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What's News

Business & Finance

◆ **Google avoided** harsh penalties for antitrust violations in the U.S. search market, with a judge barring the company from entering into exclusive deals but rejecting a forced spinoff of its Chrome browser and other sweeping remedies sought by the Justice Department. **A1**

◆ **Elliott has built** a roughly \$4 billion stake in PepsiCo and is pushing the company to make changes, including refranchising its bottling business. **A1**

◆ **Kraft Heinz said** it plans to split its business into two companies, unwinding an industry megamerger that brought together the two packaged-food names. **B1**

◆ **U.S. stocks fell** after renewed inflation and debt concerns sparked a global bond selloff, with the S&P 500, Nasdaq and Dow losing 0.7%, 0.8% and 0.5%, respectively. **B11**

◆ **U.S. factory activity** contracted for a sixth month in a row, albeit at a slower pace as demand ticked higher. **A2**

◆ **Vogue named Chloe Malle** as its new head of editorial content for Vogue U.S., ushering in a new era for the fashion magazine after decades under Anna Wintour. **B3**

◆ **Nielsen defended** its ratings after the NFL said the audience-measurement company was undercounting viewers of league games. **B1**

◆ **Activist investor HoldCo** plans to launch a board fight at Comerica, intensifying pressure on the Texas-based regional bank to sell itself. **B1**

◆ **Spirits maker Suntory** said its top executive resigned after police opened an investigation into whether he purchased illegal supplements. **B1**

World-Wide

◆ **A judge ruled** that the Trump administration's deployment of troops to Los Angeles in response to protests over immigration policies violated a 19th-century law prohibiting the use of federal forces for domestic law enforcement. **A1**

◆ **The U.S. military carried** out a strike against a drug-carrying boat from Venezuela days after the Pentagon deployed warships to the Caribbean to stop the flow of cocaine. **A6**

◆ **A House committee** released more than 30,000 pages of documents related to Jeffrey Epstein as Republican lawmakers returned to Capitol Hill facing pressure to make public more details on the convicted sex offender. **A5**

◆ **The Trump administration** will ask the Supreme Court to swiftly overturn an appeals court ruling against most of his tariffs, the president said. **A2**

◆ **Russia and China** advanced plans for a long-delayed natural-gas pipeline to transport Russian fuel to the Chinese but left core terms unresolved. **A6**

◆ **Trump has sidelined** the National Security Council, creating an ad hoc approach to decisions that his critics say denies the president views that could inform his policies. **A4**

◆ **Trump said** that U.S. Space Command will be located in Alabama, reversing a Biden-era decision to keep its headquarters in Colorado. **A5**

◆ **The death toll** from an earthquake in Afghanistan rose to 1,400, officials said. **A16**

◆ **Died: Graham Greene**, 73, indigenous actor. **A5**

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Google Dodges Worst Penalties

Judge bars company from exclusivity deals, but won't force sale of Chrome

By DAVE MICHAELS AND KATHERINE BLUNT

Google avoided harsh antitrust penalties for its conduct in the U.S. search market, with a judge barring the company from entering into exclusive deals but rejecting a forced spinoff of its Chrome browser and other sweeping remedies sought by the Justice Department.

U.S. District Judge Amit P. Mehta ruled on Tuesday that

Google can't pay to be the exclusive search engine on devices and browsers, but he didn't bar the Alphabet-owned company from making payments for distribution of its products, saying a prohibition on those agreements would harm recipients such as Apple. Mehta's order in a Washington court follows his decision last year that Google illegally monopolized the search market for more than a decade. That opinion said Google used illegal distribution agreements with companies such as Apple to build and maintain a 90% market share and prevent rivals from building competitive alternatives.

While Mehta's earlier ruling

was a blow to Google, Tuesday's decision adopted much of the company's position on what should happen now. Mehta said a judge's job was to approach remedies with humility, and he said the competitive dynamics of the marketplace were changing already, largely because of artificial-intelligence technology.

"There are strong reasons not to jolt the system and to allow market forces to do the work," Mehta wrote. Wall Street analysts scored the ruling a huge win for Google and Apple since it allowed an existing arrangement to continue in which Google pays Apple more than \$20 billion a year to be the

default search provider on the Safari browser.

The ruling paves the way for the two companies to partner further on AI-related services on Apple devices, analysts said. Apple currently has a deal with OpenAI to integrate ChatGPT into various iPhone services. Apple and Google have had talks about striking a similar deal for Google's AI system called Gemini.

In aftermarket trading, shares in Google parent Alphabet were up more than 8%, and Apple shares rose by about 3%.

Google in a statement said the decision "recognizes how much the industry has changed

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Elliott Pressures PepsiCo For Major Changes

Activist amasses \$4 billion stake, says it sees shares rising more than 50%

By LAURA COOPER AND LAUREN THOMAS

Activist investor Elliott Investment Management has built a roughly \$4 billion stake in PepsiCo and is pushing the beverage and snacks giant to re-franchise its bottling business and make other changes to boost its sagging share price.

PepsiCo is struggling to win back soda drinkers after ceding market share to competitors. Its food business, once an engine of growth, is also under pressure.

The challenges have weighed on PepsiCo's shares. The company's market value has shrunk to about \$200 billion, a roughly 25% decline from a peak of \$270 billion in May 2023.

Elliott's position, one of the activist's largest equity stakes ever, makes it one of PepsiCo's biggest investors.

PepsiCo shares closed up 1.1% on the news.

PepsiCo was once a formidable rival to Coca-Cola, but its namesake soda recently dropped to fourth place by U.S. sales volume. Coke is No. 1, and Dr Pepper, owned by Keurig Dr Pepper, is No. 2, according to Beverage Digest data. Sprite, owned by Coca-Cola, is No. 3. PepsiCo's problems intensified in recent months because of tariffs and price-sensitive consumers.

In addition to its namesake

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◆ **Kraft Heinz plans** to undo merger, split in two..... **B1**

End of WWII Celebrated on 80th Anniversary



REMEMBERING V-J DAY: David Yoho, a 97-year-old veteran of the merchant marine, addressed a ceremony in Washington on Tuesday to mark the 80th anniversary of the Japanese surrender aboard the battleship Missouri that ended World War II.

Trump L.A. Troop Use Was Illegal, Judge Says

By JESS BRAVIN

A federal judge ruled on Tuesday that the Trump administration's deployment of troops to Los Angeles in response to protests over immigration policies violated a 19th-century law prohibiting the use of federal forces for domestic law enforcement.

In a withering opinion taking aim at President Trump's enthusiasm for military deployments at home, Judge Charles Breyer in San Francisco found that the administration didn't comply with the Posse Comitatus Act, an 1878 statute that restricts the use of

U.S. armed forces on the country's streets.

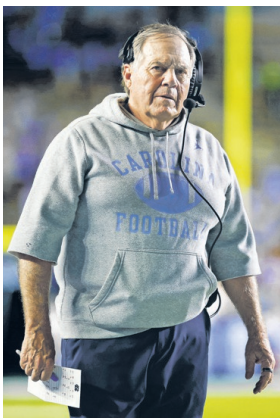
"There were indeed protests in Los Angeles, and some individuals engaged in violence," Breyer wrote. "Yet there was no rebellion, nor was civilian law enforcement unable to respond to the protests and enforce the law."

"Today's ruling affirms that President Trump is not king, and the power of the executive is not boundless," said California Attorney General Rob Bonta, a Democrat.

He described the troop deployment as "political theater" where Trump, a Republi-

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INSIDE



JASON GAY

Bill Belichick gets schooled in his college football debut at North Carolina. **A12**

MAHA Factions Spar Over Goals

Rifts open in coalition over more than vaccines; FDA scientist is ousted, rehired

By LIZ ESSLIEY WHYTE AND NATALIE ANDREWS

WASHINGTON—Dr. Vinay Prasad seemed like a fitting choice by Robert F. Kennedy Jr. to become chief scientific officer of the Food and Drug Administration. He had criticized Covid vaccines and once called Dr. Anthony Fauci "a scientist cursed by narcissism."

But Kennedy's "Make

America Healthy Again" movement is a fractious and increasingly unwieldy coalition, and Prasad, as leader of the FDA's vaccines and biologics division, quickly got sideways with one of its key factions.

"He gives too much blanket trust" to childhood vaccines, said Del Bigtree, a Kennedy ally and top aide to his 2024 presidential campaign.

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Pilots Want No Part of This Air Show

* * *

Wrong turns trigger intercepts from fighter jets

By ANDREW TANGEL

Hobby pilot Dennis Fitzgerald's flight near Philadelphia got off to a rough start when he was troubleshooting his radio. Then came a loud boom, and he felt his Cessna 177 Cardinal shake.

Fitzgerald looked over and saw an F-16 fighter jet had pulled up next to his left wing. The fighter pilot raised his hands, giving the universal signal for "WTF."

"What else is he going to do?" said Fitzgerald, 64 years old. "He just intercepted somebody who did something stupid."

The owner of a medical-

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An Anonymous Tip Led To Fall of Nestlé's CEO

By MARGOT PATRICK AND JOE WALLACE

Nestlé Chief Executive Laurent Freixe's downfall started with an anonymous tip to an internal hotline called "Speak Up."

Freixe was having an intimate relationship with a marketing executive who reported to him, the tipster reported. The couple initially denied any relationship, the company said.

It took two investigations, more hotline reports and a letter to the Nestlé chairman before the food company acted, dismissing Freixe on Monday for breaking its conduct code.

Freixe didn't respond to requests for comment.

The executive's downfall throws Nestlé into disarray after the company abruptly ousted its previous chief for underperformance.

Freixe, 63 years old and at Nestlé since 1986, had refocused the company on core

brands such as Nescafé instant coffee, Kit Kat chocolate bars and Fancy Feast cat food since being named to the job a year ago. The French CEO slashed costs to reinvest in more-promising products such as cold coffee, and shored up Nestlé's executive team at the company's headquarters on the shores of Lake Geneva in Vevey, Switzerland.

Freixe's dismissal also sends a message that no one is above the rules. Nestlé said reports received last year on the Speak Up line led to more than 100 staffers' leaving.

Freixe's Swiss successor, Philipp Navratil, faces the task of arresting a yearslong slide in the company's shares and restoring calm after scandals, snafus and executive departures. Navratil, 49, most recently served as CEO of Nestlé's Nespresso brand. He joined the executive board in January.

Navratil joined the company

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