aspiration, both from an innovation and leadership perspective, as well as national security.

But it also was recognized that federal lawmaking and regulatory activity likely isn't the answer because of the speed of innovation. Nor is the patchwork of state-based initiatives and

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Janet Yellen on Biden's Economic Legacy and Rethinking Trade

The Treasury Secretary also weighed in on tariffs and her concerns about the deficit

MANY AMERICANS have expressed frustration with the U.S. economy, but outgoing Treasury Secretary Janet Yellen believes it is on the right track.

Yellen, who led the White House Council of Economic Advisers and the Federal Reserve under previous administrations, sat down with The Wall Street Journal's Greg Ip at the WSJ CEO Council Summit in Washington to explain why she thinks things are looking up and what impact the incoming Trump administration's agenda might have on the economy and business.

Edited excerpts follow.

A strong recovery

• **WSJ:** The economy has been through a lot in the last four years. What in your view are the most enduring legacies of President Biden's and your tenure with respect to the economy?

• **YELLEN:** When President Biden assumed office we were in the midst of the pandemic. Thousands of people were dying every day, and people were really suffering, about to lose the roofs over their heads. We saw cars lined up in parking lots at food banks.

We acted very quickly to alleviate the suffering the pandemic caused and to support the economy. And the consequence was that we enjoyed the fastest and strongest recovery really of any advanced nation.

We've all experienced the unwanted inflation due to the supply-chain damage that was caused by the pandemic. But in the U.S. now, the typical median worker in the U.S. can buy the same basket of goods as before the pandemic with \$1,600 left-over to spare.

That means workers are getting ahead. It has been about the most equitable recovery that we have seen, with gains widely

shared. So the U.S. economy at this point is doing well. Inflation is now receding to close to the target.

We've also focused on the medium- and longer-term performance of the economy, enacting critical legislation and much of it, frankly, bipartisan. The Bipartisan Infrastructure Law, the Chips and Science Act, the Inflation Reduction Act, where we're for the first time in a long while seriously investing in a whole range of important parts of our economy, from restoring our infrastructure to creating jobs in

other areas where we have shared concerns. I think that bilateral relationship is on stronger footing.

We're also beginning to address in an important way supply-chain issues in areas where we have become overdependent on China. While we want to make sure that we have domestic capacity in some areas, our approach isn't to try to do everything at home but to continue to reap the benefits of global trade by pursuing a "friend-shoring" strategy in which we deepen our trade relations with other coun-

tries of the U.S. economy and could significantly raise costs to households. So this is a strategy I worry could derail the progress that we've made on inflation and have adverse consequences on growth.

That said, our administration also believes that sometimes the use of tariffs is appropriate, and we've used them in cases where we feel there are unfair trade practices. I've complained frequently and talked to our allies about Chinese practices of developing overcapacity, which results in China dumping goods into



Janet Yellen at the WSJ CEO Council Summit.

key sectors that will be important to our future: clean energy, semiconductors.

We're creating good jobs all across the country, and they're disproportionately going to places that have lacked opportunity. In fact, roughly 75% of the private investment that has been stimulated by the Inflation Reduction Act is going to counties with below-median income and education.

At the same time, we've been rebuilding international alliances that had frayed. We have important disagreements with China, and we need to be able to express those, but we also need to be able to collaborate and coop-

tries around the world we think we can depend on.

• **WSJ:** President Trump wants to make ample use of tariffs. He has talked about tariffs of 60% or more on China, 10% to 20% on the rest of the world. What in your judgment will be the effect of this agenda if he carries it out?

• **YELLEN:** Almost all economists agree that the imposition of broad-based tariffs would raise prices significantly for American consumers and create cost pressure on firms that rely on inputs that they acquire through import.

It would have an adverse impact on the competitiveness of

global markets that can undermine sectors of the U.S. where we want to have an important role in the future.

Free trade's downsides

• **WSJ:** A few years ago, you said that when you were trained as an economist you were told that when somebody sends you cheap goods you send them a thank-you note. You don't think that any longer. In what ways have your assumptions about the advantages of free trade—espe-

cially with a country like China—evolved or changed in recent years?

• **YELLEN:** The reason that I was trained to think about sending a thank-you note is that having the ability to import goods that other countries have a comparative advantage in producing can significantly lower costs for domestic consumers and businesses and enable a country to deploy its own resources into more productive areas.

But there also can be adverse consequences.

In particular, after China joined the World Trade Organization, we saw an absolute deluge of low-cost imports into the U.S., particularly in manufacturing and in sectors that provided very good jobs for people without a college education. And it's estimated that roughly two million good jobs were lost and parts of the country were really heavily affected adversely by this rush of imports.

We've become much more aware that trade may not lift all boats. It may lift some and actually lower others. Also, when we allow subsidies in foreign countries that undermine our competitiveness in areas that are critical, like semiconductors, where we used to manufacture a very large share of the world's semiconductors but lost that capacity largely because of subsidies in other countries, that can have very adverse long-term consequences in a sector where technological change often emanates from the process of production.

So the Biden administration imposed targeted tariffs on clean energy, goods and semiconductors from China. This affects only \$18 billion of trade, but these are sectors that are critical to our future.

• **WSJ:** One not-so-great aspect of the legacy you and President Biden leave behind is a very large budget deficit, roughly 6% of GDP. How much of a risk does that pose to the economy?

• **YELLEN:** I am concerned about fiscal sustainability, and I am sorry that we haven't made more progress. I believe that the deficit needs to be brought down, especially now that we're in an environment of higher interest rates. Over the past year, the interest cost of the debt has increased by several hundred billion. It's one of the largest items responsible for the increase in the budget deficit, so we do need to bring it down.

Charlie Cook on Why Trump Won—And Why He Now Better Act Quickly

The political analyst says both parties suffer from a loss of self-awareness

A LOT OF PEOPLE still have one big question about November's U.S. presidential election: What exactly happened here? Then there's the question of what happens next.

Charlie Cook, a political analyst and founder of the Cook Political Report, sat down with Gerald Seib, visiting fellow at the Robert J. Dole Institute of Politics and former executive Washington editor of The Wall Street Journal, to work through it all. Here are edited excerpts of their conversation, which took place at the annual summit of The Wall Street Journal's CEO Council, in Washington, D.C.

Blame it on inflation

• **SEIB:** Charlie, we've seen some crazy stuff in our time, never more than we saw in 2024. So, let's try to unpack it. And let's start at the end, with the most basic question: Why did Donald Trump win?

• **COOK:** I think this election was



a lot more about President Biden and the Biden-Harris administration than it was about Harris or about Trump. You put, maybe, 60% of it on the cost of living being 20% higher. Twenty percent border, and then just sort of miscellaneous.

But you notice, toward the end, you had, like, 2%, 3% undecided. We've never seen anything that small. If you look at that group, I think they were waiting to hear—I don't think they wanted to vote for Trump-Harris, tell me what you'd do differently. And the last three, four days, they realized that she's not

going to give it up. She's not going to say. So he basically got all of the undecideds. But it was still a very close race.

• **SEIB:** The other thing that strikes me is just the remarkable stability of the electorate. By the end, in our polling, the entire universe of undecided and even persuadable voters, people who might be convinced to switch sides, was 11% of the electorate, and it didn't change through the entire course of the campaign. What does that tell you about the state of the country's political views?

• **COOK:** That it's an evenly divided country and it just doesn't take much, either way, to push

it. But to me, when you saw younger African-American males, younger Latino males, particularly noncollege, these were people that were just madder than hell about the cost of living, maybe even the border. And they were just people that were pissed off and that voted against the people they thought had screwed things up.

So, I don't think there's a new Republican coalition. To me, pretending to have a mandate when you don't is a cardinal sin in politics. I think Biden did that. I think there's a lot of signs that President Trump may be doing that.

The vanishing center

• **SEIB:** Isn't that the story of American politics for the last 40 years? Each party, in turn, overreading its mandate, overreacting, and then getting punished for it for having overreacted?

• **COOK:** We were talking backstage about what has happened to the parties. In the old, old, old days, political scientists used to complain that our political parties were not ideologically coherent. In other words, they didn't think you should have any conservative Democrats. They didn't think you should have any liberal Republicans.

But we used to have plenty of both. These were the moderating influences that kept the Democratic Party from going off into a ditch on the left and the Republican Party from going off in a ditch on the right. But in the '80s and '90s and early 2000s, if you were a conservative Democrat in Congress, you retired, you died,

you lost your general election, you lost your primary, or you switched parties, and same thing for liberal Republicans.

Then with the electorates, you saw the same sort of things happening, so that it's completely the loss of the moderating influences, but also the loss of any self-awareness that as the parties have moved out toward the flanks, they've gotten narrower. So, the distance between the farthest left point in the Democratic Party and the least left isn't very big. The same thing over on the Republican side.

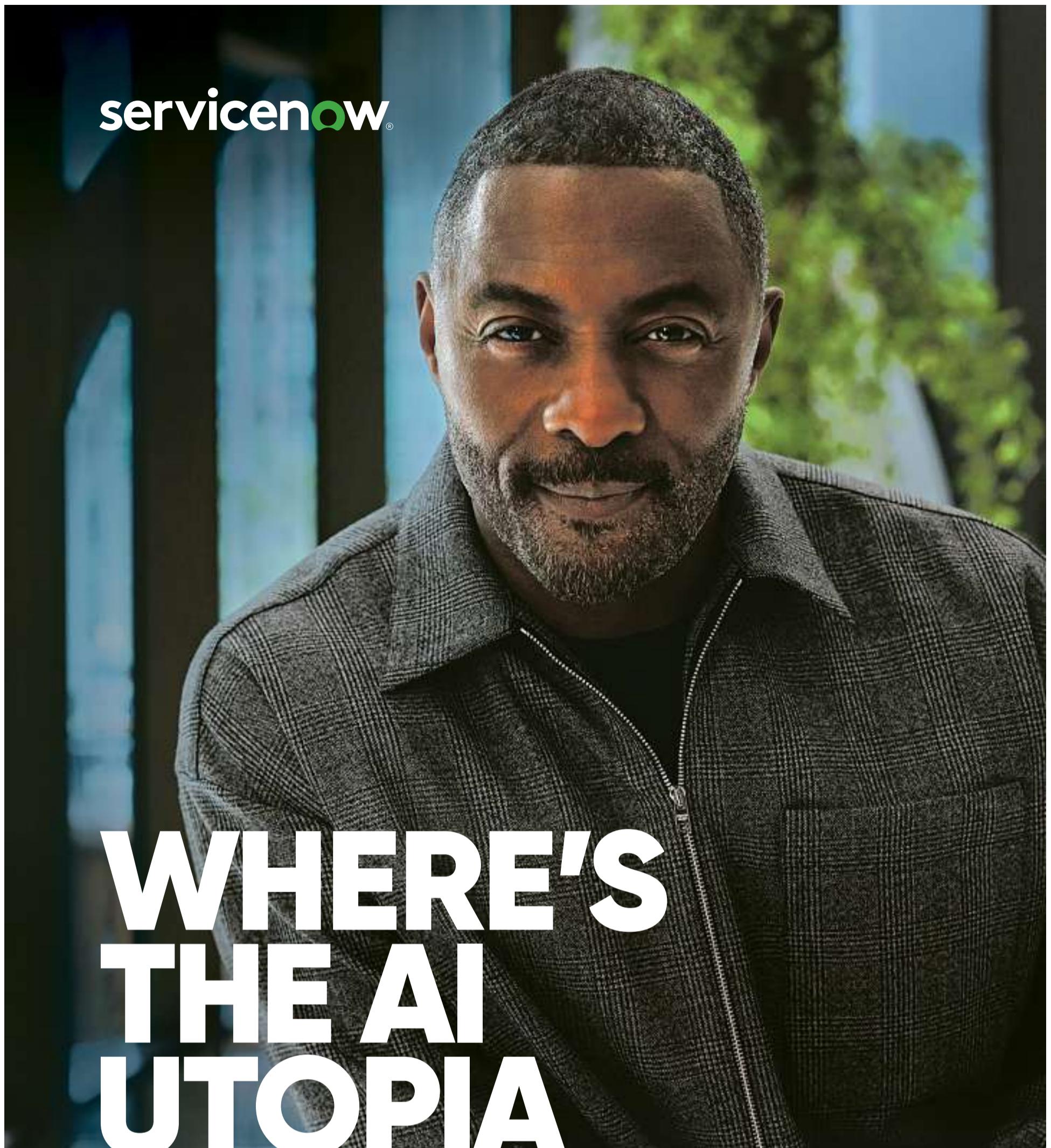
What now?

• **SEIB:** If you had to guess what a Trump administration will be able to accomplish in the first year, what would you put on your list?

• **COOK:** Well, whatever he does, he better do it quick, because with Matt Gaetz down and two more House members leaving, you're going to have a two-seat majority in the House amid a bad flu season. When you have a two-seat majority, any three dozen of these clowns can hold you hostage.

• **SEIB:** Which explains why most of what he wants to do, he wants to do through executive action.

• **COOK:** Yes. And the thing is that so much of what President-elect Trump wants to do can be done through executive action. If just doing the policy change is what he wants, he can do it without going to Congress, for most of his stuff.



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