

# THE WALL STREET JOURNAL.

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## What's News

### Business & Finance

◆ **Wall Street is grappling** with whether another year of robust gains is possible for a stock market that is looking precariously expensive after a 28% rise in the S&P 500 so far in 2024. **A1**

◆ **Dividend-paying** stalwarts such as JPMorgan Chase and Merck are primed to fare better in the coming year, some investors said. **B1**

◆ **Omnicom** is in advanced talks to acquire Interpublic, a deal that would create the world's largest advertising company, according to people familiar with the matter. **B1**

◆ **Global advertising** spending will surpass \$1 trillion in 2024, one year earlier than previously expected, according to a forecast from the media investment group GroupM, a unit of WPP. **B4**

◆ **The International Brotherhood** of Teamsters said it is giving Amazon.com a deadline of Dec. 15 to agree to bargaining dates to negotiate a union contract for its delivery drivers and warehouse workers. **B4**

◆ **Trucking company Kal** Freight filed for bankruptcy protection, saying that its financial condition has been hurt by unprofitable efforts to become a vertically integrated business. **B7**

◆ **The popularity of BeatBox** premixed alcoholic drinks has created a windfall for the small company behind them, and raised concerns among public-health groups that they could end up in the hands of underage drinkers. **B3**

### World-Wide

◆ **The Assad family** dictatorship that ruled Syria for more than 50 years collapsed, with rebel forces claiming control of Damascus and President Bashar al-Assad leaving the country. **A1**

◆ **The downfall marks** a new power realignment in the Middle East, with allies of the old regime suffering a blow and Turkey acquiring greater influence in the region. **A6**

◆ **Israel's prime minister** said he ordered the military to seize the demilitarized buffer zone between Israel and Syria to defend villages in Israel's north, a move he said would be temporary. **A7**

◆ **An outpouring of popular sympathy** for the man who assassinated a top health-insurance executive in New York City poses an unanticipated challenge to the authorities searching for the gunman. **A3**

◆ **Trump's transition team** is drafting several versions of his long-promised executive order to curtail automatic citizenship for anyone born in the U.S. as the president-elect's aides prepare for an expanded legal fight. **A5**

◆ **The leader of South Korea's ruling party** said President Yoon Suk Yeol was unfit for power after he briefly instituted martial law last week and wouldn't be involved in governing the country. **A8**

◆ **Global figures, including** President-elect Trump, gathered in Notre Dame in Paris for a solemn ceremony on Saturday to mark the cathedral's reopening after a disastrous 2019 fire. **A18**

### JOURNAL REPORT

Investing Monthly: Help your boomerang kids, and yourself. **B5-6**

**CONTENTS** Markets.....B9  
Arts in Review.....A13 Markets Digest.....B8  
Business & Finance.....B27 Opinion.....A15-17  
Business News.....B3-4 Personal Journal.....A11-12  
Crossword.....A14 Sports.....A14  
Hear on Street.....B10 U.S. News.....A2-5  
Journal Report.....B5-6 World News.....A6-9/A5

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ADDAZZ KETAZ/AFREYTT IMAGES



The head of Syria's largest rebel group, Abu Mohammed al-Jawlani, was greeted Sunday before addressing a crowd in Damascus.

## Rebels Waited Years to Strike, But Their Opening Came Swiftly

Entering the weekend, Syria President Bashar al-Assad showed no signs of yielding.

By Jared Malsin,  
Summer Said  
and Isabel Coles

As armed rebels closed in Saturday on Damascus, Assad ordered his forces to defend the Syrian capital, seemingly confident the military would come to his rescue, according to Syrian officials familiar with the matter.

By late Saturday, Assad had vanished. He didn't show up for a prepared address to the nation, and his cabinet had no idea where he was. They learned with the rest of the world that Assad had escaped the country hours ahead of the rebels who captured Syria.

The toppling of Assad's regime, ending 50 years of his family's rule, revealed how badly Syria's army had been hollowed out by years of corruption, defections to the rebellion and the country's economic crisis. Recruitment had

declined, and Syrian men dodged conscription. The military since early in the civil war had depended heavily on outside forces to reinforce its lines. Iran and the Syrian regime brought in militias from Lebanon, Iraq and Afghanistan. Russia had provided warplanes, air defenses and military advisers.

Yet, as Assad dialed for help from foreign governments in his last hours as Syria's leader, he found he had run out of allies and military allegiance. The swift fall of

Damascus confirmed how the regime was "in worse shape than we thought," said Aron Lund, a security analyst with the Swedish Defense Research Agency, a government think tank. The regime received "a knockout blow early on," he said, and never recovered.

The rebels in 11 days accomplished what had appeared impossible after 13 years of brutal combat with Assad's forces. Early Sunday, demonstrators crowded streets in the capital to celebrate.

Please turn to page A7

## Investigator Tracks Dangerous Hackers From a Secret Lair

Brian Krebs faces threats, manipulation and the odd chess challenge

BY ROBERT McMILLAN  
AND VIPAL MONGA

One morning in September, a hacker known as Waifu sent a message to Brian Krebs, a cybersecurity researcher investigating him. Waifu wanted to play a game.

"Here is the deal," Waifu wrote. "Beat me 2 out of 3 in chess, and if your demand is reasonable, I would answer questions without trolling u."

Krebs didn't reply, but the messages kept coming in. "I would rate you FBI range in terms of HUMINT skill and capability," Waifu wrote, us-

ing a military term for gathering intelligence from human sources. "But I really want to play you in chess."

The two had been communicating on messaging apps for months. Investigators had linked Waifu to a hacking rampage that started in April and exposed private information on hundreds of millions of Americans, including phone records. Some investigators, including Krebs, had tied Waifu to a real-world identity over the summer, although they hadn't gone public with that information—yet.

Please turn to page A10

## A Runaway Dog Captures a City, One Audacious Escape at a Time

Mutt divides New Orleans between pursuers and locals who see a symbol of resistance

BY RACHEL WOLFE

NEW ORLEANS—A nearly yearlong hunt for a 17-pound mutt is tearing this city in two. On only one fact can both sides agree: Scrim is no ordinary runaway.

When lost dog flyers first appeared on telephone poles in the Mid-City neighborhood last spring, neighbors didn't feel much beyond the requisite sympathy for Scrim's family, who had adopted him a few hours before he ran away.

But after dozens of failed captures, hundreds of sightings, thousands of dollars in rescue efforts, a televised detention and a more recent escape out of a second-story

window, you'd be hard pressed to find a New Orleanian without an opinion on Scrim.

"He's ungovernable," says Zach Oshin, a 30-year-old attorney who lives near where Scrim first went missing. "My cat comes home after he gets a little hungry. Scrim gets shot twice and still wants to be free. He's choosing this life, and that's kind of an inspiration."

The scraggly 3-year-old canine has been turned into a meme, a T-shirt, an adjective and a verb (roughly translating to "hastily leaving somewhere without looking back"). He's a symbol of resistance and of humanity's insistence on caging what

Please turn to page A10

## S&P 500's Strong 2024 Sparks Debate on How Far It Can Rise

BY KRISTAL HUR

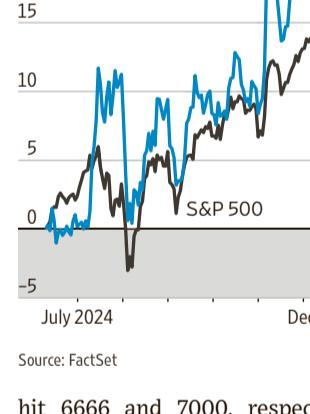
Wall Street is grappling with whether another year of robust gains is possible for a stock market that is looking precariously expensive.

The S&P 500 has surged 28% in 2024 and is on pace for back-to-back annual jumps of more than 20% for the first time since a four-year stretch that ended in 1998.

Strategists at some of the nation's biggest banks are projecting more modest returns in 2025. JPMorgan Chase, Morgan Stanley and Goldman Sachs project that the S&P 500 will reach 6500 by the end of next year, a 6.7% increase from Friday's close of roughly 6090.

Others are a little more bullish. Barclays recently raised its price target to 6600. Bank of America and Deutsche Bank expect the benchmark index to

Index performance, past six months



Source: FactSet

hit 6666 and 7000, respectively.

Analysts generally agree that President-elect Donald Trump's pro-growth policies will be a boon for stocks but

some question how much further they can run. A backdrop of high interest rates, geopolitical turmoil and potential trade wars could dent the market's gains, some warn. Yet many investors are hesitant to call an end to a rally that has repeatedly defied expectations.

"We're kind of in the honeymoon phase of the new administration," said Matt Miskin, co-chief investment strategist for John Hancock Investment Management. "But the Fed is going to be on the hook for reacceleration of the economy, when it's doing pretty well, frankly, and perhaps a bit firmer inflation."

In the coming days, investors will parse another round of inflation data to see whether

Please turn to page A2

◆ **Dividend-paying stocks** poised for rebound.....A6

## INSIDE



### PERSONAL JOURNAL

A new generation is tweaking the power tie as it makes a comeback in the office. **A11**



### SPORTS

Juan Soto agrees to play for the Mets for \$765 million, a record for a pro athlete. **A14**

## Energy Pick Heralds Benefits of Warming

BY BENOIT MORENNE

Chris Wright, President-elect Donald Trump's nominee for energy secretary, says climate change poses only a modest threat to humanity. The biggest U.S. oil companies disagree.

A fracking executive, Wright acknowledges that burning fossil fuels is contributing to rising temperatures. But he also says climate change makes the planet greener by increasing plant growth, boosts agricultural productivity and likely reduces the number of temperature-related deaths annually.

"It's probably almost as many positive changes as there are negative changes," he told conservative media nonprofit PragerU last year, referring to climate change. "Is it a crisis, is it the world's greatest challenge, or a big threat to the next generation? No."

Trump has repeatedly called climate change a hoax but hasn't articulated his views in detail. The selection of Wright is one of the clearest indicators yet that the next administration is likely to push back on widely accepted scientific findings about climate change.

Many oil-and-gas executives have lauded Wright's nomination as they expect he will give their industry a boost. Still, Wright's climate pronouncements highlight the chasm between the Trump administration and the country's biggest oil companies on a crucial issue.

Occidental Petroleum Chief Executive Vicki Hollub this year called climate change "the greatest crisis our world has ever faced." Exxon Mobil CEO Darren Woods said in a Wall Street Journal interview in November that Trump shouldn't

Please turn to page A4

## U.S. NEWS

## Trump Targets Canada With Tariffs—and Trolling

Canada and its prime minister, Justin Trudeau, have a Donald Trump problem.

*By Vipal Monga  
in Toronto and Alex Leary in Washington*

The pair had an at-times rocky relationship during Trump's first term in the White House, and the president-elect couldn't resist getting in a dig during their recent impromptu meeting over dinner at Mar-a-Lago, his Florida estate.

Trudeau was complaining about the impact tariffs would have on Canada's economy, according to people at the dinner, when Trump interjected. If Trudeau didn't like it, he said, Canada could become America's 51st state.

According to a senior Canadian government official who was at the dinner, Trudeau and his team took the ribbing in stride, but they were conscious of the deeper message: that Trump, as always, is America first—and he didn't much care what happened to Canada's economy as a consequence.

The strained personal connection between the two men stands to complicate Canada's ability to navigate a second Trump term. The incoming president wants to renegotiate a free-trade deal between the two countries, and has said he would levy tariffs of 25% on imports of all goods from Mexico and Canada. Trump has also demanded that Canada invest more in its military and to secure its borders.

Officials from both the U.S. and Canadian sides described the back and forth at Mar-a-Lago, earlier reported by Fox News, as joking. But Trump a few days later continued to troll Trudeau. He posted on social media an AI-generated image of himself standing on a mountain range next to a Canadian flag

with the caption "Oh Canada!"

"Any good joke hits a little bit of a nerve, and certainly President Trump likes to hit a nerve," said Kirsten Hillman, Canada's ambassador to the U.S., in a television interview.

John Bolton, a national security adviser to Trump during his first presidency, said the relationship between the two men took a hit following a 2018 Group of Seven industrial nations summit hosted by Canada. After leaving the summit, en route to a meeting with North Korean leader Kim Jong Un in Singapore, Trump watched a press conference during which Trudeau criticized U.S. tariffs on Canadian steel and aluminum and said Canada would re-taliate.

"Canadians, we're polite, we're reasonable, but we also will not be pushed around," Trudeau said.

Incensed, Trump fired off a tweet from Air Force One, calling Trudeau "Very dishonest & weak."

"Whatever the relationship was before, Trudeau's press conference and Trump's tearing up the G-7 statement pretty much finished it," Bolton said. "They could be courteous to one another but there is no warmth to that relationship at all."

The 2018 G-7 summit has become a touchpoint in the leaders' relationship, as was the group's meeting the following year in France. The perceived attention then-first lady Melania Trump paid to the Canadian leader set off a wave of internet memes.

According to officials close to Trump, the president delights in prodding Trudeau. Canadian officials say the jabs and insults are typical of the Trumpian style, and they try not to react.

"As most of Trump's relationships tend to be, it was

tempestuous," said Gerald Butts, vice chairman of the Eurasia Group consulting firm, and a former senior adviser to Trudeau who was also at the 2018 G-7 summit. He said Trump has made the 51st-state joke before in meetings with Trudeau during the first term, and played down the idea that lingering resentment between the leaders will complicate their continuing relationship.

"It's all water off a duck's back," Butts said. Other Canadian officials minimized the idea that there is lingering tension between the leaders.

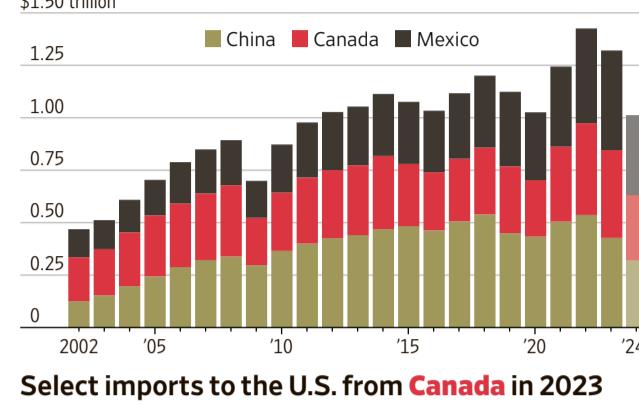
The Mar-a-Lago dinner came together after Trump on Nov. 25 posted on his Truth Social platform that he would levy tariffs of 25% on imports of all goods from Mexico and Canada. Trudeau called Trump after the post and asked for a meeting, according to a U.S. official familiar with the events. Trump then invited the Canadian leader to dine with him at Mar-a-Lago.

Trump posted on Truth Social that it was a "very productive meeting" and said the leaders discussed topics including fentanyl, immigration and trade "that will require both countries to work together to address." On illegal drugs, Trump said Trudeau "made a commitment to work with us to end this terrible devastation." Trudeau told reporters that "it was an excellent conversation" but didn't respond to a question about tariffs.

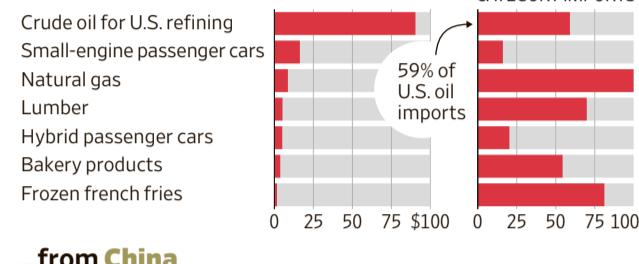
Trump continued his trolling of Trudeau this past week, mentioning the Canadian leader's visit during a speech at the Patriot Awards on Fox Nation. "As you know, I spoke with Canada," he said. "Justin came flying right in because we talked about 25% tariffs. That's just the beginning."

—Andrew Restuccia contributed to this article.

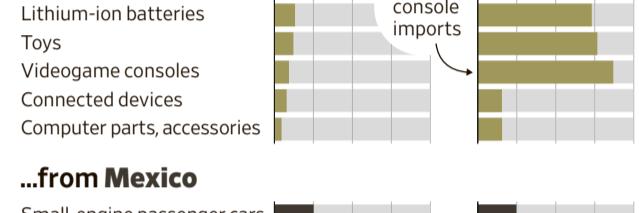
## Value of imports to the U.S., by country



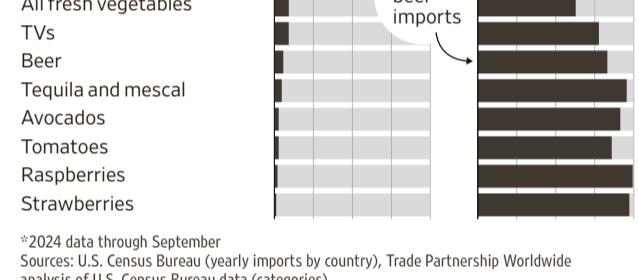
## Select imports to the U.S. from Canada in 2023



## ...from China



## ...from Mexico



\*2024 data through September

Sources: U.S. Census Bureau (yearly imports by country), Trade Partnership Worldwide analysis of U.S. Census Bureau data (categories)

## What U.S. Gets From Canada, Mexico and China

Avocados. Tequila. Laptops. Lumber. These are some of the common items America buys from Canada, Mexico and China.

There are also other, perhaps less expected items: Americans buy a lot of frozen french fries from Canada.

If Donald Trump carries through on his new tariff threats, consumers could see prices rise on lots of basic items for their everyday lives. The cost of home construction might go up, as the U.S. buys billions of dollars of lumber from Canada that is used for such things as framing, flooring and building-interior details including cabinets and furniture.

The U.S. has shifted away from Chinese imports. Yet America still buys a tremendous amount of goods from the country, especially smartphones.

In addition to exporting billions of dollars of cars and electronics to the U.S., Mexico plays a major role in the American grocery cart. The U.S. imports beer, tequila and lots of fruits and vegetables.

—Nate Rattner, Chao Deng and Alana Pipe



**ALL ABOARD:** People wearing period clothing participated in the annual vintage subway train ride Sunday in New York City. The Holiday Nostalgia Rides, hosted by the New York Transit Museum, put into operation 1930 R1/9 train cars between Second Avenue and Houston Street on the uptown F line, and 96th Street and Second Avenue on the Q line.

## S&amp;P 500 On Pace For Big Rise

*Continued from Page One*

price pressures are continuing to ease. That report will be one of the final readings on the state of the economy before the Federal Reserve's December meeting, where the central bank is expected to cut interest

rates again. Friday's jobs report suggested the labor market remains healthy.

One reason for optimism heading into next year? More stocks are joining the rally. Traders are bidding up economically sensitive stocks that lagged behind the wider market during the first half of the year. The small-cap focused Russell 2000 index is within striking distance of its first record close in three years, and its November gains nearly doubled those of the S&P 500.

More than 220 stocks in the benchmark index have closed

at a 52-week high since the end of October. It would now take erasing the gains of the top 171 stocks in the S&P 500, including Nvidia and Apple, to negate the index's total return this year, according to S&P Dow Jones Indices data as of Wednesday.

Traders typically take a more inclusive rally as a sign that it has legs, because the market is less vulnerable to a downturn if a few sectors stumble.

"I don't think there's any surprise about the broadening," said Hal Reynolds, co-

chief investment officer at Los Angeles Capital Management. "I'd say the only surprise is that it's taken so long to occur."

Much of the stock market's gains in the first half were driven by the Magnificent Seven group of big tech stocks—Alphabet, Amazon.com, Apple, Meta Platforms, Microsoft, Nvidia and Tesla—that have been propelled higher by artificial-intelligence fervor.

Those stocks, seen as safety picks for their massive balance sheets, hopped back into the driver's seat of the market last week, when investors contended with political chaos in France and South Korea. A batch of better-than-expected earnings from Salesforce, Okta and Marvell Technology further lifted tech shares.

Longer-term, expectations for the stock rally look much bleaker than next year's forecasts. Goldman expects the S&P 500 to gain a meager 3% a year over the next decade, while Bank of America sees flat to 1% annual growth.

One concern darkening the 10-year outlook is uncertainty about whether the AI boom will continue. Some strategists warn AI is unlikely to be as transformative as the market's rally suggests, which could lead to bruising losses down the line.

## WSJ Dollar Index, year to date



Source: Dow Jones Market Data

sort of petered out, drawing down a lot of their savings...it gets hard for me to see those higher price targets," said Logan Moulton, senior portfolio manager at Intelligent Wealth Solutions.

But investors say they are still hunting for pockets of value in a market inundated with expensive stocks. Jimmy Lee, chief executive of Wealth Consulting Group, added to his firm's position in small-caps and other sectors that are less expensive than megacap tech stocks.

The S&P 500 is trading at 22 times its expected earnings over the next 12 months, above its five-year average of 20. The index's information technology sector, which houses Nvidia and Apple, was recently trading at roughly 30 times. In contrast, the S&P SmallCap 600's multiple is about 17.

Traders also remain divided on how much and how quickly the Fed will cut rates in 2025 and beyond. Chair Jerome Powell last week indicated the central bank isn't in a rush to ease policy.

"People think there's going to be this kind of nirvana where the Fed is cutting interest rates and the economy, based on [Trump's] policies, is growing," said Lori Van Dusen, chief executive of LVW Advisors. "There are real risks out there."

## CORRECTIONS &amp; AMPLIFICATIONS

**The mutual funds data** from Thursday, Dec. 5, 2024, was incorrectly labeled as Friday, Dec. 6, 2024, in some editions Saturday.

**Pete Hegseth** graduated from Princeton in 2003. A review article Saturday about Iraq veterans seeking to upend U.S. foreign policy incorrectly gave the year as 2005 in some editions.

Readers can alert The Wall Street Journal to any errors in news articles by emailing [wsjcontact@wsj.com](mailto:wsjcontact@wsj.com) or by calling 888-410-2667.

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## U.S. NEWS

# Musk Pushes Drones Over Jet Fighters

Trump's team will have to decide on what the future is for piloted aircraft

The U.S. Air Force is leaving a decision on the future of the next jet fighter to the incoming Trump administration, a move

By Lara Seligman,  
Heather Somerville  
and Gordon Lubold

that comes shortly after billionaire Elon Musk called for pursuing drones over piloted combat aircraft.

The Air Force is still building F-35 stealth jet fighters, a program whose total costs are expected to exceed \$2 trillion over several decades. At the same time, the service is pushing forward with a combat drone system, as well as a next-generation crewed fighter.

Last Thursday, the Air Force said it would delay a decision, originally set for year-end, on which company would build the new jet fighter, meaning it will fall to the new administration to decide whether and how to go forward with a crewed aircraft.

Musk, who has long advocated for drones, took aim at manned jet fighters generally and Lockheed Martin's F-35 in particular in a post last month on X, writing that "manned fighter jets are obsolete in the



An Anduril unmanned aircraft was viewed earlier this year.

age of drones." In another post, he claimed "a reusable drone" can do everything a jet fighter can do "without all the overhead of a pilot."

Other Trump allies followed suit. Former Rep. Matt Gaetz of Florida, who withdrew as Trump's nominee to be attorney general amid allegations of sexual misconduct, responded to Musk's post calling the F-35 a "failed platform."

"We should move away immediately toward drones," added Gaetz, who also is brother-in-law to the head of defense-tech company Anduril Industries, Palmer Luckey.

Musk's comments aren't surprising given his stewardship of Tesla, a pioneer of self-driving car technology, and SpaceX, which builds autonomous space vehicles. But his renewed push to kill piloted planes like the F-35 has taken on new significance in light of his influence with the incoming president.

The Air Force has long resisted efforts to move away completely from piloted aircraft. Asked about Musk's recent comments, a senior Air Force officer who oversees flight testing, including of the F-35, said that moving fully to drones is impossible for the foreseeable future.

"There may be some day when we can completely rely on roboticized warfare but we are a century away," Brig. Gen. Doug Wickert said Wednesday at Edwards Air Force Base. "How long have we thought full self-driving was going to

## SpaceX Stands to Benefit

SpaceX stands to gain potentially millions of dollars from an expansion of its Starshield constellation, a militarized version of its Starlink internet satellites that is designed to support, among other things, drone communications. Elon Musk also has close ties to defense-tech startups including Anduril, which is building the very autonomous drones he is publicly pushing to replace

jet fighters.

Meanwhile, the F-35 program is still plagued with delays, cost overruns and design and software challenges more than 20 years after Lockheed Martin was picked to develop the plane. But the program would be difficult, if not impossible, to cancel given international orders and partnerships, and support from lawmakers whose districts benefit.

fluence of tech leaders, like Musk, whose company stands to benefit from shifts in military spending.

Musk spent more than \$200 million to help Trump clinch a second term, and since the election has served as an unofficial adviser to the president-elect. Musk is also expected to co-chair Trump's new Department of Government Efficiency alongside former presidential candidate Vivek Ramaswamy, another drone advocate.

"If you want to make real improvements to the defense and security of the United States of America, we would be investing more in drones, we'd be investing more in hypersonic missiles," Ramaswamy said Wednesday at the Aspen Security Forum in Washington,

singling out jet fighters as weapons that may be obsolete.

Since 2021, venture capitalists have invested more than \$130 billion in startups building new technology for the military—a large portion going to autonomous drones and the software that powers them. In the past month or two, there has been a surge of startup founders building AI systems for the Defense Department and seeking venture capital to fund their product, investors said, fueled in part by the rhetoric that autonomous aircraft could become a staple in the Pentagon.

These startups are competing with costly jet fighters, built by prime defense contractors like Lockheed, for Pentagon dollars.

With the F-35 already well into production, Musk and his Silicon Valley associates may set their sights on an easier target: the Air Force's idea for a new jet fighter called Next Generation Air Dominance. The aircraft is planned to replace the stealthy F-22—another Lockheed aircraft—and fly alongside the F-35.

Meanwhile, the Air Force is also pushing forward with a new drone program called Collaborative Combat Aircraft to build roughly 1,000 unmanned aircraft to fly alongside manned jet fighters like the F-35 and NGAD. Anduril and General Atomics are currently building prototypes for the program.

## Search in CEO Case Confronts a Hurdle: Sympathy for Killer

By JOSHUA CHAFFIN  
AND GINGER ADAMS OTIS

As they search for the man who assassinated a top health-insurance executive New York City last week, authorities are contending with an unanticipated challenge: an outpouring of popular sympathy for the killer.

From online forums and social media to the streets of Manhattan, some people have been celebrating the suspect in the shooting of UnitedHealthcare CEO Brian Thompson as a quasi-folk hero who struck a blow against the nation's much-reviled for-profit healthcare system.

In most instances, they were rooting for the killer to evade capture and defending his actions—or remarking on his good looks. But in some cases, expressions of support have crossed over into calls to stymie a police manhunt that, on Sunday, entered its fifth day with the suspect yet to be named.

On the social-media platform X, for example, several people suggested flooding the police with fake tips or dressing like the killer to confuse law enforcement. In New York's Washington Square Park, a group held a look-alike contest on Saturday.

Meanwhile, some online sleuths who have made a habit in recent years of banding together in informal posse to try to solve crimes are withholding their services.

"I don't have to encourage violence. I don't have to condone violence by any means. But I also don't have to help," wrote @thatdanesguy, who has two million followers on TikTok, where he bills himself as capable of finding anybody.

To Ed Davis, a former Boston police commissioner, the public reaction to the murder



FROM TOP: NATALIE KEYSAR FOR WSJ.; JODI GECHTMAN

## Adult Siblings Turn Into Roommates To Unlock a Tough Housing Market

By KAILYN RHONE

Grant Gechtman had a dilemma.

He was preparing to meet a date at his place when he realized he hadn't mentioned something important: He has an identical twin brother, Dylan, who lives with him.

Grant and Dylan Gechtman, 25, share a rented three-bedroom home in Fremont, Calif. They do almost everything else together too. They work as senior associate scientists at the same pharmaceutical company, share a Mazda CX-5, and even joined the same Jewish fraternity in college.

Kinda hope they never catch the UnitedHealthcare CEO killer," a poster wrote on Saturday, adding that the rich "almost never get their due," and adding: "Hell I'll go as far as to say maybe people should go and flood the cops (and now) the FBI's hotlines with fake info, troll pics, the like." By Sunday evening, the post had garnered more than 2,200 comments, heavily in agreement.

"Ditto, wonder if this is a new trend. Modern day Maria Antoinette, let them eat cake attitudes of the CEOs, Government, etc.," came one reply. "Time to watch it collapse and burn down," said Dylan.

### More common

More adults have moved in with their siblings in recent years, a reflection of how it is becoming harder and more expensive to buy a home or make the rent. With Americans living longer and having fewer children—and divorcing late in life—siblings can be the closest people left for support.

There are about 1.1 million adults ages 50 and older living with a sibling, according to an analysis of Census Bureau data by Bowling Green State University's National Center for Family & Marriage Research. That represents about 1.6% of that age group in 2022, up



Twins Grant, left, and Dylan Gechtman rent a three-bedroom home, along with a college friend, in Fremont, Calif. At top, brother and sister Ben and Allison Karlin rent an apartment together on Manhattan's Upper East Side.

from about 1.3% in 2012.

There are also about 1.9 million adults ages 18 to 29 living with a sibling. That works out to about 3.6% of that cohort.

"Often when young adults talk about moving back in with their parents, there's a sense of defeat," said Krista Westrick-Payne, the center's assistant director. "Moving in with a sibling...may feel less like a failure."

Bowling Green's analysis didn't include those in their 30s or 40s.

Sherry Campbell, a certified financial planner, has noticed a small yet significant rise in clients seeking guidance on managing finances while owning a home with siblings. Most of her clients are women over 50, looking for emotional and financial support to get through a divorce.

"Men will a lot of times remarry, and women will not remarry," Campbell said. "So that causes them to search for other ways to have that second income."

Rooming with a brother or sister can come with challenges. Just because two people were raised the same way doesn't mean they have the same views about cleaning, privacy or dating. And it is a lot harder to kick a roomie off the lease when you are blood relatives.

But there are perks. The person in the other room already knows your life story; no need to explain it. And lots of sibmates said it was easier to get over a fight with a sibling than with a friend—perhaps because of the years of experience.

"Obviously you know what you're getting into," said Ben Karlin, who recently moved into the rented two-bedroom apartment of his triplet sister, Allison Karlin. "We kind of had a test run for 18 years."

Ben and Allison have been living together in New York City since September. Their fridge is small, so Ben is careful about what he buys, picking up apples one trip and

grapes the next. They don't share groceries—only condiments.

"Our mom said before we moved in we have to operate like we're not siblings," said Ben, a 26-year-old publicist. "I feel like we make an effort."

They enjoy having their grandparents just a few minutes away. Other family is close by as well. Their other brother, Jason, lives in a two-bedroom apartment in Boston with his girlfriend.

### Golden Girls'

The pandemic sparked a big run-up in home prices, and mortgage rates remain high even though the Federal Reserve has started cutting its benchmark interest rate. That has made the idea of buying a home with friends or family members a lot more enticing for many Americans.

Sisters Cheryl Sutton and Sandra Sutton recently bought a five-bedroom home in Portland, Ore., with their best friend. They were ready to leave California and wanted more space for their three dogs.

They knew it would work because they all have been living together for the past 25 years, leveraging each move into an upgrade. Each year, they travel somewhere new together. Next year, they're going to Scotland. They call themselves the modern-day Golden Girls.

"At this point, anybody that gets married, they're gonna have to just take the other two as well," said Sandra, a 52-year-old talent coordinator for a tech company. "There's no plans to not live together."



An image of a person of interest in the shooting of United-Healthcare CEO Brian Thompson that the NYPD released.

## U.S. NEWS

# Biden Eases Off Stage, Irking Democrats

Well before Trump takes office, foreign leaders are already taking cues from him

BY AARON ZITNER  
AND KEN THOMAS

The American tradition is that the nation has only one president at a time. Right now, that president looks like Donald Trump—because President Biden is ceding the spotlight.

While Biden remained in Washington, it was the president-elect who met on Saturday in Paris with French President Emmanuel Macron and Ukrainian leader Volodymyr Zelensky, who is lobbying Trump to continue wartime aid.

At the time they met, Damascus was falling to rebels in Syria. While Trump briefly spoke to reporters about Ukraine and posted online about U.S. interests in Syria—saying “this is not our fight”—Biden didn’t make a public appearance on Saturday and waited until Sunday to comment on Syria. The fragility of these two regions in the world has many leaders and businesses on edge.

Trump is already dictating trade and immigration policy and has moved rapidly to remake the U.S. government. He doesn’t take office for six weeks, but many people who had been his fiercest critics in Washington—and the White House—have mostly stood aside.

A number of Democrats are perturbed that Biden and party leaders, after spending years casting Trump as a threat to democracy, have left a communications and policy vacuum during the transition period. These critics believe top Democrats have bypassed chances to make the case against nominations by the president-elect that they see as instruments of his promised “retribution.”

“We should be less hobbled and more spurred. We should be vocal, pushing back against those nominees who are nothing but a disaster in the making,” said Washington’s Democratic Gov. Jay Inslee.

The Democrats’ progressive wing has responded to the administration’s retreat with fury: “This is one of the lamest of lame ducks we’ve seen with a Democratic administration. A massive missed opportunity,” said Usamah Andrab, spokesman for the progressive

group Justice Democrats, who says the consequence is that Trump has grabbed the public’s attention uncontested.

After Trump’s promise to raise tariffs put U.S. neighbors on edge, he dined with Canadian Prime Minister Justin Trudeau at Mar-a-Lago and started diplomacy with Mexico’s president, Claudia Sheinbaum. Trump has named his intended cabinet and senior staff with unusual speed, dominating the news environment and forcing lawmakers to react to several picks at once. Some of those choices have prompted even Republicans to flinch.

Biden’s muted presence is a contrast to how President Barack Obama handled Trump’s first election victory in 2016. When Trump, as president-elect, called on the administration to veto a United Nations Security Council resolution criticizing the expansion of Israeli settlements, Obama brushed off the pressure and allowed the measure to pass, while his deputy national-security adviser offered

an admonishment: “There’s one president at a time.” Obama also held a formal White House press conference after the election, which Biden so far hasn’t done.

To some Democrats, Biden is forfeiting the transition period. They say the vacuum is emblematic of one of the biggest problems the party must face—it’s inability to drive a consistent, clear message to voters who increasingly get news from social media—as it

lays plans for revival after its defeat in the presidential race and loss of its Senate majority.

Biden pardoned his son, Hunter—then left for a trip to Africa rather than pressing his party’s case in person that Trump is presenting a broad threat to the justice system that imperils not just the president’s son but a range of civil servants and Trump’s perceived enemies. (Biden didn’t hold a press conference during his Africa trip, even though U.S. presidents often do hold such briefings during visits abroad.)

When Trump visited the White House after defeating Vice President Kamala Harris, Biden greeted him personally with a polite “welcome back.” The cordiality was intended to show the Democrats’ commitment to continuity of government and democratic norms.

Some Democrats hoped he would use the moment to make a public point of urging Trump to respect the independence of the Justice Department and other institutions.

“Most voters don’t know Kash Patel or even who Matt Gaetz or Tulsi Gabbard are,” said Waleed Shahid, a progressive Democratic strategist, referring to Trump’s choices to lead the FBI and the U.S. spy agencies and the failed effort to install Gaetz as attorney general. “But many more Americans would know, if President Biden spoke about them...The only way to win the war of attention is by going to the voters and explaining things to them, which President Biden has consistently avoided doing.”

Harris vowed in her post-election concession speech to continue “the fight that fueled this campaign,” but she has essentially been silent since then, vacationing in Hawaii and returning to more mun-

dane duties in Washington. Democrats on Capitol Hill have done little to shape voters’ views of the incoming administration. The campaign of Rep. Adam Schiff of California, newly elected to the Senate, last week circulated a newspaper story headlined: “Senate-elect Adam Schiff doesn’t want to talk about Trump. He wants to talk about the economy.”

A White House spokesman, Andrew Bates, noted that the president had traveled recently to Africa and South America to strengthen international relationships and that the Senate continues to confirm Biden’s judicial nominees. “President Biden is making every day of this term count as he accelerates the implementation of an unprecedented agenda that will benefit hard-working Americans for generations,” he said.

There are signs that voters have formed a warm impression of Trump’s early moves. A CBS/YouGov poll in late November found that 59% of voters approve of his handling of the transition so far. But other surveys show that many voters don’t have firm opinions of many of the nominees, suggesting there is room for Democrats to shape impressions.

## Pick Touts Warming's Benefits

*Continued from Page One*  
pull the U.S. from the Paris climate pact.

Wright has said “there is no climate crisis,” and that the Paris agreement empowers “political actors with anti-fossil-fuel agendas.”

A Trump-Vance transition official said Wright “intends to deliver on President Trump’s pledge to unleash affordable and reliable American energy to power homes, businesses, cars and factories, and secure energy independence.”

### Decades of denial

Many in the fossil-fuels industry denied for decades that burning hydrocarbons heated the planet, and companies such as Exxon played down the severity of climate change. In recent years, however, some of these firms have changed their rhetoric. They have committed billions of dollars to low-carbon ventures and set goals to be carbon-neutral across their own operations by 2050.

But smaller, private drillers such as Continental Resources, founded by billionaire Harold

Hamm, have set no emissions-reduction goals. Hamm, a Trump adviser who encouraged him to select Wright, has described climate science as “unproven theories.”

Wright would be tasked with safeguarding the country’s nuclear arsenal and directing federal research on energy technologies. The Energy Department also approves exports of liquefied natural gas, and Wright is almost certain to speed up permits for new terminals.

President Biden made the DOE a linchpin of his strategy to combat climate change, pouring billions of dollars into the deployment of green energy. Wright has been critical of subsidies to wind and solar energy, favoring instead the development of geothermal and nuclear energy.

Climate deniers and skeptics also surrounded Trump in his first term. Since then, the world has seen a number of extreme weather events, which many scientists say are fueled in part by rising temperatures. Wealthy countries including the U.S. recently agreed to triple the financing they provide for climate-change projects in the developing world to at least \$300 billion a year by 2035.

From his CEO perch at oil-field services company Liberty Energy, Wright has said fighting climate change is less important than allowing the



Chris Wright posed in his office in February 2023.

world’s poorest to improve their lives by burning oil and gas. The benefits of cheap and reliable energy, he argues, more than outweigh the costs

of climate change.

“A little bit warmer isn’t a threat. If we were 5, 7, 8, 10 degrees [Celsius] warmer, that would be meaningful changes

to the planet,” he told PragerU.

Scientists see a temperature rise of 1.5 degrees Celsius over several decades as creating potentially irreversible changes for the planet, with profound implications for health, food security and water management. Earth’s average temperature is expected to pass the mark this calendar year.

### Promoting his views

Wright, a self-described nerd who studied at the Massachusetts Institute of Technology, has engaged with climate-change data in a way few energy CEOs have. He has taken to Fox News to promote his views on fossil fuels and become a regular on the conservative speaking circuit.

“A general approach in our industry has been to, you know, lay low, and too often, I think, say what people want to hear,” he told The Wall Street Journal last year.

Wright has engaged with and promoted controversial climate thinkers. They include Steven Koonin, a physicist who served at the DOE under President Barack Obama and who says the impact of mankind on climate change is too uncertain to warrant radical climate action; and Alex Epstein, a philosopher pushing for using more fossil fuels.

In an interview, Epstein credited Wright with laying out the effects of producing hydro-

carbons—and highlighting that they are “overwhelmingly positive” for humanity.

Wright wrote a 180-page corporate paper that delves into the history of energy and climate change. The report relies on figures drawn from the United Nations International Panel on Climate Change’s reports as well as from fossil-fuel consultants, among other sources.

The CEO argues there are positive changes associated with climate change.

Wright cites the fact that the Earth is getting greener as more carbon dioxide lingers in the atmosphere, boosting plants’ photosynthesis. Climate scientists say lush vegetation has helped mitigate climate change by cooling the land, but that the cooling effect is limited compared with the rate of global warming.

More available carbon dioxide has led to more-productive crops, Wright says. Scientists argue the long-term impact of global warming on agriculture will be mixed, with some farmers benefiting from longer, warmer growing seasons. But new weather patterns could upset today’s key food-producing regions.

Wright also argues that global warming probably reduces modestly the number of annual deaths related to extreme temperatures. Recent estimates from health researchers suggest otherwise.

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# Trump Set to Target 'Birthright' Citizens

Many scholars, civil-rights groups say an executive order can't change current law

BY TARINI PARTI  
AND MICHELLE HACKMAN

President-elect Donald Trump's transition team is drafting several versions of his long-promised executive order to curtail automatic citizenship for anyone born in the U.S., according to people familiar with the matter, as his aides prepare for an expanded legal fight.

Trump, who has railed against so-called birthright citizenship for years, said during his first term that he was planning an executive order that would outright ban it. Such an order was never signed, but the issue remained a focus of Trump's immigration proposals during his re-election campaign. He has said he would tackle the issue in an executive order.

Weeks before he takes office, Trump's transition team is now considering how far to push the scope of such an order, knowing it would almost immediately be challenged in court, according to a transition official and others familiar with the matter. The eventual order is expected to focus on changing the requirements for documents issued by federal agencies that verify citizenship, such as a passport.

## Tourist visas

Through an executive order or the agency rule-making process, Trump is also expected to take steps to deter what Trump allies call "birth tourism," in which pregnant women travel to the U.S. to have children, who receive the benefit of citizenship. One option on the table is to tighten the criteria to qualify for a tourist visa, according to people familiar with the Trump team's thinking.

Karoline Leavitt, a spokeswoman for the Trump transition, said the president-elect "will use every lever of power to deliver on his promises, and fix our broken immigration system once and for all."

Some on the right have backed Trump's plans and argued that birthright citizenship is a misinterpretation of the 14th amendment, which dates to the 19th century and in part granted full citizenship to former slaves. They have also criticized birth tourism. Companies in China have attracted attention for advertising such services, and airlines in Asia even started turning away some pregnant passengers they suspected of traveling to give birth.

"Because you happen to be in this country when your child is born, is not a reason for that child to be a U.S. citizen. It's just silly, and the reliance on it in law is utterly misplaced," said Ken Cuccinelli, a senior fellow at the Center for Renewing America, a pro-Trump think tank, who previously served as deputy secretary of Homeland Security.

Many constitutional scholars and civil-rights groups have said a change to birthright citizenship can't be done through executive action and would require amending the Constitution—a rare and difficult process. The most recent amendment was ratified in 1992, more than 200 years after it was first proposed.

## 'Day one'

Trump on the campaign trail offered more details on what executive action related to birthright citizenship could include compared with his first term, a change that some backers took as an indication that he is more willing to act.

Trump said he would sign a "day one" executive order directing federal agencies to require a child to have at least one parent be either a U.S. citizen or legal permanent resident to automatically become a U.S. citizen. It would also stop agencies from issuing passports, Social Security numbers and other welfare benefits to children who don't meet the new requirement for citizenship, the president-

elect's campaign had said.

But the requirement that at least one parent be a U.S. citizen or legal permanent resident would also affect children born to parents who immigrated legally through visas, excluding them from automatic citizenship.

"The new piece of it is them talking publicly about the mechanism they might try to use to operationalize this unconstitutional plan," said Omar Jadwat, director of the American Civil Liberties Union's Im-

migrants' Rights Project. "They just can't do that consistent with the constitution.

"Litigation is definitely going to follow," he added.

The Supreme Court affirmed birthright citizenship in its 1898 ruling in *U.S. v. Wong Kim Ark*. But critics of automatic citizenship argue Trump's proposed citizenship restrictions would be different from that case, which involved a child born to Chinese parents who were legal permanent residents in the U.S.



People passed the Statue of Liberty on their way to a naturalization ceremony in 2022.

ALEX KENT/AGENCE FRANCE PRESSE/GETTY IMAGES



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## WORLD NEWS

## Mideast Faces a Shift in Balance of Power

Turkey gains, Russia and Iran lose sway, and Syrians hope to avert more fighting

BY YAROSLAV TROFIMOV

**DOHA**, Qatar—The struggle to depose Bashar al-Assad's regime took more than 13 years, causing untold death and destruction, because outside powers turned Syria into a proxy battlefield for their own ambitions.

When Assad's government finally fell on Sunday morning, after a lightning campaign that took his friends and foes by surprise, it was toppled by the Syrians themselves—as the regime's main benefactors were enfeebled, and distracted, by mayhem elsewhere.

The outcome of this tectonic shift is bound to have a profound impact on the Middle East, and on the global balance of power.

Much will depend on how orderly the transition to a new rebel-led administration will be, and to what extent the rival Syrian factions—including the Kurdish and Alawite minorities—will be able to avoid further conflict.

Winners and losers have already emerged, though these gains and losses could prove illusory in a country as traumatized, and as thoroughly steeped in violence, as Syria.

"We see a huge change in the region. Turkey has become stronger, Russia has become weaker, Iran has become weak," said Badr Jamous, a leading anti-Assad opposition



A military court in Damascus was set on fire by rebels when they entered the city on Sunday.

politician. "But it is the Syrians that will play a big role now, not like before. All will have to listen to our voice and to our decisions."

Iran, whose embassy in Damascus was looted immediately after the rebel takeover, has lost its major ally in the "axis of resistance" and the vital land connection to its Hezbollah proxy militia in Lebanon.

Russia has also suffered a humiliating blow, with new uncertainty surrounding the future of its crucial naval and air bases on the Mediterranean.

Turkey, for now, is ascendant. With Assad gone, Ankara will clearly exert much greater authority over its southern neighbor, and the entire Levant, a boost to President Recep Tayyip Erdogan's neo-Ottoman aspirations.

Turkey openly supports the Syrian National Army militia,

which has focused its energy mostly on battles with Syrian Kurds in recent weeks, with clashes continuing Sunday. Turkey has also provided tacit backing to the most formidable Syrian rebel force, Hayat Tahrir al-Sham, or HTS.

Labeled a terrorist organization by the U.S. because of its past links with al Qaeda, HTS led the rebel offensive that seized the cities of Aleppo, Hama and Homs before Sunday's fall of Damascus.

"Turkey has the main responsibility to ensure that what comes out of this is greater stability and refugee returns, and a new Syria, rather than a whole new civil war and a redrawing of the lines on the map between Arabs, Kurds and other factions," said Charles Lister, director of the Syria program at the Middle East Institute.

"Turkey has the means."

Turkey's Foreign Minister Hakan Fidan said Sunday that preserving Syria's unity and territorial integrity is Ankara's key objective, as is the fight against the "terrorists" in the Kurdish-controlled areas of Syria.

Persian Gulf monarchies such as Saudi Arabia and Qatar are also working on how to make sure that the downfall of Assad doesn't trigger a new wave of unrest against the region's rulers, and a resurgence of extremist movements such as Islamic State, that followed the 2011 Arab Spring.

"We don't want what happened in other nations post the Arab Spring to happen in Syria. We would love to see a transition to a viable state that provides for the people," said Majed al-Ansari, a senior adviser to Qatar's prime minister.

Israel, which moved troops

further into Syria along the Golan Heights this weekend, has scored a strategic achievement with the breakup of the Iranian-led "axis of resistance," its most formidable foe.

Israeli officials, however, are also concerned about the rise of a Turkey-backed Sunni Islamist state on its borders—a state that may try to reclaim the Golan Heights, which Israel seized in 1967, and that could ally itself with Hamas, the Palestinian militant group.

The leader of HTS, Ahmed al-Sharaa, descends from Syrians who escaped the Israeli occupation of the Golan, which explains the nom de guerre Abu Mohammed al-Jawlani. The rebel commander, who returned to Damascus Sunday, has said that he first embraced Islamist politics during the second Palestinian intifada that began in 2000.

Iraq has somewhat similar concerns, with officials there worried that the events in Syria could trigger a renewed Sunni insurgency at home. Jawlani, after all, first picked up a gun as a Sunni Islamist insurgent in Shiite-majority Iraq in 2003.

The U.S. remained on the sidelines as the collapse of the Assad regime unfolded.

On Russian social media, the fall of Damascus was treated as a geopolitical catastrophe, with hyper-nationalist ideologue Alexander Dugin describing it as a "tragic event."

For now, the Syrian rebels are treating Russia in a different category from Iran. While rebels gleefully ransacked the embassy of Iran in Damascus, the Russian mission was spared.

### Hope Grows For Journalist

President Biden said the U.S. believes Austin Tice, the journalist kidnapped in Syria more than 12 years ago, is alive and that "we think we can get him back."

"We remain committed to returning him to his family," he said of Tice, who disappeared in Syria while reporting on the country's civil war. In response to shouted questions after his remarks Sunday on the toppling of Bashar al-Assad, Biden said the U.S. still needs to locate the missing American journalist, but indicated he was hopeful.

Last week, Debra Tice was in Washington—along with 16 other family members—to advocate for the release of her son.

During a press conference then, she said the family has learned "from a significant source that has already been vetted all over our government: Austin Tice is alive."

"We are reaching out to all contacts in government and the region. We encourage everyone to help us in our search for Austin," the Tice family said Sunday.

—Michelle Hackman and Nancy A. Youssef

## Assad Flees As Rebels Claim Win

*Continued from Page One*

his family political asylum. Russia's foreign ministry said on Sunday that Assad stepped down and that Moscow is in contact with Syrian rebel groups.

As the events rapidly unfolded, Israel on Sunday said it deployed its military to seize the buffer zone between Israel and Syria in the Golan Heights, saying the move was needed to defend its border. The Israel Defense Forces then issued an unusual warning to residents of villages and towns inside southern Syria, telling them not to leave their homes until further notice.

"The fighting inside your area is forcing the IDF to act and we do not intend to harm you," an Israeli Arab-language military spokesman said in a post on X.

The government had survived more than a decade of civil war and economic crisis, but its forces caved under the pressure of the fast-moving advances by various rebel groups closing in from the north, south and east.

The fighting was the latest dramatic turn in a series of interlinked conflicts that have roiled the Middle East for more than a year—stretching back to Hamas's Oct. 7, 2023, assault on Israel that sparked a war in the Gaza Strip. Hostilities have since spread to Lebanon and Iran.

The Assads' government fell victim in part to the wars in Lebanon as well as in Ukraine, which sapped the strength of Russia and Iran-backed Hezbollah, two key sponsors whose militaries had kept the family in power.

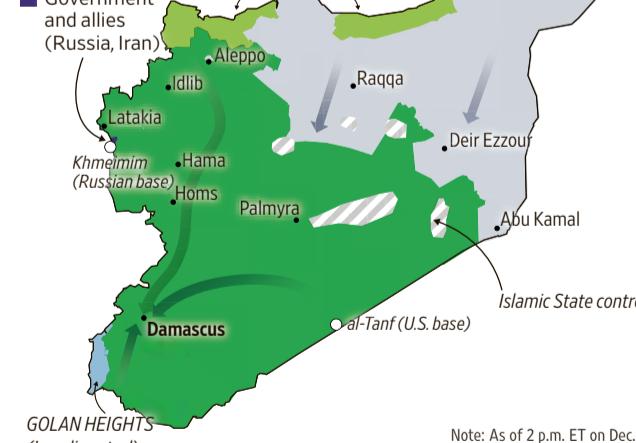
President Biden said: "This is the first time ever either Russia nor Iran or Hezbollah could defend a foreign regime in Syria. This is a direct result of the blows Ukraine, Israel,



Syrian opposition fighters celebrated as they rode into Damascus on Sunday. 'We are finally a free country,' one man exulted.

Rebel groups claim to have captured Damascus.

#### Factions in Syria



Note: As of 2 p.m. ET on Dec. 8  
Sources: LiveU/Amap; staff reports

Arab governments and the U.S.—which has at least 900 troops in the country—are all closely watching events unfold, concerned that deeper disorder in the Middle East country could undermine their own interests. There is concern that a rapid collapse of the regime without planning for succession could create a dangerous vacuum with spillover effects into neighboring countries.

The campaign that led to the Assad regime's downfall was kicked off by Hayat Tahrir al-Sham, a U.S.-designated terrorist group led by Jawlani that previously had links to Islamic State and al Qaeda. Jawlani has cut those ties and has pledged to protect Syria's religious and ethnic diversity, but

Assad had said he would address the nation on Saturday, but the speech never occurred. People close to the Syrian government were hiding from the fighting in Damascus as rebels rolled through the capital, said an official close to the Assad family.

"It is chaos. We are all under the tables," he said. "There is shooting outside in the streets."

"We declare the city of Damascus free from the tyrant Bashar al-Assad," Lt. Col. Hassan Abdul Ghani, of the rebel military command, said in a social-media post early Sunday local time.

Just hours earlier on Saturday, the rebels said they had seized Homs, a city of 800,000 people that has provided access to Assad's stronghold in Syria's coastal areas, where Russia maintains military bases.

Syrians driven into exile by the civil war celebrated the regime's fall. Footage purportedly from Homs showed residents tying a noose around a statue of Assad's late father, Hafez al-Assad, who led Syria for three decades, and toppling it.

Regime forces had said they had created an unbreakable security cordon around Damascus, but it cracked quickly under pressure from the north, where Hayat Tahrir al-Sham had entered, and from the south, where a separate group of rebels had taken up positions in the capital's suburbs.

"We made it, we won. We are finally a free country,"

said Abdulkafi Alhamdo, an English teacher from Aleppo who recently returned to the city after leaving it in 2016.

As the rebels closed in on Homs, Syrian security agents set documents on fire on the roof of the main intelligence branch before vacating it, said Rim Turkmani, whose friends in the city witnessed the activity from their balconies.

Syrian rebels released hundreds of detainees from a prison dubbed the "human slaughterhouse" after seizing the facility on their march to the capital. As many as 13,000 people were executed in the notorious Saydnaya prison in the first six years after the uprising in 2011, according to Amnesty International. Many others were killed after being repeatedly tortured and systematically deprived of food, water and medicine.

Earlier in the capital, the streets were nearly deserted and supermarket shelves were empty, one resident said. Terrified regime supporters fled toward the coastal areas in vehicles crammed with their belongings. Occasional explosions could be heard from the city's outskirts.

Protests against the Assad regime kicked off with the Arab Spring in 2011 and grew into an outright civil war, with multiple parties fighting for control of sections of the country. Iran and Russia in 2015 helped Assad crush the uprising with air power and proxy forces.

Both signaled to the Syrian leader that they couldn't or wouldn't intervene this time, people familiar with the messages said. At the same time, one of the people said, the Hayat Tahrir al-Sham rebels, with 25,000 fighters, don't appear to have the personnel to govern the vast territories they have gained in recent days.

The foreign ministers of Russia, Iran and Turkey met on the sidelines of a conference in Qatar to discuss a diplomatic path through the fighting as disparate rebel forces pressed their advance.

With regime forces melting away, Russia might focus on cutting a deal to retain two bases on the Mediterranean coast that enable it to project power in the region, said Michael Kofman, a senior fellow at the Carnegie Endowment for International Peace, a Washington-based think tank.

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## WORLD NEWS

# Syria's Future Quickly Becomes a U.S. Priority

By MICHAEL R. GORDON

**WASHINGTON**—The unexpectedly rapid downfall of President Bashar al-Assad in Syria has turned the country's future from a back-burner issue to a suddenly high-stakes concern for the departing Biden administration—and almost certainly for Donald Trump.

U.S. officials are scrambling to assess the intentions of the rebel groups that drove Assad into exile, especially Hayat Tahrir al-Sham, which is expected to play a pivotal role in whatever government emerges in Damascus but which is on the U.S. list of foreign terrorist organizations.

The best-case scenario would be a post-Assad Syria free from Iranian influence whose territory Tehran would no longer be able to use to send weapons to the militant group Hezbollah in Lebanon.

That could bring further sweeping changes to a Middle East already in flux, removing a key member of Tehran's so-called "axis of resistance," the coalition of countries and militias in Lebanon, Iraq, Syria and

Yemen supported by Tehran to counter the U.S. and Israel.

But another scenario is possible: If Syria or large parts of it fall under control of Islamist militants hostile to the West or the state collapses entirely, it could bring further disorder to an already inflamed region.

For now, U.S. officials are uncertain what will happen and how much influence they have.

President Biden plans to speak to Middle East leaders as U.S. officials travel to the region in coming days to consult with Syria's neighbors and a range of Syrian anti-Assad groups, a senior Biden administration official said.

In seeking to shape the political outcome in what it says will be a process led by Syrians, however, the U.S. is starting from a disadvantage.

During Biden's presidency, the U.S. has focused on supporting Ukraine following Russia's invasion of the country and trying to bring an end to the fighting in Lebanon and Gaza, where Israel had battled Iran-backed militants.

Ending the bloody civil war

in Syria, which U.S. officials assumed was largely stale-mated given Assad's backing from Hezbollah, Russia and Iran, hasn't been a White House priority.

"The Biden administration from Day One has purposely distanced itself from the Syria issue," said Charles Lister of the Middle East Institute, a Washington-based think tank. "As a result, the extent and the depth of the relationships that the U.S. holds with various actors that matter have decayed with time."

Following a meeting with his top national-security advisers on Sunday, Biden described the turnaround in Syria as an important chance for its people and the region.

"As we all turn to the question of what comes next, the United States will work with our partners and the stakeholders in Syria to help them seize an opportunity to manage the risk," Biden said.

Eager to recover respectability abroad and potentially open the door for international aid, the leader of Hayat Tahrir al-Sham, Abu Moham-



President Biden on Sunday said Syria's rebel groups 'are saying the right things now.'

KEN CEDENO/REUTERS

med al-Jawlani, who is a Sunni Muslim, has vowed to protect religious and ethnic minorities. The White House says those promises will be carefully scrutinized, as administration officials weigh how to engage with this and other rebel organizations.

"They are saying the right things now," Biden said. "But as they take on greater responsibility, we will assess not just their words but their actions."

The prospects for a transition to a new administration will depend to a large extent on whether rival factions—including Sunni groups and

Kurdish and Alawite minorities—can avoid further conflict.

The U.S. has some 900 troops in eastern Syria whose mission is to work with the Kurdish-led Syrian Democratic Forces to battle Islamic State.

One worry is that Turkish-backed militias might try to exploit the situation by attacking the Kurdish-commanded forces in northern Syria that Ankara has long opposed.

In a call with his Turkish counterpart on Sunday, Defense Secretary Lloyd Austin said it was vital to avoid actions that could endanger U.S. forces and their SDF allies, the Pentagon said.

The developments may present the incoming Trump administration with an opportunity to roll back Iran's influence in the Middle East and step up pressure on Tehran to curtail its nuclear program.

But U.S. intelligence has warned that the risk is growing that Iran might choose to build a nuclear weapon as its network of regional proxies weakens.

But in a Saturday message on X, Trump wrote about Syria: "This is not our fight. Let it play out. Do not get involved!"

## Rebels Wait Years for a Swift Win

*Continued from Page One*

brake the regime's quick surrender. "I was really fearful of the battle for Damascus," a 37-year-old resident said.

Assad's government forces had been low on supplies, exhausted from years of war and reeling from defeat after rebels captured one city after the next, beginning with Aleppo on Nov. 30.

In a small pocket of territory still held by rebels in Syria's northwest, rebel leader Abu Mohammed al-Jawlani was waiting for the moment to strike, reading the shifting geopolitical winds and probing for regime weaknesses.

The time came when Israel launched its military offensive against Hezbollah in September. The Lebanese militia had played an instrumental role in bolstering Assad's forces but was battered after thousands of Israeli airstrikes that destroyed much of its stocks of weapons and killed many of its leaders.

"Even before they reached the capital, the regime fell and Syrian Arab Army troops deserted their positions, the police deserted their positions,"

said Mohammed Alaa Ghanem, a Syrian-American opposition activist in Washington. "And Bashar al-Assad just fled."

Assad's downfall was set in motion when the Syrian president moved to crush an uprising against his rule in 2011. After his security forces opened fire on protesters, popular protest turned to armed insurrection.

Russia and Iran had helped Assad claw back more than two-thirds of the country's territory following more than a decade of civil war. During that time, Arab states that cut ties with the regime had begun to bring Assad back into the fold. Western nations that had sought to topple him were fatigued.

Then Assad's strongest backers became mired elsewhere. Russia's invasion of Ukraine in 2022 prompted Moscow to shift military hardware out of Syria. Iran became entangled in conflict after Hamas launched its deadly Oct. 7 attack last year in Israel.

### Pummelled allies

An Israeli offensive aimed at rolling back Iranian influence pummeled Iran's network of militia allies in the region, devastating Hamas in Gaza, Hezbollah in Lebanon and striking Iran's shadow military network in Syria.

All that opened the door for Hayat Tahrir al-Sham, the



Defectors lining up to register with rebels in Aleppo, Syria.

officials blamed Assad for not preparing for the rebel assault and said they weren't able to send military reinforcements because of Israel, Syrian officials said.

An Iranian plane heading for Syria earlier this week made a U-turn because of the threat of Israeli airstrikes, the officials said.

Rather than lend aid, Iran ordered its Islamic Revolutionary Guard Corps and its affiliated militias to stay out of the fight, according to Syrian officials. Iran then coordinated a safe exit for its personnel and cut a deal for its fighters to peacefully hand territory over to the rebels.

"Both Russia and large parts of the Syrian regime, including senior political and military figures, recognized that Assad's circle was a sinking ship," said Lina Khatib, a Middle East security expert and associate fellow at Chatham House, a policy institute in London.

After taking Aleppo, the rebels streamed south in a convoy of pickup trucks en route to Hama, the next in a line of cities that Assad had fought to hold earlier in the war. There, a fierce battle unfolded with casualties on both sides.

The rebels captured Hama within days.

On the night of Dec. 5, the rebels assembled an armed convoy on the road to Homs, poised to cut off Assad's access to military bases on the

Mediterranean coast and the Lebanese border.

Panic spread in Damascus after rebels overran Hama, said the 37-year-old resident who feared a battle for the capital. He tried to get his pet cat's paperwork in order on Friday, he said, in case he had to flee the country.

Another resident who drove through the city during the hours before it was captured said he offered a ride to a soldier. "He was terrified," the resident said.

### Homegrown

On city streets, people lined up outside shops to buy products that were quickly disappearing from shelves. Prices surged, and the feelings reminded the 37-year-old resident of what it was like during the civil war's early days.

After returning home, he said, he fell asleep before midnight, trying to drown out the sounds outside.

At about 3 a.m. in Damascus, the sounds of chants and gunfire woke him. The men outside were locals, he said, among those drawn into action by the rebels' victories. The advance had awakened activist networks and underground rebel groups that had been dormant for years.

"It was a lot more homegrown than I had expected," the man said. "That's when I started to feel extremely cheerful."

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## WORLD NEWS

# South Korea's President Is Sidelined by Opponents

Ruling party, prime minister will handle state affairs, not the sitting leader

BY TIMOTHY W. MARTIN  
AND JIYOUNG SOHN

SEOUL—South Korea's embattled president will no longer be involved in running the country or diplomacy, according to the ruling party's leader, who argued the move was made to stabilize state affairs after Yoon Suk Yeol briefly instituted martial law this past week.

Yoon, who just staved off impeachment after his party's lawmakers boycotted the vote, agreed to the arrangement, said Han Dong-hoon, the head of the conservative People Power Party, in a Sunday address. The party, Han added, would seek an "orderly early retreat" for Yoon, whom roughly three-quarters of South Koreans want to see gone.

Before Yoon steps aside, Han said, "the president will not be involved in governance, including foreign affairs." He called Yoon unfit to lead after the martial-law order.

In the interim, the party—in coordination with Prime Minister Han Duck-soo—will handle "livelihood issues and state affairs," Han Dong-hoon said. He didn't offer concrete details on how or when Yoon would be removed or other steps. South Korea's main government ministries on Sunday didn't offer clarity on who was ultimately in charge.

It isn't clear what, if any, legal basis this arrangement may have. The sitting president of South Korea is effectively sidelined. The opposition Democratic Party blasted the move as illegal.

"It is clearly unconstitu-



Protesters outside the National Assembly on Sunday in Seoul.

tional for the prime minister and the ruling party to jointly exercise the president's authority that no one has granted them without participating in constitutional procedure," said Woo Won-shik, the National Assembly speaker.

The apparent shake-up followed Yoon's survival of a Saturday impeachment vote, with turnout failing to hit a quorum after ruling-party lawmakers walked out. The opposition parties said they would call a National Assembly motion to impeach Yoon every week until they are successful, with the next vote planned for Dec. 14.

Meanwhile, legal scrutiny of Yoon's declaration of martial law started to expand. Prosecutors on Sunday arrested the country's recently resigned defense minister, Kim Yong-hyun. Seoul's military had said Kim had proposed the idea of martial law to Yoon.

The 65-year-old Kim had voluntarily gone in to be questioned overnight by prosecutors looking into allegations of insurrection and other charges.

Kim is the first prominent South Korean official to be detained over Yoon's stunning move to enact emergency powers exerting military control over the country's political activities, media and health services.

Prosecutors said Kim would cooperate with the investigation. A law firm representing him didn't respond to a request to comment.

In South Korea, law enforcement can detain individuals under investigation without an arrest warrant if they are considered a flight risk or a threat to evidence. Prosecutors said they would seek a formal warrant within 48 hours to keep Kim behind bars longer as the investigation against him unfolds. If a judge

rejects the request, Kim will be released.

In a televised briefing on Sunday afternoon, senior prosecutor Park Se-hyun said a special unit of 62 prosecutors, investigators and military prosecutors would conduct an investigation into the former defense minister for his role in Yoon's martial-law declaration.

Park also named Yoon as an investigation target for abuse of power, as well as treason—one of the rare charges that doesn't carry presidential immunity.

South Korea recently established two separate special investigative units, one staffed by prosecutors and the other by police, who are looking into various legal complaints filed against Yoon and others tied to the martial-law move. The special unit of prosecutors was the group that detained the former defense minister.

—Soobin Kim

contributed to this article.

ERIK ACAYAN/GETTY IMAGES

ROBIN UTRECHT/ACTION PRESS/ZUMA PRESS

## WORLD WATCH

### THE NETHERLANDS

#### Rescuers Search Site of Explosion

Emergency services on Sunday continued searching the debris of an apartment block in The Hague destroyed by an explosion and fire that had killed at least five people the day before, but held out little hope of more survivors. The fire service said five bodies had been found and five injured people rescued. A specialized team with four dogs had been deployed. The cause of the predawn blast remained unclear. Mayor Jan van Zanen said investigators were looking into "all possibilities."

—Associated Press

### BURKINA FASO

#### Ruling Junta Names New Prime Minister

Rimtalba Jean Emmanuel Ouédraogo, until now communications minister, will be Burkina Faso's new prime minister, ruling junta leader Ibrahim Traoré decreed Saturday, a day after dismissing Prime Minister Apollinaire Joachim Kyélém de Tambéa without offering a reason. The West African country's current junta seized power in September 2022 by ousting the previous junta, whose coup eight months earlier had removed democratically elected President Roch Marc Kabré.

—Associated Press

### GHANA

#### Former President Returned to Office

Former Ghanaian President John Dramani Mahama is set to return to office in the West African nation after the ruling-party candidate, Vice President Mahamudu Bawumia, conceded defeat Sunday in an election in which voters vented their anger over the worst cost-of-living crisis in a generation.

Previously president from July 2012 to January 2017, Mahama, 65, had promised to "reset" the country in a campaign that gave priority to the economy.

—Associated Press

### BANGLADESH

#### March Underscores Tensions With India

Thousands of members of youth and student groups belonging to the Bangladesh Nationalist Party marched Sunday toward the Indian High Commission in Dhaka, Bangladesh's capital, to denounce attacks on a diplomatic mission and alleged desecration of Bangladeshi flags in India. India's foreign secretary, Vikram Misri, is set to visit Dhaka on Monday, as tensions between the two neighbors grow. India pledged action against those responsible for the attacks.

—Associated Press



The cause of an explosion in The Hague on Saturday in which at least five people died was under investigation Sunday.

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## WORLD NEWS

# Fight to Swap U.S.-China Prisoners Took Years

Harrison Li was at his apartment near Stanford University making coffee, just before Thanksgiving, when he heard his dad might be coming home.

By Aruna Viswanatha,  
James T. Areddy,  
Brian Spegele and  
Gordon Lubold

The 27-year-old doctoral student had been trying for more than eight years to get his father, Kai Li, out of China, where he was imprisoned on espionage charges the U.S. government viewed as baseless.

Around the same time, 6,500 miles away, Chinese officials showed up at 73-year-old Ayshem Mamut's home in Xinjiang, to transport her to Beijing.

For 20 years she hadn't seen her son, Nury Turkel, a prominent voice in Washington against China's treatment of its mostly Muslim ethnic Uyghur citizens in the region of Xinjiang. Stripped of her Chinese passport, she didn't know if she would ever meet her grandchildren.

The Biden administration had spent more than a year trying to forge a deal with Beijing to let several imprisoned Americans leave China. Now it looked like a swap was coming together—and that it would include Chinese Uyghurs like Mamut as well.

The deal would only work, China had warned, if the U.S. kept it quiet. The plane hadn't taken off yet, a State Department contact told Harrison Li, and the plan could still fall apart.

Few foreign-policy challenges have been as troubling to the U.S. as a surge in arrests of Americans by autocratic regimes. On his desk, President Biden's national security adviser, Jake Sullivan, has kept mementos from families of Americans detained overseas; Secretary of State Antony Blinken has traveled around the world with a list of the prisoners in his breast pocket.



Harrison Li holds a photo of his father, Kai Li. Right, Uyghur rights activist Nury Turkel was separated from his mother, Ayshem Mamut.



FROM LEFT: JEFF CHIU/ASSOCIATED PRESS; TING SHEN FOR WSJ

The Biden administration focused on three men in particular. Kai Li, Harrison's father, who had sold space equipment for companies such as Boeing in China, was detained in September 2016. A decade earlier, David Lin, a pastor, had been swept up in a campaign targeting foreign missionaries and given a life sentence on a contract-fraud charge. The third American was Mark Swidan, a Texan serving an effective life sentence after being accused of running a narcotics ring.

Kai, now 62, could call Harrison twice a month. "I'm fine, don't worry," his dad usually told him.

But an initial burst of media attention in 2019 yielded little, and Harrison worried the limelight could worsen his father's situation.

Mark Swidan's mother figured rabble rousing was her only leverage. A former debt collector, she had managed to generate attention to her son's situation from Texas Republican Sen. Ted Cruz and the actor Mel Gibson, who recorded a video in support.

Even so, Swidan, now 49, had spent years in a detention facility meant for short stays.

Beijing showed it was open to trades when it worked with Canada and the U.S. to orchestrate a complicated exchange in 2021 involving Huawei executive Meng Wanzhou, who had been detained in Canada

on U.S. charges, and two Canadians grabbed by China after Meng's arrest.

But in 2022, the Biden administration angered Beijing by cautioning Americans planning to travel to China that they could be subject to detention or prevented from leaving. Last year, it raised the warning level, urging Americans to reconsider travel to China.

In early 2023, China's Embassy in Washington signaled a new position. One of the aides raised Swidan's case and urged, "Release him." A top embassy official responded,

"No, a swap."

During a visit to Beijing by Blinken later that year, U.S. officials raised the prisoners. The discussions grew heated, and the delegation departed without a resolution.

In China, U.S. Ambassador Nicholas Burns took the unusual step of visiting Lin, Li and Swidan in prison. Burns also called Mamut and the embassy sent diplomats to Xinjiang.

In the fall of 2023, Biden brought up the prisoners when he met with Chinese leader Xi Jinping in California, and asked Xi to allow Mamut to travel abroad. Around that time, Swidan was moved to a

prison where he got a cot.

## A first step

In July, Blinken met with his Chinese counterpart, Wang Yi,

in Laos and agreed on an opening move: Lin, the pastor who had been detained since 2006,

would be released. In return, the U.S. would send home a Chinese music student, Xiaolei Wu, who had been convicted in Boston of threatening a Chinese activist there.

In his years behind bars, Kai Li suffered a stroke and lost a tooth to disease.

Harrison Li finally secured a White House meeting with Sullivan days after Lin's release in September; the national security adviser told Harrison and his mother that it was only a "first step."

Biden had one last chance to discuss American prisoners with Xi: a summit in South America.

By then, the contours of a broader deal had fallen into place: Washington would ease the travel warning if China released the two other Americans on the U.S. priority list. Beijing also wanted back a Chinese intelligence officer, Yanjun Xu, who had been arrested in 2018

and convicted of espionage.

Roughly 10 days after Biden's meeting, Chinese authorities released Swidan, Li and John Leung, a 78-year-old American convicted last year of espionage.

Mamut's ticket out of China marked a rare action by Beijing in response to U.S. criticism of its treatment of Uyghur minorities.

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## FROM PAGE ONE

## Runaway Mutt Splits A City

*Continued from Page One*

refuses to be contained.

"I would say if Gollum from 'Lord of the Rings' had a pet, it would be Scrim," says Bryan Thayer, a 38-year-old nursing student who often posts on social media to #FreeScrim.

As the search drags on, Scrim is also a source of growing frustration in a city that averages about a year to fill a pothole and often struggles to care for its human residents.

"Instead of spending so many resources on this one dog, we should probably be funding the public animal

shelters better if we care about dogs this much," says Emma Wilson, a 31-year-old Mid-City resident who is a nonprofit program manager.

On the other side of those pushing for Scrim's liberation is a group of volunteers who have devoted the past year of their lives to getting him off the streets. They have no patience for those who think they should let the dog live out his life as a vagabond.

"It's not like Scrim is sitting around reading the works of John Locke pondering what freedom means," says David W. Brown, a 45-year-old non-fiction author who estimates he's spent around 250 hours hanging posters, tracking down tips and mapping Scrim sightings. "Humans at some point abused and damaged this dog, and only humans can rescue this dog."

Scrim's odyssey began a lit-

tle over a year ago when local nonprofit Zeus' Rescues saved the dog—which it named after the gauzy fabric sometimes used in Mardi Gras costumes—from a list of animals to be euthanized at a shelter. Rescue director Michelle Cheramie figured the scruffy terrier mix, with his small stature and docile nature, would be an easy adoption after rehabilitation from mistreatment by his prior owners.

The months since he fled the home of the family that adopted him have been anything but easy. Cheramie estimates she's spent about \$10,000 from a combination of her own pocket and Scrim-specific fundraisers on rescue efforts and gear. She's hung seven motion-sensing cameras, rigged specialty traps and enlisted both a local vet and a professional trapper out of Texas to try to sedate him

with a tranquilizer gun to make for an easier capture. (Scrim managed to outrun punctures from two separate darts.) Eventually, Cheramie took a chemical capture course with the San Diego Zoo to try to stun him herself.

"I'm Cajun, so I'm a good shot," says the 55-year-old.

On Friday afternoon, Cheramie and Tammy Murray, who has also been hot on Scrim's trail, took off in pursuit after receiving a text from someone in the community that he was running toward busy Claiborne Ave. They drove a rescue van loaded with tranquilizer and net guns, 8-foot panels to block underneath a house, construction netting, food and water, blankets and night-vision binoculars.

But by the time they got to the corner where Scrim had been sighted, he was gone. Cheramie and Murray fi-

nally got a win 177 days into their search when they trapped Scrim in a parking lot by sealing every exit so he couldn't outrun the tranquilizing dart. A vet visit revealed two bullets from pellet guns lodged in his side and broken teeth likely from eating rocks and garbage. Otherwise Scrim was in sound health.

A month later when the volunteer helping Scrim rehab had to leave town for a few days, Cheramie offered to pet sit.

She only got one night with him. The next day, she locked the house to run errands.

When she returned home after an hour, a neighbor was standing outside yelling that a white dog had just jumped off the roof. Surveillance video showed Scrim had chewed his way through a screen on a bedroom window, fallen 13-feet, hit the ground with a bang and a bark, streaked

across the yard, wriggled through an iron fence, and, eventually, fled 6 miles through the city before his GPS collar ran out of juice.

Cheramie, Murray, and the rest of the volunteers are back on the case, with a slightly different goal in mind. If they catch him, they plan to place him at a dog sanctuary where he can spend the rest of his days safely roaming free.

Cheramie wants to correct the narrative that he was so desperate for freedom he was willing to take a two-story plunge. Really, she thinks he was trying to escape her cats.

"Scrim is New Orleans," she says. "We're a little dirty, we're a little ragged at the edges from time to time, but we are resilient and we will just keep moving forward no matter what, against all odds."

And if you see Scrim, she adds, don't chase. Just text her.

## Investigator Tracks Hackers

*Continued from Page One*

Over their correspondence, Waifu felt out Krebs to see what he knew. Waifu used multiple accounts, including the aliases Nyakuza and Judische, the German word for Jewish. "He's talking to people in the industry, under different names, offering information, trying to suss people out," Krebs said in an interview.

One hint some of the accounts belonged to Waifu: He liked to use animated cats as avatars. Other aliases included Meowist, Catist and Scarlet the Meow Cat, according to court filings. "He would say meow all the time. I don't really know what that's about," Krebs said.

Some of Waifu's messages were threatening. Krebs's work investigating and writing about cybercriminals has become so dangerous that he goes to extraordinary lengths to keep his location hidden.

That September morning, Krebs didn't take up Waifu's chess challenge. "What am I going to do, play him at chess?" he said. "He would have just screenshot what I said and send it to his friends."

But their back-and-forth continued for several more weeks, like a real-life chess game, until Waifu ran out of moves.

It's all part of the daily routine for Krebs, 52 years old, who over the past 20 years has investigated and outed some of the worst actors on the internet: Russian money launderers, Romanian ATM thieves, Nigerian scammers and American hackers.

While many researchers sell cybersecurity services to companies, Krebs, a former Washington Post reporter, makes most of his money from banner ads on the website where he shares his findings. His site, Krebs on Security, routinely pulls in more than 1 million visitors a month. He hears from law enforcement and other officials who read his posts—and from hackers, too.

Waifu is well known among investigators, who say he is part of an anarchic online community known as the Com, made up mostly of young men in English-speaking countries. They say Waifu has a history of harassing his online foes and of SIM swapping, in which someone seizes control of a victim's phone number and uses it to reset online passwords, such as for cryptocurrency accounts.

"He's been an influential figure in the culture of the Com for at least five years," said Allison Nixon, chief research officer at online investigations firm Unit 221B, who was also drawn into the hunt for Waifu.

Com hackers have grown more dangerous, ratcheting up their activities from taking over social-media accounts to stealing cryptocurrency to digital extortion. They have been linked to major hacks at Nvidia, Twitter and MGM Resorts.

The online mayhem is spilling into the real world. Com hackers have been linked to home invasions designed to steal cryptocurrency at gunpoint and have hired strangers to fire guns or throw bricks at a victim's house.

Krebs tracks it all from his workstation, sitting in a black leather professional racing seat that his wife calls the "space chair." In it, he's surrounded by a 250-watt Bose sound system, a microphone and 6 feet of touch screen monitors that slowly



THE WALL STREET JOURNAL

Brian Krebs, above, in front of the home where he was 'swatted' in 2013; screenshots, left, of a forum where users discussed buying heroin to send to Krebs.



lower up and down, like something out of a sci-fi movie.

With a glance to his left, Krebs can see a half-dozen live feeds from security cameras placed around his home. He gives fake names to plumbers and landscapers who work on his home to keep his address secret. He asked a visiting reporter not to reveal certain information, like the name of his dog. He isn't registered to vote, because that requires an address.

### The investigator

Krebs got interested in cybersecurity in 2001 after his computer got hacked and he wanted to figure out how it happened. "I'm fascinated with the human side of cybercrime," he said. He spends a lot of time lurking in forums where cybercriminals hang out. He spent years learning Russian, listening to lessons while running on a treadmill in his home gym.

Krebs cut his teeth investigating Russian hackers and pharmaceutical spammers. Fighting Russian adversaries is something of a family preoccupation. He grew up in Springfield, Va., one of seven children of an Air Force engineer who in the 1980s briefed then-President Ronald Reagan on a missile interception system that he believed would help the U.S. win its nuclear arms race with Russia.

Paying Krebs a visit these days isn't easy. A recent trip to his home meant leaving behind all smartphones and internet-connected devices, to prevent any kind of digital trail that hackers could pick up. Visitors must navigate through winding Virginia farm country roads using a paper road map. No cameras

are allowed.

He moved there after an incident in 2013, when he was getting ready to have his mom and aunt over for dinner. Krebs had opened the door to remove some old tape on the window. On the other side were more than a half-dozen officers with their guns drawn, he said.

"Put up your hands," an officer told him. Krebs was handcuffed in front of his house. He had been swatted—a form of online harassment where someone reports a fake emergency to 911, seeking to convince authorities to dispatch a SWAT team to a victim's house. Someone had called 911 claiming to be Krebs and said that Russian criminals were in his home and had shot his wife.

A hacker once mailed heroin to his home, then sent a 4-foot cross of carnations to Krebs's house with a note addressed to his wife: "Rest in peace.... You've chosen to live with a wrong man, but we will always take care of you."

When Krebs heard about the April hack, on companies that

were customers of cloud-data company Snowflake, he said he suspected "this was one for the books."

### The hack

The attack started in April, ultimately exposing data from 165 companies.

The hackers began advertising some of the stolen data for sale online, including from Tickmaster and Neiman Marcus.

Perhaps their biggest score was more than 50 billion call records belonging to AT&T's wireless customers. They posted a message on X, threatening to post FBI agents' call records taken from AT&T, tagging AT&T, the FBI, Google's Mandiant cybersecurity group and Krebs in the post.

Behind the scenes, they were also extorting companies for millions of dollars.

Mandiant, which was hired by Snowflake and other companies to investigate, found that the hackers were breaking into each company one by one, using login credentials they had

been customers of cloud-data company Snowflake, he said he suspected "this was one for the books."

Meanwhile, a user named Judische was posting about some of the hacks on a Telegram channel dedicated to fraud.

Krebs asked around online about Judische, who then began messaging Krebs in private chats. It isn't uncommon for hackers to talk to investigators.

Sometimes they're looking for publicity, to pressure extortion targets. Sometimes they're trying to figure out what investigators might know.

During the heart of his investigation, Krebs compiled a 97-page document with clues like email addresses, online usernames, forum posts and chat records. Looking at Judische's account history and posts, he was able to connect Judische to Waifu.

The hackers mentioned Krebs, Nixon and other researchers in online posts, sometimes threatening them with violence. The hackers posted on a Telegram channel a musical "diss track" talking about Com members getting "failed doxxed by the legendary Krebs."

Krebs was eventually getting messages from Waifu daily. Although they sometimes came from different accounts, they would repeat details from previous conversations.

"Are you Judische?" Krebs asked in one of his messages to Nyakuza, who replied, "Yes."

Nixon was driven to investigate because of the online threats against her.

In collaboration with an anonymous researcher, her firm uncovered Waifu's real-world identity by early July and turned the information over to authorities, she said. Researchers don't like to reveal exactly how they trace anyone's real-world identity. "We're never going to disclose

how, because the threat actors want to know," said Nixon, who noted only that at one point Waifu made a move that inadvertently left a digital trail. Krebs and the cybersecurity firm Mandiant were just a few steps behind.

On Sept. 13, two days after Waifu's chess challenge, Krebs published a post on his site making public the most personal details yet available about Waifu: He was a software engineer in Ontario, Canada, in his 20s. Krebs held off on giving a name. "I thought it prudent to wait for his arrest," he said.

### The arrest

The morning of Oct. 30, the Canadian equivalent of a SWAT team assembled near the Kitchener, Ontario, home of Anthony Przeklaska. The 75-year-old grandfather headed out for some errands and was quickly swarmed by police vehicles.

The police were there to arrest his grandson, 25-year-old Connor Moucka, who lived with Przeklaska. The police told him they were prepared to gas the house and break the door down, and in response, Przeklaska said, "I asked them if they wanted my keys."

Authorities in the U.S. wanted Moucka extradited to the U.S. on hacking, extortion, identity theft and wire fraud charges, according to a warrant that authorized police to seize Moucka's electronic devices and a range of records.

According to a Justice Department indictment, unsealed in November, Moucka is Waifu.

Moucka, who is 6-foot-2 and about 200 pounds, according to his grandfather, lived in a small bedroom on the top floor. His dad died when he was very young and he moved in with his grandparents when he was in 12th grade.

He displayed signs of being on the autism spectrum, said Przeklaska, and at school, students harassed him by doing things like throwing pine cones at him. He never completed high school, his grandfather said.

When Przeklaska would pop in to see his grandson, he would either be asleep or in front of his two screens with headphones on. He told his grandfather he was a software developer. In the room, he had two photos of his grandmother, whom he was close to. She died of cancer last year, Przeklaska said.

Moucka's lawyer declined to comment.

Moucka is awaiting an extradition hearing, according to court records. The indictment named a co-conspirator in Turkey, John Binns, who has also been arrested and didn't respond to messages seeking comment. In 2021, Binns told The Wall Street Journal that he had hacked telecom company T-Mobile.

The indictment alleged that Moucka, Binns and co-conspirators extorted at least 36 bitcoin—worth about \$2.5 million at the time of payment—from at least three victims in the hack.

Waifu had been messaging Krebs up until the night before his arrest. "Knowing that there is one fewer person like that in the Com, that's a win," Krebs said.

His work continues. On Nov. 27, Krebs posted about a third suspect in the Snowflake incident who remains at large. And the Com is a much bigger problem than many in the security industry want to admit, he said. "They're sitting on huge piles of crypto, and they feel emboldened."

—Caitlin Ostroff contributed to this article.



A surveillance photo of Moucka, taken nine days before his arrest, appeared as evidence in a court filing.

# PERSONAL JOURNAL.

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THE WALL STREET JOURNAL.

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## Neckties Are Making A Comeback

A new generation is tweaking the power tie by making it rebellious or feminine



ON THE CLOCK

CALLUM BORCHERS

**T**he boss wears a hoodie. The intern wears a necktie.

For those who spent years, even decades, with silk knots around their necks, the business-casual movement has been a breath of fresh air, literally.

But for those professionals never subjected to stuffy dress codes, transitioning from college campuses to nearly-as-informal workplaces can feel like missing a rite of passage. Some 20-somethings are embracing the necktie to project gravitas and show personality with a pattern or pop of color.

Women are getting in on the tie renaissance, too, saying it helps command a room.

Ryan Klein, 21, sported a suit and tie daily as a Republican congressional intern the past two summers. The senior at Pennsylvania State University reached back in time for hand-me-down neckties his great-grandfather wore from the 1940s to 1960s, plus a few new purchases.

Often Klein was more decked-out than lawmakers and senior aides.

He was surprised, during one of his first weeks on Capitol Hill last year, when House and Senate leaders wore dress sneakers to a meeting in the Oval Office. Then he remembered a viral photo of open-collared world leaders at a G-7 summit in 2022. Dressing down is now the norm, he realized, even at the highest echelons of power.

That may change as President-elect Donald Trump and his signature shiny neckties return to Washington. Klein admires Trump's business-formal look because it conveys seriousness about the job, he says. But he wears ties mostly because of how they make him feel. "It gets me in that mindset of, 'Hey, I'm going to do something



In a suit and tie, Ryan Klein, above, sometimes dressed more formally as a congressional intern than lawmakers and senior aides.

Nevertheless, associates often get the hint that they're still expected to wear suits and ties, says David Murray, co-founder of New York City menswear store Grey Clothiers. The young employees conform...sort of.

Perhaps you've seen men in their 20s whose suits appear borrowed from someone twice their size. It isn't bad tailoring; it's intentional.

"The Gen Z guys are doing it in a fashion-forward way, where the suit doesn't fit in the proper sense and they've got a big, funky



tie," Murray told me.

I thought of how millennial hipsters wryly adopted fedoras and tortoiseshell glasses. Is the next generation wearing neckties

ironically? "A hundred percent," according to Murray.

Several young men and women who don ties confirmed that half the fun is subverting an old symbol of masculine status. They're tweaking the power tie by wearing it rebelliously or making it feminine.

### Women in Windsors

Ami Vyas started borrowing her husband's ties about a year ago as an experiment. A relationship manager at Canadian Western Bank, she wondered if her clients—mostly men, all with at least \$750,000 of investible assets—would treat her differently in meetings.

Vyas, 35, reports an uptick in follow-up calls from people seeking her input on real-estate purchases or business transactions. She can't prove it was the ties that imbued her with an air of authority, but she's purchased several of her own from Banana Republic and Shein. She now wears a necktie to work about once a week.

"I'll incorporate a tie into my

outfit when I have internal meetings with executives or maybe a client that could refer me to another high-net-worth client," she says.

I noticed NBC's Maria Taylor wearing a Prada tie on "Sunday Night Football" a few weeks ago and subsequently learned ties for women are on-trend this fall.

Ties work for celebrities and 9-to-5 women alike because you don't need to be a certain age or body type to pull them off, says Danyela Schupak, a New York real-estate agent who puts on a tie once or twice a week. She describes herself as a conservative dresser who adds one bold accessory to an otherwise tame outfit, not the corporate crop-top type. Attention-getting neckties are now in her rotation of statement pieces, along with shoes and jewelry.

"The first reason I wear them is for people to comment, which starts a conversation and leads to networking for my business," says Schupak, 51. "And the second reason is, I feel powerful when I wear a tie."

One of her favorites is a crystal-studded tie from fashion startup Nandanie that cost about \$250. The brand's founder, Nancy Berman, is a presidential appointee to the U.S. Commission for the Preservation of America's Heritage Abroad who wore ties for two days of meetings in Washington recently.

"When you walk into a room and you've got on a tie, like a man might do, you're making a statement: I'm here to be taken seriously," she says.

FROM TOP: PEDRO NEIRO FOR WSJ.; RYAN J. KLEIN; AMI VYAS; LUCIE SASSIAT

MY RIDE | BY A.J. BAIME

## Racing a Sprint Car At a Night Grand Prix

Cole Wakim, 23, a recent mechanical engineering graduate from California State University, Northridge, who lives in Simi Valley, Calif., on his sprint car, as told to A.J. Baime.

**W**hen I was a kid, my dad raced sprint cars at Ventura Raceway, our local track, a 1/5-mile dirt oval right on the beach. When my brother and I were 5, we started racing tiny cars with lawnmower engines at Ventura. When my father would win a



race, the whole team would go out to celebrate. Those are some of my best memories.

Two years ago, we started racing sprint cars at Ventura as a family. Me and my dad both compete in our cars. Sprint cars are open-wheel race cars designed to be lightweight and to have high horsepower. It's something you don't see on TV, but practically every weekend, all over the country, thousands and thousands of people are going to their local tracks to race or watch sprint cars. It is grassroots motor sports, and really

special to the people involved.

In November, I raced in the Turkey Night Grand Prix, which—to my mind—is one of the most prestigious races in the world. [The Turkey Night Grand Prix was first held in Los Angeles in 1934 and is one of the longest-running races in the country.] This year was my second time competing in it in the top sprint-car class.

A sprint car starts as a tube-frame chassis, and I race with a 410-cubic-inch Chevy V-8 engine.

My dad was a mechanic, and he has

a lot of good people around him,

and we kind of pieced this motor

together. It is very powerful.

A sprint car runs on methanol for fuel, and it might have as much as 900 horsepower. I have heard people say that sprint cars have a higher power-to-weight ratio than Formula 1 cars. Until you drive one, you can't really understand what that means. When you get in one, it's just crazy amounts of power.

Sprint cars race on oval dirt tracks, and dirt is the great equal-

izer. You can show up with a \$75,000 motor, but if you don't have the car set up just right, according to the conditions of the track, you won't win. That is what makes it so exciting.

This year, NASCAR stars Kurt Busch, Kyle Larson, and Ty Gibbs all competed in the Turkey Night Grand Prix's main event. My class of sprint cars was a support race. I have about 20 races under my belt, so I am still starting out. To have a guy like me racing with the best of the best in my class: It is pretty cool.

The Turkey Night Grand Prix is a full weekend of competing. I raced on Friday night, got caught up in a crash, and was unable to finish. The next night, I raced again but was unable to qualify for my class's main event on Sunday. But my team will definitely be back next year.

Not that I haven't won races. I have. It's extreme excitement, because you get to celebrate with your crew and your family. Pictures with the trophy. Just like when I was a kid, watching my dad.

The goal is to get better and faster. But just being at this race—in this place where I practically grew up, with my family there, in a sprint car—is a great experience.



NIGEL JONES FOR WSJ. (2)





ALAIN HUBERT, 2007 POLAR EXPLORER AND MOUNTAINEER

HAROUN TAZIEFF, 1963  
PIONEERING VOLCANOLOGISTFRANCESCO SAURO, 2014  
SUBTERRANEAN EXPLORER

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#Perpetual



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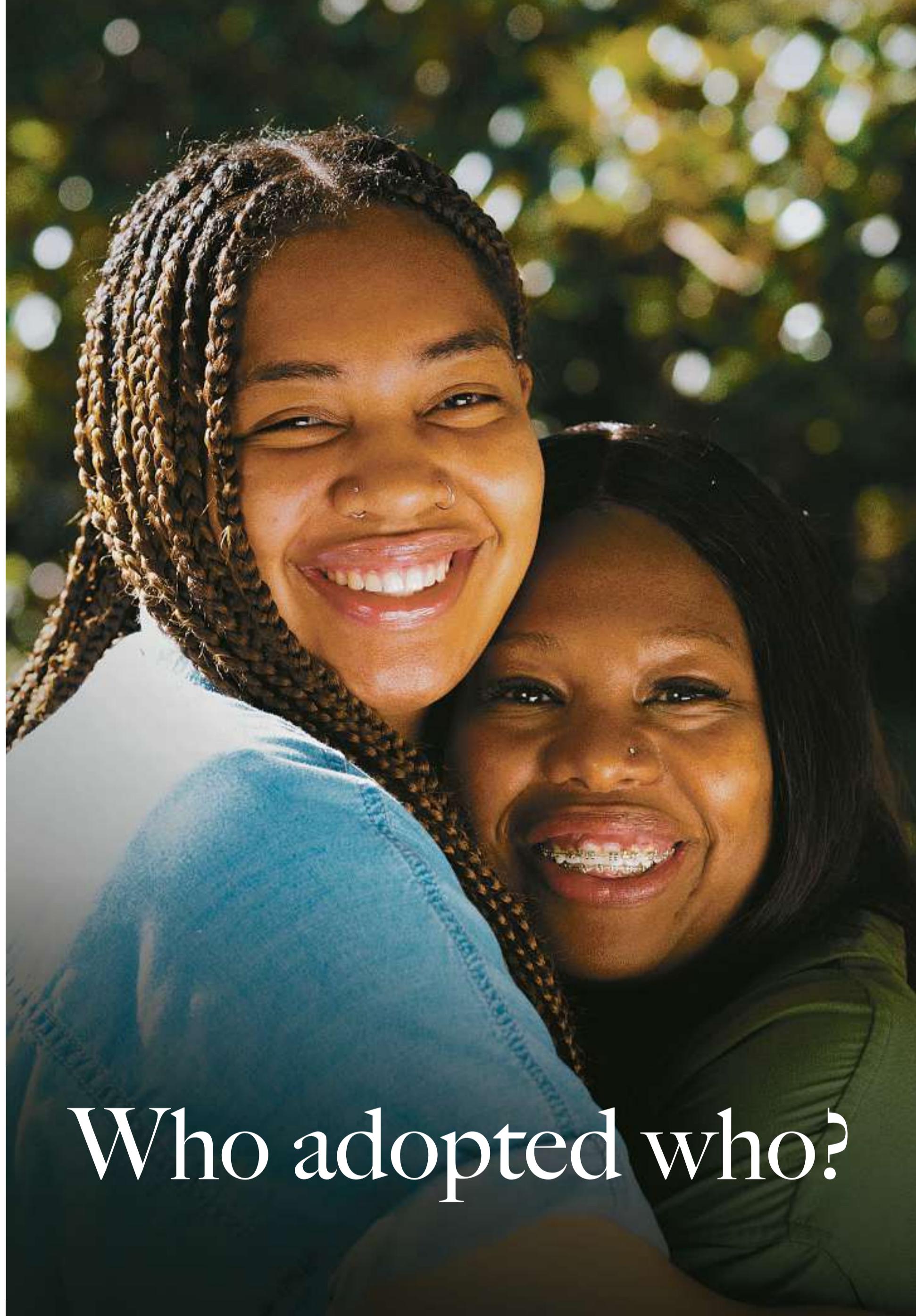
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A D O P T U S K I D S . O R G

## ARTS IN REVIEW



THE BEST MUSIC OF 2024 | MARK RICHARDSON

## Pulling Sounds From the Past

Artists such as MJ Lenderman, the Cure and Waxahatchee marshaled retro influences into creative contemporary work—with playful pop star Charli XCX the future-facing outlier

**O**ne of the biggest music-industry stories in 2024 was the explosion of country: Beyoncé made a country record with “Cowboy Carter” and so did fellow pop star Post Malone with “F-1 Trillion”; among the first No. 1 albums of the year on the Billboard 200 was Morgan Wallen’s long-tail 2023 smash “One Thing at a Time”; the year’s dominant single by far is “A Bar Song (Tipsy)” by Shaboozey. Even Lana Del Rey is supposed to have a country-leaning record on the way. The style took up so much space in part because it’s so adaptable—rapping, electronic beats and other stylistic markers that would once have seemed foreign to country listeners are now common. Genre is said to be more fluid in today’s TikTok world, and the future, we’re told, will see endlessly multiplying sonic hybrids that we would have difficulty imagining now.

But while of-the-moment trends like genre fusions and AI-powered production may well be the sound of tomorrow, many of the finest albums of 2024 took a different tack: This was an especially fertile period for records steeped in sounds from the past, issued by veteran artists and newcomers alike. As my look at 10 of the year’s best LPs shows, this time-traveling approach wasn’t necessarily a retreat to the realm of the familiar, but rather used styles from across his-

tory to say something important about where we are now.

Sometimes, these records came from artists who first made an impact decades ago and are still operating at an improbably high level. Most recently and most notably, that included **the Cure’s** early November LP **“Songs of a Lost World.”** The goth-rock legends hadn’t released a studio set in 16 years, but the new offering seemed to pick up their story from even further back, when they were making their seminal work in the 1980s. “Songs of a Lost World” found the band’s leader, Robert Smith, in exceptional form, shifting the focus of his songwriting from doomed romance to the grim reality of mortality.

**The Hard Quartet**, a supergroup of Gen X indie-rockers, also delivered a collection that exceeded even the loftiest expectations. Stephen Malkmus of Pavement is more or less the project’s frontman, singing lead on most of the eponymous album’s tunes, and he attacks the songs with a wild energy and focus not found in his solo work in some time. But songs from Matt Sweeney and Emmett Kelly, both of whom have played with many smaller bands, were just as good. The Hard Quartet’s

Clockwise from right: Robert Smith of the Cure, the Hard Quartet, and Jessica Pratt.

drummer, Australian Jim White, also returned with a new LP from his primary group, **Dirty Three**. On **“Love Changes Everything,”** that trio’s sweeping and dramatic instrumentals, powered by violinist Warren Ellis, still generated gooseflesh three decades into the group’s career.

These artists had their breakthroughs in the ‘80s and ‘90s, and several excellent records from generations born during those decades took direct inspiration from the music of that era. Singer-songwriter **MJ Lenderman’s** **“Manning Fireworks”** combined the droll asides and slack rhythms made famous by Mr. Malkmus’s cohort with Neil Young’s countrified warmth. His writing is strong enough for him to be recognized as an important new voice in rootsy indie rock, but he often seems happiest when



**“What Now,”** touched on the psychedelic soul of the late ‘60s and early ‘70s—think Sly Stone and the Isley Brothers—on songs about inner turmoil and self-doubt.

Pakistani-American singer **Arooj Aftab** ranged even further across time with her brilliant **“Night Reign.”** In her work, a ‘40s jazz standard fits easily alongside lyrics from a 19th-century

Urdu poet, all tied together by Ms. Aftab’s evocative voice and deep gift for atmosphere. **“Endlessness,”** the second LP from London-based composer and multi-instrumentalist **Nala Sinephro**, was issued in September by the U.K. electronic imprint Warp. Her music, like Ms. Aftab’s, defies easy categorization. It’s essentially spiritual jazz with ambient underpinnings, loosely in the same vein as Outkast member André 3000’s much-touted left-turn on flute from last year. This quietly thrilling release stands out in a crowded field, driven by Ms. Sinephro’s glistening harp and otherworldly synthesizers.

he gets off a good joke, and he doesn’t take himself too seriously. Mr. Lenderman also contributed to the sixth album from Katie Crutchfield’s alt-country group, **Waxahatchee.** She had the unenviable task of following up 2020’s “Saint Cloud,” one of the best records of the decade, yet **“Tigers Blood”** turned out to be a worthy sequel, illuminating small moments of hope and despair with a poet’s eye without forgetting the hooks.

The more distant past serves as a reference point for folk singer and songwriter **Jessica Pratt.** **“Here in the Pitch”** was an enchanting expansion of her earlier sound, situating her strummed acoustic guitar and reverb-drenched voice in a full-band setting. The dreamy vibe and classic-pop arrangements brought to mind productions of the ‘60s that were designed for a dashboard’s AM radio, and her melodies stand with that period’s best. A different world of music inspired **Brittany Howard**, best known as the singer from Alabama Shakes. Her excellent second solo album,

*Mr. Richardson is the Journal’s rock and pop music critic. Follow him on X @MarkRichardson. Check back each Monday for more Best of the Year coverage, and find a complete collection of it online at wsj.com.*



## SPORTS

# The College Football Playoff Is Set

SMU earned a spot in the inaugural 12-team bracket despite a loss in the ACC title game, while Alabama was left out

BY LAINE HIGGINS

Dabo Swinney has a history of playing spoiler for Alabama. From 2017 to 2019, the Clemson head coach won two national championships by besting the Crimson Tide.

Swinney's Tigers' squad this year is a far cry from those title-winning predecessors, with three ugly losses. But thanks to the trajectory of a walk-off 56-yard field goal kicked just before midnight, Clemson effectively ruined Alabama's season once again.

By overcoming SMU as time expired in their conference championship, Clemson jumped all the way from 17th in the rankings to an automatic berth and the No. 12 seed for the sport's inaugural 12-team playoff. As a result, SMU slid down the College Football Playoff selection committee's rankings from eighth to No. 10 and left Alabama on the outside looking in.

If Sunday's bracket reveal proved anything, it's that no matter how much the College Football Playoff expands, people will find a reason to fixate on snubs and argue over which teams deserve to make it. Thanks to a cluster of teams with two or more losses, the selection committee was left struggling to parse whether a team's win total or its strength of schedule mattered most.

"There's really no right answer," said ESPN analyst Kirk Herbstreit.

Ultimately, they decided that a team should not be penalized if their schedule happens to be weaker—they can only play the opponents set before them and control whether they win or lose.

"We value strength of schedule—that's why Alabama as a three-loss team is ranked ahead of several two-loss teams," selection committee chairman Warde Manuel said. "But the balance of it, the way SMU played in that game, losing on a last-second field goal...We just felt that SMU still had the nod."

The weekend's slate of conference championship games did a



Clemson's Nolan Hauser booted a 56-yard field goal as time expired to beat SMU in the ACC championship.

JACOB KUPFERMAN/MA

few things to help clear up the picture for the committee. As the lone undefeated team left standing, Big Ten newcomer Oregon remained as the No. 1 seed and the front-runner to win the national championship. Georgia, which defeated Texas in the Southeastern Conference championship, was a clear choice for No. 2, despite picking up two losses in SEC play. Notre Dame was left sitting pretty at No. 7 despite having the most confounding loss of the year—at

home to Northern Illinois in September.

But everything else was kind of squishy. The biggest question was how far teams that lost their conference championship games—Texas, Penn State and SMU—would fall in the rankings and which conference champions outside of the Big Ten and SEC would receive first round byes.

In the end, the byes were awarded to Boise State, the Mountain West champion, and Arizona

State, a team that was projected to finish last in the Big 12 but somehow wound up as the conference champions.

Texas was rewarded for taking the SEC championship into overtime by getting a favorable post-season path as the fifth seed. The Longhorns will host Clemson at home in the first round and, should they advance, would play in the Peach Bowl against Arizona State—the lowest ranked team with a bye.

Georgia, meanwhile, will face the winner of Indiana vs. Notre Dame, while SMU travels to Penn State, the sixth seed, for an opportunity to play Boise State in the quarterfinals. A Big Ten rematch could loom in the Rose Bowl, where Oregon awaits the winner of Tennessee's game at Ohio State.

At the same time, the final set of rankings may lead teams to question the merits of playing in a conference championship game in the future. Consider how things shook out in the SEC.

Georgia may have benefited the most of anyone by jumping into the top four and earning a first-round bye. But it came at a steep cost: starting quarterback Carson Beck injured his throwing arm in the final play of the first half and missed the second half of the game (he came in to make one handoff in overtime). The severity of Beck's injury is unknown and it isn't clear whether he will be healthy in time for the team's quarterfinal matchup at the end of this month.

The Longhorns, who entered the weekend as the favorites to secure the SEC's bye, saw their layoff cut in half. Instead of waiting until New Year's Eve to play, they'll be back in action on Dec. 21.

"We essentially have a bye to get ready for that game," Texas coach Steve Sarkisian said on Saturday night. "Now it's our job to kind of regroup and get ourselves as healthy as we can to go compete in a playoff."

Penn State and SMU also will face quick turnarounds before beginning their national championship bids.

With a loss to Oregon on Saturday, the Nittany Lions are now 1-18 against top-five teams under head coach James Franklin. In the old format, that sort of damning statistics would likely have kept the Nittany Lions from making the playoff.

Now, with an expanded field, there's a little more wiggle room. "Our season," Franklin said, "has just begun."

## The WSJ Daily Crossword | Edited by Mike Shenk



## OPINION

## How Progress Builds on Itself

INSIDE VIEW  
By Andy Kessler

"If I have seen further, it is by standing on the shoulders of giants," Isaac Newton wrote in 1675 to polymath Robert Hooke. That expression is often used to explain progress: inventors and entrepreneurs building on the work of many others. I don't like it. Stack too many smart folks on top of each other and things become slow-moving and get wobbly fast.

Here's a better analogy. One of the most awe-inspiring places in the world is Victoria Falls, on the Zambezi River between Zambia and Zimbabwe. The locals call it Mosi-oa-Tunya, which translates to "smoke that thunders." At 355 feet high and over a mile wide, it's the largest sheet of falling water in the world. I stood on the precipice of the falls on Livingstone Island and looked down. It scared the living daylights out of me.

In the distance was Victoria Falls Bridge, built in 1905. The bridge is 650 feet long and 420 feet above the rushing river. According to Zimbabwe Field Guide: "The ravine was bridged by firing a rocket with a thin string attached from one bank to the other which was hauled across pulling after it a thicker cord, then a rope, and finally a steel cable was hauled across. A bosun's chair was strung to

the cable, which then moved engineers across the ravine taking ten minutes to cross." Then add steel trusses, railroad tracks and asphalt and you have a usable crossing. It's now frequented by bungee jumpers.

The bridge was a long shot followed by many, many, many repeated improvements. We've come a long way from Newton's being hit on the head with an apple to SpaceX rocket launches. Back in my engineering and chip-designing days, a friend was astounded: "Wait, you use computers to design new computers?" Well, yes.

The original Bell Labs transistor, patented in 1948, looked like a mutant grasshopper. Starting in 1958, Texas Instruments and then Fairchild each put eight of these transistors on one device, an integrated circuit. Thirteen years later, Intel connected 2,300 transistors together and created the microprocessor—the brains of a computer on a chip. Around the same time, we got silicon modems to communicate over phone lines.

Then it was off to the races. Broadband over cable lines and fiber. The web with browsers and servers, cloud computing, social networks, smartphones, software as a service, Uber, Airbnb, plus neural networks, machine learning, artificial intelligence, large language models and now chatbot companions. Each had a unique business model.

Today's "bridge" is a mar-

vel. According to Wired Magazine, just one of Taiwan Semiconductor Manufacturing Co.'s foundries delivers a quintillion transistors to Apple every six months. That's a one and 18 zeros, starting to rival the number of stars in the universe. Use AI to design new AI? Already happening. Will we have robots designing newer robots? Of course. That's progress.

**Before you know it, a series of small steps accumulates into a giant leap forward.**

What is astounding is the rate of acceptance. OpenAI's ChatGPT had a million users within five days of its late 2022 release. Five days! Two years later, it has 300 million weekly users. That's not the shoulders of giants, that's super-express lanes across a divide.

It's the same for the rest of science. The first hormones were discovered in 1902, and insulin in 1921. But it wasn't until 1984 that we saw glucagon-like peptide-1, or GLP-1, which stimulates insulin.

Even then, it took roughly 20 years for the FDA to approve the first GLP-1 treatment for type 2 diabetes and another decade until approval for weight loss in 2014. Today, the number of diseases GLP-1 affects continue to grow. It took a quantum leap and then slow and steady improve-

ments until our lives were changed for the better.

It's easy to fall off or be pushed off the leading edge. Faster productivity doesn't just happen. Government shouldn't pick winners and losers. Instead, productivity takes tireless scientists and engineers to experiment constantly with tiny improvements until the rest of us see what feels like huge gains in what we can do.

Our future depends on this model. Autonomous cars and robo-taxis, almost ready for prime time, are soaking up ever-faster chips, AI, mobile broadband and vision systems. The same is true of augmented-reality glasses, productive personal assistants, and personalized medicine.

Basic research of all types should be encouraged. Let many ideas flourish as industrial policy doesn't work. Instead, success is like throwing spaghetti against the wall, seeing what sticks. In technology, this often takes place inside big companies—Google, Samsung, TSMC, Microsoft. In pharma, it's often government grants that drive basic research. Don't DOGE it. We need both.

Much like Victoria Falls, inventing the future is always about staring over a large precipice, with no idea how to get across. But the answer is simple. Shoot a metaphorical rocket with a thin string attached to the other side. And then send in the engineers.

Write to kessler@wsj.com.

## Measuring Milei's Argentine Progress

AMERICAS  
By Mary Anastasia O'Grady

Buenos Aires On a wall outside the office of Argentina's deregulation czar, Federico Sturzenegger, hangs a kind of countdown "clock." It registers—not in hours and minutes but in days—the time remaining until the expiration of a special law that grants President Javier Milei's government sweeping legislative powers for one year. Congress passed the law in June. Last week, when I called on Mr. Sturzenegger, he proudly drew my attention to the illuminated sign, which read "217 days left."

Argentina is a regulatory nightmare in which red tape, growing like kudzu over generations, chokes off innovation and risk-taking. Mr. Sturzenegger is charged with cutting it down to size. He also leads the "transformation of the state." But once the omnibus law expires, his super powers will go with it. If the government has to go back to negotiating with Congress—where Mr. Milei's Liberty Advances party is in the minority—reform is likely to slow down at best. Thus the clock: Mr. Sturzenegger is a man on a mission.

Mr. Milei begins his second year in office on Tuesday. He inherited a large fiscal deficit, swelling debt and a 2023 inflation rate of more than 200% from Peronist former President Alberto Fernández. At his

inauguration Mr. Milei was careful to warn the nation that recovery would be painful. He's been right. The economy is expected to contract 3.5% this year and annual inflation will finish 2024 near 120%. Even so the president's public approval is above 50%. He scores higher in public trust than any of the past three presidents after 12 months in office.

Milei supporters are convinced that things would be much worse if not for their chain-saw-wielding president. He's their David fighting the Goliath state, a reckless central bank and regulatory capture by special interests—from labor unions and nongovernmental social organizations to domestic producers. The recession is probably over and next year the economy might grow 4% to 5%. Country risk has fallen sharply. Inflation still isn't whipped—prices are forecast to rise around 30% in 2025—but relative to recent history it's tame. For now he can boast a softer-than-expected landing and some stability, which a year ago seemed out of reach.

Skeptics have reason to fret. The government brags that it has reached fiscal balance. But as a recent paper by economists Sebastian Galiani at the University of Maryland and Santiago Afonso at the University of Buenos Aires explains, Milei technocrats used surging prices in the first six months of this year to get there. "The administration," the authors write, "has heavily relied on inflation-driven cuts to social spending and public investment rather than on structural reforms."

**A year into his rule, the reform effort is working, but time is running short.**

bers. Mr. Milei's negotiations with her are making advocates of the rule of law and institutions nervous.

Changes at the micro level are more promising. Early on in his tenure Mr. Milei used emergency powers to eliminate rent control and amend scores of other economically repressive laws.

Mr. Sturzenegger's task is to deepen and broaden what Mr. Milei began by dismantling the legal architecture guaranteeing many other privileges and protections to organized groups (aka rent seekers) at the expense of the wider population. That's good and bad. The clock is ticking.

The Massachusetts Institute of Technology-trained economist told me that he came to the government having spent a year and a half mapping the country's regulatory landscape. He identified more than 4,000 laws, 70,000 decrees and countless resolutions that discourage investment and entrepreneurship, bar competition and damage productivity.

Price differentials between the international and domestic market are one measurement he uses to prioritize his agenda because wide variations often signal barriers to competition. It's no coincidence that Argentines pay five times what Spaniards pay for medications and that the local pharmaceutical industry is heavily protected by regulation. I was surprised to learn that importing some used capital goods is prohibited and in other cases unbearably cumbersome. But not for long, Mr. Sturzenegger said. Last week he announced on X that the ministry would eliminate the bureaucratic complexity required to start a business and streamline product registration.

A web portal that welcomes comments from the public has helped Mr. Sturzenegger identify "themes." He's discovered a rough rule of thumb: Where deregulation happens, prices decline in the range of 30%. He has seen it in textiles, logistics and some agricultural products—and the deregulation job is only 20% along. That's good and bad. The clock is ticking.

Write to O'Grady@wsj.com.

## When Santa Brought Cigarettes

By Bob Greene

As Christmas shopping begins, tens of thousands of products are competing for people's dollars. But for decades, there was one ubiquitous and wildly popular gift that shoppers nationwide eagerly purchased—a present that now sounds like something unearthed from a time capsule.

Each mid-20th-century December the gift was on display just about everywhere. It was manufactured by multiple companies and relentlessly advertised in magazines. Part of its appeal was that it required no wrapping paper; the box in which it came was its decoration.

"Get Lucky. Give Luckies. In the Handsomest Holiday Carton of All," advertised Lucky Strike cigarettes, boasting about its white carton festooned with an illustration of a green wreath with berries the same shade of red as the logo. L&M, a competing brand,

had its own annual holiday carton and, to promote it, full-page ads featuring a Christmas tree hung not with tinsel but with packs of cigarettes.

The holiday promotions were designed to answer a question for America's families: What should we give the mailman for Christmas? The

**A festive carton was a popular 20th-century Christmas present.**

milkman? Our dentist? The children's teachers? Our pastor? The guy who fills our tank down at the Sunoco station on Main Street?

Christmas cartons of cigs were the easy solution. In an era when smoking was omnipresent, there was no controversy or stigma about giving cigarettes as gracious presents. Merry Christmas to you, and good health in the new

year! Here's a holiday carton of Parliaments! (Printed on the Parliament carton were the opening lines of "The Night Before Christmas.")

In those years, when cigarettes could be purchased cheaply from machines in just about every restaurant, tavern, gas station, railroad terminal and sports arena in the country, it was the special Christmas packaging that drove the December sales push.

Actor Ronald Reagan, extolling Chesterfield's carton (which featured a horse-drawn sleigh in the snow), smiled in magazine ads with a Chesterfield dangling from his lips. "I'm sending Chesterfields to all my friends," he proclaimed in the ad copy. "That's the merriest Christmas any smoker can have—Chesterfield mildness plus no unpleasant after-taste."

Chesterfield didn't place all its Christmas eggs in Reagan's basket. It paid Bing Crosby, alongside Arthur Godfrey, Perry

Como and Bob Hope, to pose in Santa hats trimmed with white fur and bow ties made of holly and berries. Philip Morris put Lucille Ball and Desi Arnaz on its Christmas cartons.

Camel had the biggest Christmas celebrity of all, and didn't have to pay him a penny: Santa Claus holding a giant carton of the product. Pall Mall did Camel one better: Santa smoking—with a cigarette in his right hand and a white plume coming from his mouth.

The tobacco companies must have thought it would go on forever—the can't-miss market every December, as little Johnny and Sally trotted off to school with the gift their parents knew the third-grade teacher or gym coach would adore:

A carton of king-size Winstons, with Santa's reindeer in full festive frolic on the front.

Mr. Greene's books include "Chevrolet Summers, Dairy Queen Nights."

BOOKSHELF | By Sam Kean

## A Disease Of Deficiency

## Starved for Light

By Christian Warren  
Chicago, 288 pages, \$30

Rickets is one of those diseases that seem incredibly widespread this bone ailment once was: In some cities less than a century ago, 90% of children showed symptoms of rickets during wintertime. But ubiquity has its benefits. In "Starved for Light," Christian Warren convincingly argues that modern medicine would be unrecognizable without the many advances in treatment that trace their roots to this once-widespread disease.

Rickets results from a lack of vitamin D, which we need to help shuttle calcium and phosphorus into our bones. Our bodies manufacture vitamin D whenever ultraviolet sunlight hits our skin; we can also get it through food. A deficiency in vitamin D causes the softening and bending of bones characteristic of rickets; victims are often left bowlegged or knock-kneed, or with curved spines or misshapen pelvises. The worst cases leave babies unable to crawl or even sit up straight.

Cases of rickets date back to at least ancient Egypt, but incidents of the disease exploded in Europe in the 1600s. At first it struck the pampered elite, who sat indoors all day while the peasants toiled: King Charles I of England likely suffered from it, as did several Medici children.

Later, the Industrial Revolution shifted the burden onto the urban poor, moving farmworkers indoors to factories and leaving children to grow up in sunless tenements. Rickets wreaked havoc in American cities well into the 1900s.

Although the cause of rickets remained obscure for centuries—doctors blamed everything from the adulterants in bread to congenital syphilis and overfrequent gambling—Mr. Warren, a professor of history at Brooklyn College, details how efforts to treat rickets spurred a number of modern medical practices. The need to steady the legs of victims and reshape their bones, for instance, led to advances in orthopedics. The discovery of vitamin D in food helped stimulate the study of nutrition and balanced diets. The rash of young women who died in labor due to narrowed birth canals—a consequence of pelvis warped by rickets—led to giant strides in obstetrics as well as the medicalization of childbirth and a shift away from midwives and home births to physician-aided births in hospitals. (This shift included the rise of the cesarean section, a once-rare procedure that in some countries now accounts for half of all births.) More uncomfortably, a series of experiments to study the disease—including one in 1934 that involved confining black orphans to a sunless room for 19 weeks—galvanized an incipient medical-ethics movement and spurred calls for the humane treatment of experimental subjects.

Mr. Warren's book proves weaker when the author shifts to the social aspects of rickets. One extended section analyzes the use of the term "bowlegged" in newspaper articles, including its application to historical figures such as John Wilkes Booth and the baseball player Honus Wagner. "Descriptions of rickety Americans filled popular periodicals and the daily news," he notes, "adding the insult of social stigma to the injury of rickets in their skeletons." But it seems unlikely that all references to bowlegs automatically indicated a case of rickets—especially since many of Mr. Warren's sources are humor pieces. The same goes for the

**Rickets first struck the elite, who sat indoors while peasants toiled. The Industrial Revolution shifted the burden onto the urban poor.**

19th-century ads for runaway slaves, given that the people placing them often indulged in gross stereotypes. Drawing conclusions about rickets based on such sources seems risky.

The author is on a stronger footing when it comes to the connection between race and rickets. Mr. Warren wrote his book to investigate whether rickets might be a "race-specific" disease. People with darker skin have more melanin, which blocks ultraviolet light; they therefore need more exposure to sunlight to make vitamin D. Some scholars have speculated that the trans-Atlantic slave trade, in bringing black people from sun-rich, equatorial Africa to less-sunny North America, might have induced a "latitude mismatch," resulting in poor health among the modern descendants of slaves.

Black people did suffer from rickets at a higher rate than other races through the 19th and early 20th centuries, Mr. Warren tells us. But other factors played a much bigger role, among them malnutrition and "confinement in some variation of New York's five-floor railroad tenement with its twenty-five by one-hundred footprint and dark and miasmic interior." The epidemic of rickets, the author concludes, was thus "the result of a thousand other choices driven not by race, but by racism."

This conclusion gets muddled at times, lost amid endless asides and caveats. And it isn't the only instance where Mr. Warren proves longwinded: There's an entire chapter, for instance, on cod-liver oil, a vitamin D-rich supplement that doctors often prescribed to counteract rickets in the late-19th and early-20th centuries. A few pages of analysis on the topic might be justified, but a whole chapter on the cod-liver industry and its advertising practices is a bit much.

Given how disgusting cod-liver oil tastes, some countries began combating rickets by adding vitamin D to milk in the 1930s—an odd choice, since milk contains no vitamin D naturally. (Amusingly, Mr. Warren calls the practice an "in udder" health intervention.) The choice seems even odder, the author wryly notes, when there's a much simpler solution to preventing rickets: going outside for a few minutes. Instead, we've effectively turned "a dairy product into a drug-delivery device," severing the ancient interplay between "sun, skin, and bone."

Several factors have led to a resurgence of rickets in the 21st century, among them a drop in milk consumption, new entertainment options that keep children indoors for extended periods of time, and public-health campaigns against skin cancer that have parents slathering their offspring in sunscreen every time they cross the street. "Starved for Light" shows that vitamin D deficiency and its consequences are sadly relevant once again.

Mr. Kean is the author, most recently, of "The Icepick Surgeon." His next book, "Dinner With King Tut," will be published in July 2025.

## OPINION

## REVIEW &amp; OUTLOOK

## After the Fall of Syria's Assad

The weekend collapse at long last of the Assad family regime in Syria is no cause for mourning unless you are the leaders of Russia and Iran. The fall creates risks but also opportunity for a better Syria and a more stable Middle East.

The Kremlin said Sunday that Bashar al-Assad had fled Damascus, and Russian state media reported that he had been granted asylum in Russia. It speaks volumes about Russia that it has become the ultimate protector of the man who murdered more of his own people than even his father, Hafez al-Assad.

\* \* \*

The elder Assad took power in a coup in 1970 and ran the country like a mafia regime. Bashar's older brother was supposed to succeed his father but died in a car accident. The younger son, trained as an ophthalmologist, became the unlikely heir and the Baathist regime's bloodiest leader in putting down the various opposition groups that sprung up with the Arab Spring in 2011.

It's worth recalling Barack Obama's role in keeping Mr. Assad in power. Mr. Obama declined to support the opposition in any important way and then refused to enforce his "red line" against Mr. Assad's use of sarin and chlorine gas to kill his own people.

Incredibly, Mr. Obama invited Russia to help end the civil war. Vladimir Putin obliged by joining with Iran to prop up Mr. Assad, elbowing the U.S. out, and establishing an air base and a long-desired naval base on the Mediterranean. This misjudgment helped Iran expand its Axis of Resistance from Tehran to Beirut. It also reversed the strategic triumph achieved by Richard Nixon and Henry Kissinger in the 1970s in minimizing the Soviet Union's influence in the Middle East.

The fall of the Assad government is a defeat for Russia and Iran. It shows the Kremlin can't always protect a client state, which could have ramifications elsewhere as Mr. Putin tries to build an anti-American axis with China. It's a particular defeat for Iran, which loses its Alawite ally to what is likely to be a Sunni Arab government. Iran's arms supply route to its Hezbollah proxies in Lebanon will be disrupted.

None of this is the result of President Biden's foreign policy. Like Mr. Obama, his Middle East priority has been appeasing Iran. This culminated in the Oct. 7, 2023, massacre by Hamas that led Iran and its proxies to imagine they had Israel on the run.

But Israel turned the tables, first by diminishing Hamas in Gaza, then by eliminating Hezbollah's leadership, and demonstrating it can strike

## It's a defeat for Russia and Iran, and it offers openings for Trump.

even heavily defended targets in Iran. Tehran's mullahs couldn't protect Hezbollah's leader Hassan Nasrallah, Hamas's leader Yahya Sinwar, and now Mr. Assad in Syria. All of this is the result of Israel's daring and fortitude in self-defense, even in the face of Mr. Biden's opposition.

Mr. Biden is now barely a caretaker President, but Mr. Assad's fall creates new openings for the Trump Administration. Donald Trump said on Truth Social before Damascus fell that the U.S. should stay out of the conflict, but with Mr. Assad gone the U.S. still has interests to protect in Syria.

One interest is to block the rise of a jihadist state or enclave in Syria. The U.S. has a small military base in Syria with a mission of protecting against the revival of Islamic State. Thousands of ISIS fighters and families are detained by Kurdish forces in Syria.

The rebel charge into Damascus was led by Hayat Tahrir al-Sham, which the U.S. has designated a terrorist organization. But its leader, Abu Mohammed al-Jawlani, broke with ISIS in 2012 and al Qaeda in 2016 and has been saying he wants a diverse government that tolerates minorities. The U.S. can engage with Mr. Jawlani and test his sincerity. A stable Syria that wants to rebuild rather than export revolution would be a welcome development.

Another U.S. interest is defending allies. Jordan could become a renewed target for jihadist revolt. Israel will also be wary of radical intentions and on the weekend bombed a chemical plant used for weapons in Syria lest it fall into the hands of the next regime. The Kurds, who control parts of northern Syria, are friendly to U.S. interests and are a target for Turkey's Islamist leader, Recep Tayyip Erdogan.

\* \* \*

Then there is Iran, which may respond to its new weakness by accelerating its nuclear program. The Institute for Science and International Security, run by close Iran-watcher David Albright, said Friday: "From today's IAEA [U.N. nuclear watchdog] update on Iran, it is clear that Iran is instituting a capacity to make weapon grade uranium, under the guise of making 60 percent, at the Fordow underground enrichment plant."

Mr. Trump will face an early decision on whether to destroy this capacity before Iran gets a nuclear weapon.

Optimism is rarely warranted in the Middle East, but realism and strength can increase deterrence. The Oct. 7 Hamas massacre is turning out to be a miscalculation for the ages, leading to defeats for the forces of Mideast mayhem. Mr. Trump can exploit the opportunities.

## Donald Trump and the Dreamers

**D**onald Trump sat for an interview with NBC News that was released on Sunday, and most of it was focused on the usual media preoccupations of whether Mr. Trump will arrest his opponents or deport millions of illegal migrants. Readers can judge his comments.

As we read the transcript, however, the most interesting note was what the President-elect said about the so-called dreamers, who were brought here illegally as children but are now adults and still in legal limbo. Here's the exchange:

NBC's Kristen Welker: "What about dreamers, sir? ... You said once back in 2017 they, quote, 'Shouldn't be very worried about being deported.' Should they be worried now?"

Mr. Trump: "The dreamers are going to come later [after criminal aliens are deported], and we

## Biden's Moment of Truth on U.S. Steel

**D**onald Trump last week doubled down on his campaign promise to block Nippon Steel's proposed \$15 billion takeover of U.S. Steel. But the ball is in President Biden's court with the shot-clock ticking, and approving the deal during his final days would be a national service.

"Through a series of Tax Incentives and Tariffs, we will make U.S. Steel Strong and Great Again," Mr. Trump posted on his Truth Social platform. "As President, I will block this deal from happening. Buyer Beware!!!!" Who knows what prompted the riff, but maybe he heard that Japanese Prime Minister Shigeru Ishiba recently asked Mr. Biden to approve the deal.

Nippon Steel's takeover bid for U.S. Steel became hostage to election politics as Mr. Trump and Democrats vied for union support. The United Steelworkers, which represents workers at U.S. Steel, opposes the acquisition.

Never mind that the Japanese firm has promised to honor collective-bargaining agreements and invest \$2.7 billion in union plants. U.S. Steel has warned it might have to close factories in Pennsylvania if the deal collapses because it lacks the capital to invest in needed upgrades.

The United Steelworkers union wants a takeover by Cleveland-Cliffs, which is also represented by the union, because it would create a domestic cartel protected by tariffs.

Cleveland-Cliffs made a less generous bid that U.S. Steel rejected. The mooted combo would control 100% of U.S. blast furnace production, 100% of domestic steel used in electric vehicle motors, and 65% to 90% of other domestic steel used in vehicles. Cleveland-Cliffs CEO Lourenco Goncalves has lobbied the Biden Administration to block the Nippon Steel offer

have to do something about the dreamers because these are people that have been brought here at a very young age. And many of these are middle-aged people now. They don't even speak the language of their country. And yes, we're going to do something about the dreamers."

Ms. Welker: "What does that mean? What are you going to do?"

Mr. Trump: "I will work with the Democrats on a plan. And if we can come up with a plan, but the Democrats have made it very, very difficult to do anything. Republicans are very open to the dreamers."

That's great to hear. If Mr. Trump is willing to deal on the dreamers, Democrats should shift from their first-term opposition to any immigration deal. The country will be better for it.

so he can have the monopoly.

The Committee on Foreign Investment in the United States (Cfius) launched a review of the deal, though it poses no national security risks. Japan is a critical U.S. ally and serves as a bulwark in the Asia-Pacific against China's economic and military ambitions.

Only last month the Defense Department issued a statement at a trilateral defense ministers meeting with Australia and Japan that touted the "longevity and enduring commitment of our partnership" that is "grounded in shared values, deep trust, and our unbreakable commitment to strengthening collective deterrence."

Blocking the offer would undermine the alliance and the U.S. steel industry. "Under your presidency, this Alliance has reached unprecedented strength," the Prime Minister wrote in a Nov. 20 letter to Mr. Biden reported by Reuters. "We respectfully ask for the U.S. government to approve the planned acquisition by Nippon Steel so as not to cast a shadow on the achievements you have accumulated over the past four years."

Meantime, Republican Members on the House Financial Services Committee have indicated they plan to investigate Cfius's politicized review of the deal and asked Treasury Secretary Janet Yellen and Commerce Secretary Gina Raimondo to preserve related documents, including communications from Cleveland-Cliffs and the United Steelworkers.

Cfius has two weeks to clear the deal, though it could extend the deadline. But why reject a deal that would be good for U.S. steel production, steel workers, and the U.S.-Japan alliance? And why abdicate to Mr. Trump?

## He can approve a Nippon Steel offer that is in the U.S. interest.

## LETTERS TO THE EDITOR

## Who Are the Real Bullies in U.S. Public Life?

In his op-ed "A Trump Voter Walks Into My Office" (Dec. 4), Prof. Jonathan Zimmerman asks to hear from people who support Donald Trump. Well, here it is:

Where you see a "bully and charlatan," I see courage and moral clarity. I see bravery when an assassin's bullet strikes and Mr. Trump says, "Fight, fight, fight." I see genuine concern for hardworking Americans when he addresses them at a bodega. I see moral clarity when the president-elect says to the Hamas murderers: "There will be hell to pay."

Now, we wait and see.

SONIA SCHWARTZ  
Valley Stream, N.Y.

I am shocked and amazed that conservative students should feel free to speak their minds on Mr. Zimmerman's campus, where Shakespeare has been expelled from the English department, a towering male has dominated and intimidated the woman's swimming team, and calling for the genocide of Jews isn't a violation of the school's code of conduct,

As a graduate and parent of a graduate of the University of Pennsylvania, I see little current evidence supporting Mr. Zimmerman's claim that school faculty would listen and even learn from conservative "truths." Only when the elite schools actually believe in diversity of thought will they return to the mission that once made them the finest schools in the world.

HARRY NOTACKER  
Devon, Pa.

Mr. Zimmerman had me until his sixth paragraph, where he explains, "I think Mr. Trump is a bully and a charlatan, and I struggle to understand how anyone could support him. That's precisely why I need to hear from people who do."

He could have eliminated this entirely and still made his argument that it is wrong for universities to suppress conservatives. Why do anti-Trumbers always feel they must assure others they aren't complicit?

PAT SHAW  
Davidson, N.C.

## Does Antitrust Target Cartels or Consumers?

Holman Jenkins, Jr. paints with too broad a brush when he proclaims "Antitrust Is the God That Fails and Fails" (Business World, Nov. 30). Mr. Jenkins seems to draw this negative conclusion almost entirely from the Justice Department monopolization case against Google.

He misses the importance of the below-the-radar efforts that most of the Justice Department's antitrust staff are regularly engaged in. These enforcement efforts are to find and prosecute criminal conspiracies among competitors not to compete against each other ("cartels"); and to review thousands of mergers and then bring a small number of injunction cases in court to try to block the most anticompetitive.

The criminal-enforcement program against cartels seeks to punish past wrongdoing with substantial fines and jail sentences. These jail sentences turn out to be the most effective form of deterrence vis-à-vis future wrongdoing—which is why Justice Department anticartel efforts are clearly more successful than those of the European Union, whose antitrust authorities can pursue only administrative remedies.

The merger enforcement teams mostly seek to identify the few mergers that eliminate significant competition between actual or potential rivals, and then to bring injunctive actions in court to block them.

RICH BATEY  
Aliso Viejo, Calif.

Mr. Jenkins's strictures against antitrust should have mentioned the one and best use of this suite of laws: breaking up the monopoly of monopolies, government itself.

ROBERT L. BRADLEY JR.  
Hunt, Texas

## Government 'Investment' Priorities Are Skewed

Your editorial "Biden Tosses Rivian a \$6 Billion Lifeline" (Nov. 29) provides a perfect example of why government has such an enviable record of incompetent capital allocation into the private sector. When your perceived cost of capital is zero because it is ultimately backed by the taxpayer, who cares if it makes business sense? Outcomes be damned.

Government "investment" typically pursues politically favored and hoped-for outcomes, without much thought to what the market will decide, which it inevitably does. Unfortunately, government investment rarely provides a satisfactory return. Just ask the taxpayer.

ROBERT H. WOOTTON  
Des Moines, Iowa

How fabulous Rivian executives must feel. A politically favored company with an unsustainable business model to supply luxury vehicles for

the wealthy now receives a "lifeline" to subsidize its field of dreams.

Meanwhile, altruistic general pediatricians subsidize the provision of an actual lifeline, Beyfortus, the monoclonal antibody that prevents serious RSV disease, to the tiny babies of our military families. Tricare reimburses \$37 less than our cost per dose. Can we, the primary-care physicians of our country, find government support to sustain the long-term supply of general pediatricians and keep us afloat as we prioritize care for our greatest treasure and future investment, our children?

At least the demand signal for our services exists, in contrast to the glut of EVs sitting on the dealer's blacktop.

SUSAN ASHTON-LAZAROAE, M.D.  
Lorton, Va.

## Blinder's Tariff Blind Spots

Alan Blinder must have a short memory ("Trump's Economic Plan Has Inflation Written All Over It," op-ed, Nov. 26). During the first Trump administration, the U.S. also imposed many tariffs—and there was low inflation accompanying steady economic growth.

President Biden kept many of President Trump's tariffs in place. Mr. Biden's problem was that he also flooded the economy with money, with the Federal Reserve as an accomplice to the monetary tsunami.

CARL LAVERGHETTA  
Annapolis, Md.

## Pepper ... And Salt

THE WALL STREET JOURNAL



"I keep falling for freelance poets."

Letters intended for publication should be emailed to [wsl.letters@wsj.com](mailto:wsl.letters@wsj.com). Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

## OPINION

# Assad Falls Thanks to a Weak Tehran

By Jonathan Spyer

The fall of Bashar al-Assad's regime in Syria marks the eclipse of Iran's self-styled axis of resistance in the Middle East. While the successful advance of the Syrian Sunni insurgents into Damascus seemed sudden, it didn't happen overnight. Mr. Assad's flight from the country seals what has been a disastrous few months for Tehran and its allies.

By removing the Assad regime, the insurgents—known as Hayat Tahrir al-Sham—have cut off Tehran's main proxy militia, Hezbollah, from its supply lines. This was possible because of Israel's mauling of Hezbollah in November, prompting the terror group to accept a ceasefire with the Jewish state. The decision was in direct contrast with Hezbollah's goal when it entered the war on Oct. 8, 2023. As Hassan Nasrallah, its now-deceased leader, expressed at the time: "The Lebanon front will not stop before the aggression on Gaza stops. The resistance in Lebanon won't stop supporting and assisting the people of Gaza, the West

**Iran and its proxy network have been revealed to be paper tigers. More defeats will surely follow this one.**

Bank and the oppressed people in these holy lands." By the time both parties agreed to a cease-fire, Nasrallah was dead. Hezbollah decided that sticking by its junior ally in Gaza was no longer worth the price. The dramatic events in Syria rapidly followed.

Hezbollah's actions came after Iran's decision to avoid any major retaliation for Israel's Oct. 26 attacks on targets inside Iran. This reluctance persisted despite Supreme Leader Ali Khamenei's promise of a "crushing response" to what they are



Syrians gather atop a tank at Umayyad Square in Damascus, Dec. 8.

doing to Iran . . . and to the resistance front" after the attack. Iran hesitated in part because of the failure of its Iraqi and Yemeni proxies to penetrate Israeli air defenses with drones and missiles. Israel continued to make progress against Hamas in Gaza, despite Iran's various efforts to open support fronts to relieve the pressure. Gaza's Islamists are now isolated, facing Israel alone.

The apparent eclipse of Iran's proxy axis, its helplessness in the wake of Israeli countermeasures, and the loss of Syria are of particular note because the alliance had fared so well for so long. Iran's first success in the field of irregular warfare came with its creation of Hezbollah in 1982. It piloted Hezbollah to a victorious insurgency against Israel from 1985 to 2000, and then to undisputed political domination of Lebanon after 2008. After the fall of Saddam Hussein in 2003, Tehran-supported Shiite militias became the dominant political-military force in Iraq. Outreach to Hamas via Hezbollah from the early 1990s secured Iran a foothold in the Israel-Palestinian

conflict, with its enormous symbolic importance in the Arab and Muslim worlds.

The 2010 Arab Spring, the 2012 destruction of the Saleh regime in Yemen and Iran's rescue of the Assad regime in Syria that same year all contributed to the expansion of Iranian influence across the region.

On the eve of Oct. 7, 2023, Iran's proxy system seemed at the height of its power. Iran, with its formidable ballistic-missile array and its nuclear ambitions, appeared to have succeeded in turning indirect conflict into a tool of state. A year on, however, everything looks different. Iran's error was that it neglected a basic rule of irregular warfare: Avoid being drawn into the open on the conventional battlefield.

Doughty proponents of irregular warfare, from George Washington to Ho Chi Minh, all lived by this rule. Iran and its allies have abandoned it and suffered the consequences. The Oct. 7 attack, in addition to being a massacre, was a strategically absurd decision by a tiny statelet to launch a conventional offensive against a

vastly more powerful neighbor. Hezbollah's choice to bombard Israel in the following days constituted a similar misstep. Iran's decision in April this year to abandon proxy warfare and launch a direct attack on Israel compounded the error.

In each case, Israel's response laid bare the profound inferiority of the Iranians and their allies in direct confrontation. The result: Hamas and Hezbollah are decimated, Gaza is a smoking ruin, Southern Lebanon is a pile of rubble, and Iran is exposed as helpless before Israeli air power.

The region now sees Iran and its misnamed axis of resistance as a paper tiger. The rebels' assault in Syria and the stunning collapse of the Assad regime are the first fruits of this new look. More will doubtless come.

*Mr. Spyer is director of research at the Middle East Forum and director of the Middle East Center for Reporting and Analysis. He is author of "Days of the Fall: A Reporter's Journey in the Syria and Iraq Wars."*

## United Healthcare and the ObamaCare Con



**LIFE SCIENCE**  
By Allysa Finley

Well, well. Progressives are at last acknowledging that ObamaCare is a failure. They aren't doing so explicitly, of course, but their social media screeds against insurers, triggered by last week's murder of UnitedHealthcare CEO Brian Thompson, suggest as much. "We've gotten to a point where healthcare is so inaccessible and unaffordable, people are justified in their frustrations," CBS News medical contributor Céline Gounder said during a Friday segment on the roasting of health insurers.

A Gallup survey released Friday affirms the sentiment, finding that only 44% of Americans rate U.S. healthcare good or excellent, down from 62% when Democrats passed ObamaCare in 2010. A mere 28% rate the country's insurance coverage highly, an 11-point decline. ObamaCare may rank as the biggest political bait-and-switch in history.

Remember Barack Obama's promise that if you like your health plan and doctor, you could keep them? Sorry. How about his claim that people with pre-existing conditions would be protected? Also not true. The biggest howler, however, was that healthcare would become more affordable.

Grant Democrats this: The law has advanced their political goal of expanding government control over insurers, in return for lavishing Americans with subsidies to buy overpriced, lousy products. (One might observe that Democrats are driving a similar Faustian bargain to induce automakers to produce more electric vehicles.)

At the same time, ObamaCare's perverse effects are fueling public rage against insurers and support for a single-payer system that would eliminate them. Mr. Obama and Peter Orszag, the law's chief architect,

must be smiling. Mr. Orszag, now CEO of the financial-services firm Lazard, has dined out on advising health insurers on mergers he says were spurred by the law's regulations. How convenient.

The U.S. is spending \$2 trillion more on healthcare than in 2010. Yet Americans aren't healthier, as a new paper by the Paragon Health Institute observes. Mortality rates for 25- to 64-year-olds from major

**The law's mandates and regulations have given rise to myriad insurance-market grievances.**

medical causes, such as hypertension diseases, diabetes and neurologic conditions, climbed between 2009 and 2019.

Frustration that the U.S. is spending more for worse outcomes—a similar phenomenon exists in K-12 education—is helping to drive the "Make America Healthy Again" movement. Bigger government has benefited the health-industrial complex but not Americans.

One problem is that simply having insurance doesn't change people's behavior. It does, however, cause them to use more care. This is a particular problem in Medicaid, since beneficiaries often rush to the emergency room for nonemergencies because they don't have deductibles or co-pays.

Another problem: The nearly 100 million Americans on Medicaid or tightly regulated and generously subsidized exchange plans struggle to find doctors to treat them. Physician access for Medicaid patients has long been limited owing to the program's low reimbursement rates.

It has gotten worse since ObamaCare expanded eligibility, as states have tried to hold down Medicaid costs by reducing reimbursements. A 2019 study found that patients

were only half as likely to get an appointment with a doctor compared with privately insured patients before the law passed. Post-ObamaCare, they were less than one-third as likely. Medicaid is insurance in name only.

Patients with exchange plans hardly fare better. Affordable Care Act plan networks include on average only 40% of local physicians and 21% of those employed by hospitals. Patients must pay significantly more out of pocket to see out-of-network doctors. If you find a doctor in network, there's no guarantee he'll continue to be. Insurers are narrowing coverage to keep down costs.

They are also hiking deductibles, which this year averaged \$5,241 for a typical plan. That's up from \$2,425 in 2014. Although subsidies reduce how much people with ObamaCare plans pay toward their premiums, they are stuck paying out of pocket until they hit their deductible.

Most healthy young people never do. That means their insurance is

worthless except in the event of a catastrophic emergency, which was the gist of recent rants against insurers. Perhaps they should take up their grievances with Mr. Obama, as his law's mandates and regulations are to blame.

ObamaCare requires plans to cover myriad government-determined "essential benefits" regardless of whether people need them. It also prohibits insurers from charging higher premiums based on a patient's health-risk factors and limits their ability to do so for older people. The young and healthy are thus required to subsidize their elders, while taxpayers are required to subsidize everyone on the exchanges.

If the goal were to help Americans with costly health conditions, it would have been far simpler and less expensive to boost subsidies for state high-risk pools. But that wouldn't have accomplished Democrats' actual goal, which is to turn insurers into de facto public utilities and jerry-rig a halfway house to single-payer healthcare. What a con.

## How Trump Can Target Transgenderism in Schools

By Max Eden

**H**istoric election defeats have many fathers—or, to use more inclusive language, many "non-birthing parents." This year one such father was the Democrats' embrace of gender ideology in K-12 schools.

That means teaching children they can be born in the wrong bodies. Marketing puberty blockers to elementary-school students. Conducting secret "gender transitions." By opposing all of this, Donald Trump proved he was for parents. He promised to get "transgender insanity the hell out of schools." But can the president actually tell schools what they can and can't teach?

Yes, President Trump can stop gender-ideology indoctrination. *Tatel v. Mount Lebanon School District*, a recent decision by a federal district court in Pennsylvania, should be required reading for members of his administration. A teacher taught her first-graders that boys can be girls, that parents merely "guess" their kids' sex at birth, and that this "guess" can be wrong. This confused students and angered parents, who sued under the First and 14th amendments.

The judge held that forcing these concepts on children undermined the First Amendment right to free exercise of religion. Many religions teach that God created us male and female. Promoting a scientifically baseless claim undermining that doctrine without parental consent infringes on religious liberty.

The judge also ruled that the teacher violated the 14th Amendment's Equal Protection Clause. The parents, who weren't notified about the lesson beforehand, had no option to spare their children from hearing it. Parents can decide that their kids won't participate in spelling bees or animal dissections. Why couldn't they protect them from the teacher spouting ideas about sex they find abhorrent? Parents have the right to direct the upbringing of their children. The teacher promoted an ideology that could turn the children against their parents. The 14th Amendment doesn't permit this.

### A federal court ruling in Pennsylvania vindicated the rights of parents.

Some courts may reject this view. In the meantime, Mr. Trump's attorney general and education secretary could issue a letter explaining how enforcing gender ideology violates these constitutional rights. Most schools wouldn't risk defying it. And if litigators disagree, the Supreme Court will likely vindicate Mr. Trump's position that schools can't teach children they can be born in the wrong bodies.

*Mr. Eden is a senior fellow at the American Enterprise Institute.*

## Pennsylvania Almost Saw A Stolen Election

By Ari Fleischer

**I**n the Pennsylvania Senate race, Democrats claimed they wanted to "count every vote." What they really wanted was to count illegal votes in Democratic counties. With a 15,115-vote margin, Republican Dave McCormick defeated an organized effort by national Democrats to reverse his win over Sen. Bob Casey. If Mr. McCormick's lead had been smaller, Democrats would still be trying to cook up ways to flip this election.

Under the Pennsylvania election code, ballots that lack a secrecy envelope, are unsigned, or are cast by an unregistered person are not to be counted. Any attempt to make them count is an attempt to break the law. The Democrats' Pennsylvania playbook should be a warning to everyone who cares about accurate, lawful elections.

**Democrats would still be scheming if McCormick's margin had been smaller.**

In Bucks County, the Democrat-run Board of Elections voted 2-1 along party lines to count mail-in ballots that weren't dated or were incorrectly dated. Mr. McCormick sued and the Pennsylvania Supreme Court unanimously rejected the Bucks County board's decision on the merits. Democratic Gov. Josh Shapiro didn't object as the board nullified state law, speaking out weakly only after the high court ruled.

In Philadelphia, the Board of Elections rejected 2,073 provisional ballots because they lacked a secrecy envelope and required voter signatures. The Democratic Senatorial Campaign Committee and the Casey campaign wanted to count these votes in an overwhelmingly Democratic city, and they appealed. Fortunately, a judge upheld the rejection of illegal ballots.

In Montgomery County, the Democrat-run Board of Elections rejected nearly 200 ballots lacking a required secrecy envelope. The DSCC and Casey campaign dropped their appeal only when Mr. Casey conceded. The Montgomery board also voted to count hundreds of undated or incorrectly dated ballots. As in Bucks County, the state Supreme Court put an end to that.

In Dauphin County, of which Harrisburg is the seat, the Democrat-run Board of Elections rejected 96 ballots because they lacked required secrecy envelopes and voter signatures. The DSCC and Casey campaign dropped their appeal only after Mr. Casey's concession. In Luzerne County, the Casey campaign asked the Board of Elections to approve about 500 disputed ballots cast by people who weren't registered to vote in the county. The election board allowed a small number to be counted but rejected most of these votes.

The McCormick recount team, along with the Republican National Committee and the National Republican Senatorial Committee, mobilized to defeat these efforts. In all 67 counties, the campaign deployed well-trained lawyers to fight tooth and nail. They were vigilant, making certain there would be no mischief. The McCormick campaign shined a light on many of the Democratic tactics, regularly informing the media of what the Democrats were doing, making certain Democrats could slip nothing through without public scrutiny.

But what would have happened if the Casey appeals continued? What would have happened if friendly judges ruled that illegal votes were suddenly legal? That's the formula the Democrats employ in close races.

In football, when the clock runs out, the game is over. Everyone knows the score—and the rules. In politics, when the election is over, Democrats demand more time be put on the clock. Sometimes they argue that Republican touchdowns shouldn't count. Sometimes they demand that Democrats be awarded extra points. All it takes is a close score and a friendly commissioner or judge, and the call on the field can be reversed.

Mr. McCormick won, but Democrats aren't done. They'll take their Pennsylvania tactics to other states.

It's time for the Pennsylvania Legislature and Gov. Shapiro to show leadership and enforce their laws. It's time for Congress to pass a nationwide voter-identification requirement. Law-abiding citizens everywhere should know what's in the Democratic recount playbook and be prepared to fight it.

*Mr. Fleischer is a communications consultant to the McCormick for Senate campaign.*

## THE WALL STREET JOURNAL.

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## WORLD NEWS

# Cathedral Comes to Light in Darker World

Trouble, turbulence greet Notre Dame, restored after fire nearly destroyed it

BY NOEMIE BISSEUR AND STACY MEICHTRY

**PARIS**—The limestone facade of Notre Dame Cathedral is radiant. Its ornate gargoyles and angels show no signs of the smoke and flames that once billowed from the church. The cavernous interior is immaculate, its arches scrubbed of soot.

By almost any metric the restoration of the masterpiece of Gothic architecture nearly destroyed by fire in April of 2019 has been a success. On Saturday, global figures including President-elect Donald Trump gathered to mark the cathedral's reopening.

Notre Dame's revival is a sign that cooperation across France and beyond to achieve a singular goal is still possible. Yet the gleaming cathedral also stands in contrast to the dark times that have enveloped Paris and the world. Wars are raging in Ukraine and the Middle East, and the U.S.-led international order that has prevailed since the end of World War II is at a turning point.

"Tonight the bells of Notre Dame ring anew," French President Emmanuel Macron said in an address before the packed pews. "This cathedral is a happy metaphor for what a nation is, and what the world should be."

For Trump, the Paris trip marked a return to the world stage. He held talks with Macron and Ukrainian President Volodymyr Zelensky. Trump has fueled the anxieties of leaders across Europe by questioning Washington's commitment to underpinning Europe's security architecture without greater contributions from allies. He also wants to impose tariffs that would pun-



A day after Saturday's reopening drew the likes of Donald Trump, Elon Musk and Prince William, the restored Notre Dame offered its first mass to the public.

LUDOVIC MARIN/AFP/GETTY IMAGES

ish the continent's economy.

Heading into the talks, Trump said that "it certainly seemed like the world is going a little crazy right now. And we'll be talking about that."

The leaders joined dignitaries and business executives, including Elon Musk, inside Notre Dame. Firefighters and restoration workers received a standing ovation upon entering, as did Zelensky. Others in attendance included first lady Jill Biden and Prince William.

The inauguration comes at a painful moment for France. Its economy has nearly stalled. Its public finances are

in disarray. And this past week the government collapsed in a parliamentary no-confidence vote for the first time since 1962.

Macron had conceived of the inaugural ceremony as an elaborate victory lap, capping a year that included a Summer Olympics in Paris. Rebuilding Notre Dame on time and on target was about affirming his vision of France as a nation of can-do strivers.

For Macron's many opponents—from protesters on the streets to lawmakers in the National Assembly—the cathedral's restoration hides deeper

signs of decay across French society. Its rise from the ashes comes as public services from hospitals to schools decline.

Eric Cormont, a 60-year-old who works in construction, said he was amazed by how quickly craftsmen were able to rebuild the cathedral—but wasn't interested in the celebrations organized by Macron.

"That's the only thing he talks about, when the country's a mess," Cormont said.

Notre Dame has long been held up as a mirror of the soul of France. In the years leading up to the fire, it suffered decades of neglect—popular as

ever as a tourist site but a symbol of the broader decline in church attendance.

A message from Pope Francis, who didn't attend the ceremony, was read aloud: "May the rebirth of this admirable church constitute a prophetic sign of the renewal of the Church in France."

After the fire, the most urgent task was to stabilize the church. The fallen spire and roof had been central to the cathedral's structural integrity.

Walls and buttresses were at risk of collapse. Water used to douse the flames created fissures in the stones and seeped

into the joints and mortar, leading to crumbling. The scaffolding where the fire started threatened to collapse and take the cathedral down with it.

Macron wanted an international competition to come up with a new design for the spire. Outrage followed, and ultimately France's National Heritage and Architecture Commission shot down his plan.

Macron didn't give up on a modern-day touch. This year he organized a competition for new stained-glass windows. The government has yet to announce the winner—but opposition is already fierce.



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# BUSINESS & FINANCE

THE WALL STREET JOURNAL.

Monday, December 9, 2024 | B1

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## Dividend Stocks Set for Comeback

With tech pricey and bonds losing appeal, shares that pay out lure more investors

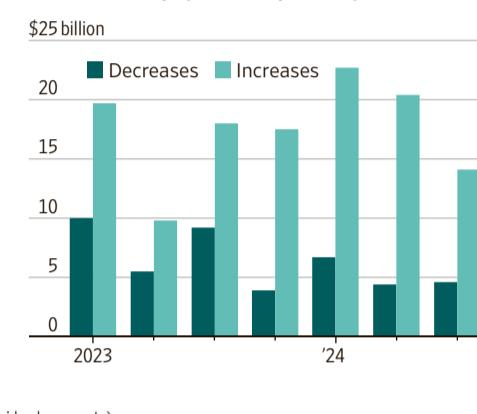
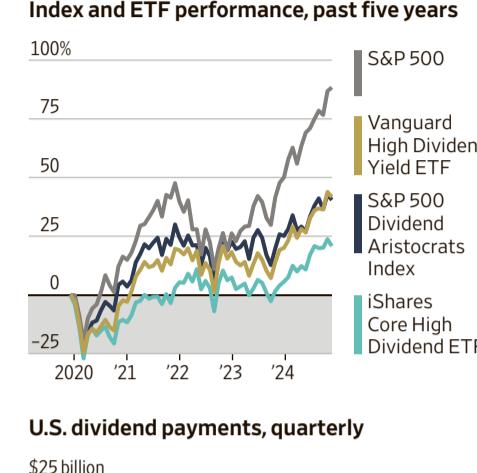
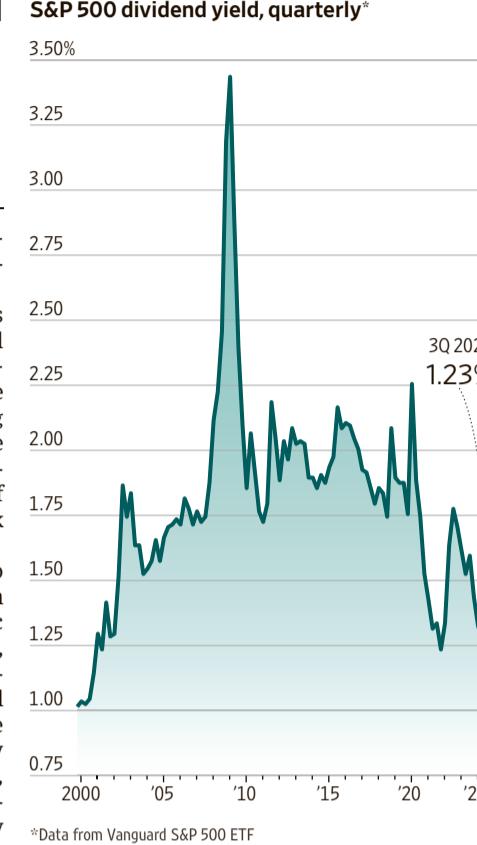
By JASMINE LI

Owning stocks with big dividends might finally start paying off.

Dividend-paying stalwarts such as **JPMorgan Chase** and **Merck** are primed to fare better in the coming year, some investors said. With highflying tech stocks looking expensive and falling interest rates potentially denting the appeal of bonds, dividend shares look good, they said.

Investors typically flock to the dividend payers in down markets or when the economic outlook turns cloudy. Indeed, many companies with big payouts, including utilities and consumer staples, produce stable earnings in any weather. In rallies, though, their shares tend to lag behind. This has been especially true since 2020, when megatech stocks such as **Tesla** and **Nvidia** have led the market to frequent record highs.

The performance gap between the S&P 500 and the dividend stocks has widened this year. But "that's when



sight for dividend investors, as large U.S. companies' payouts haven't kept pace with the market's rally. Last week, the S&P 500's dividend yield, which measures dividend payouts relative to stock price, hit a 20-year low when it dropped below 1.19%.

The S&P 500 Dividend Aristocrats Index, which includes 66 companies that raised their dividends every year for the past 25 years, has struggled to keep pace with the broader market since 2020. Big dividend payers staged a comeback in 2022, as fears of a recession drew investors to utilities, consumer goods and other steadier sectors.

The moment was short-lived; by 2023, rising rates began to lift the returns of bonds and money-market funds above what dividend stocks yielded. Major companies tightened their grip on cash as they adopted a sit-and-wait approach toward economic uncertainty. And this year, many of the same dominant stocks of the Covid era are once again leading the market to record highs.

The top-heavy S&P 500 has produced a total return of 28% this year, including price gains and dividend payments, well ahead of the S&P 500 Dividends.

Please turn to page B2

## Omnicon, Interpublic Are Close To Forming Ad Giant

Tie-up would create biggest conglomerate in a sector being upended by tech

By SUZANNE VRANICA AND LAUREN THOMAS

**Omnicon Group** is in advanced talks to acquire **Interpublic Group**, a deal that would create the world's largest advertising company, according to people familiar with the matter.

A transaction could be announced as early as this week, some of the people said.

The exact terms of the deal being discussed couldn't be learned.

The all-stock deal is likely to value Interpublic at between \$13 billion and \$14 billion, excluding debt, some of the people said. Interpublic had a market value of nearly \$11 billion as of Friday.

A combined entity would have net revenue of more than \$20 billion, based on 2023 figures for each company.

Combining Omnicom, the world's third-largest ad company, and Interpublic Group, the fourth-biggest ad company, would topple **WPP** as the industry's biggest player. WPP's net revenue last year was about \$15.1 billion.

A deal would bring together some of the world's best-known ad brands under one roof, following decades of consolidation on Madison Avenue. A handful of conglomerates are the power players behind the majority of ads people come across on TV sets, before they can play YouTube clips and on roadside billboards. In addition to producing advertisements, the companies own firms that buy ad space, develop loyalty programs, analyze shopper data, handle crisis communications and tap influencers for marketing campaigns.

Omnicon and Interpublic have helped create some of history's most iconic ads, including "Think Different" for Apple, "Priceless" for Mastercard, "Because I'm Worth It" for L'Oréal and "Got Milk" for the California Milk Processor Board.

Omnicon, led by Chief Executive John Wren, includes agencies BBDO, TBWA, FleishmanHillard, and ad buyer Omnicom Media Group and works for companies including Disney, AT&T and PepsiCo.

Interpublic, which CEO Philippe Krakowsky leads, owns agencies such as McCann Worldgroup, Weber Shandwick, FCB and ad-buying firm Mediabrands, and has a client roster including L'Oréal, Johnson & Johnson and Geico.

A combination of Omnicom and Interpublic would mark the biggest deal to date on Madison Avenue. Omnicom pursued a \$35 billion deal in 2014 with ad company Publicis Groupe, but it collapsed, partly because of battles over which company would control

Please turn to page B4

♦ Ad revenue forecast to top \$1 trillion for 2024.....B4

## Disney Plows Cash Into Cruise Expansion

By ROBBIE WHELAN

HUDSON RIVER, N. Y.—Strains of "When You Wish Upon a Star" drifted across lower Manhattan on a recent November evening, echoing from **Disney's** newest cruise ship on its path down the Hudson River toward Florida.

Chief Executive Bob Iger christened the 1,119-foot-long Disney Treasure the previous evening while 1,000 drones hovered overhead in the shape of a Champagne bottle. The drones transformed into shapes of images from "Aladdin," "Coco," "Moana" and other movies as pop star Jordan Sparks belted out a song written for the new ship.

The spectacle was a coming-out party of sorts for a business that for years played a bit part in Disney's entertainment empire, but is increasing in prominence. Growth is slowing in the company's parks businesses, and its legacy TV business is suffering from cord-cutting, but Disney fans can't seem to get enough of cruises.

When Disney unveiled plans last year to "turbo-charge" investment in its Experiences division, which includes theme parks, resorts and consumer products, the company said 20% of the \$60 billion over the next decade would go toward its cruise business and other projects that haven't been announced yet. Disney plans to more than double its fleet from six to 13 ships by 2031 and further expand its service internationally. "Given the fact that we are still a relatively small player and we see this strong demand, it's only natural and actually the best time to invest in this business," said Thomas Mazloum, who leads the part of the Experiences division that includes cruises.



The upper-deck pools, waterslides and lounge areas on the 1,119-foot-long Disney Treasure in New York recently.

Cruise travel overall surpassed prepandemic levels last year, attracting 31.7 million passengers, up from 29.7 million in 2019, according to the Cruise Lines International Association, a trade group.

More affluent millennials are choosing cruises over land-based vacations in part because a host of new, larger ships with premium amenities make them feel they get good value for the money, JPMorgan Chase said in a June research note.

Rising international airfares have made cruises that leave from ports in their home country more attractive to overseas families.

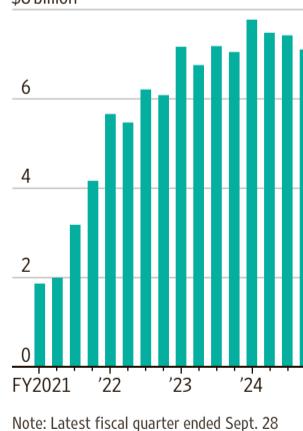
Most cruise lines offer

chaperoned children's activities. On the Disney Treasure, parents can sunbathe with cocktails by the pool while children are entertained until as late as midnight with activities such as playing in a "Star Wars"-themed workshop, completing hero's missions set in the Marvel Comics universe or designing a virtual theme-park ride.

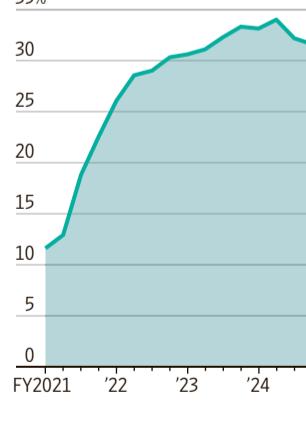
The Disney Treasure offers "Moana" and "Beauty and the Beast" stage shows, a piano bar themed after the movie "The Aristocats," and a Mexican eatery where you can watch mariachi musicians sing songs from "Coco" while you

Please turn to page B2

### Disney's Parks & Experiences unit revenue



### Parks & Experiences revenue as a share of total revenue



## INSIDE



### BEVERAGES

A screw-top box is seeking to compete with canned cocktails. **B10**

### HEARD ON THE STREET

A small AI-chip maker is now more valuable than Intel. **B10**

## Internet Plans' Labels Confuse Users

By PATIENCE HAGGIN

Internet-service providers have been required since earlier this year to list standardized price and speed data on labels that look like the nutrition-facts panels on packaged foods, allowing consumers to compare plans.

But broadband users often don't know to look for them. Or can't find them. Or, when they do manage to track down the labels, they see misleading or unhelpful information about their internet speeds or pricing.

The Federal Communications Commission mandated the labels but hasn't taken steps that could make them more useful to consumers, such as standardizing how companies display the labels, said consumer advocates and industry watchdogs.

"We've always thought of the labels as an iterative process," the FCC said, adding the current labels are "a starting point" and it is mounting a consumer-awareness campaign for them.

Charles Pluckhahn, who lives in rural White Salmon,

Wash., relies on Starlink, the satellite-internet provider owned by SpaceX, for his internet service. He wasn't aware the information labels existed, until contacted by a Wall Street Journal reporter.

The Starlink label, which he found behind a disclosure link at the bottom of the site's checkout page, showed download speeds between 30 and 150 megabits per second. "Well, what does that tell you? That's somewhere between walking and driving 80 miles an hour," Pluckhahn said.

Starlink didn't respond to a

request for comment.

Consumers know they can flip over a box of cookies to find out the number of calories or grams of fat in a serving. The logic of labels for broadband is similar: Let users know what is in their internet packages. The broadband labels list monthly pricing—including whether that is a promotional, introductory rate—along with a breakout of installation and other fees, "typical" upload and download speeds, and how much data is included in the monthly price.

Please turn to page B2

B2 | Monday, December 9, 2024

THE WALL STREET JOURNAL.

## INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

A	I
Airbnb.....A12	Interpublic Group.....B1,B4
Alphabet.....B2,B4	iShares Core Total USD.....B2
Altria Group.....B2	Bond Market ETF.....B6
Amazon.....B10	J
Amazon.com.....B4	Johnson & Johnson.....B1,B2
Apple.....A2	JPMorgan Chase.....A1,B1,B6
AT&T.....B1,B2	K
BeatBox Beverages.....B3	Kal Freight.....B7
BlackRock.....B2	L
Bristol-Myers Squibb.....B2	Lockheed.....A3
Bytedance.....B4	M
Carnival.....B2	Marvell Technology.....B10
Charles Schwab.....B2	Merck.....B1
Coca-Cola.....B2	Meta Platforms.....B2,B4
Comcast.....B2	N
CVS Health.....B10	Nvidia.....A2,B1,B10
H	O
Haverford Trust.....B2	Omnicon Group.....B1
Humana.....B10	P
Pfizer.....B2	Walmart.....B4
PGIM Total Return Bond Fund.....B1,B4	Walt Disney.....B2

## INDEX TO PEOPLE

C	L	P
Cuban, Jeff.....B3	Lee, Jimmy.....A2	Peters, Greg.....B6
Cuban, Mark.....B3	Li, Harrison.....A9	R
D	Li, Kai.....A9	Reynolds, Hal.....A2
Dusen, Lori Van.....A2	M	S
F	Mazloum, Thomas.....B1	Schultz, Brad.....B3
Fenchel, Justin.....B3	Miskin, Matt.....A1	Sharp, Bradley.....B7
H	Moulton, Logan.....A2	Swidan, Mark.....A9
Handke, Danny.....B2	Murphy, Matt.....B10	T
I	Musk, Elon.....A3	Turkel, Nury.....A9
Iger, Bob.....B1	O	W
K	O'Neal, Shaquille.....B3	Wren, John.....B1
Krakowsky, Philippe.....B1		Wright, Chris.....A1

## Dividend Stocks Set For Revival

*Continued from page B1*  
dividend Aristocrats' 14%. Dividend exchange-traded funds from **BlackRock**, **Charles Schwab** and **Vanguard** returned between 13% and 20%.

A dividend comeback could be in the cards, according to Bank of America analyst Ohsung Kwon. His team predicts overall dividends by S&P 500 companies will increase by 10% in 2025. That is because investors want cash.

In a sign of the demand, even big tech companies have started to pay dividends, with **Meta Platforms** and **Alphabet** offering payouts to shareholders this year for the first time. They contributed about 25% of total U.S. underlying dividend growth in the third quarter, according to Janus Henderson.

Last week, shares of **AT&T** rose sharply after the telecommunications company—a former S&P 500 Dividend Aristocrat removed from the index for cutting its dividend—said it planned to return more than \$40 billion to shareholders over the next three years through stock buybacks and dividends. Then, on Wednesday, **Walt Disney** said it would boost its annual dividend by 33% next year.

Predicting how high-dividend stocks will fare under a new administration is never easy. In theory, President-elect Donald Trump's proposed pol-

**One forecast has dividends by S&P 500 stocks increasing 10% in 2025.**

views old-school dividend payers as safer bets compared with the broader market. "The idea that a handful of companies or two handfuls of companies can drive a 500-stock index up indefinitely just defies the law of math, law of averages," Smith said.

This year, Haverford Trust saw high dividend yields from tobacco companies **Altria Group** and **Philip Morris International**, as well as healthcare players **Pfizer**, **Merck** and **Bristol-Myers Squibb**. Smith said he doesn't believe those dividends are at risk, and investors are getting modest increases each year. "You can find yield, but it's clearly much harder than it was 10, 12 years ago," Smith said.

The label is "so hard to find, and even when you get it, it's not providing the information you need to make the right decision," said Sascha Meinrath, a Pennsylvania State University professor of telecommunications who initiated the original push for broadband nutrition labels. He said rooting around for the speed and pricing details can be a "Sisyphean task."

Providers must display the labels prominently at the time of sale when consumers buy home or mobile broadband plans, according to the FCC rules. In practice, consumers shopping online have to enter an address, and sometimes give their contact information, before they can see the labels.

## 'Moana 2' Tops the Chart Again



The Disney film earned \$52 million this weekend.

## Estimated Box-Office Figures, Through Sunday

Film	Distributor	Weekend*	Cumulative	% Change
1. <b>Moana 2</b>	Disney	\$52.0	\$300.0	-63
2. <b>Wicked</b>	Universal	\$34.9	\$320.5	-57
3. <b>Gladiator II</b>	Paramount	\$12.5	\$132.7	-60
4. <b>Red One</b>	Amazon	\$7.0	\$85.8	-45
5. <b>Pushpa: The Rule Part 2</b>	Prathyangira Cinemas	\$4.9	\$9.3	—

\*Friday, Saturday and Sunday in North American theaters

Sales, In Millions

Source: Comscore

## BUSINESS & FINANCE



The Disney Treasure offers a 'Coco'-themed restaurant, above. Below, guests can nibble on Disney-branded desserts.

LANA APUSHK FOR WSJ (2)

## Disney Plows Cash Into Cruises

*Continued from page B1*

sip a margarita. On a typical Disney cruise, costumed characters such as Pluto, Goofy and Donald Duck roam the decks and movie theaters show Disney films that are playing on land in cinemas.

Disney is betting interest in cruises will prompt travelers to pay more for its cruises, which tend to cost more than mass-market lines such as **Royal Caribbean** or **Carnival**. A four-day cruise to the Bahamas for a family of four on the Disney Wish ship, leaving from Florida's Port Canaveral during a popular spring-break week next April, starts at \$7,692. On Royal Caribbean, a much larger line, a comparable trip starts at \$3,368.

"You're paying up to cruise with Mickey," said Matt Hochberg, editor of Royal Caribbean Blog, which focuses on the cruise industry and isn't affiliated with the cruise line.

Disney says some of the cost of cruise tickets comes



from docking fees charged at ports, which are largely passed on to the customer. Entertainment and dining options and even free unlimited soda—a perk harder to come by on competitors' cruises—are part of the value proposition that passengers find attractive, the company said.

"You want it to feel like part of the mythology," said Danny Handke, one of Disney's parks and attractions designers who helped create the "Haunted Mansion"-themed bar aboard the Treasure.

The company discloses certain financial metrics for its cruise business but doesn't share its full financials. In the year ended in September, Disney said a 5% increase in revenue for the Experiences division that includes cruises was driven in part by higher average cruise line ticket prices.

"Passenger cruise days," the number of passengers aboard Disney ships multiplied by the days they spend on voyages, rose 14% in the company's 2023 fiscal year (the most recent time period for which such figures are available) and 32% the previous year.

Mazloum, the head of the division that includes cruises, said with only 5% of the Caribbean market and 2.5% of the global market, Disney is a small player in cruising. But among Disney's menu of entertainment options, it is one of the experiences that rates the highest among guests.

Consumer-satisfaction surveys show 82% of Disney's cruise passengers intend to take another and that sea journeys are the highest-rated experience in Disney's Entertainment division portfolio, Mazloum said.

At Disney's busiest cruise port, Port Canaveral, two of the line's ships launched 157 voyages that were on average 92.4% full in the year ended in September, publicly available port information shows. That metric, the average number of passengers per vessel as a proportion of each vessel's maximum capacity, has returned to pre-pandemic levels for Disney.

Disney is now increasingly focused on the Asian market, where hundreds of millions of potential Disney Experiences customers live without a nearby theme park.

Launching next year, the Disney Adventure, which can hold up to 6,700 passengers and will initially operate in Southeast Asia, is Disney's biggest ship yet. It will sail out of Singapore—the company's first-ever service there—and aims to attract affluent Indian, Indonesian and Malaysian travelers.

## Internet Plan Labels Confuse

*Continued from page B1*

Understanding them is a separate matter. Consumers might not grasp the meaning of "latency"—the term for the time it takes for data to be transmitted when, for example, a user presses a button on a joystick. The data also isn't put in context, and consumer advocates say it isn't necessarily helpful to show download speeds without explaining what they mean.

Lorrie Cranor, a Carnegie Mellon University professor of engineering and public policy, would like to see the FCC come up with standard speed and bandwidth thresholds for the most common things that consumers do with their broadband. Then the providers' speeds could be given ratings like "good for streaming movies" or "good for video-conferencing."

The FCC adopted the rule requiring the labels in 2016, but it wasn't implemented until 2022, under the Biden administration, thanks to industry lobbying and turnover in Washington. The rule took effect this year.

The label is "so hard to find, and even when you get it, it's not providing the information you need to make the right decision," said Sascha Meinrath, a Pennsylvania State University professor of telecommunications who initiated the original push for broadband nutrition labels. He said rooting around for the speed and pricing details can be a "Sisyphean task."

Providers must display the labels prominently at the time of sale when consumers buy home or mobile broadband plans, according to the FCC rules. In practice, consumers shopping online have to enter an address, and sometimes give their contact information, before they can see the labels.

Even after that, they sometimes have to play a bit of "Where's Waldo?" to find them.

Starlink places the labels behind the link "Broadband Facts for Residential Service Plan," at the bottom of the checkout page.

**Spectrum** and **Verizon** list labels for multiple plans during the checkout process, even after a potential customer picks a particular plan; Spectrum's list includes mobile options, too.

The Institute for Local Self-Reliance, a research and advocacy group, randomly audited providers and found that in many cases the labels were difficult to find on the internet-service providers' sites.

The labels must be displayed in retail stores, as well. When a reporter visited stores for **T-Mobile** and **Comcast**'s internet service Xfinity in November, she was shown a QR code that links to multiple nutrition labels for those providers' plans. No explanation was given of which plans were available at her own address.

When she visited an **AT&T** store, she scanned a QR code and got a link to a page where she could enter an address and see labels for plans available at that address. At Verizon and Spectrum stores, the reporter couldn't find the labels, and employees said they didn't know what the labels were.

A Spectrum spokeswoman said if a customer shows interest in a plan and shares their address, retail employees are prompted in sales scripts to send the customer relevant broadband labels.

A Verizon spokeswoman said the company provides labels online and in retail locations, as well as via phone and customer-service contacts.

"The labels would be much more effective if they were easier to find," said Chhaya Kapadia, chief of staff for New America's Open Technology Institute. "And I knew what I was looking for. So imagine if you're a consumer who doesn't know what it's supposed to be there."

Meinrath pushed for the label to require mandatory minimum speeds, like the service-level agreements that the FCC requires internet-service providers to give to business customers. That provision didn't make the final rule.

Providers often report their top speeds, which can be much faster than what consumers actually receive, said Meinrath. The data reported on the labels isn't audited.

Harold Tynes, a consultant in West Bloomfield, Mich., said he hadn't heard about the labels until he was contacted by a reporter. When he tried to find one online for his Xfinity service, the site directed him to call the company because he is an existing customer rather than a new one.

Tynes pays \$60 a month for

data included with his monthly price.

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The FCC said it has been monitoring providers' implementation of the labels.

Brendan Carr, who has been tapped by President-elect Donald Trump to lead the FCC, didn't respond to a request for comment.

Meinrath said providers won't comply unless the FCC enforces the rules.

"Without the cudgel, there will be no compliance," he said.

Xfinity's 300 Mbps plan, Online, he found Xfinity's label on the plan for new subscribers—which dangles a new-subscriber promotional rate of \$45 in the marquee slot, where calorie counts would go on a food label.

Below, Xfinity explains in fine print that it is an introductory rate for 12 months, and the post-introductory rate is \$86 a month.

Comcast declined to comment.

For decades telecom providers have obscured their prices with byzantine fee structures, including extra charges for leasing a router, exceeding usage caps, or just timing out of a new-customer promotional period.

"It's nice to know when you sign up for service if the rate is gonna balloon by \$40 or \$50 a month over the teaser rate you get when you initially sign up," said Sean Gonsalves, an associate director for communications at the Institute for Local Self-Reliance. "It's amazing that this is one of the few areas where you can't get a straight answer, unless you get these kinds of labels."

The labels aren't standard across providers, though the FCC does post a recommended sample layout. They are supposed to be published in a machine-readable form, which would make it easier to build comparison tools, but many aren't.

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## BUSINESS NEWS

# A Screw Top Vies With Canned Cocktails

Some worry BeatBox's alcoholic punch appeals to underage drinkers

By LAURA COOPER

One of the fastest-growing alcohol drinks isn't usually served in bars or sold in bottles or cans. BeatBox is a fruity punch that comes in brightly colored cartons that have helped it stand out in an increasingly crowded marketplace.

The premixed beverages, sold in flavors such as Blue Razzberry and Orange Blast, have made their way into music festivals and college campuses across the country. Their popularity has created a windfall for the small company behind them, and raised concerns among public-health groups that the party punches could land in the hands of underage drinkers.

"The packaging is unique, but it looks like a juice box," said David Jernigan, a professor at Boston University's School of Public Health. "There is no other adult beverage product that I know of that is packaged like that, but plenty of kids' packages that look like this."

**BeatBox Beverages** says its packaging is colorful but marketed to adults. The company is on track to notch \$175 million in revenue through the end of this year, Chief Executive Justin Fenchel said. While that's a fraction of the roughly \$5.2 billion ready-to-drink cocktail market in the U.S., its sales are on track for 75% growth this year.

The Austin, Texas, company—boosted by an early investment from "Shark Tank" host Mark Cuban—is a relative outlier in an industry that has struggled in recent years. Beer and spirits makers have found that health concerns, and factors such as the use of Ozempic, have dented sales. Even

some low-calorie, fruity alternatives to beer such as hard seltzers like Truly are losing steam.

"We said why hasn't anyone made these fun flavors of

Twisted Tea, Mike's Hard Lemonade, Four Loko, and done it in this box packaging?" said Fenchel, who co-founded the business in 2011 while in business school in Texas. "We had no experience in alcohol. I was like, 'I want to put neon liquid vodka in boxes and see where we go.'"

BeatBox doesn't contain vodka. It is made with a wine

or malt liquor base and has between 8% and 11.1% alcohol by volume. By comparison, Bud Light is 4.2% while a Peach Four Loko is 12%. BeatBox's signature container, which holds about three servings, evokes comparisons with Vita Coco coconut water packaging. It sells for around \$4 to \$5 per box.

Kyle Hidalgo, 25 years old, said he first encountered BeatBox at a music festival in Chicago a year and a half ago.

He was attracted by its lower cost and the fact that the carton has a cap, making it easier

for him to dance without spilling his drink.

"When you're dancing around, having a cap is great," said Hidalgo, adding that his favorite flavor is Fruit Punch.

Before BeatBox, Hidalgo said,

he would buy hard seltzers such as Nütral, Truly or High Noon at music festivals.

"It's a good value and it does have a good amount of alcohol," he said.

The drink has been around for more than a decade, but sales took off in recent years

after BeatBox moved from mostly wine distributors to

the beer distribution network, which includes convenience stores and bodegas. That

change helped bring the beverage to more than 300 distributors across the country.

Industry participants have

noted that many canned cocktails and other drinks have

had strong starts before fading.

BeatBox hopes to buck the trend by leaning into its niche,

for instance by working with

music festivals to cement its

image as a party punch.

The eye-catching BeatBox

packaging—in bright blues,

pinks and yellows and dotted

with colorful cartoon imagery—is of concern to consumer groups and public-health researchers. They say the packaging could cause confusion and result in children's inadvertently drinking the punch.

"Even if it says liquor, this is very much made to appeal to a younger generation with the color and the design," said Tiffany Hall, the board chair of the U.S. Alcohol Policy Alliance, a nonprofit that has pushed for health warnings on alcohol containers. "We have seen this for a long time from the alcohol industry."

BeatBox executives say they made sure to brand the drink as an alcoholic product, with its alcohol contents at the top of the box. They said that the company adopted containers used by some wine producers, and that it adheres to state and federal guidelines.

"We go out of our way to make this an adult product," said Brad Schultz, a co-founder and the chief marketing officer. "It is colorful for sure, but we make intentional decisions not to cross the line."

BeatBox got a boost after some of its founders appeared on "Shark Tank" in 2014 and Cuban ultimately invested \$1 million in the startup. The billionaire promotes the drink on podcasts and provides guidance to the founders but has transferred his shares of BeatBox to his brother Jeff Cuban, who serves on the board.

The company recently formed a financial partnership with basketball star Shaquille O'Neal, and plans to roll out a line of lemonade-flavored drinks next year. Fenchel ultimately sees BeatBox making products beyond its signature beverages.

"We always said we wanted to build a business that could sustain on its own," Fenchel said. "Is the world ready for a next-generation Mark Anthony or Boston Beer?"

—Connor Hart contributed to this article.



BeatBox's packages—in bright colors and dotted with cartoon imagery—look like juice boxes to some public-health advocates.

MICHAEL BUCKNER/PENSKY MEDIA GROUP



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## BUSINESS NEWS

# Ad Revenue Forecast to Top \$1 Trillion in 2024



GroupM, a WPP unit, previously forecast global ad spending would hit \$1 trillion in 2025.

BY MEGAN GRAHAM

Global advertising spending will surpass \$1 trillion in 2024, one year earlier than previously expected, according to a forecast from media investment group GroupM.

GroupM, a unit of advertising giant **WPP**, had forecast in June that global ad spending would hit \$1 trillion in 2025. That, too, marked an acceleration from an earlier prediction that it would reach \$1 trillion in 2026.

The new forecast projects that global ad revenue will increase 9.5% over the course of 2024, up from its previous estimate of 7.8%, as major ad sellers including **Alphabet's** Google, **Meta Platforms**, **Bytedance** and **Amazon.com** have seen significant gains. That

would mean advertising grew at a faster clip than in 2023, when it increased 8.4%.

In another new forecast, media investment firm Magna said ad revenue will reach \$933 billion in 2024, up 10.3% over 2023.

Some of the growth reflects packaged-goods companies' reallocation of budgets from trade marketing agreements that aren't considered "advertising," supporting tactics such as in-store displays, to digital ads on so-called retail media networks, according to Magna, part of **Interpublic Group's** IPG Mediabrands.

U.S. ad revenue, excluding political advertising, will grow 9% in 2024 to \$379 billion, GroupM said, and 7% in 2025.

Many American consumers are continuing to spend, especially through e-commerce platforms such as those operated by retailers Amazon and **Walmart**, despite the higher cost of borrowing in the U.S. and cautious guidance from some retailers, GroupM said.

The tariffs on imports that President-elect Donald Trump proposed could affect the advertising business in the coming years, though it's unclear in which direction, according to the forecast, which was written by Kate Scott-Dawkins, GroupM's global president of business intelligence.

If companies in the U.S. were to face less competition from international peers, they might decide to devote smaller shares of revenue to advertising, the report said.

On the other hand, they could increase advertising to grow market share among a smaller set of domestic competitors.

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### CLASS ACTION

#### UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA WESTERN DIVISION

CHARLES LARRY CREWS, JR., Individually and on Behalf of All Others Similarly Situated,

Plaintiffs,

RIVIAN AUTOMOTIVE, INC., et al.,

Defendants.

Case No. 2:22-cv-01524-JLS-E

#### CLASS ACTION

#### SUMMARY NOTICE OF PENDENCY OF CLASS ACTION

**TO: ALL PERSONS AND ENTITIES WHO PURCHASED OR OTHERWISE ACQUIRED RIVIAN AUTOMOTIVE, INC. CLASS A COMMON STOCK BETWEEN NOVEMBER 10, 2021, AND MARCH 10, 2022, INCLUSIVE, AND WERE DAMAGED THEREBY.**

YOU ARE HEREBY NOTIFIED, pursuant to Federal Rule of Civil Procedure ("Rule") 23 and by Order of the United States District Court for the Central District of California, that the above-captioned action ("Action") against Rivian Automotive, Inc. ("Rivian"), certain of Rivian's executive officers and directors, and the underwriters that facilitated the offer and sale of Rivian Class A common stock through the company's Initial Public Offering ("IPO") on November 10, 2021 (collectively, "Defendants"), has been certified as a class action on behalf of the following Classes (also referred to herein as "Class"):

- For 1934 Act Claims:** All persons and entities who purchased or otherwise acquired Rivian Class A common stock between November 11, 2021, and March 10, 2022, inclusive, and were damaged thereby. The Class excludes those who purchased Rivian Class A common stock at the fixed IPO price.
- For 1933 Act Claims:** All persons and entities who purchased or otherwise acquired Rivian Class A common stock between November 10, 2021, and March 10, 2022, inclusive, and were damaged thereby.<sup>1</sup>

The Court has appointed Sjunde AP-Fonden and James Stephen Muhl as Class Representatives and Kessler Topaz Meltzer & Check, LLP as Class Counsel. The Action has not been adjudicated or settled. This notice is not an admission by Defendants or an expression of any opinion by the Court as to the merits of the Action, or a finding by the Court that the claims asserted by Class Representatives in the Action are valid. This notice is not a settlement notice and is intended only to inform members of the Class that the Action is currently in progress.

IF YOU ARE A MEMBER OF THE CLASS, YOUR RIGHTS WILL BE AFFECTED BY THE LAWSUIT. This notice provides only a summary of the information contained in the detailed, long-form Notice of Pendency of Class Action ("Notice"). You may obtain a copy of the Notice from the website for the Action, [www.RivianSecuritiesLitigation.com](http://www.RivianSecuritiesLitigation.com), or by contacting the Administrator:

**Crews v. Rivian Automotive Securities Litigation**  
c/o Verita Global, LLC  
P.O. Box 301170  
Los Angeles, CA 90030-1170

If you are a Class member, you should receive a Postcard Notice regarding the Action by mail. If you are a Class member and you do not receive a Postcard Notice by mail, please send your name and address to the Administrator so that you will receive any future notices disseminated in connection with the Action.

Inquiries, other than requests for the Notice, and comments may be made to Class Counsel:

**KESSLER TOPAZ MELTZER & CHECK, LLP**  
Sharon Nirmul, Esq.  
280 King of Prussia Road  
Radnor, PA 19087  
Telephone: (610) 667-7706

- or -

Jennifer L. Joost, Esq.  
One Sansome Street, Suite 1850  
San Francisco, CA 94104  
Telephone: (415) 400-3000

info@ktmc.com  
www.ktmc.com

If you are a Class member, you have the right to decide whether to remain a member of the Class. **If you choose to remain a member of the Class, you do not need to do anything at this time other than retain your documentation reflecting your transactions and holdings in Rivian Class A common stock.** You will automatically be included in the Class, and you will be bound by the proceedings in the Action, including all past, present, and future orders and judgments of the Court, whether favorable or unfavorable to you. If you are a Class member and **do not** wish to remain a member of the Class, you **must** take steps to exclude yourself.

If you timely and validly request to be excluded from the Class, you will not be bound by any orders or judgments in the Action, and you will not be eligible to receive a share of any money which might be recovered in the future for the benefit of the Class. To exclude yourself from the Class, you must submit a written request for exclusion by mail or email by **no later than March 4, 2025**, in accordance with the instructions set forth in the Notice. Your request for exclusion must be signed. If you request exclusion via email, an e-signature is acceptable. Pursuant to Rule 23(e)(4), the Court has discretion as to whether a second opportunity to request exclusion from the Class will be allowed if there is a settlement in the Action.

Further information may be obtained by contacting the Administrator or by visiting the website [www.RivianSecuritiesLitigation.com](http://www.RivianSecuritiesLitigation.com).

Please Do Not Call or Write the Court with Questions.

DATED: December 9, 2024

BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

Both Classes exclude Defendants and their families, the officers, directors, and affiliates of Defendants, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

### PUBLIC NOTICES

**SPP Credit Advisors LLC ("SPP"), as agent for certain lenders, will conduct a virtual UCC public auction, on December 23, 2024 at 3:00 ET (or as continued at that time) of approximately 25,423,729 of the shares of common stock of Atlantic International Corp. (OTC: ATLN), a staffing company, currently owned by IDC Technologies, Inc., borrower. Investors wishing to register in order to bid must contact Todd Kumble at SPP at 646-436-1808. To purchase the securities, investors must be "accredited investors" within the meaning of Rule 501(a) of Regulation D under the Securities Act of 1933, as amended.**

### THE WALL STREET JOURNAL

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## Omnicom, Interpublic Near Tie-Up

Continued from page B1  
certain positions in the combined company. Omnicom and Publicis couldn't even agree on which company would be the acquirer, The Wall Street Journal reported.

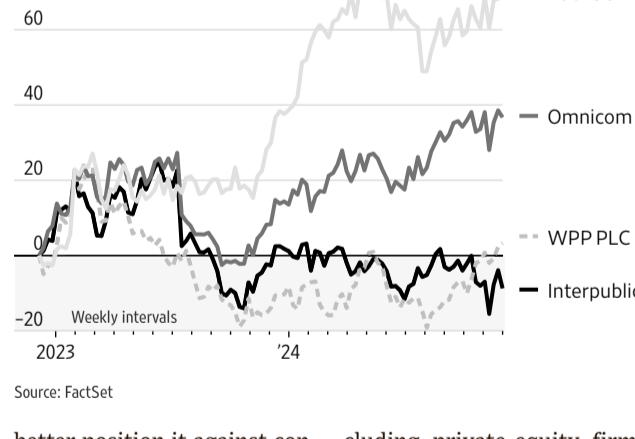
A merger could help Omnicom and Interpublic become better equipped to deal with an industry increasingly driven by technology, data and artificial intelligence. Ad companies are working to stave off competition from tech companies such as **Alphabet's** Google and **Meta Platforms** that are using AI to drive deeper into the business.

Generative AI threatens to disrupt how agencies get paid and could potentially diminish demand for copywriters, graphic designers and the ad buyers, who decide where to place ads to target the right audiences.

Research firm Forrester said last year that automation could eliminate some 33,000 jobs, or almost 8% of the workforce, at ad agencies by 2030, with various forms of AI being responsible for a significant portion of these losses.

Interpublic and WPP are struggling to keep pace with rival Publicis, which adapted faster to the technological shifts that reshaped how brands connect with consumers. The Paris-based firm has spent billions on buying data and e-commerce companies. It has also targeted companies that specialize in digital transformation advisory work to

### Stock performance of advertising firms



Source: FactSet

better position it against consulting firms with a growing presence in the advertising and marketing business.

The approach has led to a hot streak of winning new business from companies including Pfizer, Hershey, Lego and media and entertainment giant Sky. It has also helped make Publicis the most valuable company in the sector, with a nearly \$28 billion market cap.

Omnicom has mainly stuck to smaller deals and building up some tech offerings organically. Earlier this year, though, it signaled a change in its approach and shelled out \$835 million for e-commerce company Flywheel, its largest deal to date.

Interpublic has trailed its rivals, losing business from big clients such as Pfizer, Verizon, Spotify, and BMW. It most recently lost the bulk of its most lucrative account, Amazon ad buying assignment, which was split between Omnicom and WPP.

Krakowsky has been actively shopping Interpublic and parts of the conglomerate for more than a year and talking to a range of parties, in-

cluding private-equity firms Apollo and KKR, according to people familiar with the talks. The company has also enlisted McKinsey to help with a restructuring and cost-cutting initiative, according to people familiar with the matter.

Interpublic has sold off some creative and underperforming agencies, so it can invest more in technology and build a larger practice in so-called principal buying, a high-margin business in which agencies buy ad inventory and take ownership of the ad space, then resell it to brands. Traditionally, the companies would buy ad time and space on behalf of a brand, acting as an agent for the advertiser. Both Publicis and Omnicom have thriving practices in this area.

A deal between Interpublic and Omnicom would likely face government scrutiny, as the combined company would be a dominating force in the ad-buying space. Global ad spending is expected to top \$1.03 trillion, excluding political advertising, according to GroupM, the ad buying arm of WPP.

—Jessica Toonkel contributed to this article.

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# JOURNAL REPORT

THE WALL STREET JOURNAL.

INVESTING MONTHLY

Monday, December 9, 2024 | B5

BY LORI IOANNOU

**B**OOMERANG children are threatening their parents' retirement.

The phenomenon—where an adult child who has graduated high school or college and lived independently returns to live at home—has been on the rise. According to Thrivent's 2024 Boomerang Kids survey, 46% of parents have had their adult children ages 18 to 35 back home to live with them at some point, up from 35% last year. Inflation, the high cost of housing and student debt are among factors fueling this phenomenon.

"As a result, many parents are deprioritizing their own financial needs and more than a third are finding it harder to save for long-term goals like retirement," says Nick Cecere, an executive vice president at Thrivent who oversees the financial-services group's U.S. financial advisers.

The financial burden for parents is concerning. According to Thrivent's analysis, 38% of parents are struggling to pay off debt, and 37% are finding it harder to save for long-term goals like retirement or housing. That is a jump from 23% and 16% last year, respectively.

Financial advisers say that parents should take care of their financial needs and retirement security before helping their boomerang children. But that isn't always easy. Here are three steps parents can take to help their children get back on track and shore up their nest eggs.

#### Set clear boundaries

More than three-fourths of parents don't set financial expectations with their adult boomerang children, according to research by Thrivent, which surveys the Boomerang effect on American households annually.

"This is one of the biggest mistakes parents make," says Cecere. "The first step is to have a timeline and set clear guidelines on how much financial support parents can give and for how long."

It should be clear from the outset that they are a financial contributor to the household. This can include paying rent, groceries, utility bills and their own personal expenses such as car insurance and cellphone bills.

"Do a cost analysis to quantify what food, rent, laundry and other expenses will cost monthly once the adult child moves back home. Then sit down with your child and decide how living expenses will be shared," says Karen Altfest, executive vice president and principal adviser at Altfest Personal Wealth Management.

Having a written document—an informal contract—that lists



## Help Your Boomerang Child, But Don't Forget Retirement

Set boundaries for your kids, and consider making catch-up contributions in your 401(k)s and IRAs

shared financial responsibilities and sets a timeline for the living arrangement is an important first step, she says.

"As a rule of thumb, if your boomerang adult child is still living with you past the one-year mark, that's a red flag that you may be endangering your own retirement," says Altfest.

#### Encourage responsibility

Help educate your adult child on ways to achieve financial independence. Start by having them get a handle on their income and expenses, including debt payments.

"Have your boomerang adult child establish a budget so he or she can meet monthly living expenses," says Kristi Rodriguez, senior vice president of thought leadership at Nationwide Retirement Institute for Nationwide Financial.

Not all adult children are ad-

ept at money management, she says, and this will help keep them on track. It will also help them keep tabs on discretionary spending for entertainment, clothes, hobbies and more that they can cut back on, she adds.

"In addition, have them come up with a savings plan, even if it is just a few dollars a month," Rodriguez says.

A savings and payment plan is especially important if a child is burdened with a large amount of student and credit-card debt. If parents decide to pay off some or all of their student debt to put their child on a better financial footing, they should have him or her sign a promissory note, financial planners advise.

The legal document spells out how you will be repaid for the loan. It can be in installments that can range from several months to years or as a lump sum, says Rocky Fittizzi, managing director and wealth strategist

at Bank of America Private Bank. "It's a good way to ensure you get the money back and protect retirement savings," he says.

But lending to family members can be tricky when it comes to Internal Revenue Service rules, so it's best to consult with a tax professional to avoid any mistakes.

#### Prioritize your retirement

While helping your adult child get back on his or her feet financially is commendable, parents need to keep abreast of how their assistance is affecting their retirement goals, financial professionals say.

"Start by reviewing what your overall expenses are once the child has moved out," says Lauren Lindsay, a certified financial planner at Beacon Financial Planning. "You want to determine your monthly income surplus. The extra cash can be used to

pay down debt, add to your emergency fund, and build up retirement savings again."

If you are still working, one way to fast-track savings is to maximize your 401(k) contributions and get your full employer match annually. You can also make catch-up contributions to your traditional and Roth 401(k)s and other qualified retirement accounts when you are 50 or older thanks to the IRS's catch-up contribution rules, which also indexes these contributions to inflation. Starting next year, workers age 60 to 63 can make super catch-up contributions of up to \$1,250 annually to their 401(k)s.

Catch-up contributions can also be made to IRAs and other qualified retirement accounts for those age 50 or older. Visit IRS.gov for details.

Lori Ioannou is a writer in New York. She can be reached at reports@wsj.com.

KIERSTEN ESENPREIS

BY DEREK HORSTMEYER

**T**HE COVID-19 pandemic wreaked havoc on more than just public health—it also disrupted the trading behavior of individual investors.

Between 2020 and 2024, such investors have exhibited more detrimental trading behavior than before Covid, taking riskier bets and trading more inefficiently by trying to time market tops and bottoms. The upshot: Billions of dollars in lost portfolio value annually.

Over a variety of actively traded mutual-fund styles from 2015 to 2019, my research assistants (Ali Alhassan and Brian Gaydos) and I estimate poor market timing cost investors 0.53 percentage point a year in value to their portfolios.

By comparison, from 2020 through Oct. 31, 2024, the average value destruction to one's portfolio from poor market timing nearly doubled, to just over 1.01 percentage points a year in actively managed holdings.

#### Our research methods

To study this phenomenon, we pulled all return data for U.S. dollar-denominated mutual funds over the past 10 years. We then separated them by actively managed and index-tracking passive funds.

Next, we took the average return gap of each fund category

for the five years before Covid and the five years since. The return gap of a fund is the difference between the stated annual return and the actual dollar-weighted return in the fund (an internal rate of return that factors in fund inflows and outflows—that is, net buying or selling). This gap captures the difference between the average return for a fund and what the average investor *actually experiences* in returns within that fund.

Why might these two numbers not match up exactly? A mutual fund's stated return will reflect the average return of its holdings over a period. But because investors on average pull their money at the wrong time (panic-selling when the market has already hit a bottom and investing more when at the top), they often don't experience this stated return in full. In other words, this return gap captures how inefficiently investors are trading in their mutual-fund holdings.

#### Our findings

Across the board for active mutual funds, the return gap increased over the 2020-24 period. For instance, from 2015 to 2019, the average return gap for investors in active U.S. large-cap stock funds was 0.37 percentage point a year. From 2020 to 2024, this return gap jumped to 0.83 percentage point a year. This means that since Covid struck, investors in U.S. large-cap funds have been leaving an extra 0.46 percentage

Please turn to page B6

## More Investors Have Been Trying To Time the Market. Blame Covid.

Research finds investors in all categories of active funds have been trying to buy low and sell high—and they aren't very good at it



THOMAS FUCHS

## JOURNAL REPORT | INVESTING MONTHLY



# Most Bond Funds and ETFs Remain Actively Managed. Here's Why.

The main fixed-income index is an easy benchmark for managers to beat and allows them to charge more for doing so. Solution: Build your own fund mix.

BY RANDALL SMITH

**T**HE INDEX-FUND revolution has been slow to take over bond funds. Investors are paying the price for that.

Passive funds, which aim to match an underlying index rather than beat it, now make up 62% of all U.S. stock funds, according to Morningstar, driven in large part because the indexers tend to outperform active stock pickers and their fees are minimal.

But active managers still hold 57% of assets in taxable U.S. bond funds. Some experts say that is partly because the most commonly used bond index—the Bloomberg U.S. Aggregate, or Agg—is easier to beat than stock indexes because it holds only investment-grade debt and omits several higher-performing but riskier categories.

"There's an understanding in the investment community that if I own the Bloomberg Agg, it's like a proxy for the fixed-income markets," says Brian McMullen, a fixed-income ETF strategist at Invesco, which offers a variety of non-Agg funds. "The reality is, it's just not true. It only covers about half of the U.S. fixed-income market."

This leaves fixed-income fund investors with a dilemma: Hold an Agg-tracking index fund and miss out on large chunks of the

market, or pay extra to hold an Agg-based active fund whose manager can add riskier bonds for index-beating performance. Or try to reflect the broader market by adding funds focused on those riskier corners of the market to the mix.

## 'Antiquated' Agg

A report in December 2023 by JPMorgan Chase's J.P. Morgan Asset Management called the Agg "antiquated" for omitting big parts of the market, noting that it includes only 52% of the public bond market while the S&P 500 includes 81% of public stocks by market value.

Yet nine out of the 10 largest active taxable bond funds—including one of J.P. Morgan's—use the Agg as their benchmark. And over the past five years, 59.4% of active core bond funds beat their passively managed index counterparts, compared with just 38.8% for active stock funds, Morningstar says. Core bond funds, as defined by Morningstar, are the most conservative active funds with assets that are 95% investment grade.

The Agg is easy to beat because it's "not reflective of the investment universe" in bonds, says Greg Peters, co-manager of PGIM Total Return Bond Fund (PDBAX). "That's why active management is so important in fixed income."

And that helps active taxable bond funds earn annual fees and

expenses of 0.81% on average, four times the rate for passive funds.

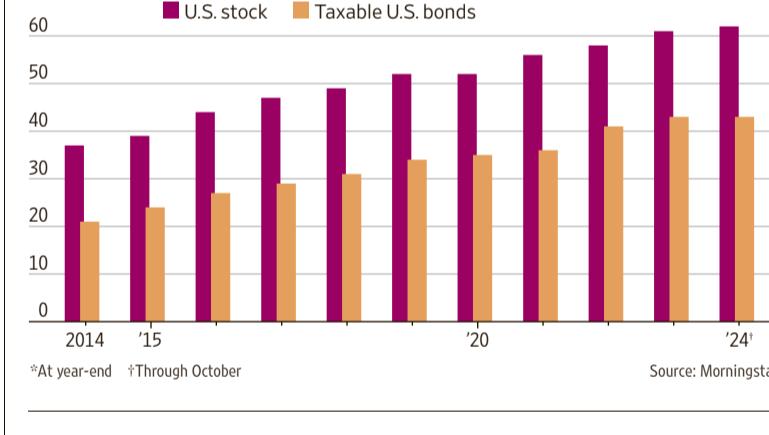
Tom Murphy, a bond-fund analyst at Morningstar, says the largest active bond funds tend to boost their returns by overweighting investment-grade corporate bonds and underweighting lower-yielding Treasuries, and by including high-yield, bank loans and emerging-market debt, among other strategies.

Pimco's flagship Pimco Income fund (PIMIX), the largest

high-yield and emerging-markets debt—categories largely absent from the Agg that often show higher returns than the Agg.

Over the past decade through September, the Agg returned just 1.8% annually as bond returns were buffeted by a steady decline in interest rates and then by a spike when the central bank rapidly raised rates to fight inflation starting in March 2022. Bond prices move in the opposite direction of interest rates.

## Percentage of passively managed assets in select mutual funds and ETFs\*



active bond fund with \$166.9 billion in assets, held 19.3% in high-yield and emerging markets in September. The fund beat its benchmark, the Agg, by 2.5 percentage points annually over the past decade. It charges annual expenses of 0.5%.

Peters's PGIM Total Return Bond Fund, the seventh-largest active taxable bond fund, held 23% of its assets at midyear in bank loans and collateralized loan obligations and 10.1% in

Looking only at the past two years through September, however, the Agg's annual return has been 6% annually as the bond market found a new equilibrium.

But most non-Agg fund sectors have done far better in the same period, with returns of 11.6% for U.S. high-yield, 13.8% for emerging markets, 10.4% for bank loans,

and 10.1% for floating-rate, Morningstar says.

Only Treasury inflation-protected securities at 5.1% trailed slightly as inflation cooled

down.

Nick Gendron, who oversees the Agg at Bloomberg Index Services, says the index has been aimed at tracking the U.S. dollar-denominated investment-grade bond market since its launch in 1986 and isn't designed to include other fixed-income markets outside investment grade.

## Going beyond the Agg

So what can an everyday investor do about the Agg's missing elements?

There is a slightly broader index, the Bloomberg U.S. Universal index, that tracks the Agg with 85% of its assets and tracks riskier debt such as high yield with the remaining 15%. Over the past 10 years, its returns topped the Agg by 0.3 percentage point annually; in the 12 months ended in September, the Universal delivered an extra 0.5 percentage point.

However, only one fund tracks the Universal, according to Morningstar. BlackRock has an exchange-traded fund based on this index, iShares Core Total USD Bond Market ETF (IUSB), with \$32 billion in assets.

Do-it-yourself investors can go even further and cobble together multiple funds representing these riskier categories. The largest money managers have a variety of active and passive funds that invest in high-yield and emerging-markets debt, TIPS, bank loans and floating-rate debt.

Michael Anderson, who leads the credit-strategy team at Citigroup, notes that interest rates on high-yield and emerging-market bonds are running at 7.1% and 6.5%, respectively, well above the 4.6% yield of the Agg. So a bond bucket of 75% Agg and 25% emerging-market and high-yield funds can potentially earn more than a half a percentage point extra yield, he says.

The creation and adoption of such building blocks for individual investors to supplement the Agg has picked up rapidly in recent years, Invesco's McMullen says.

Both high-yield and emerging-markets debt funds have beaten the Agg in the long and short run, according to Morningstar. They topped the Agg's return by 2.5 percentage points and 1 percentage point, respectively, over the 10 years ended in October.

Funds with inflation-protected bonds and bank loans have beaten the Agg over the past three-, five- and 10-year periods, but both trailed in the past 12 months. The bank-loan funds are largely floating rate, so they may not keep up if interest rates fall.

However, there is also a red flag that DIY investors should be aware of.

Elisabeth Kashner, director of global fund analytics at FactSet, warns that "reaching for extra returns in a bond portfolio this way requires taking more risk"—something bond investors may not want. Categories below investment grade carry greater risk of default, she adds, and defaults, while at a relatively low rate in the current credit cycle, could pick up should conditions change.

For investors who want to add less risk, even simple investment-grade corporate debt can outperform the Agg as well. The two largest corporate-bond index funds both beat the Agg over the one-, five- and 10-year periods ended in September.

Randall Smith, a former financial reporter for The Wall Street Journal, is a writer in New York. He can be reached at reports@wsj.com.

ALEX NABAU

## Investors Have Been Taking Greater Risks Since Covid

*Continued from page B5* point of return on the table thanks to poorly timed trading. That return gap might seem small, but it is enough to negate some or all of a fund's fees.

The area where investors are doing the most damage to their portfolios is in actively traded U.S. small-cap funds. Before Covid, the average return gap in this segment was 0.62 percentage point a year. Since Covid, this return gap jumped to 1.38 percentage points a year. This means that investors in small-cap funds have missed out on an additional 0.76 percentage point of return in their portfolio.

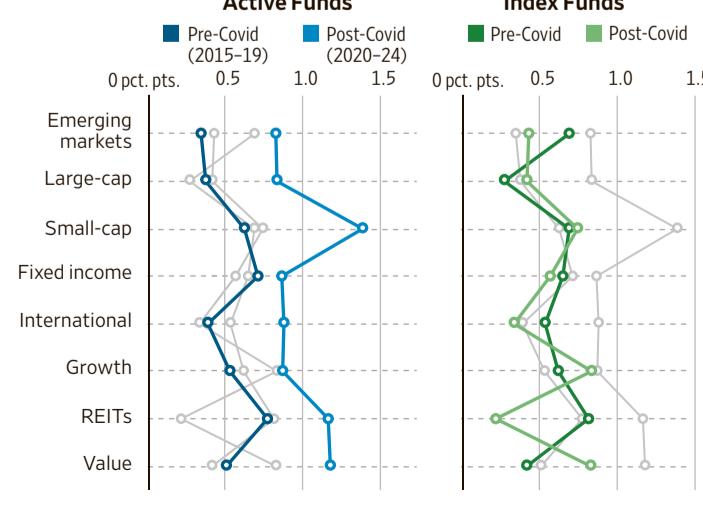
These results persist throughout the active mutual-fund

arena, but become a little less pronounced when we look at index-fund holdings. For investors trading index funds, we see the

return gap gets worse during the Covid period in only 4 out of the 8 fund classes we studied—large-cap, small-cap, value

## Poor Timing

Average return gap between reported and actual returns in various mutual-fund categories. Results are separated by index funds and active funds



and growth. And the increased return gap for these fund groupings was only marginally higher on average and nowhere near as significant as the results documented for active funds.

Covid's role in the increased market timing isn't entirely clear, but it seems that homebound do-it-yourself investors got a little trigger-happy during some of the market's wilder moments. And such suboptimal trading has persisted as the public health threat has faded thanks in part to resources that encourage active trading and internet forums that hype stocks like Reddit's WallStreetBets forum.

Ultimately, the lost returns since Covid speak to something that has long been known: Most investors are better off not trying to time the market.

Derek Horstmeyer is a professor of finance at Costello College of Business, George Mason University, in Fairfax, Va. He can be reached at reports@wsj.com.

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How to give gifts for the holidays and keep a budget.



### • Monthly Monitor

Stocks leapt in November, up 23.5% on year. Plus, stats.

YAN YU LEE

## BUSINESS &amp; FINANCE

# Trucker Kal Freight Files for Bankruptcy

By BECKY YERAK

Trucking company **Kal Freight** filed for bankruptcy protection, saying its financial condition has been hurt by unprofitable efforts to become a vertically integrated business and a now-questionable investment in additional vehicles during the height of the Covid-19 pandemic.

The closely held company also faces litigation, including foreclosure actions, according to a filing Thursday in the U.S. Bankruptcy Court in Houston.

The company, a truck-load operator that also offers logistics services and dedicated fleet operations for customers, owes at least \$325 million to creditors that include Daimler, TBK Bank and Bank of America, records show.

Kal said it plans to continue to pay its employees in full and maintain full operations using bankruptcy financing while it restructures.

The company's chapter 11 filing Thursday marks one of the biggest bankruptcies so far this year in a trucking sector marked by low freight rates amid tepid demand and what companies say is excess capacity. Texas-based US Logistics Solutions shut down in June, eliminating about 2,000 jobs and 500 trucks from the market, and Arnold Transport-

## The company faces litigation, including foreclosure actions.

sawn declaration. Fights with new business partners ensued.

Also, during the pandemic, the company "invested heavily" in trucks and trailers to meet surging shipping demand. As the pandemic receded and freight demand fell off, it was unable to pay its bills, according to the declaration.

"As demand for trucking services waned, however, once stay-at-home orders dissipated, diesel prices soared, interest rates rose, and there was a sudden glut of trucks and drivers throughout the United States," Sharp said.

## THE TICKER

### MARKET EVENTS COMING THIS WEEK



Vail Resorts is expected to post a loss of \$4.99 a share.

#### Monday

##### Wholesale inventories

Sep., previous

down 0.2%

Oct., expected up 0.2%

##### Earnings expected

Estimate/Year Ago

Casey's General Stores

4.29/4.24

HealthEquity 0.72/0.60

MongoDB 0.67/0.96

Oracle 1.48/1.34

Toll Brothers 4.34/4.11

Vail Resorts

(4.99)/(4.60)

#### Tuesday

##### Short-selling reports

Ratio, days of trading volume of current position, at Nov 15

NYSE 3.6

Nasdaq 1.8

##### Unit labor costs

2nd qtr, prev. up 1.9%

3rd qtr. prel. exp.

up 1.2%

##### Earnings expected

Estimate/Year Ago

Academy Sports and Outdoors 1.28/1.38

AutoZone 33.56/32.55

GameStop (0.03)/0.00

Ollie's Bargain Outlet Holdings 0.57/0.51

#### Wednesday

##### Consumer price index

All items, Oct. up 2.6%

Nov., expected up 2.7%

Core, Oct. up 3.3%

Nov., expected up 3.2%

##### EIA status report

Previous change in stocks in millions of barrels

Crude-oil stocks,

down 5.1

Gasoline stocks, up 2.4

Distillates up 3.4

##### Mort. bankers indexes

Purch., previous

up 6.0%

Refinans, prev.

down 1.0%

#### Thursday

##### Initial jobless claims

Previous 224,000

Expected 224,000

##### Freddie Mac mortgage survey

Previous weekly averages

30-year fixed 6.69%

15-year fixed 5.96%

##### Producer price index

All items, Oct. up 0.2%

Nov., expected up 0.2%

Core, Oct. up 0.3%

Nov., expected up 0.2%

##### EIA report: natural-gas survey

Previous change in stocks in billions of cubic feet

down 30

##### Earnings expected

Estimate/Year Ago

Broadcom 139/1.11

Ciena 0.65/0.75

Costco Wholesale 3.79/3.58

#### Friday

##### Import price index

Oct., previous up 0.3%

Nov., expected down 0.2%

\* FactSet Estimates earnings-per-share estimates don't include extraordinary items (losses in parentheses) ♦ Adjusted for stock split

Note: Forecasts are from Dow Jones weekly survey of economists

## Listen to a Podcast: The \$6 Million Banana's Appeal



Last month, Maurizio Cattelan's "Comedian," a piece of conceptual art that consists of a banana duct-taped to a wall, sold at a Sotheby's auction for \$6.2 million. Scan this code for a podcast on the banana's origins.

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares (as defined below). The Offer (as defined below) is made solely pursuant to the Offer to Purchase dated December 9, 2024 and the related Letter of Transmittal and any amendments or supplements thereto. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction.

In those jurisdictions where the applicable laws require that the Offer be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Offeror (as defined below) by one or more registered brokers or dealers licensed under the laws of such jurisdiction to be designated by Offeror.

## Notice of Offer to Purchase

### All Outstanding Shares of Common Stock of

## Poseida Therapeutics, Inc.

at

\$9.00 per share in cash,

plus one non-transferable contingent value right per share representing the right to receive certain contingent payments of up to an aggregate amount of \$4.00 per share in cash on the achievement of specified milestones

on or prior to the applicable milestone outside dates  
pursuant to the Offer to Purchase dated December 9, 2024

by

**Blue Giant Acquisition Corp.**

a wholly owned subsidiary of

**Roche Holdings, Inc.**

Blue Giant Acquisition Corp., a Delaware corporation ("Offeror") and a wholly owned subsidiary of Roche Holdings, Inc., a Delaware corporation ("Parent"), is offering to purchase all issued and outstanding shares of common stock, par value \$0.0001 per share (the "Shares"), of Poseida Therapeutics, Inc., a Delaware corporation ("Poseida"), for \$9.00 per Share, in cash, without interest (the "Cash Amount") less any applicable withholding taxes, plus (ii) one non-transferable contingent value right (each, a "CVR") per Share, representing the right to receive certain contingent payments of up to an aggregate amount of \$4.00 per Share, in cash, without interest less any applicable withholding taxes, upon the achievement of certain specified milestones on or prior to the applicable milestone outside dates in accordance with the terms and conditions set forth in the Contingent Value Rights Agreement (the "CVR Agreement") to be entered into with a rights agent (the "Rights Agent") mutually agreeable to Parent and Poseida (the Cash Amount plus one CVR, collectively, or any different amount that may be paid pursuant to the Offer (as defined below) to the extent permitted under the Merger Agreement (as defined below), the "Offer Consideration"), upon the terms and subject to the conditions set forth in the Offer to Purchase dated December 9, 2024 (as it may be amended or supplemented from time to time, the "Offer to Purchase"), and in the related letter of transmittal (as amended or supplemented from time to time, the "Letter of Transmittal") and which, together with the Offer to Purchase, constitutes the "Offer"). Tendering stockholders whose Shares are registered in their names and who tender directly to Offeror will not be charged brokerage fees or similar expenses on the sale of Shares pursuant to the Offer. Tendering stockholders whose Shares are registered in the name of their broker, bank or other nominee should consult such nominee to determine if any fees may apply. The Offer is being made pursuant to the Agreement and Plan of Merger, dated as of November 25, 2024 (the "Merger Agreement"), among Parent, Offeror and Poseida.

### THE OFFER AND WITHDRAWAL RIGHTS EXPIRE AT ONE MINUTE AFTER 11:59 P.M., NEW YORK CITY TIME, ON TUESDAY, JANUARY 7, 2025, UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

The Merger Agreement provides, among other things, that as soon as practicable after the consummation of the Offer and subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement, Offeror will merge with and into Poseida (the "Merger"), with Poseida continuing as the surviving corporation and becoming a wholly owned subsidiary of Parent. At the effective time of the Merger, each outstanding Share (other than (i) Shares held in the treasury of Poseida or owned by Poseida, Parent, Offeror or any direct or indirect subsidiary of Poseida, Parent, Offeror, or (ii) Shares held by any stockholders who are entitled to and have properly exercised and perfected a demand for appraisal of such Shares in accordance with Section 262 of the Delaware General Corporation Law (the "DGCL")) will be canceled and converted into the right to receive the Offer Consideration from Offeror, less any applicable withholding taxes. The Merger Agreement is more fully described in "The Offer—Section 13—The Transaction Documents" in the Offer to Purchase.

If the Offer is consummated, Offeror does not anticipate seeking the approval of Poseida's remaining public stockholders before effecting the Merger. The parties have agreed and the Merger Agreement requires that, subject to the conditions specified in the Merger Agreement, the Merger will become effective as soon as practicable after the consummation of the Offer, without a vote of Poseida's stockholders, in accordance with Section 251(h) of the DGCL.

The Poseida board of directors (the "Poseida Board") has duly and unanimously (i) determined that the transactions contemplated by the Merger Agreement and the CVR Agreement, including the Offer and the Merger, are advisable and fair to, and in the best interests of, Poseida and its stockholders; (ii) approved the execution, delivery and performance by Poseida of the Merger Agreement and the consummation of transactions contemplated thereby, including the Offer and the Merger, and approved the CVR Agreement and the transactions contemplated thereby; (iii) resolved that the Merger Agreement will be effected under Section 251(h) of the DGCL; and (iv) resolved to recommend that Poseida's stockholders accept the Offer and tender their Shares to Offeror pursuant to the Offer.

On the date of the Offer to Purchase, Poseida will file its Tender Offer Solicitation/Recommendation Statement on Schedule 14D-9 (the "Schedule 14D-9") with the United States Securities and Exchange Commission (the "SEC") and disseminate the Schedule 14D-9 to Poseida stockholders with the Offer to Purchase. The Schedule 14D-9 will include a more complete description of the Poseida Board's reasons for authorizing and approving the Merger Agreement, the CVR Agreement and the transactions contemplated thereby and therefore stockholders are encouraged to review the Schedule 14D-9 carefully and in its entirety.

The Offer is conditioned upon, among other things, (i) there being validly tendered in accordance with the terms of the Offer (and "received" as defined in Section 251(h) of the DGCL), that number of Shares that were not validly withdrawn and that, when added to any Shares owned by Parent and its affiliates, excluding any Shares tendered pursuant to guaranteed delivery procedures that had not yet been "received," represents at least one more Share than 50% of the total number of Shares outstanding at the time Offeror accepts such tendered Shares for payment (the "Minimum Condition"); (ii) the waiting period under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended (and any extensions thereof) applicable to the acquisition of the Shares pursuant to the Offer and the consummation of the Merger having expired or been terminated, (B) the applicable waiting periods under applicable antitrust laws in specified jurisdictions having expired or been terminated and the applicable consents or approvals required under the applicable antitrust laws in specified jurisdictions having been obtained, and (C) any of the actions, events or circumstances specified in clause (z) of paragraph (a) under "The Offer—Section 15—Conditions to the Offer" in the Offer to Purchase under applicable antitrust laws in specified jurisdictions having not occurred (such conditions in this clause (ii) and clause (v) below (in the case of clause (v), as such Restraining Order or legal proceeding relates to any antitrust laws), the "Regulatory Condition"); (iii) Poseida's compliance in all material respects with its covenants and obligations required under the Merger Agreement that it is required to perform or comply with on or prior to the expiration date of the Offer; (iv) there not having been a material adverse effect with respect to Poseida that is continuing as of the expiration of the Offer; and (v) no law or judgment, ruling, order, writ, injunction or decree (whether temporary, preliminary or permanent) enacted, promulgated, issued or entered by any governmental body (a "Restrain") shall be in effect enjoining or otherwise preventing or prohibiting the making of the Offer or the consummation of the Merger or the Offer or the government body with competent jurisdiction having instituted any legal proceeding that would be a Restraining Order on any party's ability to consummate the Offer or the Merger or that would be a Burdenome Condition (as defined in the Offer to Purchase). These and other conditions to the Offer are described in "The Offer—Section 15—Conditions to the Offer" in the Offer to Purchase.

To the extent permitted by law, Offeror and Parent reserve the right to waive (in whole or in part) certain of the conditions to the Offer, to increase the Offer Consideration or to make other changes to the terms and conditions of the Offer not inconsistent with the terms of the Merger Agreement, provided that without the consent of Poseida, Parent and Offeror may not (i) decrease the Offer Consideration, including by reducing the Cash Amount or the amount or number of any of the milestone payments underlying the CVR to be paid per Share; (ii) change the form of consideration payable in the Offer; (iii) reduce the number of Shares to be acquired in the Offer; (iv) amend or modify (x) any of the conditions to the Offer listed in "The Offer—Section 15—Conditions to the Offer" in the Offer to Purchase in a manner that is or would reasonably be expected to be adverse to the holders of Shares or that would, individually or in the aggregate, reasonably be expected to prevent or delay the consummation of the Offer or prevent, delay, or impair the ability of Parent or Offeror to consummate the Offer, the Merger or the other transactions contemplated by the Merger Agreement and the CVR Agreement; (v) impose conditions to the Offer in addition to those listed in "The Offer—Section 15—Conditions to the Offer" in the Offer to Purchase; (vi) amend, modify or waive the Minimum Condition or the Regulatory Condition (other than waivers of the Regulatory Condition to the extent not related to specified jurisdictions); (vii) accelerate, extend or otherwise change any time period for the performance of any obligation of Offeror or Parent (including the expiration date of the Offer) other than pursuant to and in accordance with the Merger Agreement; (viii) take any action (or fail to take any action) that would result the Merger not being permitted to be effected pursuant to Section 251(h) of the DGCL; (ix) provide any "subsequent offering period" within the meaning of Rule 14d-11 under the Securities Exchange Act of 1934, as amended (together with the rules and regulations promulgated thereunder, the "Exchange Act"); or (x) amend or modify the terms of the CVR or the CVR Agreement (other than in accordance with revisions requested by the Rights Agent that are not, individually or in the aggregate, detrimental to any person entitled to the receipt of a CVR in the transactions contemplated by the Merger Agreement).

Upon the terms and subject to the conditions set forth in the Offer, Offeror will accept for payment and pay for all Shares that are validly tendered and not validly withdrawn on or prior to one minute after 11:59 p.m., New York City time, on Tuesday, January 7, 2025, or in the event the Offer is extended or earlier terminated as permitted by the Merger Agreement, the latest time and date at which the Offer, as so extended, will expire (such time or such subsequent time to which the expiration of the Offer is extended in accordance with the Merger Agreement).

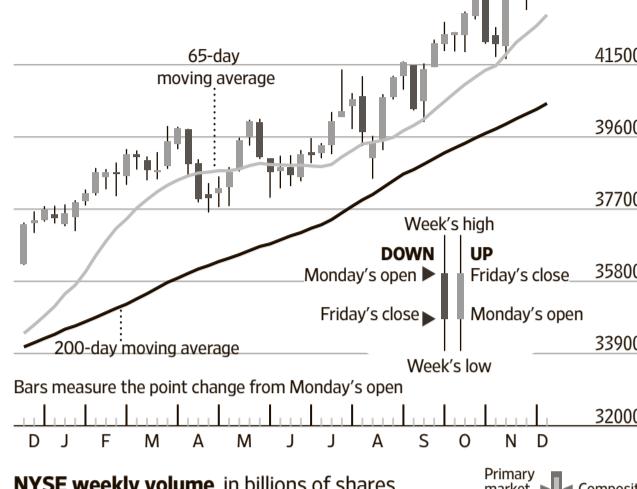
Pursuant to the terms of the Merger Agreement, if at the Expiration Time, any condition to the Offer has not been satisfied or waived, to the extent waivable in accordance with the Merger Agreement, Offeror will extend the Offer for one or more consecutive increments of up to ten business days each (or such longer period as Parent and Poseida may mutually agree

## MARKETS DIGEST

## Dow Jones Industrial Average

**44642.52** ▼268.13, or 0.60% last week  
High, low, open and close for each of the past 52 weeks

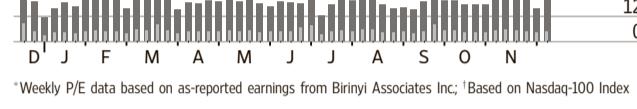
Current divisor 0.16268413125742



Bars measure the point change from Monday's open

D J F M A M J J A S O N D

NYSE weekly volume, in billions of shares



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

## S&amp;P 500 Index

**6090.27** ▲57.89, or 0.96% last week  
High, low, open and close for each of the past 52 weeks

Last 20.41  
Year ago 21.74

P/E estimate \* 22.54 20.41

Dividend yield \* 1.22 1.57

All-time high 6090.27, 12/06/24



D J F M A M J J A S O N D

## New to the Market

## Public Offerings of Stock

## IPOs in the U.S. Market

Initial public offerings of stock expected this week; might include some offerings, U.S. and foreign, open to institutional investors only via the Rule 144a market; deal amounts are for the U.S. market only

Expected pricing date	Filed	Issuer/business	Symbol	Pricing primary exchange	Shares (mil)	Range(\$)	Low/High	Bookrunner(s)
12/11	11/18	ServiceTitan Develops business software	TTAN	Nq	8.8	52.00/ 57.00	Goldman Sachs, Morgan Stanley	

## Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date	Symbol	Offer price(\$)	Offer amt (\$ mil)	Through Friday (%)	Lockup provision	
Dec. 8	Sept. 10, '24	Trident Digital Tech	TDTH	5.00	9.0	-53.2	90
Dec. 10	June 14, '24	Tempus AI	TEM	37.00	410.7	36.3	180

Sources: LSEG Data and Analytics; Dow Jones Market Data

## IPO Scorecard

Performance of IPOs, most-recent listed first

Company SYMBOL	Friday's close	Offer price(\$)	% Chg From 1st-day close	Company SYMBOL	Offer price(\$)	% Chg From Friday's close	Offer price(\$)	% Chg From 1st-day close
Linkers Industries	4.32	8.0	-0.2	FACT II Acquisition	9.96	-0.4	0.1	
<b>LNKS</b> Dec. 5/\$4.00				<b>FACTU</b> Nov. 26/\$10.00				
Shepherd Ave Capital Acquisition	9.99	-0.1	...	Wing Yip Food	4.91	22.8	15.8	
<b>SPHAU</b> Dec. 5/\$10.00				<b>WYHG</b> Nov. 26/\$4.00				
zSpace	16.15	223.0	-26.6	Ming Shing	5.95	8.2	6.4	
<b>ZSPC</b> Dec. 5/\$5.00				<b>MSW</b> Nov. 22/\$5.50				
Tavia Acquisition	9.99	-0.1	...	Co2 Energy Transition	9.99	-0.1	0.1	
<b>TAVIU</b> Dec. 4/\$10.00				<b>NOEMU</b> Nov. 21/\$10.00				
Jupiter Neurosciences	7.79	94.8	41.9	Dynamix	9.96	-0.4	...	
<b>JUNS</b> Dec. 3/\$4.00				<b>DYNXU</b> Nov. 21/\$10.00				
Brazil Potash	13.00	-13.3	-3.8	Horizon Space Acquisition II	10.00	...	0.1	
<b>GRO</b> Nov. 27/\$15.00				<b>HSPTU</b> Nov. 15/\$10.00				
Brillia	3.89	-2.8	-2.8	Invizyme	13.24	65.5	53.1	
<b>BRIA</b> Nov. 27/\$4.00				<b>IZTC</b> Nov. 12/\$8.00				
Pony AI	12.60	-3.1	5.0	A SPAC III Acquisition	10.04	0.4	0.5	
<b>PONY</b> Nov. 27/\$13.00				<b>ASPCU</b> Nov. 8/\$10.00				
Venu	10.19	1.9	0.7	Willow Lane Acquisition	9.97	-0.3	...	
<b>VENU</b> Nov. 27/\$10.00				<b>WLACU</b> Nov. 8/\$10.00				
Creative Global Technology	4.25	6.3	8.7	GSR III Acquisition	9.99	-0.2	-0.1	
<b>CGTL</b> Nov. 26/\$4.00				<b>GSRTU</b> Nov. 7/\$10.00				

Sources: Dow Jones Market Data; FactSet

## Public and Private Borrowing

## Treasurys

Monday, December 9

Tuesday, December 10

Auction of 13 and 26 week bills; announced on December 5; settles on December 12

Wednesday, December 11 Thursday, December 12  
Auction of 17 week bill; Auction of 4 and 8 week bills; announced on December 10; settles on December 17

## A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA lost 268.13 points, or 0.60%, on the week. A \$1 change in the price of any DJIA stock = 6.15-point change in the average. To date, a \$1,000 investment on Dec. 31 in each current DJIA stock component would have returned \$38,815, or a gain of 29.38%, on the \$30,000 investment, including reinvested dividends.



Sources: Dow Jones Market Data; FactSet

## International Stock Indexes

Region/Country Index Close Latest Week % chg Low 52-Week Range Close High YTD % chg

**World** MSCI ACWI 873.73 1.30 698.32 873.73 20.2

MSCI ACWI ex-USA 338.35 1.71 302.00 357.36 6.9

MSCI World 385.07 1.18 3047.21 385.07 21.6

MSCI Emerging Markets 1105.08 2.46 958.39 1187.97 7.9

**Americas** MSCI AC Americas 2299.62 1.02 1746.51 2299.62 26.8

NYSE Composite 20107.79 164.25 2027.04 24.1 19.3 6.6

Value Line 656.04 647.23 560.24 656.04 15.8 9.2 -0.3

NYSE Arca Biotech 6085.01 5931.65 41.91 6154.34 21.9 11.5 5.0

NYSE Arca Pharma 995.08 980.87 40.45 1140.17 11.9 8.7 8.8

KBW Bank 138.65 134.16 88.61 138.78 53.0 41.2 0.7

PHLX\$ Gold/Silver 153.70 147.21 102.94 175.74 25.1 17.5 5.1

PHLX\$ Oil Service 81.30 75.28 72.67 95.25 4.5 10.1 13.1

PHLX\$ Semiconductor 5143.88 4956.41 5061.30 5904.54 34.1 21.2 10.0

Cboe Volatility 14.10 12.70 11.86 38.57 3.4 2.6 -22.3

\$Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

## Commodities and Currencies

— The Week's Action —

Pct Stock price Point chg % chg change in average\* Company Symbol Close \$1,000 Invested (year-end '23)

7.90 32.00 196.70 **Salesforce** CRM \$361.99 \$1,382

9.21 19.14 117.65 **Amazon.com** AMZN 227.03 1,494

4.75 20.11 123.61 **Microsoft** MSFT 443.57 1,188

4.67 10.63 65.34 **IBM** IBM 238.04 1,508

3.46 3.20 19.67 **Walmart** WMT 95.70 1,839

3.03 4.19 25.76 **NVIDIA** NVDA 142.44 2,877

2.32 5.51 33.87 **Apple** AAPL 242.84 1,267

1.43 1.45 8.91 **Merck & Co** MRK 103.09 964

1.15 0.68 4.18 **Cisco** CSC 59.89 1,224

1.00 2.97 18.26 **McDonald's** MCD 298.98 1,033

0.52 2.24 13.77 **Home Depot** HD 431.37 1,275

0.15 0.12 0.74 **Nike** NKE 78.89 739

-0.23 -0.69 -4.24 **American Express** AXP 303.99 1,642

-0.31 -0.42 -2.58 **3M** MMM 133.11 1,507

-0.63 -0.74 -4.55 **Walt Disney** DIS 116.73 1,299

-0.95 -2.36 -14.51 **JPMorgan Chase** JPM 247.36 1,489

-0.97 -1.51 -9.28 **Boeing** BA 153.93 591

-1.29 -4.07 -25.02 **Visa** V 311.01 1,204

-1.46 -8.89 -54.65 **Goldman Sachs** GS 599.68 1,592

-1.84 -4.89 -30.06 **Travel**

## CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike mutual funds, closed-end funds do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid during the past 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: LSEG

Friday, December 6, 2024

		Prem	52 wk	Prem	52 wk		Prem	52 wk	Prem	52 wk	Prem	52 wk	Prem	52 wk	Prem
Fund (SYM)	NAV	Close	/Disc	Ret	NAV	Close	/Disc	Yld	NAV	Close	/Disc	NAV	Close	/Disc	Yld
<b>High Yield Bond Funds</b>															
abrdn Inc Credit Strt <b>ACP</b>	6.50	6.42	-1.2	18.6	abrdn Inc Credit Strt <b>ACP</b>	6.50	6.42	-1.2	18.6	abrdn Inc Credit Strt <b>ACP</b>	6.50	6.42	-1.2	18.6	
AllianceBernGhilicm <b>AWF</b>	11.39	10.94	-4.4	7.3	AllianceBernGhilicm <b>AWF</b>	11.39	10.94	-4.4	7.3	AllianceBernGhilicm <b>AWF</b>	11.39	10.94	-4.4	7.3	
Ecofin S&S Impact Term <b>TEAF</b>	14.85	12.66	-14.7	18.5	Ecofin S&S Impact Term <b>TEAF</b>	14.85	12.66	-14.7	18.5	Ecofin S&S Impact Term <b>TEAF</b>	14.85	12.66	-14.7	18.5	
VDivInv&PremStrt <b>NFJ</b>	NA	13.17	NA	20.1	VDivInv&PremStrt <b>NFJ</b>	NA	13.17	NA	20.1	VDivInv&PremStrt <b>NFJ</b>	NA	13.17	NA	20.1	
V Art Int&Tech Ops <b>AIO</b>	NA	25.45	NA	60.7	V Art Int&Tech Ops <b>AIO</b>	NA	25.45	NA	60.7	V Art Int&Tech Ops <b>AIO</b>	NA	25.45	NA	60.7	
<b>Income &amp; Preferred Stock Funds</b>															
Dividend and Income <b>EKSY</b>	21.00	NA	NA	NA	Dividend and Income <b>EKSY</b>	21.00	NA	NA	NA	Dividend and Income <b>EKSY</b>	21.00	NA	NA	NA	
CalamosStratTot <b>CSQ</b>	18.90	18.44	-2.4	38.5	CalamosStratTot <b>CSQ</b>	18.90	18.44	-2.4	38.5	CalamosStratTot <b>CSQ</b>	18.90	18.44	-2.4	38.5	
CohenStrsRtdPrefHome <b>PSF</b>	21.19	20.47	-6.5	15.7	CohenStrsRtdPrefHome <b>PSF</b>	21.19	20.47	-6.5	15.7	CohenStrsRtdPrefHome <b>PSF</b>	21.19	20.47	-6.5	15.7	
CohenStrsTaxPrefSecd <b>PTA</b>	21.21	20.21	-4.7	22.8	CohenStrsTaxPrefSecd <b>PTA</b>	21.21	20.21	-4.7	22.8	CohenStrsTaxPrefSecd <b>PTA</b>	21.21	20.21	-4.7	22.8	
FirstTrIntDntPrefEq <b>PPF</b>	19.66	18.68	-5.0	29.7	FirstTrIntDntPrefEq <b>PPF</b>	19.66	18.68	-5.0	29.7	FirstTrIntDntPrefEq <b>PPF</b>	19.66	18.68	-5.0	29.7	
JHAnPrefIn <b>HPI</b>	16.86	17.42	+3.3	27.8	JHAnPrefIn <b>HPI</b>	16.86	17.42	+3.3	27.8	JHAnPrefIn <b>HPI</b>	16.86	17.42	+3.3	27.8	
JHPrefIncll <b>HPF</b>	16.70	17.35	+3.9	26.0	JHPrefIncll <b>HPF</b>	16.70	17.35	+3.9	26.0	JHPrefIncll <b>HPF</b>	16.70	17.35	+3.9	26.0	
HnckJPfdInco III <b>HPS</b>	15.01	15.64	+4.2	29.0	HnckJPfdInco III <b>HPS</b>	15.01	15.64	+4.2	29.0	HnckJPfdInco III <b>HPS</b>	15.01	15.64	+4.2	29.0	
LMP CapInco <b>SCD</b>	NA	17.80	NA	48.6	LMP CapInco <b>SCD</b>	NA	17.80	NA	48.6	LMP CapInco <b>SCD</b>	NA	17.80	NA	48.6	
NuveenPrf & Inco <b>JPC</b>	8.14	8.11	-0.4	34.0	NuveenPrf & Inco <b>JPC</b>	8.14	8.11	-0.4	34.0	NuveenPrf & Inco <b>JPC</b>	8.14	8.11	-0.4	34.0	
NuveenPrf Sec & Inv <b>JPO</b>	20.27	20.70	+2.1	24.6	NuveenPrf Sec & Inv <b>JPO</b>	20.27	20.70	+2.1	24.6	NuveenPrf Sec & Inv <b>JPO</b>	20.27	20.70	+2.1	24.6	
Gabelli Equity Tr <b>GAB</b>	5.74	5.83	+1.6	25.2	Gabelli Equity Tr <b>GAB</b>	5.74	5.83	+1.6	25.2	Gabelli Equity Tr <b>GAB</b>	5.74	5.83	+1.6	25.2	
GeneralAmer <b>GAM</b>	6.02	5.20	-13.3	47.8	GeneralAmer <b>GAM</b>	6.02	5.20	-13.3	47.8	GeneralAmer <b>GAM</b>	6.02	5.20	-13.3	47.8	
JHancockTaxAdv <b>HTD</b>	25.08	23.32	-7.0	35.6	JHancockTaxAdv <b>HTD</b>	25.08	23.32	-7.0	35.6	JHancockTaxAdv <b>HTD</b>	25.08	23.32	-7.0	35.6	
Liberty AllStar Equity <b>USA</b>	7.35	7.33	-0.3	33.7	Liberty AllStar Equity <b>USA</b>	7.35	7.33	-0.3	33.7	Liberty AllStar Equity <b>USA</b>	7.35	7.33	-0.3	33.7	
Liberty AllStar Growth <b>ASC</b>	6.39	5.96	-6.7	30.4	Liberty AllStar Growth <b>ASC</b>	6.39	5.96	-6.7	30.4	Liberty AllStar Growth <b>ASC</b>	6.39	5.96	-6.7	30.4	
RoyceMicro-Cap Tr <b>RMT</b>	11.69	10.23	-12.5	29.6	RoyceMicro-Cap Tr <b>RMT</b>	11.69	10.23	-12.5	29.6	RoyceMicro-Cap Tr <b>RMT</b>	11.69	10.23	-12.5	29.6	
Royce Value Trust <b>RVT</b>	18.55	16.82	-9.3	32.0	Royce Value Trust <b>RVT</b>	18.55	16.82	-9.3	32.0	Royce Value Trust <b>RVT</b>	18.55	16.82	-9.3	32.0	
Source Capital <b>SOR</b>	47.12	45.63	-3.2	22.1	Source Capital <b>SOR</b>	47.12	45.63	-3.2	22.1	Source Capital <b>SOR</b>	47.12	45.63	-3.2	22.1	
Special Opportunities <b>SPE</b>	NA	15.38	NA	45.0	Special Opportunities <b>SPE</b>	NA	15.38	NA	45.0	Special Opportunities <b>SPE</b>	NA	15.38	NA	45.0	
Sprott Focus Trust <b>FUND</b>	9.21	8.09	-12.1	12.3	Sprott Focus Trust <b>FUND</b>	9.21	8.09	-12.1	12.3	Sprott Focus Trust <b>FUND</b>	9.21	8.09	-12.1	12.3	
SRH Total Return <b>STEW</b>	21.53	16.67	-22.6	29.4	SRH Total Return <b>STEW</b>	21.53	16.67	-22.6	29.4	SRH Total Return <b>STEW</b>	21.53	16.67	-22.6	29.4	
Tri-Continental <b>TY</b>	39.24	34.67	-11.6	31.0	Tri-Continental <b>TY</b>	39.24	34.67	-11.6	31.0	Tri-Continental <b>TY</b>	39.24	34.67	-11.6	31.0	
<b>Convertible Sec's. Funds</b>															
AdventCntrbl&Inc <b>AVK</b>	12.79	12.34	-3.5	31.4	AdventCntrbl&Inc <b>AVK</b>	12.79	12.34	-3.5	31.4	AdventCntrbl&Inc <b>AVK</b>	12.79	12.34	-3.5	31.4	
CalamosConvHi <b>CHY</b>	11.20	12.15	+8.5	20.3	CalamosConvHi <b>CHY</b>	11.20	12.15	+8.5	20.3	CalamosConvHi <b>CHY</b>	11.20	12.15	+8.5	20.3	
Other Domestic Taxable Bond Funds															
Allspring Multi-Sector <b>ERC</b>	9.98	9.16	-8.2	8.6	Allspring Multi-Sector <b>ERC</b>	9.98	9.16	-8.2	8.6	Allspring Multi-Sector <b>ERC</b>	9.98	9.16	-8.2	8.6	
AresDynamic Crdt Alloc <b>ARDC</b>	NA	15.30	NA	9.1	AresDynamic Crdt Alloc <b>ARDC</b>	NA	15.30	NA	9.1	AresDynamic Crdt Alloc <b>ARDC</b>	NA	15.30	NA	9.1	
BlackRock Mlt-Ctrt Strt <b>BIT</b>	14.71	14.80	+0.6	10.1	BlackRock Mlt-Ctrt Strt <b>BIT</b>	14.71	14.80	+0.6	10.1	BlackRock Mlt-Ctrt Strt <b>BIT</b>	14.71	14.80	+0.6	10.1	
MFS Charter <b>MCR</b>	6.91	6.37	-7.8	0.0	MFS Charter <b>MCR</b>	6.91	6.37	-7.8	0.0	MFS Charter <b>MCR</b>	6.91	6.37	-7.8	0.0	
BlackRock Cap Alloc Term <b>BCAT</b>	16.16	12.22	-5.5	26.3	BlackRock Cap Alloc Term <b>BCAT</b>	16.16	12.22	-5.5	26.3	BlackRock Cap Alloc Term <b>BCAT</b>	16.16	12.22	-5.5	26.3	
CalamosConvHi <b>CHW</b>	8.03	7.23	-10.0	40.9	CalamosConvHi <b>CHW</b>	8.03	7.23	-10.0	40.9	CalamosConvHi <b>CHW</b>	8.03	7.23	-10.0	40.9	
BlackRock Egy & Res <b>BGR</b>	14.36	13.48	-6.1	18.5	BlackRock Egy & Res <b>BGR</b>	14.36	13.48	-6.1	18.5	BlackRock Egy & Res <b>BGR</b>	14.36	13.48	-6.1	18.5	
BlackRock Eqn Hq <b>BDJ</b>	9.48	8.84	-6.6	2.6	BlackRock Eqn Hq <b>BDJ</b>	9.48	8.84	-6.6	2.6	BlackRock Eqn Hq <b>BDJ</b>	9.48	8.84	-6.6	2.6	
BlackRock Eqn Hq <b>BOE</b>	12.58	11.35	-9.8	23.8	BlackRock Eqn Hq <b>BOE</b>	12.58	11.35	-9.8	23.8	BlackRock Eqn Hq <b>BOE</b>	12.58	11.35	-9.8	23.8	
BlackRock Enh Intl <b>BGV</b>	6.52	5.60	-9.8	17.3	BlackRock Enh Intl <b>BGV</b>	6.52	5.60	-9.8	17.3	BlackRock Enh Intl <b>BGV</b>	6.52	5.60	-9.8	17.3	

# HEARD ON THE STREET

FINANCIAL ANALYSIS &amp; COMMENTARY

## Small AI-Chip Maker Is Now More Valuable Than Intel

Marvell's role in helping tech titans create their own data-center chips has boosted its revenue—and valuation

Matt Murphy has no interest in running a chip company 10 times the size of his current one.

Murphy, who has served as chief executive of **Marvell Technology** since 2016, was among the few names floated as potential replacements for the recently ousted Pat Gelsinger at Intel's corner office. That led to the rare sight of a CEO using his earnings call to deny he is on the market. "I am all in," he said on Marvell's Dec. 3 call, the day after Gelsinger's exit and media outlets reported him as a candidate.

His timing was good. A strong earnings report and news of an expanded relationship with **Amazon** lit up Marvell's stock, which rose 60% for the year at the start of the week. The shares jumped 18% since Tuesday's report, putting Marvell's market capitalization briefly above \$100 billion for the first time ever (it was about \$5 billion when Murphy took the job). The latest gains put Marvell's market cap ahead of

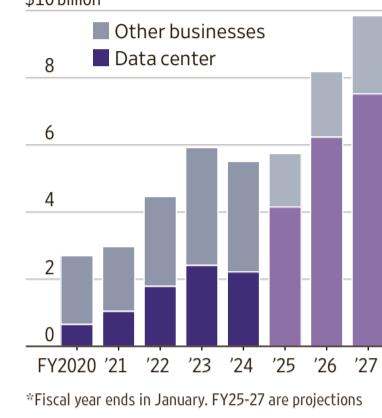
Intel, which generates 10 times as much annual revenue.

Marvell's trajectory suggests the revenue gap will continue to narrow. The explosive growth of its data-center business has reached a point where it can more fully offset weakness in its more legacy segments, which sell chips used in goods such as telecommunications gear and autos.

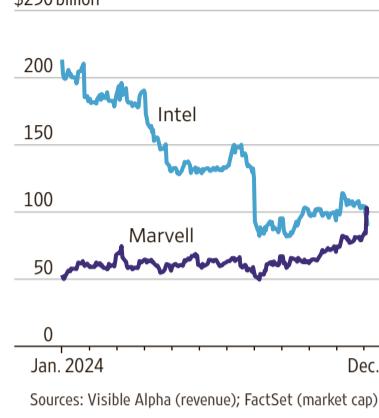
Data-center sales nearly doubled year over year to \$1.1 billion in the just-ended quarter, and Marvell's projection for the current period indicates it will end its fiscal year in January with the data center unit encompassing about 72% of its total revenue, up from 40% in the previous year.

Marvell's latest deal with Amazon is a five-year agreement that has Marvell helping Amazon design its own artificial-intelligence chips. Amazon announced the next generation of its largest AI chip, called Trainium, at its annual developers confer-

### Marvell's segment revenue\*



### Market capitalization, year to date



third of that market."

What could spoil the party? Like **Nvidia**, Marvell has significant exposure to booming AI investments that makes the company vulnerable to downturns in that spending. That could happen if the AI services by tech giants and their business customers fail to catch on. The big buyers could put a pause on spending to absorb equipment already purchased. Such "digestion" periods are common in the data-center market. But with its stock trading nearly 45 times forward earnings—a 21% premium to Nvidia's multiple—Marvell isn't priced for the slightest of speed bumps.

Murphy isn't worried. "We'll see digestion at some point," he said, adding that AI is only part of what is driving investment in so-called accelerated computing systems. "We know it's not going to be a straight line over the next 10 years," he said. —Dan Gallagher

## UnitedHealth Backlash Signals Possible Political Shift

Health insurers were looking forward to an improved political environment in the Trump administration. Things might not turn out to be so simple.

After four years of stringent oversight under President Biden, a Donald Trump victory was expected to usher in regulatory relief, particularly for the Medicare Advantage sector. Trump's pick to lead the Centers for Medicare and Medicaid Services, the TV personality Mehmet Oz, voiced strong support for private insurers.

But in the wake of the fatal shooting of a **UnitedHealth Group** executive, there has been an outpouring of negative public senti-

ment toward private insurers. A Facebook post from the company expressing sorrow over the killing of Brian Thompson, chief executive of the insurance unit, prompted more than 70,000 laugh emojis.

Joking about the murder of a human being is deeply insensitive. And it should be needless to say that no one should face threats or violence, no matter how contentious the debate over health policy might be.

Yet the negative feelings on display toward insurers can't be ignored. At the very least, they underscore the anger over the perceived dysfunction of the American healthcare system. In recent years, insurers were accused of denying cover-

age to protect profit margins, a criticism the killer seemingly alluded to with the words "deny," "defend" and "depose" scrawled on found bullet casings.

UnitedHealth Group's stock dropped sharply in recent days, a decline partly attributed to the company's forecast, released the day before the fatal shooting. It projected higher-than-expected medical costs for the company in 2025.

Investors might be concerned there will be even greater scrutiny on certain insurer practices such as prior authorizations—a health plan's requirement for a doctor to get approval before providing a service—which the Biden administration had

begun cracking down on. In such an environment, Republicans could support some of these measures, and insurance executives could tread more carefully when it comes to denying medical claims.

From the election through Tuesday, the day before the killing, the shares of insurers such as UnitedHealth, **Humana** and **CVS Health** beat the market, reflecting optimism about a more favorable regulatory environment. Analysts and investors will now be watching closely how the Trump administration appears to be leaning. For now, most expect traditional Republican priorities, such as trying to shift more patients into privately administered Medi-

care Advantage, to prevail.

Wall Street remains bullish on UnitedHealth. On Friday, Sarah James, an analyst at Cantor Fitzgerald, raised her price target for the company to \$700. Other analysts appear to share a positive view, with 21 of 25 analysts on FactSet rating UnitedHealth shares as a "buy" or "overweight."

The full consequences of the shooting won't be fully understood for some time. But the outpouring of negative sentiment toward insurers has at the very least made things more complicated for them and for Republicans hoping to deregulate them.

—David Wainer

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