

Opinion

The Dallas Morning News

Section P

Sunday, July 21, 2024

DallasNews.com



Michael Hogue/Staff Artist

Dallas: The new 'capital of capital'

Investment group CEOs extol benefits of headquartering in Dallas and the founding of the Texas Stock Exchange

By DREW MCKNIGHT and JOSH PACK

Editor's Note: Fortress Investment Group recently joined BlackRock, Citadel and more than two dozen other founding investors of TXSE Group Inc, the parent company of the Texas Stock Exchange.

We could not be more excited to join the founding ownership group of the Texas Stock Exchange.

This is the right time, the right place and the right vision for Dallas to lead on a new front, as the home to a new breed of financial exchange — one that can deliver real commercial benefits to market participants and provide a competitive alternative to today's virtual duopoly in the New York Stock Exchange and the NASDAQ.

Under the leadership of TXSE CEO James Lee, who has 30 years of experience in the capital markets, and backed by more than two dozen founders, including some of the world's most sophisticated financial institutions, TXSE is an ambitious undertaking. It will provide a new source of competition in financial markets that can help lower fees for all market participants while prioritizing the interests of retail investors. At the same time, TXSE can deliver substantial long-term benefits for our city and state, cementing Dallas' position as one of the most dominant financial centers in the country and building further on Texas' place as a powerhouse of the global economy.

Why Dallas?

Dallas is the financial center of a state that has done more than any other to create an environment where businesses can flourish, where com-



File Photo/Staff

merce and the movement of capital are unimpeded by onerous taxes, policies and regulatory hurdles. Over the past five years, more corporate headquarters have relocated to Texas than any other state, continuing a trend that has helped establish our state as the world's eighth largest economy and the number one jobs creator in the U.S. And perhaps most importantly for the ambitions of TXSE, one in 10 companies listed on the New York Stock Exchange

already call Texas home, along with more than 5,200 private equity sponsored companies — many of which will seek public listing as the next step in their trajectories.

At Fortress, while we expect that our co-headquarters in New York and our offices in other long-established world financial centers such as London and

See MCKNIGHT Page 4P

WHAT THEY SAID



"You start going through your mind of every guest you've served — every good and bad experience you've had. **Was that a Michelin guest or not?**" — Matthew Ciccone, co-owner of Tatsu Dallas, one of several restaurants that might be considered for inclusion in the Michelin Guide in Texas. (Tuesday, The Dallas Morning News)

"I've sat with these families, in living rooms where the silence is so loud that it hurts, where photo albums are opened with trembling hands. ... How did we get here? It happened because **Democrats cynically decided they wanted votes from illegals more than they wanted to protect our children.**" — Sen. Ted Cruz, in a speech at the Republican National Convention in Milwaukee. (Wednesday, The Dallas Morning News)

"With their words and their actions — and sometimes with their silence and their inaction — Democrats in power demonstrate they don't care about stopping the killers or the thieves who terrorize Black and brown communities. They don't care about securing our border, and they don't care about dangerous homeless encampments. No, **the heart of today's woke Democrat Party is with the criminals,** not with their victims." — Dallas Mayor Eric Johnson, speaking at the Republican National Convention. (Tuesday, The Dallas Morning News)

"This is the final straw. Because of this law and the many others that preceded it, **attacking both families and companies,** SpaceX will now move its HQ from Hawthorne, California, to Starbase, Texas." — Elon Musk, reacting to news that California has passed a law banning schools from requiring parental notification if a child identifies as transgender. (Tuesday, X)

"These limited edition high-tops, featuring Trump's iconic image with his fist raised, honor his unwavering determination and bravery. With only 5,000 pairs available, each one is a true collector's item. **Show your support and patriotic pride with these exclusive sneakers,** capturing a defining moment in history." — Marketing copy from CIC Ventures, which is asking \$299 for a pair of sneakers decorated with an image of Donald Trump with streaks of blood on his cheek and pumping his fist in the air. (Tuesday, The Associated Press)

"[The] Dallas area is the number-one based sports-collectible market, I truly believe, in this country. ...

There's a human being behind every sports collectible card.

That's why people go after them." — Bill Sliheet, owner of a trading-card business in Mansfield. (Thursday, The Dallas Morning News)

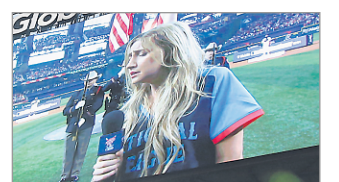


"It shouldn't be a penalty anyway. Everyone has a hand signal. If you let a hand signal affect you and affect the game, **maybe you shouldn't be there.**" — University of Oklahoma defensive back Billy Bowman Jr., a Denton Ryan product, on the debate about whether the "Horns Down" sign should be an automatic penalty, at Southeastern Conference media days in Dallas. (Tuesday, The Dallas Morning News)

"Tonight is about unity. **We need each other.** We need to feel love. We need to feel safe. We need clarity in this chaos. We need strength. We need healing." — Kelly McCollough, organizer of a vigil to remember Corey Comperatore, the former fire chief who was fatally shot at the Pennsylvania rally where former President Donald Trump was targeted. (Thursday, The Associated Press)

"**We are, like, 8,000 miles away from home** but we still try to practice the culture that we had back home in Bangladesh." — Actress Arnika Guha, who stars in the Bengali play "Shakuntala" being staged by Bangla Group Dallas. (Thursday, The Dallas Morning News)

"I'm not gonna bull---- y'all, **I was drunk last night.**" — Ingrid Andress, whose rendition of the national anthem before the Major League Baseball Home Run Derby in Arlington went viral. Andress said she is checking into rehabilitation. (Tuesday, X)



Have questions or comments about Opinion? Please send letters via the online form at dallasnews.com/sendletters.

Are you trusting 'pink slime' news outlets?

Local journalism is still vitally important to Americans, and there are a lot of fishy sources out there



WILLIAM MCKENZIE

Characteristic of this age, the historian Jill Lepore told author David Rubenstein for his book, *The American Experiment*, is how we know things. Discerning facts and truth once was easier. Americans across the country read about an event like the Normandy invasion. Or watched something live on television, such as Neil Armstrong on the moon. Or listened to a radio broadcast of their favorite baseball team.

How we know things today is harder. Artificial intelligence can lead to deepfakes, where images are manipulated into something other than reality. We see in conspiracy theories what Ryan Sanders termed in these pages "exclusive knowledge," where value derives from certain "facts" being discerned or known only by a few. And nefarious disinformation campaigns from Russia and China prey upon events like last year's Ohio train derailment to sow discord.

Here's another complication: NewsGuard, which tracks disinformation and misinformation efforts, reports the United States has more "pink slime" news outlets than real local news sources. According to NewsGuard, "pink slime" websites "present themselves as neutral local news outlets but are backed by or

tied to partisan groups or hostile governments."

Yep, fake papers. They masquerade as authentic news sources, NewsGuard explains, but have a political mission. They may spread pro-Russian narratives, as NewsGuard claims one collection of sites does. Or they may advance agendas of U.S. partisans on the left and right. After analyzing NewsGuard's work, Axios found 45% of the sites NewsGuard considers partisan papers operate in one of several swing states.

Troubling, very troubling. There are no simple answers to how we know things today. Still, it is worth betting on local journalism to help us find reliable information.

For one thing, polls show Americans most trust news outlets in their communities to provide that kind of information.

Here are examples of how local journalists are responding to both a digital age and a period in which knowing truth is questioned.

Quality local news sites emerge

Five years ago, *Lookout Santa Cruz* did not exist. This year, the California digital site won a Pulitzer Prize for reporting in real-time about how devastating rains and floods were threatening the picturesque coastal town in January 2023.

Only journalists rooted in their communities can provide lifesaving information during a disaster.

Digital sites can't replace the vast number of lost traditional newspapers: One-third of newspapers that published in 2004 no longer exist.



iStock

But let's not discount how outlets like *Lookout Santa Cruz* provide pivotal reporting about their communities. That includes the digital *Fort Worth Report*, which is partnering with readers of this newspaper to provide information about their western neighbors.

It's one thing to evaluate your work privately; it's another to do it publicly. Think of that if you stumble across one of those partisan sites NewsGuard warns against or when listening to know-it-alls blather on talk shows.

Creating community

Smaller towns particularly feel the loss of local newspapers. That's why the National Trust for Local News' work stands out. The National

Trust bills itself as America's largest nonprofit newspaper company.

The organization operates 26 papers or digital sites in Colorado, 21 in Maine and 19 in Georgia. In each place, they reach urban, suburban and rural readers. The nonprofit facilitated KERA's 2023 purchase of the *Denton Record-Chronicle*, keeping the newspaper in local hands and allowing KERA to expand its news operation.

Along with putting together funds to buy struggling papers, the National Trust invests in initiatives such as the launching of new lines of local coverage and helping people feel more connected to their community through reporting on matters like sports events as well as on solutions to local problems.

"What's happening in this community, who lives in it, and what's important to the community" is how Elizabeth Hansen Shapiro, the organization's CEO, described local journalism's "placemaking" role during a recent interview.

Striving to improve

The Dallas Morning News recently hired veteran journalist Stephen Buckley as public editor. His job is to critique and extol the work of this newspaper's journalism. In his first column, he explained he will examine how stories are presented, address inaccuracies and help readers understand the newsroom's operations. As one example, his second

column urged *The News* to include more conservatives in some of its coverage.

It's one thing to evaluate your work privately; it's another to do it publicly. Think of that if you stumble across one of those partisan sites NewsGuard warns against or when listening to know-it-alls blather on talk shows. By assessing its own, *The News*, like other places with public editors, can help readers get accurate, fair reporting about their community.

Numerous other initiatives exist to strengthen local journalism. The Texas Newsroom, for example, covers our state through its network of local public radio stations. Radio particularly matters in places that lack both a newspaper and access to the internet.

These examples alone will not end debates over "fake news," the work of "pink slime" operations, or the hush-hush sharing of "exclusive knowledge." But they help immensely in getting at how we know things, which is a prime challenge of our age.

William McKenzie is senior editor-in-chief at the George W. Bush Institute, a Pulitzer-winning journalist, a former Dallas Morning News staffer and an adjunct journalism lecturer at Southern Methodist University. He is a contributing columnist for The Dallas Morning News.

McKnight

Continued from Page 1P

Tokyo will always be hubs of our global operations, more companies every day are considering locating, or relocating, their headquarters to Texas — and for good reason. The strength and dynamism of the Texas economy is perhaps unmatched in America, and the much cited "business-friendly" approach of our state is becoming a more important, and more distinctive, element of the Texas value proposition. As the home states of incumbent exchanges weigh the implementation of a "transaction tax" to shore up local budgets, Texas has not only made clear that it will not be enacting such a quick fix, Gov. Greg Abbott has proposed a constitutional ban on such crippling provisions in the future. That is the kind of certainty and decisiveness that CEOs look for when considering where to locate their headquarters or where to list their companies on an exchange.

In the 22 years since Fortress established our first office in D-FW, our commitment to the region has been validated and rewarded at every turn. Dallas and New York are now co-headquarters of Fortress, it is where we sit as co-CEOs, and it is where many of our colleagues — both new and lifelong Texans — have chosen to pursue their careers, finding a personal sweet spot where an outstanding quality of life can

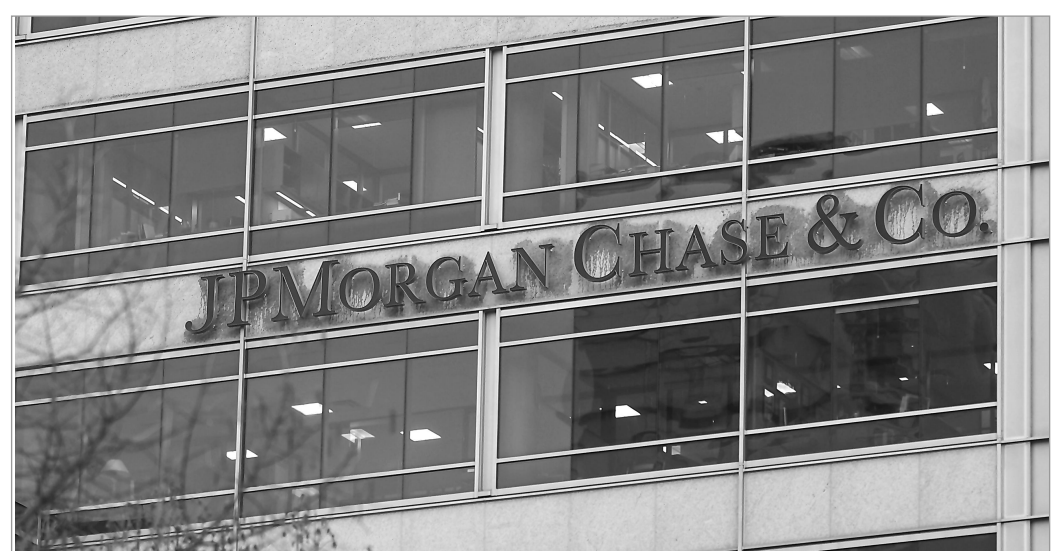
be enjoyed alongside uncompromised professional opportunity. Unsurprisingly, many of our employees, and new recruits from all corners of the country, have chosen Dallas as the place to start or grow their careers. Today, we have more than 130 full-time professionals in the D-FW region, we opened a new Dallas co-headquarters location in the historic Weir's Plaza building — and we have left plenty of room for further growth.

Many of the same dynamics that deepened our own long-term commitment to Dallas and Texas are just as relevant and compelling to many portfolio companies sponsored by Fortress and our industry peers. In 2020, in the depths of COVID-19, we acquired a fleet of Boeing 777s and provided financial backing to an exceptional management team focused on building the world's premier passenger-to-cargo aircraft conversion operation. That company, Mammoth Freighters, considered alternatives around the world before ultimately selecting the Hillwood-managed Alliance Airport in Fort Worth as the ideal location for building a global operation with ambitious objectives. We secured a large hangar facility at Alliance and created a second company, Aspire MRO, to perform the conversions engineered and designed by Mammoth. Today, these companies employ more than 500 people,

It is time to push our ambitions beyond establishing a toehold for our city and state as the "Wall Street of the South."

who produce one of the world's most productive and economical long-range 777 cargo freighters.

Fortress-backed MP Materials, which operates the only rare earth mining and processing site in North America, identified Fort Worth as the ideal location for what is expected to become another fast growing global operation — the nation's first fully-integrated rare earth magnet manufacturing facility. With production of finished magnets expected to commence in 2025, MP Materials will achieve its vision of reestablishing a secure domestic supply chain for the world's most powerful and efficient permanent magnets, an indispensable component not only for the motors and generators that power electric vehicles, robots, wind turbines and drones, but for a range of critical defense systems central to our national security. Global demand for these magnets is expected to triple by 2035, fueling growth for MP Materials and creating jobs in its state-of-the-art Fort Worth facility.



Staff Photo

Drew McKnight and Josh Pack, co-CEOs of Fortress Investment Group, write for the first time in 33 years, Texas in 2023 surpassed New York in the number of workers employed in the financial and banking sectors. JPMorgan Chase now employs more people in Texas than in the state of New York

We also just recently announced an investment into First Foundation Inc., a Dallas-based financial services company with subsidiaries including \$13 billion First Foundation Bank, and First Foundation Advisors, a fast-growing wealth advisor managing more than \$5.5 billion on behalf of clients across the country. We are incredibly excited to be partnering with Founder and CEO, Scott Kavanaugh, as First Foundation continues its growth in Texas, which is expected to double the local employee base in the coming year.

The Texas promise

Dallas and the state of Texas will no doubt continue to appeal to CEOs seeking to identify the best options for

their own companies and employees. And these advantages are becoming more relevant and more distinctive by the day. As a result, for the first time in 33 years, Texas in 2023 surpassed New York in the number of workers employed in the financial and banking sectors. JPMorgan Chase now employs more people in Texas than in the state of New York; Charles Schwab relocated its headquarters to Westlake in 2021; Goldman Sachs has expanded its local workforce to more than 5,000 full-time employees; Wells Fargo invested in an 850,000 square-foot campus that will house thousands of employees; and Fidelity Investments has added about 2,000 employees in our state. Leading global institutions have voted resoundingly in

favor of the business and lifestyle advantages that have made Texas the No. 1 state for job creation for 36 consecutive months.

The time, the place and the vision are right for TXSE. It is time to push our ambitions beyond establishing a toehold for our city and state as the "Wall Street of the South." It is time to protect and enshrine all of the advantages that have powered our ascent as a financial center of the nation and the global economy. It is time to rally behind TXSE and other ambitious efforts that can propel our city and state to new heights and to cement our region's place as "A new capital of capital."

Drew McKnight and Josh Pack are co-CEOs of Fortress Investment Group.