

THE WALL STREET JOURNAL.

D DOW JONES | News Corp *****

FRIDAY, NOVEMBER 29, 2024 ~ VOL. CCLXXXIV NO. 128

WSJ.com

★★★★ \$5.00

DJIA Closed (44722.06)

NASDAQ Closed (19060.48)

STOXX 600 507.30 ▲ 0.5%

10-YR. TREAS. Closed (4.244%)

OIL Closed (\$68.72)

GOLD Closed (\$2,639.72)

EURO \$1.0555

YEN 151.55

What's News

Business & Finance

◆ Markets appear to be taking tariff threats in stride, with some traders drawing lessons from Trump's first term, when his comments often caused big price swings that were later unwound by actions that mitigated threats to corporate profits or the economy. **A1**

◆ Kohl's departing chief executive acknowledged mistakes made in the retailer's approach to inventory and display that led to a steep drop in its quarterly sales. **B1**

◆ European stocks broadly rose, while indexes in the Asia-Pacific region were mixed on Thursday. U.S. markets were closed for the Thanksgiving Day holiday. **B9**

◆ Shopify, after growing up helping small businesses set up online shops, is courting bigger clients to prolong its blockbuster growth. **B2**

◆ The EU's competition regulator formally closed probes into Amazon, Starbucks and Fiat's European tax cases, ending three of its attempts to crack down on international companies' tax deals after court defeats. **B3**

◆ Canada's antitrust watchdog alleged that Google acted unlawfully in building market share in the online-advertising business. **B9**

◆ Volkswagen sold an automobile plant in China's Xinjiang region that has drawn scrutiny because of Beijing's alleged persecution of Uyghur minorities there. **B3**

◆ SoftBank is doubling down on its investment in OpenAI, taking a bigger bet on the potential of artificial intelligence as the technology improves and gains momentum. **B4**

World-Wide

◆ American oil executives and bond investors are urging Trump to abandon his first-term policy of putting pressure on Venezuelan strongman Nicolás Maduro and instead allow Caracas to export more oil in return for accepting U.S. deportation flights. **A1**

◆ Several of Trump's picks for top government posts said they were targeted with bomb threats or false emergency reports that brought police to their homes, raising new concerns about political violence. **A4**

◆ Elon Musk's influence over federal spending will flow through a White House budget office that helps to develop regulations that affect his business empire. **A4**

◆ Rebels in Syria launched a large-scale attack on Assad government forces, storming a military base and seizing control of swaths of territory in the northwest of the country. **A6**

◆ Investigators suspect that the crew of a Chinese cargo ship deliberately severed two critical data cables last week as the bulk carrier's anchor was dragged along the Baltic seabed for more than 100 miles. **A8**

◆ China released three Americans who had been imprisoned there for years, part of a series of deals the U.S. has reached to bring home citizens from unfriendly countries. **A8**

◆ Australia was set to become the first country to ban social-media use by under-16s after the country's Senate overwhelmingly voted in favor of strict new legislation. **A8**

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With Mouse Eye View, It Can't Rain on Their Parade



HI, MICKEY: People watched from a Manhattan balcony as balloons floated by during the annual Macy's Thanksgiving Day Parade on Thursday. Down below, crowds lined the 2½-mile route despite the wet weather to watch the procession.

After Late Start, Musk Rushes To Beat Out AI Competitors

Elon Musk spent the past year building his artificial-intelligence startup xAI at breakneck speed. Now he has to turn it into a real business.

Musk started xAI in the summer of 2023 in an effort to

By Meghan Bobrowsky,
Berber Jin
and Tom Dotan

play catch-up with OpenAI, the ChatGPT developer he co-founded and left in 2018 after a power struggle. He poached talent from across the industry. He pushed contractors to build a massive new data center in a matter of months, a

nearly unheard-of time frame for a project of that size. Now he is promising the facility in Memphis, Tenn., will help xAI deliver the world's most powerful AI "by every metric" by December.

Investors have bought into Musk's vision, or at least his record of success. The startup has raised at least \$11 billion and increased its valuation to \$50 billion in a new funding round this month, making it the second-most-valuable private AI developer behind OpenAI.

As a moneymaking venture, though, xAI barely registers. The startup told investors its revenue is on pace to surpass

\$100 million annually. OpenAI expects to bring in nearly \$4 billion of revenue this year.

Most of xAI's revenue has come from Musk's own web of companies. xAI's main product—its Grok chatbot—is available only to subscribers of his social network X. The startup is powering customer support features for SpaceX's Starlink internet service, people with knowledge of the matter said. It is also expected to help create new AI features for X's search engine, one of the people said.

The startup has discussed a deal with Tesla whereby xAI would get some Tesla revenue

in exchange for providing the carmaker with access to its technology and resources.

Now xAI is trying to stand on its own. This month, it released a paid tool developers can use to build products using Grok, offering discounts as an incentive. As soon as next month, it plans to launch a stand-alone consumer app, like ChatGPT, people familiar with the matter said.

xAI is getting a late start in a highly competitive market. OpenAI, Alphabet's Google,

Please turn to page A4

◆ SoftBank to add \$1.5 billion to OpenAI investment.... B4

Cease-Fire Lessons Tensions, But Risks Remain

By Dov Lieber

TEL AVIV—The cease-fire agreement between Israel and Hezbollah brokered this week pulls the Middle East back from the brink of all-out war. But the deal also carries the risk of putting Israel and Iran closer to a direct confrontation.

For more than a year, Iran's allied militias, of which Hezbollah is the central member, have attacked Israel from across the Middle East—the first unified effort by Tehran's so-called axis of resistance to confront Israel. Now, degraded and damaged by a year of war with Israel, that unity is showing the first signs of cracking, leaving Iran exposed.

Hezbollah accepted a ceasefire without extracting concessions for Hamas, its Iran-backed ally in Gaza. The Houthi in Yemen and Shiite militias in Iraq, though united in their hatred of Israel and the U.S., have lowered the tempo of attacks in recent weeks.

Some in Israel see the weakening of Iran and its militias as a moment to exploit, in particular by targeting Tehran's nuclear program.

"You could not have better conditions for an Israeli-American campaign against the Iranian nuclear program," said Avner Golov, a former senior director at Israel's Naftalim.

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◆ Syrian rebels seize territory in new attack..... A6

INSIDE



BUSINESS & FINANCE

Target is betting big on Taylor Swift's newest release, 'The Eras Tour Book.' **B1**



MANSION

Homeowners in Chicago corner the market on abandoned storefronts. **M1**

For Black Friday Die-Hards, The Magic Remains

* * * * *

Longtime fans get up early, don't mind standing in line; 'We are committed'

By KATE KING

They're still shopping like it's 2005.

Black Friday isn't the frantic shopping extravaganza of past Novembers, thanks to the rise of online shopping and retailers



Let's go

think we're crazy."

Why, their spouses and children ask over Thanksgiving dinner, would you want to spend your day off from work in crowded parking lots and long checkout lines? It's so unnecessary, now that our

inboxes and Instagram feeds are teeming with

Black Friday deals as early as October and flatscreens can be delivered to our doorsteps within hours of ordering.

But for these shoppers there's no replacing the glee of turning down an aisle and discovering the perfect gadget for that hard-to-shop-for friend or family member, an

Please turn to page A9

Markets Take New Tariff Prospects In Stride

Investors learned lessons from past trading on Trump social-media posts

By SAM GOLDFARB

Wall Street isn't thrilled about the return of Donald Trump's tariff threats, but traders are hardly panicking.

Shares of automakers were hit hard this week after the president-elect promised to levy hefty tariffs on imports from Canada and Mexico on his first day in office, along with additional tariffs on Chinese goods. Canadian railroad companies slumped, while Mexican and Canadian currencies weakened against the dollar. The peso recovered on Thursday.

Even so, broad indexes of stocks pushed higher on Tuesday after Trump's comment, with the Dow Jones Industrial Average climbing to another record that day.

Some investors said they had learned lessons from the craze for trading on Trump's social-media posts that followed his first electoral win. Back then, Trump often sparked big swings in stocks, commodities and currencies with surprise broadsides—only for the moves to unwind when negotiations progressed, he de-escalated, or workarounds mitigated the biggest threats to the economy or corporate profits.

The result was heightened volatility and higher tariffs on Chinese imports in particular. But stock returns over Trump's entire four years in office proved robust. This time, investors

Please turn to page A2

◆ Greg Ip: Trump's tariff message—"I'm in charge".... A2

Executives, Investors Urge Trump to Set Deal With Venezuela

BY KEJAL VYAS
AND PATRICIA GARIP

American oil executives and bond investors are urging President-elect Donald Trump to abandon his first-term policy of maximum pressure on Venezuelan strongman Nicolás Maduro and instead strike a deal: more oil for fewer migrants.

The quiet lobbying effort comes as Maduro tightens his grip on the country with threats to arrest more opposition activists.

They still challenge the July elections, in which Maduro's regime claimed victory without presenting evidence.

Some businessmen such as Harry Sargeant III, a billionaire GOP donor, are trying to show the incoming administration what they say are the perks of negotiating with Maduro.

Last week, a shipment of Venezuelan asphalt sourced by Global Oil Terminals, part of a Florida conglomerate founded by Sargeant, landed at the

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Aging Scientist Races Against Time

Doctor, 84, pushes to find mental health treatment for millions, including his son

By AMY DOCKSER MARCUS

Dr. Edward Scolnick figures he needs five, maybe 10 more years to solve one of the brain's greatest mysteries.

Scolnick, 84 years old, has spent most of the past two decades working to understand and find better ways to treat schizophrenia and bipolar disorder, mental illnesses suffered by tens of millions of people, including his son.

"I know I can crack it," said Scolnick, a noted drug developer who spent his career plumbing the building blocks of DNA for new treatments.

Long before his latest quest, Scolnick spent 22 years at Merck, mostly as head of

the drug giant's laboratory research. He led development of more than two dozen medicines, including the first approved statin to lower cholesterol, an osteoporosis treatment and an anti-HIV therapy.

He also was the company's chief scientist during the development and rollout of Merck's pain reliever Vioxx in 1999. Researchers in a published study later estimated that tens of thousands of people died from heart attacks after taking the drug before Merck pulled it off the market in 2004. The company paid \$4.85 billion to settle lawsuits with people who claimed they

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U.S. NEWS



CAPITAL ACCOUNT | By Greg Ip

Trump Tariff Message: I'm in Charge

When President-elect Donald Trump said he would nominate the hedge-fund manager Scott Bessent as his Treasury secretary, much of Wall Street and corporate America breathed a sigh of relief.

The choice of Bessent, who is hawkish on deficits, a defender of the dollar's reserve status, and until recently circumspect about tariffs, suggested that Trump would put a priority on market-friendly measures to boost economic growth and hold down inflation and interest rates.

The relief lasted 72 hours. Trump's announcement late Monday that he would slap tariffs of 25% on Canada and Mexico and an additional 10% on China dispelled any doubt that he would govern as he campaigned—as a disruptive populist.

The lesson is that the most important member of Trump's economic team is Trump himself.

"In his first term, there was a lot of bluster that ended up getting walked back," Andy Laperriere, policy analyst at Piper Sandler, said in a note to clients Tuesday. "We expect plenty of bluster but more follow-through in a second term because most of his staff is generally not going to try to talk him out of things like this."

Whether Trump will actually raise tariffs or is simply negotiating remains uncer-

tain. Investors seem to think the latter: The fall in the Canadian dollar, Mexican peso and shares of exposed companies was relatively muted.

While Trump controls his agenda, the choices of Bessent and other establishment figures still matter. Supporters of Bessent think his presence will result in a more calibrated and growth-friendly policy mix than otherwise.

"He has a more thoughtful approach to trade-offs," said the head of a trade group in Washington. "His commitment to the stability of the market would imply he's going to recognize there's a point beyond which we could push tariffs that would be too far for the market and the economy."

Tump's cabinet picks suggest a reluctance to mess with the economy. While he nominated outside-the-box disrupters to oversee defense, health, justice and national intelligence, his five finalists for Treasury all hailed from the establishment: Bessent; Marc Rowan, a private equity magnate; Kevin Warsh, a former Federal Reserve governor; Bill Hagerty, a sitting senator; and Howard Lutnick, chief executive of the financial firm Cantor Fitzgerald. Lutnick has been nominated to run the Commerce Department.

On Tuesday, Trump said Kevin Hassett, a conservative economist and tax-cut advocate who chaired the

Council of Economic Advisors in Trump's first term, would head his National Economic Council, which coordinates economic policy within the executive branch. Trump named Jamieson Greer as U.S. trade representative. Greer is a trade lawyer who served as chief of staff to Robert Lighthizer, U.S. trade representative in Trump's first term.

Bessent is seen as a safe pair of hands based on his long record of market and economic commentary. He has proposed a "3-3-3" agenda: 3% growth, 3 million more barrels of oil a day and reducing the budget deficit to 3% of gross domestic product from its current 6%.

Bessent was initially skeptical of tariffs except as a negotiating ploy. "The tariff gun will always be loaded and on the table but rarely discharged," he told investors in his hedge fund in January. Trump is a "free trader," he told Mark Halperin in October. "A lot of what he's doing is escalate to de-escalate," Bessent said.

But Bessent found himself competing for the Treasury post with Lutnick, initially co-head of Trump's transition. Lutnick, too, had once described tariffs as a "bargaining chip," before adopting Trump's more protectionist rationale that they bring back manufacturing jobs.

In a Fox News opinion piece on Nov. 15, Bessent made a more forceful case for tariffs: "Used strategi-

cally, tariffs can increase revenue to the Treasury, encourage businesses to restore production and reduce our reliance on industrial production from strategic rivals."

It remains unclear whether Trump's opening salvo is a negotiating ploy, along the lines of what Bessent and Lutnick have hinted, or a pretext to tear up the United States-Mexico-Canada Agreement and restore tariffs indefinitely.

The latter involves much bigger risks to the economy. Other countries are unlikely to roll over. Peter Harrell, a scholar at the Carnegie Endowment for International Peace who was an international economic adviser to President Biden, said, "As a foreign leader you don't want to look like you're constantly giving in to threats."

China has a range of measures it wishes to retaliate, including restricting exports of critical minerals, punishing U.S. multinationals' Chinese operations, selling U.S. Treasury bonds, or devaluing its currency, said Scott Kennedy, a China expert at the Center for Strategic and International Studies, citing conversations with Chinese contacts that predated Trump's tariff announcement.

Another question hanging over Trump's economic team is where it takes fiscal policy. Trump's tax-cut plans helped push long-term Treas-

sury yields higher around the election, but they fell Monday in part based on Bessent's reputation as a deficit hawk.

Bessent has said his policy priority will be extending Trump's 2017 tax cut, and enacting his other pledges, such as eliminating taxes on tips, Social Security benefits and overtime pay. Trump's promises would ultimately raise the deficit to between 7% and 12% of GDP by 2034, the nonpartisan Committee for a Responsible Federal Budget estimates.

In theory, Trump could cut taxes and lower the deficit by slashing spending. Simply reversing Biden's executive decisions, such as changes to Medicaid, would save up to \$1.3 trillion over a decade, or 0.4% of GDP, the CRFB estimates.

Meanwhile, Elon Musk is leading an effort to slash government jobs and programs. Russell Vought, who will be budget director after holding the same job in Trump's first term, advocates the president's "impounding," or refusing to spend money appropriated by Congress.

But impoundment might be blocked by the courts. More important, it isn't clear if Bessent, Musk or Vought can find enough spending cuts to pay for Trump's tax plans and lower the deficit without touching entitlements such as Social Security, which Trump has vowed not to cut.

U.S. WATCH

NEW YORK

Combs Denied Bail In Trafficking Case

Sean "Diddy" Combs was denied bail as he awaits a May sex trafficking trial by a judge who cited evidence showing him to be a "serious risk" of witness tampering and proof he has tried to hide prohibited communications with third parties while incarcerated.

U.S. District Judge Arun Subramanian ruled Wednesday in a five-page order following a bail hearing last week. At the hearing, lawyers for the hip-hop mogul argued that a \$50 million bail package they proposed would be sufficient to ensure Combs doesn't flee and doesn't try to intimidate prospective trial witnesses.

Two other judges previously had agreed with prosecutors that the Bad Boy Records founder was a danger to the community if he is not behind bars. Subramanian concurred. "There is compelling evidence of Combs's propensity for violence," Subramanian wrote.

Combs, 55 years old, has pleaded not guilty to charges that he coerced and abused women for years, aided by associates and employees.

—Associated Press

ECONOMY

GDP Rose 2.8%, Report Confirms

The American economy expanded at a healthy 2.8% annual pace from July through September on strong consumer spending and a surge in exports, the government said, leaving unchanged its initial estimate of third-quarter growth.

U.S. gross domestic product—the economy's output of goods and services—slowed from the April-July rate of 3%, the Commerce Department reported Wednesday. But the GDP report still showed that the American economy is proving surprisingly durable.

Growth has topped 2% for eight of the last nine quarters.

Consumer spending, which accounts for about 70% of U.S. economic activity, accelerated to a 3.5% annual pace last quarter, up from 2.8% in the April-June period and fastest growth since the fourth quarter of 2023.

—Associated Press

Markets Take Tariffs In Stride

Continued from Page One

tors have been heartened by Trump's pick of Scott Bessent as Treasury secretary. He is a seasoned investor viewed by many as a potentially moderating influence on the president.

"The market is constantly trying to ask itself: What will happen and what is just posturing?" said Michael Antonelli, a managing director at Baird. "It's very reminiscent of the 2016-to-2020 time period."

Stock markets were closed on Thursday for Thanksgiving. Major indexes fell on Wednesday.

Taking Trump's words at face value, investors have more to fear from his trade policies now. His newly proposed 25% tariffs on imports from Canada and Mexico—the U.S.'s two largest trading partners—would add 0.8 percentage point to a key inflation gauge next year if just half of the costs are passed on to consumers, according to a Deutsche Bank analysis.

During the recent presidential campaign, Trump repeatedly said he supports across-the-board tariffs on imported goods, suggesting that those could be as high as 20% on imports from most countries and much higher than that on Chinese imports. Such tariffs, Trump argued, could revive domestic manufacturing and be an important source of revenue for the government.

That rhetoric marked a shift from his first term, when Trump talked more often about using tariffs as a cudgel to get other countries to lower their own trade barriers.

Many investors, though, said they believe that Trump's tariff threats should still be mostly viewed as a negotiating tool. Trump, they added, is promising tariffs on Canadian and Mexican imports explicitly as a tactic to reduce the flow of drugs and immigrants into the country.

Analysts at Goldman Sachs this week were among those drawing parallels to an episode in 2019, when Trump promised escalating tariffs on Mexico, also for the purpose of stopping illegal border crossings. About a week later, those planned tariffs were canceled when the U.S. and Mexico reached an agreement to stem the flow of migrants. The two countries, along with Canada, reached a trade agreement in 2020 that made relatively small changes to the North American Free Trade Agreement, which Trump had called "a nightmare."



Shares of automakers were hit hard this week on possible new tariffs on Mexico and Canada. A General Motors plant in Canada,



Trump did more than just talk about tariffs during his first administration. By the end of the term, he had imposed levies on about \$380 billion of goods, mostly from China, according to the Tax Foundation.

China retaliated against Trump's 2018 tariffs in part by buying far fewer U.S. soybeans. Prices fell 20% as China turned to Brazilian farmers instead. The next year, U.S. farmers planted soybeans on roughly 15% less acreage. The Trump administration responded with new subsidies for farmers, but farm bankruptcies still swelled. The U.S. and China halted their trade-war escalations in 2020.

Now the Fed is cutting rates again, and investors are generally happy with the economy. Many hope that increased trade frictions under Trump will be more than offset by other parts of his agenda, including plans to extend tax cuts.

Some investors simply find it hard to believe that Trump would follow through on measures that would boost consumer prices after voters' discontent with inflation helped power his victory.

The driving political force of the day is, "It's inflation, stupid," said Andy Laperriere, head of U.S. policy research at Piper Sandler. "In some areas, especially China, I think we're going to see very significant tariffs."

Trump's first-term trade battles were often overwhelmed by other factors driving markets. Stocks slumped in 2018 when those conflicts escalated, but that was also a year when the Federal Reserve was raising interest rates. The next year, trade tensions were still high, but stocks surged as the Fed pivoted to cutting rates.

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—Ryan Dezember contributed to this article.

Biden Calls Trade Proposals 'Counterproductive'

NANTUCKET, Mass.—President Biden urged President-elect Donald Trump on Thursday to reconsider his threats to impose sweeping tariffs on North American neighbors Canada and Mexico, warning that they could undermine relations with two of America's closest allies.

Biden had avoided offering his views on the incom-

ing administration's plans. But Biden suggested these potential economic sanctions could hurt U.S. alliances around the globe.

"I hope he rethinks it. I think it's a counterproductive thing to do," Biden told reporters during a Thanksgiving Day stop to greet firefighters and police officers. "We're surrounded by the Pacific Ocean, the At-

lantic Ocean, and two allies, Mexico and Canada. The last thing we need to do is begin to screw up those relationships," he added. "I hope they reconsider it," he said.

Trump's supporters have

said that using tariffs to extract concessions from other countries is an effective way to conduct both economic and foreign policy.

—Ken Thomas

CORRECTIONS & AMPLIFICATIONS

Israelis officials say their campaign in Lebanon against Hezbollah has devastated the group and its leadership. A Page One article on Tuesday about the Israeli-Hezbollah cease-fire incorrectly suggested that Israeli officials also

say the military campaign has cost the lives of dozens of Israeli soldiers, hundreds of Hezbollah fighters and thousands of Lebanese civilians. These figures aren't attributable to Israeli officials. It's also unclear how many Lebanese civilians have been killed in the campaign. Lebanese health officials say about 3,700 people have been killed, but they don't specify how many are civilians versus combatants.

Berkshire Hathaway's Class B shares rose 34% this year through Monday's close,

compared with a 26% gain by the S&P 500 index. A U.S. News article on Tuesday about Warren Buffett's donations of Berkshire shares incorrectly said 35% and 25%, respectively.

A chart with a Business & Finance article on Wednesday about conversions of office space into residential space showed that 279 projects are slated for completion in 2025 and beyond. The chart incorrectly labeled that column as just 2025.

The yield on a money-market account from Dollar-SavingsDirect was 4.25%, according to Bankrate.com's weekly survey of yields. The "Consumer Savings Rates" table in Wednesday's Business & Finance section incorrectly said 5%.

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THE WALL STREET JOURNAL

(USPS 664-880) (Eastern Edition ISSN 0099-9660) (Central Edition ISSN 1092-0935) (Western Edition ISSN 0193-2241)

Editorial and publication headquarters: 1211 Avenue of the Americas, New York, N.Y. 10036

Published daily except Sundays and general legal holidays. Periodicals postage paid at New York, N.Y., and other mailing offices.

Postmaster: Send address changes to The Wall Street Journal, 200 Burnett Rd., Chico, CA 95926.

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U.S. NEWS

Organ-Charity Jets Used for Personal Trips

A nonprofit that collects donated organs and transports them to transplant patients around the U.S. used its airplanes for other purposes, including travel for employees and for fundraisers.

*By Joseph Walker,
Lenny Bernstein and
Tom McGinty*

Indiana Donor Network operates a fleet of small jets that fly kidneys and other vital organs to desperate patients across the U.S. The mission, the fleet says, is to ensure "that each donor's gift of life is transported to transplant recipients quickly and safely."

Yet the jets haven't just been used for aiding transplant patients. Stephen and Margaret Russell, a married couple who have raised money for Indiana Donor Network, flew the jets between their homes in Indiana and Florida, Stephen Russell said. One of their flights had to be altered at the last moment to take a kidney to a transplant patient in Baltimore, according to Russell and a person familiar with the flight.

In 2016, a jet flew Indiana Donor Network executives and staff to a funeral service for the chief executive's father, according to people familiar with the matter and flight records viewed by The Wall Street Journal.

Indiana Donor Network's use of the jets for purposes other than transporting donated organs and human tissue might violate federal law and tax rules, and is part of a larger probe by federal prosecutors and other U.S. investigators into the transplant system.

"They have no business putting a plane in operation in a way that could potentially prevent them from doing the job that it's supposed to do, which is to get organs to save precious lives," said Seth Karp, surgeon-in-chief at Vanderbilt University Medical Center in Nashville, Tenn., who is a critic of the U.S. organ-procurement system.

Indiana Donor Network said flights unrelated to its core mission have historically represented less than 1% of all its flights, and helped the nonprofit offset overhead costs and reduce expenses for organ transport by keeping its aircraft active, instead of idle, and by providing pilot training.

Indiana Donor Network says it no longer conducts non-mission flights.

to the charity, hosting a fund-raising event in Indiana around 2014.

Stephen Russell said the couple used the jets to travel between homes in Indiana and near Naples, Fla. "They made it available, so we chose to take the small jet instead of going through all the grief with TSA," he said.

Flight records show eight trips from the jets' home base in Indianapolis to Naples in 2015, 2016, 2017, 2018 and 2019. In six of those instances, the aircraft flew to Naples from Indianapolis and then returned the same day, a distance of about 1,700 miles and five hours of flight time, round trip.

Taber, who retired from the Indiana Donor Network in 2020, said he wasn't aware the Russells were flying on the charity's jets.

"I just can't believe that that happened, because that's not what the planes are for," he said. "The planes are for procurement."

The nonprofit no longer conducts the non-mission charter flights, owing to increased demand for its core organ-transport services, a spokesman said.

Before they were dropped, the charity appropriately accounted for flights that didn't carry organs or tissue when they occurred, the spokesman said. He didn't answer whether it billed Medicare for the flights or reported them as taxable noncash compensation.

Stephen Russell, the fundraiser, said the couple paid for every flight. He didn't provide the cost, but said the couple stopped using the jets because the price went up.

Earlier this year, federal prosecutors and other U.S. investigators questioned former Indiana Donor Network executives about some of the personal plane trips and whether the organization improperly billed the federal government for the flights, according to people familiar with the investigation.

The nonprofit began making its jets available to the Russells after their friend Tim Taber,

who was its chief medical officer at the time, advised Margaret during a medical scare in which Stephen was hospitalized, the couple said in an interview. They said they then became big donors

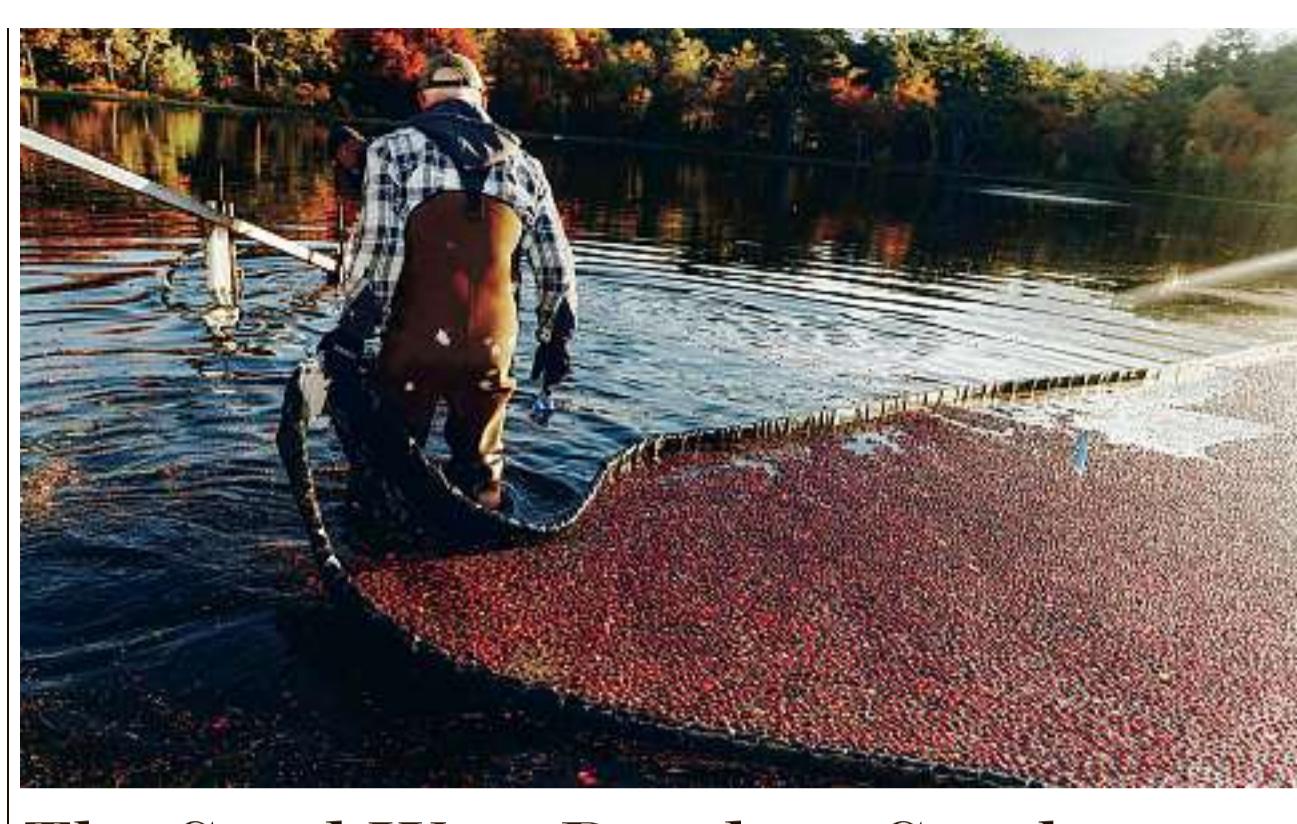
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TONY LUONG FOR WSJ (3)

The Sand Wars Dividing Cranberry Growers, Neighbors in Massachusetts

BY ERIC NIILER

PLYMOUTH, Mass.—Cranberry growers in southeastern Massachusetts are battling neighbors and town officials over...sand.

The conflict is playing out in town meetings and in court across the nation's oldest cranberry-growing region.

Massachusetts farmers are allowed to excavate sand on their properties with a town permit, as long as it is incidental or necessary for agriculture, but critics complain that sand mining has become a business that is disturbing the bucolic nature of the region.

"When I look out on my patio, I want to see the trees and the cranberry bogs. I don't want to see big piles of sand and trucks coming in and out," said Stephen Keaton, who lives next to a sand-mining project in the town of Carver. "I can hear beeping from trucks and whirring noises, and it's bothersome."

Keaton was speaking at an Oct. 1 public hearing in Carver in opposition to a proposed sand removal project where residents said they worry about the environmental impact of the sand excavation, as well as the constant truck traffic on local roads.

Cranberry growers have used sand to grow the tart, ruby-colored fruit—a Thanksgiving favorite—since 1816 when a Revolutionary War veteran noticed that wild plants on his Cape Cod property grew better when sand blew over them. Today, growers spread sand on their bogs to rejuvenate old cranberry vines and protect fruiting buds from frost and insects.

A half-inch layer of sand



Workers harvest this year's cranberry crop in Plymouth, Mass., top. Skid Whipple, left, has been growing cranberries for 52 years. Conservation activist Meg Sheehan, right, is fighting cranberry growers who excavate sand.

acts as a compost that can be scattered on existing vines, while a foot-deep layer of sand acts as soil when growers need to rip out and replace older vines with new higher-yielding hybrid varieties.

Most growers have sand on their property; they just need a permit from the town, a backhoe and a dump truck to dig it up and apply it to their bogs.

But the amount of sand being removed has increased substantially in recent years.

From 2002 to 2006, permits were issued to remove 6 million cubic yards of sand. That jumped to 18.8 million cubic yards between 2020 and 2024, according to a review of earth removal permits by a local conservation group that has challenged the practice.

A.D. Makepeace, the state's largest cranberry growing firm, has several operations in Carver, where the company grows cranberries, excavates sand and operates a commercial soil-blending facility.

In September, the company applied for a new permit to remove 1.7 million cubic yards of sand from its property to build a reservoir for newly built cranberry bogs.

That operation would allow the removal of 50 dump-truck loads of sand a day, 5½ days a week, for four years, according to a permit application the firm filed with the town.

It is one of four new excavation projects proposed for the region by several companies for a total of 5.5 million cubic yards of sand, according to permit applications filed with town officials in Plymouth, Carver and Wareham, Mass.

A lawyer for Makepeace, a privately held firm based in Wareham, declined to discuss the company's operations.

Some observers suggest that cranberry growers are expanding their sand-removal projects to make up for declining revenue from cranberries.

"Cranberry growing isn't a booming industry," said Eric

Crone, chairman of the board of selectmen in the town of Kingston, home to growers. "It isn't something that investors are trying to get into, but they are trying to get into the removal of [sand] because they can make money on it."

The price of sand and gravel—crucial for concrete and other industrial uses—has climbed from \$7.66 per metric ton in 2012 to \$12.20 per metric ton in 2023, according to the U.S. Geological Survey—an increase of around 20% after accounting for inflation.

Wholesale cranberry prices have fallen from a high of \$47 for a 100-pound barrel in 2012 to \$36 in 2023, a decrease of roughly 44% after accounting for inflation.

Although he doesn't sell his own sand, Skid Whipple, who has been growing cranberries for 52 years on a 12-acre cranberry bog in Plymouth, said some of his neighbors do.

"You couldn't even give it away 25 years ago," he said.

Conservation advocates maintain that these and other excavation projects go too far.

"The scope and scale of the mining eclipses the real use of the land for agriculture," said Meg Sheehan, an attorney and coordinator of the Community Land and Water Coalition.

In August, the group delivered a petition with more than 1,400 signatures to the governor's office calling for a ban of sand mining to protect the Plymouth-Carver Aquifer, a 200-square-mile source of drinking water for 200,000 residents in Plymouth, Carver, Kingston and five other towns.

State environmental officials said they haven't found any violations of environmental laws by sand-mining operations.

Home Buyers Sit Out During a Confusing Time

BY NICOLE FRIEDMAN

It is an odd and confusing season for home buyers.

Mortgage rates are causing whiplash, falling to a two-year low in the late summer and then rebounding, making it more expensive to buy a home.

The number of homes for sale is going up, but prices are still hovering near record highs. And with new rules around commissions in effect after the industry's historic legal settlement, buyers are trying to figure out how to negotiate with their real-estate agents, or whether they are better off navigating the home buying-process on their own.

With this much uncertainty hanging over the market, many would-be buyers are sitting out. Sales of previously owned homes are on track for their worst year since 1995.

Home-buying activity usually slows down in the fall, as families don't want to move during the school year and shoppers postpone their home searches during the holidays. It can be a good time for buyers to find bargains.

Home sales could pick up again next year. Mortgage rates currently stand near 7%, but they could fall if the Federal Reserve continues to cut short-term rates.

The number of homes for sale has risen in recent months, giving buyers more options after a long stretch of

low supply. Some sellers who were waiting for lower mortgage rates have decided they can't keep waiting, real-estate agents say.

The number of homes for sale remains below normal levels in much of the U.S., but a continued rise in supply could keep a lid on price growth.

"Together with lower mortgage rates next year, as many are forecasting, a slowdown in price increases could mean markedly improving conditions for buyers in 2025," said Robert Frick, corporate economist at Navy Federal Credit Union.

For now, confusion about new rules for how real-estate agents get paid has compounded the general hesitation that buyers and sellers have

about getting into this market.

Bryan Luttmer and Lulu Luttmer-Mohs, who sold a condo and bought a house in Chicago this month, said they wouldn't have entered the market this year if they weren't expecting their second child.

"I thought it was a bad time," Luttmer said. "There was a lot of economic anxiety around the election, the rates and just the fact that it's hard to buy a house and it costs a lot of money."

Still, early evidence suggests that agent commissions are starting to decline since the new rules went into effect over the summer following a landmark legal settlement.

A survey of about 1,300

agents conducted in September and October by real-estate media company RISMedia found that the average amount paid to agents representing buyers was 2.28% of the home's sale price between mid-August and early October, compared with 2.65% over the past year. Fees for agents representing sellers fell to 2.69% from 2.98%.

"I feel like we're marching toward lower fees," said Wendy Herst, a real-estate agent in Scottsdale, Ariz. "The main reason is the conversation with the buyer or the seller, where these people are now savvy. They believe fees should be less."

Most buyers who choose to work with real-estate agents now have to sign agreements that specify how much the agent will be paid. Sellers aren't required to cover the cost of the buyer's agent, but in most cases they still are, surveys show.

"We definitely have seen an uptick in the unrepresented buyer situation," said Melanie Everett, owner of a real-estate brokerage in Chicago.

Mark and Amanda Schocke decided not to use an agent to help them find a bigger home in northwest Indiana. At their budget of \$750,000, a 2.5% commission would be more than \$18,000.

"I thought, man, that's substantial," said Mark Schocke, an attorney.

Lulu Luttmer-Mohs and Bryan Luttmer bought a house in Chicago only because they were expecting their second child.

COURTESY OF CORTNEY FINCHISTER

Lulu Luttmer-Mohs and Bryan Luttmer bought a house in Chicago only because they were expecting their second child.

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U.S. NEWS



John Ratcliffe, Rep. Elise Stefanik, top right, and Brooke Rollins were among subjected to bomb or false emergency reports.

Several Trump Picks Are Targeted With Bomb Threats, Officials Say

BY NATALIE ANDREWS
AND C. RYAN BARBER

Several of President-elect Donald Trump's choices for top government posts said they were targeted with bomb threats or false emergency reports that sent police rushing to their homes this week, raising new concerns about political violence.

No explosive devices were found in any of the incidents.

Howard Lutnick, who has been selected to serve as commerce secretary, received a threat directed at his New York residence, a law-enforcement official said.

Pete Hegseth, Trump's pick for defense secretary, was the target of a pipe bomb threat to his family home in Tennessee, according to a person familiar with the incident.

Brooke Rollins, the choice to be agriculture secretary, said her home was targeted in Fort Worth, Texas. New York GOP Rep. Elise Stefanik's office said that her home received a bomb threat. Stefanik is Trump's pick to be ambas-

sador to the United Nations.

John Ratcliffe, Trump's choice for the Central Intelligence Agency, received a bomb threat at his house, prompting local authorities to respond, a person familiar with the incident said.

And Lee Zeldin, Trump's pick to run the Environmental Protection Agency, said that a pipe bomb threat was called in to law enforcement, with a "pro-Palestinian themed message."

Zeldin is Jewish.

"My family and I weren't home at the time and are safe," Zeldin said on X. "We are working with law enforcement to learn more as this situation develops."

Rollins wrote on X that she had "learned that a threat was issued against our home and family." She said thanks to quick efforts by the Fort Worth Police Department, they were "unharmed and quickly returned home."

Stefanik's spokesperson said the congresswoman, her husband and their 3-year-old son were "driving home to Saratoga County from Wash-

ington for Thanksgiving when they were informed of a bomb threat to their residence. New York state, county law enforcement and U.S. Capitol Police responded immediately."

Matt Gaetz, whom Trump wanted to nominate as attorney general but who withdrew from the process, said he also received a threat.

Other cabinet choices received threats, but it isn't clear how many were targeted.

Trump himself was wounded in an attempted assassination at a Pennsylvania rally in July. In a September incident, a man was arrested after law-enforcement officials said he hid in bushes near Trump's golf course and pointed a semiautomatic rifle through the fence while the then-candidate was golfing.

The man, Ryan Wesley Routh, has since pleaded not guilty to attempting to assassinate Trump.

Trump campaign spokeswoman Karoline Leavitt said the incidents occurred be-

tween Tuesday night and Wednesday morning. In a statement, the FBI said it was aware of "numerous bomb threats and swatting incidents targeting incoming administration nominees and appointees, and we are working with our law enforcement partners."

A law-enforcement official said the bomb threats were deemed not credible. A bomb squad had to clear Hegseth's mailbox, a person familiar with that incident said.

The FBI and Secret Service were monitoring the threats, which didn't involve Trump or Vice President-elect JD Vance, another law-enforcement official said.

"Swatting" is a reference to when someone makes a hoax emergency call designed to draw a heavy law enforcement response to a target's home. With police responding on high alert, such calls can escalate the risk of someone being injured or killed.

—Lara Seligman and Vivian Salama contributed to this article.

Musk's DOGE Plan Raises OMB Conflicts

BY BRIAN SCHWARTZ

Elon Musk's influence over federal spending will flow through a White House budget office that helps develop regulations that affect his business empire.

President-elect Donald Trump has asked Musk, chief executive officer of Tesla and SpaceX, and Vivek Ramaswamy, the biotech entrepreneur who ran for president, to open a Department of Government Efficiency that will suggest ways to cut spending.

Musk and Ramaswamy have said the organization would work closely with the White House Office of Management and Budget, which analyzes federal spending and guides implementation of regulations.

"We will focus particularly on driving change through executive action based on existing legislation rather than by passing new laws," Musk and Ramaswamy wrote in an opinion piece for The Wall Street Journal on Nov. 20.

Musk said Wednesday that the Consumer Financial Protection Bureau should be eliminated. "Delete CFPB. There are too many duplicative regulatory agencies," Musk wrote on X, the social-media platform he owns.

Some regulations the budget office oversees affect companies that Musk controls. Helping steer its agenda would present myriad conflicts of interest, ethics experts said.

"I've never seen anything like this," said Richard Painter, who served as a chief ethics counsel for former President George W. Bush. Painter said he believed the advisory group, which has an acronym, DOGE, that mirrors the name of a Musk-backed cryptocurrency, would have to make some meetings public under federal law.

A spokeswoman for Ramaswamy said he and Musk were consulting legal advisers about their plans. "The team

is committed to making sure all DOGE activities are conducted properly and in full compliance with ethical and legal requirements," the spokeswoman said.

Musk and representatives for Tesla and SpaceX didn't respond to requests for comment.

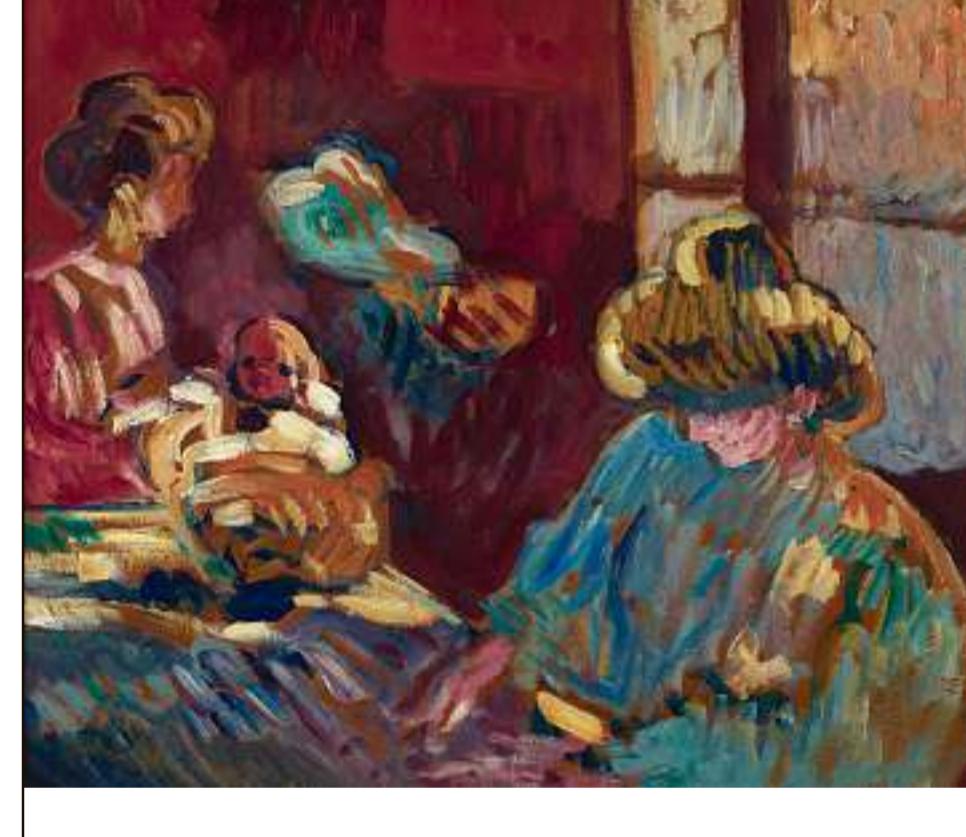
Musk and Ramaswamy encouraged Trump to reappoint as OMB director Russell Vought, who led the office during Trump's first term, a person with knowledge of their discussions said. Trump picked Vought for the role on Nov. 22.

Vought met over the summer with Robert F. Kennedy Jr., Trump's pick to lead the Department of Health and Human Services, people familiar with the meeting said. The OMB oversees regulations affecting the Food and Drug Administration, the HHS division overseeing the safety of the clinical trials for Musk's brain-computer interface company, Neuralink.

The OMB influences regulations and budgetary matters across federal departments that oversee Tesla and SpaceX, including the Transportation and Defense departments and the National Aeronautics and Space Administration. Tesla and SpaceX have lobbied OMB for years, according to lobbying disclosures. SpaceX recently won government contracts of more than \$700 million.

"They are the central portal through which all regulatory efforts must go," said Danielle Brian, president of Project On Government Oversight, an independent watchdog group.

Musk's influence over the budget agency could give his companies an easier path to federal approvals and contracts in part because it is responsible for developing policies and regulations for federal contractors, Brian said. "It is literally giving him the keys to the kingdom to help his business interests get a leg up compared to their competitors," she said.



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xAI Races To Catch Competitors

Continued from Page One
Meta Platforms and Anthropic all have better known chatbots that have been widely available for consumers and businesses since at least last year.

"xAI has done a tremendous job of rapidly putting together its own infrastructure and building out its operations and its team," said Jesse Michael Han, founder of Morph Labs, an AI cloud-infrastructure company. "But they are still obviously breaking into the market."

In pitches to potential employees and investors, Musk's team has touted two advantages in the race to build the most powerful AI. One is exclusive data from X and Tesla being used to train xAI's models. Second is an obsessive focus on building bigger data centers faster than his competitors.

The one in Memphis, dubbed Colossus, was constructed in 122 days and uses 100,000 graphic processing units, or GPUs, from Nvidia—making it one of the largest clusters of chips to develop and run AI technology in the world.

xAI has told investors that it will use some of the \$5 billion it raised in this month's funding round to double the number of chips in Colossus and that it plans to raise more money next year, people familiar with the matter said.

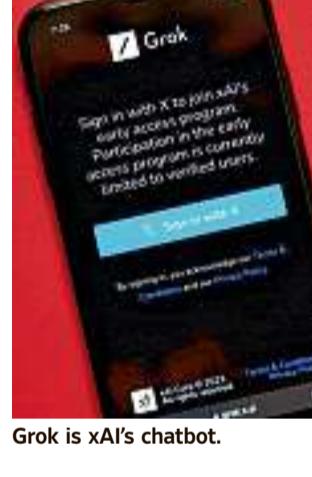
A sales lead at Nvidia told colleagues in an email viewed by The Wall Street Journal that Musk's demand for chips was putting strains on the company's supply chain.

An Nvidia spokesman said the company has worked hard to meet the needs of all its customers.

By this spring, Musk decided Oracle wasn't moving fast enough to meet his ambitions of a supersize AI data center and set out to build his own.

He settled on a decommissioned manufacturing facility in Memphis and began construction in June. Employees worked nonstop in three eight-hour shifts, said Alex Bouzari, chief executive of DataDirect Networks, which helped build Colossus. Rather than plan the construction ahead of time, which can take seven or eight months, Bouzari said xAI dealt with problems as they arose.

Musk turned to Oracle, run by his longtime friend Larry



Grok is xAI's chatbot.

natural-gas generators in the parking lot to power the facility.

Local residents said in a public meeting they weren't told about the data center in advance and were concerned about pollution. An environmental group sent a letter urging the local utility not to supply xAI with additional power.

In early September, Musk tweeted that Colossus had come online. Many in the AI industry took it as a sign xAI could become a serious player.

"It will take some time, but they're moving fast," said Jimmy Chan, co-founder of Dropbase, an AI app builder.

In OpenAI's space

Despite his company's progress, Musk remains fixated on OpenAI. This year, he sued the ChatGPT maker for allegedly violating a contract to remain a nonprofit and discouraging its investors from giving money to xAI. OpenAI has called Musk's lawsuit "baseless and overreaching."

In October, he hosted a recruiting event in a San Francisco building long occupied by OpenAI. xAI had just taken over the office.

In a small space lighted by dim purple lights, dozens of mostly male AI researchers, some squeezed into a stairwell, gathered to hear Musk's pitch. Some had come from OpenAI's Developer Day Conference held a few hours earlier.

Musk took several jabs at OpenAI and boasted about how quickly xAI built up Colossus.

Later that month, he spoke on a fundraising call for investors the week before the election, while he was also stumping for Donald Trump. xAI has attracted large investors, including a Qatari sovereign wealth fund, to bankroll its expansion.

At the same time, Musk says xAI's technology still has a way to go.

When he appeared on a recent episode of "The Joe Rogan Experience," the podcaster asked Grok to "roast transgender women competing in women's swimming." Grok refused to, saying it was "quite the gentlemanly AI."

"It's going woke," Rogan said.

"OK, we need some work," Musk replied.

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WORLD NEWS

Syrian Rebels Seize Territory in New Attack

Surprise assault occurred around government-held city of Aleppo

BY OMAR ABDEL-BAQUI AND JARED MALSIN

Rebels in Syria launched a large-scale attack on Assad government forces, storming a military base and seizing control of swaths of territory in the country's northwest in the first major outbreak of fighting between the two sides in recent years.

The Syrian government said Thursday its forces are confronting the continuing attack.

Syria is still in a state of civil war, which broke out in 2011, though it has widely stabilized and diminished in intensity since the peak of fighting last decade. While President Bashar al-Assad's forces—backed by Russian air power and Iran-allied mili-



ABDULAZIZ RETTAZ/AGENCE FRANCE PRESSE/GETTY IMAGES

A fighter from Hayat Tahrir al-Sham mans a position in Syria's northern province of Aleppo.

tias—have clawed back control over much of the country, several rebel groups of varying ideological, sectarian and ethnic alignments control some areas.

This week's surprise flare-up, the first major one since 2020, occurred in Aleppo province, one of the focal points of fighting in Syria's civil war in the last decade. It

involved thousands of antigovernment fighters, including from Hayat Tahrir al-Sham, a Sunni Islamist group that the Trump administration in 2018 designated as a foreign terror-

a one-time operation against Iran, some analysts say.

At the same time, Golov said, Israel would be in a bind if Trump prefers to try to make a deal with Iran. Without U.S. support, Israel would struggle to conduct an effective military campaign against Iran, he added.

Iranian officials have been sending signals since Trump's election that they would be prepared to engage in diplomatic efforts on the nuclear program. Trump has said he isn't seeking to oust Iran's leadership and doesn't want a conflict with the country.

Preventing Hezbollah's rearmament is also a key goal for Israel, which has increased attacks in recent months inside Syria, the main weapons-smuggling route into Lebanon.

Israel wagers that military pressure, combined with potential economic incentives from the Gulf countries, will

ist organization. HTS is an offshoot of the Nusra Front, which the U.S. considers an affiliate of al Qaeda.

"The offensive speaks to the extreme fragility and still violent situation hanging over Syria," said Julien Barnes-Dacey, director of the Middle East and North Africa program at the European Council on Foreign Relations. "The rebel fighters have succeeded in pushing through regime vulnerabilities, but will struggle to hold this territory longer term."

The antigovernment militias said they captured several government tanks, military vehicles and at least six members of Syrian government forces in the new offensive launched on Wednesday. The rebels had advanced to within about 3 miles of the northern city of Aleppo as of Wednesday, according to the Institute for the Study of War, a Washington-based think tank.

The new offensive comes

on the eve of Donald Trump again becoming president—a shift that could also affect Syria. During Trump's previous term in power, he had decided to remove U.S. forces fighting Islamic State from Syria, before reversing that decision. American troops are scrambling again to contain a resurgence of Islamic State in the region.

The White Helmets, a volunteer Syrian civil-defense organization, said hundreds of families have been displaced as a result of the fighting. Twelve residents were killed and dozens were injured as of Thursday afternoon, the White Helmets said.

"The regime is likely to mobilize and will probably enjoy Russian support in eventually unleashing a brutal counter response that pushes the fighters back," said Barnes-Dacey.

Assad remains shunned by most of the world because of his government's record of human-rights abuses.

Cease-Fire Lessens Tensions

Continued from Page One
tional Security Council. "The question is whether the right way is military force."

Despite the cease-fire agreement, Israel launched multiple attacks in Lebanon on Thursday, hitting what it said were advancing militants and launching an airstrike on a facility storing rockets. Lebanese authorities said the latter strike hit near the city of Sidon, just south of Beirut and north of the area where Hezbollah is prohibited from stationing its military forces under the terms of the cease-fire.

The Lebanese army accused

William Wechsler, senior director of Middle East Programs at the Atlantic Council. With Iran stripped of air defenses, and Hezbollah and Hamas in disarray, "I think the odds of strikes on the Iranian nuclear program are materially higher than they have been in the past."

Iran's nuclear facilities are dispersed across the country and some are fortified deep underground, making any attempt by Israel to destroy them a military challenge that could place the region back on the precipice of wider conflict.

Iran also faces a dilemma. Weaponizing the nuclear program could create deterrence it has lost from its degraded allies, but it would also invite attacks, said Golov, now vice president of MIND Israel, a national-security advisory group.

President-elect Donald Trump, who has said he wants to end the conflicts in the Middle East, might be open to

persuade Syrian leader Bashar al-Assad to abandon his alliance with Iran and close off the smuggling routes.

With Hezbollah diminished, Israel is free to focus on Hamas in Gaza. That presents a route toward a quick de-escalation, but also gives Israel the freedom to deepen its military control of the enclave and wage a long-term counterinsurgency.

Hamas on Wednesday said it was ready to go back to the negotiating table. The U.S.-designated terrorist organization is under pressure from Arab mediators to be more flexible in its demands given its new isolation, Arab officials said.

Egypt, the main mediator and the country with the most leverage over Hamas, has told the group that its hopes of expanding the conflict and demands for a full Israeli withdrawal from Gaza in exchange for freeing the 101 hostages being held in the enclave are no

longer realistic, Arab officials said. Egypt also told Hamas to expect Israel would retain veto rights over who would govern the enclave after the war.

Israel has set the goals of destroying Hamas's military and governing capabilities, and ensuring the Gaza Strip won't be a threat to Israel.

"We are not at the end of the beginning," said Avi Dichter, Israel's agriculture minister, a member of the security cabinet. "But we are definitely not at the beginning of the end, because we still have a lot of work to do."

Summer Said and Jared Malsin contributed to this article.

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Some Urge Deal With Venezuela

Continued from Page One
Port of Palm Beach, just a few miles from Trump's Florida residence. It was the first asphalt delivery from Venezuela to the port since Trump's first administration imposed oil sanctions in early 1990.

The shipment, made possible by a license that the Treasury Department under President Biden gave some oil companies, highlights the pitch from advocates of a policy shift. They say making a deal with Maduro would cut migration and help temper U.S. energy prices.

An agreement would also help check adversaries such as China and Russia. Those countries gained ground in Venezuela following U.S. economic sanctions that barred American companies from pumping and transporting Venezuelan crude.

Restoring democracy in Venezuela, a cornerstone of Washington's strategy in recent years, would be less of a priority for now, said people promoting what they call a more pragmatic approach.

"It is indisputable that the renewed flow of high-quality, low-cost Venezuelan asphalt to the U.S. has been a benefit to the American taxpayer," Harry Sargeant IV, Global Oil Terminals president and the founder's son, said. Under sanctions, he said, Venezuelan oil became heavily discounted fuel for China.

Maduro himself has floated a reset with Washington. Several American businessmen who traveled to Caracas this year and met with Maduro and his inner circle say the Venezuelans were convinced Trump would win the U.S. election and engage with Maduro much as he had with the leaders of North Korea and Russia.

The Venezuelans believe that by facilitating oil supply to the U.S. and accepting U.S. deportation flights, Maduro could help fulfill Trump's major policy objectives of deporting Venezuelan migrants,

the Trump administration falling into that kind of trap."

Scores of oil investors and Western holders of defaulted Venezuelan debt traveled to Caracas this year to evaluate prospects in the event of a breakthrough.

Maduro offered the possibility of sweetheart deals to investors who could help persuade the U.S. to end sanctions, The Wall Street Journal previously reported.

On the campaign trail, Trump frequently alluded to Caracas, once a homicide hot spot, as being safe and had even quipped that he would move there if he lost the U.S. election. But hopes for a policy shift took a blow when Trump nominated Florida Sen. Marco Rubio (R., Fla.) as his secretary of state. Rubio has long espoused tough international pressure against Maduro and other authoritarian regimes in the Americas.

Other ardent Maduro foes in the Trump transition team include former national-security adviser Mauricio Claver-Carone, as well as Elon Musk, who has challenged Maduro to a brawl. Rep. Mike Waltz of Florida, Trump's pick for national-security adviser, was a co-sponsor of a bipartisan anti-Maduro bill. For now, the appointments cast doubt over the future of special licenses granted to some oil companies.

David Smolansky, a former mayor of a Caracas district now in exile in the U.S., warned that buddying up with Maduro wouldn't ease migration flows.

"It doesn't matter if you produce more oil," he said. "People are going to flee because of Maduro."



Maduro is set to inaugurate himself for a third, six-year term just 10 days before Trump moves back into the White House.

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Enjoy a magnum (two bottles in one) of this rich Super Tuscan from the Barbanera family. \$41.99 value

FROM PAGE ONE

Black Friday Still Has Magic

Continued from Page One

item they never would have found by googling "boomer dad best Christmas gift."

The Black Friday faithful like to browse, don't mind standing in line, and feel a sense of camaraderie with fellow shoppers.

"We get up super early to make sure we're there when the doors open," said Passarelli, a deputy prison warden. She said they usually start at Macy's, where a DJ is blasting holiday tunes. "You're there but you're in your post-turkey zombie state, trying to shake it off. The music helps, the coffee kicks in."

For many, shopping on Black Friday is a tradition.

"It's a very special time with my mom," said Jennifer Reinhardt, a second-grade teacher who lives in Washington, Pa. "We just enjoy spending the day together."

Reinhardt, 51, and her mother, 80, have been shopping together on Black Friday for 36 years. They used to start the day by turning on the local news, which delivered reports on how many parking spaces were still available at the Century III Mall near Pittsburgh. "We'd be like, 'Oh my gosh, we have to get going, the parking lot's getting full,'" she said.

Now the crowds are smaller. Reinhardt uses a smartphone app instead of sales circulars to plan her shopping list. And the once-mighty Century III Mall closed in 2019 and is being demolished. But the mother-daughter duo still hit the stores.

Their coats stay in the car—they don't want to be weighed down by anything but shopping bags.

Less than 20 years ago, Americans were debating whether Black Friday had gotten out of control. Fistfights were breaking out over video-games. In 2008, a Walmart worker at a Long Island, N.Y., store was trampled to death by a crowd stampeding toward discounted televisions and other items.

In an effort to tamp down the mayhem, some retailers started closing on Thanksgiving and opening later the following morning. At the same time, online shopping meant shoppers didn't need to line up outside, in the dark and cold, to snag the best deals.

Bricks-and-mortar sales of general merchandise on the day after Thanksgiving peaked in 2016, said Marshal Cohen, chief retail adviser of the market-research firm Circana.

Covid-19 delivered another blow, as many avoided crowded stores. Foot traffic on Black Friday has picked up a bit in recent years, but was still down 27% last year compared with 2017, according to analytics company RetailNext.

Retiree Stewart Shriver will be returning to stores on Black Friday for the first time since the pandemic. On his list: Ugg clog slippers, an espresso machine and a high-end computer for video editing. Shriver, 63, of St. Petersburg, Fla., likes to scout out the layout at department stores in advance. "When the doors open, and everybody runs in and they're running all over the place, there's excitement in the air," he said.

Samantha Omerza, a stay-at-home mom in Rochelle Park, N.J., still remembers the year her mother triumphantly returned from the now-defunct KB Toys with a Tickle Me Elmo for Omerza's young-

ger brother. The \$30 Sesame Street muppet flew off the shelves in 1996, and "my mom was out there on Black Friday in the morning, making sure she got that toy for him," she said. Omerza, 34, started joining her mother's Black Friday trips as a teenager. They usually start at Bergen Town Center in nearby Paramus, which opens doors three hours early, at 7 a.m., and this year will be giving away swag and gift cards until noon, said Jaya Daniel, senior marketing director for the mall.

Devoney Collins and her two friends don't have an ironclad schedule, except the knitting enthusiasts always go together to the arts-and-crafts store Joann. The rest of the 12-hour shopping day is filled with department and big-box stores, coffee and maybe doughnuts. "If we get a deal, we get a deal, and if we don't, we don't," said Collins, 59, an EMT-firefighter who lives in

Paragon, Ind. "That's been our philosophy for well over 20 years."

Is Black Friday just for the nostalgic? Not necessarily. Alison Nieto, 26, said she started shopping in person a few No-vember ago after years of buying holiday gifts only online. "It's the feeling of being able to walk away with what you purchase, and touch it before you commit to spending your money on it," said Nieto, who works in public relations and lives in Brooklyn, N.Y.

This year Nieto, a marathon runner and Taylor Swift fan, said she'll be sprinting into Target for the singer's Eras Tour book and Tortured Poets Department anthology vinyl album. The chain is releasing both items only in stores on Black Friday, although they'll be available online the following day. "I'm getting my New Balances on and booking it to the vinyl section," Nieto said. "I hope I get it."

Aging Scientist Races Time

Continued from Page One

were injured by the drug.

Scolnick stepped down as head of Merck's research lab in 2002. He told friends he wanted to spend the rest of his working life searching for better psychiatric treatment. Scolnick believed advances in genetic technologies would lead to the unraveling of even conditions as complex as schizophrenia, which brings hallucinations and delusions, and bipolar disorder, which causes extreme mood swings.

Discoveries in the years since show he was on the right track.

In 2021, Scolnick learned that a group of scientists analyzing DNA from thousands of people with schizophrenia had found mutations in 10 genes that substantially increased the risk of developing the illness. They estimated that a mutation on a single gene, called Setd1a, raised the risk 20-fold.

"It got my blood boiling," Scolnick said. He began pursuing an emerging class of treatments called LSD1 inhibitors, hoping to develop a new drug. Scolnick enlisted Dr. Hugh Young Rienhoff Jr., who recently developed an LSD1 inhibitor to treat blood disorders.

Scolnick hopes the work will lead to the first approved drug to help with cognitive symptoms—such as trouble paying attention and making plans—for people with schizophrenia. Cognitive decline from disease robs people of the ability to hold jobs and manage daily lives.

Rienhoff anticipates testing a new drug for safety as early as next year, first in animals. He said he saw Scolnick's passion about fielding a breakthrough treatment but didn't fully understand why until Scolnick shared about his son's lifelong struggles with mental illness.

Jason Scolnick, 54, said his doctor has been regularly fine-tuning his medications for bipolar disorder over the years to minimize their debilitating side effects. Using the drugs currently prescribed for schizophrenia or bipolar disorder is like undergoing chemotherapy, he said. "There's no guarantee it will work and it makes you feel terrible, but the cancer will feel worse or kill you."

There remains a long road ahead for any new medicine. It takes more than a decade, on average, to get a drug from the research lab through government approvals to patients.

Ed Scolnick tries to make the most of his days. In May, he walked stiffly to the podium at a meeting of scientists to report on how he landed on LSD1 inhibitors as an avenue for treatment of schizophrenia.

Philip Sharp, a Nobel Prize-winning drug developer and professor emeritus at Massachusetts Institute of Technology, was in the audience. Sharp, who has known Scolnick for years, said he was moved that his friend devoted his time and attention to a drug he likely won't see to fruition.

Rienhoff said Scolnick has asked him to finish the work if he is no longer around.

"This is going to be my last



Edward Scolnick, far left, is trying to find ways to treat mental illness; above, his son, Jason Scolnick; left, a photo of Jason as a one-year-old with his father.

Blind luck

More than 60 years ago, doctors by chance stumbled upon drugs that evolved into treatments for mental illness. Medicines relieved symptoms long before researchers knew how mental illness worked. Lithium, for instance, stabilized moods for people with bipolar disorder, and clozapine tamped down hallucinations and delusions from schizophrenia.

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"This is going to be my last

of the DNA analysis.

In 2021, the investigator told Scolnick about the latest results: the Setd1a gene mutation substantially raised the risk of people developing schizophrenia.

Scolnick, inspired by the finding, dug into research papers and learned that Takeda Pharmaceutical had developed and tested an LSD1 inhibitor for Kabuki syndrome, a genetic disorder that can cause intellectual disabilities in children. During a visit to Takeda's lab in Cambridge, Mass., and in follow-up video calls, the company shared data with Scolnick that showed improved cognition in mice given the drug.

Takeda said it dropped the project after concluding it wasn't a viable therapeutic option." Yet the company's findings convinced Scolnick that a specialized enzyme inhibitor might improve cognitive symptoms without severe side effects.

Developing that kind of drug was too big a job for one man alone, Scolnick said, and too expensive. Such a project might cost hundreds of millions of dollars.

Then chance intervened. In January 2023, Scolnick heard a talk by Rienhoff orga-

nized by Blackstone, the New York-based investment firm. Scolnick, a senior adviser at Blackstone Life Sciences, wanted to know more about the LSD1 inhibitor Rienhoff developed to treat blood disorders.

That same month, Merck completed a \$1.4 billion acquisition of Rienhoff's company, Imago BioSciences.

Scolnick and Rienhoff had sat together at a Blackstone dinner years earlier. During the meal, Scolnick shared stories with his table companions about Merck's development of Crixivan, the anti-HIV drug. "I was hearing a piece of history," Rienhoff said, "not just HIV history."

Scolnick became emotional describing how the drug developers, facing various obstacles, wrestled with whether

or not to keep going. He pushed for the study to continue, given the urgency. At the time, AIDS was killing tens of thousands of people a year in the U.S. "I said to Ed, 'You are thinking like a doctor not a scientist,'" Rienhoff said. "That was the beginning of our relationship."

After Rienhoff's presentation last year, Scolnick learned that Rienhoff was an expert in the enzyme he believed key to a breakthrough drug. In con-

versations, Scolnick got Rienhoff thinking about using LSD1 inhibitors for schizophrenia and other neuropsychiatric illnesses.

When Scolnick raised the idea of developing a new drug, Rienhoff told him he could make one. Rienhoff founded Aluco BioSciences this year as a first step. To make the leap from hematology, his expertise, to neuropsychiatry, Rienhoff said he has been meeting clinicians and neuroscientists, steeping himself in various theories on the causes of schizophrenia and seeking potential collaborators.

Rienhoff has a team of chemists making and testing compounds. "I am optimistic something will come of this," Rienhoff said. "I can do it, but I wouldn't have done it if not for Ed. I am, really, doing this in a way for Ed."

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'This is going to be my last hurrah,' Edward Scolnick said.

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ter less than a year. During those months, he said, his paranoia had returned, and he abused alcohol. One night in 1995, Jason said, he took pills, intending to end his life. He woke up hallucinating and called a friend who dialed 911 for an ambulance.

Jason returned to live with his parents in 1996, the same year the Food and Drug Administration approved Merck's anti-HIV drug that his father had helped develop. He tried various medicines over the years, including one drug that landed him in the hospital. "They call antipsychotics major tranquilizers for good reason," Jason said. "They clamp down on your head and it's up to you to suck down large amounts of coffee to deal with how they make you feel. Not just tired, but also cognitively impaired."

The lack of effective treatments saddened and frustrated his father, who built a career developing drugs for once-intractable conditions.

Jason, who has been sober for more than a decade, is now in his second year of a master's program at Lesley University, studying to become a clinical mental-health counselor and music therapist. He credits his psychiatrist for continuing to help calibrate his drugs and therapy.

"There's nobody I know who can just take medicine and be fine," Jason said.

His father agreed, to a point. "It won't just take some magical drug to fix what people with really severe mental illness have," Ed Scolnick said. But as a parent and scientist, he feels certain new treatments will improve lives. "There's a need for better drugs," he said.

Others also are on the hunt. Biotech company Oryzon Genomics in Spain is developing LSD1 inhibitors for cancer and other conditions. Columbia University researchers tried Oryzon's drug in mice and found it reversed cognitive impairments caused by the Setd1a genetic mutation connected to schizophrenia.

Dr. Joseph Gogos, who led the Columbia research, said it was possible such treatments would be approved for people.

Scolnick is more certain—of both a revolutionary new treatment and his living to witness it. "Before I die, we will see new medicines, new diagnostics, better outcomes for patients burdened by schizophrenia or bipolar illness," he said. "I will not be happy to die. But I will die happy that my life helped."



Dr. Morgan Sheng, left, co-director of the Stanley Center for Psychiatric Research, speaking with Scolnick in Cambridge, Mass.

ARTS IN REVIEW

ART REVIEW

Thomas Schütte's Endless Irony

The German painter and sculptor receives a retrospective featuring bombastic, sarcastic works

BY PETER PLAGENS

New York Back in the 1980s in SoHo, when it was gallery central, I encountered the wry California conceptual artist John Baldessari making the rounds on Wooster Street. "Looking for anything in particular?" I asked him. "Germans," he answered.

In those days such Teutonic artists as Anselm Kiefer, Georg Baselitz, Gerhard Richter and a seeming army of brethren bordered, in any gallery tour, on the unavoidable. These days, that trio are art-historical fixtures, and others—half a generation behind—are approaching that status. The latest to arrive for institutional verification in the U.S. is painter/sculptor/visual prankster Thomas Schütte (b. 1954). "Arrive" is actually an understatement of the first order. Mr. Schütte won the Golden Lion at the Venice Biennale in 2005, has enjoyed solo exhibitions at major European museums and New York galleries, and has an eponymous art foundation just a few miles outside his hometown of Düsseldorf. There, he runs his own bronze foundry, ceramics workshop and exhibition space.

The "Thomas Schütte" exhibition (through Jan. 18, 2025) at the Museum of Modern Art occupies the entire sixth floor. It's a dizzyingly diverse display of more than 100 works, including giant wooden warriors and watermelon slices, and a rough painted-plaster approximation of the head of a sailor adrift. Giant art objects fill whole galleries, small ones sit on tiny plinths, others march in file along a wall, and some—standing on crates—form a sort of fortification near the show's exit. There is hardly any visual or conceptual consistency to all of it save a collective bombast, which is rather usual in these days of—for lack of a better term—late-stage postmodernism.

Except for the fanfare presentation at MoMA, this full-career retrospective could—minus its signage—be misconstrued as three or four solo shows by ambitious young tyros. Mr. Schütte himself reached that status as the result



Installation view of the MoMA exhibition, above; Mr. Schütte's 'United Enemies' (1994), below.

of a high-school class trip the then 17-year-old made to the 1972 Documenta exhibition in Kassel. After seeing all the Minimalism, Photorealism, performances and Art Brut on view there, he concluded that in art, "Everything is possible." Over the years, "everything" came to include five days in the 1970s of scribbling that filled a large sheet of drawing paper to blackness; "Man in Mud" (1982), a sculpture of a person trapped in melted wax; and, starting in the 1980s, various weird and sizable permutations of the human figure.

Amid all this variegation, a few works stand out. "Large Wall" (1977) is an installation (unfortunately split by the entrance to another gallery) of 1,200 apparent bricks that are actually abstract oil paintings, each a 4-by-8-inch part resembling the embers of a fire. (What "Large Wall" means—in an oeuvre that is one continuous evasion of meaning—is anybody's



guess, but the work is visually arresting.) A brightly colored but nevertheless mordant, apparently bleeding, clay bust (1989) of the French sailor Alain Colas—who disappeared, along with his boat, in a 1978 yacht race—sits atop two small wooden shipping pallets. The enigmatic sculpture is an offshoot of Mr. Schütte's perhaps predictably unsuccessful entry in a competition for a Colas memorial. Finally, "Large Respect" (1994) is a steel-and-bronze model—18 feet wide—for a monument to who-knows-what. In it, tiny people stand on a huge, complicated plinth, visitors to the mock-celebratory sculpture of larger, gesturing beings at the center.

It's tempting to speculate that "Large Respect" has much to do with contemporary German artists'

understandable suspicion of anything grandiose and official-looking. But despite the general raucoonsness of Mr. Schütte's huge exhibition, the work seems an unintentional paean to the kind of sanctioned gigantism about which the artist himself purports to complain. A recent *New York Times* profile says that "Schütte's whole career could be seen as staging the failure of all the modes of art he inherited, from conceptualism to expressionism to realism to abstraction." One suspects there's more than a hint of envy in Mr. Schütte's once saying, "I think more ironically than the older generation do—they really could believe in themselves."

Irony loses effectiveness with repetition, especially if it surges relentlessly through an entire retrospective. In spite of the seeming endlessness of Mr. Schütte's room-after-room-after-room exhibition, its extreme variety in the art's size, shape, materials, degrees of figuration and subjects, there's a strange sameness—a stiff irony, a monotony of sarcasm—to the MoMA show.

One comes away with two questions, one major and one, if not minor, at least a bit to the side. The latter concerns how the artist's life, and his traversing one personal event after another, has affected the making of his art. (Other than a bump of reported hospitalizations for mental illness, Mr. Schütte seems to have lived something like a bohemian version of a successful architect's biography.) The other question is simply whether Mr. Schütte's art is, on a scale of artists who enjoy major museum attention, any good.

The answer is not so much complex—as the museum's catalog and press material would have it—as complicated. One work is big and ominous, another is tiny, like something from a cabinet of curiosities; one work is seemingly industrially produced, while another is intimately handmade. And so on. In the end, Mr. Schütte's art strikes one as ambitious in the extreme, but also terribly impatient. The combination yields little aesthetic satisfaction, but more than enough puzzlement.

Thomas Schütte

Museum of Modern Art, through Jan. 18, 2025

Mr. Plagens is an artist and writer in Connecticut.



View of 'Melonely' (1986), above, and of 'Large Wall' (1977) and a bust of Alain Colas (1989), right.

TELEVISION REVIEW | JOHN ANDERSON

A Spy's Life Becomes Unsettled

THREE IS ONE very drunken car chase in episode 1 of "The Agency," another that is strictly sober, and a gunfight in episode 2 that might prompt a person's neighbors to start banging on the walls. But most of the time this CIA-centric suspense series operates in John le Carré territory, where the personal, the bureaucratic and the past are all getting in the way of actually saving the world.

Inspired by the French series "The Bureau" by Eric Rochant, "The Agency" is your basic prestige production, with Michael Fassbender, Jeffrey Wright, Richard Gere and Katherine Waterston in principal roles; Joe Wright ("Darkest Hour") in the director's chair for two episodes; and a screenplay by brothers Jez and John-Henry Butterworth. But it is also a first-rate thriller, based on the first three episodes (all that were made available at the time of this writing), the acting therein and the story, which is reminiscent of such late-inning Le Carré as "Agent Running in the Field."

The principal agent here is Martian (Mr. Fassbender; no, I don't get the name either), who has been sta-

tioned in Addis Ababa, Ethiopia, for six years, long enough to have settled into life undercover and fallen in love with Sami Zahir (Jodie Turner-Smith), a married academic who takes the news of his being called back to London with noble understanding. She is heartbroken, we suspect, but is off to Sudan for a job and besides, she sighs, it was never meant to last. Martian feels otherwise and, when a terrorist bombing occurs at the University of Khartoum, he is desperate to find out Sami's whereabouts.

No time for trips to Africa, however: The drunken driver mentioned above is an operative in Belarus, whom the agency believes may have gone rogue. ("CIA" is never mentioned, but "Langley" is, so we know where we are.) This compromises agents all over the region, including Alexei Oreshov, the owner of a trucking company but also a conduit of strategic information who is brought in, beaten and brutalized by agency affiliates to determine his loyalty; the performance by Marcin Zarzecny is not only unnerving, but it is indicative of the quality of the entire cast, which in-



Michael Fassbender and Jodie Turner-Smith, above; Jeffrey Wright, below.



cludes Ms. Waterston, as Martian's longtime, long-distance handler, Naomi. Saura Lightfoot-Leon is the newbie agent Danny. Harriet Sansom Harris is Dr. Blake, the in-house psychiatrist who has her savvy

hands full. As Martian's thoughtful superior Henry (Mr. Wright) is well aware, living secret lives can damage people; as the London station chief, Bosko (Mr. Gere), doesn't realize, he himself takes too much relish in running roughshod over damaged people.

Martian has been called back to London so abruptly that he harbors resentments, not just about the 24-hour tail put on a returning agent (standard procedure, we are told) but because it interferes with his reunion with his daughter and, ultimately, Sami, when they find themselves together in Paris. What's up? Can't say.

Mr. Fassbender is a born movie star who also happens to be a great actor; Mr. Wright is a great actor who should be a movie star; and Richard Gere is a movie star whose acting has generally been underrated. Along with Ms. Turner-Smith—who is costumed and photographed in such spectacular and distracting fashion I'm not quite sure about her acting—all are in the right roles, playing people in the wrong jobs. Whether there is a right job to be found when the work is espionage would be on every character's mind, if he or she had the time and space to think about it.

The Agency

Friday, Paramount+ with Showtime; Sunday, 9 p.m., Showtime

Mr. Anderson is the Journal's TV critic.

ARTS IN REVIEW

THEATER REVIEW | CHARLES ISHERWOOD

'The Blood Quilt': A Patchwork Drama

Katori Hall's play observes daughters gathering after their mother dies



back-and-forth among the sisters is often brightly funny ("That girl can start a argument in an empty house," Amber says of Gio), and the characters are sharply defined without becoming rigidly unnuanced. (Except perhaps for Zambia, whose parroting of cultural talking points can be wearisome: "Gender is just a mental construct to divide and conquer the human race.") "The Blood Quilt" holds one's attention through its almost three-hour running time, although Ms. Hall could profitably have taken sewing scissors to the text.

The play is a crazy quilt itself—

"That's a quilt where yo' hands just put pieces all willy-nilly," Clementine says—as Ms. Hall springs one dramatic development after another, continually stoking the drama and conflict but sometimes at the expense of subtlety and plausibility. Zambia tells Amber she's a lesbian, but the matter is dropped until Ms. Hall throws in a line of dialogue referring to it toward the close, as if realizing she had dropped this stitch. Amber has a startling revelation about her health that strains credibility given what we know of her character. Cassan makes a discovery

The company of 'The Blood Quilt'
at Lincoln Center, directed by
Lileana Blain-Cruz.

when picking through her mother's room that sends her into an emotional tailspin.

The most charged moment arrives when Gio, after years of hiding the trauma that marred her childhood, strips away the swagger that she has developed and tells of being sexually assaulted by a family member. And then there's the matter of the mother's will—chiefly concerning the fate of the more

than 100 quilts in the house—which springs its own surprises that further inflame the tense atmosphere.

Under the direction of Lileana Blain-Cruz, the actors give richly differentiated performances, befitting their divergent heredity as well as their varied life experiences and childhoods colored by disparate degrees of affection and attention from their parents. As Gio, Ms. Moore has the most stage-filling role, and brings to it ornery humor and barely bottled-up anger that grows less contained as she downs one bottle of beer after another. But all the actors provided nicely shaded performances that explore their characters' haunted pasts or trouble-plagued present lives.

While "The Blood Quilt" is burdened by a tendency toward excess, Ms. Hall's language has a hypnotic lyricism that never feels contrived. And the metaphor at the play's center has a vivid potency: Quilting is a humble art that employs scraps of fabric not necessarily beautiful or useful in themselves to create a work of folk art that is aesthetically pleasing, practical and, as the sisters explain to Zambia, also often a repository of family and cultural history.

The sisters all have been shadowed by pain and trouble. But their struggles to shape their sorrows and flawed choices into meaningful lives echo the difficult work of quilt-making. From the imperfect and often conflicting materials life gives them they continue to

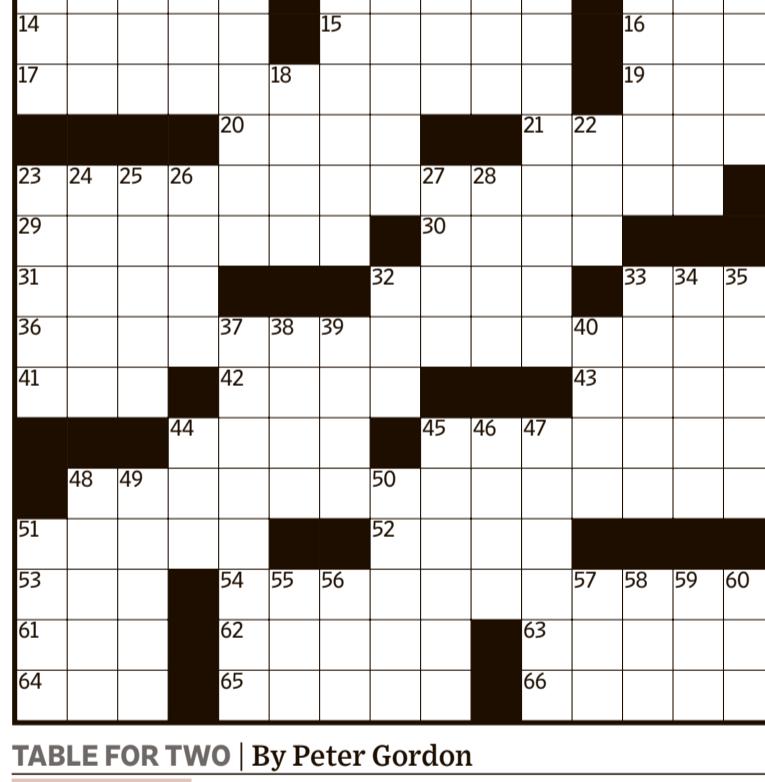
labor toward happiness, stitch by stitch, panel by panel. Or, as Gio puts it, defending the appeal of her preferred crazy quilts: "They beauty is accidentally on purpose. You may not know what the hell you doing, but you work with what you got."

The Blood Quilt
Lincoln Center Theater at the Mitzi E. Newhouse, 150 W. 65th St., \$35.50-\$92, 212-239-6200, closes Dec. 29

Mr. Isherwood is the Journal's theater critic.

JULIA CERVANTES

The WSJ Daily Crossword | Edited by Mike Shenk



PUZZLE CONTEST

- 27 Penultimate word in many a fairy tale
28 Chaplin of "Game of Thrones"
32 What some Hail Marys lead to, briefly
33 Arrested
34 Players on a polo field, e.g.
35 Uses a blowtorch on
37 Straightened out
38 Jaunty tune
39 Don't budge
40 Moreno with an EGOT
44 Persian Gulf nat.
45 Beatnik address
46 "Young Frankenstein" role
47 Put trust in
48 Hard stuff
49 Senokot alternative
50 Had longings
51 Blowout
55 Copying
56 Cinerarium vessel
57 Product from Cosabella or Bluebella
58 "Washboard" makeup
59 "Shoo!"
60 Pork place?

Previous Puzzle's Solution

BUST	NATO	RAPT
OHIO	BORON	Owie
SUMS	INERT	ALEX
CHICAGO	SEVEN	
AMERICAN	TOME	
CALIFORNIA	NIKING	
MATED	RAID	ELSA
ANT	BASKS	LIP
SAID	OTTO	BRIGS
CARIBBEAN	QUEEN	
NEMO	USE	
MONTEREY	JACK	
SATE	AARAU	ELOI
THOR	PLACE	CARD
YAMS	ELSE	SPS

TABLE FOR TWO | By Peter Gordon

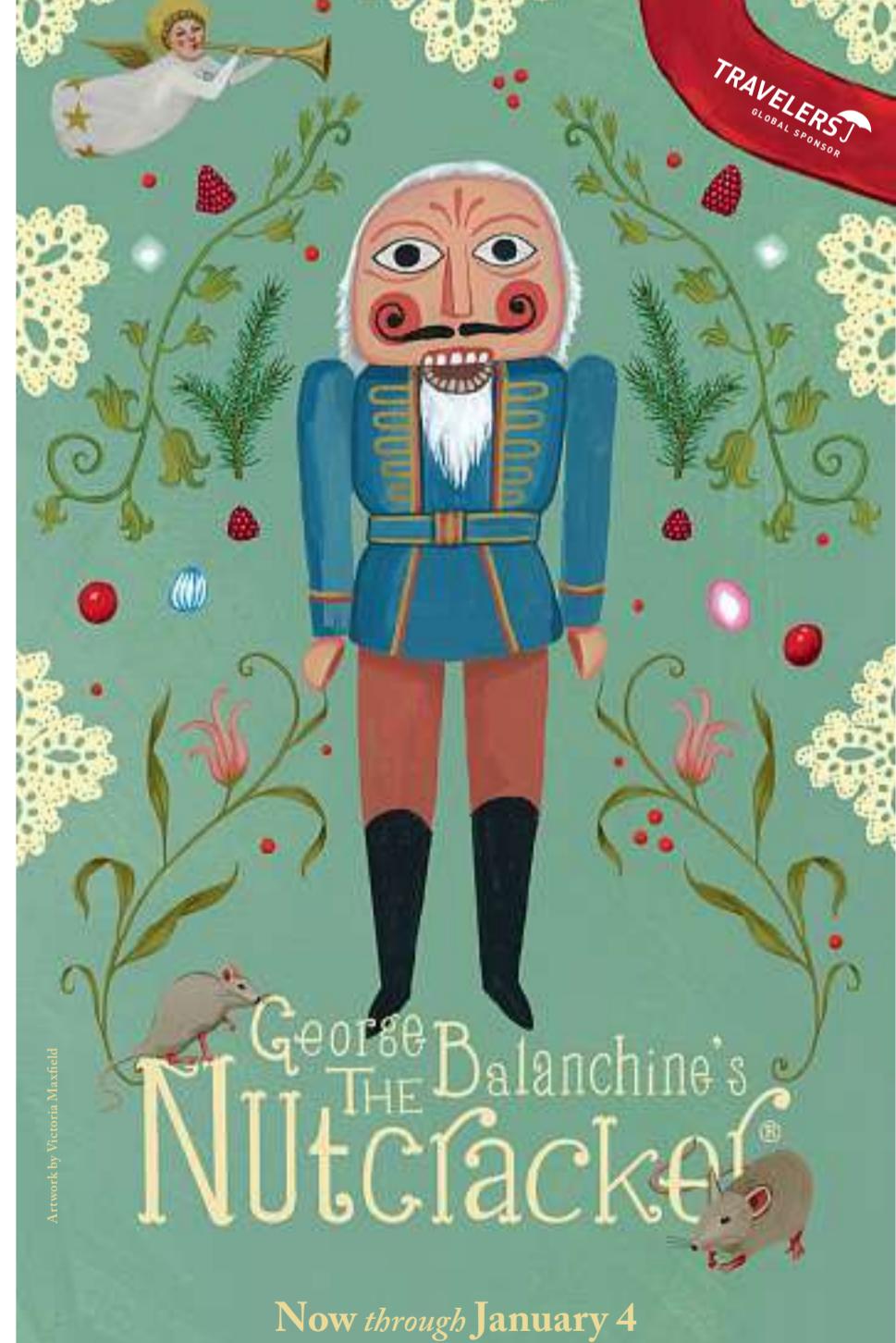
The answer to this week's contest crossword is a state motto.

Across

- 1 Potato chip, to Mr. Chips
6 "Mexican Eats" chain
11 Vietnamese soup
14 Interior design
15 Herman Miller office chair
16 Long stretch
17 Yellow signal at Indy
19 "Gangnam Style" rapper
20 Within: Prefix
21 One of England's home counties
23 Masters setting
29 Pair of pom-poms?

- 30 Volleyball brand
31 Founding Father Stone, as he signed the Declaration of Independence
32 Gov. Bill Lee's state
33 Sudoku section
36 Reality show on which you Lip Sync for Your Life
41 Honey! (Post cereal)
42 Quibbles
43 Like JFK
44 Big Ten sch.
45 Soiled
48 Gowns with sashes might be worn at them
51 Muscular dog breed
52 Object of reverence
53 HuffPost owner of the past

► Email your answer—in the subject line—to crosswordcontest@wsj.com by 11:59 p.m. Eastern Time Sunday, Dec. 1. A solver selected at random will win a WSJ mug. Last week's winner: James Courier, Macomb, IL. Complete contest rules at WSJ.com/Puzzles. (No purchase necessary. Void where prohibited. U.S. residents 18 and over only.)



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SPORTS

By ROBERT O'CONNELL

Nobody in the NBA likes Dillon Brooks. The Houston Rockets' 28-year-old roughrusher has feuded with LeBron James, he's talked trash to Klay Thompson and, just a month ago, he tussled with 7-foot-3 dynamo Victor Wembanyama. He has a sharp tongue, sharper elbows—and he's not afraid to use either of them.

It hasn't made him many friends around the league.

But this season, you'll be hard pressed to find a more popular athlete around Houston. After four years without so much as a playoff berth, the Rockets have sprinted out to a 14-6 record thanks in large part to one of the league's most formidable defenses. And they have the most hated man in basketball to thank for it.

"I play with the mantra, 'Smashmouth, physical, no bulls—t,'" Brooks said. "You're the bad guy—and you don't care what people think."

At a time when offenses are lighting up scoreboards at record rates, Houston is a bruising, bully-ball outlier. The Rockets swat away shots, gobble up rebounds and smother opposing dribblers. They surrendered just 105.1 points per game, the third-lowest mark in the NBA through the season's first 18 games.

But with Brooks on the court, the already stingy Rockets turn into something far more fearsome. When coach Ime Udoka puts him in the lineup, Houston gives up 16.4 fewer points per 100 possessions, according to Cleaning The Glass. That

drop in opponents' scoring is the second-biggest decrease of any player in the entire league. Brooks basically turns great teams average—and average teams into the Washington Generals.

"He's the head of the snake," Udoka said. "He sets the tone on a nightly basis."

Brooks, who stands 6-foot-6 with the bulging shoulders of a UFC fighter, isn't the fastest,

tallest or strongest player in the NBA. But as it turns out, his exact combination of speed and muscle—blended with a fierce determination—lets him chase a shooter around the 3-point arc in one moment and wrestle with a big man the next. That blend makes him the perfect defensive specialist in an era when the NBA's scorers seem capable of doing almost anything they want on the court.

Just look at the numbers some of the NBA's biggest stars put up when they have to tangle with the Rockets. Giannis Antetokounmpo managed just 20 points against Houston—his lowest total of the season. In two losses to Houston in the span of 10 days, Wembanyama scored a meager 29 points

The Rockets Are a Pleasant Surprise Boosted by the NBA's Most Hated Man

Dillon Brooks has spent his entire professional career sparring with the league's best players



Dillon Brooks leads one of the NBA's most formidable defenses. He is often tasked with defending stars like Victor Wembanyama, bottom left, and LeBron James, bottom right.



NBA. And two years into the experiment, the results have been even better than anyone could have hoped for.

Not only has Brooks excelled individually, he's also helped create a bunch of mini-Dillon Brookses in his wake. The young wing tandem of Amen Thompson and Tari Eason has earned the nickname "The Terror Twins" for the nightmares they cause for opposing ballhandlers. If they came into the league with the athleticism to cause problems, it was Brooks who taught them how to tap into the requisite mindset.

"That's the biggest thing he gives us," Udoka said of Brooks. "It's a ton of effort, but also a mean streak. You can't be 'buddy-buddy' with guys out there. You're basically in a war,

one-on-one."

And if that mindset makes the Rockets youngsters a few enemies around the league, well, in Brooks' world, that's not such a bad thing.

"Any reaction is good, for me," Brooks said. "It gets them out of their game."

The Boston Marathon Is Finally Giving '14 Winner Her \$100,000 Prize Money

By RACHEL BACHMAN

THE TUMULTUOUS SAGA of the 2014 Boston Marathon winner who never received her \$100,000 prize money has a happy ending.

Race organizers now say they will pay her—and have changed their policy so that other runners beaten by dopers will also receive their winnings.

The tale began when Buzunesh Deba crossed the finish line of the 2014 race second, behind the winner, Kenya's Rita Jeptoo. But two years later, Jeptoo was disqualified for doping and Deba was elevated to first place.

Moving up was worth an additional \$100,000 to Deba, who is from Ethiopia. She was owed \$75,000 for the difference between the first- and second-place prize money, and \$25,000 for setting the women's course record. Because of a policy practiced by Boston and other major marathons, however, organizers refused to pay Deba until they could claw back the money from Jeptoo, The Wall Street Journal reported in April.

A reader of that story was so frustrated by Boston's position, and the delay in Deba receiving her money, that he wrote her a check

himself.

This week, Boston Athletic Association officials announced they are reversing course. They will award "voluntary payments to athletes who were adversely affected by doping offenses at B.A.A. events."

About 80 runners from eight Boston Marathons between 2003 and 2016, and nine runners from the 2024 Boston 5K, are eligible for a share of around \$300,000 in prize money, race organizers confirmed.

In addition, the B.A.A. is searching for and contacting athletes who moved up after a competitor's DQ back to 1986, when prize money was first offered. Its website seeks applications from people who might be owed money.

"This is an opportunity for us as an organization to reward athletes who have played by the rules," the B.A.A. said in a statement. "We continue to do everything we can to ensure a level playing field at our events and—in the event athletes are caught doping—continue to make every effort to hold them accountable. But in offering these voluntary payments, we further recognize clean athletes."

Worku Beyi, Deba's husband,



Boston Marathon organizers announced that 2014 winner Buzunesh Deba would be paid her prize money.

said the family was overjoyed to learn Monday in a call from a B.A.A. official that Boston would pay her the prize money after all. Deba, 37, is in Ethiopia training for a comeback. The couple's two young children are with her and their grandmother.

"A few minutes ago, I was on

the phone with our family," Beyi said Tuesday. "Buza, she's still crying."

At the time, Beyi and Deba said they would pay back Doug Guyer, the Journal reader who wrote Deba a check to make her whole for the money Boston owed her. But on Tuesday, Guyer told Beyi that they

shouldn't worry about paying it back.

"This morning he said he doesn't want the money, we should keep it for training," Beyi said. "He's an amazing guy."

Guyer said he hopes other marathons follow Boston's lead and change their policies.

KEVIN JARRAHI/IMAGN IMAGES/REUTERS; SCOTT WACHTER/REUTERS; RONALD MARTINEZ/GETTY IMAGES

SETH WENIG/ASSOCIATED PRESS

OPINION

Eric Adams's Plea to Democrats

By Tunku Varadarajan

New York City Hall here is the new temple of political bipartisanship, with Mayor Eric Adams its head priest. The Democrat tells me he's eager to work with Donald Trump. "I spoke with him three times immediately after the election," he says in an interview in his office, and then once more at Madison Square Garden on Nov. 16, where the two "exchanged pleasantries" at a mixed martial-arts fight. "Yes, yes," he says when asked if he has a cordial relationship with the president-elect, before adding that he had also "exchanged pleasantries" with Mr. Trump at the Alfred E. Smith Memorial Foundation Dinner—an annual Catholic charity event—on Oct. 17. That's a lot of Trump in a short space of time for a high-profile Democratic mayor—and a lot of pleasantness.

Kamala Harris, the presidential nominee from Mr. Adams's own party, raised eyebrows when she chose not to attend the Al Smith Dinner in person, the first presidential candidate to skip it since Walter Mondale. Ms. Harris made a "huge mistake, huge mistake," by not going, says Mr. Adams. "From my understanding, she did not attend because folks figured that she would upset certain groups. We tend to allow these groups that are the loudest to come across that they represent the overwhelming majority in our

country, in our city. That is just not true."

Mr. Adams explains what's gone wrong with his party, and why Ms. Harris lost. "We became ideologues. We're talking at people, and not to people or with people. We've stopped listening to working-class people." Instead, the party "listened to the ideologues, calling Donald Trump 'Hitler.' We allowed our party to have the issues be hijacked. People were talking about housing, migrants, our borders, affordability." But the party made "other

New York's mayor urges his party to address public safety and immigration.

issues its battleground." He gives examples: "Things like who should be sharing a bathroom. Should men play women's sports? When you're worried about unemployment, that's not what you want to hear. That should not be at the top of your list of debates."

Public safety and migrants were uppermost on many voters' minds, says Mr. Adams. He describes how people were "really riled up about migrants and asylum seekers" at town halls. "We are a country of immigrants. But we heard the loudest complaints from immigrant communities." He's frustrated by changes in the law made by his predecessor, Bill de Blasio,

"and an extremely far-left city council head at the time," that prohibit the NYPD from informing Immigration and Customs Enforcement when a migrant commits a crime.

His city, he believes, has borne an unfair share of the migrant burden. Mr. Adams has spent "\$6.4 billion on migrants and asylum seekers, \$6.4 billion I don't have now to pay for other things for struggling New Yorkers." He lists the areas from which money had to be subtracted to pay for migrant-care: "housing, seniors, after-school programs, mental health. That impact is going to be long term." It's no wonder Mr. Trump made big gains in New York on Nov. 5. Whereas he lost the city by 62 points in 2016, and by 53 points in 2020, he was beaten by only 37 points by Ms. Harris.

Mr. Adams defies progressives in believing that the NYPD should be able to work with ICE to "remove migrant criminals from our city, from our country." He's also complained bitterly about the paltry federal assistance that he's received to deal with "a national crisis": "just \$200 million." But migrants aren't Mr. Adams's only headache.

In September, he was indicted on corruption charges by federal prosecutors. If convicted, he could face decades of jail time. He insists that he's "done no wrong," and that "justice will be done." Asked if he thinks the indictment is payback for his criticism of the

party line on migrants, he says, "Yes, I do. People were not happy with me. It doesn't have to be the president, because there are a lot of other people unhappy that I fought for this city." He's had an ally in Mr. Trump, who said at the Catholic charity dinner that he knew "what it's like to be persecuted" by the Justice Department. "We were persecuted, Eric," said Mr. Trump. "I was persecuted, and so were you." In our interview, Mr. Adams avoids the word "persecution," preferring to say that he's being "unfairly treated."

The question, of course, is whether Mr. Adams's overtures to Mr. Trump are just a bid to make his own legal troubles go away. Mr. Adams laughs and shakes his head. "I have been saying this constantly, that we have to stop yelling at each other." He was, he insists, "searching for common denominators with Republicans well before any accusations against me." He points out that he used to be a Republican (which he was, briefly, from 1997-2001) and knows how to reach out across the aisle.

"I am a practical progressive."

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

Kimberley A. Strassel is away.

Remember to Whom Thanks Is Given

HOUSES OF WORSHIP

By Melanie Kirkpatrick

In the 400-plus year history of our national Thanksgiving holiday, perhaps the most prominent and enduring feature has been gratitude to God. Yet as the percentage of nonbelievers increases, the Almighty is increasingly elbowed out by secular celebrations. Food, family and football now prevail over the fourth "f": faith.

Such criticism is nothing new: It wouldn't be Thanksgiving without someone lamenting its secularization and urging Americans to focus less on feasting and more on giving thanks. Consider the storied history:

In 1792 the Connecticut Courant published a letter from a man complaining that Thanksgiving had become devoted to eating and drinking. In 1873 an article in the Boston Daily Globe bemoaned the decline in the religious character of the day: "The views of our ancestors in regard to attendance on divine worship were disregarded . . . but the revered turkey was trotted out with all the alacrity which good housewives are wont to expect."

As football fever swept the nation at the end of the 19th century, it provoked outcries from those who worried that the emphasis on the sport detracted from the more important religious aspects of the day. The Chicago Tribune entered the fray in 1896 with several pages of commentary devoted to whether there was too much football and too little

gratitude on Thanksgiving. It quoted a local rabbi, an obvious football fan, who drew on the Book of Ecclesiastes when he wrote: "There is a time for everything: a time to pray and a time to play."

God has put in an appearance in every presidential Thanksgiving proclamation, often in creative, even poetic, language: "The Great Disposer of Events of the Destiny of Nations" (James Madison); "the Giver of Good (Theodore Roosevelt); "the Chief Magistrate" (Herbert Hoover); and "the loving Source of all life and Liberty" (George H.W. Bush).

In 2009 Barack Obama was unfairly criticized for mentioning God only indirectly when he quoted George Washington's reference to "Almighty God."

Many proclamations contain language reminiscent of prayer. In 1942, during the first Thanksgiving after America's entry into World War II, Franklin Roosevelt included the complete text of the 23rd Psalm: "The Lord Is My Shepherd." Ronald Reagan was the first president to mention Native Americans and their ancient traditions of giving thanks. In his 1984 proclamation, he quoted a lovely Seneca prayer: "Give it your thought, that with one mind we may now give thanks to Him our Creator."

All of which raises a question: Is Thanksgiving a religious holiday? Thomas Jefferson thought so and thus refused to issue a presidential proclamation. He had two objections: The Constitution didn't award that power to his

office, and it was inappropriate for presidents to involve themselves in religious affairs. Similarly, Zachary Taylor, Millard Fillmore and Franklin Pierce didn't support the proposal of the influential 19th-century editor Sarah Josepha Hale for the president to name a national day of Thanksgiving.

When Hale launched her campaign for a common Thanksgiving Day in the 1840s, governors, not presidents, set the date, which varied widely among the states. An early

Along with the turkey and football, send some gratitude in God's direction.

19th-century wag joked that if you planned your travel itinerary carefully enough, you could enjoy a good holiday dinner every week between Election Day and Christmas.

Abraham Lincoln ducked the issue of constitutional authority. In 1863 he issued the first in what has become an unbroken series of presidential proclamations calling on all Americans to give thanks on the same day. It wasn't until 1941 that Congress passed a resolution codifying the holiday into law.

At least one governor, James Hammond of South Carolina, took the view that Thanksgiving was an exclusively Christian affair. His 1844 proclamation invited "our citizens of all denominations to assemble at their respective

places of worship, to offer up their devotions to God their Creator, and his Son Jesus Christ, the Redeemer of the world." The Jews of Charleston—home to one of the nation's oldest and largest Jewish communities—requested an apology and declined to celebrate that year. On Dec. 7 that year, Hammond was succeeded by William Aiken Jr., one of whose first acts in office was to issue a new Thanksgiving proclamation. It contained no reference to Christianity.

Still, our ancestors took the occasion seriously. In 1696, William Vazie was arrested for failing to observe Thanksgiving Day properly. The law banned work and entertainment, and Vazie had been observed plowing a field of corn "with an Indian Boy and Two Horses." He pleaded guilty, was fined 10 pounds and sentenced to be pilloried in the Boston marketplace for one hour around noon. Being pilloried in the heart of the city at the busiest time of day sent a potent message: Respect Thanksgiving Day and keep it holy.

The pillory's days are long gone, but here in the 21st century perhaps the same spirit ought to apply. On the day devoted to giving thanks, it would be a welcome return to tradition to send more gratitude in God's direction.

Ms. Kirkpatrick is a former deputy editor of the Journal's editorial page, a senior fellow at the Hudson Institute and author of "Thanksgiving: The Holiday at the Heart of the American Experience."

Winston Churchill: An American Patriot

By Robert Schmuhl

If I were to be born again, I would like to be born in the United States."

So said Winston Churchill, the two-time prime minister of the United Kingdom and the personification of English bulldoggy. The year was 1946, seven months after Churchill's failure to retain his party's parliamentary majority ended his first stint in office, and he was speaking with Clark Clifford, President Harry Truman's White House counsel. Clifford's oral history of the conversation is preserved at the Churchill Archives Center in Cambridge, England.

With the 150th anniversary of Churchill's birth on Saturday, his words reveal the foresight of a leader looking beyond his native land.

"At one time, the sun never set on the British Empire and Great Britain controlled the seas and controlled commerce

throughout the world," Churchill explained to Clifford. "But that day is over now. The United States must pick up that leadership role."

The son of an American mother and English father, Churchill made the case for the new global power. "You

His leadership and foresight still inspire the free world, 150 years after his birth.

have a country with its enormous expanses," he said. "You have practically every natural resource there is. You have a young energetic people. You have an expanding economy."

Churchill offered a prediction: "The United States will be the leading power in the rest of the 20th century."

Being Churchill, he then tempered his admiration: "I

say those very nice things about you even though I consider some of your customs quite barbaric. . . . One of the most barbaric is you stop drinking with your meals."

Levity aside, Churchill had an uncanny ability to forecast the future. In the 1930s he tried to warn the world about Nazi Germany. Once the Axis powers were defeated, he turned to the Soviet Union.

Churchill's conversation with Clifford occurred while the two were en route to Westminster College in Missouri, where Churchill would deliver his "Iron Curtain" speech: a clarion call about the risks of the "Soviet sphere" presented to the free world. Though he was criticized for warmongering, Churchill had a remarkable understanding of the perils ahead.

Having learned the extent of American prowess during World War II, he also stressed in the speech the importance of the U.S. as an indispensable

British ally. He envisioned a special relationship between the U.S. and U.K. and even suggested "common citizenship" for the two peoples.

This latter aspiration—and Churchill's own for rebirth in the U.S.—came to naught. Yet in a first-of-its-kind White House ceremony in 1963, President John F. Kennedy conferred honorary U.S. citizenship on "the most honored and honorable man to walk the stage of human history in the time in which we live."

The new American, then 88, died two years later. His sesquicentennial birthday provides a reminder of his time on history's stage and his talent for presciently peering into the unknown.

Mr. Schmuhl is an emeritus professor of American Studies at the University of Notre Dame and author of "Mr. Churchill in the White House: The Untold Story of a Prime Minister and Two Presidents."

BOOKSHELF | By Howard Schneider

The Good Guys Learn to Fight

Gangster Hunters

By John Oller

Dutton, 512 pages, \$35

The grim experience of the Depression had the odd effect of elevating the status of the era's gangsters, who were viewed by the public with a certain Robin Hood romance. Some of their names are still familiar today: Ma Barker and her sons, John Dillinger, Charles "Pretty Boy" Floyd, Lester Gillis (aka Baby Face Nelson), Alvin Karpis, George "Machine Gun Kelly" Barnes, Bonnie (Parker) and Clyde (Barrow).

In the impressively researched and perceptive "Gangster Hunters," John Oller, a former corporate lawyer and the author of seven previous books, strips the glamour from the notorious criminals who rampaged through America's Midwest and South during this troubled period.

Instead, he places the laurels where they belong: on the dedicated FBI agents, the men on the front line who risked (and in some cases lost) their lives hunting down the vicious hoods.

In Mr. Oller's telling, the battles between the desperadoes and the FBI aren't the exciting set pieces we see in films. Rather, they are gruesomely bloody and unnerving.

ing. On the morning of June 17, 1933, for instance, a squad of law-enforcement officers in Kansas City, Mo., were ambushed at the city's Union Station as they escorted Frank "Jelly" Nash—murderer, mail-train robber and fugitive from justice—to nearby Leavenworth prison. The ensuing shootout in the crowded railroad station left four lawmen dead: two Kansas City detectives, an Oklahoma police chief and "the first FBI agent to be killed in the line of duty in almost eight years." Two other agents were wounded. Nash, too, was shot dead.

The attack came to be known as the Kansas City Massacre, one of several high-profile incidents that year. The FBI responded by launching its "war on crime" campaign, which lasted from 1933 to 1936. Initially, we are told, "the rules were stacked in the outlaws' favor." The FBI had no power to enter a case that involved crossing state lines. Moreover, "murder—even of a federal officer—was not a federal crime." The bureau was "powerless to pursue bank robberies"; even in the few federal cases over which the FBI had jurisdiction, "agents generally had to enlist a local police officer, sheriff, or U.S. marshal to make the actual apprehension."

Congress eventually provided the agency with the legal means to pursue bank robbers, kidnappers and other violators of federal laws. But the FBI agents had other problems that couldn't be legislated away. They were "hardly prepared for war," Mr. Oller explains. For one thing, "few of them had any experience with guns." Many were barely out of law school and didn't know how to handle a crime scene. Meanwhile, the agents faced "murderous felons who were more heavily armed, whose cars could travel faster, and whose getaways were better planned than the Bureau's raids." All this was made worse by some local law-enforcement personnel who were, "if not downright crooked," at least disdainful of "a bunch of tenderfoots."

At the start of the FBI's campaign against organized crime, few agents had any experience with guns or knew how to handle a crime scene.

Not all FBI agents were scrupulous about the letter of the law, either. A few suspects were roughed up during interrogations, some even gunned down in cold blood. But Mr. Oller is persuasive that, overall, these federal foot soldiers deserve our respect. He admirably chronicles the often-arduous methods used by agents to track down their feral adversaries—the endless surveillance, the co-opting of snitches, the wiretaps—as well as the lucky breaks and the moments of extreme peril. For the most part, the agents were workaholics, neither bullies nor trigger-happy hotshots.

And they operated anonymously, thanks to their boss, J. Edgar Hoover. The author's portrait of Hoover is intriguingly ambivalent. "No doubt Hoover accomplished great things: he cleaned up a corrupt bureaucratic organization, professionalized it, and transformed the agency from a collection of fact gatherers to a team of crime fighters." But Hoover, a masterful, consummately ruthless wielder of power, could not bear the thought of anyone but himself gaining glory from his agency's achievements. (A disquieting case in point: Melvin Purvis, the investigator who tracked down Dillinger, was one of the few agents who achieved widespread renown during the 1930s, earning the director's undying enmity.)

Despite Mr. Oller's celebration of the bureau's "faceless men," the most tantalizing figure in the book is Hoover himself. As the author tells us, "Hoover's 'It's the organization, not the man' motto did not extend to the director himself. Despite engaging in none of his agents' heroics, Hoover wanted the credit for the Bureau's successes to flow to him alone." He "crafted a well-oiled publicity machine that for decades continued to extol the FBI as a fearless organization that was faceless except for him."

How long ago it seems. It was long ago, almost a century, a time when even the vilest plug-uglies were often dapper dressers. Today the dangers to economy and country are more likely to arise from terrorism and cybercriminality than from bank robbers and kidnappers. The FBI has evolved accordingly, but "Gangster Hunters" is a welcome reminder of the "unsung crime fighters" who, as Mr. Oller says, "created the modern FBI."

Mr. Schneider reviews books for newspapers and magazines.

Coming in BOOKS this weekend

Jimmy Lai's heroic stand • The life and genius of Benjamin Franklin • Carl Perkins and the birth of rockabilly • The worst work of the best writers • Triumph and tragedy on the mountain • Martin Van Buren's party politics • & more

OPINION

REVIEW & OUTLOOK

Biden Tosses Rivian a \$6 Billion Lifeline

In this unfortunate era of industrial policy, it's good to be a politically favored company no matter your commercial prospects. Consider the Biden Energy Department's stunning \$6 billion loan to struggling Rivian Automotive to make electric vehicles.

We had fun calling Rivian a "government unicorn" three years ago when it went public and surged to a fantastic \$120 billion market valuation. Rivian at the time had sold a mere 156 vehicles despite being in business for 12 years. Its shares are now worth \$11.8 billion.

Investors may have been betting on government subsidies supercharging Rivian's growth, and they can't blame the Biden Administration for not delivering. The Inflation Reduction Act includes a \$7,500 tax credit per vehicle for EV buyers, plus a \$40,000 credit for commercial EVs. The latter is a particular boon for Amazon, that corporate pauper, which owns shares representing 14.8% of Rivian's voting power and has agreed to buy up to 100,000 of its delivery vans. The IRA also includes hefty subsidies for domestic battery production.

Despite these giant subsidies, Rivian lost about \$4 billion on the 37,396 vehicles it has sold during the first nine months of this year. That's \$107,043 a vehicle. Ford loses only about \$51,000 on each EV sold.

But unlike traditional auto makers, Rivian can't use profits from gas-powered cars to subsidize EVs. Thus the company is rapidly burning through cash. It has suffered repeated assembly disruptions and had to recall vehicles to fix defects. It has \$1.25 billion in debt due in 2026, so its current spending pace is problematic.

Enter the Biden DOE, which on Monday awarded Rivian the \$6 billion loan to build a factory in Georgia with the capacity to make 400,000 SUVs and crossovers. This follows Illinois Gov. J.B. Pritzker's pledge this spring of \$827 million in state "incentives" for Rivian to expand production at an Illinois plant to 215,000 vehicles a year.

They believe in an EV field of dreams. But

even if Rivian scales up and builds all these EVs, there's no guarantee someone will buy them. Rivian's sales fell in the last quarter, which it attributed in part to a "more challenging consumer environment." It's right about that. Traditional auto makers are having to slash prices to sell EVs to meet government mandates.

Rivian warns in its latest earnings statement that industry competition will intensify owing to government subsidies, new entrants, auto-maker discounts and a "regulatory push for alternative fuel vehicles." Stellantis CEO Carlos Tavares says the industry is experiencing a "Darwinian period" in which only the fittest will survive.

Even Rivian seems to harbor doubts about its future. It warns that current and potential competitors have "significantly greater financial, technical, manufacturing, marketing, or other resources."

The DOE loan program is supposed to help promising startups. But the Biden team is financing a struggling company with a known credit risk that is competing in a well-developed auto industry. Rivian's debt maturing in 2026 carries an effective interest rate of 12%, but DOE is lending to it at the Treasury rate.

DOE says the loan is a "conditional commitment" that hinges on Rivian meeting "technical, legal, environmental, and financial conditions." That means the Trump team may have the power to scrap it. GOP Georgia Gov. Brian Kemp has promoted Rivian's planned factory in his state, but the loan will mainly benefit the company's investors, especially Amazon.

The Rivian loan is an attempt to keep the company afloat at enormous taxpayer risk before the Trump Administration takes office. But if the loan goes bad in the next four years, don't expect Biden officials to accept responsibility. They'll blame the Trump crowd.

Energy secretary-designate Chris Wright has a big job ahead, and that includes cleaning up a Biden portfolio of corporate-welfare loans handed out for political reasons, not based on market principles or prospects.

**The company is losing
\$107,043 per EV sale,
and taxpayers could pay.**

A Short Lesson in Drug Competition

Whoever says the Food and Drug Administration is too cozy with Big Pharma isn't paying attention to the bonanza of new treatments launched by biotech startups. Late last week the FDA approved BridgeBio's novel medicine for progressive heart disease, which will challenge Pfizer's market monopoly.

Drug makers are increasingly focused on developing medicines that treat subsets of diseases. One example is transthyretin amyloid cardiomyopathy, a form of heart failure caused by the liver producing misshaped proteins that form amyloid deposits that stiffen the heart muscle. The condition can result from aging or a genetic mutation that is present in 3.4% of African Americans.

Most patients don't live more than 3.5 years after being diagnosed, though two Pfizer treatments approved in 2019 can extend life for years. BridgeBio's Attrubry may be even more effective. The twice a day pill regimen reduced the risk of death and recurrent cardiovascular hospitalizations by 42% after 30 months of treatment.

Unlike Pfizer's treatments, Attrubry almost completely fixes the defective protein. BridgeBio is also launching Attrubry at a lower price. "We're like the David versus these two massive Goliaths in this space," CEO Neil Kumar told STAT News.

Another competing treatment by the small biotech firm Alnylam Pharmaceuticals based on a different technology is expected to be approved next spring. The stepped-up competition will almost certainly lower prices, even before Pfizer's medicines lose patent protection in 2028.

We point all this out because a growing condominium on the political right and left supports government price controls based on the misguided notion that Big Pharma extracts monopoly rents. That includes RFK Jr., Donald Trump's nominee to run Health and Human Services. But monopolies even on breakthrough drugs rarely last, patent protection expires after 20 years (much of which is taken up by the approval process), and profits are needed to fund research and development into new treatments—some of which may compete with blockbuster drugs.

To wit, Amgen on Tuesday announced its experimental obesity drug resulted in 20% weight loss over a year in a Phase 2 trial, more than Novo Nordisk's Wegovy and roughly the same as Eli Lilly's Zepbound. Despite the good news, Amgen's stock price plunged 12% because Lilly's next-generation experimental treatment has shown even larger benefits in trials.

A sure-fire way to reduce drug innovation and competition is to let the government dictate prices.

The Court Case About Who Funds CAIR

The Council on American-Islamic Relations, or CAIR, made headlines last year for its leader's reaction to the Hamas slaughter of Israelis on Oct. 7, 2023: "I was happy to see people breaking the siege." When CAIR next makes headlines, it might be for revelations about who's funding the group, and from where.

On Monday a federal magistrate judge in Minnesota issued a discovery order in a lawsuit against CAIR by Lori Saroya, a former employee and board member. Among the items that CAIR is directed to hand over are documents showing every donor of \$5,000 or more from 2014–2022, as well as contributions by "any individual or entity within, or any governmental unit of, Saudi Arabia, Qatar or Kuwait between 2007 and 2014."

CAIR is a nonprofit that doesn't have to publicly name its donors. There are good reasons to oppose forced disclosure of contributions, arguments that should be easy to guess from the name and year of the Supreme Court's big precedent on the question, *NAACP v. Alabama* (1958). "Our cases have said that disclosure requirements can chill association," Chief Justice John Roberts reiterated in *Americans for Prosperity Foundation v. Bonta* (2021).

But in the legal case between Ms. Saroya and CAIR, one thing in dispute is what the group's donor files would show about the sources of its money. Ms. Saroya alleges in court filings that she quit the organization after witnessing a toxic environment, including sexual harassment and financial mismanagement. CAIR sued her for defamation in 2021. Among its claims, as the judge this week explains, was "that Saroya falsely implied CAIR received funding from foreign governments and terrorists."

CAIR eventually withdrew its case. But then it put out a press release accusing Ms. Saroya of "cy-

berstalking," while saying it dropped the lawsuit only because the litigation had already "allowed us to prove her conduct." Now Ms. Saroya is the one suing CAIR for defamation, and the disputes over legal discovery are going her way.

"Saroya's burden of proving the falsity of CAIR's press release requires delving into the truth or falsity of Saroya's statements that gave rise to the 2021 litigation," writes Magistrate Judge David Schultz. "In short, CAIR's press release has opened the door to litigating—and thus discovering—the merits of the 2021 litigation." The judge therefore granted Ms. Saroya's requests for, among other things, her employee personnel file and the donor data.

CAIR doesn't dispute that it sometimes has taken funds from overseas, and its website argues that many other nonprofits do the same, including the American Red Cross. The comparison is inapt. CAIR calls itself "America's largest Muslim civil liberties organization," but its animus toward Israel and U.S. foreign policy after the brutality of Oct. 7 has been striking. "President Biden is a war criminal," CAIR declared as an organization two weeks ago. "So is Antony Blinken. So is Lloyd Austin."

This rhetoric isn't about the civil rights of Muslim Americans, and it has opened the eyes of some Democrats who once deferred to CAIR as a representative. Perhaps the group will ask the judge to keep its donor lists under seal, so don't count on reading about them at bedtime tomorrow. Still, Ms. Saroya's lawsuit alleges that CAIR's practices included "hiding from its own Board the sources, nature and magnitude of massive foreign funding."

If her defamation claims turn on whether or not she's telling the truth, it could be a fascinating case to watch.

It is heartening to witness the zeal of Alan Dershowitz as he takes on the ICC and its lawless arrest warrants ("I'm Putting Together a Legal Dream Team to Defend Israel," op-ed, Nov. 25). Mr. Dershowitz should expand his list to include legal scholars from other countries, not only the U.S. and Canada. If the charges are brought by an international court, the opposition should be international as well.

MEL YOUNG
Boca Raton, Fla.

RICHARD J. CARHIDI
New York

BRIAN NIXON
Pompano Beach, Fla.

The claim that Mr. Trump poses a threat to democracy has merit, but Mr. Kasparov fails to mention that both parties are involved in a chess game in which each side employs authoritarian executive moves to counter the other's whenever one gains the advantage.

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Do we really have to pause for every food delivery?

OPINION

LETTERS TO THE EDITOR

Keep Your Friends Close and Liberals Closer

John Masko has it wrong in "Shy Conservatives Kept the Left in Its Bubble" (op-ed, Nov. 21). My wife lost several liberal friends for daring to point out that Donald Trump isn't Satan incarnate and that the man had been shamefully mistreated by the press. Those ladies dropped her like a hot potato. They didn't want to hear anything that might have pricked their bubble.

I also lost two liberal life-long friends over this election. One shut off all contact. The other emailed me in blunt terms saying that the price of her friendship was to have no more political rhetoric. We are limited to chat about health and grandkids. Conservatives aren't shy, but our liberal friends "unfriend" us when we say anything they don't want to hear.

DALE MCINTYRE
Bartlesville, Okla.

The complacency of conservatives with Mr. Trump may be the true cause for worry. Watergate generated bipartisan support for impeaching Richard Nixon. Gerald Ford likely lost his re-election bid by pardoning Nixon. Today, if Mr. Trump were found to be illegally spying on the Democrats, it would be laughable to suggest that he would be impeached or go to jail for such a crime.

Standards have changed drastically. Mr. Trump's actions have al-

ready gutted perceived checks and balances on presidential powers. Americans, and Republicans in particular, seem to be the frogs in the pot of cold water. The flame is on full blast beneath the pot, but they aren't moving. It may be too late by the time they do.

IAN BARRETT
Ottawa

Mr. Masko's op-ed should come with a stronger warning: You will be taking a big risk if you reveal your true opinions to those on the left. Several years ago at a gathering, my husband and I inadvertently revealed our opinions to a group of people who assumed we were in their camp. The response was swift and troubling. Their shouting kept us even from completing a sentence.

I too share the hope that one day we can calmly listen to each other in an attempt to understand each other, but I'm afraid it is too soon. This conservative will remain reticent.

CATHY BRUNO
Dover, N.H.

Mr. Masko's op-ed was spot on. As a professor of 17 years, I've learned to keep my mouth shut lest I lose my position. Ironically so, as I teach business ethics.

SCOTT W. VENTRELLA
Ridgefield, Conn.

The ICC Is a U.N.-Backed Kangaroo Court

The International Criminal Court's arrest warrants for Israeli Prime Minister Benjamin Netanyahu and his former defense minister are a travesty of justice ("The ICC's Assault on Israel—and the U.S.," Review & Outlook, Nov. 22). Israel didn't ask for its citizens to be brutally killed, raped, dismembered and captured on Oct. 7, 2023. This war was started by Hamas, not Israel.

I am not Jewish. I am Methodist. But fair is fair. Israel has every right to fight back with every weapon at its disposal against Hamas and its sponsor, Iran. Hamas and Iran should be the ones issued arrest warrants, not Israel. So many Palestinians wouldn't have been killed if Hamas hadn't hidden in tunnels built under hospitals, schools and apartment buildings. Thousands wouldn't be facing hunger if Hamas and other gangs hadn't stolen much of the food supplies the world sent to help the Palestinian people.

JOSHUA ROSENTHAL
Fresh Meadows, N.Y.

How Can We Protect Judicial Independence?

While judicial independence is essential, James Ho's argument that dissatisfied citizens should simply win elections to appoint different judges is flawed ("Judicial Independence: Still a Good Idea," op-ed, Nov. 22). The Supreme Court's composition wasn't determined by elections alone. Barack Obama, despite winning

the presidency, was blocked from filling a Supreme Court seat by Senate Republicans, who then rushed to confirm a justice in autumn 2020 before losing the next election.

Moreover, federal judicial rulings shouldn't hinge on political wins or losses. Mr. Ho's reasoning inadvertently politicizes the judiciary, framing originalism as a partisan ideal. But originalism transcends party lines, as Justice Elena Kagan, a Democratic appointee, famously noted: "We are all originalists now."

Judicial independence demands we resist reducing the courts to extensions of electoral politics by cultural and academic elites, as well as by judges with lifetime appointments.

MATT ELBERT
Houston

What About Musk's Waste?

So much rhetoric has been thrown around regarding government waste, but I haven't heard from Elon Musk about shrinking NASA ("The Musk-Ramaswamy Project," Review & Outlook, Nov. 16). Most Americans aren't sold on putting a base on Mars, which will only benefit contractors such as SpaceX.

With Mr. Musk's push to reduce support for green projects, will he recommend eliminating electric-vehicle credits, which would hurt his own business? I have my doubts.

LAD MIKLOVIC
Jasper, Ala.

BRIAN NIXON
Pompano Beach, Fla.

The claim that Mr. Trump poses a threat to democracy has merit, but Mr. Kasparov fails to mention that both parties are involved in a chess game in which each side employs authoritarian executive moves to counter the other's whenever one gains the advantage.

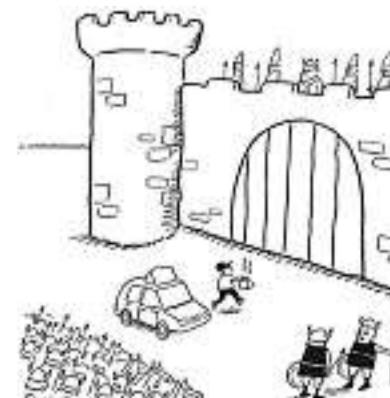
RICHARD J. CARHIDI
New York

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Do we really have to pause for every food delivery?

Pepper ... And Salt

THE WALL STREET JOURNAL



"Do we really have to pause for every food delivery?"

Creating the Justice League

It is heartening to witness the zeal of Alan Dershowitz as he takes on the ICC and its lawless arrest warrants ("I'm Putting Together a Legal Dream Team to Defend Israel," op-ed, Nov. 25). Mr. Dershowitz should expand his list to include legal scholars from other countries, not only the U.S. and Canada. If the charges are brought by an international court, the opposition should be international as well.

MEL YOUNG
Boca Raton, Fla.

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OPINION

**Bhattacharya
Can Bring
Science Back
To NIH**

By John Sailer

The distorted priorities of American academia often have roots in the federal government. The National Institutes of Health pours millions of dollars into universities for large-scale hiring efforts based on diversity, equity and inclusion. Jay Bhattacharya, President-elect Trump's nominee to lead the NIH, can put an end to it.

The agency has created career pathways built on race rather than merit.

The NIH's Faculty Institutional Recruitment for Sustainable Transformation program, or First, bars universities who receive its grants from hiring on the basis of race, but my reporting shows that many schools do it anyway. In one galling example, a grant recipient stated bluntly via email: "I don't want to hire white men for sure." The First program is modeled on the NIH's own "distinguished scholars program." Through a Freedom of Information Act request, I acquired records that show how the NIH makes these selections. Application reviewers repeatedly highlight candidates' sex and minority status and favor those fluent in the vocabulary of progressive identity politics.

On paper, the program doesn't involve racial preference. As Hannah Valentine, former NIH Chief Officer for Academic Workforce Diversity, described it in a lecture, the program aims to "change the culture" by recruiting "a critical mass" of scientists "committed to diversity, to inclusion, to equity, and to mentoring." "Notice that I did not say any particular racial, ethnic or group or gender," Ms. Valentine added, "because legally we cannot."

Yet reviewers repeatedly mention candidates' sex and underrepresented minority, or URM, status. "URM scientist," "female physician," "URM female scientist," "male URM"—the records include more than a dozen such references. The NIH redacted portions of the records it deemed personal information. The occasional missing adjective stands out: "Female [redacted] physician scientist," "Male [redacted] scientist," "[Redacted] female physician," and so on.

Reviewers played down applicants' merit as scientists. "Excellent scientist but not particularly distinguished in the area of diversity in science," one reviewer wrote of an applicant identified as a potential fit for the National Institute of Diabetes and Digestive and Kidney Diseases.

Assessing scholars for their commitment to social justice inevitably hampers the scientific mission of the NIH. One review comment says of a candidate: "Appears not to have a fully developed and equitably centered understanding of diversity." This sort of criteria favors scientists who share an activist's vision for higher education, prioritizing ideology over science.

In some cases, that ideological lens becomes explicit. One reviewer praises a candidate's diversity and equity "activism." Another applicant receives praise for understanding the "historical context of structural racism" and the role of "intersectionality of multiple minority statuses."

Mr. Bhattacharya has promised to "reform American scientific institutions so that they are worthy of trust again." The NIH's First and distinguished-scholars programs illustrate his challenge. Federal grantmaking agencies, like universities, have created well-funded career pathways for academics who espouse an activist progressive vision. Mr. Bhattacharya should shut those pathways down and empower scientists who remain vigilantly committed to the pursuit of truth.

Mr. Sailer is a senior fellow and editor of higher education policy at the Manhattan Institute.

The U.S. Homeland Stands UnguardedBy Glen VanHerck
And Pete Fesler

In the early 20th century, as air power advocates worked to understand the emerging role of aircraft in conflict, Brigadier Gen. William Mitchell conducted a series of tests. The purpose was to demonstrate the airplane's superior capabilities for coastal defense, at that time a Navy mission. Mitchell believed the airplane—and the Army Air Corps—were better suited to the task.

In July 1921, Mitchell led the First Provisional Air Brigade from Virginia's Langley Field in bombing tests against captured German ships and submarines. Mitchell's tests culminated in the sinking of the battleship Ostfriesland, which the Navy had believed invulnerable to air attack. Despite this demonstration of air power's efficacy, a fight between the services for primacy against attack from the sea continued for decades. The Navy and Army Air Corps conducted competing exercises to prove it could better defend the nation.

A hundred years later, the U.S. faces greater threats than those the 1920s War Department could have imagined. They contemplated attacks only from the sea and sea-based aircraft. Today the U.S. faces threats from all domains. Russia and China can target American cities and infrastructure with nuclear-capable intercontinental ballistic missiles as well as ultra-long-range, conventionally armed, land, air, sea and submarine-launched stealthy cruise missiles.

Beijing and Moscow have deployed weapons that can circumvent current threat warning and defensive systems. In a move some call a "sputnik moment," China recently tested a hypersonic missile that nearly orbited the globe before returning to hit a target. An additional menace are the cyber attacks that state and non-state



ROBERT NEUBERGER

actors regularly conduct against government and commercial infrastructure. Drones of unknown origin fly over critical infrastructure, including military bases.

The Defense Department hasn't adequately addressed these new threats. The Army, by law responsible for ground-based air defense, has a limited ability to defend the District

The Pentagon needs to modernize its plans to defend against new threats from Russia and China.

of Columbia and the immediate surrounding area. Most of its Patriot air defense systems are deployed or will likely be deployed in overseas operations, and the Army-led, multiservice counter-drone effort is fielding systems that aren't as well suited for domestic use.

The Navy dedicates only a few on-call vessels to maritime defense and since 9/11 has offered its support to

homeland defense on a handful of occasions, instead focusing on forward deployment. Even the Missile Defense Agency hasn't stepped up, focusing more on defending Guam and against a ballistic missile attack from North Korea.

Mitchell's Army Air Corps, which became the Air Force, was the front line of homeland defense during the Cold War. Today it commits only a handful of predominantly Air National Guard fighters to the air defense mission for the entire North American continent. That is barely one-tenth of the aircraft that Mitchell had on a single base for his tests in 1921. Ground-based radars, fielded in the 1980s to watch over North America, are obsolete. The effort to replace them has been locked in an analysis of alternatives for more than a decade.

The Air Force was on a path to acquire over-the-horizon radars capable of detecting approaching aircraft, ships and cruise missiles at a range of more than 1,000 miles. That project now appears stalled while the Air Force does more studies. At the recent annual Air and Space Symposium

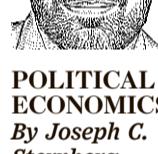
sium, only one official—the commander of the North American Aerospace Defense Command and U.S. Northern Command—addressed protecting the homeland.

The services are investing heavily in modernizing the nation's nuclear deterrent. Replacing the Air Force's aging Minuteman Intercontinental Ballistic Missiles is estimated to cost \$96 billion over the next decade. These systems were designed to deter a nuclear attack by promising devastating retaliation. They were never intended to deter more limited non-nuclear strikes, cyberattacks or attacks by small, unmanned drones on infrastructure. Adversaries are unlikely to believe the U.S. will respond with nukes to a non-nuclear attack. Nuclear deterrence isn't enough to defend against new weapons.

Despite the National Defense Strategy's declaration that homeland defense is the Pentagon's top priority, almost no additional resources have been allocated, and none are forthcoming. The focus is on offense and the fight around the world. Today the nation is defended by a small number of professionals equipped with systems largely designed and bought in the 1970s and '80s, with no defined path to modernization.

Today, as Russian ultraquiet submarines prowl off American shores and Chinese and Russian bombers and warships conduct joint operations near Alaska, our military is focused elsewhere. Fortress America stands largely unguarded. Billy Mitchell would be disappointed.

Mr. VanHerck, a retired U.S. Air Force general, served as commander of U.S. Northern Command and the North American Aerospace Defense command. Mr. Fesler, a retired Air Force major general, served as deputy director of operations for the North American Aerospace Defense Command.

British Labour Meets the Laffer CurvePOLITICAL ECONOMICS
By Joseph C. Sternberg

London British Chancellor of the Exchequer Rachel Reeves is under fire for allegedly padding her résumé to say she was an economist at Halifax Bank of Scotland when she was in fact only a junior banker. But

perhaps Ms. Reeves can now claim credit for one major economics research finding: She's revealing the limit past which it's impossible to tax the United Kingdom.

Behold the all-fronts revolt since Ms. Reeves last month delivered the new Labour government's painful tax-and-spend budget. If all goes according to plan, the budget would raise total government receipts (taxes plus other fees, charges and the like) to 42.4% of gross domestic product by 2030. This year's figure, 40.5%, was already the highest since the immediate aftermath of World War II. Britain can't afford it.

The rebellion against these tax hikes began with retailers and other low-profit-margin businesses, which warn of dire consequences from Ms. Reeves's plan to raise the National Insurance tax, a payroll levy that in practice serves as a second income tax to fund general government. Ms. Reeves wants to increase the employer portion to 15% from 13.8%, while lowering the income threshold at which the tax kicks in. Estimated revenue: £122 billion over five years.

Farmers are in an uproar about another part of Ms. Reeves's budget. She aims to raise £1.8 billion over five years by reducing an exemption from inheritance tax for agricultural property. Family farms warn the measure will suppress investment and could force them to break up thriving businesses to cover death-tax bills. In protest, they brought tractors to the area around the Houses of Parliament last week.

And while the farmers are in the streets, wealthy individuals are in the air, winging their way to friendlier tax climates. Ms. Reeves's budget included the removal of a longtime exemption that allowed wealthy foreigners to shield overseas investment income from British taxes during their first several years of residence in the U.K.,

and their global estates from British inheritance taxes. She claims the move will raise an additional £12.7 billion over five years, but it's mainly a revenue generator for moving companies as news reports highlight an uptick in wealthy taxpayers fleeing Britain entirely.

and their global estates from British inheritance taxes. She claims the move will raise an additional £12.7 billion over five years, but it's mainly a revenue generator for moving companies as news reports highlight an uptick in wealthy taxpayers fleeing Britain entirely.

The new government gets a lesson in supply-side economics as businesses revolt against tax hikes.

For all this commotion, Ms. Reeves's revenue projections are likely to prove a bigger fiction than a Booker Prize-winning novel. Once the increased payroll tax has finished destroying jobs, employers will be paying the higher rate on fewer workers with lower earnings. Ebbing investment will mean reduced profits and lower corporate tax revenues, and less productivity growth to boost taxable wages. Fewer wealthy bankers means less income-tax revenue from their salaries and less value-added tax from their consumption.

Labour's pitch before the election and since, accepted without question by too many economic analysts and even some of the business groups now kvetching, is that what an economy needs most is stability. By this they mean government books that balance. This is the premise on which Ms. Reeves keeps trying to sell a painful

tax-raising budget as a boon for economic growth.

Instead, the U.K. is all but certain to get less revenue, bigger budget deficits, and less prosperity.

Since it's unclear how much experience Ms. Reeves has as an economist, this is an opportunity to inform her of something called the Laffer Curve. Devised by economist and longtime contributor to these pages Art Laffer, this theory posits that as tax rates increase beyond a certain level, the taxes generate less revenue. High rates punish investment and work such that you get less of each, and a smaller tax base.

In response governments start creating exemptions, deductions and other carve-outs that allow individuals and companies to reduce their effective tax burdens—in ways that further distort investment. Ms. Reeves will make this mistake, too, if she starts offering "targeted" exceptions to groups that complain the loudest.

This budget mess is a bitter lesson in economics for Ms. Reeves and British voters alike. Especially so after the political class (both Labour and Conservative) rejected the supply-side alternative of former Prime Minister Liz Truss's tax reforms in autumn of 2022. Those policies were intended to boost economic growth and government revenues by shifting Britain onto a better segment of the Laffer Curve. Those reforms were derided at the time as a Laffer Curve fantasy. Britain now has a Laffer Curve nightmare instead.

Trump Should Challenge the Fed's Policies

By Judy Shelton

lower or raise inflation, and repress or stimulate economic growth.

The Fed's decisions reward some people and hurt others, with obvious political implications. Almost 62% of the gain in U.S. household wealth over the past four years went to those in the top 10% wealth percentile group. These outsize gains for the wealthiest Americans are a result of monetary policy that sent stock prices soaring, which primarily benefited people already flush with assets.

This kind of wealth inequality prompts voters to demand change. Mr. Trump built his economic agenda around addressing these grievances, promising lower inflation, lower interest rates, higher wages and higher growth. But unless these goals align with the Fed's model for achieving its dual mandate—maximum employment and stable prices—the central bank could undercut Mr. Trump's agenda.

The Fed chairman can strongly influence public opinion about the economy. Two days after the election, Chairman Jerome Powell announced a 25 basis-point cut in the Fed's target interest rate. This followed the jumbo 50 basis-point cut announced in September, a decision that Mr. Powell said would advance the Fed's goals of labor-market strength with "moderate growth and inflation moving sustainably down to 2%."

This "recalibration" of the Fed's policy, as Mr. Powell called it, may indicate that the central bank is switching to a supply-side model for deciding the amount of money and credit available to the economy. The theory is that low unemployment and private-sector growth are the solutions to—not the causes of—inflation, which actually results from demand pressures.

If the Fed has embraced this theory, it will be welcome news to Mr. Trump. Along with tax and regulation cuts, a reduction in borrowing costs would dovetail with his goals by providing more affordable access to capital, leading to increased output.

The problem is that some Fed officials seem all too ready to revert to their former framework. Under this model, the Fed uses its tools to decrease demand, not increase supply. It may opt once again for restrictive interest rates and diminished growth, even pre-emptively, to reduce inflationary pressures.

If Mr. Trump and the Fed do go to battle, then Mr. Trump would be facing a stubborn opponent. Just ask former British Prime Minister Liz Truss, who waged a similar supply-side campaign against her central bank. Her plan to spur investment and growth through lower taxes was undermined by the Bank of England, which said the effects of her changes

threatened its idea of "financial stability." This crippled her agenda and got her booted from 10 Downing Street.

Instead of raising the specter of a tyrannical president seizing control from the Fed, we should be questioning why an independent agency has such enormous power to skew financial outcomes. Why are there no limits on how much U.S. Treasury debt the Fed can purchase? No limits on how much money it can print? No limits on the interest it can pay at taxpayer expense to commercial banks on their accounts held at the Fed? And why are there no rules safeguarding the long-term integrity of the dollar while the Fed pursues its target of 2% inflation? Does Congress support the Fed's devaluation policy?

Many of those who warn against "politicizing" the Fed are resistant to introducing any rules-based approach to interest-rate setting. Testifying before Congress as Fed chairman in 2015, Janet Yellen tersely informed the House Financial Services Committee, "I don't believe that the Fed should chain itself to any mechanical rule." Unchained from rules—now that's tyranny.

Ms. Shelton is a senior fellow at Independent Institute and author of "Good as Gold: How to Unleash the Power of Sound Money."

THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

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THE WALL STREET JOURNAL.

Friday, November 29, 2024 | B1

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Target Banks on Swift for Megahit

Exclusive deal to sell 'Eras Tour Book' comes at critical time for retailer

By JEFFREY A. TRACHTENBERG

Target is betting that Taylor Swift's newest release, "The Eras Tour Book," will turn Black Friday into a red-letter day.

The retailer stands to benefit from one of the biggest publishing coups of the year: exclusive rights to a book by one of the country's most popular artists, recapping the most successful concert tour

ever. Target needs the win. It has been struggling with declining earnings and weak sales, losing ground to Walmart and Amazon as consumers focus on staples like groceries rather than trendy home goods and fashion.

Swift's book will go on sale at Target stores starting Friday and on the retailer's website beginning Saturday. The exclusive relationship means Target won't have to discount the \$39.99 title.

The entire rollout is unorthodox, from Target's exclusivity to the publication itself. The singer, famed for hits such as "Love Story" and "Shake It Off," self-published



'The Eras Tour Book.'

the book through Taylor Swift Publications rather than through a traditional commercial book publisher.

"It's been done in the past,

but it's rare because there are a lot of moving parts," Loraine Shanley, president of industry consulting company Market Partners International, said of Swift's decision to self-publish. Much of the logistical lift today can be outsourced, she said, and "in the case of a Taylor anybody would be willing to work with her in any capacity."

For Swift, bucking convention in the business world is nothing new. She rerecorded her masters after losing rights to her early catalog, gaining financial and artistic control of the material.

She withheld music from Apple and Spotify to force

changes at the platforms. And she released her concert film from the "Eras" tour directly with movie-theater operator AMC, cutting out distribution middlemen.

Swift and Target have enormous expectations for "The Eras Tour Book." The initial print run is two million copies, according to a person familiar with the matter.

To put the plans for "The Eras Tour Book" in context, the biggest selling book of 2023, Colleen Hoover's novel "It Ends with Us," sold nearly 1.3 million print copies, according to Circana BookScan.

Former first lady Michelle

Please turn to page B2

How Trump Was Wooed To Oppose TikTok Ban

When the Biden administration said in March that it supported legislation that could ban TikTok, Tony Sayegh jumped into action.

By Georgia Wells,
Dana Mattioli
and Stu Woo

Sayegh, the head of public affairs at one of TikTok's biggest investors, had become an unofficial adviser to the Chinese-owned social-media giant as it navigates survival in the geopolitical crosshairs of the world's two superpowers.

He turned to a seemingly unlikely potential savior for TikTok: Donald Trump, then the presumptive Republican nominee for president, who had initiated the effort to ban TikTok in his first term. Sayegh started back-channeling to Trump's closest advisers, making the case that it was foolish to hand wins to both President Biden, who would appear tough on China, and **Meta Platforms**, which Trump believed had hurt his re-election bid in 2020.

Hours after the White House indicated support for a TikTok ban, Trump came out in favor of TikTok. "If you get rid of TikTok, Facebook and Zucker-schmuck will double their business," Trump posted on his social-media network Truth Social, referring to Meta Chief Executive Mark Zuckerberg with a Yiddish obscenity.

At TikTok, executives celebrated. Their optimism grew when Trump was elected to a second term this month, raising the prospect that he could make good on his campaign pledge to undo the ban.

TikTok has reached out to Elon Musk in recent weeks for insight about the incoming administration, The Wall Street Journal reported. Musk is one of the president-elect's closest

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INSIDE



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VW sells plant in China that has drawn scrutiny for human-rights abuses. B3



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Customers are quitting luxury brands as prices increase. B10

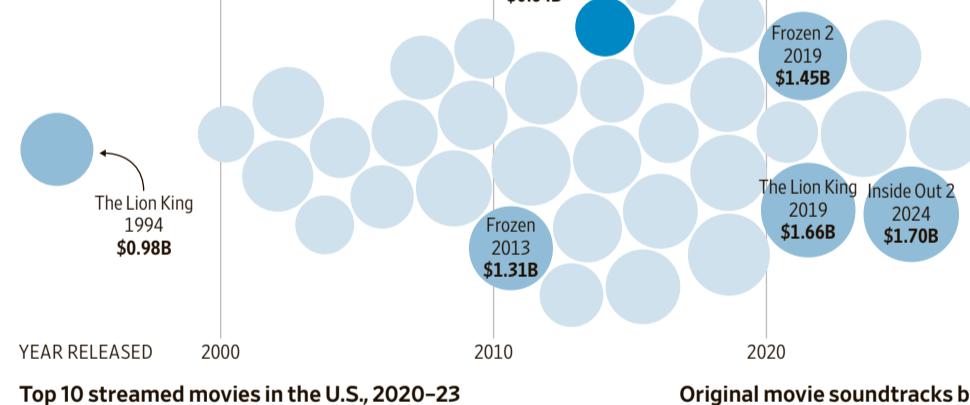


'Moana,' released in 2016, featured a spirited teen and a demigod called Maui.

Streaming Turned 2016's 'Moana' Into the Biggest Movie in America

BY BEN COHEN

Worldwide box office for top animated movies by year*



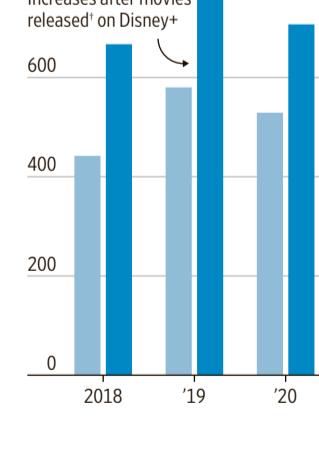
Top 10 streamed movies in the U.S., 2020-23

Rank	Movie
1	Moana
2	Encanto
3	The Super Mario Bros. Movie
4	Elemental
5	Minions: The Rise of Gru
6	Sing 2
7	Frozen
8	Blank Panther: Wakanda Forever
9	Avatar: The Way of Water
10	Glass Onion: A Knives Out Mystery

*Worldwide totals of top animated movies in the U.S. †In 2019

Sources: Box Office Mojo (top animated movies); Nielsen (streamed movies); Luminate Data (soundtracks)

Original movie soundtracks by number of streams



DISNEY/VERETT COLLECTION

Departing Kohl's CEO Offers Mea Culpa for Sales Drop

By SUZANNE KAPNER

Chief executives rarely admit when they are wrong. But **Kohl's** outgoing CEO Tom Kingsbury had no trouble this week owning up to mistakes that led to a steep drop in the retailer's quarterly sales.

Kohl's scaled back popular private-label brands, fine jewelry and petite clothing sizes—moves that turned off shoppers and contributed to a 9.3% drop in quarterly sales at stores open for at least a year. Analysts said without the lift from Sephora, which has shops inside Kohl's stores, sales would have been down even more.

While inflation and other macroeconomic events played a role, many of the problems were self-inflicted. "It's up to us to fix it," Kingsbury told analysts on Tuesday.

Or rather, it will be up to Kingsbury's successor. A day before Kohl's reported its disappointing earnings, the company announced a leadership change: Ashley Buchanan, a former **Walmart** executive who is currently the chief executive of Michaels, will take over in January. Kingsbury, who is 72 years old, will remain in an advisory role and retain his board seat until he retires in May.

Kohl's was in trouble before Kingsbury, a retail veteran, took the reins, first as interim CEO in late 2022 and then as permanent CEO a couple of months later.

Sales have declined for 11 consecutive quarters and more than half a billion in sales have evaporated. Kohl's shares are down 52% over the past two years.

It is a surprising outcome given Kingsbury's pedigree and the fact that he was installed on Kohl's board at the behest of activist investors, who had pushed for the company to run itself more efficiently. A former May Department Stores executive, Kingsbury worked briefly at Kohl's before becoming CEO at **Burlington Stores**, where he led a turnaround from 2008 to 2019.

His priorities at Kohl's included making its stores and website better places to shop, offering clearer value, improving inventory management and strengthening the balance sheet.

Many of the moves backfired.

Kohl's scaled back its fine-jewelry departments to make room for Sephora shops in its stores, which upset customers. In an effort to carry less inventory, it reduced its selection of clothing in petite sizes—a decision Kingsbury called "shortsighted."

And in another attempt at reducing inventory, it cut back on private-label brands like Sonoma and FLX, as it stocked more national brands such as **Nike** and **Eddie Bauer**. The retailer's private-label inventory dropped on average by more than 20% and even more sharply for several key brands.

"We thought, 'We can do more with a lot less,' and that didn't work out for us," Kingsbury said.

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Everyday Traders Ride MicroStrategy's Rally

BY JASMINE LI
AND VICKY GE HUANG

An unprofitable software company has become one of the market's hottest stocks, with the help of 386,700 bitcoins and a legion of individual investors.

MicroStrategy has transformed itself into a bitcoin holding company—and a leveraged crypto play for many investors—with a stash valued at about \$37 billion. The price of

bitcoin has more than doubled this year, while MicroStrategy's share price has soared more than 500%. U.S. retail traders are piling in: They bought a net \$217 million in MicroStrategy shares in the week following the presidential election, the seventh-highest inflow among U.S. stocks, according to JP Morgan Research.

Bitcoin skeptics say MicroStrategy and its investors are playing with fire and point to the token's history of ex-

traordinary booms followed by catastrophic busts. Even bulls such as Mike Novogratz, the billionaire CEO of crypto-trading firm Galaxy Digital, have said that the amount of leverage, or borrowed money, in the market makes them wary.

Yet for MicroStrategy's fervent fan base, the volatility—and opportunity to amplify their gains over a short period—is key to the stock's appeal. These are some of their stories:

George Bodine
George Bodine, a 69-year-old retired airline captain in

Covington, Ky., said he bought a modest stake in MicroStrategy in January that has since grown into a seven-figure position. Bodine, a die-hard bitcoin fan, said he is willing to pay up for the stock because of something called the BTC yield.

The term, which MicroStrategy introduced to investors in August, measures the percentage change in how many bitcoins per share MicroStrategy owns. As of Sunday

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Swift in Exclusive Target Deal

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Obama's memoir "Becoming" sold 3.1 million copies in 2018 after it was released in November of that year, according to the book tracker.

"The big difference is that Michelle Obama's book was available for sale everywhere, while Taylor Swift's book is only being sold by Target," said Brenna Connor, an industry analyst.

Rob Sheffield, a Rolling Stone contributing editor whose Swift book "Heartbreak Is the National Anthem" came out earlier this month, said in an interview that he often hears people commend Swift's marketing prowess but he thinks that misses the point.

"There are a lot of people good at marketing but only one of them wrote 'New Romantics' or 'Ours,'" he said, referring to two of Swift's songs.

Sheffield's book is published by HarperCollins Publishers, which like The Wall Street Journal is owned by News Corp.

Target trumpeted news of Swift's exclusive book last month with posts on social media, and it has placed a 30-second TV commercial on shows including ABC's "Good Morning America" and ABC's "Dancing with the Stars."

The 256-page book is a glossy recap of the megatour and on many tweens' (and adults') holiday wish lists. It has more than 500 images, including costume sketches and

Swift and Target have enormous expectations for the book.

the latest quarter were far worse than those at Macy's, which declined about 2.4%, or Nordstrom, which increased 4% compared with the same period a year ago.

"When the numbers are that bad, you have to come clean, admit your mistakes and talk about what you can do better," said Citi analyst Paul Lejuez. He said that investors wouldn't have tolerated Kohl's blaming macroeconomic issues like inflation—the way Target CEO Brian Cornell this past week explained his company's weak sales figures.

Despite the mea culpa, Kingsbury said his strategy, which also includes boosting underperforming categories such as home goods and baby items, is working. "We continue to believe our market brand strategy and investments into the key growth categories are the right long-term strategic moves," he said.

So far, the numbers have told a different story.

BUSINESS & FINANCE

Shopify Courts Bigger Businesses

By ADRIANO MARCHESE

Shopify, after growing up helping small businesses set up online shops, is courting bigger clients to prolong its blockbuster growth.

The e-commerce company has launched a dedicated effort to sign on more big businesses to its platform, which helps companies manage their online storefronts. Its roster of so-called enterprise customers includes the likes of Reebok, Overstock and Barnes & Noble.

The move, which some analysts see as a departure from its roots as a champion of small businesses, offers promises of steadier revenue and longer-term stability than its typical smaller clients. Yet it comes at a higher cost due to the dedicated sales team and complicated procedures required to snag the big wins.

Shopify President Harley Finkelstein frames the pivot as a stretch, not a shift, saying that the platform is designed to scale with businesses, no matter how large or complex. "We've built a flexible, scalable platform that powers merchants of all sizes," he said.

Ken Wong, an analyst at Oppenheimer, said the new course can help maintain the high-growth that has underpinned the company's earnings for years, even if it dents margins somewhat. "That's the necessary evil to get to better growth in 2025 and 2026," Wong said.

Shopify, which has a market cap of \$145 billion, doesn't disclose its enterprise figures separately. The company's revenue rose 30% to \$7.06 billion

in 2023 and is on pace to rise by 28% this year, according to analysts polled by FactSet.

Wong said that Shopify's stock, up more than 45% this year, will need to maintain lofty growth to rise from here. Signing on bigger customers isn't cheap or quick. Such deals require dedicated sales teams, months of face-to-face negotiations and system integrations that can drag on for years. Shopify Chief Executive Jeff Hoffmeister said on the latest earnings call that the selling cycle can take six to 12 months, and implementation can require about the same amount of time on top of that. Analysts point to the complexities of replacing legacy systems and navigating multiple tiers of decision makers within the organizations.

"It is a traditional enterprise, direct-sales force, knock-on-door, slow relationship-building type of a sale," Wong said.

Shopify has signed some

big players in the retail world,

recently bringing aboard fashion apparel brand Off-White, cosmetics company BeautyCounter and Lionsgate Entertainment to its growing list of clients.

These are signs that the enterprise traction is just getting started, according to Morgan Stanley's Keith Weiss. "[The company] has built strong momentum behind Shopify's enterprise initiative, as seen through 16 enterprise merchant launches in the third quarter alone," he said.

The company has also made headway in simplifying the sign-on process. For instance, merchants can now migrate data onto its platform in a matter of minutes, as opposed to days, according to Finkelstein.

Such wins show that Shopify is a serious contender in negotiations against competitors like Oracle, Adobe and SAP, said Rick Watson, founder and CEO of the con-

tinuing firm RMW Commerce Consulting.

"Number one for me is that Shopify is in every negotiation room," Watson said. "That's something they were not doing a year and a half ago."

For Finkelstein, the enterprise strategy is already paying dividends. "The best part is, we're winning these deals, and they're not leaving," he said.

As the business scales up, the question remains whether the high cost of the push for big brands will translate into the sustainable returns it hopes to achieve. Analysts think in the longer term, the effort should pay off.

Since it's still relatively early days for Shopify's enterprise strategy, analysts think the biggest contributions are still ahead of the company. "The returns have yet to materialize," Wong said. "But I look out to 2025 and beyond, and I feel pretty good that they're making the right decisions."

Continued from page B1

Jared Bush, the chief creative officer of Walt Disney Animation Studios from Hawaii, where he was attending the premiere of "Moana 2."

Set in ancient Polynesia, "Moana" is the story of a brave teenage girl chosen by the ocean to save her island from a terrible blight. The daughter of the village chief, Moana hops on her boat and sets off on a voyage into the great unknown—the line where the sky meets the sea.

It was directed by Ron Clements and John Musker, who have decades of experience making some of Hollywood's most successful movies. Even they were stunned by the streaming success of their latest movie.

"I was like, 'Waaaaaaaat?'" Musker said. "I never would have guessed that."

Nobody would have. This was a movie that finished 12th at the global box office in the year it came out, behind other animated movies like "Finding Dory," "Zootopia" and "The Secret Life of Pets."

On the list of highest-grossing animated movies of all time, "Moana" is lower than "Kung Fu Panda 2" and "Big Hero 6." It still won its opening weekend and made about \$645 million worldwide, but "Frozen" and "Frozen 2" both made twice as much money.

"Moana" wasn't even given a feature-length sequel at first. In fact, "Moana 2" was developed as a TV series for Disney+ before those plans were scrapped and the show was reworked for the big screen.

"The resounding note every time we screened it internally was: Why is this not a movie?" said Bush, the screenwriter for "Moana" and "Moana 2."

Anybody who looked at the monster streaming numbers would have asked the same question. So earlier this year, Disney opened an earnings call with the unexpected announcement that "Moana 2" would be sailing into theaters after all.

So what's behind the mystery of the unlikely, enduring popularity of "Moana"?

"Moana" is one of those movies that kids see one time, then a second and third time. Before long, the whole family has seen it a hundred times.

It's also a movie that rewards a reread since you inevitably pick up on jokes and details that you might have missed the first hundred times.

All of the top streaming hits are children's movies, but "Moana" stands out for its consistency and stickiness: It's the only one that ranked in the top 10 of Nielsen's annual streaming lists in 2020, 2021, 2022 and 2023.

The movie business is unpredictable because all sorts of factors can determine success in theaters—timing, marketing, competition. And even a bad movie can outperform expectations at the box office. But only a great movie can have staying power at home.

Music's appeal

Once upon a time, Disney movies got beat at the box office by rom-coms.

It's true! "The Little Mermaid" made less money than "When Harry Met Sally..." in 1989. Only when it came out on home video in 1990 and kids could watch VHS tapes of "The Little Mermaid" anytime they wanted did the iconic children's movie become truly massive. As it turns out, the same thing happened with "Moana" for the same reason. It's because musicals lend themselves to repeat viewing.

"The music can help keep the movie alive," Musker said.

Especially when that music is a collection of bangers like the "Moana" soundtrack.

If you have children under the age of 10, you've almost certainly heard "How Far I'll

Go," "You're Welcome" and the David Bowie-esque "Shiny." Those earworms came from the mind of Lin-Manuel Miranda, the creator of "Hamilton," who also wrote the catchy songs for "Encanto"—the No. 2 streaming movie in recent years behind "Moana." (Miranda was not involved with "Moana 2.")

It's not a coincidence that the movies atop the streaming charts are animated musicals. Once kids watch "Moana," they want to listen to the music. And once they become obsessed with the music, they want to reread "Moana."

The summer before "Moana" opened, Clements and Musker went to San Diego Comic-Con and revealed a secret: The main character of their movie didn't have a love interest.

"The audience actually gasped," Clements says.

From the beginning, they imagined "Moana" as a coming-of-age story. Their movie was an epic hero's journey—a character on a quest to find herself, not Prince Charming. They took pains "to make sure there isn't even an inkling of any kind of romance," Musker says.

Not a princess'

The absence of a love story was a radical departure from the tropes of Disney princess movies. By the time "Moana" came out, "Frozen" had proven that audiences were ready for an unconventional story. But there was something even more subversive about Disney's next princess movie: The heroine explicitly

rejects being called a princess. "Moana is not a princess," Bush says. "She's a badass."

Which makes it all the more impressive that "Moana" has generated the most U.S. subscription revenue for Disney+ of any Disney princess movie, according to research firm Parrot Analytics.

That's because it has broad crossover appeal. Both girls and boys can relate to Moana—"a very aspirational character," Bush says. They find her to be courageous and fearless. And they find Maui to be humorous and hilarious. The character, voiced by Dwayne "The Rock" Johnson is a shapeshifting, tattooed demigod with a magical hook. "Maui," he tells Moana, "is a hero to all."

Bigger and bigger

One of the many peculiar things about the most popular streaming movie is that it's not on the most popular streamer. At least not any more. But before Disney+ existed, "Moana" was available on Netflix in 2017 and 2018. By the time Disney's rival streamer launched in late 2019, there was already a huge audience that had been primed to watch and reread Disney movies whenever they wanted.

Back then, Netflix wasn't publishing its own data about what people watched and for how long, so it remained a secret that "Moana" had become a smash hit at home. But as soon as their streamer went live, it became clear to Disney executives that "Moana" was going to be much, much bigger in living rooms than it ever had been in theaters.

And when Nielsen began releasing weekly top 10s for streaming viewership in 2020, "Moana" was on the list and it's been there for 60% of the weeks since.

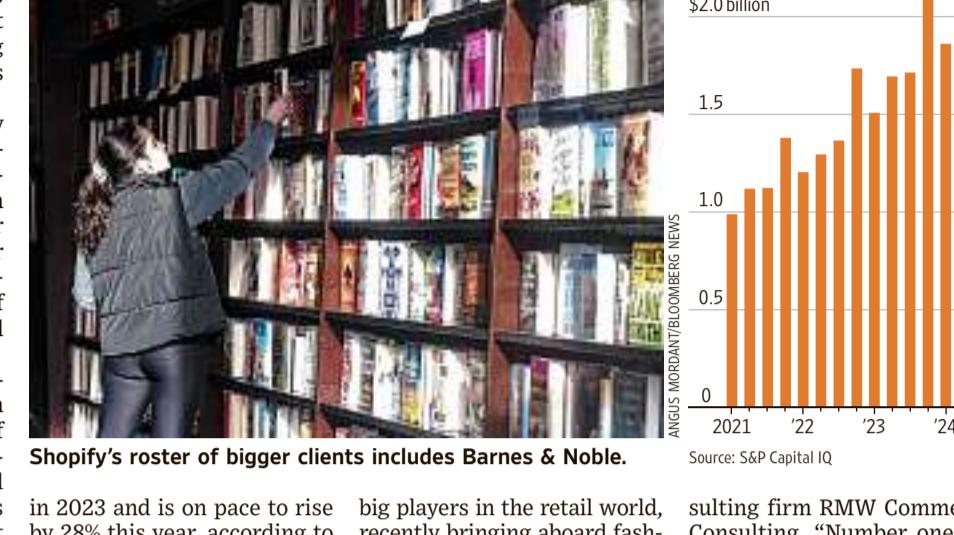
Disney/EVERETT COLLECTION

Ron Clements and John Musker directed 'The Little Mermaid,' above, and 'Moana.'



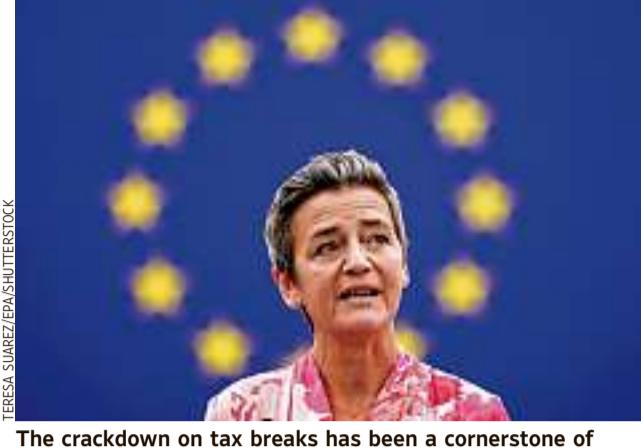
Shopify's roster of bigger clients includes Barnes & Noble.

Source: S&P Capital IQ



BUSINESS NEWS

EU Ends Probes on Amazon, Starbucks, Fiat



The crackdown on tax breaks has been a cornerstone of Commissioner Margrethe Vestager's enforcement policies.

Decision ends efforts to crack down on international companies' tax deals

By EDITH HANCOCK

The European Union's competition regulator formally closed probes into **Amazon**, **Starbucks** and Fiat's European tax cases, bringing an end to three of its attempts to crack down on international companies' tax deals after court defeats.

The regulator's largely sym-

bolic decision Thursday came after EU courts ruled between 2019 and 2023 that the bloc's executive was wrong to charge the Netherlands and Luxembourg with giving companies unfair advantages through tax breaks in a string of in-depth state-aid investigations.

The European Commission said in 2015 and 2017 that Luxembourg gave selective tax advantages to Amazon and **Stellantis**-owned Fiat, and the Netherlands to Starbucks, by issuing rulings that artificially lowered how much tax they owed. Those decisions were later reversed by judges in

Luxembourg who said the commission made errors in its investigations into the companies' deals and didn't demonstrate they received a selective advantage.

Fiat, Amazon and Starbucks are just three of the multinationals the commission has investigated over tax deals in the bloc using its state-aid rules, one of the cornerstones of departing Competition Commissioner Margrethe Vestager's enforcement policies.

The investigations that EU regulators closed Thursday threatened to derail the commission's crackdown when

they were struck down in court. The effort got a new lease of life in September when judges ordered Apple to pay Ireland 13 billion euros, equivalent to about \$13.74 billion, plus interest, in taxes.

EU judges confirmed in the recent Apple ruling that the European Commission was right in challenging certain aggressive tax-ruling practices and set the benchmark to assess tax-planning practices in other judgments, Vestager said.

Vestager is due to leave her post at the commission in days.

VW Sells Controversial Xinjiang Factory in China

By DOMINIC CHOPPING AND STEPHEN WILMOT

Volkswagen has sold a car plant in China's Xinjiang region that has drawn scrutiny over alleged human-rights abuses.

The Urumqi site, which is owned by a joint venture between VW and local partner SAIC Motor, has been a source of controversy in recent years because of China's alleged persecution of Uyghur minorities in the Xinjiang region.

The U.S. and other countries have accused China of committing genocide against Uyghur Muslims in Xinjiang and using forced labor. China has rejected the accusations.

VW said Wednesday that the plant would be sold "for economic reasons" as part of a broader strategic realignment of its business in China.

VW's Chinese joint ventures have been losing market share as the country's consumers flock to electric vehicles made by local brands such as BYD. VW and its partners are now



investing heavily in a new generation of EVs while shrinking their footprint for the conventional cars they are known for.

The German company's presence in Xinjiang has long attracted attention in the West. Under pressure from investors and the German and U.S. governments, VW conducted an audit of the Urumqi plant, which it said last year found no evidence of human rights abuses.

The SAIC Volkswagen Automotive plant was originally built in 2012 with the capacity to produce 50,000 vehicles a year using kits. After the pandemic hit, however, operations at the plant started to wind down and the factory no longer assembles vehicles.

The plant currently performs technical services for about 10,000 vehicles a year and employs about 170 people, with ethnic minorities—includ-



The plant currently performs technical services for about 10,000 vehicles a year.

ing Uyghurs—making up around a quarter of the workforce, according to recent VW data.

VW also said it would sell its Turpan test track in the Xinjiang region, as well as a second track near Shanghai. In February, the company faced accusations of forced labor at the Turpan site, though it says it has found no evidence of abuse.

The test-track claims came

around the same time as the U.S. impounded thousands of VW's Bentley, Porsche and Audi vehicles at U.S. ports because the cars contained a part made by a Chinese supplier on a sanctions list for allegedly using forced labor in Xinjiang.

The SAIC Volkswagen joint venture is selling the assets to Shanghai Motor Vehicle Inspection Center, a subsidiary of state-owned infrastructure firm Shanghai Lingang Economic Development. Financial terms of the deal weren't disclosed.

Following the deal, the SAIC Volkswagen joint venture will have four remaining sites, none of which is in Xinjiang. VW said it would extend its partnership with SAIC by a decade to 2040 to improve planning security "in a very dynamic development phase of the Chinese automotive market."

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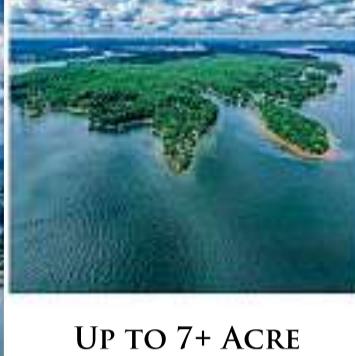
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FOR THE DISTRICT OF DELAWAREIn re
AIO US, INC., et al.,
Debtors.¹Case No. 11
Case No. 24-11836 (CTG)
(Jointly Administered)NOTICE OF DEADLINES FOR FILING PROOFS OF CLAIM, EXCEPT FOR HOLDERS OF TALC CLAIMS
PLEASE TAKE NOTICE THAT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE ("Court") has issued an order (Docket No. 24-11836) (the "Bar Date Order") establishing the applicable bar dates, as set forth below, for each person or entity (including individuals, partnerships, corporations, joint ventures and trusts) to submit proofs of claim (each, a "Proof of Claim") against any of the Debtors listed below (collectively, the "Debtors"), as of the Bar Date Order, and any exhibits thereto are available (a) upon request to Epig – the noticing and claims agent retained in these chapter 11 cases ("Epig") – by calling (888) 411-7371 (toll free) or +1 (971) 251-2630 (international) and (b) for no charge by visiting the Debtors' chapter 11 website at <https://dm.epig11.com/aigusinc/info/aigusinc/info/>.

The Bar Date Order requires that all entities (collectively, the "Claimants") holding or wishing to assert a claim against the Debtors that arose or is deemed to have arisen prior to (i) August 12, 2024 (the "Original Debtors' Petition Date"), in the case of AIO US, Inc., Avon Products, Inc., Mi Holdings, and Avon Capital Corporation (collectively, the "Original Debtors"), and (ii) October 25, 2024 (the "Additional Debtors' Petition Date"), in the case of the Supplemental Debtors' Petition Date, to file their respective Petition Dates ("Petition Dates") in the case of Survey Leasing, Ltd., Avon Component Manufacturing, Inc., Avon Connex, Inc., Avon Holdings LLC, Avon-Lomilanda, Inc., Avon NH Holdings LLC, Avon Overseas Capital Corporation, Avon Pacific, Inc., Avon (Windsor) Limited, California Perfume Company, Inc., Manila Manufacturing Company, Retirement Inns of America, Inc., Silpada Designs LLC, Survey Products, Inc., and Viva Panama Holdings LLC (collectively, the "Additional Debtors"), to submit a Proof of Claim as to a recent round of new funding.

At an earnings briefing earlier this month, Chief Financial Officer Yoshimitsu Goto said the group's financial footing improved on strong results, allowing it to make bigger investments selectively at the right time.

"We are preparing to take advantage of various opportunities," he said then, adding that the half-billion investment in OpenAI was modest but would help strengthen its relationship with the startup.

In October, Chief Executive Masayoshi Son reiterated his bullish forecasts for AI, saying he believed artificial general intelligence, in which computers have human-level cognitive abilities, would be achieved in two to three years.

SoftBank Group booked a net profit of about \$77 billion for the three months ended September, supported by gains in its stakes in e-commerce company Coupang, Chinese ride-hailing company DiDi Global and T-Mobile US.

The company and its tech funds have started investing more aggressively in recent months after a yearslong defensive strategy, as tech stocks have climbed thanks to AI enthusiasm and the Federal Reserve's rate cuts.

Shares in SoftBank have gained about 43% this year, driven by hopes for growing AI-related demand at the company's investees, including subsidiary Arm Holdings.

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wsj.com/classifiedsThe Bar Date Order and the procedures set forth therein do not apply to Talc Claims² and the holders of Talc Claims are not required to file Proofs of Claim.**When and Where to Submit**Each Proof of Claim, including supporting documentation, must be submitted to Epig actually receives the Proof of Claim before the applicable Bar Date by: (a) electronically via Epig's website at <https://dm.epig11.com/aigusinc/info> or (b) by U.S. Mail, overnight mail, or other hand-delivery system, which Proof of Claim must include an original signature, at the following address: If by First Class Mail: AIO US, INC., Claims Processing Center, c/o Epig Corporate Restructuring, LLC, P.O. Box 4419, Beaverton, OR 97076-4419. If by Hand Delivery or Overnight Mail: AIO US, INC., Claims Processing Center, c/o Epig Corporate Restructuring, LLC, 10300 SW Alton Blvd., Beaverton, OR 97007.

Proof of Claim must be filed in accordance with the following requirements:

Contents of Proof of Claim: Each Proof of Claim must: (i) be written in the English language; (ii) be denominated in lawful currency of the United States or the Petition Date (using the exchange rate, if applicable, as of the Petition Date); (iii) if a claimant asserts a claim against more than one Debtor or has claims against different Debtors, the claimant must file a separate Proof of Claim against each Debtor; (iv) strictly conform to the Claim Form provided by the Debtors, including the format of any response (if specified); (v) set forth with reasonable specificity the legal and factual basis for the alleged claim; (vi) answer every applicable question; and (vii) signed by the claimant or, if the claimant is an individual, by an authorized agent or legal representative of the claimant on behalf of the claimant, whether such signature is an electronic signature or is ink.

Consequences of Failing to Timely Submit Your Proof of Claim: Unless the Court orders otherwise, pursuant to Bankruptcy Rule 3005(b), a Proof of Claim, including supporting documentation, filed after the applicable Bar Date shall not be deemed timely filed.

Reservation of Rights: Nothing contained in this notice is intended to or should be construed as a waiver of the Debtor's right to: (a) dispute, assert offsets or defenses against, any filed claim or any claim listed or reflected in the Schedules as to the nature, amount, liability, or classification thereof; (b) subsequently designate any scheduled claim as disputed, contingent, or unliquidated; and (c) otherwise amend or supplement the Schedules.

Additional Information: You have any questions regarding the claims process and/or if you wish to obtain a copy of the Bar Date Order (which contains a detailed description of the requirements for submitting Proofs of Claim), a Proof of Claim form or related documents, you may do so by visiting the Debtors' restructuring website at <https://dm.epig11.com/aigusinc/info> or contacting Epig by calling +1 (833) 653-6464 (U.S. International). Please note that Epig cannot advise you what to submit, or whether you should submit, a Proof of Claim.The last four digits of AIO US, Inc.'s tax identification number are 9872. A complete list of the Debtors in the chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://dm.epig11.com/aigusinc/info>. The Debtors' mailing address is 4 International Drive Suite 110, Bye Brook, New York 10573.

For the purposes of the Bar Date Order, the term "Talc Claim" means any claims directly or indirectly arising out of or relating to: (a) any products previously processed, milled, manufactured, sold and/or distributed by a Debtor or by any other entity for whose conduct a Debtor has liability or is alleged to have liability; (b) any materials present at any premises owned, leased, occupied, or operated by any entity for whose products, acts, omissions, business, or operations one or more of the Debtors have, or are alleged to have, liability; or (c) any talk in any way connected to a Debtor alleged to contain asbestos or mineral constituents, talc claims made under such claims, whether (1) the claim is asserted by the Debtor or by another party, or (2) the claim is asserted by another party or (3) the claim is asserted by a Debtor, or (4) held by claimants residing within the United States or in a foreign jurisdiction. Talc Claims also include any such claims that have been resolved or are subject to resolution pursuant to any agreement, or any such claims that are based on a judgment or verdict. The term "Talc Claim" includes all such (A) claims, debts, obligations, or liabilities for compensatory damages (such as, without limitation, personal injury, property damage, loss of use, diminution in value, or diminution in utility), or (B) claims for general, special, economic, non-economic, punitive, exemplary, administrative or other costs, fees, injunctive or similar relief or any other measure of damages; (3) seeking any legal, equitable, or other relief of any kind whatsoever, including in the nature of alter ego, veil piercing, successor or vicarious liability, mere continuation, fraudulent transfer or conveyance, or conspiracy, and including, for the avoidance of doubt, any claims arising out of or relating to the presence of or exposure to talc or talc-containing products asserted against one or more Debtors; or (4) held by claimants residing within the United States or in a foreign jurisdiction. 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BuySide FROM **WSJ**

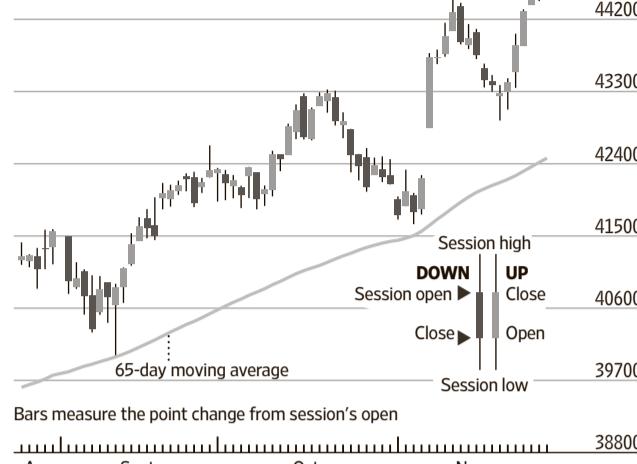
REVIEWS AND RECOMMENDATIONS TO SAVE YOU TIME AND MONEY

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

44722.06 ▼138.25, or 0.31%
High, low, open and close for each trading day of the past three months.



Bars measure the point change from session's open

Aug. Sept. Oct. Nov.

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; *Based on Nasdaq-100 Index

S&P 500 Index

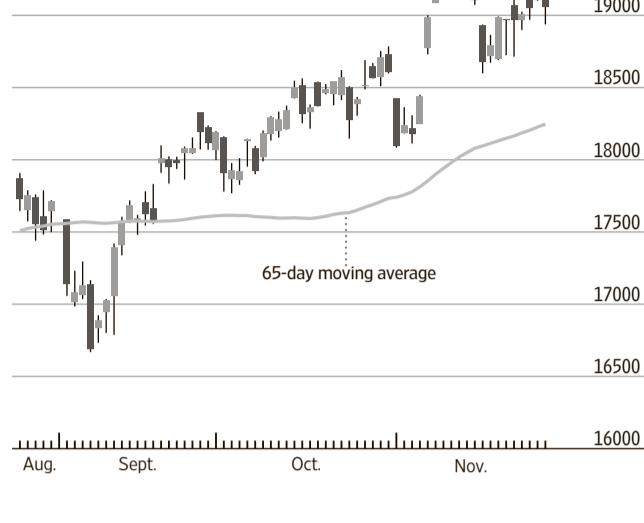
5998.74 ▼22.89, or 0.38%
High, low, open and close for each trading day of the past three months.



Aug. Sept. Oct. Nov.

Nasdaq Composite Index

19060.48 ▼113.82, or 0.59%
High, low, open and close for each trading day of the past three months.



Aug. Sept. Oct. Nov.

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr.ann.
Dow Jones										
Industrial Average	45003.06	44690.23	44722.06	-138.25	-0.31	44860.31	35430.42	26.2	18.7	8.6
Transportation Avg	17803.11	17588.42	17609.08	-88.01	-0.50	17754.38	14781.56	18.8	10.8	2.8
Utility Average	1086.52	1078.39	1079.30	-0.58	-0.05	1079.88	829.38	25.1	22.4	6.0
Total Stock Market	60232.13	59828.87	59975.28	-208.87	-0.35	60184.15	45239.53	32.6	25.5	8.2
Baron's 400	1360.93	1348.22	1349.58	-5.11	-0.38	1356.99	983.15	37.3	25.8	7.6
Nasdaq Stock Market										
Nasdaq Composite	19133.11	18937.20	19060.48	-113.82	-0.59	19298.76	14146.71	33.7	27.0	7.2
Nasdaq-100	20853.08	20615.42	20744.49	-178.41	-0.85	21117.18	15788.05	29.8	23.3	9.0
S&P										
500 Index	6020.16	5984.87	5998.74	-22.89	-0.38	6021.63	4549.34	31.8	25.8	9.3
MidCap 400	3402.95	3361.04	3363.92	-11.36	-0.34	3390.26	2549.01	32.0	20.9	6.6
SmallCap 600	1548.43	1529.49	1529.88	-1.09	-0.07	1544.66	1168.05	31.0	16.1	3.6
Other Indexes										
Russell 2000	2449.86	2424.51	2426.19	1.88	0.08	2442.03	1803.81	34.5	19.7	2.6
NYSE Composite	20303.83	20198.76	20209.82	-9.64	-0.05	20220.36	15962.99	26.6	19.9	6.7
Value Line	656.72	651.51	651.69	-0.15	-0.02	656.04	544.12	19.8	9.7	-0.4
NYSE Arca Biotech	6016.78	5947.33	6011.44	64.11	0.108	6154.34	4811.17	24.9	10.9	3.7
NYSE Arca Pharma	985.29	976.40	982.35	5.46	0.56	1140.17	878.17	11.9	7.9	8.3
KBW Bank	139.41	137.88	138.29	-0.09	-0.07	138.78	84.13	64.4	44.0	0.9
PHLX® Gold/Silver	151.83	149.33	149.77	-0.05	-0.04	175.74	102.94	21.7	19.2	4.5
PHLX® Oil Service	81.25	79.88	79.93	0.26	0.33	95.25	72.67	-2.4	-4.7	15.7
PHLX® Semiconductor	4899.48	4770.30	4853.01	-74.55	-1.51	5904.54	3645.82	29.3	16.2	8.9
Cboe Volatility	15.13	13.96	14.10	...	unch.	38.57	11.86	8.6	13.3	-21.0

\$ Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	% chg	After Hours High	Low
Lucid Group	LCID	12,488.3	2.16	-0.01	-0.46	2.20	2.16
Lyft	LYFT	10,000.0	17.18	-0.01	-0.03	17.24	17.12
NVIDIA	NVDA	7,663.1	135.36	0.02	0.01	142.66	128.78
SoFi Technologies	SOFI	7,376.4	16.19	0.07	0.43	16.20	15.45
AngloGold Ashanti	AU	6,498.0	24.86	0.07	0.28	25.30	24.79
Western Digital	WDC	4,773.0	71.71	0.21	0.29	71.72	69.60
Vale ADR	VALE	4,014.9	9.84	-0.03	-0.30	9.88	9.84
SPDR S&P 500 ETF Trust	SPY	3,781.2	598.84	0.01	0.001	599.40	598.37

Percentage gainers...

Hubdy Minerals	HBM	458.2	9.06	0.29	3.31	9.06	8.77
Exelixis	EXEL	58.1	37.06	1.13	3.15	37.06	35.43
ING Groep ADR	ING	116.0	15.72	0.45	2.96	15.72	15.20
Palladyne AI	PDYN	132.3	5.48	0.15	2.81	5.79	5.26
PagerDuty	PD	97.1	21.49	0.48	2.28	21.53	20.40

...And losers

Concentra Group	CON	166.7	21.00	-1.42	-6.33	22.42	21.00
Shoals Technologies	SHLS	68.1	5.06	-0.20	-3.82	5.26	5.05
Advisor Pure US Cannabis	MSOS	142.0	4.55	-0.12	-2.57	4.69	4.52
Cdn Pacific Kansas City	CP	65.6	73.60	-1.75	-2.32	75.35	73.60
iShares Russell Mid-Cap	IWR	90.0	93.12	-2.13	-2.24	95.28	93.12

Percentage losers...

Primex Group Holdings	PGHL	1.65	-105.71	-98.46	107.36	1.34	...
Outlook Therapeutics	OTLK	1.70	-3.19	-65.24	12.85	1.87	-82.3
Connexa Sports Techs	YYAI	1.39	-0.78	-35.94	53.00	1.13	-79.8
Symbotic	SYM	24.00	-13.42	-35.86	58.58	17.11	-56.6
Cellularity	CELU	2.01	-0.84	-29.47	7.97	1.30	-4.5
Novionix ADR	NVX	1.98</					

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract		Open		High		Low		Settle		Chg		Interest	
	Open	High	hi	lo	Settle	Chg	interest							
Copper-High (CMX) -25,000 lbs.; \$ per lb.	4,099.00	4,099.00	4,051.00	4,067.00	4,018.00	9,511								
Dec	4,059.00	4,099.00	4,051.00	4,067.00	4,018.00	9,511								
March'25	4,131.00	4,1740	4,1205	4,1390	4,0205	124,042								
Gold (CMX) -100 troy oz.; \$ per troy oz.	2633.50	2657.90	2627.20	2639.90	18.60	35,615								
Jan'25	2646.40	2670.70	2641.10	2652.30	17.90	2,137								
Feb	2658.30	2683.40	2652.20	2664.80	18.50	341,390								
April	2678.60	2704.00	2673.60	2685.60	18.40	45,355								
June	2699.50	2725.00	2696.40	2707.20	18.30	30,250								
Aug	2725.50	2743.60	2716.80	2727.10	18.20	7,630								
Palladium (NYM) -50 troy oz.; \$ per troy oz.	986.50	1001.50	973.50	982.80	-6.70	821								
March'25	990.50	1008.50	981.00	987.10	-9.70	14,354								
Platinum (NYM) -50 troy oz.; \$ per troy oz.	924.80	938.00	924.80	926.90	2.10	103								
Jan'25	931.30	943.90	929.00	931.80	1.90	76,145								
Silver (CMX) -5,000 troy oz.; \$ per troy oz.	30,490.00	30,750.00	29,990.00	30,111.00	-0.294	12,478								
March'25	30,930.00	31,185.00	30,435.00	30,556.00	-0.276	103,467								
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.	68.91	69.37	68.18	68.72	-0.05	329,053								
Feb	68.57	69.01	67.81	68.35	-0.09	160,295								
March	68.28	68.74	67.53	68.07	-0.13	166,373								
April	68.13	68.52	67.33	68.77	-0.16	89,407								
June	67.75	68.20	67.02	67.54	-0.21	153,960								
Dec	66.66	67.05	65.91	66.41	-0.23	155,040								
NY Harbor ULSD (NYM) -40,000 gal.; \$ per gal.	2,239.00	2,249.00	2,189.00	2,203.00	-0.068	14,585								
Dec	2,249.00	2,257.40	2,199.00	2,214.00	-0.036	133,871								
Gasoline-NY RBOB (NYM) -42,000 gal.; \$ per gal.	1,993.00	2,005.00	1,954.00	1,974.00	-0.0184	16,314								
Jan'25	1,994.00	1,969.10	1,911.00	1,924.00	-0.0201	133,274								
Natural Gas (NYM) -10,000 MMbtu; \$ per MMbtu	3,468.00	3,470.00	3,189.00	3,204.00	-263	311,005								
Feb	3,311.00	3,315.00	3,051.00	3,069.00	-242	141,272								
March	3,037.00	3,039.00	2,826.00	2,843.00	-197	263,667								
April	2,990.00	2,994.00	2,811.00	2,827.00	-169	114,890								
May	3,072.00	3,082.00	2,912.00	2,928.00	-156	98,155								
Oct	3,470.00	3,480.00	3,361.00	3,366.00	-119	101,888								

Agriculture Futures

	Corn (CBT)		Oats (CBT)		Soybeans (CBT)		Canadian Dollar (CME)		British Pound (CME)		Swiss Franc (CME)		Australian Dollar (CME)		Mexican Peso (CME)	
	5,000 bu.	cents per bu.	5,000 bu.	cents per bu.	5,000 bu.	cents per bu.	\$100,000	\$ per CAD	\$62,500	\$ per £	CHF 125,000	\$ per CHF	AUD 100,000	\$ per AUD	MXN 100,000	\$ per MXN
Dec	420.00	422.25	414.75	415.75	-4.25	89,422										
March'25	427.75	431.00	427.50	428.00	...	752,049										
Cattle-Feeder (CME) -50,000 lbs.; cents per lb.	348.25	352.00	332.25	334.25	-13.50	224										
March'25	371.25	375.75	356.75	358.00	-12.50	3,006										
Soybean Oil (CBT) -60,000 lbs.; cents per lb.	42.60	42.84	40.55	40.75	-0.22	24,128										
Dec	42.71	42.98	40.72	40.92	-1.79	198,074										
Rough Rice (CBT) -2,000 cwt.; \$ per cwt.	15.13	15.25	15.09	15.17	.04	9,329										
Jan	15.22	15.25	15.33	15.20	.15	15.26	.04	1,295								
Wheat (CBT) -5,000 bu.; cents per bu.	538.25	542.75	531.00	537.75	-1.75	12,784										
March'25	557.00	558.00	547.50	548.50	-9.50	240,832										
Wheat (KC) -5,000 bu.; cents per bu.	549.25	554.00	525.75	526.25	-24.25	4,218										
March'25	558.25	558.75	543.75	544.50	-14.25	157,379										
Cattle-Live (CME) -40,000 lbs.; cents per lb.	258.60	258.25	255.80	257.30	.825	12,243										
Cattle-Live (CME) -40,000 lbs.; cents per lb.	187.125	188.750	186.875	188.000	1.100	43,118										
Feb'25	187.775	189.275	187.475	189.600	.900	148,008										
Hogs-Lean (CME) -40,000 lbs.; cents per lb.	82.975	83.600	82.275	82.400	-.700	52,365										
Feb'25	88.000	89.600	87.750	87.925	-.350	140,393										
Lumber (CME) -27,500 bd. ft.; \$ per 1,000 bd. ft.	593.00	593.00	587.50	588.50	-.350	6,088										
March	614.00	614.00	615.00													

MARKETS & FINANCE

Global Chip Stocks Lifted By News About China Curbs

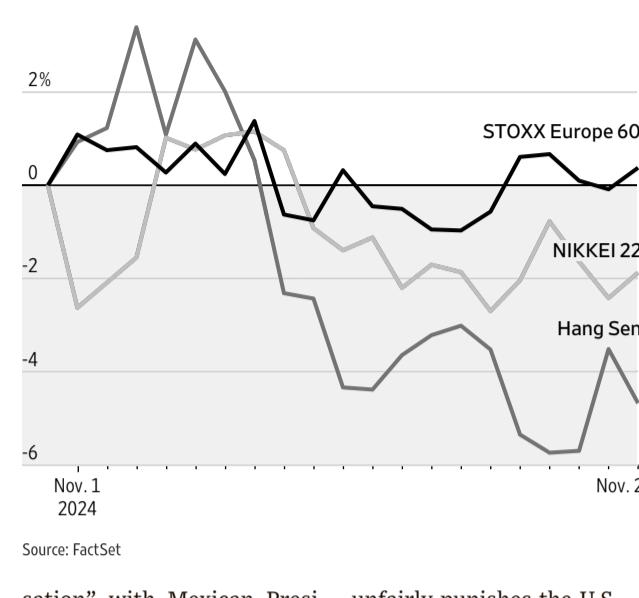
Financial markets in the U.S. were closed in observance of Thanksgiving

European stocks broadly rose Thursday, while indexes in the Asia-Pacific region were mixed, with U.S. markets shut for Thanksgiving.

Futures tied to major U.S. indexes edged higher. A holiday-shortened Black Friday trading session will be the last of this month and benchmarks are on pace for big gains, spurred in part by Donald Trump's election victory.

The small-cap Russell 2000 and the Dow Jones Industrial Average are up more than 10% and 7.1% respectively in November, on pace for their biggest monthly percentage advance this year, according to Dow Jones Market Data. The S&P 500 and the Nasdaq Composite have added more than 5%.

In currency markets, the Mexican peso rallied after President-elect Trump said in a social-media post that he had "had a wonderful conver-



Source: FactSet

sation" with Mexican President Claudia Sheinbaum about tackling drug smuggling and migration.

Trump threatened this week to levy a 25% tariff on imports from Mexico unless it stops fentanyl trafficking and illegal migration. His tariff pledges have signaled to both allies and adversaries that he plans to follow through with threats to remake a global trade system that he believes

unfairly punishes the U.S.

For the Mexican currency, "probably the strongest takeaway is that volatility is here to stay," analysts at ING said in a note. They said the peso is now twice as volatile as it was in March.

In Europe, the Stoxx Europe 600 index rose. France's CAC-40 gained nearly 0.7%, broadly recovering the ground it lost Wednesday on concerns the French government may

collapse before it passes a new budget. The extra yield investors demand to hold French bonds, compared with German equivalents, narrowed slightly, after hitting a 12-year high Wednesday.

Global semiconductor stocks rallied after Bloomberg News reported that the Biden administration is weighing additional curbs on sales of equipment and AI memory chips to China that would stop short of stricter measures previously considered. Semiconductor-equipment maker ASML rose roughly 4% in Amsterdam, while Tokyo Electron gained almost 7% in Japanese trading.

In London, British insurer Direct Line's shares rocketed over 35% after it said it had rejected a takeover approach from larger rival Aviva.

Elsewhere, Japan's Nikkei 225 index climbed as its Parliament began discussing a stimulus package to protect consumers from rising prices, after three decades of deflation. Stocks declined in mainland China and Hong Kong, where the Hang Seng Index fell more than 1%. Australia's S&P / ASX 200 hit a record closing high.

Just Eat to Delist From London Exchange

BY ADRIÀ CALATAYUD

Just Eat Takeaway.com said it plans to delist from the London Stock Exchange next month in a bid to cut costs, joining a growing list of companies leaving the U.K. bourse.

The Amsterdam-based food-delivery group said Wednesday that the move seeks to reduce the administrative burden, complexity and costs associated with its London listing. The company's primary listing is in Amsterdam.

The last trading day of Just Eat Takeaway.com's shares in London is set to be Christmas Eve, it said.

The company already delisted from Nasdaq in 2022 and continued to review its listing venues since then, considering the liquidity and trading volumes as well as cost and administrative requirements, it said.

This makes Just Eat Takeaway.com the latest company to abandon the U.K. market.

Irish building-materials supplier CRH moved its main listing to New York in September 2023. **Flutter Entertainment**, which houses FanDuel, PokerStars, and Paddy Power among its brands—made New York its prime listing in late May, while German travel company **TUI AG** shareholders approved the company's London delisting plan in February.

Meanwhile, British chip maker **Arm Holdings** last year chose New York over London for its stock market return and most recently **Indivior** switched its main listing to the U.S. while retaining a secondary listing in the U.K.

Canada Sues Google, Alleging Anticompetitive Ad Practices

BY PAUL VIEIRA

OTTAWA—Canada's antitrust watchdog alleged that Google acted unlawfully in building market share in the online-advertising business, marking the latest regulatory headache for the tech giant.

In a notice filed Thursday with Canada's Competition Tribunal, the watchdog—known as the Competition Bureau—said it seeks to "put a decisive end to Google's structural dominance and anticompetitive practice, [and] restore competition" in the country's online-advertising marketplace.

The antitrust watchdog wants the tribunal to force the company to sell two crucial pieces of advertising-market software and pay a fine of as much as 3% of the company's global revenue.

"Through a series of calculated decisions, taken over the course of multiple years, Google has excluded competitors and entrenched itself at the center of online advertising," the Competition Bureau said in its notice. "Google's near-total control of the ad-tech [software] is a function of premeditated design and conduct, rather than superior competitive performance or happenstance."

Advertisements next to search results accounted for 57% of Google parent **Alphabet's** \$307 billion of revenue last year.

The Canadian lawsuit is the latest legal challenge for Google on the antitrust front.

Investigators for Canada's antitrust watchdog started to look into Google's online-advertising practices in 2020, to verify whether the digital company was impeding competitors, thereby resulting in higher prices and reduced choice.

Google is dealing with the fallout from a U.S. federal judge ruling last August that the company engaged in illegal practices to preserve its search-engine monopoly.

In September, a U.S. District Court in Virginia began hearing evidence about the Justice Department's case alleging that Google has an unlawful grip on the market for

software used to buy and sell digital ads, known as ad-tech.

In a written statement, Google's vice president of global advertising, **Dan Taylor**, said the complaint filed by Canada's antitrust watchdog "ignores the intense competition where ad buyers and sellers have plenty of choice and we look forward to making our case in court."

Taylor added that the company's ad-tech tools help websites and apps fund their content and help businesses to reach new customers.

The case will be argued in Canada's Competition Tribunal, which is a federal adjudicative body responsible for cases falling under the country's antitrust legislation. Google has 45 days to file its response with the tribunal.

The antitrust watchdog wants the tribunal to prohibit Google from engaging in

anticompetitive behavior and force the company to sell two of its ad-tech tools: its ad exchange, known as AdX; and an ad server, known as DFP.

The watchdog is also seeking a fine of as much as 3% of Google's worldwide revenue.

In its complaint, the watchdog said Google has unlawfully tied together its different ad-tech products, hamstrung rivals' ability to compete and purposely thwarted new software that threatened its market power.

AUCTION RESULTS

Here are the results of Wednesday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

FOUR-WEEK BILLS

Applications	\$26,562,991,400
Accepted bids	\$95,281,244,100
*noncompetitively	\$6,070,824,100
Auction price (rate)	99.641111 (4.550%)
Coupon equivalent	4.630%
Bids at clearing yield accepted	88.18%
Cusip number	912797MRS

The bills, dated Dec. 3, 2024, mature on Dec. 31, 2024.

EIGHT-WEEK BILLS

Applications	\$235,303,963,200
Accepted bids	\$90,266,093,200
*noncompetitively	\$1,208,979,700
Auction price (rate)	99.800000 (4.390%)
Coupon equivalent	4.595%
Bids at clearing yield accepted	57.16%
Cusip number	912797MZT

The bills, dated Dec. 3, 2024, mature on Jan. 28, 2025.

17-WEEK BILLS

Applications	\$179,555,020,100
Accepted bids	\$64,188,740,100
*noncompetitively	\$4,647,774,100
Auction price (rate)	98.948861 (4.390%)
Coupon equivalent	4.517%
Bids at clearing yield accepted	9.76%
Cusip number	912797N10

The bills, dated Dec. 3, 2024, mature on April 1, 2025.

SEVEN-YEAR NOTES

Applications	\$122,176,981,400
Accepted bids	\$46,992,807,400
*noncompetitively	\$99,553,200
Auction price (rate)	99.650943 (4.183%)
Interest rate	4.125%
Bids at clearing yield accepted	70.78%
Cusip number	91282CL2Z

The notes, dated Dec. 2, 2024, mature on Nov. 30, 2031.

10-YEAR NOTES

Applications	\$100,000,000,000
Accepted bids	\$54,643,208,273
*noncompetitively	\$10,400,000,000
Auction price (rate)	100.140000 (0.000%)
Coupon equivalent	0.000%
Bids at clearing yield accepted	2.70%
Cusip number	5000Adml

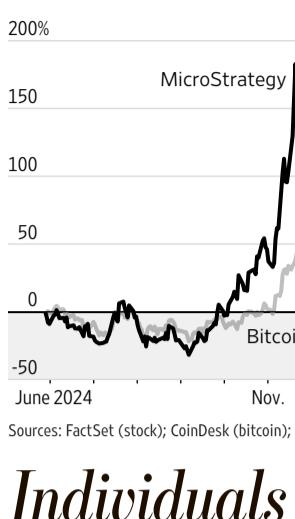
The notes, dated Dec. 3, 2024, mature on Dec. 31, 2034.

20-YEAR NOTES

Applications	\$100,000,000,000
Accepted bids	\$51,111,000,000
*noncompetitively	\$10,400,000,000
Auction price (rate)	100.140000 (0.000%)
Coupon equivalent	0.000%
Bids at clearing yield accepted	2.70%
Cusip number	5000Adml

The notes, dated Dec. 3, 2024, mature on Dec. 31, 2054.

Performance over the past six months



Sources: FactSet (stock); CoinDesk (bitcoin); The Options Clearing Corporation (trading volume)

MicroStrategy options trading volume over the past three months



6 million

5

4

3

2

1

0

-50

-100

-150

-200

-250

-300

-350

-400

-450

-500

-550

-600

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Trump Nominee's Oil Math Doesn't Add Up

Boosting energy production is easier said than done, and the effect on the government deficit isn't clear either

Donald Trump's Treasury Secretary pick, Scott Bessent, has a government deficit-reduction plan, neatly packaged as 3-3-3, which includes the U.S. producing an additional 3 million barrels of oil-equivalent a day. Not only does that energy plan seem impossible to implement, it makes little sense.

First of all, convincing oil-and-gas companies to produce more—the equivalent of over a fifth of total U.S. oil production today—will be a near-impossible task. The industry was scarred by years of overproduction during the shale boom, and investors no longer tolerate wildcatter behavior: They would rather see cash returns over excessive fracking. Trump's major oil and gas donors have already signaled that they don't want to "drill, baby, drill."

U.S. energy companies on average say they need WTI crude prices to be at least \$65 a barrel for drilling to be profitable and \$89 a barrel for them to increase drilling substantially, according to the latest survey by the Kansas City Federal Reserve. With prices today below \$70 a barrel, there is scant incentive for drillers to increase production.

Trump could, of course, lower costs and barriers for oil and gas

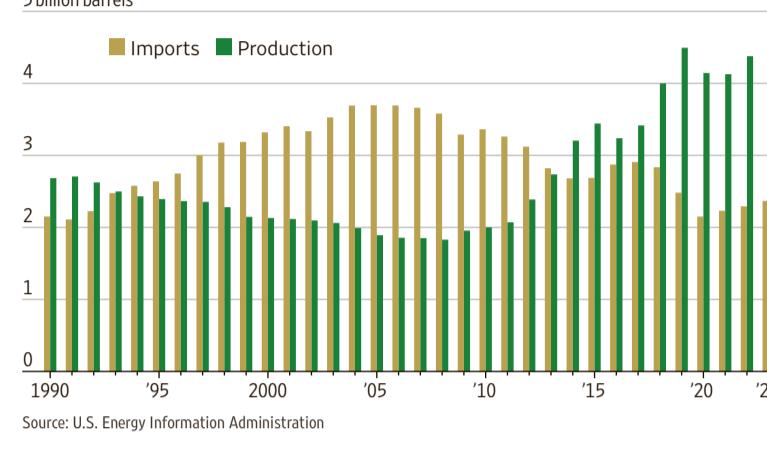
producers, such as by rolling back methane emissions regulation and making it easier to get permits to drill on federal lands. Such moves could help reduce break-even prices, but not by enough to make a big difference in U.S. production, notes Gary Ross, chief executive officer of Black Gold Investors. The idea of driving prices down and encouraging more production at the same time is an oxymoron, he points out.

Other ideas also seem counterproductive or politically unpopular. One method the government could try, for example, is offering to buy oil at an attractive price to refill the Strategic Petroleum Reserve, says Dan Pickering, chief investment officer at **Pickering Energy Partners**. But that would initially involve more government spending.

Another possibility is a windfall tax that penalizes producers that don't reinvest a certain amount of profit back into the business. But that would likely be very unpopular with Trump's many supporters in the oil patch. Taking other barrels off the market, such as through strengthening sanctions on Iran and Venezuela, could help stoke U.S. production, but wouldn't reduce energy costs.

Say, though, that the U.S. does

U.S. annual field production of crude oil and crude oil imports



Source: U.S. Energy Information Administration

manage to dramatically increase fossil fuel production. Does that line up with Bessent's plan to reduce the government's debt burden?

One constraint to improving the trade balance is simply that there are limitations on how much oil and natural gas the U.S. can export. There is only so much pipeline capacity and so much liquefied natural gas export capacity. While the new administration and the Republican Congress can try to ease the infrastructure-permitting process, companies probably won't build

production increases so much, it will most likely cause global commodity prices to drop. If that happens, tax receipts from the oil-and-gas industry would decline, Pickering says. Oil prices could drop to \$50 a barrel if the U.S. does increase production by 3 million barrels a day within the next five years, he added. There are potential offsets to this: If cheaper gasoline stokes demand at fuel stations, for example, that could help the government collect more gasoline tax. But higher production isn't a sure path to solving a government deficit.

There are other risks that come with such a dramatic increase in fossil fuel production. For one, U.S. shale producers are already running out of their best wells. Depleting the cheapest sources of production quickly means that production costs rise for U.S. producers over the long term, counter to the "energy independence" thesis. Secondly, if the U.S. floods the market with so much oil, it could anger Saudi Arabia enough to initiate a price war—something that happened in 2014.

The 3-3-3 policy certainly rolls off the tongue, but at least one of those three doesn't quite square with reality.

—Jinjo Lee

Customers Are Quitting Luxury Brands as Prices Climb

Luxury brands have lost about 50 million customers in two years. Secondhand websites and lower-price competitors are welcoming defectors with open arms.

Demand for luxury goods is expected to be flat in 2024 at constant exchange rates, according to consulting firm Bain, but things aren't stable below the surface. Luxury brands have lost more than 10% of their usual customer base since 2022, Bain estimates. It is the first time in memory that the sector's shopper numbers have shrunk. For the past three decades, brands have focused on attracting new middle-class consumers to expand their sales—a "democratization" of luxury that helped triple the size of the business.

Price increases have reversed this long-term trend. The cost of the average luxury product has risen sharply since the start of the pandemic, albeit with big variations across brands. True, some customers would have pulled back anyway as inflation ate into their disposable incomes. But millions of others have been priced out.

"Finding regular size [handbags] at less than \$3,000 from reputed brands has become virtually impossible," says Luca Solca, luxury-goods analyst at Bernstein.

Expensive brands aren't only selling to fewer people, they are selling far fewer products. The number of units sold by the luxury industry this year is expected to be 20% to 25% lower than in 2022, according to Bain. Strip out more affordable categories such as cosmetics and sunglasses, which are still in demand, and volumes might be down as much as a third for products such as handbags and shoes.

Designer brands have historically increased their prices at twice the rate of overall inflation. But at the height of the pandemic, demand was so strong that they were able to raise prices much faster than the increase in their own cost base.

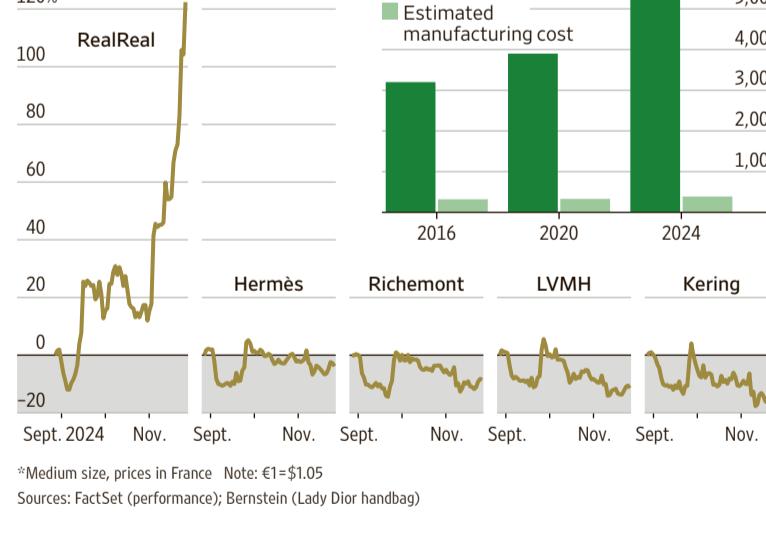
Take **Christian Dior's** medium Lady Dior handbag. According to a Bernstein analysis, the price cost €3,900 in 2020 but is €5,900, or roughly \$6,200, today—a 51% increase. The estimated cost to make the bag has gone up 18% over that time, from €330 to €388. As a result, shoppers are currently paying 15 times what the bag costs to manufacture, up from 12 times in 2020.

Higher prices have juiced profits but made luxury shoppers more sensitive to how far their dollar stretches at the designer store. They still seem happy to buy from brands that they perceive to offer quality, while skipping everyone else. Ironically, this flight to quality is benefiting some of the most expensive names in the business, including **Hermès** and **Brunello Cucinelli**, which still do most of their manufacturing in-house.

Shoppers are also spending on



Christian Dior's medium Lady Dior handbag's price has risen 51% since 2020.



*Medium size, prices in France. Note: €1=\$1.05

Sources: FactSet (performance); Bernstein (Lady Dior handbag)

categories they feel offer better value for money. Prices for luxury jewelry haven't risen as much as for handbags, which might explain why Cartier owner **Richemont** has been one of the luxury industry's more resilient performers this year. In September, U.S. luxury consumers spent 2.6% more on jewelry than they did during the same month of 2023, but they spent 13% less on designer handbags, according to credit-card data from Citi.

The other winners from the spending shift are cheaper labels and the resale market. Challenger brands are stepping in to fill the lower price ranges that top luxury labels have vacated. Midprice handbag brands such as Polene, The Curated, Cuyana and Ateliers Auguste are popular with Gen Z consumers who are more skeptical of luxury than older generations. These companies price their purses anywhere from \$300 to \$700. L Catterton, which is the private-equity arm of the family behind **LVMH**, recently took a stake in Polene.

The secondhand market is winning customers who still want to buy top luxury names, but not at the prices brands are charging in their stores. The resale business has

grown three times faster than the primary luxury market since 2019.

This month the world's biggest luxury resale website, **The RealReal**, said sales rose 11% in the third quarter compared with a year earlier, as more shoppers turned to its platform for value. Notably, it is experiencing fast growth in luxury handbags that cost \$1,000 to \$3,000, a price range where there is little choice in the primary market. The company's stock has gained nearly 75% since it reported its latest results.

It might be that mega luxury brands consider the loss of entry-level shoppers as the trade-off for protecting their exclusive image. LVMH's financial director, Jean-Jacques Guiony, said on the company's latest earnings call that he doesn't think introducing affordable products is the answer to the industry's slowdown. "I think it would be a mistake. We have to stay true to what we are."

That might turn out to be a sensible strategy if luxury giants are concerned that their products are becoming overexposed. Rival brands are happy to mop up the millions of customers the industry is leaving behind.

—Carol Ryan

Why Republican Control Is Spooking Hospitals

Donald Trump's likely pick for health chief, Robert F. Kennedy Jr., has grabbed headlines for his anti-vaccine rhetoric and sharp criticism of Big Pharma. But hospitals, not drugmakers, might have more to fear from a Republican government.

With the GOP in control of Congress and the White House, hospitals could face budget cuts and tighter oversight after a period of benefiting from generous federal spending under President Biden. Much of it comes down to hospitals' reliance on government insurance programs like Affordable Care Act exchanges and Medicaid that could be cut by Republicans looking for ways to trim government spending and pay for tax cuts.

Medicaid expansions, boosted subsidies for ACA plans and programs like state directed payments—which funnel Medicaid dollars to hospitals—poured billions into the system, benefiting insurers and providers serving these programs. States and the federal government typically pay insurers, who then pay providers like hospitals. In recent years, due to changes in regulations, states have been able to tap additional federal dollars to steer more payments directly to providers. Just in October, analysts at TD Cowen upgraded hospital stocks, citing an expansion of state directed payments in several states.

But Republicans are signaling they may not be as generous, and Wall Street is taking notice.

Special ACA tax credits put in place during the pandemic, which expanded coverage to nearly 22 million people, could be allowed to expire in 2025, and Medicaid payments could be capped.

John Ransom, an analyst at Raymond James, recently downgraded the hospital sector, citing such risks. He noted that the ACA plans now represent a high-single-digit percentage of hospitals' overall revenues. While Raymond James and others argue there is still a chance for compromise on ACA and Medicaid, given Republicans' narrow control of Congress, the probability of headwinds has certainly increased.

Hospital giants like **HCA HealthCare** and **Tenet Healthcare** have seen their stocks drop more than 10% since the election. That is a reversal from the four-year period under the Biden administration, in which Tenet shares more than tripled while HCA more than doubled in value.

Some of Trump's picks for leadership positions also signal a new approach could be coming to the agencies that oversee health spending. The nominee for Food and Drug Administration commissioner, Dr. Marty Makary, has blasted surprise billing and medical debt, which of-

ten originate in hospitals. Celebrity surgeon Mehmet Oz, nominated to lead the Centers for Medicare and Medicaid Services, has voiced support for expanding privatized Medicare Advantage plans—a move that could shift power toward insurers at hospitals' expense, forcing providers to jump through more hoops to seek approval for some procedures. Over at the Justice Department, Pam Bondi, Trump's likely attorney general, has a history of taking hospitals to task for billing fraud and Medicaid abuse.

"While we do not view Bondi's history as a direct threat to CMS policy toward hospitals, we see a more payor-friendly and potentially more discriminating stance toward providers shaping in the new administration," RBC Capital Markets analysts wrote. "Coupled with Trump's focus on efficiency and waste reduction, we see potential for elevated volatility among hospital stocks in 2025."

Congress could also act. Programs like 340B, which require drug discounts for hospitals serving low-income patients, and "site-of-care" rules, which let hospitals charge

more for outpatient services, are also under scrutiny. Ge Bai, a professor of health policy and management at Johns Hopkins Bloomberg School of Public Health, notes that hospitals are the biggest source of medical debt.

"If I'm a hospital CEO, I would be more concerned by this administration," says Bai.

Hospitals won't take these risks lying down. As the largest employers in many cities, they wield significant political influence, and their leaders warn that budget cuts could lead to layoffs and fewer beds for patients. Hospitals could also benefit if the Trump administration dials back on Biden's antitrust stance, as many have relied on mergers and acquisitions to reduce competition and boost growth.

The stakes are high. Hospitals account for about 30% of the \$4.5 trillion the U.S. spends annually on healthcare, compared to about 9% for drugs. While pharma and insurers often take political heat, hospitals have consolidated aggressively, sidelining independent doctors and driving up costs. For a GOP looking to curb spending, hospitals could become a target for cuts, even if major legislative changes remain a long shot.

The healthcare debate won't end with hospitals. Pharma pricing, insurer profits, and inflated salaries for doctors and administrators are all part of the problem of high costs in the U.S. But under Republican control, hospitals might face a reckoning they didn't see coming.

—David Wainer



\$55 Million
A Ferrari-inspired house with an 'auto gallery' sells in Florida. **M2**

MANSION

THE WALL STREET JOURNAL.

Ted Danson
How the star stumbled into acting. **M8**



HOMES | MARKETS | PEOPLE | REDOS | SALES

Friday, November 29, 2024 | **M1**

Cornering the Market

Homeowners in Chicago are turning abandoned storefronts into million-dollar homes



Ken Lunsford paid nearly \$700,000 for a home that was once a corner store in the Bucktown neighborhood.

By ALINA DIZIK

The homes have plenty of awkward angles, windows that lack privacy and entrances that are too close to the curb. But owners love them.

In Chicago, decades-old corner stores, bars and other shops have new lives as converted residences in some of the city's residential neighborhoods. Some boast newer renovations and stand out for a mix of vintage charm and open layouts—making them a draw for buyers looking beyond new construction. Many have a smaller footprint and can cost less than homes on adjacent lots. Owners say the older brick combined with new windows make them soundproof, despite their proximity to the street.

Matt Nardella, a Chicago-based architect, says he was specifically looking for a corner store to repurpose into a live-work space. In 2016, Nardella and his wife, designer Laura Cripe, purchased an abandoned, 6,000-square-foot corner building that was once a store in the Logan Square neighborhood. The \$550,000 property offered plenty of sun exposure but needed extensive work. "It was generous to call it a grocery store. By that time it was more of a liquor store that sat empty for years," he says.

It took the couple six months to renovate initially at a cost of \$350,000, including adding a second story. The space now functions as an office for their firm, Moss Design, a showroom, a small art gallery, a rental apartment and a two-bedroom home where the couple lives. They kept the vintage marquee

sign that says Logan Square Food and Liquor on the exterior. Once in a while, it attracts unwanted visitors. "It happens from time to time—and they are mainly looking for liquor," he adds.

Inside their home, the couple added built-in storage throughout and created an open living space with heated concrete floors and exposed brick, says Nardella. He says Chicago's shopkeeper-type buildings have always been of interest to him. The couple must cross a central courtyard to get to their office. "It still tells a little bit of a story of what it used to be without having to explain it all," he says.

Joey Sabani says he was excited by the storefront façade of his 1880s Wicker Park home as soon as he walked up to the showing.

Please turn to page M6



Matt Nardella and Laura Cripe spent \$350,000 renovating a former store into an office and living space in Logan Square.

SARA STATHAS FOR WSJ (6); STOCK (LAMPPOST) LEGENDARY PRODUCTIONS (FLORIDA)



COURCHEVEL TOURISME (2)
The high-altitude Courchevel area, above and at right, is a cluster of French villages connected by ski lift.

Europe's Top Ski Towns

A look at the most exclusive resort destinations in the Alps, where wealthy Europeans are paying top-dollar for vacation homes

By J.S. MARCUS

IN THE EARLY 20th century, at a time when Aspen, Colo., and Park City, Utah, were still obscure mining towns, winter was already a byword for luxury in the Alps. Back then, a new crop of grand hotels played host to a wealthy clientele with winter sports on their minds. These days, an Alpine home, for use in winter and beyond, has become a leading status symbol for Europeans, who are willing to pay \$8,500 per square foot or more for prime properties.

Europe's top-tier ski homes are concentrated in Switzerland and France, with the addition of Austria's Kitzbühel, according to an analysis provided to The Wall Street Journal by Knight Frank, the U.K.-based real-estate

Please turn to page M4



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PRIVATE PROPERTIES

For Car Lovers Only, A Ferrari-Inspired Mansion

Developer Aldo Stark is a longtime Ferrari enthusiast and collector who has visited the Ferrari factory in Maranello, Italy.

So for his latest spec-home project in Delray Beach, Fla., he wanted car lovers to be in the driver's seat. The roughly 22,000-square-foot home, named Casa Maranello in a nod to the factory location, is now going on the market for \$55 million.

The house is geared toward auto enthusiasts, said Stark's wife and co-developer, Fiorenna Stark. "A friend of my husband's said to him, 'What if the guy that wants to buy your house doesn't collect cars?' He said, 'Then this is not a house for him.'"

The fully furnished house has a vintage Ferrari 250 Testa Rossa on display, and an "auto gallery" for 12 cars is visible from the living room. The gallery has transparent sliding doors to blend seamlessly with the living spaces, while a carbon monoxide detector ensures that toxic fumes don't invade the house.

The Starks spent tens of millions of dollars building the six-bedroom house, she said, after paying around \$3.4 million for the lot early last year. The home was completed several weeks ago.



Casa Maranello is one of five properties that the Starks are developing in the Stone Creek Ranch gated community, including one for their family, his wife said.

Casa Maranello has lavish touches such as backlit agate coffee tables and chandeliers made from clusters of crystals. Onyx is a recurring theme throughout the house, which has onyx walls, a 20-person onyx dining table and a 30-foot tiger skin onyx bar. A closet has four onyx islands

and five chandeliers. Some of the onyx pieces light up, thanks to an LED lighting system.

The bar area is stocked with high-end liquor, including LOUIS XIII cognac by Remy Martin, which can run as much as \$4,000 a bottle and is included in the

sale price. The house also has a Bulgari Hotels-inspired spa with an indoor pool, Himalayan salt room, steam room and sauna. Other amenities include a gym and a home theater with

seating for 12 people. Outside, there is a 95-foot pool and a cabana with a bathroom, kitchen and bar. The grounds also include a sports court, a soccer field and a putting green.

"People with that kind of success and money, this is what they want," Fiorenna said. "They want 'wow.'"

All of the furnishings are included with the sale. The cars aren't, but the Starks might be willing to part with some in a separate negotiation.

The listing agent is Senada Adžem of Douglas Elliman.

—Katherine Clarke

Meruelo Lists in Paradise Valley After Selling NHL Team

After selling the former Arizona Coyotes professional hockey team, Alex Meruelo and his wife, Liset Meruelo, are putting their Paradise Valley, Ariz., home on the market for \$28.9 million, more than twice what they paid for it in 2021.

The pair bought the hacienda-style estate for \$12.1 million, according to public records.

The gated property overlooks Camelback Mountain, according to listing agent Joan Levinson of Realty One Group. The property spans roughly 9.14

acres, making it one of the largest estates in Paradise Valley.

Alex is the founder of the California-based Meruelo Group, which owns the Grand Sierra Resort in

Reno, Nev., the Sahara Las Vegas and several other businesses, according to the company's website. Alex became the majority owner of the Coyotes franchise in 2019. Earlier this year, unable to secure a larger and permanent hockey arena in Arizona, he sold the team to Utah-based Smith Enter-

tainment Group, according to the NHL website.

The Meruelos' Paradise Valley property includes a circa-1972 main house that measures about 14,800 square feet with eight bedrooms, including guest quarters. The grounds also contain three guesthouses, a one-bedroom apartment,

a swimming pool, a watch tower, a greenhouse and tennis and racquetball courts.

The Meruelos renovated two of the guesthouses, the guest quarters in the main house and the gym.

They plan to move back to the West Coast.

—Libertina Brandt



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Dole Food Billionaire Lists Home on Tiny Hawaiian Island

In 2012, former Dole Food owner David Murdock sold the tiny Hawaii island of Lanai—once one of the country's largest pineapple plantations—to Oracle co-founder Larry Ellison for \$300 million. While that meant ceding around 90,000 acres to Ellison,

Murdock kept the roughly 1-acre parcel where he had built himself an oceanfront vacation home.

Now 101, Murdock is putting that estate on the market for \$17 million, according to listing agent Paul Stukin of Deep Blue HI.

Measuring about 140 square

miles, Lanai is located to the west of Maui and has a population of about 3,000 people. There are a number of private homes on the island, but Ellison now owns nearly everything else, including a Jack Nicklaus-designed golf course and two Four Seasons properties

that Murdock initially developed.

Located next to the Four Seasons Resort Lanai, Murdock's home is about 8,500 square feet with seven bedrooms, Stukin said. Completed around 2001, the stucco house has Asian and Spanish influences, with a green tile

roof, wood flooring, marble baths and custom koa-wood furniture, which is included in the offering.

Murdock's house is three stories, with living spaces designed to maximize ocean views, Stukin said. The primary suite has a private lanai, office and gym. Outside, there is a flat grassy lawn and a crescent-shaped pool, Stukin said. The estate also connects to Lanai's Fisherman's Trail, a historic coastal path.

Murdock, who declined to comment, once owned the storied Casa Encantada estate in Los Angeles, and currently lives in Lake Sherwood, Calif., Stukin said.

FOR SALE
\$17 MILLION
8,500 sq. ft.,
7 bedrooms, pool

A self-made billionaire, Murdock got his start in the produce business in 1985, when he bought Castle & Cooke, a Hawaii real-estate firm that owned Dole and most of Lanai. Murdock took Dole private twice, in 2003 and 2013. He stepped down as chairman of the company in 2021.

Multimillion-dollar home sales on Lanai are infrequent, according to Stukin, who said there are only a handful of oceanfront homes on the island, including Ellison's. A few luxury properties, between \$1 million and \$6 million, have sold in the past couple of years, according to Zillow.

Luxury real-estate prices in Hawaii spiked during Covid before normalizing in recent years.

"There was a pause before the election, and now the phone is ringing," Stukin said.

—E.B. Solomont

Deer Valley Mansion With a Gondola Sells in a Week



UPDATE
A Utah spec mansion with its own gondola has sold in the high \$50 million range, setting a record for the state, according to people familiar with the deal.

The estate, located in the upscale Deer Valley ski resort, was listed for \$65 million in September by seller Doug Bergeron, a financial-technology executive who built the home as an investment property. The buyer's identity couldn't be determined.

The sale eclipses Utah's prior sales record of \$39.6 million, paid by energy-drink billionaire Russ Weiner for a Park City home in 2022, according to listing agent Paul Benson of Engel & Völkers. Benson declined to disclose the buyer's identity but said the per-

son is from the East Coast and owns property nearby.

Bergeron and Benson both declined to comment on specifics of the deal, but said several potential purchasers looked at the property, which went into contract within a week.

The gondola, which is shared with a neighboring house and takes passengers to the top of a ski run on Bald Eagle Mountain, was a big selling point, Bergeron said. There are only about two other private gondolas in Deer Valley, and building it required approval from the county and homeowners association. "Somebody knows the replacement value is immeasurable, really, so they're willing to pay for it," he said.

Bergeron, the former CEO of payments company VeriFone Sys-



The house traded in the high \$50 million range.

tems, bought the Deer Valley land for about \$3 million in 2016. He spent close to seven years building the house, which was completed this year. Set on roughly 2.6 acres, the seven-story house spans about 21,000 square feet with seven bedrooms and ameni-

ties including an outdoor infinity pool, a basketball court, a bowling alley and a climbing wall. There is also a golf simulator and a spa.

Ultrawealthy buyers will pay a premium for select properties, Bergeron said.

"Yes, they can peel off \$100

million without flinching, but they demand absolute excellence," he said.

Suzanne Harris of Berkshire Hathaway HomeServices Utah Properties represented the buyer.

—E.B. Solomont and Katherine Clarke

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MANSION

European Ski Destinations

Continued from page M1
company.

Favorable tax policies and old-fashioned quaintness have helped make Switzerland's Gstaad Europe's most expensive ski town, with high-end sales now averaging \$4,131 per square foot, according to Knight Frank's price index of premium residential sales. Gstaad has successfully broken out of the ski-resort mold, and now competes with Monaco for primary-home residents in search of tax breaks, says Knight Frank partner Alex Koch de Gooreynd, who oversees the company's Swiss network.

Gstaad, at less than 3,500 feet above sea level, is considered a lower-altitude resort, and climate change is impacting local ski conditions. France's Courchevel 1850 lies at over 6,000 feet, and its near guarantee of good skiing, along with a worldwide reputation for bling, secured it the highest ranking for price growth in the report, with Knight Frank's index rising 9% from the second quarter of 2023 to the same period of this year. This outpaces Kitzbühel, which rose 8.5%, and France's Val d'Isère, a high-altitude resort near the Italian border, which saw an increase of 7%.

Traditions die hard in the Alps, and old-fashioned luxury hotels still play their part, says Knight Frank's Roddy Aris, who oversees the French Alpine and Paris networks. "Our clients start out as guests in a hotel, then they rent a chalet. Then they buy once they're hooked."

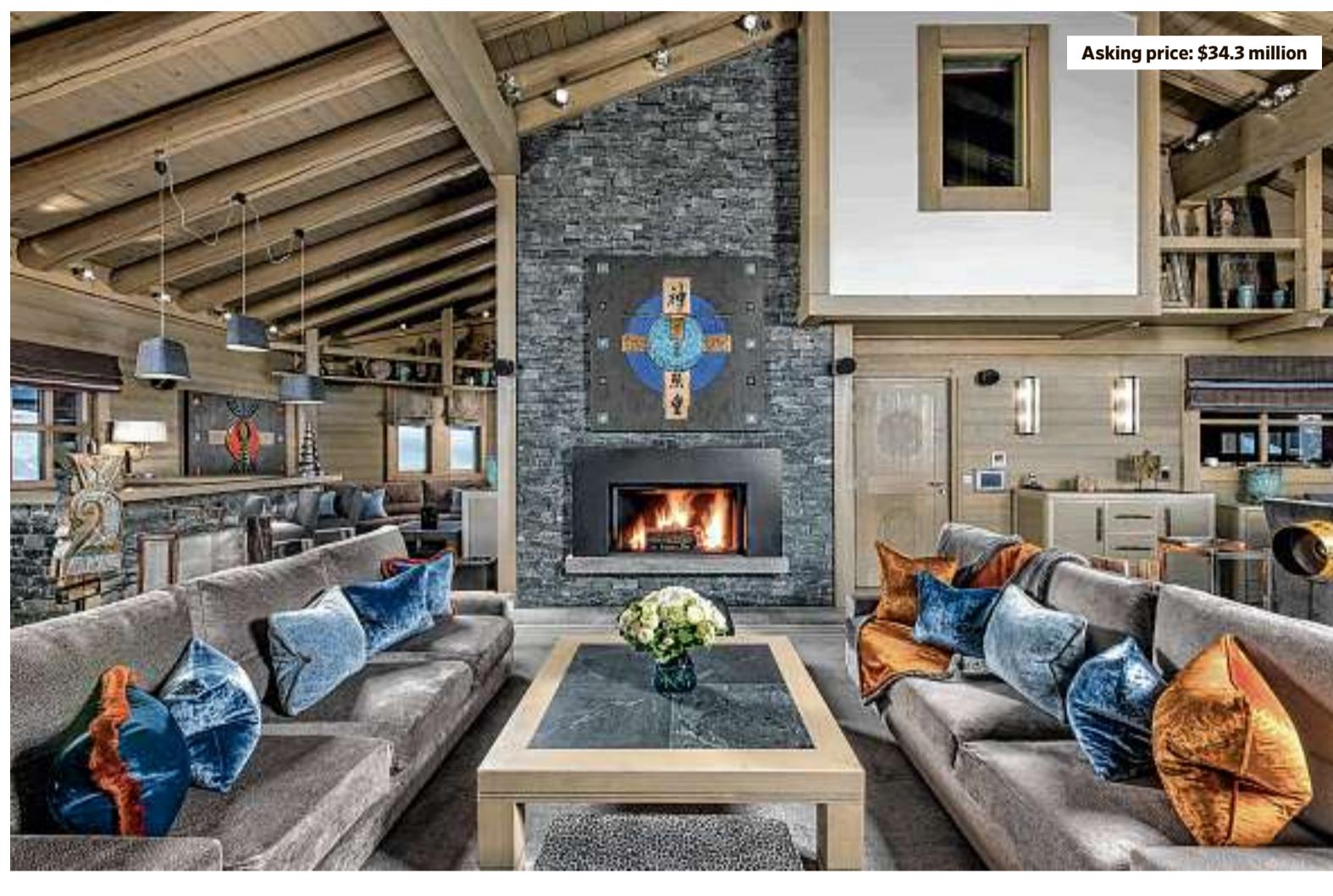
Read on for a closer look at home prices in Europe's top ski-resort destinations.



Largest Price Increase Courchevel 1850 // \$3,146 per square foot, up 9% from Q2 2023

Named for its altitude in meters, Courchevel 1850 is part of a cluster of French villages connected by ski lift. Known for its highflying après-ski scene, the area is far quieter in the off season. In 2023, Facebook co-founder Eduardo Saverin reportedly paid around \$93.8 million for a pair of adjacent chalets there. He didn't respond to a request for comment.

A five-bedroom, five-bathroom chalet in Courchevel 1850 is on the market with Savills for about \$34.3 million. The four-level home comes with an indoor pool and panoramic views.



Asking price: \$34.3 million



Asking price: \$13.4 million



Europe's Most Expensive Ski Resort Gstaad // \$4,131 per square foot, up 4%

Incorporating 10 distinct villages in southwest Switzerland, in the canton of Bern, Gstaad has a year-round population of 11,000, and many non-Swiss buyers looking for more than just skiing. A key segment of purchasers is seeking, or already benefiting from, Swiss residency, which allows distinct tax benefits in Bern. Swiss residency is also required for the purchase of properties larger than 200 square meters, or about 2,150 square feet. Buyers like Gstaad's combination of charming architecture, designer boutiques and infrastructure, such as the area's private Gstaad-Saanen Airport.

A decade-old, turnkey chalet with six bedrooms and 5 1/2 bathrooms is listed for about \$13.4 million with John Taylor Gstaad. The 4,262-square-foot wooden chalet has a spa area and carved balconies.

SAVILLS (COURCHEVEL); TAKUMI FUJIUCHI/HAUTÉ LIVING ESTATE (GSTAAD)

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Average Prices for Prime Properties by Resort

Q2 2024

RESORT	COUNTRY	\$ PER SQ. FT.
Gstaad	Switzerland	\$4,131
St. Moritz	Switzerland	\$3,310
Courchevel 1850	France	\$3,146
Verbier	Switzerland	\$3,011
Zermatt	Switzerland	\$2,427
Val d'Isère	France	\$2,343
Kitzbühel	Austria	\$2,070
Andermatt	Switzerland	\$1,984
Davos	Switzerland	\$1,971
Klosters	Switzerland	\$1,956
Méribel	France	\$1,704
Courchevel Village	France	\$1,692
Courchevel Moriond	France	\$1,672
Méribel Village	France	\$1,572
Mégève	France	\$1,561
Crans-Montana	Switzerland	\$1,549
Villars-sur-Ollon	Switzerland	\$1,523
Chamonix	France	\$1,413
Nendaz	Switzerland	\$1,394
St.-Martin-de-Belleville	France	\$1,353
Grimenz	Switzerland	\$1,301
Les Gets	France	\$1,010
Morzine	France	\$985
Champéry	Switzerland	\$955

Source: Knight Frank Research



Asking price: \$22.4 million



past year, Megève had a marked decline.

Aris says Covid-era prices shot up in Megève and that the recent drop is corrective, but concedes that lower snow quality and a shorter ski season are also factors. Megève buyers have begun to regard their properties as "country homes in the mountains rather than ski homes," he says.

A 4,033-square-foot, five-bedroom chalet in Megève is listed for about \$9.3 million with Knight Frank SNC. A slightly larger chalet, with 4,122 square feet of living space and six bedrooms, is on the market for roughly \$6.1 million. Equipped with a south-facing terrace and rustic interior, it has a children's room with fanciful, carved-wood bunk beds.

Breakout Year-Round Resort
Verbier // \$3,011 per square foot, up 2.3%

A world-class summer classical music festival and fine schools, along with some of the best ski conditions in Europe, are increasingly turning the once-remote village of Verbier in southwest Switzerland into a place to spend the whole year. Eager buyers have helped make Verbier Europe's fourth most expensive ski resort, according to Knight Frank's analysis.

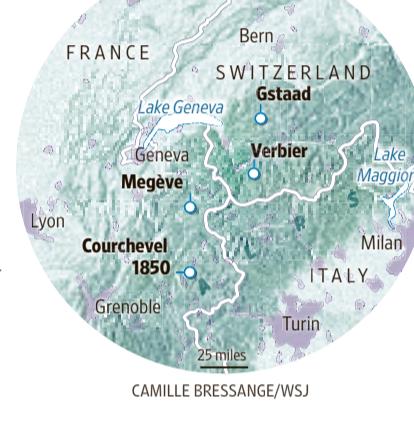
For many years, the most famous chalet owner in Verbier was the U.K.'s Prince Andrew, who reportedly sold his multi-bedroom home there in 2022 for around \$23.8 million. Knight Frank has a listing in a similar price category—a 4,175-square-foot three-bedroom, on a tiny lot, for about \$22.4 million. The home includes a fitness area and a primary bedroom with a fireplace.

Savills is listing a 1,615-square-foot penthouse with mountain views from a spacious balcony. The three-bedroom, four-bathroom unit is listed for about \$5.5 million.

Largest Price Decrease**Megève // \$1,561 per square foot, down 2%**

In the 1920s, the ski resort of Megève in southeast France struck the jackpot when members of the Rothschild family redeveloped it as an alternative to Switzerland's St. Moritz, among the first of Europe's luxury ski destinations. About 45 minutes from Geneva's international airport, and with a town center noted for its architectural harmony, Megève has turned into a winter outpost of Paris's swankier arrondissements, regarded as a more family-friendly alternative to Courchevel.

Charm and convenience can't quite compensate for climate



change, however, and its appeal has suffered due to lower-altitude skiing. While nearly all the resorts included in Knight Frank's analysis saw price increases over the



Asking price: \$9.3 million

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MANSION

Corner Convert

Continued from page M1

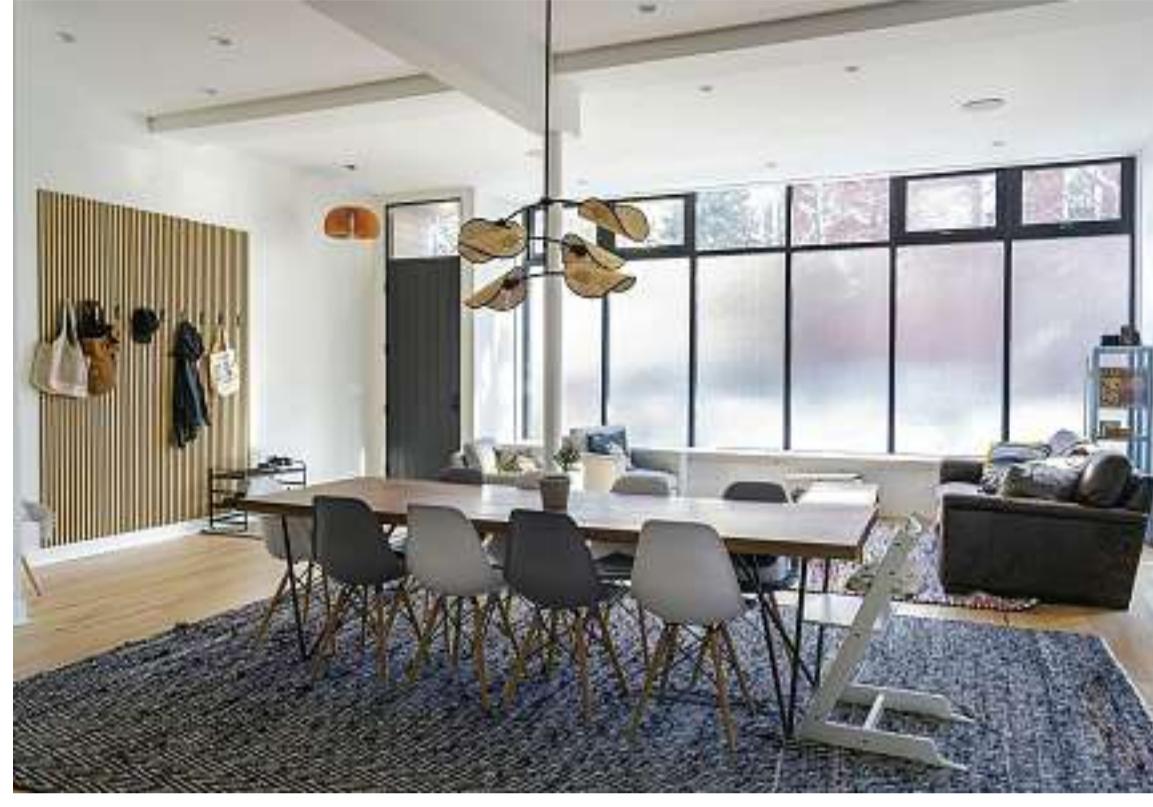
He loved that it didn't look like the newer homes on the street. "It was sticking out like a sore thumb and had a yellow door," says Sabani, who purchased the 4,000-square-foot home, which he learned was a former butcher shop, for \$1.24 million in 2022.

Sabani, an engineering executive, and his wife, Charlotte Sabani, embarked on a yearlong \$1 million renovation, unearthing original green tiles in the wall that are now built into the side of the living-area fireplace. They kept the interior brick, painting it white to match the home's Nordic feel.

An exterior spiral staircase from the third floor leads to the backyard. They repaired the exterior and kept the oversize storefront windows that are partially matte for privacy. "The front of the house was always some sort of commercial space, and that was cool to us," he says.

The home sits on a lot that is oversize for the area, creating a backyard for the family dog and the couple's toddler. Inside, they added an office while modernizing the bedrooms and baths. A dining setup is at the front of the home to take advantage of the storefront windows. They also combined the kitchen and living area. "We wanted a bit of a first-floor entertaining space and made it as open as we could," he adds.

Asher Kohn, a Chicago-based urban planner who has researched store conversions, says many of the original stores were built in Chicago before World War II and are on residential streets near the city's historic boulevards. At the time, more family members shared apartments, which meant the area had a higher population density. This helped the stores to thrive. But, after the 1950s, the city's neighborhoods became depopulated, decreasing the need for this type of retail. "There weren't enough people to keep



commercial stores in business," says Kohn. "But you could rent them for more money." Many of the stores were then converted to residential housing, coinciding with an effort to rezone under-used commercial properties to mixed use, he adds.

While many of the former

shops were turned into rental apartments haphazardly, some of the stores were converted more thoughtfully to create vintage single residences, Kohn says. Currently, there are hundreds on Chicago's North Side; many have been converted to apartment buildings and a small portion have

Joey and Charlotte Sabani paid \$1.24 million for a 4,000-square-foot home that was once a butcher shop. They embarked on a yearlong \$1 million renovation.

become single-family homes, he adds.

Today's buyers are looking for the open space and high ceilings that some of the conversions retained. The homes are priced comparably to similarly sized homes in the neighborhood, with a higher premium on those that were recently renovated, adds local real-estate agent Vincent Anzalone, who is working with Sabani. Their home is privately listed for sale because Sabani says he is willing to downsize if the right buyer comes along.

When Ken Lunsford purchased an 1880s home in Chicago's Bucktown neighborhood for nearly \$700,000 in 2017, he was "on the hunt for something unique," he recalls. Though Lunsford rented in the past, he was quick to bid on a former candy store converted into a single-family, two-bedroom, two-bath home that sat on a cor-



ner lot. It had plenty of quirks, but he was drawn to the exposed-brick walls for his growing art collection. The 1,600-square-foot home was priced more like a large condo than a single-family home, but still offered the perk of not living in a condo building with neighbors, he says. There was also a two-car garage, original tin ceilings and a deep basement "that almost feels like a speakeasy."

Being on the corner of a residential block was a plus, and he outbid multiple offers. After the sale, neighbors worried that the home that has been a staple on the block would get renovated beyond recognition. "They were nervous that I'd do something to it," says Lunsford, who owns a storm cleanup business.

Luckily, it wasn't in the plans.

He updated the floors and kept the open layout, which he finds perfect for entertaining despite a smaller kitchen area in the back of the home. He painted the front door a bright orange and added an outdoor pendant light to make the home's facade more inviting. He swapped out the clear floor-to-ceiling windows for green tinted ones to create a sense of privacy while still letting in the light. "You can kind of look in and see life," he says. He plans to add a roof deck on top of the garage.

For Nardella and Cripe, the project is ongoing. Currently, the couple is repurposing the store's former walk-in cooler into a wine cellar. "It was the worst part of the building," Nardella adds.

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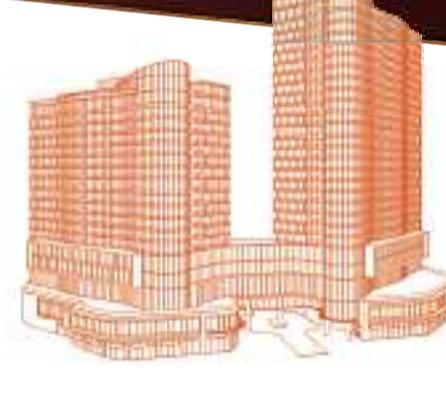
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MANSION

HOUSE CALL | TED DANSON

His First Acting Audition Was a Total Accident

Star of 'A Man on the Inside' on growing up atop the Arizona mesas and how performing is like basketball

CLIMBING OUT of my parents' car when I was 7, I looked across a small gorge and saw a kid my age staring at me. Our family had just moved to Flagstaff, Ariz., from Tucson after my dad was appointed director of the Museum of Northern Arizona and its research center.

The boy slowly ducked behind a boulder. I found a boulder to duck behind too. From that moment on, Raymond and I played together nonstop.

Our 19th-century, two-story log cabin was covered in white clapboard. My parents removed some of the interior plaster to expose 18-inch-thick, hand-hewn logs.



My dad, Ned, was an anthropologist and archaeologist. My older sister, Jan, and I went everywhere with him. He was loving and

proud of us, but I wasn't sure he really knew who I was.

My mother, Jessica, handled the family's emotional issues. She hosted cocktail parties and cooked dinners for visiting scientists.

I spent a lot of time with Raymond atop the Hopi mesas. We'd play in his village's dirt plazas where kachina dances took place. Then we'd return to Flagstaff and attend Sunday services in our Episcopal church. The unspoken message was we are all the same,



no matter how we pray.

When I was 12, Jan left to attend Wellesley College. I wanted to go away, too. From 13 to 18, I attended the Kent School for Boys in Connecticut. I stood a lanky 6 feet tall and weighed 120 pounds. Academically, I was in over my head. Then came basketball and the power of teamwork.

At Stanford University, I majored in political science, since I had no

Left, Danson in 2019. Far left, on his horse in Flagstaff, Ariz., in the early '60s.

I graduated from college in 1972 and moved to New York. I was terrified, so I visited the head of Juilliard's graduate acting program. He said if I still wanted to attend in a year, I should come back. That year, I wound up in off-Broadway plays, soap operas and commercials, and my career took off.

In 1978, I moved to Los Angeles and landed film parts in "The Onion Field" and "Body Heat." In 1981, Glen and Les Charles and Jimmy Burrows, who co-created "Cheers," were casting the role of Sam Malone. I believe I won the role because Shelley Long and I worked so well together. She was astounding.

One day, I asked a girl named Beth out for coffee. But

10 minutes in,

she remembered she had an audition. She was fine with me tagging along, but I had to audition to remain in the room. I had nothing prepared and made something up. When people laughed, a light went off. I got the smallest part, but I was hooked. Acting, like basketball, was about teamwork.

I auditioned for actress Shirin Devrim, who was teaching at Carnegie Mellon, and transferred.

idea what I wanted to do. I'd get up at 11 a.m., turn on Janis Joplin and go-go dance on a tree stump that served as our coffee table. Then I'd head out to see if my classes were still going on.

Today, my wife, actress Mary Steenburgen, and I live in Ojai, Calif. We also have a 1920s house in L.A. Our one-story Ojai house is small and sits on half an acre. We love the undisturbed landscape.

Raymond and I get together every couple of years. Whether we giggle about childhood memories or just sit and say nothing for 20 minutes, we're so at ease.

—As told to Marc Myers

Ted Danson, 76, is an Emmy-winning actor known for TV's "Cheers," "The Good Place" and "Curb Your Enthusiasm." He stars in Netflix's "A Man on the Inside."

FROM LEFT: TED DANSON (FAMILY PHOTO); SHAYAN ASGHARIA (FOR WSJ)

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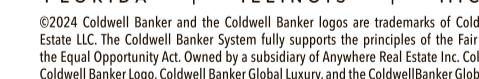
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CEO Russ Anderson, on why he is thankful for a parade, a great kick-line and you

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Even though we're 1,500 miles away from all that here in North Texas, that parade is the universal signal that it's Thanksgiving time in America.

With a very full belly and a very full heart, I am certainly thankful.

Thankful for our clients, who our real estate advisors work with every day, finding and selling homes and making some dreams and goals happen.

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Thankful for the staff that supports them, in every way, with advice, tools, intuition and experience.

I am one lucky guy. Others, not so much. Please think of the far less fortunate than us, who may not have a home or who need help getting by. Our advisors help all year, organizing food drives, clothing drives, gift drives, you name it. And we have our own donation program. We call it Love Your Neighbors. It's funded by advisors who voluntarily donate a percentage of every sales commission, plus a corporate contribution we make. We've been able to send funds to local groups who help in so many ways. It's all at briggsfreeman.com/love.

I'm so thankful — for you, and that we can help others, now and every day.



From the President's P.O.V.

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PRIVATE PROPERTIES

A Castle-Like Home—With Armor Included—Sets a North Carolina Sales Record

A castle-like home in North Carolina's Blue Ridge Mountains has sold for \$15.85 million, setting a state record even as the area rebuilds from widespread damage caused by September's Hurricane Helene.

The roughly 13,500-square-foot home is located in Banner Elk, an affluent vacation destination about 80 miles northeast of Asheville, according to Marilyn Wright

SOLD
\$15.85
MILLION
13,500 sq. ft.,
5 bedrooms
Listed for \$14

million in September, the five-bedroom stone house has Gothic arches and stained glass, said Wright. It sold for more than its asking price because the buyer bought it furnished with rugs and furniture, including art, antiques and armor, said Wright.

Seller Thomas Rouse, co-founder of the Texas medical-device company Berkshire Biomedical, bought the 7.64-acre lot with his wife, Sandra Rouse, for \$1.25 million in 2007. The couple built the house, which has extensive mountain views, around 2008.

Buyers' agent Chad Vincent of Berkshire Hathaway HomeServices Vincent Properties declined to identify the purchasers, but said they are local. Vincent represented the buyer with colleagues Jay Vincent and Melissa Boone.

The Rouses didn't respond to a request for comment.

The home went into contract in only 12 days, just as Hurricane Helene made landfall in Florida. The house wasn't damaged in the storm, but the closing was delayed until electricity and power could be restored, said Wright. The buyer visited the house soon after the storm to assess the dam-



age to the community, but decided to move forward with the purchase after seeing the rapid pace of repair to local amenities including a local golf course, said Wright.

The Rouses, who live primarily in Dallas, sold because they are

spending less time in the area, but are buying a smaller house nearby, said Wright.

The home's castle-esque design was inspired by the couple's travels to Europe, said Wright.

Largely surrounded by forest, the house has ornate woodwork and

hand-painted murals. Amenities include a home theater, a gym, two elevators, a wine cellar and a bar. An indoor-outdoor porch has a summer kitchen, she said.

The buyer liked the home's quality of construction and mountain views, Wright said.

The transaction comes on the heels of a \$14 million sale in nearby Linville that closed in October, days after the hurricane devastated the region, said Wright, who had the listing. Florida-based car dealer Alan Wildstein was the buyer of the 5.9-acre estate, said his agent, Natalie Earnhardt of Premier Sotheby's International Realty. Wildstein couldn't be reached for comment.

Wildstein sold his vacation home in Linville several years ago but recently decided to return to the region and purchase this property, Earnhardt said. The five-bedroom, roughly 8,750-square-foot home was first listed for \$29.75 million in 2022.

The seller was Carol Strickland, who now lives in Florida. Strickland's late partner, apartment builder Charles Weber, spent about \$15 million assembling the land and building the estate with a golf simulator and a "Hobbit door" inspired by the "Lord of the Rings" movies.

Local real-estate agents in the mountains navigated road closures, internet outages and closed government offices—not to mention damage to their own homes—to close the Wildstein deal, said Wright.

The house lost only a few roof tiles, but neighboring homes lost windows and had significant roof damage, said Strickland. It took days to access the property after the storm due to road closures and downed trees, said Earnhardt, who represented Wildstein with colleague Josh Aldridge.

Wildstein considered backing out of the deal in the face of the local devastation, but ultimately decided to move forward, she said.

"He was really concerned," said Earnhardt. "He trusted us to see that once the community recovers, it's going to be fine."

—Sarah Paynter

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