

# THE WALL STREET JOURNAL.

## What's News

### Business & Finance

- ◆ **Southwest Airlines struck** a truce with Elliott Investment Management, giving the activist a significant presence on its board. **A1**
- ◆ **Keurig Dr Pepper** has struck a deal to acquire energy-drink maker Ghost for more than \$1 billion. **B1**
- ◆ **A federal judge** blocked Tapestry's \$8.5 billion acquisition of rival Capri that would unite brands including Coach and Michael Kors. **B1**
- ◆ **U.S. stocks were mixed** with the S&P 500 and Nasdaq rising 0.2% and 0.8%, respectively while the Dow fell 0.3%. **B10**
- ◆ **Unilever's underlying sales** increased more than expected in the third quarter as shoppers welcomed easing price hikes and began buying more of its branded products. **B1**
- ◆ **Spirit Airlines** is selling some of its planes, a move that comes as the budget airline is struggling with financial pressures and exploring a bankruptcy filing. **A3**
- ◆ **Harley-Davidson slashed** third-quarter motorcycle shipments by almost 40% year-over-year as dealers try to work out a glut. **B2**
- ◆ **American Airlines** said moves to reset its business-travel strategy are progressing, as it reported a narrower quarterly net loss. **B2**
- ◆ **UPS shares climbed** after the parcel carrier posted gains in quarterly revenue and earnings for the first time in over a year. **B3**
- ◆ **Hermès sales climbed** for the third quarter as the Birkin handbag maker continued to defy a slowdown in demand for luxury goods. **B3**

### World-Wide

- ◆ **Russia provided targeting** data for Yemen's Houthi rebels as they attacked Western ships in the Red Sea with missiles and drones earlier this year. **A1**
- ◆ **The Los Angeles county** district attorney said he would recommend the resentencing of the Menendez brothers, who were convicted of killing their parents in a famed 1990s murder case. **A3**
- ◆ **The Justice Department** has reached a \$102 million settlement with the owner and operator of the container-ship that crashed into a Baltimore bridge. **A3**
- ◆ **Taco Bell, Pizza Hut** and KFC restaurants in the U.S. have removed fresh onions from some locations as the CDC probes an E. coli outbreak linked to McDonald's Quarter Pounder burgers. **B1**
- ◆ **Tech problems** are complicating a move to ease congestion at airports in the New York City area, rattling air-traffic controllers and prompting aviation officials to seek fixes before the holiday season. **A3**
- ◆ **Turkey launched** air-strikes against what it said were sites linked to a Kurdish separatist group in Iraq and Syria, after an assault on a Turkish defense company killed five people. **A8**
- ◆ **Israel's military remains** engaged in a ferocious campaign against Hamas forces in northern Gaza while it fights its other war in Lebanon. **A10**
- ◆ **The Biden administration** is imposing strict new limits on dust from lead-based paint in older homes and child-care facilities. **A2**

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## New York Basketball Fans Proclaim Liberty for All



**BIG SHOTS:** Thousands gathered in Manhattan's Canyon of Heroes for a ticker-tape parade on Thursday to honor the Liberty basketball team, winners of the WNBA championship. It was the Liberty's first title win since the team's debut in 1997.

## Russia Provided Data for Houthi Assault

Moscow helped Iran-backed militants target ships and disrupt global trade

BY BENOIT FAUCON AND THOMAS GROVE

Russia provided targeting data for Yemen's Houthi rebels as they attacked Western ships in the Red Sea with missiles and drones earlier this year, helping the Iranian-backed group assault a major artery for global trade and further destabilizing the region.

The Houthis, which began their attacks late last year over the Gaza war, eventually began using Russian satellite data as they expanded their strikes, said a person familiar with the matter and two European defense officials. The data was passed through members of Iran's Islamic Revolutionary Guard Corps, who were embedded with the Houthis in Yemen, one of the people said.

The assistance, which hasn't been previously reported, shows how far President Vladimir Putin of Russia is willing to go to undermine the U.S.-led Western economic and political order. Russia, in this case, supported the Iran-backed Houthis, which the U.S. designates as a terrorist group, as they carried out a series of attacks in one of the world's most heavily traveled shipping routes.

More broadly, Russia has sought to stoke instability from the Middle East to Asia to create problems for the U.S., analysts said. The widening conflict in the Middle East, triggered by last year's Oct. 7 attack on Israel, has absorbed resources and atten-

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## Inflation Has Cooled, but Americans Are Still Seething Over Prices

Psychological toll remains, despite wage increases that helped people keep pace

The economy is humming. Inflation has cooled off. Americans are well-employed, getting raises and spending freely. But—with an election in days—people still haven't gotten over how much higher prices are today than in 2020.

By Jon Kamp, Joe Pinsker and Aaron Zitner

People find it unsettling that price tags don't look like they did before inflation took off during the pandemic, surging to the highest level in four decades. Even though the growth in prices has eased

significantly, prices themselves aren't getting lower.

"It's hard to adjust," said Marilyn Huang, a 54-year-old engineer in Doylestown, Pa.

As with many Americans, Huang's pay has increased since 2020, and she and her partner continue to spend on travel and even dine out more than in the past. But the higher prices are aggravating. "You lived with these stable prices for all your life," she said. "Mentally, it's hard."

The couple took to trimming shrubs themselves because they couldn't stomach forking over \$1,000 to landscapers.

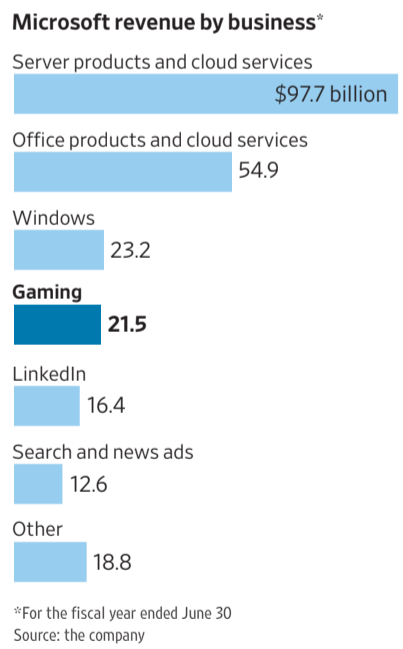
Huang said she paid less for yardwork on a significantly larger property before she moved in 2022, and the cost now feels unreasonably high.

Americans are grappling with dramatic price hikes that, for most, are unprecedented. In the latest surge, inflation peaked in mid-2022, with prices up more than 9% from a year earlier. In the years prior to the pandemic, inflation was unusually cool, and the last time it was a real problem was the 1970s and early '80s. That means most Americans weren't yet born or were children when worries

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## Game Time for Microsoft

Microsoft is facing the biggest test yet of its \$75 billion bet on videogames: the release of a new installment of the 'Call of Duty' franchise on its Game Pass subscription service, which customers will be able to access for the first time Friday. The company's acquisition of Activision Blizzard was a wager on the future of how people will access and pay for videogames. **B1**



## Elliott Wins 5 Board Seats At Southwest, Ending Feud

BY ALISON SIDER

Southwest Airlines struck a truce with Elliott Investment Management, giving the activist a significant presence on its board but not the majority control the hedge fund initially sought.

The settlement announced Thursday deflects a potentially rancorous proxy fight and ends the acrimonious four-month battle over whether Southwest's management is capable of pulling the airline out of a funk.

Elliott got much of what it

wanted. Five of its proposed directors will be added to the budget-airline pioneer's board, including former Virgin America boss David Cush and former WestJet Chief Executive Gregg Saretsky. Former Chevron finance chief Pierre Breber will join the board, which will be reduced to 13 members next year.

Southwest Executive Chairman Gary Kelly, who served as the airline's CEO for nearly two decades, will leave the board earlier than planned and hold the title chairman emeritus. A new independent chair

will be named later, Elliott and Southwest said. The airline managed to defend keeping CEO Bob Jordan, whom Elliott had initially looked to push out. Jordan—for now—has a chance to see through a turnaround plan the airline articulated to investors last month.

"The main thing is, it is a portion of the board. It is not control," Jordan said on a conference call. He said he interviewed each of the new board members, and that their breadth of experience

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## France Has Met the Enemy And They Are ACRONYMS

Proliferation of jumbles of letters sows confusion across nation; 'We've gone too far!'

By MATTHEW DALTON

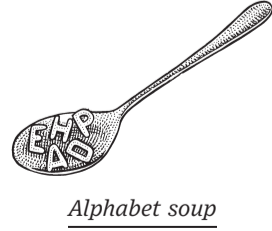
PARIS—In France, many people encounter their first acronym at birth in a CHU, the French initials for a university hospital center.

The acronyms pile up in elementary school, where first through fifth grades are called CP, CE1, CE2, CM1 and CM2. Some French might start work earning the SMIC (acronym for the minimum wage), then open a TPE (very small business) and end up paying the IFI (tax on real-estate wealth). Finally, they might die in an EHPAD, acronym for a nursing home.

Cradle-to-grave acronyms are an inescapable feature of life in France. Political parties, schools, taxes, subsidies, public and private institutions and more are known by jumbles of letters, ranging from the short—this summer's Olympic Games became the JO—to the strangely long, such as CNFC-STAGN, which refers to a training center for officers in the gendarmerie.

They arouse periodic ridicule in a nation that exalts great writers and its linguistic heritage. Yet their proliferation continues, resistant to re-

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## Partner Fight Roils Dealmaker EF Hutton

By ALEXANDER OSIPOVICH AND AMRITH RAMKUMAR

Two years ago, EF Hutton was riding high. The bank was the top dealmaker in the speculative world of special-purpose acquisition companies, making millions of dollars taking risky startups such as Donald Trump's social-media platform public.

Now, the firm that revived a storied Wall Street name is reeling from a vicious fight between two top executives. In dueling lawsuits last month, the partners accused each other of mismanagement and abusing drugs and alcohol. The suits revealed a federal investigation into securities fraud and allegations that one partner lost millions of dollars gambling and the other partied with strippers and prostitutes.

EF Hutton said Sunday that

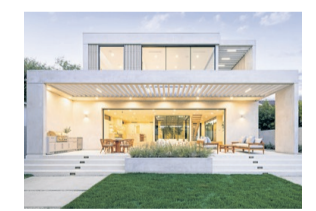
the partners had withdrawn their lawsuits, but the reputational damage and a slowdown in business threaten the bank's future. The SPAC boom has turned into a bust, and the pace of initial public offerings has slowed to a trickle. Investors have collectively lost tens of billions of dollars betting on companies that went public during the frenzy.

For much of the 20th century, EF Hutton was a successful brokerage. "When EF Hutton talks, people listen" was its catchphrase in commercials. The firm was eventually sold and the brand retired before two bankers, Joseph Rallo and David Boral, resurrected it in 2021.

The new EF Hutton has come under fire from some investors who have said it pushed speculative investments on them, such as a

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## INSIDE



**MANSION**

Mansion taxes are becoming more common as cities look for new revenue. **M1**



**BUSINESS & FINANCE**

Judge blocks Tapestry's Capri deal—and plans for house of high-end brands. **B1**