DOW JONES

THE WALL STREET JOURNAL.

Goldman Vies for JetBlue Cards --- Investment bank looks to win contract away from Barclays, part of consumer-finance goal

By AnnaMaria Andriotis and Peter Rudegeair
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B1
English

Goldman Sachs Group Inc. is talking to JetBlue Airways Corp. about taking over its credit-card program, according to people familiar with the matter, the latest effort from the Wall Street firm to push deeper into consumer finance.

Goldman is competing against Barclays PLC, which is the current issuer of the JetBlue credit cards and is in discussions to hold on to the deal, the people said. Discussions are ongoing, and JetBlue may decide to stick with Barclays. JetBlue's contract with Barclays doesn't end for another roughly three years, some of the people said.

Known for most of its history as an adviser to blue-chip companies and elite money managers, Goldman entered the credit-card business in 2019 as part of a broader expansion into **digital-banking** services for the masses. Its first credit card was launched in partnership with Apple Inc. Last year, General Motors Co. decided to move its credit-card offering from Capital One Financial Corp. to Goldman.

As of December, outstanding balances on Goldman's credit cards totaled $4.3 billion, more than double their level the year before. The bank expects to add about $2 billion in GM credit-card balances when that deal closes in September. That is still small compared with the big card issuers. JPMorgan Chase & Co. had $144 billion in credit-card balances as of the fourth quarter 2020.

Airline co-branded cards are among the most competitive in the credit-card industry. While there are hundreds of retailers that banks could partner with to offer credit cards, there are a limited number of U.S. airlines. The cards have historically appealed to banks because they attracted big-spending frequent travelers.

But credit-card spending, particularly on airfare and other travel, has been hit hard by the pandemic. Many people, worried about taking on new debt in an uncertain job market, switched to debit cards. Card issuers are betting that pent-up demand will create a travel boom when the pandemic ends, boosting demand for and usage of airline cards.

American Express Co. and JPMorgan have long run the credit-card programs for Delta Air Lines Inc. and United Airlines Holdings Inc., respectively. Citigroup Inc. and Barclays both issue credit cards for American Airlines Group Inc.

In the past several years, Goldman has reached out to many U.S. airlines to see if they were interested in partnerships, according to people familiar with the matter. One challenge: Many of the major credit-card deals have five years or more left to them.

A JetBlue deal could be risky for Goldman because of the unusually long gap between when the deal would be signed and when it would take effect, especially given the uncertainty around what will happen to travel demand in the intervening years.

Barclays began issuing JetBlue credit cards in 2016, after JetBlue parted ways with AmEx.

Goldman has courted JetBlue for a few years, according to one of the people familiar with the matter. The bank recently started offering a loan option to consumers who book vacation packages through JetBlue Vacations, allowing them to pay in installments.

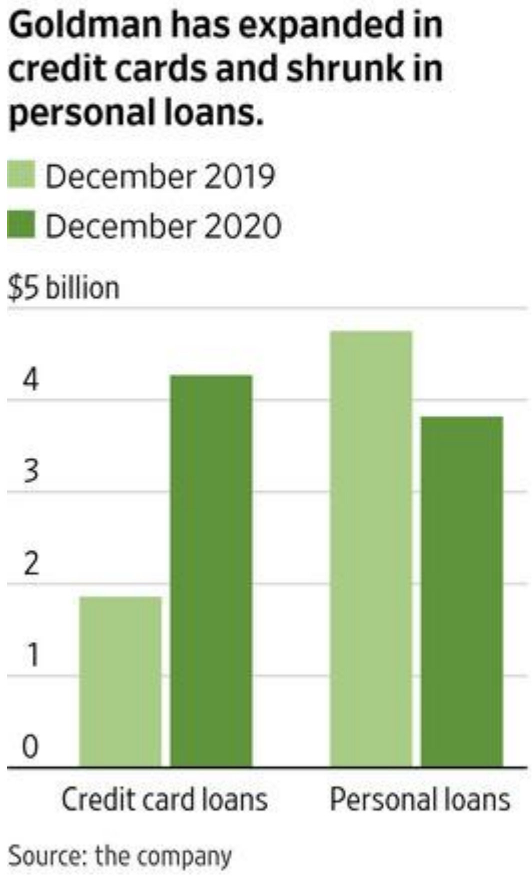
Late last year, JetBlue asked Barclays to extend its contract years before it was set to expire, in hopes that it would smooth the way to JetBlue getting a loan from the Treasury Department, people familiar with the matter said.

Soon after, JetBlue put out a formal request for bids from other card issuers and entered into serious conversations with Goldman, the people said. JetBlue is also in discussions with Barclays about extending its contract, according to the people.

A JetBlue spokeswoman said Barclays has "been an instrumental partner to our business and the success of our loyalty program." She said JetBlue's request for bids "will help us evaluate the right partner for us in this new travel landscape as we emerge from this crisis."

Goldman started in consumer lending by mailing out unsolicited offers for unsecured personal loans, but it scaled back those offers during the pandemic. In addition to the new co-branded credit-card deals, Goldman spent last year inking deals with Amazon.com Inc. and Walmart Inc. to make loans to merchants that sell goods through those companies.

Alison Sider contributed to this article.



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The New York Times

Business/Financial Desk; SECTB
Senior Exits Point to Shift At Goldman

By Kate Kelly
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6 March 2021
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NYTF
Late Edition - Final
1
English

An unusually large number of senior executives have left Goldman recently as C.E.O. David Solomon remakes the Wall Street firm.

A little more than two years into David M. Solomon's tenure as chief executive of Goldman Sachs, at least nine senior executives have left or intend to leave soon. It's an unusually large number for a firm long defined by its tight-knit partnership culture.

Since the beginning of the year, four key executives have announced plans to leave, according to internal emails and employees: Goldman's top lawyer, one of its heads of asset management, one of its few Black female partners and the head of its consumer banking business. Other senior executives, including one of the heads of investment banking, announced plans to step down late last year. All in all, five members of the firm's management committee, its topmost governing body, have left or given notice within the past five months -- roughly a sixth of the entire group.

The exodus is partly a reflection of the approach taken by Mr. Solomon, a 59-year-old longtime investment banker who became chief executive late in 2018. He has sought to refashion Goldman, which went public more than two decades ago, into a more traditional public company, say current and former partners. That has produced a more top-down, hierarchical culture in which the institution is bigger than its people and Goldman's old-fashioned partnership structure -- which imparts not only added pay and benefits but also a sense of family to the firm's top players -- is less relevant, these people say.

Goldman plans to replace most of the people who are leaving, and expects to do so easily, said company officials.

"The firm is well on its way to meeting the goals we set, and investors seem to appreciate the changes, the greater transparency, and the clear direction we've put in place," said Jake Siewert, a Goldman spokesman, in a nod to its stock price, which is trading at about $330, an all-time high. "It's an important part of Goldman tradition for partners to leave for a wide range of new pursuits, and we wish them well."

Goldman, Mr. Siewert said, has "an extremely deep bench."

Mr. Solomon stepped into his job about two and a half years ago when Lloyd C. Blankfein, who saw Goldman through the financial crisis, retired. An avuncular, Harvard-educated former gold salesman, Mr. Blankfein was known for his sharp intellect and self-deprecating quips. "How far down into the partnership do I have to go to find a partner who will listen to me?" he used to joke, according to partners. He sometimes likened his role to that of the senior partner at a law firm.

Even though Goldman hasn't been a true partnership since 1999, when it went public, previous chief executives, including Mr. Blankfein, were deferential to that aspect of the firm's culture. Partners, who were named every two years, were feted at a black-tie dinner dance known internally as the "prom." Once part of the group, they often had spirited debates about promotions and firm strategy.

The partnership was once powerful enough that when high-performing employees were wooed by other companies, their colleagues and bosses were often able to use their personal connections -- along with increased pay and promotional opportunities -- to reel them back.

Mr. Solomon took a different approach. He streamlined Goldman's structure, creating a new consumer wealth management unit to house its Marcus retail banking division alongside its money management unit for rich individuals, while focusing the traditional asset management business on investment funds. He sought to trim costs, potentially including payouts to partners, who typically make millions of dollars in yearly pay. And he pruned the 550-member partnership to closer to 400. Under Mr. Solomon, the partner prom was downgraded to cocktails, with a buffet dinner and no dancing.

Mr. Solomon also has tried to diversify Goldman's ranks to include more women and people of color. He named women to the posts of treasurer and head of strategy, and added two Black executives to the management committee.

He also presided over a banner 2020, in which the firm churned out nearly $1 billion in revenue a week, its best results in 11 years, and reported its second-highest profits ever.

In a brief note to investors on Tuesday entitled "GS: Poached Again; Harvard of banks," the banking analyst Mike Mayo wrote that Goldman remained strong and that Mr. Solomon "has indicated that the partnership ranks were too top heavy, and some churn should be expected."

When the pandemic started, Goldman -- like all other firms -- struggled to balance bringing employees back to the office, where they could be more collaborative and better mentored, and letting them work from home to avoid getting sick.

Mr. Solomon, who worked from the bank's downtown Manhattan headquarters all along, had initially been flexible about letting Goldman employees trade and advise clients remotely. Sheila Patel, the 51-year-old chairwoman of the asset management division, worked from her vacation home in New Zealand. Ms. Patel was among those who eventually left, retiring from the firm in December. Marco Argenti, the co-chief information officer, was in his home in Seattle. Thousands of others worked from home, in locations as varied as second homes and the master bathroom of their parents' house.

But before long, say current and former partners, Mr. Solomon began pressuring some managers -- especially partners -- to return to the office. Some partners bristled at the appearance of Mr. Solomon questioning their productivity because they weren't in the office. Others questioned his mandate that meetings of the management committee be held at Goldman headquarters, say current and former partners. Some believed that the meeting could just as easily be done from home -- especially because the 32 committee members ended up spreading out over multiple conference rooms and conducting their affairs via video feeds to obey social-distancing protocols.

Late in March, Gregg Lemkau, the longtime co-head of investment banking and an executive who was widely considered a potential Goldman C.E.O., sent a Twitter post about getting up during the wee hours to work remotely from his home in Hawaii, which is six hours behind New York.

He soon got a call from Mr. Solomon, who was not pleased with the perception of the message, say three people with knowledge of the call. The two executives argued, those people said, over whether Mr. Lemkau should return to New York. They settled their differences and Mr. Lemkau stayed put for two months before flying back. In mid-November, Mr. Lemkau, then 51, announced plans to retire from Goldman to become chief executive of the family investment office of Michael Dell, the billionaire founder of the computer company.

"The reaction was overwhelming," said Mr. Lemkau in a podcast weeks later. The memories colleagues shared, he said, underscored how his treatment of other people had defined him. "Not the big deals I did, not anything formal I did, but the little things that you did that made a difference in their lives," he reflected, "it sort of makes you feel like, 'Damn, I'm glad it was worth doing all that stuff.'"

Mr. Lemkau has told people privately that his departure had nothing to do with his tiff with Mr. Solomon.

The exodus picked up steam this year. Last month, Michael Daffey, who had led the global markets division, retired.

Then, this week, Eric S. Lane, co-head of the firm's asset-management business and also viewed as a contender for the Goldman C.E.O. role, took a senior role at a large hedge fund. Karen Patton Seymour, the firm's general counsel since 2019, also left, and plans to return to her former law firm, according to internal emails. All were members of the management committee, and all but Ms. Seymour had long tenures at the firm. Around the same time, Omer Ismail, head of Goldman's Marcus consumer business, left to run a new financial-**technology** venture that has been seeded by Walmart, taking a deputy who had overseen the firm's Apple credit card partnership along with him.

Stephanie Smith, a consumer wealth management partner and one of just five Black female partners at the firm, has also exited to take an executive role at BlackRock, say three people with knowledge of her talks. BlackRock, the giant asset manager, had tried and failed to recruit her about five years earlier, two of the people said.

Ram Sundaram, a senior trading executive known for structuring complex bond deals, left this year, as did Jason Mathews, who ran a U.S. stock-product sales desk and was one of roughly half a dozen Black male partners.

For many, the moment was bittersweet.

In an email, Mr. Mathews said he was "extremely proud to be able to call G.S. home for the last 20 years." The firm, he added, "is still and always will be a place where everyone works their tail off to get better every day -- no matter what challenge is in front of them."

Anupreeta Das contributed reporting.

Anupreeta Das contributed reporting.

David Solomon, right, has sought to turn Goldman into a more traditional public company since 2018, when he succeeded Lloyd C. Blankfein, left, as chief. (PHOTOGRAPH BY JOHN TAGGART FOR THE NEW YORK TIMES) (B5)

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THE WALL STREET JOURNAL.

Goldman Executive to Run Walmart Fintech Startup

By Peter Rudegeair
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B9
English

A Goldman Sachs Group Inc. executive who helped build its consumer-banking business from scratch is leaving to take on a similar task at Walmart Inc.

Omer Ismail, a Goldman partner and the head of its Marcus consumer unit, is leaving the bank to run a recently unveiled Walmart financial-**technology** startup, according to people familiar with the matter.

Mr. Ismail, who joined Goldman nearly 20 years ago, was among a group of executives who came up with a strategy to expand into **digital banking** services in 2014. By the end of last year, that business generated $1.2 billion in annual revenue, amassed $97 billion in deposits and held $8 billion in consumer-loan balances.

Walmart said in January that it was creating a majority-owned **fintech** subsidiary in a partnership with venture-capital firm Ribbit Capital, a backer of Credit Karma Inc., Affirm Holdings Inc. and other fast-growing startups.

"Our customers have been clear that they want more from us in terms of financial services," Walmart Chief Executive Doug McMillon said at an investor event last month. "This new approach will help us deliver for them in a differentiated way more quickly."

Joining Mr. Ismail at Walmart will be David Stark, some of the people said. A former Citigroup Inc. executive who joined Goldman in 2015, Mr. Stark helped it land and build credit-card offerings with Apple Inc. and General Motors Co.

Bloomberg News earlier reported that Messrs. Ismail and Stark were leaving Goldman to join Walmart's startup.

Goldman has reshuffled the ranks of its consumer business in recent months. Former strategy chief Stephanie Cohen was promoted to global co-head of Goldman's consumer and wealth management division last September. Goldman also recently hired Swati Bhatia from payments startup Stripe Inc. in a senior role at Marcus.

"Our business has serious momentum and a deep and growing bench of talent," a Goldman spokesman said in an email. A Walmart representative didn't respond to a request for comment.

Following Mr. Ismail's departure, Harit Talwar will return to a more active management role at Marcus. Mr. Talwar previously served as the global head of Goldman's consumer business until the start of 2021, when he moved into the role of chairman.

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THE WALL STREET JOURNAL.

Citigroup's New CEO, Fraser, Aims to Refresh a Megabank

By David Benoit
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B1
English

Jane Fraser wants to simplify Citigroup Inc., the original megabank. That won't be easy.

On Monday, Ms. Fraser takes over as chief executive of the third-biggest bank in the U.S. Once the industry's problem child, the bank has stabilized and built up its defenses, proving sturdy and profitable even during the pandemic. Unlike her predecessors, she comes to the job when Citigroup is relatively under the radar.

But Citigroup, which used to be the world's largest financial-services firm, is struggling to keep up with rivals. While Goldman Sachs Group Inc. and Morgan Stanley are hitting highs in market value, Citigroup's is half of what it was in 2006. Its profit and revenue, once roughly double that of other big banks, have now been lapped by JPMorgan Chase & Co. and Bank of America Corp. And last fall, regulators ordered the overhaul of vast systems underpinning its sprawling operations, raising anew questions about the bank's complexity.

Ms. Fraser, the first woman to run a major U.S. bank, now has to reinvigorate the $2.3 trillion giant.

She will have to juggle responding to the regulators' concerns -- an expensive, multiyear project -- with a reappraisal of the bank's strategy. Already Ms. Fraser, 53 years old, has launched a "refresh" she hopes can simplify the bank inside and out, making it easier to run and improve.

Simplifying Citigroup is a path similar to what her predecessors, Michael Corbat and Vikram Pandit, both tried. But Ms. Fraser believes there is more to be done.

"I'm not looking for what's wrong," Ms. Fraser said in an interview. "I'm looking for what Citi's going to be and what is working."

What Citigroup is today is part of the trouble.

The bank is a giant on Wall Street, in serving multinational corporations and in credit cards. It is second-tier in U.S. consumer banking.

Returns tend to improve with scale in consumer banking, and rivals Bank of America and JPMorgan have supercharged their retail operations with thousands of branches in cities across the country. Citigroup has fewer than 700 branches in just a handful of cities, instead betting on a future of heavily **digital banking**, including a coming partnership with Google.

Citigroup's power comes from its global corporate bank. It has operations in 96 countries, helping governments and corporations move money around the world. It is also a leader in raising debt for companies and trading it on Wall Street. But those businesses don't earn returns as high as they once did, squeezed by crisis-era regulations.

The combination has underperformed rival megabanks, which have kept profits high with a better balance between their Wall Street and Main Street businesses. Analysts and investors have argued Citigroup needs to restructure, with suggestions such as ditching all of its international consumer operations or buying a U.S. bank. Activist investor ValueAct Capital has urged changes to focus on the institutional business.

"There's little doubt that the two-decade experiment that is Citigroup has failed in every measure," said Mike Mayo, a longtime bank analyst and Citigroup critic.

Ms. Fraser hasn't telegraphed her plans, but executives said the strategic review will create significant changes. Citigroup recently announced an expansion of wealth-management operations. The bank is likely to shed its consumer operations in parts of Asia, including South Korea and Vietnam, people familiar with the matter said. It doesn't plan to exit from institutional banking in any countries, according to one of the people.

Chief Financial Officer Mark Mason said decisions won't be based solely on the financial return metrics that have driven the conversation around Citigroup for years.

"I think what our investors are listening for is: Tell us how and why the strategy you've come up with makes sense," Mr. Mason said. "Then tell us what that means in returns."

But it is unclear if the immediate plans will be enough to appease critics. The regulatory consent order could bar any sizable acquisition for now. And some investors and analysts want Citigroup to shed its Mexico consumer bank or do away with equities trading, which haven't grown as expected. Neither is likely at this time, according to people familiar with the bank's plans.

Ms. Fraser said the Mexico consumer bank, which was dragged down by fraud allegations several years ago, has "wonderful scale," a barometer for their review. Getting rid of the business would be costly because the unit is tied to a chunk of goodwill on Citigroup's balance sheet. With equities trading, executives say the benefits for client relationships are too great, even if investors can't see it.

That may leave investors hoping for a second round of restructuring soon.

The Citigroup of today was created in 1998, a merger of the consumer-focused Citicorp and the highflying Wall Street bankers at Travelers Group. Executives envisioned a one-stop megabank where companies could manage their finances and globe-hopping travelers could always find a Citi ATM.

But Citigroup's businesses continued operating as silos, and the merger benefits didn't materialize as hoped. The bank repeatedly ran afoul of regulators. During the financial crisis, it nearly collapsed under the weight of toxic mortgage-backed securities. Since then, it has sold off assets it considered too risky or too ancillary, like a British music empire, a stake in a Mexican airline, a subprime lender and the Smith Barney brokerage.

Ms. Fraser came to Citigroup in 2004 after stints at Goldman Sachs and McKinsey & Co. During the financial crisis, she ran the bank's strategy division, helping lay the groundwork for the asset sales.

She has hopped around from job to job, running Citigroup's private bank for the ultrarich, the battered mortgage unit and the scandal-hit Latin America operations. That has given her experience with many parts of the company, though some people say that has made it hard to judge her operational success.

People who have worked with her said she makes decisions quickly, and that she can think strategically over the long term while also running a business. Even when cutting jobs, they said, she wraps her messages in empathy.

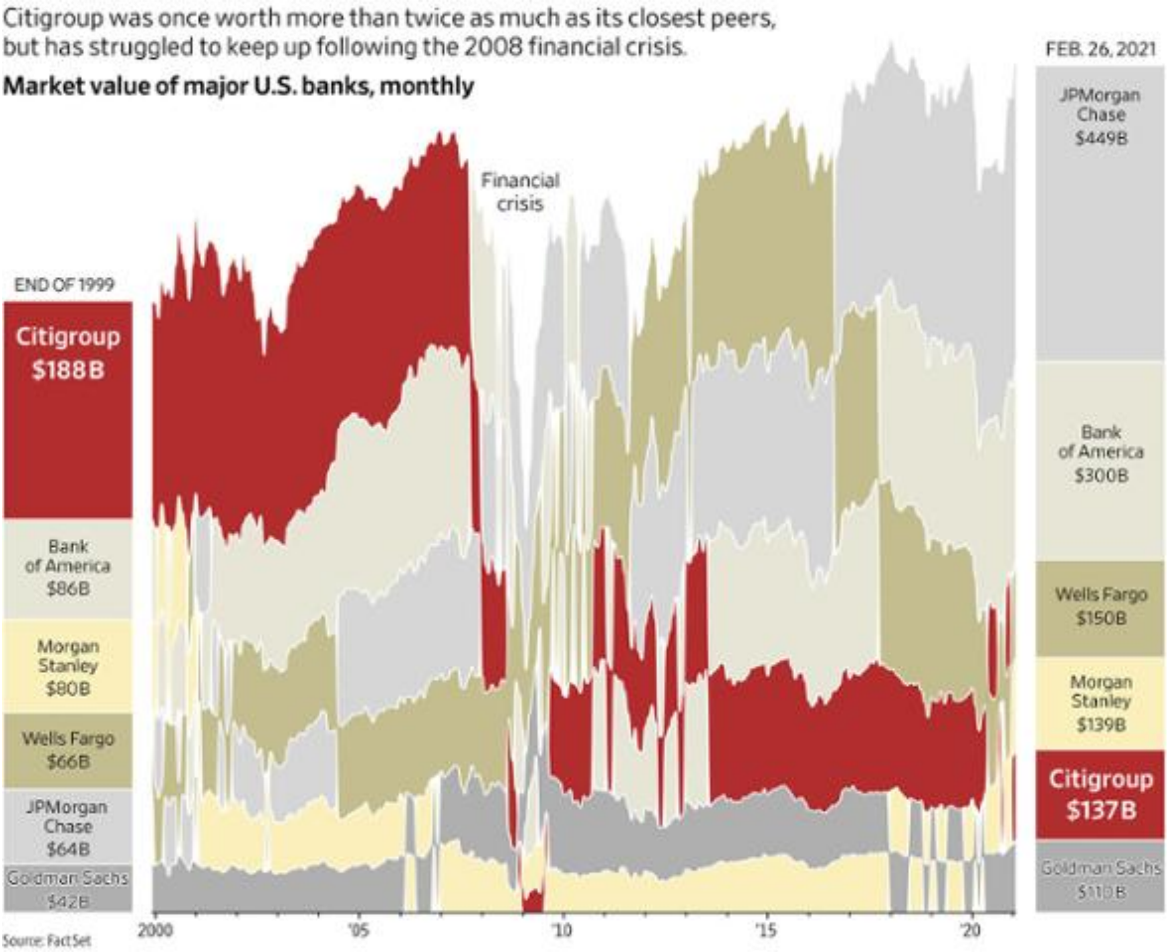
She is also known for practical jokes. In January, when Mr. Mason logged into the executive team's morning Zoom meeting, he found all of his colleagues sitting in front of a 20-year-old picture of him. It was his anniversary at Citigroup. Ms. Fraser kept it as her background all day.

Citigroup announced in September she would be CEO. Regulators were ramping up pressure over the bank's risk-management systems, and Mr. Corbat decided to step down because he felt that such an expensive, multiyear project was best left in the hands of a successor.

Ms. Fraser said the regulatory issue is her highest priority. The bank delivered on a February deadline to diagnose its risk problems and executives said the relationship with the regulators is productive. She has branded the work a "transformation," an opportunity for the bank to make changes that are overdue and competitively important.

Ms. Fraser said she knows the work will be a heavy lift but that she doesn't expect her first day as CEO to feel any different.

She is scheduled for a town hall, a meeting with new employees and some client calls. She is also planning to call some former colleagues and others to say thank you.



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EXCHANGE --- Personal Board of Directors: Sarah Friar --- Chief Executive Officer, Nextdoor Inc.

By Peter Rudegeair
652 words
27 February 2021
The Wall Street Journal
J
B4
English

[The trusted advisers of top business leaders]

When Sarah Friar landed in Silicon Valley, she thought it would be a temporary stay. Two decades later she runs a San Francisco social-media network used by one in four U.S. households.

It started in the late 1990s when Ms. Friar was a young consultant with McKinsey & Co. in London, and many of her colleagues wanted to attend Stanford University's business school in California. She followed suit, thinking she would return home to the U.K. in two years. But after getting her M.B.A. she took a job analyzing **technology** stocks for Goldman Sachs Group Inc.

"I am probably, frankly, better lucky than good," said Ms. Friar, 48. years old

Following more than a decade at Goldman and stints as a finance executive at Salesforce.com Inc. and Square Inc., the Northern Ireland native became boss of Nextdoor Inc. -- a neighborhood-focused social network where locals come to swap recommendations for babysitters and handymen.

The number of daily active users increased by 50% in 2020 as neighbors turned to Nextdoor in search of help with navigating school closures, securing vaccine appointments and dealing with the stresses of stay-at-home orders.

"Local never mattered more," Ms. Friar said.

Harry Friar

former manager at Herdman's Mill

Ms. Friar grew up in the village of Sion Mills in Northern Ireland during The Troubles, the three-decade conflict between Catholics and Protestants that killed and injured thousands. She credits her father, Harry, the personnel manager at the local mill, with helping foster kinship among residents in the midst of that strife. Ms. Friar said she looks to her father's example as she tries to build closer neighborhood ties at Nextdoor. "We all had to think as one rather than think of the two separate populations," Ms. Friar said. "My dad was a huge part of that and continues to be."

Mary Meeker

general partner at Bond Capital

When Ms. Friar was at Square, where she served as chief financial officer, she helped persuade former Goldman executive David Viniar to join Square's board. When Square expanded into the lending business, Ms. Friar used Mr. Viniar as a sounding board. She also relied on Mr. Viniar's nerves and advice to get through Square's rocky 2015 initial public offering, which valued the company beneath the range its bankers sought. Ms. Friar said he told her that "your only job is to execute and ultimately, the market will value you for your execution."

David Viniar

former chief financial officer, Goldman Sachs Group Inc.

When Ms. Friar joined Goldman's research division, there was perhaps no bigger name in her field than Mary Meeker. A **technology** analyst at Morgan Stanley in the 1990s, Ms. Meeker had been dubbed "Queen of the Net" for prescient calls on stocks such as AOL and Dell Computer. Ms. Friar viewed her as a role model. "This phrase 'You can't be what you can't see' is a really important one to me," Ms. Friar said. In 2019, Ms. Meeker, now a venture capitalist, invested in Nextdoor and joined its board of directors.

John Hope Bryant

founder, chairman, and chief executive officer of Operation Hope Inc.

While at Square Ms. Friar was introduced to John Hope Bryant, who ran a nonprofit that aimed to raise the credit scores of people from underprivileged groups. The two became friends and stayed in touch when Ms. Friar left for Nextdoor. Last year Ms. Friar sought Mr. Bryant's advice about how Nextdoor could be more useful to minority communities. Mr. Bryant helped her realize the importance of having Nextdoor moderators that are as diverse as the neighborhoods they serve. "John has been really good at always pulling me back from feeling impotent," Ms. Friar said.

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THE WALL STREET JOURNAL.

Technology

Dining Software Firm to List --- Toast taps Goldman Sachs, JPMorgan to underwrite a possible IPO later this year

By Cara Lombardo and Maureen Farrell
301 words
22 February 2021
The Wall Street Journal
J
B4
English

Toast Inc. is planning an initial public offering that could value the restaurant-software provider at around $20 billion, people familiar with the matter said.

Toast tapped Goldman Sachs Group Inc. and JPMorgan Chase & Co. to underwrite a possible listing later this year, these people said. It could also consider other options including a sale or combination with a blank-check company, some of the people said. There are no guarantees Toast will ultimately go public or pursue another of the options.

In going public, Toast, a 10-year-old company whose valuation has leapt several fold in the past year, would join a red-hot IPO market fueled lately by the high-profile debuts of companies including Affirm Holdings Inc. and Bumble Inc. Shares of both are trading far above their IPO prices, as are those of 2020 predecessors including Airbnb Inc. and DoorDash Inc.

Also powering the record IPO market is a wave of so-called special-purpose acquisition companies, which go public without a business and then hunt for one to merge with.

Founded in 2011 by Aman Narang, Jon Grimm and Steve Fredette, Toast provides payment-processing hardware and cloud-based software for restaurants. Aside from core point-of-sale offerings, its products include payroll processing and email marketing, and it lends to restaurants through Toast Capital. Competitors include Square Inc. and PayPal Holdings Inc.

The Boston company was valued at around $4.9 billion in a $400 million fundraising round roughly a year ago that included Bessemer Venture Partners, TPG, Greenoaks Capital and Tiger Global Management LLC.

The company last week added American Express Co. executive Susan Chapman-Hughes to its board of directors.

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THE WALL STREET JOURNAL.

U.S. News: Ex-Regulator Eyed for SEC Chairman

By Andrew Ackerman and Dave Michaels
887 words
13 January 2021
The Wall Street Journal
J
A7
English

WASHINGTON -- President-elect Joe Biden is expected to choose Gary Gensler, a former financial regulator and Goldman Sachs Group Inc. executive, to head the Securities and Exchange Commission, according to people familiar with the decision.

Mr. Gensler's nomination would please liberal Democrats who cheered the former regulator's tough approach to rule-making during the Obama administration, when he spearheaded the overhaul of derivatives markets mandated by the 2010 Dodd-Frank Act and oversaw enforcement actions against investment banks accused of manipulating benchmark interest rates.

The choice of Mr. Gensler, who declined to comment, wasn't final and could still change, the people said.

As head of the Commodity Futures Trading Commission from 2009 to 2014, Mr. Gensler developed a reputation among his colleagues for bare-knuckle tactics as he drove to create a regulatory framework for derivatives, a multi-trillion dollar market that had largely been free from federal oversight. By the time he left the commission, the rule set was largely complete, years before other regulators wrapped up their postcrisis work.

It was a surprising turn for the former Goldman executive who had previously resisted calls for additional derivatives regulation when he served in the Treasury Department under President Clinton. The decision not to tightly regulate derivatives in the 1990s has been blamed for contributing to the financial crisis a decade later.

Mr. Gensler was tapped to lead the CFTC in 2009, as the agency's mission was expanding to address risks to financial stability posed by derivatives, financial instruments including options and futures that are derived from other assets. In that role, Mr. Gensler drew the ire of Wall Street banks as he implemented Dodd Frank.

"He was terrifically effective at the CFTC, he knows the markets as well as anyone on Wall Street, he's a smart and tough regulator who knows how to get things done, and he cares about investor protection," said Barbara Roper, director of investor protection at the Consumer Federation of America.

Ms. Roper and other progressive groups are hoping the SEC under Mr. Biden will move swiftly to undo policy changes implemented by recently departed Chairman Jay Clayton. Those include curbs on shareholders' ability to propose resolutions at company proxy meetings and efforts to make it easier for private companies to raise capital without registering with the SEC.

Other priorities that a Democratic-led SEC are expected to consider include requiring companies to disclose more information about risks related to climate change and about workforce diversity and political contributions.

"We need a new SEC chair who will put this climate crisis at the top of the agency's agenda," Sen. Elizabeth Warren (D., Mass.) said during a hearing late last year. She criticized the agency under Mr. Clayton for not mandating that companies disclose aspects of their business that could be affected by climate change or governments efforts to curb it.

The decision to nominate Mr. Gensler was reported earlier by Reuters.

Mr. Gensler occasionally came under criticism for his management of the CFTC, including how his agency oversaw MF Global Inc., the brokerage firm that imploded in 2013 after huge bets it made on European bonds that went south. The CFTC in 2013 sued MF Global and its former chief executive, Jon Corzine, for improperly transferring some customer funds to banks and clearinghouses as it tried to fill margin calls. Mr. Corzine settled the claims in 2017 by paying a $5 million fine.

Mr. Gensler recused himself from the investigation, citing his previous work with Mr. Corzine, a former Democratic senator who also had worked with Mr. Gensler at Goldman Sachs. Senate Republicans said Mr. Gensler's decision to remove himself from the investigation was an effort to sidestep Congress' questions about how the CFTC oversaw Mr. Corzine's firm.

An inspector general's report found that Mr. Gensler had used his personal email while dealing with some MF Global issues while he was away from the CFTC's Washington headquarters.

While Mr. Gensler's candidacy to lead the SEC has been strongly supported by progressives, some worried that he could face an uphill battle to confirmation if the Senate remained under Republican control. Others in the Democratic Party had hoped Mr. Biden would pick a woman or a minority candidate to promote diversity in a sector that remains dominated by white men.

Mr. Gensler's stock rose after Democrats won both runoff elections for the Senate in Georgia on Jan. 6, giving them control of the chamber and smoothing his likely path toward confirmation.

Since the election, Mr. Gensler has overseen a team of volunteers for the Biden transition focused on banking and markets regulators, such as the Federal Reserve and the SEC, as part of an agency review process that occurs with incoming administrations.

Mr. Gensler, 63 years old, also advised Hillary Clinton's 2008 and 2016 presidential runs. Since 2018 he has taught courses on **blockchain** and digital currencies at the Massachusetts Institute of **Technology**'s Sloan School of Management.

His profile on the school's website notes that he has completed nine marathons and the JFK 50-mile race in his home state of Maryland, a feat he accomplished in 2007.

Paul Kiernan contributed to this article.

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THE WALL STREET JOURNAL.

Deal Nears for Stake in Firm With Ties to Cowboys, Yankees

By Miriam Gottfried
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Investment firm Sixth Street Partners is nearing a deal to buy a majority stake in sports-and-entertainment events company Legends Hospitality LLC, according to people familiar with the matter.

The deal is expected to value Legends at $1.3 billion including debt, the people said.

Founded in 2008 by a group that included the National Football League's Dallas Cowboys, Major League Baseball's New York Yankees and the merchant bank of Goldman Sachs Group Inc., Legends partners with top sports and entertainment brands to design, plan and manage special events and live experiences.

The company, which also has divisions that focus on sponsorships, merchandise and **technology**, counts Real Madrid, SoFi Stadium, the University of Notre Dame, the Los Angeles Clippers and Live Nation Entertainment Inc. among its partners.

Goldman sold its stake in 2012. The remaining owners sold a significant minority stake to private-equity firm New Mountain Capital in 2017 in a deal that valued the company at more than $700 million, according to PitchBook.

In the transaction being discussed, Sixth Street would primarily be buying the stake owned by New Mountain, with the Cowboys and Yankees remaining sizable owners of Legends, according to people familiar with the matter.

A former affiliate of private-equity firm TPG, Sixth Street has more than $50 billion in assets under management, including its open-ended flagship vehicle, which last year became one of the largest pools of private capital.

A deal for Legends would be Sixth Street's latest bet on an industry hard-hit by the coronavirus pandemic.

In April the firm partnered with private-equity firm Silver Lake to invest $1 billion in home-sharing company Airbnb Inc., which was being battered by a wave of pandemic-related cancellations.

Warrants it received as part of the deal valued the company at $18 billion, The Wall Street Journal reported.

Airbnb went public in December at a roughly $47 billion valuation, and it currently has a market capitalization of nearly $90 billion.

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Technology
Goldman Banker Is New Instacart CFO

By Kristin Broughton
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Instacart Inc., the grocery-delivery service that is thriving amid the pandemic, named a new finance chief.

Nick Giovanni, an investment-banking executive, will take over as chief financial officer Jan. 27, the company said Thursday. Mr. Giovanni most recently served as head of the global **technology**, media and telecom group at Goldman Sachs Group Inc. Instacart was among his clients at the Wall Street bank, which he joined in 1998.

At Instacart, Mr. Giovanni will succeed Sagar Sanghvi, who became CFO in August 2019 and previously worked as the company's vice president of finance and strategy. Mr. Sanghvi, a former associate of financial firm KKR & Co., will remain with Instacart until February. He plans to return to investing after his departure, the company said.

In Mr. Giovanni, Instacart has chosen an executive experienced in shepherding late-stage startups through the public listing process. Mr. Giovanni during his time at Goldman played a role in several blockbuster initial public offerings, including those of Airbnb Inc. and DoorDash Inc. last month.

"As we look ahead, Nick's finance experience, operational discipline, and deep understanding of complex marketplaces like ours will be instrumental to Instacart," Chief Executive Apoorva Mehta said, adding that Mr. Giovanni played an important part in helping private companies expand on a global scale.

Instacart didn't make Mr. Giovanni available for an interview and declined to comment on whether it is exploring a public listing. Companies last year raised a record amount of capital through IPOs, despite uncertainty around the coronavirus pandemic and the pace of the economic recovery.

The pandemic has been a boon for Instacart's business as consumers buy more food and home goods online. The venture-backed company, which was founded in 2012, doesn't disclose financial results.

Instacart delivers from nearly 40,000 stores in the U.S. and Canada, a 38% increase compared with the beginning of 2020, the company said. It counts more than 500 retailers as its clients, including national grocery chains such as Albertsons Cos. and Aldi Inc. and nonfood retailers like Best Buy Co., Staples Inc. and Petco Animal Supplies Inc.

Instacart's recent growth comes after a rocky period in late 2018, when Whole Foods severed ties with the service following Whole Foods' acquisition by Amazon.com Inc.

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