

## [As California Goes, So Goes the Nation's Business?; DealBook Newsletter](#)

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**Highlight:** Some of the state's ballot propositions could have profound implications for companies.

### Body

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This Nov. 17 and 18, DealBook is holding our first [Online Summit](#). Join us as we welcome the most consequential newsmakers in business, policy and culture to explore the pivotal questions of the moment — and the future. Watch from anywhere in the world, free of charge. [Register now](#).

California's crystal ball

Voters in [California](#) will decide on a dozen [ballot initiatives](#) this election cycle, some of which could have profound implications for business. The state, which by itself is the world's fifth-largest economy, can set regulatory standards and signal how policy winds will blow in the rest of the country.

It's worth paying attention to the state's political tides, even with the focus on the White House. Some \$650 million has been spent on California ballot propositions this election cycle, in what [David McCuan of Sonoma State University calls](#) "the second most expensive political exercise in the free world."

Here are three of the most consequential propositions for businesses:

**Prop. 15:** Tax most large commercial and industrial properties based on market value, instead of purchase price. The Chan Zuckerberg Initiative, Mark Zuckerberg's family foundation, has given [\\$10.8 million in support](#) since May 2018, noting that a tenth of landowners would pay more than 90 percent of the tax. The California Chamber of Commerce [opposes it](#), arguing that it would harm small businesses and lead to higher food and energy prices. California capped property tax increases [in the 1970s](#), inspiring similar moves elsewhere; if the initiative passes, local governments desperate for revenue could follow the state's lead once again.

- Polls of [mail-in voters](#) — an electorate that skews Democratic and doesn't reflect expected Republican turnout — show 60 percent in support.

**Prop. 22:** Make app-based drivers independent contractors. A consortium of gig companies — including DoorDash, Instacart, Postmates and Uber — has spent [more than \\$200 million](#) to support the proposition, which would allow the companies to avoid classifying their drivers as employees. The fight already serves as a harbinger of wider debates about the flexibility and security of gig work. The Biden campaign [cites California's approach](#) as a model.

- Polls of mail-in voters show 52 percent in support.

**Prop. 24:** Expand privacy laws and create a state data protection agency. Backers of the plan include the former Democratic presidential candidate Andrew Yang, Mayor London Breed of San Francisco, and the real estate tycoon [Alastair Mactaggart](#). Big Tech is [mostly quiet about it](#), but some lawyers for Google and Quora individually signed [a](#)

[letter opposing the initiative](#). Critics complain that the proposal puts the onus on individuals to opt out and might turn privacy into [a luxury item](#). It would codify an existing law “riddled with problems,” says Eric Goldman, a co-director of the High Tech Law Institute at Santa Clara University.

- Polls of mail-in voters show 54 percent in support.

## HERE'S WHAT'S HAPPENING

President Trump suggests he may fire Dr. Anthony Fauci. At a rally near Miami last night, Mr. Trump responded to a crowd chant of “Fire Fauci” [by saying](#): “Don’t tell anybody, but let me wait until a little bit after the election.” Dr. Fauci, America’s top infectious disease expert, has recently rebutted the president’s optimistic claims about the state of the pandemic.

Stores are boarding up windows before the election. Retailers are [bolstering security](#) — protecting shop windows, hiring more guards and training employees in how to de-escalate conflicts — in anticipation of election-related unrest. (Walmart, however, has [reversed its decision](#) to pull firearms and ammunition from store floors.)

England widens coronavirus lockdown. By ordering restaurants, pubs and most shops [to shut for four weeks](#) beginning on Thursday, Prime Minister Boris Johnson joins his counterparts in France, Germany and Ireland in announcing stricter measures to curb the spread of the coronavirus.

Oil hits a five-month low. The price of Brent crude, the international benchmark, [continues to fall](#) as economists downgrade European economic growth forecasts in response to the new social restrictions. In related news, Exxon Mobil reported a third-quarter loss of \$680 million on Friday, extending the oil giant’s [worst run in years](#).

Dunkin’ Brands seals its deal. The parent of Dunkin’ and Baskin-Robbins [agreed to sell itself](#) to Inspire Brands, the owner of Arby’s, Buffalo Wild Wings and others, for \$11.3 billion, including debt. It’s one of the biggest restaurant takeovers in over a decade — and a pricey bet on the types of restaurants that can withstand the pandemic.

## Meet Joe Biden's biggest fund-raisers

Late Saturday, the Democratic presidential nominee [disclosed his “bundlers,”](#) top donors who raised at least \$100,000 for his campaign. [The list](#), which includes some of the biggest names in business, reveals who has helped him outraise President Trump.

On the list:

- Silicon Valley royalty like the investors Ron Conway, John Doerr and Reid Hoffman. (Recode notes that tech executives have spent [much more money](#) to help Mr. Biden than they did for Hillary Clinton in 2016.)
- Financiers like the bankers Roger Altman of Evercore and Blair Efron of Centerview; the investors Tony James of Blackstone, Marc Lasry of Avenue Capital, Alan Patricof of Greycroft and John Rogers of Ariel Investments; and lawyers like Brad Karp of Paul Weiss.
- Entertainment titans like Bela Bajaria of Netflix, Donna Langley of Universal and Jeffrey Katzenberg, the DreamWorks (and Quibi) co-founder.
- Other business executives like Jeff Blau of the real estate firm Related (whose boss, Stephen Ross, was criticized for hosting a fund-raiser for Mr. Trump) and Penny Pritzker, the scion of the Hyatt hotel family and a former Obama administration official.

That list may raise concerns among progressives wary of corporate influence on a potential Biden administration. In related news, The Times’s Kate Kelly [examined the record of Senator Kamala Harris](#), Mr. Biden’s running mate, during her tenure as California’s attorney general, showing how she took a “moderate, realpolitik approach” to going after big business.

“Central banks need to take the menace of asset price inflation more seriously and to give the threat of stock, bond and especially housing bubbles more weight in their policy deliberations.”

— Ruchir Sharma, the chief global strategist at Morgan Stanley Investment Management, on [the unintended consequences of government stimulus](#)

The week ahead

You may have heard that Tuesday is Election Day in the U.S. Here's [a look at the timing of results](#). (The Times will be hosting a live, four-hour [broadcast of “The Daily”](#) starting at 4 p.m. Eastern). Believe it or not, there are other things happening this week ...

It's another big week for corporate earnings, with a quarter of S&P 500 companies opening their books. Noteworthy reports include PayPal today; Saudi Aramco on Tuesday; Qualcomm on Wednesday; Alibaba, AstraZeneca, G.M. and Uber on Thursday; and Marriott and Toyota on Friday. (Watch for unexpected announcements from companies looking to bury bad news amid the electoral distractions.)

On Thursday, economists expect the U.S. Federal Reserve to leave interest rates the same, but provide clues about the [strength of the recovery](#). The same day, the Bank of England may introduce new stimulus measures as lockdown begins and Brexit ([remember that?](#)) looms.

Ant Group, which raised more than \$34 billion in [the biggest I.P.O. on record](#), begins trading in Hong Kong on Thursday. (It's not clear when trading will begin in Shanghai.) Based on the rush to buy shares in the Chinese fintech giant it could be a frenzied first day.

The U.S. jobs report on Friday is expected to show a gain of 600,000 jobs in October, the fourth consecutive month of [slowing growth in payrolls](#), which remain more than 10 million lower than before the pandemic.

Alternative election indicator

There are any number of ways to predict election results, from polls to betting markets. Some look to [the stock market](#) for signals. Nick Mazing at Sentieo, for instance, thinks two stocks reflect “pure policy bets” on the election:

- Postal Realty Trust owns properties that it leases to the U.S. Postal Service, the agency that has gained support among Democrats as it deals with a surge in mail-in ballots, and drawn [threats from President Trump](#) to cut its funding.
- CoreCivic owns private prisons and generates half its revenue from federal contracts, particularly immigration detention centers. It is [a major backer of Mr. Trump](#), which isn't surprising since Joe Biden's platform calls for ending the federal use of private prisons.

The ratio of Postal Realty Trust to CoreCivic charts the relative fortunes of these stocks: The higher it goes, the more bullish property investors are about post offices over private prisons. This measure has more than doubled this year, a sign that portfolios might be preparing for a Biden win — although it has come down a bit in recent days.

Will the new E.S.G. rule for pensions stick?

In June, the U.S. Department of Labor proposed a rule that would require company pension funds to invest solely based on financial returns and not environmental, social or governance (E.S.G.) goals. The proposal attracted more than 1,000 comments and six petitions, most of them critical of a change that would affect some \$10 trillion in pension assets. The department [finalized the rule](#) on Friday, removing the explicit targeting of E.S.G. investing but still emphasizing that investment decisions should be based on “[pecuniary factors](#).”

It may not last. The rule goes into effect 60 days after publication in the Federal Register, but lawyers predict [court challenges](#), given the significant criticism and the rapid rule-making process. That means the rule could be put on hold. A Biden administration would most likely unwind the regulation, and not enforce it until it did. “Given the

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significant momentum behind E.S.G. as an investment strategy more broadly and the growing belief that values can create value, we expect that a Democratic administration would go to significant lengths to turn the page on this rule," Michael Albano, a partner at the law firm Cleary Gottlieb, told DealBook.

The move runs counter to "current market practice and professional asset management norms," said Marg Franklin, the president of the CFA Institute. More than \$30 billion in net assets were invested to E.S.G. funds in the U.S. in the first three quarters of 2020, according to Morningstar. That was more than the \$21 billion added in all of 2019, itself four times more than any previous year.

## THE SPEED READ

## Deals

- Pfizer and Mylan agreed to sell assets to win F.T.C. approval for their deal to combine Pfizer's off-patent division with Mylan. ([Bloomberg](#))
- Stonepeak Infrastructure Partners agreed to buy the cable company Astound from TPG for \$8 billion, including debt. ([Bloomberg](#))
- Nestlé agreed to buy control of the meal delivery service Freshly at a \$950 million valuation. ([Reuters](#))

## Politics and policy

- How Christine Lagarde is doing as president of the European Central Bank, a year into her tenure. ([Bloomberg](#))
- Most of the telecom industry is opposed to the Pentagon's proposal to create a national 5G network — except for Dish Network. ([WSJ](#))

## Tech

- A second federal judge has blocked President Trump's effort to ban TikTok. ([NYT](#))
- Google urged its workers not to "get distracted" by the government's antitrust lawsuit. ([Bloomberg](#))

## Best of the rest

- Airlines are giving away seats in deals to entice fliers. ([WSJ](#))
- Finance and tech workers open up about why they're leaving New York. ([CNBC](#))
- How half of Slovakia took coronavirus tests in a single day. ([Reuters](#))

We'd like your feedback! Please email thoughts and suggestions to [dealbook@nytimes.com](mailto:dealbook@nytimes.com).

PHOTO: A voting center in San Francisco. (PHOTOGRAPH BY Jeff Chiu/Associated Press FOR THE NEW YORK TIMES)

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