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What's News

Business & Finance

◆ Apple is preparing major design and format changes to its lineup of iPhones and potentially other products, a bid to revive growth after years of offering largely incremental upgrades. A1

◆ The Fed's Powell is attempting to manage expectations on interest-rate cuts as investors heartened by past easings look for a third-in-a-row reduction this week. A1

◆ Cable news loyalists have grown a lot less loyal, at least to MSNBC and CNN, in the wake of Donald Trump's election win last month. B1

◆ New economic data from China suggest government efforts to boost the economy are struggling, a sign that Beijing will need to do more next year to rev up growth. A7

◆ Brand-management firm WHP is nearing a deal to purchase the iconic wedding-dress brand Vera Wang, people familiar with the matter said. B3

◆ Boston-based regional bank companies Berkshire Hills and Brookline are in talks to combine, according to people familiar with the matter. B3

◆ Costco posted higher sales in its latest quarter, during which it saw a split customer base willing to pay the highest and lowest prices. B3

◆ Affirm said it entered into an agreement to sell up to \$4 billion of its loans to private-credit firm Sixth Street over three years. B4

World-Wide

◆ Trump's tariff threats have triggered a behind-the-scenes lobbying campaign to soften or change the president-elect's plans, but the effort faces a potentially insurmountable roadblock in the leader's intransigence. A1

◆ The collapse of the Assad regime in Syria has unleashed a global hunt for the billions of dollars in cash and assets the family stashed away over half a century of despotic rule. A1

◆ Some Trump allies worry that a shift in his rhetoric could herald a watered down effort to remove undocumented migrants and are urging him not to change course. A3

◆ Employers who rely on the labor of undocumented migrants are uneasy about Trump's pledge to cut programs that provide them with temporary work permits. A3

◆ Progressive Rep. Alexandria Ocasio-Cortez is vying for the top spot on the Oversight and Accountability Committee, aided by like-minded House Democrats. A4

◆ The federal government is taking action to address a surge in drone flights over New Jersey and other East Coast locales, DHS Secretary Alejandro Mayorkas said. A3

◆ ABC News agreed to a \$15 million settlement of a defamation lawsuit brought by Trump against the network and anchor George Stephanopoulos. A6

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Ukraine Scouts Mark Bethlehem Flame's Arrival



RAY OF LIGHT: Members of Plast, the Ukraine scout organization, marked the Peace Light of Bethlehem's arrival in Kyiv on Sunday. The flame each year originates in the grotto of Jesus' birth and is carried through several countries before Christmas.

Trump Resists Push by CEOs To Soften His Tariff Stance

BY BRIAN SCHWARTZ

Donald Trump's tariff threats have triggered a behind-the-scenes lobbying campaign to soften or alter the president-elect's plans. But the effort faces a potentially insurmountable roadblock: Trump isn't budging.

That has left business executives scratching their heads about how to lobby for exemptions from the steep tariffs Trump has promised on imports from China, Canada, Mexico and other countries.

So far, executives are facing setbacks as they canvass Trump's aides for advice on how to influence the president-elect's next steps. Trump is largely acting on his own, leaving his incoming team of advisers with few opportunities to shape his thinking.

His recent late-night social-media statements about tariffs have come with little warning even to some of his closest allies, according to people familiar with the matter.

Trump's team has told corporate consultants there is no

waving the president-elect off his plans to make liberal use of tariffs once he gets into office, the people said.

With Inauguration Day less than two months away, companies based in the U.S. and around the world are weighing the possibility that Trump will follow through on many of his campaign-trail warnings, potentially triggering a multifront trade war that economists warn could increase prices for consumers.

Across-the-board tariffs would have major implications for businesses, potentially raising costs for U.S.-based companies that import products from abroad.

Late last month, Trump said in a Truth Social post that he would place a 25% tariff on imports from Canada and Mexico if the countries didn't do more to stem the flow of migrants and drugs across the border. He raised the prospect of im-

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◆ The love-hate relationship with corporate power.... A5

◆ Manufacturers stock up amid tariff fears.....B5

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Apple Sees Foldable iPhone As a Key To Growth

BY AARON TILLEY AND YANG JIE

Apple is preparing a series of major design and format changes to its lineup of iPhones and potentially other products, a bid to revive growth after years of offering largely incremental upgrades.

Starting next year, Apple plans to introduce an iPhone that will be thinner than the approximately 8-millimeter profile of current models, said people familiar with the company's plans. The model is intended to be cheaper than Pro models, with a simplified camera system to reduce costs.

The company is also planning two foldable devices, the people said. A larger device, intended to serve as a laptop, would have a screen that unfolds to be nearly as large as some desktop monitors, at about 19 inches. A smaller model would unfold to a display size that would be larger than an iPhone 16 Pro Max, intended to serve as a foldable iPhone, the people said.

Both foldable designs have been in development for years, but some key parts weren't ready. Major challenges included improving the

INSIDE



JASON GAY

Vermont's thrilling run to the men's soccer national championship game. A14

BUSINESS & FINANCE

Bitcoin's recent rally has tested some high-profile onetime skeptics. B1

Mariah Carey Reignites A Burning Household Debate

Singer opposes overhead lights, mobilizing forces against an 'attack on the senses'

BY JOSEPH DE AVILA

A power struggle over lighting flares up whenever Sue and Jerry Dawson entertain in their Hernando, Fla., home.

Sue prefers keeping the house well lighted with overhead lights during get-togethers, believing it helps conversation flow and allows guests to admire the appetizer spread. Jerry has a dimmer

The Drugs Young Bankers Use to Get Through the Day

Many on Wall Street see Adderall and Vyvanse as tools to plow through hours of tedious work amid competition

BY ALEXANDER SAEEDY

As Mark Moran was facing another 90-hour week as an investment-banking intern at Credit Suisse in New York, he knew he needed help to survive the rest of the summer. His colleagues gave him a tip: Visit a Wall Street health clinic and tell the staff he had trouble focusing.

Ahead of his first appointment, he filled out a five-minute questionnaire. One of the questions asked if he had trouble staying organized, another, if he procrastinated. He then met with a clinician who said his answers suggested he had attention-deficit hyperactivity disorder. He left with a prescrip-

tion for Adderall.

No matter that a family member, a psychologist, didn't think Moran had ADHD. He found that when he took Adderall, he could keep working for hours, and was able to actually be interested in some of the mundane tasks required of a young investment banker, such as aligning corporate logos on a PowerPoint or formatting cells in Microsoft Excel.

He also wanted to show his bosses he was a hard worker and eventually secure a lucrative full-time job offer after finishing graduate school.

"They gave me a script, and within

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Missing Assad Billions Spark a Global Search

BY BOEN FAUCON AND RORY JONES

With the collapse of the Assad regime in Syria, a global hunt is now beginning for the billions of dollars in cash and assets the family stashed away over half a century of despotic rule.

The chase will likely be long. The Assad family has built a broad network of investments and business interests over the decades since the patriarch, Hafez al-Assad, seized power in 1970. Among the international

purchases made over the years by close kin of his son, the deposed leader Bashar al-Assad, are prime real estate in Russia, Viennese boutique hotels and a private jet located in Dubai, according to former U.S. officials, lawyers and research organizations that have investigated the former ruling clan's fortunes.

Human-rights lawyers say they are planning to track more assets, hoping to recover them Please turn to page A9

◆ Assad's fall cuts off Hezbollah supply lines... A9

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U.S. NEWS

Trump Resists CEOs

Continued from Page One

posing an additional 10% levy on goods coming from China because, he said, Beijing hadn't done enough to prevent fentanyl from coming into the U.S. Days later, Trump warned that he could place 100% tariffs on Brics countries, which include Brazil, Russia, India, China and South Africa, if they try to replace the U.S. dollar as the main global currency. That is on top of his pledge during the presidential campaign to impose across-the-board tariffs of as much as 20% on all U.S. imports. The warnings have unleashed a flurry of diplomacy, including hurried conversations with world leaders. After he spoke with Mexican Presi-

dent Claudia Sheinbaum last month, Trump claimed victory, writing on social media that she had agreed to stop the flow of migrants through Mexico and into the U.S., "effectively closing our Southern Border." But Sheinbaum appeared to dispute his characterization, writing on X that "Mexico's position is not to close borders."

Trump discusses his tariff ideas with his advisers, including Sen. Marco Rubio (R, Fla.), his secretary of state pick, and the investor Scott Bessent, selected last month to lead the Treasury Department. But his team received little warning Trump would go public with his plans on social media, people familiar with the discussions said.

One of the people said Rubio was given a heads up by Trump before he published his social-media post about Brics countries but received little notice when it came to Trump's public tariff threats against Mexico, Canada and China.

"Now comes the hard part.

Rough," a Bessent ally wrote in a text message to The Wall Street Journal the night Trump went public with his pledge to hit Mexico, Canada and China with tariffs. A lobbyist who worked in the first Trump administration said that he now warns clients to take what Trump says about his use of tariffs at face value and that there is little consultants can do to dissuade him from using these tactics.

A spokesman for Bessent said the Treasury secretary pick and Trump are "in daily communication on economic and geopolitical matters affecting the U.S." adding, "Trump creates the strategies, and Mr. Bessent implements them in the most effective manner."

A spokesman for Rubio said the Florida senator shares "Trump's vision of restoring

America's place on the world stage and working to bring about greater trade fairness for American families and businesses."

The Trump transition senior adviser, Brian Hughes, said the president-elect would "implement economic and trade policies to make life affordable and more prosperous for our nation."

Trump's team received little warning he would go public with tariff plans.

dent-elect who is a proponent of sweeping tariffs. The team will have to deal with the concerns of foreign allies and adversaries alike, as well as companies and lawmakers.

Some companies and Republicans are holding out hope that Trump's promises to impose stiff tariffs won't translate into action because they are being used as a negotiating tactic to extract concessions from other countries.

A day after Trump announced that he had chosen Navarro as a senior trade adviser, a Journal reporter received an email from H.O. Woltz III, the chief executive of Insteel Industries, with a request: How can he get in touch with Navarro to discuss Trump's tariff policies?

Woltz's company is the U.S.'s largest manufacturer of steel-wire products used to reinforce concrete for construction projects. When Trump imposed tariffs on steel imports during his first term, the price of the raw material used to make the

company's products rose "to the highest level in the world," Woltz wrote.

Companies are quietly hiring well-connected firms to make sure their perspectives are heard both in Congress and at Mar-a-Lago.

LG Electronics USA recently tapped Capitol Counsel, a government-relations firm, to lobby on trade and supply-chain issues, according to a new disclosure report. The semiconductor manufacturer GlobalFoundries hired the lobbying firm Cozen O'Connor Public Strategies to focus on similar issues, according to disclosure forms.

Shortly after Trump announced he is thinking about targeting imports from Mexico, Constellation Brands, a producer of wine, beer and other spirits, hired a Republican-aligned consulting firm. The aim is to emphasize to Trump the importance of cross-border business for Constellation's U.S. workers, said a person familiar with the agreement.

U.S. WATCH



BRIDGE OVER TROUBLED WATER: San Francisco Bay's waters spilled onto the Embarcadero as a result of high tides and storm-driven waves on Saturday in San Francisco. Authorities issued the first-ever tornado warning in the city.

Unease on Fed's Path To a Cut

Continued from Page One

likely to be "more important than whatever they decide about the December meeting in particular."

The fed-funds rate influences borrowing costs throughout the economy, including rates on mortgages, credit cards and auto loans. Raising it tends to curb hiring, spending and investment, while lowering it spurs such activity. But those effects work with what economists call long and variable lags, which means central bankers might not know for a year or more if they have tightened too much or too little.

A few officials have suggested they would argue against cutting this week. These "hawks" are fearful of squandering the Fed's credibility by allowing inflation to remain well above their target for a fourth or fifth year.

Even if officials still think price growth will gradually slow to their target, some could be less confident in that

forecast due to promises by President-elect Donald Trump to deport workers and impose tariffs when he takes office next month. Those steps could reverse two developments that have underpinned officials' sanguine inflation forecasts: falling prices of goods and a slowdown in wage growth.

"If I were sitting on the committee right now as a voting member, I would dissent against a cut," said Eric Rosengren, who served as Boston Fed president from 2007 to 2021.

They are also uneasy that euphoric conditions in the stock market and for speculative assets such as bitcoin could provide grist for spending that keeps inflation entrenched. Given recent economic activity, "it's hard to think that the level of interest rates is restrictive at this point," said Fed governor Michelle Bowman in a speech this month.

What is 'normal?'

Dallas Fed President Lorie Logan warned against cutting too far on what she views as a mistaken belief that a more "normal" interest rate for the economy is much lower. She compared the situation to a ship captain whose depth

finder might mistake mud for water.

Another group of officials, including Powell, have suggested they share that concern but don't think the Fed is at risk of cutting too much—yet—given how high they lifted rates over the past two years.

"We're mindful of the risk

that we go too far, too fast,

but also of the risk that we don't go far enough," Powell said last month. "It seems like we're right where we need to be."

Labor markets remain in a delicate equilibrium. Hiring rates are low, but so are layoffs. The economy has added more than 140,000 jobs on average over the six months through November, a respectable figure. But the unemployment rate has drifted up to 4.2%, from 3.7% at the beginning of the year.

The sectors of the economy that are most sensitive to high rates, such as housing, have been slow to benefit from recent cuts.

A big part of Powell's job is to forge agreement among a sometimes-unwieldy committee of 18 other officials. That has been difficult at times because inflation has declined in fits and starts over the past year.

Some hawkish officials who

had been averse to signaling an end to rate hikes began to change their tune one year ago, after a string of friendlier inflation reports. In economic projections at the December 2023 meeting, Fed governor Christopher Waller penciled in six cuts of a quarter point for 2024—more than any of his colleagues. (Later, when inflation stalled in the spring, Waller suggested that the Fed could stand pat until the end of this year.)

Making the first cut

For months, Powell and his colleagues insisted they needed a credible entry point to start cutting. "The first time you change direction, it takes on perhaps more importance than it should," said Faust. "People take it as a signal of the all-clear being given."

By Labor Day, Powell was growing more nervous of the risk that the central bank, humbled by getting inflation so wrong in 2021, would overcompensate by keeping rates too high as rate-sensitive sectors of the economy froze.

The labor market began to send signs of a potentially sharper-than-expected slowdown, with the unemployment rate ticking up to 4.3% in data released in August. In

flation had resumed its earlier decline.

Fed officials typically prefer to choreograph big moves without provoking surprise in markets. On Sept. 6, the last day before officials began to observe their traditional pre-meeting "quiet period," a pair of speeches led investors to think a smaller quarter-point cut was preferred.

But behind closed doors and huddled with a smaller circle of advisers, Powell concluded they should start with the larger half-point cut. The idea took a page from former Fed Chairman Alan Greenspan, who often persuaded his colleagues by framing policy choices as managing different risks.

In this case, the risk of retreating the bigger rate cut was deemed to be very low. They had waited so long to cut rates that, even if the economy zipped along, most officials thought they could simply slow down several further anticipated cuts. By contrast, making a smaller cut only to discover the labor market was slowing sharply would be a much more difficult problem to fix.

Powell typically consults by phone with all 12 regional bank presidents and meets with the six other Washington-based governors on the

Thursday and Friday before the coming week's meeting. Powell and his staff also circulate a series of briefing documents that lay out the arguments for three different policy choices.

A lone dissenter

Some needed little convincing to start big. Others were uneasy. Past reductions of a half point coincided with more dramatic financial stress. Bowman, who had been warning of latent risks of more stubborn inflation, knew when she saw those policy briefing materials that she wouldn't be able to support Powell's proposal. She ended up casting a dissenting vote—the first since 2005 by a Fed governor.

To avoid multiple dissents and win over colleagues who shared her reservations, Powell convinced them that he could sell the decision in subsequent public remarks as a recalibration made from a position of strength, and not the start of a panicky sprint to lower rates.

"There's nothing...that suggests the committee is in a rush to get this done," Powell said at a press conference after the meeting. Instead, he characterized the "good, strong start" to cutting rates as "a sign of our commitment not to get behind."

Revisions to government data a few weeks after the meeting showed income growth and personal savings rates had been stronger than initially reported. That removed sources of anxiety about a potential recession—and suggested maybe the larger move hadn't been needed.

Waller, who had initially favored a smaller cut but was persuaded to back the larger move, dismissed a question recently over whether he regretted the decision. He compared it to buying car insurance.

"You say, 'Why am I buying car insurance? Because I might have an accident,'" he said at an event this month. "The accident didn't happen. Do you say, 'Man, it was a stupid decision to buy car insurance?' No."

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Jerome Powell typically lays out the case for three different Fed policy choices before a decision.

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U.S. NEWS

Officials Try to Crack Mystery of East Coast Drones

BY GINGER ADAMS OTIS
AND LARA SELIGMAN

There is "no question" that drones along the U.S. East Coast are sparking concern, but who is sending them and why remains a mystery, the head of Homeland Security said Sunday.

The federal government is taking action to address the recent surge in drones dotting the skies over New Jersey and parts of the East Coast, DHS Secretary Alejandro Mayorkas told ABC News.

"I want to assure the American public that we in the federal government have deployed additional resources, personnel, technology to assist the New Jersey State Police in addressing the drone sightings," Mayorkas said.

The federal government is also deploying a "state-of-the-art drone detection system" to New York, Gov. Kathy Hochul said Sunday. It is intended to assist state and federal law enforcement in investigations, she said.

A day earlier, Hochul joined a list of other lawmakers calling on the Biden administration to do more to investigate the puzzling surge in drones.

"This has gone too far," Hochul said at the time, adding that runways at Stewart International Airport, about 60 miles north of New York City, had to shut down for about an hour Friday night because of drone activity.

U.S. Rep. Jim Himes (D, Conn.), who sits on the House Intelligence Committee, said the federal government should do more, even though there is no reason to believe the drone activity is linked to foreign espionage efforts or criminal activity.

"It is not the Iranians, it is not the Chinese, they aren't Martians," Himes said Sunday during an appearance on Fox News.

"I can say that because I spent all my time as the ranking member of the Intelligence Committee watching what the Iranians and the Chinese do," he said. "What they don't do is put a bunch of drones that we could easily recover over the continental United States."

The Federal Bureau of Investigation and Department of Homeland Security have sought to reassure the public that the drone activity is likely harmless. There is no evidence of a national security or public safety threat, the agencies said in a joint statement.

Watch a Video

 Scan this code for a video from WSJ's Joanna Stern on the mystery drones.

Deportation Hard-Liners Fear Dialback

BY MICHELLE HACKMAN
AND TARINI PARTI

WASHINGTON—Donald Trump ran for president on a bold promise: to carry out the largest mass deportation in U.S. history.

Now, a little over a month before he takes office, some allies are worried that a shift in rhetoric from the president-elect could portend a watered-down removal effort and are urging him not to scale back his plans.

In the weeks since the election, and even in some rally speeches toward the end of the campaign, Trump and his incoming advisers have alluded to a mass removal effort of immigrants with a criminal record, a far narrower set of people than the 15 million to 20 million Trump pledged to deport earlier in the year.

Tom Homan, the president-elect's incoming border czar, has said Trump's team isn't planning to perform mass raids in immigrant enclaves—the worst fear of immigrants' rights activists.

"This isn't going to be

neighborhood sweeps and military vehicles going through the city," Homan said in an interview with Dr. Phil McGraw on Thursday after meeting with New York Mayor Eric Adams. "I told him, you know, President Trump and myself have committed that this is going to be a targeted enforcement operation."

The emphasis on criminals reflects not only what Trump considers to be the highest priority but a practical understanding of the complexity of rounding up millions of migrants, a person familiar with the matter said.

While Trump remains committed to a deportation effort, his team is mindful of those realities and wants to set expectations.

The decision also reflects some concern over economic impacts to key sectors such as housing and agriculture, the person said. Through it all, a focus on criminals has been the animating force of Trump's message, as he repeatedly highlights instances of migrants committing crimes such as sexual assault or murder.

Behind the scenes, Homan has emphasized pursuing immigrants with final orders of removal and criminals that the government can easily reach, according to people familiar with the matter. Roughly 1.3 million migrants already have orders of deportation from an immigration court.

As a longtime Border Patrol agent and Trump's former acting ICE director, Homan has said he is aware of the government's logistical and funding restraints. "I keep getting asked, 'how many people are you going to deport?'" Homan said in a brief interview. "Well, I don't know. It depends on the resources we're given."

Homan pushed back on the notion that the deportation has been vastly narrowed. "I have not taken anyone off the table," he said. "We just need to be smart."

Trump's hard-line immigration backers say they have noticed a retrenchment. Any deportation, they say, must be on par with the scale of the illegal migration into the coun-

try under the Biden administration, and shouldn't be limited to specific classes of people. The risk, they said, is that Trump's narrowed threats will effectively become a carte blanche for migrants wanting to come to the U.S., knowing they would most likely be allowed to stay.

"There is concern that it's going to be limited, and that those who otherwise have not committed crimes beyond being in the country illegally may be allowed to stay," said Eric Ruark, director of research at Numbers USA, an organization that advocates for less immigration.

The president-elect's allies also are concerned by the Trump team's willingness to exclude some categories of migrants. Trump said in a recent interview with NBC, for example, that he wanted to work with Democrats to come up with legislation to protect Dreamers, immigrants in the U.S. illegally who were brought as children, from deportation. Backers of hard-line immigration policies view

an exemption for Dreamers, who often have bipartisan support, as a slippery slope.

"We're starting with the criminals and we've got to do it," Trump said in the same interview. "And then we're starting with others and we're going to see how it goes." Pressed on deporting migrants who crossed the border illegally but don't have criminal backgrounds, Trump continued to talk about "murderers" and "dangerous people," while adding: "I think you have to do it, and it's a hard—it's a very tough thing to do."

Early in his campaign, Trump spoke of more widespread deportations. "They've let 15 million people...I'll tell you that's what I think the number is, and I think it's going to be 18 million by the time we get the worst president in our history out of office," Trump said at a rally in Richmond, Va., in March. "They just walk across and do whatever they want. We are not going to allow them to stay in our country."

—Alex Leary contributed to this article.

Bosses Face Loss of Migrants With Work Permits

BY RUTH SIMON
AND MICHELLE HACKMAN

Nate Koetje, chief executive of an electrical contractor based in Grand Rapids, Mich., would like to hire as many as 200 workers next year. Despite a somewhat cooling labor market, he said he would be lucky to find 150.

So if President-elect Donald Trump follows through on his pledge to eliminate programs that provide temporary work permits to immigrants with no permanent legal status, Koetje's growing company would face even more staffing challenges. The company, Feyen Zylstra, now employs two people whose ability to continue working is at risk.

"Though the numbers are small, these individuals play a key role in the success of a company like ours," Koetje said.

Mass deportations are the most prominent of Trump's immigration pledges, but a more urgent threat looms for millions of immigrants and their employers: losing access to legal work.

Trump has promised to eliminate several programs that offer deportation protections and work authorization to immigrants in the country illegally or whose visas have expired. As many as 3.3 million immigrants covered by the programs could lose their ability to work, according to the Migration Policy Institute, a nonpartisan think tank.

Those at risk include people from war-torn countries such as Afghanistan and Ukraine as well as people brought to the U.S. illegally as children, often called Dreamers. Many immigrants with temporary status, known as TPS, enjoy deportation protections—and work au-



thorization—because the government has determined their home countries are too dangerous. Many more entered the country through a program set up by the Biden administration that rewarded them with work permits for coming legally rather than attempting to cross the southern border.

Immigration advocates, and some Democrats in Congress, are urging the Biden administration to take executive action to extend immigrants' work permits for as long as possible ahead of Trump's return to Washington. The White House didn't respond to a request for comment. A spokeswoman for the Trump transition didn't respond to a request for comment.

Immigrants whose legal work status is at risk work in sectors that range from healthcare and hospitality to manufacturing and education, for small businesses and for large employers such as Eli Lilly, Ama-

zon and Microsoft. Some are recent arrivals; others have been in the workforce for a decade.

Their removal from the workforce would create fresh challenges for employers already struggling to fill open positions. It would also plunge millions of families into instability, opening them up to possible deportation with few legal options to challenge the decision.

Chris Thomas, an immigration attorney in Denver, is working with one social-media company that has more than 1,000 employees whose legal work status could vanish, in roles that range from marketing to computer analyst. "A lot of other companies are expressing the same concern," Thomas said.

Trump has argued the Biden administration's use of certain programs that grant work permits to migrants was illegal, such as Biden's broad use of an

obscure immigration power known as humanitarian parole to allow in more than a million people without visas.

Roughly 1.7 million immigrants entered the country during the Biden administration through humanitarian parole, which most often grants them two years of permission to live in the U.S. and a work permit, according to the MPI estimate.

Another 1.1 million immigrants, from countries including El Salvador, Haiti and Venezuela, are covered by Temporary Protected Status. Presidents have the authority to grant TPS to people from countries deemed dangerous because of wars or natural disasters.

A third category, totaling roughly 535,000 people, are Dreamers. They were brought to the country as children and have enjoyed temporary protection since 2012 under the Obama-era Deferred Action for Childhood Arrivals program.



Alejandro Flores-Muñoz, a DACA recipient, came to the U.S. from Mexico at age 7. Now 35, he owns a food truck and a catering company that provides meals for corporate clients and private events.

Last year, his catering business, Combi Taco, won a \$500,000 contract from the city of Denver to provide meals to immigrants living in the city's shelters. "I know no other country but the U.S.A.," said Flores-Muñoz.

Trump has said he plans to end several of the programs that grant work permits so that immigrants aren't able to renew their work eligibility. The first of those cliffs will come in March when TPS for roughly 175,000 Salvadoran immigrants—all of whom have been living and working in the U.S. since at least 2001—is set to expire.

—Jack Gillum contributed to this article.

As Fertility Rates Fall, Some Scientists Are Blaming Everyday Chemicals

BY SAABIRA CHAUDHURI

fertility rate last year fell to the lowest on record.

Many scientists believe chemicals found in everyday products could be a factor, with a growing body of research showing potential negative effects for male and female reproductive systems, from exposure even in tiny amounts.

"The power of these chemicals to impact fertility is mind boggling," says Patricia Hunt, a professor at the School of Molecular Biosciences at Washington State University. "We have all sorts of evidence that indicates: 'Whoa, we're in serious trouble here.'"

The scrutiny runs parallel to rising skepticism about traditional explanations for various health-related quandaries—perhaps most prominently embodied in Robert F. Kennedy Jr.'s nomination to run the U.S. Department of Health and Human Services. Kennedy has for years contended that man-made chemicals are affecting fertility.

The chemicals Hunt and other scientists are concerned about are called endocrine disruptors because they mimic or block the hormones responsi-



ble for many of the body's essential functions, including reproduction. They can be found in everything from plastic packaging and toys to sofa covers and cosmetics.

On Wednesday, the state of Texas cited adverse reproductive effects in a lawsuit against

The American Chemistry Council says fertility is influenced by multiple factors and that its members "undertake extensive scientific analyses to evaluate the potential risk of their chemicals, from development through use and safe disposal."

The U.S. Environmental Protection Agency lists "interference with reproduction" as one of the possible adverse effects from exposure to chemicals that disrupt the endocrine system.

There are a number of factors involved in declining fertility, researchers say, including women choosing to have babies later in life and more couples choosing not to have children at all.

Among the chemical classes researchers have linked to lower fertility are PFAS—found in everything from drinking water and nonstick cookware to takeout containers.

Last year, Mount Sinai researchers concluded that higher blood concentrations of certain PFAS were associated with a significant reduction in the likelihood of pregnancy and live births.

Other studies have shown that certain PFAS can disrupt reproductive hormones and delay puberty and have been linked with increased risks for polycystic ovary syndrome and endometriosis.

Bisphenol-A—a chemical widely used to line drinks cans—has also been linked to fertility issues in women. In men, studies have linked BPA to poor semen quality, undescended testicles and testicular cancer. In 2023, Europe's top food regulator formally proposed slashing what it calls "the tolerable daily intake" for BPA by 20,000 times.

The U.S. Food and Drug Administration has said it is considering a petition from some U.S. scientists to follow suit. When it comes to PFAS, the FDA says it is currently working to better understand how exposed Americans are to the chemicals in food.

Another class of chemicals are phthalates, found in scented products of the kind Kirstie Phillips threw away, and in certain plastics. Studies have linked phthalates to lower egg yields in women.

U.S. NEWS

Ocasio-Cortez Vies for Powerful House Job

Lawmaker challenges old guard in quest for Democrats' top spot on Oversight panel

BY KATY STECH FEREK

WASHINGTON—Millennial and Gen X Democrats on Capitol Hill are seeking to grab power from longtime baby boomer leaders, a tussle that could put Rep. Alexandria Ocasio-Cortez atop an influential congressional committee.

House Democrats are pushing aside a handful of older colleagues who have run committee fiefdoms for years, including some with serious health challenges. That is creating a number of competitive races to fill their slots, including Ocasio-Cortez's contest for the top spot on the Oversight and Accountability Committee, set to have a bullhorn for Democrats in the second Trump administration.

The 35-year-old's bid, to be decided this week, has become a closely watched test of Democrats' appetite for further generational change after bruising election results that will put Republicans in control of Washington next year. The New Yorker burst onto the scene with an upset win over a senior Democrat in 2018, becoming a founding member of the progressive "squad." Winning the top committee job would reinvigorate her political brand.

"There's a new generation that feels anxious" after the election, said Rep. Ro Khanna (D., Calif.). "At the same time, a great party has to have respect for those with expertise and experience."

Ocasio-Cortez is facing Rep. Gerry Connolly (D., Va.), 74, who has served on the Oversight panel a decade longer. Former House Speaker Nancy Pelosi (D., Calif.), who has had a chilly relationship with Ocasio-Cortez over the years, has made calls to colleagues urging them to back Connolly.



KAMIL KRZACZYNSKI/AGENCE FRANCE PRESSE/GETTY IMAGES

Rep. Alexandria Ocasio-Cortez (D., N.Y.), pictured at the Democrats' convention in August, is facing off against Rep. Gerry Connolly (D., Va.) for the position.

"I feel really good about where we are, and I believe we are going to prevail," Connolly said. Connolly, who has undergone cancer treatments, said he feels physically strong and that his disease, at worst, can be managed as a chronic illness.

"No one who sees me in action would doubt that I remain the bulldog that I am," he said.

Ocasio-Cortez said she is ready for the job. "I respect why seniority exists, and I also know that I have had significant experience on this committee," she said.

They are running to succeed Rep. Jamie Raskin (D., Md.), 62, who is moving off Oversight to take over the party's top spot on the Judiciary Committee after an older

colleague, 77-year-old Rep. Jerry Nadler (D., N.Y.), bowed out after Raskin's challenge. Raskin, who helped lead the second impeachment of Donald Trump, was diagnosed with lymphoma in 2022 and underwent treatments, but the disease has been in remission since last year.

"We're just trying to make sure that we're in the strongest possible position to combat some of the crazy s—that Trump's going to throw our way," Rep. Jim McGovern (D., Mass.) said of the committee shuffles.

Democrats have given deference to older members in top roles and, unlike Republicans, have no term limits for committee chiefs. Pelosi had stepped aside as leader in 2022 after decades at the top

of the party. When she and top deputies left leadership, they were all in their 80s.

The Oversight race remains too close to call. Connolly was endorsed by the New Democrat Coalition, the party's largest internal caucus, giving him last-minute momentum. The Congressional Progressive Caucus and the Congressional Hispanic Caucus endorsed Ocasio-Cortez.

The competitive contests will get under way on Monday, when roughly 60 Democrats who sit on the Steering and Policy Committee will pick their recommendations to forward to all party members to ratify in a secret-ballot vote. The committee is largely composed of Democratic leadership and centrist members, which could benefit Connolly.

Other seats are expected to turn over, with younger members vaulting into the top job.

Rep. Raul Grijalva (D., Ariz.), 76, dropped his bid to continue leading the House Natural Resources Committee. He missed several months of votes while undergoing treatment for lung cancer this year. Running to succeed him are Rep. Jared Huffman (D., Calif.), 60, and Rep. Melanie Stansbury (D., N.M.), 45.

Georgia Rep. David Scott, 79, is set to lose his perch on the Agriculture Committee. Scott faces questions about his physical frailty. His aides have wheeled him into the House chamber for votes. Scott on Thursday said he was committed to running to keep his position. Asked about the discussion of replacing him, he said:

"I have nothing more to say."

Reps. Jim Costa of California, 72, and Angie Craig of Minnesota, 52, want his post.

House Minority Leader Hakeem Jeffries (D., N.Y.) said he "wouldn't read too much" into the changes. He pointed out that 86-year-old Rep. Maxine Waters (D., Calif.) went unchallenged for another term as the top Democrat leading the House Financial Services Committee.

Rep. Pat Ryan (D., N.Y.), who was elected in 2022, called it "eye-opening" to see seniority carry so much weight. "With great respect for those that have been doing the work, we've got to be willing to be creatively disruptive and brutally honest about where things haven't been working," the 42-year-old said.

Apple Plans Foldable iPhones

Continued from Page One

hinge, a mechanism that allows the device to fold and unfold, and the display cover, a flexible material protecting the foldable screen.

Current foldable phones on the market aren't thin, light or energy-efficient enough to meet Apple's standards, which is why Apple has been slower to enter this segment, said Jeff Pu, an analyst with Hong Kong-based brokerage Haitong International Securities.

Apple experimented with other different designs, such as having a display on the outside of the device when it is folded, but it now favors an inward-folding design, people familiar with the devices said.

Although Apple initially aimed to introduce the larger device first to gauge market response, it now appears that the foldable iPhone will likely be ready ahead of it. Apple executives are pushing for a 2026 release, but the company may need another year to address technical challenges, the people said.

As for the ultra-thin phone, it would offer an alternative to consumers who like a sleek-looking device and don't mind giving up some features available in Pro models.

An Apple spokesman declined to comment.

The company is hungry to find new ways to accelerate growth. The iPhone business, which still accounts for around half of overall revenue, is in a sales slump, with its fiscal 2024 revenue growing

less than 1%. The last big wave of sales gains was in 2021, when carriers subsidized iPhone purchases to support their burgeoning 5G network infrastructure.

Ming-Chi Kuo, an analyst with TF International Securities, is among the first group of analysts predicting the coming of the new devices. He said Apple executives have pushed for the fresh designs to arrive sooner. "I feel like, in the end, things will proceed according to their plans," he said.

While the updates aren't major breakthroughs—many competitors already make foldable devices—they represent more significant changes to form and function than the company has made in many years. In recent years, Apple's main product lineup has had relatively minor updates, including faster chips and better cameras, but they haven't been enough to encourage users to upgrade their devices at the same pace as prior years.

The last major iPhone redesign occurred with the iPhone X, which came out in 2017, said Cliff Maldonado, principal analyst at BayStreet Research, which studies the smartphone market.

For the recently released iPhone 16 series, the company has focused its marketing on Apple Intelligence, its new AI system available to newer iPhone models, rather than hardware upgrades.

But the new AI features are slowly being rolled out, and it isn't certain if it will be enough to revive demand. Apple Intelligence wasn't available

The company is hungry to find new ways to accelerate growth.

Historically, new hardware designs have been key drivers for Apple sales growth. Ten years ago, Apple introduced a new phone size with the larger iPhone 6 Plus, kick-starting a wave of growth for the company at the time.

Apple is also looking to new products outside of the iPhone for growth. Apple this year released its first move into a new type of product in almost a decade with the Vision Pro, a \$3,499 virtual-reality headset that enables users to place digital objects in their physical environment. But with its high price tag, Vision Pro sales have been sluggish, and third-party app developers haven't flocked to the platform.

Apple is plotting a follow-up to the Vision Pro but is undecided on the exact path forward. One plan involves using the iPhone to power the headset, potentially lowering the cost of the device and reducing its relatively heavy weight, people familiar with the product said. But early tests show the iPhone chip alone might lack the processing power necessary to power some applications, the people said.

Resentment Toward Big Business Grows

Killing of executive reveals America's love-hate relationship with corporate power

By RACHEL WOLFE

Days after the arrest of Luigi Mangione in connection with the assassination of a health-insurance executive, "wanted" posters appeared in New York City targeting healthcare and Wall Street heads. Alongside them popped up posters portraying Mangione as a saint, with the words "Free Luigi."

The fatal shooting of UnitedHealthcare's chief executive officer initially unleashed outrage over denied medical claims and an airing of agonizing personal experiences with insurance companies. But that response has expanded into a broad referendum on big business after years of high inflation.

Some on social media have cast Mangione as a modern-day Robin Hood, calling him a hero for allegedly killing someone they think indirectly harmed thousands by denying them insurance. Even those who condemn the assassination of the executive, Brian Thompson, are urging a re-evaluation of what they see as a rigged system in which corporations profit at their customers' and employees' expense.

"Luigi has a point," said one TikTok user. "I just hate the way capitalism makes me feel."

Corporate greed

Americans' current relationship with corporate power is complex. Capitalism, entrepreneurship and the drive for wealth are embedded cultural values; business leaders are admired and brands beloved. Many Americans who voted for Donald Trump cite his image as a successful business leader as a primary reason for their support. Elon Musk, the CEO of Tesla and the owner of X, has 207 million followers on the social-media platform and the ability to launch national debates on everything from fertility to the federal budget.

Thousands of investors every year flock to Omaha, Neb., to hear from Warren Buffett, chairman and chief executive of Berkshire Hathaway.

Perceptions of corporate wrongdoing don't always match up with reality. The degree to which corporate profit-seeking contributed to inflation in recent years is debated. Many companies put millions into charitable efforts that help communities, while others generate obsessive fandoms. Workers tend to think favorably of their own CEOs, while remaining more skeptical of business leaders in general.

Yet Americans have increasingly grown suspicious and angry with corporations, and corporate greed became a campaign talking point for both major political parties. High-profile labor strikes against ports, hotels, carmakers and even Hollywood studios amplified complaints about widening gaps in compensation between chief executives and workers.

Americans on the left have railed against perceived inequities caused by unchecked corporate consolidation, while conservatives berate executives for taking progressive stances on divisive social issues.

'A wake-up call'

Most Americans, 68%, said large companies had a negative effect on the direction of the country in a January 2024 Pew Research Center online survey of 5,140 U.S. adults, down slightly from 71% in 2022, but up from 61% in 2019 and 56% in a 2016 phone survey.

Democrats reported a slightly higher level of dissatisfaction than Republicans. (Small businesses, in contrast, were seen as a positive force by 86%).

Researchers trace Americans' anger to the 2008-09 financial crisis and the accompanying recession and, subsequently, the pandemic. The events "caused a lot of economic and social disruption in people's lives," said Michael R. Strain, an economist

at the American Enterprise Institute, a conservative think tank.

Trump is doing a tricky dance: appointing Wall Street titans to White House positions while taking up the cry of union leaders against corporate greed.

Ricky Hall, a voter who backed Trump, said he thinks the economy under the incoming president will see more wealth flow through to small businesses and individual workers. "He's not going to

be your traditional Republican in terms of labor, and I think that's a good thing," said the 41-year-old Hall, who works in operations for a health-tech company out of Easley, S.C.

Richard Edelman, chief executive of the communications firm Edelman, said the corporate sector is stunned by the response to the assassination.

"Are people really that angry?" said Edelman. "I think we're effective and we employ people and make their lives better, but it's a wake-up call."



Luigi Mangione is led into courthouse for an extradition hearing in Hollidaysburg, Pa.

JEFF SWENSEN/GETTY IMAGES



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U.S. NEWS

How NYPD Chief Hunted Shooting Suspect

BY JAMES FANELLI

Less than two weeks into running the nation's largest police force, NYPD Commissioner Jessica Tisch had a crucial decision to make: whether to publicize a photo of the man suspected of killing insurance executive Brian Thompson.

New York Police Department investigators had combed through thousands of hours of surveillance footage from around the city and got the break they needed, a video of the suspect briefly taking off his mask at an upper Manhattan hostel.

Releasing it publicly risked tipping him off that investigators were making progress, but sending it out increased the chances someone would recognize him. As concern grew that the suspect was fleeing farther from the scene, Tisch and her chief of detectives, Joseph Kenny, made the call to publish it.

"We had reason to believe he had left New York City, and I wanted to get that photo out to a national audience," Tisch recalled Friday in an interview.

The decision paid off. Hundreds of tips rolled in, culminating with Luigi Mangione's arrest last week at a McDonald's in Altoona, Pa.

Tisch, a Manhattan-raised Harvard graduate whose family controls the conglomerate **Loews Corp.**, might not seem like the typical choice to lead the NYPD but the 43-year-old is no stranger to "New York's Finest." A longtime public servant, she held a series of positions at the department and was central to modernizing its police work.

Her path to commissioner began in 2008 after graduating from Harvard Law School and Harvard Business School. A friend recommended she work for the NYPD and made a connection for her there.

The first 48 hours

Finding the photo was a marriage of old-school sleuthing from Kenny's crew of de-



Jessica Tisch was Sanitation Department commissioner when she was appointed top cop.

tectives and advanced technology Tisch had spent years championing.

Detectives working in pairs traced the suspect's steps from the Midtown crime scene to the hostel, looking block by block for any and every video camera they could see. Other footage came through the NYPD's Domain Awareness System, a powerful tool that gives police real-time access to a constellation of police cameras, license-plate readers and private security cameras around the city.

Tisch spent much of her

time developing the system during her first go-round at the NYPD. When she visited detectives last week, many of them had the technology up on their computer screens.

"They just did an incredible job poring through thousands of hours of video footage to not only retrace his steps, but to get those shots that we released to the public that ultimately led to the successful apprehension," she said.

The footage has helped build a timeline of Mangione's movements before and after the

shooting. Mangione checked into the hostel on Nov. 24 after arriving at Manhattan's Port Authority Bus Terminal on a bus from Atlanta, Kenny said.

Mangione is currently being held in a Pennsylvania jail.

Harvard to NYPD

Tisch was the city's Sanitation Department commissioner when Mayor Eric Adams appointed her top cop in late November, a move to steady the department during a precarious moment for the mayor and

his administration.

Tisch succeeded interim NYPD Commissioner Thomas Donlon, who had been briefly installed in the role after his predecessor, Ed Caban, stepped down in September.

Tisch has never been a police officer, but during her first stint at the NYPD, she won many admirers.

"She didn't wear a uniform, but she was always making cops' lives easier, especially in the upper ranks," said Terry Monahan, a retired NYPD chief who worked with her at NYPD headquarters.

She first worked in the NYPD's counterterrorism bureau and later rose to become the deputy commissioner of information technology before leaving in 2019 to head the city's Department of Information Technology and Telecommunications.

Former NYPD colleagues described Tisch as a bulldog. When officials wanted to modernize some aspect of policing, she regularly volunteered her department to build the software to accomplish the task, Monahan said.

She was responsible for a neighborhood policing app, which allowed supervisors and officers to track their work and have easy access to contacts. She also helped create a digital memo book for officers to use, rather than the old-school method of handwriting notes. "Basically, she moved the police department from prehistoric times into the modern age with digitization," Monahan said.

Tisch was instrumental in equipping officers with smartphones that put troves of data at their fingertips and provided push notifications to crimes even before they came over a radio dispatch, which quickened response times.

"The change at the time was radical and it was getting driven by Jessie," said J. Peter Donald, a former assistant NYPD commissioner. "And really no other police department across the country was doing that."

ABC to Pay \$15 Million To Settle Trump Suit

BY GINGER ADAMS OTIS

ABC News has agreed to contribute \$15 million to Donald Trump's presidential foundation or museum to settle a defamation lawsuit filed by the president-elect against the network and its star anchor George Stephanopoulos.

Stephanopoulos said on air earlier this year that the president-elect had been found civilly liable for raping writer E. Jean Carroll. A federal jury determined Trump was liable for sexual abuse.

Along with the contribution, ABC will pay \$1 million in legal fees to Trump's lawyer, according to a court filing made public Saturday.

In addition, Disney-owned ABC News posted a note on its website Saturday that said "ABC News and George Stephanopoulos regret statements regarding President Donald J. Trump made during an interview" that aired March 10 on "This Week."

Trump sued Stephanopoulos and ABC not long after the show aired.

"We are pleased that the parties have reached an agreement to dismiss the lawsuit," an ABC News spokesperson said.

In 2023, Trump was found liable for sexually abusing and defaming Carroll and ordered to pay \$5 million in damages, after a trial in which the advice columnist alleged he raped her in a Manhattan department store nearly 30 years ago.

In 2024, a jury ordered Trump to pay Carroll an additional \$83 million for defaming her by saying the former Elle magazine columnist fabricated the assault to generate publicity for her new book.

Trump has appealed both verdicts.

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WORLD NEWS

Cold War Colors Seoul's Politics

Martial-law debacle has roots in South Korean divisions from era of military rule

SEOUL—When South Korean President Yoon Suk Yeol shocked his country by declaring martial law earlier this month, he used language straight from the Cold War.

By Timothy W. Martin,
Jiyoung Sohn
and Soobin Kim

The conservative leader described his political enemies as “antistate forces” and a “den of criminals” that rendered the country vulnerable to North Korean “communist forces.” Such language helps explain South Korea’s left-right battles—culminating in the vote Saturday to impeach Yoon, the third South Korean president to lose power that way.

The divisions are rooted in the decades of military rule, which ended in 1987. U.S.-backed strongman leaders planted the political seeds of today’s ruling party. Meanwhile, the left is still animated by its history of sometimes bloody mass protests that ultimately toppled military rule.

“The South Korean left feels such a vengeance precisely because the right has done this all along to keep them down,” said Aram Hur, a political-science professor at the Fletcher School, Tufts University, who focuses on democracy and nationalism.

According to the Pew Research Center, South Korea is the only country with stronger partisan conflicts than the U.S.

Yoon’s decision to impose martial law—overturned in a matter of hours by the opposition-controlled legislature—came after the leftist Democratic Party had backed him into a corner politically.

His legislative agenda was at a standstill. The opposition had presented 22 motions to



In Seoul on Sunday, protesters called for the country's constitutional court to dismiss impeached President Yoon Suk Yeol.

Who Will Take Charge Next?

If his impeachment is upheld, President Yoon Suk Yeol will be ousted from office. Here are some leading figures in the drama:

Han Duck-soo, prime minister. A Harvard-educated former U.S. ambassador, Han, 75, would by law temporarily assume presidential control until an election, though he is also un-

der criminal investigation for the martial-law move.

Han Dong-hoon, leader of the ruling People Power Party. The 51-year-old prosecutor-turned-politician said the party and prime minister will handle state affairs until an “orderly early retreat” from Yoon.

Lee Jae-myung, leader

of the opposition Democratic Party. Lee, 59, is considered the front-runner if an election is called, though legal woes could block him from a run.

Choi Sang-mok, minister of economy and finance. As deputy prime minister, Choi, 61, would be next in line to Han Duck-soo, should Han be arrested or unable to perform his duties.

gations. (Both were pardoned.)

Following World War II, the South Korean faction that became today’s conservatives advocated a Western-led global order and close relations with the U.S. and Japan. It held contempt for communism, spurring confrontation with the newly separated North. The left advocated warmer ties with Pyongyang, less hostile relations with Beijing, some skepticism of U.S. power and a sterner stance toward Tokyo.

The Cold War era produced two military dictators: Park Geun-hye’s father, Park Chung-hee, who was assassinated in 1979; and Chun, who used a military coup to seize power in 1980 and stepped down in 1988.

After Chun, two right-leaning leaders ran the country. South Korea didn’t elect a left-leaning president until 1997 with Kim Dae-Jung. Yoon in 2022 won South Korea’s closest-ever presidential race.

China's Economy Loses Momentum

By Jason Douglas

SINGAPORE—New economic data from China suggest government efforts to boost the economy are struggling to gain traction, a sign that Beijing will need to do more next year to rev up growth as it confronts new trade tensions with President-elect Donald Trump.

Officials have in recent days telegraphed that more help is coming, with pledges to boost government borrowing, cut interest rates and stabilize stock and property markets to revive lackluster consumer spending.

But without concrete details on how big the planned stimulus will be, and how exactly Beijing intends to juice consumption, many economists expect growth in China to slow next year, especially if Trump follows through with his threat to impose steep new tariffs on Chinese imports into the U.S.

Retail-sales growth in China slowed unexpectedly sharply in November, rising just 3% year over year compared with October’s 4.8% gain, according to figures published Monday by China’s National Bureau of Statistics. The slowdown wasn’t so bad after accounting for steep discounts in October ahead of a November shopping festival, but the figure represents only a small increase on the average rate of annual sales growth recorded in the third quarter.

Investment in buildings, equipment and other fixed assets also slowed, though there was better news on industrial production, which gained 5.4% in November. Property investment tumbled 10.4% in the January-to-November period compared with a year earlier.

—Xiao Xiao
and Grace Zhu in Beijing
contributed to this article.

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WORLD NEWS

Russia Feeds Shadow War With NATO

By BOJAN PANCEVSKI

The Merkury missile corvette, one of Russia's most advanced naval assets, was escorting an oil tanker in the Baltic Sea when the German warship approached.

The German frigate F223 had followed the two Russian ships up to a spot near the Danish island of Bornholm before it dispatched its Sea Lynx helicopter, armed with powerful surveillance equipment, to have a closer look after a series of incidents in the area had put security forces on edge.

The Russian corvette responded by shooting flares at the aircraft, forcing it to turn back. No one was hurt, and the helicopter, designed to hunt and destroy submarines, wasn't damaged, German officials said.

This Nov. 26 incident, whose details haven't previously been reported, was part of an increasingly heated standoff between Russia and the North Atlantic Treaty Organization, with the Baltic region emerging as the key flashpoint in a confrontation unlike any since the height of the Cold War.

Since Vladimir Putin launched the full-scale invasion of Ukraine, Russian warships have fired warning shots at NATO vessels, powerful Russian jamming systems have disrupted air traffic and Russian jet fighters have conducted dangerous maneuvers, including dumping fuel on allied spy planes in the skies over the Baltics, several Western officials said.

Beyond military signaling, Russia has escalated a campaign of sabotage and subterfuge. Critical infrastructure has been attacked by commercial ships that Western secu-

rity officials say were used by Russian intelligence. Clandestine Russian operators used Lithuania, a Baltic nation, as a springboard for a terror operation involving shipping incendiary devices on commercial aircraft using services such as the logistics giant DHL, Western intelligence and law-enforcement officials said.

In Britain, a man has admitted to carrying out an arson attack on a Ukrainian-owned property in London on behalf of Russia. In Poland, a shopping mall was torched, with authorities suspecting Russia was behind the incident.

The threat from such so-called hybrid attacks, which fall below the threshold of direct military confrontation yet endanger lives and critical infrastructure, is rising so high that one of the nations affected could conceivably consider triggering NATO's collective-defense clause, Bruno Kahl, the head of Germany's foreign-intelligence service, said in a rare public warning in November.

Jens Stoltenberg, the former two-time NATO secretary-general, said that during his tenure, which ended in October, Russia expanded the range of its targets, including destructive sabotage, cyberattacks and interfering in elections in European Union nations that belong to the security alliance.

"There is no doubt that Russia is involved, and Russian security services are connected to several people arrested," he said. "The aim is to create confusion, to undermine the political support for Ukraine, and also to intervene in political processes in our countries."

NATO allies have stepped up



A German Sea Lynx helicopter, like the one that a Russian warship fired flares at last month, flew over the Baltic Sea last year.

intelligence sharing and during his tenure set up a dedicated outfit for protecting critical underwater infrastructure, he said, gathering evidence against suspected Russian perpetrators.

Russia's onslaught in Ukraine prompted Sweden and Finland to join NATO, and now eight of the nine nations that enclose the Baltic Sea are members of the alliance, prompting jubilant commentary from allied leaders that it had become a "NATO lake."

Yet Russia has since significantly boosted its military presence in the region, escalating its aggressive posture toward the neighbors in a way unseen since the Cold War, Germany's defense minister, Boris Pistorius, said.

He confirmed the incident with the German navy helicopter and said Germany's navy acted in a "de-escalatory" way. The navies of Germany and other allies would now increase their presence in the Baltic, he said.

Further confrontations in the waters are likely.

Russia relies heavily on its

Baltic ports for servicing its fleet because Turkey denies all warships passage through the Bosphorus, which connects the Mediterranean with the Black Sea, home to the Kremlin's key naval bases. Apart from the Baltic, the last remaining Russian naval stronghold in ice-free waters in the wider region is in Syria—and Moscow might be pushed out of there after Islamist insurgents toppled its ally, Bashar al-Assad.

In addition, Russia's so-called shadow tanker fleet uses the Baltic to ship cargo such as oil, arms and other material in violation of Western sanctions. The General Skobelev, the tanker that sailed with the Russian corvette in November, has been shipping oil from the Baltic to Russian naval installations in Syria, Western military and security officials said.

NATO has struggled to respond to these assaults. To avoid spreading panic among their populations, authorities in some cases have decided not to attribute them to Russia, several officials said.

Russian warship Merkury shot flares at surveillance helicopter dispatched by German frigate F223 while escorting oil tanker General Skobelev.



Note: Times shown are in GMT.
Source: MarineTraffic

DANIEL KISS/WJS

WORLDWATCH

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NARINDER NANU/AFP/GT IMAGES

BRAZIL

Lula Exits Hospital Following Surgery

President Luiz Inácio Lula da Silva was discharged from the hospital on Sunday after undergoing surgery to stop a brain bleed.

"I'm here alive, well, with the urge to work. And I'll tell you something I used to say during the campaign. I'm 79 years old, I have the energy of 30 and the enthusiasm of 20 to build this country," he said.

Lula's medical team said the surgery went well and that Lula would be able to walk and hold meetings as he rests in his home in the city of São Paulo until Thursday.

The president also offered his first comments on Saturday's arrest of Gen. Walter Braga Netto, who was a member of former President Jair Bolsonaro's government and his 2022 running mate, in connection with investigations into an alleged coup plot.

"It is not possible for us to accept disrespect for democracy, disrespect for the constitution. And it is not possible for us to accept that in a generous country like Brazil we have people of high military rank plotting the death of a president, his vice president and a presiding judge of the supreme electoral court," he said.

—Associated Press

IRELAND

Israel to Close Embassy in Dispute

Israel on Sunday said it would close its embassy in Ireland over relations deteriorate over the war in Gaza, where Palestinian medical officials said new Israeli airstrikes killed over 30 people, including several children.

The decision came in response to what Israel's foreign minister has described as Ireland's "extreme anti-Israel policies." In May, Israel recalled its ambassador to Dublin after Ireland, along with Norway, Spain and Slovenia, said it would recognize a Palestinian state.

The Irish cabinet last week decided to formally intervene in South Africa's case against Israel at the International Court of Justice, which accuses Israel of committing genocide in Gaza. Israel denies it.

"We are concerned that a very narrow interpretation of what constitutes genocide leads to a culture of impunity in which the protection of civilians is minimized," said Micheál Martin, Ireland's deputy premier and foreign-affairs minister.

Israeli Foreign Minister Gideon Saar's said, "Ireland has crossed every red line in its relations with Israel."

—Associated Press

AFRICA

Congo and Rwanda Scrap Peace Talks

Planned face-to-face peace talks between Congo and Rwanda have been unexpectedly canceled, Congo's President Felix Tshisekedi said.

Tshisekedi and Rwanda's President Paul Kagame were set to meet on Sunday in Angola, which has been mediating the conflict to put an end to a decadeslong conflict in eastern Congo between the Congolese army and the M23 rebel group, which is allegedly backed by Rwanda.

The Congolese presidency said in a post on X that the Rwandan delegation refused to take part in the meeting. On Saturday, Rwanda had made the signing of a peace agreement conditional on a direct dialogue between Congo and the M23 rebels, which Congo refused, the presidency added.

"No consensus was reached between Rwanda and the Democratic Republic of Congo on a commitment to direct talks with the Congolese rebel group M23," Rwanda's government said. "This summit would therefore not have resulted in an agreement."

M23 is one of about 100 armed groups that have been vying for a foothold in mineral-rich eastern Congo.

—Associated Press

WORLD NEWS



CHRIS MCGRATH/GETTY IMAGES

Looters scavenged Bashar al-Assad's Tishreen Palace in Damascus after the president fled.

Billions Are at Stake In Search

Continued from Page One

for the Syrian people.

"There will be a hunt for the regime's assets internationally," said Andrew Tabler, a former White House official who identified assets of Assad family members through work on U.S. sanctions. "They had a lot of time before the revolution to wash their money. They always had a Plan B and are now well equipped for exile."

Assad fled Syria to Russia on Dec. 8 as opposition rebels rapidly advanced on the capital, Damascus, ending his 24-year dictatorship, which followed nearly three decades of rule by his father. Both leaders used relatives to hide wealth abroad in a system that enriched family members but also caused broader tensions within the Assad clan.

A report by the State Department in 2022 estimated businesses and assets connected to the Assads could be worth as much as \$12 billion, or as low as \$1 billion. The assessment said the money was often obtained through state monopolies and drug dealing, especially the amphetamine captagon, and partly reinvested in jurisdictions out of reach of international law.

The wealth of the Assad clan continued to grow as regular Syrians struggled with the impact of the country's civil war, which began in 2011. The World Bank calculated that in 2022 almost 70% of the population lived in poverty.

Many of the heavily militarized regime's most powerful figures were business-minded, notably Bashar al-Assad's British-born wife, Asma, a former banker at JPMorgan.

"The ruling family was as much an expert in criminal violence as it was in financial crime," said Toby Cadman, a London-based human-rights lawyer with Guernica 37 International Justice Chambers, who has investigated Assad's assets.

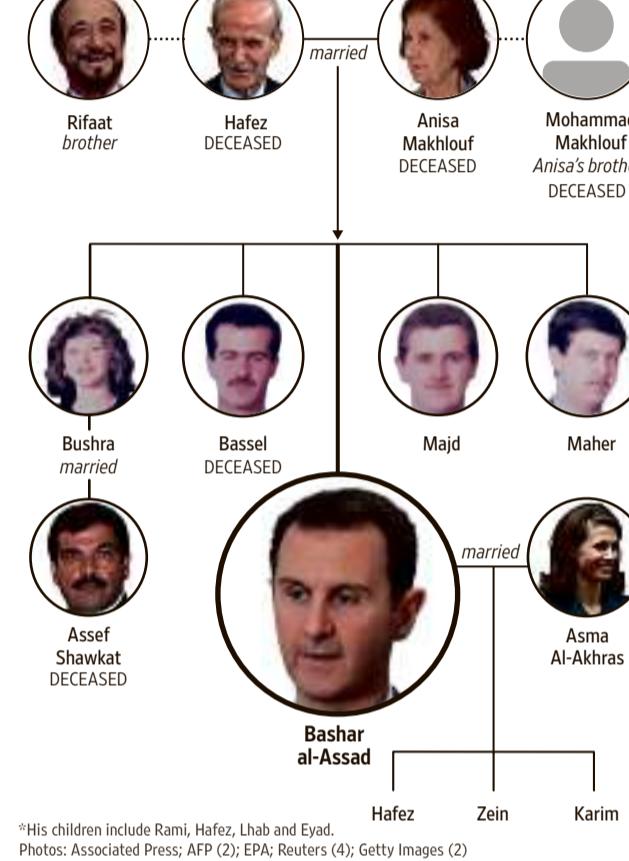
Finding and freezing the assets will likely be difficult. The U.S. mounted a lengthy sanctions campaign against the Assad regime, forcing its monied men to hide wealth outside the West and via tax havens.

Legal teams have secured some asset freezes related to the Assads' wealth. A Paris court in 2019 froze 90 million euros of property—equivalent to \$95 million—held in France by Rifaat al-Assad, an uncle of Bashar al-Assad who oversaw a brutal opposition crackdown in 1982. The tribunal ruled the assets were obtained through organized laundering of embezzled public funds.

William Bourdon, the human-rights lawyer who filed the case in Paris, said money in tax havens such as Dubai and Russia would be much harder to recover. Investigators need to seek court orders freezing assets and then enforce their recovery, and it is also not clear who would receive the funds. After the fall of Assad, Syria's government is in disarray, with Islamist rebels seeking to fill a power vacuum.

The Assad clan started accumulating a fortune soon after Hafez al-Assad took control of Syria. Hafez put his brother-in-law Mohammad Makhlof in charge of the

The Assad family tree



*His children include Rami, Hafez, Lhab and Eyad.

Photos: Associated Press; AFP (2); EPA; Reuters (4); Getty Images (2)

Source: 'Assad or We Burn the Country,' by Sam Dagher (2019), Little Brown

country's lucrative tobacco-import monopoly, said Ayman Abdel Nour, a university friend of Bashar al-Assad.

Makhlof took large commissions on the booming construction sector, said Abdel Nour, who was also later an unpaid adviser to Bashar al-Assad. When Bashar succeeded his father as leader in 2000, Makhlof passed the business empire to his own son, Rami.

The Makhlofs were expected to make money on behalf of the president and bankroll the regime and its ruling family when needed, Bourdon said. "The Makhlofs are the chamberlains to the Assads."

Rami Makhlof later became the regime's primary financier, with assets in banking, media, duty-free shops, airlines and telecommunications, becoming worth as much as \$10 billion, the State Department said. The U.S. government imposed sanctions on Makhlof in 2008 for benefiting from and aiding the public corruption of Syrian regime officials.

The eruption of the Syrian civil war in 2011 ushered in new opportunities for the Assad clan. Bashar al-Assad's younger brother Maher commanded Syria's Fourth Armored Division, which engaged in smuggling captagon to the rest of the Middle East, the State Department said.

According to a 2019 investigation by anticorruption group Global Witness, members of the Makhlof family also owned roughly \$40 million of property in luxury skyscrapers in Moscow. The Kremlin didn't return a request for comment.

Then in 2020, the economic relationship at the heart of the Syrian regime frayed.

Bashar al-Assad publicly sidelined Rami Makhlof. Makhlof was placed under house arrest and Syrian authorities put many of his business interests into state receivership. The Wall Street Journal has previously reported. The whereabouts of Rami Makhlof and Maher al-Assad, who didn't return requests for comment, couldn't be determined following the fall of the Assad regime.

Some are taking matters into their own hands. In recent days, Syrians looted an ornate palace of the Assads, carting away furniture and artwork. Some took videos of themselves in a garage full of sports cars, including Aston Martins and a Lamborghini.

The Assad clan's wealth grew as years of war impoverished regular Syrians.

overseas, buying real estate in Dubai valued at roughly \$3.9 million, according to a 2018 study by Washington-based think tank Center for Advanced Defense Studies, which examined property data provided by confidential sources.

The Makhlof family also bought €20 million of boutique hotels in Vienna and a franchise connected to Buddha Bar, the high-end lounge originally from Paris. Rami Makhlof said in an application for Austrian citizenship obtained by the Organized Crime and Corruption Reporting Project, an anticorruption nonprofit organization.

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Assad's Fall Cuts Off Hezbollah Supplies

Loss of the route through Syria is a blow to Lebanese militia and Tehran

BY CARRIE KELLER-LYNN

Hezbollah lost its most important supply route from Iran through Syria, Naim Qassem said, the first time the chief of the Lebanese militia has publicly acknowledged how the fall of Bashar al-Assad's regime has hurt the group's ability to rearm after a punishing Israeli campaign.

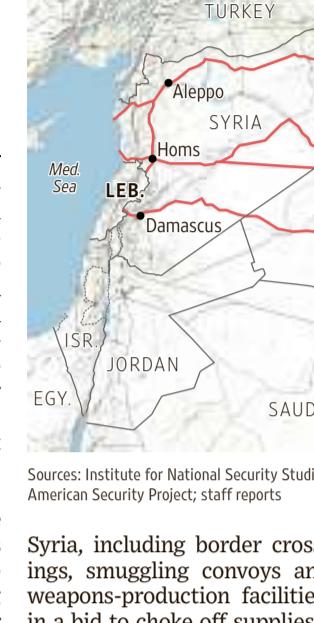
Assad's Syria was the most important state ally for Iran's alliance of regional militias and political entities across the Middle East, which includes Hezbollah. Syria also was the key geographical link allowing the flow of weapons and other materiel from Iran to Lebanon, where Hezbollah projected Iran's front against their common archenemy, Israel.

Assad's ousting at the hands of rebels imperiled Syria's ties to Tehran and raised questions over the country's future relations with Hezbollah, which battled the rebels on Assad's behalf.

"Yes, Hezbollah lost in this phase its military supply line through Syria, but this loss is merely a detail in the overall of the resistance," Qassem said in his first public comments since Assad was toppled. "The supply line might come back normally with the new regime, and we can always look for other ways. The resistance is flexible and can adapt."

Hezbollah is Iran's most powerful militia ally but has been badly battered by more than a year of fighting with Israel, which crescendoed before a cease-fire deal was signed in late November. Israel has extensively struck smuggling-related infrastructure in Lebanon and

Sources: Institute for National Security Studies; Le Beck International; American Security Project; staff reports



Syria, including border crossings, smuggling convoys and weapons-production facilities, in a bid to choke off supplies.

But Assad's fall has now threatened Iran's foothold in Syria, especially after Hezbollah and Iranian military personnel fled the country as it became clear Assad would lose his grip on power.

The chaos following the rebels' stunning victory also opened a window for Israel—in more than 350 airstrikes across the country—to destroy swaths of the Syrian army's strategic weapons, including Scud and cruise missiles and chemical-weapons capabilities, Israel's military has said.

The strikes have lessened in pace from an initial burst after Assad fell, but continued overnight into Sunday, Israel's Army Radio said.

Israel also has pushed into the buffer zone that separated Israel and Syria after their 1973 war, saying it did so to protect its borders and citizens against potential threats from rebel groups that are vying for control and may be hostile to Israel.

"We have no interest in a conflict with Syria. We will determine Israeli policy regarding

Syria according to the reality on the ground," Israeli Prime Minister Benjamin Netanyahu said on Sunday. He also said Israel would continue to strike "as necessary, in every arena and at all times" to prevent Hezbollah's rearmament and attacks backed by Iran.

Hossein Salami, commander of Iran's Islamic Revolutionary Guard Corps, which fled Syria, warned Israel against an increased presence in Syria, saying that Israel "will pay a heavy price."

Though Islamist rebel factions that led Assad's ouster have sought to project moderation, Israel is still wary of the groups' long-term intentions.

"The immediate risks to the country have not disappeared, and the latest developments in Syria are increasing the intensity of the threat—despite the moderate appearance rebel leaders are pretending to portray," Israeli Defense Minister Israel Katz said on Sunday, pressing Israel to increase its military spending.

—Adam Chamseddine,

Benoit Faucon

and Aresu Egabli

contributed to this article.

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FROM PAGE ONE

Lighting Debate Flares Up

Continued from Page One

House of Usher."

"I don't like bright lights," said Jerry, 74. "I don't like anything that assaults my senses for no reason."

Nothing divides family members and roommates quite like overhead illumination. Pop star Mariah Carey is perhaps the most famous anti-overhead-lighting crusader and has led the battle for at least a decade. She reigned the illumination debate during an October interview with the Las Culturistas podcast.

"I can't with the overhead

lighting. Why do they do it to us?" Carey, 55, said. "But overhead lighting I don't think so honey. Please stop it!... Everywhere I go, shut the lights! I don't want to see them no more. Overhead lighting, it makes me sick."

Count Erin Kim, 36, as a member of team Mariah. "She's right," Kim said on social media. "Overhead lighting is a crime against humanity."

Kim, a consultant for biotech companies, said bad overhead lighting hurts her self-esteem. "If you are feeling good about yourself but then you catch yourself in bad lighting, it will have you questioning reality," said Kim, who prefers using lamps, candles and natural light in her Vancouver and San Francisco residences. "It can really affect your self perception—your makeup that day, the way you styled yourself—it can really

call all of that into question."

Jessica Walsh, chief executive of a branding and advertising agency, said overhead lighting makes people look terrible because it accentuates their age. "I'd put harsh lighting up there with perfume or air fresheners, it is an attack on the senses and it should be illegal for health concerns," said Walsh, 38, of Brooklyn.

Arllyn Hernandez, a 39-year-old design writer from South Pasadena, Calif., said overhead lighting gets a bad rap. "Overhead lighting haters of the world swear that just because a light source is coming from higher than table height, it's going to melt your flesh off of something," Hernandez wrote.

Hernandez said her home doesn't get lots of natural light so she keeps the overhead lights in her living room on during the day. If there is

a task that needs to be accomplished, like crafting or sewing, people need proper lighting, she said.

"Can we please stop with the hatred?" Hernandez said. "There is a time and place for overhead lighting."

Overhead lighting has existed since the early days of the lightbulb. During the late 19th century, artisanal glassmaker Ludwig Lobmeyr and Thomas Edison designed the first electric chandelier.

Ceiling lights in homes became common because it is an efficient way to light a room with one light, said Kathy Sterio, president of GE Lighting.

For years, ceiling lights were the default, Sterio said. Consumers now have many options as technology has advanced. Relying on one big light in the living room has become less common, she said. Sterio's family room at

home has a table lamp and a floor lamp that uses smart lights controlled by an app. The lights come on gradually a half-hour before sunset and dim and turn down around 10 p.m., she said. She has a light on her ceiling fan in her family room that she uses only after Christmas when her family does jigsaw puzzles. "That's our task light," Sterio said.

Sally Augustin, an environmental-design psychologist, said research has shown light impacts how people feel. When people are in a warmer, dimmer light, they think more creatively and get along better with others, she said. Brighter, cooler light—like the dentist office—is better for intense work that requires concentration. While many find dimmer light more pleasant, people relax in different ways, and "some of those ways might be conducive to different sorts of

lighting," Augustin said.

Pavlo Fedorov, a 39-year-old photographer and filmmaker from Los Angeles, has overhead lighting in his apartment but prefers using lamps.

"If the light, if the scenery, in my room is comfortable and organic for me, I will be much more creative," Fedorov said.

Helen Bolton, 34, said overhead lighting backlash has gone overboard. During the day she uses overhead lighting in her studio apartment in Brooklyn because she doesn't get much sun. In the evening, she uses lamps. Pop stars can afford flawless lighting for every photo, but it sounds silly for non-celebrities to expect that, she said. "I feel like a lot of people are just repeating that—I also want flattering lighting," said Bolton, who works for a nonprofit. "Even though you are just hanging out in your apartment."

The Drugs Bankers Use to Help

Continued from Page One

months, I was hooked," said Moran, now 33 years old and running his own investor-relations firm. He's also a provocative personality on social media, commenting on finance, politics and culture, including prescription drug use. "You become dependent on it to work."

Images of Wall Street's rank-and-file blowing cash on illegal drugs and nightlife are well known, with cocaine a favored drug through the 1980s, as portrayed in "The Wolf of Wall Street."

These days, drugs are more a tool to optimize performance on the job. Especially for entry-level bankers at the analyst and associate level—who work long, tedious hours and fiercely compete for higher-level jobs with big pay days—prescriptions for stimulants such as Adderall and other ADHD drugs have become commonplace.

Jonah Frey, who worked as an investment banker in healthcare for Wells Fargo in San Francisco, said one colleague would sometimes snort lines of crushed up Adderall pills from his desk in the bullpen—the common area where junior bankers sit and work together. "Nobody blinked an eye," he said.

Others use nicotine pouches such as Zyn to excess, or consume energy drinks. One banker who worked in Houston between 2017 and 2019 described his colleagues drinking "Monsterbombs"—an extra-strength 5-hour Energy shot dropped into a glass filled with Monster Energy, chugged in one go. The caffeine payload was the equivalent of nearly five cups of coffee at once.

The feeling that the jobs can't be done without stimulants comes as Wall Street is under fire for pushing junior bankers to take on dangerous workloads.

A Wall Street Journal investigation in August about Bank of America's treatment of young bankers put a spotlight on long hours that violate its policies and cause health problems. One junior banker died in May after putting in over 100 hours a week for about a month to finish work on a \$2 billion acquisition. After the article's publication, Bank of America and the wider industry said they would crack down on overwork. Morgan Stanley, for example, now asks junior bankers to report their hours and will intervene in some cases to make sure they don't go over 80 hours a week.

Still, interviews with more than 50 current and former investment bankers at over a dozen banks about how they cope with long hours and high-pressure jobs made clear that the use of stimulants is openly discussed and visible in workplaces.

Most banks mentioned in this article either declined to comment or didn't respond to requests for comment.

Broadly speaking, some banks said they were focused on improving working conditions for employees. Some said they viewed these examples as isolated cases and said employees made their own health decisions regarding prescription medication.

Trevor Lunsford, a merg-



Trevor Lunsford said Adderall helped when he was working 20-22 hour days.



Mark Moran said ADHD drugs helped him get through his workload as a young investment banker.



Jonah Frey started taking Adderall after colleagues told him it helped them cope with working long hours.

ers-and-acquisitions banker for Ascend Capital in Washington, D.C., said he has taken Adderall for seven years. "It's a very core, integral component of my life, and to me, something that is a very, very important tool," he said.

He said that for a month he took a 6 a.m. flight to Denver early in the week, connecting through Detroit, to meet with clients of the bank. He would spend eight hours at a management presentation, then go to dinner for four hours after that.

"For a couple of days of the week, it was very regularly a 20-22 hour day," he said. "That's something that I would not have been able to be on for, be focused and be quick with decisions if I wasn't able to take Adderall."

Around 14 million people had prescriptions for ADHD medication at the end of 2022, up 26% from 2012, according to numbers provided to the Justice Department by pharmaceutical data firm IQVIA.

Easier access to the drugs through online health services has driven a surge in new prescriptions, particularly among adults. First-time Adderall

prescriptions increased 27% for people aged 30-44 in 2024 from 2021, according to medical insights firm Truveta.

Adderall and Vyvanse, another commonly prescribed ADHD drug, are classified as Schedule 2 drugs, on par with cocaine and opioids because of their high potential for abuse.

Abuse can cause frenetic behavior and heart problems.

Samuel Glazer, a New York psychiatrist who counsels high-powered bankers working on Wall Street, said the long-term effects of drugs such as Adderall haven't been adequately studied, and that they can often be gateways to more dangerous substances.

He said he has had clients come in after they tried to buy pills from drug dealers because they ran out of their monthly prescription.

He said he worried that the destigmatization of amphetamines in a work setting will lead many to lifelong dependencies. "Many of my patients think about taking stimulants just like they would think about taking multivitamins or dietary supplements," he said. "This is much more casual than opioids were 20 years ago."

Boutique health clinics such as New York's Trifecta Health, used by Moran, and the telehealth sites that boomed during the pandemic have eased access to ADHD drugs.

From left: GREG KAHN FOR WSJ; TIMOTHY MULCAHY FOR WSJ

Edward Fruitman, a psychiatrist who owns and operates New York's Trifecta Health, has clients from Wall Street.

Edward Fruitman, a psychi-

cian who owns and operates New York's Trifecta Health, has clients from Wall Street.

'It's a very core, integral component of my life,' said one banker.

month to get his prescription refilled, but he said eventually he wasn't required to.

During his final visit, a physician assistant offered to keep his prescription at 70 milligrams of Vyvanse—the maximum daily dosage of the drug—and add on 20 milligrams a day of Adderall. He didn't agree to the new regimen, and stopped going to the clinic about a week later.

By that time, he had a job at the boutique investment bank Centerview Partners in New York. He had stayed at the office preparing a pitch deck for a client until 5 a.m., went home to change clothes, then headed back to work at around 9 a.m. for a meeting with the client, taking Vyvanse on the way in.

Later that morning, while tinkering with a financial model, he began having heart palpitations that felt like he had just sprinted an 800-meter race, "except I was on Microsoft Excel instead of the track."

"I knew that I needed to stop," he said.

Monthlong detox

Frey, the Wells Fargo banker, received an Adderall prescription through Teladoc, an online healthcare company, in 2020.

He wanted to try it because some of his colleagues took the drug and had told him it helped them cope with the long hours. It wasn't unusual to start some days in the San

Francisco office at 4 a.m., to be awake for calls with the bank's clients on the East Coast, and stop around 2 a.m. the next day.

In 2021, he took a new job in New York at Leerink Partners, the former investment banking arm of Silicon Valley Bank, where he was working to build out a healthcare-focused team.

On top of building complex financial models and 100-slide presentations to win key advisory roles for big mergers and acquisitions, he was working on business development and helping less-experienced analysts learn the job. "My workload went up at least two- or threefold, and that's when things started to go south," he said. He began to lose track of what day of the week it was because the pills whipped him into a nonstop productive frenzy. He lost his appetite and dropped around 25 pounds.

Finally, he quit the job in 2022 and stopped taking the drug.

He moved back in with his parents. It took about a month to feel normal again. He got cold sweats in the evening and would either sleep for 12 hours straight or not sleep at all. He tried to stay productive, including by learning French through the app Duolingo.

"I went in understanding the downside risks" of using Adderall, he said. "But the reward was making managing director and pulling in a seven-figure salary. I felt that I had to have an edge to make it."

After stopping the drug, "I had to basically relearn the basics of how to operate as a human being in society, outside of the realm of just going to the office and working yourself to death," he said. He enrolled in business school two months after he stopped taking the drug and now is back to work.

Zyn pyramids

Some bankers use nicotine pouches such as Zyn and energy drinks to power through tedious work, including building large financial models where one incorrectly typed equation can ruin an entire project, or spending hours pulling together obscure financial figures about private companies for prospective buyers.

The products are heavily used by young men and are touted by "bro" influencers on social media.

Zyn, a product of Swedish Match, which is owned by Philip Morris International, comes in hockey-puck size containers of 15 pouches—a user places one between the lip and gum. Some bankers said they have seen colleagues use so many Zyn pouches in a day they ingest the same amount of nicotine as they would by smoking a pack of cigarettes or more. Empty containers are commonly stacked in pyramids around bullpens.

Prescription medications are widely used to get through the long days on Wall Street.

One former banker said he started taking Adderall while working at Guggenheim Partners in New York between 2017 and 2019 after realizing that many others were on it. At the office, "there were pill bottles everywhere," he said.

A banker at Wells Fargo said he takes 50 milligrams of Vyvanse each morning and 20 milligrams of Adderall some evenings. A typical starting dose is either 30 milligrams of Vyvanse or 5 milligrams of Adderall a day, according to Glazer.

Because of an ongoing shortage of ADHD medications, the banker often struggles to find a pharmacy that can fill his prescription. He said he realized he was addicted when he found himself sitting in traffic on a city bus in Queens, nearly an hour from his office, to get to a pharmacy that could fill his prescription.

Adderall is also widely bought as a street drug. But the risk is that counterfeit pills can be contaminated with fentanyl, an often deadly opioid. Two college students at Ohio State University died in 2022 after taking counterfeit Adderall pills that contained fentanyl. Glazer, the New York psychiatrist, said people who misuse stimulants are more prone to seek out other types of drugs.

Michael Bloom, 29, joined Royal Bank of Canada in New York in 2022, eager to prove himself after transferring into investment banking. His team worked on deals in the financial technology industry, and two people who worked on the team said it was known for long hours and high turnover.

A superior pulled Bloom aside and voiced concern that he was using Adderall to manage his workload, a person close to Bloom said. Bloom told him he didn't think it was an issue that he was taking the pills, and that he needed them to concentrate.

On April 11, 2023, Bloom went home from the office around 7 p.m. and worked through the night from home, according to three people familiar with his schedule. One person on his team pinged him around 9 p.m. to see if he had more bandwidth to start working on a new project, and Bloom said he couldn't because he was already too busy, one of the people said. He took another call around 3:30 a.m. from someone he worked with, two of the people said.

His wife found him dead on the floor the next morning. An autopsy concluded he died accidentally from acute intoxication from the combined effects of fentanyl and ethanol. It couldn't be learned how the fentanyl entered his system.

A spokeswoman for RBC said, "We remain extremely saddened by the loss of our colleague and friend. Our thoughts continue to be with his family."



TIMOTHY MULCAHY FOR WSJ

PERSONAL JOURNAL.

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THE WALL STREET JOURNAL.

Monday, December 16, 2024 | A11



If You Won't Return to Office, You May Lose Your Job

Some people are coming to terms with the fact that they might never work from home again



ON THE CLOCK
CALLUM
BORCHERS

If you're reading this from your home office, it's time to consider whether you're prepared to lose your job over a return-to-office mandate. Companies are finally getting serious about in-person requirements, after years of lax enforcement. Amazon will require employees to report to offices five days a week beginning Jan. 2. Several other major employers, including UPS, JPMorgan Chase and Boeing, also have called at least some of their workers back to the office for the full five. Outright firings for RTO non-compliance appear to be rare, or at least handled quietly, but the specter is real. Publicis Media in October terminated several dozen employees who flouted in-office requirements, according to multiple reports. The company declined to comment. Starbucks has warned its office employees they could be fired if they don't show up three days a week, starting next month.

Businesses including Roblox and Grindr have offered severance packages to employees who decline to show up as often as required, while others, like Snap, have laid off workers while citing in-office targets.

In conversations with more than a dozen people who've gone through RTO-related job losses or believe one could be imminent, they said that being shown the exit isn't the worst part. Harder to swallow is the realization that they might never again score a remote or hybrid work arrangement as good as the one they had.

Stephanie Pittman says she lost her remote job as the director of vendor management for a building-maintenance company last month. She had worked from her home in Wichita, Kan., since joining the California-based business last year.

The company started calling employees back to its headquarters and hiring people who could work in person. Pittman, a 51-year-old attorney, had taken the job to escape a previous em-



Attorney
Stephanie Pittman
has worked from
her home in Kansas
for companies based
in California and
Washington state.

ployer's back-to-the-office push and is anchored to Wichita by four children, her husband's job as a judge, and aging parents who live a mile away.

Her old job is now posted as an on-site position. With part-time legal work as a contractor, Pittman has maintained her income in the month since her layoff, but the outlook for another high-paying remote job is discouraging. She's gotten little traction on more than 100 applications so far.

"It's just so frustrating, so demoralizing," she says.

'A bloodbath'

Many bosses believe they no longer have to put up with work-from-home holdouts, says Dan Kaplan, a senior client partner at consulting firm Korn Ferry.

"Behind closed doors there's a view among CEOs that I'm tired of this whining about coming back to work," he says. "We've compromised enough, and if you're not meeting the minimum then we're going to move on without you."

Though a lot of workers seemingly have little choice but to comply with RTO mandates, Kaplan predicts many will refuse anyway and foresees a "bloodbath" in 2025 with neither employers nor employees backing down. Some people are sitting on savings from the postpandemic boom and can afford to be jobless for a while; others are optimistic that the la-



▲ After losing her remote tech job, Kendelyn Chilton, left, got her general contractor's license and went into business with her father.

bor market will heat back up and re-empower them to negotiate flexible work arrangements.

There is some evidence that the highest earners are starting to claw back leverage. Ladders, a job site for six-figure positions, reports 10.4% of roles that pay \$250,000 or more were advertised as remote in the third quarter of this year, up from 8.8% in the second quarter.

Nathan Vance says he took a buyout from dating-app maker Grindr in April, rather than move within commuting distance of an office. He was hired as a remote employee and bought a house in Washington state in 2022—about 800 miles from the company's nearest office, in San Francisco—believing he could work from home permanently.

Vance, 50, says he got three months' severance and was able to collect unemployment for six months. Now he is dipping into savings and retirement accounts and estimates he has two months of runway left. He's coming to grips with the possibility of having to relocate after all.

"I'm applying for jobs anywhere and everywhere that I think I have a shot because I'm at the point where I don't really know what's going to happen," he says.

A Grindr spokeswoman says the company has increased head count by 44% in the past year while requiring employees to report to offices two days a week.

Career change

So much for the days of collecting a big-city salary in some far-flung retreat.

Just 8% of jobs posted on LinkedIn are remote, the company says, down from 18% in early 2022. Those roles are ultracompetitive, drawing 40% of applications submitted through LinkedIn. The job site Indeed reports the share of remote listings on its platform is also about 8% and says the posted salary ranges for remote positions have widened over the past year. That could indicate employers are trying to pay less for workers who live away from expensive coastal cities, though Indeed says there isn't enough data to be sure.

Kendelyn Chilton joined Amazon during its 2021 hiring spree while living in Nashville, Tenn., where the company was building a new office. When Amazon paused construction the following year, at the same time Chilton was going through a divorce and eager for a change of scenery, she says she received permission to move closer to family in Baton Rouge, La. She'd been working from home full time anyway.

As the company intensified its push to bring employees back to offices, she was laid off in July 2023. People in similar roles who could report to offices regularly were spared, she says. Amazon declined to comment on whether RTO compliance has factored into cuts.

Instead of searching in vain for another remote opportunity, Chilton, 32, decided to switch careers. She joined her father's custom home-building business, spent about a year laying hardwood floors and installing insulation, and ultimately earned her general-contractor's license.

"So many people are looking down the barrel of never having their remote-work situation again," she says. "I completely relate to that and feel bad for people in that position."

Travelers to Europe Must Register First

BY ALLISON POHLE

American travelers headed to the United Kingdom next year will need to fill out online authorizations ahead of their trips, as part of new rules that take effect in early January.

Visitors to the European Union will also face new regulations, with more information to be released next month.

The changes mark a meaningful disruption to European travel from the U.S.

Travelers have grown accustomed to booking tickets to much of Europe without applying for a visa or other advanced permission.

Those who don't apply in advance risk being denied entry to the country they hope to visit.

New U.K. rules
Many U.S. travelers headed to the U.K. in 2025 will need to apply online for a travel authorization

ahead of their trips.

Those visitors must have advance permission regardless of their age, including all children. The electronic travel authorization (or ETA) is required for arrivals starting Jan. 8.

Travelers can submit the application online or through the ETA app. The application costs 10 pounds, or a little under \$13.

Approval can take up to three business days, the U.K. government says.

The authorization is good for two years, so travelers don't need to reapply every time. However, if you get a new passport, you will need a new authorization.

Travelers must provide a photo of themselves and of their passport to apply.

Even travelers with layovers in the U.K. must apply, which differentiates this program from others requiring advance notice.

That means if you're flying from New York City to Amsterdam but



▲ Visitors from the U.S. and elsewhere will need to apply online for entry into the U.K. for short stays.

taken, you will be denied entry into the country.

U.S. travelers and those from over 50 other countries will also need prior authorization to enter certain European countries, but that requirement won't go into effect until six months after the entry-exit system launches. It will be good for three years or until your passport expires, whichever comes first.

The context

More countries require advance authorization for travelers as part of a push to enhance security and expedite border crossings.

The entry-exit system also helps mark when travelers cross borders and automatically notes when travelers overstay.

The U.S. also asks foreign travelers to complete authorizations ahead of their trips.

have a layover in London, you still must complete the authorization ahead of your trip.

The authorization isn't a visa and is intended for short stays. Travelers who require permission to study or work should check whether they need to go through the more extensive visa-application process.

EU rules

Americans traveling to more than 25 European countries, including Italy, France and Spain, will have

their faces and fingerprints scanned and logged in a new digital registration system, likely beginning next year.

The entry-exit system has been delayed multiple times, but European Council officials said Thursday that a road map for the system will be put out with dates by Jan. 31.

The system stores four fingerprints and a photo of the traveler's face.

It won't be optional: If you refuse to have fingerprints or a photo

PERSONAL JOURNAL.



TURNING POINTS

CLARE ANSBERRY

Rachel Green felt middle-aged at 29. That's about a decade earlier than the traditional start to midlife. She took on more management responsibilities at work—and her hair went gray.

"I don't want to be out past 10 p.m.," says Green, a Hollywood, Fla., software engineer, now 38.

People in their 20s and 30s are hitting milestones such as marrying and buying a home later than past generations, but the expectations to do so are creating stress for them. That stress makes them feel older, as do mounting concerns about job security, debt, child-care costs and caregiving for older relatives.

Middle age is typically defined as ages 40 to 60. But about 20% of younger people ages 25 to 34 feel middle-aged, according to a study by Horizon Media, a marketing services agency. The average 25-year-old says middle age starts around 37 and ends at about 53. Conversely, the average 65-year-old says it starts at 46 and ends at 62, according to the study.

Both groups mostly agree on the physical signs of middle age: skin changes, aches and pains and worsening eyesight.

"Young people are feeling older and feeling pressure a lot sooner in their lives," says Tirrell De Gannes, a licensed clinical psychologist at the Thriving Center of Psychology, which surveyed millennials and found that 1 in 10 experienced a midlife crisis around the age of 34.

Alexander Walker-Griffin, a council member and former mayor of his hometown of Hercules, Calif., feels older than his 27 years.

"Mentally and emotionally, I feel like I'm 43," says Walker-Griffin, who lost his father as a teenager.

Issues like the state budget, housing, student debt and public



When 'Middle Age' Arrives in Your 20s

Stress is making young people feel older, with job security, debt concerns



► Alexander Walker-Griffin, 27, feels older in part because of his responsibilities as a public official and the loss of his dad when he was a teen.

transportation weigh on him. He skips club outings and dresses carefully in case someone posts his photo on social media. It's not just him or his position, he says. Friends who aren't in public office but are in competitive fields like technology also feel rushed to get established.

"People feel pushed to do things earlier because there's so much competition in the workplace and so much competition to buy a house," he says.

Kate Rarey, a 24-year-old Pittsburgh-based event project manager and freelancer,

says she lacks the wisdom of middle-aged and older adults, but shares their concerns.

"I worry about retirement, about owning assets, like a home, about having children, my future and my life," says Rarey. She believes her age group feels like they have less room for financial and professional errors and that stress can make them feel older than they are.

Stress can make young people feel several years older, says Shevaun Neupert, a psychology professor at North Carolina State University. She and other researchers found that 18- to 22-year-olds who said they encountered stressful events at work, home or school described feeling five years older than their actual age.

► Nicole Kenney felt middle-aged in her late 20s and early 30s due to stresses and social expectations.



► Kate Rarey worries about retirement and says her age group feels like they have less room for financial and professional errors.

One of the hallmarks of midlife is being responsible for others, including children, parents and co-workers, says Marjie Lachman, a professor of psychology at Brandeis University, who researches lifespan development. Adults typically feel 20% younger than their chronological age, says Lachman, but taking care of kids and older parents while also working full time can make younger people feel middle-aged earlier.

Jewell Young, 29, had his first child at 22 and his second three years later.

"In some ways I feel a lot older and mature being a parent," says Young, a mental-health clinician in Richland, Wash., and founder of the "Young Dad" podcast. After

dropping out of college initially, he returned to school and got a master's degree. He now follows local politics more closely.

"The things I care about have changed," says Young, who is more comfortable with people who are 35 to 40. He also thinks he looks five years older because his hair has thinned and he has a bald spot.

Nicole Kenney, 41, felt middle-aged in her late 20s and early 30s and began experiencing migraines and sleep disruptions. She attributed that to financial stress, workplace pressures and social expectations.

"The sense of responsibility, especially for Black women, begins much earlier than 40," says Kenney, as caregiving roles extend beyond immediate family. She started Hey Auntie, a social network connecting young, middle-aged and older Black women to offer support.

At the other end of the age spectrum, more than 1 in 10 adults 65 and older feel middle age, according to the Horizon study.

Marc Sigal and his wife, Amy Goldstein, both retired lawyers in Columbus, Ohio, say they feel and look younger than their chronological ages of 72. The couple work out three times a week, travel extensively, socialize with people in their 30s and 40s and dress young. "People think we're in our late 50s," says Sigal, who wears Timberland boots and flannel shirts.

Green, the Florida software engineer who felt middle-aged at 29, lost her husband to cancer when she was 33. Trauma ages you, says Green, and gives you a different perspective.

"When you're young, you have these big dreams and ambitions to change the world and make a name for yourself," she says. A big part of feeling middle-aged is realizing she doesn't have the energy for grand things and being comfortable with that. She has a boyfriend, a house, a garden and a good job.

"I don't miss my younger years," she says. "I've embraced middle aged-ness."



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How Two Tickets To Paradise Compare

BY DAWN GILBERTSON

These travel tips first appeared in the WSJ Travel newsletter.

Travelers planning Hawaiian vacations have no shortage of airline options. At the opposite ends of the service versus frills spectrum are Southwest and Hawaiian.

How do they compare? I flew Southwest one way and Hawaiian on the return for a fun Thanksgiving assignment in Maui. The specifics: I traveled Phoenix nonstop to Maui on a Southwest Boeing 737 Max 8; and Maui to New York (via Honolulu) on Hawaiian. On the return flights, the first leg was an ancient Boeing 717, and the long haul on a widebody jet, the Airbus 330. I've flown both airlines to and from Hawaii previously.

The prices aren't comparable given the different routes, but I paid \$331 for the one-way Southwest flight and \$822 for the one-way Hawaiian flight. I bought each about two weeks before departure.

► Travel time: It's a longgg travel day no matter your departure city. My morning flight from Phoenix was 6.5

hours. The red-eye from Honolulu to New York was a grueling 9.5 hours because I barely slept.

► Seat choices: Hawaiian wins by a long shot on seat options, at least on the long-haul flight. My flight from Honolulu to New York offered lie-flat seats, extra-legroom sections and economy. I could have bid on a lie-flat seat (opening price: \$1,200 one way) but stuck with my aisle seat and it was fine.

Best part: I didn't have to pay an annoying seat fee to reserve 25C. Southwest doesn't have any premium cabin and won't offer extra-legroom seats (outside of the exit row) until it unveils its dramatic makeover late next year. I rarely recommend paying for priority boarding on Southwest, but it's worth it on the long flight to Hawaii if you don't have status. Upgraded boarding, which gets you a spot in the first 15 assigned boarding slots, was \$40 one way on this flight. I cashed in a credit card perk and nabbed an exit row seat. Bonus: The middle seat was empty.

► In-flight food: Hawaiian wins hands-down on this, too, but not because I loved my chicken dish or breakfast

snacks. (I didn't.) It's just nice to get a complimentary meal (and house wine) on a domestic flight. The beverage lineup makes you feel like you're in Hawaii, especially the guava juices. The breakfast box served before arrival even included a chocolate-covered macadamia nut. You just feel like you're on vacation when you fly Hawaiian. Southwest's only nod to the fact that it's a flight to Hawaii and not St. Louis: Kona Brewing Big Wave Golden Ale for \$7. We got Blue Diamond almonds, Ritz cheese crackers, Bobo's strawberry oat bites. This was definitely a case of BYOF.

► In-flight entertainment: Hawaiian wins here, too. The airline's free Starlink Wi-Fi was so fast I didn't have to download the latest episodes of "Shrinking" before my flight. Just hit play. The airline also offers seat-back screens with a plethora of free movies, TV shows and other entertainment, and power at your seat (USB). On Southwest, I paid \$8 for Wi-Fi that mostly worked but it wasn't speedy. Southwest doesn't have seatback screens, so I binged "Prison Break" on my phone.

Get more from Dawn Gilbertson's WSJ Travel newsletter at wsj.com/newsletters.

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ARTS IN REVIEW

THE BEST THEATER OF 2024 | CHARLES ISHERWOOD

Surprising Stagings and Fresh Takes

The year's top shows offered new perspectives on Broadway musicals, classic dramas and even bleak, brutal history

I'm not a gambler, but if someone had approached me on New Year's Day this year and wagered that two of the finest musical-theater productions I would see in 2024 would be revivals of Andrew Lloyd Webber shows, I would have bet heavily against the idea—and lost.

Mr. Lloyd Webber has not been a critics' darling, except perhaps during his career beginnings, when his rock opera "Jesus Christ Superstar" struck a fresh note and "Evita" captured the imagination of critics and the public alike. His shows have fared much better with audiences, of course, with "The Phantom of the Opera" currently holding the record as the longest-running Broadway show. But while his musicals since "Phantom" have virtually all been tepidly received, this year New York saw brilliantly reconceived stagings of "Cats" and "Sunset Blvd."

Restyled as "*Cats: The Jellicle Ball*," the new version of Mr. Lloyd Webber's musical about felines frolicking in a contest to see who

will rise to kitty heaven employed the original score but wedged it to a fur-and-whisker-free context. Directed by Zhalion Livingston and Bill Rauch, and presented at the Perelman Performing Arts Center, the production drew on the ballroom culture

centered in Harlem, in which two self-designated families of performers ("houses," in the parlance)—largely made up of gay men and drag performers—compete against each other; this is where voguing began.

While this mashup might have seemed improbable—picture cats scratching away at a chintz sofa—in effect it was exhilarating, not a winking desecration of Mr. Lloyd Webber's score but a savvy and smart celebration of it. Never a fan of the original production, with its cute, literal-minded costuming and makeup, I heard the music with a new appreciation for its melodic richness and rhythmic variety.

The British director Jamie Lloyd's production of "*Sunset Blvd.*" was similarly a thorough reimagining of the musical based on Billy Wilder's pitch-black Hollywood satire. Mr. Lloyd, a provocateur who favors minimalist effects, contemporary costuming and live videography, also hewed closely to the original material. But in stripping away the period

context he transformed the show into a perceptive commentary on the age of the influencer and a culture increasingly obsessed with fame. Here, the silent-film star Norma Desmond, played by Nicole Scherzinger in a bewitching, camp-free performance, can be seen as a Kardashian fallen into obscurity—that ninth circle of hell for celebrities.

The year's crop of new Broadway musicals offered little scope for enthusiasm until a modest gem of a show, "*Maybe Happy Ending*," opened in November to glowing reviews that transformed it from an unknown commodity to a dark-horse contender for the best musical Tony. Set in South Korea, it depicts the romance between two "Helperbots"—human-like robots once owned by actual people, forced into retirement and living out their days in idle solitude, waiting until their batteries wind down for the last time. Written by Will Aronson and Hue Park, and directed with delicate but dazzling finesse by Michael Arden, the musical is both a moving, gently

funny romantic comedy and a clever parable about the difficulty of finding love—whether you're powered by batteries or a beating heart—in an age marked by technological substitutes for true connection.

Two of the finest new plays I saw this year approached the horrors of the Holocaust from different perspectives. Moisés Kaufman and Amanda Gronich's documentary drama "*Here There Are Blueberries*," at New York Theatre Workshop, drew on an album of photographs taken at Auschwitz to examine in chilling detail the blithe behavior of the men and women complicit in the murder of tens of thousands of Jews. As they engaged in wholesale slaughter, the camp's leaders and others documented their lighter moments: relaxing at the resort near the camp, playing games, socializing happily and, yes, snacking on blueberries.

Tadeusz Slobodzianek's "*Our Class*," by contrast, first seen at the Brooklyn Academy of Music and later restaged at Classic Stage Company, trained its unflinching focus on how the advent of the Nazis divides a Polish town, specifically a class of fellow students, as they mature from children to adults. Inventively directed by Igor Golyak, the play depicts, to our increasing horror and dismay, how



the Christians turned against their Jewish neighbors—the amity with which they lived together exposed as a veneer hiding atavistic and powerful antisemitism—resulting in brutalities that are described or depicted in bruising detail.

Another of the finest new plays I saw, Samuel D. Hunter's "*Little Bear Ridge Road*," debuted at Chicago's Steppenwolf Theatre. Laurie Metcalf gave a superb, flinty and mordantly funny performance as a woman whose nephew comes to visit after the death of his feckless, drug-addicted father. Mr. Hunter, one of the country's best playwrights, delineates the thawing of their initially chilly relationship in moving, subtle detail. I'd bet Mr. Hunter's latest play, "*Grangeville*," which comes to the Signature Theatre Company this winter, starring Brendan Fraser

Elizabeth Stahlmann in 'Here There Are Blueberries,' top; André De Shields (center) and the company of 'Cats: The Jellicle Ball,' above.

(who won an Oscar for the movie adaptation of Mr. Hunter's play "*The Whale*"), will be a contender for my best-of list next year.

Space does not permit me to laud all of the most memorable performances I saw this year, but two were Ralph Fiennes's searing turn in the title role of "*Macbeth*" in a staging presented by the Shakespeare Theatre Company in Washington, and Jeremy Strong's meticulously drawn portrait of Dr. Stockmann in Sam Gold's riveting Broadway production of Ibsen's "*An Enemy of the People*," featuring a supremely intelligent new adaptation by Amy Herzog.

Finally, it has been a year of transition for New York's non-profit theaters—there are or will soon be new leaders of Lincoln Center Theater, the Roundabout Theatre Company and Second Stage Theater—but two mainstays of the sector had stellar years under their longtime leaders.

Lynne Meadow has been artis-

tic director of Manhattan Theatre Club since 1972, and the company's year was marked by one virtually flawless production after another, my favorites being Joshua Harmon's "*Prayer for the French Republic*," Ms. Herzog's extraordinarily moving "*Mary Jane*," starring Rachel McAdams and, off-Broadway, "*Brooklyn Laundry*," a quirky romantic comedy by John Patrick Shanley. And the smaller Irish Repertory Theatre, under longtime artistic director Charlotte Moore and producing director Ciarán O'Reilly, had yet another breathtakingly good season, presenting four plays by the great Irish writer Brian Friel, perhaps the finest being the revival of his breakthrough play, the melancholy comedy "*Philadelphia, Here I Come!*"

While it is naturally exciting to see fresh blood infusing the top echelons of New York theater, it is equally important to value the astute leadership that comes from years—or rather decades—of dedication and experience.

Mr. Isherwood is the Journal's theater critic. Check back each Monday for more Best of the Year coverage, and find a complete collection of it online at wsj.com.

Ralph Fiennes in "*Macbeth*," left; Darren Criss and Helen J. Shen in "*Maybe Happy Ending*," below; and Nicole Scherzinger in "*Sunset Blvd.*," below right.



SPORTS

JASON GAY

Vermont's Thrilling Run to Final

These Cats are 'Dogs': The unseeded Catamounts are set to take on Marshall in the NCAA men's soccer championship



You didn't expect to be reading a Vermont soccer column here, did you? I didn't expect to be writing one, either. But this skillful green and gold team from Burlington is on a pretty incredible ride. So here we go:

On Monday night in Cary, N.C., the unseeded University of Vermont Catamounts will take on Marshall for the national title in men's soccer.

It's the first time in UVM history (founded in 1791) that the school will be playing in a national championship game of *any* kind. The Catamounts have some rich hockey past (Frozen Fours in 1996 and 2009), field hockey won a conference tournament in November, and there's a six-pack of national championships in (of course) skiing, but they have never reached the title game in a traditional team sport.

"This team has already made history," says Vermont's athletic director, Jeff Schulman.

It's a big deal for a small state with no major professional sports clubs, at mid-major school where the bookstore sells a football T-shirt reading UNDEFEATED SINCE 1974 because that's when the university disbanded the football program.

"Vermont's a tightknit state," says Schulman. "Burlington's a tightknit community, too. To have a team represent the state on a national stage like this...it's exciting."

The Cats reached Monday's final via high drama—stunning third-seeded Denver on penalty kicks Friday after tying the game 1-1 in the 83rd minute. Marshall, which won a national championship in 2020, is through to the final after putting away top-seeded Ohio State.

As I write this, a growing number of UVM fans and alums are chilling in North Carolina or scrambling to get themselves south. After the penalty kick tri-



The Vermont Catamounts men's soccer team celebrates after advancing to the national championship game.

quirement. He moved over to soccer later, and starred at Maine. At Vermont, he's assembled a big-bodied, defensive team with an international vibe—the Cats, er, Dogs roster features players from New England, Canada, Israel, Gibraltar, Germany and Hong Kong.

Max Murray, a graduate student player from Kennebunkport, Maine, thinks the team benefits from this wide range of experiences. UVM has young stars—like 6-foot-6 freshman goalie Niklas Herceg from Germany ("You should shake his hand, it covers your whole forearm," says Dow)—but it's led by older players who have played a long part in the program's rise. This includes Murray, a 6-foot-5 multithreat who has stirred the offense as a striker and now anchors the defense as center back.

"We set our standards high really early," Murray says. "The coaches do a great job bringing in kids who buy into the process. We've had these foundations for so long now. Everybody's just willing to do whatever it takes to win."

Whatever it takes—including final exams. Vermont just finished those this past week. Some players took proctored exams in North Carolina before the Denver game. Murray, who's already collected a degree in public communications, had two papers due.

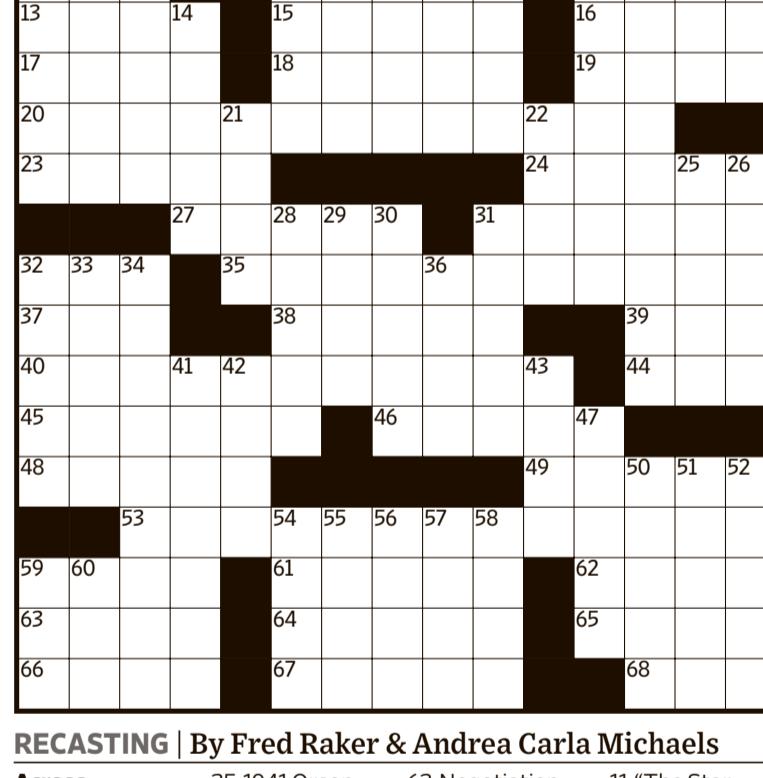
Now his phone is loading up with text messages from friends promising to be there for the Monday night title game.

In the green and gold crowd will be Vermont's interim president, Patricia Prelock. I caught up with Prelock while she was waiting in the Philly airport on her way back to campus for a holiday party—before turning around to fly right back to North Carolina.

Worth it, of course. A national championship, school history, cats turning into "dogs"—this doesn't happen all the time for the University of Vermont.

"We're just so proud of them," says the UVM president.

The WSJ Daily Crossword | Edited by Mike Shenk



RECASTING | By Fred Raker & Andrea Carla Michaels

- Across**
- 1 Texas sch. that's home to the Mustangs
 - 4 Visibly shocked
 - 9 Edinburgh native
 - 13 What sunbathers seek
 - 15 Lesser, as prices
 - 16 Bread spread
 - 17 Alan of "M*A*S*H"
 - 18 Winter precipitation
 - 19 Ball material for a cat
 - 20 1989 Kevin Costner film recast with Sally?
 - 23 Official language of Iran
 - 24 Fine rains
 - 27 Balance sheet item
 - 31 Cycling headwear
 - 32 Letters after lambdas
- Down**
- 35 1941 Orson Welles film recast with Carol?
 - 37 "Kinda" suffix
 - 38 Decathlete Ashton with two Olympic gold medals
 - 39 AAA request
 - 40 2015 Steve Carell film recast with Martin?
 - 41 2015 Steve Carell film settings
 - 42 Med. drama
 - 43 Qatar rulers
 - 44 Clear, as a whiteboard
 - 45 Lesser, as prices
 - 46 Qatari rulers
 - 47 Winter precipitation
 - 48 Made less stressful
 - 49 2008 Jeremy Renner film recast with William?
 - 50 2008 Jeremy Renner film
 - 51 2008 Jeremy Renner film
 - 52 2008 Jeremy Renner film
 - 53 Make a getaway
 - 54 In the blink of __
 - 55 Fellow sophomore, say
 - 56 Sedgwick of "The Closer"

- Across**
- 35 Negotiation goal
 - 36 Sparkly headwear
 - 37 "Kinda" suffix
 - 38 Decathlete Ashton with two Olympic gold medals
 - 39 AAA request
 - 40 2015 Steve Carell film settings
 - 41 Sturdy walking stick
 - 42 Med. drama
 - 43 Qatar rulers
 - 44 Clear, as a whiteboard
 - 45 Lesser, as prices
 - 46 Qatari rulers
 - 47 Winter precipitation
 - 48 Made less stressful
 - 49 2008 Jeremy Renner film recast with William?
 - 50 2008 Jeremy Renner film
 - 51 Make a getaway
 - 52 In the blink of __
 - 53 Fellow sophomore, say
 - 54 Sparkly headwear
 - 55 Whole bunch
 - 56 What snooty people put on
 - 57 Fanny pack feature
 - 58 It's a mouse!"
 - 59 AAA request
 - 60 2015 Steve Carell film settings
 - 61 In the blink of __
 - 62 Sedgwick of "The Closer"
- Down**
- 3 Beneath
 - 4 In addition
 - 5 It's full of holes
 - 6 Made one's jaw drop
 - 7 Word with pressure or review
 - 8 Art deco pioneer
 - 9 Coffee additive for the lactose-intolerant
 - 10 Fellow sophomore, say
 - 11 "The Star-Spangled Banner" contraction
 - 12 Checker, basically
 - 13 Choir member
 - 14 Dance or dip
 - 15 Fannypack feature
 - 16 "It's a mouse!"
 - 17 "Kinda" suffix
 - 18 Winter precipitation
 - 19 Ball material for a cat
 - 20 1989 Kevin Costner film recast with Sally?
 - 21 Decathlete Ashton with two Olympic gold medals
 - 22 Church shout
 - 23 "It's a mouse!"
 - 24 Qatar rulers
 - 25 Choir member
 - 26 Meat-and-vegetable dishes
 - 27 "Kinda" suffix
 - 28 Prolonged attack
 - 29 Guesses for landing times: Abbr.
 - 30 Church's 10%
 - 31 Painter Matisse
 - 32 Headwear for the Archbishop of Canterbury
 - 33 Theater worker
 - 34 Show sadness
 - 35 Negotiation goal
 - 36 Sparkly headwear
 - 37 "Kinda" suffix
 - 38 Decathlete Ashton with two Olympic gold medals
 - 39 AAA request
 - 40 2015 Steve Carell film settings
 - 41 Sturdy walking stick
 - 42 Med. drama
 - 43 Qatar rulers
 - 44 Clear, as a whiteboard
 - 45 Lesser, as prices
 - 46 Qatari rulers
 - 47 Winter precipitation
 - 48 Made less stressful
 - 49 2008 Jeremy Renner film recast with William?
 - 50 2008 Jeremy Renner film
 - 51 Make a getaway
 - 52 In the blink of __
 - 53 Fellow sophomore, say
 - 54 Sparkly headwear
 - 55 Whole bunch
 - 56 What snooty people put on
 - 57 Fanny pack feature
 - 58 It's a mouse!"
 - 59 AAA request
 - 60 2015 Steve Carell film settings
 - 61 In the blink of __
 - 62 Sedgwick of "The Closer"

Previous Puzzle's Solution

S T O W S L I P O U T E R

A H H H T A M E K N A V E

B E H I N D T H E S C E N E S

O P E R A C O L A T R I

R O Y L I C H T E N S T E I N

S I L R S O U

E S P A G R A S T A L E

C A T C H M E I F Y O U C A N

O M A H A M O T E L S D

A C E T W I

T H A N K S G I V I N G D A Y

A Y O P U N Y B E R R A

P E R S O N I F I C A T I O N

O N T O P L O N E I V A N

N A A N S E R G O T E R I

The contest answer is ALIKE. Each of the five theme answers shares its enumeration with a clue: for example, BEHIND THE SCENES is (6,3,6), as is the clue to 59-Down, "Making cat noises," (AROAR). The other pairs are 23-46-Across (LSD), 40-70-Across (IVAN), 52-16-Across (KNAVE), and 64-72-Across (ERGO). The first letters of those five answers spell the contest answer.

ALIKE

ERGO

IVAN

LSD

KNAVE

TERI

ALIKE

ERGO

IVAN

LSD

KNAVE

OPINION

It's All a Conspiracy, Right?



INSIDE VIEW
By Andy Kessler

Robert F. Kennedy Jr., nominated to run the Department of Health and Human Services, has brought conspiracy theories back into the mainstream. In the past, he has claimed vaccines cause autism (since debunked), that we should drink raw milk (last month it was found possibly to contain bird flu), and that 5G broadband is used to "control our behavior" (well, it does tell my Uber driver where to go).

Mr. Kennedy recently tweeted: "Seed oils are one of the most unhealthy ingredients that we have in foods."

Don't believe every tale you hear. Remain skeptical and look for real science.

He'll even sell you a \$35 "Make Frying Oil Tallow Again" hat. Ending corn and other farm subsidies would solve their overuse—but tallow? Cardiologists suggest that saturated fat in beef tallow increases heart disease. Can we agree that policy should never be based on lawyers' theories?

Humans are gullible. We like to be told tall tales. We eat them up. The Central Intelligence Agency killed John F. Kennedy. It must be true, I saw it in an Oliver Stone movie! Go to the Texas School Book De-

pository in Dallas, and you'll find a 1980 Texas Historic Landmark sign that reads: "When Lee Harvey Oswald allegedly shot and killed President John F. Kennedy." Allegedly? Well, those dissecting frames 313 to 316 of the Zapruder film think so.

Who hasn't fallen for at least one of these myths? Paul McCartney is dead. I am the walrus, goo-goo g'joob. UFOs at Roswell, N.M., and now in New Jersey. The moon landing was staged. Sept. 11 was orchestrated by government. Aliens crashed Malaysia Airlines Flight 370. Pizzagate. Meghan Markle is a robot. Dinosaurs built Stonehenge.

Fluoride in our water. Subliminal ads in movies. Stolen elections. The Elders of Zion, Illuminati or Freemasons running the world. Barack Obama's birthplace. Russia collusion. Deny. Defend. Depose. The deep state carrying out Donald Trump's assassination attempt in Butler, Pa. Great movie plot, but c'mon.

We fall for conspiracy theories because they either sound plausible or contain some small tinge of truth that the rest of the made-up stuff hangs on. G. Gordon Liddy—who I must admit as a Watergate mastermind wasn't the greatest of sources—thought conspiracy theories eventually fail because of competency and leakage problems.

First, most are too dumb to pull it off, and many conspiracy theories are surely fake because there is no way that many people could keep their mouths shut for that long.

But conspiracy theories can be lucrative. In 2022, RFK Jr. collected \$510,000 from the



Robert F. Kennedy Jr.

antivaccine Children's Health Defense, a nonprofit he founded. This was part of almost \$8 million he made in the year before he ran for president, including from his environmental-law practice and fees from other litigation firms. Anthony Fauci was, for a time, the highest-paid federal employee. Al Gore founded the now \$35 billion "sustainable investing" firm Generation Investment Management. And someone is cashing in by selling "Epstein didn't kill himself" ugly Christmas sweaters for \$41.99 on Amazon.

Conspiracy theories make for strange bedfellows. The stereotypical antivaxxer used to be a Prius-driving Whole Foods mom, especially when it came to measles. Marin County, north of San Francisco, had notoriously low child vaccination rates for MMR vaccines, until a measles outbreak in 2015.

The stereotype flipped to MAGA warriors in 2021, for those refusing to be guinea pigs for undetested Covid

shots. Looking back, so-called Covid conspiracy theories—about the virus's origin in a Wuhan lab, the efficacy of lockdowns, masks and natural immunity, vaccine testing and the negative effect of school closings on children—ended up more right than wrong.

Until recently, debunking conspiracy theories was the role of the mainstream press. Sadly, their reputation is in tatters after their Covid biases, their insistence that President Biden was sharp as tack, and their cheerleading for woke ness. Millions of Americans now rely on podcasters, influencers and other crackpots instead. That isn't good either.

We live in an age of loosey-goosey truth. The Twitter-sphere nicknamed former Washington Post reporter Taylor Lorenz "Miss Information." "Fact checkers" are too busy analyzing every Trump utterance. Snopes can be a good conspiracy debunker, but still, people want to believe. Now more than ever, you need to make up your own mind.

So how do you debunk conspiracy theories? It's hard. First, they must pass the smell test. Most don't. Then ask if someone can hold a secret for that long. Don't believe movies, podcasters or even politicians. Find some real science. Most important, figure out who benefits from spreading the story. The trick is not to let your emotions get the better of you. Question authority. But don't believe your uncle Charley either. Remain skeptical. Then again, maybe start cooking with butter instead of canola oil—just in case.

Write to kessler@wsj.com.

The Middle East Is Up for Grabs

By Karen Elliott House

The Middle East never ceases to surprise—and disappoint. These days the region looks like a model for much of the world, and current events complicate President-elect Trump's pledge to "make America, and the world, safe again."

In 45 years of covering international politics, I've never seen the world more complex or confrontational than it is now. China is saber-rattling at Taiwan. North Korea is sending troops to fight in Ukraine. South Korea is in an impeachment crisis. European leaders are weak. The U.S. is essentially without a president.

All these crises are exacerbated by the sudden demise of Bashar al-Assad's brutal regime in Syria. The dictator's flight to Russia is good news, but it could become bad news quickly if Syria's new rulers return to their terrorist roots.

The visible weakness of Russia and Iran, Mr. Assad's two protectors, provides Mr. Trump with opportunities. The president-elect has pledged to end Russia's war in Ukraine "within 24 hours" of his inauguration. The Assad regime's collapse owes much to Moscow's poor performance in Ukraine: Vladimir Putin was too distracted to help when Sunni insurgents made their lightning conquest of Syria.

Among the questions confronting Mr. Trump: Does Russia's weakness make Mr. Putin more eager to find a

settlement in Ukraine? Or will he demand Ukrainian territorial concessions to prove his war wasn't a wasteful folly?

If Mr. Trump grants large chunks of Ukraine to Russia, what will America's allies conclude about U.S. reliability? What will China conclude about Mr. Trump's willingness to protect Taiwan?

The immediate risk is that Iran, feeling exposed, will try to sprint to a bomb before Mr. Trump takes office. President Biden almost certainly wouldn't help Israel strike Iranian nuclear sites. Two days after the 2024 election, Mr. Biden renewed a sanctions waiver giving Iran access to \$10 billion in frozen assets.

Iran's weakness is good news for Saudi Arabia. A lack of trust in U.S. protection led Riyadh to establish relations with Tehran in 2023. Crown Prince Mohammed bin Salman is determined to play a major role in world affairs and free the kingdom's economy from its reliance on oil. His ambitions have led him to deepen relations with Russia, China and India. Still, MBS is Mr. Trump's favorite Arab leader, and he holds the key to rebuilding efforts in Gaza. The U.S. should work closely with him to build a stable government in Syria.

Mr. Trump has promised to end the war in Gaza, bring

home American hostages, and broker diplomatic relations between Saudi Arabia and Israel. While MBS seeks relations with Israel to transform northern Arabia into a new Silicon Valley, he is unlikely to recognize Israel unless it accepts at least the idea of a Palestinian state. Young Saudis, once ambivalent, now overwhelmingly oppose relations with Israel after watching the devastation in Gaza on social media.

Rep. Mike Waltz (R., Fla.), Mr. Trump's pick for national security adviser, says, "Our core interests are ISIS, Israel and Arab Gulf allies." If so, the U.S. should leave troops in the region to contain ISIS and find ways to work with Saudi Arabia and other Gulf Arabs.

There is hope that Mr. Trump can further isolate Iran, protecting America's Israeli and Saudi allies; that he can exploit Mr. Putin's weakness to secure an honorable peace for Ukraine; and that these achievements will allow Washington to focus on China's threat to Taiwan. The risk is that this web of conflict will grow, inadvertently triggering wider conflicts for which the U.S. is ill-prepared.

Ms. House, a former publisher of the Journal, is author of "On Saudi Arabia: Its People, Past, Religion, Fault Lines—and Future."

Mary Anastasia O'Grady is away.

My Father at the Battle of the Bulge

By Warren Kozak

The Battle of the Bulge isn't as venerated as Iwo Jima or the Normandy landings, but it was the bloodiest battle the U.S. fought in World War II. Between Dec. 16, 1944, and Jan. 25, 1945, more than 19,000 American soldiers were killed. Unlike the other battles, it began as a huge intelligence failure.

The Allies failed to spot the massive German buildup of 30 divisions with more than 1,000 tanks in the densely wooded Ardennes region—giving the Germans the advantage of complete surprise. The Allies managed to turn the battle around thanks to America's tremendous ability to resupply as well as the heroism of the outnumbered GIs.

From the start, the weather favored the Germans. Heavy snow and bitter cold cut off the Allies' great strength: its

air power. With planes grounded by cloud cover, troops on the ground had to stop the advance.

Like many children of veterans, I had to rely on history books and movies to learn about the war. My father, Capt. Sidney P. Kozak, had

been in the middle of the battle, but he seldom spoke of it when I was growing up—with one notable exception. When I was 19, my parents brought me along to retrace the route he took in 1944–45 from France through Germany.

One afternoon, we came to a field in Belgium that he had been searching for. "This is it," he said under his breath, amazed that he found it.

At first, I didn't understand. It was a field like any other. Then, uncharacteristically, my father opened up and began to recount the events of Dec. 24, 1944, when the skies finally cleared. He said the men around him felt the vibrations before they heard the sound. Then, as they looked up to the heavens, they saw a sight few have ever seen.

The mighty Eighth Air Force had finally been unleashed. On that one day, the U.S. flew 1,138 tactical sorties (fighters) and more than 2,442 heavy bomber sorties.

My father tried to convey what it was like to see the entire sky filling with airplanes. He waved his arm across some imaginary horizon to add emphasis. "I couldn't believe one country could build that many airplanes," he said, still in awe. Gazing in the distance rather than at us, he then added something surprisingly

personal: "It was the most religious experience of my life."

It's impossible to understand the effect that seeing thousands of airplanes, all heading in one direction, had on the men below. It must have been electrifying, and it gave them courage. At the same time, it must have scared the living daylights out of those on the receiving end.

My father has been gone for more than 20 years. I still think about him, especially at this time of year, along with all those young Americans, our boys, on that frozen ground. I see them alongside another group of miserably cold patriots 167 years earlier, on another Christmas at Valley Forge. And I see them all as equals.

Mr. Kozak is author of "Waving Goodbye: Life After Loss" and "LeMay: The Life and Wars of General Curtis LeMay."

BOOKSHELF | By Philip Delves Broughton

The Hard Work Of Tech Mastery

The Nvidia Way

By Tae Kim
Norton, 272 pages, \$31.99

The origin story of Nvidia has yet to attain the status of technology myth. It is not Hewlett and Packard in their garage in Palo Alto, Calif., or Gates and Allen raising hell with the Lakeside School programmers' group. It is three men in a San Jose Denny's in 1992 guzzling from a single bottomless cup of coffee and thinking of computer chips.

But if Nvidia's staggering ascent says anything, it is that mythical status is imminent. In January 2020, in the early months of the Covid-19 pandemic, a single share of Nvidia stock cost just over \$6. These days you will pay nearly \$140.

The company's early chips were a flop. "We survived ourselves," Jensen Huang, Nvidia's co-founder and chief executive, tells the journalist Tae Kim in *"The Nvidia Way,"* a first draft of the firm's history. "We were our own worst enemy." Yet since the end of 2022, when ChatGPT was launched, Nvidia's growth has been vertiginous. Quarter after quarter, it has shredded analysts' estimates, and this year it briefly passed Microsoft and Apple to become the world's most valuable company.

Mr. Kim's book is nothing like Walter Isaacson's portraits of tech geniuses Steve Jobs or Elon Musk. It is more prosaic, focusing on the technical and human ground war of building a company. Even so, there is drama in Nvidia's remarkable rise, and Mr. Kim's reporting offers plenty of incident and portraiture.

Artificial intelligence without Nvidia is impossible to imagine. Its chips are the building blocks for the AI infrastructure being developed by both entrenched technology giants and well-funded newcomers. Its software, called Compute Unified Device Architecture, or CUDA, lets developers take full advantage of Nvidia's hardware: It's the paraffin you toss on the dry tinder of Nvidia's ever more potent and multiplying GPUs (graphics processing units).

When the company started in the early 1990s, it was one of a scrum of firms designing graphics chips for gamers who wanted the best possible experience in their shoot-'em-up videogames. It was incorporated in 1993 by Mr. Huang, whose background was in electrical engineering; Curtis Priem, a specialist in chip architecture; and Chris Malachowsky, a manufacturing expert.

Mr. Huang had been sent by his parents to the U.S. from Taiwan when he was still a boy. He enrolled at a Baptist boarding school in Kentucky, where his parents believed he would get a good American education. They didn't know that it was a reform school. Mr. Huang's roommate was eight years older and covered in tattoos and stab wounds. When his parents finally made it to the U.S., they put him in a regular public school in Oregon.

As a teenager, we are told, Mr. Huang was a formidable table-tennis player and earned money by cleaning tables and bathrooms at a local Denny's, a toughening experience that prepared him for life as a tech CEO. As a business sage, Mr. Huang says that work is simply perseverance in the face of difficult odds and that character is the source of greatness. Asked how to be successful, he will respond: "I wish upon you ample doses of pain and suffering."

After scuffing around the lower ranks of Silicon Valley for a few years, Mr. Huang and his co-founders began their meetings at Denny's. They forged a plan to design high-performance chips to maximize the graphics potential of Microsoft's latest Windows software. They chose the name Nvidia—a mashup of *invidia*, the Latin word for envy, and the name of their first chip, the Next Version 1, or NV1.

When Nvidia's CEO is asked how to be successful, he will respond: 'I wish upon you ample doses of pain and suffering.'

Things didn't go well at first. The Nvidia team overdesigned their earliest chips and nearly went bankrupt. They slashed more than half their employees and learned to focus on the things customers will pay for—and abandon the technical pirouettes that cost money the firm could never recoup. Their breakout was 3-D chips for PCs, which die-hard gamers adored.

By this point—the late 1990s—Mr. Huang had figured out a particular way of building and managing his company. The bedrock precept was ferociously hard work. New employees were told that the culture was "ultra-aggressive." Mr. Huang demanded that they work at the "speed of light," constrained (as Mr. Kim puts it) "only by the laws of physics—not by internal politics or financial concerns."

In the early 2000s, scientists found that the GPUs that Nvidia was making for gamers were useful in simulating "complex natural phenomena," such as protein folding (in which a chain of amino acids folds into a three-dimensional structure), and explaining real-world problems, such as stock-options pricing. If you tethered these GPUs together so they could process parallel computations, using CUDA, you achieved a violent acceleration in computing power.

Nvidia's now-seasoned commercial team wasted no time sending free GPUs to researchers and spreading the word about the company's burgeoning software library. They made its hardware and software the industry standard, so that it was hard for competitors to break in. When AI took off in the early 2020s, developers were already hooked on Nvidia's products. Building AI applications with any other platform was a huge hassle.

Does all of this success make Mr. Huang happy? Apparently not. After one especially successful quarter, he began a review meeting by saying: "I look in the mirror every morning and say, 'you suck.'" He still enjoys publicly dressing down employees, saying that humiliation is a small price to pay for group learning. He believes that he can "torture" his people "into greatness." When employees begin to ramble in his presence, he will start to murmur "LUA," a warning to the speaker. The abbreviation means: "Listen to the question. Understand the question. Answer the question."

The shrinking of Intel, once the chip-making champion, shows that even the greatest firms can falter. It is possible that, without Mr. Huang's ferocious drive, Nvidia may one day suffer the same fate. Still, Mr. Kim's hot take suggests that its success is built to last.

Mr. Delves Broughton is the author of "The Art of the Sale: Learning From the Masters About the Business of Life."

OPINION

REVIEW & OUTLOOK

Drones and the Cost of Lost Trust

The loss of public trust in U.S. institutions is well-chronicled, and for an example of its cost consider the national panic over unidentified aerial objects. No one in America seems to believe what anyone in authority says about them, and unproven claims are filling the vacuum.

Thousands of Americans who aren't cranks have seen drones or what they think are drones overhead. New Jersey of all places is a hotbed of sightings, for reasons no one has been able to explain. But sightings have occurred across the Northeast, as well as in California. Military facilities and critical infrastructure sites seem to be targets, if the eyewitnesses are right.

Yet no one in Washington seems to be able to convincingly explain the sightings. A joint statement Thursday by the FBI and Department of Homeland Security said: "We have no evidence at this time that the reported drone sightings pose a national security or public safety threat or have a foreign nexus."

The statement added that "Historically, we have experienced cases of mistaken identity, where reported drones are, in fact, manned aircraft or facilities. We are supporting local law enforcement in New Jersey with numerous detection methods but have not corroborated any of the reported visual sightings with electronic detection. To the contrary, upon review of available imagery, it appears that many of the reported sightings are actually manned aircraft, operating lawfully."

Yet the unexplained sightings persist. One caused Stewart International Airport in New York's Hudson Valley to shut down its runways for an hour on Friday night. Gov. Kathy Hochul demanded answers from the Biden Administration. Former Maryland Gov. Larry Hogan, not known as a show-boater, says he saw a flurry of aerial objects above his home in Davidsonville, Md.

Members of Congress are demanding answers or offering their own theories. Rep. Jeff Van Drew, a New Jersey Republican, thinks the drones may have come from an Iranian "mother-ship" off the coast. The Pentagon rejects the claim.

Jon Bramnick, a GOP state Senator in New

Jersey, told NewsNation that, "It must be something going on that they can't tell us because they are so fearful of what the public's gonna do when they hear what the drones are doing." This is how deep the suspicion runs.

And when that happens, conspiracy theories fill the air as much as drones do. One Twitter account with some 192,000 followers posted on X that "WE ARE F—. THE DRONES ARE PROJECT BLUE BEAM." We admit to not being fluent on this theory, but apparently Project Blue Beam refers to a plan by governments and the military to stage celestial events as a pretext to impose authoritarian rule. Don't beam us up, Scotty.

* * *

We'd ignore this stuff, except millions of people might believe it. That's the world we live in. And sorry to say, the reason isn't merely the result of conspiracists or crackpots who will exploit doubt for attention.

The Biden Administration has squandered its credibility to the point that it's rational not to believe what it says. Remember the Chinese spy balloon that traveled across the continental U.S.? The Administration downplayed its importance while it was courting better relations with Beijing, only to shoot it down over the Atlantic Ocean. It also downplayed Rep. Mike Turner's warning, based on solid intelligence, about the danger from a potential Russian nuclear blast in space.

The Administration failed for months to be candid about its migrant flights from the border to the U.S. interior. And for months it covered up the truth about President Biden's declining mental and physical fitness, only to have it exposed in a debate. The government's attempt to censor alternative views about Covid shutdowns during the Trump Administration also spread mistrust. The more Americans don't trust their government, the more panic or protests are possible.

On Sunday New York Gov. Hochul said the feds are deploying high-tech detection gear to her state to help with the drone swarms. The feds need to explain to Congress and the public with more specificity what is really going on. But the larger need is for a government Americans can trust.

Conspiracy theories fly and anger builds when Americans don't believe the government.

On the Waterfront With Donald Trump

If Donald Trump wants to be a President for the working man, this isn't the way to do it. "Just finished a meeting with the International Longshoremen's Association and its President, Harold Daggett," Mr. Trump said Thursday on Truth Social. The ILA went on strike in October, briefly closing East and Gulf Coast ports. More might be coming soon.

"There has been a lot of discussion having to do with 'automation' on United States docks," Mr. Trump said. "The amount of money saved is nowhere near the distress, hurt, and harm it causes for American Workers, in this case, our Longshoremen." This fall when the ILA resumed work, it was after a tentative deal for a 62% wage increase over six years. Talks have fallen apart again, though, because of the union's implacable hostility to automation.

"We embrace technologies that improve safety and efficiency, but only when a human being remains at the helm," the ILA said last month. "Automation, whether full or semi, re-

He sides with the longshoremen's union instead of all workers.

places jobs and erodes the historical work functions we've fought hard to protect." But ruling out automated efficiency gains hurts consumers, as well as workers in industries that import materials or export products.

The current port contract expires Jan. 15, and Mr. Daggett isn't shy about using the ILA's chokehold on commerce

to get what he wants. "I'll cripple you," he bragged this year, saying a strike could shut shopping malls, auto dealers, and more. "Everything in the United States comes on a ship. They go out of business," he said. "Construction workers get laid off because the materials aren't coming in."

Such sympathy for the working man. Last year Mr. Daggett made more than \$900,000. It's no surprise that President Biden favored the ILA, since his wife is a union member and Democrats feed on labor money. But it's disappointing, and an ill policy omen, to watch Mr. Trump side with a small protected class of union members instead of workers everywhere.

California's EV Mandate on Trial

What fortuitous timing. As the Biden Administration prepares to green-light an extension of California's electric-vehicle mandate, the Supreme Court on Friday agreed to hear a challenge to the rule (*Diamond Alternative Energy LLC v. EPA*).

The Clean Air Act bars states from regulating vehicle emissions, but it allows the Environmental Protection Agency to grant California a waiver to enforce its own rules "to meet compelling and extraordinary conditions." Congress created the California carve-out because its geography and climate can exacerbate smog.

Unlike tailpipe pollutants such as NOx and particulate matter—the intended targets of the Clean Air Act—CO2 is ubiquitous and doesn't cause asthma or other respiratory ailments. Because the climate effects of greenhouse gases are global, California has no more compelling reason to regulate vehicle CO2 emissions than any other state.

The Obama Administration nonetheless granted California a waiver for its CO2 standards and EV quotas, which the Trump team revoked, only for the Biden EPA to reinstate it through next year. The Administration is expected in its final days to renew California's waiver through 2035, when all new cars sold in the state (and other states that have adopted its mandates) must be "zero emission." Sorry, no hybrids allowed.

Most auto makers are falling well short of California's EV quotas. Many are buying compliance credits from Tesla, though some have also struck deals with the California Air Resources Board for regulatory flexibility in return for not supporting a rollback of its waiver

The Supreme Court takes up the EPA's damaging CO2 waiver.

authority. Although auto makers gripe about California's EV mandate, they're afraid to sue their regulators.

Not so refiners and gas stations, which are challenging the EPA's California waiver. A D.C. Circuit Court of Appeals panel dismissed their suit on grounds that the plaintiffs lacked standing. To sue in federal courts, plaintiffs must demonstrate a concrete injury as a result of a defendant's actions that can be redressed by courts.

The express purpose of California's EV mandate is to reduce gasoline consumption, which would hurt gas stations and refiners. But the D.C. Circuit quibbled that the plaintiffs hadn't submitted evidence, such as affidavits from auto makers, showing that the waiver would reduce gas-powered car production. Say what?

Enter the Supreme Court, which on Friday agreed to review the D.C. Circuit ruling. If the Justices rule that the plaintiffs have standing, the D.C. Circuit would have to address the merits—i.e., whether the EPA can let California regulate auto CO2 emissions—which will be all the more important if Mr. Biden extends California's waiver through 2035.

While Donald Trump has pledged to revoke California's waiver, the Golden State sued him last time he did. So courts may have to decide the issue, as the U.S. auto trade group noted in a memo to "interested parties" last week. "Achieving [California's] mandates will take a miracle" and "depress economic activity, increase costs and limit vehicle choice," the group stressed.

How about auto makers tell that truth to the Justices?

Letters intended for publication should be emailed to wsj.ltrs@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

and President-elect Trump have listened to national union executives, not local union workers. At the company's Irvin Works plant in the Pittsburgh area, 95% of union members support the deal. They know that Nippon Steel will make the necessary investments in the plant to save their jobs. Support for the merger is also widespread at U.S. Steel's other plants across Pennsylvania.

Messrs. Biden and Trump both claim to look out for union members, but on this issue, they aren't. Union leaders have convinced them the deal is bad for America's steel industry, but it's only a threat for union control. Union members are smart enough to realize that the opinion of union executives won't matter if steelmaking disappears in the Steel City, a likely scenario if the deal falls apart. The president and president-elect need to realize it, too—before it's too late for steelworkers.

ELIZABETH STELLE
Commonwealth Foundation
New Castle, Pa.

LETTERS TO THE EDITOR

A Monopoly Is Coming—Steel Yourself for It

I find it interesting that if Cleveland-Cliffs wins the bid to take over U.S. Steel ("Biden's Moment of Truth on U.S. Steel," Review & Outlook, Dec. 9), it would "control 100% of U.S. blast furnace production, 100% of domestic steel used in electric vehicle motors, and 65% to 90% of other domestic steel used in vehicles." It would also give the United Steelworkers union unprecedented power and a potential monopoly.

Does that mean once Cleveland-Cliffs and the United Steelworkers have this monopoly, the Biden administration will pursue an antimonopoly case or stop the merger, as it is doing or has done with Google, Spirit Airlines and others, as soon as it can before the change in administration? Just curious.

MARK JANUS
Punta Gorda, Fla.
Mr. Janus was the lead plaintiff in *Janus v. AFSCME* (2018).

On U.S. Steel's proposed merger with Nippon Steel, President Biden

In Pennsylvania, the Electoral System Worked

Ari Fleischer's call for vigilance in Pennsylvania elections ("Pennsylvania Almost Saw a Stolen Election," op-ed, Dec. 9) rightly emphasizes the importance of upholding election integrity. But it's worth emphasizing a critical point: Trust in elections isn't built by undermining confidence in election officials or cherry-picking anecdotes to paint one party as inherently untrustworthy.

As a former Republican governor and Republican U.S. congressman from Pennsylvania, we know that maintaining the rule of law and the public's faith in our electoral process requires more than partisan finger-pointing. Pennsylvania's bipartisan county election boards, judges and state Supreme Court have repeatedly demonstrated their commitment to interpreting and enforcing the law, even

under immense political pressure.

Mr. Fleischer overlooks the need for clear, consistent and well-communicated election rules. Pennsylvania's election code provides safeguards against partisan scheming and fraud. Strengthening election integrity means ensuring voters and election officials understand those rules well before ballots are cast.

Let's celebrate Dave McCormick's Senate victory for what it is: evidence that Pennsylvania's system worked as intended. Disputes were resolved within the framework of the law, and every legal vote was counted.

MARK SCHWEIKER AND LOU BARLETTA
Langhorne, Pa., and Hazleton, Pa.
Mr. Schweiker was governor of Pennsylvania, 2001-03. Mr. Barletta represented Pennsylvania's 11th congressional district, 2011-19.

The Tragedy—and Waste—of Vets' Healthcare

What is the purpose of our healthcare system? Is it to insure the largest number of people at the lowest possible cost? No. As "Medicare Insurers Chase Veterans" (Page One, Dec. 4) makes clear, the purpose of our healthcare system is to maximize profit.

Insurance is a service designed to spread the risk of catastrophic healthcare costs from one person to many people. We have decided as a society that healthcare should be subject to the same market forces as all other products.

Meanwhile, the cost of healthcare continues to increase faster than inflation. This is unsustainable, but any regulations to lower costs will face massive pushback from the insurance industry, which maximizes shareholder profit at the expense of all else.

ETHAN FEINGOLD

Chicago

The most reasonable cost-effective solution would be to have veterans over 65 choose either the Veterans

Affairs system or Medicare for medical services, not both.

In my practice of urology, I was always perplexed that after a patient was seen in my office for an appointment, he would readily remind me that he had a coming appointment at the VA clinic. Upon inquiring for what reason, the reply would be to refill his free three-month supply of medication for his prostate ailment.

I came to the conclusion that I was his "preferred" provider, but he was willing to go through the trouble of a clinic appointment to access the medication supply to which he strongly felt he was entitled. Wouldn't it be much more efficient for the VA to offer a redeemable drug voucher? This simple solution would save taxpayers millions.

RONALD G. FRANK, M.D.
West Orange, N.J.

Lies Won the 2020 Election

Dinesh D'Souza's downfall should end the misguided "Stop the Steal" effort ("Dinesh D'Souza Says Sorry for '2000 Miles," Review & Outlook, Dec. 5). It was lying, not stealing, which delivered the 2020 election to President Biden.

We have the testimony of a senior former Central Intelligence Agency official regarding the scheme by the Biden campaign, 51 former intelligence officials and a receptive media to discredit the Hunter Biden laptop story as Russian disinformation. That was almost certainly enough to give Mr. Biden a 44,000-vote victory in the three states that decided the 2020 election.

This tactic is right out of the Democratic Party playbook. As Sen. Harry Reid bragged in 2015 after lying about Mitt Romney's not paying taxes for 10 years: "Romney didn't win, did he?"

WILLIAM J. DOYLE
Atlanta

Pepper ... And Salt

THE WALL STREET JOURNAL

KO



"We believe that when the general puts on all his medals, he has to fight the gravitational pull of Jupiter."

Israel Gives a Biblical Lesson

Regarding your editorial "After the Fall of Syria's Assad" (Dec. 9): It appears to me that Israel is helping Syria adhere to the biblical injunction to turn its swords into plowshares.

RALPH SEGALL

Evanston, Ill.

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OPINION

The Economics of Media Bias

By Roland Fryer

Americans have complained about media bias for years, and it's hard to deny that they're on to something. The country is divided rather evenly along partisan lines: While Donald Trump comfortably won the Electoral College, the popular-vote margin fell within 2 points. Yet the media, including mainstream sources, rarely tries to appear neutral. From news coverage to editorial columns, different outlets offer radically different views of reality.

Take the controversy over Pete Hegseth, Mr. Trump's nominee to lead the Defense Department. Left-leaning media outlets have run countless stories, many based on anonymous sources, alleging sexual misconduct, financial mismanagement and problems with alcohol. "Pete Hegseth's Troubles at Work Raise Questions About Leadership," read one New

In a polarized country and crowded market, partisan coverage allows outlets to differentiate themselves.

York Times headline. In the same town, the New York Post highlights Mr. Hegseth's support from his former colleagues and GOP lawmakers. The two publications seem to exist in different worlds.

Troubled by intense partisanship, Washington Post owner Jeff Bezos this fall announced that his paper's editorial board would no longer endorse presidential candidates. Liberal subscribers reportedly canceled in droves. It remains to be seen whether the decision will win the paper any credibility with conservatives, given that its editorial pages

and news coverage still reliably skew left. Several other major papers, including the Los Angeles Times, the Chicago Tribune and USA Today, made a similar gamble this year.

All of this raises a question: Why are media outlets biased, even when delivering basic news coverage? Economics can help us think the matter through.

Twenty years ago Harvard graduate students Matthew Gentzkow and Jesse Shapiro began developing the ideas that would form a series of foundational papers on the topic. In a 2006 paper, "Media Bias and Reputation," they outlined the central dynamic on a theoretical level: If consumers perceive news to be of higher quality when it confirms what they already believe to be true, news companies will have an incentive to fit their coverage to their viewers' pre-existing worldviews.

The authors later fleshed out other important factors, such as competition among outlets. Greater competition, they found, can mitigate bias in some scenarios by correcting bad information and encouraging timely, accurate reporting. This doesn't always hold, however, especially if audiences are demanding a distorted worldview.

In another paper, "What Drives Media Slant? Evidence From U.S. Daily Newspapers," Messrs. Gentzkow and Shapiro introduced more empirical data. They statistically compared the language used in various newspapers to that of Republicans and Democrats in Congress as a way to classify patterns as left- or right-leaning. They found a sizable correlation between the ideological leanings of local markets and the language used by their newspapers—and much less of a link between newspapers' biases and their owners' political leanings. Even when



they compared outlets owned by the same person, the link between local political leanings and newspaper slant remained.

There is a limit to such findings. These types of market pressures have always existed, so while Messrs. Gentzkow and Shapiro help to explain why bias happens, they can't explain why it has accelerated.

One theory is that the media landscape's fragmentation has turbocharged the incentives for product differentiation. Local papers have declined and been replaced by countless alternatives, including online editions of national newspapers, cable news, social media and podcasts. In an increasingly polarized country, political bias can be an effective way to stand out.

Years ago, the Associated Press wire copy and broadcast television network news had to appeal to the broad American public to maximize profit. The entire country's eyeballs were there for the taking if journalists could keep their own biases in check. Many cities had a dominant newspaper that didn't want to alienate the local community.

But cable news—where Fox News debuted in 1996 and MSNBC deliberately shifted left around 10 years later—was an early example of how a different strategy could succeed. In a 2017 paper, Gregory J. Martin and Ali Yurukoglu measured the growing partisan divergence of both networks. They also modeled the process by which ideologically inclined viewers gravitated to like-minded content and showed how Fox News viewership affected voting. Cable shows with lower channel numbers in a given market appear higher on the list of options and as a result have somewhat higher viewership. It turned out that having Fox News in a lower position shifted an area's voting to the right.

Hardly any news source today can hope to have truly broad-spectrum appeal, as consumers of every persuasion can find a product tailored to their own worldviews. That reinforces viewers' trust in the source or encourages them to sample other products that give them the mix they want. There's never been a better time for someone who likes to read broadly—or someone who wants to live in a bubble.

It's difficult not to grant a special role to Donald Trump, though doing so mostly requires stepping away from economic theory and into the realm of punditry. Mr. Trump's populist, often crude, brand of politics is uniquely distasteful to the educated liberals who work in journalism. Yet that style also turned out to be lucrative thanks to the constant flow of controversial comments. As a Washington Post headline noted after Mr. Trump left the White House in 2021: "Trump predicted news ratings would 'tank if I'm not there.' He wasn't wrong."

This combination of vulgarity and profitability proved potent, especially when mixed with journalists' natural desire to see themselves as heroes bringing down corrupt politicians. Mainstream outlets, especially those with flagging popularity, leaned into Trump coverage. They did so, however, with outrage rather than objective reporting, which attracted more liberal viewers.

With several papers declining to make presidential endorsements this year, one hopes there's a future for unifying, objective sources of news. My hunch is that it will get worse before it gets better. I am skeptical that there is enough demand for objectivity and believe there are powerful economic forces pushing media outlets to give audiences the red meat they desire. If we truly want less-biased media, we need to stop consuming the unhealthy options on offer. The market will give us what we want.

Mr. Fryer, a Journal contributor, is a professor of economics at Harvard, a founder of Equal Opportunity Ventures and a senior fellow at the Manhattan Institute.

Debanking and the Return of Operation Choke Point



LIFE SCIENCE
By Allysa Finley

Venture capitalist Marc Andreessen made waves last month when he told podcaster Joe Rogan he's aware of 30 tech entrepreneurs who have been "debanked in the last four years." Andrew Torba, founder of the right-wing social network Gab, tweeted a cancellation notice from his bank.

Others followed with their own debanking stories. Melania Trump wrote in her recent memoir that a bank with which she had a long-standing financial relationship canceled her account without explanation in 2021 and denied an application by her son, Barron.

Don't blame the banks, which are merely acting under government pressure. The Bank Policy Institute last week shared a primer on the "secret enforcement regime" by which a bank examiner's "mandate that a bank designate a client as 'high risk' generally forces the bank to close the account." Here's how it works.

The Bank Secrecy Act requires banks to build profiles on customers, monitor their activity, and file Suspicious Activity Reports, or SARs, with the Treasury Department's Financial Crimes Enforcement Network if they suspect illicit activity. Such "know your customer" rules are intended to prevent money laundering.

Banks have a strong incentive to file reports if there's any unusual transaction, given that inadvertent lapses can result in sanctions, including heavy fines. Last year banks filed 4.6 million SARs. Compiling these reports is a nuisance and rarely exposes illicit activity since criminals tend to circumvent the banking system, where they know their activity will be monitored.

The overbreadth in bank reporting is a plus for the government, since it gives the Federal Bureau of Investigation a trove of reports to scour without a warrant. The more info it has on more bank customers, the better, even if most haven't committed a crime. Regulators prohibit banks from notifying customers if they have filed a SAR.

"Once multiple SARs have been filed, examiners generally expect the account to be closed," the Bank Pol-

icy Institute explains. Examiners may also covertly require banks to designate certain accounts as "high risk." Such designations impose hefty compliance burdens that effectively force banks to close accounts. The group adds that "failing to close an account or terminate a customer

Don't blame the banks for canceling accounts. They are acting under pressure from federal regulators.

relationship with high illicit finance risk, even only with the benefit of hindsight, has led to penalties of hundreds of millions or even billions of dollars against banks."

This is how the Obama administration cut off banking access to politically disfavored businesses such as firearm dealers, payday lenders and pawn shops in its Operation Choke Point. The Justice Department and Federal Deposit Insurance Corp. between 2013 and 2017 identified certain industries as high-risk and then pressured banks

to terminate their accounts.

After House Republicans began investigating the debanking scheme, Chairman Martin Gruenberg claimed the FDIC was merely concerned with "the proper management of the banks' relationships with their customers, particularly those engaged in higher-risk activities, and not underlying activities that are permissible under state and federal law."

That was untrue, and Mr. Gruenberg seems to be at it again. Recent supervisory letters obtained by crypto exchange Coinbase via Freedom of Information Act requests suggest that the FDIC has used a pressure campaign to debank crypto. The Blockchain Association, a crypto trade group, says it has identified "more than 30 concrete cases of denominated applications or debanking" owing to their "involvement in the digital asset industry."

Signature Bank was an anomaly in welcoming crypto deposits until regulators squeezed it. During the regional bank turmoil in the spring of 2023, noncrypto Signature depositors ran for the hills, worried that regulators would shut it down to debank crypto businesses. That's essentially what happened, according

to former Democratic Rep. Barney Frank, who co-authored the 2010 Dodd-Frank Act.

Mr. Frank, a Signature board member, alleged that the FDIC seized Signature "to send a message to get people away from crypto." New York Community Bancorp's Flagstar Bank subsequently assumed all of Signature's cash deposits except for those of crypto companies, some of which had to set up accounts offshore. How does this help prevent money laundering?

While this helps explain the debanking of crypto companies, why did Mrs. Trump and others get canceled? Clues lie in a House Judiciary Committee report released this month, which details how FBI officials suggested banks file SARs on "suspicious" people so the bureau could have more financial data to investigate the Jan. 6 Capitol riot.

When government makes a suggestion, it's an order. As a result, banks may have felt compelled to close accounts—without being able to inform customers of their reason for doing so. All the while, the mainstream media obsessed about Mr. Trump's supposed danger to democracy.

Businesses Get a Reprieve From a Draconian Law

By Caleb Kruckenberg
And Andrew M. Grossman

Christmas came early for small business this year, courtesy of a Texas federal court. Judge Amos Mazzant, an appointee of President Barack Obama, blocked the Jan. 1 rollout of a new federal reporting mandate known as the Corporate Transparency Act, weeks before it was set to hit tens of millions of businesses and associations. But like the Grinch skulking down from Mount Crumpit, the Biden administration has returned to the courts aiming to snatch back the injunction—no doubt fearful that the Trump administration will keep the mandate on hold.

The CTA affects business entities like corporations and limited-liability

companies. State law has always governed corporate registration and record-keeping. The CTA upends states' primacy with a federal reporting requirement far beyond what any state has ever imposed. Covered entities must file reports with the Financial Crimes Enforcement Network, or FinCEN, disclosing their "beneficial owners" and a raft of personal information about each of them: full legal name, date of birth, current address, and a copy of a current passport or driver's license. Making matters worse, the statute's convoluted definition of "beneficial owner" ropes in anyone who "indirectly . . . exercises substantial control" over an entity or "receives substantial economic benefits" from it.

The burdens are staggering, even by the government's accounting. Fin-

CEN projects that more than 32 million entities would have to file reports in the first year, with an additional five million in each subsequent year. Compliance costs in the first year alone will be about \$22.7 billion, FinCEN estimates. The utter chaos in the run-up to the Jan. 1 filing deadline suggests the real costs may be far higher, as every contractor, gasoline station and homeowners' association discovered it needed to hire professionals to identify its "beneficial owners" and get the details right. As FinCEN helpfully notes, violations of the reporting requirement may incur civil penalties of up to \$591 a day and even criminal penalties.

It is a fluke that the CTA became law. The proposal advanced only when supporters managed to sneak it into a must-pass budget bill enacted over then-President Trump's veto in 2021. It was touted as an anti-money-laundering measure, but its reporting mandate may set a new low in effectiveness for a field already infamous as the world's least effective policy experiment. Overall, anti-money-laundering compliance costs outweigh intercepted funds by 1,000 to 1, according to economist Ronald Pol. Whereas other measures attempt to target malefactors by homing in on red flags, the CTA sweeps in everyone—except major industries like finance that lobbied for exemptions.

The CTA is also bad law because it has no grounding in the limited powers granted to the federal government by the Constitution. That is the primary claim in the lawsuit

challenging the CTA, brought by the Center for Individual Rights on behalf of a coalition of small businesses, a state political party, and the National Federation of Independent Business, with its 300,000 members.

The government's defense of the CTA comes down to Congress's power to "regulate Commerce . . . among the several States," which the courts have construed, in conjunction with the Necessary and Proper

Complying with the Corporate Transparency Act would hit millions of entities—and cost billions.

Clause, to authorize federal regulation of activities that, in the aggregate, substantially affect interstate commerce. At first glance that may seem plausible. But the CTA doesn't regulate any kind of business activity. Its object is, by the government's telling, a business entity's "anonymous existence" caused by its failure to report its beneficial owners, which in turn "affects interstate commerce."

So is mere "existence" commerce? The question should sound familiar because it is the same one the Supreme Court confronted concerning ObamaCare's health-insurance mandate in *NFIB v. Sebelius* (2012). The court famously held that the "power to regulate commerce presupposes the existence of commercial activity

to be regulated" and doesn't include "the power to create it," such as by compelling individuals "to be become active in commerce by purchasing a product," as the insurance mandate did.

That principle, Judge Mazzant concluded, dooms the CTA. Mere existence as a corporation "is akin to a person simply being alive in their natural state, indistinguishable from an individual choosing to refrain from purchasing health insurance. That is not an activity." To hold otherwise "would be to rubber-stamp a new form of federal power," one that "threatens the very fabric of our system of federalism." He enjoined the CTA's reporting mandate on all filers, based on the extent of the constitutional violation and the breadth of NFIB's nationwide membership.

Yet the Jan. 1 filing deadline remains a threat. The government has asked the Fifth Circuit Court of Appeals to put the injunction on hold. The government doesn't dispute that reinstating the filing deadline for this unconstitutional mandate on such short notice would lead to chaos.

The Fifth Circuit's response could come soon and may preview its eventual ruling on the merits that could set the stage for Supreme Court review—and a possible triumph for liberty.

Mr. Kruckenberg is the litigation director of the Center for Individual Rights and lead counsel in the CTA challenge. Mr. Grossman practices appellate and constitutional law in Washington.

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Richard N. Merkin (left), F. William Studier (right)

Celebrating A Hero Of Science

Congratulations to
F. William Studier,
recipient of the 2024
Richard N. Merkin
Prize in Biomedical
Technology

We honor the innovative technology developed by Dr. Studier and used by laboratories all over the world.

His revolutionary protein and RNA mass-production platform powers the creation of therapeutics, diagnostics, and vaccines — including the COVID-19 mRNA vaccines that have extended millions of lives. This breakthrough was developed at Brookhaven National Laboratory and funded by the US Department of Energy.

“ By shining a light on trailblazers making a difference through engineering, technology, and across the life sciences, we hope to inspire scientists all over the world to improve healthcare for all. Bill Studier is the type of bold innovator the world needs to move the needle on human health.”

— Richard N. Merkin, MD,
Founder and CEO,
Heritage Provider Network

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in Biomedical Technology

The Richard N. Merkin Prize in Biomedical Technology recognizes pathbreaking technologies that are improving human health through treatment, diagnosis, or prevention of disease.

Founded by pioneering value based healthcare executive Richard N. Merkin and administered by the nonprofit Broad Institute of MIT and Harvard, the prize comes with a \$400,000 award for the researchers who, by pioneering a transformative technology, have made a profound impact on medicine.



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BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

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Legacy News Chases TikTok Users

Some big brands have been slow to join the app but now experiment with it

By ISABELLA SIMONETTI

Fox News chief foreign correspondent Trey Yingst has his routine down when reporting from Tel Aviv, Kyiv or Beirut: He clears his throat, looks into the camera and records a segment for the news network. Then he reaches for his phone and records another for TikTok.

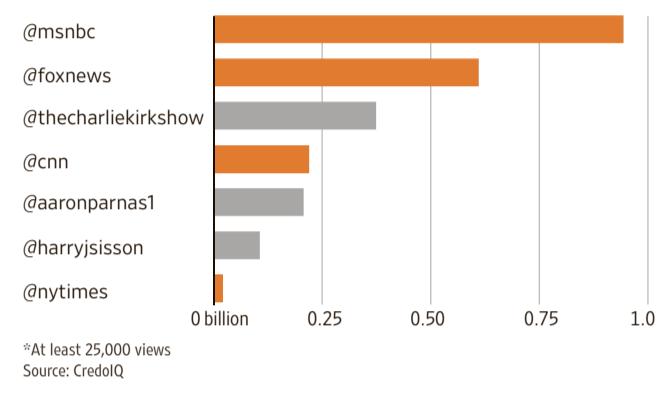
"By using social media, I'm able to connect with a younger audience that may not traditionally be watching cable news and get them interested

in the stories that we're telling," said Yingst, who is 31.

Fox's TV audience has a median age of 69. Yingst is mainly targeting those viewers' children and grandchildren with his short selfie-style videos. He has more than 852,000 TikTok followers, nearly half as many as the cable network's account.

Legacy media companies are facing a tough reality: 39% of adults under 30 say they regularly get their news on TikTok, according to a Pew Research Center analysis. Some of the biggest news outlets are trying to follow this audience onto the platform—and other social-media spots with large young followings—but can struggle to gain traction through their main

Viewers on viral political posts* in October and November, select TikTok accounts



branded accounts. TikTok users are drawn to engaging individuals, regardless of who employs them, or even whether they work for a news organization.

In October and November, 88 of the top 150 political TikTok accounts in the U.S. were content creators, according to

data from CredibleQ, a social-media research firm. Fifty-one were publishers like the New York Times, MSNBC, Fox and CNN, while the rest were associated with candidates or political parties.

Fox News joined TikTok in June and is tapping talent like Yingst, "Fox & Friends" co-host Ainsley Earhardt and senior White House correspondent Peter Doocy to reach young people there.

One clip of Doocy asking the White House press secretary Karine Jean-Pierre to assess how awkward things were between Joe Biden and Kamala Harris after the vice president's election loss garnered 2.4 million views.

Fox News parent Fox Corp. Please turn to page B2

Bitcoin Rally Tests Some Big Onetime Skeptics

By VICKY GE HUANG

Bitcoin took some 15 years from creation to eclipse \$100,000. Along the way, the digital currency experienced feverish rallies and spectacular crashes. Today, it is newly ascendant in Washington and a \$2 trillion asset. Yet some of Wall Street's biggest luminaries still aren't convinced of its value.

The world's largest cryptocurrency has been buoyed by hopes that the digital-assets industry will bloom under a second Donald Trump administration. Investor enthusiasm over a coming crypto renaissance has lifted other tokens, too, pushing the market cap of all cryptocurrencies toward \$4 trillion.

With prices rising and crypto companies flush with cash, some of the biggest banks and asset managers on Wall Street are trying to capitalize on the resurgence. Others continue to shun what they see as a speculative bubble. Here is how the views of some of the world's biggest investors have evolved over time:

Jamie Dimon

The **JPMorgan Chase** chief executive has never been a fan of bitcoin. In 2017, he famously called the token a fraud and said he would fire any JPMorgan employee found trading bitcoin for the bank. In congressional hearings, he referred to crypto tokens as "decentralized Ponzi schemes" and suggested the government should "close it down."

Dimon has maintained his personal skepticism of bitcoin even while the bank became a pioneer in adopting blockchain technology and agreed to facilitate trading in some of the exchange-traded funds that hold bitcoin.

More recently, Dimon said bitcoin is a useless "pet rock."

Larry Fink

The chief executive of BlackRock was once a proud skeptic of bitcoin, calling it "an index of money laundering" back in 2017 and later rebuffing cryptocurrencies as

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MSNBC, CNN Struggle in Election's Wake

By ISABELLA SIMONETTI

Cable-news loyalists have grown a lot less loyal—to MSNBC and CNN, at least.

While viewers are flocking to Fox News in the wake of Donald Trump's election win last month, ratings for MSNBC and CNN have tumbled. The declines are far worse than what happened the last time Trump won, in 2016.

MSNBC averaged 603,000 prime-time viewers from the day after the election through Dec. 8, down by more than half from the network's year-to-date average through the election, according to Nielsen data. CNN was down 46%, to 401,000 viewers. Meanwhile, Fox News was up 12%, averaging about 2.7 million viewers.

MSNBC and CNN both reported dips for the month following the 2016 election, but they weren't nearly as steep. CNN's drop was off a higher baseline.

Partisan viewers "turn away in disgust when it's the other side having that post-election euphoria," said Johanna Dunaway, a political-science professor and research director of the Syracuse University Institute for Democracy, Journalism and Citizenship.

Dunaway said Democrats and Republicans grow disenchanted with the media and society when their candidates lose.

After Joe Biden won in 2020, Fox News' prime-time viewership fell by 6%. Following Barack Obama's 2012 win against Mitt Romney, Fox News' prime-time viewership



Ratings for MSNBC and CNN have tumbled following Donald Trump's election victory, while Fox News viewership has surged.

was down 13%.

A ratings rebound is possible once Trump is inaugurated, if steps he takes rile up liberal viewers enough to bring them back in front of their TVs.

That happened in 2017, when this type of "resistance" viewing fueled ratings surge for MSNBC that lasted through Trump's first term, with the pandemic providing further tailwinds. Executives at MSNBC are confident there will be a repeat of that dynamic in January, according to people familiar with the matter.

Viewers will likely "start coming back when there is ac-

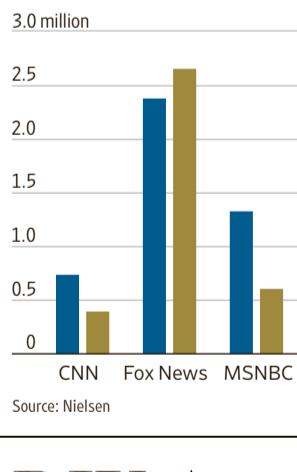
tion," said Christina Bellantoni, who runs the Media Center at the University of Southern California Annenberg School for Communication and Journalism.

The cable landscape has changed dramatically in the past eight years as Americans cut the cable-TV cord at an accelerated pace. Cable audiences as a whole have shrunk, but news channels remain very profitable for their parent companies.

MSNBC, which will anchor a new cable company that owner Comcast plans to spin off in 2025, had a solid year in the lead-up to the election. It

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Prime-time ratings before and since election day



MSNBC's quarterly viewership during Trump's first term



Everyday Stuff Gets Makeover Using AI

By ISABELLE BOUSQUETTE

Located on Sesame Street and filled with toys, the office of AI startup Viam, founded by tech veteran Eliot Horowitz, is nothing if not fun.

Visitors are greeted by an animatronic fluffy dog, a claw machine and a robotic arm that can pour you a glass of wine (well, water from a wine bottle)—all examples of Viam's aim to use software to command, control and monitor everyday stuff. And yes, it is literally on New York's Sesame Street—at 63rd Street and Broadway—named for the iconic kids show that Viam aims to build with.

"The challenge here is that the number is infinite," said Horowitz, co-founder and for-

mer chief technology officer of database company MongoDB, on the potential applications for Viam's technology.

Founded in 2020, Viam is built on the premise that anything can be made "smart," through the combination of its software platform, existing hardware and AI. This includes smart refrigerators, of course, but also smart bathroom lines and even smart pizza.

Many things in the physical world either generate some kind of data or are surrounded by something that does (like a security camera).

Viam provides a platform to bring that data to the cloud, where it can be analyzed for insights—and some-



BUSINESS & FINANCE

Manufacturers are stocking up amid tariff fears. B10

HEARD ON THE STREET

Tinder's tough love should serve Match well. B10

INSIDE

DIY Approach to Solar Power Catches On With Homeowners

By H. CLAIRE BROWN

Fed up with high price quotes from solar companies, some homeowners are DIYing their transition to solar power. That can include buying their own components and, in some cases, even working as a one-person importer, ordering panels and other equipment from China and greeting the shipments at U.S. ports.

After soliciting quotes from solar companies for a panel system at his upstate New York home, Nachshon Peleg grew frustrated with prices he thought were too high. That is how he found himself renting a 20-foot U-Haul truck and driving to a port in Elizabeth, N.J., to receive a 5,500-pound

shipment of solar-panel trackers directly from a seller in China.

The equipment had been loaded into a shipping container, hauled across the ocean and unloaded into a warehouse by a logistics company. After completing some customs paperwork including tariff payments, Peleg waited while a forklift loaded the trackers—which move to orient solar panels toward the sun—onto his truck, then drove them the last hundred-plus miles to his home.

"They stick the container in the back of your truck, and off you go—that's it. That's the process," Peleg said.

A few weeks later, when his solar panels arrived from another manufacturer based in China, Peleg opted to pay for home delivery. When they were delivered to his driveway, the tall wooden crate weighed 2,298 pounds, just 2 pounds shy of his tractor's 2,300-pound capacity. He plans to do the installation himself.

A recent study by financial advisory firm Lazard found that rooftop residential solar power is more expensive than any other renewable energy source in the U.S., as measured by the Levelized Cost of Energy, a common means of comparing costs of various energy sources. At the high end, rooftop solar can be even more expensive than nuclear power when measured per unit of electricity.

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MSNBC, CNN Fight For Ratings

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had nabbed the No. 2 spot in the ratings from CNN. MSNBC also beat CNN on election night for the first time, garnering 6 million prime-time viewers. Fox News has consistently been the ratings winner.

Fox News parent **Fox Corp.** and Wall Street Journal parent **News Corp.** share common ownership.

In recent years, CNN has made efforts to bring more pro-Trump Republicans on-air. In contrast, MSNBC has leaned into its left-leaning personalities to drive much of its ratings success.

Kash Patel, Trump's pick for FBI director, has threatened the media, while repeating the president-elect's false claims about the 2020 election.

In an interview last year on Steve Bannon's podcast, he said, "We're going to come after the people in the media who lied about American citizens who helped President Biden rig presidential elections."

Last month, "Morning Joe" co-hosts Joe Scarborough and Mika Brzezinski shocked viewers when the duo shared that

they had met with Trump at Mar-a-Lago as part of an effort to "do something different." Their admission frustrated pundits on both sides of the political aisle.

MSNBC is bringing in some fresh voices after the election. The network recently announced that NBC News correspondent Ali Vitali will take over as anchor of "Way Too Early," the 5 a.m. lead-in to "Morning Joe." Jonathan Lemire, the current host of the program, is becoming a co-host of the 9 a.m. hour of "Morning Joe."

Some on-air personalities in MSNBC's lineup, including Alex Wagner, Chris Hayes and Lawrence O'Donnell, have their contracts coming up next year.

CNN recently elevated prime-time host Kaitlan Collins to chief White House correspondent, a job that she is doing in conjunction with her 9 p.m. show, "The Source."

CNN declined to comment on its plan to win back TV viewers but noted it has a strong digital footprint.

As the networks look to draw viewers back, alternative media sources such as podcasts have gained traction with politically inclined audiences.

"There's a lot of market opportunities" for others to elbow in, said Daniel Kreiss, a professor of political communication at the University of North Carolina at Chapel Hill.

'Kraven' Climbs the Box-Office Chart



Aaron Taylor-Johnson stars in 'Kraven the Hunter.'

Estimated Box-Office Figures, Through Sunday

Film	Distributor	Weekend*	Cumulative	% Change
1. Moana 2	Disney	\$26.6	\$337.5	-48
2. Wicked	Universal	\$22.5	\$359	-38
3. Kraven the Hunter	Sony	\$11	\$11	--
4. Gladiator II	Paramount	\$7.8	\$145.9	-38
Lord of the Rings: 5. The War of the Rohirrim	Warner Bros.	\$4.6	\$4.6	--

*Friday, Saturday and Sunday in North American theaters

Legacy News Joins TikTok

Continued from page B1
and The Wall Street Journal's parent company, **News Corp.**, share common ownership.

Media companies are making bets on TikTok at a time when the future of the platform itself is in question. A federal appeals court earlier this month said Congress has the power to shut down the Chinese-backed app, though that decision is likely to be appealed.

The platform doesn't generate much ad revenue for publishers or news networks, but executives say it is worth investing in as a longer-term play. Even if young adults aren't signing up for TV packages or news services now, the companies believe they can cultivate them as future customers by engaging on TikTok.

"When the kids have good jobs or they want deeper information, then a subscription to The Wall Street Journal is just a click away," said Freddy Tran Nager, associate director of the digital social media master's degree program at the University of Southern California.

NBCUniversal's brands lean into personalities like NBC News national political correspondent Steve Kornacki, and "Today" co-hosts Hoda Kotb and Jenna Bush Hager, who have gained a following for lighthearted celebrity interviews. An NBC News TikTok of Kornacki breaking down why Donald Trump won in Wisconsin while the state elected a Democrat as senator garnered 1.2 million views.

"If you want to reach young people, you don't have to be a version of Joe Rogan," said

BUSINESS & FINANCE



Trey Yingst of Fox News said he is able to connect with a younger audience through use of social media like TikTok.



2019.
Jorgenson recently played both the Post's editorial board (wearing a polo shirt, seated at a computer) and owner Jeff Bezos (button-down shirt, loose necktie) for a clip riffing on the owner's controversial decision not to run an endorsement in the presidential election.

Jorgenson pulled language from the Washington Post article on the matter, explaining why billionaires like Bezos might be concerned about retribution from Trump.

"I know exactly where the line is as far as humor goes," he said. "I really try to go up to it without going over it."

At the New York Times, recent TikTok posts include clips about the renovated Notre-Dame Cathedral in Paris, a fashion editor discussing the most stylish people of 2024 and part of Bezos' interview at the DealBook Summit.

"The strategy is, be ourselves but in all the places that we want to reach people and not bend over backward to make things that only work for a particular platform," said Anna Dubenko, the Times's director of audience.

Dubenko said the Times doesn't explicitly encourage or train reporters to share their work on the platform.

The Journal said it is working to engage younger audiences across platforms, including on TikTok. Its videos mainly feature reporters breaking down their stories on topics ranging from Trump's plans to remake the education system to the declining value of credit-card points.

Nager, from USC, said he likes to see individuals highlighted in the posts.

"You can't just repurpose content from, say, your newspaper website and just bring it over to TikTok and hope it'll have the same impact," he said. "I would say that all these news organizations need to add a face to the brand."



Emerson Gomes ordered his solar panels from China. They were delivered to his Austin, Texas, home on an 18-wheel truck.

DIY Ethos Catches On In Solar

Continued from page B1

Nationally, residential solar installations declined by 26% in 2024, according to research from energy analyst Wood Mackenzie. It attributed the downturn to customer uncertainty and higher interest rates, among other factors.

Emerson Gomes, a systems engineer in Texas, experienced sticker shock firsthand when he solicited quotes from ten different companies for a rooftop solar installation earlier this year. The estimates ranged from \$55,000 to \$90,000.

"I decided to do some investigating because I had my parents living abroad, and they had solar installed at a fraction of the price," he said.

After some research, he found some promising prices on the e-commerce platform Alibaba. He began messaging with sellers, trying to find someone willing to handle shipping and customs issues like tariffs.

Eventually, he found a seller based in China who had

access to a warehouse in the U.S. The seller shipped a container full of pallets to the warehouse, and the panels arrived at his home in Austin, Texas, on an 18-wheel truck. He shared a picture of the shrink-wrapped pallet and said the panels arrived in "pristine" condition.

Finding an installer willing to work with him was another matter. "The moment you say, hey, I have my own equipment, they hang up on you and that's it," Gomes recalled.

He eventually connected with Jeremie Branton, a local installer who was willing to help out. In mid-October, Gomes was waiting on a final inspection so he could connect his setup to the grid.

Gomes estimates the DIY approach dramatically shrunk the amount of time it would take for the solar system to pay for itself. According to his calculations, he will recoup his costs in energy savings in five to six years. Had he gone with the quotes he received from installers, it would have taken 10 or 11.

Branton, the installer who worked with Gomes, says about 20% to 30% of the prospective customers who reach out to him have purchased or thought about purchasing their own equipment.

But equipment costs aren't the only reason solar installa-

tions can seem overpriced. According to the Energy Department, about 65% of the cost of going solar lies in "soft costs," which include labor, taxes and overhead. The DOE estimates that nearly 20% of the sticker price of solar is eaten up by sales and marketing.

The real hidden costs, Branton says, come from financing companies that partner with solar installers to offer loans.

"These finance companies charge solar companies 30% to write the loan. As a contractor selling solar, you're not supposed to give the customer a break if they pay cash—you're not even supposed to tell them what you're being charged to offer these financing options," Branton said.

The end result, he added, is that installers offer quotes that include hidden markups for financing costs, regardless of whether the customer is able to pay cash. Minnesota Attorney General Keith Ellison recently sued four solar lending companies for deceptive lending practices that allegedly inflated costs by 15% to 30%. The Consumer Financial Protection Bureau also has issued a consumer advisory about "costly and complex loans" for solar energy installations.

Meanwhile, for those who can avoid some of the soft costs, the savings can add up.

Yujun Zhang purchased much of his own equipment on Facebook Marketplace. After researching prices, he was able to buy much of his equipment from a distributor going out of business.

Zhang called in professional installation help after crawling up to his roof twice. "I can't even stand on the roof-top," he said.

All in, he spent \$21,000 on a solar system that included a Tesla car charger and a battery. Based on the quotes he solicited, he estimates he saved at least \$10,000 on the project.

Before installing solar, Zhang said his monthly electricity bills averaged close to \$300 in the summer.

After the project was complete, his costs fell from about \$50 per week to \$10 or \$20.

BUSINESS NEWS

Suitor Nears Vera Wang Acquisition

By LAUREN THOMAS

WHP Global, a brand-management firm, is nearing a deal to purchase the iconic wedding-dress brand Vera Wang, people familiar with the matter said.

A deal was expected to be announced Monday morning, the people said. The exact terms being discussed couldn't be learned.

The Vera Wang brand brings in more than \$700 million in annual retail sales, the people added.

New York-based WHP has gobbled up more than a dozen consumer brands, often out of bankruptcy, to build a portfolio that generates more than \$7 billion in retail sales annually, according to the company's website.

It recently struck a deal for the apparel maker Rag & Bone. Other brands in its portfolio include Bonobos, Toys "R" Us, Express, G-Star Raw, Joe's and Anne Klein.

The brand-management firm was co-founded in 2019 by Yehuda Shmidman, with the help of funds managed by **Oaktree Capital Management**. The firm's other back-



Vera Wang shifted her focus to the bridal industry when she opened her first shop in 1990.

ers include **Ares Management** and **BlackRock**. The business was valued at \$1.6 billion in March 2023.

Vera Wang herself is a native New Yorker who spent her career in fashion before shifting her focus to the bridal industry when she opened her first shop in 1990.

A decade later, she launched a ready-to-wear collection, expanding the brand beyond wedding gowns. The

brand also makes fragrances, home goods, tuxedos and jewelry, among other items.

Wang is expected to continue in her role as the

brand's chief creative officer and will join WHP's capital structure as a shareholder, the people familiar with the matter said.

Costco Profit Rises After Fee Increase

By KATHERINE HAMILTON

Costco Wholesale posted higher sales in its latest quarter, where it saw a split customer base willing to pay the highest and lowest prices.

Executives at the warehouse-club chain said that customers are starting to spend slightly more as inflation comes down, but many are gravitating toward the higher and lower price extremes. Among meat sales, for instance, it logged the largest increases in high-end cuts and cheaper, by-the-pound meats.

"We're focusing on the lower-priced protein while we're also focusing on the Wagyu," Chief Executive Ron Vachris said on the company's earnings call.

Costco also gained market share in gold and jewelry, gift cards, furniture and hardware. Those categories grew in the double digits, and were favorites for holiday gift buyers, Vachris said.

The company on Thursday reported a 7.5% increase in sales for its fiscal first quarter ended Nov. 24. Revenue from membership fees rose nearly 8% while e-commerce sales climbed 13%, the retailer said.

Those top-line results helped the retailer turn in results ahead of Wall Street expectations.

The retailer's executives said customers are spending slightly more.



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Lonza Sets Plans To Exit Capsules Unit

By ANDREA FIGUERAS

Lonza said it will focus on its core business including drug development, and plans restructuring and a divestment to boost growth.

As part of the review, the Swiss life-science company said it will exit the capsules and health-ingredients business and outline its next steps in the coming year.

It will keep its CDMO division, which provides drug development and manufacturing to other pharmaceutical companies, but simplify its setup. The new structure is set to be operational from the second quarter of next year, it said Thursday.

The exit from the capsules business will remove a drag on growth and strengthen the balance sheet, RBC Capital Markets analyst Charles Weston said in a research note. It also will provide firepower for a more dynamic mergers-and-acquisitions strategy, he said. The reorganization shows that new Chief Executive Wolfgang Wienand is stamping his mark on the group, Weston said.

Boston-Based Banks In Talks to Combine

By GINA HEEB

Boston-based regional bank companies **Berkshire Hills Bancorp** and **Brookline Bancorp** are in talks to combine, according to people familiar with the matter.

The deal would merge the two banks, which each have about \$12 billion in assets, and could be announced as soon as this week, assuming talks don't fall apart.

Berkshire Hills had a market value of around \$1.3 billion as of Friday's close, while Brookline's was about \$1.1 billion.

Berkshire has more than 80 branches through New England and New York. Brookline operates several banks throughout the Northeast, each with between a dozen and roughly two dozen

branches: Brookline Bank in Boston; BankRI in Providence, R.I.; and PCSB Bank in the lower Hudson Valley in New York.

Both banks have exposure to commercial real-estate loans, which have come under pressure.

More regional banks—especially midsize and small institutions that don't enjoy the scale and diversity of megabanks—have started to consider whether to partner to address commercial real estate, technology and other challenges.

Over 100 bank deals with an aggregate value of more than \$14 billion have been announced so far this year, according to S&P Global Market Intelligence data. That compares with \$4 billion of transactions announced last year.

Affirm Is Planning a Private-Credit Deal

Buy-now-pay-later company will sell up to \$4 billion of its loans to Sixth Street

By KRISTIN BROUGHTON

Affirm is tapping into increasing demand from private credit firms for its buy-now-pay later loans.

San Francisco-based Affirm on Friday said it entered into an agreement to sell up to \$4 billion of its loans to **Sixth Street**, a private credit firm, over three years. The transaction is the largest capital commitment secured by Affirm to date.

Affirm makes short-term loans that consumers typically take out when they pay for

items online. Gross merchandise volume—a metric showing the value of transactions on Affirm's platform—rose 35% in the quarter ended Sept. 30 from a year earlier, to \$7.6 billion.

The company funds its business through a mix of whole-loan sales, asset-backed securities and warehouse funding, in which Affirm borrows against its consumer-loan balances. It had \$16.8 billion in total funding capacity as of Sept. 30, up from \$13.1 billion a year earlier. Affirm will sell loans to Sixth Street through a joint venture.

Affirm's chief operating officer, Michael Linford, and chief capital officer, Brooke Major-Reid, discussed the new partnership with The Wall Street Journal. Here are edited ex-

cerpts from the conversation.

WSJ: Why is this deal significant for Affirm?

LINFORD: We really wanted to make sure we're going out and taking advantage of what we consider to be a pretty important megatrend in the funding set of our business, which is the trends around private credit.

WSJ: How did it come together?

MAJOR-REID: We want to be ahead of the game and diversify our funding mix so that we can lean into the growth. So there was a process by which we evaluated the landscape and said, you know, this is a great opportunity. We're pressing the advantage. It was a long process. We

had a lot of very solid, marquee folks that we were engaging in the process. In the end, Sixth Street proposed something that was mutually beneficial and compelling. We had the benefit of selecting a partner that checked a number of boxes for us in terms of depth, stability and the ability to do something multiyear that we could scale over time. We like the fact that it's a long-term capital collaborative approach.

WSJ: Can you say more about what makes this deal mutually beneficial?

LINFORD: We can't get into the terms of the deal, of course. Both parties are looking for quality. They're looking for durability. They're looking for stability—these kinds of con-

cepts. And when we talk about mutually beneficial, that's what we mean. It's not a statement about price; it's a statement about them getting access to high-quality assets, and us getting access to high-quality durable capital.

WSJ: Is this deal a sign that you're leaning into loan sales more than other sources of funding?

LINFORD: At our investor forum last year, we talked about scaling the business to \$50 billion of GMV. To do that, we would need somewhere between \$25 billion and \$30 billion in capacity, depending on what utilization you want to run at. And this is a really important and critical step.

I would characterize this as

just one of many efforts our capital team has been working on. We will continue to be regular issuers in the ABS market. We will continue to scale our normal, bilateral forward-flow relationships. This is just a really important and nice first step. But frankly, I wouldn't expect this one to be the last. I would expect these kinds of deals to continue.

WSJ: Is this the first of other private credit deals to come?

LINFORD: We're not talking to anyone else right now, but yeah, I would anticipate us to continue to want to source world-class investors into our capital ecosystem. And this is the kind of deal that makes sense to leverage these mega-trends behind our category.

Bitcoin Rally Tests Skeptics

Continued from page B1
something his clients weren't looking to buy.

These days, Fink, whose company runs the world's largest bitcoin fund, says he changed his opinion after studying the digital currency. He says bitcoin is a legitimate asset that produces returns uncorrelated to traditional assets and hedges against currency debasement and political instability.

Ken Griffin

The chief of hedge-fund giant **Citadel** has cautioned against what he saw as the speculative bubble in bitcoin over the years. Like many critics, the billionaire has compared it with the tulip-bulb mania of the 17th century. His most fiery comment, though, came in 2021 when token prices surged.



Left to right: JPMorgan Chase's Jamie Dimon; BlackRock's Larry Fink; Citadel's Ken Griffin; Berkshire Hathaway's Warren Buffett; and Bridgewater's Ray Dalio.

"I wish all this passion and energy that went into crypto was aimed at making the United States stronger," Griffin said at a public appearance in Chicago in October 2021. "Let's face it, it's a jihadist call that we don't believe in the dollar."

Griffin now calls his prior judgment of bitcoin "a mistake," but says he still questions the economic utility of the virtual currency.

"Of course, I wish I bought something that trades at 100 times the price it traded at a few years ago," he said at the recent New York Times Deal-

Book summit.

Warren Buffett

The chairman and CEO of Berkshire Hathaway has been a longstanding critic of bitcoin. One of his most scathing comments about the cryptocurrency came during Berkshire's 2018 annual meeting, when he described bitcoin as "probably rat poison squared."

Buffett then said he wouldn't take all the bitcoin in the world for \$25.

The billionaire investor didn't mention bitcoin at Berkshire's shareholder meet-

ing in May.

He said in emailed comments this month that he is saving any discussion for Berkshire's next meeting when shareholders will get the chance to ask him whatever they wish.

The magnate reaffirmed his critical stance on bitcoin in an interview with CNBC in April 2023, attributing the long-lasting crypto craze to Americans' strong gambling instincts.

Ray Dalio

The founder of **Bridgewa-**

ter Associates dismissed bitcoin as "a speculative bubble" in 2017. But the hedge-fund manager has become more bullish on the digital currency over the years.

In 2021, he called bitcoin "one hell of an invention" and an "alternative gold-like asset" in an essay.

Dalio, who has disclosed that he owns some bitcoin and ether, also voiced his concerns about the long-term demand for bitcoin and a potential government crackdown on the cryptocurrency.

"When I a) put myself in the shoes of government offi-

cials, b) see their actions, and c) hear what they say, it is hard for me to imagine that they would allow bitcoin (or gold) to be an obviously better choice than the money and credit that they are producing," Dalio wrote in 2021.

"I suspect that bitcoin's biggest risk is being successful, because if it's successful, the government will try to kill it and they have a lot of power to succeed."

Most recently, the billionaire warned about the rising debt load of global central banks and suggested investors look to gold and bitcoin.

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BUSINESS & FINANCE

Manufacturers Stock Up Amid Tariff Fears

By PAUL BERGER

U.S. manufacturers are stockpiling imported parts and raw materials in anticipation of President-elect Donald Trump imposing new tariffs next year.

Buying activity among North American manufacturers, measured in a survey of 27,000 businesses worldwide by GEP and S&P Market Intelligence, in November hit its highest level in more than a year.

U.S. industrial manufacturers and consumer-packaged-goods companies are buying up critical parts and raw materials, such as emulsifiers and flavor enhancers, driving up demand, according to GEP, a supply-chain software company that gathers the data.

"We are seeing a massive pull forward," said Inna Kuznetsova, chief executive of ToolsGroup, a supply-chain planning and optimization company. "We are seeing much more demand for the software that allows people to run scenarios both for the short term and for the long term to assess what they can do."

U.S. businesses are giving priority to the purchase of their most critical components before tariffs hit, said John Piatek, a vice president of consulting at GEP who works with global manufacturing, consumer-goods and biotechnology companies.

Piatek said manufacturers' main concern is that if they wait, competitors will secure the items at lower cost and the companies will be forced to raise prices before competitors do.

"They are acting now to secure critical items," she said, and "taking a wait-and-see approach for the rest."

Trump has vowed to impose new rounds of tariffs soon after taking office on Jan. 20.

He has suggested tariffs of 25% on all imports from Mexico and Canada, and tariffs of up to 60% or more on certain



DANIEL LOZADA FOR WSJ

Buying activity among North American manufacturers has spiked ahead of possible tariffs the incoming presidential administration has pledged.

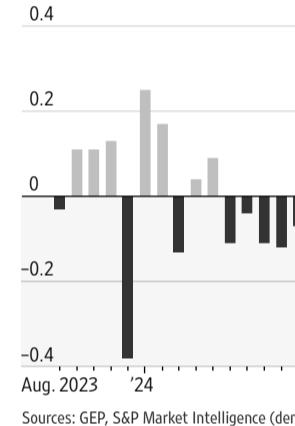
goods from China. GEP said its clients are focused on pulling forward China imports.

Mark Boone, owner of Markus Group, a Raleigh, N.C.-based contract manufacturer, is doubling his China orders of fiber-optic cable splitters used in the technology and telecommunications sectors.

"I'm just concerned that if I have to raise my costs by 60%, then my customers may go looking for some other manufacturer to do it," Boone said.

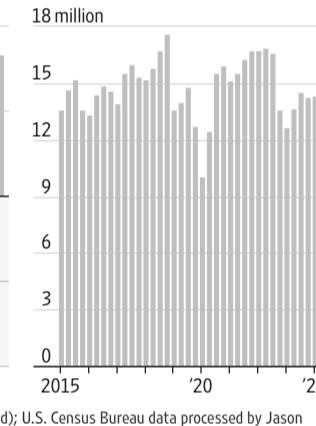
He said the orders should carry him for about four months, by which time he hopes Trump will have reduced or repealed the tariffs as part of a trade deal with China.

Index of monthly demand by North American manufacturers for raw materials and components



Sources: GEP, S&P Market Intelligence (demand); U.S. Census Bureau data processed by Jason Miller of Michigan State University

U.S. imports by sea from China in metric tons, quarterly



The Issues With Health Insurance Companies, Explained by Doctors



Scan this code to watch a video about the healthcare system in the U.S. After the shooting of UnitedHealthcare CEO Brian Thompson, physicians offer a somber look at frustrations with the system.

PRESTON JESSEE/ARIC CRABB/DIGITAL FIRST MEDIA/BAY AREA NEWS/GETTY IMAGES

LKQ Unit in Canada Targeted In November Cyber Incident

By SABALA OJEA

LKQ said one of its business units in Canada was the target of a cybersecurity incident in November involving unauthorized access to information-technology systems.

The auto-parts supplier on Friday said it is analyzing data affected by the incident and would be notifying any affected parties.

LKQ said operations of the business unit were adversely affected for a few weeks, but the company doesn't expect the cyber incident to have a material impact on its fiscal-year results.

In October, LKQ cut its full-year outlook and guided for a decline in organic revenue of 1.8% to 2.8%, as well as adjusted earnings of \$3.38 to \$3.52.



Broadcom Revenue Rises 41% on Momentum in Chip Business

By SABALA OJEA

Broadcom logged a jump in revenue in its fiscal fourth quarter driven mostly by its semiconductor business, and guided for further growth in the current quarter.

The Palo Alto, Calif., chip and software company on Thursday posted a net profit of \$4.32 billion, or 90 cents a share, compared with \$3.52 billion, or 83 cents a share, for the same period a year earlier.

Stripping out one-time items, the company's earnings per share came in at \$1.42. Analysts polled by FactSet had forecast adjusted earnings of \$1.39.

Revenue rose 41% to \$14.05 billion, missing the \$14.07 billion expected by Wall Street, according to FactSet. The company had most recently guided for quarterly revenue of about \$14 billion.

For its fiscal first quarter, Broadcom expects revenue of \$14.6 billion, up from a reported top-line performance of \$11.96 billion for the year-earlier period. Analysts forecast quarterly revenue of \$14.47 billion.

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MARKETS DIGEST

New to the Market

Public Offerings of Stock

IPOs in the U.S. Market

None expected this week

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date	Symbol	Offer price(\$)	Offer amt (\$ mil.)	Through Friday (%)	Lockup provision
Dec. 18	June 21, '24	Rectitude Holdings	RECT	5.00	10.0	18.0

Sources: LSEG Data and Analytics; Dow Jones Market Data

IPO Scorecard

Performance of IPOs, most-recent listed first

Company SYMBOL	IPO date/Offer price	% Chg From Friday's close(\$)	Offer price	1st-day close(\$)	% Chg From Friday's close(%)	Offer price	1st-day close(\$)	% Chg From Friday's close(%)
Anteris Tech Global AVR Dec.13/\$6.00	5.60	-6.7	...	12.21	205.3	122.4		
Mountain Lake Acquisition MLACU Dec.13/\$10.00	10.00	Brazil Potash GRO Nov.27/\$15.00	9.70	-35.3	-28.2	
NetClass Technology NTCL Dec.13/\$5.00	5.00	Brillia BRIA Nov.27/\$4.00	3.90	-2.5	-2.5	
Roman DBDR Acquisition II DRDB Dec.13/\$10.00	9.95	-0.5	...	Pony AI PONY Nov.27/\$13.00	13.04	0.3	8.7	
ServiceTitan TTAN Dec.12/\$7.100	100.00	40.8	-1.0	Venu Hldgs VENU Nov.27/\$10.00	9.35	-6.5	-7.6	
Jackson Acquisition II JACS.UUT Dec.10/\$10.00	10.04	0.4	0.2	Creative Global Technology Hldgs CGTL Nov.26/\$4.00	7.10	77.5	81.6	
Linkers Industries LNKs Dec.5/\$4.00	5.01	25.3	15.7	FACT II Acquisition FACTU Nov.26/\$10.00	9.96	-0.4	0.1	
Shepherd Ave Capital Acquisition SPHUA Dec.5/\$10.00	10.01	0.1	0.2	Wing Yip Food Hldgs WYHG Nov.26/\$4.00	4.49	12.3	5.9	
zSpace ZSPC Dec.5/\$5.00	11.33	126.6	-48.5	Ming Shing Grp Hldgs MSW Nov.22/\$5.50	5.89	7.1	5.4	
Tavia Acquisition TAVIU Dec.4/\$10.00	10.00	-0.0	0.1	CO2 Energy Transition NOEMU Nov.21/\$10.00	10.00	...	0.2	

Sources: Dow Jones Market Data; FactSet

Public and Private Borrowing

Treasuries

Monday, December 16 Auction of 13 and 26 week bills; announced on December 12; settles on December 19

Thursday, December 19 Auction of 4 and 8 week bills; announced on December 12; settles on December 24

Wednesday, December 18 Auction of 17 week bill; announced on December 17; settles on December 24

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	in US\$	Fri	YTD chg (%)	US\$ vs. per US\$ (%)	Country/currency	in US\$	Fri	YTD chg (%)
Americas					Thailand baht	.02931	34.120	-0.8
Argentina peso	.00101017.9807	25.9			Vietnam dong	.00003936	25405	4.7
Brazil real	.1655	6.0418	24.5		Czech Rep. koruna	.04198	23.819	6.4
Canada dollar	.7025	1.4236	7.5		Denmark krone	.1408	7.1002	4.8
Chile peso	.001019	981.29	12.1		Euro area euro	1.0503	.9522	5.1
Colombiapeso	.0000230 4339.39	12.0			Hungary forint	.002570	389.18	12.1
Ecuador US dollar	1	1	unch		Iceland krona	.007209	138.72	2.0
Mexico peso	.0497	20.1235	18.6		Norway krone	.0897	11.1421	9.5
Uruguay peso	.02258	44.2950	13.4		Poland zloty	.2463	4.0606	3.2
Asia-Pacific					Sweden krona	.0911	10.9795	8.7
Australiadollar	.6363	1.5716	7.1		Switzerland franc	1.1199	.8929	6.1
China yuan	.1374	7.2761	2.3		Turkey lira	.0286	34.9574	18.6
Hong Kong dollar	.1286	7.7757	-0.4		Ukraine hryvnia	.0240	41.7500	9.4
India rupee	.01179	84.820	2.0		UK pound	1.2614	.7928	0.9
Indonesia rupiah	.0000624	1603.14	4.7		Middle East/Africa			
Japan yen	.006506	153.70	9.0		Bahrain dinar	2.6516	.3771	0.05
Kazakhstan tenge	.001908	524.10	15.1		Egypt pound	.0197	50.8058	64.3
Macau pataca	.1248	8.0130	-0.5		Israel shekel	.2775	3.6039	0.02
Malaysia ringgit	.2247	4.4500	-3.2		Kuwait dinar	3.2485	.3078	0.2
New Zealand dollar	.5764	1.7349	9.6		Oman sul rial	.25976	.3850	...
Pakistan rupee	.00360	277.925	-1.1		Qatar rial	.2743	3.646	0.1
Philippines peso	.0170	58.671	5.9		Saudi Arabia riyal	.2661	3.7576	0.2
Singapore dollar	.7412	1.3492	2.2		South Africa rand	.0559	17.8820	2.7
South Korea won	.0006966	1435.50	10.9		Close Net Chg % Chg YTD% Chg	101.21	0.10	0.10
Sri Lanka rupee	.0034474	290.07	-10.5		WSJ Dollar Index	101.21	0.10	0.10
Taiwan dollar	.03076	32.514	5.9					

Sources: Tullett Prebon, Dow Jones Market Data

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PUBLIC NOTICES

SPP Credit Advisors LLC ("SPP"), as agent for certain lenders, will conduct a virtual UCC public auction, on December 23, 2024 at 3:00 ET (or as continued at that time) of approximately 25,423,729 of the shares of common stock of Atlantic International Corp. (Nasdaq: ATLN (formerly OTC: ATLN)), a staffing company, currently owned by IDC Technologies, Inc., borrower. Investors wishing to register in order to bid must contact Todd Kumble at SPP at 646-436-1808. To purchase the securities, investors must be "accredited investors" within the meaning of Rule 501(a) of Regulation D under the Securities Act of 1933, as amended.

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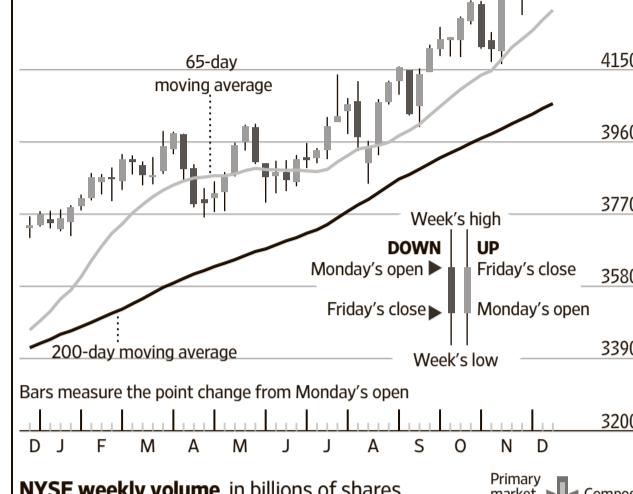
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Dow Jones Industrial Average

43828.06 ▼814.46, or 1.82% last week
High, low, open and close for each of the past 52 weeks

Trailing P/E ratio 27.52 27.00
P/E estimate * 22.63 20.47
Dividend yield 1.84 1.97
All-time high 45014.04, 12/04/24

Current divisor 0.16268413125742



Bars measure the point change from Monday's open

Primary market ► Composite

36 24 12 0

D J F M A M J J A S O N D

32000 33900 35800 37700 39600 41500 43400

200-day moving average

65-day moving average

Week's high DOWN UP

Monday's open ► Friday's close

Friday's close ► Monday's open

Week's low

200-day moving average

65-day moving average

Week's high DOWN UP

Monday's open ► Friday's close

Friday's close ► Monday's open

200-day moving average

65-day moving average

Week's high DOWN UP

Monday's open ► Friday's close

Friday's close ► Monday's open

200-day moving average

65-day moving average

Week's high DOWN UP

Monday's open ► Friday's close

Friday's close ► Monday's open

200-day moving average

65-day moving average

Week's high DOWN UP

Monday's open ► Friday's close

Friday's close ► Monday's open

200-day moving average

65-day moving average

Week's high DOWN UP

Monday's open ► Friday's close

Friday's close ► Monday's open

200-day moving average

65-day moving average

Week's high DOWN UP

Monday's open ► Friday's close

Friday's close ► Monday's open

200-day moving average

65-day moving average

Week's high DOWN UP

Monday's open ► Friday's close

Friday's close ► Monday's open

200-day moving average

65-day moving average

CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike mutual funds, closed-end funds do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid during the past 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: LSEG

Friday, December 13, 2024

		52 wk Fund (SYM)	NAV Close	Disc %	Ttl Ret			52 wk Fund (SYM)	NAV Close	Disc %	Ttl Ret			52 wk Fund (SYM)	NAV Close	Disc %	Ttl Ret	
General Equity Funds																		
Adams Diversified Eqc ADX	23.29	20.49	-12.0	NA				CohenStrSelPreFincRm PSF	21.70	20.18	-7.2	12.2		Putnam Masi Inst PIM	3.45	3.34	-32.2	8.0
Central Secs CET	56.38	46.59	-17.4	33.5				CohenStrTaxAvPreSecScll PTI	21.04	19.77	-6.0	17.0		CIM RA&C L	21.50	NA	-0.6	
CohenStrsCEOppl+ FOF	12.23	12.96	+6.0	NA				FirstTrnDurPreFinC FPF	19.60	18.71	-4.5	24.5		ConnecTive Venture CAj	10.12	NA	NA	NS
EVTXAdvDivIncm EVT	NA	24.63	NA	21.3				JHanPrefInc HPI	16.56	17.01	+2.7	20.3		Forum RE IncomeI	9.71	NA	NA	13.6
GabelliDiv&Incr Tr GDF	28.65	24.98	-12.8	24.9				HnckJPDInco III HPS	14.75	15.23	+3.3	22.8		Forum RE IncomeK	9.70	NA	NA	
Gabelli Equity Tr GAB	5.49	5.59	+1.8	19.4				JHanPrmInfl HPL	16.40	16.77	+2.3	7.3		Forum RE IncomeL	9.71	NA	NA	13.7
GeneralAmer GAM	59.51	52.10	-12.5	44.8				LMP CapInco SCP	NA	17.44	NA	NA		Forum RE IncomeM	9.72	NA	NA	
JHancockTaxAdvDiv BDJ	24.49	22.58	-7.8	30.4				Nuveen Pre& Inc Opp IPC	8.06	8.07	+0.1	3.3		HMMLTN LN PRIV INFRAR	NA	NA	NA	
Liberty All-Star Equity USA	7.73	7.14	-1.1	26.7				Nuveen Pre& Inc Opp JPI	20.08	20.25	+1.3	20.3		HMMLTN LN PRIV INFRAS	NA	NA	NA	
Liberty All-Star Growth ASG	6.32	5.83	-8.0	22.6				Nuveen Var Rate Rd PDT	20.20	19.01	-5.9	26.5		JACKSON REAL ASSETS	10.51	NA	NA	
Royce Micro-Cap Tr RMT	11.37	9.90	-12.9	19.8				Putnam Dynamic Income PDI	17.11	18.96	+10.8	13.8		MEKEKA INFRASTRTR	26.75	NA	NA	
Royce Value Trust RVT	17.81	15.88	-0.8	22.8				PIMCO Dynamic Infr Opn PDO	13.04	13.51	+3.6	11.2		PIMCO Dynamic Infr Opn PDR	27.25	26.26	-3.6	5.1
Source Capital SOR	46.89	45.18	-3.6	34.3				PIMCO Dynamic Income PDI	17.11	18.96	+10.8	13.8		PIMCO Dynamic Infr Opn PDR	27.25	26.26	-3.6	5.1
Special Opportunities SPE	NA	15.53	NA	45.3				PIMCO Strata Inc RCS	4.44	7.40	+66.7	7.8		PIMCO Strata Inc RCS	4.44	7.40	+66.7	7.8
Sprott Focus Trust FUND	8.77	7.73	-12.1	5.3				Templin Gbl Inv A	NA	8.97	NA	NA		Templin Gbl Inv A	NA	8.97	NA	NA
SRH Total Return STEW	21.03	16.38	-22.1	23.0				Templton Em Inc TEI	5.86	5.32	-9.2	10.6		Templton Em Inc TEI	5.86	5.32	-9.2	10.6
Tri-Continental TY	36.54	32.03	-12.3	32.0				WestPointRstEqd EMD	NA	10.04	NA	10.1		WestPointRstEqd EMD	NA	10.04	NA	10.1
Specialized Equity Funds																		
abrdn Engl Prw App AOP	4.08	4.12	+0.2	NA														
abrdn Global Infra Inc ASGI	19.88	18.74	-5.4	17.2														
Adams Natural Resources POF	12.56	22.08	+12.2	27.5														
ASA Gold & Prec Mt'd ASA	23.36	20.71	-11.3	36.2														
BR Enr C&I CII	22.07	20.24	-8.3	4.4														
BlackRock Energy & Res RGR	14.13	13.23	-6.4	14.4														
BlackRock Enr Gbl Div BDJ	9.31	8.60	-7.6	18.9														
BOE 12.46	11.16	-10.4	19.4	NA														
BlackRock Enr Hld Gbl Div BDJ	9.14	8.60	-7.6	18.9														
CalamosStratCTC CSQ	18.68	18.18	-2.7	33.7														
CohenStrsLtdDrd LDP	22.06	20.85	-5.5	17.5														
Income & Preferred Stock Funds																		
Nuveen Multi-Asset Inc NMAI	NA	12.30	NA	12.7														
Nuveen Real Est JRE	9.40	9.88	-4.5	4.5														
Nuveen Real Est JRS	37.03	36.90	-0.4	29.8														
Nuveen Reit Oppr ETY	15.28	13.23	-13.4	32.5														
NYU Mngt&Natlts GEN	3.77	3.64	-3.4	24.8														
NUV TaxInv&Eqn YTG	NA	14.51	NA	66.2														
Nuveen TaxInv&Eqn YTG	17.08	15.22	-10.9	15.7														
Templeton Em Mkt EMF	15.19	12.82	-15.6	11.4														
U.S. Mortgage Bond Funds																		
BlackRock Income BKT	10.20	11.85	-1.3	8.7														
Investment Grade Bond Funds																		
Angel Oak Corp Inv CHY	10.93	12.39	-13.4	23.6														
CalamosConvY CHY	10.33	12.09	-10.7	30.1														
HillCo BPC	7.27	6.66	-8.4	12.3														
V Conv & Inc NCV	NA	3.61	NA	22.3														
V Conv & Inc II NCZ	NA	3.22	NA	24.4														
V Div Inv & Conv ACV	NA	22.60	NA	24.7														
V Eqty & Conv Inc NIE	NA	24.48	NA	29.0														
High Yield Bond Funds																		
abrdn Credit Str ACP	4.69	6.01	-7.4	18.6														
AllianceBancorp HML	11.42	10.86	-4.9	7.3														
ATM&Citi Corp Inv HML	10.53	11.08	+5.2	7.9														
BR Credit Alloc Inc BLC	11.71	10.94	-4.6	9.1														
FirstTrnDurPreFinC FPF	11.20	10.07	-1.1	18.4														
Gabelli Healthcare GRX	11.35	10.06	-11.4	5.1														
Gabelli Technology GUT	9.58	5.36	+69.7	8.4														
Alspring Income Opty EAD	7.42	7.01	-5.5	8.8														
Barings Fund Hld BY Bd BGF	16.10	15.81	-1.8	9.														

For military veteran caregivers,
caregiving often starts earlier in life
and lasts longer. **To better care for
your loved one, you must also
care for yourself.**



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FINANCE & MARKETS

Deutsche Bank Taps New Risk Chief

Commerzbank's Marcus Chromik will succeed Olivier Vigneron

By RICHARD VANDERFORD

Deutsche Bank is replacing its chief risk officer, a move that follows tumult in the German lender's commercial-loan

portfolio and regulatory threats over its money-laundering controls.

Marcus Chromik, who served for eight years as chief risk officer at German rival **Commerzbank**, will succeed Olivier Vigneron on May 20, Deutsche Bank said on Thursday. Vigneron recently informed the bank he wouldn't seek an extension of his contract when it ends May 19.

Chromik holds a doctorate in nuclear physics and has spent more than 20 years in banking, starting at Postbank in 2004, Deutsche Bank said.

Deutsche Bank, Germany's largest lender by total assets, warned this year of troubles in its commercial lending portfolio.

In July, it said its office credit portfolio would likely remain under pressure

through the end of 2024. The bank's share price nonetheless is up more than 31% this year.

The bank in October forecast a loan-loss provision of around €1.8 billion, equivalent to \$1.89 billion.

Deutsche Bank has faced scrutiny from regulators this year. Germany's top financial watchdog, BaFin, threatened to fine the bank if it didn't improve controls against money laundering.

It was the second time in less than two years that BaFin threatened penalties over allegedly lax money-laundering controls.

At the time, Deutsche Bank said it was cooperating with BaFin and investing necessary resources to meet a deadline the regulator imposed.

Ian Walker contributed to this article.



Marcus Chromik.

ALEX RAJAS/BLOOMBERG NEWS



The waste-and-recycling company has \$3 billion in planned investments in its sustainable businesses between 2022 and 2026.

Waste Management Keeps Its Focus On Renewable Energy, CEO Says

By SABELA OJEA

Waste Management remains committed to expanding its renewable-energy business as it prepares for what Chief Executive Jim Fish sees as a big surge in demand for energy over the next decade.

"Demand for energy is far outstripping the supply, and we're part of the supply side of that," Fish said on Thursday, adding that he expects transportation to fuel an uptick in energy demand similar to that driven by artificial-intelligence data centers.

The waste-and-recycling company, which goes by WM, has \$3 billion in planned investments in its sustainable businesses between 2022 and 2026. Fish said \$1.6 billion of that is going toward building 20 plants capturing natural gas at its landfills to fuel power generation and its natural-gas-vehicle fleet. The remaining \$1.4 billion is earmarked for revamping the company's recycling plants to make them more efficient and productive, as well as building new recycling plants, he said.

"You might not think of us

as an energy company, but it's a very important product of our business and a focus area for us," Fish said. "We haven't really decided what our long, long-term strategy is in renewable energy, because we're just building out those 20, but we certainly see energy as a real opportunity and as part of our strategy."

WM owns 260 landfills, of which at least 100 could make economic sense to couple with renewable-energy plants, Fish said. "So we may decide to continue to build that out."

While the plants are fairly

expensive to build, the payback is three years, which benefits shareholders, Fish said.

Renewable energy is one of WM's priorities going into 2025, Fish said, along with the integration of medical-waste company Stericycle, which WM bought this year. That was WM's biggest acquisition to date, with an enterprise value of \$7.2 billion.

"I really look at Stericycle as being that kind of fourth vertical or fourth line of business—after trash, recycling and renewable energy," Fish said. "It's a pretty natural fit."

Everyday Stuff Gets AI Redo

Continued from page B1 times managed and controlled remotely.

"I walk around my house, I walk around my office, and I want everything to be smarter," Horowitz said.

Case in point: Viam said it is working with Long Island's UBS Arena, home to the New York Islanders hockey team, to shorten bathroom lines. The platform plugs into existing security cameras and then uses computer vision to determine which bathrooms have the shortest lines. That critical data are sent to fans using the official New York Islanders + UBS Arena app.

One day the app might even tell fans when to go to the bathroom.

The Islanders now wear a Viam logo on their helmets in anticipation of that momentous day.

But the vastness of possibilities here can also be a challenge, said board member Carolyn Everson, who also sits on the boards of beverage company Coca-Cola and media company Walt Disney. She said that on first meeting Horowitz, she had trouble understanding what the company actually did. It is hard to describe, she said, because it essentially does everything. It can be difficult for people to get their head around that, she said.

Viam is built on the premise that anything can be made 'smart.'

Get smart

The big question is whether Viam can persuade enough other companies to make their businesses "smarter" through the company's tech. Viam said that custom pricing is available for enterprises but declined to share specific numbers.

There have already been plenty of attempts to integrate the physical world with software. They range from predictive maintenance sensors in factories to the app that you probably never use to control your home dishwasher.

Horowitz's pitch is that there is a disconnect between the companies that make the data-generating hardware such as sensors and the companies that run the software algorithms. Getting the data off the sensor and into a usable format can be a big lift—and that is on top of the cost of the sensors themselves.

Some companies said they have been able to make this work and do it well. Horowitz says it can be a lot easier.

Viam positions itself instead as the platform that plugs into anything, even low-tech security cameras, and does the heavy lifting of bringing the data into a usable format. Viam's platform can be directly installed on many devices but some require a small piece of additional hardware.

Not so mystic pizza

That flexibility is critical for a company like pizza chain Sbarro, which is typically more focused on pepperoni

abundance than installing high-end monitoring equipment.

Six years ago, Sbarro did install cameras over the pizza buffets that would—every 30 minutes—send HQ a static photo of what the display of available slices looked like at that given time. "We use those images as coaching and teaching and ways to reward our stores that do a great job," Rohan Shearer, Sbarro's senior vice president and chief administrative officer, said. "It's really not Big Brother."

Now Viam is using those cameras to analyze how long certain pizzas have been sitting out and to generate alerts when it is time to replace them.

That also opens up possibil-

ities including monitoring which pizzas are selling the most at given times or matching supply to the expected demand at a given hour, Shearer said.

The company said all its corporate-owned locations have been equipped but that it is still working on helping the franchises catch up. "It's a work in progress," Shearer said.

Go fish

Hundreds of miles off the East Coast, meanwhile, Viam is also making fishing boats smarter. **Canyon Runner**, a sportfishing company that offers coaching, seminars, chartered voyages and live advice for fishing boats, is using

Viam's platform to pull and analyze critical data from its customers' boats.

That data, which can include speed, positioning, water temperature and wind direction, are used to help Canyon Runner provide customers critical insights on where the swordfish and mahi-mahi are biting on any given day.

Viam has raised a total of \$87 million from investors including **Union Square Ventures** and **Battery Ventures**, and its service became available in 2023. The company declined to share its current valuation.

"The goal here that Viam is pursuing by building a comprehensive platform is to abstract away much of this com-

week that the retailer is considering filing a second bankruptcy.

A Party City representative didn't respond to a request for comment.

The company has hired AlixPartners as a financial adviser helping to navigate the process, the people familiar said.

After slashing more than \$1 billion in debt through its prior bankruptcy, the Woodcliff Lake, N.J.-based retailer emerged with over \$800 million in debt. And the company, which closed just a few dozen of its 800-plus stores during the latest chapter 11, today operates more than 700 locations.

Retailers filing for bankruptcy are often in danger of liquidating.

In 2023, of the 24 retailers that filed for bankruptcy, nine ended up shutting their physical stores, according to consulting firm BDO.

Party City started in New Jersey in 1986, and was eventually acquired by private-equity firms that took the company public in 2015.



Party City today operates more than 700 retail locations.

JOE RAEDLE/GETTY IMAGES



Viam employees are constantly bringing in various pieces of equipment into the New York City lab to play around with.

ISABELLE BOUQUET/EWSJ

plexity and just let people focus on 'what are the smarts I want this machine to have?'" said Albert Wenger, managing partner at Union Square Ventures.

In its New York headquarters, the company constantly brings in various pieces of equipment to play around with and make sure it can make the plumbing work. Part of the space includes a series of robot arenas where staff can relive the glory days from high-school robotics club as a way to stay sharp on programming physical devices.

Horowitz curated the whole layout himself, and it is a work in progress.

"I've been upset that we can't bring tractors in," Horowitz said.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

UBS Needs the Right Scale in Wealth

The mass-affluent market is tempting, but the benefits for its core business could be scant

Scale is crucial in the wealth-management business, but it needs to be the right kind of scale.

Managing money for the rich is today's golden goose in banking, because it generates stable fees and has low capital requirements. Many are eager to ape **Morgan Stanley**, which has become a wealth mammoth following the acquisition of Smith Barney from **Citi** in 2009, and later Eaton Vance. Its American wealth business, which now amounts to \$4.6 trillion in client assets, is so large that it yields a 29% pretax profit margin, according to estimates by Anke Reingen at RBC Capital Markets.

Meanwhile, the U.S. wealth arm of its main global competitor, **UBS**, has only \$2 trillion in client assets and a 12% margin, even after merging with Credit Suisse last year. Globally, it has \$4.3 trillion in assets and a 21% margin.

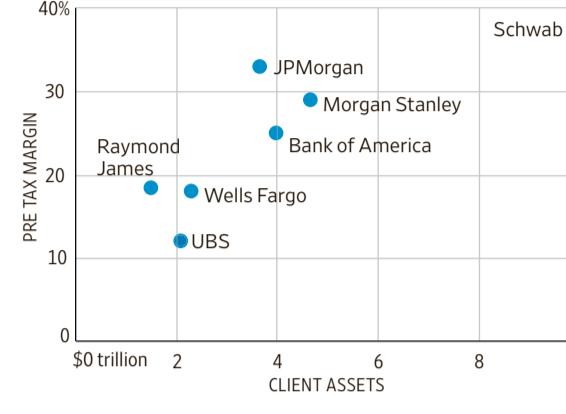
The U.S. is a difficult market for outsiders to penetrate. Top banks have a 48% market share, figures by Coalition Greenwich show, compared with a 32% world average. Retaining financial advisers is expensive because they are increasingly thriving by going independent.

Last week, executives at the Swiss bank told staff that the business will be restructured, and that a new division will focus on less-wealthy individuals. Recently, UBS Chairman Colm Kelleher, formerly of Morgan Stanley, opened the door to eventually growing through acquisitions.

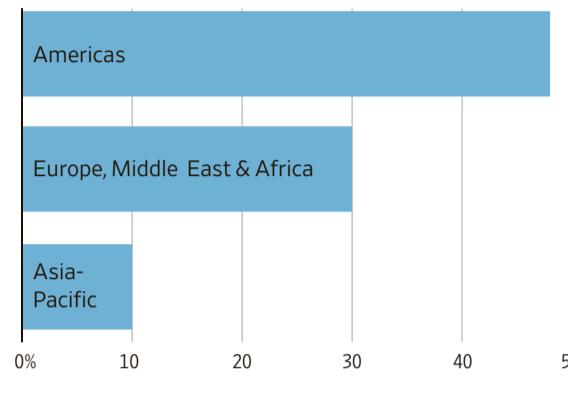
Yet catering to the ultra-rich, the rich and the merely well-off are very different propositions.

The financial industry usually places the cutoff between "ultra-high net worth" and "high net worth" or "affluent" at \$10 million in investable assets. Below that, in the bracket between \$100,000 and \$1 million, are the "mass affluent." According to credit-reporting

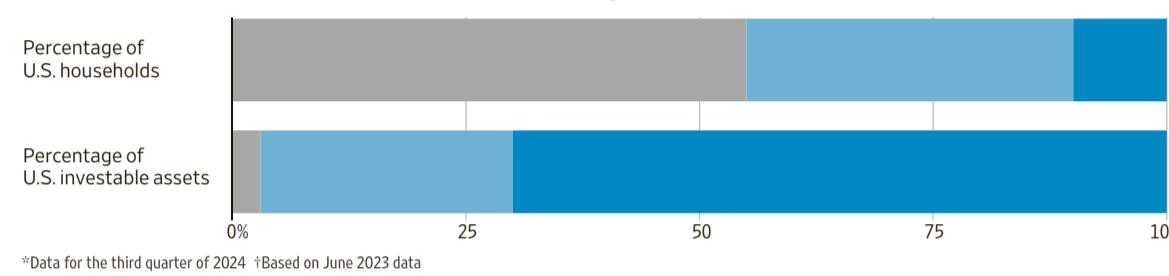
U.S. wealth-management operations*



Wealth management, market share held by the top banks



Overall wealth by wealth tier†



*Data for the third quarter of 2024. †Based on June 2023 data. Sources: The companies, RBC Capital Markets (operations); Coalition Greenwich (market share); Equifax 2Q 2024 Wealth Trends (overall wealth).

agency Equifax, 35% of U.S. households count as mass affluent, and 10% are above that. But in terms of assets, the mass affluent account for just 27% of investible wealth, while the top 10% of the population accounts for 70% of it.

Though some mass-market brokers such as Schwab have gone upscale, high net worth remains mostly the turf of the likes of Morgan Stanley, **JPMorgan**, Citi and UBS. These clients pay big bucks for bespoke, one-to-one services.

Big banks are particularly well suited to cater to ultra-high-net-worth individuals who have complex needs, including complying with cross-border regulations, setting out strategies for their businesses and creating charitable

foundations.

UBS is trying to build a cross-selling point by seeking a broader U.S. banking license that would make it easier to extend loans and take deposits.

Still, making larger moves would first require fixing the cost issues of its American wealth arm: At similar size, **Wells Fargo** and **Raymond James** are more profitable.

To be fair, the Swiss bank isn't oblivious to this, which is why it is cutting compensation for lower-performing financial advisers. Nor is it attempting an in-house version of its failed Wealthfront takeover: The new division will still be adviser-led, and only service people with more than \$500,000.

The name of the game in today's

mass-affluent market is doing everything digitally and automatically, be it financial planning or tax optimization. Big banks that try to grow in that direction risk finding themselves in a technology race they have so far proven ill-equipped for, and which is of little help to their core, high-end relationship business.

Yes, digitally onboarding younger, up-and-coming people might serve to eventually channel them to human advisers, where the bank can charge a 1% fee. But it might equally convince them that the roboadvisory tier that charged them 0.3% is a perfectly adequate place to leave most of their money.

And why would big banks want to do that?

—Jon Sindreu

Tinder's Tough Love Should Serve Match Well

Wall Street's relationship with online dating giant **Match Group** has been in a rough patch for a while now. Slowing growth at the company's flagship Tinder app, which accounts for more than half Match's total revenue, has soured investors. Match's share price has fallen nearly 14% this year after losing 12% last year.

Last week, Match issued long-term targets for revenue and adjusted earnings growth through 2027 that were in line with what analysts already projected, while also forecasting a low-single-digit decline in direct revenue from Tinder next year that was below the roughly 2% gain Wall Street was expecting. Match's share price has tumbled since then.

Tinder will be investing heavily to improve the user experience. Coming changes include requiring face photos and a "liveness check"—a biometric screening tool that uses the camera on a user's phone to verify authenticity. Tinder will deploy more-powerful artificial intelligence to improve the quality of user matches, as well as a "double-dating" feature, where users can pair up with friends and match with other pairs for dates. The breadth of the company's planned changes to Tinder caught notice: "We believe stale product has weighed on Tinder [monthly active user] growth and are encouraged to see differentiated features in the works," Nathan Feather of Morgan Stanley wrote to clients.

Smart changes, all. But they won't be fast, and Tinder Chief Executive Faye Iosotaluno has wisely set near-term expectations low. Low expectations may give Tinder needed time to rekindle the flame.

—Dan Gallagher

American Integrity Insurance Appoints Jon Ritchie as President

A Visionary Step Toward Growth and Innovation in 2025

By Toni Logan



Jon Ritchie, American Integrity Insurance President

Tampa, FL – American Integrity Insurance Group, a leading Southeast property insurer, is proud to announce the promotion of Jon Ritchie to President. With a proven track record as COO since 2019, Ritchie has been instrumental in driving operational excellence, implementing cutting-edge technology, and strengthening a culture of innovation and collaboration across the organization. This leadership transition reflects the company's dedication to delivering unparalleled value to its policyholders and agents while positioning itself for long-term growth.

Reinforcing Leadership and Technology-Driven Excellence

Under Ritchie's leadership as

COO, American Integrity spearheaded several technology advancements that differentiate it within the competitive property insurance landscape. From adopting proprietary risk modeling tools to leveraging AI-powered underwriting and claims processing systems, the company has redefined what it means to serve customers and agents efficiently and effectively. These innovations have not only enhanced policyholder experiences but also helped mitigate risks, making American Integrity a preferred partner for agents and a trusted ally for customers navigating increasingly complex insurance needs.

A Culture That Inspires and Earns Recognition

American Integrity has consistently been recognized as one of the "Top Workplaces" in Tampa Bay and in the USA, as well as a "Best Place to Work" by Business Insurance, a testament to its dedication to fostering a workplace environment rooted in trust, collaboration, and growth. The company's investment in professional development, diversity initiatives, and employee well-being has created a culture where

individuals feel valued and empowered to succeed. This achievement reflects American Integrity's commitment to not only protecting homes but also building fulfilling careers for its team members.

"Joining American Integrity means becoming part of a team dedicated to innovation, teamwork, and protecting the lives and homes of our policyholders," said Jon Ritchie. "I am excited to lead a company that not only values operational excellence but also prioritizes culture and collaboration at every level."

Poised for Growth and Future Opportunities

As the insurance market continues to evolve, American Integrity remains at the forefront, delivering reliable solutions tailored to its policyholders and agent partners. With nearly 360,000 policyholders across Florida, Georgia, and South Carolina, and partnerships with over 1,000 independent agents, the company is poised to expand its reach and impact. Its

I am excited to lead a company that not only values operational excellence but also prioritizes culture and collaboration at every level.

-Jon Ritchie

forward-thinking approach to innovation, combined with a commitment to building trust and delivering value, sets the stage for an exciting future.

American Integrity's leadership team is committed to building on this momentum, exploring new opportunities to enhance its service offerings, and solidifying its position as one of the Southeast's most trusted insurance providers.

For more information about American Integrity Insurance Group, visit www.aiiflorida.com.