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THE WALL STREET JOURNAL WEEKEND



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## What's News

### Business & Finance

- ◆ **Fidelity Investments** put stricter guardrails on the deposits customers make through its mobile app, hitting back against a check-fraud scheme that targeted the investing giant this month. **A1**
- ◆ **Apple is no longer** in talks to participate in an OpenAI funding round expected to raise as much as \$6.5 billion. **A1, A4**
- ◆ **A clean-energy startup** with big Wall Street backers and a deal for a \$1 billion government loan is running short on cash and facing project delays, potentially jeopardizing its long-promised expansion. **B9**
- ◆ **WeightWatchers** is parting ways with Sima Sistani, the CEO who led the diet company into the burgeoning market for obesity drugs. **B9**
- ◆ **U.K. antitrust officials** said Amazon.com's \$4 billion investment in artificial intelligence company Anthropic didn't qualify for a formal investigation. **B10**
- ◆ **Ireland's data protection** watchdog fined Meta more than \$100 million. **B10**
- ◆ **The Dow rose** 0.3% to close at a record as an inflation gauge showed price pressures continued cooling, but the S&P 500 and Nasdaq fell 0.1% and 0.4%, respectively. All three indexes notched weekly gains. **B10**

### World-Wide

- ◆ **Israel targeted** Hezbollah leader Hassan Nasrallah with a massive airstrike near Beirut, flattening part of a neighborhood in an attempt to kill the cleric who has led the group for three decades. It wasn't clear if he had been killed. **A1**
- ◆ **Kamala Harris visited** the U.S.-Mexico border in Arizona in an effort to convince voters that she will give priority to border security. **A1**
- ◆ **Helene swept** across the Florida Panhandle, Georgia, the Carolinas, Tennessee and Kentucky, cutting power to millions and killing 40 people. **A3**
- ◆ **The Justice Department** charged three Iranian operatives suspected of hacking Trump's campaign. **A3**
- ◆ **New York City Mayor** Eric Adams pleaded not guilty to federal corruption charges. **A2**
- ◆ **Japan's next leader** wants to reshape what he sees as an unequal alliance with the U.S., presaging possible tensions with Washington. **A9**
- ◆ **The reported sinking** of a Chinese nuclear-powered submarine at a Wuhan shipyard highlights the difficulties Beijing faces in building an advanced oceangoing navy. **A9**
- ◆ **At least 46 people**, including 37 children, drowned across India's Bihar state while ritually bathing in rivers and ponds. **A9**
- ◆ **Died: Maggie Smith**, 89, star of stage and screen. **C6**

### NOONAN

Who's afraid of the AI Smith dinner? **A13**

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## Helene Swamps Southeast With Rain, Flooding



**DELUGE:** A man tried to free a stranded car Friday near Boone, N.C. The storm landed as a Category 4 hurricane in Florida before causing havoc in Georgia, the Carolinas, Tennessee and Kentucky, cutting power to millions and leaving at least 40 dead. **A3**

## Israel Targets Hezbollah Chief In Powerful Beirut Airstrike

Israel took aim at Hezbollah leader Hassan Nasrallah with a massive airstrike on Beirut's southern suburbs Friday, people briefed on the attack said, flattening part of a neighborhood in an attempt to kill the cleric who has led the group for three decades and built it into a fearsome foe.

It wasn't clear whether Nasrallah was killed, but the ex-

*By Alexander Ward, Summer Said, Nancy A. Youssef and Carrie Keller-Lynn*

plosions pulverized several buildings under which Israel's military said Hezbollah's main headquarters was hidden. Large plumes of smoke filled the sky as the sun began to set.

Ali al-Harakah, a municipal official in the area, said many explosions hit the Haret Hreik neighborhood of the southern suburbs, destroying several buildings. He said he expected numerous casualties.

Senior officials from Hezbollah and Iran's Islamic Revolutionary Guard Corps also were at the site, said people familiar with the matter. Hez-

bollah lost touch with several senior officials since the blast, some of the people said.

Later, close to midnight local time, Israel's military warned residents of some neighborhoods in Beirut's southern suburbs to leave immediately. *Please turn to page A8*

◆ **Israeli spies notch wins after failure.....** **A8**

## Exits at OpenAI Lay Bare Internal Tensions

Key executives have left amid disputes over company values as it changes rapidly

By DEEPA SEETHARAMAN

In under two years, OpenAI has gone from a little-known nonprofit lab working on obscure technology to a world-famous business whose chief executive is the face of the artificial-intelligence revolution.

That change is tearing the company apart.

On Wednesday, OpenAI's chief technology officer became the latest high-profile executive to announce an exit, departing as the company prepares to become a for-profit corporation. The exits are public eruptions of tensions that have been growing in the company behind ChatGPT since CEO Sam Altman returned following his brief ouster last year.

Some tensions are related to conflicts between OpenAI's original mission to develop AI for the public good and new initiatives to deploy money-making products. Others relate to chaos and infighting among executives worthy of a soap opera.

CTO Mira Murati is one of more than 20 OpenAI researchers and executives who have quit this year, including *Please turn to page A4*

◆ **Apple no longer in talks to invest in OpenAI.....** **A4**

## Harris Takes Her Border Case To Arizona

By MICHELLE HACKMAN AND TARINI PARTI

Vice President Kamala Harris visited the U.S.-Mexico border in Arizona on Friday in an effort to convince voters, who give Donald Trump a significant edge over her on immigration, that she will give priority to border security by proposing even stricter asylum restrictions than President Biden.

Harris's plan will go a step further than Biden's border policy, which was put in place in June and blocked migrants from asking for asylum if they crossed the border illegally. The Biden administration is expected to tighten the measures next week, but Harris's proposal would call for further restrictions.

"I will take further action to keep the border closed between ports of entry," Harris said.

The way the policy is currently designed, restrictions must end if illegal crossings remain below an average of 1,500 for seven days. According to current and former administration officials, the Department of Homeland Security is planning to tweak the policy so that it can't lift unless crossings remain below 1,500 for at least 28 days—something that hasn't happened since the early days of the Covid pandemic.

Harris's proposal also calls for lowering the threshold below 1,500. *Please turn to page A5*

◆ **Harris backs away from electric vehicles.....** **A5**

## Rate Cuts Don't Guarantee An Economic Soft Landing

By NICK TIMIRAOS

Whether interest-rate cuts from the Federal Reserve help engineer a soft landing depends only partly on how much weakness is under the hood of the U.S. economy. Success also depends on lower borrowing costs spurring new investment and spending to counteract any slowdown.

Fed Chair Jerome Powell cast this month's half-point reduction in interest rates as a show of strength, affirming the central bank's desire to avoid having to make more drastic cuts later if the economy weakens. "We don't think

we're behind," Powell said at a news conference. "You can take this as a sign of our commitment not to get behind."

A soft landing that brings inflation down to the Fed's goal without major deterioration in the labor market could still be tricky to achieve because it eventually requires growth in new lending to pick up. Bank lending has slowed to a crawl over the past year, something not usually seen outside of recessions.

Even with somewhat lower rates, many companies and households might be reluctant to borrow because they will still face higher rates than

what they currently pay on loans with fixed costs that were locked in several years ago. If those borrowers or businesses are reluctant to obtain new borrowing, rate cuts might do little to boost the economy.

At issue is the difference between the marginal cost of debt, which is now falling, and the average rate on debt, which might still rise, particularly for borrowers who locked in low rates before the Fed started hiking. Because the Fed raised rates rapidly after more than a decade of historically low borrowing costs, the *Please turn to page A4*

## NYC Mayor Is Arraigned



Eric Adams pleaded not guilty to federal corruption charges and says he won't resign. **A2**

## For Loads of Fun, Hit the Laundromat

\* \* \*  
Industry shakes its dull image with bars, jazz

By MARIANA TRUJILLO VALDES

NEW YORK—Looking for good, and (certainly) clean, fun? Why not party in a laundromat?

On the window of Pearl Lee's Washtub in Brooklyn hangs a sign touting beer, wine, coffee, burgers, and yes, laundry. Inside are rows of washers and dryers.

"We ease the chore of laun-

## REVIEW



**WALL STREET WOMEN**  
The untold battles of those who first broke into the boys' club. **C4**

## Viral Check Scheme Spurs Fidelity to Act

By JUSTIN BAER AND OYIN ADEDOYIN

Fidelity Investments put stricter guardrails on the deposits customers make through its mobile app, hitting back against a check-fraud scheme that targeted the investing giant earlier this month.

Fidelity slashed the amount certain customers can deposit into their cash-management accounts to \$1,000 from \$100,000, people familiar with the matter said. The Boston-based company is also subjecting some account-holders to a 16 business-day hold on deposits before the money is made available for withdrawal

or investment.

The restrictions don't affect retirement accounts, such as 401(k) plans. Instead, they focus on cash management accounts, a type of brokerage account used to make purchases, pay bills online and withdraw funds from ATMs. Deposited checks typically take two to six days to clear.

The scheme targeting Fidelity's mobile app shares some similarities to the check-fraud scams that have hit JPMorgan Chase and other banks recently.

The organizers rely on social-media platforms such as Telegram and TikTok to recruit customers of those *Please turn to page A2*