bizTiMES.biz
TRI-STATE NEWS FOR YOUR BOTTOM LINE
DECEMBER 2024

INSIDE

COLUMN
The importance of
human resource management

PROFILE
Paisley Trucking
A can-do spirit fuels Dubuque County trucking company

The year ahead 2025

A product of TH MEDIA

bizTiMES.biz

December 2024
Volume 33, Issue 4

ON THE COVER

Photo illustration
by Anthony Frenzel

COLUMNS

DEPARTMENTS

ON THE WEB

For daily business news and updates, go to www.biztimes.biz

For the Twitter feed, go to @biztimes.dbq

New year, new opportunities

With the tumult of an election year soon behind us, eyes are inevitably turning toward what 2025 holds in store. We've got a few experts' takes starting on page 5.

A FOND FAREWELL

As one years rolls into the next, we all are facing the most symbolic time of year for change.

One change for BizTimes in the coming year is that we're saying a very fond farewell to longtime columnist Gerald J. "Jerry" Koppes. After 30 years and 107 articles, he's hanging up his human resources columnist hat and we can't thank him enough for his inestimable contribution to these pages.

Megan Gloss

Anthony Frenzel

Thanks seems an inadequate word, but nonetheless, thank you Jerry.

NEXT MONTH

It's National Mentor Month and we're taking a look at some people who have benefited from mentoring, as well as a few opportunities to become one yourself.

Have a story idea? Interested in writing for BizTimes? Email megan.gloss@thmedia.com and tony.frenzel@thmedia.com.

FEATURES

CONTACT US

Megan Gloss
Managing Editor
563-588-5638
megan.gloss@thmedia.com

Anthony Frenzel
Managing Editor
563-588-5679
tony.frenzel@thmedia.com

Mike Fortman
Publisher
563-588-5740
mike.fortman@wcinet.com

Andy Kamentz
Advertising Account Executive
563-588-5699
andy.kamentz@thmedia.com

bizTimes.biz
P.O. Box 688
Dubuque IA 52004-0688
www.bizTimes.biz

bizTimes.biz (USPS 008-963, ISSN 2165-3968) is published monthly by the Telegraph Herald, a division of Woodward Communications Inc., 801 Bluff St., Dubuque, IA 52001-4647. Periodicals postage paid at Dubuque, IA. POSTMASTER: Send address changes to: bizTimes.biz, PO Box 688 Dubuque, IA 52004-0688. Send address changes to bizTimes.biz, PO Box 688, Dubuque IA 52004-0688.

THMEDIA

The year ahead: 2025 in real estate

BY DAN RUSSO

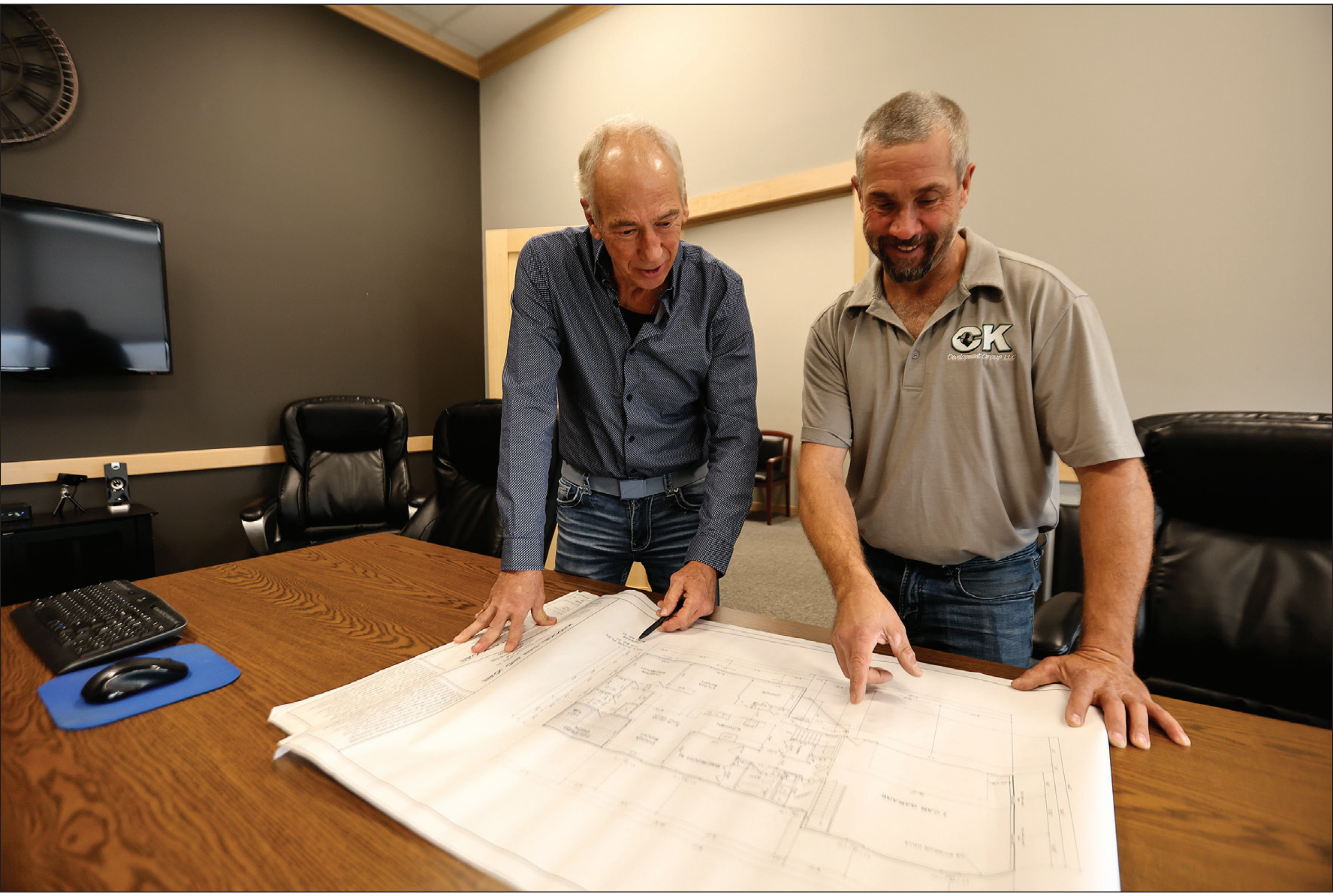
Metro Creative

Interest rate fluctuations and big demand for housing could make for some interesting times in the Dubuque area real estate market in the coming year. Nonetheless, Greg Adams, a Realtor with more than 40 years of experience, knows at least one thing won't change — the dominance of the ranch-style house.

"Walk-out ranch homes have been the most popular thing in Dubuque for many years," Adams said. "I always joked that Dubuque is a walk-out ranch town."

Adams is the head of the Adams Team of agents with RE/MAX Advantage Realty in Dubuque. He watches the market closely.

Continued on page 6



Dave Kettering

Greg Adams (left), owner and broker at RE/MAX Advantage Realty, works with client Kevin Oberbroeckling, owner of CK Construction.

Dave Kettering

RE/MAX Advantage Realty.

Continued from page 5

"In the fourth quarter of last year, mortgage rates were expected to decline in 2024," Adams said. "Although the prime rate was lowered, mortgage rates have not declined much. Homeowners are reluctant to sell their home that has a mortgage interest rate of about 3% and buy a different property with a 6.5% interest rate. There is no clear indication that mortgage rates will go down next year."

Aside from rates, a shortage of housing supply has been another major factor behind the jump in home prices over the past four years, but there might be some relief eventually.

"October of 2024 saw a 23% increase in available housing as compared to October 2023," Adams said. "This is good news for buyers."

An October residential housing report compiled by the East Central Iowa Association of Realtors showed the average selling price for a home in Dubuque and the surrounding area was $279,926 that month. That's up 8% from the previous year.

Jeff Hefel, managing broker at Ruhl and Ruhl Realtors Dubuque, believes the low amount of housing inventory in the Dubuque area will continue to keep prices higher in the local market in 2025.

Jeff Hefel

"Anything under four months (of inventory) is a seller's market," Hefel said, during an interview in late November. "We're sitting under two months right now."

Hefel oversees multiple real estate agents at the firm based out of the Star Brewery building. Another factor he is tracking for the new year is the ongoing impact of a significant court case on Realtors nationwide.

Continued on page 8

Continued from page 6

In 2023, a jury came to a decision in the Sitzer/Burnett case. After this, a series of other lawsuits led to settlements across the country that have led to major changes in the real estate business. The central issue of the litigation involved commissions being offered to buyers' agents.

"As a broker, my concern is the new rules that came out of the settlement … Especially on the 'buy' side, it's changed pretty significantly," Hefel said.

Hefel said his office has always been transparent about these issues, but there is now a greater effort at customer education across the industry.

Lawrence Davis

Hefel and his colleagues are also keeping an eye on new home construction.

"Any building of new housing will help affordability," he said. "I don't think there will be enough to make an impact (in 2025) from a sales standpoint."

Aside from helping people buy and sell, Ruhl and Ruhl Dubuque also offers mortgage lending services. Lawrence Davis, a mortgage specialist with the company, said the Midwest has been somewhat insulated from the negative effects of interest rate hikes so it is best to consult a local pro before making decisions.

IN HIS WORDS

"Stop watching the news. Reach out to your local (realtor)."

Lawrence Davis

"Stop watching the news," Davis said. "Reach out to your local (Realtor)."

For several years, interest rates of 2 to 3%

Continued on page 9

Metro Creative

Continued from page 8

on mortgage loans stimulated the market. These rates were unusually low. They are returning to a level that is closer to the historical average, according to Davis.

"A 5 to 6% (mortgage rate) is the new normal," he said. "Once people get used to it sales will pick up."

Inflation is another reason for a spike in housing costs and rents. In response, Vanessa Cahill, a real estate agent with Ruhl and Ruhl, has seen people get creative.

Vanessa Cahill

"Families are moving in together," she said. "They're forming multi-generational homes."

Single family homes have always been the most sought after residential property type in the Dubuque area. These days adult children are inviting parents or other relatives to live with them. These extended families help lower the cost of housing and child care.

Cahill also explained that more people locally have been looking for duplexes or even triplex homes. They live in one part of the property and rent out another part to help pay the mortgage.

IN HER WORDS

"You're seeing with a lot of family farms, the kids are taking over because that's the only way you can get into the business. You're also seeing a lot of people come out of the city and buy farm land as an investment."

Vanessa Cahill

There has been an increase in recent years in the price of farmland. In the local market, agricultural land is going for anywhere from $11,000 to $18,000, according to Cahill. This has raised startup costs for young farmers.

"You're seeing with a lot of family farms, the kids are taking over because that's the only way you can get into the business," Cahill said. "You're also seeing a lot of people come out of the city and buy farm land as an investment."

Cahill encouraged people of all incomes to seek help if they want to own property.

"Don't be afraid," she said. "Some people say 'I don't have 20% to put down. I can't buy a home. That's not true."

Cahill said there are U.S. Department of Agriculture loans, Veteran's Administration loans and other programs that can make buying a home more affordable.

As of October, there was a 7% annual increase in the number of residential properties sold in the Dubuque area compared to last year, according to the Realtors association.

"Sellers: It may be a good time to sell your home and take advantage of the favorable home pricing," Adams said. "Buyers: Don't wait for interest rates to drop; it may not happen. If you buy now and interest do drop, you can refinance at a lower rate."

Contributed

A caravan of trucks participated in the 2018 funeral of Gene Paisley, who founded Paisley Trucking Company in 1978. The company's original truck sits in the foreground.

'Let's do it'

A can-do spirit fuels Dubuque County trucking company

BY ERIK HOGSTROM

Kim Paisley McDermott realizes she is helping maintain a legacy on area roads.

"Just knowing Mom and Dad put so much sweat and tears into it for so many years, I'm really proud to keep it going," she said.

Paisley is the president of Paisley Trucking, of Rickardsville, a family firm she co-owns with her sister, Angie Crosby.

The sisters purchased the firm 11 years ago from their mother, Paula Paisley. Paula, 76, founded the firm in 1978 with her late husband, Gene Paisley.

Trucking was Gene's life, Paula said, and a caravan of trucks participated in a funeral procession after Gene died in 2018, at age 72.

Continued on page 11

Continued from page 10

Paisley mechanic Luke Lehmann led the procession while driving the firm's original truck.

"We bought that (truck) off the lot up at Truck Country in November 1978," Paula said.

"Dad kept that truck in the shed for how many years, then about 10 years ago he began refurbishing it," Kim said.

The story of that first truck, as well as the tale surrounding the history of the firm, begins with Gene's longstanding love of truck driving and his instinct for quick business decisions.

"That was life with Gene," Paula said. "I'm an organizer and the way he lived his life was — 'let's do it.' That's how he built this business up."

It was more than 45 years ago when the Dubuque-based trucking company where Gene worked decided he was better utilized as a dispatcher in an office than hauling loads out on the road. That decision sparked Gene's idea to take matters into his own hands.

"He told them, 'if you don't put me back on the road, I'm going to quit,'" Paula said. "And one day he came home — I'll never

Continued on page 12

PAISLEY TRUCKING

Founded: 1978
Owners: Kim Paisley McDermott and Angie Crosby
Employees: 18
Address: 19405 Paisley Road, Rickardsville, Iowa
Phone: 563-552-2617
Online: facebook.com/paisleytrucking

IN HER WORDS

"He told them, 'if you don't put me back on the road, I'm going to quit.' And one day he came home — I'll never forget that day because Angie was a baby — and he walked in the door and said, 'Well, I did it.'"

Paula Paisley

Continued from page 11

forget that day because Angie was a baby — and he walked in the door and said, 'Well, I did it.'"

Gene quit his job in October 1978. A few days later, he stopped at the John Deere facility in Waterloo, Iowa, for which he had hauled silica sand for years.

Paula said Gene told Deere officials that it was nice doing business with them.

Deere officials agreed and asked him to continue hauling sand.

"Gene said, 'Give me two weeks,' and two weeks later we were incorporated," Paula said. "We had a truck and bought a used trailer."

"And for the next 45 years, off and on, we have hauled sand for John Deere," Kim said

While Paula attended seminars at Des Moines Area Community College to learn trucking rules and regulations, Gene continued to slowly grow the business out on the road.

"We had to put a second truck on, and he hired a guy who would take a load," Paula said. "We hired Amby the next fall."

Ambrose "Amby" Heisler, of Farley, drove for the Paisleys for 42 years before his retire-

Continued on page 13

Erik Hogstrom

Kim Paisley McDermott, president of Paisley Trucking, poses next to a truck at the company in Rickardsville, Iowa.

Continued from page 12

ment in 2022.

"He was just a young kid (when he was hired)," Paula said. "Gene had worked with Amby's brother. Gene said, 'He's a good farm kid, he knows what he is doing.' Gene was always one for giving someone a chance."

Gene never lost his love of truck driving.

"Dad dispatched all day, then he drove a truck at night," Kim said. "Mom handled all of the office stuff. He didn't want to have anything to do with the books. He wanted to be with the drivers."

Gene and Paula had four kids, and all four would help with the family trucking business.

Paisley built its current Rickardsville office in 2000.

"Before that, we had (the office) in the basement of our house," Kim said. "As soon as we (kids) could walk, we were down (in the basement office) taking paper clips off of things. All of us kids helped out as soon as we could."

Continued on page 14

Contributed

Gene Paisley sits in one of Paisley Trucking Company's first trucks in the early 1980s. Paisley died in 2018.

IN HER WORDS

"Before that, we had (the office) in the basement of our house. "As soon as we (kids) could walk, we were down (in the basement office) taking paper clips off of things. All of us kids helped out as soon as we could."

Kim Paisley McDermott

Continued from page 13

Kim joined the firm full-time shortly after her graduation from Loras College in 1997.

The firm hauls sand, salt, feed and agricultural products, as well as lime used by municipal water plants in the region.

"We don't haul any food-grade (materials) or hazardous materials," Kim said. "We used to haul for Flexsteel (Industries Inc.) for years."

Kim said Gene was quick to adapt to customers' needs.

"Dad was the kind of person who, if a friend of his needed liquid (items hauled), dad would just buy a liquid trailer," Kim said.

Paisley Trucking currently has 10 trucks on the road and 10 spares. The firm hauls to destinations in Iowa, Illinois, Wisconsin and Minnesota.

"It's about a 300-mile radius," Paula said.

Kim said the firm employs 10 drivers currently.

"The majority have been with us for over 20 years," she said.

Kim attributes that longevity in part to relationships with employees.

"We're small enough that we know them and we know their families," she said. "We're flexible in case they need help with stuff, and (the drivers) are the same way. If there is an emergency load, they will help us out with whatever they can do."

Kim said the drivers develop longstanding relationships with customers, too.

"We've had customers who have called our drivers when they have loads (to haul) instead of the office because (the driver) is who they see all the time," she said.

Kim said mechanic Luke Lehmann has also played an important part in the development and continued success of the company.

"Luke started as our mechanic in 1992, and he has been with us ever since," Kim said. "If (drivers) have a problem, he gets it fixed over the weekend or if he can, he puts them in another truck."

Only health problems could keep Gene off the road.

"Dad had his stroke in 2004, and after his stroke it was too hard for him to come down here (to Paisley Trucking), so he just concentrated on the (family) farm," Kim said. "I was already working here, and we were going to have to hire somebody to help out."

That was when Angie also decided to work at the firm.

Paula, Kim and Angie ran the business together, while Gene lived for 14 years after his stroke while spending the majority of his time on the farm.

The Paisley sisters purchased the business from their parents 11 years ago.

"I stayed on part time, then I retired eight years ago," Paula said.

Kim said she and Angie have decided to keep the firm relatively small. She thinks her dad would have wanted that way.

"We don't want it to get much bigger," Kim said. "You lose personalization if you get too big."

IN HER WORDS

"Dad was the kind of person who, if a friend of his needed liquid (items hauled), dad would just buy a liquid trailer."

Kim Paisley McDermott

Contributed

Paisley Trucking Company hauls loads within a 300-mile radius of the firm's base in Rickardsville, Iowa.

Legislative dinner

Stephen Gassman

Area legislators applaud during introductions at the annual legislative dinner at Grand River Center in Dubuque on Nov. 20.

Dubuque Mayor Brad Cavanagh speaks during the annual legislative dinner at Grand River Center in Dubuque on Nov. 20.

Nevada adopts first-ever regulation to protect workers from heat

TRIBUNE NEWS SERVICE

LAS VEGAS — After a lengthy process that brought industry and activists to the table, Nevada approved its first-ever set of rules to protect indoor and outdoor workers from the heat.

The Nevada secretary of state's office signed the regulation now compelling businesses with more than 10 employees to craft a heat protection plan that addresses its specific needs. Nevada's Occupational Health and Safety Administration will be able to enforce those plans once they are created.

"Approval of this regulation is a critical step to reduce the health risks of heat exposure for Nevada workers in indoor and outdoor settings," Division of Industrial Relations Administrator Victoria Carreon said in a statement. "This regulation is the culmination of four years of discussion and engagement with various stakeholders to develop a framework that works for Nevada's workers and employers."

It was a record summer in Southern Nevada, with at least 402 instances where heat has led to someone's death this year, according to the Clark County coroner's office.

Heat complaints to OSHA are on the rise, too, with 467 across the state, 401 of which were filed in Southern Nevada.

Business After Hours

Stephen Gassman

People chat during the Business After Hours event held at Hotel Julien Dubuque.

People mingle during the Business After Hours event held at Hotel Julien Dubuque.

Business After Hours

The next Business After Hours event will take place Tuesday, Dec. 17, at Olliewood Action Sports.

Stephen Gassman
People chat at the bar during the Business After Hours event held on Nov. 12.

Ribbon cuttings

Dubuque Area Chamber of Commerce

Area Substance Abuse Council, 799 Main St. No. 110.

Auntie Anne's Pretzels, 555 John F. Kennedy Road.

Bubbles Boba Tea Co., 555 John F. Kennedy Road.

DBQ Eagle Point Solar Array.

Scan the code to see more pictures at:
https://biztimes.biz/category/galleries/

Have photos you'd like to submit? Go to:
https://biztimes.biz/biztimes-photos/

Importance of human resource management

GERALD J. KOPPES, SPHR

He is a retired instructor from Northeast Iowa Community College and the University of Wisconsin-Platteville

The growth of the profession of human resource management from the early 1960s to the 21st century has been integral to the success of today's organizations. Originally titled personnel or personnel administration, it occupied a low level of importance in the hierarchical structure of most companies. Its function was mostly to hire (and fire) employees, manage the payroll and benefit package and set up the Christmas party. Let's look at some of the events that led to HRM becoming a central player in today's corporate world.

Passage of federal Title VII of the Civil Rights Act of 1964 had an important impact on how employers would be required to manage their employees. Many more federal laws would soon follow, as well as state laws and municipal ordinances. Suddenly, the personnel manager became a regulatory employee, expected to know the plethora of employment laws and their relevance to the company's workforce.

The growth of the field of organization and industrial psychology also had a profound influence on the workplace. Academic research led to insights and recommendations that improved the morale and productivity of workers, while also emphasizing their human dignity. For example, this author's modest graduate research paper confirmed the effectiveness of his company's popular incentive plan to reduce employee absenteeism while also identifying an unintended consequence of sick employees choosing to remain at work to earn the desirable incentive. Changes were made.

The introduction of office technology in the 1980s quickly changed the operation of the HR department. Recruiting took on new dimensions with the introduction of the "Internet of Things." Much of the time-consuming drudgery associated with employee recordkeeping was eliminated. Gone were typewriters, bulky ledgers and mechanical calculating machines. Communication within and outside the company became instantaneous.

HR staff devoted more time and attention to employee needs and workplace behavior. It was at this time that the term human resource management started to appear in management journals. It reflected the fact the employees were not just a payroll expense or a line item in the company budget but rather human capital, an essential part of the organization. The HR staff was to be seen as the representatives of this newly-defined workforce.

Expansion of women's activities into the workforce has had a profound impact on human resource policy development. Traditionally, women had been confined to a few occupations, such as teacher, nurse or secretary, and were often expected to leave those positions upon marriage to take up child rearing and household duties.

By the 1960s, women were increasingly entering the workplace and seeking employment commensurate with their education and skills. The issue of earning less than their equivalent male counterparts and others concerns, such as maternity leave, child care coverage and flexible working arrangements, had to be addressed by HR leaders.

The COVID-19 pandemic, beginning in early 2020, led to the creation of remote working and the establishment of policies to address issues such as offsite supervising, and later the return of reluctant employees to corporate offices. In the aftermath of the pandemic and resulting shortage of workers, HR recruiters have had to use innovative methods, such as signing and referral bonuses and other enticements to attract and retain workers.

Human resource professionals have earned a seat at the corporate table and are involved in setting the strategic goals of the enterprise. The re-imagining of the workforce as human capital highlights the role of HRM as a critical component in the efficient functioning of organizations.

After nearly 30 years and 107 articles, this will be my final article. I've enjoyed the opportunity to share my enthusiasm for HRM with the readers of this magazine.

GERALD SAYS

Human resource professionals have earned a seat at the corporate table and are involved in setting the strategic goals of the enterprise. The re-imagining of the workforce as human capital highlights the role of HRM as a critical component in the efficient functioning of organizations.

Learning how to retire with easy-to-understand language

SCOTT BURNS
The Dallas Morning News

He is a columnist for the publication

Figuring out how to retire isn't easy.

Take me, for instance. I've been a student of the subject for nearly 60 years. I understand the math, the tools and the major issues. I've had the resources to be completely retired for 20 years. And I reached the age of 84 a week ago.

I am one of the fortunate ones. Retirement isn't still a problem for most men who were born when I was because nearly 80% have died.

But I still haven't "pulled the trigger" on actual retirement.

That leaves me in an awkward position. I can be an "age scout," a term aging expert Ken Dychtwald used decades ago. I can report on aspects of impending retirement for readers. But I can't report as a true retiree.

Most readers want to avoid my fate. You'll need to learn how to retire in a timely fashion. Like at a nice, tender age. Think 65. Or 67. No later than 73, the age when required minimum distributions are, well, required.

Query: Is there a way anyone, at any age, can learn about the process of financing their life, the whole enchilada?

There is, and her name is Christine Benz. Her book is titled "How to Retire: 20 Lessons for a Happy, Successful and Wealthy Retirement."

Her name might be familiar because she is the director of personal finance and retirement planning for the Morningstar website. If Morningstar doesn't ring a bell, please take your free ticket to the banquet. Morningstar is a website devoted to providing retail investors with unbiased information on any aspect of investing, personal finance and retirement, all written in language most people can understand.

The subtitle is important. The book has 311 pages and 20 lessons, all written as interviews. That means you get to read easily understood conversational English. With an average length of about 15 pages, each lesson can be read casually. Each chapter ends with her "takeaways" and a few references for further reading, watching or listening.

SCOTT SAYS

Her name might be familiar because she is the director of personal finance and retirement planning for the Morningstar website. If Morningstar doesn't ring a bell, please take your free ticket to the banquet. Morningstar is a website devoted to providing retail investors with unbiased information on any aspect of investing, personal finance and retirement, all written in language most people can understand.

Can it compete with TikTok or YouTube shorts for brevity? No way. But this is a real book. It is not to be compared with the fact-free drivel that dominates cellphone and website use.

Here are some of the things I particularly liked about the book:

- If there is a decision you face in life, it will be discussed. We might all be different, but we share a life cycle that begins with youth and ends with old age and death. Our differences are ephemeral when seen through the lens of our shared life cycle.
- Want to learn how to think about homeownership? Go to Lesson 12, where journalist and podcaster Mark Miller talks about the difference between the investment role of shelter and the role our homes have as self-expression.
- Worried as a woman about the challenges you face? Go to Lesson 17, where columnist Jean Chatzky discusses your longer life expectancy and the odds of needing care.
- Mystified by health care decisions? Go to Lesson 16, where financial adviser Carolyn McClanahan provides a map of important distinctions while you are working and as you retire.
- When in doubt, rely on simplicity. This is a background theme throughout the book. But my favorite advocate is William Bernstein, the biochemist/neurologist who has more brainpower than most of the people you'll meet in the investment world.
- In Lesson 9 about asset allocation, he mentions his "Prom Queen Theory of Life" — that if you're a prom queen "you tend to overemphasize the importance of good looks."
- "Math is important," he tells us, "But don't focus entirely on it." He reminds us of Charlie Munger's first rule: "Never interrupt compounding." The more complicated salespeople make your portfolio, the more interrupted compounding will be.
- Money is a tool, your tool. It is not your master. Whether it is saved money or spending money, your money is a tool for you to realize the life you hope for. I know this seems like an empty truism, but I have always been amazed at how easily people become shadows of their money. Again, you'll find this theme developed in a very healthy and useful way throughout the book.
- You should also know that Benz organizes the annual Bogleheads Conference, a worldwide community of people learning and following the simple, low-cost index investing fostered by the late John Bogle, founder of Vanguard. Next year's conference will be held in Austin.
- Shortcomings or complaints? Just two. First, I wish there had been a chapter with financial consultant Allan S. Roth. Like Bernstein, he's wonderfully smart. And very funny. To sample, read his book "How a Second Grader Beats Wall Street: Golden Rules Any Investor Can Learn" or just check out his website, www.daretobedull.com.
- Second, I understand the need for takeaways and minimal references. But this book is rich in background. It deserves an index. Books with less content don't need them.

OpenAI just scored a huge victory in a copyright case … or did it?

MICHAEL HILTZIK
Los Angeles Times
He is a columnist for the publication

BY MICHAEL HILTZIK

The snap judgment among legal experts was that a federal judge's dismissal on Nov. 7 of a copyright infringement lawsuit against OpenAI, the leader in advanced chatbots, will short-circuit an ever-growing effort by artists and writers to keep AI firms from stealing their content.

There's no question that the ruling handed down by Judge Colleen McMahon in New York landed with a thud among lawyers trying to bring such cases.

McMahon went beyond merely dismissing the lawsuit brought against OpenAI by Raw Story Media, the owner of progressive news websites. She undermined the basic argument that content creators have made against AI firms: That the process of feeding their AI models data indiscriminately "scraped" from the internet inevitably involves using copyrighted content without permission.

McMahon's ruling, based on a Supreme Court decision in an unrelated case, "Could leave AI copyright claims on shaky ground," wrote Los Angeles intellectual property lawyer Aaron Moss on his website. The judge not only dismissed Raw Story's case; she implied that no copyright holder might be able to show enough harm from AI scraping to win an infringement case.

That's because the amount of content fed to AI bots such as OpenAI's ChatGPT to "train" them is so immense that it's almost impossible to pinpoint any particular content that has been infringed when the bot spits out an answer to a user's query.

"Given the quantity of information," McMahon asserted, "the likelihood that ChatGPT would output plagiarized content from one of (Raw Story's) articles seems remote."

McMahon's ruling might also undermine what has been a growing trend toward the licensing of copyrighted content by AI developers — in part to forestall copyright infringement claims. Dow Jones, the parent of the Wall Street Journal, reached a licensing deal with OpenAI in May that could be worth more than $250 million over five years. That followed multimillion-dollar licensing deals OpenAI reached with the Axel Springer, the owner of Business Insider and Politico; the Financial Times; and the Associated Press.

"This court is allowing this thriving, lucrative market for licensed content for AI training to be taken away from Raw Story Media," Peter Csathy, chairman of Creative Media, a Los Angeles entertainment and media marketing and consulting firm, told me.

That might have happened because Raw Story didn't make much of that market's potential in its lawsuit. In its complaint it mentioned the licensing deals OpenAI reached with the Associated Press and Axel Springer, but noted only that the AI firm has "offered no compensation" to Raw Story.

For all that, the full import of McMahon's decision is anything but clear. That's because the case brings together two muddy legal regimes: Copyright law, which is renowned for its craziness and confusion, and AI law, which might be years away from coalescing into coherence.

At least 12 lawsuits against AI developers alleging copyright violations are currently wending their way through the federal courts — with plaintiffs including the publishers of Mother Jones, the Wall Street Journal and the New York Times; the music recording industry; and writers Michael Chabon and Sarah Silverman.

Intermediate court rulings in these cases contradict each other and raise issues that haven't been seen before even in high-tech intellectual property law.

Continued on page 23

Google Chrome's divorce is the DOJ's antitrust warm-up act

PARMY OLSON
Bloomberg Opinion

She is a columnist covering technology, a former reporter for the Wall Street Journal and Forbes and author of "Supremacy: AI, ChatGPT and the Race That Will Change the World"

The U.S. Department of Justice wants to force Alphabet Inc.'s Google to sell Chrome, its dominant web browser. That has led to much head scratching in the tech industry. Sure, Chrome is an important moat for Google's business, but is it really the source of the company's power? And if a company buys Chrome for an estimated $20 billion, wouldn't that mean someone else controls two-thirds of the browser market?

Read the tea leaves carefully and there's more happening here. The DOJ, for one, seems to be moving quickly to get ahead of any efforts by the incoming Trump administration (of which more, later) to shut down its most ambitious work in decades. There's something larger looming on the horizon.

Google is too large for the DOJ to break it up all at once, and the agency has two separate cases against the company, each pushing for spinoffs of different parts of the business.

The department's efforts on Chrome relate to a case it filed in 2020, focusing on Google's search monopoly. But the DOJ also filed another case in 2023 that's arguably more important, targeting its ad tech business. As a reminder: Google dominates digital advertising by controlling both the marketplace for online ads and the essential tools that advertisers and websites need to participate. The business generates roughly $200 billion in annual revenue.

That's great for shareholders, but a raw deal for advertisers and website owners. Trade stocks and you'll pay pennies on the dollar in transaction fees. But an advertiser is more likely to pay 30 cents on every dollar they spend on ad-buying tools, according to the DOJ's suit, making the ad market work most profitably for Google above all. (Google's lawyers have argued that it competes fiercely against others including social media and video-streaming sites for ad dollars.)

The "structural remedies" that the DOJ calls for in both cases — potentially the first breakup of a conglomerate since AT&T Inc. in the early 1980s — are very much needed. Tech giants have long seen the multi-billion-dollar fines they get from regulators as a cost of doing business. When the Federal Trade Commission fined Meta Platforms Inc. $5 billion in 2019, its stock went up. And companies have been known to skirt regulatory efforts to force better behavior. Breakups at least address the root of tech firms' power, which is scale.

PARMY SAYS

That's great for shareholders, but a raw deal for advertisers and website owners. Trade stocks and you'll pay pennies on the dollar in transaction fees. But an advertiser is more likely to pay 30 cents on every dollar they spend on ad-buying tools, according to the DOJ's suit, making the ad market work most profitably for Google above all. (Google's lawyers have argued that it competes fiercely against others including social media and video-streaming sites for ad dollars.)

"Divestiture is a more effective remedy," says Anne Witt, professor of law at EDHEC Business School's Augmented Law Institute. "The downside is it's more invasive."

That's why pushing to first divest Chrome makes sense as a prelude to breaking up the ad tech business, even though that's where Google's real market power lies.

Trying to disentangle Google's ad tech business, a byzantine network of interplaying units, will require careful strategic planning by regulators, so the DOJ needs to build up institutional knowledge and legal precedent to make the bigger move. Breakups of past monopolies also started with smaller actions. Before the DOJ split AT&T into seven regional holding companies known as "Baby Bells," for instance, it filed several smaller cases through the 1970s, building up to the main 1974 case that led to the forced sales.

Much of this depends on whether the DOJ's efforts survive under a President Donald Trump. When Bloomberg News Editor-in-Chief John Micklethwait recently asked whether Google should be broken up, the then-candidate responded: "Look, Google has got a lot of power. They've been bad to me …"

"You would break them up?"

"I'd do something," Trump replied. "They've become such a power. How they became a power is really the discussion. At the same time, it's a very dangerous thing because we want to have great companies. We don't want China to have these companies. Right now, China is afraid of Google."

Trump might be unsure where he stands, but a breakup is by no means off the table. Not only was the DOJ's search case filed at the tail end of Trump's last term, but incoming Vice President JD Vance has publicly said Google should be split up.

Elon Musk, now a key player in Trump's administration, has also long worried about the company's consolidation of control in artificial intelligence. (He also has a vested interest in the matter, as the founder of a new AI company and chief executive officer and "technoking" of Tesla Inc., for which the technology is integral.)

There's a good chance, in other words, that the DOJ's efforts could prevail — albeit slowly. The court is holding hearings on the proposed breakup in April 2025, with U.S. Judge Amit Mehta expected to rule by August.

Google will almost certainly appeal, and the process could take years. Still, if history is any guide, kicking things off with a divorce from Chrome isn't just strategic. It's the opening move in what could eventually become the biggest antitrust showdown since AT&T.

Continued from page 21

Judges have struggled even to define how copyright infringement principles apply to technology that doesn't output exact copies of copyrighted works but "mimics" them — rather like how the beverage machine in Douglas Adams' "Hitchhiker's Guide to the Galaxy" delivered "a cupful of liquid that was almost, but not quite, entirely unlike tea."

All those cases are still in their early stages.

"I don't put a lot of stock in anyone who tells you how these cases are going to turn out," Moss says.

Before wading into the legal morass these lawsuits are attempting to navigate, let's take a quick look at how the technology is developed and why copyright has become an issue.

The models that are in the forefront of artificial intelligence research and development just now don't think for themselves. They're repositories of billions of articles, software lines and music or art made by humans. When asked a question, they ply through their database and try to synthesize from it the most probable answer. Often they get it right; often they get it wrong.

Sometimes they're confused enough to output obvious errors, as Apple researchers found when asking the models to solve math problems written in plain English. Sometimes they show that they don't know what they don't know, and fill in the blanks in their knowledge with fabrications — or as AI developers call them, "hallucinations."

As McMahon observed, the sheer volume of materials the bots draw from and the synthesizing process make it unlikely that any answer will replicate any specific content exactly.

That has been an obstacle for some of the plaintiffs in the copyright cases. Most of those claiming their written content has been infringed assert chiefly that the databases known to have been fed to some AI models are known to include their books or other writing. (At least one of the content repositories used by some AI developers includes three of my own books, but I'm not a party to any of the lawsuits.)

In its lawsuit, the New York Times cites text output by OpenAI's ChatGPT-4 that reproduces portions of its articles verbatim,

Continued on page 24

Continued from page 21

without credit or permission. (Microsoft, named as a defendant as an investor in OpenAI and a user of its technology, replied that the New York Times had effectively "coaxed" the chatbot to reproduce its texts by artfully framing its queries to elicit infringing answers.)

That brings us back to Raw Story Media's lawsuit. The company, which operates the Raw Story and AlterNet news sites, didn't fashion its claim as a copyright infringement complaint. Instead, it asserted that OpenAI had deliberately removed author, title and copyright labels — collectively known as copyright management information, or CMI — from the articles it imported to train its bots.

Raw Story argued that this process facilitated future infringement by leaving users unaware that they were receiving, and possibly distributing, copyrighted material without permission.

Deliberately removing CMI with the intention of fostering copyright violations is a direct violation of the 1998 Digital Millennium Copyright Act, which governs intellectual property rights of producers of digital content. Raw Story sought damages for OpenAI's violation of the law and an injunction requiring the AI company to remove from its database all Raw Story content from which the CMI had been removed.

That's where Raw Story ran into a roadblock erected by the Supreme Court. In a five to four decision involving the credit bureau TransUnion in 2021, the court declared that it is not enough for a plaintiff to sue over a defendant's violation of a federal statute. To have the standing to bring a federal case, the court ruled, a plaintiff must show that they have suffered a "concrete harm" stemming from the violation.

Raw Story couldn't show that because it couldn't produce evidence that any of its content had been copied in answers to user queries and therefore that it had suffered "concrete harm." As a result, McMahon dismissed the lawsuit on grounds that Raw Story didn't have standing to bring it.

Indeed, McMahon seemed irked at the thought that Raw Story was trying to pull a fast one.

"Let's be clear about what's really at stake here," she wrote. The supposed injury for which Raw Story was seeking relief, she wrote, "is not the exclusion of CMI" from OpenAI's database, but the "use of Plaintiffs' articles to develop Chat GPT without compensation for Plaintiffs."

McMahon gave Raw Story the opportunity to refile its lawsuit to show that it was damaged by OpenAI's acts. She didn't sound sanguine, calling herself "skeptical" that the company will be able to allege a "cognizable injury."

But Csathy contends that McMahon overlooked the possibility that her ruling might undermine the licensing market — if AI developers can remove CMI from training data with impunity, they might not feel any need to license copyrighted material in the future.

"There's some real substantial money there," he says.

Raw Story might well cite the loss of licensing income as a "cognizable injury" if and when it files an amended complaint. That would be a new wrinkle in a field that at this point is virtually nothing but wrinkles.

If the Fed is cutting interest rates, why are mortgages and business loans costing more?

BY JOSEPH N. DISTEFANO

While the Federal Reserve has cut its short-term interest rate target by three-quarters of a percentage point since mid-September, 30-year fixed-rate home mortgage rates rose by almost as much during that period and have lately averaged around 6.8%, higher than they were when the Fed began cutting, according to Freddie Mac, the home-loan finance giant.

Small-business loan rates are also up: Small Business Administration-backed average interest for new real estate and capital improvement loans rose more than half a percent since September, according to data collected by CDC Small Business Finance, one of that program's largest lenders.

To be sure, the central bank's target rates and its much-publicized recent rate cuts don't directly set long-term mortgage and business loan rates. It's not unheard of for rates on multiyear loans, such as 30-year mortgages, to move modestly against the direction of the Fed's short-term targets, analysts say.

But the recent gap, with Fed and bank rates moving in opposite directions, "is actually quite different" from the usual result after a Fed hike, said Lara Rhame, chief economist at FS Investments in South Philadelphia.

It's "abnormal" for rates to fall when the economy is doing well, she said — a sign money market players are worried about inflation under one-party government when politicians "can spend with fewer guardrails," likely leading to faster growth and more price inflation.

Rhame said her research on past Fed performance suggests long-term mortgage rates could stay at or above 5% into next year.

"It's a huge frustration for all the folks that were excited to jump in and buy homes, once the Feds started cutting interest rates," she added.

Eric Merlis, cohead of global markets for Citizens Financial Group, which runs the largest bank-branch network in the Philadelphia area, said long-term rates reflect the economy's growth prospects.

When mortgage and business-loan rates rise despite Fed cuts, it suggests lenders are concerned inflation, economic growth, and property, stock and other asset prices will get worse.

Mortgage inquiries rose postelection

Mortgage inquiries slowed during the recent presidential campaign, as if buyers were waiting to see who won, but calls from would-be buyers have surged since Donald Trump's election, said Michael A. Kent, veteran mortgage banker at First National Bank of Pennsylvania's Berwyn office.

"I received more calls since Thursday than in the last three weeks," he said in an interview last week. But there still aren't many houses for sale, locally or nationally, compared to the demand, Kent added.

Nationally, "house-hunting activity was much slower than expected" during the presidential campaign, the national real estate brokerage Redfin reported last week.

"Buyers are returning" since Trump's election, yet "we don't expect rates to fall significantly anytime soon," said Redfin economic researcher Chen Zhao.

Rhame, the FS analyst, said that even if the Trump administration wanted to increase U.S. housing construction, it would need to push local governments to speed project approvals — a challenge for national leaders.

Kent, the mortgage banker, noted that Fed rate cuts have more impact on credit cards, car loans, and other short-term borrowing than on business and mortgage loans. If mortgage rates stay high, he expects more buyers will ask for adjustable-rate loans, as if betting that rates will fall over the next few years.

Looking at the many implications for 2025

DR. RICHARD BAKER

Fervent Wealth Management

He is the founder and executive wealth advisor

On one of my trips to Nicaragua, I stayed in a motel on the Pacific Ocean. Early in the morning, I noticed several small fishing boats coming in and went to the beach to meet them. I watched them start selling their fish to villagers, who would buy fish by the basketful and then bicycle it to neighboring villages to sell on the street. I was amused by the whole business model and noted that there were no taxes or invoices exchanged — just fish for cash.

Inflation and tariffs have continued to be on everyone's minds and were a hot topic during the election. A report last week showed that inflation in October rose 0.2% from September, continuing the same steady monthly pace as July, August and September. This means prices continue to increase slowly, much to consumers' frustration.

Though inflation continues to be stickier than the Federal Reserve officials anticipated, they are expected to lower their rate again in December. Still, the Fed could pause their rate cuts in January as strong consumer spending and stronger-than-expected economic growth continue to push prices up.

HOW WILL TARIFFS AFFECT INFLATION?

Investors are concerned that potential Trump tariffs could make inflation worse. A tariff is simply a tax on goods imported from other countries. The question is, who ends up paying the tax? The company that imports the product either passes the tax on to the customer as a price increase or pays it themselves, which reduces its profits.

Reviewing the effects of Trump's 2018 tariffs, it seems that not all price increases are passed on to consumers. For example, a National Bureau of Economic Research white paper stated that in 2018, only "half the cost of the steel tariffs" were passed on to customers.

Of course, the new administration could exclude some products from the tariffs. The first Trump administration granted exclusions for more than 2,200 products after businesses applied for exemption because the tariff would do significant harm or that product was not available in the U.S. Ironically, Biden kept most of Trump's tariffs and put additional tariffs in place in May of this year.

WHAT HAPPENED TO INFLATION IN 2018–2019?

After reviewing the Producer Price Index and the average wholesale price between 2013 and 2024, I noticed that tariffs imposed in 2018 hurt companies more than consumers. This is because the wholesalers didn't fully pass on the additional cost of importing. That doesn't mean companies will decide to swallow the increased expense instead of raising their prices this time, but it could be a pattern.

Taxes, whether from tariffs or policy decisions, usually slow down the economy. Businesses and consumers feel the impact, employment typically shrinks and the impacted foreign countries often retaliate with tariffs on U.S. goods as a tit for tat. Tariffs also can have positive effects, such as creating negotiating opportunities and forcing companies to produce those goods in the U.S. instead of other countries, providing jobs in America.

Investors are right to move into 2025 with caution because of economic headwinds. The market is becoming overvalued, the effects of tariffs are unknown and stubborn inflation has continued. So far, the market has remained strong thanks to consumers who continue to spend at high levels, a season of Fed rate cuts and many businesses ramping up spending.

Thinking back to that day in Nicaragua, I realize that a modern society needs taxes for roads, police and other things. But as I started helping some of the fishermen push their boats ashore, I couldn't help but wonder just how nice it would be to live in a tax-free world.

Have a blessed week.

Fervent Wealth Management is a financial management and services entity in Springfield, Mo. Securities and advisory services offered through LPL Financial, a registered investment advisor, Member FINRA/SIPC.

Opinions are for general information only and not intended as specific advice or recommendations. All performance cited is historical and is no guarantee of future results. All indices are unmanaged and can't be invested in directly.

The economic forecast outlined in this material may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

Visit www.ferventwm.com for more information.


Cravens


Lara


Beaver


Kalmes


Baird

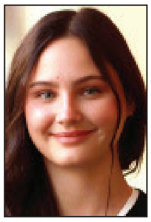

Taylor


Scott


McCaffrey


Caley


McMahon


Kramer


Olson


Foote


Solis

IOWA HONEY PRODUCERS ASSOCIATION

ELECTED: Chris Puetz, of Bernard, Iowa, as its 2025 president.

COTTINGHAM & BUTLER

HIRED: Shane Cravens as executive chauffeur.

HIRED: Kally Lara as a communications specialist.

HIRED: Roseann Beaver, Marie Kalmes and **Eileen Baird** as claims coordinators.

HIRED: Aimee Taylor as an accounting specialist.

HIRED: Cameron Scott as a marketer.

HIRED: Miranda McCaffrey and **Cassidy Caley** as client service representatives.

HIRED: Jean McMahon as an executive assistant.

HIRED: Eva Kramer as an account administrator.

HIRED: Olivia Olson as a claims administrator.

HIRED: Katie Foote as a human resources generalist.

HIRED: Isabella Solis as a system administrator.

MI-T-M CORP.

PROMOTED: Kodi McInerney to sales support manager.

IMON COMMUNICATIONS

HIRED: Gilbert Nuñez as director of commercial business services.

BIZ LOCAL

PRAIRIE FARMS WINS 18 RIBBONS

Prairie Farms Dairy Inc. won 18 ribbons, including four sweeps, in the National Milk Producers Federation Dairy Product Judging Contest. The ribbons included a second-place win in the Natural Cheese Snack category for mixed cheddar curds made in Shullsburg, Wis.

EAGLE RIDGE RECEIVES GOLD STELLA AWARD

Eagle Ridge Resort & Spa, of Galena, Ill., received a Gold Stella Award for Best Onsite Support Staff from Northstar Meetings Group.

Spotify woos video and podcast creators with new tools to better compete

BY WENDY LEE

LOS ANGELES — Swedish streaming audio giant Spotify is courting more video creators, podcasters and influencers in an effort to step up its competition with popular digital platforms such as YouTube, Instagram and TikTok.

The Stockholm-based company recently hosted creators at its office in Downtown L.A.'s Arts District, where executives showed off new features meant to make it easier for video makers to make money from their content and track their performance on the streaming service. The company is launching a new program to help creators earn more advertising and subscription revenue, Spotify said.

For example, Spotify Premium subscribers will soon be able to view videos on the service without ads. This comes after some video podcasters have groused about the number of commercial breaks in their shows, which can irritate paying listeners. Qualified creators can earn money based on how often the ad-free videos are streamed.

"Now, financial success and quality of your show aren't at odds anymore — they are correlated," said Spotify's co-president and chief product and technology officer, Gustav Söderström, during the event.

Ad-free videos will start in January for premium users in the U.S., U.K., Australia and Canada. Spotify users who do not want to pay for a subscription can still listen to music, podcasts and audiobooks for free with ads. Video creators earn a share of those ad revenues. Audio-only podcasts will still have ads for Premium users.

Once a pure streaming music company, Spotify five years ago expanded into podcasting, buying podcast companies and later spending considerable sums to get exclusive deals with popular hosts including Joe Rogan and Alex Cooper. That helped diversify Spotify's offering, but the company eventually pulled back on some big deals after overspending. It recalibrated its podcast strategy and laid off employees.

Kara Smith Brown announces debut book 'The Revenue Engine'

BY BUSINESS WIRE

ATLANTA — Kara Smith Brown, founder and CEO of LeadCoverage, has announced the release of her first book, "The Revenue Engine: Fueling a B2B High Octane Pipeline."

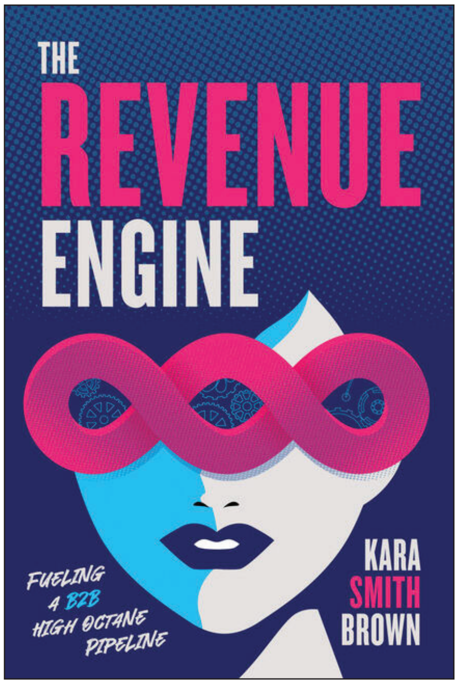
A leading voice in B2B marketing strategy, Brown's debut book presents proven frameworks to help marketing leaders turn their teams into powerful revenue-generating engines, some of the same lessons she shares at industry events and the same frameworks that have made LeadCoverage the premier supply chain go-to-market consulting group. Drawing on her more than 20 years of experience helping B2B organizations across the supply chain, logistics and technology industries, Brown's goal is to help readers shift B2B marketing from a cost center to a profit powerhouse driving scalable revenue.

"Marketing leaders have a massive opportunity to drive revenue growth, but to do so, it's crucial they can demonstrate value and the impact of their efforts," she said. "This book gives marketers the tools they need to align sales and marketing and optimize lead generation to turn their departments into revenue engines."

Beyond laying out a practical framework to generate measurable pipeline value and return on investment, "The Revenue Engine" offers practical advice on marketing fundamentals like intent data, account-based marketing, content strategies and key performance indicators. With real world examples and math simplified for nonanalysts, the book equips marketers with an actionable game plan for measurable demand generation.

"'The Revenue Engine' is an essential guide for B2B marketers," said author and marketing strategist David Meerman Scott. "(Brown's) practical advice and real world examples make this book a valuable resource for anyone looking to improve their go-to-market strategy."

Brown founded LeadCoverage in 2019 with fellow supply chain expert Will Haraway. LeadCoverage partners with clients to deliver actionable insights. Headquartered in Atlanta, the company's approaches to public relations and analyst relations have secured its team as trusted counsel for clients seeking to strike a balance between measurable marketing outcomes and having an elevated share of voice in the industry.



Published by Advantage Books, the book is available now for purchase in print, e-book and audiobook.

Old National launches financial education podcast, videos

BY BUSINESS WIRE

EVANSVILLE, Ind. — Old National Bancorp is expanding upon its work in the financial education space with two new digital initiatives: A "Real-Life Finance Podcast", and a "Smart Money Half-Minute" video series.

The "Real-Life Finance Podcast" is a complement to Old National's popular Real-Life Finance eLearning education platform and in-person workshops. Hosted by Old National financial empowerment director Ben Joergens, each episode focuses on everyday financial solutions that empower listeners to build the financial future they want. The debut episode, featuring former NBA player and current Old National executive recruiter Luke Zeller, is available at oldnational.com/RLF as well as on most podcast platforms.

The "Smart Money Half-Minute" videos, which debuted in October, are featured on

Real-Life FINANCE PODCAST

Old National's Instagram and TikTok channels, as well as at oldnational.com/Smart Money, with a new video posted once per week. The videos star young adults who share their advice about budgeting, saving and other keys to effective financial management.

"Old National believes that a strong foundation in money management is fundamental to achieving one's dreams and maintaining financial independence and success," said Old National chief communications, culture and social responsibility officer Kathy Schoettlin. "That's why we are so excited about these new, fun and engaging additions to Old National's financial education tool kit."

The "Smart Money Half-Minute" videos are built out of the Real-Life Finance online financial education curriculum. Real-Life Finance is an e-learning program with 46 lessons covering financial psychology, budgeting, account management, credit, loans and debt, careers, entrepreneurship and home ownership. This program is available for universities, business clients (for their employees) and more.

"Our Real-Life Finance lessons aren't lectures full of complicated, out-of-reach ideas," Joergens says. "They are easily understandable, interactive tools that engage users and help them understand different views and behaviors."

For more information, visit tinyurl.com/y5k8n6uh.

GIVE ROB MARTIN A CALL!

815-535-4416

Rob has the new Ram Commercial vehicles you want and will fully customize them for your needs!

ON THE JOB

BUSINESS LINK
The fast lane for small business.

Business*Link* has you covered.

Our investment in your company provides:

- Complimentary membership, no dues, no fees
- Priority next-available bay service for your business vehicles
- Extended service/repair hours
- Free loaners for selected vehicles
- Free shuttle service
- Expertise in commercial financing options
- 24/7 towing service available
- We will come to your place of business

RAM DODGE turpin turpindodge.com of DUBUQUE Jeep CHRYSLER

adno=368728

JFK Road at Dodge St., Dubuque, IA

563-583-5781 • 800-747-4221 • www.TurpinDodge.com