

# THE WALL STREET JOURNAL.

## What's News

### Business & Finance

**The Justice Department** reached a civil settlement with the UAW, marking a major turning point in a multiyear corruption probe that has sent several former labor leaders to prison. **A1**

◆ **More than a dozen** Google services, including Gmail and YouTube, were offline in swaths of the globe Monday, interrupting access for individuals and businesses. **B1**

◆ **Boeing expanded** inspections of newly produced 787 Dreamliners after finding a previously disclosed defect in sections of the jet where it hadn't first been detected. **B1**

◆ **The Nasdaq rose** 0.5% as tech stocks extended a 2020 rally. The Dow and S&P 500 fell, closing down 0.6% and 0.4%, respectively. **B10**

◆ **Exxon pledged** to reduce greenhouse-gas emissions from its operations over the next five years and eliminate routine flaring of methane by 2030. **B1**

◆ **Unilever said** it would become the first major company to voluntarily give shareholders a vote on its efforts to reduce carbon emissions. **B6**

◆ **Blackstone raised** its bet on life-sciences real estate, agreeing to pay \$3.45 billion for a portfolio of buildings primarily in the active Cambridge, Mass., market. **B6**

◆ **Pinterest agreed** to pay \$22.5 million to settle claims of gender discrimination and retaliation by its former chief operating officer. **B2**

◆ **Reddit said** it bought video-sharing app Dubsmash to expand its presence in user-created video. **B3**

### World-Wide

◆ **The Electoral College** formalized Joe Biden's victory in the presidential election, affirming that the Democrat had amassed more than the 270 votes needed for him to take office in January. **A1**

◆ **The Wisconsin** Supreme Court rejected a Trump campaign lawsuit seeking to reverse Biden's victory. **A4**

◆ **The first U.S.** Covid-19 vaccinations outside of clinical trials began, kicking off an urgent mass immunization campaign as the U.S. death toll from the disease exceeded 300,000. **A1, A6, A7**

◆ **Barr will resign** just before Christmas, Trump said, ending a tenure during which the attorney general marshaled the Justice Department to the president's personal and political agenda before falling afoul of him in recent months. **A1**

◆ **A bipartisan group** failed to reach a compromise on Covid-19 liability protections, increasing the chances Congress will need to narrow the scope of talks to reach a deal on an aid bill this week. **A3**

◆ **A suspected Russian** hack of U.S. agencies and private businesses around the world went largely undetected for months. **A3**

◆ **The U.S. imposed** sanctions against a Turkish defense-industry agency and one of its executives over Ankara's installation of a Russian air-defense system. **A8**

◆ **A boat loaded** with explosives attacked an oil tanker docked at the Saudi port city of Jeddah in what the authorities there called an act of terrorism. **A8**

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Health-care workers on Monday began receiving Pfizer's Covid-19 vaccine, including, from top, Sandra Lindsay, a nurse in Queens, N.Y.; George Biddle, an emergency-room nurse in Columbus, Ohio; and respiratory-care practitioner Raul Aguilar in Los Angeles.

# Coronavirus Vaccinations Begin in U.S.

Health workers given the first of millions of doses as virus's death toll passes 300,000

By Peter Loftus and Melanie Grayce West

The first U.S. Covid-19 vaccinations outside of clinical trials began Monday, kicking off the most urgent mass immunization campaign since polio shots were rolled out in the 1950s.

A nurse in New York was among the first to receive the shot, and health workers throughout the U.S. were also set to receive the newly authorized vaccine developed by Pfizer Inc. and BioNTech SE. Pfizer shipped vaccine vials out Sunday, and hospitals and health departments across the country received them early Monday.

A total of 55 sites nationwide had received vaccine shipments by around noon on Monday, said Gen. Gustave Perna, chief operation officer for Operation Warp Speed, the U.S. government's coronavirus-response program. He said at a news conference that plans remain on track for a total of 636 locations to receive vaccines by Wednesday and an additional 581 between Thurs-

day and Sunday, completing distribution of an initial 2.9 million doses. The vaccines are given in two doses several weeks apart.

The Covid-19 effort "will be logistically and socially and medically the largest unfolding of a vaccination program ever conducted," said Dr. Howard Markel, professor of medical history at the University of Michigan. "We've never had such a massive campaign in the middle of a pandemic."

The largest past immunization campaigns in the U.S. were launched during smaller outbreaks or as preventive measures over many years to try to eradicate a persistent pathogen.

Public-health officials have been counting on a vaccine's arrival to help bring an end to the pandemic, as its death toll surpassed 300,000 people in the U.S. on Monday, according to Johns Hopkins University. The average number of daily deaths over a seven-day period has grown from 824 on Nov. 1 to over 2,400 as of Sunday, prompting new restrictions. *Please turn to page A6*

- ◆ Liability issues trip up Covid-19 relief talks..... A3
- ◆ Variant of the virus identified in the U.K..... A7
- ◆ An uncertain timeline for shots for children..... A13

# Biden's Victory Is Affirmed by Electoral College

By John McCormick and Alexia Corse

The Electoral College formalized Joe Biden's victory in last month's presidential election, as meetings in state capitals across the nation affirmed that the Democrat had amassed more than the 270 votes needed for him to take office in a little more than a month.

The outcome came as President Trump—with the backing of many Republicans—has continued to protest results showing him losing to his challenger, 306 electoral votes to 232 votes. Mr. Trump's allies have

filed unsuccessful legal challenges to the election results, attempting in many cases to overturn the will of the voters in states where Mr. Biden won by sizable margins.

Monday's voting prompted some congressional Republicans, many of whom had for weeks resisted recognizing Mr. Biden's win, to acknowledge that the Democrat would be the next president.

Mr. Biden, speaking Monday evening in Wilmington, Del., *Please turn to page A4*

◆ Gerald F. Seib: Hard numbers tell story behind election.... A4

# Attorney General Barr to Depart After Trump Clash Over Probes

By Sadie Gurman

WASHINGTON—Attorney General William Barr will resign just before Christmas, President Trump said, ending a tenure during which Mr. Barr long marshaled the Justice Department to the president's personal and political agenda before falling afoul of him in recent months.

In his two-page resignation

letter, Mr. Barr said he would depart Dec. 23 and praised Mr. Trump for what he described as his historic accomplishments "in the face of relentless, implacable resistance," and a "partisan onslaught...in which no tactic, no matter how abusive and deceitful, was out of bounds."

Mr. Trump said on Twitter that he met with Mr. Barr on Monday at the White House.

"Our relationship has been a very good one, he has done an outstanding job!" the president tweeted, saying the attorney general was leaving to "spend the holidays with his family."

The resignation comes after the disclosure of the extensive efforts the nation's top law-enforcement official made for months to shield federal investigations into Hunter Biden, *Please turn to page A6*

# Auto Workers Settle Corruption Inquiry

By Ben Foldy and Nora Naughton

The Justice Department reached a civil settlement with the United Auto Workers union, marking a major turning point in a multiyear corruption investigation that has sent several former labor leaders to prison.

The sprawling probe, led by the U.S. attorney's office in Detroit, has penetrated the UAW's top ranks and exposed what

federal prosecutors described as a culture of corruption among its leadership built around kickback schemes, embezzlement and other illicit activities. It has led to 15 convictions and some union members say the charges and indictments have dented trust in the UAW's leadership.

The proposed settlement includes a six-year period of independent oversight by a court-appointed monitor and requires *Please turn to page A2*

# Deadliest Outbreaks Hit Veterans Homes

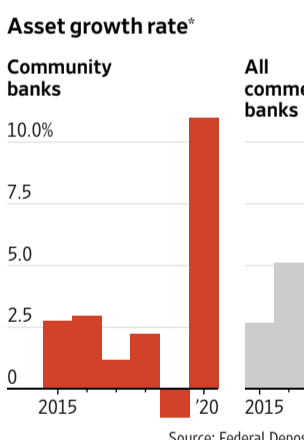
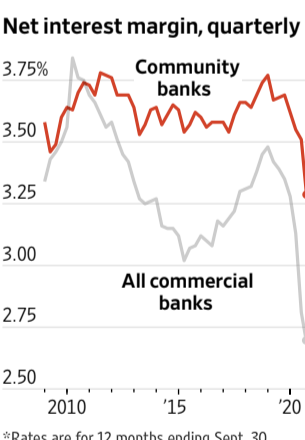
State facilities struggled to combat Covid-19

During the pandemic, one of the worst places to be was in a nursing home. Among nursing homes, one of the worst places to be was a state-run facility for retired servicemen and women.

Of the nation's 150 such homes, thousands of residents have caught the virus. Hundreds have died. Family and staff members tell of mis-

communication and neglect. At the 150-bed Bill Nichols State Veterans Home, one of Alabama's largest individual hot spots, 96 residents have tested positive for coronavirus and 46 deaths have been attributed to Covid-19.

In New York, a government-run veterans home had the third deadliest reported outbreak in the state, with 72 confirmed and probable *Please turn to page A12*



**Small Banks' Assets Grow**  
Stimulus checks for account holders gave a boost to small lenders, helping them survive the pandemic better than they had expected. **B1**

*A Hands-Off Approach—To Your Face*  
\* \* \*  
People turn to perfume, wrist buzzers, hypnosis

By Ellen Byron

Nine months into a pandemic and you're still touching your face? Wearable devices, meditations, athletic gear and tchotchkes want to help you kick the habit.

Nose itching, coughing, nail biting, mustache twirling, eye rubbing and hair flipping are among the reasons people touch their faces, often without realizing it. One study from the University of New South Wales in Sydney, published in 2015, found participants touched their faces an average of 23 times per hour.

No matter how many times doctors remind us to keep our *Please turn to page A14*



## U.S. NEWS

# Hack Was Undetected For Months

BY DUSTIN VOLZ  
AND ROBERT McMILLAN

WASHINGTON—A suspected Russian hack of U.S. government agencies and private businesses across the globe largely went undetected for months by the Trump administration and cybersecurity firms until the past week, according to people familiar with the matter.

The Russian operation was disclosed Sunday and was met with alarm by current and former intelligence officials, security experts and lawmakers, some of whom said they were stunned an apparently widespread attack appeared to have evaded recognition.

As early as March of this year, customers of SolarWinds Corp., a U.S. network-management company, began unwittingly installing malicious software as part of a routine and seemingly benign update issued for a software product known as Orion, according to the company.

That update, which would have been especially difficult to identify as a threat, contained what investigators called a back door that could have granted easy access to nearly 18,000 entities that downloaded it. Investigators expect the number of fully compromised victims to be smaller, perhaps totaling hundreds.

Both the U.S. Commerce and Treasury departments had some of their systems compromised, according to officials and people familiar with the continuing investigation.

On Monday the list of known impacted agencies grew substantially. The Department of Homeland Security, National Institutes of Health and State Department were all hacked as well, people familiar with the matter said.

All three agencies declined to comment about their breaches. The Washington Post earlier reported the intrusions at NIH and the State Department late Monday.

The hacks identified so far appear to be a fraction of the total number of federal and private networks that were compromised by Russian spies intent on monitoring internal communications.

National-security agencies and defense contractors also were among those breached as part of the campaign, according to a person familiar with the continuing investigation. The person and others briefed on the matter said the breach could amount to one of the most significant national-security failures in years.

Russia's foreign-intelligence service is suspected of being responsible. The group has

been linked to cyber espionage campaigns in the past.

The Russian Embassy in Washington denied responsibility and said the allegations were unfounded.

Investigators were working to assess the overall fallout. In a Securities and Exchange Commission filing about the hack on Monday, SolarWinds said it had notified 33,000 customers about the intrusion, and that it believes the number of customers that installed a hijacked Orion update between March and June of this year was fewer than 18,000.

The attack on SolarWinds appeared to grant hackers potential access to an extensive list of the most coveted computer systems that would be of interest to a foreign adversary. The company holds contracts with all five branches of the military and several national security agencies as well as major defense contractors like Lockheed Martin Corp. and more than 400 of the Fortune 500 companies.

SolarWinds is working with FireEye, a major U.S.-based cybersecurity firm, and the intelligence community and law enforcement on an investigation, a spokesman said.

It couldn't be learned how SolarWinds itself was hacked. The company said in its SEC filing that its Microsoft Office 365 email systems had been compromised and that this incident "may have provided access to other data contained in the company's office productivity tools." In a Sunday blog post, Microsoft Corp. said that it hadn't identified any vulnerabilities in its products.

The damage isn't limited to the U.S. FireEye has so far seen customers compromised across the globe—in North America, Europe, Asia and the Middle East—and across a range of sectors including telecommunications, tech, health care, automotive, energy and government, a person familiar with the company investigation said.

As a sign of the severity of the threat, the Cybersecurity and Infrastructure Security Agency, a part of the Department of Homeland Security that helps government and businesses address cyberattacks, issued a rare emergency directive on Sunday. The agency instructed all federal civilian agencies to review their networks for possible compromise and immediately shut down the use of SolarWinds Orion products.

In a radio interview Monday, Secretary of State Mike Pompeo appeared to acknowledge Russia's involvement in the hack.



Many workers are looking for a new aid package out of Washington. Restaurants have been hard hit by pandemic restrictions.

JESSICA HILL/ASSOCIATED PRESS

## Business-Liability Issues Trip Up Lawmakers in Covid Relief Plan

BY KRISTINA PETERSON  
AND ANDREW DUEHREN

WASHINGTON—A bipartisan group came up short Monday in reaching a broad compromise on Covid-19 liability protections, increasing the chances that Congress will need to narrow the talks' scope to reach a deal on an aid bill. GOP leaders had already signaled that they wanted to proceed with a bill that excluded the two thorniest issues: the legal protections they had sought and funding for state and local governments, a top priority for Democrats.

A bipartisan group came up short Monday in reaching a broad compromise on Covid-19 liability protections, increasing the chances that Congress will need to narrow the scope of any relief deal in a year-end package.

"We couldn't quite get to the conclusion," Sen. Angus King (I, Maine), who had been involved in the liability negotiations, said Monday.

Lawmakers in the bipartisan group encouraged congressional leaders to take up the \$748 billion that represented the less-controversial elements of their agreement, which they split into a separate bill. That legislation includes an extension of unemployment insurance and funding for schools, vaccine distribution and small businesses.

The government's current funding expires this weekend, setting up a deadline for months of grinding talks over how to craft an aid bill re-

sponding to the pandemic and its mounting death toll and economic pain. Congressional leaders hope to attach a coronavirus relief deal to a full-year spending bill expected to be released later this week.

The top two Democratic leaders, House Speaker Nancy Pelosi (D., Calif.) and Senate Minority Leader Chuck Schumer (D., N.Y.), hadn't signaled Monday evening if they were ready to proceed with a smaller package focused on items with broad bipartisan support, but they had not ruled it out.

In a call with Treasury Secretary Steven Mnuchin on Monday, Mrs. Pelosi reiterated "Democrats' concerns about the liability provisions, which remain an obstacle to securing state and local funding," her spokeswoman, Drew Hammill, said on Twitter. Earlier Monday, Mrs. Pelosi declined to answer whether she would hold out for a package this week that included state and local funding. "We are in negotiations," she said.

Sen. Dick Durbin of Illinois, a member of Senate Democratic leadership who was involved in the bipartisan talks, said that he supported moving forward with the \$748 billion bill.

"While the fight continues over these issues, we must provide some emergency relief for the American people before we go home for the holidays. I support the \$748 billion bipartisan package," he said Monday night.

While the bipartisan group said it reached consensus on

state and local funding, Sen. Joe Manchin (D., W.Va.) was the only Democrat in the rank-and-file group to sign onto a GOP proposal creating a nationwide gross-negligence standard in coronavirus-related lawsuits. Lawmakers said they would continue discussions in both chambers to try to reach a broader compromise but acknowledged they were running out of time.

Sen. John Cornyn of Texas, a member of GOP leadership, said he expected congressional leaders would leave out those two

**A bipartisan group has been working on a \$908 billion relief package.**

components "in order to reach consensus, knowing we're going to have to revisit this again next year. That seems like the glide path to me."

Many in the bipartisan group pushed to include both in any agreement, noting that each party would swallow one difficult issue in exchange for a top priority.

"That's the trade-off," said Sen. Mitt Romney (R., Utah).

With Congress in session only a handful of more days this year, some Democrats in the group said coalescing around the \$748 billion bill was the most likely path forward.

Senate Majority Leader Mitch McConnell (R., Ky.) said

Monday that Congress should quickly pass a bill that focuses on common ground between the two parties. He again criticized funding for state and local governments, arguing that sending state and local governments money specifically for vaccine development was the most pressing need.

"This is the support that state and local governments need most urgently, not unfettered slush funds for non-covid related needs that predate the pandemic, but incredibly urgent targeted money to get citizens vaccinated," he said Monday.

The liability protection proposal that Mr. Manchin signed onto along Republicans creates a nationwide gross-negligence standard in coronavirus-related lawsuits. Businesses, schools, or health care providers sued for alleged coronavirus exposure or medical malpractice could also remove suits to federal court.

Democrats argued that businesses shouldn't be given permission to relax safety precautions and that relatively few coronavirus-related lawsuits have been filed.

They also expressed concerns that the liability proposal was too broad and could be applied to many cases that were not tightly tied to the coronavirus.

Republicans have said robust liability protections are needed so that businesses, schools and nonprofits can operate without the threat of litigation and jump-start economic growth.

## Biden Close to Making Decisions on Key Environmental Posts

BY TIMOTHY PUKE  
AND ANDREW RESTUCCIA

WASHINGTON—President-elect Joe Biden is nearing a final decision on environment-related jobs that are being watched closely by the energy industry as well as progressives who are concerned about Mr. Biden's commitment to ambitious climate policies and diversity.

Mr. Biden is expected to announce as soon as later this week his nominees to lead the Environmental Protection Agency and the Interior Department, as well as a senior White House official in charge of coordinating domestic climate-change policies, people familiar with the matter said.

Advisers to the president-elect said he hadn't yet finalized his picks, but leading contenders are emerging. Mr. Biden is balancing several factors, including diversity, gender and geography, along with expertise in areas like environmental justice, the people said. Much of the decision-making is connected, with choices for some posts influencing who gets chosen for others.

Rep. Deb Haaland (D., N.M.) is a leading contender for Interior secretary, according to people familiar with the matter. If confirmed, she would be



Gina McCarthy is being considered for the White House climate coordinator job.



Rep. Deb Haaland is a leading contender for Interior secretary.

the first Native American cabinet secretary. Activists and progressives are pushing for a Native American to run the agency, which oversees federal lands and the U.S. Bureau of Indian Affairs, and Ms. Haaland's stock has risen among some of Mr. Biden's advisers in recent days. But some Democrats in Congress have raised concerns about losing another lawmaker to the administration because of their slim majority in the House.

Ms. Haaland and Biden teams are in discussions, but no offer has been made, according to a person familiar

with the matter. Retiring Sen. Tom Udall (D., N.M.), whose father served as Interior secretary, is also among the potential candidates, as is former Deputy Interior Secretary Michael Connor, who also has Native American heritage.

A spokesman for Mr. Biden's transition team declined to comment.

Environmentalists have pushed Mr. Biden to embrace ambitious policies to lower the greenhouse gas emissions that cause climate change and to avoid anyone with ties to oil, coal and other fossil-fuel industries. Other progressive

groups have also pushed Mr. Biden to appoint people they see as champions for racial justice who can fulfill Mr. Biden's promise to better protect minority and poor communities that are disproportionately affected by industrial pollution.

In the past week, transition team leaders asked for a list of additional candidates for EPA administrator—potentially one of Mr. Biden's most important and contentious nominations.

Mr. Biden is now considering Michael Regan, a North Carolina environmental regulator, to lead the EPA, the people

familiar with the matter said. Mr. Regan previously worked at the Environmental Defense Fund, an environmental group. He spent more than nine years at the EPA, where he focused on air-quality issues.

A spokeswoman for Mr. Regan at North Carolina's Department of Environmental Quality didn't immediately respond to a request for comment.

Richard Revesz, a law professor at New York University, is also a candidate for the job, the people said. Mr. Revesz declined to comment. The National Wildlife Federation's

chief executive, Collin O'Mara, a former Delaware regulator, is also still in consideration.

For weeks, Mr. Regan, who is Black, hadn't been mentioned among the front-runners, a group that had been led by Mary Nichols, California's top air regulator. Some Democrats raised concerns about whether Ms. Nichols could get confirmed if Republicans hold a Senate majority, and in recent weeks dozens of progressive groups have also protested her record, saying she hadn't done enough to protect minority communities.

Former Obama administration EPA Administrator Gina McCarthy is under consideration for the White House climate coordinator post, the people familiar with the matter said. If chosen, Ms. McCarthy would work closely with John Kerry, Mr. Biden's special envoy for climate change. Ms. McCarthy declined to comment.

Ali Zaidi, New York's deputy secretary for energy and environment, is being considered as the White House's deputy climate coordinator, people familiar with the matter said. Mr. Zaidi served in a number of energy-related roles during the Obama administration.

—Ken Thomas  
contributed this article.

U.S. NEWS

# Hard Numbers Tell Story Behind Election



CAPITAL JOURNAL  
By Gerald F. Seib

As presidential electors gathered in state capitals on Monday to codify Joe Biden's victory in the presidential race, Lin Wood, one of the attorneys fighting to overturn the election results for President Trump, took to Twitter to proclaim that the president should "order martial law to clean up" the election. He claimed that thousands of American citizens worked to rig the vote, along with Serbia, Canada, Venezuela, Cuba, the CIA, billionaire George Soros, the Clinton Foundation and many state and local offi-



cialists from both parties. That conspiracy would suggest, among other things, organizational skills previously unassociated with all those actors. But given that Mr. Wood has more than 750,000 Twitter followers, and that polls show a majority of Republicans don't trust the election outcome, this seems to be a good moment for a hard-headed look at what completed vote counts across the country actually show.

The cold, hard numbers certainly convey sobering realities for the conspiracy theorists, but also for activists of both parties. Above all, they present a clear picture of how the center of the political spectrum held firm in 2020. For starters, Mr. Trump didn't lose the election in the big cities where he and his allies accuse Democratic mayors and their political machines of rigging the vote. Rather, he lost the election in America's suburbs. My colleague Dante

Chinni's American Communities Project places every county into one of 15 categories based on its demographics, and the project now has tabulated the entire national vote across all counties. The results show Mr. Trump won a *higher* share of the vote in big-city counties than he did four years ago. This outcome was particularly noteworthy in one of the counties at the heart of the postelection dispute, Philadelphia, where Mr. Trump's share of the vote rose 3.7 percentage points from 2016. The president's margin in the vote count was nearly identical to his 2016 share in Wayne County, home of Detroit, and in Milwaukee County. The counties where Mr. Trump lost significant ground were suburban. The American Communities Project puts suburban counties into three categories—urban suburbs, middle suburbs and exurbs—and in each of those categories Mr. Trump's margin shrank from 2016. Mr. Trump still won in middle suburbs

and the exurbs—that is, suburbs further away from city centers—but his margins fell. Again, this pattern held in states where the president's allies are contesting the outcome. In Georgia's Gwinnett County, Mr. Trump lost four years ago by 5.8 percentage points, but this year he fell by a wider 18.2 points. In Wis-

**The counties where Mr. Trump lost significant ground were suburban.**

consin, he won exurban Ozaukee County in both elections, but his margin of victory shrank from 18.8 points four years ago to 12.1 points. In such suburbs, Americans from the middle of the political spectrum tend to dominate, and the results tell us that voters there held the balance of power in 2020. Despite the pitched ideological

battles between left and right, the voters on the wings didn't determine the outcome. Among other things, this means progressives who claim they won the election for Mr. Biden simply aren't reflecting reality. While the results in the suburbs are more reassuring to centrist Democrats, there are more sobering results for them elsewhere. Some down-ballot Democrats in centrist areas didn't do as well as did Mr. Biden, suggesting the outcome had more to do with centrists rejecting Mr. Trump than embracing Democrats. David Wasserman of the nonpartisan Cook Political Report has found eight congressional districts where Republicans won House seats as Mr. Biden carried the vote in the district, including four districts where incumbent Democrats lost their jobs. In addition, despite Mr. Biden's attempt to win back traditional working-class voters, he actually lost a bit of ground in working-class counties when compared with four

years ago. Equally troubling for Democrats, Mr. Trump performed slightly better in heavily Hispanic counties, and even in some heavily Black areas in the South. For their part, Republicans have to worry that attacks on the election outcome, from Mr. Trump as well as his followers, call into question the legitimacy of significant victories by GOP candidates in Georgia, Wisconsin, Pennsylvania and Arizona. In some areas—Montana, for example—Republicans did well under mail-in balloting rules the president's followers are attacking elsewhere. More broadly, Mr. Trump now is openly attacking the legitimacy of the coming Biden presidency, which will have long-term consequences. It also means Mr. Biden will be the fifth president in a row whose legitimacy has been questioned, one way or the other, by at least some partisans of the other side. That's one trend that should cause bipartisan concern.

## Early Voting Begins in Georgia Runoffs

By ALEXA CORSE

Early in-person voting began in Georgia's Senate runoffs on Monday, with both parties racing to turn out supporters for the Jan. 5 election that will determine control of the U.S. Senate.

The opening of some polling locations for voters comes as roughly 1.2 million voters already have requested absentee ballots for the runoff election, and more than 200,000 of them have returned their ballots, according to publicly available data compiled by University of Florida professor Michael McDonald at the U.S. Elections Project, as of Friday.

Absentee-ballot applications already are at about 67% of the total requests recorded in Georgia's November election, according to Mr. McDonald's research.

"It looks like we're going to have a high-turnout election," Georgia Secretary of State Brad Raffensperger, a Republican, said in an interview, though turnout is typically lower for runoffs than general elections.

Republicans now have a 50-48 majority in next year's Senate, meaning control of the chamber depends on Georgia. Republican Sens. David Perdue and Kelly Loeffler are seeking to defend their seats against Democratic challengers Jon Ossoff and Raphael Warnock.

If Democrats win both runoffs, their party will gain control since Vice President-elect Kamala Harris, as president of the Senate, can cast a vote to break any ties.

The use of absentee ballots exploded during the pandemic and were crucial to President-elect Joe Biden's victory in Georgia, with the Democrat winning 848,726 absentee votes com-



Voters checked in on the first day of early voting at a polling station in Atlanta on Monday.

pared with 450,522 for President Trump, according to state data. Mr. Trump led in Georgia's votes cast in-person early and on Election Day, but not enough to win the overall tally. For the runoffs, some Republicans said they want to make up ground with absentee voters. They are urging their supporters to be engaged, even as Mr. Trump and his allies claim Georgia's voting was rigged in November.

Mr. Raffensperger, who has overseen two recounts of the presidential ballots—one by machine and one by hand—has said that state investigators haven't found evidence of wide-

spread fraud in the November election. "I'm confident in the results, and we've been confident from day one," Mr. Raffensperger said. Club for Growth President David McIntosh, who is leading a \$10 million effort to energize conservative voters for the runoffs, said his group is tailoring its messages based on voters' history. Hard-core Trump supporters who are high-propensity voters—meaning they have voted in three or four out of the last four elections—are often suspicious of mail-in voting. Mr. McIntosh said, so the Club's canvassers are encouraging them to vote

early in person. But low-propensity voters—people who voted in none of the last four elections—are being encouraged to vote absentee. "We figure those voters are 'convenience' voters, so urging them to get an absentee ballot is part of the messaging," he said. Democrats are buoyed after Mr. Biden's victory in Georgia and years of efforts to organize supporters in what has been a reliably Republican state. Mr. Biden is campaigning in the state Tuesday and is expected to emphasize that voting in person is under way, according to a Democratic aide. Democrats say early ballot-

ing is a major focus, both in-person and absentee. Mr. Warnock's campaign organized a "Get Ready to Vote" tour with events across the state urging Georgians to vote early in person starting Monday. Mr. Ossoff's campaign is planning a bus tour across much of Middle Georgia during the first week of early voting, with a focus on Black voters in smaller towns. Some voting-rights advocates and Democrats are raising alarms about the availability of early-voting locations. In the Atlanta suburb of Cobb County, local officials said they would open fewer early-voting locations, citing staffing shortages.

## Trump Bid To Throw Out Votes Is Rejected

By DEANNA PAUL

A divided Wisconsin Supreme Court rejected a Trump campaign lawsuit seeking to reverse President-elect Joe Biden's victory, ending the president's last major effort to reverse the results as the Electoral College met Monday.

President Trump's legal team aimed to invalidate the votes of 220,000 people, asking the court to throw out four broad categories of ballots, including those cast by voters who self-certified as "indefinitely confined."

In a 4-3 vote Monday, the court called the challenge to indefinitely confined voters "meritless on its face," and ruled that the other challenges were brought too late. Trump lawyers could have filed them before the election, the court said.

"At the end of the day, nothing in this case casts any legitimate doubt that the people of Wisconsin lawfully chose Vice President Biden and Senator Harris to be the next leaders of our great country," wrote Justice Brian Hagedorn, who was legal counsel to former Republican Gov. Scott Walker.

Mr. Biden won Wisconsin by 20,000 votes, and the state awarded him its 10 Electoral College votes on Monday.

Chief Justice Patience Roggensack, in a dissenting opinion, criticized the majority for denying most of the campaign's claims for their late timing and not examining the underlying issues. She said the court's opinion doesn't address "problems that will be repeated again and again, until this court has the courage to correct them."

Justice Roggensack said officials should have discarded an unknown number of absentee ballots for which election clerks had fixed the addresses of witnesses who certified the voters' identity. She didn't address the larger campaign request to throw out tens of thousands of votes for other reasons.

All Wisconsin absentee ballots use an envelope signed by a witness who confirms the voter's identity. The witness must write the voter's address. Election clerks, in some cases, added details when a witness didn't provide a full address, though how often that happened and how much they added is in dispute. Some clerks just added ZIP codes.

The Trump campaign didn't respond to a request for comment. Monday's Wisconsin ruling comes on the heels of several judicial actions against Mr. Trump handed down in recent days, including by the U.S. Supreme Court, and as presidential electors were meeting in state capitals.

On Saturday, a federal court in Wisconsin dismissed another lawsuit brought by Trump lawyers.

## Biden Win Is Affirmed By Electors

Continued from Page One

noted his electoral-vote count was comparable to the president's victory in 2016.

"At the time, President Trump called his Electoral College tally a landslide," Mr. Biden said. "By his own standards, these numbers represented a clear victory then, and I respectfully suggest they do so now."

The next major step in the process comes Jan. 6, when Vice President Mike Pence is expected to preside over a joint session of Congress in which the totals from each state will be counted and an outcome declared.

The Electoral College, meeting in all 50 states and the District of Columbia on Monday, conducted what is a typically pro forma vote in an environment of heightened significance given Mr. Trump's protests about what he has claimed were voting irregularities. Attorney General William Barr, who submitted a resignation letter Monday, has said the Justice Department hasn't

found evidence of widespread voter fraud.

Added security measures were adopted by some states amid a tense national political climate and Covid-19 restrictions. The process took less than an hour in most states, and there were no electors who didn't back the total-vote winner of their state.

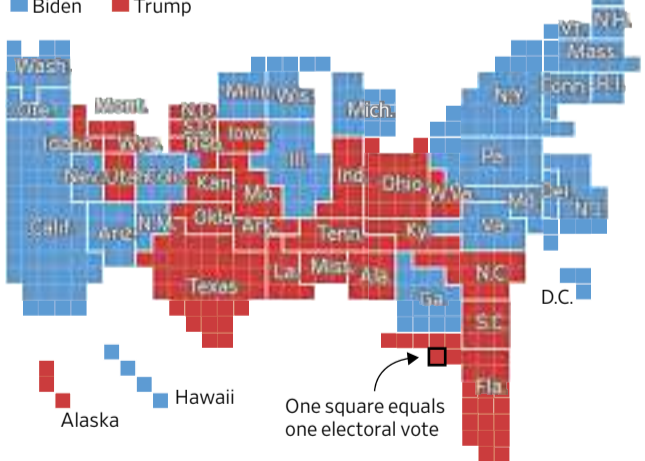
Nevada conducted its meeting via video conference, and many electors elsewhere wore masks. Some states moved the meetings to larger spaces to accommodate social distancing. Mr. Biden noted that the American public voted in record numbers despite the pandemic, saying, "Our democracy—pushed, tested and threatened—proved to be resilient, true, and strong."

He spoke at length of the efforts by the president and Republican allies to dispute the outcome of the election through legal challenges.

"In every case, no cause or evidence was found to reverse or question or dispute the results," Mr. Biden said. "You know, respecting the will of the people is at the heart of our democracy, even when we find those results hard to accept."

Throughout the day, Democrats called for Mr. Trump to end his challenges. "After today, the results will be final," Michigan Gov. Gretchen Whitmer told electors

Electoral votes by state



in her state. "It's time to move forward together as one United States of America. Now is the time for us to put this election behind us and to focus our efforts, together, to defeat our common enemy, Covid-19." On Friday, the Supreme Court rejected a bid filed by Republican Texas Attorney General Ken Paxton to void 20 million votes in four other states. More than 100 House Republicans signed a brief in support of the lawsuit, which came after dozens of other failed efforts to overturn Mr. Biden's win. On Monday, the Wisconsin Supreme Court rejected a Trump campaign lawsuit that sought to invalidate the votes

of 220,000 people, asking the court to throw out four broad categories of votes. Trump aide Stephen Miller said on Fox News that the campaign planned to keep contesting the result. Some of Mr. Trump's supporters sought to create their own version of the Electoral College in some battleground states Mr. Biden won—including Georgia, Nevada, Pennsylvania and Wisconsin—calling together Republicans to cast unofficial votes for the incumbent. "We took this procedural vote to preserve any legal claims that may be presented going forward," Bernie Comfort, Mr. Trump's Pennsylvania campaign chairwoman, said.

"This was in no way an effort to usurp or contest the will of the Pennsylvania voters." Retiring Rep. Paul Mitchell of Michigan on Monday withdrew his membership in the Republican Party in a letter to House Minority Leader Kevin McCarthy and Republican National Committee Chairwoman Ronna McDaniel, saying that although he voted for Mr. Trump, he couldn't remain affiliated with the party and its efforts to overturn the election results. "It is unacceptable for political candidates to treat our election system as though we are a third-world nation and incite distrust of something so basic as the sanctity of our vote," Mr. Mitchell said in the letter. Several Republicans said late Monday it was time to acknowledge Mr. Biden's win. "Like it or not...the process is what it is and the Constitution will be followed," said Sen. Joni Ernst (R., Iowa). John Thune of South Dakota, the No. 2 Republican in the Senate, told reporters there is no doubt Mr. Biden is president-elect. "At some point, you have to face the music," he said. Electors are legally bound in some states to vote for the person who won their state. In others, so-called faithless electors can break ranks, though that is rare. In 2016, seven electors voted for someone other than their party's nominee.



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## U.S. NEWS

## Variant Of Virus Identified In the U.K.

By JASON DOUGLAS

A new variant of the coronavirus that causes Covid-19 has been identified in the U.K., where scientists are trying to figure out if it spreads faster than other strains of the pathogen following a rapid pickup in infections.

U.K. Health Secretary Matt Hancock said Monday that more than 1,000 cases of the new strain have been identified in 60 local-government areas and the number of cases is rising fast.

"Initial analysis suggests this variant is growing faster than the existing variants," Mr. Hancock told lawmakers in Parliament. He said there is no reason to think the strain causes more severe illness than older variants, or that the new crop of vaccines would be ineffective against it.

Similar variants of the virus have been detected in other countries in the past few months, and the U.K. has notified the World Health Organization of the finding, Mr. Hancock said. A spokesman for Public Health England said scientists are cultivating the newly identified variant in the lab to learn more about it.

Viruses replicate quickly and mutations are common due to tiny errors in copying genetic material, which can accumulate over time, giving rise to new variants that can behave slightly differently to older strains.

Scientists around the world have since the beginning of the pandemic been tracking these genetic changes. More than 1,000 variants of the virus that causes Covid-19 have been detected so far, from more than 250,000 viral samples, said Babak Javid, associate professor of infectious diseases at the University of California, San Francisco.

# Vaccine Scarcity Means Tough Choices

By MELANIE EVANS

Emergency-room doctor Stephanie Gonzalez spent this month eagerly waiting to hear if she would be one of the first to get the Covid-19 vaccine. Throughout the pandemic, she said, she has feared bringing the virus home to an adult daughter with autism who needs her mother's help to dress, shower and eat.

Michelle Mitcheson, a nurse, felt apprehension about getting a vaccine that had been authorized for emergency use but not fully approved by federal regulators, but said she would get one. "I am willing to take some degree of risk in order to do the most good for the majority of the population," she said.

Physician assistant Patrick Coppler hoped to get the vaccine quickly, he said, but not before emergency responders who have less control over exposure to contagious patients.

The three health-care workers are among 60,000 at UPMC, the hospital system and health insurer affiliated with the University of Pittsburgh, and about 740,000 across Pennsylvania according to the Kaiser Family Foundation, who will be the first to receive the Covid-19 vaccine because of their critical jobs and risk at work. But with supply tight in first shipments, hospitals across the U.S. have been forced to decide who goes first, with plans in flux up to the final days.

The Food and Drug Administration authorized Pfizer Inc. and BioNTech SE's Covid-19 vaccine for emergency use late Friday, setting in motion UPMC's push to notify individual employees who will get the opportunity to receive the earliest shots. By Monday, the first UPMC health-care workers finally had an answer to who would be offered the vaccine.

UPMC didn't have enough to go around. On Monday it received 975 doses at its Children's Hospital of Pittsburgh and expected an additional 1,950 doses to arrive Tuesday for its flagship hospital, UPMC Presby-



Emergency-room doctor Stephanie Gonzalez with daughters Christina, left, and Monica, at home in Murrysville, Pa., on Monday.

terian in Pittsburgh. A team including doctors, pharmacists and an ethicist had agreed only days earlier how they would pick those to go first.

"It is a very difficult thing for us to all feel confident that what we've done is fair and effective," said Graham Snyder, UPMC's medical director of infection prevention and hospital epidemiology.

Hospitals are among the first to confront the ethical, legal and practical challenges of coordinating a mass vaccination campaign among employees as shots become available.

Dr. Gonzalez, who works in UPMC Presbyterian hospital in Pittsburgh, is anxious that she could spread the virus more widely if she becomes infected at work. Dr. Gonzalez doesn't always know which of her emergency room patients is contagious with the coronavirus. "A complaint such as ankle injury, you think that's just an orthopedic injury, but it may turn out that person fell because they were weak and

short of breath from their Covid-19," she said.

Her first inadvertent exposure to a patient who later tested positive for the coronavirus forced Dr. Gonzalez to quarantine at home, away from her husband and daughters, Monica, who has autism, and Christina, who was finish-

### Hospitals have been forced to decide which employees get vaccinated first.

ing college courses remotely.

Christina took over making meals and helping her older sister shower and dress while attending classes and taking exams online.

UPMC will first give priority to those in critical jobs. That includes a range of people working in critical units, from workers cleaning the

emergency room and registering patients to doctors and nurses, Doug White, a doctor and ethicist at the University of Pittsburgh, said.

To pare the list down further, UPMC will give priority to employees who have the highest risk of severe disease. Finally, if needed, UPMC will use a lottery to select who will be scheduled first.

UPMC on Monday began to notify some employees they would soon be able to schedule vaccine appointments.

Ms. Mitcheson, who works in the UPMC East Hospital in Monroeville, Pa., has seen Covid-19 cases recently surge, leaving her and her colleagues "overwhelmed, distressed, and drained mentally, physically, and emotionally." As of Monday afternoon, Ms. Mitcheson hadn't learned whether she would soon receive the vaccine.

Mr. Coppler, who works in intensive care and the emergency room at UPMC Presbyterian, has found it hard in the pandemic to make phone calls

to family of dying patients to break the news. The risk he could spread the virus has meant he can't visit his own family to cope with the stress. He, too, hadn't learned by Monday whether he could schedule a vaccine appointment.

Dr. Gonzalez checked email every 10 to 15 minutes Monday, looking for word about whether she would be among the first to get the vaccine, she said. The email arrived at around noon, saying she would soon get a follow up to schedule a time for her shot.

"As soon as I get that scheduling email I'll be on to try and snag the earliest spot that I can get," she said. "The sooner I get the vaccine the safer I feel actually caring for Covid-19 patients in the emergency department. So, even if it means getting up early, staying late, going in on a day off, coming home in the middle of the night and sleeping for a few hours and then going, I will definitely try and snag the first spot that I'm not working."



## The Future Of Leadership

January 21 / 7 PM ET

What does leading look like in the middle of a global crisis? You'll hear from those who have done it, including Kohl's CEO Michelle Gass, who—after closing the retailer's 1,200 stores—had to make sure there was both enough cash to survive and support for her staff. More speaker announcements coming soon.

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## WORLD NEWS

## Tanker Attacked in Saudi Port of Jeddah

Incident comes amid tensions between Iran and U.S. regional allies, including Riyadh

A boat loaded with explosives attacked an oil tanker docked at the Saudi port city of Jeddah in what the authorities

*By Summer Said in Dubai and Stephen Kalin in Riyadh*

there called an act of terrorism, the latest in a string of strikes against the kingdom's oil infrastructure in recent weeks.

Monday morning's attack comes amid heightened tensions in the Middle East among Iran and the U.S. and its regional allies after the killing last month of one of the Islamic

Republic's top nuclear scientists. While no one has claimed the strike yet, it raises the stakes for diplomacy in the tumultuous region for the incoming Biden administration. Officials repeatedly have warned of the potential threat to international trade posed by such attacks, which target Saudi Arabia's economic engine.

The attack caused a blast and a fire on the Singapore-flagged BW Rhine, according to Hafnia Ltd., which owns and operates the vessel. The fire was extinguished and all 22 sailors—including nationals from the Philippines, India, China and Romania—were unhurt, the company said. The ship's hull was damaged in two locations and some oil may have leaked, it added.

It also exposed security vulnerabilities in the kingdom by

targeting a vessel while at a Saudi port. The country's ports are better protected than offshore waters, where most previous attacks have occurred.

A spokesman for the Saudi Energy Ministry called it a terrorist attack, without assigning blame. He said there was no impact on supplies or damage to the unloading facilities in Jeddah, an important Red Sea port for the kingdom.

"These acts of terrorism and vandalism, directed against vital installations, go beyond the kingdom and its vital facilities, to the security and stability of energy supplies to the world and the global economy," the spokesman said.

Two European officials involved in maritime security in the Red Sea said the attack was likely carried out by the Iran-aligned Houthi rebels in



Hafnia Ltd. says the hull of its ship, the BW Rhine, was damaged.

on Iran, despite a claim of responsibility by the Houthis. Tehran denied involvement in those attacks and says it doesn't control the Houthis.

Saudi Arabia and Iran have struggled for decades in a battle for regional supremacy, each taking opposing sides in violent conflicts across the Middle East. Following years of increased U.S. sanctions after President Trump withdrew from the Iran nuclear accord in 2018, Tehran faces further isolation as Washington brokers normalization deals between Israel and Arab countries based largely on mutual enmity toward Iran.

Iran blamed Israel for the killing of its scientist, Mohsen Fakhri-zadeh, in November and promised to retaliate. Israel has declined to comment on allegations that it was behind the killing

## Italy Details Chilling 2016 Murder in Egypt

By MARGHERITA STANCATI AND JARED MALSIN

ROME—Italian student Giulio Regeni moved to Cairo in September 2015 to research Egypt's independent labor unions for his Ph.D. thesis at Cambridge University. Months later, the 28-year-old was found dead on the side of a highway, bearing cigarette burns, broken teeth and fractured bones.

Italian prosecutors last week pressed charges against four members of Egypt's security forces over Mr. Regeni's abduction, torture and death as they laid out the most detailed case to date against the government of Egyptian President Abdel Fattah Al Sisi, for whom it has become a source of severe international embarrassment.

It was the first full judicial probe of Egyptian security services' alleged use of secret detention, an abuse that human-rights groups say thousands of Egyptians have suffered. Police and security officers rarely face charges in Egypt over torture and deaths in custody, creating what rights groups say is a climate of impunity.

"This is going to be an inspection of this machine that commits disappearances and torture, highlighting how it functions," said Mohamed Lotfy, director of the Egyptian Commission for Rights and Freedoms, a nongovernmental rights group that represents the Regeni family in Egypt. "They didn't invent a new machine for Giulio. They used the tools and practices that they used on so many Egyptians."

What emerges from witness testimony, phone records and other evidence is a story of betrayal, deception and brutality, and offers a rare look inside the workings of Egypt's vast security state. This account of Mr. Regeni's fate is based on interviews, prosecutor statements and court documents.

Soon after arriving in Cairo, Mr. Regeni drew the attention of the security services. The authorities closely monitored independent labor unions, which were one of the driving forces behind the mass protests that led to the overthrow of President Hosni Mubarak in 2011.

One of Mr. Regeni's main research subjects, Mohammed Abdullah, the head of the street vendors' union, tipped off intelligence services about the young Italian. Mr. Abdullah regularly informed on Mr. Regeni to his contact at the feared National Security Agency, Maj. Majdi Ibrahim Abdel al-Sharif, whom Italian prosecutors have identified as the leader of the operation against Mr. Regeni.

The NSA suspected Mr. Regeni might have been trying to fuel social unrest through the unions, according to the Italian investigation, particularly after



MARCO BERTOLLO/AGENCE FRANCE PRESSE/GETTY IMAGES



ROPIZUMA/PRESS

Mr. Abdullah informed the NSA that the Italian had offered to help his union apply for a grant from a British nongovernmental organization of 10,000 pounds, equivalent to \$13,000.

On Jan. 7, 2016, Mr. Abdullah used a hidden camera to film Mr. Regeni discussing the possible grant application, which never happened. The video was later aired on Egyptian state television, which described it as evidence of Mr. Regeni's subversive activities.

"We believe this was the trigger," said Sergio Colaiocco, the Italian prosecutor who led the probe. "They thought he wanted to finance a revolution."

Officers recruited two people to inform on Mr. Regeni, Italian officials say: his housemate, a lawyer called Mohammed el-Sayed; and an Egyptian friend of Mr. Regeni's at Cambridge University, Mr. Abdullah and Mr. Sayed couldn't be reached to comment.

Mr. Regeni disappeared on Jan. 25, 2016. It was the anniversary of the 2011 popular up-

rising. Cairo teemed with security forces. Few civilians ventured out.

That evening, Mr. Regeni made a decision to meet an Italian friend near Tahrir Square and visit an Egyptian professor for his birthday. At 7:41 p.m., Mr. Regeni sent a Facebook message to his girlfriend in Ukraine: "Going to see

## Italy charged four Egyptian agents in Giulio Regeni's torture and death.

the professor with Gennaro. Hope yoga is going well. Let me know when you get home :)" It was the last time Mr. Regeni was heard from.

Just before 8 p.m., he was abducted at his local metro stop and taken to a nearby police station. He was blindfolded and driven across the Nile to the offices of the NSA, inside

the grounds of Egypt's Interior Ministry.

There, in Office N. 13 of a four-story villa—a room typically reserved for the interrogation of foreign nationals—he was tortured for days, according to the account of a witness, a 15-year veteran of the NSA. "In the room there were metal chains used to tie people up. The upper half of his body was naked, and there were signs of torture. He was speaking in his language, he was delirious," the former NSA officer told Italian investigators, according to a transcript of his testimony. "He was very, very thin. He was handcuffed to the floor."

The Italian Embassy was informed of Mr. Regeni's disappearance hours after it happened. Five days later, on Jan. 30, his parents flew to Cairo in a desperate bid to find him. At the time, Mr. Regeni was still alive. The Egyptian government made no official comment on the disappearance. At the time, the NSA firmly denied that Egyptian security forces were in any way involved in Mr. Regeni's disappearance, according to Italian officials.

The NSA witness said Mr. Regeni died in the agency's custody. The cause of death was a violent blow to the back of Mr. Regeni's neck in the 24 hours before or after the evening of Feb. 1, according to an autopsy carried out in Italy. His body was found on Feb. 3, dumped behind a wall on the side of a dusty highway on the outskirts of Cairo.

Initially, Egypt shared some evidence with Italy, such as phone records and written tes-

timonies. But they also withheld evidence such as video footage filmed near the metro station at the time of Mr. Regeni's disappearance, according to Italian prosecutors. They also declined to share information on 13 more potential suspects. Egypt largely stopped collaborating altogether in late 2018, Italian officials said.

Italian investigators gathered key evidence on their own, including statements from five witnesses. This month, prosecutors accused Maj. Sharif of the National Security Agency of kidnapping, murder and grievous bodily harm. According to a witness interviewed by prosecutors, Maj. Sharif boasted in 2017 about the operation against Mr. Regeni to a Kenyan counterpart.

The most senior person accused of involvement in Mr. Regeni's murder is NSA Maj. Gen. Tariq Ali Sabir, who continues to play a central role in Egypt's crackdown on dissent, according to people familiar with the matter. Known for his role in monitoring political and civil-society groups, Gen. Sabir was recently involved in the arrest of three human-rights activists, one of these people said.

Mr. Sabir didn't respond to requests for comment. An Egyptian government spokesman also didn't respond to a request for comment on the indictments.

The four accused Egyptian officials will most likely be tried in absentia in Rome, starting in the spring. If they are found guilty, Italy could demand their extradition. But Egypt is unlikely to grant it.

maintained that the Iranian government has no information on Mr. Levinson's whereabouts," said the spokesman, Alireza Miryousefi. "The investigations Iran has pursued did not reveal any information beyond his leaving the hotel in Kish Island."

Mr. Levinson went missing on the Iranian island of Kish in 2007.

## U.S. Sanctions Two Iranians in Disappearance of Ex-FBI Agent

By CATHERINE LUCEY

The Trump administration announced sanctions on Monday against two Iranian intelligence officers, accusing them of direct involvement in the "abduction, detention and probable death" of Robert Levinson, a former Federal Bureau of Investigation agent who went missing in Iran in 2007.

The action by the Treasury Department was the first public move to formally hold Iran accountable for Mr. Levinson's abduction, senior government officials said.

Senior Iranian officials sanctioned the abduction and sought to cover up what occurred, U.S. officials said.

"Iranian intelligence officers—with the approval of se-

nior Iranian officials—were involved in Bob's abduction and detention," said FBI Director Christopher Wray.

The two officials designated—Mohammad Baseri and Ahmad Khazai—were described as high-ranking officers of Iran's Ministry of Intelligence and Security.

Officials described the sanctions as part of a pressure cam-

aign against Iran. They argued that any talks with Iran should include a resolution to Mr. Levinson's case and noted there are other Americans detained in Iran that they are seeking to return home.

A spokesman for Iran's United Nations office said the government had nothing to do with Mr. Levinson's disappearance. "We have consistently

maintained that the Iranian government has no information on Mr. Levinson's whereabouts," said the spokesman, Alireza Miryousefi. "The investigations Iran has pursued did not reveal any information beyond his leaving the hotel in Kish Island."

Mr. Levinson went missing on the Iranian island of Kish in 2007.

## Turkey Hit For Russia Military Purchase

By WILLIAM MAULDIN

The U.S. exerted new pressure Monday on Turkey over its installation of a Russian air-defense system, the latest sign of a growing rift between Ankara and its allies in the North Atlantic Treaty Organization.

The Trump administration imposed sanctions against a Turkish defense agency and one of its executives under a 2017 law that penalizes the purchase of weapons from a blacklisted supplier.

The decision in Washington came after European Union nations last week agreed to impose sanctions over Turkey's military moves in the region and its energy-exploration actions in the eastern Mediterranean Sea.

The back-to-back actions reflect growing concern among Western leaders that Turkish military collaboration with Russia will undermine the effectiveness of NATO at a time when Turkish President Recep Tayyip Erdogan has become more deeply involved in several military conflicts.

U.S. lawmakers have long pressed President Trump to impose sanctions against Ankara, but the administration had declined until Monday, three days after Congress approved defense legislation that mandated the imposition of sanctions. Previously, Mr. Trump, who has formed a close relationship with Mr. Erdogan, announced the removal of Turkey from the F-35 stealth jet fighter program.

"The United States made clear to Turkey at the highest levels and on numerous occasions that its purchase of the S-400 system would endanger the security of U.S. military technology and personnel and provide substantial funds to Russia's defense sector, as well as Russian access to the Turkish armed forces and defense industry," Secretary of State Mike Pompeo said.

The U.S. sanctions target Turkey's Presidency of Defense Industries, a government organization that oversees and manages the country's defense sector, and its chief, Ismail Demir. Mr. Erdogan and other Turkish officials have defended the acquisition of the weapons system as necessary to the country's defense.

Turkey's foreign ministry condemned the sanctions and said the country would "take the necessary steps against this decision, which will negatively affect our relations, and will retaliate in a manner and timing it deems appropriate."

Russian Foreign Minister Sergei Lavrov said Monday that the sanctions are "yet another manifestation of an arrogant attitude toward international law," the Interfax news agency reported.

It wasn't clear what effect the sanctions would have on Turkey's defense sector.

State Department officials said the measures include a ban on U.S. export licenses to the Presidency of Defense Industries, also known as SSB, and a freeze on assets and visa restrictions for Mr. Demir and other SSB officers.



## WORLD NEWS

## U.K. Eases Blood-Donation Rules for Gay Men

By James Hookway

The British government said it would ease restrictions on blood donations by gay and bisexual men beginning next summer in a shift lauded by LGBT activists as a significant step forward in promoting equality and reducing the stigma that some men say they still face because of their sexuality.

Under the new guidelines, people with a single sexual partner who have been with that partner for more than three months can donate blood, regardless of their gender, their partner's gender or their sexual orientation. The current rules call for a three-month wait after a man has had sex with another man.

"This is a positive step and recognizes individuals for the actions they take, rather than their sexual preference," said U.K. Health Secretary Matt Hancock. The change would safely expand the pool of available blood donors, he said.

The new selection criteria were recommended by the Advisory Committee on the Safety of Blood Tissues and Organs.

Under the guidelines, people are allowed to donate if they have had no known exposure to sexually transmitted infections and if they aren't using medications to limit the spread of HIV, the virus that causes AIDS.

All donors will also complete the same health check, including a questionnaire on their sexual behavior, recognizing that all potential donors—including women and heterosexual men—could carry infections.

The chairman of the advisory committee, James Neuberger, said the panel agreed unanimously that the changes wouldn't negatively affect the safety of the blood supply.

LGBT activists world-wide have been campaigning for years to lift restrictions on blood donations by gay and bisexual men. Curbs were introduced in many jurisdictions in the 1980s as authorities sought to limit the spread of HIV through blood supplies.

Since then, the number of new HIV infections has fallen in developed countries and screening has improved, prompting France, Italy and Spain, among others, to make it easier for gay or bisexual men to give blood, although restrictions still apply.

The U.S. lifted its blanket ban on gay or bisexual men donating blood in 2015. It reduced the required celibacy period to three months from a year in April to help address a blood shortage, but LGBT activists are pressing to drop the wait period entirely.

Dan Costen, a member of Freedom to Donate, a U.K.-based activist group, said that while the British government moved to reduce the wait time for gay or bisexual men to donate blood after sex to three months from 12 months in 2017, heterosexual people faced no restrictions.

"That's why today's announcement is so significant," Mr. Costen said. "It means each donor's level of risk will be taken into account on an individualized basis."

Ethan Spibey, who founded the group six years ago, told Sky News in a television interview that he decided to take action after his grandfather had an operation that required eight pints of blood.

The rest of his family, including his mother and father, decided to demonstrate their thanks by donating blood. But Mr. Spibey realized he was unable to participate when he read through the health checklist.

"My heart just sank. I felt guilty. I just felt shame," he said. "And it was at that moment that we decided we were going to do something about it."

# Australia Wages High-Tech War on Fires

By Mike Cherney

SYDNEY—In October, a sensor mounted on a 28-foot pole in the Australian countryside detected small particles in the air near a timber plantation and sent out an alert.

When plantation staff arrived, they found a small man-made fire that was already under control, but the incident offered a glimpse of how authorities hope to use new technology to battle wildfires that have grown increasingly intense in recent years.

As a new fire season begins in Australia, researchers are looking to rely more on technology to find blazes quickly and better predict their path.

A months-long government inquiry into the devastating 2019-2020 fire season in Australia, which killed more than two dozen people and burned an area bigger than Washington state, concluded authorities need to be better prepared and recommended that officials work with the private sector to develop new technology.

"We're still detecting fires with people in towers and binoculars. We've got to move beyond that," said Leigh Kelson, program director at FireTech Connect in Australia, a government-funded effort to help startups develop new firefighting technologies. Firefighters also rely on the equivalent of 911 calls to find new blazes.

The ideas researchers are exploring include fitting drones with lasers that can map dry areas at higher fire risk and whether satellites can detect extreme fire behavior.

Last year was Australia's hottest year on record, according to the government's Bureau of Meteorology, and fires are projected to become more intense and frequent because of



An Attentis sensor detected the reignition of a fire east of Melbourne, according to its maker.

climate change.

Parts of Australia have received more rainfall in recent months, and the current fire season isn't expected to be as severe.

Other regions, including the western U.S. and even in frosty Siberia, have experienced particularly intense fire seasons recently, stretching global firefighting resources and making early detection of fires more crucial.

Fires left unchecked can create their own weather systems, raining embers down on nearby communities and pushing dangerous smoke into big cities and to neighboring countries.

The sensor that picked up the October fire near the timber plantation is one of more than 40 in a network that cov-

ers an area nearly double the size of New York City in Australia's Victoria state. The solar-powered, cylinder-shaped sensors are packed with instruments including optical and thermal cameras, flame detec-

### Researchers rely more on technology to spot wildfires early and douse them.

tors, particle counters for air quality, and ground-vibration readers. The data are publicly available online in real-time.

Attentis Pty. Ltd., a Melbourne, Australia-based company, finished installing the

network in early 2019 as a pilot project to demonstrate the technology. They didn't get much use detecting fires last season because the blazes were too far away.

Cameron McKenna, managing director at the company, said he is in talks to install similar sensor networks to improve fire detection capabilities in other parts of the country. "We use multiple methods of detection as opposed to a single method," he said.

In Canberra, Australia's capital, researchers are working with a local firefighting agency to install video cameras on four fire towers. One tower will also get a thermal camera.

A computer program will scan images from the thermal camera to detect fires, and a person will monitor the other

video feeds.

Researchers plan to develop a computer program to automatically scan the video feeds too, said Marta Yebra, director of the Australian National University Bushfire Initiative. The idea is to determine whether the cameras detect new fires more quickly than the old-fashioned way of a person in a fire tower, she said.

Other ideas involve using drones fitted with lasers to create detailed maps so authorities know which areas have more dry vegetation and present a higher fire risk. One recent effort involved researchers poring over satellite imagery in an attempt to build a model for detecting extreme fire behavior from orbit. They found that changes in smoke colors could help predict fire behavior, according to the Minderoo Foundation, a nonprofit that sponsored the research.

One company, Fireball International Pty. Ltd., says its machine-learning method can detect smoke from ground-based cameras and fires from heat signatures on thermal-satellite images. Its system is already being used by a big power company in California, and Fireball plans to begin pilot programs in Australia this fire season, executives said.

A prototype of the system detected smoke from fires within 15 minutes of ignition, while averaging less than one false positive a day per camera, according to an analysis published in a peer-reviewed journal in January. It said there is room for improvement.

"People are beginning to realize, 'Gosh, we really can detect a fire in the first five minutes,'" said Tim Ball, an academic and co-founder of the company who is also a former firefighter.

## Cheering Chileans Witness Their Last Eclipse in 28 Years



RONALDO SCHEMIDT/AGENCE FRANCE-PRESSE/GETTY IMAGES



ESTEBAN FELIX/ASSOCIATED PRESS



MARTIN BERNETTI/AGENCE FRANCE-PRESSE/GETTY IMAGES

Thousands of people gathered Monday in the Chilean region of La Araucanía, above, to witness a solar eclipse, rejoicing in the rare experience even though visibility was limited be-

cause of cloudy skies.

Skies were clear in northern Patagonia in Argentina, where people also watched the moon block the sun, top left, and plunge daytime into darkness.

Thousands jumped and shouted happily in the drizzle in Chile when the sun was completely covered by the moon and then silence descended for a few moments.

Experts said the solar eclipse was partly visible in several other Latin American countries, as well as parts of Africa and areas of the Pacific and Atlantic oceans.

The next total solar eclipse in Chile is expected in 28 years.

Another is expected to be visible in Antarctica by the end of 2021.

—Associated Press

## WORLD WATCH

### AFRICA

#### U.S. Takes Sudan Off Terror-Sponsors List

The U.S. Embassy in Khartoum said Monday that President Trump's administration has removed Sudan from the U.S. list of state sponsors of terrorism, a move that could help the African country get international loans to revive its battered economy and end its pariah status.

According to a Facebook post by the embassy, Sudan's removal was effective as of Monday. A notification to that effect, signed by U.S. Secretary of State Mike Pompeo, would be published in the Federal Register, it said, adding that the 45-day congressional notification period has lapsed.

Mr. Pompeo said that the removal came after Sudan's transitional government met "the statu-

tory and policy criteria" and charted a "bold new course away from the legacy" of former autocratic President Omar al-Bashir.

Delisting Sudan "represents a fundamental change in our bilateral relationship toward greater collaboration," Mr. Pompeo said.

It also is a key incentive to normalize relations with Israel. The two countries have agreed to have full diplomatic ties, making Sudan the third Arab state—after the United Arab Emirates and Bahrain—to move to normalize relations this year. After Sudan, Morocco also established diplomatic ties with Israel.

Sudan is on a fragile transition to democracy following an uprising that led to the military's ouster of Mr. al-Bashir in April 2019. The country is now ruled by a joint military and civilian government that seeks better ties with the West.

—Associated Press

### RUSSIA

#### Space Rocket Test Is Called a Success

Russia on Monday successfully test-launched its heavy lift Angara A5 space rocket for the second time, military and space officials said.

The rocket lifted off from the Plesetsk cosmodrome in northwest Russia.

"It flies, damn it!" Dmitry Rogozin, head of Russia's space agency Roscosmos, tweeted after the launch.

Its first successful test launch took place in 2014 and was hailed by President Vladimir Putin as "a major achievement for our space rocket industry and for Russia in general."

Angara A5 is designed to replace the Proton M heavy lift rocket, but its development and

manufacturing has been plagued by delays and technical problems.

Roscosmos on Monday touted the increased environmental safety of the Angara rockets, as they "do not use aggressive and toxic propellants, significantly increasing environmental safety both in the areas adjacent to the launch complex and in the drop zones."

—Associated Press

### NIGERIA

#### Forces Search for Abducted Students

Anxiety is growing among the parents of hundreds of students who remain missing three days after gunmen attacked their school in Katsina State in northern Nigeria.

More than 300 students are missing after the attack on the

Government Science Secondary School, a boys' school in Katsina, on Friday night, Katsina Gov. Aminu Masari said.

A joint rescue operation was launched Saturday by Nigeria's police, air force and army, according to the government. The military was in gunfights with the bandits after finding their hideout in the Zango/Paula forest Saturday, President Muhammadu Buhari said.

No group or persons have claimed responsibility for the abduction of the students, the Katsina state governor said after meeting with security officials.

While several groups of bandits are active there, the groups known to kidnap for ransom have links to the jihadist group Boko Haram and its breakaway faction, Islamic State's West Africa Province.

—Associated Press

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## FROM PAGE ONE



## Veterans Homes Hit By Covid

Continued from Page One

Covid deaths. Massachusetts' Holyoke Soldiers' Home was linked to more deaths—at least 76—than any other facility in the state as of late October, leading to criminal charges against two former managers, who both pleaded not guilty.

In New Jersey, the top two nursing homes for Covid deaths were both state-run veterans facilities, including the Menlo Park Veterans Memorial Home, which a Wall Street Journal investigation found is perhaps the deadliest home in the country, with 101 Covid-linked deaths.

At Holyoke Soldiers' Home and Menlo Park, the deaths represent about a third of each home's residents.

The federal Department of Veterans Affairs provides funding to states to manage the facilities, totaling \$1.17 billion last year for the care of around 20,000 veterans a day.

Many veterans homes faced staffing shortages and a lack of tests and protective gear early in the pandemic, like other long-term care facilities. Health-care officials say state-run facilities are, in addition, chronically understaffed.

Residents at nursing homes are already at higher risk of Covid due to their age, medical needs and close living quarters. Residents of veterans homes are even more vulnerable to the virus, which is more likely to kill men. While two-thirds of nursing-home residents overall are women, those in veterans homes are predominantly men.

The Covid-19 death toll linked to long-term care facilities overall in the U.S. has surpassed 110,000, representing more than 37% of the nation's known deaths from the virus, according to a Journal tally.

### Oversight

Veterans homes fall into a regulatory crevice where the usual oversight of nursing homes doesn't always apply. Many facilities that faced deadly outbreaks, including Bill Nichols and the Holyoke Soldiers' Home, don't participate in Medicare and therefore aren't overseen by the nation's main nursing-home regulator, the U.S. Centers for Medicare and Medicaid Services, or CMS.

For those homes, the federal Department of Veterans Affairs is effectively the only national regulator charged with ensuring the facilities provide quality care. The VA conducts annual inspections of all state-run homes through contractors. Veterans homes that do receive Medicare are also inspected by CMS.

After the pandemic hit, CMS replaced its routine inspections for ones focused on infection control. Those outside its control were exempt. Those facilities also weren't required to report cases and deaths to the Centers for Disease Control and Prevention, unlike homes overseen by CMS.

The Government Accountability Office in a July report criticized the federal VA's oversight, charging that it allowed inspectors to cite some failures as "recommendations" over the years and that the agency didn't always track whether nursing homes fixed the problems. The VA said at the time it had taken steps to address the issue.

When asked about the agency's oversight, VA spokeswoman Christina Noel said in a written statement: "Individual states—not the federal Depart-

ment of Veterans Affairs—are responsible for the operation and management of state-run Veterans homes and any problems that arise within them." She referred questions about the homes to state-level officials.

State officials have said they did everything possible to protect residents with the knowledge and resources they had available at the time. "It's something we've never seen before," said Bob Horton, an assistant commissioner at the Alabama Department of Veterans Affairs.

Bill Nichols in Alabama has been cited by state public-health inspectors for deficiencies in past years, including infection or hygiene issues in 2019, 2017 and 2016. An inspection from August 2019 included two deficiencies: verbal abuse, resulting in an employee fired, and a quality-of-care issue involving an employee who didn't administer medication to a resident. The resident was subsequently hospitalized.

### The virus hits

Once the pandemic arrived, family members of residents said Bill Nichols was slow to identify residents who became sick with the coronavirus, with testing delayed by national shortages.

Family members said Bill Nichols didn't sufficiently separate residents who became ill. Some said the home didn't update them on residents' conditions, despite repeated phone calls, and that when testing results did come in, they weren't notified quickly—or at all.

Clarence John Hill Jr. didn't know his father, a resident at Bill Nichols, had Covid-19 until the bill from the funeral home arrived. The diagnosis came the form of a line item: an added fee to transport someone positive for the disease.

His father, Clarence John Hill Sr., had died on May 5 at the home, at age 95, and the news came as a shock.

"Why did it have to happen like this?" asked Mr. Hill. "We didn't even have an opportunity to even say, 'I'll take the chance of catching Covid myself. Let me see my father before he passes away.'"

Scott Hurst, a regional vice president for HMR of Alabama, Inc., the private contractor that operates the facility on behalf of the state, said the home promptly reported Covid-19 cases and related deaths to relatives and caregivers, pending a determination from the Alabama Department of Public Health. He said the facility separated residents as best as it could.

"The staff at Bill Nichols State Veterans Home has been working tirelessly and with the support of so many others caring for our country's veterans during this pandemic," he said. "While we are blessed to have



Top, Clarence John Hill Jr. with his two children and the burial flag honoring his veteran father, Clarence John Hill Sr., pictured top left. The elder Mr. Hill had been a resident at the Bill Nichols State Veterans Home in Alabama, above.

helped many recover, we have also had heroes who have succumbed to this illness."

Bill Nichols, one of Alabama's four state-run facilities for former service members, is in Alexander City, known for drawing fishers and tourists. Securing one of the 150 beds in the home, which has two courtyards and widescreen TVs in the dining rooms, often meant waiting for months.

Its usual roster of activities and visiting hours came to a halt when the facility closed down March 12 as the outbreak grew. Administrators monitored the staff and turned away an employee with symptoms on March 30.

The home's first resident tested positive on April 8, said Mr. Hurst. Cases soon appeared on different floors. On April 18, the governor sent in the Alabama National Guard to spray down rooms, offices and common areas.

### 'We knew'

Herman Hackworth, 74, died four days later in a memory ward on the fourth floor after exhibiting symptoms of Covid-19, his widow, Annie Kynard-Hackworth, said.

They had met five decades earlier, when the 24-year-old rifle infantry marksman had just returned from his time in Korea along the DMZ. He was the son of family friends, and he cut a tall, handsome figure to the 15-year-old Annie.

They started dating after she turned 18. Marriage and three

children followed. Mr. Hackworth worked for General Motors, while Mrs. Kynard-Hackworth became a nurse.

In his later years, Mr. Hackworth's behavior became erratic. One December, Mrs. Kynard-Hackworth prepared Christmas dinner early because she was working through the holidays. She came home from work one day to find he had thrown out all her food in a fit, having forgotten where she was. "He said, 'The next time you go out and stay out all night, you better not come back home,'" she said. "I just broke down. I just sat in the closet and cried."

The diagnosis came soon after: Lewy body dementia, caused by a buildup of proteins in his brain. He entered Bill Nichols in 2019.

One late April morning, Mrs. Kynard-Hackworth got a call that her husband had been sent to the hospital after having trouble breathing.

She spent a few hours calling the floor repeatedly for more information, she said. She got a call from a nurse that afternoon, when he was back at Bill Nichols, suggesting she come see him.

At Bill Nichols, Mrs. Kynard-Hackworth donned protective gear and went with family members to her husband's floor, where she heard wheezing coughs, she recalled. Zippered partitions divided the floor in two.

"The right side where Herman was, these people were supposed to be asymptomatic.

They weren't supposed to have any problems," she said. But as she made a right turn toward her husband's room, she saw he was in respiratory distress. His roommate in the same room was also coughing.

"We knew. We knew it was Covid," said Mrs. Kynard-Hackworth. "I feel like I was deceived until the day I went and saw for myself."

The next day, when Ms. Hackworth angrily called an administrator, the official acknowledged the veteran had tested positive for coronavirus. Mr. Hackworth died later that afternoon.

Mr. Hurst, the company

### 'To fight for this country and you treat them like this. How?'

spokesman, said the home "consistently communicated positive cases of the virus with families" during the crisis and had done everything it could to separate Covid patients from other residents.

Some self-identified employees of Bill Nichols complained in Facebook groups of insufficient personal protective equipment and having to wear the same gowns when going from room to room.

Mr. Hurst said the facility gave staff the protective equipment they needed.

Family members of Clarence Windell Givens said that they learned he had Covid-19 from the workers who took care of him, whom they had gotten to know during their visits, before they officially heard from the home.

A former tank commander for the Army's 9th Infantry Regiment, Mr. Givens often recounted his memories of serving two years in the Korean War during their childhood, his sons said. How days would turn dark with enemy fire. How he was once nearly fatally struck by a mortar round.

Mr. Givens, who had vascular dementia, had moved into Bill Nichols last year. He had a regular checkers buddy and another veteran with whom he'd eat meals and swap stories.

"He loved to talk about military stuff," said son Terence Givens, 61. "We figured with him being in a vet home, he could talk to the other vets that

were there."

His sons feared they could catch the virus and spread it to high-risk family members if they came to visit. They tried to talk to him over video calls, but the home wasn't always able to set it up. "They didn't seem to have the time," said Terence Givens. His father died on April 18.

Bill Nichols said it had made "every effort to respond to the concerns of family members and caregivers."

The state's public-health department reviewed how the facility handled the outbreak, said Mr. Horton, the state veterans official. It found the home acted within the broad guidelines provided at the time by the CDC. A federal VA review done at the same time cautioned the home needed more training on hygiene and use of protective gear.

Alabama's four state veterans homes began using rapid test kits in mid-November to regularly monitor its employees and residents, Mr. Horton said.

### Questions

Some relatives still have questions about how their loved ones were cared for at Bill Nichols.

Clarence John Hill Sr.'s daughter, Lisa Hill, said that the VA called to give their condolences a few weeks after their father's passing. When she asked why Bill Nichols staff had never called to give their family the diagnosis of Covid, she said, the VA told her its understanding was she had been called but didn't pick up.

Ms. Hill remembers getting a generic voice mail from Bill Nichols not long before her father died. But when she phoned back, no one knew what the call was about.

The VA, Ms. Hill said, was very apologetic, saying Bill Nichols could have made a better effort to let her know of his diagnosis. The VA declined to comment on individual cases.

The funeral home asked the younger Mr. Hill to immediately make a decision about whether to cremate his father. He chose to embalm his father so his children and grandchildren could see him one more time.

"He died alone and the next time we saw him he was in a box," Mr. Hill said. "To fight for this country and you treat them like this. How? How can that be right?"

—Christopher Weaver, Lisa Schwartz and Jon Kamp contributed to this article.



Annie Kynard-Hackworth's husband, Herman Hackworth, died in a memory ward at Bill Nichols.

## GREATER NEW YORK

## Health Workers Get First Shot at Vaccine

Initial doses will go to doctors, nurses and other front-line NYC medical employees

By MELANIE GRAYCE WEST

The first Covid-19 vaccination in New York City was administered Monday morning to a nurse at Long Island Jewish Medical Center in Queens, a milestone moment marking a new chapter to end one of the city's darkest moments.

The nurse, Sandra Lindsay, is a critical-care nurse at the hospital, which is part of Northwell Health. The vaccine, manufactured by Pfizer Inc. and BioNTech SE, was administered shortly after 9 a.m. during a live stream from the office of Gov. Andrew Cuomo. Mr. Cuomo's office said it was the first Covid-19 vaccination administered in the U.S. Health-care workers at a NYU Langone Health hospital in Manhattan also received vaccinations Monday. Several other hospitals were expected to begin vaccinating on Tuesday.

Ms. Lindsay, who is originally from Jamaica, said the vaccination didn't feel any different than any other. She said she was relieved to receive the inoculation and hoped the moment marked the beginning of the end of a very painful time in history. She said she wanted to instill public confidence that the vaccine is safe and that her work is guided by science. The West Indian community, she said, is reluctant to take the vaccine and she wanted to encourage the community to follow her lead. She said she had lost family members to Covid-19, and saw "a lot of hurt,



A team of pharmacists arrived with the Covid-19 vaccine at NYU-Langone Hospital in New York City on Monday.

and pain, suffering, death," working in the intensive-care unit of her hospital.

"I'm feeling well, I would like to thank all the front line workers, all my colleagues," said Ms. Lindsay. "We all need to do our part to put an end to the pandemic."

With limited supplies in New York City, only a small percentage of the health-care workforce will get access to the vaccines initially. The first doses are being reserved for doctors, nurses and other front-line health workers who may be exposed to the coronavirus while

care for infected patients.

Mr. Cuomo has said some 170,000 doses of the vaccine would arrive in the state in the first week of distribution.

"This is the light at the end of the tunnel, but it's a long tunnel," he said during the live stream of Ms. Lindsay's vaccination. The state, he said, has been working very hard to deploy the vaccination to facilities. "Trains, planes and automobiles moving this all over the state right now. We want to get it deployed and get it deployed quickly," the governor added.

Another Northwell health-

care worker, Yves Duroseau, chairman of emergency medicine at Manhattan's Lenox Hill Hospital, also received a vaccination Monday. He stressed that the shot is safe, but until New Yorkers can receive the vaccine it is critical to wear masks, wash hands and not gather.

He said he didn't hesitate when asked if he would be among the first to get the vaccine. When asked what he was most looking forward to when life returns to normal, he said "getting back to the gym."

"Everyone has been impacted by Covid in so many dif-

ferent ways," said Dr. Duroseau. "We would just like to get back to a life of normalcy."

The vaccine arrives as the percentage of New Yorkers testing positive for the virus and the number of people needing hospitalization climbs, and as 27,785 people are confirmed to have died of the disease in the state.

On Monday, the governor's office said more than 5,712 people were hospitalized across New York, a total not seen since mid-May. The number of people with newly confirmed cases of Covid-19 since Halloween is more than 267,000, according to

data from Johns Hopkins University. Mr. Cuomo warned that if the trajectory doesn't change, the state could be headed for a shutdown of nonessential businesses. He said there would be new geographic restrictions in Niagara and Oneida counties.

In recent weeks, the governor repeatedly has warned of a hospital surge that could overwhelm the state's health-care system, and requested that hospitals expand their capacity, while tightening procedures to distribute patients across and between hospital systems and even regions, if needed.

Hospital executives in the New York City area have said that the vaccine will play a crucial role in helping to stem a potential wave of worker illnesses should there be a surge of patients this winter.

A survey conducted by the Medical Society of State of New York found that nearly 80% of the state's community and hospital-based physicians plan to get immunized with the Covid-19 vaccine when it becomes widely available.

The same survey, however, found that nearly 70% of physicians estimated that at least half of their patients will receive the Covid-19 vaccine when it is widely available, with 66% of physicians saying that vaccine hesitancy is the biggest obstacle in getting New Yorkers protected against the disease.

Mr. Cuomo said Monday that New Yorkers should take the vaccine.

"Every American has to do their part," the governor said. "It's going to take months before the vaccine hits critical mass."

—Katie Honan  
contributed to this article.

## Indoor-Dining Ban Will Doom Many Restaurants

By CHARLES PASSY

Last year, when chef Nahid Ahmed opened Luthun, his 28-seat contemporary American restaurant in Manhattan's East Village, it was the fulfillment of a lifelong dream. Mr. Ahmed, who has worked in critically acclaimed establishments, had long wanted to make his own culinary statement with an intimate spot that offered a refined tasting menu.

But with Gov. Andrew Cuomo's announcement Friday that indoor dining in the city would be curtailed as of Monday because of a Covid-19 surge, Mr. Ahmed said he is likely to close his establishment. "Right now, it is really uncertain if we will come back," he said.

The situation that Mr. Ahmed faces is one that is likely to be mirrored throughout the five boroughs. Most restaurant owners and operators say they were already struggling to rebuild their businesses after losses

sustained from the springtime shutdown. If anything, they were hoping the state would soon increase the citywide indoor capacity from 25% to 50%.

Now, they are back to zero. And while the city has given restaurants an easier path to offering outdoor dining through its Open Restaurants program, establishments say they are seeing patrons balk at sitting outside as the weather turns colder, even when heating elements are provided.

Delivery and takeout remain another revenue source, though many restaurants say it is only a small piece of their business. And in Mr. Ahmed's case, he doesn't have a to-go option.

As a result of all these factors, many who work in the industry or track it predict a brutal outcome for the city's thousands of dining and drinking establishments, with numerous permanent closures.

"It's going to be devastating, for sure," said chef Daniel

Boulud, whose New York City restaurants include his Michelin-starred Daniel on Manhattan's Upper East Side.

He didn't anticipate closing his restaurants, but he said it could be challenging to maintain his staffing.

Even before Friday's announcement, the city had seen several high-profile dining and drinking spots close during the pandemic—from the craft-cocktail bar Pegu Club to acclaimed chef Thomas Keller's TAK Room.

The 21 Club, a Midtown Manhattan restaurant with a 90-year history and a long list of famous clientele past and present, said last week it didn't plan to reopen "in its current form for the foreseeable future."

Queens Chamber of Commerce Chief Executive Tom Grech said smaller, neighborhood-oriented restaurants will be particularly affected by Mr. Cuomo's latest decision because these businesses might



People ate lunch at Orsay in Manhattan earlier this month before the prohibition on dining inside.

not have the financial resources to ride out the situation. Those are the very restaurants found throughout Queens, a borough known for homey establishments reflecting the many nationalities of its residents.

As it is, the pandemic already has decimated these places, with Mr. Grech estimating that 1,000 of the borough's roughly 6,000 restaurants have closed. He said he wouldn't be surprised if an-

other 2,000 shut in the coming months. Owners "are tapped out," he said.

Mr. Cuomo has proposed some assistance to restaurants. He said Friday the state would extend its moratorium on evicting commercial tenants, which was set to expire Jan. 1. Such a move protects restaurant owners who can't pay any or all of their rent.

Ultimately, Mr. Cuomo and restaurant-industry officials

are looking to the federal government to support these businesses through a multibillion-dollar stimulus program that has yet to be approved by Congress. But without that assistance, Andrew Rigie, executive director of the New York City Hospitality Alliance, a nonprofit trade group, said it is hard to fathom how Mr. Cuomo could have put restaurants in such a vulnerable situation. "It's shameful," he said.

## New York City Likely Will Know Who Will Be Mayor in June

By KATIE HONAN

The next mayor of New York City likely will be determined in a little more than six months' time, with dozens of contenders vying for the job and showcasing their plans to lead the nation's largest city in its recovery from the pandemic.

The mayoral primaries are set for June 22, and the victor of the Democratic race is considered likely to win the November general election in the largely blue city. In the past, the city's primaries were held in September. They were rolled back to June in 2019 to match the primaries for federal elections.

Whoever succeeds Mayor Bill de Blasio on Jan. 1, 2022, will take the reins as the city emerges from a pandemic in which more than 24,000 residents were confirmed or believed to have died from Covid-19. While many New Yorkers are expected to have received a vaccine for the virus by the time the next mayor is sworn in, the city will still likely face a \$4 billion revenue gap, a struggling economy and a central-business district that has been transformed by remote working during the pan-

dem, according to city officials, business leaders and good-government groups.

"The story is Covid and it will always be Covid," Malik Wright, the chief of staff to Bronx Assemblyman Kenny Burgos and the political director for the Manhattan Democratic Party, said.

"We all experienced it, it's a collective trauma, and we're going to be looking for a person who can manage the aftermath of Covid for the next four years."

Twenty-nine candidates, mostly Democrats, have officially registered to run in the race. It is one of the largest fields in recent history, election officials said.

Some contenders are established politicians, including Brooklyn Borough President Eric Adams and city Comptroller Scott Stringer. A few are former high-ranking officials in Mr. de Blasio's administration, including former Sanitation Department Commissioner Kathryn Garcia and Maya Wiley, the mayor's former chief counsel. Others such as Ray McGuire, former Citigroup vice chairman, and Dianne Morales, a former nonprofit executive, have previ-

ously never run for office.

More could still enter the race. On Thursday, Congressman Max Rose, a Staten Island Democrat who last month lost his re-election bid to Republican Nicole Malliotakis, filed paperwork to run for mayor. Former presidential candidate Andrew Yang also is considering a run for mayor and will decide in January, according to

## The winner of the Democratic primary typically wins the November election.

an official close to Mr. Yang.

No clear front-runner has emerged so far, according to political consultants. The field is dominated by Democratic candidates, without any major Republicans in the race yet. The outcome is even harder to predict because this election is set to be the first mayoral race in the city to include ranked-choice voting. The new voting system, which is set to be used in elections in the city from

next year, allows people to rank up to five of their top candidates, with a series of eliminations and recalculation of vote tallies if there isn't an initial winner with a majority of votes.

The City Council is holding hearings to possibly delay the introduction of the system after criticism from some candidates who said voters hadn't been educated enough on the change.

This election is also the first under the city's revised campaign-finance program. Candidates who enroll in it receive larger matching funds than in previous years.

The city's Campaign Finance Board predicts the 2021 election season, which includes New York City Council races and other citywide contests, could cost about \$70 million. The 2017 election, which had fewer candidates, cost about \$16.5 million, records show.

The pandemic also has shifted how candidates campaign. Candidate forums have moved from community centers to sessions on Zoom Video Communications. Many announcements have been made virtually. During the height of the pandemic in the city last spring, some candi-

dates shifted from soliciting campaign donations to raising money for local charities.

Politicians who previously made subway visits and in-person rallies part of their campaigns have switched to other ways to woo voters, including holding virtual house parties.

Tom Wright, president of the Regional Plan Association, said the city would benefit from the large field of mayoral candidates as they will spur serious conversations about the city's future. His organization's focus for next year is on affordable housing and homelessness, issues that have been exacerbated by the pandemic.

The city's real-estate industry has been upended as well, with a moratorium on tenant evictions since the spring that is set to end in the coming weeks. Rents in some parts of the city have dropped, while some New Yorkers have left for the suburbs. Meanwhile, workers have been slow to return to offices in Manhattan.

"We're expecting the first six months of 2021 to be a really robust discussion and debate on what the city needs coming out of Covid," Mr. Wright said in an interview.

Julie Samuels, executive director of TechNYC, an industry group that works with the city's largest technology companies, said voters will want a mayor who can communicate to New Yorkers just how challenging the next few years will be.

Many companies, especially those in tech, have shifted to more remote work. To ensure workers return, the next mayor must improve quality of life, address public-safety concerns and support local businesses, she said. "We all are going to have to be part of the solutions."

## CORRECTIONS &amp; AMPLIFICATIONS

Jessica Mates, chief of staff to Manhattan Borough President Gale Brewer, was at a Dec. 13 concert at the Cathedral Church of St. John the Divine during which a shooting occurred. An article Monday incorrectly said Ms. Brewer also was in attendance.

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

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A child receives a flu shot. Covid vaccines aren't yet available for young kids.

### What needs to happen before a vaccine for children will be authorized?

The timetable on producing vaccines for children and adolescents will depend on the type of studies done.

Experts say efficacy studies in children don't necessarily need to be done. Rather, when vaccines exist for adults, companies often do studies demonstrating safety in children and what are called "bridging" studies demonstrating that the immune response in children is similar to adults. But a spokeswoman for Pfizer said their studies in adolescents and children are not bridging studies. The adolescents are part of the current Phase 3 study; a planned under-12 study would involve a different formulation and dose so will require a new safety and efficacy study.

Stanford's Dr. Lee, a member of the CDC's Advisory Committee on Immunization Practices, which makes recommendations on vaccines once they're authorized for use, says she wants to see both safety and some efficacy data on the vaccine in children.

### Are side effects a concern in children?

Despite the fact that the vaccine has been tested in tens of thousands of people, unexpected side effects can still surface. On the first day that the U.K. started vaccinations, two people suffered allergic reactions. That prompted the U.K.'s health regulatory agency to advise those with a history of significant allergic reactions to vaccines, medicine or food to hold off on receiving the inoculation for now.

Some doctors say there is a possibility, particularly with the novel type of vaccines produced by Pfizer and Moderna using messenger RNA, that side effects such as fever, fatigue and headaches seen in adults may be more pronounced in children. Dr. Pavia says mRNA vaccines trigger side effects in part through the innate immune system, which is more robust in younger children.

Studies need to be done in children so physicians can educate parents and children about what to expect in terms of side effects, particularly because the vaccine will likely require boosters and they don't want families to be scared off by strong reactions. Side effects are a sign that the vaccine is working and the immune system is doing its job, doctors say. Even if the side effects are similar to Covid-19 the vaccine can't cause Covid-19 and those side effects shouldn't pose the same potential serious health effects as the coronavirus.

Cody Meissner is a professor of pediatrics at Tufts Children's Hospital and a member of the federal advisory board that makes recommendations to the U.S. Food and Drug Administration. While he strongly agrees that a vaccine is needed for children, he would first like to wait and see how vaccination goes with the millions of adults about to get it, reasoning that the lower risk of severe disease in children changes the risk-benefit calculation. "If by early 2021 we don't see any surprises, then that's a firm basis by which to look at adolescents and young children," he says.

## An Uncertain Timeline for Kids' Vaccine



**YOUR HEALTH**  
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**W**hen will Covid-19 vaccines be available for children, and will they be safe?

Parents are asking those questions as the first Covid vaccine authorized for adults and older teens begins to roll out across the country. But the timeline for younger children is still unclear. Here's what parents need to know.

### Why isn't a vaccine available for children yet?

Researchers have yet to begin clinical trials in children under 12; trials in teens have just recently started. It's not unusual in drug development to test adults first: New drugs and vaccines are often tested on adults before children, whose bodies are still developing and can have different responses to medication. In the case of Covid, adults are also generally

more at risk for severe complications. Covid vaccines for younger children especially may require different dosage levels or formulations than the adult versions. Kids generally can't get the vaccine until it is authorized for their specific age.

The result is a delay in children having access to the vaccine, creating uncertainty over whether kids will be vaccinated before the start of the 2021 school year.

### Why is it important for children to be vaccinated?

A delay in vaccinating children could slow down the country's ability to reach herd immunity, the point at which enough people are immune to a disease to make its spread unlikely. Studies estimate about 75% to 80% of the U.S. population needs to be immune to Covid-19 to reach herd immunity.

"It would be very, very difficult for us to reach herd immunity before vaccines are available to younger individuals," says Michael Mina, an epidemiologist at the Harvard T.H. Chan School of Public Health.

In general, children don't get as

seriously sick from the new coronavirus at the same rates as adults do, notes Roberta DeBiasi, division chief of Infectious Diseases at Children's National Hospital in Washington, D.C. But cases in children are rising, with more than 1.4 million U.S. children infected so far, according to the most recent estimates from the American Academy of Pediatrics and Children's Hospital Association. "They clearly are spreading the virus to vulnerable adults, grandparents and health care workers, so it's really important that children are vaccinated," says Dr. DeBiasi.

And children themselves have become seriously ill or died from the virus. Children need to be vaccinated to prevent hospitalizations and rare but serious complications such as myocarditis or multisystem inflammatory syndrome (MIS-C), a hyperinflammatory response to the new coronavirus.

"I have still seen really sick kids come into our hospital," says Grace Lee, a professor of pediatrics at Stanford University School of Medicine.

### How does a delay in vaccinating kids affect the need to continue taking Covid precautions?

Until herd immunity is reached, measures like social distancing and masking will need to remain in place, even for those who have been vaccinated, experts say. That includes in schools. "We're still in

a long haul with schools," says Dr. Mina.

### Does Covid severity vary depending on kids' age?

Rates of infection, transmission and serious illness from Covid-19 appear to increase as children get older, research has shown. "I think it was a mistake not to move more quickly on adolescents," says Andrew T. Pavia, chief of pediatric infectious diseases at the University of Utah. "They get sick with the virus more so than younger kids and are important in transmission."

### Are companies starting to test vaccines in children?

Pfizer and its German partner BioNTech started testing their vaccine candidate in children 12 and older in the fall. A Pfizer spokeswoman said they expect full safety and efficacy results for adolescents ages 12 to 17 in early 2021. They

are working with regulators on a pediatric study plan for younger age groups which will potentially require a modified formulation or dosing schedule, she said.

Moderna, working in partnership with the National Institute of Allergy and Infectious Diseases, is finalizing a design for a trial in children under 12, which they anticipate launching in the first quarter of the year.

A spokeswoman said they hope to have a vaccine for adolescents by the start of the 2021 school year.

### Researchers have yet to begin clinical trials in kids under 12; trials in teens started recently.

## The Race to Boost Home Covid Tests

BY BRIANNA ABBOTT

**W**hen an at-home Covid-19 test finally arrives at your doorstep, you may need to unlock the results on your smartphone.

As diagnostic companies move to bring Covid-19 tests into people's homes, some developers are planning to pair the tests with digital tools and smartphone apps. The tools will be able to walk the user through the testing process or in some cases report results directly to health authorities.

"We have to make this so easy that you can't help but do the right thing," said Thomas Grys, co-director of microbiology at the Mayo Clinic in Arizona. He is working with health-care technology company Safe Health Systems, which has designed a digital platform to aid in at-home testing.

Covid-19 tests that can provide faster, cheaper results are becoming more common in settings such as nursing homes, schools and doctor's offices. Mailable test kits

also allow people to collect their own samples at home and ship them off to be processed in labs. Yet Covid-19 tests that can be performed and processed entirely at home are still likely weeks or months away.

The FDA authorized the first such at-home Covid-19 test from Lucira Health in November, but the test won't be available nationally until the spring and requires a doctor's prescription, the company said. A handful of other at-home test-makers have submitted their tests for authorization, but Lucira's is the only at-home test cleared by the agency so far.

For months, doctors and public health authorities have been calling for tests that quickly and easily diagnose patients from anywhere. Some are pushing to deploy the tests for screening people without symptoms to reduce silent transmission, as Covid-19 continues to surge across the U.S.

Around two dozen companies are racing to bring Covid-19 testing into homes. Some, like Lucira's test, search for the virus's genetic material, while others hunt for the virus's proteins. For many of the tests, a person would use a short nasal swab to collect their own sample and insert it into a box-like analyzer or cartridge, waiting up to 30 minutes for a result.

The basic technologies to analyze the samples have already been



put to use in the rapid tests deployed in doctors' offices and nursing homes. To market a test for at-home use, test-makers must pass the FDA's bar for authorization.

The agency says the tests should be easy enough for a lay person to use and interpret at home. User mistakes could lead to inaccurate results, and the tests already won't be as precise as those run in a lab. The FDA also recommends that test-makers have a plan for reporting results, so health authorities can respond to positive cases and keep track of where the virus is spreading.

Federal officials are taking steps to encourage better data

capture for tests done outside of the lab. On Nov. 16, the FDA and Department of Health and Human Services launched a weekslong competition for designers to submit digital health tools to help enable data capture and reporting from "at-anywhere" Covid-19 tests.

Companies working on software platforms say that they will be secure and adhere to medical privacy regulations. Privacy is likely to be a concern for some people, public health experts say. Such skepticism has in part slowed the adoption of contact-tracing apps.

Most companies working on mobile apps have developed features to show people how to set

### Gauss's app scans the rapid test and uses AI to interpret the results.

up the test or collect a sample. Cue Health has "invested a lot in instructional videos," said chief executive Ayub Khattak. The device, which has already been deployed in nursing homes and the National Basketball Association bubble, connects to the company's mobile app via Bluetooth. It isn't currently authorized for at-home use and it's not clear when that might happen.

Gauss Surgical, a health care AI company, has partnered with biotechnology company Cellex on an at-home Covid-19 test that would require a smartphone. They have submitted their test for FDA review. A user would snap a photo of the colored lines that appear on the testing device with their smartphone. An algorithm would help the user interpret the result.

Lucira Health's test isn't digital, but the FDA is requiring the company to either design a mobile app or a website within four months to enable better reporting to public health authorities.

An at-home test from digital diagnostics company Ellume would transmit the results from the testing device to a person's phone via Bluetooth as well. The results couldn't be accessed without a smartphone. The company has applied to the FDA for at-home use authorization.

## PERSONAL JOURNAL. | HEALTH &amp; WELLNESS

WHAT'S YOUR WORKOUT? | JEN MURPHY

## Using Fitness and Food To Fight Stress's Toll

An executive with Crohn's disease is vigilant about diet and exercise



Brian Harris, above, stretching at the gym, exercises regularly and eats healthy meals, top right, prepared by his husband Paul Villaflor.

Pandemic-induced stress has affected everyone differently, but it has the potential to be particularly debilitating for Brian Harris. He suffers from Crohn's disease, an inflammatory bowel ailment that can flare up amid stress. Exercise has been a lifeline for Mr. Harris, who is 48 years old. When his gym closed temporarily in March and he couldn't meet with his personal trainer, his husband Paul Villaflor stepped in.

Mr. Villaflor, 36, has a personal-training background and in the early days of the pandemic, designed workouts the couple could do together. "I had to get creative," he says. "We didn't have weights but we did have a water rowing ma-

chine and that provided resistance for upper-body work." Mr. Harris says when he feels overwhelmed, Mr. Villaflor pushes him to make time to work out.

Mr. Harris works in business development, mergers and acquisitions for a San Antonio financial-services company and Mr. Villaflor has been instrumental in managing his husband's stress over the years. "I was averaging 70- to 80-hour work weeks since I was 28," Mr. Harris says. "And 18- to 20-hour days are the norm when I need to get transactions across the finish line."

For years he let the pace of his job drive his life. "I didn't focus on eating well or working out and I suffered the consequences," he says.

Mr. Harris, who was diagnosed with Crohn's at age 17, used to have three to four major episodes a year. As an adult, he was ending up in the hospital at least once a year. "I knew something had to change," he says.

In 2015, shortly after he met Mr. Villaflor, he consulted with a doctor who urged Mr. Harris to revamp his diet. Mr. Villaflor, who had been working in retail, quit his job to stay home full-time and manage everything from meal prep to working with Mr. Harris's chief of staff to ensure work lunches had healthy options. "At first it felt like it took a village to keep him healthy," jokes Mr. Villaflor. "His diet was pretty strict—no spice, no heavy dairy, no roughage."

Mr. Harris also adopted a fitness



## THE DIET

**Breakfast of Champs:** Egg whites and turkey bacon on a Thomas' plain Bagel Thins.

**Shopping routine:** Mr. Villaflor hasn't been to a grocery store since March. He shops online and does curbside pick-up at his butcher and seafood store. "I take pride in sourcing the best ingredients," he says.

**Snacks:** All-natural fig bars and

homemade oatmeal balls. **Dinner ritual:** "Six ounces of protein with a side of sautéed or baked vegetables."

**Won't touch:** Fast food or processed foods.

**Splurge:** Chocolate and red meat. "If I eat red meat more than once a week, Paul gives me a knowing look because my stomach will be upset," says Mr. Harris.

regimen that included 4:30 a.m. training sessions at the gym five days a week. The dedication paid off: He hasn't had a flare-up since 2015, he says. Annual physicals showed he was gaining muscle mass. He has been able to maintain his fitness throughout the pandemic. This year, the doctor told him his body age, a measure of how old you are based on health and fitness levels, was 28.

## THE WORKOUT

Even though Mr. Harris has been working from home since March, he has maintained his early-bird exercise routine. His alarm sounds at 3:30 a.m. By 4:15 a.m. he is on his yoga mat following different routines on the app Down Dog. He then spends an hour strength training, devoting days to each of the major muscle groups, such as legs or chest. The couple bought a Peloton bike in July and Mr. Harris is a fan of the company's 20-minute ab classes.

He pays attention to stretching—something he typically skipped when he was rushing out the door to commute to work. "Yoga and stretching have made a huge difference in the way my body feels," he says. "I thought the big knots were normal, but now I realize recovery is just as important as the training."

When Mr. Harris couldn't see his trainer, Mr. Villaflor created a workout using the handle of their rowing machine to create resistance while performing shoulder raises, shoulder presses, triceps extensions, biceps curls and isolated back pulls. He leverages the seat in different ways to do exercises including Bulgarian split squats, knee tucks and pikes. The two men would do push-ups with their hands on the seat, which forced them to engage their core to prevent the seat from sliding. In late May, Mr. Harris and Mr. Villaflor resumed sessions with their personal trainer.

The couple took up tennis during the pandemic and now, instead of cycling for two to three hours on the weekend, they spend up to six hours playing tennis on a friend's court. "It's a different kind of cardio," says Mr. Harris. Cycling is just forward and back, but the lateral movement required in tennis is more functional, he says.

The men's competitiveness has helped each of them stay accountable throughout the pandemic. "If I rode the Peloton for 15 minutes and see he did 20—well, tomorrow, I'm going for 20 minutes," Mr. Villaflor says. "And if he's hitting harder in tennis it drives me to hit harder. We're always trying to keep up with each other."

## A Hands-Off Approach

Continued from Page One  
germy fingers away from our faces to help dodge Covid, breaking the unconscious habit is tough.

"Once you become aware of how often you do it, you can come up with some substitute behavior," says Hinda Dubin, a psychiatrist and adjunct assistant professor at the University of Maryland School of Medicine.

Dr. Dubin suggests holding a rubber band or stress ball to keep hands occupied—or sitting on them. Applying perfume or scented lotion to hands can also make you more alert to when they are nearing your face, she says. If your hands keep brushing your hair off your face, try a ponytail or a trim. Dry eyes that beg to be rubbed might require wearing glasses more often instead of contacts. "Find the triggers," Dr. Dubin says.

John Mongiovi, a hypnotist based in New York, uses direct commands in a free hypnotic recording he made to help people keep their hands off their faces. "You do not touch your face with dirty hands," his deep voice repeats over a slow dance beat. "You never touch your eyes, your nose, or mouth."

Mr. Mongiovi says he wrote the meditation in iambic pentameter so the rhythm would help people relax during the seven-minute, 15-second

recording. Long before the pandemic, many of the problems his clients sought help for involved hands coming to the mouth, such as smoking, overeating and nail-biting. In recent months several clients have needed help with these habits returning, caused by increased stress, Mr. Mongiovi says.

For them, he sometimes makes custom recordings that focus on interrupting the hands coming to the mouth. "You notice any urge to touch your face, and suddenly your arms and hands feel heavy and calm," he says.

Before the pandemic, NoSweat Performance Inc. liners were mainly promoted for athletes to absorb perspiration inside caps, visors and helmets. But seeing health-care workers struggle with forehead irritation caused by plastic face shields, NoSweat executives decided to start manufacturing liners that would fit inside personal-protection equipment. Absorbing sweat helps keep the shields from fogging and reducing skin irritation and discomfort helps keep medical workers' hands from their faces, says NoSweat Chief Executive David Holt.

Now, NoSweat highlights how its liners "eliminate the need to touch/wipe the face," including those for construction hard hats, sun visors,



hockey and bike helmets and baseball caps.

Sales of HabitAware's Keen device, which costs \$129, are up 50% since April compared with the year-before period, boosted in part by people seeking technology to help stop touching their face, the company says. The device resembles a fitness watch and before the pandemic was sold as a tool to curb hair-pulling, skin-picking and nail-biting.

Keen first records the user's unwanted gesture—including wrist angle, position, motion and speed—to

recognize the repetitive movement. Once that gesture is recorded on the device, whenever the user does it, the bracelet vibrates as a reminder to stop. The device syncs with an app to track behavioral patterns and progress, and a button initiates a deep-breathing exercise so users can replace their unwanted behavior with a healthy one, the company says.

Sales also grew because the stress of the pandemic caused more people to seek relief from the repetitive habits the device was originally intended for, says Aneela Idnani, the company's cofounder.

"The parallel of face-touching to these other behaviors is this idea that you can't just stop because you don't know that it's happening," she says.

Kristin Damian's anxiety about transferring germs from door handles, light switches, ATMs and her office park's security-code buttons to her hands and face motivated her to start manufacturing "touchless keyrings" this spring.

The large acrylic keys come with a heart-shaped handle and can be used to push buttons or pull open lever door handles. They come in rainbow colors similar to the cheery aesthetic used throughout Ms. Damian's sticker and accessories company,

Krissyanne Designs. "Covid isn't very fun—if we could add a little bit of fun in your day, good," she says.

Kay Ball, a surgery nurse and adjunct professor of nursing in Lewis Center, Ohio, for 45 years has been professionally committed to keeping her hands from her face and has trained students to do the same. Nevertheless, she still thinks of herself as a "face-toucher" and suspects that was how she contracted Covid-19, for which she was hospital-

**'You do not touch your face with dirty hands,' a hypnotist repeats over a slow dance beat.**

ized in April. "Who knows how I got it, maybe I got it at the store, I may have touched something and touched my face," she says.

Now, whenever she shops she keeps her hands planted on the cart—wiping the handle with hand sanitizer first, a bottle of which she keeps strapped to the outside of her purse—and sometimes also wears surgical gloves to be more aware of what she is touching. She catches herself touching her face most often when she is tired. "You're yawning and you automatically put your hand in front of your mouth," she says. "You just have to continually remind yourself 'do not touch your face, do not touch your face,' even though I still catch myself touching my face."

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# ARTS IN REVIEW



"Another Day" he switches up his flow, skipping across vowels like they're stones in a creek with a curling melodic cadence that brings to mind Jamaican dancehall. "She Knows This" and "Show Out" bring the floor-vibrating low-end of the au courant rap subgenre drill into the mix (a hook from Pop Smoke, the most prominent figure in Brooklyn drill, on the latter makes the genre nod explicit).

This is gorgeous stuff. The more upbeat tunes present the allure of partying and the temptations that accompany it, while the slow-rolling arrangements are perfect for a late-night drive on an empty stretch of road. But Mr. Mescudi's lyrics paint only with the broadest strokes—in the chorus of "Another Day" he's feeling the "same old pain," while on "She Knows This" he shuts down an interaction with "you can't judge me, babe, I'm



Kid Cudi performing at Coachella in 2019; his new album, 'Man on the Moon III: The Chosen,' is out now

MUSIC REVIEW | MARK RICHARDSON

## Making Problems Tuneful

Kid Cudi's latest album offers his usual self-reflection held aloft by gorgeous melodies

Cleveland-born rapper Scott Mescudi, aka Kid Cudi, has more than enough music-industry accomplishments to call him a major star—Grammy Awards, platinum albums—and yet it's also fair to describe him as a cult artist. Because while he's been embraced by the broader listening public, there's an unusual intensity to the connection he has with his most devoted fans. The strength of that bond owes a lot to his willingness to make his emotional travails the focal point of his work. Beginning with his 2009 debut album, "Man on the Moon: The End of Day," Kid Cudi has portrayed himself as an artist of rare vulnerability. His persona, that of a depressed and lonely man self-medicating with potent marijuana and other intoxicants, appealed to the listeners

who shared his anxiety. Besides his bond with his audience, Mr. Mescudi's cult status owes something to his wild inconsistency. His artistic gifts include melody—he sings and raps—and a sharp ear for production, but his writing can be dull on a line-by-line basis and he has trouble assembling coherent album-length statements. In addition he sometimes follows his muse down blind alleys—he's indulged his fondness for grungy alternative rock in both a misfired side project (the 2012 self-titled record from his duo WZRD) and a dreadful and unbearably long release under his own name, 2015's "Speedin' Bullet 2 Heaven." His just-released seventh LP, "Man on the Moon III: The Chosen" (Republic), avoids these fatal pitfalls and is one of his most engaging albums from end to end.

Ostensibly, Mr. Mescudi reserves that lunar title for his most personal music. "The Chosen," like its predecessors ("Man on the Moon II: The Legend of Mr. Rager" came out in 2010), groups songs in acts with a narrative arc that suggests conflict followed by redemption. And there's been plenty happening in his life since the release of his last solo album, 2016's bleak "Passion, Pain & Demon Slayin'." That year, he entered rehab, and many songs on the new LP are about coming to terms with substance abuse. The good news for those put off by the extreme length and desolate mood of his past two solo records is that this one is comparatively brief (58 minutes) and features some of the best production of his career. Executive produced by Mr. Mescudi and his regular collabora-

tor Dot Da Genius (born Oladipo Omishore), "The Chosen" is sonically lush and musically varied without straying too far from its core sound—moody synths, heavily processed vocals, and the skittering percussion of trap. This musical backdrop helps compensate for the album's lyrical shortcomings—for all its harrowing subject matter, his words can be frustratingly vague and light on emotional insight. After a short introductory track, "Tequila Shots" drops us into the action and introduces the theme that dominates the record's first act—that even when one is committed to sobriety, the allure of oblivion is difficult to shake. "Lotta demons creepin' up," he raps at one point, later adding "Can't stop this war in me" on the chorus. The beats are crisp and forceful, and the synths float and shimmer. On

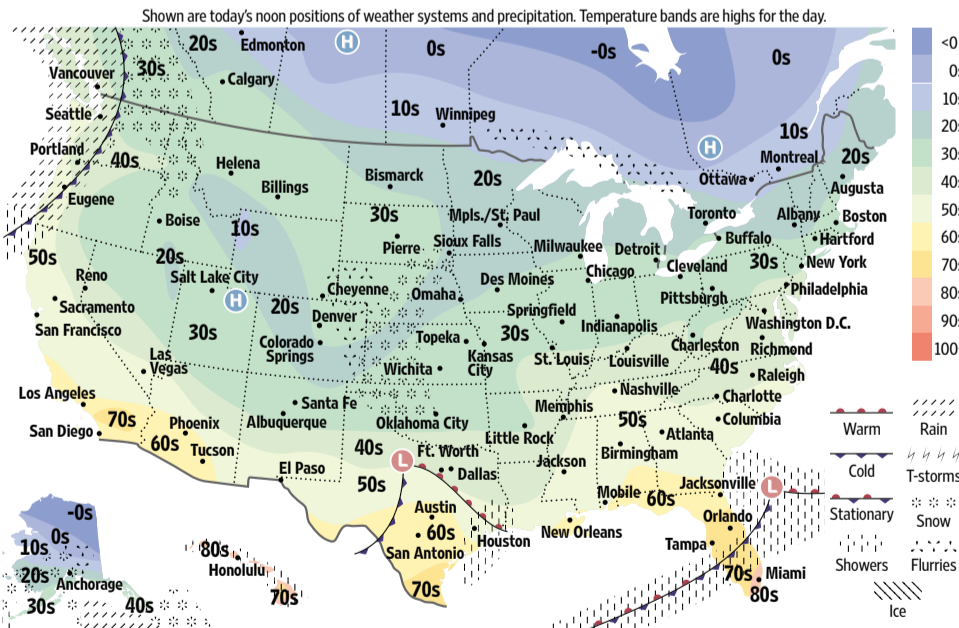
twisted in the brain." He conveys the ache of his interior state without grounding it in anything concrete.

As one might expect, the album's back half offers a reckoning and a kind of absolution, though the narrative doesn't move in a straight line. The lovely "Elsie's Baby Boy (Flashback)," built around a warped sample of the guitar from the Animals' "House of the Rising Sun," tells the story of the rapper's childhood, including his father's death, with refreshing specificity. "Lovin' Me," which has an appealing clattering beat and a strong cameo from indie-folk singer Phoebe Bridgers, is about finding inner resolve amid turmoil.

In an interview with Apple Music's Zane Lowe, Mr. Mescudi said he views his music as "one big S.O.S. to the world, to see who out there connects with what I'm saying." That notion informs "4 Da Kidz," the record's penultimate track. It's a direct address to fans who struggle with mental health and it gets at the essence of his work, how his appeal to those who are hurting can make them feel less alone, even when he doesn't express himself artfully. For those not attuned to the Kid Cudi aesthetic or those who might find the record's extreme inward obsession off-putting, "Man on the Moon III: The Chosen" is musically satisfying enough.

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

### Weather



### U.S. Forecasts

Table with columns for City, Today (HI, LO, W), and Tomorrow (HI, LO, W). Lists major cities like Anchorage, Atlanta, Austin, Baltimore, Boston, etc.

### International

Table with columns for City, Today (HI, LO, W), and Tomorrow (HI, LO, W). Lists cities like Amsterdam, Athens, Baghdad, Bangkok, Beijing, Berlin, etc.

### Today Tomorrow

Table with columns for City, Today (HI, LO, W), and Tomorrow (HI, LO, W). Lists cities like Frankfurt, Geneva, Havana, Hong Kong, Istanbul, etc.

### The WSJ Daily Crossword | Edited by Mike Shenk

Crossword puzzle grid with numbers 1-70 and black squares indicating non-letter positions.

- 67 Subterfuge
68 No longer on the plate
69 Back
70 Notice
Down
1 "\_\_\_ it romantic?"
2 Precious
3 "Whoa, careful!"
4 Spirit
5 EMT technique
6 Lend a hand
7 Public square
8 Like the heir to the throne, usually
9 Snapchat or TikTok
10 Cross-referencing phrase
11 Sports venue
12 They're often in front of the percussion section in an orchestra
13 Little map on a big map
18 "Somebody needs \_\_\_" (comment from Mom)
22 Rural refusal
25 Equine gait
26 Art supporter, sometimes
27 \_\_\_ Raton
28 It's spendable but not bendable
30 1991 Oliver Stone movie
32 Bit of ointment
34 Revels
35 Turkey destination
36 Kylo \_\_\_ of "Star Wars" films
38 Heaps
39 Ancient mariner
40 Egyptologist's find
43 Rectangle often decorated with hued letters
45 Many Gallaudet students
47 Mined material
48 MVP of the third Super Bowl
50 Creator of the Munchkins
51 Refinement of movement
52 Astrological scales
53 Chance to swing
54 Fish dish
58 Roughly
59 Russian refusal
61 Common banknote
63 Hither's counterpart
64 Wallowing medium

### A REFLECTION | By Alex Rosen

- Across
1 Inventor's springboard
5 Magician's accessory, maybe
9 Beer brand from Japan
14 Wax closure
15 Pharmacy unit
16 Argentine president overthrown in 1955
17 Demographic shorthand for a middle-aged, working-class man
19 Jury members
20 Check for size
21 Buddhism branch
23 Hathaway of "Les Misérables"
24 "I had such a great time!"
28 New Age author Deepak
29 Uncommon banknotes
30 McHale of "Community"
31 Long in the tooth
33 Peach or lime, e.g.
37 Tree with needles
38 State capital that began as a railway terminus
41 "Don't believe \_\_\_ had the pleasure"
42 Show subservience
44 Scary shout
45 Reindeer in "Frozen"
46 Day's midpoint
49 Sleep inducer since 1992
51 Product with OdorShield and LeakGuard protection
55 Classic hotel name synonymous with luxury
56 Member of the Aussie avifauna
57 Intersection's counterpart, in set theory
60 Main monk
62 Imbalance, or, parsed differently, kind of balance shown by the circles
65 Origami bird
66 Commandments pronoun

Previous Puzzle's Solution grid with words like REPS, EYER, LORDS, BRAT, ROTTE, AVERT, etc.

Solve this puzzle online and discuss it at WSJ.com/Puzzles.

SPORTS

The Eagles Are Chasing a Data Revolution

The inefficiencies the team exploited during a Super Bowl run are now the efficiencies behind the NFL's booming offenses

BY ANDREW BEATON

The Philadelphia Eagles were the toast of football three years ago. It wasn't just that they won the Super Bowl. It was how they won the Super Bowl.

In the 2017 season, they were a preview of what the NFL might look like in a few years. They went for it on fourth downs and ran a progressive offense. They beat the New England Patriots in the Super Bowl with their backup quarterback, Nick Foles, after their MVP-caliber quarterback, Carson Wentz, got hurt at the end of the regular season.

In the 2020 season, the Eagles are a window into how dramatically and rapidly football has changed in those few years. They show how the fortunes of one team can change swiftly and how much the game has evolved around them. The inefficiencies the Eagles once exploited are now the efficiencies behind booming offenses across the league—with Philadelphia left to adapt and catch up.

This was never clearer than on Sunday, when the Eagles benched Wentz to start rookie Jalen Hurts in a decision that would have once been nearly unthinkable. The change produced an upset win over the New Orleans Saints that could save Philadelphia's longest season in the weak NFC East.

Just three years ago, Hurts was a star quarterback at Alabama. He hadn't yet been benched in that season's national championship, and he hadn't transferred to Oklahoma. The Eagles, like Alabama, had not one, but two quarterbacks that made the rest of the league jealous.

Wentz had emerged as the sensation of the 2017 NFL season until he tore his ACL in December. When he went down, Philadelphia was the rare contender prepared with a legitimate backup plan. Nick Foles stepped in and the rest became part of football lore: Foles threw three touchdowns in the Super Bowl, he caught another on "Philly Special," and Philly fans were actually happy about their football team for once.

But it wasn't just the Eagles' two quarterbacks that dazzled the football world.

It was how they played football. They ran a contemporary offense and executed data-based strategies. They threw the ball frequently on early downs, they went for it aggressively on fourth downs and they deployed run-pass option plays



Above, Eagles quarterbacks Carson Wentz and Jalen Hurts stand together in the huddle. Left, Eagles coach Doug Pederson is on the hot seat this season.



that were still seen by many teams as a college-level gimmick.

The Eagles were the ultimate illustration of how smart NFL teams should be operating but in most cases weren't. Philadelphia's coach, Doug Pederson, was a disciple of offensive wizard Andy Reid. He was also open-minded enough to let analytics staffers advise him on in-game decisions and trust the wisdom of data over gut instinct. The Eagles converted a league-high 17 fourth downs in 2017.

"It can be overwhelming, quite honestly, with the amount of numbers and things that come in," Pederson said that season. "I pay attention to what can help me make

better decisions on game day."

Fast forward several years, and those same characters are in remarkably different positions.

Foles was benched by the Jacksonville Jaguars last year and the Chicago Bears this year. Wentz was benched for Hurts. Pederson, just a short-time removed from delivering Philadelphia its first-ever Super Bowl, suddenly found himself on the hot seat with a team that was 3-8-1 entering Sunday's game against the Saints. (Andy Reid, Pederson's mentor, last year won the Super Bowl with the Kansas City Chiefs.)

There were plenty of Eagles-specific reasons for their decline.

Wentz's play has deteriorated, the offensive line has deteriorated even more and the talent at the skill positions has waned.

Yet the Eagles' struggles could also be viewed against the backdrop against the league as a whole.

Other teams had begun to play like the Eagles once did, with run-pass options and fourth-down attempts becoming more and more standard.

In 2017, NFL teams went for it 12.5% of the time on fourth downs. In 2020, that's up to 19.1%. That means offenses are going for it 52.8% more frequently than they did just a few years ago.

Quants had grown hoarse yelling about this idea. The numbers backed the seemingly basic notion that offenses with a good chance to keep the ball and try and score a touchdown should do that instead of willingly giving it back to the other team or settling for a chance at three points.

Today, teams aren't just going for it on fourth downs when they're behind and desperate. They're doing it more and more situations when the numbers simply say it gives them a better chance at winning.

When the Kansas City Chiefs were up six late against the Miami Dolphins on Sunday, they went for it on fourth-and-1—allowing Patrick Mahomes to complete a 22-yard pass that set up a field goal and

helped seal a win.

Earlier in the day, the Tennessee Titans faced fourth-and-2 in the first quarter in their own territory, up seven points. They ran a fake punt and got the first down.

On Sunday afternoon, Hurts took the field for his first NFL start. Hurts once wasn't seen as much of an NFL prospect. He was benched at Alabama in the middle of the national championship for Tua Tagovailoa, who's now Miami's rookie quarterback, before thriving at Oklahoma. His numbers backed his abilities, but he was seen as a prototypical college-quarterback—not an NFL one. It made sense when a team steeped in numbers, the Eagles, splurged on him with a second round pick despite having Wentz, an entrenched starter.

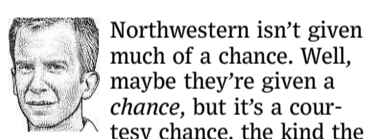
Hurts had one edge on Wentz, though: speed. One of the biggest changes over the last several years had been NFL quarterbacks starting to use their legs more than ever, and this was somewhere Philadelphia had fallen behind. Wentz's stoniness in the pocket had led him to take more sacks than any other quarterback this season.

This time, the Eagles were catching up to the rest of the NFL and not vice versa. It ended with Hurts throwing for 167 yards and a touchdown, running for 106 more yards—and leading the Eagles to a win that snapped a four-game losing streak.

FROM TOP: KYLE ROSS/CON SMU/ZUMA PRESS; MURPHY GASH/ASSOCIATED PRESS

JASON GAY

Northwestern Football Versus the World (And, More Alarming, Ohio State)



Northwestern isn't given much of a chance. Well, maybe they're given a chance, but it's a courtesy chance, the kind the cashier gives with a Powerball ticket—an "anything can happen" chance, because we're supposed to be a polite society, and that's the sort of optimism the civilized among us project. The Wildcats have been invited to participate in a football contest this upcoming Saturday, and in the football contest, they could score more points than the Ohio State Buckeyes. Theoretically, it could occur. Crazy happens! It does. Sometimes.

But really, no, absolutely not. No. Don't be absurd. Right?

When 6-1 Northwestern plays 5-0 Ohio State on Dec. 19 in Indianapolis for the Big Ten Championship, there is little expectation that the No. 14 Wildcats will give the No. 4 Buckeyes a game.

Ohio State has been installed as a hearty 20.5-point favorite, and the history is bleak; Ohio State has won 32 of the past 33 meetings, including a 52-3 romp in Evanston last year.

"They probably shouldn't even have shut the buses off," deadpans Northwestern's head coach, Pat Fitzgerald.

Last year was last year, but the wide assumption is that sometime late in Saturday's first half, maybe earlier, we'll look at another Wildcats-Buckeyes score and wonder why they bothered putting the whole thing on.

Ohio State is playing for more, after all.

When the Big Ten kingpins reassembled last week to tweak their pandemic rules, and allow the Buckeyes into the title game despite having only played five games—the minimum for this pandemic season was supposedly six—it was done not only with the belief that Ohio State shouldn't be punished for missing games its opponents couldn't play because of

Covid-19 outbreaks, but also with the unsaid assumption that this 2020 Buckeyes team is very, very good, as in national championship good.

To the kingpins, to deny the Buckeyes the right to steamroll through another Big Ten championship and vault into a playoff with illuminati like Alabama, or Clemson, or whomever else, would be an affront to the conference, the sport, and probably life itself, and so the six-game minimum was dissolved.

It was a bummer for Indiana, which has had itself a thrilling season, played beyond the minimum number, and hung with OSU in a 42-35 loss, but even Indiana kinda/sorta understood the deal.

It's Ohio State, for crying out loud. Everybody's making 2020 up as they go along, anyway. What was one more tweak?

It's a presumptuous conversation which might make you, if you're a Northwestern Wildcat, or a friend to one, feel a little disrespected, a little forgotten, a little prematurely written off—a plus one, on a party invitation for somebody much more important. And yet this is a custom. Disrespect is a familiar vibe at Northwestern; they bottle the public's jibes and backhanded compliments and drink it up as fuel. Earlier in the season, when ESPN commenta-



Ramaud Chiaokhiao-Bowman, right, celebrates with Riley Lees

tor Joey Galloway described Northwestern as a "bunch of Rece Davises"—a reference to the wonky, 55-year-old host "College Game Day"—Fitzgerald pithily rebranded the roster as the "Fighting Rece Davises."

"How about the Fighting Rece Davises?" Fitzgerald quipped after the Cats knocked around my beloved and then-undefeated Wisconsin Badgers in November. They're not bad. At all. North-

western is a handful on defense, giving up less than 15 points a game, and its offense, led by Indiana transfer quarterback Peyton Ramsey, is an upgrade after a dismal 3-9 season in 2019. The rap on the Cats, besides the usual snide dismissiveness, is that they play on the weaker side of the Big Ten, that the Big Ten is a hot mess this year, anyway, and they haven't knocked off a known heavyweight—Northwestern's biggest win is probably its one-point victory on Halloween over now 6-2 Iowa.

No matter. As the cliché goes, you can only play who you play. Haters will hate, skeptics will skeptic. Fitzgerald, a Wildcats defensive standout during the Gary Barnett '90s heyday, doesn't seem rattled.

"When the ball goes up in the air, all that stuff doesn't matter," says the coach. "It's great for blogs and it's

got to be unbelievable for Twitter. What great stuff, right?" He veers into an amusing digression: "This generation probably doesn't even go on Twitter anymore, right? You guys are now on Instagram or something? Facebook is for your grandparents, right? Twitter is for dads and moms now."

Fitzgerald knows his team is up against it. He is quick to laud Ohio State's success and acknowledge Northwestern's recent defeats,

which include a 45-24 defeat in another Big Ten title game in 2018. But that was then. This squad is different, he says. Let the predictions of gloom come. Let the players use it any way they like.

"Whatever gets our guys going, I don't care," Fitzgerald says. He offers a memory: "Coach Barnett used to make up all these t-shirts. I thought they were pretty cheesy. I cut the sleeves off to show off the pipe cleaners. You know what I mean?"

I think I know what he means. Coach Fitzgerald had fantastic arm muscles back in the day.

Northwestern also offers this: Fitzgerald says the team has, so far, remained Covid-free, an impressive accomplishment in a season in which college football outbreaks have been routine, and the schedule has resembled a shopping cart with a broken wheel. The coach credited the success to the reduced number of students on Northwestern's campus, strict internal protocols of masks and social distancing, and a resolute buy-in from his team.

"I'm just so proud of our players," Fitzgerald says. "To me, that normal college experience—you give [that] up as an athlete already, and then to have the Covid pandemic on top of that, our guys have just been so disciplined, sacrificed so much. [I'm] just really thankful for how they looked after each other."

In 2020, you don't know for sure until they kick it off, but they intend to play this championship, Saturday at noon, at Lucas Oil Stadium, where the NFL Colts live. Ramsey, the Cats QB, will try to borrow some of the magic from the famous Peyton who built the barn, and Fitzgerald isn't afraid to think about what it would be like if Northwestern pulled it off.

"It would be a hell of a ride home on I-65," the coach says.

Sure would. Sometimes a chance is all it takes.

NAM Y. HUI/ASSOCIATED PRESS

# OPINION

## A Special Counsel Christmas



**MAIN STREET**  
By William McGurn

Will Hunter Biden wake up to a special counsel in his Christmas stocking? News reports say President Trump wants his attorney general to name one. The law says a special counsel is warranted in a criminal investigation when leaving it to the Justice Department presents “a conflict of interest.” It’s hard to imagine a more unambiguous conflict of interest than the one Hunter Biden presents: A Joe Biden Justice Department investigating his son over conduct that might also implicate the sitting president.

Even so, a special counsel is a bad idea.

Two weeks ago, William Barr announced that in October he’d appointed U.S. Attorney John Durham as special counsel for the investigation into the origins of the FBI’s Russia-collusion probe. He did so to ensure Mr. Durham could finish his investigation regardless of the election outcome.

The argument was that the magnitude and nature of the allegation—that those at the uppermost levels of the government abused their power to intervene in a U.S. election and then to undermine a duly elected president—made appointing a special counsel the lesser of evils. It’s a strong argument, and it has persuaded many who otherwise rightly regard the institution of spe-

cial counsel as pernicious.

Alas, each time we give in to claims that the circumstances in this or that particular case must trump our normal skepticism about special counsels, it only invites calls for more. Now we are hearing them for Hunter Biden. David Rivkin, a constitutional lawyer who has served in the Justice Department and White House Counsel’s Office, explains the risks of not naming one:

“Given Bill Barr’s decision—properly driven by DOJ policies, to proceed extra cautiously with the Biden investigation during the election season—the failure to move forward vigorously with this investigation now would result in immunity for all involved. This would mean that running for President and winning effectively puts that person and his family above the law.”

Advocates for a special counsel also have a point when they ask why any attorney general investigating serious allegations against the son of a man who will soon be president shouldn’t use every tool at his disposal.

It isn’t a popular view, but the counterargument is that the special counsel’s insulation from the president’s normal executive authority still raises some of the same constitutional objections Justice Antonin Scalia raised in his magnificent 1988 dissent from *Morrison v. Olson*. In that decision the Supreme Court upheld the constitutionality of the now-expired law that allowed for the appointment of

independent counsels.

The travesty of Bob Mueller’s appointment is a perfect expression of the dangers that remain even in its watered-down, special counsel successor. The Mueller investigation became an obsessive pursuit of its quarry, went on far longer than it should have, and strayed well beyond its original purpose. But unless the

### How a Joe Biden Justice Department could investigate Biden’s son Hunter.

target is a Democrat, those on the left rarely take such complaints seriously. So Trump supporters might well ask where the concerns for constitutional norms and niceties were when their man was in the crosshairs?

The Bidens haven’t exactly made a good defense of themselves, either. At the last presidential debate, Joe Biden flatly told the American people Hunter hadn’t made any money in China. Sen. Ron Johnson, whose Homeland Security Committee is investigating the young Mr. Biden’s overseas dealings, is blunt: “Joe Biden has been caught in repeated lies over Biden Inc.”

Now that Mr. Biden has been elected president, surely it’s even more imperative the American people learn exactly what Hunter was trading, as well as what his father knew and when he knew it. Still, a

special counsel isn’t the only way to get those answers.

If Joe Biden wishes to avoid beginning his presidency with a special counsel hanging over his administration, he could announce he will keep the U.S. attorney now leading the investigation into Hunter until he’s finished the job. Then he could promise the full cooperation of the Biden Justice Department.

This U.S. attorney wouldn’t enjoy all the privileges of a special counsel. Even so, like a special prosecutor—but without the infringements on the president’s proper authority—his appointment would make it harder for the incoming Biden administration to squelch the investigation. Allowing the current investigation to play out this way would further help restore the public’s confidence that Justice can be depended on to apply the law fairly and without favor.

It wouldn’t please all those demanding a special counsel. But unless the Bidens truly have something to hide—and Hunter insists an objective review will find he handled his affairs “legally and appropriately”—keeping the existing U.S. attorney on would guarantee the “objective review” he says he wants. And letting a Republican-appointed federal prosecutor complete this investigation would be an excellent way for Hunter’s father to show he’s serious about his pledge to look beyond party lines for ways to come together in the interests of our country.

Write to [mcgurn@wsj.com](mailto:mcgurn@wsj.com).

BOOKSHELF | By Randall Stross

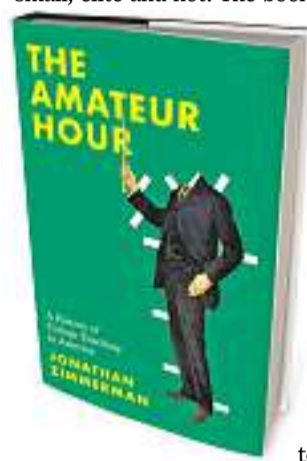
## Hire Teachers for Higher Education

The Amateur Hour

By Jonathan Zimmerman  
(Johns Hopkins, 294 pages, \$34.95)

As the pandemic has forced most colleges and universities to adopt remote instruction, it’s worth remembering that more than 50 years ago some schools voluntarily experimented with remote instruction via televised classes. That did not go well either. Students did not feel the same connection to their instructors and that, in turn, made a difference in what was learned. “It’s better to have a poor instructor in the classroom,” said one unhappy professor in 1967, “than to have a good one on TV.”

The vignette comes from Jonathan Zimmerman’s “The Amateur Hour: A History of College Teaching in America.” Mr. Zimmerman, an education historian at the University of Pennsylvania, has braided together a smooth narrative from many short pieces of thread, consisting of glimpses into the experiences of faculty members, students and administrators from the early 19th century up through the 1990s, and encompassing two- and four-year institutions, large and small, elite and not. The book is economical in its



presentation of materials, gathered from 60-plus archives, and even-handed in presenting the gripes of instructors and students.

The book’s clever title refers to the way that higher education, when hiring, evaluating and rewarding faculty, gives most attention to research productivity and little to teaching effectiveness. Partly this is due to the difficulty of measuring effectiveness in the classroom, but it is also due to the resistance of faculty members to having their teaching reviewed

by peers—something that would, Mr. Zimmerman says, “make their teaching truly professional.”

“The Amateur Hour” begins with the recitation model of college teaching, which was near universal in the early 1800s. Students were asked to read an assigned passage and then, at class time, recite either a summary or, some professors might insist, the passage in its entirety. When lectures began to displace recitation, some college presidents worried aloud about the problem of keeping students actively engaged throughout the class session. The Yale Report of 1828 wondered whether the student attending a lecture “may repose upon his seat and yield a passive hearing. . . without ever calling into exercise the powers of his own mind.”

As more students enrolled in higher education, hiring did not keep pace. Class sizes grew, and students had less contact with professors. Previously, faculty members at small liberal-arts colleges knew every student on campus and could demonstrate personal concern for them. By the late 19th century, however, many American faculty members were trained in Germany and brought back with them a passion for research, as well as more interest in libraries and laboratories than in students. In 1887, Julius Seelye, the president of Amherst College, lamented the changes: “Education is a wholly personal work. It is not gained by books, or by instruction alone, nor by anything in place of the living inspiration of the living teacher.”

By 1900, the demotion of teaching in institutional priorities was so pronounced that the headline for an editorial in the *Nation* magazine declared, in uppercase letters, “THE DECLINE OF TEACHING.” Ten years later David S. Jordan, the president of Stanford University, conceded that “the young instructor has been urged to place as many printed pages as possible to his credit” and “encouraged to look with scorn on the ‘mere teacher’ who cares for the intellectual welfare of the students.”

### Want better instructors at universities and colleges? Then emphasize teaching, not research, when recruiting faculty members.

Worse, the better an instructor was at teaching, the less standing he had in his discipline. An Ohio State dean wrote that same year that “there is a rather wide spread notion in American Universities that a man who is an attractive teacher must in some way or other be superficial or unscientific.”

The leitmotif that runs through Mr. Zimmerman’s narrative is that class sizes continued to grow and grow and grow: The economics proved too compelling even for liberal-arts colleges, the last bastions of small-batch instruction, to ignore. The largest classes have been at universities, of course, and since the early 20th century these institutions have been trying to counterbalance the worsening student-instructor ratio with honors seminars, independent study, small-group tutorials and other more personalized formats. But these programs also required assigning many more students to very large classes. “If the colleges are to ask society to support a more individualized type of instruction,” wrote Homer L. Dodge, a physicist and dean at the University of Oklahoma, in 1932, “college professors must be willing to learn the technique of handling large groups of students.”

Foundations funded many 20th-century initiatives to improve college teaching, but a lack of knowledge of what was needed for excellence stymied these efforts. “We perhaps can recognize it when we see it,” said one University of Minnesota professor, “but we cannot draw up a bill of particulars beforehand.”

New technology, at various junctures, has briefly promised a means of giving every student personalized instruction—and freeing the amateur instructor to pursue research in his discipline. Mr. Zimmerman brings to light the evangelism of psychologist Fred S. Keller, who in the early 1960s developed a template for self-paced college courses that he called the Personalized System of Instruction. But self-paced classes required considerable self-discipline of the students, and though PSIs enjoyed a vogue in hundreds of places in the early 1970s, course completion rates were dismal.

Mr. Zimmerman has been honored for his teaching and is an active participant in a teaching-improvement initiative at his home institution. But even he fumbles for words when trying to describe what makes a great college teacher. It requires a “distinctive rapport” with students, he says, but also “a kind of mystical presence that cannot always be defined but also cannot be denied.” Also worth noting for our Year of the Plague: He believes that the ineffable, energizing spark of education cannot be conveyed via computer connection, but only face-to-face.

Mr. Stross is the author, most recently, of “A Practical Education: Why Liberal Arts Majors Make Great Employees.”

## Can Biden Find Clarity on China and Russia?



**GLOBAL VIEW**  
By Walter Russell Mead

Critics are already attacking the incoming Biden administration, raking it for sending mixed signals on China. The Biden Team is playing a sort of good cop, bad cop with Beijing—Jake Sullivan urges Americans to support Australia against Chinese pressure as John Kerry muses about grand climate deals with Beijing. But a mixed-signal strategy at this stage is, if anything, beneficial to Team Biden. It’s the new administration’s potential for later fuzzy thinking when it comes to great power rivals such as China that should worry onlookers.

Sending mixed signals is a standard diplomatic technique. Iran has been using a good cop, bad cop strategy against the U.S. for decades, and it has paid off pretty well. There’s no reason an American president shouldn’t give it a try.

True, Beijing doesn’t appear to be seeking relationship resets: China is behaving aggressively toward India, Australia and others. Confrontational Chinese “wolf warrior diplomats” continue to be prominent. Still, the Trump years have been a wild ride, and giving Beijing a chance to decide whether it wants to deal with the good or bad cops in the Biden administration will at least clarify U.S. choices.

But while a good cop, bad cop routine in December 2020

won’t derail the new team, failing to deal effectively with the challenge a rising China poses to America and its Indo-Pacific allies could.

Though there is much to criticize about the Trump administration, its members understood that without geopolitical success it doesn’t really matter what Americans think about climate change, human rights or the politics of gender. If the U.S. had lost World War II, Franklin Roosevelt’s ideas about human rights and multilateral institutions would be historical curiosities.

This is not an endorsement of “America First” foreign policy. Quite the contrary. Strong alliances matter in geopolitical competition. Nor is good geopolitics values-free. As Talleyrand allegedly said about Napoleon’s inability to turn his military victories into a lasting order, “You can do anything you like with bayonets except sit on them.” In other words, hard power can win a war, but you need something more to create a stable peace. Successful states build institutions, set norms and establish their legitimacy through meaningful efforts to address international problems.

The incoming Biden team is nostalgic for the golden 1990s when history was over. After the Cold War, world politics looked to be about global governance: developing a more open trade and financial system, addressing climate change, and promoting democracy, human rights and equality for women and sexual mi-

norities. First the 9/11 attacks and then the hostility of Russia and China over time shifted American foreign policy toward a focus on great-power rivalries. This culminated in the Trump administration’s 2017 National Security Strategy that put “great-power competition” at the center of America’s international agenda.

### Shared interests help shape geopolitical rivalries, but they can’t erase them.

Many of the people around the president-elect believe this was a tragic error, partly because they view climate change and pandemics as more frightening and immediate dangers than great-power rivalries. They also believe humanity has such a compelling common interest in wrestling with issues from public health to financial regulation that national leaders can’t ignore them for long. Team Biden thinks that dealing with these issues will allow the U.S. to form global coalitions that will drive geopolitics into the background. The promotion of global governance, in this view, is a better national strategy than the pursuit of geopolitical advantage.

Unfortunately, that is not how things work. Common interests can help shape geopolitical rivalry: America and the

Soviet Union shared a desire to avoid a nuclear death match and so were able to reach arms-control agreements. But that didn’t make the Cold War disappear.

The hard reality is geopolitics come first. An international order is only as strong and effective as the geopolitical foundations on which it stands. It is good to have global governance goals. It is important to think about win-win outcomes and to work toward common values both to inspire allies and conciliate opponents. But the U.S.—with its allies—must get the power politics right, or watch its hopes for a more peaceful and sustainable world order fade away.

Russia and China sensed American weakness at the end of the George W. Bush administration, as the U.S. was bogged down in unpopular Middle East conflicts and the financial crisis. The Obama administration wasn’t responsible for this situation, but Washington did fail to address it effectively. The geopolitical conditions grew significantly more threatening over the next eight years as Russia and China moved aggressively against an indecisive and often uncomprehending American government.

The global governance issues that many on Team Biden care most about cannot be addressed without the hardened geopolitics that many Democrats reject. The president-elect’s foreign policy will stand or fall on his ability to manage that paradox.

## Trump Isn’t the One Politicizing Science

By Joel Zinberg

Politics has infected many issues over the past four years and has now reached the supposedly objective halls of official medicine. In an editorial for the *Journal of the American Medical Association*, “Misguided Use of Hydroxychloroquine for COVID-19: The Infusion of Politics Into Science,” Dr. Michael Saag claims that “the politicization of the treatment” was more important than the science in promoting the use of the antimalaria drug to treat Covid-19. This evidence-free claim is contradicted by information in the same editorial and the scientific literature.

Dr. Saag doesn’t cite a single source to support his claim that President Trump’s April 4 promotion of the drug influenced physicians’ prescribing decisions. His claim that “no health official” in the U.S. government endorsed use of hydroxychloroquine is con-

tradicted in his next sentence, which notes that the Food and Drug Administration approved an emergency-use authorization for hydroxychloroquine on March 28, one week before Mr. Trump’s comments. The

### Antimalarials seemed promising, then failed in trials. That’s how it’s supposed to work.

FDA granted that authorization at the request of the Biomedical Advanced Research and Development Authority, or Barda, another U.S. government health agency.

Physicians prescribed hydroxychloroquine to treat Covid-19 because they had reason to believe it could work. In the early days of the pandemic when there were no established therapies, clinicians noted the severe im-

mune response that the SARS-CoV-2 virus elicited in severely ill patients. They began to deploy hydroxychloroquine because it has long been used to treat autoimmune diseases like rheumatoid arthritis and lupus, with a good safety profile.

Hydroxychloroquine and its cousin chloroquine had also been studied as antivirals with activity against the similar SARS coronavirus and other viruses. Several encouraging preclinical studies and small clinical trials, including a French study published in March and cited by Dr. Saag, reinforced physicians’ willingness to try hydroxychloroquine.

Within a short time, well-conducted clinical trials failed to confirm the effectiveness of hydroxychloroquine to treat or prevent Covid-19. This is the way medical science is supposed to work. Treatments for new diseases are tried based on a theory and then

abandoned when trials fail to confirm their usefulness.

Mr. Trump has made disjointed and flat-out goofy statements during the pandemic, but medical professionals did not base their authorization or treatment decisions on these remarks. Mr. Trump’s endorsement of hydroxychloroquine did not lead to its use or hinder the scientific process that led the FDA to withdraw its EUA less than three months later. The editorial is a shameful demonstration of the “infusion of politics into science” that the journal’s editors purport to condemn.

Dr. Zinberg is a senior fellow at the *Competitive Enterprise Institute* and an associate clinical professor of surgery at the *Mount Sinai Icahn School of Medicine in New York*. He served as senior economist and general counsel at the *White House Council of Economic Advisers, 2017-19*.

## OPINION

## REVIEW &amp; OUTLOOK

## Your New Climate 401(k)

Democrats accuse President Trump of politicizing the Federal Reserve, and sometimes not without cause. But look who's now demanding that the central bank and other financial regulators accommodate their plans to politically allocate capital.

## Senate Democrats lay out their green agenda for financial markets.

The Senate Democrats' Special Committee on the Climate Crisis recently issued a report detailing how the Fed and eight other regulatory agencies should penalize investment in fossil fuels and promote green energy. They claim financial institutions are underpricing the risk that carbon-intensive assets will become "stranded."

Mind you, their worry isn't about how climate change per se would devalue investments, which financial institutions already account for. They want a warning about the costs of government climate policies. "Because Congress has not advanced any comprehensive climate policies in the last decade, the market has not priced in the possibility of significant federal action," the report notes.

"This process—or more accurately, the mere realization that this process is imminent—will drive down the value of assets tied to the carbon-sensitive energy, electric power, and transportation sectors, among others," Democrats warn. "The risk of holding this type of asset, which will lose value in a low-carbon economy, is referred to as transition risk." In other words, Democrats want to kill your business, so please account for the hospitalization and burial costs.

For starters, Democrats want the Fed to use capital and liquidity standards and annual stress tests to make banks—and potentially also insurers and asset managers—price in these unknowable political risks. They want regulators to assign carbon-intensive assets higher risk weights, so banks would have to hold more capital against them. This would discourage banks from financing such investments, while "green" investments would be deemed lower risk.

Markets are already anticipating a gusher of government green stimulus and fossil-fuel regulation. Renewable energy index funds have surged this year. Investors have also poured into electric-vehicle start-ups with no track record such as Fisker and Lordstown Motors.

Democrats want companies with high emissions to be downgraded and pay more for credit. They also want the Securities and Ex-

change Commission to incorporate climate risks in its fiduciary standard for asset managers. Pension funds and 401(k) managers would have to invest worker retirement money based on Democratic climate policy whether or not a law passes Congress.

The goal is to deny capital to companies that produce fossil fuels or hold other assets that politicians deem "toxic." Democrats explicitly say that "utilities, automobiles, aviation, shipping, real estate, and heavy industry" could also become stranded assets. Banks would suddenly have to account for the risk that home and commercial mortgages in shale basins would fall underwater if fracking is banned. Airlines might get downgraded because the Green New Deal contemplates limiting air travel.

And don't think monetary policy gets off the hook. The report says "the Fed must account for [climate] risks in monetary policy: its work to buffer the economy from unexpected shocks and achieve maximum employment and price stability." Democrats aren't specific, but the European Central Bank has been buying corporate and government bonds that finance climate projects.

Fed models predicting price inflation and unemployment have often been wrong, and central bankers have a history of overlooking risks in the financial system like housing. But Democrats somehow think the oracles of the Eccles Building can project changes in climate and government policy over the next 30 years.

So does a special committee convened by the Commodity Futures Trading Commission, which issued a report that endorsed much of the Senate Democrats' plan including climate-change stress tests. The committee, which was organized by Democratic Commissioner Rostin Behnam, included members from Calpers, BloombergNEF, several investment firms and asset managers.

Many hope to make money from this regulatory arbitrage, including these financial firms. Michael Bloomberg wrote an op-ed on Monday urging the Biden Administration to adopt the reporting guidelines of the "Task Force on Climate-related Financial Disclosures," which he chairs. Mr. Bloomberg, BlackRock and other masters of finance may do very well from climate-change mandates and regulation. Everyone else, watch out.

## Biden, Bibi and Bhutan

Israel's era of diplomatic good feeling presses on, with the Jewish state winning recognition last week from Morocco in North Africa and over the weekend from Bhutan in South Asia. The majority-Buddhist Himalayan kingdom of less than a million people may not be a strategic powerhouse, but its normalization shows that Israel's new diplomatic standing extends beyond the Persian Gulf.

## Another diplomatic normalization shows Israel's greater clout.

Unlike the Abraham Accords involving the United Arab Emirates, Bahrain, Sudan and Morocco, the U.S. didn't broker the deal between Israel and Bhutan. The agreement was signed in India. Yet Israeli Prime Minister Benjamin Netanyahu tweeted that Bhutan's recognition was "additional fruit of the peace agreements."

It's also fruit of Israel's economic and strategic clout in South Asia. India's trade with Israel—including military equipment—has been steadily increasing as its economy grows, and Prime Minister Narendra Modi and Mr. Netanyahu have warm relations. Bhutan is a close Indian partner and China has stepped up disputes along the kingdom's borders.

One payoff for the U.S. of the Abraham Accords was the promise that they could lead to increased investment in Israeli technology from wealthy Arab states, displacing Chinese capital. If the Bhutan-Israel agreement further strengthens Israel-India ties, that also redounds to the benefit of the U.S. as it tries to balance China's influence in Eurasia.

As Joe Biden begins Middle East diplomacy, he will be engaging with an Israel that is in a stronger strategic position than when he was last in the White House. He says he wants to build on the Trump Administration's diplomatic progress between Israel and the Arab world, and a November Journal report suggests Saudi Arabia is holding out on recognizing Israel in the hope of using it to improve its standing with the Biden Administration.

Will Mr. Biden take that political win? The big question is whether he and his team recognize the new Mideast landscape, and Israel's role in it, or whether it will return to the Obama Administration's failed approach of sidelining U.S. allies and drawing closer to Iran.

## Thank You, Bill Barr

William Barr resigned as Attorney General on Monday, effective Dec. 23, and he's certainly earned the right to leave early. He has been the right man at the right time for that difficult job, with the principles and toughness to make difficult decisions despite bitter Democrats in Congress and a willful President Trump.

## The AG was the right man for the job in hyper-partisan times.

Mr. Barr had already been AG once so he didn't need the title. He took the job in a Washington marked by no-limits partisanship knowing that he would be criticized no matter what he did. But he wanted to clean up a Justice Department that he rightly knew had been tainted by a corrupt FBI under James Comey and political appointees in both parties who lacked the courage or tenacity to take responsibility for hard prosecutorial judgments.

His achievements included navigating the end of the Robert Mueller probe while protecting the office of the Presidency from unconstitutional conclusions about obstruction of justice. Future Presidents of both parties will thank him.

He was willing to endure media and Democratic smears by taking fresh looks at old investigations. This included hiring U.S. Attorney John Durham to examine how the FBI could decide to investigate the 2016 Trump campaign as a Russian front. His release of documents has helped to show the FBI probe began in partisan scheming and unlawful practices, and Mr. Durham is staying on the job and may have more to report and indictments.

Mr. Barr also had the guts to ask another U.S.

Attorney, Jeffrey Jensen, to re-examine Mr. Mueller's prosecution of Michael Flynn. That probe turned up more malpractice and a decision to dismiss charges that never should have been brought. Mr. Barr used the lessons of these misguided probes to impose new rules and limits on political investigations.

We disagreed with Mr. Barr on the weak antitrust case against Google. But he has been a champion of free speech and religious liberty when both are under attack by progressives. His interventions on Covid-19 restrictions against houses of worship supported lawsuits that have been vindicated at the Supreme Court and forced governors to consider the First Amendment's limit on their power.

Perhaps Mr. Barr's greatest contribution was speaking truth to Mr. Trump, who wanted his tormentors prosecuted whether or not the evidence warranted. This resistance chafed on Mr. Trump as Mr. Barr's tenure went on, and especially when Mr. Durham declined to bring indictments or leak evidence before the presidential election. This was the right decision and shows Mr. Barr's adherence to principle.

Mr. Barr recently said publicly that his investigators had not found enough evidence of voter fraud to overturn the presidential election, which was true but infuriated Mr. Trump. These run-ins influenced Mr. Barr's decision to leave early. As has so often been the case with this President and his advisers, Mr. Trump never appreciated all that Mr. Barr did for his Presidency and the country.

## LETTERS TO THE EDITOR

## How Perilous Is China's Threat to the U.S.?

John Ratcliffe's "China is National Security Threat No. 1" (op-ed, Dec. 4) presents a surprisingly narrow view of the U.S.-China relationship, and its call to arms is troubling. As director of national intelligence, Mr. Ratcliffe must focus on threats to U.S. interests. But there is some data missing in his analysis—data that reveals that partnership with China, not antagonism, should be pursued.

First, competition is a force for change. Without competition, industries become complacent, some even rent-seeking. Mr. Ratcliffe mentions the extremes to which Chinese companies go to steal trade secrets. But stealing trade secrets isn't new. Challenges from competitors, whether they be states or private actors, often lead to advances.

Second, cooperation is possible between rivals. Challenges that cut across borders such as climate change, future pandemics and the impact of artificial intelligence must be met in partnership. A majority of respondents in a recent poll by the Carnegie Council of voters interested in international affairs found greater interest in peaceful competition versus forcible confrontation with China.

Third, social media is redefining geopolitics. Although China is trying to tamp down on dissent, borderless technology is connecting youth movements in a way we haven't experienced before. And Gen Z is sure to have an increasing say in how countries, diplomats and intelligence agents interact in the coming years.

The "us versus them" argument no longer resonates in policy circles or with consumers. Simply put, we need China and the U.S. to work together to thrive.

TATIANA SERAFIN  
Carnegie Council for Ethics in  
International Affairs  
New York

Hyperbole aside, the evidence Mr. Ratcliffe presents consists of cases of "rob, replicate and replace." This Chinese intellectual-property theft is a real problem, but it is one that can be corrected with smarter cyber hygiene on our part. As for influence operations, the U.S. has proved far more invasive than China. Just check the CIA's history.

As no one in the intelligence community even suspected the Soviet Union's collapse, are we exercising the same intellectual arrogance in not uncovering Chinese weaknesses as well as strengths? No one is predicting that China will implode or somehow the Communist Party will lose its

grip on power. But China has an underclass of perhaps half a billion who are not content. It has massive debt, a suspect shadow-banking system, overbuilt real-estate markets, a hugely expensive bet that the Belt and Road Initiative will increase influence and access to markets and resources, huge corruption at all levels of government and no real allies.

Despite China's extraordinary economic growth and its militarization of islets in the various offshore seas, that doesn't sound like a superpower capable of dominating the world.

HARLAN ULLMAN  
Washington

The No. 1 threat to U.S. security and economic power isn't any foreign country but our own failure to successfully educate people. The U.S. isn't even in the top 20 in educational achievement in math and science. Education underpins technical innovation and economic vitality in any country. It isn't reasonable to expect that the U.S. can remain a world power without a world-class education system.

I wouldn't discount the impact of China's bad behavior, but there are far more fundamental, internal, longer-term threats to the U.S., including massive and apparently unstoppable deficit spending.

BILL COLTON  
Houston

Mr. Ratcliffe is correct. I know this to be true because of my 35 years of teaching experience at Texas A&M. Some years ago I was physically attacked by a Chinese student rummaging through an engineering office while most faculty had left the building during a smoke alarm. I believe that no one cares. Universities love international students because they pay the full price. Part of that money then goes to support U.S. or in-state students. I have been trying for more than two years to find out whether my university even attempts to determine whether Chinese students are supported by the Chinese Communist Party. I was told by a former dean of students that Chinese students must agree to spy to get full support from their government. My result so far is no answer, "We cannot discriminate by ethnicity" or "The university has software that does that." Really? I have become skeptical. Christmas break provides a great time for IP theft: The lights are on, but nobody is home.

ELIZABETH TEBEAUX  
College Station, Texas

## Debating the FDA's Vaccine Approval Delay

Your editorial "The FDA's Political Inoculation" (Dec. 4) on the FDA review of Pfizer-BioNTech's SARS-CoV-2 vaccine application misses the mark. The FDA is the lead regulatory agency in the world. The stringency of FDA reviews set a high bar. To be sure, two decades in the biopharmaceutical industry has shown me that the process is often plagued with unreasonable requirements and inefficiencies. But the speed of the MHRA's (U.K. drug regulatory agency) approval of the vaccine has been driven as much by European politics as it has by internal processes. Each regulatory agency has its own style influencing the approval process including timing. Less hostage to the EU's European Medicines Agency bureaucracy, MRHA can be nimble and set its own priorities and timelines.

The standard review takes 10 months (six for a priority review). A one-month timeline from submission to approval is a lightning-fast review for an application that must be several thousands of pages. When assessing staffing and timelines, keep in mind that the FDA still carries the burden of other reviews of new medications beyond those related to Covid-19. The FDA review teams work diligently and now must be working 24/7. Give these highly skilled and committed professionals credit.

COLEMAN GROSS, M.D.  
Berkeley, Calif.

Preliminary disclosure of data shows that the Pfizer-BioNTech vaccine is both effective and safe. Delaying the vaccine approval decision so that outside experts can review data and the public can submit comments is delaying the delivery of the vaccine, leading to the loss of lives. As you state, the FDA experts have been poring over these data from the moment they have been produced and are fully qualified to make a judgment on vaccine approval—unencumbered by political pressure.

You quote Anthony Fauci refer-

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

encing the vaccine approval process: "The U.K. did not do it as carefully" as the FDA. This disparages our British colleagues by suggesting that the U.K. process allowed for earlier approval only because it was deficient. Dr. Fauci is providing cover for the FDA inertia that is delaying the vaccine approval process.

MICHAEL T. VALLEY, M.D.  
St. Louis Park, Minn.

Your editorial contains the statement: "There's no evidence that a three-week review is needed." You know this how, exactly? Has anyone at the Journal seen the data (which run to hundreds of thousands of pages)? Has anyone at the Journal ever seen, let alone touched, an application for approval of a drug or vaccine? I have. As an FDA reviewer, I found extraordinary complexity, and sometimes shortcomings or inconsistencies, in many submissions.

Especially when a product will potentially be administered to hundreds of millions of healthy Americans, meticulous care is necessary.

Oh, and by the way, my team approved the first biopharmaceutical, human insulin, in what was then record time for a new drug application: five months, in 1982.

HENRY I. MILLER, M.D.  
Redwood City, Calif.

Dr. Miller was founding director of the FDA's Office of Biotechnology.

## Pepper ... And Salt

THE WALL STREET JOURNAL



"I actually prefer this six-foot deal."

OPINION

The Left Wants a Philanthropy of the Few

By Elise Westhoff

It takes a fine sense of irony to start the season of giving by trying to limit Americans' generosity. Yet that would be the outcome of a high-profile legislative proposal unveiled on Dec. 1, "Giving Tuesday," conceived by former hedge-fund manager John Arnold and Boston College law professor Ray Madoff.

Major foundations back a proposal that would force smaller donors to spend down their funds.

The "Initiative to Accelerate Charitable Giving" is framed as a way to force the wealthy to give more. It enjoys the backing of some of America's biggest and most prominent foundations, including Ford, Kresge, Kellogg and Hewlett.

The centerpiece is a series of regulations on donor-advised funds, a popular option for philanthropists outside the 1%. While the foundations supporting the initiative control a combined \$38 billion, the average do-

nor-advised fund has a little more than \$166,000 set aside for charity. Donor-advised funds allow individuals to donate as much as they like annually, even a few hundred dollars. Some choose to give right away, while others take a long-term approach, waiting to align their priorities with the needs of the communities they aim to serve.

Donor-advised funds have multiplied. The number of accounts has risen by more than 300% since 2010, and as their popularity has grown, so has the criticism. Sen. Sheldon Whitehouse routinely savages them, since he can't see and therefore attack or control who gives to them. Yet the vast majority of givers are supporting critical services helping people in need, and liberals use donor-advised funds to support their favored causes too.

The Arnold-Madoff initiative would starve them of funding. Most notably, it encourages Congress to pass legislation that would force donor-advised funds to disburse money within 15 years or lose tax deductibility, pushing more money into the hands of tax collectors instead of charities. The 15-year marker is entirely arbitrary, and discriminatory: The foundations that back the proposal would still be able to hold their tax-advantaged funds in perpetuity.



alike should have the option to address the needs of communities over a longer time horizon.

The Arnold-Madoff proposal would take that long-term freedom away from smaller donors. It would also lead to less charitable funding during crisis moments. Payouts surpassed contributions in the wake of the 2008 financial crisis, and early signs indicate the same may happen in the pandemic.

Beyond donor-advised funds, the Arnold-Madoff proposal takes aim at intergenerational wealth. Specifically,

it mandates a new model for private foundations that have employees or board members from the families of the foundation's donors. Foundations would be unable to count the salaries and travel expenses of family members toward their annual 5% payout, even though such payments are made in service of the organization's mission.

This is a first step toward limiting a family's ability to serve its own foundation, further discouraging charitable giving. The victims would be smaller and less-wealthy donors, since only 2% of private foundations have more than \$50 million in assets. For those who want to tax or limit generational wealth, stifling family foundations is a worthy project.

(Similar initiatives would require foundations to pay 10% of their funding every year, effectively forcing them to spend down their assets.)

It's no surprise where this controlling attitude comes from. Ms. Madoff, the primary author of the initiative's policy proposals, has made her career calling on philanthropy to serve the "public good." But like many progressives, her definition of the public good tends to be narrow, springing mainly from a worldview hostile to wealth and private action, while supportive of government regulation in pursuit of predefined political and cultural aims.

This view cannot be squared with the longstanding purpose of philanthropy. Throughout America's history, generous citizens have voluntarily turned to charity to solve society's problems without external control. These personal, passionate and varied efforts have improved countless lives and spurred progress on some of the country's toughest challenges, from polio to educational opportunity for low-income families.

The current system of philanthropic freedom enables Americans of all backgrounds, beliefs and bank-account sizes to support worthy causes and benefit their communities and the country. That system should be preserved and expanded, not controlled and shrunk by a powerful few.

Ms. Westhoff is president and CEO of the Philanthropy Roundtable.

The Bipartisan Moral Rot of America's Institutions



FREE EXPRESSION

By Gerard Baker

In politics, in business, in the cultural discourse that plays out on a never-ending doom loop on our screens and in our heads, the year has been marked by the triumph of cynical expediency, the relentless pursuit of self-interest dressed up as public-spirited principle.

Political leaders, business chiefs and the media and entertainment figures they ventriloquize have grasped their opportunities in this tempestuous year to advance their own causes. A pandemic, urban violence, the machinery of electoral democracy—all carefully repurposed and packaged in a gauzy wrapping of useful lies to ensure above all else their gain.

Some of the nation's biggest and most powerful companies exploited an unprecedented human crisis to grow bigger and more powerful, making sure to shed crocodile tears for the losers. Progressive politicians at the local and national levels cynically seized on repeated crises to

promote their ideological objectives. Most of the nation's celebrated newsrooms abandoned the last pretense of objectivity and revealed their selective use and manipulation of facts as little more than propaganda.

There are exceptions, but depressingly few to celebrate. The most notable last holdouts to this encroaching empire of dishonesty are the millions of decent and honorable Americans who have suffered unprecedented human and economic damage this year, even as their comfortably distanced, self-aggrandizing superiors lecture them on their ignorance and inadequacy.

Two episodes last week stand as fitting codas to this spectacle, timely examples of the moral corruption eating away at American institutions.

The first was the sudden discovery by the media, a month after the votes were safely cast, of the news that Hunter Biden has a serious problem stemming from his penchant to sell himself to foreigners with potential business before his father.

The New York Post broke the most explosive element of this story before the election. But back then it

was deemed a "distraction" by one of our leading news organizations and a menace to democratic health by the technology companies that control the flow of much of our information. And it was more or less completely ignored or rubbished by most of the U.S. and world media.

Media discover the Hunter Biden story, and the GOP falls in line with Trump's futile election challenge.

We'll never know what effect the story might have had on the election if it had been given the airing it deserved. The electoral margin in three states—Georgia, Wisconsin and Arizona—that combined to give Joe Biden 37 electoral votes, and the presidency, was a little under 43,000 votes, a vanishingly small sliver of the two men's 155.5 million total nationwide votes.

But it's less its potential electoral impact that stinks and more the cynical way in which the Biden-supporting press shouldered the story aside, in the process defaming fellow jour-

nalists as traitors peddling Kremlin propaganda. Who would have thought that 2020 would be the year Joe McCarthy and John Birch finally got the recognition from the American media they deserved?

The other episode was the spectacle of a large part of the Republican party selling its soul for the tainted penny of an embittered president's approval in a political stunt that was irresponsible, futile and deeply undermining of the principles for which the party is supposed to stand.

There's a case to be made that the presidential election was conducted in a way that casts doubt on the official outcome. The changing of the electoral rules in midcampaign in many states, enabling an avalanche of postal voting—with its notably greater susceptibility to fraud and manipulation—had political consequences that may well have influenced the result.

But there's a difference between challenging those results and completely abandoning constitutional propriety and political principle to do so.

That's what the state of Texas, joined by more than a dozen other Republican-controlled states and more than half the House Republican

caucus, did in signing on to a Supreme Court case that took the justices—three of them appointed by President Trump—about four minutes to dismiss.

Again, the object of our scorn should be not the argument itself, but the chosen means for pursuing it: the idea that conservatives should embrace a political mechanism to produce a remedy that explicitly demands the subjugation of states' constitutionally protected rights.

What are they going to argue the next time some activist federal judge seeks to impose California-style environmental regulations on Texas?

At a stroke, these conservatives were ready to jettison two of the foundational principles of conservative jurisprudence, federalism and judicial restraint, for a short-term political advantage in furtherance of a highly controversial objective of overturning an election.

The truly depressing aspect to these cynical assaults on the nation's honor is that they act like a ratchet. With every new breach in the political or cultural proprieties that hold a nation together, a new norm is established. The already low dishonesty of our institutions becomes a ceiling, not a floor.

A Reckoning Looms for Commercial Real Estate—and Its Lenders

By Brian Graham

Even as Covid-19 cases surge world-wide, the arrival of viable vaccines holds the promise of a return to something resembling normality by the middle of next year. But the commercial real-estate sector may never get back to normal, and that could spell trouble for banks.

Many banks are concentrated in and dependent on commercial property lending. Banks hold half of all commercial real-estate loans. The 5,000 or so U.S. community banks, with about a third of total assets, are two to three times as concentrated in commercial real-estate lending as the approximately 30 larger banks.

Problems in commercial real-estate can hurt banks in two ways. Losses on existing loans can damage earnings directly, and a correction

can reduce future lending volumes, impairing an important driver of earnings. Based on what we know now, things don't look good.

Neiman Marcus and at least 28 other major retailers have filed for bankruptcy. Hotel occupancy is down 32%. The Journal reported last month that world-wide airline capacity in October was down 58% from 2019. Apartment rent levels have collapsed 15% to 25% in large cities including New York, San Francisco, Boston and Seattle. Suburban shopping malls have been devastated.

A recent Citigroup report on 400 properties in the retail and hotel sectors found an average decline in value of 27%. The stock prices of real-estate investment trusts, companies that own equity in commercial properties, are down 42% for retail properties since the most recent

valuation prior to the pandemic onset in March. Office-property REITs are down 36% and lodging property REITs are down 50%—all despite the recent stock-market rally on vaccine news.

Some of the pressure on commercial real estate is undoubtedly temporary. Recreational and business travel is likely to recover gradually, aiding travel industries. Recent college graduates who have been living and working from their parents' homes will eventually move out, boosting the recovery of apartment rental markets. With a vaccine distributed, patrons likely will flock back to restaurants and bars.

But some more-permanent shifts in the commercial real-estate market are only beginning to emerge, driven by the acceleration of pre-existing trends. The decadeslong shift to online retail went to warp speed this

year, with severe implications for traditional retail properties. Many companies are looking hard at their office space and concluding they need much less of it. Similarly, banks are reducing their branch networks

The composition of their portfolios makes small community banks especially vulnerable.

as the pandemic sweeps away their customers' concerns about mobile banking. "What's clear is consumer behavior has changed, and my belief is, in a lot of ways, it's changed permanently with this adoption to digital," said William S. Demchak, chairman and CEO of PNC Financial

Services. "We'll have to adjust the way we serve our clients, and it is likely that will mean less physical space."

It isn't all bad news. Businesses like Amazon have prospered, boosting demand for warehouse and distribution space. Stock prices for data-center REITs are up 23% this year, and industrial REITs are up 9%. But those types of properties command much lower rents than office and retail. And strong performance of one type of property is modest comfort for a lender facing losses on retail, office or lodging properties.

For properties financed with typical debt levels of 75% to 80%, even a 30% drop in value—if sustained—is more than enough to push the property underwater. Receding temporary factors may improve this picture, but the emerging long-term factors will make it worse for many properties. If the downdrafts for a specific piece of real estate are entirely temporary in nature and the property owners have the resources to stay afloat (or get them through future government aid), perhaps even underwater properties won't become total losses. But how many retail, office and lodging properties will be so well-positioned in the end?

Today, banks are in good shape and their large commercial real-estate exposure is not yet a problem. Hopefully that continues, but the available facts suggest a challenging few years lay ahead. Many, including community banks, will weather this storm in solid shape due to some combination of loan diversification, careful underwriting and good fortune. Unfortunately, not all will be so lucky.

Mr. Graham is a partner and co-founder of the Klaros Group.

Notable & Quotable: 'Liar'

From a Dec. 13 editorial in the Arkansas Democrat-Gazette:

Each morning NPR does a five-minute news podcast, as do Fox News and other news organizations. Last week, while listening to NPR, we heard this: "President Trump continues to lie, saying he won the election, and that fraud was rampant..."

President Trump certainly wouldn't be the first president to lie to the American people. And he probably won't be the last. But he probably is the first American president to be called a liar by so many large mainstream news organizations in their news accounts.

Not just National Public Radio, either. The New York Times uses the word "lie" and "liar" referring to

Trump in its headlines. When the newspaper of record does this, it is cheered by all those who despise Donald Trump. And the divide among Americans gets even deeper.

For years, even decades, actually most of the 20th century, the press did not call the president of United States a liar. That wasn't necessary, because when officials were lying, the press could present contradictory facts and information which was more believable.

That let the readers, listeners, and viewers decide for themselves. But today many in the press don't trust their readers, listeners, and viewers to come to their own conclusions. They believe they must tell the mass audience if someone with political power is lying.

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## Boeing Widens Dreamliner Checks

Previously disclosed defect appears in sections of newly produced 787 jets

BY ANDREW TANGEL AND ANDY PASZTOR

Boeing Co. has expanded inspections of newly produced 787 Dreamliners after finding a previously disclosed manufacturing defect in sections of the jet where it hadn't been initially detected, according to industry and government officials.

Boeing engineers and U.S. air-safety regulators agree the newly discovered problem doesn't pose an imminent safety hazard, the officials said. But the new issue is likely to ramp up a Federal Aviation Administration review of 787 production safeguards sparked earlier this year by other defects, one of these officials said.

The broader quality-control checks, covering the entire fuselage of the planes rather than just certain sections around the tail, are why inspections are taking longer than previously anticipated,

the officials said. It also explains why no Dreamliners were delivered in November.

The Chicago-based plane maker disclosed the inspection and delivery delays Dec. 4 without specifying the reasons for them.

The defects in question are spots where the surface of the 787's carbon-composite fuselage isn't as smooth as it should be, a Boeing spokesman said. Such areas can create tiny gaps where fuselage sections are linked together and could lead to premature structural fatigue, which can require extensive repairs. The spokesman

said the inspections have pinpointed areas where assembly of portions of the 787 fuselage "may not meet specified skin flatness tolerances."

The defects mark the fourth assembly-line lapse affecting Boeing's popular family of wide-body jets that have come to light in as many months. Other than May, after the Covid-19 pandemic roiled airline operations and forced the plane maker to briefly shut down production facilities, November was the only month since 2013 without a Dreamliner delivery, according to an analysis of delivery data.

The company found the latest issue through strengthened quality-assurance practices over the past year, when other defects had been identified, the Boeing spokesman said. And he said the company has asked suppliers to perform similar checks. "These findings are part of Boeing's review of assembled 787 aircraft to ensure each meets our highest quality standards prior to delivery to customers," he said.

The FAA, which has been considering actions to mitigate the problems by potentially issuing safety directives, on Sunday. Please turn to page B2

## Google Outage Jolts Users Globally

BY SAM SCHECHNER AND SARAH E. NEEDLEMAN

More than a dozen Google services such as Gmail and YouTube were offline for roughly an hour Monday, but it was enough time to close schools, disrupt work and highlight again people's dependency on the internet amid the pandemic.

The Alphabet Inc.-owned company's services showed errors for users attempting to sign in or access their emails or files, according to social-media posts from users. On YouTube, the home page was replaced with an illustration of a monkey with a hammer, with the title, "oops."

On Google, searches for "Is Google down?" rocketed in popularity.

A Google spokeswoman said the outage affected the company's system that authenticates login credentials for users of its wide swath of services. Engineers traced the problem to internal servers and the issues weren't the result of a cyberattack or recently announced changes to cloud-storage quotas within certain Google products, a spokeswoman said. Please turn to page B2

### PERSONAL TECHNOLOGY

By Nicole Nguyen

## New Apple App Can Replace Your Gym



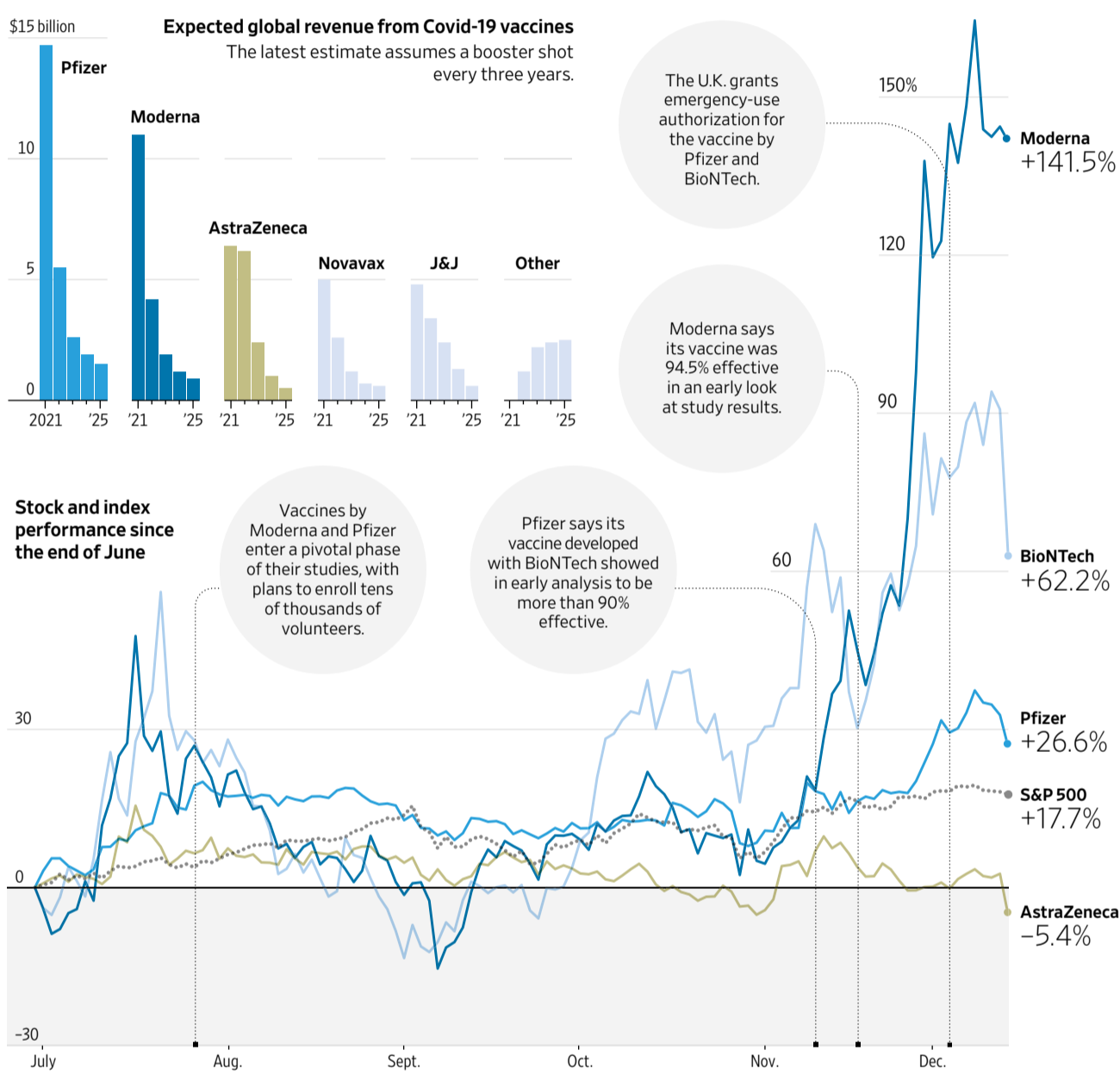
One revelation I've had during the coronavirus crisis is that there is no way I'm paying for a gym again. Working out from home is more affordable and convenient. Depending on the app, it can be pretty dang fun, too. Goodbye forever, grimy locker-room showers. It's been nice knowing you.

Apple's Fitness+ is another digital workout subscription after your gym money. While the new program, launching Monday, arrives late to a well-established, highly competitive app category, it is right on time for people like me, who are still experimenting with different online training solutions. But the app's chief requirement—that you own an Apple Watch—will likely turn off people who would otherwise give it a try.

Fitness+ will appear as a new tab in Apple's existing Fitness app. A subscription comes with new weekly video workouts across 10 disciplines, including cycling, treadmill running, yoga and strength. An attractive cast of high-energy trainers draped head to toe in Nike—which has a partnership with Apple—hosts the sessions. Equally energetic music playlists serve as the soundtrack.

Compared with similar fitness apps, it is a relatively good deal. Fitness+ costs \$9.99 a month, and you can save by paying the \$79.99 annual rate. Everyone in your Apple "family"—up to six people—gets access to the subscription. And there are more. Please turn to page B4

## After Vaccines, Investors Weigh Runup in Shares of Drugmakers



Drugmakers have pulled off a remarkable feat, quickly developing vaccines that aim to stem a world-wide pandemic. Investors have been enthusiastic. Now the question is whether some upstarts can justify these windfall share-price gains.

More than 200 Covid-19 vaccines are in development, but investors have focused on a handful of public companies with products in clinical trials. The race pits pharmaceutical giants against tiny biotechnology firms

that have never brought a vaccine to market.

From the pandemic's start, little-known biotech companies captured investors' interest. Many of those stocks soared as the broader market began plummeting in February, and then continued rising amid signs of vaccine progress. This year, shares of Novavax are up 3,038% and Moderna is up 702%, versus the S&P 500's 13% rise, according to FactSet. Established drugmakers ha-

ven't risen as much, in part because there is little expectation that even a hit vaccine would reshape their finances. Pfizer—whose vaccine developed with BioNTech was the first to receive U.S. authorization late Friday—has trailed the broader market this year.

The run-up in share prices for some companies has sent market values soaring. Publicly traded vaccine developers are estimated to have gained \$188 billion in market value since Jan-

uary, according to estimates by Geoffrey Porges, director of therapeutics research at SVB Leerink.

A hit vaccine stands to be transformative for the smaller developers.

Moderna, which is expected to follow Pfizer with the second vaccine to market, has posted net losses since its inception about a decade ago. Analysts expect a successful vaccine will help the company post a profit for the first time.

## Exxon Vows to Reduce Its Carbon Footprint

BY CHRISTOPHER M. MATTHEWS

Exxon Mobil Corp. pledged to reduce greenhouse-gas emissions from its operations over the next five years and eliminate routine flaring of methane by 2030, responding to pressure from activists and investors to lower its carbon footprint.

The Texas-based oil giant said Monday that it would cut the "intensity" of emissions from its oil-and-gas production by 15% to 20% by 2025. It didn't provide hard numbers on how much of total emissions those reductions would represent.

The company also said it would end routine flaring, or burning, of methane from its oil-and-gas operations in the next 10 years. Methane is a potent greenhouse gas that, like carbon dioxide, contributes to climate change, according to the Environmental Protection

Agency. The targets are related to emissions that come directly from Exxon's operations and not from its products, like gasoline and jet fuel. Exxon said it would begin disclosing emissions data related to its products next year.

"We respect and support society's ambition to achieve net zero emissions by 2050, and continue to advocate for policies that promote cost-effective, market-based solutions to address the risks of climate change," Exxon Chief Executive Darren Woods said.

The targets stop short of pledges by European peers, including BP PLC and Royal Dutch Shell PLC, to reach net-zero carbon emissions—efforts Mr. Wood has previously called a "beauty competition."

Exxon said Monday that it would reduce its methane emissions intensity by 40% to Please turn to page B6

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## Assets at Small Banks Swell With U.S. Stimulus Efforts

BY ORLA MCCAFFREY

When the coronavirus closed businesses in Baltimore and its suburbs in the spring, Kevin Benson feared the worst for the small lender he runs—widespread defaults, anemic loan growth.

Instead, Rosedale Federal Savings & Loan surpassed \$1 billion in assets in May, years ahead of schedule, aided by a government-backed lending boom. The vast majority of its borrowers—consumers and businesses—are in good standing.

"We're all pretty surprised by the resiliency," said Mr. Benson, chief executive at Rosedale Federal. "It's not time for a victory lap yet, but we're cautiously optimistic." As 2020 draws to a close, small lenders like Rosedale are doing far better than expected



Rosedale Federal in Baltimore benefited from small-business loans.

at the outset of the coronavirus recession—largely thanks to government money that passed through banks on the way to households and businesses. Stimulus and unemployment checks boosted deposits and

kept borrowers from falling behind on their loans.

The Paycheck Protection Program, the government's small-business bailout, brought them new customers and kept Please turn to page B10

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## BUSINESS &amp; FINANCE

## Pinterest Settles Gender-Bias Suit

By KIMBERLY CHIN

Pinterest Inc. agreed to pay \$22.5 million to settle claims of gender discrimination and retaliation by its former chief operating officer, Francoise Brougner, as Silicon Valley grapples with growing pressure to address discrimination and diversity issues within its ranks.

Ms. Brougner sued Pinterest in August, alleging the social-media company maintained a culture of secrecy among top male executives that resulted in her being left out of meetings and decision making.

In a blog post, she accused the company of having a hostile work environment for women and that "female executives, even at the highest levels, are marginalized, excluded, and silenced."

Ms. Brougner, a former executive of Square Inc. and Alphabet Inc.'s Google, was hired in 2018 and became Pinterest's first operating chief and one of the top female figures at the company. She said she was fired in April.

"Pinterest recognizes the importance of fostering a workplace environment that is diverse, equitable and inclusive and will continue its ac-



were retaliated against for speaking up about it.

Their criticism prompted a wave of support as staff posted messages in Slack channels backing the claims and pushed for improvements at the company.

The employees asked for supporters to use the hashtag #changeatpinterest and sign a petition calling for an end to discrimination and retaliation at the company.

Soon after, the company said it hired a law firm to conduct an independent review of its workplace culture.

In August, the company tapped Tyi McCray as its global head of inclusion and diversity, reporting to co-founder and Chief Executive Officer Ben Silbermann.

Pinterest has added two Black women to its board of directors. The image-sharing company brought on veteran media executive Andrea Wishom and former Walt Disney Co. executive Salaam Coleman Smith as directors.

Ms. Brougner said she was encouraged by Pinterest's actions to address its culture that will help employees feel included and supported, she said in the joint statement.

—Sarah E. Needleman contributed to this article.

The company hired a law firm to conduct an independent review.

tions to improve its culture," the company said in a joint statement with its former employee. The company settled the lawsuit without admitting any liability.

Pinterest will pay Ms. Brougner and her attorneys \$20 million as part of the settlement, a Pinterest spokesperson confirmed.

The settlement includes an investment of \$2.5 million to-

ward advancing women and underrepresented communities in the technology industry.

The company has been publicly accused of other instances of gender bias and racial discrimination.

In June, two former female employees, Ifeoma Ozoma and Aeric Shimizu Banks, who are Black, said they were paid less than male counterparts and



Several Boeing 787 Dreamliners sit outside the company's factory in Everett, Wash.

## New Checks Added For Dreamliner

Continued from page B1

day released a statement saying the agency regularly engages with Boeing on "continued operational safety and manufacturing oversight processes to appropriately address any issues that might arise."

Under pressure from the FAA, Boeing also has stepped up internal manufacturing controls focusing on other lapses ranging from inspection paperwork problems to debris mistakenly left behind by assembly-line workers inside 737 MAX jetliners and military tankers.

The wide-body passenger jets, which Boeing first delivered in 2011, have an excellent safety record and are frequently used on long international routes. If found on planes already carrying passengers, the latest defect can be addressed during comprehensive maintenance checks that are required as the jets age, some of the officials familiar with the matter said.

Delivery delays threaten to add to Boeing's financial strain as it struggles with fallout from the pandemic, which has sapped global demand for air travel and passenger jets. Boeing Chief Financial Officer Greg Smith has said Boeing expected to continue working to clear its growing inventory of undelivered Dreamliners through next year.

Earlier this year, Boeing disclosed the skin-smoothness defect near the rear of the planes, as well as improperly sized shims—or parts used to fill small gaps where the fuselage sections are joined together. It wasn't immediately clear how many planes have been found with the skin-smoothness defects in additional locations, but officials familiar with the matter said instances appeared relatively isolated.

Boeing engineers previously determined that when the defects involving skin smoothness and shim size both occur in the same location, the result can be tiny imperfections creating a potential hazard such as a cracking in the fuselage under extreme flying conditions. Boeing in August took the unusual step of voluntarily grounding eight aircraft in airlines' fleets for immediate repairs.

Those earlier problems prompted the FAA to start re-

viewing quality-control lapses in Boeing's 787 production stretching back almost a decade.

Boeing also previously identified a third quality-control lapse affecting the horizontal stabilizer, a movable, winglike panel in the tail.

Earlier this month, Mr. Smith disclosed Boeing's intention to further cut 787 production next year because of weak demand and a growing backlog of parked planes.

Boeing, which has been producing around 10 Dreamliners a month, as of early December had 53 built but undelivered 787s that had been in its inventory for an average of about five months, according to aviation-research firm Ascend by Cirium.

Mr. Smith said the monthly 787 production rate would remain below Boeing's target of 10 before slowing to five in May at its plant in North Charleston, S.C. Assembly of 787s is set to end at a Seattle-area Boeing facility.

The 787 manufacturing issues are unrelated to design flaws in a flight-control system that kept the global fleet of 737 MAX jets grounded for nearly two years. The plane models are built in separate facilities.

—Doug Cameron contributed to this article.

## Google Outage Hits Many

Continued from page B1

company spokeswoman said. The outage began about 6:45 a.m. Eastern Time and lasted roughly an hour, the company said. Google apologized to affected users and in a statement pledged to "conduct a thorough follow up review to ensure this problem cannot recur in the future."

The problems affected services used by billions of people world-wide, which are being relied upon more than ever as people have had to stay home on and off for the better part of a year because of the coronavirus pandemic. Remote work and learning have left businesses and individuals more dependent than ever on online services, for

which Google is a widely used provider.

Google's Gmail is one of the most popular email clients globally, and the company's Workspace office tools, formerly known as G Suite and a competitor to Microsoft Corp.'s Office, are popular among businesses and institutions.

"Why g suite why? Why would you crash on a freakin Monday!! Oh wait #2020," wrote one Twitter user.

Some schools closed for the day. Wayne-Westland Community Schools in Westland, Mich., gave its roughly 9,800 elementary, middle- and high-school students the day off after a morning of disruption. They rely on Google for classes over Google Meet and for exchanging emails.

"This is the new snow day," said Jenny Johnson, a spokeswoman for the 19-school district, which this year provided its students with Chromebooks and internet hot spots.

The outage inspired Indira Saladi to rethink her physi-

cian-staffing business's disaster plan. "I'm very dependent on Google," she said. "Most disaster plans are for in case phone networks go down, so I need a multi-tier disaster approach."

Her company, Orchard Inc., is located in a Chicago suburb but does business nationwide and relies on Google's cloud-based applications including Gmail, Sheets and Drive to reach contract workers, physicians and customers. "We no longer keep things on our computers locally," Ms. Saladi said.

"I was worried about my physicians being at the hospitals they needed to be at" she said, especially given the high demand created by Covid-19. "I couldn't check their schedules."

Temporary interruptions to the availability of popular online services are relatively common, though their impact has increased as more businesses outsource their digital infrastructure and tools to outside businesses, often large internet companies.



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## BUSINESS NEWS

# Reddit Jumps Into User-Made Video, Buying Dubsmash

By SARAH E. NEEDLEMAN

Reddit Inc. said Sunday that it bought video-sharing app **Dubsmash** to expand its presence in one of the hottest corners of the internet: user-created video.

Fifteen-year-old Reddit says Dubsmash—with its free app for creating and sharing user-generated videos—is its first major acquisition; financial terms of the cash-and-stock deal weren't disclosed.

San Francisco-based Reddit is best known for its message boards on millions of topics and its "ask me anything" digital town halls with celebrities, politicians and various experts. Earlier this month, the

but has limited editing features. By acquiring Dubsmash, Mr. Huffman said Reddit will gain more sophisticated user-created video much faster than if it tried to develop the same on its own.

"The cost of video keeps going down, the technology for recording and encoding it keeps getting better and better, and on the advertising side, video ads are more effective," he said. "They're more visceral and engaging."

Dubsmash, founded in 2015, was last valued at \$47.5 million in 2016 and has raised roughly \$20 million as of 2019, according to PitchBook, a provider of private market data. Dubsmash's app has been downloaded nearly 197 million times, app-analytics firm Sensor Tower Inc. estimates.

Dubsmash says about 30% of its users log in daily to create video.

The company, which doesn't generate revenue but has grown a following through word-of-mouth, says it is dedicated to giving a spotlight to underrepresented creators and communities not seen on mainstream social networks.

"Our focus is showing a different side of the internet," said Dubsmash's co-founder and president, Suchit Dash.

He declined to provide a number for Dubsmash's total users but said 70% are female, and that about a quarter of all Black teens in the U.S. use the app.

Under the terms of the deal, Dubsmash will remain an independent app for Apple Inc. and Android devices, and its video-creation tools will be incorporated into the mobile version of Reddit's app. New York-based Dubsmash's 12 employees will join Reddit's workforce of around 700 people.

Reddit's deal for Dubsmash was reported earlier by tech publication the Information.

# 12

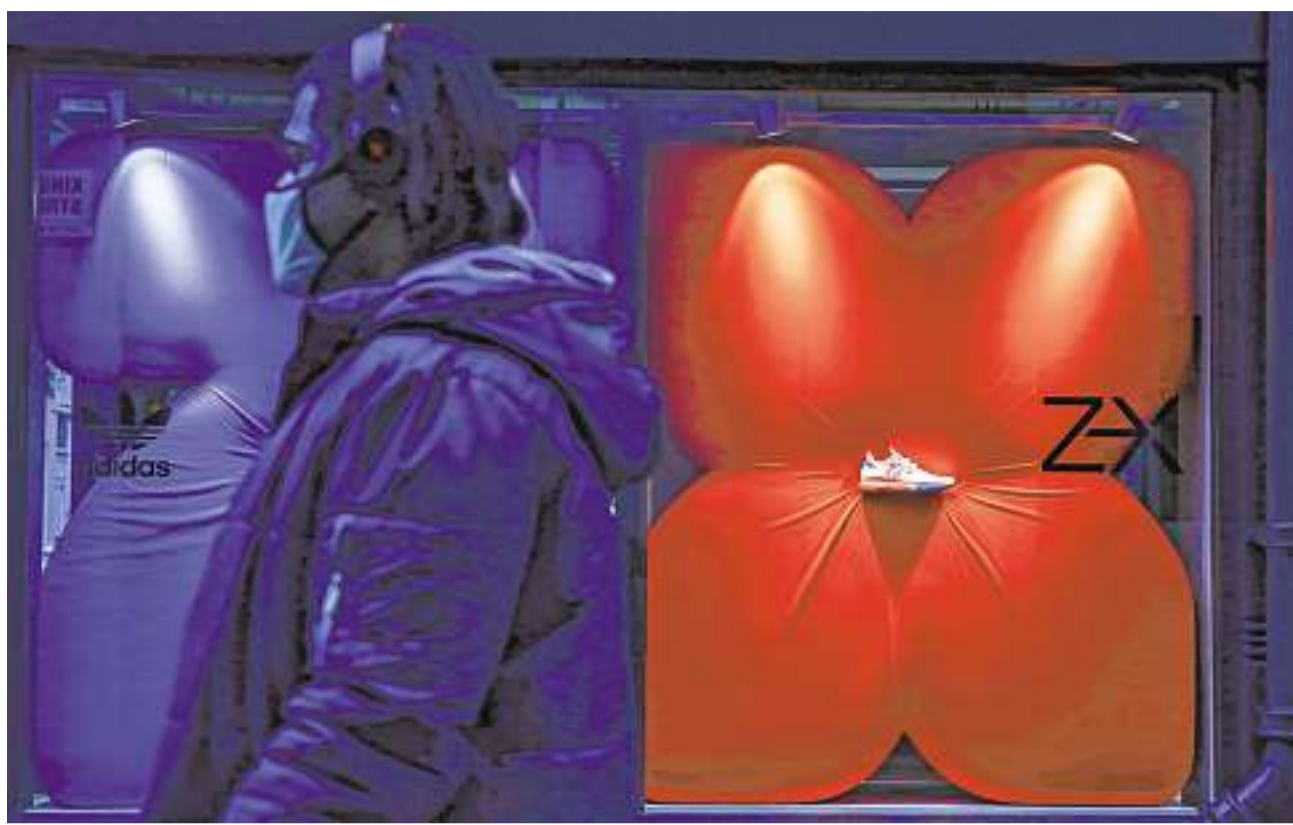
The number of employees at New York-based Dubsmash.

social-media company said it had an average of 52 million daily active users as of October, up 44% from a year earlier, the first time it has disclosed such data.

User-created video is behind the success of the hit app TikTok, which has inspired Facebook Inc.'s Instagram and Snap Inc.'s Snapchat to introduce similar services. Also popular are platforms that let users broadcast live video such as Amazon.com Inc.'s Twitch and Alphabet Inc.'s YouTube.

"The transition to video will be bigger than the transition to mobile," said Reddit Chief Executive and co-founder Steve Huffman. "We're still only at the beginning."

Reddit already lets users upload and live-stream video



An Adidas store in London. In the third quarter, Reebok sales dropped 12.3% while Adidas sales fell 6.7% amid the pandemic effect.

# Adidas Explores Reebok Sale As Revival Efforts Disappoint

By RUTH BENDER

BERLIN—Adidas AG Monday said it was reviewing the future of **Reebok** and might sell the U.S. fitness brand—a business it had spent years trying to revamp and that could now fetch several billion dollars, according to analysts.

Adidas said a sale was one of the options it was considering as part of a five-year strategy plan it is set to present March 10. It may also decide to keep the business, the German sports retail group said.

Adidas, the world's second-largest sportswear maker after Nike Inc., bought Reebok in 2006 for roughly €3 billion, equivalent to \$3.6 billion, as part of a bid to expand in the U.S. and challenge its bigger rival on its home turf. Reebok

at the time was a sponsor of the National Basketball Association. But the plan has disappointed, analysts say.

Adidas managed to improve the Reebok business but sales have lagged behind those of Adidas itself and dragged down the group's profits. In 2016, Adidas Chief Executive Kasper Rorsted launched a turnaround plan for Reebok shortly after taking on the job. He cut costs by closing down dozens of Reebok stores in the U.S. and aimed to make the unit's management more independent from Adidas.

Mr. Rorsted repeatedly opposed calls from some shareholders to ditch Reebok, arguing that the revamp, not a sale, was the answer.

The CEO's "muscle up" plan led to some success. In 2018, Reebok returned to a profit,

two years ahead of schedule, Adidas said Monday in announcing the strategic review of the business.

In 2019, Reebok sales grew 3.6% to €1.75 billion, driven by double-digit growth in the U.S., its home market. Sales at the Adidas brand, however, grew 8.3% to €21.51 billion.

"Returning to profit was a good step but driving the top line is something else," said Piral Dadhania, an analyst with RBC Capital Markets, who estimated that Reebok could fetch somewhere between €1.9 billion and €3.6 billion.

Mr. Dadhania said investors had lost faith in a turnaround and thought a disposal would free up time for management to focus on its core brand.

Adidas shares rose 1.5% in a broadly higher market Monday. Germany's Manager Mag-

azin in October reported about a possible Reebok disposal.

On a call to reporters for third-quarter earnings in November, Mr. Rorsted defended Reebok's turnaround, saying he was happy with the progress made.

A sale would come as Adidas, like other retailers, is struggling to rebound from the impact of the Covid-19 pandemic.

In the third quarter, Reebok sales fell 12.3% while Adidas sales fell 6.7%. Mr. Rorsted said Reebok was hit harder because the brand was less present in the outdoor and running segment, where consumers made more purchases during the pandemic. Reebok's larger exposure to the U.S. also turned out to be a disadvantage as sales recovered there slower than in Europe this fall.



Molten metal is poured into a crucible before being formed into steel bars. Production is rising.

# Steel Orders Soar Following Early Slowdown in Pandemic

By BOB TITA  
AND BEN FOLDY

Steelmakers are straining to keep up with resurgent orders from U.S. manufacturers, just months after preparing for a long, pandemic-driven slump in steel demand.

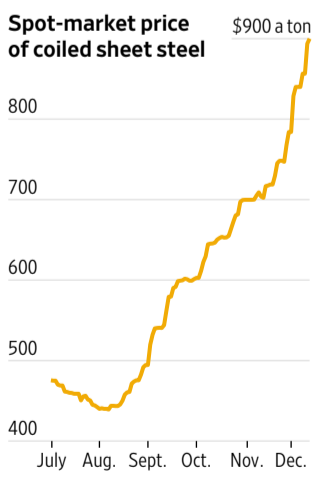
This past spring steelmakers idled about one-third of domestic production capacity for flat-rolled steel when their customers closed plants to slow the spread of the new coronavirus, canceling orders in the process. Since many factories reopened a month or two later, steel demand for cars, appliances and machinery has rebounded, thanks in part to rising purchases from homebound consumers.

The benchmark price for hot-rolled sheet steel has doubled since early August to a two-year high of \$900 a ton, according to S&P Global Platts. Steel distributors said soaring prices and reduced availability have touched off panic-buying by some manufacturers.

"There are people buying more than they need," said Bill Hickey, chairman of distributor **Lapham-Hickey Steel Corp.**, near Chicago.

The snapback surprised executives in a steel industry that had been in a slump for more than a year before the pandemic. "It caught every-

Steel prices have soared because of higher demand by U.S. manufacturers.



body off guard," said Todd Leebow, chief executive of **Majestic Steel USA**, a Cleveland-based distributor.

Steelmakers have restarted most of the production they idled during the spring, but orders continue to outpace supplies. Lead times to fill orders for sheet steel have ballooned to about 10 weeks from less than four during the summer. Waits for coated steel and other varieties needing more processing are as long as three months, according to distributors.

**E&E Manufacturing Co.**,

which stamps and welds metal parts for the auto industry, has told customers that some shipments will likely be delayed by the availability of steel at its plants in Michigan and Tennessee. The company has shut down stamping presses when steel isn't delivered on time. That has increased operating expenses and disrupted production schedules, said E&E's chief financial officer, Brian Swanson.

Prices for scrap steel, iron ore and other inputs used to make steel have risen lately as well, particularly in China where steel production has expanded this year to feed government-funded infrastructure projects. China's rising consumption of steel has tightened the global export market that some U.S. buyers turn to when domestic prices soar.

Steelmakers in the U.S. are continuing to bring back production capacity. **United States Steel Corp.** recently restarted the last idle blast furnace at its Gary, Ind., mill after predicting in July the furnace would likely remain offline for the remainder of the year.

Overall, steel production in the U.S. for the week ended Dec. 5 was down 13% from the same period last year, according to the American Iron and Steel Institute, a trade group.

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# 'Cyberpunk' Game Maker Offers Refunds

Move comes after initial version contained bugs, the latest setback since launch

By Sarah E. Needleman

The maker of "Cyberpunk 2077," one of this year's most anticipated videogames, told players they could seek refunds because the initial version included bugs, a rare move for a major publisher and the latest mark on a project beset by launch delays.

Warsaw-based CD Projekt SA said Monday in a tweet that the \$60 game, which fea-

tures Hollywood actor Keanu Reeves and came out last week, doesn't function properly on Sony Corp.'s PlayStation 4 and Microsoft Corp.'s Xbox One. The company apologized and said it has addressed some issues with recent updates and is planning more in the weeks ahead.

"We would appreciate it if you would give us a chance, but if you are not pleased with the game on your console and don't want to wait for updates, you can opt to refund your copy," the company said.

Analysts had forecast that "Cyberpunk" would sell anywhere from 18 million to 25 million copies in its first

month. The day it came out, CD Projekt said the game had eight million preorders, of which about 59%, or 4.7 million copies, were for PCs.

A spokeswoman for CD Projekt declined to comment further. CD Projekt shares are down about 25% since Wednesday's close in Warsaw trading, shedding more than \$2 billion of market value.

"Cyberpunk" is the biggest and most expensive project yet for the more than two-decade-old videogame company. CD Projekt's co-CEOs told The Wall Street Journal earlier this month that they miscalculated how long it would take to complete "Cyberpunk" and that the

coronavirus pandemic hindered the later stages of four years of development, which followed preproduction work that started around 2012.

The executives also said the company found itself overwhelmed by efforts to make "Cyberpunk" playable on nine platforms at launch. It previously developed games for three platforms at a time.

It is unusual for game publishers to suggest players seek out refunds for their big-budget releases. Typically companies will delay games riddled with problems to make fixes before letting them go on sale. One or two delays are relatively common, but not more.

Still, players in recent years have come to expect games to debut with some imperfections and for developers to do away with them via post-release online updates.

"It's a major misfire," Jefferies analyst Ken Rumph said about CD Projekt.

The game has gotten mixed reviews from professional reviewers as well as everyday players, with some complaining aggressively on social media. Tesla Chief Executive Elon Musk tweeted a reply to CD Projekt's tweet with a screenshot of a message expressing disappointment with a PlayStation 4 copy of "Cyberpunk" from an unidentified writer.

"I took a week off of work to play this game and I quickly realized it's not the game I've been thinking about every day for eight years," the message said.

Several other prominent developers postponed games this year, citing work-from-home challenges caused by the health crisis as a key factor. For example, Microsoft in August pushed back the release of a new installment of its shooter franchise Halo to next year. It is important for "Cyberpunk" to be a hit for CD Projekt. The company has only one other major franchise, "The Witcher," and its last major release is now five years old.

## App Can Replace Your Gym

Continued from page B1 potentially more savings on the \$29.95-a-month Apple One Premier plan if you already subscribe to Apple Music and two terabytes of iCloud storage. The most analogous app, Peloton Digital, costs \$12.99 a month for one user.

There's a catch: A Fitness+ subscription requires an Apple Watch, Series 3 (\$199) or newer. While the app's core workout experience is video, streamed on an iPhone, iPad or Apple TV, you can't access the app without the smartwatch. If you forget to charge your watch, or left it at home while you are traveling, you can still access the videos and do workouts, but you need to physically own an Apple Watch to sign up for Fitness+.

Wherever you fire up the app, it syncs immediately with your watch—even if you use an Apple TV in somebody else's house—and your heart rate and calorie data appear on screen. Any song featured



Fitness+, which requires an Apple Watch, includes challenging dance classes for cardio workouts.

in a workout can be added to your Apple Music library, if you are a subscriber. The watch serves as a remote control, able to play classes on other Apple devices.

Apple also leverages any workout data you have shared to your iPhone's Health app, including from third-party fitness apps. So if you've done yoga with Glo or cycling with Peloton, Fitness+ will use that history to recommend similar workouts.

The workouts I tried are comparable to the pricey in-person versions offered at boutique fitness studios—the cycling ones, in particular.

The rides range from 45-minute sessions to ultra-quick 10-minute sprints. The workout itself includes a period of fast sprints, slower high-resistance climbs and recovery. You can match your pedal to the beat or meet the target rotations a minute called out by the trainer. A "burn bar"

turns up the competition by comparing your calories-burned effort with others.

There is chill yoga, and there is energizing yoga that will work up a sweat. The high-intensity interval training, strength and core workouts are short—30 minutes or less—and I often played a couple in a row.

Dance and rowing are two disciplines here that aren't common in other fitness apps. While I didn't have ac-

cess to a rower, I could at least dance. Or try to, anyway. The workout—a 20-minute cardio-infused hip-hop class—was both terribly hard and stupidly fun. And according to the numbers on screen, I successfully arm-pumped my way to some burned calories.

What differentiates Apple's app is its approach to workout newbies. There is a starter collection of videos as a sort of introductory course to each of the app's disciplines. And even in the harder sessions, one of the trainers in the background offers a modified version for less-advanced practitioners.

Unfortunately for me, there was no "easy" version of the dance workouts.

Overall, Fitness+ feels like a Peloton Digital Lite (which doesn't otherwise exist). Apple's app and Peloton Digital have high production value, motivating music playlists and charismatic trainers. But Fitness+ doesn't have as many workout types, and the library of workouts isn't as large. It also lacks Peloton's live and social features. The Apple app does have one edge over Peloton's: You can download classes and play them offline. While you can preload Peloton content for more stable playback, the workouts require an active internet con-

nection to play.

There is plenty of room for improvement. Some high-intensity, strength and core workouts require dumbbells, while others don't. I would like to be able to filter results, by "no equipment" or "weights," for instance.

Fitness+'s focus on metrics can be confusing, especially for the beginners at which the app is aimed. Fitness+ doesn't provide any context around heart rate. Is the number shown good or bad? Is it higher or lower than a minute ago? Why care about heart rate at all? Actionable insights would be helpful here.

I like Zova's approach. The iOS-only \$60-a-year fitness and nutrition app similarly uses the Apple Watch to measure heart rate, and shows the data alongside the streamed exercise. The app's workouts are based on heart-rate "zone" training, which is an assessment of the intensity of your workout as a percentage of your maximum heart rate. In other words, Zova shows you what to do with your numbers.

Still, Fitness+ is a great value—at least for Apple Watch owners. But don't pay up just yet. The one-month free trial should tide you over until you read my guide to fitness apps, sometime in January.

NICOLE NGUYEN/THE WALL STREET JOURNAL

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# Blackstone Buys Lab Buildings For \$3.45 Billion

BY PETER GRANT

**Blackstone Group Inc.** is raising its bet on biotechnology lab space and other life-sciences real estate, agreeing to pay \$3.45 billion for a portfolio of buildings primarily in the active Cambridge, Mass., market.

The acquisition is the latest sign of growing investor interest in life-sciences real estate during the pandemic. Blackstone was already one of the world's leading investors in this type of property even before the Covid-19 outbreak.

Now the firm's interest is intensifying. Earlier this fall, Blackstone recapitalized BioMed Realty, the largest private U.S. owner of life-sciences property, for \$14.6 billion. The firm is also close to acquiring another two life-science buildings in the Boston-Cambridge area for \$1 billion, according to people familiar with the matter.

"The pandemic has only amplified the need for vital drug discovery and shined a light on the importance of innovation in life sciences," said Nadeem Meghji, Blackstone's head of real estate for the Americas.

Blackstone is one of the world's largest real-estate investors with a portfolio valued at \$341 billion. Mr. Meghji said life science is one of the firm's "high-conviction" bets—property types Blackstone believes are among the biggest beneficiaries of emerging macroeconomic trends.

The firm also has been making big investments in industrial properties, which have gained in value as distribution hubs for booming e-commerce, and in Hollywood studios and offices driven by new content creation.

The portfolio of lab buildings, which Blackstone is buying from **Brookfield Asset Management**, consists of 2.3 million square feet of space. Most is on a 30-acre campus adjacent to the Massachusetts

Institute of Technology. More than 95% of the portfolio is leased thanks to strong demand from pharmaceutical and other life-sciences companies that want to be close to the school's students, faculty and research activities, Blackstone said.

The life-sciences sector has been one of the few bright spots in the commercial real-estate industry this year. Many other property types, like hotels and malls, have been hammered by the pandemic, which has discouraged shopping and travel.

Most office space has been hurt by the large number of businesses that are allowing most of their employees to work from home. But life-sciences businesses have a harder time doing that because lab work requires specialized designs, ventilation and other infrastructure.

"You can't create a new drug from your living room or kitchen," Mr. Meghji said. "You need to be in physical lab space."

Blackstone's life-sciences bet still has risk. The strong demand for life-sciences space this year has driven up prices to near peak levels. There is also the danger of new supply saturating the market.

The firm is betting it can mitigate that risk by investing in top markets like Cambridge, where it is more difficult to develop new lab space. "We've really been prioritizing the top biotech clusters where you have the greatest depth of demand and talent," Mr. Meghji said.

Blackstone also has been a big investor in life-sciences companies this year. In July, the firm raised a \$5 billion life-sciences private fund and in August, it invested \$275 million in Cryoport Inc., a temperature-controlled-logistics business.

"This is a very long-term trend for us that will persist far beyond the end of the pandemic," Mr. Meghji said.



The consumer-goods maker has promised to eliminate emissions from its operations by 2030. Its Inmarko ice cream factory in Russia.

# Unilever Allows Climate Input

Company is first to give shareholders a say on emissions plan, through advisory vote

BY SAABIRA CHAUDHURI

**Unilever PLC** said it would become the first major company to voluntarily give shareholders a vote on its efforts to reduce carbon emissions, seeking greater engagement with investors on climate issues.

The owner of Dove soap and Ben & Jerry's ice cream said Monday it would seek approval from investors every three years on its plan to mitigate its carbon impact and the risks of climate change on its business. However, the vote would be only advisory and doesn't require Unilever to make changes.

Major investors say they are putting more emphasis on

addressing the threats posed by climate change, with shareholder resolutions on the issue becoming more common. By proposing its own climate resolutions for shareholders to vote on—which take into account the challenges and realities of achieving them—Unilever is in the driving seat, said one big investor.

BlackRock Inc., one of Unilever's largest investors, said earlier this year that it would be increasingly likely to vote against management and boards if companies don't disclose climate-change risks and plans in line with key industry standards.

Climate Action 100+, a group of large investors including BlackRock that is pressuring companies to act on climate change, welcomed Unilever's announcement as meaningful.

"Despite only being an advisory vote, it will allow invest-

ors to provide a clear statement of intent to the company about the importance of sticking to its plans for a transition to net-zero emissions," said Piers Hugh Smith, the investor group's point person for Unilever.

A Unilever spokeswoman said investor interest in managing the transition to net zero was growing and that the company wanted to send a signal that it was serious about meeting these targets.

The consumer-goods giant is among the growing number of companies setting public targets for cutting carbon emissions over the next few years. London-based Unilever has promised to eliminate emissions from its own operations by 2030 and to do the same from sourcing to point of sale by 2039. It also plans to halve the footprint of its products in the next decade, which involves the more difficult pro-

cess of cutting emissions from consumers using its products.

To achieve those goals, Unilever said it would need to rethink the raw materials it sources, use more renewable energy and eliminate deforestation from its supply chain, among other measures. The company said it would rely on carbon credits to balance residual emissions.

Nestlé SA said earlier this month that it would invest the equivalent of about \$3.6 billion over the next five years in cutting carbon emissions as the Nescafé coffee owner works toward hitting its own targets. Other consumer-goods giants such as Colgate-Palmolive Co., Procter & Gamble Co. and Kimberly Clark Corp. have made similar pledges.

Unilever said it would share more details about its climate strategy in the first quarter and plans to report on its annual progress in 2022.

# Exxon to Cut Carbon Footprint

Continued from page B1

50% and cut its flaring intensity by 35% to 45% by 2025. The company said those targets are consistent with the Paris climate accord from which President Trump withdrew the U.S. that Exxon says it supports.

A newcomer activist investor launched a proxy fight against Exxon last week, arguing the beleaguered energy giant needs to act faster to remake itself and invest in clean energy.

Engine No. 1, an investment firm with a sustainability bent, said in a letter sent to Exxon that it needs to explore significant investment in clean energy to help the company profitably meet emission-reduction targets. The letter, which also argued for cost-cutting measures and other changes, identifies four people the firm plans to nominate to Exxon's 10-person board.

"While reducing emissions intensity is important, nothing in ExxonMobil's stated plans better positions it for long-term success in a world seeking to reduce total greenhouse



The oil company pledged to end routine flaring, or burning, of methane by 2030. Its fields in Iraq.

gas emissions," Engine No. 1 said Monday in response to Exxon's pledge.

Exxon said it regularly meets with investors but doesn't provide details of specific conversations.

Some of Exxon's largest investors have pushed the company on climate-related issues for years. BlackRock Inc. has a history of singling out Exxon as moving too slowly to address climate risks, and it cited those concerns earlier this year in voting against two Exxon directors and in favor of separating the chairman and CEO roles. The directors were elected, and

the roles weren't separated.

Peter Trelenberg, Exxon's director of greenhouse gas and climate change, said on a call with reporters Monday that the targets were a product of Exxon's annual planning and budgeting process. He didn't signal any new investments in clean energy.

Mr. Trelenberg said the new intensity targets would result in an overall reduction in Exxon's carbon emissions but didn't provide any specific data. Reducing emissions intensity generally means cutting it per amount of energy produced, but a company can still

increase emissions overall if it is producing more oil and gas in total.

Mr. Trelenberg also said that Exxon hadn't set targets for reductions to emissions from its products, referred to as scope 3 emissions, because it has control only over emissions from its operations.

"Scope 3 is going to be a function of how society decides to reduce emissions across the energy system," he said.

Exxon said it would also continue to factor environmental performance into executive compensation and support putting a price on carbon.



Photo illustrations of two of the buildings in Cambridge, Mass., bought by the investor as it commits to life-sciences real estate.

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## PUBLIC NOTICES

### NOTICE OF JUDGEMENT AND ORDER OF APPROVAL AND IMPLEMENTATION OF THE INSURANCE BUSINESS TRANSFER PLAN

Case No. CJ-2019-6689  
In the District Court of Oklahoma County, State of Oklahoma

PLEASE TAKE NOTICE. On October 15, 2020, a Judgment and Order of Approval and Implementation of an Insurance Business Transfer ("IBT") Plan ("IBT Order") was granted by the District Court of Oklahoma County, State of Oklahoma, in Case No. CJ-2019-6689, pursuant to Oklahoma's IBT Act, OKLA. STAT. tit. 36, §§ 1681-1688 (2020). This notice is provided pursuant to the IBT Act.

The IBT Order requires Providence Washington Insurance Company, a Rhode Island corporation ("PWIC" or "Transferring Insurer"), to transfer most of its insurance policies and reinsurance agreements, including insurance policies and/or reinsurance agreements underwritten by entities acquired by or merged with PWIC, to its affiliate, Yosemite Insurance Company ("Yosemite" or "Assuming Insurer"), an Oklahoma corporation.

On and after October 15, 2020, all insurance policies and/or reinsurance agreements identified in the IBT Plan shall be and hereby are transferred and novated from PWIC to Yosemite.

Additional information concerning the IBT Order and IBT Plan may be requested from:

<b>Assuming Insurer:</b> Yosemite Insurance Company Suite 330 475 Kilvert Street Warwick, RI 02886 Telephone: 800-845-2724	<b>Transferring Insurer:</b> Providence Washington Insurance Company Suite 330 475 Kilvert Street Warwick, RI 02886 Telephone: 800-845-2724	<b>Oklahoma Insurance Commissioner:</b> Oklahoma Department of Insurance 400 NE Fifth Street Oklahoma City, OK 73105 Telephone: (405) 521-2828 Toll Free - OK: (800) 522-0071 <a href="http://www.oic.ok.gov">www.oic.ok.gov</a>
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IN WITNESS WHEREOF, PROVIDENCE WASHINGTON INSURANCE COMPANY has caused this Notice to be executed by its President & CEO, as of November 30, 2020.

PROVIDENCE WASHINGTON INSURANCE COMPANY

By: Richard Seelinger  
Title: PRESIDENT & CEO

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## ELECTRONIC ARTS

### Firm Beats Out Rival For Codemasters

**Electronic Arts Inc.** agreed to buy European computer games maker **Codemasters Group Holdings PLC** for roughly \$1.25 billion, overtaking an earlier offer from **Take-Two Interactive Software Inc.**

Codemasters, a maker of racing games, withdrew its recommendation of the roughly \$1 billion offer from Take-Two, publisher of the "Grand Theft Auto" franchise.

Take-Two said it was considering its options regarding Codemasters and would make a further announcement when appropriate.

—Ian Walker

## BED BATH & BEYOND

### Cost Plus World Unit Sold to Kingswood

**Bed Bath & Beyond Inc.** agreed to sell **Cost Plus World Market**, its last noncore banner, to private-equity firm **Kingswood Capital Management LLC** for an undisclosed amount.

The retailer, which has already shed its Christmas Tree Shops chain and Personalization-Mall.com business, said the sale includes 243 stores, the Cost Plus digital business, two distribution facilities and a corporate office in Alameda, Calif.

Bed Bath & Beyond said it also approved a \$150 million accelerated share-repurchase program.

—Colin Kellaher

## 3M

### Sales Increase Seen At 1.1% to 3.6%

**3M Co.** said it expects sales in the final quarter of \$8.2 billion to \$8.4 billion, or a roughly 1.1% to 3.6% increase from the same period last year, as the industrial conglomerate has experienced strong demand for its N95 face masks this year.

The St. Paul, Minn., company said quarterly sales through November were \$5.7 billion. The expectations came after the company earlier this month said it would cut 2,900 jobs to reflect slumping demand for some of its products apart from personal-protective gear, such as office supplies and industrial products.

—Dave Sebastian

## WYNN RESORTS

### Macau Unit Expects Drop in Revenue

**Wynn Resorts Ltd.**'s Macau operations expect operating revenue of \$258 million to \$262 million for October and November, compared with \$775.2 million in the comparable two months a year ago, the company said.

The casino operator sees adjusted property earnings before interest, taxes, depreciation and amortization of \$13 million to \$15 million for the two-month period in Macau, compared with \$244.8 million in the same period last year. The company has faced declining visits because of the Covid-19 pandemic this year.

—Dave Sebastian

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

29861.55 ▼184.82, or 0.62% ... Trailing P/E ratio 29.39 21.02 ... P/E estimate \* 24.71 18.79 ... Dividend yield 2.04 2.26 ... All-time high 30218.26, 12/04/20

S&P 500 Index

3647.49 ▼15.97, or 0.44% ... Trailing P/E ratio \* 41.52 24.85 ... P/E estimate \* 25.85 19.27 ... Dividend yield \* 1.65 1.84 ... All-time high 3702.25, 12/08/20

Nasdaq Composite Index

12440.04 ▲62.17, or 0.50% ... Trailing P/E ratio \*\* 38.21 26.42 ... P/E estimate \*\* 31.92 23.39 ... Dividend yield \*\* 0.74 0.99 ... All-time high: 12582.77, 12/08/20



Major U.S. Stock-Market Indexes

Table with columns: Index, High, Low, Latest Close, Net chg, % chg, 52-Week High, 52-Week Low, % chg YTD, % chg 3-yr. ann.

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...

Most-active issues in late trading

Table of late trading activity with columns: Company, Symbol, Volume (000), Last, Net chg, After Hours % chg, High, Low.

Trading Diary

Volume, Advancers, Decliners

Summary of trading volume and price movements for NYSE and NYSE Amer.

International Stock Indexes

Table of international stock indices by region with columns: Region/Country, Index, Close, Net chg, Latest % chg, YTD % chg.

Percentage Gainers...

Table of top percentage gainers with columns: Company, Symbol, Latest Session Close, Net chg, % chg, 52-Week High, 52-Week Low, % chg.

Most Active Stocks

Table of most active stocks with columns: Company, Symbol, Volume (000), % chg from 65-day avg, Latest Session Close, % chg, 52-Week High, 52-Week Low.

Percentage Losers

Table of top percentage losers with columns: Company, Symbol, Latest Session Close, Net chg, % chg, 52-Week High, 52-Week Low, % chg.

Volume Movers

Table of top volume movers with columns: Company, Symbol, Volume (000), % chg from 65-day avg, Latest Session Close, % chg, 52-Week High, 52-Week Low.

Track the Markets: Compare the performance of selected global stock indexes, bond ETFs, currencies and commodities at wsj.com/graphics/track-the-markets

CURRENCIES & COMMODITIES

Currencies

Table of currency exchange rates with columns: Country/currency, US\$ vs. YTD chg, Country/currency, US\$ vs. YTD chg.

Commodities

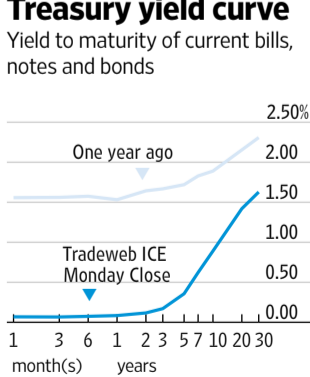
Table of commodity prices with columns: Commodity, Monday Close, Monday Net chg, % Chg, 52-Week High, 52-Week Low, % Chg, YTD % chg.

CREDIT MARKETS

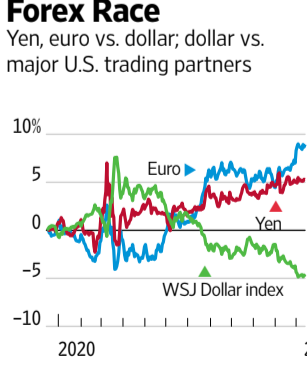
Consumer Rates and Returns to Investor

U.S. consumer rates: A consumer rate against its benchmark over the past year. Includes line charts for 30-year fixed-rate mortgage and 10-year Treasury note yield, and a table of selected rates.

Treasury yield curve



Forex Race



Corporate Borrowing Rates and Yields

Table of corporate borrowing rates and yields with columns: Bond total return index, Close, Yield (000), 52-Week High, 52-Week Low, Total Return (000), 52-wk, 3-yr.

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. Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Barclays; ICE Data Services

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Table with sections for Metal & Petroleum Futures, Agriculture Futures, and NY Harbor ULSD. Columns include Open, High/Low, Contract, Settle, Chg, and Open Interest.

Table with sections for Interest Rate Futures, Currency Futures, and Eurodollar. Columns include Date, Price, Change, and Open Interest.

Table with sections for Index Futures, Mexican Peso (CME), and Euro (CME). Columns include Open, High/Low, Contract, Settle, Chg, and Open Interest.

Table with sections for Mini S&P Midcap 400 (CME), Mini Nasdaq 100 (CME), and Mini Russell 2000 (CME). Columns include Open, High/Low, Contract, Settle, Chg, and Open Interest.

Bonds | wsj.com/market-data/bonds/benchmarks

Table with sections for Tracking Bond Benchmarks, Broad Market Bloomberg Barclays, U.S. Corporate Indexes Bloomberg Barclays, High Yield Bonds CEBofA, and Mortgage-Backed Bloomberg Barclays.

Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds. In local currency. \* Euro-zone bonds. Sources: ICE Data Services; Bloomberg Barclays; J.P. Morgan

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session

Table showing yield mapping for Global Government Bonds with columns for Coupon, Maturity, Yield, Spread, and U.S. Treasury benchmarks.

Cash Prices | wsj.com/market-data/commodities

Monday, December 14, 2020. These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace...

Table with sections for Energy, Metals, Fibers and Textiles, Grains and Feeds, Food, and Fats and Oils. Columns include Commodity, Price, and Change.

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Monday, December 14, 2020. Key annual interest rates paid to borrow or lend money in U.S. and international markets.

Table with sections for Inflation, U.S. consumer price index, International rates, U.S. government rates, Federal funds, and Policy Rates.

Key Interest Rates

Data are annualized on a 360-day basis. Treasury yields are per annum, on actively traded noninflation and inflation-indexed issues...

Table with sections for Federal funds (effective), Commercial paper, Discount window primary credit, Treasury yields (secondary market), TIPS, and Treasury yields at constant maturities.

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations.

Table with sections for Investment-grade spreads that tightened the most... and ...And spreads that widened the most. Columns include Issuer, Symbol, Coupon, Yield, Maturity, and Spread.

High-yield issues with the biggest price increases...

Table showing high-yield issues with columns for Issuer, Symbol, Coupon, Yield, Maturity, and Bond Price.

...And with the biggest price decreases

Table showing high-yield issues with biggest price decreases with columns for Issuer, Symbol, Coupon, Yield, Maturity, and Bond Price.

Table with sections for Dividend changes and Dividend announcements from December 14. Columns include Company, Symbol, Yld, Amount, and Payable/Record.

Table with sections for Dividend announcements from December 14. Columns include Company, Symbol, Yld, Amount, and Payable/Record.

Notes on data: Federal funds rate is an average for the seven days ended Wednesday, weighted according to rates on broker trades...

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S21: stock split and ratio; SO: spin-off.

BIGGEST 1,000 STOCKS

How to Read the Stock Tables
The following explanations apply to NYSE, NASDAQ and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

Table of the 1,000 largest stocks by market cap. Columns include Stock, Net Change, % Change, Stock, Net Change, % Change, Stock, Net Change, % Change, Stock, Net Change, % Change, Stock, Net Change, % Change, Stock, Net Change, % Change.

Wall Street Journal stock tables reflect composite regular trading activity as of 4 p.m. the previous day.

Monday, December 14, 2020. Table of stock prices with columns for Stock, Net Change, % Change, Stock, Net Change, % Change, Stock, Net Change, % Change, Stock, Net Change, % Change, Stock, Net Change, % Change.

Table of stock prices (continued) with columns for Stock, Net Change, % Change, Stock, Net Change, % Change, Stock, Net Change, % Change, Stock, Net Change, % Change, Stock, Net Change, % Change.

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New Highs and Lows WSJ.com/newhighs

The following explanations apply to the New York Stock Exchange, NYSE, American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG-Daily percentage change from the previous trading session.

Table of new highs and lows for various stocks. Columns include Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low.

Table of new highs and lows for various stocks (continued) with columns for Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low.

Table of new highs and lows for various stocks (continued) with columns for Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low.

Table of new highs and lows for various stocks (continued) with columns for Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low.

Table of new highs and lows for various stocks (continued) with columns for Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low, Stock, 52-Wk % High/Low.

Mutual Funds

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

Table of mutual fund performance. Columns include Fund, Net YTD, NAV, Fund, Net YTD, NAV, Fund, Net YTD, NAV, Fund, Net YTD, NAV, Fund, Net YTD, NAV, Fund, Net YTD, NAV.

Table of mutual fund performance (continued) with columns for Fund, Net YTD, NAV, Fund, Net YTD, NAV, Fund, Net YTD, NAV, Fund, Net YTD, NAV, Fund, Net YTD, NAV, Fund, Net YTD, NAV.

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## MARKETS

## Tech Stocks Keep Rally Going

Nasdaq gains, but S&P 500, Dow slip on fear of further lockdowns

BY CAITLIN OSTROFF  
AND AMBER BURTON

Technology stocks extended a robust 2020 rally that has propelled much of the market's gains since March.

The Nasdaq Composite index, home to many of the U.S.'s biggest tech stocks, outperformed its peers. The benchmark ticked up 62.17 points, or 0.5%, to 12440.04, bringing its gains for the year to 39%.

The S&P 500 edged down 15.97 points, or 0.4%, to 3647.49. The tech sector was the only one of the index's 11 groups to finish the day up.

The Dow Jones Industrial Average slipped 184.82 points, or 0.6%, to 29861.55, reversing a morning gain of as much as 279 points. The S&P and Dow are up 13% and 4.6%, respectively, for the year.

All three indexes opened higher on optimism that talks for additional fiscal stimulus are progressing and the roll-out of Covid-19 vaccines could help stem the pandemic.

But stocks pulled back as the session progressed as investors fretted about the potential for further lockdown measures.

U.S. lawmakers on Sunday signaled a growing willingness to compromise on the most contentious issues that have held up the passage of a fresh coronavirus-relief package in recent months. Leadership from both parties indicated they might look to pass a narrower spending bill. Investors continue to bet that a deal will be struck, and the additional



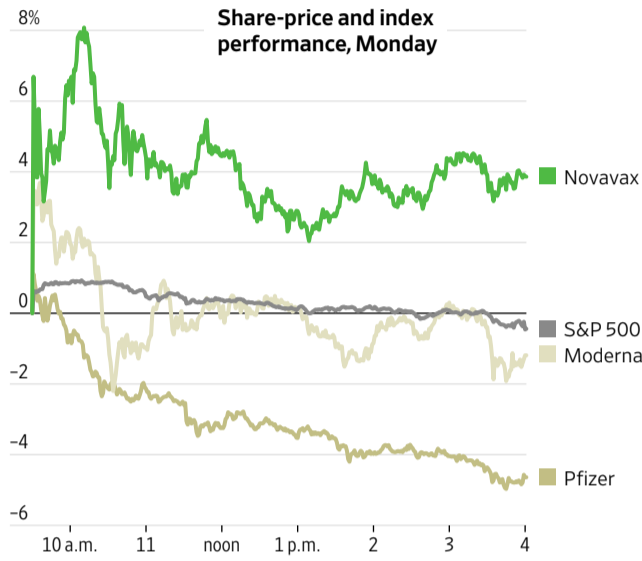
Pfizer shares fell 4.6% as the pharmaceuticals company starts to roll out its Covid-19 vaccine.

spending will help bolster the economic rebound.

"In the U.S., it is all about fiscal policy," said Justin Onuekwusi, head of retail multiasset funds at Legal & General Investment Management. "The markets have priced some of this in and believe it is going to happen."

Pfizer started shipping its Covid-19 vaccine in the U.S., bolstering optimism that rising infection levels may be checked in coming months and prompt an end to restrictions on social and business activity. An end to lockdowns would improve the outlook for companies whose operations have been disrupted this year by the pandemic.

The vaccine "gives you greater certainty around the earnings numbers for 2021 and 2022 because there is a lesser probability of lockdowns," Mr. Onuekwusi said. "The longer you spend at lower earnings levels, the more companies start to get into trouble because demand isn't there, and then you get



this permanent economic scarring."

In corporate news, shares of **Alexion Pharmaceuticals** rose \$35.33, or 29%, to \$156.31 after **AstraZeneca** agreed to buy the Boston-based company for \$39 billion in cash and stock. Shares of vaccine makers

wavered after the Food and Drug Administration authorized Pfizer's and partner **BionTech**'s shot on Friday. Pfizer slid \$1.91, or 4.6%, to \$39.21, while **Moderna** fell \$1.86, or 1.2%, to \$155.07. **Novavax** climbed \$4.82, or 3.7%, to \$129.70.

## Private-Equity Firms Form Funds To Buy Mineral Rights, Royalties

BY LUIS GARCIA

Some private-equity firms are increasingly turning to royalties and mineral rights to deploy capital in a depressed energy industry, preferring to partake in wells operated by others than running the wells themselves.

NGP Energy Capital Management LLC, for one, is raising a fund to buy mineral rights after having backed several mineral rights-focused entities from two previous funds that also invested in oil and gas producers. The Dallas firm is seeking as much as \$500 million for NGP Royalty Partners LP, which will focus exclusively on rights deals, according to public documents.

Mineral-rights owners, who typically are entitled to 20% to 25% of the revenue generated by underlying oil and gas wells, have an advantage over the

well operators because they don't have to help pay for drilling and production costs, said David Hayes, a partner at NGP, during a presentation to Alaska Permanent Fund Corp., the state's \$65 billion sovereign investment vehicle. That means a drop in oil prices will disproportionately squeeze the operator's income compared with royalty owners, the presentation showed.

## Low oil prices suppress buyout activity and make it hard to run wells.

As low oil prices suppress buyout activity and make it more challenging to operate oil and gas wells, some energy in-

vestors view royalties as a safer bet on an industry recovery, energy experts said.

NGP-backed energy companies and mineral-rights investors, such as **Luxe Minerals** LLC and **Wing Resources** LLC, invested \$638 million in royalties and mineral rights across 1,846 transactions from 2015 through June, according to the presentation.

Several other private-equity firms have sought to expand their bets in royalties and mineral rights in recent years. One, **Kimberly Energy Management** Co., last year formed Desert Peak Minerals by combining its oil and gas royalty assets with those of Desert Royalty Co. The resulting company owns more than 75,000 net royalty acres in the Delaware Permian Basin, a giant shale-oil field in West Texas and southeastern New Mexico.

## Website Owner Eyes Deals

Continued from page B1

already begun buying competitors.

Last year, it purchased PopSugar, a women-focused digital publisher, adding its site and web properties to a portfolio that includes animal-focused the Dodo and NowThis, a news publisher.

It isn't clear which company or companies Group Nine Media would target for acquisitions.

Group Nine's all-stock deal with PopSugar valued Group Nine at \$600 million, The Wall Street Journal reported.

As the digital-media sector has matured, several companies have looked to deal making to spur growth.

BuzzFeed Inc. last month announced a stock deal to acquire Verizon Media's Huff-

Post, bringing two of the most prominent new-media companies together.

Last year, Vice Media Group announced a deal to acquire women-focused publisher Refinery29, while Vox Media Inc. merged with New York Magazine publisher New York Media.

Digital-media companies have struggled to maintain fast growth in online ad sales, given stiff competition from tech giants including Facebook Inc. and Alphabet Inc.'s Google.

The coronavirus pandemic added more pressure on the sector, though some companies have begun to bounce back.

BuzzFeed expects to turn an operating profit this year for the first time in years.

Group Nine is known for news, travel and animal videos posted on social-media platforms that are shared widely.

Its other properties include Thrillist, popular with travel and food enthusiasts, which was founded by Group Nine Chief Executive Ben Lerer.

## Community Banks Find New Assets

Continued from page B1

old ones afloat. Profit at community banks—small, local lenders—jumped 10% in the third quarter from the same time last year, according to the Federal Deposit Insurance Corp. Total loans rose 13.4% in the third quarter, compared with 4.9% for the industry. Deposits surged 16.7%. Noncurrent loan rates have risen slightly this year but are still far below levels seen during the last financial crisis.

Small lenders have long struggled to compete with their bigger rivals. They lack the trading desks and deal-making businesses that buttress megabanks when low interest rates crimp lending profitability. And consumers have come to rely on the smartphone apps and digital services that many small banks can't afford to offer. Technology costs and wafer-thin lending margins have prompted many smaller banks to consolidate.

When the pandemic hit and shut down entire industries, many feared that small banks would suffer, too—tied as they are to their small-business borrowers.

Yet those ties to local companies worked to their advantage. Small banks made about 28% of PPP loans, despite holding about 12% of industry assets at the end of last year, according to FDIC data. These "economic first responders" helped quickly deploy hundreds of billions of dollars in forgivable loans, FDIC Chairman Jelena McWilliams said earlier this month during an online conference.

Lenders also earn a fee of between 1% and 5% on each loan.

That income is helping to offset tight margins in their core lending businesses. Net interest margin, the difference between what a bank earns on loans and what it pays to depositors, fell to record lows for commercial banks in the third quarter.

"PPP was a tremendous shock in terms of balance sheet growth, earnings and liquidity," said Sandy Brown, an attorney at Alston & Bird LLP who counsels community banks.

Rosedale issued more than 500 PPP loans of more than \$50 million, all to new small-



Rosedale Federal Savings & Loan surpassed \$1 billion in assets in May. One of its drive-through units.

business clients, Mr. Benson said. He expects Rosedale to bring in roughly \$1.7 million in fee income from PPP, more than double its noninterest income of \$730,000 in 2019.

The lender focused exclusively on mortgage and commercial real-estate loans before the pandemic, but it saw an opportunity with its PPP customers to expand into small-business lending. PPP "is something that's catapulted us forward, for sure," he said.

PPP's delivery of cash to banks' small-business custom-

ers helped limit losses. What's more, dire predictions that the pandemic would devastate a swath of businesses didn't materialize. At many banks, problem loans have remained concentrated in a handful of hard-hit industries: hospitality and tourism; bricks-and-mortar retail; and energy.

Assets at Cache Valley Bank in Logan, Utah, stood near \$2.8 billion at the end of September, almost twice as much as the same time last year. Net loans and leases are up more than 91%. Deposits have increased by over 40%.

Some of the boost is from the 9,000-plus PPP loans processed by the bank. But a considerable share is organic, said George Daines, the bank's CEO. Some companies in the area have thrived during the pandemic, he said.

"From a financial perspective, it's probably been the best year ever," Mr. Daines said.

Still, a nationwide surge in coronavirus cases and the expiration of federal aid pose new risks for small banks and the communities they serve.

The number of Americans

## SEC Votes On Miners' Foreign Payments

BY DYLAN TOKAR

The Securities and Exchange Commission is scheduled to vote this week on a rule mandating the disclosure of payments made by oil, gas and mining companies to foreign governments.

A vote on the rule, scheduled for Wednesday, could bring to close another chapter in a decade-long attempt to enact a controversial provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act that was designed to help stave off corruption by companies in resource extraction industries.

A first version of the rule, adopted by the SEC in 2012, was defeated in court by the American Petroleum Institute which had argued that the rule would have put companies it represents at a competitive disadvantage. Opponents of the new proposal have indicated they might launch a new legal challenge against the rule, if passed.

A second version of the rule was rescinded by Republicans after the party gained control of the U.S. Senate in 2017.

The latest version—the SEC's third—takes a more industry-friendly approach than previous iterations. But the agency's efforts to ease the compliance burden on companies has drawn criticism from anticorruption advocates, who have accused it of rushing a vote in the final weeks of the Trump administration.

"The SEC threw this in at the last minute," said Zorka Milin, a senior legal adviser for Global Witness, a London-based anticorruption advocacy and investigative group.

The SEC's most recent proposal, unveiled last year, softens key definitions and adds exceptions to some of the rule's requirements.

It requires public disclosure of reports regarding payments by oil, gas and mining companies. But it allows information on payments to be aggregated at a national level in most cases, instead of on a contract-by-contract basis.

The rule has caused a split between some large U.S. oil and gas companies, represented by the API, and rivals in Europe and Canada, which are subject to transparency rules that were modeled after the Dodd-Frank provision.

Companies such as the U.K.'s BP PLC, France's Total SA, Norway's state-controlled Equinor ASA and Anglo-Australian mining company Rio Tinto PLC have voiced support in comments to the SEC for disclosing payments on a contract-by-contract basis. The Dodd-Frank provision allows the SEC to either require companies to disclose the payments to a searchable database, or to collect such information and publish it in an aggregated, anonymized compilation.

For now, though, bankers say they are positioned to weather a downturn. That is in part because of historically high capital levels, which would allow them to absorb more losses than they could during the last recession.

In March, Paul Kohler and his team at Charter Bank in Eau Claire, Wis., looked back at what happened after the 2008 crisis, when noncurrent loans rose as high as 2.72%, to figure out how much money to set aside for loan losses.

"It was scary because we didn't know how this was going to affect our customers," said Mr. Kohler, the CEO. He now says he believes Charter has more than enough money set aside to cover potential loan losses. Noncurrent loans are at 0.33%, the lowest they have ever been at the bank, which surpassed \$1 billion in assets this year.

"It's absolutely crazy," Mr. Kohler said.



# HEARD ON THE STREET

FINANCIAL ANALYSIS &amp; COMMENTARY



While overall revenue fell by 37% year over year, equipment revenue, the lucrative business of outfitting franchised gyms, tumbled by 71%.

## Planet Fitness Needs Flatter Curves

Gym chain's investors seem unaware that the pandemic has seriously dented its business prospects

Planet Fitness Inc. kicked off 2020 by announcing that it would sponsor the television show "The Biggest Loser." Little did it know that Covid-19 would soon make that an apt label for itself—a crash diet that left its market value 70% lighter in less than a month.

Yet, while many large and small competitors were pushed into bankruptcy by the pandemic, Planet Fitness somehow gained all the weight back, and then some. Its shares closed 4% higher than a year earlier on Monday. That makes no sense.

Planet Fitness has a clever business model that has helped it grow rapidly, but certain elements of it backfired recently. Charging very little and deliberately making it difficult to cancel, its best customers rarely show up but keep paying anyway. Its gyms couldn't fit them all at once if they did. Even so, turnover is high enough to require constant recruitment of new members.

The company made an apparent tactical error by drafting dues from

members in March even as lockdown orders shut down all their U.S. gyms. Cancellations had to be in person or by letter even as gyms were closed, and members wary of unnecessary trips still can't do so online or by phone even with gyms reopened. That infuriated those forced to move or who were financially pinched, judging by social-media posts. Membership went from 15.5 million in March to just 14 million at the end of October. The move also artificially flattered third-quarter results reported last month since those monthly revenues were credited for future use and were deferred until gyms reopened.

While overall revenue fell by 37% year over year, equipment revenue, the lucrative business of outfitting and periodically refurbishing franchised gyms, tumbled by 71%. The company was forced to offer a discount of 15% on equipment to support new store openings and it gave franchisees a 12-month extension on

"development requirements." Growth in new gyms has fallen far short of expectations. Planet Fitness ended the quarter at about one-third of its original 2020 store-growth target and has suspended financial guidance.

The company's "no judgment

**Membership went from 15.5 million in March to just 14 million at the end of October.**

zone" slogan doesn't apply to analysts. An expected profit for 2020 has turned into a projected loss. Earnings-per-share expectations for 2021 have tumbled by almost half since February, according to FactSet. In other words, even expectations that its gyms will remain open and that vaccines will return life to

normal can't obscure the fact that the fast-growing chain's momentum has been seriously disrupted.

On the plus side, Planet Fitness has merely bent while the likes of 24 Hour Fitness, Gold's Gym, Town Sports and countless independent gyms have broken. Retail vacancies resulting from the pandemic present cheap opportunities for franchisees looking to expand.

But should they? People are eager for a return to normal, but many have bought home exercise equipment and could remain wary of panting strangers. And while Planet Fitness has logged many downloads of its own fitness app, it enters a crowded field and must tread carefully lest it cannibalize franchisees' prospects.

For shareholders who hung on, it is time to hop off this elliptical while they are ahead. It is hard to square the damage and continuing uncertainty from Covid-19 with a stock trading at 60 times next year's earnings. —Spencer Jakab

## U.S.-China Tech War Won't End Under Biden

But there may be less fire and fury

The tech war between the U.S. and China will likely continue under the Biden administration, although modestly sweeter talk may mask some of the deep bitterness.

The Huawei saga has been a centerpiece of the U.S.-China rivalry in the past couple of years. The Trump administration has restricted the Chinese telecom equipment company's access to chips made using U.S. technology. And U.S. dominance in semiconductor equipment and design tools means it is now essentially impossible for Huawei to source chips. The U.S. has also put export controls on Semiconductor Manufacturing International Corp., China's homegrown alternative to Taiwan Semiconductor Manufacturing Co., the world's largest chip foundry by market share.

Such flexing of U.S. tech supremacy has laid bare China's vulnerabilities in semiconductors, and the country has responded by redoubling its resolve to achieve self-sufficiency in chip-making. It has devoted billions of dollars to the industry and is recruiting top engineers from other countries. China was the world's largest market for semiconductor equipment in the third quarter with sales of \$5.62 billion, according to industry association SEMI.

The Trump administration's blunt approach succeeded in kneecapping Huawei. In the long run, however, such a strategy could weaken the U.S. High-tech companies eyeing the Chinese market may rethink sourcing from the U.S., or doing research or having operations there.

A targeted approach with allies such as Taiwan and South Korea, with the aim of keeping the most advanced technology out of China's hands may be preferred by the new administration. Supporting chip-making at home is also consistent with President-elect Joe Biden's pledge to boost domestic manufacturing.

Though there may be less fire and fury, the tech rivalry between the two superpowers is unlikely to go away.

—Jacky Wong



Exchanges have long been evolving away from pure transaction-linked revenue and are diversifying revenue sources.

## SEC's New Stock-Exchange Rules Have Pluses

The rules are changing for stock exchanges when it comes to market data revenue, but it needn't be a game changer for investors.

Exchanges have always fought hard for market share in stock trading, which in turn helps partly determine how much of the collective data fees for the market's Securities Information Processors, or SIPs, go to that exchange. But the Securities and Exchange Commission on Wednesday adopted rules to open that exclusive data to competition. In theory this threatens SIP revenue for exchanges because market participants may get that data directly or from competing aggregators, analysts have noted. Cboe Global Markets generated about 9% of its 2019 net revenue from SIP data, according to analysts at Piper Sandler. Its stock is down over 6% since the SEC's announcement.

But investors should keep the bigger picture in mind. Already the participants in the stock-exchange industry, including Nasdaq and the New York Stock Exchange's owner, Intercontinental Exchange, have long been evolving away from pure

transaction-linked revenue, diversifying revenue sources and getting into wider information services, like data to analyze trades before making them or evaluate the performance of trades after the fact. A Moody's Investors Service report last week anticipated "future transactions to further expand into non-traditional acquisitions such as data, technology, cybersecurity and software services" for exchange operators.

Any revenue hit likely wouldn't come for some time, as new competition will be phased in after testing and development, and exchanges will still have packages with the most detail-rich data to sell to the most sophisticated customers. Exchanges could also challenge the SEC in court, as they have on other measures. Plus, there are also other parts of the rules that could in theory boost revenue or volume, such as treating certain sub-100-share trade orders like larger ones in terms of data and price protection. There is an argument that more trades of high-price stocks, which tend to be for smaller num-

bers of shares, could migrate onto exchanges from off-exchange venues, noted Piper Sandler analysts.

This year's retail trading boom helps exchanges via listing fees for initial public offerings but doesn't do as much for volume overall, as retail trades tend to be executed off-exchange, according to Moody's. Some shift in that trend, or a different phase of the market characterized by rising volatility or uncertainty about rates, could spark a more institutional tilt that would help exchanges' share of overall activity.

Shares of the four big U.S. exchange operators, which also include CME Group, haven't kept pace with S&P 500 financials' overall 15% rise in the past three months. In part that reflects investors' focus on near-term vaccine-driven rebounds in credit, banking and other parts of the economy, which don't provide as clear a boost to trading. This lag and any selloff on the data rule make exchanges one way to bet on a longer-term uptick in rates and volatility. —Telis Demos

## Meal Kits Face Heat From the Microwave

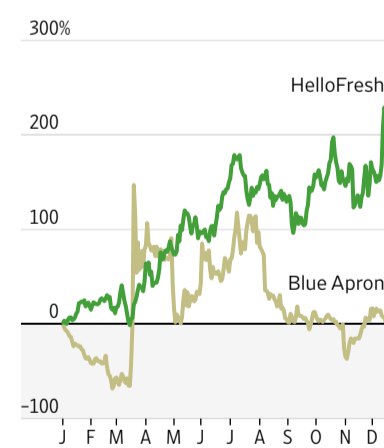
Meal kits were in demand this year as consumers spent more time cooking at home. When the Covid-19 vaccine rollout gradually allows normal life to resume, speedier dinner options like ready meals could eat into their growth. HelloFresh, at least, has taken note.

The largest U.S. meal-kit provider last week raised its full-year sales and profit guidance for the fourth time in 2020, lifting its stock to new highs. Berlin-based HelloFresh also laid out plans to more than double its revenue to €10 billion, equivalent to around \$12 billion, by the middle of the decade. The shares have gained 220% this year, making it the second-best performing name in the Stoxx Europe 600 index.

However, management expects sales to slow in 2021 from their projected 110% surge in 2020. Consumers are likely to spend less time cooking dinner from scratch and return to restaurants once the virus is under control. Ready meals that are sold directly to consumers through online subscriptions look poised to take share from meal kits as lives become busier. Sales of fresh dinners that can be heated in the microwave already grew faster than meal kits in the U.S. this year—by more than 100% compared with 60%, respectively—according to credit-card data analytics firm Envestnet Yodlee.

Blue Apron is less prepared for the shift than its bigger rival. As its meager 7% share-price gain this year suggests, the U.S. company struggled to meet higher demand for its products during the pandemic. HelloFresh will try to protect its business by expanding into different meals such as lunch and new products. It recently bought

Share-price performance, year to date



Source: FactSet

Factor75, a business that will generate \$100 million this year from freshly prepared meals.

The direct-to-consumer ready-meal market in the U.S. is valued at less than \$1 billion. But it is growing quickly. Competition from American supermarkets may be less intense than in categories like frozen: U.S. grocers haven't figured out how to transport fresh meals over long distances to reach nationwide stores within their short shelf life.

However, there is competition elsewhere. Nestlé recently bought Freshly, the biggest player in the U.S. fresh-prepared meal market with annual sales more than four times those of Factor75. Freshly was being prepared for an initial public offering before the world's biggest food company snapped it up, people with knowledge of the industry say.

Meal kits have had a stellar run, but it can't last. Investors should be relieved that HelloFresh is shaking up its menu. —Carol Ryan

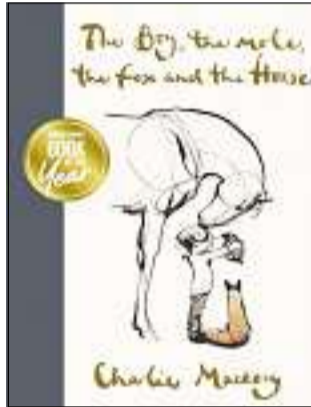
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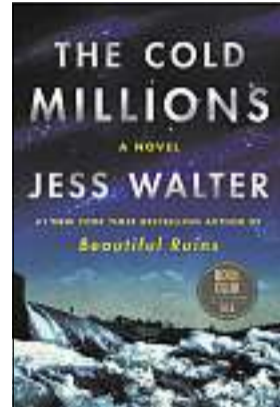
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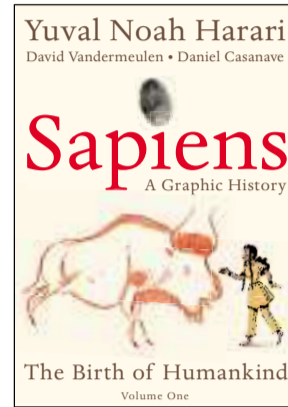
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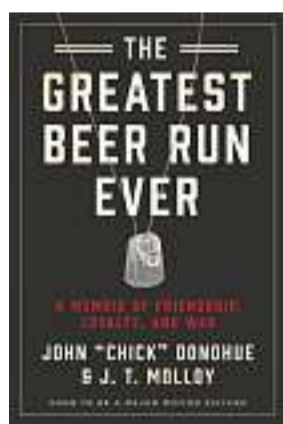
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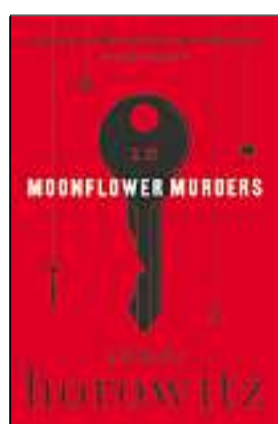
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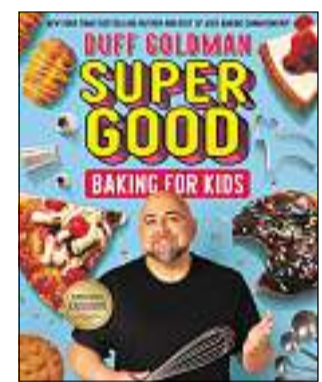
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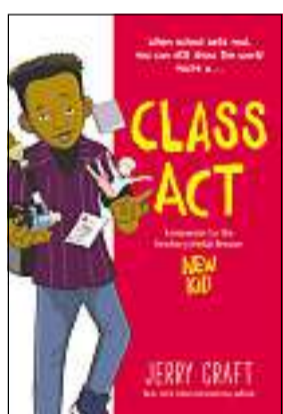
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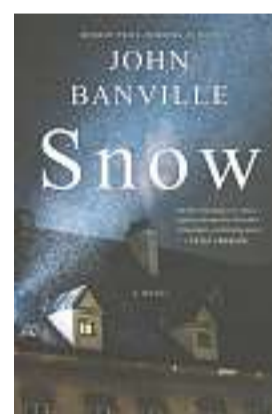
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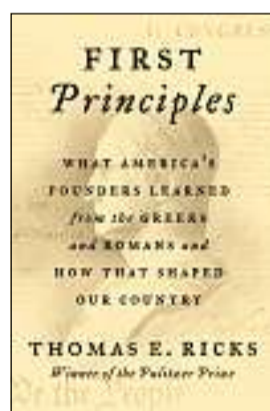
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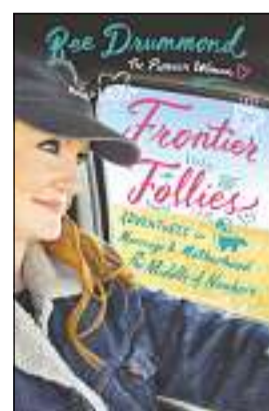
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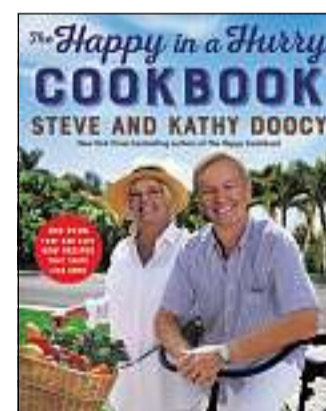
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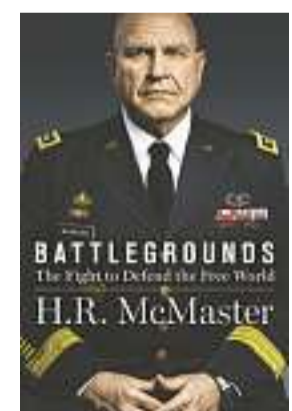
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# BARRON'S GUIDE TO WEALTH

DECEMBER 15, 2020



## WHAT'S HOLDING WOMEN BACK?

Women control more wealth than men, but too many haven't taken their rightful seat at the table when it comes to investing and other key financial decisions.

Story By **SARAH MAX**

Illustration by Marina Munn

### IT HAS BEEN FORTY YEARS

since Enjoli perfume proclaimed that women can "bring home the bacon, fry it up in a pan," and women haven't only made big strides in equal pay and opportunity, they also control 32% of global wealth and more than half of U.S. personal wealth.

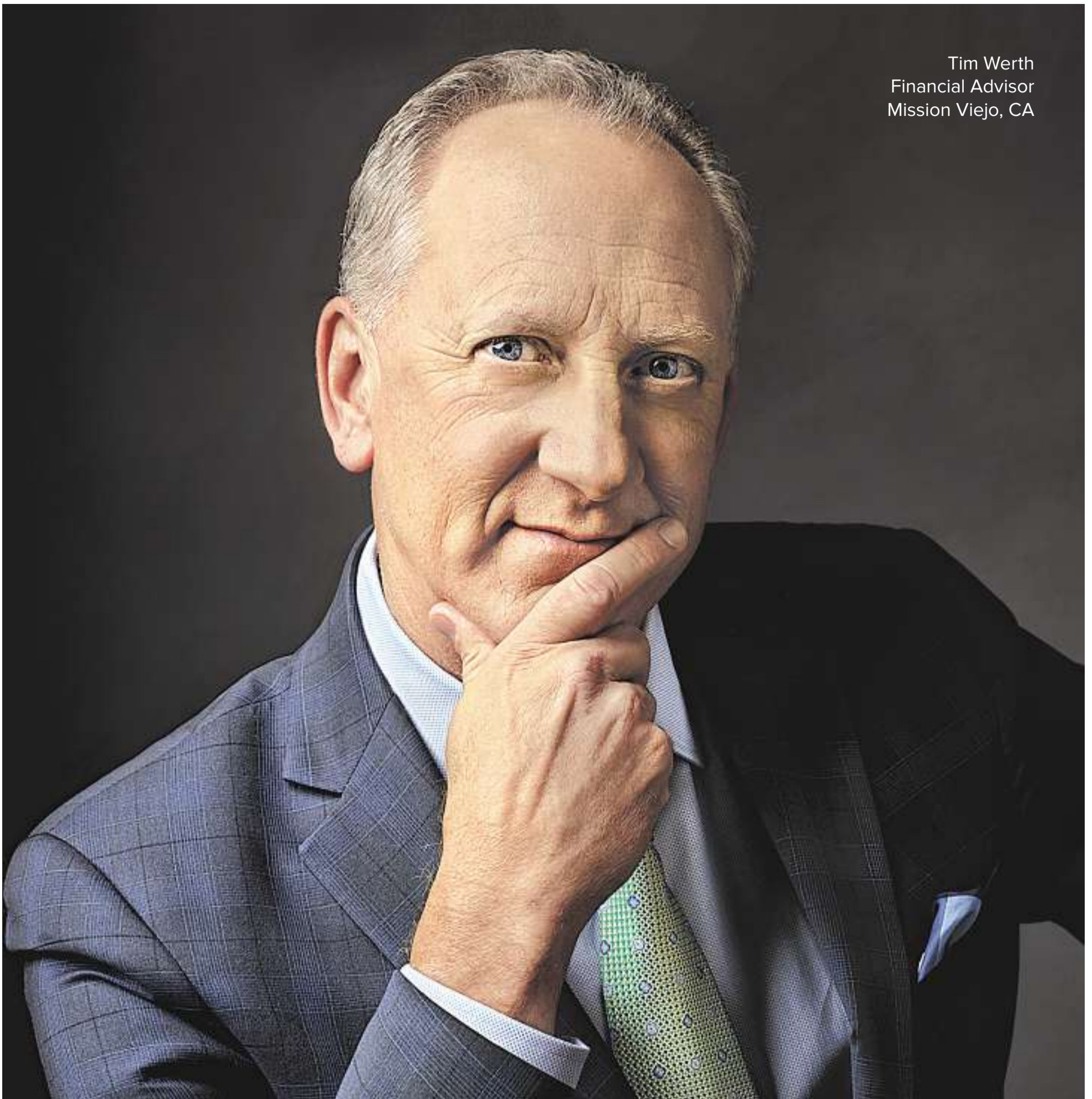
Yet, whether because of deeply entrenched gender roles, a lack of time, interest, or understanding—or some combination of the above—women of all ages, education levels, and income brackets are still behind the times when it comes to taking control of their big-picture financial decisions.

"As a society, we don't think it's very sexy when women talk about money," says Haleh Moddasser, a senior financial advisor at Stearns Financial Group in Chapel Hill, N.C., and author of several books about

How to Get—and Stay—  
On Track Financially  
**Page S4**

Our Best Money Advice  
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## BARRON'S SPECIAL SUPPLEMENT

women and money. She thought this might have just been the case among her baby boomer peers and clients, but apparently not. "I had a woman working for me who was in her 20s, and she ended up changing her online dating profile to take out 'financial advisor.'"

Are we generalizing? You bet. But as loathsome as the notion of stereotyping women as being no-good-at-the-money-stuff is, there's an alarming amount of data demonstrating that women in general simply don't engage with their finances often, or thoroughly, enough.

"This is the really sad part of this whole thing: You'd think we'd make some progress, and we haven't," says Valerie Newell, a principal and senior wealth advisor with Mariner Wealth Advisors in Cincinnati. In fact, her affluent millennial clients are among the worst offenders, she says. Many say they just aren't interested, or don't see the urgency. "Younger women never think that bad things are going to happen," she says.

In a recent survey of nearly 3,000 Americans by UBS Global Wealth Management, half of married women, and 54% of married millennial women, said they defer to their husbands when it comes to long-term financial decisions.

"It's not that women aren't engaged in their financial well-being, but our research shows they're more engaged in short-term money matters than the longer-term decisions," says Paula Polito, divisional vice chairman at UBS Global Wealth Management. But those longer-term decisions, which relate to investments, insurance, and estate planning, have the greatest consequences—particularly for women. Eight out of 10 women end up solely responsible for their finances at some point in their lives, says Polito.

Women also have less room for error on big financial decisions. "We tend to live longer, get paid less, and go in and out of the workforce," says Carrie Schwab-Pomeranz, board chair and president of the Charles Schwab Foundation. On average, women have significantly less saved for retirement than men, according to the latest data from the Transamerica Center for Retirement Studies. Nearly a third report having saved less than \$10,000 or nothing at all.

What's holding women back? It isn't a lack of competency. Multiple studies have shown that when women do take the reins on investment decisions, they outperform men by one to two percentage points a year, on average. Rather, a combination of factors perpetuate the gender gap. Some are societal, some are institutional. But all need to be dismantled. *Barron's* spoke with advisors, researchers, and women to better assess the problem and offer some solutions.

### TRADITIONAL GENDER ROLES PERSIST

Women have made significant leaps over the past several decades, but longstanding gender roles continue to influence how they think and talk about money. "It boils down to financial education, which is still not offered or required in most schools," says Lynn Ballou, a senior wealth advisor and partner with EP Wealth Advisors in Lafayette, Calif. "We say, make sure kids learn a foreign language, but we never say let's teach our kids about money."

The responsibility then falls on parents, and in many households women are taught, whether explicitly or by example, not to talk about finances. "We still hear about clients who give their sons \$1,000 to try some stock-picking, but don't have their daughters do the same," says Kathryn George, a partner and chairwoman of the Brown Brothers Harriman's Center for Women and Wealth. "When we ask why, they say because she's not interested. Well, maybe she's not interested because you're not talking about it with her."

The problem becomes self-perpetuating, and can have long-lasting effects. In a survey of people ages 16 to 25, Schwab found that young women aren't lacking in financial grit. Relative to their male peers, they're more likely to take on extra work, for example, and follow a financial plan. Yet twice as many men said they would invest spare cash; women were more likely to keep that money in checking and savings accounts.

"There needs to be better communication between parents and the next generation," says George. "People, and especially people who have money, don't talk about it. So kids don't understand savings or compounding, and all of those basic skills that are the underpinning to investing."

Money was not something Mabe Rodríguez, 52, learned about at home. "Finances were always managed by my dad," she says. Even so, she got a "deep appreciation for cash flow" when she visited her grandparents in Venezuela, and they trusted her to help them pay bills and balance their checkbook. When she landed a job at Procter & Gamble in her early 20s, she got serious about



"I'm really proud of that I've been able to recapture control of all of my finances, understand what's going on, and make educated choices."

Lesley Shorr Klein

"I hear over and over again from my female clients that they are embarrassed because they don't understand their finances—and these are highly successful women."

Julie Knight, Janney Montgomery Scott



"I'm good with managing money that I have, but I didn't fully understand how to invest to have more of it in the future."

Elizabeth Ortiz

"I grew up in a family that was extremely frugal, but money management wasn't part of the conversation."

Hannah Carpenter



"Financial planning is like that closet you haven't quite gotten around to cleaning, but you know you should."

Anne Alexander

"After I got married, I realized I was making more money than he was, and I wanted to take the reins on investing."

Mabe Rodríguez



saving and investing. "I had three goals: One was to buy my own house, two was to pay for my children's education, and three was to retire by the age of 50."

Rodríguez retired at 46, and has since held multiple leadership positions at various institutions and nonprofits in Cincinnati.

### WEALTH ADVISORS COULD DO BETTER

That women are a key segment isn't lost on the wealth management industry. Over the past decade, there has been a groundswell of women-specific studies, products, and marketing campaigns. "But these efforts are still too superficial," says Anna Zakrzewski, a partner and global leader of wealth management at Boston Consulting Group.

In a comprehensive study, BCG concluded that the wealth management industry is still missing the mark when it comes to meeting the needs of female clients.

Among other issues, 30% of women surveyed by BCG said they believe advisors speak with them differently because of their gender. In one blatant example, "a wealthy woman, who is a high earner, told us about an advisor who, during the first meeting, spoke primarily to her husband and then sent follow-up documents addressed only to him. She received a charm bracelet," says Zakrzewski.

"There are a lot of firms out there that say they cater to women, and they basically changed the font to pink, but that's just not going to cut it," says Moddasser.

To be fair, there are many male advisors who have terrific rapport with their female clients. Still, the industry is going to be prone to biases and communication misfires if it continues to be dominated by men.

"A big part of the problem is that most advisors are men," says Julie Knight, an advisor with Janney Montgomery Scott in Allentown, Pa. That isn't surprising given longstanding gender roles, she says. The problem is persistent: less than 20% of all advisors are women; the same percentage as advisors over 65. In other words, there isn't an influx of younger women advisors. "We need to get more female advisors in our industry," she says.

Women don't want to be patronized,

but they do have different needs and communication preferences. A study by Coqual, a global think tank focused on diversity and inclusion, found that women want to work with advisors who are sensitive to their time constraints (for example, no thanks to the golf outing), and who take the time to learn about their clients' values, aspirations, and family situations—and incorporate all of that information into their recommendations.

The impression that many women have of financial advice is "men smoking cigars and talking to their brokers," says Anne Alexander, 56, who began working with Knight after getting a divorce and being downsized from her publishing job. "What you really want to do is talk to somebody who can help you get your financial life in order and say, 'Here's where you are, and this is how you can get where you want to go.'"

### WOMEN HAVE A LOT ON THEIR PLATES

Lesley Shorr Klein says she'll never forget the advice she got when she graduated from college and got her first job. "My roommate's father sat us down and said, 'Enroll in your 401(k), open an IRA, and invest every month,'" says Shorr Klein, 51. She took that advice to heart, saved consistently, and even bought a few individual stocks.

Her enthusiasm for investing continued after she got married. "But then life got crazy. We had kids, and I left my corporate job to start my own recruiting business," she says. "The one thing that was very easy to slice off were the finances."

Women face many obstacles when it comes to managing their money, but some of the biggest barriers are self-imposed. Women are juggling more than their share of responsibilities—perhaps now more than ever, given the disproportionate impact of Covid-19—and if they can delegate money management to their spouse, all the better.

It's one thing to step back from routine money matters, but the stakes are too high to keep key financial issues at arm's length. "There's a difference between delegation and abdication," says Polito. "You don't have to know everything about the markets or every aspect of financial services, but you do have to have your own

road map of your financial life." (See page R5 for advice on managing money from your 20s through your 50s.)

There are myriad reasons that women should engage with their finances. For people who are married, equal participation in major financial decisions can have benefits beyond the bank account.

"The more successful couples I know schedule a date, once a month, to sit down to discuss strategies, big purchases coming up, when are they going to retire, and what are they going to do in retirement," says UBS financial advisor Tracy Byrnes. "In this busy world, that's really important."

Couples who are on the same page about money matters tend to fight less, and feel more in sync on their bigger life goals. "One of the main reasons people divorce is because they don't communicate about money," says Ballou, who won't work with couples unless they both participate. "I saw early on in my career that even those with the best intentions couldn't really know the minds and hearts of their partners, and how their goals and viewpoints might evolve. More than one client has mentioned that I might have saved their marriage."

The importance of money in relationships is a common refrain. "I don't know if I would be with my husband today if my relationship to finances was what it was in my early 20s," says Hannah Carpenter, 35, a film editor who moved to New York after college. Carpenter got serious about budgeting and saving when a co-worker introduced her to her mother, financial advisor Rosemarie Dios at UBS. By the time Carpenter met her now-husband, she was saving and investing regularly. Her husband earns more and came to the marriage with more assets, she says, but it's a marriage of financial equals because of the steps she took to be independent. "That was important to both of us," she says.

Whether single, married, divorced, or widowed, knowing where you stand financially is empowering. When Shorr Klein divorced this spring, she realized just how checked out she'd become. "I chose to disengage entirely because I had so much on my plate," she says. With the help of her financial advisor, and ex-husband, she has become reacquainted with her finances and now knows where things stand "down to the penny," she says. In the process, she has ramped up her charitable giving; incorporated environmental, social, and governance values into her portfolio; and gotten more proactive about financial decisions related to her business.

### EQUAL TREATMENT, DIFFERENT APPROACH

So, what do women need that's different? Advisors say—and studies support this—that when it comes to big money moves, and investing in particular, women tend to consider their decisions in the context of their overall lives, as opposed to looking at investment returns or other key numbers at face value.

"Men are usually more focused on returns, and women are more focused on security," says Moddasser. "So, if you're talking to a male advisor and he keeps pressing you on how something is undervalued or has a certain standard deviation, they're speaking completely different languages."

Sometimes, they really are speaking a different language. "One of the problems with the industry is that there's a vernacular, there are more acronyms than in any other industry," Byrnes says. "And if I start throwing acronyms at you, I've lost you."

What can happen, she says, is that women are embarrassed or don't want to slow down the conversation by asking too many questions. At the same time, they tend to want to get more information before they make big financial decisions.

"Once women have the information needed to make a well-informed decision, and that's an important thing, their investment profile is relatively similar to that of men," says Zakrzewski. When women don't get adequate answers, however, they are likely to hold on to too much cash. In the BCG study, women had 30% of their holdings in slower-growth assets. That can lead to a wealth deficit that is exacerbated by longer life spans.

"Studies show that women are not more risk averse, but rather that men are overconfident, which is why women are often better long-term investors," says Moddasser. "They don't chase returns, they chase security."

"With our good friends and partners, we talk about our dreams all the time, but we don't talk about the money," says Elizabeth Ortiz, 41, who is an assistant professor of communications and co-owns a restaurant with her husband. "With financial advisors, you traditionally talk about money but not your dreams, and it's like, wait a minute: We should probably talk about those things together for the best future." ■

## GUIDE TO WEALTH



# How to Make It Happen: Be Your Own CEO

Managing your money can be daunting, boring, or just a chore. These simple steps will get you on track.

By **SARAH MAX**

Illustrations by Glenn Harvey

Few women would dispute the importance of financial empowerment. It was just a generation ago—until 1974—when banks were allowed to deny women credit, such as credit cards or mortgages, in their own names and based on their own financial wherewithal.

We've come a long way in those 40-odd years, but not nearly far enough. Study after study shows that women aren't engaging enough with their finances. The financial-services industry is still falling short in serving this half of the population. Women, who often need more money in retirement to cover health and caretaking issues during their longer life spans, are, on average, far behind men in terms of savings. Financial empowerment gets lost in the daily chaos of living.

A few small steps can get you back on track. "Think of it as being the CEO of your own home," says UBS financial advisor Tracy Byrnes. "You don't need to know where the Dow closed, but you do need to know the big picture."

That big picture entails compiling a

list of your financial situation. Getting organized isn't always fun, but it is satisfying. *Barron's* worked with advisors to determine the basics of what every woman should know—and what, in their experience, they often don't. Here's how to tackle it like a boss.

### YOUR BALANCE SHEET

**Assets:** Do an inventory of all of your assets at least once a year. This includes all your accounts—checking, savings, brokerage, retirement—as well as the value of your home and any other physical property. Note which assets are held jointly or separately. Make sure you have, or know where to find, updated information on account numbers, financial institutions, login credentials, and key contacts.

#### Key questions:

- Do you have enough cash to cover unexpected expenses or a period of lost income?
- How are the rest of your assets—in brokerage or retirement accounts—invested? What's the ratio of stocks to bonds? What's the rationale for however you're invested?

- Are you saving in the most tax- and fee-efficient way? Are you saving more or less than last year? What would you like to see next year?

**Liabilities:** Do an inventory of everything you owe—all loans, credit card balances, and other liabilities. Note the total amount owed, monthly payment, and payoff dates. Add key account details and contacts.

#### Key questions:

- How much of your after-tax monthly income goes to pay debt?
- How much do you pay in interest every year, and can that be minimized?
- What expenses or behaviors are contributing to this debt, and what are your goals for paying it off?

**Net Worth:** Subtract liabilities from assets to estimate your net worth and set goals.

### YOUR INCOME STATEMENT

**Income:** Get a snapshot of your household's monthly and annual income, both before (gross) and after (net) taxes.

#### Key questions:

- Are you earning more or less than last year? How dramatically does your annual income change year to year?
- How much investment income do you expect to have this year?
- Are you expecting income from unusual sources, such as a one-time bonus at work, an inheritance, or withdrawals from a retirement account?

**Expenses:** Get a snapshot of your household expenses, focusing on individual bills and categories where you spend the most.

#### Key questions:

- What expenses have increased or decreased in the past year, and what are your projections for the next year?
- How much do you save every month and where do you put it?
- What areas of your spending can go toward saving more and paying down debt faster?

### YOUR STRATEGIC PLANS

"A goal without a plan is just a wish," wrote French existentialist author Antoine de Saint-Exupéry. Even seemingly nonfinancial goals often have a financial aspect, and, let's face it, being financially secure makes a lot of things easier.

Think about what it is you want to do, and how you want to do it. Think big, and if your plans feel too out of reach, consider whether a financial advisor can help. A holistic financial plan can serve as a blueprint for enabling a career change, philanthropic goals, raising kids, the ability to care for others, and an array of other goals.

#### Retirement key questions:

- When do you want to retire? What does retirement look like, both ideally and realistically?
- How much of your retirement income will come from savings versus other sources, such as Social Security or pension benefits?
- How much do you need to have saved to get there? Are you on track?
- What can you change to have your savings meet your expectations?

#### Family key questions:

- Are you teaching and talking to your kids about money?
- Are you and your partner on the same page when it comes to bigger topics, such as loans for adult kids or college financing?
- Do you have college-savings plans? How much are you contributing, and is it too much or too little based on expected tuition?

#### Estate and legacy key questions:

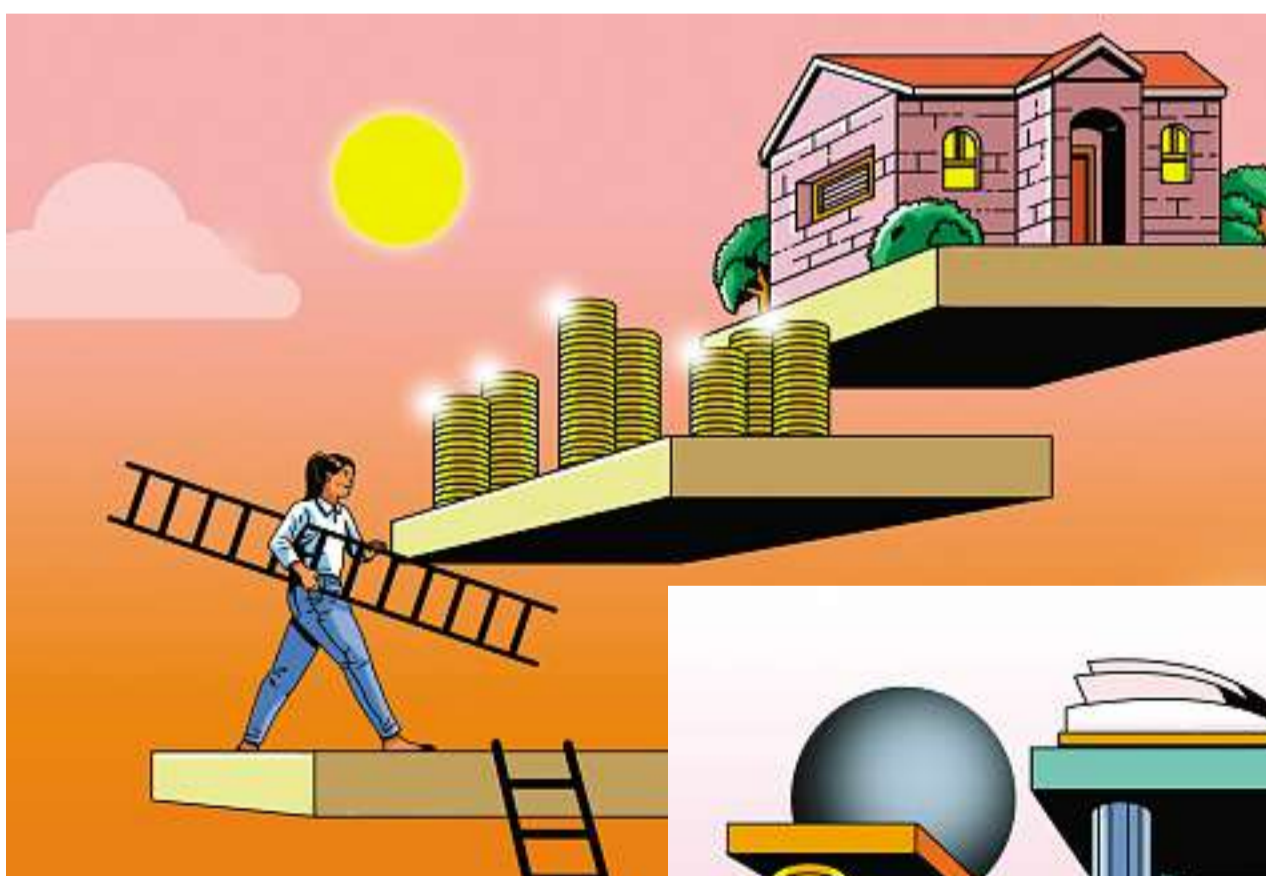
- Do you have updated wills and estate-planning documents?
- Do you have a charitable-giving plan?
- Do you want to manage this on your own or bring in a professional?

### RISK MANAGEMENT

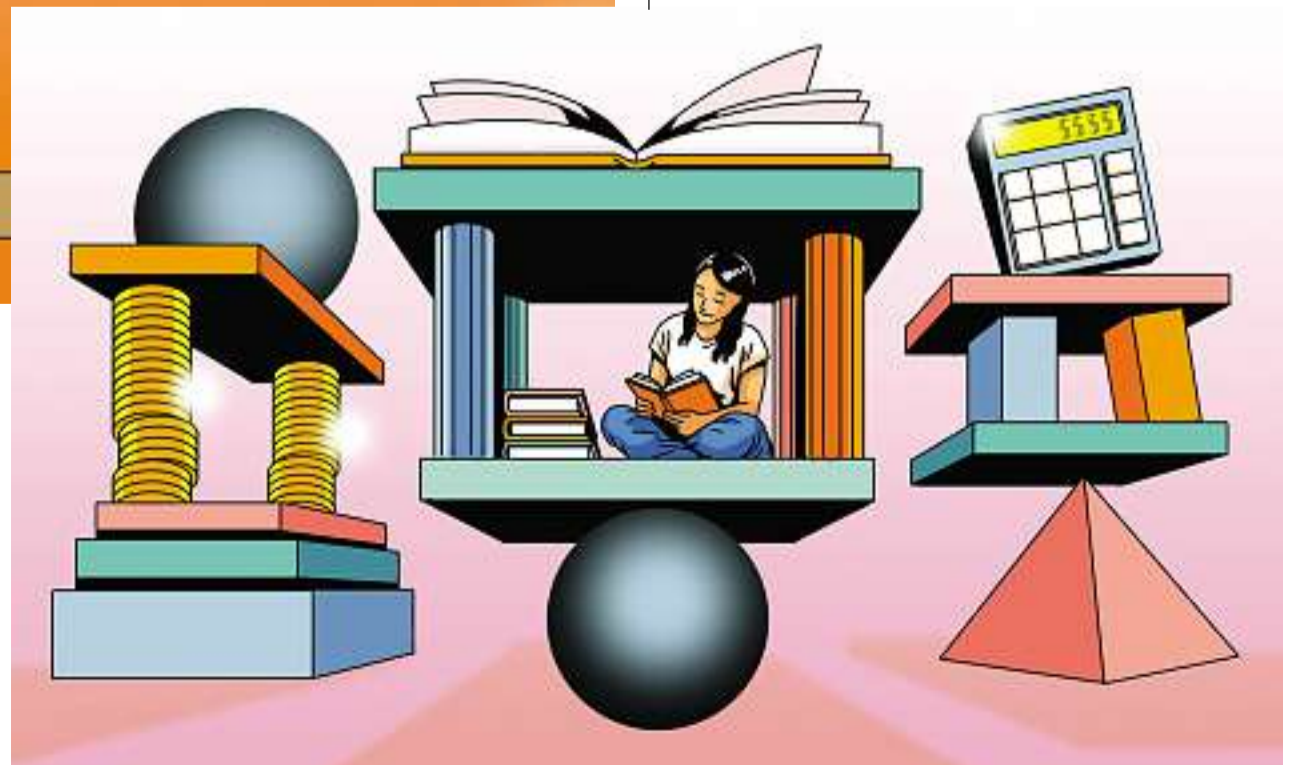
Take a look at variables that could disrupt your plans and any products or strategies for minimizing risk.

#### Key questions:

- If something happened to you or your partner today, would your survivors be OK financially?
- What life-insurance policies do you have? What is the amount, how long is the term, and is that enough?
- Do you have long-term disability insurance? Could that be helpful?
- What is the likelihood you'll need to support a parent, sibling, or adult child at any point in the future? **B**



Think like a CEO, and use this checklist to manage money like a boss.



BARRON'S SPECIAL SUPPLEMENT

# What's Your Best Financial Advice for Women in Their 20s, 30s, 40s, and 50s?

Every decade brings new challenges and opportunities—financial and otherwise. *Barron's* asked experts for their best piece of advice for each stage of life.

By **NANCY F. SMITH**  
Illustrations by Alex Fine

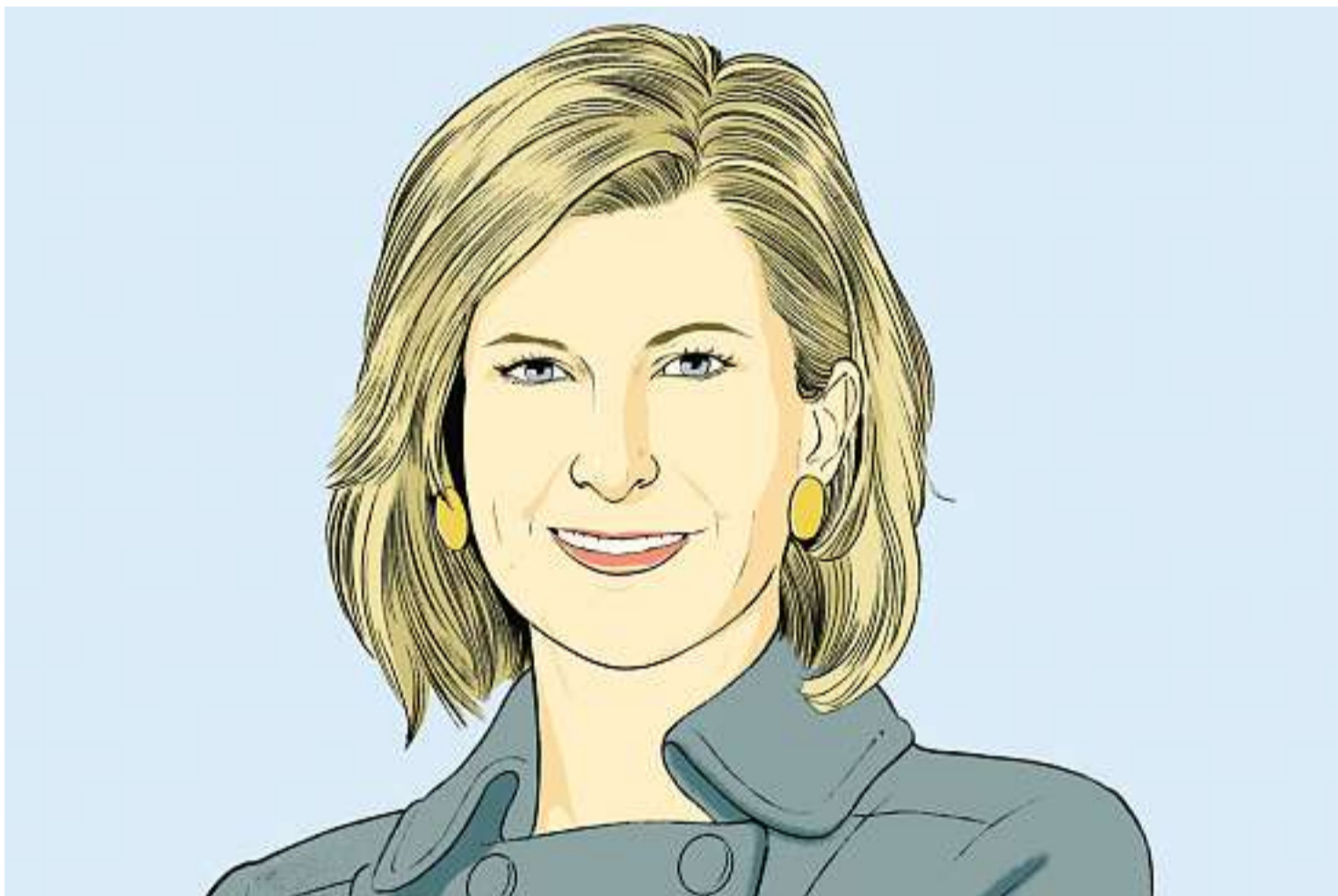
## YOUR 20s: NOW IS THE TIME TO WORK HARD

As you get older, your responsibilities grow exponentially.

**Mary Callahan Erdoes,**  
CEO, J.P. Morgan Asset &  
Wealth Management

**My first real job** was during the summer when I was in college. I worked in the computer room of Stein Roe & Farnham back in Chicago with two middle-age men who had been doing it forever—or at least it seemed so in my eyes. Our job was to peel off the individual portfolio printouts and deliver them to the portfolio managers, basically a 9-to-5 job. It didn't take me long to notice that one of the guys arrived every morning at 8:59 a.m. and left at 5:01 p.m. The other seemingly never left. Halfway through the first month, I asked the long-hours guy, "Do you ever leave?"

"Oh yeah," he said, "but I want to work extra hours." Why, I wondered.



### ACTIVELY PARTNERING WITH ADVISORS

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# GUIDE TO WEALTH

**“My advice to people in their 30s is to start thinking about investments seriously. If you can’t buy a house or an apartment where you live, buy land anywhere.”**

Carla Harris, right

“Because you get time and a half.”

“So everyone gets time and a half for extra hours?”

“Yeah.”

“OK. I’ll be here at 6 in the morning.”

That was one of my early formational insights into the connection between hard work and money, and that it was something I could control. Whatever job you have, you get out of it what you put into it.

Working hard is easy when you’re young, 20s and 30s. In many ways, it’s all about you. You’re doing your thing: learning, connecting with people, moving up. Then you start to have children and, somewhere in your 40s, two things happen. First, you realize you are grooming young ones who need to understand that they are going to live a long life, and they need to plan for it. And second, you watch as the generation that came before begins to retire. What happened when your parents stopped working? Did they have to completely change their lifestyle or had they planned ahead so they are enjoying that part of their lives? It’s not about some big massive plan, it’s about a little bit every day.

You want to teach your kids that it’s important to start saving and investing early, but it is especially important for you to focus on your investments as you get into your 40s and 50s. Why? Because to stay the course you need to have had the experience of the good and the bad in the markets. You have to have lost money and made money, you have to have asked questions.

When it comes to financial matters, the only dumb question is the one you don’t ask. You hire financial-service providers to answer those questions, not to speak in jargon that is so confusing you just say, OK, do what you want. If you don’t understand the product, if you don’t fully understand the risks, don’t invest in it. Now’s the time to make sure if you’ve worked hard, you can enjoy the fruits of your labor.

## YOUR 30s: TIME TO PURCHASE PROPERTY

It may seem like a huge leap, but it will set you up well for the rest of your life.

**Carla Harris,**  
Vice Chairman,  
Global Wealth Management,  
Morgan Stanley

**When I was 28,** my mother made the suggestion that I buy some land that members of the older generation in my family were selling. They were in their 70s and were tired of paying taxes on it. “What would I do with it?” I thought. There’s not a house on it, nothing else on it. And it would have taken just about all I had been able to save at that point. I was working at Morgan Stanley, and I couldn’t imagine wiping out my bank account to buy something that was utterly illiquid, not seeing it as something that would appreciate.

The property changed hands a couple

of times and eventually sold at multiples of what I would have paid. That was a big ah-ha moment for me. It led me to understand that to build wealth, I had to take money out of the bank account and invest it. For young people, property is a good way to start. That’s one of the reasons they are often advised early on to buy a house or an apartment. It’s one way they can begin acquiring wealth.

My advice to people in their 30s is to start thinking about investments seriously. If you can’t buy a house or an apartment where you live, buy land anywhere.

The property my mother recommended and I should have bought was in Florida, and I was in New York City. Even though she didn’t know a whole lot about wealth or investing, my mother was smart enough to know that land was a foundation for wealth building.

## YOUR 40s: TAKE CALCULATED RISKS

In your career and your investments, find that balance.

**Deborah F. Kuenstner,**  
Chief Investment Officer,  
Wellesley College

**I had been working** at Putnam Investments for seven years when I had to decide if I wanted to stay or move on. I had done well—I was chief investment officer, global value, and I was on the executive committee—but the company had undergone a change in strategic

**“Midcareer isn’t the worst time to take a risk. I needed to let go of the job I was doing in order to find the next great thing.”**

Deborah F. Kuenstner,  
right

direction that I didn’t agree with and I wasn’t enjoying the work anymore. I had a 15-year-old daughter, and I didn’t want to set an example for her in which I spent the majority of my working hours doing something that didn’t make me happy. But given my position, I couldn’t have one hand at Putnam and the other out looking for a job. I needed to let go with both hands.

I was 46 years old, and it was the kind of risky move—leaving without a job lined up—that might keep you up at night. But a mentor I had years earlier had encouraged me to think about my career in terms of risk: What are the



risks of staying versus the risks of trying something new? Midcareer isn’t the worst time to take a risk. I needed to let go of the job I was doing in order to find the next great thing.

My mother used to say that work is not fun all day, every day. If it was, the company would be charging you admission instead of giving you a paycheck. There’s got to be a balance between the things you love to do, the things you find satisfying, and the things that drive you a little bit crazy.

paid less than we could have earned using the same skill set—he is a newspaper reporter and I am a consumer advocate. We felt we could be confident that if something happened, one of us could move on to do something more lucrative.

But when you’re in your 50s and you’re watching the economy come to the brink—friends lose jobs and then struggle because companies are less likely to hire someone in their 50s and 60s—I began to feel vulnerable in a way I never had before.



It’s the same with taking risks with your money. You need to have a balance. Am I taking enough risk to earn what I need to earn or to compound my money without keeping me up all night, every night? I manage a large portfolio, and people might think it’s about managing returns, but it is really about managing risk while generating returns.

## YOUR 50s: HIRE A FINANCIAL ADVISOR

And be sure to work with a fiduciary who puts your interests first.

**Barbara Roper,**  
Director of Investor  
Protection, Consumer  
Federation of America

**I was in my 50s** during the financial crisis, and it was an awakening for me. Up until that point, I felt invulnerable because both my husband and I chose to spend our lives in jobs for which we got

As the markets were tumbling, my husband wondered if maybe we should move our money out of the market. No, I said, we’re buy-and-hold investors. In fact, that turned out to be the right decision, but the crash made me feel less confident.

We got lucky, because we both kept our jobs and we hadn’t yet retired. And we had a financial planner we could call up and ask questions, who provided peace of mind that we were on the right track. Which is ironic, given that my first big project as a consumer advocate was a 1986 study on abuses in the financial-planning profession.

I am a passive investor. But that report also made me very cautious in choosing my advisors, making sure they had all of the characteristics I tell people to look for: They embrace their fiduciary obligations so they minimize the conflicts of interest in their business model. Nobody else is paying them; they aren’t getting revenue-sharing payments. They don’t derive benefits from what they recommend, separate from what I pay them. They keep costs low. They have years of experience, a clean disciplinary record, and an excellent reputation. ■

**“My husband wondered if maybe we should move our money out of the market. No, I said, we’re buy-and-hold investors. In fact, that turned out to be the right decision.”**

Barbara Roper, left

Reference photos: (Erdoes) courtesy of J.P. Morgan; (Harris) Victoria Will; (Kuenstner) courtesy of Wellesley College; (Roper) Nick Roper





## BARRON'S SPECIAL SUPPLEMENT



**Lisette Cooper, vice chair of Fiduciary Trust, wants Facebook to do more to curb the exploitation of children.**

# Investors Take on Facebook

Big Tech wants airtight digital privacy. That's a great idea—except when it's not. One tragic story demonstrates how.

By **LESLIE P. NORTON**  
Photograph by Mary Beth Koeth

The balancing act between personal privacy and public safety has bedeviled Big Tech since the advent of instant messaging in the mid-1990s. From the beginning, the thorniest issues arose from the online sexual exploitation of children. But are technology companies responsible for the criminal use of their platforms? Many big investors now say they are. And that has led to one of this year's most memorable shareholder initiatives, in which Lisette Cooper took on Facebook.

Cooper is a well-known advisor, the vice chair of Fiduciary Trust, Franklin Resources' \$25 billion wealth management arm. An approachable investor with a doctorate in geology from Harvard University, Cooper has long been troubled by the growth in online child exploitation, and made preventing it a part of her professional work years ago.

This year, Cooper asked fellow Facebook shareholders if the steady increase in online child exploitation posed a risk to their investment in the social-media juggernaut. Facebook was adding privacy tools such as end-to-end encryption, in which only the two people involved in the communication could see the data, not law enforcement, nor anyone else. It's a boon for privacy—and for predators. Cooper advised shareholders who agreed with her to back her proposal directing Facebook's board to assess the risks.

"Privacy tools are good, but they have implications for child predators and the exploitation of children online," said Cooper in an interview with *Barron's*. "Our concern is that kids be safe, that law enforcement can access the material so they can find the kids and prosecute the predators, or stop someone from harming hundreds of children."

Facebook opposed the measure and, like the rest of Big Tech, has generally opposed creating backdoors into encryption, arguing that it weakens security. "Strong encryption is important to keeping everyone safe from hackers and criminals," a Facebook representative told *Barron's*. "We disagree with those who argue privacy mostly helps bad people, which is why we'll continue to stand up for encryption."

There are plenty of laws to hold companies accountable for facilitating sex trafficking on their platforms. Still, the incidents of abuse are growing swiftly. In 2019, there were more than 16.8 million reports of online child sexual abuse material, including graphic and violent images and videos, up from 10.2 million reports in 2017, according to National Center for Missing & Exploited Children, or NCMEC.

One company stood out: In 2019, some 94% of the reports stemmed from Facebook and its platforms, including Messenger and Instagram. The center said the next closest, Google, accounted for 2.7%.

Cooper founded institutional investment firm Athena Capital in a Boston suburb in 1993. Some 90% of clients were family offices, many controlled by women interested in expressing values through investments. Athena helped fund the Women's Inclusion Project, an impact-investing initiative, with shareholder-advocacy firm Proxy Impact and clients of other major advisors, such as Aperio, Veris Wealth Partners, and Tiedemann Advisors. Initially, they worked on gender-lens campaigns like equal pay. Soon they began working on child sexual exploitation.

In 2019, the group campaigned against Verizon Communications, asking Verizon's board to evaluate the risks of potential child sexual exploitation through its products. Apple had already threatened to remove Verizon's Tumbler app from its App Store after finding a significant amount of child pornography on the site. The resolution won 34% of the vote. After the vote, Verizon created a new digital safety hub on its website, beefed up its child-safety program, and created a new digital safety lead officer.

Then came Facebook. Cooper and Proxy Impact asked for a meeting; they say Facebook never answered. In December 2019, they filed their shareholder resolution. From the start, Cooper was hands-on, sitting in on the calls, reaching out to other institutional shareholders. "I have worked on 500 shareholder resolutions," says Michael Passoff, CEO of Proxy Action. "Lisette was only the second person who wanted to be involved personally. That was really rare."

Facebook advised investors to reject the proposal, pointing out that it had partnerships with NCMEC and other nongovernmental organizations, and that it used sophisticated technology to detect child-exploitation imagery and potentially inappropriate interactions between minors and adults, including artificial intelligence and photo and video technology that detected more than 99% of the users and content that it removed for violating its policy.

This wasn't enough for Cooper, who lobbied for more support. Institutional Shareholder Services and Glass Lewis, the big proxy advisors, agreed to back the resolution. Franklin bought Athena in early 2020, so Cooper went to persuade the Franklin analyst about Facebook. Eventually, she said, Franklin decided to vote all of its shares in favor of

**"If Facebook doesn't find a solution voluntarily, it faces challenges from customers, advertisers, and regulators."**

**Lisette Cooper**

**"Privacy tools are good, but they have implications for child predators and the exploitation of children online."**

**Lisette Cooper**

Cooper's resolution. Franklin said that it had nothing further to add to Cooper's comments. Today, Franklin has about four million Facebook shares, according to Bloomberg.

Cooper soon learned she had another reason to work the phones. A couple of weeks before the big news conference that they had scheduled about Facebook in May, she asked her 22-year-old daughter, Sarah, whether she had any stories to share about Facebook. Mother and daughter were briefly estranged in 2015 when Sarah turned 18, changed her phone number, and moved out of the house. That year, for several weeks, Cooper hadn't heard from Sarah, except for a mysterious call in which her daughter said, sadly, "I miss my mom." But now they were tight again, and when Cooper asked, she thought Sarah might share a story or two. "I thought, oh, she might have sent some sexy pictures or some normal teenage thing," Cooper recalls.

A day or two later, Sarah came to Cooper in the sunroom and told her mother the following story: When she was 16, Sarah met a man on Facebook whom she calls J. He admired her, told her she looked sexy and, like Sarah, loved reading the Twilight books and listening to Nicki Minaj. She sent him nude pictures. She lived for his messages on Facebook Messenger. When she turned 18, they made plans to meet.

Sarah told her mother that when she got into his car, he brought her to a nearby house where he forced her to drink shots and take cocaine. There he forced her to have sex with him and another woman as somebody filmed them. Then he brought her to a motel in New York state, where he locked her into a room, raped her, and forced her to have sex with customers. One day, when the guards that her rapist had posted weren't looking, she called a family friend on the hotel phone. A day later, he arrived. As he circled the parking lot, Sarah ran out and leaped into his car. J and his guards gave chase. The family friend gunned the engine back to Boston, where they arrived safely.

Cooper was floored. It was such a terrible story that she told Sarah that staying away from the news conference might be better. "We went back and forth for a week. It was a terrible situation," Lisette recalls. But Sarah pressed; she wanted to do it. "It was a huge, huge leap of faith to come forward," Sarah told *Barron's*. "I was going through my own journey of wanting to help others."

Both Sarah and Cooper spoke tearfully at the news conference. The next week, Cooper's resolution received 12.6% of the vote. Facebook founder Mark Zucker-

berg and management control 88% of the vote through supervoting shares. Take those out and Cooper's resolution was backed by 43% of the remaining, nonmanagement-owned, shares. That's a remarkable amount when compared with the support even popular shareholder resolutions typically get.

When Sarah decided to finally tell Lisette her story this past spring, she had been studying psychology and, as part of her senior project, needed to pull together all that she'd learned.

Now 23, Sarah will graduate in a few weeks. She and her mother are on good terms. "Now, we have the ability to collaborate, which is fantastic," Sarah says. It has been painful to share her story, but Sarah has spoken publicly to a variety of organizations on the topic of child sexual abuse, determined that her experience won't be repeated.

Sarah and Lisette declined to discuss any interactions they've had with law enforcement.

Facebook pledged to encrypt its messaging services in 2019. WhatsApp, used by more than two billion people in 180 countries, already has end-to-end encryption. That's not yet the case for Messenger; in an email to *Barron's*, a Facebook representative said the company "is committed to making Messenger end-to-end encrypted." The representative added, "Facebook leads the industry in combating child abuse online, and we'll continue to do so on our private messaging services."

It isn't an either/or, says Cooper. She'd like to see Facebook hire more live monitors to sift through the vast amounts of data to find abuses that aren't caught by the company's artificial intelligence, and to strengthen age-verification protocols to keep predators and children apart.

Meanwhile, Facebook has faced a variety of other challenges. Congress has started looking at the alleged monopolistic power of Big Tech. This year, the Senate introduced the Lawful Access to Encrypted Data Act, or LAEDA, which would require tech companies to assist law enforcement to access their encrypted devices and services when authorities obtain a search warrant.

The European Union has made fighting child sexual abuse a priority, saying end-to-end encryption "makes identifying perpetrators more difficult, if not impossible." Says Cooper: "If Facebook doesn't find a solution voluntarily, it faces challenges from customers, advertisers, and regulators. A legislative solution will end up mandating lawful access. There's already regulatory scrutiny and pressure on the antitrust side."

"Lisette does a remarkable job of combining her tremendous professional skills and intelligence with a mother's pain and anguish," says Lori Cohen, executive director of Ecpat-USA, a leading anti-child-trafficking organization. "If law enforcement can't get access to data, then all of our children become vulnerable to criminal exploitation."

Cooper reiterated her resolution in December, in time for Facebook's next proxy ballot. ■

## ADVERTISEMENT

# BARRON'S TOP ADVISOR GUIDE

Below is a list of Barron's-ranked advisors who are actively taking on new clients. For more information on them and other ranked advisors, visit [barrons.com/guide](https://www.barrons.com/guide).

The Top Advisor Guide is a custom reprint of all of our advisor rankings. It allows Barron's-ranked advisors (and only Barron's-ranked advisors) to publish their contact information. Advisors pay a fee to be listed in this section, but their participation has no bearing on their place in our rankings, nor does it guarantee that they will be ranked in future years. The Guide is meant as a starting point for clients looking for an advisor—a first-pass vetting that can help 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.

## ARIZONA

 **Mark Stein**  
Galvin, Gaustad & Stein  
Scottsdale  
mark@ggsadvisors.com  
(480) 776-1440  
ggsadvisors.com  
**\$1.52m** Typical Account Size  
**\$402m** Team Assets

 **Ruth Transue**  
Wells Fargo Advisors  
Tucson  
transuer@wellsfargo.com  
(520) 529-5932  
fa.wellsfargoadvisors.com/  
ruth-transue  
**\$2m** Typical Account Size  
**\$680m** Team Assets

 **Trevor Wilde**  
Wilde Wealth Management  
Group  
Scottsdale  
trevor@wildewealth.com  
(480) 361-6203  
wildewealth.com  
**\$0.7m** Typical Account Size  
**\$1,160m** Team Assets

## CALIFORNIA

 **Seth Haye**  
Morgan Stanley  
Westlake Village  
seth.haye@morganstanley.com  
(805) 494-0215  
advisor.morganstanley.com/  
the-oaks-group  
**\$3.5m** Typical Account Size  
**\$1,318m** Team Assets

 **Elaine Meyers**  
J.P. Morgan Securities  
San Francisco  
elaine.meyers@jpmorgan.com  
(415) 315-7801  
jpmorgansecurities.com/  
elainemeyers  
**\$50m** Typical Account Size  
**\$2,892m** Team Assets

 **Greg Onken**  
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San Francisco  
greg.onken@jpmorgan.com  
(415) 772-3123  
jpmorgansecurities.com/  
os-group  
**\$15m** Typical Account Size  
**\$3,500m** Team Assets

 **Deb Wetherby**  
Wetherby Asset  
Management  
San Francisco  
deb@wetherby.com  
(415) 399-9159  
wetherby.com  
**\$33.3m** Typical Account Size  
**\$5,779m** Team Assets

 **Dale Yahnke**  
Dowling & Yahnke Wealth  
Advisors  
San Diego  
dale.yahnke@dywealth.com  
(858) 509-9500  
dywealth.com  
**\$4.2m** Typical Account Size  
**\$4,674m** Team Assets

 **Cheryl L. Young**  
Morgan Stanley  
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fa.morganstanley.com/  
youngandassociates  
**\$6m** Typical Account Size  
**\$992m** Team Assets

## COLORADO

 **Melissa Corrado  
Harrison**  
UBS Financial Services  
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(303) 820-5770  
financialservicesinc.ubs.com/  
team/corrado-harrison  
**\$25m** Typical Account Size  
**\$1,218m** Total Assets

## WASHINGTON, DC

 **Michael Freiman**  
Morgan Stanley Wealth  
Management  
Washington  
michael.j.freiman@morganstanley.com  
(202) 778-1382  
teamfreiman.com  
**\$1.3m** Typical Account Size  
**\$1,628m** Team Assets

 **Greg Marcus**  
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gregory.marcus@ubs.com  
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financialservicesinc.ubs.com/  
team/marcushendlerstern/  
meetourteam  
**\$30m** Typical Account Size  
**\$732m** Total Assets

 **Marvin McIntyre**  
Morgan Stanley Private  
Wealth Management  
Washington, D.C.  
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(202) 778-1381  
advisor.morganstanley.com/  
cwmg  
**\$8.5m** Typical Account Size  
**\$3,951m** Total Assets

## FLORIDA

 **Richard Altieri**  
Morgan Stanley  
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thealtierigroup  
**\$5m** Typical Account Size  
**\$959m** Team Assets

 **Adam E. Carlin**  
Morgan Stanley Private  
Wealth Management  
Coral Gables  
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adam.e.carlin  
**\$20m** Typical Account Size  
**\$3,084m** Team Assets

 **Aimee Cogan**  
Morgan Stanley  
Sarasota  
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(941) 363-8513  
advisor.morganstanley.com/  
the-bellwether-group  
**\$10m** Typical Account Size  
**\$1,066m** Team Assets

 **Stephen Curley**  
WaterOak Advisors  
Winter Park  
barrons@wateroak.com  
(407) 567-2956  
wateroak.com  
**\$12.5m** Typical Account Size  
**\$2,114m** Team Assets

 **Trevor Fried**  
Morgan Stanley  
Fort Lauderdale  
trevor.fried@morganstanley.com  
(954) 713-8436  
advisor.morganstanley.com/  
the-las-olas-group  
**\$2m** Typical Account Size  
**\$814m** Team Assets

 **Trent Leyda**  
Morgan Stanley  
Vero Beach  
trent.leyda@morganstanley.com  
(772) 234-1805  
advisor.morganstanley.com/  
the-leyda-group  
**\$5m** Typical Account Size  
**\$1,271m** Team Assets

 **Scott Macaione**  
WaterOak Advisors  
Winter Park  
barrons@wateroak.com  
(407) 567-2956  
wateroak.com  
**\$3m** Typical Account Size  
**\$2,114m** Team Assets

 **Thomas Moran**  
Moran Wealth Management  
Naples  
thomas.moran@moranwm.com  
(239) 920-4440  
moranwm.com  
**\$5m** Typical Account Size  
**\$3,140m** Team Assets

## GEORGIA

 **Michael Hines**  
Consolidated Planning  
Corporation  
Atlanta  
mhines@cpcadvisors.com  
(404) 892-1995  
cpcadvisors.com  
**\$2.5m** Typical Account Size  
**\$776m** Team Assets

## ILLINOIS

 **Tom Kilborn**  
Merrill Lynch  
Northbrook  
tom\_kilborn@ml.com  
(847) 564-7201  
fa.ml.com/kilborngroup/  
**\$4m** Typical Account Size  
**\$1,047m** Team Assets

 **Kathleen Roeser**  
Morgan Stanley  
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kathleen.roeser@morganstanley.com  
(312) 443-6500  
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theroesergroup  
**\$8m** Typical Account Size  
**\$1,312m** Total Assets

## INDIANA

 **Trent Cowles**  
Merrill Lynch  
Indianapolis  
trent\_cowles@ml.com  
(317) 624-8451  
fa.ml.com/cf  
**\$3.2m** Typical Account Size  
**\$865m** Team Assets

## IOWA

 **Jerry Ask**  
Jerry K. Ask Investment  
Services  
Cedar Rapids  
jerry.ask@jkainvest.com  
(319) 395-9230  
jkainvest.com  
**\$0.5m** Typical Account Size  
**\$408m** Team Assets

 **Matt Fryar**  
Wells Fargo Advisors  
Des Moines  
matthew.r.fryar@wellsfargo.com  
(515) 245-3120  
fa.wellsfargoadvisors.com/  
matthew-fryar  
**\$5m** Typical Account Size  
**\$780m** Team Assets

## KANSAS

 **Trey Barnes**  
Mariner Wealth Advisors  
Overland Park  
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(913) 387-2734  
marinerwealthadvisors.com/  
why-us/people/trey-barnes  
**\$1.8m** Typical Account Size  
**\$1,697m** Team Assets

## KENTUCKY

 **Barry Barlow**  
Merrill Lynch  
Louisville  
barry\_barlow@ml.com  
(502) 329-5097  
fa.ml.com/b\_barlow  
**\$4m** Typical Account Size  
**\$882m** Team Assets

 **Travis Musgrave**  
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(859) 231-5258  
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**\$5m** Typical Account Size  
**\$652m** Team Assets

## MASSACHUSETTS

 **Debra Brede**  
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Management Co. Inc.  
Needham  
brede@bredeinvestment.com  
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bredeinvestment.com  
**\$2m** Typical Account Size  
**\$1,036m** Team Assets

 **Kevin Grimes**  
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advisors@grimesco.com  
(508) 366-3883  
grimesco.com  
**\$3m** Typical Account Size  
**\$2,847m** Team Assets

 **Susan Kaplan**  
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Inc.  
Newton  
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**\$3.5m** Typical Account Size  
**\$2,142m** Team Assets

 **Victor T. Livingstone**  
Morgan Stanley Private  
Wealth Management  
Boston  
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**\$35m** Typical Account Size  
**\$1,346m** Team Assets

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New England Private  
Wealth Advisors, LLC  
Wellesley  
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(781) 416-1700  
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**\$7m** Typical Account Size  
**\$2,054m** Team Assets

 **Raj Sharma**  
Merrill - Private Wealth  
Management  
Boston  
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**\$10m** Typical Account Size  
**\$7,381m** Total Assets

## MICHIGAN

 **James Kruzan**  
Kaydan Wealth  
Management, Inc.  
Fenton  
jim.kruzan@kaydanwealth.com  
(810) 593-1624  
kaydanwealth.com  
**\$1.5m** Typical Account Size  
**\$511m** Total Assets

 **David Kudla**  
Mainstay Capital  
Management  
Grand Blanc  
mainstay@mainstaycapital.com  
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**\$0.8m** Typical Account Size  
**\$2,777m** Team Assets

 **Charles C. Zhang**  
Zhang Financial  
Portage | Grand Rapids |  
Troy  
charles.zhang@zhangfinancial.com  
(269) 385-5888  
zhangfinancial.com  
**\$2m** Typical Account Size  
**\$3,638m** Team Assets

## NEBRASKA

 **Jim Siemonsma**  
Mariner Wealth Advisors  
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jim.siemonsma@marinerwealthadvisors.com  
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**\$1m** Typical Account Size  
**\$1,138m** Team Assets

## NEVADA

 **Randy Garcia**  
The Investment Counsel  
Company  
Las Vegas  
rgarcia@iccnv.com  
(702) 871-8510  
iccnv.com  
**\$4.9m** Typical Account Size  
**\$1,309m** Team Assets

## NEW JERSEY

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Merrill Lynch  
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(908) 685-3203  
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**\$2.5m** Typical Account Size  
**\$1,616m** Team Assets

 **Reed Finney**  
The Bleakley Financial  
Group  
Fairfield  
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(973) 244-4210  
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**\$1.3m** Typical Account Size  
**\$585m** Team Assets

 **Elliott Kugel**  
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**\$2.5m** Typical Account Size  
**\$1,616m** Team Assets

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**\$3m** Typical Account Size  
**\$1,668m** Team Assets

## NEW YORK

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leo-marzen  
**\$5m** Typical Account Size  
**\$1,470m** Team Assets

 **Justin McCarthy**  
Mariner Wealth Advisors  
New York  
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why-us/people/justin-mccarthy  
**\$2.9m** Typical Account Size  
**\$1,169m** Team Assets

 **Robert Stolar**  
Morgan Stanley Private  
Wealth Management  
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robert.stolar@morganstanley.com  
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family-wealth-group  
**\$50m** Typical Account Size  
**\$3,150m** Team Assets

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Wealth  
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ron.vinder@morganstanleypwm.com  
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advisor.morganstanley.com/  
the-vinder-group  
**\$50m** Typical Account Size  
**\$7,752m** Team Assets

 **Elizabeth Weikes**  
J.P. Morgan Securities  
New York  
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lssvgroup  
**\$25m** Typical Account Size  
**\$3,600m** Team Assets

## ADVERTISEMENT

## NORTH CAROLINA

 **Mike Absher**  
Absher Wealth Management  
Chapel Hill  
mike@absherwealth.com  
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**\$1.5m** Typical Account Size  
**\$474m** Team Assets

 **Mike Bell**  
Edward Jones  
Hickory  
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(828) 328-8111  
edwardjones.com/mike-bell  
**\$0.8m** Typical Account Size  
**\$387m** Team Assets

 **R. Neil Stikeleather**  
Bank of America  
Merrill Lynch  
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neil.stikeleather@ml.com  
(704) 705-3233  
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stikeleatherandassociates  
**\$0.8m** Typical Account Size  
**\$461m** Team Assets

## OHIO

 **Valerie Newell**  
Mariner Wealth Advisors  
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(513) 618-3040  
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why-us/people/valerie-l-newell  
**\$3m** Typical Account Size  
**\$3,447m** Team Assets

 **David Singer**  
The Evelo/Singer/Sullivan Group  
Merrill Private Wealth  
Cincinnati  
david\_singer@ml.com  
(513) 579-3889  
pwa.ml.com/  
evelosingersullivan  
**\$15m** Typical Account Size  
**\$3,634m** Team Assets

 **Linnell Sullivan**  
The Evelo/Singer/Sullivan Group  
Merrill Private Wealth  
Cincinnati  
linnell\_sullivan@ml.com  
(513) 579-3890  
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evelosingersullivan  
**\$7m** Typical Account Size  
**\$1,490m** Team Assets

## OKLAHOMA

 **Jana Shoulders**  
Mariner Wealth Advisors  
Tulsa  
jana.shoulders@marinerwealthadvisors.com  
(918) 991-6910  
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**\$3m** Typical Account Size  
**\$1,893m** Team Assets

## OREGON

 **Judith McGee**  
Raymond James Financial Services  
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judith.mcgee@raymondjames.com  
(503) 597-2222  
mcgeewm.com  
**\$1m** Typical Account Size  
**\$621m** Team Assets

## PENNSYLVANIA

 **Patti Brennan**  
Key Financial, Inc.  
West Chester  
pbrennan@keyfinancialinc.com  
(610) 429-9050  
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**\$2m** Typical Account Size  
**\$1,177m** Team Assets

 **Michael Hirthler**  
Jacobi Capital Management  
Wilkes-Barre  
mhirthler@jacobicapital.com  
(570) 826-1801  
jacobicapital.com  
**\$3m** Typical Account Size  
**\$1,279m** Team Assets

 **Barbara Hudock**  
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bhudock@hudockcapital.com  
(570) 326-9500  
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**\$1m** Typical Account Size  
**\$536m** Team Assets

 **Rob Thomas**  
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(814) 867-2050  
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why-us/people/rob-thomas  
**\$0.2m** Typical Account Size  
**\$1,667m** Team Assets

## RHODE ISLAND

 **Malcolm Makin**  
Raymond James  
Westerly  
mmakin@ppgadvisors.com  
(401) 596-2800  
ppgadvisors.com  
**\$1.5m** Typical Account Size  
**\$1,340m** Team Assets

 **Matthew Young**  
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Newport  
info@younginvestments.com  
(401) 849-2137  
younginvestments.com  
**\$1.7m** Typical Account Size  
**\$1,163m** Team Assets

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reiserwmgrouop  
**\$2m** Typical Account Size  
**\$438m** Team Assets

## TENNESSEE

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the-edwards-pharris-group  
**\$4m** Typical Account Size  
**\$977m** Team Assets

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(615) 298-6555  
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**\$4m** Typical Account Size  
**\$1,003m** Team Assets

## TEXAS

 **Bonner Barnes**  
Corda Investment Management  
Houston  
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(713) 439-0665  
cordamanagement.com  
**\$0.9m** Typical Account Size  
**\$1,163m** Team Assets

 **Alexander Ladage**  
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**\$10m** Typical Account Size  
**\$1,046m** Team Assets

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thomas.mcbride@ml.com  
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**\$7.5m** Typical Account Size  
**\$1,593m** Team Assets

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**\$2.5m** Typical Account Size  
**\$978m** Team Assets

 **Scott Tiras**  
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**\$4m** Typical Account Size  
**\$2,375m** Team Assets

## VIRGINIA

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Cassaday & Company  
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**\$1.5m** Typical Account Size  
**\$3,298m** Team Assets


 **Joseph Montgomery**  
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(757) 220-1782  
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**\$7m** Typical Account Size  
**\$17,044m** Team Assets

## WASHINGTON

 **Michael Matthews**  
UBS Private Wealth  
Management  
Bellevue  
m.matthews@ubs.com  
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**\$5m** Typical Account Size  
**\$1,559m** Team Assets

 **Erin Scannell**  
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Mercer Island  
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(425) 709-2345  
heritage-wealth.com  
**\$0.5m** Typical Account Size  
**\$2,870m** Team Assets

## WISCONSIN

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(608) 831-4282  
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**\$2m** Typical Account Size  
**\$3,591m** Team Assets

# BARRON'S TOP RIA FIRMS

Below is a reprint of select firms from Barron's Top 100 RIA firms ranking who are actively taking on new clients. For more information on them and other ranked advisors, visit [barrons.com/guide](http://barrons.com/guide).

We began ranking independent advisory (RIA) firms in 2016 as an acknowledgment of the rapid growth and evolution in that area of wealth management. The RIA space is consolidating at a dizzying pace, as firms build scale in a quest to improve the sophistication and efficiency of their services. Our RIA Firm ranking looks to the ability of firms to serve their clients well, using data such as assets under management, revenue, technology spending, staffing levels, and more.

 **1919 Investment Counsel**  
Baltimore, MD  
info@1919ic.com  
(410) 454-5719  
1919ic.com  
50 Advisors | 8 Offices  
**\$16b** Total Assets  
**\$1m** Account Minimum

 **Advance Capital Management**  
Southfield, MI  
jitheisen@acadviser.com  
(248) 350-8543  
acadviser.com  
20 Advisors | 5 Offices  
**\$2.96b** Total Assets  
**\$0** Account Minimum

 **Balasa Dinverno Foltz LLC**  
Itasca, IL  
info@bdfllc.com  
(800) 840-4740  
bdfllc.com  
28 Advisors | 3 Offices  
**\$4.60b** Total Assets  
**\$138.62m** Account Minimum

 **Beacon Pointe Advisors**  
Newport Beach, CA  
info@beaconpointe.com  
(949) 718-1600  
beaconpointe.com  
103 Advisors | 17 Offices  
**\$9.95b** Total Assets  
**\$1m** Account Minimum

 **CAPTRUST**  
Raleigh, NC  
info@captrust.com  
(800) 216-0645  
captrust.com  
275 Advisors | 52 Offices  
**\$390b** Total Assets  
**\$500k** Account Minimum

 **Carson Wealth**  
Omaha, NE  
rcarson@carsongroup.com  
(888) 321-0808  
carsonwealth.com  
159 Advisors | 120 Offices  
**\$11.90b** Total Assets  
**\$100k** Account Minimum

 **Cary Street Partners**  
Richmond, VA  
info@carystreetpartners.com  
(804) 340-8100  
carystreetpartners.com  
42 Advisors | 13 Offices  
**\$2.9b** Total Assets  
**\$100k** Account Minimum

 **Chevy Chase Trust**  
Bethesda, MD  
smurchison@chevychasetrust.com  
(240) 497-5008  
chevychasetrust.com  
22 Advisors | 1 Office  
**\$34b** Total Assets  
**\$3m** Account Minimum

 **Churchill Management Group**  
Los Angeles, CA  
info@churchillmanagement.com  
(877) 937-7110  
churchillmanagement.com  
45 Advisors | 41 Offices  
**\$6.55b** Total Assets  
**\$750k** Account Minimum

 **Edelman Financial Engines**  
Sunnyvale, CA  
prteam@edelmanfinancialengines.com  
(857) 305-8564  
edelmanfinancialengines.com  
332 Advisors | 163 Offices  
**\$229b** Total Assets  
**\$5** Account Minimum

 **EP Wealth Advisors**  
Torrance, CA  
bparker@epwealth.com  
(310) 910-9477  
epwealth.com  
47 Advisors | 15 Offices  
**\$6.93b** Total Assets  
**\$500k** Account Minimum

 **Gofen and Glossberg, LLC**  
Chicago, IL  
info@gofen.com  
(312) 828-1100  
www.gofen.com  
11 Advisors | 1 Office  
**\$4.97b** Total Assets  
**\$1m** Account Minimum

 **Hightower Advisors**  
Chicago, IL  
businessdevelopment@hightoweradvisors.com  
(312) 962-3800  
hightoweradvisors.com  
178 Advisors | 105 Offices  
**\$57b** Total Assets  
**\$1m** Account Minimum

 **Homrich Berg**  
Atlanta, GA  
info@homrichberg.com  
(404) 264-1400  
homrichberg.com  
52 Advisors | 4 Offices  
**\$6.99b** Total Assets  
**\$1m** Account Minimum

 **IEQ Capital**  
San Francisco, CA  
info@ieqcapital.com  
(650) 581-9807  
ieqcapital.com  
10 Advisors | 2 Offices  
**\$10.8b** Total Assets  
**\$10m** Account Minimum

 **Kovitz**  
Chicago, IL  
wealth@kovitz.com  
(312) 334-7300  
kovitz.com  
35 Advisors | 4 Offices  
**\$5.15b** Total Assets  
**\$1m** Account Minimum

 **MAI Capital Management**  
Cleveland, OH  
info@mai.capital  
(216) 920-4800  
mai.capital  
56 Advisors | 9 Offices  
**\$7.17b** Total Assets  
**\$1m** Account Minimum

 **Mariner Wealth Advisors**  
Leawood, KS  
startyourjourney@marinerwealthadvisors.com  
(913) 647-9700  
marinerwealthadvisors.com  
346 Advisors | 40 Offices  
**\$29.43b** Total Assets  
**\$100k** Account Minimum

 **PagnatoKarp | Cresset**  
Reston, VA  
ppagnato@pagnatokarp.com  
(703) 468-2700  
pagnatokarp.com  
46 Advisors | 8 Offices  
**\$9.52b** Total Assets  
**\$10m** Account Minimum

 **Private Advisor Group**  
Morristown, NJ  
startthediologue@privateadvisorgroup.com  
(973) 538-7010  
privateadvisorgroup.com  
664 Advisors | 306 Offices  
**\$21.22b** Total Assets  
**\$100k** Account Minimum

 **Regent Atlantic**  
Morristown, NJ  
info@regentatlantic.com  
(973) 738-9353  
regentatlantic.com  
24 Advisors | 2 Offices  
**\$4.90b** Total Assets  
**\$1m** Account Minimum

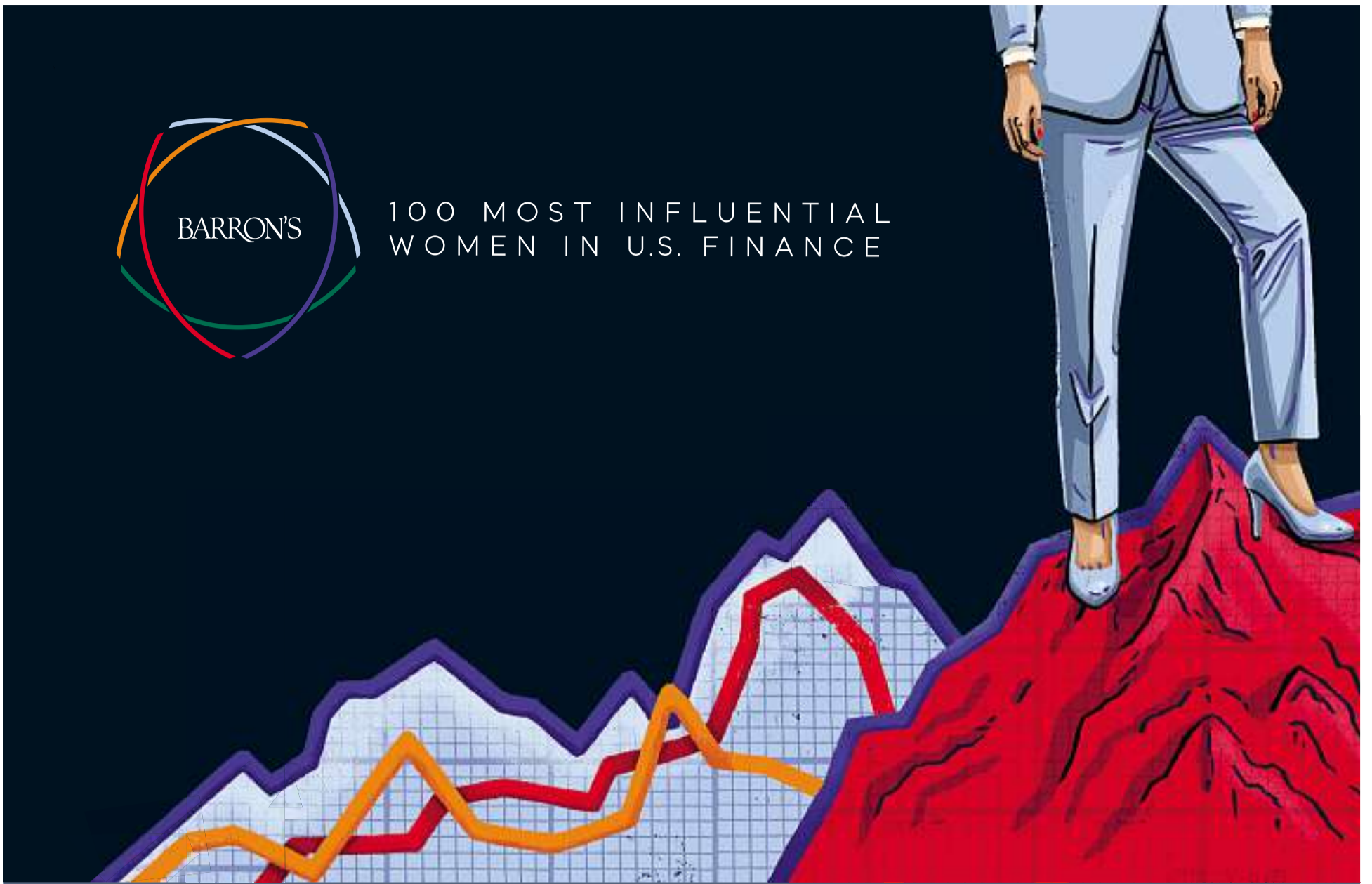
 **Signature Estate & Investment Advisors**  
Los Angeles, CA  
bholmes@seia.com  
(310) 712-2326  
seia.com  
20 Advisors | 8 Offices  
**\$11.21b** Total Assets  
**\$500k** Account Minimum

 **Snowden Lane Partners**  
New York, NY  
info@snowdenlane.com  
(646) 218-9760  
snowdenlane.com  
52 Advisors | 12 Offices  
**\$2.49b** Total Assets  
**\$0** Account Minimum

 **Sullivan, Bruyette, Speros & Blayney**  
McLean, VA  
info@sbsblc.com  
(703) 734-9300  
sbsblc.com  
30 Advisors | 2 Offices  
**\$4.29b** Total Assets  
**\$1m** Account Minimum



100 MOST INFLUENTIAL  
WOMEN IN U.S. FINANCE



# SUBMISSIONS NOW OPEN

Barron's is seeking to honor women who have achieved positions of prominence and influence within financial services, who are helping to shape the industry and leading it confidently into the future.

For full details and to submit a nomination, visit  
**[barrons.com/b100women](https://www.barrons.com/b100women)**

Nominations must be submitted by December 31, 2020.