

U.S. NEWS

Oil Companies Toe the ‘Gulf of America’ Line

By Benoit Morenne
And Collin Eaton

As far as British oil giant BP is concerned, the catastrophic oil spill that tainted Louisiana’s shores more than a decade ago didn’t take place in the Gulf of Mexico.

It took place in the Gulf of America.

The company is one of several that have embraced President Trump’s official recasting of the more than 400-year-old name. One of Trump’s first acts was to sign an executive order renaming the 620,000-square-mile international body of water, which is bounded by the U.S., Mexico and Cuba, as the “Gulf of America.”

On its website and in recent filings, BP refers dozens of times to its drilling operations in the Gulf of America, as well as to the 2010 “Gulf of America oil spill.” Chevron and Shell have followed suit, as have Alphabet’s Google, Microsoft and Apple, whose maps now feature Trump’s preferred name for U.S. users.

“We’re calling it Gulf of America,” Chevron Chief Executive Mike Wirth said in a Jan. 31 conference call with analysts. “That’s the position of the U.S. government now.”

The move speaks to the extraordinary sway Trump holds over some of the largest

American corporations. Many business leaders—who for months have worked to ingratiate themselves with the new White House—have been quick to abide by his edicts.

Even before Trump pushed to end diversity, equity and inclusion—or DEI—programs in the federal government, companies including Meta and McDonald’s scaled back their DEI efforts. Companies are also reconsidering climate-change efforts and settling lawsuits from Trump.

Trump’s executive order renaming the Gulf of Mexico applies to federal publications and communications, not internationally, and private entities are free to stick with the original name. But by adopting the president’s preferred designation, they are signaling a willingness to play along to get along, corporate strategists said.

“All these companies are very attuned and playing the long-term Washington lobbying game,” said Allen Adamson, a branding expert and co-founder of marketing firm Metaforce.

A spokesperson for BP said it made the name change to maintain alignment and consistency with the official position of the U.S. government. Chevron said it follows U.S. policy on geographic names.



A Chevron deep-water oil platform in the Gulf of Mexico off the coast of Louisiana.

Google has said it has a longstanding practice of applying name changes when they have been updated in official government sources. Apple didn’t respond to a request for comment. A Microsoft spokesperson said that in accordance with established product policies, it is updating Bing Maps to reflect the change.

Consultants for oil producers, many of which operate in the Gulf, say some companies are trying to appease and avoid upsetting their pro-fos-

sil-fuel ally in the Oval Office. Why quibble over a name, the consultants said, when they want the Trump administration to open more federal waters to drilling?

In a conference call last month, Chevron’s Wirth said he expects the Gulf—which he began calling the Gulf of America the day after Trump said he would rename it—to keep pumping oil and gas for years. “There’s a lot of running room out there,” with enough for expansions at ex-

isting platforms and new projects, he said.

The oil industry is lobbying the administration to quickly create a new five-year leasing plan that would offer oil companies more auctions of acreage in federal waters.

Some oil companies haven’t made the switch. Exxon Mobil, Halliburton and Murphy Oil all called it the Gulf of Mexico in recent conference calls and regulatory filings, before the official change by the U.S. Board on Geographic

Names. The board ensures uniform geographic usage throughout the federal government.

Trump’s renaming decision has been criticized and mocked at home and abroad. Seventy percent of respondents in a Reuters/Ipsos poll last month said they opposed the move.

But companies such as Apple, Google and Microsoft have strong incentives to make the change, corporate strategists said. The tech giants have much to gain—or lose—from Trump’s decisions as the country’s leader, on everything from antitrust policy to deregulation on AI.

It is unclear whether non-federal entities will be required to adopt the new name, but at least some are likely to follow federal guidance, especially those bordering the Gulf, experts said. Some have proactively started using the new name, including the state of Florida, which used it in an executive order, and Port Fourchon, a major Louisiana seaport, which refers to the new moniker on its website.

The Wall Street Journal has said it would generally stick with the internationally familiar name Gulf of Mexico for now—while acknowledging, as pertinent, the name Gulf of America.

Airbus Jet Poses Test To Boeing

Continued from Page One years behind schedule, awaiting signoff from the Federal Aviation Administration.

“Clearly the first priority for Boeing is to resolve its manufacturing problems, which is no small issue,” said Nick Cunningham, an analyst at Agency Partners who has followed the industry for almost 40 years. “But the very next thing they need to address is the product.”

Customer doubts

Airbus usurped Boeing as the world’s biggest plane maker in 2019 following the grounding of the 737 MAX after two fatal accidents. It has delivered more jets and booked more net orders each year since.

In 2024, Airbus not only pulled further ahead in narrow-body aircraft but also cut into Boeing’s long-held lead in sales of wide-bodies, partly aided by repeated delays to the American company’s 777X. With many 777s reaching the end of their lifespans, Airbus has said the battle for bigger jets is just starting, including with its first-ever dedicated freighter.

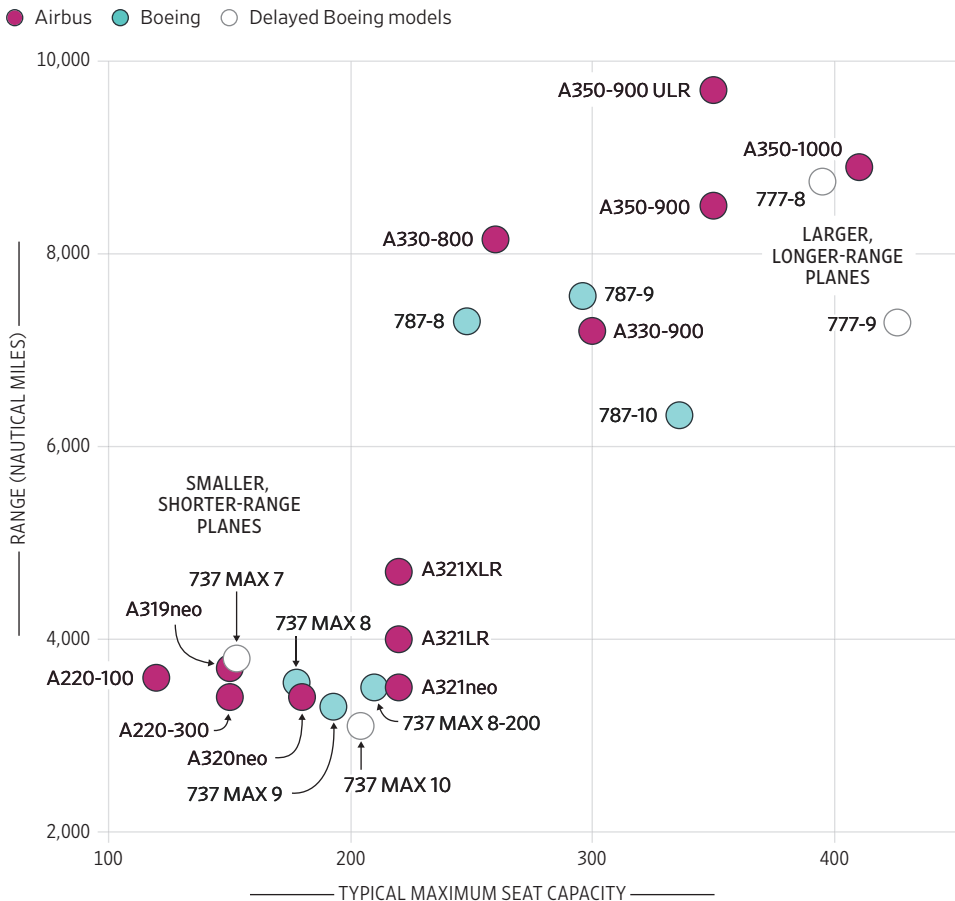
Boeing currently has six passenger jet models available for customers, with four still awaiting signoff from regulators. Airbus has 12 distinct models available.

Benoit de Saint-Exupéry, Airbus’s head of jet sales, attributed the company’s performance to its product lineup, while acknowledging it had also benefited from the situation at Boeing “casting some doubts in the minds of some customers.”

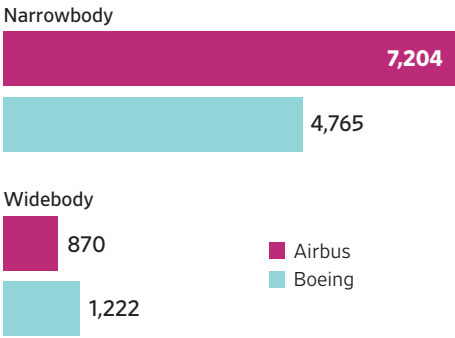
It hasn’t been all gloom for Boeing. The company in December announced a landmark

Jet Battle

Airbus has a wider selection of aircraft in production than Boeing, with some of the U.S. plane maker’s models still awaiting certification.*

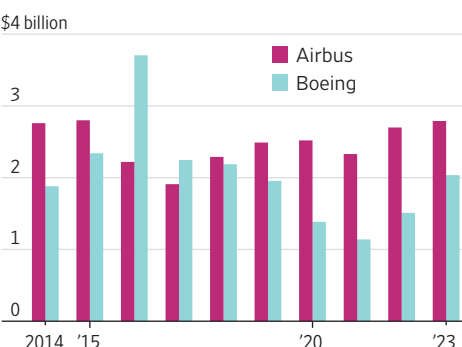


Orders from U.S. plane makers by type in 2024



*The 737 MAX 8-200 has an all-economy class seat layout. All other models reflect typical two- or three-class configurations.
†Figures are for each company’s commercial-aircraft division.
Source: the companies

Annual spending on research and development†



order for up to 200 MAX 10 jets from Turkey’s Pegasus—a carrier that predominantly operates Airbus jets. American Airlines also doubled

down on its commitment to the MAX 10 with 85 new orders last March.

And Airbus isn’t without problems. Supply-chain issues

have limited the company’s plans to boost production and meet demand in the wake of the pandemic. This month, Airbus said it was delaying a hydrogen-powered jet.

Still, Airbus’s superior financial position means it can embark on the expensive work of launching an all-new jet—giving it a head start in the battle for future leadership of the industry.

In the five years since 2019, Airbus has spent some \$12.9 billion on research and development in its commercial-aircraft division. Boeing’s plane-making business has spent \$8 billion. Both also invest in other units that develop technology that can later be used in commercial aircraft.

Airbus has been working on lightweight airframes, fuel-efficient engines and even folding wings that could feature

on a next-generation aircraft. The company is starting to narrow down the designs for an all-new plane that it expects to launch around 2030 and enter into service seven or eight years later.

Boeing is far behind. “We spend more time arguing within ourselves than we do thinking about Airbus and how we’re gonna beat Airbus to the punch,” Boeing Chief Executive Kelly Ortberg told workers at a companywide briefing in November, weeks after the first XLR was delivered.

But Ortberg is clear that Boeing isn’t yet in a financial position to launch a new aircraft. “We’ve got to spend a little bit more focus on getting ready, getting the business back to generating cash so that we have the cash to support the new airplane development,” Ortberg said. “That is absolutely critical for us.”

To focus on getting its delayed models to market, Boeing has shifted some engineers from a jet development project with NASA—called X-66—that could set the stage for its own next-generation plane.

A Boeing spokeswoman referred to comments Ortberg made last month, in which he said that the company was still investing in X-66 and that technology from that program could factor in an all-new plane.

Boeing hasn’t launched an all-new aircraft for more than two decades. The 787, formally announced in 2004, cost tens of billions of dollars to develop and took seven years to hit the market. The plane maker spent almost as many years figuring out what that aircraft would look like.

Game of chess

Executives at both companies have long likened their duopolistic rivalry to a complex and expensive game of chess. Before making a move, each side carefully assesses the other’s lineup and games out how they might respond.

They don’t always get it right. The annals of aviation

history are littered with failed aircraft programs, including Airbus’s flagship A380 super-jumbo.

Boeing’s hasty development of the 737 MAX, which was delivered to

customers with a fatal flaw, came as the company sought to respond to a revamped Airbus jet—the A320neo—that took Boeing by surprise in 2010.

For Airbus, Boeing’s woes mean the game has changed, said Christian Scherer, head of the plane maker’s commercial-aircraft division. Airbus now has more freedom when making strategic decisions “instead of responding to a threatening move of the queen on the chessboard,” he said.

Trump Floats 25% Tariff On Autos, Chips

By Gavin Bade

WASHINGTON—President Trump on Tuesday said he was considering tariffs of 25% or more on automobiles, semiconductors and pharmaceutical products.

The tariffs on those industries may increase over time, Trump told reporters gathered at his Mar-a-Lago club in Florida, though he added that companies may be given a phase-in period to move production back to the U.S.

Tariffs will be “in the neighborhood of 25%,” Trump said, adding that they would “go very substantially higher over the course of the year.” Trump suggested a phase-in period, saying that he wanted to give companies time to come back to the U.S. He said he would allow “a little bit of a chance” to re-shore production, without providing details.

The administration had previously said it would place tariffs on those industries and others it considers critical to national security, but previously, Trump hadn’t indicated how high the levies might be. Trump last week said he would impose 25% tariffs on imported steel and aluminum, and before that he increased tariffs on Chinese goods by 10%.

Those tariffs could come on top of the “reciprocal” tariff action that the Trump administration says will equalize U.S. tariffs with the duties and non-trade barriers charged by other countries.

The administration has said that action is likely after the completion of its trade policy review on April 1. More short term, European Union trade commissioner Maroš Šefčovič is visiting Washington this week for talks on the tariffs and other trade disputes.

Trump indicated that countries may be able to negotiate for lower tariffs, reiterating his claim that the European Union had agreed to reduce auto tariffs in response to his recent threats—an assertion the EU denies. Even so, Trump said he was open to the bloc or other nations reducing tariffs, saying it would put nations “on the same playing field.”

It wasn’t immediately clear if new automotive tariffs would apply to all cars, or exempt those that comply with the U.S.-Mexico-Canada Agreement.

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CORRECTIONS & AMPLIFICATIONS

Hamas said last week that it would release the last civilian American-Israeli hostage held in Gaza; however, it continues to hold an American hostage who also is an Israeli soldier. A World News headline on Saturday about hostage releases incorrectly said that Hamas planned to release the last American it holds.

Author John le Carré’s last name was misspelled as la Carré in a Review article Saturday about Alex Karp, Palantir’s chief executive.

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

U.S. NEWS

Governor,
Top NYC
Democrats
Discuss
Adams

By JAMES FANELLI
AND JOSEPH DE AVILA

The decision by the Justice Department to drop criminal charges against New York City Mayor Eric Adams has put him in political peril.

On Tuesday, Gov. Kathy Hochul met top Democratic leaders to determine whether Adams was fit to serve after the mayor faced accusations of a quid pro quo deal with the Trump administration.

And a federal judge ordered prosecutors to explain in a court hearing Wednesday why they sought to dismiss the bribery case against Adams that was years in the making.

A Justice Department memo said the reason for dropping the Adams prosecution was so the mayor could better focus on fighting illegal immigration. The memo said that federal prosecutors reserved the right to bring a case against him after the 2025 mayoral election.

The mayor’s political rivals and some of his former allies have seized on those conditions to say he is compromised and have called on him to resign.

On Tuesday, City Comptroller Brad Lander, City Council Speaker Adrienne Adams and civil-rights leader Rev. Al Sharpton visited the governor at her Manhattan office for private conversations, people familiar with the matter said.

The heads of the New York state Legislature, along with U.S. Reps. Hakeem Jeffries and Gregory Meeks, were also expected to meet with Hochul to discuss whether she should remove the mayor, the people said, which the governor has the power to do under New York law.

Another possibility being considered would be convening a committee of city officials who would vote on whether the mayor is unable to carry out his duties, the people said.

Alex Spiro, a lawyer for Adams, said in a court filing Tuesday that neither the mayor nor his legal team ever offered anything to Justice Department officials. Likewise, the Justice Department never asked the mayor for anything, Spiro said: “There was no quid pro quo. Period.”

During Tuesday’s talks, the governor didn’t share her stance on Adams and instead asked the politicians what they and their constituents thought of the mayor, according to people familiar with the matter. After his meeting with Hochul, Sharpton said the governor would hold off making any immediate decisions about Adams’s future.

“The governor said to me she is going to wait to see what the judge decides tomorrow and keep deliberating with other leaders,” Sharpton told reporters. “My feeling is that the faith of the people of this city has been shaken and there must be a resolve. But at the same time we must protect the law and not establish a precedent that could come back to haunt us.”

A spokesperson for the mayor said Adams had continued to serve the city despite the bribery case. “Mayor Adams has been clear that his loyalty is solely to the 8.3 million New Yorkers he represents, and the mayor is always available to speak with the governor about how we can continue to deliver for them,” the spokesperson said.

The Manhattan U.S. attorney’s office charged Adams in September with funneling illegal political contributions from Turkish nationals into his campaign war chest while accepting travel perks and free hotel stays in exchange for official acts. He has denied any wrongdoing.

On Tuesday, U.S. District Judge Dale Ho, who is presiding over the Adams case, ordered the mayor and federal prosecutors to appear in court Wednesday to describe how the Justice Department reached its decision to dismiss the charges.

A string of career prosecutors resigned late last week in protest of the move to drop Adams’s case.



A U.S. Marine this month installed concertina wire along the U.S.-Mexico border between San Diego and Tijuana in Mexico.

Illegal Border Crossings Keep Falling

Last month’s sharp decline in arrests continues trend that began under Biden

By MICHELLE HACKMAN
AND ELIZABETH FINDELL

WASHINGTON—Illegal border crossings plummeted even further in the first weeks of the Trump administration, accelerating a trend that started under former President Joe Biden.

The Border Patrol made roughly 29,000 arrests in January, according to newly released government data, down from about 47,000 in December.

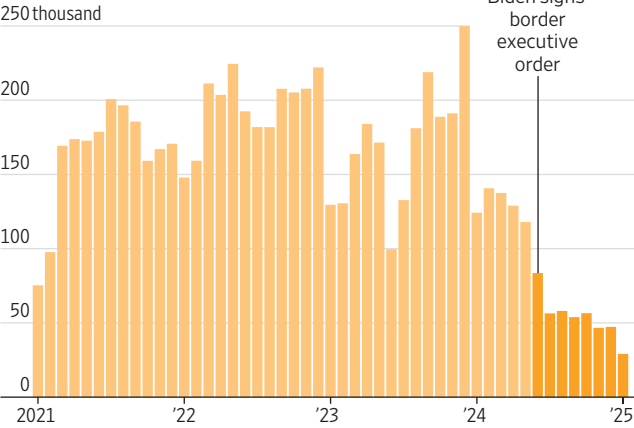
Border Patrol officials have said that the administration’s new policy of completely ignoring asylum claims—the legality of which is being challenged in court—has meant that migrants, no matter their circumstance, can be quickly deported back to Mexico or loaded onto removal flights. The administration has opened several new deportation avenues, including striking a deal with

the Venezuelan government to return some of its citizens and persuading countries including Panama and Costa Rica to at least temporarily take on migrants from third countries in the Middle East and Asia.

Although the Biden administration had also barred migrants who crossed into the U.S. illegally from asking for asylum, it still allowed some to ask for protection in circumstances where evidence strongly suggested they would be persecuted or tortured if sent home. Under that policy, some migrants were still being released into the U.S. with some humanitarian protections.

During the Biden administration, border crossings hit record highs, at one point reaching as many as 250,000 migrants crossing into the U.S. in one month. Arrests at the southern border started falling about a year ago, when the Biden administration persuaded Mexico to dramatically scale up arrests of migrants heading for the U.S. The significant shift largely went largely unnoticed during the presidential

Southwest border apprehensions



Source: U.S. Customs and Border Protection

campaign, when Trump used the border crisis to campaign against Biden and other Democrats. Voters gave Trump better marks on handling immigration, polls showed.

The White House touted the new figures Tuesday as Trump’s success, saying in a press release, “call it the Trump effect.”

The administration has also credited its decision to shut down a program known as CBP One, which migrants used to make appointments

at legal border crossings to ask for asylum, as another way it has reduced migration into the U.S. As a result, tens of thousands of migrants who were awaiting a turn are now stranded in Mexico.

A brief lull in migration when a new administration takes office isn’t unusual, as migrants take a “wait-and-see” approach to determine how new policies are being implemented, said Dara Lind, a senior fellow at the American Immigration Council.

“Only after there’s a little bit of time, people see what the policy is, people who make it over can report back on whether it was successful,” she said. “Smugglers can find new routes, and then those numbers can rebound.”

The lull could at least partially be attributable to the cold winter weather, when migration has often dipped.

The Trump administration has other enforcement options it can use if the numbers go back up. For example, despite a public announcement that the administration had restarted the program known as Remain in Mexico, which requires migrants to live south of the border for the duration of their asylum cases, no one has yet been placed into the program.

Though arrests are down, migrants could have more of an incentive to attempt to enter the country without being detected, because they know they can’t turn themselves in to make an asylum claim. Migrants tend to take more dangerous smuggling routes whenever border enforcement tightens.

With Eyes on Tariffs, Lutnick
Confirmed as Commerce Secretary

By GAVIN BADE

WASHINGTON—The Senate on Tuesday voted 51-45 to confirm Howard Lutnick as commerce secretary, putting in place a billionaire Wall Street veteran turned avowed protectionist to lead President Trump’s global trade agenda.

The former chief executive of Cantor Fitzgerald, a financial-services firm, ran the personnel operation for Trump’s presidential transition. Lutnick, 63, took the reins at Cantor in 1991. He stepped down following the confirmation vote, a spokesman for Lutnick said.

He angled to be Treasury secretary before losing out to Trump’s eventual pick, Scott Bessent, who was confirmed last month. Instead, Lutnick was picked for the Commerce Department post. Trump has said the secretary will lead the second-term trade portfolio as well as overseeing an agency of roughly 47,000 employees. Its responsibilities range from economic sanctions to weather forecasting.

Lutnick was confirmed after a relatively routine nomination hearing conducted by the Senate Commerce Committee. He pledged to divest himself of his personal stocks



Howard Lutnick formerly was Cantor Fitzgerald CEO.

and business holdings to avoid conflicts of interest. He also promised to uphold the agency’s core functions.

He committed to disburse funding under the 2022 CHIPS Act to bring more semiconductor manufacturing back to the U.S., though he hinted he might seek to alter some Biden administration stipulations that recipients provide child care and other services for employees. He cleared the Senate Commerce Committee in a 16-12 vote earlier this month. Only one Democrat, Sen. John Fetterman of Pennsylvania, voted to advance his nomination.

The president’s trade agenda is already in full swing. Trump has imposed tariffs on China and global imports of steel and aluminum, while threatening further duties on Canada, Mexico and Colombia.

Lutnick has voiced support for all of those trade moves so far, fashioning himself as one of the most aggressive protectionists in the second-term cabinet. It remains to be seen how he will exert his authority alongside the likes of Peter Navarro, Trump’s senior counselor for trade and manufacturing. Navarro has raised concern among Senate Republicans over his no-holds-barred approach to tariffs.

An agenda item to watch: how Lutnick will deal with the cost-cutting of Elon Musk’s Department of Government Efficiency. It recently went to work slashing programs at the National Oceanic and Atmospheric Administration, a Commerce Department division that does weather and climate forecasting. While Lutnick gave himself wiggle room in testimony to pursue efficiencies at the Commerce Department, his confirmation took place before DOGE teams were significantly embedded in the agency.

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U.S. NEWS

President Makes Broad Use Of Emergency Declarations

By Aaron Zitner

As a candidate, President Trump frequently told voters the nation was beset by emergencies—on its borders, in its economy, in trade relations. Now, his claim has become more than campaign rhetoric.

Trump’s emergency declarations are part of the legal basis he cites for unlocking enhanced executive powers that he is deploying to jump-start his second term. It is a tactic that has drawn criticism from people aligned with both parties.

Trump has declared a “national energy emergency” aimed at speeding energy production and electrical-grid upgrades. He has said a crisis at the nation’s borders constitutes a national emergency, allowing him to impose expedited tariffs on China, Canada and Mexico until they halt the flow of migrants and illegal drugs.

Other executive orders declare that the entry of migrants without legal status amounts to “an invasion,” giving him emergency authority to stop accepting asylum claims from those crossing from Mexico, as well as to authorize the Defense Department to reallocate money for projects such as a wall along the border, without approval from Congress.

A Department of Homeland Security memo cited emergency conditions in authorizing state and local law officers to enforce federal immigration law. Another emergency declaration formed the basis for Trump’s sanctions on the International Criminal Court.

“Every action taken by the Trump-Vance administration is fully legal and compliant with federal law,” a White House spokesman said.

Critics of Trump’s declarations, including some conser-



President Trump has said his predecessors left the nation with emergencies that required substantial authority to address.

vatives, said he was using inflated claims of emergency conditions to create the legal justification and rhetorical support for some of his most forceful actions.

His declaration of an energy emergency comes as U.S. oil production is at or near record highs, and Trump has said the nation can do without the oil and gas it imports from Canada. Trump’s border actions come as illegal crossings have dropped substantially.

“If you continuously claim emergencies—you continuously ask the American people to accept government by emergency powers—and if there are real emergencies, then people will be skeptical when there really is one,” said John Yoo, a former deputy assistant attorney general under former

President George W. Bush.

Yoo, a law professor at the University of California, Berkeley, supports a muscular presidency. But he is skeptical of Trump’s claim that immigrants crossing the Southern border amount to an invasion that can trigger the suspension of immigration laws.

Others said Trump’s actions are proper. “Biden did put us in a state akin to emergency on the border, when things were very much out of control, and extraordinary measures are needed to reassert control,” said Jim Robb, a vice president at Numbers U.S.A., which advocates for less immigration.

He said employing emergency powers wasn’t a substitute for Congress passing durable improvements to the immigration system. Democrats said Trump in

his first term inappropriately used emergency powers to bypass Congress and start construction of a wall along the Mexican border after lawmakers declined to fund the project. Former President Joe Biden angered Republicans by moving to cancel billions of dollars in student-loan debt using a law that allowed the administration to modify loan rules during wartime or national emergencies. Courts blocked Biden’s plan, saying he had overstepped his authority, though he nevertheless found workarounds that gave many borrowers loan relief.

Trump has said his predecessors left the nation with emergencies that required substantial authority to address.

In imposing tariffs on China, Mexico and Canada, Trump used authority under the International Emergency Economic Powers Act, which is most often used to impose sanctions on terrorists or rogue nations. It was the first time the law has been used to levy tariffs.

The president paused tariffs on Canada and Mexico after imposing them but allowed a 10% additional duty on Chinese imports to take effect.

In suspending asylum protections for immigrants at the southern border, Trump is relying on a provision of the Immigration and Nationality Act that allows a president to bar noncitizens from entering the country if he determines their entry “would be detrimental to the interests of the United States.”

Elizabeth Goitein, a specialist in presidential emergency powers at the Brennan Center for Justice, a public-policy think tank, said the provision “is clearly meant to be used sparingly” and that no emergency powers allow the president to suspend immigration and asylum laws in a wholesale manner.

Trump Orders Agencies To Be Less Independent

WASHINGTON—President Trump signed an executive order that seeks to give his political appointees far-reaching control over government agencies that Congress established to operate with some independence of the White House, the latest challenge the president has levied against longstanding structures of the federal government.

By Brian Schwartz, Nick Timiraos and Jess Bravin

The order is expected to affect a range of independent agencies, including the Federal Election Commission, the Federal Communications Commission, the Securities and Exchange Commission and the Federal Trade Commission. Those agencies typically are run by bipartisan panels whose members are nominated by the president and confirmed by the Senate for fixed terms, removable only for misconduct.

Tuesday’s order requires that independent agencies submit major regulations to the White House Office of Management and Budget for review. OMB is run by budget hawk Russell Vought, a Trump ally who contributed to the Project 2025 conservative policy blueprint.

Under the order, Vought would write “performance standards and management objectives” for the heads of independent agencies and provide updates to Trump about whether the agency heads are meeting those requirements. Vought also would review and adjust independent agencies’ budgets. Those adjustments “may prohibit independent regulatory agencies from expending appropriations on particular activities, functions, projects, or objects,” the order says.

In addition, the order requires that independent agencies hire a White House liai-

son, who would act as a conduit with Trump’s team.

In a further challenge to congressional authority, the order would bar independent agencies from taking legal positions different from those asserted by the president or Attorney General Pam Bondi. That may conflict with the autonomy Congress has granted agencies such as the FTC, the Consumer Product Safety Commission and the National Labor Relations Board to take legal positions in areas of law they enforce.

“For the Federal Government to be truly accountable to the American people, officials who wield vast executive power must be supervised and controlled by the people’s elected President,” the order says.

Although most of the federal government operates under presidential direction, as the economy grew more complex in the late 19th century Congress began establishing agencies intended to apply nonpartisan and independent expertise to regulatory questions.

But some conservatives, championing a theory known as the “unitary executive,” argue that the Constitution affords the president complete control of the government and that Congress can’t shield specialized agencies from his direction, whether on policy matters or ruling on individual disputes.

The Supreme Court, whose conservative majority was bolstered by three Trump appointees, has been sympathetic to such arguments, and struck down several laws involving independent agencies, such as the fixed term for the director of the Consumer Financial Protection Bureau.

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U.S. NEWS

FAA Fires Hundreds of Workers

Staff cuts hit employees who support aviation safety and security

By Andrew Tangel

Hundreds of Federal Aviation Administration employees were fired over the weekend, fueling worry among government and industry officials over new risks to air safety.

Around 400 FAA probationary workers—those on federal payrolls less than a year—received termination letters in recent days. The dismissals included employees who work in safety-related and technical roles as well as defense programs, current and former government and industry officials said. Administrative and legal staff were also fired.

Air-traffic controllers and aviation-safety inspectors didn't get pink slips.

The abrupt dismissals have rattled the FAA as it navigates the aftermath of several deadly plane crashes, including one in late January that took 67 lives. They also followed employee reductions at other federal agencies in the weeks since President Trump took office.

The FAA employs some 45,000 people and is regarded as the largest civilian operating agency within the federal government. Its air-traffic control-

lers keep planes at a safe distance in the skies and at airports, certification engineers approve Boeing designs and equipment fixes, and inspectors police the operations of passenger and cargo airlines.

The FAA continues to hire and train air-traffic controllers and safety professionals, including mechanics and others who support them, according to a statement from the Transportation Department, the FAA's parent agency. "Zero air-traffic controllers and critical safety personnel were let go," Transportation Secretary Sean Duffy said Monday on X.

It wasn't immediately clear to what extent the firings were tied to Trump ally Elon Musk's Department of Government Efficiency push to reduce costs and boost productivity across federal agencies.

The firings drew backlash from congressional Democrats and a labor union representing federal workers. Katie Thomson, who served as the Biden administration's deputy FAA chief until January, said the terminations further stress an aviation system that she said is already fragile, old and under-resourced.

"The administration's actions are punitive, reckless and dangerous," Thomson said.

The cuts occurred at the Transportation Department, which oversees key parts of businesses run by Musk such



The FAA employs 45,000 and is regarded as the largest civilian agency in the government.

as Tesla and SpaceX.

At his Mar-a-Lago club in Florida Tuesday, Trump was asked about Musk's work at government agencies and said: "Obviously I will not let there be any conflicts of interest."

Layoff notices sent to employees said that "based on your performance you have not demonstrated that your further employment at the DOT FAA would be in the public interest," according to copies reviewed by The Wall Street Journal. The notices were sent from a nongovernment email

address "@usfaa.mail.onmicrosoft.com."

The firings hit employees who work on the National Airspace System Defense Programs, a joint operation involving the FAA and Pentagon. The program has an office in Oklahoma City and maintains and repairs long-range radar used to monitor international civilian flights as well as potential national-security threats such as enemy bombers, missiles and spy balloons.

Charles Spitzer-Stadtlander, who worked on the operation,

said he was a lead FAA employee working on an upgrade to a Hawaii-based radar system aimed at countering a serious national-security threat. Spitzer-Stadtlander, 45 years old, said he learned about the firing after attending a briefing on the project at an Air Force base. "My first thought wasn't, Oh, I just lost my job. My first thought was: This is really bad for national security," he said. The FAA didn't respond to his comments and referred to the Transportation Department's statement.

How Dirty Money Is Laundered

Continued from Page One

ments, but can't legally send money from China because of capital controls there.

The drug dealers end up with clean money in the process, according to law-enforcement officials.

Lengthy surveillance

In the case involving the Maserati, dubbed "Operation Fortune Runner," members of the Drug Enforcement Administration task force spent years investigating one such network, including thousands of hours of street-level surveillance. Traffic stops of suspects turned up cash stowed in a Fruity Pebbles cereal box and a gift bag with "Happy Birthday" printed on the side.

The investigation eventually led to indictments of 24 people last year, involving more than \$50 million in drug proceeds that prosecutors said Chinese brokers were laundering for associates of Mexico's Sinaloa drug cartel.

Evidence of a deepening relationship between drug cartels and Chinese money brokers presents a challenge for President Trump, who has vowed to end the fentanyl crisis that causes the death of tens of thousands of U.S. citizens every year.

So far, Trump's focus has been on cutting off the flow of fentanyl and the precursor ingredients that are used to make it into the U.S., imposing tariffs against producing countries, including a new 10% tariff on Chinese imports to the U.S. earlier this month.

But shutting down the sprawling network of money brokers, who U.S. officials believe are critical to greasing the wheels of the trade, could also prove difficult.

In testimony to the House Select Committee on the Chinese Communist Party last year, a former DEA official estimated global drug sales reach \$500 billion to \$750 billion annually. The official said he believed Chinese networks were laundering a sizable chunk of it.

"The fentanyl crisis starts in China and it ends in China," Jarod Forget, DEA's acting chief of operations, said in an interview.

China's Foreign Ministry, in a written response to questions, didn't directly address the role of Chinese nationals laundering drug proceeds. It said the root of the fentanyl crisis lies in the U.S. itself, and that Trump's tariffs ignored the results of U.S.-China cooperation, which has included cracking down on fentanyl production in China.

"Blaming others will not solve this problem," the Foreign Ministry said. "Pressure and threats are not the right way to deal with China."

While deaths from overdoses have fallen, fentanyl remains the U.S.'s deadliest drug. Last year, the amount of fentanyl the DEA seized—more than 55 million pills and nearly 8,000 pounds of powder—was estimated by the DEA to be enough to kill every U.S. citizen.

Drug cartels have always faced the problem of getting their profits from illegal sales in the U.S. converted into clean money and sent back home. Some have tapped middlemen who charge a high commission to help launder the money through a series of transactions that involve Colombian pesos, in what is known as the black market peso exchange, according to U.S. officials.

Chinese money brokers came in with a much faster and cheaper service. They had a competitive edge because so many people in China want U.S. dollars, U.S. officials said.

Under China's capital controls, meant to keep too much money from flowing out of the country, Chinese citizens are limited to buying only \$50,000 worth of foreign currency each year. As China's economy slows and its real estate and stock markets languish, more Chinese want to move money overseas to protect their wealth. Tapping into underground banks connected to the fentanyl trade is a way to do that, U.S. officials said.

How it works

This is how it works: The Mexican cartels' U.S. operatives provide the U.S. cash they received from selling fentanyl to a broker working for a Chinese money-laundering ring, all in the U.S. Through the Chinese messaging app WeChat, the brokers advertise the cash to people in China who could use the money on U.S. soil, according to current and former law-enforcement officials.

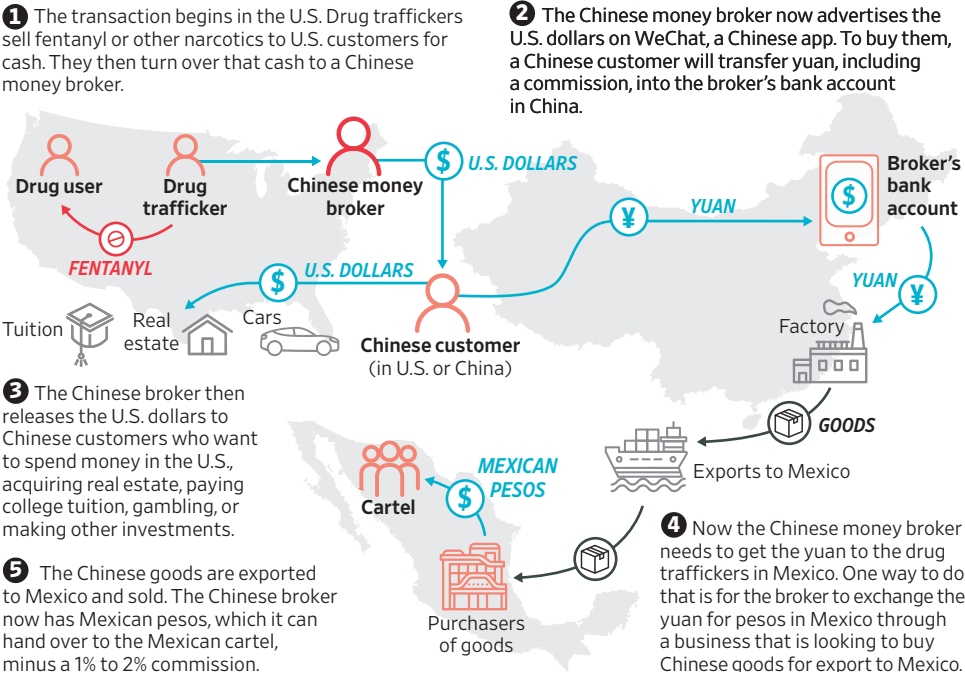
Once a Chinese buyer of the U.S. dollars is found, that person transfers the equivalent in Chinese yuan, plus a hefty commission, to a bank account in China belonging to the money launderers. The Chinese customer then receives access to the cash they bought in the U.S.

The cartel's money, now clean, is sitting in the Chinese money broker's bank account in China. The money can then get back to the cartel in a couple of ways. It can be used to buy fentanyl precursors for the cartel, starting the cycle again.

Or, the yuan can be used to buy Chinese-made goods that are then shipped to Mexico and sold for pesos, which are then handed to the cartels.

Some Chinese nationals using the service might not

The Fentanyl Trade



A bag of fentanyl seized in a drug raid, above. Right, cash was found stowed in a gift bag in the trunk of a car.



know it involves drugs, U.S. officials said.

"This is now one of the most prominent if not the most prominent way in the world that people launder money," said Craig Timm, a former money-laundering official in the U.S. Department of Justice who is now at the Association of Certified Anti-Money Laundering Specialists.

Chinese money brokers have also differentiated themselves from competitors by taking on some of the risk associated with this multistep process. Instead of waiting until the process is complete to release pesos to Mexican cartels, they operate essentially on credit, transferring money to drug traffickers soon after receiving a cash delivery in the U.S., officials said.

The commission they charge drug traffickers is small, because they also make money from selling U.S. dollars to customers of their underground banking network.

"When the Colombians controlled it, it cost 7% to 10%. The Chinese were charging 1% to 2%. It was unheard of," said Chris Urben, a former DEA agent who saw firsthand the emergence of Chinese money launderers around New York.

"All of a sudden, we were seeing Chinese money launderers picking up drug money all across the U.S.," added Urben, now a managing director at private investigations firm Nardello & Co.

Many former law-enforcement officials said more cooperation with China is needed.

"A lot of the money under the scheme is flowing through banks in China where the Chinese have oversight," said Anthony Ruggiero, a former senior U.S. Treasury official now at the Foundation for Defense of Democracies.

The DEA and other agencies have launched a spate of investigations in the U.S. In one case, two Chinese nationals were charged with laundering money for Mexican cartels after agents went undercover as money couriers. Both were later convicted, with one of the men receiving a 10-year sentence in December for taking part in efforts to launder \$62 million.

Cash runners

The task force surveilling the cash drop in San Gabriel, Calif., in 2022 was part of a special DEA team that worked wiretaps on drug trafficking investigations. Their target was an alleged Chinese

money-laundering ring run by a man named Sai Zhang who did business with alleged drug dealers, including the Sinaloa cartel, and cash runners such as the woman in the blue Maserati, who wasn't identified in court records.

Officers spent several years following the suspects, watching them pick up and drop off bags throughout the Los Angeles area.

On the October morning in San Gabriel, officers said they were relying on a wiretapped phone conversation between two members of Zhang's ring who were organizing the pick up of \$300,000.

After the bag was handed off to the blue Maserati, agents followed the car to a residence, where the money was allegedly mixed with other drug proceeds and parceled out to underground banking customers, people familiar with the matter said. Later, police pulled over a driver who had left the residence and found \$25,000, according to court documents.

Zhang was among the people charged with laundering money, running an unlicensed money-transmitting business and facilitating drug trafficking. He has pleaded not guilty and is awaiting trial. A lawyer for Zhang didn't respond to requests for comment.

Chinese authorities said in June that they had arrested in the mainland one of the men indicted on a charge of allegedly working with the network.

U.S. WATCH

WASHINGTON

Federal-Contracting Change Targets DEI

The Trump administration is directing federal agencies to no longer consider a company's diversity, equity and inclusion practices when deciding whether to procure its goods or services, according to an announcement from the General Services Administration.

The new policy reverses a Biden administration initiative that asked the government to weigh a company's internal DEI practices as one of many factors when considering whether to purchase that company's products or services.

The move is part of what the GSA says will be an overhaul of federal procurement practices.

It isn't clear what sorts of reforms the government can make without the permission of Congress, however. Many preferences given to certain types of companies, such as those owned by people with disabilities or Native American tribes, are set by Congress.

The new GSA directives call for renegotiations if six months or more are remaining on a contract, in order to remove clauses relating to DEI. Companies won't be penalized for continuing internal DEI programs under the new policy, but those programs won't be considered as a factor in contract awards, according to a spokesman for the GSA.

—Michelle Hackman

POSTAL SERVICE

DeJoy Announces Plan to Step Down

Postmaster General Louis DeJoy told the board overseeing the U.S. Postal Service that he planned to step down and asked it to find a successor, capping a contentious tenure since his 2020 appointment during the first Trump administration.

The Postal Service didn't provide a date for DeJoy's exit as it announced his departure plans Tuesday. In a letter to the Postal Service board, DeJoy said he would help with the transition.

DeJoy's own tenure had come into question in recent weeks. The Trump White House had been considering replacing DeJoy, according to two people familiar with the matter, though the postmaster general is typically chosen by the board and not the president. In December, then-President-elect Trump said that he was considering privatizing the Postal Service.

DeJoy, a former logistics executive and Trump fundraiser, took over as postmaster general in June 2020.

—Esther Fung

FLORIDA

Activist Peltier Leaves Prison

Native American activist Leonard Peltier was released from a Florida prison Tuesday, weeks after then-President Joe Biden angered law-enforcement officials by commuting his life sentence to home confinement in the 1975 killings of two FBI agents.

Peltier, 80, left Coleman penitentiary in an SUV, according to a prison official. He didn't stop to speak with reporters.

Peltier, a member of the Turtle Mountain Band of Chippewa Indians in North Dakota, was headed back to his reservation, where the tribe arranged a house for him to live in while serving his home confinement.

Throughout his nearly half-century in prison, Peltier has maintained that he didn't murder FBI agents Jack Coler and Ronald Williams during a confrontation on the Pine Ridge Indian Reservation in South Dakota.

Native Americans widely believe he was a political prisoner who was wrongly convicted because he fought for tribal rights.

Biden's commutation of Peltier's sentence to home confinement prompted criticism from those who believe Peltier is guilty. Among them is former FBI Director Christopher Wray, who called Peltier "a remorseless killer" in a private letter to Biden obtained by the Associated Press.

—Associated Press

WORLD NEWS

Putin’s Dealmaker Takes Big Role in Talks

U.S.-educated former banker has sought spot as emissary to Trump Ukraine team

Among the veteran diplomats and national security advisers gathering for top-level

By Alan Cullison, Benoit Faucon and Georgi Kantchev

talks between the U.S. and Russia, Harvard-educated Kirill Dmitriev cut a distinct figure this week.

As Moscow seeks to match the Washington team’s deal-making lineup, Dmitriev—a former banker with stints at McKinsey & Co. and Goldman Sachs to his name—has emerged as an intermediary between the Kremlin and the White House.

Known for his absolute loyalty to President Vladimir Putin, with whom he has close familial and business ties, Dmitriev occupies a unique position in the Kremlin power structure: He wields financial, diplomatic and political influence, but hasn’t had a career in Russia’s security services.

That, together with Dmitriev’s background cutting deals and past relations with allies of President Trump, likely makes him a key member of the Russia delegation, say Kremlin observers.

At the Diriyah Palace in Saudi Arabia’s capital of Riyadh on Tuesday, Dmitriev walked behind Foreign Minister Sergei Lavrov and former Russian ambassador to the U.S., Yuri Ushakov, a top Putin aide.

“This is the time of dealmakers. Putin has included such a dealmaker in his team who, like many investment bankers, is very pragmatic, able to talk in terms of exchanges and deals,” said Andrei Kolesnikov, a Moscow-based political analyst. “Also, this man is

absolutely loyal to Putin.”

Since the early days of Trump’s first presidency, the Kremlin has sought, with varying success, to use Dmitriev as an emissary with whom Trump’s aides would feel comfortable.

Ahead of the Tuesday talks, Dmitriev, who was placed under sanctions by the Treasury Department after Russia’s 2022 invasion of Ukraine, said the Trump administration was “ready to listen to Russia’s position, ready to understand it and that is where dialogue begins.”

“The policy of trying to hold Russia back, of limiting Russia, has obviously failed,” he told Russian state news agency TASS.

Dmitriev said U.S. businesses had incurred \$300 billion in losses owing to sanctions on Russia, without elaborating, and invited American companies to invest in Arctic oil and gas projects.

Russia’s Interfax news agency reported that Dmitriev would “discuss strengthening bilateral economic cooperation” with the U.S., a brief that suggests he would lead Russia’s push for sanctions relief, a key Kremlin demand in any talks.

Officially, Dmitriev is head of Russia’s \$10 billion sovereign-wealth fund created by the Kremlin to invest in the Russian economy. But his ties to Putin run deeper. His wife is a close friend of, and in business with, Putin’s younger daughter, Katerina Tikhonova.

The 49-year-old Dmitriev, was born in Kyiv in what was then the Soviet Union, and polished his English as a high-school exchange student in the U.S. He earned a bachelor’s degree at Stanford University and an M.B.A. at Harvard.

His career began at Goldman Sachs and McKinsey, and he later headed a number of large private-equity funds, taking part in transactions with international companies in Russia.

The post-Soviet chaos in Moscow offered opportunities,



Kirill Dmitriev speaks to reporters before his meeting with a U.S. delegation in Saudi Arabia.

‘Gentleman From Russia’ Courts Counterpart

Kirill Dmitriev has been a go-between in less formal dealings involving President Trump’s personal friend and special envoy, Steve Witkoff, who also attended the Ukraine talks in Saudi Arabia on Tuesday.

When Moscow last week released jailed U.S. schoolteacher Marc Fogel in a prisoner swap, Witkoff, who traveled to Russia to

bring him home, told reporters that a “gentleman from Russia” named Kirill was influential in the deal.

The Kremlin pays close attention to the makeup of its negotiating teams, usually matching each member to a U.S. counterpart, said John Bolton, former national-security adviser to Trump during his first term.

The Kremlin likely chose Dmitriev as a match to Witkoff, who made his fortune in real estate and whom the Russians know is close to Trump, Bolton said.

Dmitriev would be able to discuss the broad outlines of how Russia would like sanctions removed, but he is also there to make Witkoff comfortable, he added.

The Kremlin didn’t return a request for comment.

and he worked there for the U.S.-Russia Investment Fund, established by the U.S. government, and funded by USAID, to invest in the fledgling Russian economy.

Tom Dans, a former employee of the fund, said that among its investments the fund snapped up controlling stakes in Russian media and managed them so they were independent and profitable.

After Dmitriev joined the

fund, he helped sell some of those companies back to the Kremlin and Kremlin-friendly oligarchs, said Dans, who later took a senior job in the Treasury Department under Trump’s first administration. Dmitriev later worked as a fund manager for Russia’s sovereign-wealth fund, the Russian Direct Investment Fund. Dmitriev and the RDIF didn’t return requests for comment.

Maria Uvarova, Dmitriev’s

former public-relations director, said he was recommended to Putin, who at the time was Russia’s prime minister, by Vladimir Dmitriev, then-head of state bank VEB who isn’t a relation.

“Kirill was perceived as a godlike person” at the fund, said Uvarova, who worked for him between 2013 and 2017.

Uvarova said she was woken by her boss at 6 a.m. when Trump was elected in 2016. “Let’s make a statement

in support of Donald Trump,” she recalls Dmitriev telling her over the phone.

His links to Americans at blue-chip companies also played to Dmitriev’s advantage. He brought in Blackstone Group’s chief executive, Stephen Schwarzman, to an international advisory board for RDIF in 2011. Schwarzman would later become a close Trump ally. Blackstone never had any deals in Russia and the international advisory board has been defunct for more than a decade, said a person familiar with the matter.

Dmitriev later added Leon Black, co-founder of fund Apollo Global Management, whose son Benjamin Black is set to run a Trump-created government agency that will manage international aid. A spokesman for the older Black said he had resigned from the RDIF’s board after the Russian invasion of Crimea in 2014. Benjamin Black didn’t return a request for comment.

Days after Russia launched the full-scale invasion of Ukraine in February 2022, the U.S. Treasury imposed sanctions on Dmitriev and RDIF, saying: “Putin and his inner circle of cronies have long relied on RDIF and Dmitriev to raise funds abroad, including in the United States.”

Dmitriev spearheaded the international marketing of Sputnik V, Russia’s Covid-19 vaccine. He also has ties to Middle Eastern power players including Saudi Arabia’s Saudi Crown Prince Mohammed bin Salman and the United Arab Emirates’s Crown Prince Mohamed bin Zayed.

In 2016, Dmitriev helped negotiate a pact between Russia and Saudi Arabia, called OPEC+, to boost oil prices after decades of failed attempts.

“He was very close to Gulf monarchies and helped build their connection to the Kremlin,” said Arsenii Pogosyan, then a spokesman for Russia’s energy ministry. “They trusted him.”

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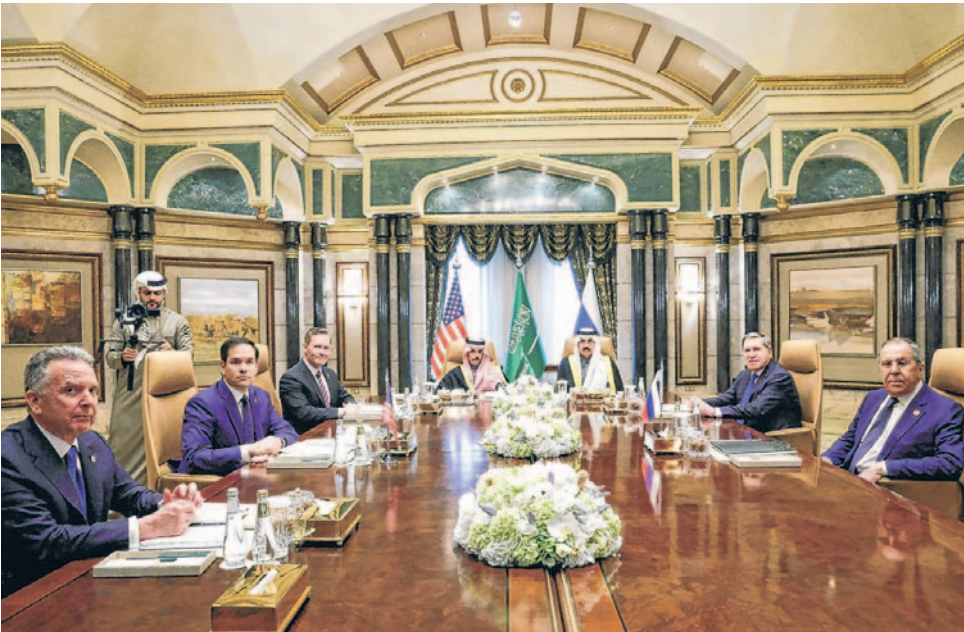
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WORLD NEWS

Russia and U.S. Forge New Path

Continued from Page One
ington move forward with talks. “I would say that, you know, when they want a seat at the table...wouldn’t the people of Ukraine have to say, like, ‘You know, it’s been a long time since we’ve had an election.’” Trump said at Mar-a-Lago. “That is not a Russia thing, that’s something coming from me and many other countries also.”

The announcement followed top-level talks between Washington and Moscow aimed at re-setting Washington’s tense relationship with Moscow. But they stopped short of announcing a summit meeting between Trump and Putin. Asked Tuesday whether he planned to meet with Putin by the end of this month, Trump said, “Probably.” Trump’s remarks echo aspects of Russian President Vladimir Putin’s prior statements, calling President Volodymyr Zelensky of Ukraine illegitimate and saying Ukraine should hold elections. Zelensky’s term expired in 2024, but elections were postponed as Ukrainian legislation prohibits holding elections while the country is under martial law. The president lashed out at Zelensky for expressing frustration that Ukraine hasn’t been included in U.S. talks with Moscow. “You’ve been there for three years. You should’ve ended it in three years. You should have never started it,” Trump said. The war started when Russia attacked Ukraine in February 2022. “I like him personally. He’s fine,” Trump said of Zelensky. “But I don’t care about ‘personally.’ I care about getting the job done. You have leadership now that’s allowed a war to go on that should have never even happened.” Zelensky, speaking in Turkey earlier, said no other country could decide how to end the war in Ukraine without Ukraine. “I, like no one else, want the




The talks, held at the Saudi capital’s Diriyah Palace, were the highest-profile meeting between U.S. and Russian officials since Moscow’s invasion of Ukraine in February 2022.

end of the war,” he said after meeting with President Recep Tayyip Erdogan of Turkey. “But we want it to be just and that no one should decide anything behind our backs.” Zelensky said the U.S.-Russian meeting in Riyadh came as a surprise and he was postponing a visit he had planned to make to Saudi Arabia. Zelensky reiterated he didn’t believe Putin really wanted to end the war, and that a lasting peace would require security guarantees for Ukraine from the U.S. and European countries, possibly including troops in Ukraine from those countries. The talks have been seen by some in Europe as another indication that decades of Western foreign policy are undergoing a tectonic shift. Trans-Atlantic ties, battered by Vice President JD Vance’s speech that accused European leaders of ignoring the will of voters, were strained further as allies confronted the fact that the Riyadh meeting would take place without their participation or that of Ukraine. The talks, held at the Saudi capital’s Diriyah Palace, were

the highest-profile meeting between U.S. and Russian officials since Moscow’s invasion of Ukraine. “We haven’t really had much engagement with the Russians for almost three years, and it sets the table for future conversations,” said U.S. Secretary of State Marco Rubio, referring to the Tuesday meeting. Sergei Lavrov, Russia’s foreign minister, said after the meeting that the U.S. had raised the possibility of establishing a moratorium on Russian and Ukrainian strikes against each other’s energy infrastructure. Lavrov said he told the U.S. that Russia doesn’t target power sources that serve the Ukrainian population, a contention U.S. officials and others have long dismissed. Still, U.S. and Russian delegations agreed that the two sides should restore staffing levels at their embassies, which were reduced after the Russian invasion of Ukraine. They will identify ways of cooperating economically and on foreign-policy issues if the war winds down and relations improve. The U.S. side was repre-

sented by Rubio, national security adviser Mike Waltz and Steve Witkoff, Trump’s Middle East envoy. Russia was represented by Yuri Ushakov, a close adviser to Putin who served as the Russian ambassador in Washington, and Lavrov. Trump administration officials said their accelerated diplomacy, which began with a phone call Trump held with Putin last week, reflected the U.S. president’s penchant for action. “As we’ve already seen with President Trump and this administration, things that maybe normally would take six months or a year or two years are taking a matter of weeks,” State Department spokeswoman Tammy Bruce said Monday. Administration officials sought to assuage allies’ concerns by casting the talks as a chance to explore Russia’s intentions. Before leaving for Riyadh, Lavrov said there could be “no thought” of making territorial concessions to Ukraine and there would be no need for European nations to assume a role in negotiations over the conflict.

Watch a Video



Scan this code for a video on the Russia-U.S. talks on ending the Ukraine war.

Europeans Bicker As They Are Left Out of Peace Talks

By DANIEL MICHAELS AND LAURENCE NORMAN

BRUSSELS—Europe in recent years has come together against Covid-19 and Russia’s invasion of Ukraine. The European Union held strong in the face of Britain’s exit. But faced with its biggest crisis in years—President Trump’s high-speed effort to end the war in Ukraine by negotiating with Russia—Europe has reverted to form. Just when the Continent urgently seeks leadership, no leader has emerged. Europe’s inability to step up was laid bare by its absence from a meeting Tuesday in Saudi Arabia between U.S. and Russian diplomats, who sketched out plans to negotiate over Ukraine. Ukrainian President Volodymyr Zelensky said any talks that don’t include his country were doomed. Later, the European Union’s foreign policy chief, Kaja Kallas, and the foreign ministers of Britain, Germany, France and Italy spoke to Secretary of State Marco Rubio about the talks. “Russia will try to divide us. Let’s not walk into their traps,” Kallas said on X, advocating cooperation with the U.S. for “a just and lasting peace—on Ukraine’s terms.” EU officials in Brussels met with Trump’s Ukraine envoy, Keith Kellogg, after which a senior European official said he offered little detail on what the U.S. wants to see from the Europeans as part of a security guarantee. The scene a day earlier, when German Chancellor Olaf Scholz scornfully left a meeting in Paris that French President Emmanuel Macron had organized to plan a response to Trump, echoed the worst days of the euro crisis more than a decade ago, when EU govern-

ments spent nights bickering. European unity is now being tested by domestic politics. Even Scholz’s more-hawkish opponent in elections this Sunday, Friedrich Merz, is avoiding commitment to more support for Ukraine. The Paris meeting attendee taking the boldest stance isn’t from the EU. It is British Prime Minister Keir Starmer, scheduled to visit Trump next week to try to win a role for Europe in peace talks. Europe’s demonstrations of unity in recent years were accomplished thanks to initiatives and concessions from European leaders. The current crisis is fundamentally different. It revolves around Europe’s closest ally, the U.S., and a field where Europe has seldom unified: foreign policy. Today’s upheaval is all the more traumatic for Europeans because it is happening inside the North Atlantic Treaty Organization, sacrosanct for 75 years. The U.S. created the alliance in the face of threats from Moscow at the request of Europeans, and U.S. leadership in NATO has let Europe off the hook on finding common ground on external threats. It has also let them skimp on military spending for generations. The Europeans say they want to coalesce in response to Trump. NATO Secretary-General Mark Rutte, a former Dutch prime minister, said before Monday’s Paris meeting that he had told European leaders, “If you want a place at the table, make sure you come up with relevant proposals.” One proposal is using European troops to enforce a peace deal. A year ago Macron suggested putting European troops in Ukraine to help Kyiv. Other leaders rejected the idea. Now the concept is getting some endorsement, most vocally from Britain’s Starmer.

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FROM PAGE ONE

He’s 42
And Rules
His Sport

Continued from Page One
first time since anyone can remember, last year he didn’t win the Kinnaird.
Dunbar says he can’t hang up his gloves yet. He wants a 20th Kinnaird victory to seal himself in Fives lore. “Nineteen doesn’t feel like a nice number to end on and I am a naturally competitive person,” he says.
To boost his chances, he is preparing dramatic action: to temporarily renounce alcohol and up his practice to three

times a week for this spring’s Kinnaird competition, which offers no financial reward and draws a handful of spectators.
Standing in his way is a pair led by 29-year-old Riki Houlden. Houlden is a new breed of player. He regularly takes a day off a week from his job as a doctor to drive miles to find a court and practice shots. He is writing a book on how to play elite Eton Fives. He does calisthenics and has spent hours studying YouTube clips of Dunbar and his playing partner, Seb Cooley.
Last year, Houlden and his playing partner won the Kinnaird for the first time, defeating Dunbar’s pair. “It was the one thing on my bucket list,” he says.
Eton Fives is defined by its

unpredictability. During the game, codified about 150 years ago, players wear padded gloves to smash a hard ball around the three-sided court with a buttress on one side and a step. Teams of two players play using both hands. The randomness of the bounce off the obstacles on the court means it requires fast footwork and quick reflexes.
As such, it is a game of skill rather than brute force, enjoyed by men and women of all ages. It is also infused with a very British sense of fair play: there are no umpires, leaving it to players to adjudicate.
The sport—first invented by schoolboys at Eton—was exported during colonial times when it gained a following in Nigeria. But it remains niche, largely because the courts are

complicated to build.
There are efforts to bring it to the masses. A court was recently opened under a highway overpass in West London. The game also received a boost when it featured in the hit TV show “Industry,” with actor Kit Harington playing shirtless in his role as a drug-fueled aristocrat.
Dunbar says he has a much simpler existence. He recently became chief executive of Transact, an investment platform, and has to balance family life with a demanding job. For years, once his three children were in bed, he would go out onto Tooting Common in south London and mimic doing Fives shots on his own.
“It sounds quite sad,” he says. Only a handful of colleagues at work know they are in the presence of elite hand-

ball greatness.
Houlden plays in a navy uniform with his surname on the back. When he graduated from Cambridge in medicine he opened Google maps and plotted the distance between all the Eton Fives courts and hospitals in Britain. He chose the hospital with easiest access to Fives.
Working out who is the true Eton Fives GOAT comes with a wrinkle: For much of the game’s history it was considered unsporting to win too often. Players were expected to step aside if they won the Kinnaird three times, says Alex Knight, the director of development at the Eton Fives Association. Knight thinks Dunbar’s record might have been bettered in the 1950s by a former England cricket captain had he not been encour-

aged to let someone else win.
The Eton Fives Association currently has Houlden at the top of the rankings with Dunbar third. Dunbar says the onus is on Houlden to prove he can stay at the top.
Houlden says his victory last year came at tremendous cost. He injured his right shoulder working on his serve, so he has had to learn how to hit with his left hand. He says the focus this year is less on Dunbar than elevating the sport.
“I don’t think any Fives player has fully maximized the sport’s potential,” says Houlden, who recently sent Dunbar 150 pages on how to play.
Dunbar says he has only two rules to play the game: The first is to hit the ball hard toward the gothic buttress. He can’t remember the second.

Kennedy
Center
Power Play

Continued from Page One
the White House saw an uncomfortable and potentially distracting situation brewing, people familiar with the matter said. The show went on without Trump in attendance, and the White House ceremony was scrapped. Trump didn’t hold one during his first term.
Thus began years of tension that simmered between Trump and the Kennedy Center—and which exploded into public view on Feb. 7 when Trump fired board members who had been appointed by President Biden and others, criticized the center’s programming and installed himself as chair.
The story of Trump’s Kennedy Center takeover plays like a David Mamet drama, complete with an inciting incident, characters bringing years of baggage to every scene and a surprising climax. Its cast includes a president carrying a grudge, a board of mega-wealthy executives unaccustomed to being fired, A-list celebrities staging their own protests and drag queens dragged into the fray.
The center is a public-private partnership that receives some federal funding and historically has operated under a bipartisan board. In recent years, including through the first Trump administration, the board had operated with relative equanimity in its mix of political appointees. Pam Bondi, now Trump’s attorney general, was on its audit committee, and former Arkansas Gov. Mike Huckabee made suggestions for Honors recipients.
The center operates under a federal statute that is silent on whether the president has the authority to fire its board members. Former members said that is likely because it was never perceived to be a possibility. No president has ever served on its board, let alone as its chair.
Within days of Trump’s intervention, however, the Kennedy Center was operating with a board composed entirely of Trump appointees, a Trump-approved director and Trump himself as chair. The roster of advisers and executives—and the performers who grace its stages—has shrunk.
In a statement, White House press secretary Karoline Leavitt said: “The Kennedy Center learned the hard way that if you go woke, you will go broke. President Trump and the members of his newly-appointed board are devoted to rebuilding the Kennedy Center into a thriving and highly respected institution where all Americans, and visitors from around the world, can enjoy the arts with respect to America’s great history and traditions.”
In Trump’s orbit, there were signs that the returning president—who had long felt the center ignored conservative entertainers—might take a more active role in its operation.
An associate called his attention in recent weeks to one of the more than 2,000 performances annually across 12 stages—showing him a clip of an event featuring drag queens.
The Kennedy Center campus features stages of varying sizes, home to intimate cabaret performances and national tours of Broadway hits. But the president saw the drag-queen event as an example of the kind of entertainment not appropriate for his new term.
“NO MORE DRAG SHOWS, OR OTHER ANTI-AMERICAN PROPAGANDA—ONLY THE



The Kennedy Center lit up this past December; President Trump speaking at the Celebrate Freedom Rally there in 2017.

BEST,” Trump posted last week on social media after appointing himself to lead the center.
Interviews with more than a dozen people involved in the drama, at both the center and the White House, say the past few weeks have thrown into question the future shape of an institution created by Congress in 1958 and named for President Kennedy after his assassination.

New leadership

Laurene Powell Jobs, the billionaire philanthropist, had been in talks to succeed private-equity billionaire David Rubenstein as the chair of the center’s board of trustees, according to people familiar with the matter. In the role, she would have served as the head of a bipartisan group of political insiders and wealthy supporters who oversee fundraising and fiduciary matters. Historically, details on programming were largely left to the center leadership.
After Trump won the election, Powell Jobs, a supporter of Harris’s, decided not to pursue the role, people familiar with the talks said. Rubenstein—the largest individual donor in the Center’s history—agreed to extend his term in late November.
In January, Deborah Rutter, the Center’s president since 2014, announced she would not seek a contract renewal when her current one expired in August, part of a succession plan that began before the election.
At a board meeting held, a week after Trump assumed office, there were no signs of trou-

ble, people in the meeting said. The board’s new appointees were introduced. Discussion topics included who might replace Rutter when she left.
Trump, however, was telling his transition team that he wanted to become more involved with the center. Trump has previously expressed a love for Broadway blockbusters like “The Phantom of the Opera,” whose composer, Andrew Lloyd Webber, received a Kennedy Center Honor in 2006. But he told aides he never felt at home

‘No more drag shows... only the best,’ Trump promised on social media.

lowed by donations and line items like parking and concession sales.
Donors account for a significant portion of the Center’s finances. Rubenstein, co-founder of the Carlyle Group, was first appointed to the board in 2004 by George W. Bush and has personally donated \$120 million to the Center. He and Trump have known each other for years, and Rubenstein prided himself on engaging with politicians on both sides of the aisle.
Friends say he viewed the support as part of his patriotic giving. Rubenstein also serves on the board of the Smithso-

nian, gave \$10 million to a giant panda conservation program at the National Zoo and in 2007 paid \$21.3 million for a 13th century copy of the Magna Carta so it could be displayed at the National Archives.
Trump named Ric Grenell, now White House Special Envoy, as interim executive director on Feb. 10. “RIC, WELCOME TO SHOW BUSINESS!” the president posted on Truth Social.
Two days later, Trump attended a meeting over Zoom with the Kennedy Center board, whose new members now included his chief of staff Susie Wiles and Second Lady Usha Vance. Trump said the center had gone too woke, according to people on the call, and praised Grenell. He talked for less than five minutes.
The newly fashioned Kennedy Center board voted to name Trump as Rubenstein’s successor as chairman. Rather than wait for her planned retirement, Rutter was fired and officially replaced by Grenell.
Grenell began firing employees, including some legal and communications staffers, and has met with department heads to learn more about how the center operates.
Robert Barnett, the longtime Washington power lawyer, resigned soon after as counsel for the Kennedy Center. He had served in the role for decades.
Opera star Renée Fleming stepped down as artistic adviser. Musician Ben Folds left his role as artistic adviser to the National Symphony Orchestra. TV impresario Shonda Rhimes re-

Next act

In 2024, the Kennedy Center had an operating budget of \$269 million, with federal appropriations tied to its status as a memorial accounting for \$45 million, or 16%, of that. The federal funding covers operations, maintenance, repair and restoration work. About half of the rest of its budget comes from ticket sales, fol-

lowed by donations and line items like parking and concession sales.
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Choosing honorees

Though it represents only a portion of the center’s portfolio, the Kennedy Center Honors has become synonymous with the landmark. It was started in 1978 under President Jimmy Carter, and its first set of honorees included Fred Astaire and Marian Anderson. The Honors ceremony has long been an annual broadcast. The evenings gather powerhouse guests to celebrate the powerhouse honorees.
In 2005, Beyoncé spun to “Proud Mary” for Tina Turner. In 2015, Aretha Franklin shed her mink coat as she soared through Carole King’s “(You Make Me Feel) A Natural Woman.”
After the 2017 honorees skipped the White House ceremony rather than see Trump, organizers with the Kennedy Center reached out the following year to schedule the ceremony for 2018. They never received a clear answer from the White House, people involved in planning the event said.
Privately, Trump said at the time that it was “ridiculous” that the Kennedy Center honored so many liberal critics of his—and not enough conservative entertainers, according to a former administration official who discussed the matter with Trump. He told aides he had no interest in attending the honors.
Biden’s four years in office largely restored the Honors to their typical rollout, though some of the ceremonies were hindered by Covid-19. Honorees included Bette Midler, Joni Mitchell and U2.
Since Kennedy Center board members serve six-year terms, the board for much of the past decade has been composed of a mix of Obama, Biden and Trump appointees. For much of that time, board members said the group largely operated as a model for the kind of bipartisan approach that six-year terms were designed to foster.
After Trump named Huckabee to the board of trustees in 2019, the conservative politician told some fellow members and center leadership that he believed the Honors had ignored an important piece of the American artistic tradition: spiritual and gospel music.
Board members agreed, and a new category of potential nominees was formed. In 2022, they selected Amy Grant, the so-called “Queen of Christian Pop,” as one of their five.
“Protecting the arts and keeping it politics-free is really important,” said Mary Helen Bowers, who was appointed to the board by Trump in 2020.
While Trump has now pledged to steer the Kennedy Center away from programming he doesn’t like, so far performers have been the ones removing themselves from the lineup. Comedian Issa Rae canceled a sold-out show scheduled for March.
Staffers have been in touch with other artists scheduled for appearances. Their supervisors have encouraged them to convey that the Center is still a home for artists, but that these artists shouldn’t feel pressure to come if they do not feel comfortable.
And then the Kennedy Center Honors loom: new recipients are typically named in late summer. Trump in recent weeks has told associates he doesn’t understand why past honorees haven’t included artists who he counts as personal friends and supporters. Among the names he has brought up: “Rambo” star Sylvester Stallone and “God Bless the U.S.A.” singer Lee Greenwood.



Private-equity billionaire David Rubenstein, above left, was replaced by President Trump as chairman of the Kennedy Center board. Ric Grenell, now White House Special Envoy, above right, was made interim executive director.



Fed up with spending too much on subscriptions, I found myself tempted by a pricing plan cropping up in more apps: a lifetime membership. The catch? You need to pony up hundreds, or even thousands, up front—and the one-time payment doesn’t necessarily mean you have access to the service forever.

Companies might be using the pricing scheme to combat subscription fatigue. The cost of streaming and other online services keeps ticking up.

In January, Netflix raised prices across all tiers and Amazon Music upped the fees for unlimited plans, while Apple increased the monthly cost of its AppleCare+ coverage last week.

Plus, more things that previously didn’t need a subscription now require one. Smart baby monitors, fitness trackers and even cars need a plan: I considered a new Toyota model with some entertainment features that cost \$180 a year to access.

These payments can add up to enormous sums in the long run.

A lifetime subscription could save you money, but it depends on your usage and the business’s longevity.

There are also instances where these plans don’t make sense. A one-time payment is too good to be true for services with high recurring costs.

Crunch the numbers

Lifetime subscriptions go by several names. They can be called “forever plans,” “perpetual licenses” or “permanent access passes.” While the marketing differs, the message is the same: Forget the monthly subscription and pay once to get access to the app.

Not all offers break the bank. I made a one-time \$23 payment for Blank Spaces, which turns my iPhone’s homescreen into a distraction-free oasis. The app otherwise costs \$18 a year.

Some pricier options can be recouped in a few years. You can break even with lifetime options for the gym workout planner Hevy (\$75) and media streamer Plex (\$120) in about three years.

The productivity-focus tool Freedom has a \$100 Forever plan, or about 2.5 years on the \$40 annual tier.

You can make your money back on dating app Bumble’s \$300 premium lifetime subscription after just five months.

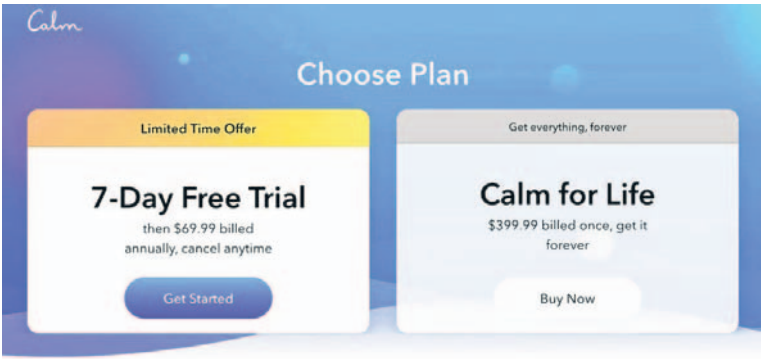
Most apps, however, call for a larger commitment to make the investment worth it. You recover the \$149 cost for anti-jet-lag app Timeshifter after nearly six years, while calorie-counter Lose It’s \$190 plan takes about five years, as does meditation app Calm’s \$400 Calm for Life plan.

Another meditation app, Waking Up, charges \$1,500 for a life-



Lifetime Subscriptions Save Money but Carry Risks

Consider trying a cheaper short-term plan before committing and be realistic about your usage



time membership. You’d need to use the app for more than 11 years to balance the books.

Lifetime subscriptions aren’t available for every service, but if you spot the option in your favorite app, should you go for it?

I reached out to Kirthi Kalyanam, a marketing professor at Santa Clara University who researches pricing strategy, for advice. He offered this:

► Calculate the expected lifetime: Divide the lifetime fee by the annual fee. This calculation equals the number of years it will take to amortize the high upfront cost. If you are sure you will use that ser-

vice longer than that, you will come out ahead. Companies are making a bet that you won’t, he says.

►Be realistic about your usage: “Consumers are very, very bad at predicting their future tastes,” Kalyanam says, which is why he generally cautions against lifetime packages, especially for beauty- and fashion-related products. Do you think you will actually use the app? Look at your history.

► Try it first: If you are a new user, try a cheaper short-term plan before making a lifetime commitment. Mercedes-Benz offers a \$60-a-month subscription to boost the acceleration on some of its electric vehicles. It’s worth seeing if you notice the difference before committing to the \$1,950 lifetime-of-vehicle activation.

► Assess the company’s longevity: Lifetime doesn’t mean your lifetime. It means the lifetime of the company. Service can end suddenly because of financial failure or an acquisition, leaving customers out of luck. (I miss you, Rdio.) These plans should really be called *long-term*—not lifetime—subscriptions. “The better known the brand, the more attractive the package,” he says.

Value isn’t the only consideration. You might lose out on new features and, without the financial incentive, you might not be as motivated to use the service. A big tech company might also copy the app and launch its own similar product...at a steep discount or no cost. You can’t predict this practice, called “sherlocking,” but you should be aware of the possibility.

Service shortfalls

App makers often need to charge subscriptions to cover their own costs for servers, new features and other development.

Be skeptical of subscription plans that seem too good to be true, says Trevor Hilligoss, senior vice president of SpyCloud Labs. That is especially so for virtual private networks or cloud-storage providers, which may share your data to make money, he says.

There could be other shortfalls, such as slow speeds, frequent downtime or unreliable servers to cut costs, says security researcher Mario Heiderich.

For services with high recurring expenses, such as VPNs and apps that store your files and photos, you *want* to pay a monthly fee.

I might have subscription fatigue, but I am happy to pay my password manager every year. My business funds the company’s ability to defend my most valuable digital assets against new, ongoing security threats.

There is a new plan I’m considering signing up for: \$240 for 10 years of Pinboard, a site that archives bookmarked websites. Because on the internet, forever isn’t guaranteed.

Making Cents of Idea to Get Rid of Pennies

By OYIN ADEDOYIN AND DALVIN BROWN

President Trump said this month that he had asked the U.S.

Treasury Department to stop minting new pennies, part of an effort to cut down on what he called wasteful government spending.

His remarks revived a long-running debate over whether to get rid of the smallest denomination of U.S. currency. Here’s a look at what it means for American consumers.

How much does it cost to make a penny?

It cost 3.7 cents to make one in 2024. That is up from 3.07 cents in 2023, 2.7 cents in 2022 and 2.1 cents in 2021.

It costs so much more to make a penny than its value that the U.S. Mint reported losing some \$85.3 million last year on the nearly 3.2 billion pennies it produced.

What are pennies made of?

Today, they are made mostly of zinc and some copper.

In 2023, a bipartisan group in Congress reintroduced a bill that would authorize the U.S. Mint to alter the metal content of coins. The bill said changing the makeup of the coins could save millions of dollars a year.

The U.S. Mint estimated that it could save about \$250 million over 10 years by suspending penny production, according to a 2019 report from the Government Accountability Office.

What are the pros of getting rid of pennies?

Trump isn’t the first person to question the penny’s necessity. The U.S. Mint and the Federal Reserve have proposed reducing the production of lower-denomination coins because of the cost of making them.

As Americans shift toward electronic payments, cash has become inconvenient and coins irrelevant for many. Americans throw away as much as \$68 million a year in coins, The Wall Street Journal reported last year. They are abandoned at airports and left in coin jars.

In a survey this month by the National Association of Convenience Stores, 36% initially favored eliminating the penny. That rose to 50% after participants learned about the cost of producing them.

What are the cons of getting rid of pennies?

Some fear it could drive up prices. Joshua Dairen, who runs a coffee shop in downtown Opelika, Ala., said he is afraid that eliminating pennies could push more customers to use credit cards, or to not come in at all. Merchants must pay fees for credit-card processing, which eats into

▲ The U.S. Mint derives its authority from Congress, which authorizes every coin the mint manufactures and oversees its operations.

profit, he said. About 30% of customers pay with bills and coins.

“If everybody’s using cards, that cost gets passed on to customers,” he said.

If pennies went away completely, some prices would get rounded up. Sergio Briones, a convenience-store owner in Laredo, Texas, worries that could hurt his shoppers. Roughly 70% of his customers make cash

purchases, often small items such as gum or drinks.

“Our profit margins are already razor-thin,” he said. But bumping a 96-cent item to an even dollar is a price increase his customers can’t afford, he added.

Other prices would get rounded down. Rounding up and down to the nearest nickel shouldn’t affect the price that customers pay in a store, said Jeff Lenard of the National Association of Convenience Stores, an industry group.

Another argument against doing away with the penny: It could drive up use of the nickel. The five-cent

coin cost nearly 14 cents to make last year.

How would a world without pennies look?

The Canadian government said it would stop producing the penny in 2012, when its government found that it cost 1.6 cents to make at the time.

Canada would no longer distribute pennies, but those who had them could continue using them in payments and the penny retained its one-cent value. As pennies gradually left circulation, cash transactions were rounded to the nearest nickel.

When the Canadian government removed one-cent coins, it noted that New Zealand and Australia had stopped producing one-cent pieces in the 1990s and it didn’t increase inflation.

Does Trump have power to get rid of pennies?

As a part of the U.S. Department of Treasury, the U.S. Mint derives its authority from Congress. Congress authorizes every coin and most medals the mint manufactures, and oversees the mint’s operations. But the president might have the power to influence coin production.

“Trump’s move doesn’t claim to permanently eliminate the penny, which would clearly be Congress’s decision,” said Robert Whaples, an economist at Wake Forest University who has argued that the mint should stop producing pennies. “Rather, it halts minting new pennies, and the decision about how many pennies to produce each year seems to be within the executive branch’s power.”

PERSONAL JOURNAL.

Why We Are Getting Worse at Grieving

Americans are exhausted by a string of tragedies and move on quickly after seeing them being played out on social media



TURNING POINTS
CLARE ANSBERRY

These are disturbingly busy times for David Kessler and others in his field. Kessler has been helping individuals, organizations and communities deal with grief for decades. But he doesn't recall ever before seeing such a steady stream of catastrophic losses affecting so many people in such a short period as he has recently.

► New Year's Day, a truck rammed into a crowd in New Orleans, killing 14.

► One week later, wildfires broke out in Southern California, taking the lives of more than two dozen people and destroying thousands of homes.

► Three weeks later, a passenger jet and army helicopter collided in Washington, D.C., killing 67 people in the deadliest aviation accident in more than 15 years.

► Another two plane crashes followed, one in Philadelphia and one in Alaska, claiming 17 lives.



"We are exhausted and barely have time as a nation to grieve one tragedy when we are hit by another," says Kessler, an author and founder of Grief.com. Moreover, the country arrived at this moment a bit empty to begin with. We were just barely through the pandemic, then an all-consuming and intense election and now the uncertainty of what comes next. Kessler often reminds people that grief isn't just about death. It is also about the change you don't want.

Yet for all of our experience with grief and guidance from a burgeoning grief profession—with retreats, books, podcasts, online workshops and support groups—we aren't very good at dealing with grief. In fact, we might be getting worse at it.

Death aversion Claire Bidwell Smith offers several explanations. "We are living in a day and age when everyone is

have left their churches and those practices behind. Bidwell Smith lost both parents to cancer while in her 20s and built her life around helping people cope with loss. She holds a weekend retreat in Mill Valley, Calif., for those who have lost family and friends, some as recent as a year ago and others a decade ago. A woman who lost her home in the California wildfires attended. Outside of her circle where grief is personal and acute, Bidwell Smith says loss is kept at a distance. People don't want to put themselves in the shoes of others who have lost so much because we are terrified of the same thing happening to us or the people we love.

talking about longevity and how to optimize it. How long can we live?" says Bidwell Smith, an author and grief therapist. "We've become more averse to death and anything associated with it." She points to bereavement leaves, often limited to three days for immediate family members. The unspoken message, she says, is to get over it. Your grief shouldn't last longer. Another reason: We've gotten away from many rituals and traditions, which are often faith based and give us a structure to mourn when we are numb. Many people

The New Year's Day attack in New Orleans was the first of the headline-making tragedies in early 2025. More than a dozen people died when a truck rammed into a crowd.

have left their churches and those practices behind. Bidwell Smith lost both parents to cancer while in her 20s and built her life around helping people cope with loss. She holds a weekend retreat in Mill Valley, Calif., for those who have lost family and friends, some as recent as a year ago and others a decade ago. A woman who lost her home in the California wildfires attended. Outside of her circle where grief is personal and acute, Bidwell Smith says loss is kept at a distance. People don't want to put themselves in the shoes of others who have lost so much because we are terrified of the same thing happening to us or the people we love.

Moving on They move on quickly because they see another tragedy playing out, moment by moment with video footage across social-media feeds. The prayers and condolences for people in California, for example, shifted to the Washington crash victims and their families.

Camera crews headed east. People confided in Kessler, saying, "I know we shouldn't feel this way. Everyone left. We're not leading the news anymore." The question that arises: Should people grieve those they don't know, or things they didn't lose? People in Ohio or Iowa, who don't have connections to Los Angeles or airlines or the military, do they have a duty or moral obligation to support those who grieve? And if so, how? Joanne Cacciatore says yes, we have an obligation. What affects us as individuals affects us as a society, says Cacciatore, a research professor at Arizona State University and author of "Bearing the Unbearable: Love, Loss, and the Heartbreaking Path of Grief." "The pebbles ripple. The trauma moves through a community and it's our duty to care," she says. It also passes on lessons to those around us, including our children. When you show compassion to someone, bringing them a meal, going to the cemetery with them, you provide an example. Cacciatore has seen what she calls inter-generational compassion. "We model behavior for our family and children. When they see that compassion in action, they can embody that themselves," says Cacciatore.

Heartfelt gestures Angela Schellenberg, a therapist specializing in trauma, grief and attachment, says people are fairly good at stepping up at the moment of a tragedy, sending a one-time donation to the Red Cross and praying in places of worship on the Sunday following a tragedy. Then they go away. "We are terrible at grieving," says Schellenberg, who lost both parents by the time she was 22. We can get better, she says, by carrying grief's momentary compassion forward. When loss hits someone you know, make sure that person isn't alone at the loneliest moments of life, says Schellenberg. Don't ask, "What can I do?" or say, "If you need anything, let me know." Just do it. Drop coffee and pastries or a gift card at the front door. "If it happens to you, wouldn't you want someone to do that for you?" she says. Be sensitive. Recognize that there is no getting over a loss, that it changes a person forever. Kessler maintains there is a personal and social cost in barreling through grief. It isn't healthy to ruminate, but if we gloss over it, the neglected chore of dealing with it will surface at some point, Kessler says. "What we run from pursues us," he says. "What we face transforms us."

'The Pitt' Is a Hit With Medical Workers

By John Jurgensen

"THE PITT" IS A RARE TYPE of hospital drama—one that gets it right, according to real-life medical workers. North Carolina physician assistant Chris Dye felt his heart rate spike when he saw the show's flashback to the Covid-19 outbreak. The 20-second scene—an emergency ward with doctors swathed in protective equipment and intubated patients hooked up to blaring machines—hit with a visceral level of realism. During the pandemic, Dye crewed Duke University Hospital's Life Flight, rushing Covid patients via helicopter, plane and ambulance. "I had firmly blocked all those things out," he said, until "The Pitt" brought them back "with sounds and images that were very familiar in the worst kind of way." In hospital corridors and online forums, front-line medical workers are comparing notes on the new Max series, set in the emergency department of a fictional Pittsburgh hospital during a one-day shift that spans the entire 15-episode season. They're dissecting the show's take on their reality, from defibrillation protocols to the vending machine

that dispenses fresh scrubs to a med student doused with bodily fluids. From their perspective, "The Pitt" is the most authentic medical drama since "ER." Several "ER" alums are behind "The Pitt," including top producers. Among them: actor Noah Wyle, who anchors the new drama as Dr. Michael Robb (known as Dr. Robby), the physician juggling everything in the emergency unit. Wyle, now 53, played a medical student on "ER" when the series launched in 1994. In August, the estate of "ER" creator Michael Crichton sued the studio, Warner Bros. Television, and several producers behind both shows. The lawsuit alleges they developed "The Pitt" as a sequel to "ER" and changed only a handful of plot details after negotiations with the estate faltered. Warner Bros. Television declined to comment. Dr. Joe Sachs, a 33-year veteran of emergency medicine, was a lead advisor for "ER" and is now an executive producer and writer on "The Pitt." Because the new show is on a streaming service with no broadcast restrictions on gore, Sachs was free to meld character stories to medical scenarios and paint them in detail. When he and his fellow writers asked, "What could make a third-year medical student faint?" Sachs's answer was the "degloved" leg of a woman run



over by train, one of the first traumas revealed in the show. Sachs trained three emergency physicians to take rotations on set. They briefed each department on equipment required in their episodes, plus choreographed the actors' movements during procedures and guided them through jargon. For the fifth episode, consultant Dr. Jacob Lentz dealt with a simulated posterior sternoclavicular dislocation—that is, a collarbone crushing the windpipe of a character who crashed a stolen ambulance. "I got to learn the procedure while teaching it to the actors and the directors and the props people because I've never done it," said Lentz, whose hospital jobs include supervising night shifts at a UCLA emergency center. He felt a responsibility to "the blue-collar job of medicine" and the

▲ The show takes place during a one-day hospital shift that spans the entire 15-episode season. peers in his field who'd be watching closely, he said. "I wanted to do right by them." Dr. Vicki Norton, president-elect of the American Academy of Emergency Medicine, which advocates for physicians, said "The Pitt" had connected with her on a physical level. The Covid flashback brought her to tears, and she recognized herself in Dr. Robby when he becomes so overwhelmed that he has to remind himself to use the toilet. The format of "The Pitt" helps its verisimilitude. The plot follows a shift for the emergency staff in real time, starting at 7 a.m., with each episode representing one hour. The story of a man brought in from an assisted living facility with

pneumonia spans four episodes as Dr. Robby deals with the two adult children resisting a natural death for their father. The consultant on set for the dying man's last episode, Dr. Elizabeth Ferreira, who works at two Los Angeles medical centers, coached the actor on near-death breath patterns such as "agonal" and "guppy" breathing. Viewers immersed in this world say "The Pitt" conjures a reality they struggle to describe to anyone outside of it. Dr. Weston McCarron, a fan of the series, wants his wife to watch so she can "finally start to get a glimpse of a feeling for what I do at work." He supervises overnight shifts at a St. Louis trauma center. "You go from these outrageously stressful and heart-wrenching situations to the opposite, within minutes," McCarron said. "The Pitt" nails the seething atmosphere of a crowded waiting room, and the moment a grieving mother's wails ring through the ward, he said. But the doctor quibbled with some things, such as the show glossing over how much time doctors spend on computers filling out patient charts. Monica Escalante-Kolbuk, a nurse who works in a Chicago trauma center and for the Emergency Nurses Association, said she was torn between wanting to see what happened on "The Pitt" and wanting to quit a show that mirrored her most intense experiences on the job. "It gives me an uncomfortable feeling about being in the moment myself," she said. "So if that's what their plan was, good job!"

ARTS IN REVIEW



MUSIC REVIEW | MARK RICHARDSON

Barteaux Strange’s
Soulful Self-Reflection

The singer-songwriter releases a probing and personal third album

If the essence of a songwriter’s work is personal, with lyrics shaped by his or her history and themes that draw from the details of existence, it helps to have led an interesting life. Barteaux Cox Jr., who now makes music as Barteaux Strange, had a wide range of experiences before he started putting out records, and his unique perspective is his music’s defining quality. He’s a wanderer and a late bloomer. Mr. Strange grew up in a military family and spent some of his early childhood in Europe, and when he finally settled in Mustang, Okla., at age 12, he was one of just a few black kids in an almost entirely white school. His second album, 2022’s “Farm to Table,” came out when he was 33 years old, and just before that he’d had a day job working for a nonprofit in Washington. Mr. Strange’s background and facility with styles ranging from indie rock to R&B to hip-hop have made for restless and probing music.

His third LP, “Horror” (4AD), out now, shares the mix of genres with its predecessor. But with the help of co-producer Jack Antonoff, Mr. Strange has sharpened his musical execution, helping his narratives to hit a little harder. Mr. Antonoff is an industry pro who works with some of the biggest names in music—Taylor Swift and Lana Del Rey, among many others. But his presence on “Horror” has nothing to do with commercial concerns. He and Mr. Strange became friends after their paths crossed while touring. Important aspects of the producer’s style are present, but they mostly amplify Mr. Strange’s ex-

isting tendencies.

The first track, “Too Much,” demonstrates immediately what this partnership brings to Mr. Strange’s work. Mr. Antonoff specializes in productions that hark back to the days when rock and pop hadn’t yet splintered apart, i.e. the sound of guitar-based music in the ’80s. Where much of “Farm to Table” was earnest and melancholy, “Too Much” bursts out of the speakers—like quite a few numbers here, it has a wonderfully catchy guitar line snaking through it, and Mr. Strange’s voice is pinched to simulate the distance of radio. With its glammed-up, slightly sleazy riff, it brings to mind the tuneful swagger of classic rockers like Joe Walsh.

Mr. Strange switches up genres early and often on “Horror.” The second track, “Hit It Quit It,” recalls the bouncy, soul-inflected pop of Anderson .Paak. But Mr. Strange isn’t afraid of imbuing his



music with a little goofiness, and his half-rapped verses lend the song about self-doubt some levity as he tries to pump himself up with affirmations like “Become a planet, feel gravity bend towards you.” The following “Sober,” about the difficulty of staying on the right path when you never learned how, begins as a midtempo tune

built around acoustic guitar, but the choruses are epic, the massed electric guitars given the sheen of the early CD era.

The idea behind the stately folk-pop song “Baltimore” is simple—Mr. Strange dreams of settling down somewhere with someone he loves. “I envision a house with cobblestone / A nook to read with bookshelves built inside the very home,” he sings, but he’s not sure if he can make it happen or if he just wants what he doesn’t have. Through “Horror,” his words—mostly about his place in the world, how others see him, how he pushes against that, how he confronts his own limitations—are never placeholders. His writing is clear and specific, and you come away from his songs feeling like you’ve learned something interesting about the person singing them.

“Lie 95” brings to mind the rustic soulfulness of Bon Iver,

while “Lovers” switches things up with a crisp house beat featuring percolating synthesizers. A couple of tracks don’t quite congeal—“Loop Defenders” has a vague melody, and “Doomsday Buttercup” aims for atmospheric R&B in the vein of Frank Ocean but isn’t as immersive as it should be. But Mr. Strange doesn’t seem like an artist who seeks perfection—he tries things, and if a song doesn’t land, it’s on to the next one.

He closes the LP with “Backseat Banton,” one of the record’s best tracks. It’s got a little of everything—a funky piano you might hear on E Street, an appealing syncopated drum groove, and a melody that builds line by line until the release of the massive chorus. Even at his most celebratory, Mr. Strange is still looking over his shoulder—“Being scared has made me bigger now, bigger than I was / The darkest side of waking up is seeing who I’ve become,” he sings on the bridge. His music has an inherent urgency that is both appealing and, sometimes, just a little exhausting. But that’s the nature of his meandering journey, not to take anything for granted. You can hear on “Horror” a burning desire to connect, as if Mr. Strange doesn’t want to waste the chance for a life in music, an opportunity he created entirely on his own.

Mr. Richardson is the Journal’s rock and pop music critic. Follow him on X @MarkRichardson.

TELEVISION REVIEW | JOHN ANDERSON

Brother-Sister
Sleuths on the CW

Those who spared themselves “Gossip Girl” during its original incarnation (or, Lord knows, its second coming) may find themselves latecomers to the fan base of Leighton Meester, who played the endearingly horrible Blair Waldorf but may have found her natural groove in “Good Cop/Bad Cop.” Ms. Meester (say that three times fast) is a deft comedian who elevates what would have been a surprisingly smart comedy anyway. She’s also playing something like a recognizable human, who happens to be funny.

Her character, Louise “Lou” Hickman, also happens to be a detective, but that is a mere mechanism for conflict creation in this show from producer John Quaintance (“Will & Grace,” “Workaholics”). TV comedy usually treats small-town America like a zoo, where viewers get to watch the exotic creatures in their natural habitat, while

we (some of us) scratch ourselves and gobble peanuts. Ms. Meester’s canny investigator hunts, eats venison, is a crack shot with a rifle, knows the status of her local high-school football team and when she hears the name “Jean-Marc” says “that’s a girl-man name.” OK, she’s led something of a sheltered existence in the bucolic Pacific Northwest, but she isn’t impolite. Not like her brother.

What’s his problem? Hard to say, but the return to town of Henry Hickman (Luke Cook, “Hacks”) has Lou on edge, and their police chief dad, Big Hank (Clancy Brown), hoping for an emotional re-bonding of his very different offspring. Henry makes it tough: He’s extremely smart, dismissive, argumentative, has the social skills of a Portuguese man-of-war and may be on the spectrum. He has also just passed his detective’s exam in Seattle, so Hank brings him back

Two siblings on a small-town police force are made reluctant partners.



to bolster his understaffed, under-equipped force, partnering him with Lou and driving her to distraction.

It isn’t a particularly novel construct—one need to look no further than “The Big Bang Theory” to find a model for Henry. The brother-sister love-hate act is the foundational situation in the sitcom. But the dialogue comes dangerously close to being sophisticated, and the cases Henry and Lou venture into seem like fresh territory: In one episode, a

trio of crypto bros gets together with a mushroom shaman to scarf down some psilocybin and one of them ends up dead. The local quarterback is threatened with death—is it a sports-betting scandal or is he sleeping with someone’s wife? A “Blair Witch”-style movie project leads to a mysterious disappearance.

The wrench in the works of Eden Vale law enforcement is that there is no lawbreaking in Eden Vale—Hank keeps getting the city limits modified so any crime, officially, occurs outside his jurisdiction. Which throws Lou in fairly regular contact with the county sheriff’s department and its handsome officer Shane Carson (Devon Terrell). Something is apt to happen there.

It’s Ms. Meester’s show, and an odd one in some ways. Episode 3, which revolves around high-school football, resolves into pure poignancy, beginning with a startling halftime ballet by Hank’s Russian wife, Nadia (Blazey Best), who ordinarily thrives on being caustic, and ends with a survey of the characters in a manner suggesting that, for all the laughs, there is loneliness and melancholy in Eden Vale. No crime though. Just ask Hank.

Good Cop/Bad Cop Begins Wednesday, 9 p.m., The CW

Mr. Anderson is the Journal’s TV critic.

SPORTS

By Robert O'Connell

The New York Knicks are enjoying their best season in almost 30 years. Madison Square Garden is rocking, and Manhattan's hottest club is 7th Avenue in the minutes right after the final buzzer.

The biggest reason why is the Knicks' big man in the middle: Karl-Anthony Towns.

This offseason, the Knicks swung a blockbuster trade for Towns, a four-time All-Star who had established himself as one of the smoothest-shooting centers ever to play the game.

The hope was that Towns would turbocharge the already potent New York attack, transforming the Knicks into a legitimate contender in the process.

There was just one small issue lingering on the team's bench. Towns had played for Knicks coach Tom Thibodeau once before. And that time, it hadn't resulted in any championship run—in fact, it was mostly a disaster.

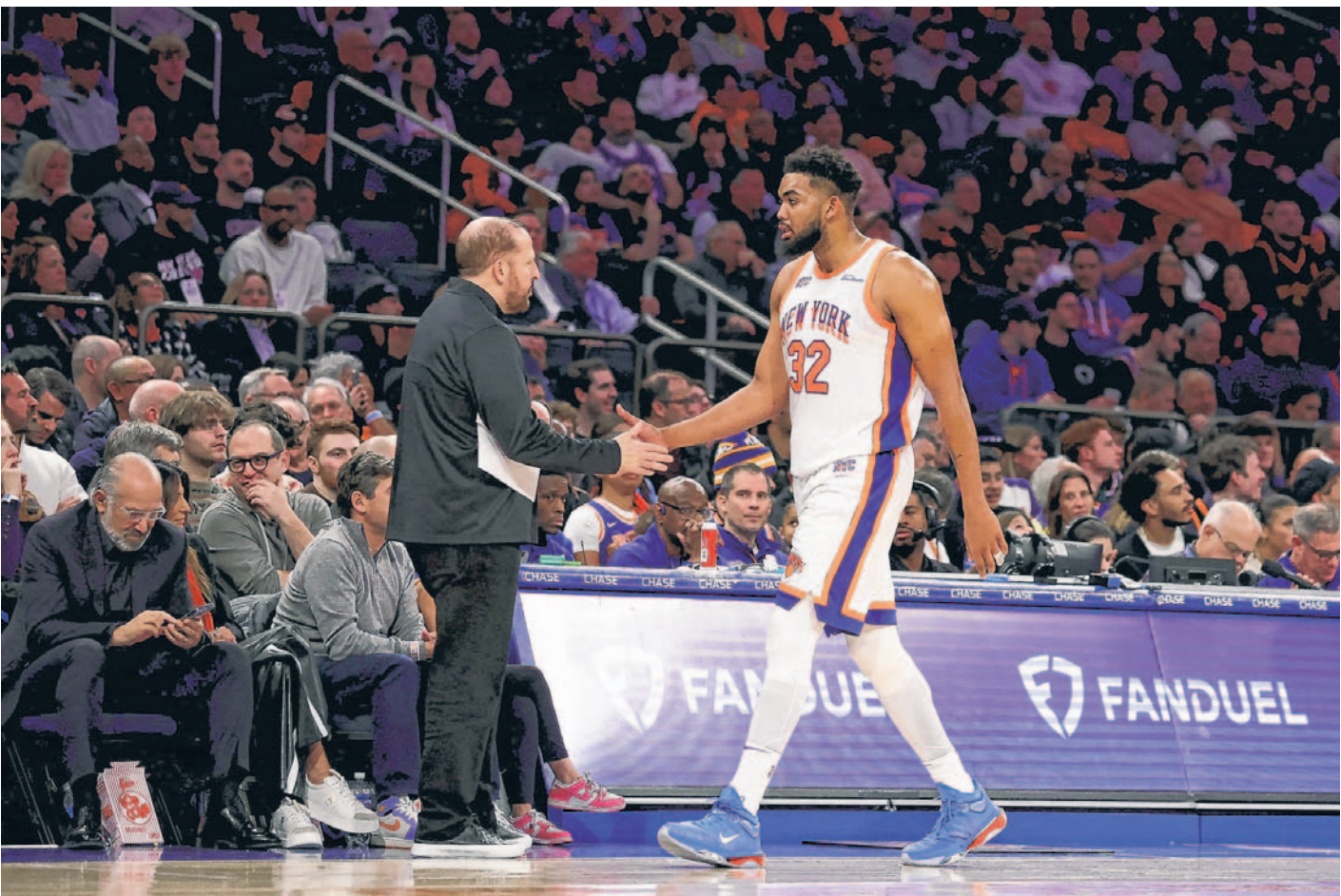
From 2016 until 2019, Thibodeau coached the Minnesota Timberwolves, who drafted Towns with the first overall pick out of Kentucky in 2015. Towns's talent was immediately apparent. He won the Rookie of the Year award his first season, and emerged as a new-school frontcourt dynamo who could slam down a dunk on one play and swish a 3-pointer the next.

The problem was that Thibodeau was as old-school as coaches came. He shouted himself hoarse, he fixated on defense and, above all, he demanded relentless hustle and effort.

Over his 2½ seasons in charge of the Timberwolves, Thibodeau showed his frustration with his young center, who could sometimes give up as many points on defense as he scored on the other end.

They Were Toxic Coworkers. Now They've Reunited To Transform the Knicks.

The last time Tom Thibodeau coached Karl-Anthony Towns, he got fired. Five years later, the partnership has New York rolling through the NBA.



Knicks coach TomThibodeau and Karl-Anthony Towns are getting along famously after reuniting in New York.

In one game, a screaming, red-in-the-face Thibodeau was assessed a technical foul. He mounted a reasonable defense to the referee: He wasn't ranting at the officials or even the opposition. "I'm talking to him!" Thibodeau said, pointing at Towns.

The team-up produced little in the way of results. During Thibodeau's time in Minnesota, the Timberwolves reached exactly one playoff series. They lost to the Houston Rockets, four games to

one, and he was fired the next season.

This time around, though, everything is different. Thibodeau and Towns are getting along famously.

Towns is averaging 24.7 points in New York and making a career-best 43.8% of his 3-pointers. He's proven his style works, leading the Knicks to a .667 win percentage—their highest since the 1996-97 season.

So why is the Thibodeau-Towns

partnership working so much better the second time around? According to Thibodeau, Towns has grown up.

"That was more than five years ago," Thibodeau said of their previous experience together. "He's in a different place, he's a different player."

And according to Towns, the gruff old coach has softened up. "He's a different man," Towns said. "You see him smile."

Underneath all the sentimental-

ity, though, there are technical and strategic reasons why this version of Towns, with this version of Thibodeau, is thriving. If Thibodeau spent his previous coaching stops focusing single-mindedly on defense, trying to stop high-octane attacks like LeBron James's Miami Heat and James Harden's Rockets, he has now embraced another approach.

If you can't stop them, simply score more.

The Knicks under Thibodeau have transformed into something altogether unlikely: one of the NBA's pre-eminent point-generating machines. When Jalen Brunson came to New York in 2022, the 6-foot-2 point guard revved up the Knicks to 117.8 points per 100 possessions—the third-best offensive efficiency in the league.

But Thibodeau understood that, in today's NBA, no number was high enough. "That's the way of our league now," he said of Towns. "To have a guy who can not only shoot the three, but can also put it on the floor and also play back to the basket—he does it all."

With Towns in the mix, the Knicks are now averaging an eye-popping 121.1 points per 100 possessions, the second-best mark in the league. It's worked so well that it has made up for the time Thibodeau's famous defense has taken to come together.

"He makes the game very easy for everyone on the court," Brunson said. "It's amazing having him here."

In their last game before the All-Star break, the Knicks gave up 148 points to the Atlanta Hawks. It was the kind of contest that would have left most of Thibodeau's teams, historically, in the dust. This one, though, is different—because this one has Towns.

Thibodeau's new, old colleague made seven 3-pointers and scored 44 points. And the Knicks won by a single point.

The WSJ Daily Crossword | Edited by Mike Shenk

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CASE BY CASE | By Chloe Revery

Across	30 King or knight, e.g.	57 Like clocks that tick	7 Good and steamed?
1 Chubby cherub, in Renaissance art	31 Buds	59 Do as you're told	8 Simu of "Barbie"
6 Masquerade, e.g.	33 Calamitous	60 *Recycling center feature	9 It's taken on some trips
10 Shout from a sentry	37 Scrub spots, for short	64 Focus of a Las Vegas museum	10 Totally unrestrained
14 Another time	38 Online equivalent of shouting, and a hint to both halves of each starred answer	65 No longer interested in	11 "What ____!" ("I'm bored!")
15 Sacred bird of ancient Egypt	41 Sleepy bud	66 Burpee wares	12 Reluctant
16 What the nose knows	42 Pitch indicator	67 Otherwise	13 Illicit meeting
17 *Chief of the Iowa tribe until 1834	44 Double play pair	68 Suspicious	18 Matador's need
19 Like many winter days	45 Font resembling Helvetica	69 Winter highway hazard	21 NBC show since 1975
20 Spicy sushi condiment	47 Diplomatic touch	Down	22 Acronym for some historically oppressed peoples
21 Debugs?	49 Black Sea port	1 Pussy foot	
22 Casserole bit	50 *Brief winter flurry	2 Repulsed reaction	
24 *Dark period that lasts up to 179 days	55 Packers coach LaFleur	3 Like Ang Lee and Jay Chou	
27 Light	56 Scroll stored in an ark	4 DiCaprio vehicle?	
29 Starbucks coffee size		5 Some bills	
		6 He bests Gollum in a riddle contest	

► Solve this puzzle online and discuss it at [WSJ.com/Puzzles](https://www.wsj.com/puzzles).

- 23 TikTok aesthetic featuring heavy blush and fake freckles
- 25 World book, of a sort
- 26 Throaty voice
- 28 It may be iced or spiced
- 31 Subject of a 2006 demotion
- 32 Be a player?
- 34 "Beg to differ"
- 35 Comic tribute
- 36 Showy style
- 39 Ness, for one
- 40 Pathetic
- 43 Second-most populous city in IN
- 46 Fix up a fixer-upper
- 48 Incense remnant
- 49 Type of exam or history
- 50 Sculpting medium
- 51 Dynamite creator
- 52 Cookies with a Mega Stuf variety
- 53 Fire extinguisher, sometimes
- 54 Foyer
- 58 Reduced
- 60 Gift topper
- 61 Anatomical eggs
- 62 Poem of praise
- 63 L.A. hours

Previous Puzzle's Solution

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World No. 1 Jannik Sinner reached a settlement with the World Anti-Doping Agency.

Sinner's Three-Month Doping Ban Raises Questions About Favoritism

By Joshua Robinson

WHEN THE WORLD'S NO. 1-RANKED men's tennis player Jannik Sinner received a three-month ban over the weekend, many of his rivals couldn't believe what they were hearing.

Sinner, who had twice tested positive for a banned substance last year, is due to be away from the circuit until May 4, which gives him a chance to return ahead of the French Open without missing any major tournaments. But several top pros wondered aloud whether the penalty was stiff enough—or whether Sinner would have received the same treatment if he weren't a three-time major winner.

"It's not a good image for our sport, that's for sure," 24-time Grand Slam champion Novak Djokovic said. "There's a majority of the players that I've talked to in the locker room, not just in the last few days, but also the last few months, who are not happy with the way this whole process has been handled."

Sinner, the 23-year-old sensation from Italy, had originally tested positive for trace amounts of the anabolic steroid clostebol last March, while competing at the BNP

Paribas Open in Indian Wells, Calif. He argued that a trainer had used a spray containing the substance to treat a cut on his own finger then transferred it to Sinner while giving him a massage.

The matter was handled in secret by the International Tennis Integrity Agency and resulted in Sinner's forfeiting the prize money and ranking points he earned at the tournament. An independent tribunal commissioned by the ITIA had found that Sinner bore "no fault or negligence." But when the case spilled into the open last August, it raised questions about how tennis authorities treated their top players.

So last fall, the World Anti-Doping Agency appealed the independent tribunal's verdict to the Court of Arbitration for Sport, seeking a stiffer penalty and a ban of up to two years. But this week, Sinner avoided any major interruption to his career by reaching a negotiated settlement to miss just three months. WADA said that the "unique set of facts of this case" made the length of the suspension appropriate and that it believed Sinner neither intended to cheat, nor received any performance-enhancing benefit.

The organization added,

however, that "an athlete bears responsibility for the entourage's negligence."

Sinner's suspension comes less than three months after it emerged that women's world No. 2 Iga Swiatek had also received a quiet doping ban after testing positive for the banned substance trimetazidine. She was suspended for a month after successfully arguing that she had accidentally taken it in a contaminated melatonin supplement.

"A majority of the players don't feel that it's fair," Djokovic said. "A majority of the players feel like there is favoritism happening."

Sinner, who has denied any wrongdoing, has been in dominant form since last summer. He won back-to-back hardcourt Slams at the U.S. Open and the Australian Open and is undefeated in competitive matches since last September. In the process, Sinner shook up his team and dismissed the physiotherapist that he said had used the banned substance.

"As I always say, I keep playing like this because I have a clear mind on what happened," Sinner said after the Australian Open final last month. "If... I would be guilty, I would not play like this, and that's it."

BRAD PENNIE/REUTERS

SV/SPENCER ZUMA PRESS

OPINION

The War Over the War



BUSINESS WORLD
By Holman W. Jenkins, Jr.

Sen. Roger Wicker (R., Miss.) did fine work authoring a U.S. rearmament plan but try finding him or others of stature forcefully insisting on Ukraine's inclusion in NATO.

To the many who nonetheless think the art of the deal means Vladimir Putin can be gulled into paying to avoid Ukraine's NATO inclusion when that inclusion hasn't been made credible, well, this points to the real problem: We have an American leadership class suitable only to have the walls decorated with its ent- trails in any negotiation with Mr. Putin (never mind, down the road, with Xi Jinping).

Or take Keir Starmer, the British prime minister. In Europe's belated rush to simulate seriousness about its strategic pickle, he's willing now to send British troops to Ukraine if there's a peace deal. And if there's not? Mr. Starmer would command more weight if he were to say Britain is ready to send troops right now unless Mr. Putin signs and abides by a cease-fire.

Supposedly an unfortunate message is Team Trump's meeting this week with a Kremlin delegation minus a heartwarming tableau of European and Ukrainian representatives by the administration's side. Wrong again. If

there's a logic to the Trump approach (and we can only hope), this was the meeting where the U.S. told the Kremlin what the U.S. is ready to do if Russia doesn't take the proffered exit ramp. Not only appropriate, it's necessary that this message be delivered privately without distracting theatrics.

Then there's Ukraine's min- eral wealth. President Volod- ymyr Zelensky put this on the table. A price remains to be struck. But who can fail to see the advantage of a long-term interest tying the U.S. and Western economies to Ukraine?

This is the beginning, un- fortunately, not an ending. It's asking too much for Ukraine to be a glorious and promising episode in the Western democ- racies' coming to terms with the world as it is.

First things first: A big, beautiful broom is needed to sweep out the deadwood and worse clogging up the West's leadership pathways. It will take time to bring to the fore those (usually to be found among the world's 40-year- olds) ready to do the job that needs doing now.

Donald Trump is not the an- swer and never was. He's the question. Hillary Clinton, James Comey, Adam Schiff, Joe Biden, Angela Merkel, our national news media—to mention these names is to recall how much Mr. Trump's empowerment was his enemies' doing.

Mr. Biden's one decision was whether to restore Mr. Trump to the White House or get out of the way for a con-

tested Democratic primary. We know how he chose. His only Ukraine goal was to keep the war off the front burner until he could be re-elected, then negotiate on terms that most certainly didn't include NATO membership or recapturing stolen territories.

Expect a sloppy Ukraine outcome as the West reorients itself to reality.

Tweeted a former minister in the Zelensky government last week: "We just didn't want to admit it. The difference between Biden and Trump is that Trump says out loud what Biden was thinking and doing."

In my view, NATO mem- ber- ship plus large-scale rearmament would be the best of all possible worlds. But most NATO members want neither. They don't want to spend on their militaries and therefore don't want Ukraine potentially embroiling NATO in a show- down with Russia.

Yet the flip side is their moaning now as if the U.S., in talks with Mr. Putin, can com- mit Europe or Ukraine to any- thing. It can't. They are free agents. Europe has 12 times Russia's gross domestic prod- uct. Mr. Starmer and col- leagues can dispatch troops to Kyiv tomorrow. The Finns can commence maneuvers to re- mind Mr. Putin that St. Pe- tersburg is a two-hour drive

from the border. Poland and Lithuania, with guest appear- ances by the Czech and Ger- man militaries, can show him that severing his Kaliningrad enclave on the Baltic coast is a five-minute operation. The Baltic itself could be made un- comfortable for Russian ship- ping by an active European naval presence.

While not endorsing JD Vance's every jot and tittle, a Europe without leaders can't provide leadership. The prob- lem with its end-of-growth en- vironmentalism is now mani- fest: The international system doesn't allow countries to beg off the pursuit of wealth and technology. Europe can choose to make itself a weak player. In the ancient saying, then it will suffer what it must.

But let's also have some perspective on the other side's weakness. Mr. Putin is playing to survive the worst blunder of his career. He seeks, more than territory, displays and rituals to reinforce his indispensabil- ity back home. Historian Sergey Radchenko, in a new book, emphasizes how Russian and Soviet leaders looked to the West for a status and legit- imacy their institutions couldn't provide. Mr. Trump is one president who seems in- stinctively to understand Mr. Putin's need for "face." Mean- ing: Get ready for a lot of ditzy commentary. It will suggest that letting Mr. Putin know at every moment how little we think of him is more important than locking in the gains from his Ukraine failure so the U.S. can shift strategic resources to the Indo-Pacific.

BOOKSHELF | By Philip Delves Broughton

Putting Points On the Board

How to Win at Travel

By Brian Kelly
Avid Reader, 336 pages, \$30

I believe that travel is a sport . . . and it takes training and the right equipment." Thus saith the Points Guy. As Warren Buffett is to value investors so Brian Kelly is to those who treasure airline, hotel and credit-card points. Fans flock to his website for tips and deals, and now they have his book, "How to Win at Travel," a primer in the calculus of rewards-points accumulation.

"Points are real, nonliquid assets," writes Mr. Kelly. "While the IRS doesn't generally consider points as income and won't tax you on them (in most cases), points are an extremely worthwhile currency." And more than that, "credit cards are a part of being American"—the average U.S. consumer, we are told, has 3.84 credit cards.

Mr. Kelly himself has a super-American 28 credit cards, which he says is "on the more conservative side" in his world. His book is not for skeptics or any- one who feels baffled by small print. It is for tenacious deal-hounds like him: By the time he was 12, Mr. Kelly was booking trips for his father, who had to make frequent cross-country

business trips. When his father challenged him to put the elder Kelly's credit-card and airline points to use, Mr. Kelly obliged, booking a family holiday to Grand Cayman for less than a trip to the Jersey Shore.

After college he got a job working in human resources at Morgan Stanley, just before the 2008 financial crisis. He was required to run serious amounts of recruiting expenses, from career fairs to hotel stays for interview- ees, on his corporate American Express card; he figured out how to legitimately amass personal travel points along the way. (His willingness to do fiddly reimburse- ments and arcane calculations helped.) In 2010 he started a blog, The Points Guy, which quickly became a new career and has since become a hub for the rewards- points business.

"Think of being smart about points not as a frivolous coupon-clipping activity but as more of a financial tip that can allow you to reallocate your cash," Mr. Kelly advises, allowing you to buy a house or make investments "while still being able to travel and enrich your soul."

Mr. Kelly sees loyalty programs as an intricate and highly profitable web in which consumers can either stumble around blindly or thrive. For companies, the prize is repeat business. For the customer willing to invest time and energy in decoding all these programs, the prize is discounts galore.

But how do you know when the corporations are win- ning and when you are? Mr. Kelly uses a simple formula to calculate the value of any points offering: He divides the listed cash price of the product—the airline ticket, hotel stay or car rental—by the number of points re- quired to redeem it. For example, a \$100 plane ticket redeemable for 10,000 points makes each point worth one cent. Only points rookies cash in at one cent or less; for Mr. Kelly, the dream is to get five cents or more for each point.

The travel maven behind The Points Guy has some advice for maximizing your dollar while globe-trotting. It sounds exhausting.

The complexity of Mr. Kelly's schemes is disorienting. Discussing a Mediterranean cruise offered by Virgin Voy- ages, he notes that he found the \$3,000 cruise for two could be redeemed for 160,000 miles on Virgin Atlantic, about 1.9 cents a point, "but it was even sweeter for those with Amex or Chase points, because at the time of the promotion there was a 30% transfer bonus to Virgin Atlantic"—that is, the cruise could be had for 124,000 transferred points, "bringing that redemption value to 2.4 cents per point, which is excellent for a non-air redemp- tion from an airline loyalty program."

By joining the Rewards Network, which partners with lots of different loyalty programs, he could earn extra air miles at participating restaurants. Used in tandem with his American Express Gold card, Mr. Kelly found that if he paid \$400 for a meal with friends, "as a VIP member with United MileagePlus Dining," he could earn "5X United miles, on top of the 4X from my Amex Gold card, for a total of 9X points per dollar spent on the bill. Multi- ply that by the cost of my dinner, and now I just earned 2,000 United miles and 1,600 Amex points, worth a com- bined total of about \$62."

But honestly, who has the time? A book is a curious format for information that is con- stantly changing. But if you've always wanted to peer under the hood of the Marriott Bonvoy or World of Hyatt programs, this one's for you. He's also very good at explaining the rules governing compensation when it comes to air-travel delays. Turns out that if you were to fly an American airline from New York to Europe, the air- line would be subject to the refund rules of the U.S. Department of Transportation. In which case you get your money back automatically for a delay of six hours or more if you choose not to be rebooked on a different flight. Any other blandishments, like miles or upgrades or lounge access, are at the airline's discretion.

But if you fly with a European airline on the same route, and your flight is canceled or arrives more than three hours late, except in extraordinary circumstances you not only get rebooked on an alternative flight, you may be eligible for up to 600 euros (about \$630) for the inconvenience. And that's before your credit-card com- pany chips in with its own compensation.

For the value-minded Mr. Kelly, it's like playing the slots when all the lights are flashing and every spin yields triple points. Ding, ding, ding.

Mr. Delves Broughton is the author of "The Art of the Sale: Learning From the Masters About the Business of Life."



POLITICS & IDEAS
By William A. Galston

fire their heads? The Trump administration is behaving as though that's the case.

Last week, amid a flurry of federal workforce layoffs, the administration's acting solicitor general, Sarah Harris, sent a letter to Sen. Dick Durbin (D., Ill.) announcing an impor- tant legal shift. The Justice Department, she wrote, has determined that "certain for- cause removal provisions"— meaning statutory tenure pro- tections—for "members of multi-member regulatory com- missions are unconstitutional." The Justice Department "will no longer defend their consti- tutionality," she wrote.

This is significant. Under current law, the U.S. president can remove commissioners of many independent agencies, but only for inefficiency, ne- glect of duty, or malfeasance in office. Other reasons, such as policy disagreements, don't justify removal before a com- missioner's term ends. These officials differ from cabinet and subcabinet officials, who continue serving at the presi- dent's discretion. In indepen- dent agencies, top officials don't serve at the will of the president. If their protections

are stripped away, the presi- dent's power will expand at Congress's expense.

Since taking office, Presi- dent Trump has taken actions that seem aimed at expanding his power in this arena by fir- ing several officials who enjoy legal protection against at-will removal. On Sunday adminis- tration lawyers asked the Su- preme Court to overturn a lower-court ruling that tempo- rarily blocked the firing of one of these officials, Hampton Dellinger. But a Supreme Court case decided 90 years ago stands in the president's way.

After taking office in 1933, President Franklin D. Roose- velt sought the resignation of William Humphrey, whom President Herbert Hoover had appointed as a member of the Federal Trade Commission. Roosevelt didn't allege any of the legally allowable causes for dismissal, instead citing policy differences. When Hum- phrey refused to resign, the president fired him, generat- ing a lawsuit and a famous Su- preme Court decision, *Humphrey's Executor v. U.S.* (1935).

The court ruled unani- mously in Humphrey's favor. The Federal Trade Commis- sion, the justices declared, was set up to be impartial, and its duties were neither political nor executive but "predomi- nantly quasi-judicial and quasi-legislative." The com- mission couldn't be character- ized as an "arm or eye of the executive," and Congress's au- thority to enable such bodies to carry out their responsibili-

ties independent of executive control "cannot well be doubted." The justices found that a fixed term with removal only for cause was necessary to the "effective and fair ad- ministration of the law." After all, the court reasoned, a per- son who holds office only at another's pleasure "cannot be depended upon to maintain an attitude of independence against the latter's will."

Court precedent may yet protect officials at independent agencies from at-will removal.

Humphrey's Executor was long respected as a precedent for independent agencies, and although the Roberts court has chipped away at it, the core holding still stands. In recent decades, however, conserva- tive legal scholars have fron- tally challenged this decision, saying it violated the original meaning of the Constitution, which vests "the executive power" in the president. This power, they insist, includes the authority to fire at will subor- dinate officials of the execu- tive branch. Limitations on this power diminish the presi- dent's ability to "take care that the laws be faithfully exe- cuted." They argue, moreover, that the Constitution leaves no place for the creation of "quasi-legislative" or "quasi- judicial" entities, which violate the separation of powers.

CBS's Impossible Opposition to Free Speech

By James Taranto

It's hard to be a consistent defender of free speech, since it inevitably entails forming temporary alliances with repugnant people. A classic case is *National Socialist Party v. Skokie* (1977), in which the American Civil Liberties Union represented neo-Nazis who had been enjoined from holding a demonstration in an Illinois village with a large Jewish population. Thousands of ACLU members quit or withheld donations in protest.

The neo-Nazis won a pyrrhic victory. They never marched in Skokie, and the Supreme Court ruling in their favor expanded free speech for everyone, including the vast universe of people whose speech the neo- Nazis would suppress if they had the power.

Because even totalitarians want free speech for them- selves and frequently seek to vindicate that right in court, I thought until this weekend that

it was impossible to *oppose* free speech consistently. But CBS News may pull it off.

On "Face the Nation" Sun- day, the network's Margaret Brennan quizzed Secretary of State Marco Rubio about Vice President JD Vance's speech in

Margaret Brennan, JD Vance and Trump's outlandish lawsuit.

Munich faulting Europe for po- litical censorship. When Mr. Rubio rebuffed her complaint about "irritating our allies," she invoked the *reductio ad Hitle- rum*: She said Mr. Vance "was standing in a country where free speech was weaponized to conduct a genocide."

Ms. Brennan would have benefited from a fact-checker. Weimar Germany had laws lim- iting speech, but their applica- tion against the Nazis failed to prevent Hitler's January 1933

rise to power. His regime sus- pended civil liberties less than a month later via the Reichstag Fire Decree. Free expression was a distant memory by the time the Nazis begin killing on an industrial scale.

On its own, Ms. Brennan's comment reflects ordinary in- consistency—she wants to cen- sor speech she finds disagree- able or dangerous. That's also true of a "60 Minutes" segment that aired Sunday. It praised *die Polizei* for "introducing a touch of German order to the unruly World Wide Web" by conducting predawn criminal raids on "trolls" for posting not only "hate speech" but "fake quotes" and insults.

Surely CBS would mount a fierce defense if its own speech were under attack. Or maybe not. In a pending law- suit against the network and its parent, Paramount Global, Donald Trump alleges that CBS misled viewers by editing an October interview with Kamala Harris to cut a "word salad"

that began an answer about Is- rael and pick up with the "completely different, coher- ent, and decisive response" that ended the answer.

The First Amendment pro- tects political speech even if it is misleading or outright false, so long as it isn't defamatory, which the Harris interview ob- viously isn't. Mr. Trump's law- yers attempt to evade this pro- tection with an outlandish legal theory: that CBS's report is "commercial speech"—mar- keting, not news.

Mr. Trump will eventually lose the case if Paramount fights, but the Journal reports the company is considering a settlement "as a way to allevi- ate tensions with the Trump administration" ahead of a planned merger. If Paramount yields, CBS will establish itself as a consistent opponent of free expression. The impossi- ble isn't always worth doing.

Mr. Taranto is the Journal's editorial features editor.

OPINION

REVIEW & OUTLOOK

Florida vs. California Insurance, Round 2

California insurance commissioner Ricardo Lara last week announced a \$1 billion surcharge on private insurers and their policyholders to prop up the state's wobbling insurer of last resort. Meantime, State Farm General is asking regulators for an emergency 22% rate increase to avoid a “dire situation.” But the situation is sunnier in Florida, where Gov. Ron DeSantis has announced lower rates thanks to his legal reforms.

Democratic insurance regulators in the Golden State for years have suppressed rates even as home values have ballooned. State Farm, California's largest fire insurer, earlier this month said that it has paid \$1.26 in claims for every \$1 it has collected in premiums over the last nine years, resulting in \$5 billion in underwriting losses.

Progressives blame poor underwriting, but California until recently was the only state to prohibit insurers from pricing re-insurance costs into premiums and using catastrophe models to adjust rates. The state also bars insurers from dropping policies in areas affected by fires for a year thereafter, which has made it hard to limit exposure.

Regulators typically take more than a year to approve rate increases—and usually for less than insurers request—because they first solicit feedback from “consumer advocates”—i.e., liberal outfits. State Farm still hasn't received approval for a 30% rate increase that it asked for last June and says that it isn't meeting capital requirements.

The insurer says it needs to raise rates sharply and pronto to avoid a credit rating downgrade, which could cause mortgage lenders to require policyholders to obtain alternative coverage. Some might have no option besides the state insurer of last resort, FAIR, which is in danger of becoming insolvent. Hence the \$1 billion surcharge.

After protests from liberal groups, Mr. Lara on Friday rejected State Farm's request. If State Farm or FAIR collapses, other insurers and their policyholders are on the hook for their claims. That means rates would rise even more for ev-

eryone—all because of government price controls and other policies that Democrats refused to reform until recently.

By contrast, Mr. DeSantis spearheaded a series of litigation reforms in 2022 and 2023 that have headed off an insurance disaster. Insurers had been raising rates by double digits annually and fleeing the market because of rampant lawsuit abuse, which ballooned the liabilities at the Florida insurer of last resort, Citizens Property.

Mr. DeSantis this month said 11 new insurers have entered the market over the last two years as a result of tort reforms. Since 2022 more than 477,000 policies have shifted from Citizens Property back to the private market, which will reduce the risk of a taxpayer bailout if there's a bad storm.

Some criticized our January editorial on Florida's reforms because home insurance rates rose 102% between 2020 and 2023. But that was before most reforms took effect and was the reason lawmakers undertook them. Now rates are coming down as litigation abuse abates.

Citizens now plans to cut rates on average by 5.6% for 20% of policyholders. Four of the state's top 10 carriers have filed for rate decreases. The Governor said Florida had the lowest average homeowners' premium increases in the nation this past year—just 1%. Homeowners in many other states have experienced increases of 20% or more.

Auto premiums are also falling with major companies, including GEICO (-10.5%), Progressive (-8.1%), and State Farm (-6%), filing for rate reductions. Litigation over auto glass repairs plunged by 90% between the second quarters of 2023 and 2024. Florida's success may have inspired Georgia Gov. Brian Kemp to introduce a package of tort reforms last month.

States are laboratories for policy experimentation, and California's insurance price regulations are blowing up in a big way. But Florida is showing that political leaders can head off a market disaster and lower costs if they have the courage to reform.

Rates fall in the Sunshine State, soar on the left coast.

The Rapid Rehab of Vladimir Putin

President Trump campaigned on ending the war in Ukraine, and his negotiators on Tuesday began the process with a meeting in Saudi Arabia between Secretary of State Marco Rubio and his Russian counterpart. Global politics can be an ugly business, but the looming rehabilitation of Vladimir Putin is especially hard to take.

Mr. Trump said last week after a phone call with Mr. Putin that he's convinced the Russian dictator wants “peace.” He didn't say what kind of peace Mr. Putin has in mind, though if history is a guide it won't be what most Americans understand by the word.

The Kremlin overlord in 2022 started the biggest land war in Europe since Hitler, and his “special military operation” has killed or maimed hundreds of thousands of Russians and Ukrainians. His missiles have targeted apartment houses and train stations. His forces have tried to freeze Ukrainian civilians into surrender by crippling electric-power plants.

His troops have kidnapped hundreds of Ukrainian-born children from their parents to new homes in Russia. They have tortured and executed Ukrainian troops in violation of every rule of international warfare.

Russian hit squads have also been dis-

patched to assassinate enemies of his rule at home and abroad. This includes killing Alexander Litvinenko with polonium in London and an attempted murder of a former spy in Salisbury, U.K., with Novichok nerve gas that killed an innocent bystander. The British government has said it believes Mr. Putin ordered the Novichok attack.

No one should forget the death of Alexei Navalny, the brave opposition politician who was poisoned abroad, then arrested upon his return and killed in prison. Numerous Russians are taken by a sudden and mysterious desire to leap from tall buildings to their deaths.

Mr. Putin has been charged with war crimes by an international court, and the U.S. sanctioned his foreign minister, Sergei Lavrov, in 2022 as one of the “architects of Russia's war against Ukraine.”

We realize that the ruthless men who rule much of the world can't be ignored. But usually those men aren't rewarded with a visit to the U.S., as Mr. Trump hinted last week, before they've made any compromises. Visits with Soviet leaders during the Cold War at least had some preparation to assume the U.S. would get something from the diplomacy. Any peace Mr. Putin strikes has to be made with all of his legacy of destruction in mind.

mer. The national teachers union boss hopes Mr. Trump will give his nominee “the power that President Roosevelt gave Frances Perkins,” the long-serving New Deal Labor secretary.

Some of Ms. Chavez-DeRemer's record touches on powers she'd wield in her new role and clashes with Mr. Trump's more balanced approach. In Mr. Trump's first week in office, his acting Labor secretary paused the department's defense of a Biden-era rule that reclassified millions of independent contractors. Yet Ms. Chavez-DeRemer skipped a vote last year on a resolution to repeal that same rule.

Kentucky Sen. Rand Paul in January became the first Republican to oppose Ms. Chavez-DeRemer's confirmation, saying her endorsement of the Pro Act is disqualifying. Mr. Paul sits on the health and labor committee that will vote on her confirmation, and he told the press last month she may lose up to 15 Republicans on the Senate floor.

Yet those GOP opponents haven't come forward, and Ms. Chavez-DeRemer can also count on support from Big Labor-aligned Democrats. “She was the most pro-labor Republican in the House of Representatives, and I plan to support her,” said Oregon's Sen. Jeff Merkley.

Republicans are enjoying increasing support from low-income workers, but too many think unions are the key to that support. It isn't. Today's union leaders tilt sharply left on culture, economics and even foreign policy. For decades Republicans made a similar mistake in thinking the only way to win support from black voters was to court the NAACP and progressive groups. They now know that isn't true. The same goes for working-class voters, whose main concern is rising real wages from a healthy economy and job market.

Lori Chavez-DeRemer's hearing will reveal the party's priorities.

The New GOP: Pro-Union or Pro-Worker?

President Trump's nominee to lead the Labor Department faces the Senate Wednesday, and the main issue is whether Lori Chavez-DeRemer sees her job as helping workers and the larger economy or the union bosses who back her.

Ms. Chavez-DeRemer's nomination was a quid pro quo. Teamsters chief Sean O'Brien stayed neutral in the presidential race, and he endorsed Ms. Chavez-DeRemer for the job. Mr. Trump obliged.

Ms. Chavez-DeRemer credits union support for her 2022 victory for an Oregon House seat, and she's returned the favor at every turn. That includes cosponsoring the Pro Act. That Democratic bill would eliminate decades-old protections for workers who don't want to join a union, and for managers who want to discourage employees from adopting a union.

The bill would also nationalize California rules that classify nearly every gig or contract worker as a full employee, which would bury small businesses under new costs and federal mandates. Ms. Chavez-DeRemer told Senators recently that she no longer wants to steamroll states that let workers opt out of unions, but she'll have to explain why she was one of only three Republicans to back the bill.

The same goes for her backing for the Public Service Freedom to Negotiate Act, a priority of government unions. The bill includes a national right to collective bargaining for all public employees, including in 16 states that lack it.

Public bargaining rights have turned many state governments into unreformable progressive machines, and etching those rights into federal law would increase their leverage. That's why Randi Weingarten is all-in for Ms. Chavez-DeRe-

LETTERS TO THE EDITOR

The World's Policeman Gets Reinforcements

Anders Fogh Rasmussen writes that “the first weeks of the Trump administration have been difficult, even painful” (“The World's Policeman Goes Rogue,” op-ed, Feb. 12). As an American living in Europe, I have viewed the first weeks with something approaching awe and jubilation.

Mr. Rasmussen errs in urging the U.S. to be the cop on the international block. Policemen need to be paid. Although Mr. Rasmussen invokes the North Atlantic Treaty Organization as a cornerstone of Europe's defense, somehow he neglects to mention that most NATO members have been free-riding on American largesse for decades. Mr. Rasmussen wants his fellow Europeans to be part of the club but hasn't balked at their not paying dues.

I agree that Europe must be prepared to defend itself. Few NATO countries are ready to do so—with Estonia, Latvia and Lithuania, all with

extensive Russian borders, being the notable exceptions. To use a Reagan-era reference: “There's a bear in the woods.” Time for Europe to lock and load.

MICHAEL G. BRAUTIGAM
Tallinn, Estonia

It's in vogue for Mr. Rasmussen, former prime minister of Denmark and NATO secretary general, to lament U.S. threats to European Union trade agreements and NATO funding. He suggests an EU “dollar-for-dollar retaliation” to a tariff war. As for military conflict, he might consider a similar policy regarding EU and Denmark contributions to NATO. The militaries of eastern European member states are hollowed out shells of what they ought to be. How about an effort to replace U.S. NATO reductions “dollar for dollar” by treaty members?

T. BRYAN BARD
Boiling Springs, Pa.

Chicago Threatens Its School-Choice Success

Regarding “School Choice Revs Up Again” (Review & Outlook, Feb. 11): You wouldn't know this from news coverage, but five of the top 60 public high schools in the nation are within Chicago Public Schools.

Though their student bodies don't exactly match the racial or ethnic makeup of the city, these selective-enrollment schools are more diverse than typical neighborhood schools in Chicago and prepare at least 85% of graduates for college while spending less per student than the average school.

The question is: For how much longer? The Chicago Teachers Union has long opposed school choice and in Mayor Brandon Johnson now has one of its former organizers running the city. After packing the Chicago Board of Education with fellow travelers,

Mr. Johnson has been able to shift funding away from high-achievement schools and toward neighborhood schools—including zombie facilities with as few as roughly three dozen students.

The reprioritization is dangerous. Our research shows that parents of school-age kids in Chicago believe in selective-enrollment schools, with roughly half saying they'd enroll their child in one if they could. Moreover, our polling shows that only 11% would support a plan to defund or discontinue these all-star programs. Nearly four times as many would oppose doing so. Take away school choice and watch Chicago's already declining population plunge as families flee.

WILL JOHNSON
CEO, The Harris Poll
Chicago

A Misguided Proposition From David Mamet

I disagree with David Mamet that “Auschwitz Should Belong to Israel” (op-ed, Feb. 10), even though I believe Jews suffered the greatest tragedy there. As support for his argument, Mr. Mamet cites the 1917 Battle of Vimy Ridge. Yet that battle was won by Canadian troops, and the land was ceded to Canada by France five years later. Auschwitz is different. Thousands of its victims weren't Jewish. Everyone who survived has an equally strong claim to it.

As the poet John Donne wrote: “Any man's death diminishes me, because I am involved in mankind. Therefore send not to know for whom the bell tolls. It tolls for thee.” Jewish teaching similarly holds that “whoever saves a single life is considered by Scripture to have saved the whole world.” It makes no religious distinctions. Auschwitz thus belongs to all of us as a memorial and reminder of the consequences of inhumanity and the depths of sorrow.

RICHARD D. ROGOVIN
Blacklick, Ohio

Mr. Mamet deservedly castigates “the Biden administration and the Democrat Party” for their tolerance

of and participation in loathsome anti-Israel behavior. But far more important to Israel than suggesting Mr. Trump invest diplomatic resources to secure Israeli ownership of Auschwitz is keeping him from pressuring it into cease-fires and releases of convicted terrorists that allow for the survival of Hamas.

Without Israel receiving the free world's resolute and unconditional support to prevent the slaughter of living Jews, all the “Never Again” promises emblazoned on Holocaust memorials can become as empty as the matter of Auschwitz ownership.

ALAN D. LEWIS
Jupiter, Fla.

Responsible-Gaming Tools Are Worth the Investment

“Sports Bettors Are a Lot More Confident Than They Should Be” (Journal Report, Feb. 10) mentions a Stanford University study on sports betting, suggesting that online gamers' tendency to overestimate the amount they will win in future bets will undermine the efficacy of responsible-gaming tools.

The evidence doesn't support this assertion. Research has repeatedly shown that responsible-gaming tools have positive effects and help players that engage with them to stick to their personal limits, such as pop-up messages reminding players of their monetary limits. Consider one prominent example: FanDuel's recently launched responsible-gaming feature, My Spend, had 3.5 million users, meaning half of its players engaged with this new tool during the NFL season. Everyone involved with the practice should be encouraging the use of these tools so that more players may benefit from them.

The Responsible Online Gaming Association focuses on increasing engagement with responsible-gaming tools and demonstrating that they are designed for everyone.

JENNIFER SHATLEY
Responsible Online Gaming Association
Las Vegas

Pepper ... And Salt

THE WALL STREET JOURNAL



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OPINION

Precedents for the Eric Adams Case

By James Copland
And Rafael Mangual

The Justice Department decided last week to drop corruption charges against New York City Mayor Eric Adams. That prompted the interim U.S. attorney overseeing the case, Danielle Sassoon, to object and ultimately to resign, followed by more resignations in the U.S. attorney’s office and the Adams administration.

Given the weight of the evidence against Mr. Adams, and the apparently political motivations for dropping his case, we view Ms. Sassoon’s decision as reflecting a principled commitment to her oath

The Justice Department often defers prosecution in exchange for help with administration policies.

of office rather than the sort of “in-subordination and apparent misconduct” charged by acting Deputy Attorney General Emil Bove in accepting her resignation. But far too much of the commentary on this controversy has taken at face value the notion that letting defendants off for crimes in exchange for following the federal executive’s policy preferences is unprecedented—or, in the words of another resigning Justice Department lawyer, Hagan Scotten, “that our laws and traditions do not allow using the prosecutorial power to influence other citizens.”

To the contrary, such a strategy has long been a centerpiece of the Justice Department’s operations. For more than 30 years the department and its subsidiaries have made a common practice of entering into “deferred prosecution agreements” (or “nonprosecution agreements”) through which the department agrees to suspend or delay a prosecution if parties in the government’s cross hairs—typically, large corporations and their top executives—take a series of actions congenial to their Justice overseers.

Last January the U.S. Attorney’s Office for the Southern District of New York, then helmed by Ms. Sassoon’s Democrat-appointed predecessor, Damian Williams, entered into such agreements with Morgan Stanley and the former head of its U.S. Equity Syndicate desk, Pawan Passi. Mr. Passi was accused of illegally funneling confidential information on clients’ “block sales” of stock to preferred corporate clients, knowing they could trade for profit on this information. Despite clear evidence of wrongdoing, the prosecuting feds decided to let Mr. Passi and Morgan Stanley walk—but only after the investment bank coughed up \$153 million to the government, displayed “cooperation” with the investigation, and agreed to the prosecutors’ preferred “remedial measures.”

The Justice Department’s deal with Morgan Stanley and Mr. Passi isn’t anomalous, nor did it begin in the Biden administration. Since the turn of the century, the Justice Department has entered into 667 deferred- and nonprosecution agreements. Since 2010, one-fourth of Fortune 100 companies—the largest



Former acting U.S. Attorney Danielle Sassoon and Mayor Eric Adams.



one in “The Godfather,” the Justice Department tends to make companies offers they can’t refuse.

Justice Department officials have tended to view their ability to pressure prospective defendants into action as a feature, not a bug. In 2014 the Assistant Attorney General Leslie R. Caldwell argued that a deferred-prosecution agreement is “a more powerful tool than actually going to trial” because “you will also have a monitor and will do all sorts of other things for the next five years, and if you don’t do them . . . then you can still be prosecuted.”

Forgive us, then, if we’re skeptical when Al Sharpton complains about federal prosecutors making a “hostage” of a possible defendant or when Mr. Adams’s political rival state Sen. Zellnor Myrie whines about the mayor’s falling under the federal government’s “thumb and control.” We have long argued that the Justice Department should stop using the threat of criminal prosecution to act as an unchecked regulator and policymaker. And we want government officials to honor their oath of office and give their best legal advice to their superiors. But Mr. Sharpton, Mr. Myrie and most others of their ilk have remained silent for years about similar government conduct when it was oriented toward their political preferences. Those same critics are less opposed to the prosecutorial tactics than to the current president and the immigration enforcement he aims to encourage.

Messrs. Copland and Mangual are fellows at the Manhattan Institute.



UPWARD MOBILITY
By Jason L. Riley

most agree to hear the case.

The Citizenship Clause of the 14th Amendment, which was ratified in 1868, states in part: “All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States.” The Trump administration argues that the phrase “subject to the jurisdiction thereof” excludes children born to people in the country unlawfully or temporarily. Although the Supreme Court has never addressed the issue directly, lower courts have interpreted birthright citizenship to include the children of illegal immigrants.

The court typically decides to hear a case when there are conflicting lower-court rulings on an issue, but so far there has been little if

Will the Supreme Court rescue President Trump’s executive order seeking to end birthright citizenship, a constitutional provision that grants automatic citizenship to almost anyone born on U.S. soil? Perhaps. But first it

any such disagreement. Last week, U.S. District Judge Leo Sorokin became the fourth federal judge to block Mr. Trump’s order. “In a lengthy 1898 decision, the Supreme Court examined the Citizenship Clause,” he wrote, “rejecting the interpretation expressed in the [Trump executive order]. The rule and reasoning from that decision were reiterated and applied in later decisions, adopted by Congress as a matter of federal statutory law in 1940, and followed consistently by the Executive Branch for the past 100 years, at least.”

Judge Sorokin was appointed by Barack Obama, but judges appointed by Ronald Reagan, George W. Bush and Joe Biden have offered the same interpretation of the Citizenship Clause in blocking Mr. Trump’s order. The “Executive Order contradicts the text of the Fourteenth Amendment and the century-old untouched precedent that interprets it,” wrote U.S. District Judge Joseph N. Laplante, a Bush appointee, in a ruling earlier this month.

It is generally agreed the birthright citizenship rule excludes the children of foreign ambassadors and foreign enemies who are occu-

pying the country. Before the Indian Citizenship Act of 1924, it also excluded most Native American children. The Trump administration and some of its supporters say that Congress never intended for the children of people here illegally to be on that list, but lawmakers living in the late 1800s may have disagreed. The 14th Amendment was

The U.S.-born children of unlawfully imported former slaves received citizenship in 1868.

adopted after the Civil War to overturn the Supreme Court’s notorious 1857 *Dred Scott* ruling and grant birthright citizenship to former slaves and their offspring.

But not all slaves were here legally. Although the U.S. banned the importation of slaves in 1808, an illegal international slave trade continued for decades. In a case that was front-page news at the time, Abraham Lincoln refused to pardon Capt. Nathaniel Gordon, who was convicted of slave trading in 1861.

Transporting slaves had been a capital offense since 1820, and Gordon was hanged. “This was a landmark in the history of the slave trade,” wrote historian Hugh Thomas in his definitive study, “though it was not quite a turning point, for old ways survived, even in the North of the United States.”

According to the legal scholar Gerald Neuman, by the time the 14th Amendment was ratified, there were tens of thousands of black people in the U.S. who had been brought here illegally. Naturally, some of them later bore children. It thus would seem that for authors of the Citizenship Clause, “subject to the jurisdiction thereof” included the children of parents in the country without authorization.

“Reconstruction Republicans in Congress doubtless were aware that some antebellum slaves had been smuggled into America illegally, in violation of various 19th century congressional laws prohibiting transatlantic slave importation,” wrote Akhil Amar and Steven Calabresi, who teach constitutional law at Yale and Northwestern, respectively. “This stubborn fact about the children of certain ‘illegal aliens’ in the 1860s strongly suggests that

American-born children of ‘illegal aliens’ today are likewise birthright American citizens, regardless of the deficient immigration status of their parents.”

Mr. Trump and his supporters see birthright citizenship as a reward for breaking the law. Yet the Citizenship Clause concerns children, not parents. The undocumented parents’ status doesn’t change after having a child in the U.S. Parents are still subject to fines, imprisonment and deportation depending on the circumstances.

The administration has said it will appeal the lower-court rulings, and the Supreme Court may yet decide to weigh in. Liberals are in a state of panic, but Mr. Trump campaigned on challenging the policy and there’s nothing wrong with seeking guidance from the judiciary. Most of Mr. Trump’s efforts to secure the border are polling well, but an NPR/Ipsos national survey published this month found that just 31% of respondents backed ending birthright citizenship. Mr. Trump’s gambit doesn’t amount to a constitutional crisis, but that doesn’t make it a wise use of his political capital.

Germany’s AfD Is No Friend of America

By Filipp Piatov

When Vice President JD Vance stepped off the stage at the Munich Security Conference on Friday, shock waves rippled through conservative German circles. Hours earlier, representatives of the Christian Democratic Union/Christian Social Union, the country’s major center-right alliance, had met with Mr. Vance’s delegation, and the discussions had been far more amicable than expected.

What stunned German conservatives wasn’t his criticism of certain European developments or the vice president’s concerns over free speech—positions some politicians found agreeable. Rather, it was that Mr. Vance had indirectly urged them to form a coalition with their most reviled political adversary: the far-right Alternative for Germany, or AfD.

Despite polling at 22% or so

ahead of Sunday’s federal election—second behind the CDU/CSU’s roughly 30%—the AfD remains a pariah. While the two right-of-center parties could theoretically command a parliamentary majority, they won’t govern together. Every German party has drawn a hard line against collaboration with the AfD.

The party started in 2013 as a euroskeptic movement led by defiant professors and morphed during the 2015 refugee crisis into a home for disaffected voters opposing Chancellor Angela Merkel’s migration policies. Since then, the party has consistently championed positions abandoned by mainstream parties. AfD opposed Covid restrictions and remains skeptical about military aid to Ukraine.

At first glance, the Make America Great Again movement and the AfD appear to be a perfect match. Both have been castigated by the liberal mainstream. Both their im-

migration policies—once derided as extremist—have gradually been embraced by a growing share of the electorate. The AfD is Germany’s only party that openly proclaims “Germany First,” vowing to free the country from left-wing censorship and wokeness. While the party’s leaders are often likened to Hitler, the party’s candidate for chancellor, Alice Weidel, is a former Goldman Sachs banker in a relationship with a Sri Lankan woman.

MAGA sees the AfD as a natural ally in Europe’s largest and most powerful economy. But figures such as Elon Musk and Mr. Vance may not realize that influencers within the AfD consider the U.S. to be Germany’s ideological and most dangerous adversary. They view MAGA as nothing more than a short-term, highly useful ally. Ms. Weidel recently wrote an op-ed referring to Germans as “slaves” of the U.S., offering a glimpse into the party’s deeply anti-Western ideology.

Most of the time Ms. Weidel treads carefully when indulging her party’s deep-seated anti-American sentiments. Her good relations with Mr. Musk are seen as so valuable in the current campaign that even the party’s radical right-wing faction remains conspicuously silent on the matter. Others are less discreet. Björn Höcke, an influential AfD politician, declared in a 2022 speech that the U.S. was an “extraneous power” deliberately driving a wedge between Germany and Russia. He didn’t warn of Germany’s dependence on Russian energy but of its reliance on American liquefied natural gas. He further claimed that America’s goal for the past century has been to prevent a German-Russian alliance because such

a partnership could challenge U.S. global dominance.

Anti-American sentiment runs deep in the AfD’s political ecosystem. A network of authors, publishers and podcasters serve as the party’s intellectual vanguard, and these influencers maintain close ties to its growing radical wing, while sidelining moderate voices.

Similarities to MAGA are skin deep. The party’s leaders prefer closer ties with Russia, not the U.S.

Many of them work directly for influential AfD lawmakers; others hold lectures for party officials and activists or provide ideological training to young recruits. Unlike Ms. Weidel, they don’t temper their rhetoric. They propagate pure doctrine and make no effort to conceal their disdain for America.

A far-right association called One Percent released a podcast earlier this year titled “Trump, the AfD, and Us,” featuring two activists with close ties to the party cautioning against an embrace of Mr. Trump and his circle. They lament “the fundamental problem is that we are Washington’s vassals” and, in a nationalist-socialist tone, pose the question: “Do we even want a handful of tech billionaires to wield more power over nations than the nations themselves?”

They insist that “our only concern is to fight for the preservation of the German people,” warning that “true patriots must recognize that the fundamental concept of family, nation, and community held

by figures like Elon Musk is utterly incompatible with ours.” As proof, they cite Mr. Musk’s “private life, the names of his children and his family’s ethnicity”—concluding that he can never be an ally. While there may be temporary alignments of interest, they caution, “the contradictions will inevitably surface.”

Superficial parallels exist between the Republican Party and the AfD, largely shaped by media. But the AfD isn’t Germany’s equivalent of MAGA. It’s becoming a “German Race First” party. Its ideologues fantasize about a rebirth of an ethnically pure German *Volk*. It is no coincidence that Mr. Höcke lamented the portrayal of Hitler as “absolutely evil,” or that Maximilian Krah, the party’s lead candidate for the EU elections, publicly declared that not all members of the SS—Hitler’s elite killing troops—should automatically be considered criminals.

It is no accident that AfD politicians have spent years forging ties with America’s greatest geopolitical adversaries, particularly Russia and China. AfD delegations have made obsequious pilgrimages to Moscow. Ms. Weidel has routinely held private meetings at the Chinese ambassador’s residence in Berlin. Last year, an assistant to Mr. Krah, the AfD’s most vocal advocate for a close relationship with the Chinese regime, was arrested in Leipzig on suspicion of espionage for China.

For the Trump administration, the AfD might prove a useful tool for stirring headlines and influencing debates within Germany. But an ally? That, it can never be.

Mr. Piatov is deputy head of the politics department at Bild, a German newspaper.

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WORLD NEWS

Brazil’s Ex-Leader
Bolsonaro Charged
With Coup Plot

By SAMANTHA PEARSON

SÃO PAULO—Brazil’s Attorney General’s Office charged former President Jair Bolsonaro on Tuesday with plotting to overturn his 2022 election loss as authorities zero in on one of President Trump’s closest allies in Latin America.

Attorney General Paulo Gonet charged Bolsonaro and 33 of his right-wing allies over what police said was a plot to stop President Luiz Inácio Lula da Silva from taking office in 2023, including plans to assassinate the leftist leader.

Bolsonaro denied the accusations, saying he is the victim of a witch hunt by opposition politicians and judges who will stop at nothing to keep him out of office. “They are doing everything possible to remove me from the race—because they know they cannot defeat me fairly,” he said.

In an interview with The Wall Street Journal in November, Bolsonaro said he is banking on support from Trump’s administration so he can run in Brazil’s presidential election in 2026 and return to power.

The charges made public Tuesday come after federal police accused Bolsonaro in November of undermining Brazil-

ians’ trust in the October 2022 presidential election and then plotting to seize power after he lost his re-election bid. Bolsonaro and his supporters have faced a barrage of legal measures since thousands of them stormed Congress, the presidential palace and the Supreme Court on Jan. 8, 2023, a week after da Silva was inaugurated.

Investigators uncovered plans that included a military plot to kill da Silva, Vice President Geraldo Alckmin and Supreme Court Justice Alexandre de Moraes, police said.

The plans outlined various ways to carry out the assassinations, from poisoning the men to blowing them up with grenades, according to investigators. Bolsonaro had full knowledge of the plot while he was still in office, the Attorney General’s Office said.

“The plan was designed and brought to the attention of the President of the Republic, who gave his consent,” Gonet wrote, referring to Bolsonaro, in a 272-page document.

The only reason the alleged plot by Bolsonaro and his allies to remain in power didn’t succeed was because of opposition from leading military figures, who refused to back the plan, investigators said.



Supporters of hostages being held in Gaza hold posters of captives at the entrance to the Israeli parliament in Jerusalem.

Hamas Set to Free More Hostages

Militants will release three captives ahead of schedule as Israel agrees to begin talks

By ANAT PELE
AND SUMMER SAID

Hamas said it would release three living hostages ahead of schedule on Saturday as Israel agreed to begin talks to permanently end the war in Gaza and free the remaining hostages.

Hamas leader Khalil Al-Hayya said Tuesday that the U.S.-designated terrorist group agreed to release six living hostages, three more than originally stipulated by the deal, after successful negotiations.

It also is handing over the bodies of dead hostages for the first time on Thursday. In exchange for the four bodies, Israel will release all Palestinian women and minors under the age of 19 who were detained in Gaza after Oct. 8, 2023, and who weren’t involved in the fighting, Arab mediators said.

Al-Hayya said that the living hostages will include two men who have been held by Hamas for about a decade and that the bodies include members of the Bibas family who

were taken hostage in the Hamas-led Oct. 7, 2023, attack on Israel. Hamas said they were killed in an Israeli airstrike at the start of the war.

The Israeli prime minister’s office confirmed the exchange of living and dead hostages.

Mobile homes which have been held up by Israel from entering the enclave also were expected to enter the Strip as soon as Tuesday, mediators said. Hamas had accused Israel of violating the pact by refusing to allow the entry of the caravans. Hamas agreed to release the living hostages ahead of schedule in exchange for Israel allowing the mobile homes into Gaza and for agreeing to begin negotiations on the second phase of the deal, mediators said.

Israeli Foreign Minister Gideon Sa’ar said Israel’s security cabinet decided Monday to open negotiations on the second phase of the cease-fire deal this week, more than two weeks after discussions on it were supposed to begin, according to the terms of the pact.

The first phase of the 42-day truce between Israel and Hamas ends on March 1. Moving onto the second phase has been politically sensitive for Prime Minister Benjamin Ne-

tanyahu as members of his right-wing alliance don’t want to end the war until Hamas has been destroyed.

Sa’ar said Israel is demanding the demilitarization of the Gaza Strip. He also said Hamas is planning to cede power to the Palestinian Authority or another entity but remain the dominant military power and continue to wage war against Israel. “We won’t accept that,” he said.

President Trump has said he wants to empty Gaza of its nearly two million inhabitants and for the U.S. to take over the enclave. Arab countries are working on a plan that would allow Palestinians to remain in place while technocrats drawn from across Gaza would administer the enclave.

Israeli Defense Minister Israel Katz said on Monday that he was setting up a special division to work on the “voluntary migration” of Gazans. He said the plan includes providing support to Gazans who want to migrate to a third country.

Hamas is expected to give Israel the names of the dead hostages on Wednesday. The bodies will be taken in ambulances to the National Center for Forensic Medicine in central Israel, where they will be

tested to confirm their identities. Some of the hostages are believed to have been killed more than a year ago.

Hamas has staged elaborate ceremonies during the release of hostages, forcing them to speak on stage amid crowds of armed militants in front of signs promising the defeat of Zionism. A staged ceremony for the handover of bodies would be especially painful for Israelis, who have become accustomed to seeing images of joyful reunions between hostages and their families.

Two of the living hostages to be released Saturday include Ethiopian-born Israeli Avera Mengistu and Bedouin-Israeli Hisham Al-Sayed, who have been held hostage in the Gaza Strip since 2014 and 2015 respectively.

Four members of the Bibas family were taken from kibbutz Nir Oz near the Gaza border in the Oct. 7, 2023, attack. The father, Yarden Bibas, was freed as part of the current truce. His wife, Shiri Bibas, and their two children, Ariel and Kfir, four and nine months old at the time of their capture, will be returned dead on Thursday, Hamas said. Israel hasn’t confirmed their deaths.



Brazil’s former President Jair Bolsonaro denies the accusations, saying he is the victim of a witch hunt.

Argentina’s Milei Faces
Claims of Crypto Fraud

By KEJAL VYAS
AND VICKY GE HUANG

Argentine President Javier Milei has been on the defensive after a cryptocurrency he endorsed on X saw its value crash, triggering fraud allegations and calls for impeachment by his political foes.

The scandal is hitting the libertarian leader ahead of his trip Thursday to Washington to meet with Trump administration officials to win support for his economic reforms, including approval for an International Monetary Fund loan. An ally of President Trump, Milei has described the fallout as “a slap in the face” against him and asserted he hadn’t championed the cryptocurrency.

But he has spent the last few days deflecting blame for the crypto fiasco and ordered the Anti-Corruption Office run out of the Justice Ministry to probe what happened.

“I did not promote it,” he said to Argentine TV channel Todo Noticias on Monday. “What I did was I shared it. It’s not the same.”

A federal judge, María Servini, was assigned to investigate the scam and the president’s role in promoting the coin after more than 110 Argentines filed complaints with the judiciary saying that they lost their investments.

The crisis began Friday when Milei posted on X about an investment opportunity involving a memecoin called \$LIBRA, which he described as a private project working to encourage growth of small Argentine businesses and startups.

“The world wants to invest in Argentina,” Milei said in the now-deleted post.

The coin saw its value surge before collapsing within hours, wiping away more than \$4 billion in value. Investors believed they were duped into a “rug pull,” crypto-world speak for a scam in which a coin is promoted to draw buyers from the public before early investors dump their holdings for a hefty profit and prices tank.

Milei wrote on X that he had no ties to the coin and that he decided to delete the original post after learning more details about the project.

Pneumonia Will Keep
Pope in the Hospital

By MARCUS WALKER

ROME—Pope Francis is suffering from the first signs of pneumonia, the Vatican said on Tuesday, signaling a potentially lengthy stay in the hospital as concerns about the health of the 88-year-old pontiff grow.

A chest scan at Rome’s Gemelli hospital, where the pope has been undergoing treatment since Friday, revealed “the onset of bilateral pneumonia,” the Vatican said. Earlier Tuesday, the Vatican said it had canceled Pope Francis’ appointments through next weekend.

The pope was admitted to the hospital on Friday after struggling for more than a week with what the Vatican described as bronchitis, an inflammation of passages that carry air to the lungs. Tues-

day’s statement by the Vatican indicates that the infection has spread to lung air sacs, a condition that can become severe and dangerous, especially for older people.

The Vatican said a combination of pathogens was making the pope’s treatment complex. “Nevertheless, Pope Francis is in good spirits,” it said.

Before his admission to the hospital, the pope, who has a history of lung problems, had maintained a busy schedule of audiences and Masses in recent weeks, including outdoor appearances in chilly weather, despite saying he had a heavy cold and breathing difficulties. On more than one recent occasion, he asked aides to finish reading his speeches for him.

On Monday, the Vatican said diagnostic tests revealed



Pope Francis, 88, ‘is in good spirits,’ the Vatican said.

a “polymicrobial infection of the respiratory tract,” leading to a change in the pope’s therapies for the second time since Saturday.

Pope Francis has in the past said he can be a difficult patient who resists doctors’ advice. This year is a jubilee, or holy year, for the Catholic Church, a celebration marked every quarter-century that is

expected to draw millions of pilgrims to Rome. The pope’s calendar, interrupted for now, is filled with audiences, Masses and other special events. The pope’s doctors have prescribed absolute rest, Vatican officials said over the weekend.

The pope, who had part of his right lung removed as a young man, has become increasingly prone to respiratory infections, especially in winter. He was hospitalized in 2023 with what he later said was pneumonia.

In addition to hospital visits for pulmonary infections, the pope has needed surgery for a colon condition and an abdominal hernia. He often uses a wheelchair because of knee and back pains.

“I am well,” the pope wrote in a new autobiography, called “Hope,” published in January. “The reality, quite simply, is that I am old.” Leading the global Catholic Church—with its roughly 1.4 billion followers—requires “the head and the heart, not the legs,” he wrote.

IRAN
Motorbike Tourists
Accused of Spying

Iranian authorities have accused a British couple detained in the country since January of spying and having links to intelligence agencies of “hostile countries,” state media reported Tuesday.

The report didn’t name the couple, but a family statement released through the U.K. Foreign Office identified them as Craig and Lindsay Foreman, reportedly traveling around the world on motorbikes.

The British ambassador to Iran, Hugo Shorter, met them in the presence of Iranian officials. Iran has a history of detaining Western nationals on security charges and has long been accused of holding them to be used as bargaining chips. Iran denies those accusations.

—Associated Press

AUSTRALIA
Interest-Rate Cut
Is First Since 2020

The Reserve Bank of Australia cut interest rates for the first time since 2020 on Tuesday, joining in a global easing cycle and signaling confidence that inflation has been tamed after a three-year battle to bring it down from a four-decade high. The reduction of 0.25 percentage point drops the official cash rate to 4.10%.

Inflation in the final quarter of last year was lower than the RBA had forecast, and wage growth has slowed over recent quarters, while the economy has been in a per capita recession for seven straight quarters.

Still, RBA Gov. Michele Bullock poured cold water on the idea that the central bank will move quickly to cut again.

—James Glynn

SUDAN
Officials Allege
Civilian Slaughter

Attacks by the paramilitary Rapid Support Force in White Nile state in recent days have killed hundreds of civilians, including infants, Sudanese officials and rights groups said Tuesday.

The Sudanese military said Saturday it had advanced in White Nile, cutting supply routes to the RSF, a group it has battled since April 2023. The war has killed more than 24,000 people and displaced more than 14 million, according to the United Nations. The U.N. on Tuesday said it documented more than 4,200 civilian killings in 2024, with the number likely much higher.

The war has shown no end in sight despite international mediation attempts.

—Associated Press

WORLD WATCH



OTHERWORLDLY CITRUS: A sculpture made with lemons and oranges was created for the 91st Lemon Festival in Menton, France. This year, the theme is ‘Journey(s) to the stars.’

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Investor Bearishness Jumps

Policy changes, trade war, high prices push up pessimism gauge

By **HANNAH ERIN LANG**

Bearishness among individual investors—measured by the percentage who expect stock prices to fall over the next six months—reached 47.3% for the week ended Feb.

12, according to the latest survey from the American Association of Individual Investors. That is the highest level since November 2023.

The unabashed bullishness that marked much of the past two years has been muddled by trade-war threats, regulatory upheaval, stubborn inflation and the dwindling expectations for additional interest-rate cuts.

The S&P 500 climbed 23% in 2024, led by a handful of

stocks that touched sky-high valuations as the year progressed. And while investors haven't totally turned sour on the market, the constant flurry of headlines has left some less confident in where stocks head from here.

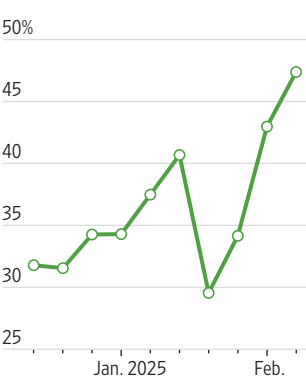
Rising pessimism isn't always a bad sign. Indeed, some investors use the survey as a contrarian indicator, selling when bullish sentiment touches highs and buying when bearishness jumps.

"The mood is confused. They don't know which policies are going to stick and which ones aren't," said Ed Yardeni, president of Yardeni Research. "It isn't necessarily bearish, it is just not bullish."

Tom Yaeger, a 74-year-old retiree based outside Allentown, Pa., is among those re-evaluating their market out-
Please turn to page B12

◆ **Heard on Street: Volatility underlies stock gains.... B14**

Bearishness among individual investors



Note: Bearishness measures expectations on a weekly basis that stock prices will fall over the next six months. Source: American Association of Individual Investors

Powerful AI Data Center Envisioned For Korea

By **ASA FITCH** AND **TIMOTHY W. MARTIN**

An investor group plans one of the world's largest data centers for artificial intelligence in South Korea, a sign of red-hot AI demand across the globe despite concern about the AI boom's staying power.

If completed as envisioned by its backers, the data center will cost as much as \$35 billion and pack up to 3 gigawatts of power. That is nearly three times the planned capacity of a data-center complex in Texas that **OpenAI** and **SoftBank Group** are funding as part of their Stargate project in the U.S.

Globally, it is rare for a single site's available power—which determines how many number-crunching AI chips can be installed—to exceed 1 gigawatt. Power availability has become a constraint as AI models have become more complex and require more chips that gobble up more electricity. According to the research group Epoch AI, developing the largest AI models will likely require more than 5 gigawatts of electricity by 2030.

In the U.S., areas with affordable land and access to sufficient power and data connectivity have become increasingly scarce, posing a challenge to companies eager to expand. As America's grid runs into challenges, other countries are moving fast to add to their data-center footprints.

The project in South Korea is planned in the country's southwestern region, far from its capital, Seoul. Construction is set to begin early this year and be completed by 2028. The backers—an investor group organized under a company called Stock Farm Road—plan to put in \$10 billion to start and invest up to \$35 billion over the long term. That company's founders are Brian Koo, grandson of the founder
Please turn to page B6



Coca-Cola says its Simply Pop promotes digestive health.

Beverage Aisle Gets New Fizz From 'Gut Pop'

By **LAURA COOPER**

Sodas claiming to be good for the gut are taking off. Now, **Coca-Cola** and **PepsiCo** are banking on their being good for the bottom line.

With traditional soda sales gone flat, both companies are jumping into the probiotic soft-drink market now dominated by upstart brands Olipop and Poppi. Coke said Tuesday that it will launch a soda promoting digestive health, called Simply Pop, this month. Pepsi is formulating a version it aims to sell in the spring.

Sales of so-called gut pop are growing in the U.S. as more consumers shift from sugary soda mainstays to healthier, more natural alternatives. Combined U.S. retail sales of Olipop and Poppi were roughly \$817 million in the 52 weeks ended Jan. 25, according to NielsenIQ data compiled by Goldman Sachs. Coke says the market for these specialty sodas could exceed \$2 billion by 2029.

Probiotic drinks are the latest beverages to proliferate on supermarket shelves with claims of supporting digestive health. Unlike probiotic products such as kombucha and kefir—which introduce new microbes into the gut—probiotic sodas contain dietary fibers that feed the bacteria already living in our systems. Olipop and Poppi use inulin fiber, often naturally derived from agave or chicory roots.

The two startups have aggressively marketed gut pop into the zeitgeist. Poppi aired commercials during the Super Bowl in 2024 and 2025 and shipped vending machines full of Poppi to social-media influencers ahead of this year's big game. It has also struck a deal with **Target** to launch an apparel line that includes branded tube socks, hats and sweatshirts. Olipop, meanwhile, is available in 12,000 **Starbucks** locations across the
Please turn to page B2

Buyers Flock to 'Wall Street of Eggs'

By **PATRICK THOMAS**

The nation's biggest egg marketplace doesn't own hens, farms or processing plants.

From an office building in New Hampshire, roughly a dozen people facilitate the trading of billions of eggs a year, a task that shapes what Americans pay per dozen at the supermarket or for omelets at diners.

The **Egg Clearinghouse**, or ECI, is little known outside the industry: It operates an online marketplace that allows participants to place bids on eggs listed for sale and see the results of trades. Only ECI members—farmers and egg buyers—are allowed to trade.

Lately, there are a lot more buyers than sellers using the "Wall Street of Eggs" with bird flu roiling the poultry market. And that is after last year marked the company's busiest, trading over 2.6 billion shell eggs and 39 million pounds of egg product valued at more than \$600 million.

ECI represents a sliver of the broader egg market—less than 5%—but plays a crucial role in providing eggs for those in need or having trouble getting them, and how they are priced.

"If you're short on eggs, we're the marketplace," said Alan Munroe, president of ECI, a company overseen by U.S. egg producers and buyers. "We fill in the gaps."

The brisk business comes as egg prices are scorching many Americans. Consumers on average are paying about \$5 a dozen, a record and double the price from roughly a year ago, according to the Labor Department.



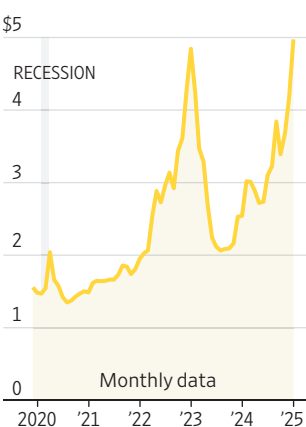
Supermarkets and other large-volume buyers are paying about \$7 for a dozen eggs.

ment. Supermarkets and other large-volume buyers are paying about \$7 a dozen, making egg sales in some cases a money-losing proposition.

Demand has remained steady despite the high sticker prices, prompting some restaurants to add surcharges for egg dishes and consumers to step up purchases of liquid eggs or substitutes.

The deadliest outbreak of avian flu in history has resulted in the death of more than 100 million U.S. chickens, turkeys and egg-laying hens since 2022, according to the Agriculture Department. Once infections are identified in a single bird
Please turn to page B2

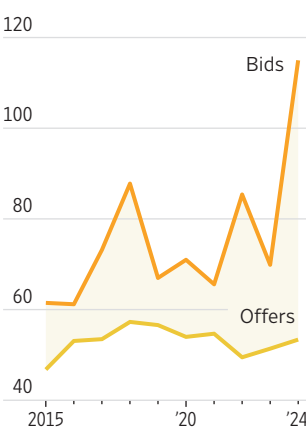
Average price for a dozen large Grade A eggs



*Bids are from egg buyers and offers are from egg sellers.

Sources: Labor Department via St. Louis Fed (prices); Egg Clearinghouse (bids/offers)

Average daily bids and offers for eggs*



INSIDE



BEVERAGES

Heineken's CEO aims to tap into consumers' thirst for zero-alcohol beer. **B3**

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Johnson & Johnson goes to trial on third talc bankruptcy plan. **B5**

Cities Turn Old Hospitals Into New Homes

By **NEIL MEHTA**

In Lakeview, Mich., a village of 1,100 residents, housing costs have roughly doubled since before the pandemic. Throngs of residents from nearby cities moved to the rural town after 2020, overwhelming its housing supply.

So when Lakeview's century-old Kelsey Hospital shut its doors in 2023, leaving behind 2 acres downtown, the village knew what it wanted to do.

"We want houses to be built," said Darin Dood, the village's manager.

Across the country, closed hospitals and their land are becoming a prime target for towns looking to boost limited housing stock.

Hospitals offer features that make them readily adaptable to homes, such as tall ceilings, broad hallways and

abundant natural light. That is a notable advantage over hulking office towers with large floors that often face financial or logistical challenges to residential conversion efforts.

Hospitals also are typically located on prime real estate near city infrastructure, ideal locations for residences. The U.S. government is incentivizing the process, too. Federal historic tax credits to these conversions are skyrocketing while demand for housing stays high.

In 2023 alone, spending on these projects eligible for a 20% federal historic tax credit totaled more than \$225 million, according to a Wall Street Journal analysis of data compiled by the National Trust for Historic Preservation.

The pool of hospital conversion candidates also is ex-



New York's St. Luke's Hospital was converted to apartments.

panding as rural hospitals shut down across the country. More than 700 are now at risk of closing, according to the Center for Healthcare Quality & Payment Reform, a health-care delivery research center.

Closed hospitals alone can't solve a U.S. housing shortage that is estimated to run in the millions of units. But these re-
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BUSINESS & FINANCE

‘Wall Street Of Eggs’ Gets Busy

Continued from page B1
on a farm, whole flocks are often eliminated to prevent further spread, creating supply shortages in some regions and grocery stores.

Egg exchange

For years egg-industry competitors relied on researchers visiting wholesale markets to set pricing benchmarks. Egg producers and buyers set up ECI as an alternative way to price and trade the commodity versus larger exchanges that operated in New York and Chicago. ECI began brokering trades in 1971 and its board was made up of industry executives including Fred Adams Jr., the founder of the



Alan Munroe, in white shirt, circa 1987 at the Egg Clearinghouse's first office in Dover, N.H.

largest U.S. egg producer, **Cal-Maine**. Similar to the stock exchanges, ECI doesn't set a price for eggs. "The buyers and sellers determine the price, on our end we just facilitate that," Munroe said.

The clearinghouse's data helps research firms such as Expana set industry benchmark prices because ECI provides a window into the market not typically available, said Karyn Rispoli, managing editor of the egg division at Expana.

Most of the roughly 110 billion eggs laid by U.S. hens are contracted to commercial customers, ending up in places such as a Kroger supermarket, a Waffle House or a hotel breakfast buffet. Terms of those contracts aren't public.

Through ECI, a buyer can bid for truckloads of eggs at a particular price. A farmer with eggs for sale responds with an offer. ECI collects a one-cent commission per dozen eggs it trades. All trades are blind, and only after a deal does ECI allow the parties to know each other's identity.

Got eggs?

Egg trading is unique: Prices for hogs, corn, wheat, soybeans, cattle and even boxes of frozen beef trade on markets run by CME Group. Few major food commodities rely on a little-known exchange service to determine their value. A nearly 40-year veteran of the Egg Clearinghouse, Munroe was hired while working as a bank manager. One of the company's past presidents walked in and started depositing checks from egg farmers and offered him a job after learning that Munroe had spent his childhood working on an egg farm.

Munroe said when he became ECI president three years ago, the egg market was relatively balanced. On any day, there were about 50 farmers offering eggs and around 60 bids for them. One day in early February, Munroe said there were roughly 10 suppliers offering eggs and 200 bids from buyers. "I think some people run off and think that everyone's price gouging," said Munroe. Bird flu has spurred a scramble to source eggs. Food distributors that sell to restaurants and grocery stores are using ECI to buy eggs to fill existing orders. An egg producer also could use ECI to source eggs to fill a customer shipment. Demand is typically higher in the winter and spring as grocery stores and food companies stock up for holiday baking and Easter. Farmers shifting production toward specialty egg varieties, such as cage-free, have further tightened supplies, according to ag lender CoBank.

Coke, Pepsi See Future In Prebiotics

Continued from page B1
country. "I use this as an alternative to soda that I don't necessarily need to feel guilty about," said Cullen Biever, 29 years old, who drinks both Poppi and Olipop. He was lukewarm on the taste of prebiotic soda at first but says a desire to be more mindful of his diet encouraged him to try it again. He still drinks Diet Coke, he said, but as an occasional treat. Becca Kerr, chief executive of Coke's nutrition unit, said her team spent nearly a year conducting market research with consumers and formulating the gut-focused soda. Simply Pop, which piggybacks off Coke's Simply juice product line, boasts 25% to 30% real juice and six grams of prebiotic fiber, along with vitamin C and zinc. "No matter what was happening, consumers said, 'This has to taste good,'" Kerr said. The Simply Pop drinks are expected to be at retailers at the end of February in strawberry, pineapple mango, fruit punch, lime and citrus punch flavors. It is uncertain what actual health benefits prebiotic soft drinks deliver, nutrition experts say, and plenty of foods—including garlic, onions, grains and certain fruits such as bananas—are naturally loaded with prebiotics. Still in most cases, "gut

pop" is preferable to drinking a soda loaded with sugar, said Dr. Sean Spencer, a gastroenterologist at Stanford University. "If consuming one of these leads you to have less sugar in your diet, then that is a good thing," he said. The exception may be people with gastrointestinal issues such as irritable bowel syndrome. Inulin can trigger increased bloating, cramping, and cause irregular bowel patterns in people with IBS, said Jamie Allers, a registered dietitian at the Hartford HealthCare Digestive Health Center in Bloomfield, Conn. Allers has advised most patients asking about prebiotic sodas to eat foods that are naturally rich in prebiotics. "Getting variety in your diet is important for digestive health—not just putting all of your eggs in one basket and thinking it's the magic ticket," she said. For Coke and Pepsi, prebiotic sodas are part of the strategy to find new growth in beverages. U.S. retail sales of traditional soft drinks including Coke, Pepsi and Dr Pepper were down roughly 1% in the 52 weeks ended Jan. 11, according to NielsenIQ data from Goldman Sachs. Olipop co-founder and Chief Executive Ben Goodwin said he isn't concerned that bigger players like Coke and Pepsi will overcrowd the gut-pop market. Last week, Olipop closed on a \$50 million Series C funding round led by JP Morgan Private Capital's growth equity group, raising its valuation to about \$1.85 billion. "We created this base camp, and now everyone has landed there," Goodwin said.

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BUSINESS NEWS

Shift4 to Buy Global Blue In Retail Push

Acquisition target assists brands like Nike and Prada with tax-free transactions

By Lauren Thomas

Shift4 Payments has struck a deal for **Global Blue Group**, a tax-free shopping services provider, in a bid to win over more major retailers as customers.

The payments processor is expected to pay \$7.50 per common share in cash, giving Global Blue an equity value of about \$1.5 billion, executives told The Wall Street Journal.

The price represents a 15% premium to where Global Blue shares closed on Friday, at \$6.54 apiece.

Including debt, the deal has an enterprise value of about \$2.5 billion.

On Tuesday, Global Blue shares shed 30 cents, or 4.6%, to \$6.23 each on the New York Stock Exchange.

Shift4, based in Allentown, Pa., helps process over \$250 billion in payments a year for more than 200,000 companies across industries including retail, casinos and airlines, according to its website.

The company has a market value of over \$11 billion, with

its shares up more than 20% this year.

Global Blue is based in Switzerland. It helps retailers including **Prada**, **Nike** and **IKEA** manage tax-free shopping transactions and offers shoppers currency-conversion and tax-refund services.

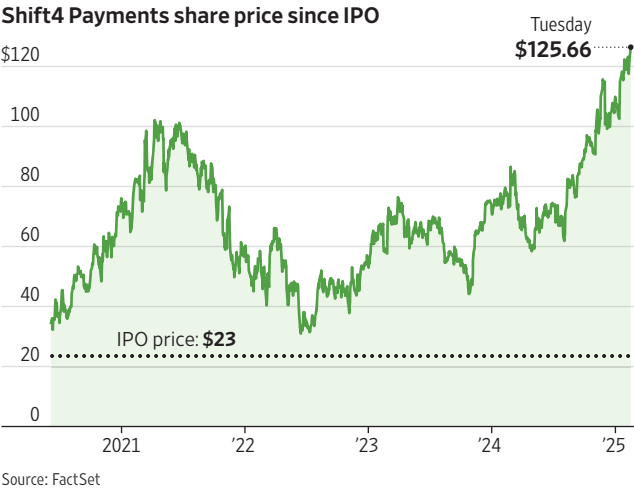
Shift4 President Taylor Lauber said in an interview that the deal will help his company offer more comprehensive payments services.

“It’s a critical component to the shopping experience,” Lauber said about Global Blue, which works with hotels and luxury brands that often draw traveling customers using different currencies.

Shift4 CEO and Chairman Jared Isaacman founded the company from his family’s basement when he was 16. Isaacman has been selected by President Trump to serve as the next leader of NASA.

He is expected to step down from his Shift4 leadership role upon his confirmation by the U.S. Senate. Lauber is then expected to take over as CEO.

Two of Global Blue’s existing shareholders, **Ant Group** and **Tencent**, also said they would explore their own strategic partnerships with Shift4 and expect to remain shareholders in the newly combined entity.



CORPORATE WATCH

CONTINENTAL
About 3,000 Jobs To Be Cut in R&D

Continental said it would cut around 3,000 research-and-development jobs in its automotive segment because of a challenging market environment.

The German car-parts company on Tuesday said the cuts amounted to around 10% of its global research-and-development jobs. Less than half of the job cuts will be in Germany, it said.

The cuts are to be implemented through processes like retirements and focus on internal hiring, it said.

“These latest measures are necessary and in part due to the dynamic and challenging market environment as the industry is undergoing a major transformation toward future technologies,” it said.

Continental shares rose 0.9%.
—*Nina Kienle and Andrea Figueras*

ANGLO AMERICAN
Nickel Business Is Sold to MMG Unit

Anglo American agreed to sell its nickel business to a subsidiary of China’s mining company MMG for up to \$500 million in cash as part of its efforts to simplify operations, following a failed takeover bid from rival BHP last year.

The London-listed miner said Tuesday that the deal comprises an upfront cash payment of \$350 million at completion, with the remaining consideration subject to certain milestones and investment decisions.

Anglo’s nickel business comprises two ferronickel operations and two growth projects in Brazil.

Anglo American has also decided to spin off its platinum business, planned for the summer of 2025.

London-listed shares fell 0.8%.
—*Michael Susin*

CONAGRA
Stock Declines on Lowered Guidance

Conagra Brands shares fell after the packaged-food company cut its full-year financial guidance, citing supply problems.

Shares of Conagra finished 5.5% lower Tuesday.

Conagra now expects net sales, on an organic basis, to fall 2% for fiscal 2025. It had previously guided for a drop of 1.5% at worst.

Currency moves also will weigh on profit. Conagra now expects full-year earnings to total about \$2.35 a share, on an adjusted basis. That is about 10 cents below the low end of its previous range.

Conagra highlighted challenges at the main facility where it prepares and cooks chicken for frozen meals. It said it had also been caught out by an unexpected surge in demand for frozen vegetables.

—*Emon Reiser*

LAND & BUILDINGS
Proxy Fight Set For Health Firm

Activist investor Jonathan Litt is launching a proxy fight at medical real-estate investment firm National Health Investors and is seeking to oust two board members, according to people familiar with the matter.

Litt’s firm, Land & Buildings Investment Management, has nominated two directors to the board of NHI, which focuses on assisted-living and other medical facilities, the people said.

Land & Buildings plans to say the company’s board is too closely tied to one of its largest tenants, National Healthcare and could boost profit by getting more favorable lease terms. NHC’s current lease, which expires at the end of 2026, is significantly below market rates, Land & Buildings thinks.

—*Ben Glickman*

Heineken Targets No-Alcohol Beer

By Michael Susin

Heineken is betting that consumers are sticking to non-alcoholic beer well beyond Dry January.

The Dutch brewer is seeking to tap into growing demand for low- and no-alcohol beverages, a category that expanded rapidly in recent years as more consumers try to moderate their alcohol intake.

For its chief executive officer, selling booze-free drinks and traditional beer isn’t a zero-sum game.

“For a Friday night, [consumers] might want a regular Heineken, but maybe on a Monday night or during a lunch occasion they want a 0.0,” Heineken Chief Executive Dolf van den Brink said in an interview. “That strategy seems to be serving us well.”

Van den Brink is looking to continue the company’s push into nonalcoholic beer.

Sales volumes of Heineken 0.0—the group’s flagship non-alcoholic brand—grew 10% last year, according to company data. This was faster than the 8.8% rise recorded by Heineken’s alcoholic namesake brand and the 1.6% increase in group beer volumes.



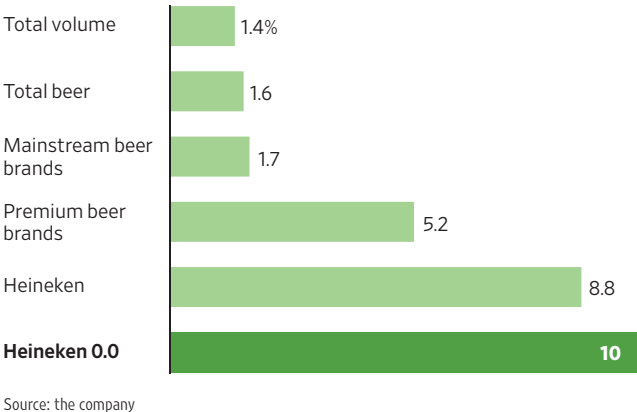
CEO Dolf van den Brink.

“We do believe that over time, the 0.0 segment will constitute a significantly bigger part of the portfolio,” van den Brink said.

Heineken doesn’t break down financial metrics for its nonalcoholic beer brands in its accounts and it hasn’t set a specific target for how big a proportion of the group’s portfolio they should represent.

Overall, nonalcoholic beer is estimated to have accounted for 2.8% of the global beer market last year, according to data provided by Euromonitor International, a market-research firm. Euromonitor fore-

Heineken’s sales volume growth in 2024



casts the nonalcoholic-beer market to grow 8.2% this year and 6.5% the next. This compares with expectations of 1.6% and 1.9% increases in 2025 and 2026 for the beer market as a whole, Euromonitor’s forecasts show.

Moderation is expected to drive nonalcoholic beer sales in 2025 as consumers increasingly focus on health and wellness, according to NielsenIQ, another data provider.

Heineken’s growth in non-alcoholic beer reflects strategic choices made so far and is intended to continue by all means, van den Brink added.

The company said its investment in the category seeks to address demand from consumers choosing to reduce or eliminate alcohol for health or lifestyle reasons.

The company launched the Heineken 0.0 brand in 2017 and now markets it in about 120 countries, but the group says it has more than 245 zero-alcohol options in its portfolio. Heineken was the world’s biggest brewer of low- and no-alcohol beer in 2023, with a market share of 18.6%, and its namesake brand was the No. 1 by the same metric, according to Euromonitor.

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TECHNOLOGY

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Baidu Profit Doubles but Revenue Falls

Growing AI business partly offsets the effect of lackluster advertising demand

By Tracy Qu

China’s **Baidu** reported lower revenue for the third straight quarter but doubled its profit as the search-engine giant’s growing AI business partly offset weak advertising demand.

The Beijing-based internet company said Tuesday that fourth-quarter revenue fell 2.4% to 34.12 billion yuan, equivalent to \$4.70 billion,

better than analysts’ estimates for a drop of nearly 5%. Net profit soared to 5.19 billion yuan from 2.60 billion yuan, beating the 3.75 billion yuan expected by analysts in a FactSet poll. “Our AI Cloud business demonstrated robust momentum with fourth-quarter revenue growth accelerating to 26% year over year, offsetting the softness in online marketing business,” said Junjie He, Baidu’s interim chief financial officer. “While navigating near-term pressures, we are confident that our strategic AI investments will drive meaningful progress and foster long-term success.”

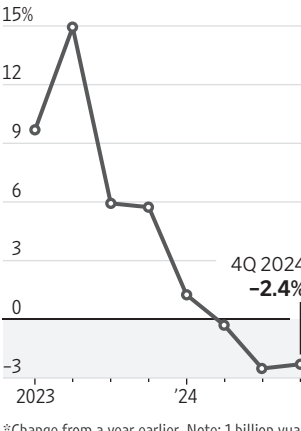


Baidu appeared at a Shenzhen, China, conference last year.

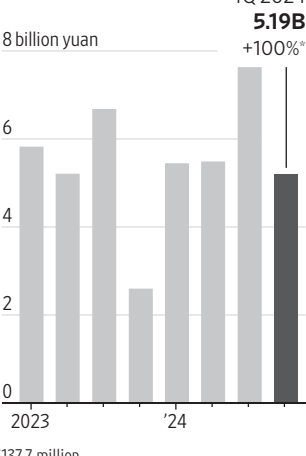
The Chinese tech company said last week that it would make its AI chatbot free for mobile and desktop users starting in April amid growing competition in China’s rapidly expanding AI industry. The popularity of Baidu’s Ernie Bot, once the most eye-catching AI chatbot in China, has faded slightly, especially after Chinese upstart **DeepSeek** caught global attention in late January. Ernie Bot’s monthly active users ranked

fourth in January among Chinese chatbots, according to aicpb.com, a Chinese website that tracks AI products. **ByteDance**’s Doubao was No. 1, followed by DeepSeek, the site showed. Baidu said in the earnings release that its Ernie Bot shows “strong momentum” and handled 1.65 billion API calls daily in December. Still, given that search remains Baidu’s core business, analysts are closely watching

Baidu’s quarterly revenue, change from a year earlier



Net profit, quarterly



*Change from a year earlier. Note: 1 billion yuan = \$137.7 million. Sources: S&P Capital IQ; the company

Scania to Buy Northvolt’s Heavy Industry Business

By Dominic Chopping

STOCKHOLM—Truck maker **Scania** agreed to buy **Northvolt**’s heavy industry business, as the battery maker continues to work through a restructuring process. “This acquisition will provide access to a highly skilled and experienced team and a strong portfolio of battery systems built in Gdansk for industrial segments, such as construction and mining, complementing Scania’s current customer offering,” a Scania representative said. The business, Northvolt Systems Industrial, was established in 2018 and currently

employs around 300 people in a battery-systems prototyping facility in Stockholm, Sweden, and a production facility in Gdansk, Poland. It produces batteries for customers in industries including material handling, construction equipment, mining, agriculture, and municipal services. Northvolt is currently working through a chapter 11 bankruptcy protection process as it seeks to restructure its debt after production problems, competition from China and funding shortfalls created a liquidity squeeze. As part of that process, Northvolt has already agreed

to sell its stake in battery recycler Hydrovolt to **Norsk Hydro** as well as its share of a battery joint venture to partner **Volvo Car** as part of its plan to focus on battery production at its northern Sweden factory. “The transaction is one more important milestone reached on our path to focus the company,” said Northvolt Chief Operating Officer Matthias Arleth in a separate statement. “Step by step we are getting closer to the sustainable and stable platform that is required for our future success.” Financial terms weren’t disclosed.



The truck maker is buying a battery maker for heavy industry. A Scania plant in Sweden.

Capgemini Issues Cautious View, Sending Shares Sharply Lower

By Najat Kantouar

Capgemini shares fell after the French company said it remains cautious on its outlook, and reported lower revenue as customers were slow to make spending decisions. The consulting-and-technology group said Tuesday that it is confronting an uncertain environment, particularly in the manufacturing sector and in Europe. The company forecast its

revenue performance excluding currency movements for the first half of 2025 would be in line with the 1.1% decline it posted for last year’s fourth quarter. In European trading, shares in Capgemini slid more than 10%. That marked the stock’s biggest one-day percentage drop since March 2020, at the outbreak of the pandemic. Shares have risen 5.3% in the year to date. Consulting companies like

Capgemini, **Accenture** and **Infosys** have been hurt by sluggish client spending over the past few quarters. Capgemini said the environment proved weaker than initially anticipated last year, but that a shift in its portfolio toward higher-value services helped it protect profitability. The company said it anticipates full-year revenue at constant currency rates to range from a 2% fall to a 2% rise, and targets an operating margin between 13.3% to 13.5%.

Capgemini’s full-year guidance looks conservative, Jefferies analysts wrote in a note. “Having misjudged the speed of market recovery in 2024, we can understand the rationale for starting 2025 on a more conservative footing,” the analysts said. For 2024, group posted a 0.5% rise in net profit to €1.67 billion, equivalent to \$1.75 billion, from €1.66 billion for the same period a year earlier. This compared with market consensus of €1.69 billion based on 13 analysts taken from FactSet. Operating profit increased to €2.36 billion from €2.35 billion, while operating margin was flat at 13.3%. Revenue fell to €22.10 billion from €22.52 billion. The consensus stood at €22.05 billion, according to FactSet estimates. In the fourth quarter, revenue totaled €5.58 billion, down 1.1% on a constant-currency basis. Capgemini said revenue trends gradually improved throughout the year after bottoming out in the first quarter. Bookings rose 1.9% in the fourth quarter, but the company said clients are still taking a long time to make decisions. Generative artificial intelligence services accounted for 5% of the company’s bookings in the quarter, it said. The group declared a dividend of €3.40 a share, flat from a year earlier.

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BUSINESS & FINANCE

J&J Trial on Talc Bankruptcy Plan Begins

Company faces objections to use of chapter 11 and vote count for settlement

By AKIKO MATSUDA

Healthcare conglomerate **Johnson & Johnson** on Tuesday kicked off a bankruptcy-court trial on its third attempt to resolve one of the largest mass tort lawsuits through a chapter 11 case.

Over the multiweek hearing, J&J will seek to overcome objections from several stakeholder groups to the proposed plan that offers roughly \$10 billion over time—or \$8 billion in present-day dollars—to tens of thousands of women who claimed the company’s talc products contained asbestos and caused ovarian and other gynecological cancers.

J&J also will face challenges to the vote count for the settlement plan, which hinges on whether as a solvent company it can use chapter 11 to resolve its talc-related liabilities. The company has said the proposed plan is in the best interests of talc-related plaintiffs and that its talc products, including Baby Powder and Shower to Shower, are safe and never contained asbestos.

If Judge Christopher Lopez of the U.S. Bankruptcy Court in Houston approves J&J’s



Tens of thousands of women claimed Johnson & Johnson’s talc products contained asbestos.

plan, it would mark the first successful use of a controversial tactic known as a divisive merger to resolve mass tort cases through chapter 11.

In September of last year, J&J placed its Red River Talc affiliate in bankruptcy, and said its proposed settlement won support from more than 83% of roughly 93,500 injury claimants, more than the 75% required under bankruptcy law.

The proposed plan is a “good faith compromise and settlement of claims and controversies,” J&J has said in court papers. A group of personal injury lawyers for dissenting claimants has disputed the vote count, asserting J&J disqualified a ballot from Alabama-based Beasley Allen law firm that included nearly 12,000 votes against the settlement.

The lawyers’ group claimed

J&J favored a competing ballot from its co-counsel with votes overwhelmingly supporting the plan. With “voting irregularities” corrected, the settlement won’t meet the 75% threshold, the lawyers’ group added.

J&J maintains Beasley Allen’s ballot was disqualified because it lacked informed consent from the claimants. Allison Brown, a lawyer for the company, argued in

court on Tuesday that lawyers led by Beasley Allen falsely certified ballots against the plan.

Andy Birchfield of Beasley Allen said his clients include ovarian cancer patients who want to see their day in court.

“We oppose this bankruptcy plan because it does not give fair treatment to the claimants,” Birchfield said. “We look forward to presenting the evidence to you, and we ask at the end of the evidence that you dismiss this bankruptcy and not confirm this plan.”

Lawyers representing J&J’s insurance companies, including **Travelers**, also have objected to the plan, arguing it treats the insurers unfairly. They alleged the vote solicitation process for the plan was “fundamentally flawed” and want J&J to re-solicit votes because “reviewing and sanctioning or disallowing each of the pervasive irregularities” in the voting process would be a “significant waste of judicial economy.”

The Justice Department’s bankruptcy watchdog, the U.S. Trustee’s Office, also has objected to the plan, and in a motion to dismiss said the chapter 11 case was “filed in

bad faith by a shell entity that has no valid restructuring purpose or need for bankruptcy relief.”

Erik Haas, J&J’s worldwide vice president of litigation, said in a statement Friday that the proposed plan “affords claimants a far better recovery than they stand to recover at trial.”

“We look forward to presenting the overwhelming support for the filed bankruptcy plan, and we are confident the plan satisfies all the require-

\$8B
Value of proposed Johnson & Johnson talc settlement in today’s dollars

ments of the bankruptcy code,” Haas said.

Since 2021, J&J has sought to bring finality to mounting talc-related lawsuits by creating subsidiaries to absorb liabilities and file for chapter 11 protection, a legal maneuver also known as a Texas Two Step. Texas allows a company to divide itself and hold assets in one business entity while another assumes legal or financial liabilities.

The first two attempts in the U.S. Bankruptcy Court in New Jersey failed after the Third Circuit Court of Appeals ruled in 2023 that J&J’s subsidiary LTL Management wasn’t in financial distress.

Sales of Heart-Rhythm Device Resume After Safety Scare

By JOSEPH WALKER

Johnson & Johnson is relaunching sales of a promising heart-rhythm device after a safety scare, but with a new warning for doctors that analysts say could hamper its market potential.

J&J said late Friday that it would resume sales of

Varipulse after pausing its rollout last month to investigate unspecified neurovascular events in several patients. A federal device-safety database contains several reports of strokes associated with the device, The Wall Street Journal has reported.

J&J has high hopes for Varipulse, as the healthcare

company vies for a piece of the rapidly growing billion-dollar market dominated by **Boston Scientific** and **Medtronic**. The devices transmit high voltage bursts of electricity to zap heart cells—called ablations—to help treat irregular heart rhythms.

J&J says the device works as intended, but that it will in-

struct doctors of a potential increased risk of neurovascular problems if Varipulse is used in certain ways. The risk may increase, for example, with a high number of ablations or if the device is used outside of pulmonary veins, J&J said.

Analysts said doctors were likely to become more wary of

using J&J’s device, likely to the benefit of competing products that don’t carry warnings.

The J&J warning could limit the device’s potential to just 5% to 10% of total market share, Wells Fargo estimates.

“It seems that JNJ is acknowledging that there is, in fact, an increased risk of

stroke with Varipulse if the device is used in certain ways,” said Needham & Co. analyst David Saxon on Tuesday. He said the product would remain “tainted” in doctors’ eyes until J&J can show Varipulse’s stroke risk is similar to competing products.

J&J shares inched up 0.3% on Tuesday.

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THE PROPERTY REPORT

Smaller Warehouses Get Harder to Find

Construction boom of past five years has mostly focused on larger facilities

By Liz Young

Half Price Books has been looking for a new warehouse in the Minneapolis-St. Paul region for more than a year with no luck. The problem: The Dallas-based discount retailer needs too little space.

Kathy Doyle Thomas, the company's president, said Half Price Books has been searching for a suitable replacement for its 6,000-square-foot warehouse, which its long-time landlord leased to another tenant last year. So far, the used-book seller, which operates more than 110 stores nationwide, has been relying on temporary storage units because "there is nothing on the market," Thomas said.

Half Price Books is among a growing number of businesses that are struggling to find small warehouses to lease, even after years of frenzied warehouse development driven by surging e-commerce demand and a more-recent rise in overall availability of

space as consumer spending cooled. Beneath a climbing national vacancy rate lies a growing divide between sprawling distribution centers and much smaller warehouses.

The vacancy rate for U.S. warehouses under 100,000 square feet was 3.9% in the fourth quarter, far below the 6.7% overall vacancy rate, according to real-estate services firm Cushman & Wakefield. That was also less than half the 10.1% vacancy rate for buildings of more than 100,000 square feet.

"It's a tale of two markets," said Jason Tolliver, head of logistics and industrial real estate at Cushman. If companies are now "looking for small amounts of space, they're going to have trouble finding it," he added.

One part of the problem is that over the past five years developers have focused on constructing big buildings of more than 100,000 square feet to accommodate growing e-commerce operations. Smaller warehouses have been less desirable to build, in part because they are often in urban and suburban areas where space is tight and land is expensive.

3.9%

Vacancy rate for U.S. warehouses under 100,000 square feet in fourth quarter



About 8% of warehouses built last year were less than 100,000 square feet, according to Cushman & Wakefield.

About 8% of the new warehouses built last year were less than 100,000 square feet, according to Cushman.

"There's not been virtually any new development in those smaller size segments," Tolliver said. "Just economies of scale and deal economics, developers are targeting those bigger boxes to maximize their return profiles."

Industry experts say some companies out looking for space are searching for smaller buildings in part to help keep costs down.

"We have seen a skew over the past several quarters to more and more demand coming for smaller footprints, even from that larger customer base," said Karl Siebrecht, chief executive of Seattle-

based Flexe, which connects businesses to warehouses with extra storage space.

Melissa Nick, chief supply-chain officer of e-commerce fulfillment provider ShipBob, said more companies are looking to spread inventory across multiple smaller warehouses to store goods closer to customers, speed up delivery and cut shipping costs rather than

stashing goods at one big, central building.

Half Price Books said its inability to find suitable space in Minnesota prompted the company to start looking for warehouse space in other regions well before its leases are up. The company also is searching for ways to be more efficient and reduce the space it needs, Thomas said.

Hospitals Are Reborn As Homes

Continued from page B1
developments offer a path toward reviving town centers amid broader economic downturns, especially in rural towns.

Rural hospital closures are often preceded by periods of economic decline in a region, said Paula Chatterjee, an assistant professor at the University of Pennsylvania's School of Medicine who studies health policy.

Hospital layouts make them good conversion candidates, according to Christopher Korsh, who leads the health-care practice in New York for the architecture firm Gensler.

Patient rooms, for example, usually have stand-alone bathrooms, and a floor's plumbing is closer to the periphery of the building—what Korsh calls the building's "skin"—rather than deep in its core. Both can make overhauling the building simpler and less expensive.

"If you throw enough money at an asset, you can do anything you want with it," Korsh said. What is more important is "how to do it economically."

In Lakeview, the village has met with two developers, seeking proposals to convert the site of the former hospital into condos or townhouses amid a housing shortage that started during Covid. The housing, likely middle-market condos and townhouses sold at market rate, would help house the many teachers who work in the village's middle and high schools.

Students from across the region complete elementary school locally, then travel to Lakeville for middle and high school. So the village needs a larger teaching staff than the surrounding towns. It also would attract more young people—the town is shortest in entry-level housing, making it hard for young workers to put down roots.

Successful hospital conversion projects often command above-market rents. In the Morningside Heights neighborhood of New York, apartments converted from the historic St. Luke's Hospital cost



Queens, N.Y., officials are planning an overhaul of the Creedmoor Psychiatric Center's campus.

more than \$1,500 a month above the median asking rent in the neighborhood.

The hospital conversion received a 20% federal historic tax credit on \$161 million of project expenses, according to data from the National Trust for Historic Preservation.

In San Francisco, plans to convert two sites into market-rate units in the Presidio Heights neighborhood are in the final stages of review. The developer firm Prado plans to convert the old campus of the California Pacific Medical Center into hundreds of apart-

ments.

As part of the project, the firm plans to reuse one of the historic buildings in the campus and convert it into senior housing. Much of the project is being built anew—the old building is out of date with seismic safety codes—which

Prado Chief Executive Dan Safier sees as a "rare opportunity" to acquire residentially zoned land in a desirable area.

In Queens, N.Y., officials are planning a massive overhaul of the state-owned campus of the Creedmoor Psychiatric Center, a century-old psychiatric hospital in the Queens Village neighborhood.

Empire State Development, New York's economic development agency, is currently gathering feedback and evaluating the infrastructure available for a development plan to build more than 2,000 housing units on the campus and reuse one of the campus buildings for housing.

Queens borough President Donovan Richards said the site has remained "dormant" and "has been a stain on the community, quite frankly."

Projects of this scale take time. Construction isn't planned to start for two years, and the project could take upward of a decade. But Richards hopes the project can chip away at a housing shortage across the borough.

"Every bit counts right now," Richards said, pointing to the shortage. "We're in a state of emergency."



InterContinental Hotels Lifts Dividend After Revenue Rise

By Pierre Bertrand

InterContinental Hotels Group raised its dividend for last year after an increase in revenue.

The London-listed group said Tuesday that it made \$628 million in net profit for the year, compared with \$750 million a year prior, on revenue that grew 6.5% to \$4.92 billion.

Room revenue, a key metric

for the hotel industry, accelerated in the fourth quarter of the year, rising to 3% for the whole year as room occupancy remained largely flat and average rates edged 2.1% higher on year, the owner of the Holiday Inn, Crowne Plaza and Regent hotel brands said.

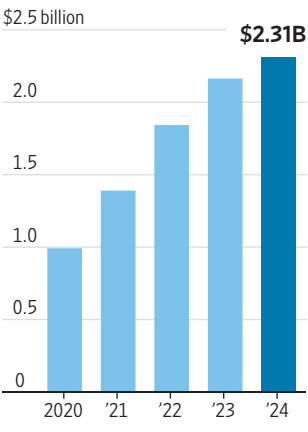
Revenue from reportable segments—the company's preferred metric, which includes fee business and owned, leased and managed lease ho-

tels—came to \$2.31 billion. Company-compiled consensus was for \$2.32 billion.

The company said that it would propose a 114.4 cents final dividend, for 2024, 10% higher than prior year's. It added that it would launch a \$900 million share buyback program this year, which, when combined with dividends is expected to return more than \$1.1 billion to shareholders this year.

The company will propose a 10% increase in its dividend.

InterContinental Hotels Group revenue from reportable segments



Korean Data Site In Works

Continued from page B1
of the South Korean conglomerate LG, and Amin Badr-El-Din, the founder and chief executive of **BADR Investments**, based in London and Jordan.

Koo said that while South Korea's data centers now largely meet domestic needs, the country has the right ingredients for a bigger facility that could serve the world.

Getting the site up and running faces significant challenges. The investors said they have signed an agreement with South Korea's South Jeolla province, which could assist with access to energy and

water, among other resources. A strained supply chain for data-center construction and persistent supply constraints on AI chips from **Nvidia** threaten to hold back many such projects around the world.

OpenAI and SoftBank are spearheading the \$500 billion Stargate project in the U.S., and European and Middle Eastern entities are increasingly pursuing data-center projects. In Asia, the South Korean site would be competing against data-center campuses sprouting up in Malaysia, Thailand, India and other countries where land and labor cost less.

"If they can do it cheaply and timely, there's definitely an opportunity there" for the South Korean facility, said Jinguwen Ong, a research manager who oversees the Asia-Pacific region at the research firm DC Byte.



Brian Koo is among the founders of the firm behind the site.

BIGGEST 1,000 STOCKS

How to Read the Stock Tables																																											
The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are consolidated from trades reported by various market centers, including securities exchanges, Finra, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization.																																											
Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.																																											
Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.																																											
Footnotes: F-New 52-week high; f-New 52-week low; dd-Indicates loss in the most recent four quarters.																																											
Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day.																																											
Tuesday, February 18, 2025																																											
Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg												
A B C																																											
AAON	AAON	114.76	1.60	AlliantEnergy	LNT	61.67	0.34	ApplMaterials	AMAT	172.00	2.80	CocaColaEuropac	CCEP	86.74	1.84	Dick's	DKS	234.64	-3.72	EsteeLauderEL	72.19	3.50	Gallagher	AJG	326.30	4.80	HormelFoods	HRL	28.29	-0.17													
AECOM	AECM	101.60	1.19	AlliantEnergyLNT	LNT	61.67	0.34	AppLovin	APP	496.00	-14.13	CognizantTech	CTSH	88.77	-1.62	DigitalRealty	DLR	165.65	1.37	EvercoreEA	EV	275.43	6.12	GameStop	GME	26.97	-0.03	DR Horton	DHI	129.81	-0.76												
Aflac	ACF	104.26	0.92	AllisonTransm	ALSN	103.74	-0.81	AspenTech	AT	146.90	2.11	Coherent	COHR	88.68	1.88	DiscoverFinSvcs	DFS	195.28	0.31	Everest	EVG	338.18	5.49	Gaming&Leisure	GLPI	49.04	0.43	HostHotels	HST	17.05	0.66												
AGNC Invst	AGNC	10.49	0.06	Allstate	ALL	188.95	1.32	Activ	ACTV	66.88	-0.12	CSX	CSX	65.57	-0.26	Disney	DIS	109.56	-0.82	Evergy	EVRG	67.07	0.41	Gap	GAP	23.54	0.76	HoulihanLokey	HUI	181.67	3.40												
AGSNC	AGS	338.58	-0.35	Alphabet A	GOOG	183.77	-1.46	Aramark	ARMK	37.20	-0.55	CaesarsEnt	CZR	39.53	-0.23	DollarGeneral	DG	75.03	2.47	Ferrari	F	61.51	-0.03	Garmin	GRMN	214.78	2.16	HowmetAerospace	HWM	136.67	3.25												
APA	APA	23.57	0.43	Alphabet C	GOOGL	183.77	-1.46	ArchCapital	ACGL	88.90	-0.76	CardenceDesign	CNS	300.43	5.24	Dominos	DOM	36.35	0.96	ExactSciences	EXAS	49.63	0.32	Gartner	IT	513.15	-1.52	Hubbell	HUBB	395.55	5.41												
ASE Tech	ASX	11.03	0.15	Amazoncom	AMZN	226.65	-2.03	AresMgmt	ARES	45.91	0.32	CardinalHealth	CAH	126.25	0.04	DorDASH	DASH	211.97	-1.41	Exelon	EXC	42.70	-0.15	Genentech	GEN	27.62	-0.10	Humana	HUM	257.24	3.44												
ASML	ASML	744.22	-1.30	Amazoncom	AMZN	226.65	-2.03	AristaNetworks	ANET	111.06	4.19	Carmax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralDynamics	GD	242.60	0.66	JBHunt	JBT	174.26	4.28												
AST Space	ASTS	30.90	-0.20	Ambev	ABEV	1.91	0.01	Arm	ARM	160.32	0.78	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	HuntingtonBchs	HBAN	16.89	0.16												
AT&T	T	26.07	0.20	Amcor	AMCR	10.17	0.10	AscendisPharma	ASND	56.19	12.11	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	HyattHotels	H	145.99	3.24												
ATI	ATI	62.16	1.12	Amec	AME	31.22	0.23	Assurant	AIZ	201.54	-1.42	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	ICI Bank	IBN	28.27	-0.89												
AbbottLabs	ABT	130.18	-0.48	AmerSports	AS	21.22	0.23	AsterandLabs	ALAB	92.27	5.42	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IdexxLab	IDXX	449.06	4.53												
AbbVie	ABBV	196.25	3.38	AmerSper	AEE	98.34	0.27	AsterandLabs	ALAB	92.27	5.42	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
Accenture	ACN	387.56	-0.44	AmeriMv	AMM	15.18	-0.10	Atlasian	ATLS	315.44	2.34	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
AcuityBrands	ACY	329.59	0.50	AEP	AEP	102.20	0.37	AtmosEnergy	ATO	148.06	1.55	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
AdvDrainageSys	WMS	126.92	-0.01	AmerExpress	AXP	312.85	1.81	Auroralmov	AUR	9.47	-0.72	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
AdvMicroDevices	AMD	114.28	1.18	AmeriFin	AMF	122.98	-0.30	Autodesk	ADSK	295.66	-7.06	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
Aegon	AEG	6.71	0.05	AmesHomes	AMH	35.54	0.30	ADP	ADP	309.95	1.80	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
AerCap	AER	103.08	2.38	Amig	AIG	75.46	1.12	ADPZone	ADP	309.95	1.80	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
Affirma	AFRM	80.98	0.29	AmerTowerREIT	AMT	189.55	0.17	Avalonbay	AVB	218.01	-0.34	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
AgilentTechs	AGI	135.20	0.53	AngloGoldAsh	AU	32.19	...	Avantor	AVTR	17.35	-0.52	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
AgricoEagleMines	AEM	97.32	1.47	AngloGoldAsh	AU	32.19	...	Avantor	AVTR	17.35	-0.52	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
AirProducts	APD	317.00	0.88	Amperise	AMP	547.06	1.13	BakerHughes	BKR	96.18	-0.58	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
Airbnb	ABNB	160.60	-0.82	Ametek	AME	184.36	0.82	BakerHughes	BKR	96.18	-0.58	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
AlamosGold	AKAM	22.70	-0.69	Amphenol	APH	69.03	0.15	Ball	BALL	49.85	...	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
AlaskaAir	ALK	75.58	0.40	AnalogDevices	ADI	202.22	5.61	Balt	BAL	12.86	0.23	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
Albmarle	ALB	83.24	2.37	AngloGoldAsh	AU	32.19	...	Balt	BAL	12.86	0.23	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
Albertsons	ACI	20.64	-0.19	AngloGoldAsh	AU	32.19	...	Balt	BAL	12.86	0.23	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
Alcoa	AA	37.01	0.17	AngloGoldAsh	AU	32.19	...	Balt	BAL	12.86	0.23	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
Alcon	ALC	89.45	-0.60	AngloGoldAsh	AU	32.19	...	Balt	BAL	12.86	0.23	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
AlexandriaREIT	AARE	95.78	0.93	AngloGoldAsh	AU	32.19	...	Balt	BAL	12.86	0.23	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
Alibaba	BABA	126.90	2.17	AngloGoldAsh	AU	32.19	...	Balt	BAL	12.86	0.23	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												
AlignTech	ALGN	202.24	-4.53	AngloGoldAsh	AU	32.19	...	Balt	BAL	12.86	0.23	CarMax	CM	62.25	0.18	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralMills	GIS	57.56	-1.28	IngersollRand	I	86.75	1.03												

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
BancSanChile	BSBR	4.82	0.10	CNH Intl	CNH	13.30	0.49	CocaColaEuropac	CCEP	86.74	1.84	Digital's	DKS	234.64	-3.72	EsteeLauder	EL	72.19	3.50	Gallagher	AJG	326.30	4.80	HormelFoods	HRL	28.29	-0.17				
BancSouthChile	BSCL	22.16	-0.58	CRH	CRH	110.51	2.21	CognizantTech	CTSH	88.77	-1.62	DigitalRealty	DLR	165.65	1.37	EvercoreA	EV	275.43	6.12	GameStop	GME	26.97	-0.03	DR Horton	DHI	129.81	-0.76				
BancoSantander	SAN	6.10	0.08	CSX	CSX	65.67	-0.26	Coherent	COHR	88.68	1.88	DiscoverFinSvcs	DFS	195.28	0.31	Everest	EVG	338.18	5.49	Gaming&Leisure	GLPI	49.04	0.43	HostHotels	HST	17.05	0.66				
BancoColumbia	CB	41.09	0.38	CVS Health	CVS	65.57	-0.26	CoimbaseGlo	COIM	264.63	1.68	Disney	DIS	109.56	-0.82	Evergy	EVRG	67.07	0.41	Gap	GAP	23.54	0.76	HoulihanLokey	HUI	181.67	3.40				
BancoAmerica	BAC	46.53	-0.43	CardenceDesign	CNS	300.43	5.24	ColgatePalm Cl	CP	86.39	0.35	DollarSign	DOCU	87.34	2.47	EversourceEn	ES	61.51	-0.03	Garmin	GRMN	214.78	2.16	HowmetAerospace	HWM	136.67	3.25				
BankMontreal	BMO	101.34	0.29	CAE	CAE	26.72	-0.06	Comcast A	CMKA	36.55	0.96	DollarGeneral	DG	75.03	2.47	ExactSciences	EXAS	49.63	0.32	Gartner	IT	513.15	-1.52	Hubbell	HUBB	395.55	5.41				
BankNY Mellon	BK	88.90	1.06	CaesarsEnt	CZR	39.53	-0.23	Comerica	CM	67.86	0.77	DollarTree	DLTR	74.52	2.96	Exelint	EXEL	34.20	-0.80	GenDigital	GEN	27.62	-0.10	HubSpot	HUBS	395.55	5.41				
BankNY Nova	BNS	51.93	0.20	CardanoProp	CP	119.37	0.30	ComcastSys	FCA	394.59	3.37	DominionEn	D	55.61	0.02	Exelon	EXC	42.70	-0.15	Generac	GNR	143.87	-2.98	Humana	HUM	257.24	3.44				
Barclays	BS	15.65	0.77	Cameco	CCJ	47.92	0.73	ComcastBchrs	CSB	66.60	0.86	DorDASH	DASH	211.97	-1.41	ExpandEnergy	EXE	106.39	1.06	GeneralMills	GIS	57.56	-1.28	JBHunt	JBT	174.26	4.28				
BankRidg	GOLD	18.36	0.42	Campbell's	CPB	38.16	-0.44	SABESP	SBS	17.52	-0.22	DorDASH	DASH	211.97	-1.41	Expedia	EXPE	204.21	1.83	GeneralDynamics	GD	242.60	0.66	HuntingtonBchs	HBAN	16.89	0.16				
BaxterIntl	BAX	21.20	0.38	CIBC	CM	62.25																									

New Highs and Lows

Continued From Page B7											
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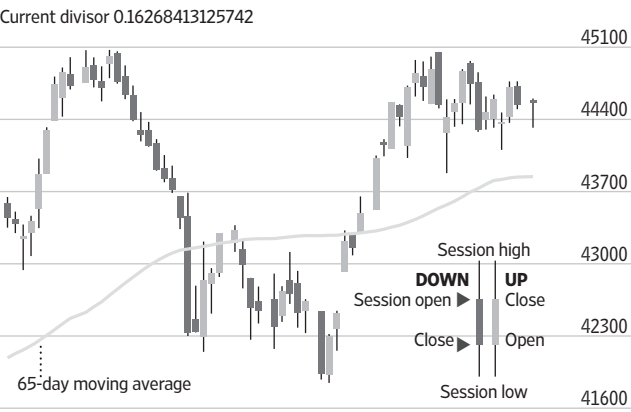
MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

44556.34 ▲10.26, or 0.02%
High, low, open and close for each trading day of the past three months.

Last	Year ago
26.77	26.67
P/E estimate *	20.58
20.58	18.49
Dividend yield	1.89
1.89	1.93
All-time high	45014.04, 12/04/24



Bars measure the point change from session's open

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

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Dow Jones									
Industrial Average	44602.02	44319.32	44556.34	10.26	0.02	45014.04	37735.11	15.5	4.7
Transportation Avg	16806.49	16574.46	16804.44	197.91	1.19	17754.38	14781.56	8.7	5.7
Utility Average	1015.11	1005.20	1013.38	7.10	0.71	1079.88	832.73	20.3	3.1
Total Stock Market	60953.91	60650.71	60953.47	163.11	0.27	60953.47	49376.46	22.9	4.4
Barron's 400	1313.02	1305.58	1313.02	7.44	0.57	1356.99	1087.14	20.8	4.9

Nasdaq Stock Market									
Nasdaq Composite	20110.11	19909.74	20041.26	14.49	0.07	20173.89	15282.01	28.2	3.8
Nasdaq-100	22191.37	22029.58	22164.61	49.92	0.23	22164.61	17037.65	26.3	5.5

S&P									
500 Index	6129.63	6099.51	6129.58	14.95	0.24	6129.58	4967.23	23.2	4.2
MidCap 400	3226.17	3201.61	3226.06	27.45	0.86	3390.26	2807.96	14.9	3.4
SmallCap 600	1437.85	1428.70	1437.30	7.46	0.52	1544.66	1241.62	11.3	2.1

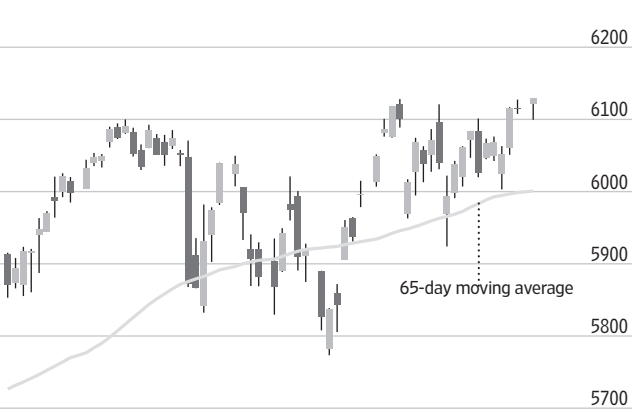
Other Indexes									
Russell 2000	2294.59	2277.17	2290.35	10.37	0.45	2442.03	1942.96	14.3	2.7
NYSE Composite	20240.59	20130.49	20240.39	109.91	0.55	20272.04	17340.17	16.7	6.0
Value Line	628.50	624.42	628.48	4.06	0.65	656.04	568.94	7.2	2.9
NYSE Arca Biotech	6155.75	6081.83	6106.94	17.48	0.29	6318.63	4861.76	19.8	6.3
NYSE Arca Pharma	977.91	964.83	977.15	12.32	1.28	1140.17	912.71	-2.8	4.6
KBW Bank	140.34	138.75	140.33	1.41	1.02	140.59	95.03	47.6	10.1
PHLX ^S Gold/Silver	163.61	161.19	163.22	2.04	1.27	175.74	102.94	51.4	19.0
PHLX ^S Oil Service	74.73	72.92	74.04	0.91	1.24	95.25	68.88	-7.7	2.0
PHLX ^S Semiconductor	5259.18	5168.49	5247.85	86.91	1.68	5904.54	4306.87	17.7	5.4
Cboe Volatility	16.03	15.35	15.35	0.58	3.93	38.57	11.86	-0.5	-11.5

^SNasdaq PHLX Sources: FactSet; Dow Jones Market Data

S&P 500 Index

6129.58 ▲14.95, or 0.24%
High, low, open and close for each trading day of the past three months.

Last	Year ago
25.65	22.85
P/E estimate *	22.47
22.47	22.79
Dividend yield *	1.23
1.23	1.49
All-time high	6129.58, 02/18/25

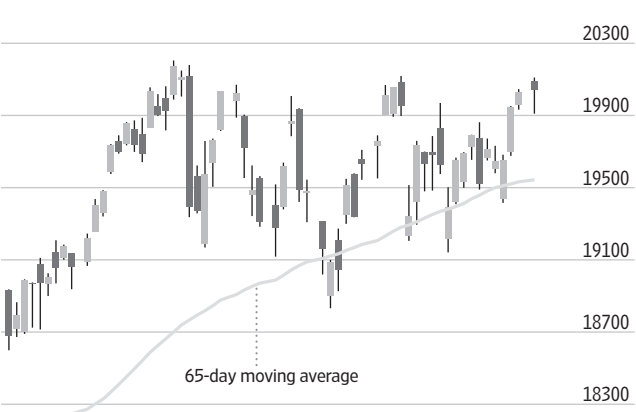


65-day moving average

Nasdaq Composite Index

20041.26 ▲14.49, or 0.07%
High, low, open and close for each trading day of the past three months.

Last	Year ago
33.78	32.08
P/E estimate **	27.92
27.92	30.27
Dividend yield **	0.69
0.69	0.84
All-time high:	20173.89, 12/16/24



65-day moving average

Late Trading

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

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
AT&T	T	15,401.8	26.04	-0.03	-0.12	26.15	26.00
NVIDIA	NVDA	12,735.0	138.78	-0.62	-0.44	144.91	130.59
Apple	AAPL	10,405.6	244.57	0.10	0.04	247.66	228.80
Intel	INTC	8,547.7	27.58	0.19	0.69	27.88	27.23
Kinross Gold	KGC	6,373.2	11.30	0.01	0.09	11.31	11.25
CSX	CSX	5,661.0	33.78	0.14	0.42	33.78	33.28
ExxonMobil	XOM	5,341.8	110.17	0.03	0.03	110.30	104.73
Bausch Health	BHC	5,110.5	6.45	0.09	1.42	6.57	6.36

Percentage gainers...

Global Blue Group	GB	94.0	7.40	1.17	18.78	7.50	6.24
Better Choice	BTTR	276.7	2.50	0.34	15.74	2.58	2.23
NewGenIvf Group	NIVF	369.2	2.50	0.31	14.16	2.75	2.15
TMC the metals company	TMC	397.9	2.28	0.21	10.14	2.28	2.02
Compass CI A	COMP	624.1	8.60	0.62	7.77	9.06	7.85

...And losers

Supernus Pharmaceuticals	SUPN	254.3	31.50	-8.25	-20.75	39.75	27.10
Bumble CI A	BMBL	1,568.0	6.60	-1.50	-18.49	8.40	6.53
Celanese	CE	257.4	60.80	-9.11	-13.03	70.43	59.00
Star Bulk Carriers	SBLK	324.6	14.75	-1.64	-10.01	16.50	14.51
MasterBrand	MBC	97.3	14.66	-1.57	-9.67	16.23	13.00

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	1,077,762,873	16,505,172
Adv. volume*	730,680,188	7,734,586
Decl. volume*	323,583,152	6,934,244
Issues traded	2,849	299
Advances	1,625	130
Declines	1,140	157
Unchanged	84	12
New highs	115	3
New lows	52	1
Closing Arms*	0.65	0.61
Block trades*	5,339	175

Nasdaq NYSE Arca

Total volume*8,683,178,523 250,297,743
Adv. volume*6,021,986,108 167,732,444

Decl. volume*	2,558,535,418	79,943,502
Issues traded	4,526	2,136
Advances	2,289	1,421
Declines	2,083	679
Unchanged	154	36
New highs	244	243
New lows	123	31
Closing Arms*	0.47	1.17
Block trades*	65,386	1,240

*Primary market:NYSE,NYSE American NYSE Arca only.
*(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World					
	MSCI ACWI	887.72	2.40	0.27	5.5
	MSCI ACWI ex-USA	350.69	1.17	0.33	7.6
	MSCI World	3910.71	8.57	0.22	5.5
	MSCI Emerging Markets	1138.92	8.31	0.74	5.9
Americas					
	MSCI AC Americas	2313.45	5.87	0.25	4.6
Canada	S&P/TSX Comp	25648.84	165.61	0.65	3.7
Latin Amer.	MSCI EM Latin America	2127.15	5.51	0.26	14.8
Brazil	Bovespa	128531.71	-20.42	-0.02	6.9
Chile	S&P IPSA	3914.06	-3.07	-0.08	8.3
Mexico	S&P/BMV IPC	54476.74	185.10	0.34	10.0

EMEA					
	STOXX Europe 600	557.17	1.75	0.31	9.8
Eurozone	Euro STOXX	564.70	1.27	0.22	11.8
Belgium	Bel-20	4414.04	11.73	0.27	3.5
Denmark	OMX Copenhagen 20	2055.67	45.04	2.24	-2.2
France	CAC 40	8206.56	17.43	0.21	11.2
Germany	DAX	22844.50	46.41	0.20	14.7
Israel	Tel Aviv	2534.02	41.60	1.67	5.8
Italy	FTSE MIB	38554.15	226.43	0.59	12.8
Netherlands	AEX	947.06	-1.48	-0.16	7.8
Norway	Oslo Bors All-Share	1708.56	2.14	0.13	3.9
South Africa	FTSE/JSE All-Share	89061.67	662.10	0.75	5.9
Spain	IBEX 35	13143.90	127.00	0.98	13.4
Sweden	OMX Stockholm	1057.57	3.94	0.37	10.8
Switzerland	Swiss Market	12893.98	18.90	0.15	11.1
Turkey	BIST 100	9916.89	80.40	0.82	0.9
U.K.	FTSE 100	8766.73	-1.28	-0.01	7.3
U.K.	FTSE 250	20881.56	-57.12	-0.27	1.3

Asia-Pacific					
	MSCI AC Asia Pacific	189.91	0.64	0.34	4.6
Australia	S&P/ASX 200	8481.00	-56.11	-0.66	3.9
China	Shanghai Composite	3324.49	-31.34	-0.93	-0.8
Hong Kong	Hang Seng	22976.81	360.58	1.59	14.5
India	BSE Sensex	75967.39	-29.47	-0.04	-2.8
Japan	NIKKEI 225	39270.40	96.15	0.25	-1.6
Singapore	Straits Times	3925.56	20.70	0.53	3.6
South Korea	KOSPI	2626.81	16.39	0.63	9.5
Taiwan	TAIEX	23666.11	160.78	0.68	2.7
Thailand	SET	1257.48	1.00	0.08	-10.2

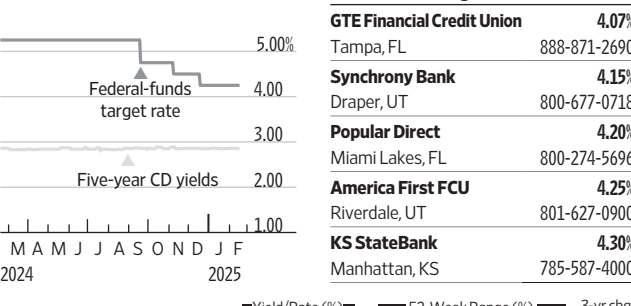
Sources: FactSet; Dow Jones Market Data

CREDIT MARKETS

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



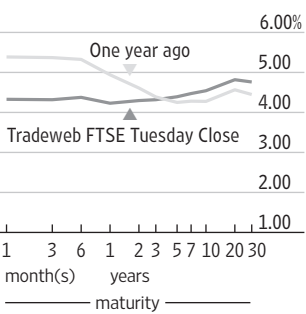
Interest rate	Yield/Rate (%) Last (●) Week ago	52-Week Range (%) Low 0 2 4 6 8 High	3-yr chg (pct pts)
Federal-funds rate target	4.25-4.50	4.25-4.50	4.25
Prime rate*	7.50	7.50	4.25
SOFR	4.33	4.35	4.28
Money market, annual yield	0.41	0.41	0.34
Five-year CD, annual yield	2.85	2.86	2.92
30-year mortgage, fixed*	7.17	7.23	2.47
15-year mortgage, fixed*	6.53	6.62	3.05
Jumbo mortgages, \$806,500-plus*	7.19	7.26	2.98
Five-year adj mortgage (ARM)*	6.30	6.32	3.38
New-car loan, 48-month	7.45	7.31	3.93

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

Treasury yield curve

Yield to maturity of current bills, notes and bonds



Sources: Tradeweb FTSE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

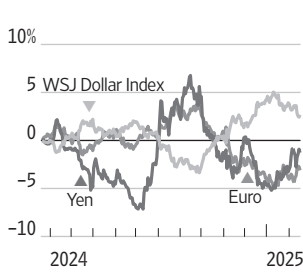
Corporate Borrowing Rates and Yields

Bond total return index	Close	Yield (%) Last	Week ago	52-Week High	Low	Total Return (%) 52-wk	3-yr
U.S. Treasury Bloomberg	2204.890	4.480	4.450	4.880	3.630	3.322	-1.669
U.S. Treasury Long Bloomberg	3072.230	4.830	4.800	5.050	3.990	0.269	-9.623
Aggregate, Bloomberg	2105.500	4.890	4.880	5.310	4.100	4.108	-0.935
Fixed-Rate MBS, Bloomberg	2080.060	5.190	5.170	5.570	4.340	4.408	-0.909
High Yield 100, ICE BofA	3857.391	6.480	6.527	7.871	6.208	9.148	5.065
Muni Master, ICE BofA	596.880	3.441	3.398	3.760	3.074	1.936	0.803
EMBI Global, J.P. Morgan	913.297	7.439	7.483	8.073	7.084	9.145	1.299

Sources: J.P. Morgan; Bloomberg Fixed Income Indices; ICE Data Services

Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Percentage Losers

Company	Symbol	— Latest Session —			— 52-Week —		
		Close	Net chg	% chg	High	Low	% chg
INLIF	INLF	3.39	-12.94	-79.24	21.00	2.29	...
Cycurion	CYCU	3.35	-8.65	-72.08	68.17	3.15	-68.3
ReShape Lifesciences	RSLS	1.08	-1.25	-53.65	29.00	1.01	-88.8
Septerna	SEPN	6.87	-6.09	-46.99	28.99	4.17	...
Cloudstructure CI A	CSAI	10.50	-8.55	-44.88	52.43	5.10	...
Cynyn	CYN	8.88	-4.98	-35.93	3882.00	8.55	-99.7
Jet.AI	JTAI	4.06	-1.97	-32.67	315.00	2.30	-98.1
36Kr Holdings ADR	KRKR	3.60	-1.73	-32.46	12.99	2.76	-63.5
Critical Metals	CRML	2.75	-0.98	-26.27	22.50	2.60	-51.8
TEN Holdings	XHLD	1.56	-0.54	-25.71	8.54	1.40	...

BUSINESS & FINANCE

Fidelity Reports Record Earnings

Market rally drew more money into firm's funds, spurred trading by customers

By Hannah Erin Lang

Fidelity Investments posted record annual operating profit and revenue last year after the stock market's rally drew more money into its funds and spurred trading activity by its customers. FMR LLC, Fidelity's parent company, said Tuesday that

operating income rose 21% to \$10.3 billion. Revenue jumped 16%, to \$32.7 billion. Robust market conditions produced a banner year for many financial firms, including money managers such as **BlackRock** and brokerage firms such as **Charles Schwab** and **Robinhood Markets**. Fidelity, an investing conglomerate, manages its own mutual and exchange-traded funds, oversees corporate-retirement plans and provides brokerage accounts to millions of Americans.

A closely held company controlled by the Johnson family, Fidelity doesn't provide as many details on its financial results as its publicly traded peers. But once a year, the firm offers a snapshot of its performance to its employees. In a letter that accompanied the annual report, Fidelity Chief Executive Abigail Johnson said the company's results were bolstered by strong returns from its actively managed stock and bond funds. Customers flocked to Fidelity's money-market

and index funds, and its managed accounts, she wrote. Daily average trades were 3.5 million, a 35% increase from the year prior. "Fidelity's financial strength and operational stability allow us to deliver products and services that meet the needs of our customers through all phases of their lives and all types of economic environments," Johnson wrote. Operating expenses rose 14% to \$22.4 billion. Assets under management, or what Fidelity holds in its

investment funds, jumped 21% to \$5.9 trillion. Assets under administration, which includes its own funds as well as other assets held in the accounts it manages, rose 20% to \$15.1 trillion. Fidelity continued to add to its lineup of products, Johnson said. That included launching alternative investments and expanding the brokerage's lineup of exchange-traded funds. Fidelity now offers more than 70 ETFs and has more than doubled the assets in the funds, reaching \$108.5 billion.



Sam Bankman-Fried

Some FTX Customers Will Get Paid Back

By Alexander Osipovich

Some FTX customers are set to get their money back, more than two years after Sam Bankman-Fried's cryptocurrency exchange filed for bankruptcy. Initial payouts starting this week will go to smaller customers with claims of less than \$50,000. Ultimately, the bankruptcy estate plans to repay billions of dollars. FTX collapsed in November 2022 after it couldn't fulfill a surge of customer-withdrawal requests. It emerged that Bankman-Fried's trading firm, Alameda Research, tapped FTX client funds to fund risky trading strategies. Bankman-Fried was convicted of fraud and sentenced to 25 years in prison.

The bankruptcy estate has since raised funds to repay customers by selling off FTX's digital-token holdings and other assets, such as a stake in artificial-intelligence startup Anthropic, and by clawing back funds from crypto firms that did business with FTX. The estate last year forecast creditors would get 118% of their funds back. Getting full repayment of claims is unusual in bankruptcy. Many FTX customers were still unhappy, though, because payouts are calculated in dollars based on what their holdings were worth in November 2022—a low point for the crypto markets. Bitcoin and other digital currencies have since soared in price. Some former customers have expressed frustration, saying they haven't been able to provide sufficient documentation to be eligible to get their money back. To receive payouts, claimants must pass a know-your-customer process, to prove the funds they had on FTX weren't the result of illegal activity. As of November, about 162,000 small claimants were approved to get payouts. An estimated 457,000 small claimants had valid claims but hadn't passed the verification process yet, according to a court filing by a consultant for the bankruptcy estate. "Our team has been working relentlessly to deliver an efficient process for as many customers as we can," an FTX representative said, noting there would be delays given the scale of the distributions. "We must take every precaution to ensure that distributions are fully compliant with applicable Know Your Customer and anti-money-laundering laws," the representative added.

Key Interest Rates

Data are annualized on a 360-day basis. Treasury yields are per annum, on actively traded noninflation and inflation-indexed issues that are adjusted to constant maturities. Data are from weekly Federal Reserve release H.15.

	Week Ended Feb 14	— 52-Week — Feb 7	High	Low
Federal funds (effective)				
	4.33	4.33	5.33	4.33
Commercial paper				
Nonfinancial				
1-month	4.31	4.30	5.33	4.30
2-month	4.28	4.27	5.35	4.24
3-month	4.26	4.26	5.34	4.21
Financial				
1-month	n.a.	4.33	5.35	4.31
2-month	n.a.	4.34	5.34	4.30
3-month	4.35	4.34	5.36	4.31
Discount window primary credit				
	4.50	4.50	5.50	4.50
Treasury yields at constant maturities				
1-month	4.38	4.36	5.52	4.36
3-month	4.35	4.34	5.52	4.31
6-month	4.32	4.28	5.43	4.25
1-year	4.26	4.20	5.20	3.91
2-year	4.30	4.23	4.96	3.55
3-year	4.30	4.25	4.81	3.46
5-year	4.38	4.30	4.66	3.45
7-year	4.46	4.40	4.66	3.55
10-year	4.53	4.49	4.69	3.67
20-year	4.80	4.75	4.98	4.05
Treasury yields (secondary market)				
1-month	4.26	4.24	5.30	4.24
3-month	4.23	4.22	5.26	4.20
6-month	4.21	4.17	5.17	4.13
TIPS				
5-year	1.75	1.72	2.23	1.47
7-year	1.93	1.90	2.23	1.50
10-year	2.09	2.06	2.29	1.56
20-year	2.30	2.26	2.48	1.75
Long-term avg	2.35	2.30	2.56	1.86

Notes on data:
Federal funds rate is an average for the seven days ended Wednesday, weighted according to rates on broker trades; **Commercial paper rates** are discounted offered rates interpolated from sales by /discounted averages of dealer bid rates on nationally traded certificates of deposit; **Discount window primary credit rate** is charged for discounts made and advances extended under the Federal Reserve's primary credit discount window program; **rate** is average for seven days ended Wednesday; **Inflation-indexed long-term TIPS** average is indexed and is based on the unweighted average bid yields for all TIPS with remaining terms to maturity of 10 years or more;
Sources: Federal Reserve; for additional information on these rate data and their derivation, please see: <https://www.federalreserve.gov/data/download/Build.aspx?rel=H15>

Brookfield Credit Business Chief Executive Takes Rosy View on Asset-Based Lending

By Isaac Taylor

Credit has been king at **Brookfield Asset Management**. During the fourth quarter, the firm's credit arm deployed \$77 billion and raised nearly \$20 billion for its credit funds, according to the firm. Credit also accounted for some 60% of the total capital the firm raised last year, excluding assets associated with the firm's acquisition of American Equity Investment Life Holding Co. Brookfield said it plans to more than double the roughly \$317 billion of assets managed under its credit strategy over the coming five years. Craig Noble, the chief executive of Brookfield's credit business, recently spoke to The Wall Street Journal about the opportunities he sees in private credit, particularly asset-based lending. Responses have been edited for length and clarity.

WSJ: Many dealmakers expect mergers-and-acquisitions activity to grow in the coming months. How do you see that affecting Brookfield's private-credit activity?
NOBLE: M&A is a big consumer of credit, including private credit. So we've been quite pleased that in the last couple of years, even in a slower M&A environment, that we've been deploying a large amount of capital across the areas that we're focused on: real-estate credit, infrastructure credit, asset-based financing. But I do think that the opportunity set is just going to



Brookfield credit business CEO Craig Noble, at left, speaks at a 2024 investor day.

increase that much more. The amount of corporate activity, including M&A activity, is starting to increase. I think 2025 will be a much bigger year after coming off of a couple of slower years. **WSJ: Brookfield has acquired a number of other credit managers, including Oaktree Capital Management and more recently Castlelake. How are you thinking about further expansion?**
NOBLE: We formed the partnerships because we wanted to have access to their investment capabilities in very focused areas and...for the most part really within the asset-based lending space.

Asset-based lending is one of the areas that we see significant growth over the next several years. We believe there's going to be an opportunity to continue to get excess return [and] excess spread in the private-credit space relative to what's available in the more liquid markets. And that's really been the logic behind forming these partnerships. **WSJ: What have been the biggest lessons you've learned since Brookfield formally established its private-credit group?**
NOBLE: The credit group within Brookfield, as one of our main business groups, was formed just over a year ago.

Having said that, we have been doing this for 20 to 30 years. The learning is the power of putting it together. And on the one hand, we have businesses, like Oaktree, that have and continue to operate separately and with a good degree of independence. But there are still things we can do across all of our partner managers and all of the areas of Brookfield. For the benefit of our clients. And I'd say that's been part of the logic of having everything under this credit group umbrella, and so far it's really resonated with clients as they're looking to do more business and have stronger relationships with a smaller number of large, flexible managers.

Mutual Funds

Tuesday, February 18, 2025				
Fund	NAV	Net Chg	YTD %Ret	
AB Funds				
MutlncmShares	11.19	...	0.8	
AB Funds - ADV				
LgCpGrAdv	114.52	-0.27	4.7	
American Century Inv				
Grwth	59.98	+0.02	3.4	
Ultra	95.55	-0.15	2.4	
American Funds CI A				
AmCapA	44.75	+0.01	5.8	
AmMutA	58.33	+0.24	5.7	
BalA	35.69	...	3.9	
BondA	11.17	-0.04	0.8	
CaplBA	72.58	+0.20	5.2	
CapWGrA	67.52	+0.24	6.2	
EupaCA	58.44	+0.46	8.8	
FdlvA	85.34	+0.09	5.7	
GwThA	79.35	-0.07	6.6	
HI TRF	9.86	-0.01	1.8	
ICAA	60.79	-0.06	5.4	
IncoA	25.79	+0.13	5.6	
N PerA	66.25	+0.16	6.7	
NECOA	65.10	+0.10	6.5	
NwWrldA	81.24	+0.44	5.1	
SmCpA	69.72	+0.41	3.5	
TxEaA	12.39	-0.01	0.4	

Fund	NAV	Net Chg %	YTD %Ret	Fund	NAV	Net Chg %	YTD %Ret	Fund	NAV	Net Chg %	YTD %Ret	Fund	NAV	Net Chg %	YTD %Ret	Fund	NAV	Net Chg %	YTD %Ret
FIDZroLgCplx	21.87	+0.05	4.5	NASDAQ	254.14	+0.18	3.8	Eqlnc	25.33	+0.15	5.9	MidCap	101.92	+0.50	2.2	MuIntAdml	13.60	...	0.6
GlexUSldInstPr	15.57	+0.10	8.0	PURC	22.21	-0.04	3.4	LgCpGwth	83.20	-0.15	4.4	R2030	26.68	+0.05	4.1	MuLTAdml	10.88	...	0.4
GrowthCompanyK	31.60	+0.03	3.9	Outin	25.68	-0.02	3.3	JPMorgan R Class				Putnam Funds Class A				MuLTAdml	10.82	...	0.4
IntlCplnInstPr	51.85	+0.30	9.1	SAIUSInvVoltdF	22.32	+0.05	4.1	CoreBond	10.16	-0.04	0.7	PutLargCap p	36.50	+0.51	5.9	MuShtAdml	15.79	...	0.6
LgCpGwld InstPr	40.64	...	3.8	SAIUSQvlyDlx	22.38	+0.06	5.2	CorePlusBd	7.16	-0.03	1.0	Putnam Funds Class Y				PrrmpAdml r	178.39	+1.66	7.2
MidCplnInstPr	35.53	+0.25	5.2	SrslChGrGretail	20.66	-0.01	4.1	Lord Abbett I				PutLargCap	36.52	+0.15	5.9	RealEstatAdml	130.45	+0.59	3.3
SAIUSLgCplndFd	24.25	+0.06	4.3	SrSEmrgMkt	16.62	+0.21	7.1	ShiDurBnc p	3.86	-0.01	0.7	Schwab Funds				ScmAdml	119.65	+0.89	3.9
SeriesBondFd	8.89	-0.04	0.7	SrSGrslGbl	15.31	-0.10	3.0	Metropolitan West				1000 Inv r	NA	...	NA	SMGtHAdml	103.06	+0.82	4.7
SerLTREBdIx	5.35	-0.06	1.3	SrSGrCoRetail	24.74	+0.02	3.2	TotRetBdI	8.90	-0.04	0.8	IS&P Sel	NA	...	NA	STBondAdml	10.14	-0.01	0.6
SmCpldInstPrem	28.46	+0.13	2.8	SrslntnGrw	19.15	+0.14	9.9	MFS Funds				TSM Sel r	NA	...	NA	STIGradeAdml	10.32	-0.02	0.7
TotalMarkIndx	168.58	+0.48	4.5	SrslntnIvWl	13.20	+0.17	10.7	IE	36.59	...	8.2	TIAA/CREF Funds				STIPSAdml	24.57	-0.01	1.2
TotalInstnPrem	121.29	+0.06	4.5	TotalBond	9.44	-0.03	1.0	MFS Funds Class I				BdIdxInst	9.51	-0.04	0.7	TotBdAdml	9.51	-0.04	0.8
TtIntlIndxInstPr	14.43	+0.09	7.4	Fidelity SAI				GrowthI	210.84	-0.41	4.5	EqIdxInst	42.88	+0.12	4.6	TotalBdIdxAdm	19.62	-0.06	0.2
USBldInstnPrem	10.25	-0.04	0.8	Total Bond	9.44	-0.03	0.9	ValueI	51.01	+0.35	4.6	IntlEqIdxInst	24.00	+0.16	9.1	TotalAdmIdx r	33.95	+0.24	7.2
Fidelity Selects								Natixis Funds				LrgCpGrIdxInst	69.48	-0.01	3.7	TotalInstl	147.36	+0.11	4.5
Semiconductors r	35.06	+0.56	4.8					InvGradeBdY	9.78	-0.03	1.0	VANGUARD ADMIRAL				TxMcCapAdml	316.37	+0.27	4.6
Softwr	28.64	+0.12	4.4					LSGrowthY	30.96	+0.03	4.7	500Adml	566.53	+1.47	4.4	TxMln r	16.66	-0.11	8.5
Tech	38.00	+0.32	3.0					Northern Funds				BAITAdml	NA	...	NA	USGroAdml	196.75	-0.57	6.3
First Eagle Funds								StkIdx	62.20	+0.16	4.4	CAITAdml	11.36	...	0.5	ValAdml	69.59	+0.40	5.4
GLBA	71.79	+0.51	7.1					Old Westbury Fds				CapOpAdml r	201.44	+1.49	6.4	VdsAdml	82.27	+0.18	4.7
Franklin A1								LrgCpSftr	NA	...	NA	DivAppdxAdm	55.45	+0.13	4.3	WellAdml	61.54	-0.02	3.6
IncomeA1	2.40	+0.01	2.6					Parnassus Fds				EMAdm	38.24	+0.29	4.0	WellntAdml	76.39	-0.07	3.3
FrankTemp/Frank Adv								ParnEqFd	62.18	+0.22	4.4	EqIdxAdml	93.10	+0.58	5.6	WndrsAdml	73.62	-0.46	4.2
IncomeAdv	2.37	...	2.3					PGIM Funds CI Z				ExplrAdml	111.06	+0.76	3.9	VANGUARD FDS			
FrankTemp/Franklin A								TotalRetuBond	NA	...	NA	ExtndAdml	152.09	-0.67	5.6	DivdGro	36.93	+0.12	2.0
DynaTech A	184.85	+0.04	5.9					PMCO Fds Instl				GroIncAdml	106.58	+0.16	4.5	IntdVal	40.27	+0.17	7.2
Growth A	137.72	+0.32	3.1					TotRt				GrwthAdml	220.05	-0.02	4.2	LifeGro	NA	...	NA
RisDv A	92.01	+0.30	3.3					PMCO Funds A				HlthCareAdml r	79.18	-0.24	3.0	LifeMod	NA	...	NA
Guggenheim Funds	23.52	...	0.9					IncomeFd				HYCorAdml r	5.46	-0.01	1.6	PrrmpCp	357.3	+0.36	6.8
TotRtnBdFClnst	25.72	-0.09	0.9					PMCO Funds I2				InfProAd	22.86	-0.07	1.5	STAR	NA	...	NA
Harbor Funds								Income	NA	...	NA	IntfTechIdx	329.85	+2.30	3.6	TgtRet2020	NA	...	NA
CapApInst	120.24	-0.24	5.8					PMCO Funds Instl				IntGrAdml	114.23	+0.93	12.5	TgtRet2025	NA	...	NA
JHF Bil Discl								Price Funds	NA	...	NA	ITBondAdml	10.15	-0.04	0.7	TgtRet2030	NA	...	NA
DJP Intl MSCI	28.08	+0.16	4.2									ITGrAdml	8.59	-0.03	1.0	TgtRet2035	NA	...	NA
John Hancock								BlCpH	194.91	-0.55	4.6	LarCapAd	142.45	+0.33	4.6	TgtRet2040	NA	...	NA
BondR6	13.38	-0.06	0.9					DivGro	81.35	+0.36	5.8	LTGradeAdml	7.57	-0.06	1.2	TgtRet2045	NA	...	NA
JPMorgan I Class								Growth	109.94	-0.26	4.2	MidCapAdml	343.85	+2.28	5.2	TgtRet2050	NA	...	NA
CoreBond	10.15	-0.04	0.8					LgCpGow I	85.60	-0.18	4.0	MutHYAdml	10.65	-0.01	0.4	TgtRet2060	NA	...	NA
										</									

MARKETS

S&P Hits a Record; Intel Soars

The S&P 500 notched its second record high close of 2025 to kick off the shortened trading week.

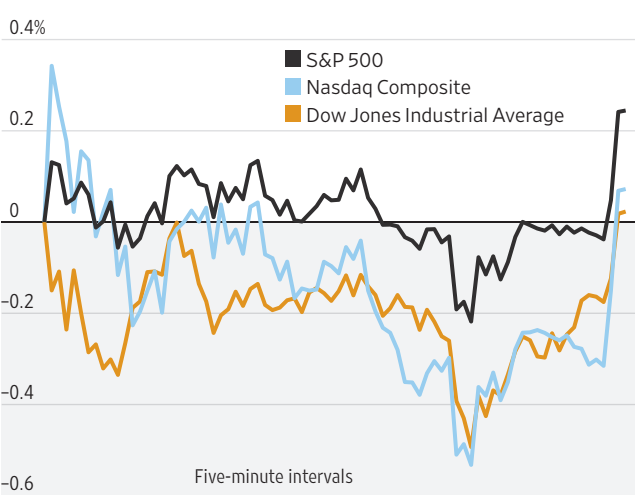
Major stock indexes drifted throughout the session before settling slightly higher. The Dow Jones Industrial Average rose about 10 points, or less than 0.1%. The S&P 500 climbed 0.2%, and the Nasdaq Composite added less than 0.1%.

TUESDAY'S MARKETS Some investors are nervous about signs of exuberance in the market, which they say leave shares vulnerable to potential threats, including mounting trade tensions. Wall Street is grappling with other potential risks to the rally, such as signs of warm inflation and DeepSeek's impact on U.S. dominance in the AI space.

The mixed signals made it difficult for markets to find direction, some investors say. "It seems like we just bounce around from one thing to another, and that sort of knocks people off course," said Jamie Cox, managing partner at Harris Financial Group.

Rampant uncertainty damped individual investors' moods: Bearishness among amateur traders is at its high-

Index performance on Tuesday



est level since November 2023, with many traders unsure of what regulatory changes and trade policies could come.

"That's the challenge with this uncertainty, is it's not clear how much, or [for] how long," said Rob Haworth, senior investment strategist at U.S. Bank Asset Management Group.

Elsewhere, **Intel** shares jumped 16% after The Wall Street Journal reported that **Broadcom** and TSMC were weighing separate deals that

would break the U.S. chip maker in two.

Elsewhere:

◆ **U.S. Treasury yields gained, tracking a recent rise in European and Japanese government borrowing costs.**

◆ **Hong Kong's Hang Seng Index rose, with Tencent and Xiaomi among the stocks that advanced. The tech companies' chief executives met Chinese**

President Xi Jinping Monday.

◆ **The Stoxx Europe 600 and Germany's DAX closed at highs, extending winning streaks.**

—*Krystal Hur and Joe Wallace*

AUCTION RESULTS

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

	13-Week	26-Week
Applications	\$228,623,833,500	\$187,518,427,300
Accepted bids	\$84,179,721,500	\$73,657,440,800
" noncomp	\$2,083,192,900	\$2,127,914,300
" foreign noncomp	\$0	\$0
Auction price (rate)	98.932014 (4.225%)	97.866556 (4.220%)
	4.330%	4.372%
Bids at clearing yield accepted	8.48%	78.93%
Cusip number	912797NM5	912797PP6

Both issues are dated Feb. 20, 2025. The 13-week bills mature on May 22, 2025; the 26-week bills mature on Aug. 21, 2025.

52-WEEK BILLS

Applications	\$147,984,101,400
Accepted bids	\$50,508,028,900
" noncompetitively	\$1,293,595,300
" foreign noncompetitively	\$0
Auction price (rate)	95.905000 (4.050%)
Coupon equivalent	4.237%
Bids at clearing yield accepted	6.53%
Cusip number	912797PM3

The bills, dated Feb. 20, 2025, mature on Feb. 19, 2026.

SIX-WEEK BILLS

Applications	\$203,061,926,400
Accepted bids	\$84,180,086,400
" noncompetitively	\$582,132,800
" foreign noncompetitively	\$0
Auction price (rate)	99.501833 (4.050%)
Coupon equivalent	4.351%
Bids at clearing yield accepted	62.41%
Cusip number	912797MV6

The bills, dated Feb. 20, 2025, mature on April 3, 2025.

STOCK SPOTLIGHT

Constellation Brands
Warren Buffett's Berkshire Hathaway said it had established a new position in the seller of Modelo and Corona beer. Shares rose 4%.

Super Micro Computer
The server producer rose more than 16%. Shares of Super Micro are often heavily traded.

Medtronic
Shares of the medical-devices maker fell 7% after it reported lower-than-expected quarterly revenue.

Baidu
The Chinese tech company posted lower revenue for a third straight quarter. U.S. shares slid more than 7%.

Delta Air Lines
A Delta jet crashed while landing in Toronto on Monday. All 80 passengers survived, but some were injured. Shares fell 1.6%.

Southwest Airlines
The carrier is slated to shed about 1,750 jobs to cut costs. Shares fell 0.9%.

Nike
Shares rose after Nike unveiled a partnership with Skims for a new brand aimed

at female athletes. Shares rose more than 6%.

Walgreens Boots Alliance
The struggling pharmacy chain's stock surged 14% after CNBC reported that a deal to take the company private is still possible.

Conagra Brands
Shares fell 5.4% after the packaged-food company cut its full-year financial guidance.

Johnson & Johnson
Shares were little changed after the company said Friday that is relaunching sales of a heart-rhythm device after a safety scare.

WEDNESDAY'S EVENTS:
◆ January housing-starts data are due at 8:30 a.m. ET.
◆ The Fed at 2 p.m. releases minutes of its January policy-setting meeting.
◆ Fed Vice Chair Philip Jefferson is due to speak at 5 p.m. on household balance sheets.

EARNINGS EXPECTED:
Analog Devices
Carvana
Etsy

Bearishness On Stocks Increases

Continued from page B1
look. He voted for Donald Trump in November's election but has still found some of the president's initial moves befuddling.

"Some of it is good; some of it is just head scratching," he said, pointing to examples such as the president's desire to take control of Greenland or his aggression toward long-standing trade partners like

Mexico and Canada. "I'm in a bit of a holding pattern, trying to see which way things will go."

Recently, Yaeger moved about \$600,000 out of growth stocks into value and dividend-focused funds, investing in what he hopes will be a less risky and more attractively priced part of the market.

Layered on top of that uncertainty is that megacap tech companies, last year's stars of the stock market, have lost some of their shine. The **Roundhill Magnificent Seven ETF** is up 2.08% this year to date, lagging behind all three major indexes.

Some investors are moving money out of stocks: Outflows from U.S. equity mutual and

exchange-traded funds offset inflows by nearly \$11 billion in January, meaning investors pulled more money from them than they added, according to Morningstar Direct data. In December, those funds had net inflows of \$62.8 billion.

Tariffs have been one particular Trump policy that investors are watching, as Trump whipsaws on when the duties will be implemented and which countries will be targeted. Economists have said that tariffs could make inflation

worse, raise costs for American businesses and weigh on growth and markets.

Asked how they thought tariffs would affect the economy, 57.4% of investors said they expected the trade policy to slow growth and increase prices, according to the AAIL survey.

Those concerns have spread throughout the economy, dragging down consumer sentiment and worrying business executives.

Institutional investors, too, are re-evaluating risk in the

Investors don't know which policies are going to stick and which won't.

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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Stocks Are in Turmoil, but Markets Aren't?

While the S&P 500 has been unruffled by DeepSeek and the tariff war, shares in the index have been volatile and uncorrelated

The current stock market resembles a still lake with perilous currents swirling beneath the surface.

Judging by the S&P 500's 4.2% year-to-date gain, it is hard to glean that it was recently hit by two big shocks: the rise of Chinese artificial intelligence and the Trump administration's tariff war. Investors don't seem concerned about uncertainty ahead either: The **Cboe Volatility Index**, or Vix, dubbed the market's "fear gauge," briefly hit 18.6 earlier this month, but has since fallen to below 15. The historical average is 19.5.

What is truly weird, though, is that while S&P 500 volatility has been contained, the stocks that are part of it have been bouncing wildly. Drops in some have offset surges in others, and vice versa. Take the Magnificent Seven companies: Collectively, they are down 0.8% from the close of Jan. 24, when China's DeepSeek first spooked investors. But **Alphabet** is down 8.2%, and **Meta Platforms** is up 10.6%.

The danger is that, if this trend unwinds, the S&P 500 will take a big hit.

"I don't think stocks are about to become less volatile anytime soon, but it doesn't take the likes of Covid or the great financial crisis for them to suddenly become more correlated," said Dean Currutt, chief executive of Macro Risk Advisors.

In Wall Street lingo, there has been an increase in the "dispersion" of the equity market. The Cboe S&P 500 Dispersion Index has been grinding upward for a year. On Jan. 29, it hit its highest level since May 2022.

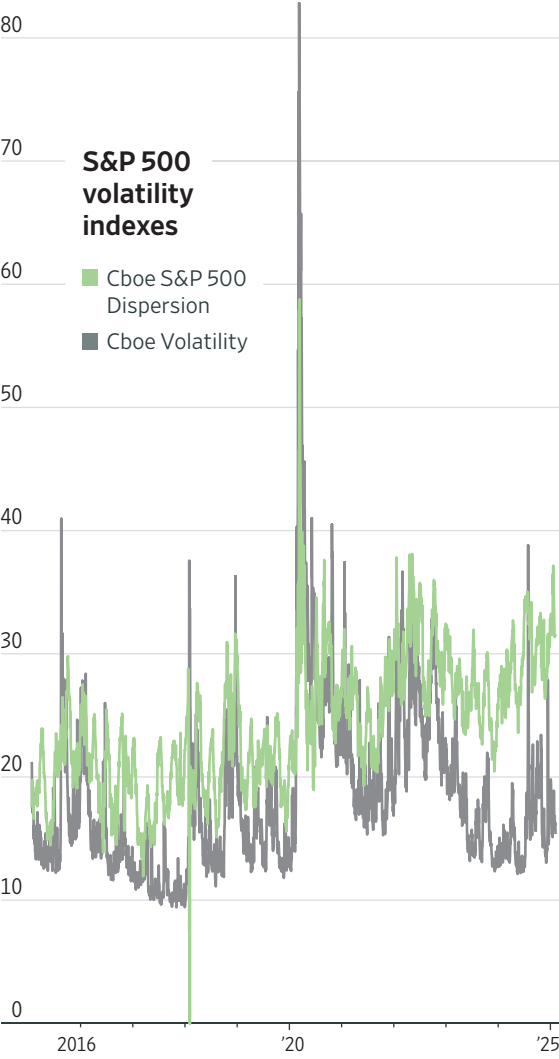
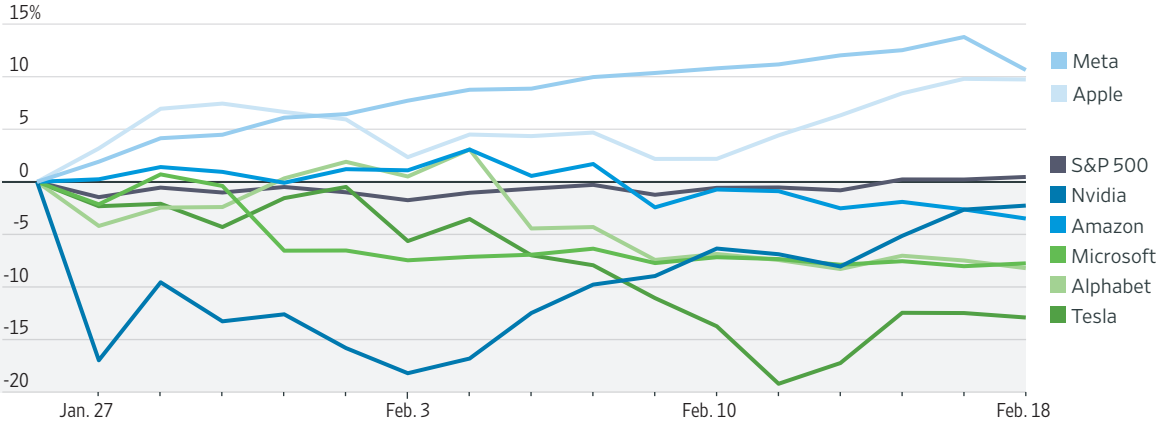
This is unusual. The 2022 market was rough, suffering from a meme-stock hangover. The volatility of single stocks was high, but the S&P 500 was also volatile. Moreover, elevated dispersion should mean that equities are largely driven by company-specific news rather than broad trends.

Yet broad trends are so far the distinguishing feature of 2025.

It isn't that investors have sold all AI-related companies and bought everything else. Stocks within the Magnificent Seven have become less correlated to one another than during most of the past decade.

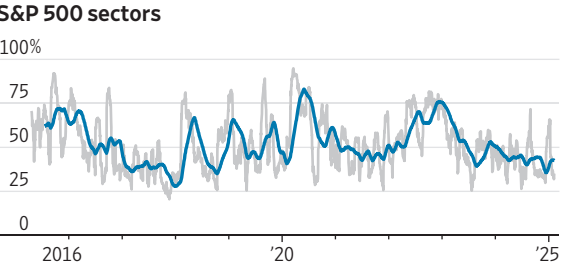
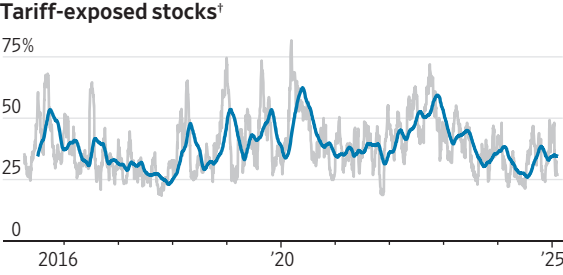
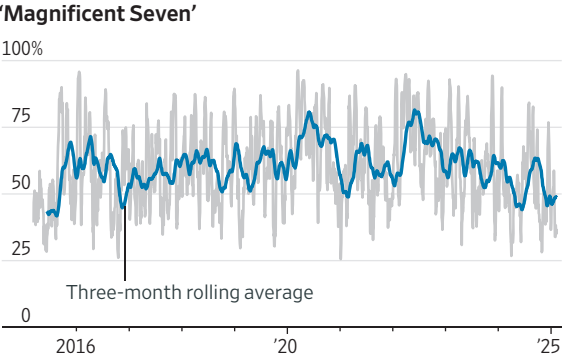
Arguably, cheap Chinese AI models will affect American tech giants differently. But correlations are down even when looking specifi-

Share-price and index performance since the DeepSeek selloff



*20-day correlations of daily moves †Wolfe Tariff Basket Sources: FactSet (performance since the DeepSeek selloff); S&P Global (volatility indexes); WSJ analysis of FactSet data (mean absolute correlation)

Mean absolute correlation of stocks in each portfolio*



cally at "AI infrastructure" companies. These are seen as straightforward losers from AI models that don't require as big of an investment in chips and electricity.

Connecticut-based **Hubbell**, a maker of electronics exposed to data centers, is down 13.1% since Jan. 24, whereas data-center owner **Equinix** is down 1%. Chip

maker **Nvidia** lost 2.3%. To be sure, these companies have different business models and trade at different valuations. This didn't matter so much in

2023 and early 2024, however, when hopes surrounding AI lifted them all.

Also, this isn't just about technology. Wolfe Research created a basket of U.S. stocks that contains companies seen as particularly vulnerable to protectionist policies—including **Caterpillar**, **Hasbro** and **Dollar General**. An analysis of the basket shows low correlations, even as the pace of tariff pronouncements from the Trump administration has accelerated. The same thing is happening across sectors of the S&P 500 and within European equity markets.

What is behind this dispersion? Perhaps we are in an era of irrational exuberance: Investors react to good news by pumping up the stock market indiscriminately and then, when the news is bad, they attempt to sort winners and losers rather than symmetrically selling everything.

Yet the latest sentiment survey by the American Association of Individual Investors showed bears outpacing bulls by a wide margin.

A possibly more worrying explanation is that traders who are trying to profit from the dispersion are themselves exacerbating it. Over the past year, many hedge funds have been using options contracts to bet, simultaneously, against the volatility of indexes and in favor of the volatility of single stocks. This trade has been good to them. For S&P 500 stocks, it returned 28% in 2024, Cboe data suggests, which is better than the S&P 500 itself.

There is a clear risk. "Reverse dispersion" strategies are harder to implement, making these trades one-sided. This can create the very trend being wagered on because banks take the other side of the trade and hedge their exposure by buying and selling the underlying equities.

It might also be that the boom in the popularity of short-dated options among amateur traders, or the bevy of new exchange-traded funds that are now using derivatives, is further distorting market signals.

Regardless, index volatility can be suppressed for only so long, as shown by the infamous "Volpocalypse" of 2018. With the equity-market so richly priced, this is another reason to hold a fair amount of bonds and cash as insurance.

Correlations are strongest when everything is going down.

—Jon Sindreu

Broadcom's Deal Magic Would Get Its Biggest Test With Intel

Broadcom knows how to buy chip companies. Buying **Intel** would show just how far that superpower reaches.

Broadcom, the newest member of the \$1 trillion club is apparently kicking the tires of the once-mighty chip titan now valued at about a 10th of that amount. The Wall Street Journal reported over the weekend that Broadcom is "closely examining" Intel's product business with an eye toward possibly making a bid. Such a move would rest on Broadcom's ability to find a partner willing to take over Intel's manufacturing arm, which is burning cash and lost more than \$13 billion last year.

That alone makes any such deal far from a sure thing. Another huge wrinkle is that the deal would likely need approval from China—which is hardly motivated these days to help out U.S. chip

companies. But Intel's rather desperate situation and downtrodden market value make any whisper of a deal an attractive scenario for its shareholders. Intel's stock jumped 16% Tuesday. That followed a 24% surge last week that was driven mostly by rumors that U.S. government officials were trying to broker a potential deal to get **Taiwan Semiconductor Manufacturing** involved in Intel's chip-fabrication facilities.

Broadcom's shares slipped nearly 2% on Tuesday. The company has earned high marks on Wall Street for its record of smartly managing a string of major chip and software acquisitions. And its fast-growing artificial-intelligence business—making custom AI processors for companies such as Google and **Meta Platforms**—has more than doubled the company's market capitalization in

just over a year's time.

That has resulted in an unusually high bar. Broadcom's stock has been trading at more than 30 times projected earnings over the past couple of months for the first time in its history, according to FactSet. The stock has even been commanding a premium to **Nvidia's** multiple, thanks in part to the latter's sharp selloff last month following the market's **DeepSeek** panic.

Raymond James analyst Srinipajjuri estimates AI accounts for about 26% of Broadcom's total sales now. "An acquisition of Intel's size would bring down AI exposure to [less than] 20% of sales, which could impact the multiple, in our view," Pajjuri wrote in a report Tuesday.

Still, Broadcom might have the best chance to turn around Intel's product business. Chief Executive

Officer Hock Tan has often described the company's M&A strategy as a hunt for product franchises where Broadcom can take the lead in a particular market category. The x86 chip architecture that Intel has long specialized in would appear to fit that bill as it still commands the dominant share of central-processing chips, or CPUs, for personal computers and servers.

Stacy Rasgon of Bernstein said even a nongrowing x86 franchise could be "complementary" to Broadcom's current portfolio of chip assets. "And Hock has shown the ability to take a hatchet to costs, ruthlessly, while still preserving innovation," he wrote in a note Tuesday morning.

Still, x86 chips have been losing share in both PCs and servers. There is Broadcom's \$58.2 billion in net debt still on the company's



Chief Executive Officer Hock Tan

balance sheet from its past acquisitions, though Rasgon notes the company's stock is a "much more valuable currency" now compared with prior deals. "If they can pull it off, a deal looks quite attractive to us," Rasgon said.

Even Intel doesn't seem to be costing Broadcom the benefit of the doubt.

—Dan Gallagher

Does a Walgreens Buyout Still Have a Shot?

Walgreens Boots Alliance is rapidly closing stores and looking to sell off parts of its business to stay afloat. But right now, all investors want to know is whether it will be taken private.

The stock surged nearly 14% on Tuesday after CNBC reported that a deal is still possible.

The stock has been volatile as investors try to assess whether buyout talks are still alive. Back in December, the struggling phar-

macy chain's stock surged after The Wall Street Journal reported that it was in talks with private-equity firm **Sycamore Partners** to take the company private. But last month, the stock tanked after CNBC's David Faber said on air that his sources informed him the prospective deal is "mostly dead." On Tuesday, Faber reported that the deal is once again showing signs of life.

Shares of Walgreens have cra-

tered in the past year amid insurance-reimbursement pressure on the drugs it dispenses, and an ill-fated foray into buying up medical practices. At first glance, the stock seems cheap, having fallen about 80% in the past five years. It trades at a forward multiple of less than 7 times earnings and its market capitalization has fallen to just below \$10 billion from a peak of over \$100 billion in 2015.

The challenge for any potential

suitor is that Walgreens is heavily indebted and burning cash. That means that any buyer would need to take on the company's substantial liabilities.

Even before the latest deal talks, Walgreens Chief Executive Tim Wentworth, who took over in October 2023, has been trying to turn things around.

Over the summer, Walgreens announced plans to close a large number of poorly performing

stores and to scale back on its move into the primary-care business by cutting its stake in provider VillageMD. Late last month, the company suspended its quarterly dividend.

For now, talks of a deal are creating a floor of sorts for Walgreens shares, Leerink Partners analyst Michael Cherny points out. Deal or no deal, Walgreens needs to continue fixing its mess.

—David Wainer

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GUIDE TO WEALTH

FEBRUARY 19, 2025

Next-Generation
Investors Are Different.
Here's How.



ILLUSTRATION BY MOJO WANG

Some younger Americans are embracing risky investments like options and crypto, and making purchases on margin. It could lead to disappointment.

BY ANDREW WELSCH

Thanks to smartphones, easy-to-use brokerage accounts, and zero-commission trades, everyone is just a swipe away from buying stocks or other financial instruments. As a result, Americans are starting their investing journeys at far younger ages than previous generations. For Gen Zers, typically defined as those born in the U.S. from 1997 through 2012, the average age for their first investment is 19, according to a 2024 Charles Schwab survey. For millennials (1981-96) it is 25. And for Gen Xers (1965-

80) and baby boomers (1946-64), it is 32 and 35, respectively. Affordability is an important reason people start at younger ages, says Rob Williams, managing director of financial planning and wealth management at Charles Schwab. “It isn’t just easier access,” he says. “Costs have evolved to make it available for anyone at any level of wealth.” Getting a head start on one’s investing is undoubtedly a good thing. Per the adage, time in the market is more important than timing the market. But younger investors today also have greater access to risky investment prod-

ucts and strategies, and there’s an explosion of new sources of information and social networks that can encourage risky behaviors. That much was evident four years ago when millions of first-time investors, many of them next-gen, poured into markets and joined a frenzy of meme stock trading. “The investment world and the world in general have changed dramatically since the boomers were young adults,” says Gary Mottola, director of research for the Finra Investor Education Foundation. “For example, boomers, when they were young, didn’t have the option of investing in crypto. And back then it wasn’t as easy to open accounts, trading was more costly, fractional shares weren’t available, and you often needed thousands of dollars to begin investing, so there were fewer young investors.” A subset of younger Americans—particularly men and investors who got their start during the pandemic—have gravitated toward investments that are riskier than what other Americans their age or older tend to invest in.

Option Options Take options contracts, for example, which give an investor the opportunity to buy or sell a security by a specific date. Options contracts can be used to generate income, hedge risk, or engage in speculation. Options trade volumes have soared since the pandemic, when younger investors became enamored of them. A 2021 investor survey by the Finra Investor Education Foundation found that 36% of respondents ages 18 to 34 said they had traded options. That compares with 21% of respondents ages 35 to 54 and just 8% of respondents age 55 and older. Popular though options contracts may be, they are complex financial instruments, and novice investors may want to tread lightly. Consider the time-sensitive nature of a call option, which allows the holder to buy a stock at a set price (the strike price) before the contract expires. If the stock fails to reach its strike price before the expiration date, the contract

Continued on the following page

GUIDE TO WEALTH 2025

Continued from the previous page

Younger investors today have greater access to risky investment products and strategies.

expires worthless and the holder loses the premium he or she paid for the contract.

In the years since the Finra survey, investors of all ages may have begun experimenting with zero-dated options, otherwise known as ODTEs, which have soared in popularity. These options expire at the end of the day and enable investors to bet on intraday market moves of major indexes and related exchange-traded funds. An investor can potentially earn a fast windfall—or quickly lose an entire position. ODTEs have risen from 5% of daily S&P 500 options volume in 2016 to about half of all volume last year, according to Cboe Global Markets.

On the Margins

The Finra foundation survey also found that both younger and newer investors were more likely to have made purchases on margin. Investing on margin—that is, borrowing money from a broker to trade—can magnify returns as well as losses, and is generally considered to be risky.

The ability to buy stocks on margin has been around since before the stock market crash of 1929, but it is gaining popularity with next-gen investors. In 2021, just under a quarter, or 23%, of investors ages 18 to 34 said they had made purchases on margin, compared with 12% of respondents ages 34 to 54 and 3% of respondents age 55 and older. Nineteen percent of respondents with less than two years of investing experience said they had made purchases on margin. By comparison, 17% of respondents with two to 10 years of investing experience had made purchases on margin. A mere 6% of respondents with a decade or more of investing experience said the same.

Investors' overall use of margin tends to rise and fall along with market returns. Finra's data show debit balances in margin accounts soaring during the pandemic, only to plunge in 2022. Debit balances also rose sharply after last year's presidential election, reaching about \$900 billion, their highest level since December 2021, when they hit \$910 billion.

Crypto Bros

The demographics of crypto investors also skew younger and male. According to a Pew Research survey based on February 2024 data, men under age 50 are more likely than older men and women of all ages to have used cryptocurrency. The gender divide is notable even among young investors. Forty-two percent of men ages 18 to 29 have invested in, traded, or used cryptocurrency, compared with 17% of women in the same age range, Pew said. Interestingly, just 17% of all U.S. adults say they have invested in, traded, or used a cryptocurrency, according to the 2024 survey. That was statistically unchanged since 2021, Pew said.

Since the 2024 survey, it's possible that the share of Americans dabbling in crypto has risen because of the proliferation of spot crypto exchange-traded funds. These ETFs have made investing in crypto easier for Americans because the spot funds typically hold the crypto assets, eliminating the need for investors to have a secure digital wallet to store them. Asset managers such as BlackRock have attracted substantial flows for crypto ETFs, and the prices of Bitcoin and other digital currencies have soared over the past year.

Cryptocurrencies may soon get another boost. President Donald Trump has indicated that his administration will loosen crypto regulations, which may result in banks and brokerage firms offering direct access to crypto investments and asset managers launching more funds.

Whether crypto investments are risky may depend on one's perspective—and how much of one's portfolio is allocated to digital assets. Certainly, many financial planners still won't go near the stuff. And some investors can't stomach the extreme price volatility that Bitcoin and other cryptocurrencies have experienced. But a 1% portfolio allocation, as former financial advisor-turned crypto advocate Ric Edelman and others have suggested, isn't likely to break the bank if crypto hits the skids.



ILLUSTRATION BY MOJO WANG

Aaron Marks, founding partner and chief strategy officer at Amplius Wealth Advisors, says his firm doesn't use crypto in its recommended portfolios, but a few clients have expressed a desire to allocate sums to digital assets on their own. "If you want to take a shot, that's fine, but stay within your means," he advises.

Some young investors are taking a measured approach. Ivan Jackson, 26, says he doesn't consider his cryptocurrency holdings as part of his long-term portfolio, which is overwhelmingly composed of low-cost index funds like the Vanguard S&P 500 ETF. Instead, they're more of a fun hobby. His largest holding—about \$34,000 worth of Dogecoin—began as something of a lark when he was in college about four years ago. "Whenever Elon Musk tweeted about it, it'd shoot up," he says. "It was just ridiculous. It was 0.008 cents when I made my first purchase for \$80."

Jackson says his friends take a similar attitude, avoiding unnecessary risk-taking with their retirement savings while using other funds to invest in things such as Bitcoin that may have more volatility but a potential for outsized returns. Referring to his retirement savings, he says, "This isn't college money. It's real money."

Shannon Saccocia, chief investment officer at NB Private Wealth, a division of Neuberger Berman, says she sees younger investors being willing to use a kind of bucketing approach toward wealth, employing prudent strategies for long-term goals like retirement and potentially more volatile investments for aspirational goals. "Overall, their portfolios have balance," she says. "They are balancing some of that speculative exposure with a margin of safety."

But this approach may not work for older investors, who have different time horizons and potentially less tolerance for volatility within their portfolios, Saccocia says. "If you are intellectually curious, why not learn a little bit about it and talk to your kids and grandkids about what they are investing in and why?"

A Do-It-Yourself Approach

An important generational difference among investors is the use of social-media websites such as Reddit and TikTok for investing ideas. According to Schwab's 2024 investor survey, 39% of Gen Z and 36% of millennial respondents said social media made it easier to manage money. That compares with 20% of Gen Xers and 7% of baby boomers.

The quality of information and advice on social-media websites varies widely, as does the character of communities. The vibe of the 21-million member wall-streetbets subreddit (self-described as

"like 4chan found a Bloomberg Terminal") is notably different from that of the 21-million member Personal Finance subreddit.

But that isn't to say that young investors rely solely on social media. Many turn to family for advice and seek out authoritative information sources.

"I think the industry has a false narrative that you either are going to 'influencers' or an expert, but the reality is that you are probably doing both," says Joseph Coughlin, director of the Massachusetts Institute of Technology AgeLab. What that means for advisors is that young clients may either be well informed or confused about financial topics; they shouldn't assume a lack of sophistication.

To be sure, not all Gen Z and millennial investors are eager to roll the dice on risky investments. Most aren't engaging in such activities. Data suggest that women and older millennials are more focused on homeownership and building family wealth. Some studies indicate that many Gen Z and millennial Americans are risk-averse because of economic and other hardships they have endured, from the financial crisis to the Covid-19 pandemic. Certainly, they're participating in retirement plans at rates similar to those of older Americans. And many are prioritizing low-cost, long-term investing strategies.

Go It Alone?

One big uncertainty for the financial-services industry: Will next-gen investors

want to work with financial advisors? Gen Z and millennials are cost-conscious and independent minded. And they are evidently willing to do it themselves, but so are an increasing number of Americans.

Just under a quarter of all assets were self-directed in June 2024, up from 15% in 2019, according to a comprehensive June 2024 study by Broadridge Financial. Asset share by self-directed investors increased across all generational cohorts except for the Silent Generation, those born from about 1928 to 1945.

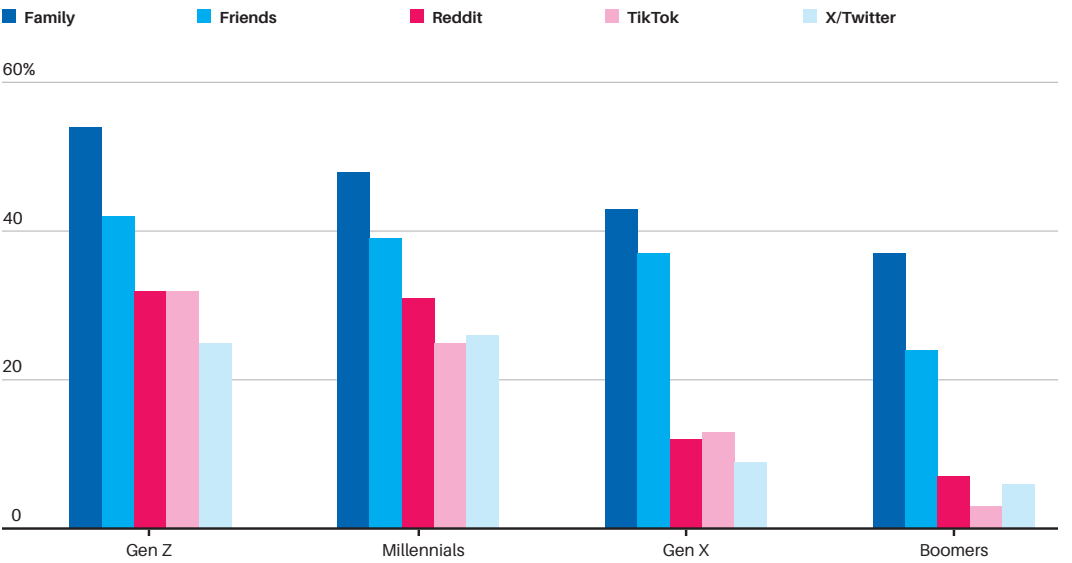
What's more, it isn't just middle-income investors availing themselves of self-directed platforms. High-net-worth individuals were among the client segments that most heavily used self-directed, according to Broadridge's study. But that doesn't mean they're firing their financial advisors to do it themselves. More investors are using both an advisor and a self-directed account, says Andrew Guillette, vice president of global insights at Broadridge.

"We've surveyed end investors asking, 'If you have both, why?' The No. 1 reason is, 'Because I enjoy it,'" Guillette says. The No. 2 reason was diversification.

So, it's likely that as younger investors grow older and accumulate assets, they will seek out professional help with their finances—but still keep a self-directed account on the side. Whether next-gen investors stick with other investing habits they may have picked up before and during the pandemic remains to be seen. ■

Who Do You Trust?

Young investors give higher marks to family, friends, and social media as sources of financial information than older generations do.



Note: Bars show the percentage of each age group that gives an "A" or "B" ranking to a source of financial information. Source: Charles Schwab Modern Wealth Survey 2024

How to Raise Money-Savvy Children in 6 Steps

From preschool through adulthood, there are many opportunities to help children develop healthy financial habits.



ILLUSTRATION BY MOJO WANG

BY CHERYL WINOKUR MUNK

Many parents struggle to teach their children about money, but it is well worth the effort. “Sometimes the financial world is like speaking another language,” says Shannon LaRosse, chief operating officer of WellSpring Financial in Norristown, Pa. “The more exposure a child has at any age, it provides greater comfort in discussing finances and greater confidence in managing their own finances.” Follow these steps to help your children become better financial stewards:

Start young. Early on, children should be given opportunities to develop posi-

tive associations with money, says Chris Briscoe, director of financial planning at Girard, a Univest Wealth division, in King of Prussia, Pa.

Setting chore and gift money aside in a piggy bank is a tangible way for young children to gain an understanding of the look and feel of money, how to count it, and basic savings principles, Briscoe says. Around age 5 is a good time to open a child’s first savings account.

With parental support and supervision, the child can fill out deposit and withdrawal slips. When the child wants to spend money, parents should discuss needs, wants, and how purchase decisions will affect savings. Young children can also be taught to think charitably by setting aside a portion of savings for donation.

Introduce your kids to investing. Elementary-age children should also be taught basic investing principles, says Sarah Samuels, partner at NEPC, an institutional investment consulting firm based in Boston. To introduce her 6- and 9-year-old daughters to investing, she took them on a field trip to see the *Fearless Girl* statue outside the New York Stock Exchange and talked to them about financial independence and what the exchange represented.

She then preselected several well-known public companies, familiar to her children, and helped them research potential stock picks, discussing tickers, prices, and earnings growth in ways they could relate to. For example, she compared a company’s earnings growth to a child growing in height.

Investing at an early age helps foster independence and confidence that will stick with children throughout their lives, Samuels says. The day after her 6-year-old daughter made her first stock purchase, she told her mother she was going to make her own school lunch because she was now an investor.

Offer incentives. Children are more likely to save and invest if there are rewards associated with the behavior. Some banks, for instance, offer incentives to children for depositing money. Or parents can provide the rewards, LaRosse says.

Andy Esser, a financial advisor with Edward Jones in Durham, N.C., gave his daughter a Sacagawea dollar coin when she lost her first tooth at age 5. With guidance, she invested it in a Fortune 500 fast-food company. Now a preteen, she has built a diversified portfolio from her lost-tooth money. “If you can make saving fun and show them what they can build with it, it will help them accomplish the goals they may have for the medium term and even longer term,” Esser says.

Children can contribute to a Roth IRA as soon as they have earned income. But parents can also contribute for their children to encourage them to save for retirement. If a child earns \$250, for example, the parents could contribute that amount to the Roth while the child keeps \$250 in his or her own savings or investment account to use or save. Meanwhile, the Roth grows tax-free for the long term.

Give tweens and teenagers more responsibility. As children mature, they should be given additional financial responsibility, which can include letting

them make small mistakes, Briscoe says.

He recalls giving his young teenage son \$100 to spend during a family vacation. Without much thought, the son immediately spent \$45 on Pokémon cards in the hopes of selling them at a profit. He regretted the purchase almost immediately. Briscoe didn’t yell or lecture but, rather, discussed with his son why the purchase had been a poor choice. Several years later, the son still brings up the experience and is a more cautious buyer. “It isn’t as big a mess as if they make a mistake when they are older,” Briscoe says.

Teens should also be encouraged to open teen checking and savings accounts, so they can learn about responsible debit-card use and the difference between interest-bearing and non-interest-bearing accounts.

Kick things up a notch for young adults. By the time children are close to age 18, parents should start sharing more about the family’s finances. They don’t have to go into precise details about salaries, expenses, and savings, but it is important to give older teens a sense of how much things cost and how the parents handle their finances. Briscoe recommends that families introduce the concept of budgeting, perhaps using an online app or basic spreadsheet.

For example, his college-age daughter didn’t know if she’d be able to use the family’s Netflix account at college, so he suggested she budget for the service. She was also actively involved in filling out college financial aid forms.

Early adulthood can also be a good time to introduce a child to the family’s financial advisor. These discussions can be on an array of topics, such as general finances, what it means to receive an inheritance, and potential pitfalls that beneficiaries face, LaRosse says.

Have a fail-safe. Sometimes, parents don’t start early or children don’t adopt sound financial habits, despite parents’ best efforts. In these cases, there are ways to ensure that assets pass to the next generation without evaporating. Trusts are one way to go (see the Big Question on page S4) because they can restrict funds well into adulthood and be set up with parameters to protect family money.

Even if you think it’s too late, you can still impart important financial lessons, Esser says. “If parents feel the moment has passed,” financial advisors can sometimes help facilitate these difficult conversations. “It’s never too late to learn.” ■

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GUIDE TO WEALTH 2025

THE BIG QUESTION

Prepare Your Kids For a Transfer Of Wealth

Financial advisors share tips for helping your heirs be good stewards of the family fortune.

BY STEVE GARMHAUSEN

The adage “shirt sleeves to shirt sleeves in three generations” succinctly captures a phenomenon that may keep some people up at night—that wealth created by one generation is typically lost by the third generation because of a lack of financial discipline and understanding.

Financial advisors say it bodes well that so many of their wealthy clients are eager to ensure that their heirs are well adjusted and good stewards of wealth. We asked six advisors to describe specific ways that parents can help set their progeny up for success, and while estate-planning strategies play a part, it turns out that there’s no substitute for good parenting.

PHOTOGRAPHS COURTESY OF, CLOCKWISE FROM TOP LEFT, AMERIPRISE FINANCIAL, FIDATO WEALTH, WELLS FARGO ADVISORS, STRATEGIC WEALTH CAPITAL, CRESCENT GROVE ADVISORS, MERCER ADVISORS



Deana Healy
Vice president, financial planning and advice, Ameriprise Financial

Write a Yearly Family Letter

Preparing the estate for an easy transfer of wealth to heirs is an act of care. I like clients to prepare an annual letter to children with a summary of the financial situation and a statement of financial purpose. This lets families share details about where to find wills and trusts and other estate documents, about key contacts the family should be aware of—who the estate-planning attorney is, who the financial advisor and accountant are, where the life insurance policies and account statements are—and how to access things digitally.

In terms of more technical estate-planning opportunities, trust provisions are certainly a way to make sure that family values are passed on to the next generation. Often there are age-related triggers, so that when a beneficiary reaches a particular age, they get a particular payout. But they can also be structured with incentive provisions.

You might think about adding academic achievements as an incentive provision, or life events like marriage or buying a home. There also can be disincentive provisions; if there are challenging behavioral issues, you could have provisions written to delay a distribution unless or until those behavioral issues have been addressed. All of that said, without open communication, those provisions can cause hard feelings or family conflict.



Tony D’Amico
CEO, Fidato Wealth

Model Your Values

For families looking to transition wealth, step one is to define their values and determine what it looks like to manifest those values in real life. We had one client who values entrepreneurship. They created a trust that allows for discretionary distributions, but they included nonbinding language that made clear their values and how they would manifest. For example, they encouraged use of their funds to start or expand businesses. They believe in education, so they encouraged their children to use the money to purchase a home in a neighborhood that has a good school district, for example.

Step two is to model those values. If values aren’t taught early enough in life, there’s trouble later. So, you’ve got to start teaching and modeling your values basically when your kids are in elementary school.

The third step is to teach beneficiaries how to manage both a profit-and-loss statement and a balance sheet. Too often, a family business or wealth gets handed down but the financial management skills haven’t been taught.

The fourth step is to be fully transparent. Explain to the kids that typically the first generation creates the wealth, the second enjoys it, and the third destroys it. And identify all that needs to be done to keep that from happening.



Jessica Caruso
Executive managing director, Mercer Advisors

Link Gifting With Saving

A lot of folks think about the \$19,000 annual gift-tax exclusion as a way to get around estate tax, and it totally is, but it can also be really beneficial in financial education. I’ve seen a lot of parents and grandparents gift part of the annual exclusion to a Roth IRA for a working teen or for a young adult. I’ve also seen them set up and fund investment accounts on behalf of a young adult. Instead of handing them a check, you’re telling them, “Hey, let’s get you investing and learning about the markets so that later, when that windfall happens, you’re not figuring out how to manage a portfolio.”

You can do a match program: “I’m going to match you up to \$19,000 for any savings that you do.” Or, “If you put \$3,000 in your Roth IRA, I’ll contribute the other three.” It gets the younger person working and saving, and you’re coordinating your gifting strategy with education.

Remember that an estate plan can ensure an efficient transfer of wealth, but it can’t ensure an efficient transfer of your values. So, parents can start teaching kids about family values at a really young age. Especially for families with considerable multigenerational wealth, I’ve seen that play out with their charitable intent. They’ll get young kids and grandkids, or even adult children, excited about making an impact in their community by getting them more and more involved in charitable decisions over time.



Mitchell Prosk
Senior client advisor, Crescent Grove Advisors

Set Up an Irrevocable Trust

One idea is a basic irrevocable trust. Parents create the trust for a beneficiary and place annual gift-tax-exclusion gifts into the trust. It’s a tax strategy that benefits the parents by reducing their taxable estate and that eventually benefits the beneficiary due to less estate tax paid on any inheritance. Often, this type of trust is a vehicle where parents put money for a beneficiary to be used later in life for buying a home or investing in a business.

Another technique that has been very successful for families subject to the estate tax, and which isn’t overly complicated, is using a grantor-retained annuity trust, or GRAT. Generally speaking, parents trust assets into the trust for a set term. At the end of the term, if the appreciation of the assets was above the set interest rate, the GRAT is successful, and there is a remainder. The remainder passes out of the parent’s taxable estate to the beneficiary. When successful, it’s a really nice and powerful wealth transfer technique.

If a GRAT isn’t successful, the cost is just setting up the trust with the attorney. There is the potential for the basic irrevocable trust and the GRAT strategies to dovetail at the end of the GRAT term. If the GRAT is successful, the remainder can go into the irrevocable trust that was already created for a beneficiary and that can continue to catch annual-exclusion gifts.



Adrienne Yamaki
Founder and managing partner, Strategic Wealth Capital

Educate Kids Early

Set up an allowance or job system so that younger kids can earn and spend their own money; 9 or 10 is a good age to start. This teaches kids very important executive-function skills: how to prioritize, make trade-offs, and experience limitations. My kids have debit cards from their bank accounts. We put 50% of birthday money from family into these accounts, along with the pay we give the kids to do jobs around the house. We don’t give them money for doing dishes or other community chores, but I will pay them, for example, for picking weeds or doing my laundry.

Involve children in discussions about family money decisions, and talk through it with them so they can hear your own values and how you make these decisions. You can keep it age-appropriate, but discussing choices—such as summer vacation travel, and the difference in the cost of going to Spain versus camping in a national park—will illustrate trade-offs and help them understand what is important to you as a parent, such as valuing experiences over owning goods.

At different life stages, such as when they’re starting their first jobs, spend time with your children or have your financial advisor spend time with them, walking through the big items to consider. One is budgeting: How much are you spending monthly versus bringing in? Discuss saving in a 401(k) at work—how do you allocate, and how much should you put away versus spend now? And talk about what they should do with extra savings—how should it be invested?



Samuel Sugg
Private wealth financial advisor, Wells Fargo Advisors

Avoid a Sense of Entitlement

I work with 40 high-net-worth and ultrahigh-net-worth families. There are some neat characteristics you see in the successful ones. They believe in their kids; they trust and communicate with them. It starts in their children’s formative years, to when they’re teenagers and their parents are engaged with them, in sports, and in serving the community. They build trust with each other.

If kids ever get a sense of entitlement, it’s very difficult to pull that out of them. Entitlement dampens the work ethic and can have a huge impact on the entitled person’s life. In the business world, people care little for this type of attitude, and in any endeavor, a lack of work ethic is going to produce marginal results. Those marginal results can make an entitled young person feel like they haven’t lived up to their parents’ expectations.

To help avoid entitlement in your children, encourage them to become resilient by allowing them to fail in safe ways. Find places in their lives where they can develop confidence, whether that’s academics, sports, or community volunteer efforts. Develop better communication skills as a parent by learning the best ways to engage your child. Learning to listen is an incredible gift that the best parents are able to master.

And you’ve got to be really vigilant and well paced when sharing information with your kids about money. Money is an accelerant that can take you to the highest places, but it can take you down just as fast. ■

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How are advisors ranked?
Advisors who wish to be ranked fill out a comprehensive application about their practice. We verify that data with the advisors' firms and with regulatory databases and then we apply our rankings formula to the data to generate a ranking. The formula features three major categories of calculations: assets,

revenue and quality of practice. In each of those categories we do multiple subcalculations. We have spent more than 15 years perfecting the balance of these factors to create a consistent and clear benchmark that accounts for the wide range of practice models in the wealth management industry. This benchmark minimizes bias and human error in our process.

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Barron's rankings are meant as a starting point for clients looking for an advisor—a first-pass vetting that can help investors narrow a search. Every advisor will have his or her own approach to investing, financial planning and other services. Clients are encouraged to approach the search for an advisor the way they would a search for a doctor—interviewing multiple professionals and getting opinions from multiple third parties.

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\$35m Typical Account Size



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\$5m Typical Account Size



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\$2m Typical Account Size



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\$5m Typical Account Size



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\$2m Typical Account Size

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\$1m Typical Account Size

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\$55m Typical Account Size




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\$10m Typical Account Size



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\$2m Typical Account Size



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\$10m Typical Account Size




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\$10m Typical Account Size



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\$15m Typical Account Size



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\$7m Typical Account Size



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\$45m Typical Account Size




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\$20m Typical Account Size



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\$8m Typical Account Size



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\$10m Typical Account Size




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\$2,688m Total Assets
\$4m Typical Account Size



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\$7m Typical Account Size


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\$7m Typical Account Size



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\$4m Typical Account Size




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\$45m Typical Account Size



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\$14,447m Total Assets
\$49m Typical Account Size



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\$1,029m Total Assets
\$4m Typical Account Size



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\$2,120m Total Assets
\$5m Typical Account Size

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\$3,395m Total Assets
\$7m Typical Account Size




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\$3,385m Total Assets
\$7m Typical Account Size



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\$1,507m Total Assets
\$6m Typical Account Size



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\$2,000m Total Assets
\$4m Typical Account Size



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\$1,850m Total Assets
\$3m Typical Account Size

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\$6,105m Total Assets
\$10m Typical Account Size

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\$2,870m Total Assets
\$8m Typical Account Size

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\$10m Typical Account Size



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\$1,300m Total Assets
\$10m Typical Account Size



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\$3,242m Total Assets
\$50m Typical Account Size



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\$10m Typical Account Size



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\$6,084m Total Assets
\$25m Typical Account Size




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\$5,840m Total Assets
\$30m Typical Account Size



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\$1,636m Total Assets
\$10m Typical Account Size



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\$6,084m Total Assets
\$25m Typical Account Size



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\$10m Typical Account Size




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\$3m Typical Account Size



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\$1,300m Total Assets
\$2.1m Typical Account Size

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\$5m Typical Account Size



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\$15m Typical Account Size




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\$13m Typical Account Size

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\$30m Typical Account Size

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\$3m Typical Account Size



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\$10m Typical Account Size




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\$25m Typical Account Size

IOWA



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\$5m Typical Account Size

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\$3,658m Total Assets
\$2m Typical Account Size




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\$4.6m Typical Account Size




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\$3,100m Total Assets
\$40m Typical Account Size



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\$1,800m Total Assets
\$16m Typical Account Size



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\$2m Typical Account Size



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\$3,300m Total Assets
\$40.5m Typical Account Size



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\$1,800m Total Assets
\$2.9m Typical Account Size

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\$660m Total Assets
\$2m Typical Account Size

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\$10m Typical Account Size

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\$15m Typical Account Size


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\$2,396m Total Assets
\$3m Typical Account Size




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\$1,688m Total Assets
\$3m Typical Account Size



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\$4,489m Total Assets
\$5m Typical Account Size



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\$5m Typical Account Size



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\$15m Typical Account Size



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\$8m Typical Account Size



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\$10m Typical Account Size



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\$7m Typical Account Size



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\$15m Typical Account Size

MICHIGAN



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\$1m Typical Account Size



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\$693m Total Assets
\$2m Typical Account Size



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\$2m Typical Account Size



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\$5m Typical Account Size



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\$4m Typical Account Size

MISSOURI



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\$2,605m Total Assets
\$15m Typical Account Size



James Hise
Merrill Private Wealth Management
Kansas City, MO
james_hise@ml.com
816-932-9908
advisor.ml.com/sites/mo/
kansas-citymo/hiselowry
\$1,800m Total Assets
\$16m Typical Account Size



Michael Moeller
Moeller Investment Group
Chesterfield, MO
mike.moeller@
moellerinvestmentgroup.com
636-735-3025
moellerinvestmentgroup.com
\$2,490m Total Assets
\$3m Typical Account Size

NEBRASKA



Tim Harrison
Northwestern Mutual
Omaha, NE
tim.harrison@nm.com
402-891-2302
hfs.nm.com
\$906m Total Assets
\$2m Typical Account Size



Jim Siemonsma
Mariner
Omaha, NE
jim.siemonsma@
marinerwealthadvisors.com
402-829-3650
marinerwealthadvisors.com/
our-team/jim-siemonsma
\$2,378m Total Assets
\$2m Typical Account Size



Ryan Swartz
Creative Planning
Omaha, NE
ryan.swartz@creativeplanning.com
(402) 343-2554
creativeplanning.com/team/
ryan-swartz/
\$4,000m Total Assets
\$4.5m Typical Account Size

NEVADA




Randy Garcia
The Investment Counsel Company
Las Vegas, NV
randy@iccnv.com
702-871-8510
iccnv.com
\$1,615m Total Assets
\$6m Typical Account Size

NEW JERSEY



Michael Axelrod
Bleakley Financial Group
Fairfield, NJ
mike.axelrod@bleakley.com
973-244-4223
bleakley.com
\$760m Total Assets
\$4m Typical Account Size



David Briegs
Merrill Lynch Wealth Management
Bridgewater, NJ
david_briegs@ml.com
908-685-3203
fa.ml.com/kugelbriegs
\$2,274m Total Assets
\$3m Typical Account Size



Jack Cooney
Bleakley Financial Group
Fairfield, NJ
jack.cooney@bleakley.com
973-244-4206
bleakley.com/cooneyteam
\$732m Total Assets
\$3m Typical Account Size



Yash Dalal
Morgan Stanley Wealth Management
Paramus, NJ
yash.v.dalal@morganstanley.com
201-967-6356
advisor.morganstanley.com/
the-dalal-group
\$1,097m Total Assets
\$6m Typical Account Size



Ken Schapiro
Condor Capital Wealth Management
Martinsville, NJ
ken@condorcapital.com
732-356-7323
condorcapital.com
\$1,548m Total Assets
\$3m Typical Account Size



Andy Schwartz
Bleakley Financial Group
Fairfield, NJ
andy.schwartz@bleakley.com
973-244-4202
bleakley.com
\$1,812m Total Assets
\$5m Typical Account Size

NEW MEXICO



Jon Bull
J.P. Morgan Wealth Management
Sante Fe, NM
jon.bull@jpmorgan.com
(805) 879-5415
jpmorgan.com/altagroup
\$626m Total Assets
\$4m Typical Account Size

NEW YORK



Lewis Altfest
Altfest Personal Wealth Management
New York, NY
laltfest@altfest.com
212-406-0850
altfest.com
\$1,514m Total Assets
\$2m Typical Account Size



Jason Babb
J.P. Morgan Wealth Management
New York, NY
jason.babb@jpmorgan.com
212-259-5944
jpmorgan.com/degenaarsbabbgroup
\$5,129m Total Assets
\$10m Typical Account Size



Dennis Cutrone
Morgan Stanley Private Wealth
Management
New York, NY
dennis.cutrone@
morganstanleypwm.com
212-692-2829
advisor.morganstanley.com/the-
bluestone-group-family-office-services
\$3,643m Total Assets
\$35m Typical Account Size



Glenn Degenaaars
J.P. Morgan Wealth Management
New York, NY
glenn.degenaars@jpmorgan.com
212-259-5918
jpmorgan.com/degenaarsbabbgroup
\$5,395m Total Assets
\$35m Typical Account Size

ADVERTISEMENT

NEW YORK (CONT.)



Gerard Klingman
Klingman & Associates
New York, NY
gklingman@klingmanria.com
212-867-7647
klingmanria.com
\$3,696m Total Assets
\$15m Typical Account Size




Ira Mark
Morgan Stanley Wealth Management
Jericho, NY
ira.mark@morganstanley.com
516-336-0875
advisor.morganstanley.com/
the-preserve-group
\$3,237m Total Assets
\$8m Typical Account Size



Frank Marzano
GM Advisory Group
Melville, NY
fmarzano@gmadvisorygroup.com
631-227-3900
gmadvisorygroup.com
\$6,397m Total Assets
\$20m Typical Account Size




Leo Marzen
Bridgewater Advisors
New York, NY
lmarzen@bridgewateradv.com
212-221-5300
bridgewateradv.com/team/
leo-marzen
\$1,750m Total Assets
\$5m Typical Account Size



Jordan Mayer
J.P. Morgan Wealth Management
New York, NY
jordan.mayer@jpmorgan.com
212-272-2736
jpmorgan.com/maybachpartners
\$8,374m Total Assets
\$32m Typical Account Size



Justin McCarthy
Mariner
New York, NY
justin.mccarthy@marinerwealthadvisors.com
(212) 994 8699
marinerwealthadvisors.com/
our-team/justin-mccarthy
\$5,210m Total Assets
\$3m Typical Account Size



Colleen O'Callaghan
J.P. Morgan Wealth Management
New York, NY
colleen.ocallaghan@jpmorgan.com
212-272-0280
jpmorgan.com/ocallaghantomas
\$5,385m Total Assets
\$35m Typical Account Size



Daniel O'Connell
Merrill Lynch Wealth Management
Garden City, NY
daniel_oconnell@ml.com
516-877-8316
fa.ml.com/new-york/garden-city/
the-oconnell-group
\$2,371m Total Assets
\$10m Typical Account Size



Michael Poppo
UBS Wealth Management
New York, NY
michael.poppo@ubs.com
212-626-8721
ubs.com/team/thepoppogroup
\$1,632m Total Assets
\$10m Typical Account Size



Richard Saperstein
Treasury Partners
New York, NY
rsaperstein@treasurypartners.com
917-286-2777
treasurypartners.com
\$24,307m Total Assets
\$25m Typical Account Size



Evan Steinberg
Morgan Stanley Private Wealth Management
New York, NY
evan.steinberg@morganstanleypwm.com
212-893-7501
advisor.morganstanley.com/
steinberg-forman-group
\$6,205m Total Assets
\$10m Typical Account Size



Robert Stolar
Morgan Stanley Private Wealth Management
New York, NY
robert.stolar@morganstanley.com
212-761-8138
advisor.morganstanley.com/
family-wealth-group
\$5,021m Total Assets
\$75m Typical Account Size



Ron Vinder
Morgan Stanley Private Wealth Management
New York, NY
ron.vinder@morganstanleypwm.com
212-503-2365
advisor.morganstanley.com/
the-vinder-group
\$12,990m Total Assets
\$100m Typical Account Size



Elizabeth Weikes
J.P. Morgan Wealth Management
New York, NY
elizabeth.weikes@jpmorgan.com
212-272-9214
jpmorgan.com/wsgroup
\$5,056m Total Assets
\$25m Typical Account Size



Scott Wilson
Morgan Stanley Private Wealth Management
New York, NY
scott.c.wilson@morganstanleypwm.com
212-603-6234
advisor.morganstanley.com/atlas-group
\$9,328m Total Assets
\$25m Typical Account Size



Christopher Wimpfheimer
J.P. Morgan Wealth Management
New York, NY
christopher.wimpfheimer@jpmorgan.com
212-272-7737
jpmorgan.com/chriswimpfheimer
\$7,917m Total Assets
\$50m Typical Account Size


NORTH CAROLINA



Mike Absher
Absher Wealth Management
Chapel Hill, NC
mike@absherwealth.com
919-283-2340
absherwealth.com
\$785m Total Assets
\$3m Typical Account Size



R. Neil Stikeleather
Merrill Lynch Wealth Management
Charlotte, NC
neil.stikeleather@ml.com
704-705-3233
fa.ml.com/stikeleatherandassociates
\$581m Total Assets
\$1m Typical Account Size



Jack Taylor
Truist Investment Services
Raleigh, NC
jtaylor@truist.com
919-571-1893
truist.com/stkgroup
\$1,700m Total Assets
\$4m Typical Account Size

OHIO



Kevin Bruegge
Merrill Private Wealth Management
Cincinnati, OH
kevin_bruegge@ml.com
513-579-3897
pwa.ml.com/velosingersullivan
\$7,096m Total Assets
\$25m Typical Account Size



Randy Carver
Carver Financial Services
Mentor, OH
randy.carver@raymondjames.com
440-974-0808
carverfinancialservices.com
\$2,296m Total Assets
\$1m Typical Account Size




Valerie Newell
Mariner
Cincinnati, OH
valerie.newell@marinerwealthadvisors.com
513-618-3040
marinerwealthadvisors.com/
our-team/valerie-l-newell
\$5,385m Total Assets
\$3m Typical Account Size



David Singer
Merrill Private Wealth Management
Cincinnati, OH
david_singer@ml.com
513-579-3889
pwa.ml.com/velosingersullivan
\$7,754m Total Assets
\$25m Typical Account Size

OKLAHOMA



Jana Shoulders
Mariner
Tulsa, OK
jana.shoulders@marinerwealthadvisors.com
918-991-6910
marinerwealthadvisors.com/our-team/
jana-shoulders/
\$2,497m Total Assets
\$3m Typical Account Size

OREGON



Justin Buell
Wells Fargo Advisors
Portland, OR
justin.buell@wellsfargoadvisors.com
503-889-1520
fa.wellsfargoadvisors.com/
justinbuellfinancialgroup
\$1,066m Total Assets
\$4m Typical Account Size




Rebecca DeCesaro
J.P. Morgan Wealth Management
Portland, OR
rebecca.decesaro@jpmorgan.com
503-471-4906
jpmorgan.com/hdygteam
\$2,193m Total Assets
\$7m Typical Account Size



Jeffrey Yandle
J.P. Morgan Wealth Management
Portland, OR
jeffreyyandle@jpmorgan.com
503-471-4907
jpmorgan.com/hdygteam
\$2,193m Total Assets
\$7m Typical Account Size

PENNSYLVANIA



Patti Brennan
Key Financial
West Chester, PA
pbrennan@keyfinancialinc.com
610-429-9050
keyfinancialinc.com
\$1,849m Total Assets
\$2m Typical Account Size




Jack Hafner
J.P. Morgan Wealth Management
Philadelphia, PA
jack.hafner@jpmorgan.com
215-864-5715
jpmorgan.com/hafnergroup
\$1,559m Total Assets
\$40m Typical Account Size




Michael Hirthler
Jacobi Capital Management
Pittston, PA
mhirthler@jacobicapital.com
570-826-1801
jacobicapital.com
\$2,158m Total Assets
\$3m Typical Account Size




Barbara Hudock
Hudock Capital Group
Williamsport, PA
bhudock@hudockcapital.com
570-326-9500
hudockcapital.com
\$716m Total Assets
\$1m Typical Account Size



Peter Sargent
Janney Montgomery Scott
Yardley, PA
psargent@janney.com
267-685-4205
sargentwealthmanagement.com
\$1,039m Total Assets
\$3m Typical Account Size



Thomas Seiler
The Seiler Group of Raymond James
Newtown, PA
tom.seiler@raymondjames.com
855-473-4537
raymondjames.com/theseilergroup
\$1,240m Total Assets
\$25m Typical Account Size



Samuel Spanos
Raymond James
Beaver, PA
sam.spanos@raymondjames.com
412-389-4874
spanosgrp.com
\$1,056m Total Assets
\$1m Typical Account Size



Rob Thomas
Mariner
State College, PA
rob.thomas@marinerwealthadvisors.com
814-867-2050
marinerwealthadvisors.com/our-team/
rob-thomas/
\$2,928m Total Assets
\$1m Typical Account Size

RHODE ISLAND



Malcolm Makin
Raymond James
Westerly, RI
mmakin@ppgadvisors.com
401-596-2800
ppgadvisors.com
\$1,592m Total Assets
\$2m Typical Account Size



Matthew Young
Richard C. Young & Co.
Newport, RI
mattyoung@younginvestments.com
800-843-7273
younginvestments.com
\$1,382m Total Assets
\$2m Typical Account Size

SOUTH CAROLINA




Rick Migliore
Merrill Private Wealth Management
Columbia, SC
richard_migliore@ml.com
803-733-2126
fa.ml.com/ek
\$9,282m Total Assets
\$10m Typical Account Size


TEXAS



Bradley Bruce
mFORCE Capital
Fort Worth, TX
bbuce@mforcecapital.com
817-710-1839
mforcecapital.com
\$1,484m Total Assets
\$5m Typical Account Size



Tommy McBride
Merrill Lynch Wealth Management
Dallas, TX
thomas_mcbride@ml.com
214-750-2004
fa.ml.com/mcbride
\$1,531m Total Assets
\$5m Typical Account Size



Maxwell Pearl
J.P. Morgan Wealth Management
Dallas, TX
max.pearl@jpmorgan.com
214-979-7881
jpmorgan.com/teamburnstrooppearl
\$8,624m Total Assets
\$8m Typical Account Size




Scott Tiras
Ameriprise Financial
Houston, TX
scott.b.tiras@ampf.com
713-332-4400
tiraswealth.com
\$1,501m Total Assets
\$4m Typical Account Size


VIRGINIA



Stephan Cassaday
Cassaday & Company
McLean, VA
steve@cassaday.com
703-506-8200
cassaday.com
\$5,243m Total Assets
\$2m Typical Account Size



Simon Hamilton
Raymond James
Reston, VA
simon.hamilton@raymondjames.com
571-430-7200
raymondjames.com/
thewiseinvestorgroup
\$3,000m Total Assets
\$3m Typical Account Size



Joseph Montgomery
The Optimal Service Group
of Wells Fargo Advisors
Williamsburg, VA
joe.montgomery@wellsfargoadvisors.com
757-220-1782
optimalservicegroup.com
\$10,175m Total Assets
\$8m Typical Account Size




Gregory Smith
Raymond James
Reston, VA
gregory.s.smith@raymondjames.com
571-430-7200
raymondjames.com/
thewiseinvestorgroup
\$3,000m Total Assets
\$3m Typical Account Size


WASHINGTON



Michael Hershey
J.P. Morgan Wealth Management
Bellevue, WA
michael.hershey@jpmorgan.com
425-462-6810
jpmorgan.com/hhhgroup
\$1,438m Total Assets
\$10m Typical Account Size




Randall Linde
Ameriprise Financial
Renton, WA
randall.s.linde@ampf.com
800-563-1636
agpwealthadvisors.com
\$6,425m Total Assets
\$2m Typical Account Size



Carlos Lopez
Creative Planning
Bellevue, WA
carlos.lopez@creativeplanning.com
(425) 247-6474
creativeplanning.com/team/carlos-lopez/
\$1,100m Total Assets
\$2.6m Typical Account Size



Mike Matthews
UBS Private Wealth Management
WA
m.matthews@ubs.com
425-451-2350
advisors.ubs.com/themattewsgroup
\$2,387m Total Assets
\$15m Typical Account Size



Erin Scannell
Ameriprise Financial
Mercer Island, WA
erin.j.scannell@ampf.com
425-709-2345
heritage-wealth.com
\$8,219m Total Assets
\$4m Typical Account Size



Phil Scott
J.P. Morgan Wealth Management
Bellevue, WA
phil.scott@jpmorgan.com
425-519-8901
jpmorgan.com/phillscottgroup
\$2,830m Total Assets
\$10m Typical Account Size

ADVERTISEMENT

BARRON'S
ADVISOR

TOP RIA FIRMS


Below is a reprint of select firms from Barron's Top 100 RIA Firms ranking.
For more information, visit barrons.com/advisorfinder.



1919 Investment Counsel
Baltimore, MD
info@1919ic.com
410-454-5719
1919ic.com
58 Advisors | 8 Offices
\$21.3b Total Assets
\$1m Account Minimum



Beacon Pointe Advisors
Newport Beach, CA
info@beaconpointe.com
949-718-1600
beaconpointe.com
193 Advisors | 56 Offices
\$31.3b Total Assets
\$1m Account Minimum



Bradley, Foster & Sargent, Inc.
Hartford, CT
info@bfsinvest.com
860-241-4636
bfsinvest.com
17 Advisors | 7 Offices
\$7.3b Total Assets
\$1m Account Minimum



Cary Street Partners
Richmond, VA
info@carystreetpartners.com
804-340-8100
carystreetpartners.com
67 Advisors | 18 Offices
\$7b Total Assets
No Account Minimum



Chevy Chase Trust
Bethesda, MD
info@chevychasetrust.com
240-497-5008
chevychasetrust.com
39 Advisors | 2 Offices
\$36b Total Assets
\$3m Account Minimum



Churchill Management Group
Los Angeles, CA
info@churchillmanagement.com
877-937-7110
churchillmanagement.com
38 Advisors | 53 Offices
\$8.2b Total Assets
\$500k Account Minimum



CIBC Private Wealth
Atlanta, GA
inquiry@cibc.com
770-617-0591
wealth.us.cibc.com
156 Advisors | 21 Offices
\$57.3b Total Assets
\$1m Account Minimum



Creative Planning
Overland Park, KS
clientservices@creativeplanning.com
833-416-4702
creativeplanning.com
556 Advisors | 97 Offices
\$175.3b Total Assets
\$100k Account Minimum



Cresset
Chicago, IL
info@cressetcapital.com
312-429-2456
cressetcapital.com
130 Advisors | 19 Offices
\$52.5b Total Assets
No Account Minimum



Exencial Wealth Advisors
Oklahoma City, OK
info@exencialwealth.com
469-825-4938
exencialwealth.com
29 Advisors | 13 Offices
\$5b Total Assets
\$250k Account Minimum




Ferguson Wellman Capital Management
Portland, OR
info@fergwell.com
503-226-1444
fergusonwellman.com
26 Advisors | 2 Offices
\$8.4b Total Assets
\$1m Account Minimum



HBKS Wealth Advisors
Erie, PA
info@hbkswealth.com
866-536-5776
hbkswealth.com
59 Advisors | 13 Offices
\$5.6b Total Assets
No Account Minimum



Hightower
Chicago, IL
businessdevelopment@hightoweradvisors.com
301-641-6788
hightoweradvisors.com
1200 Advisors | 131 Offices
\$130.2b Total Assets
No Account Minimum



Homrich Berg
Atlanta, GA
info@homrichberg.com
404-264-1400
homrichberg.com
99 Advisors | 7 Offices
\$15.2b Total Assets
\$1m Account Minimum




IEQ Capital
Foster City, CA
info@ieqcapital.com
650-581-9807
ieqcapital.com
22 Advisors | 4 Offices
\$23.6b Total Assets
\$10m Account Minimum




Laird Norton Wetherby
San Francisco CA
hello@lnwadvisors.com
415-399-9159
lnwadvisors.com
28 Advisors | 4 Offices
\$7.3b Total Assets
\$10m Account Minimum



MAI Capital Management
Cleveland, OH
info@mai.capital
216-920-4800
mai.capital
171 Advisors | 28 Offices
\$19.7b Total Assets
\$1m Account Minimum



Mariner
Overland Park, KS
913-647-9700
marinerwealthadvisors.com
731 Advisors | 116 Offices
\$81.1b Total Assets
No Account Minimum



Mercer Advisors
Denver CO
(888) 565-1681
merceraadvisors.com
307 Advisors | 95 Offices
\$45.4b Total Assets
No Account Minimum



NewEdge Capital Group
Pittsburgh, PA
info@newedgecg.com
800-693-7800
newedgecapitalgroup.com
205 Advisors | 179 Offices
\$27b Total Assets
\$2m Account Minimum



Pathstone
Englewood, NJ
contact@pathstone.com
888-750-7284
pathstone.com
69Advisors | 19 Offices
\$48.3b Total Assets
\$10m Account Minimum



Private Advisor Group
Morristown, NJ
joinus@privateadvisorgroup.com
973-538-7010
privateadvisorgroup.com
806 Advisors | 359 Offices
\$31.5b Total Assets
No Account Minimum



Signature Estate & Investment Advisors
Los Angeles, CA
gliska@seia.com
310-712-2323
seia.com
75 Advisors | 23 Offices
\$19.1b Total Assets
No Account Minimum



Snowden Lane Partners
New York, NY
info@snowdenlane.com
646-218-9763
snowdenlane.com
88 Advisors | 16 Offices
\$5.9b Total Assets
No Account Minimum



Steward Partners Investment Advisory LLC
New York, NY
stewardpartners@stewardpartners.com
202-930-6008
stewardpartners.com
250 Advisors | 60 Offices
\$20.4b Total Assets
No Account Minimum

BARRON'S
ADVISOR

TOP ADVISORY TEAMS

Below is a reprint of select teams from Barron's Top 250 Private Wealth Management Teams ranking. For more information, visit barrons.com/advisorfinder.



The Babrick Team
J.P. Morgan Wealth Management
Los Angeles, CA
Team: Matthew Babrick, Jeff Kuhlman, Ethan Leff, Michael Mavredakis
matthew.babrick@jpmorgan.com
310-788-3739
jpmorgan.com/babrickteam
\$4.7b Total Assets
\$10m Account Minimum



The Cafaro Group
Merrill Lynch Wealth Management
Newton, MA
Team: Carl Cafaro, Jon Greer, Erik Morland
thecafarogroup@ml.com
617-243-8058
fa.ml.com/cafarogroup
\$5.7b Total Assets
\$1m Account Minimum




The Capitol Wealth Management Group
Morgan Stanley Private Wealth Management
Washington, DC
Team: Marvin McIntyre, A.J. Fechter, David Gray, Don Metzger, Steve Comiskey, Joey McLister, Arnie Koonin, Paul Capodanno
cwmg@morganstanleypwm.com
202-778-1381
advisor.morganstanley.com/the-capitol-wealth-management-group
\$6.38b Total Assets
\$5m Account Minimum



Carlin Wealth Management
Morgan Stanley Private Wealth Management
Coral Gables, FL
Team: Adam Carlin
adam.e.carlin@morganstanleypwm.com
305-476-3302
fa.morganstanley.com/adam.e.carlin
\$5.8b Total Assets
\$15m Account Minimum



CEK & Associates
Merrill Private Wealth Management
Dallas, TX
Team: William Corbellini, Dwight Emanuelson, Raj Kalyandurg, Sami Abboud, Tara Walters
sami_abboud@ml.com
214-303-5818
pwa.ml.com/ce_group
\$5.5b Total Assets
\$5m Account Minimum



Clarity Wealth
Wells Fargo Advisors Financial Network
Naples, FL
Team: Keith Jacoby, Michael McCain, Don Nealon
info.claritywealth@wfafinet.com
239-254-2252
clarity-wealth.com
\$5.2b Total Assets
\$1m Account Minimum



Continuity Group
Wells Fargo Advisors
Eugene, OR
Team: Jerry Rouleau, Justin Buell, Dominic Corleto, Richard “Scott” Smith, Tracy Maltby, Lucas Widoff, Haley Thomas, Tyler Bevans, Thomas Birk, Richard Driessnack, James Osborne, David Aichele, Cody Calabrese, Frederick Sernatinger
continuitygroup@wellsfargoadvisors.com
(541) 684-9508
continuitygroup.com
\$4.2b Total Assets
\$1m Account Minimum



Degenaaers-Babb Group
J.P. Morgan Wealth Management
New York, NY
Team: Glenn Degenaaers, Jason Babb, Kristin Ashman, Paul Emata
glenn.degenaaers@jpmorgan.com
212-259-5918
jpmorgan.com/degenaaersbabbgroup
\$5.4b Total Assets
\$5m Account Minimum



The Desser Group
J.P. Morgan Wealth Management
Los Angeles CA
Team: Bill Desser, Ryan Stewart, Kyle Kazmer
desser_all@jpmorgan.com
310-201-7893
jpmorgan.com/dessergroup
\$2.6b Total Assets
\$1m Account Minimum



Ellison Kibler
Merrill Private Wealth Management
Charlotte NC | Columbia SC
Team: Rick Migliore, John McCardell, Gordon Whittaker, Ronald Dennis, John DaWalt, Jessica Miles, Andrew Ellison, Thomas Kibler
cathy_hinson@ml.com
803-733-2164
fa.ml.com/ek
\$9.8b Total Assets
\$5m Account Minimum



The Evelo | Singer | Sullivan | Bruegge Group
Merrill Private Wealth Management
Cincinnati, OH
Team: David Singer, Linnell Sullivan, Kevin Bruegge, Jamie Morgan, Tom Hurley, Braden Martini
david.singer@ml.com
513-579-3889
pwa.ml.com/evelosingersullivan
\$7.8b Total Assets
\$5m Account Minimum