

What's News

Business & Finance

Inflation eased slightly last month, likely keeping the Fed on course to pause rate increases at its next meeting. The consumer-price index rose 4.9% in April from a year earlier, down from March's 5% increase. **A1, A6**

◆ **The S&P 500 and Nasdaq** ended with gains of 0.4% and 1%, respectively, after release of the data, while the Dow lost 0.1%. The yield on the 10-year Treasury note fell. **B11**

◆ **Icahn disclosed** that his investment company is under investigation by federal prosecutors and went on the attack against Hindenburg Research, the short seller that likely spurred the inquiry. **A1**

◆ **The Biden administration** is investigating whether Rockwell Automation is exposing critical U.S. assets to a potentially serious cyberattack through one of its China-based facilities, according to U.S. officials and documents reviewed by The Wall Street Journal. **B1**

◆ **Google unveiled** conversational features for its search engine and made its chatbot Bard widely available for English speakers amid a race to win over consumers with AI products. **B1**

◆ **Robinhood Markets** said it would offer 24-hour trading of selected stocks and exchange-traded funds five days a week. **B1**

◆ **SoftBank is close** to a deal to sell U.S. investment manager Fortress to Mubadala Investment for more than \$2 billion. **B10**

World-Wide

◆ **Rep. George Santos**, accused of fabricating much of his life's story to secure public office, was indicted on federal charges that he embezzled contributions, fraudulently obtained unemployment benefits and filed false federal disclosure forms. **A1**

◆ **Advisers to the FDA** recommended making an oral contraceptive available without a prescription for the first time, potentially widening access to birth control for women across the country. **A1**

◆ **U.S. officials are scrambling** to manage a new surge of migrants as the pandemic policy Title 42 expires at 11:59 p.m. Thursday, which has fueled a rush of asylum seekers heading toward and across the southern border in recent weeks. **A3**

◆ **Ukraine said** it has clawed back some ground around Bakhmut, dealing a blow to Russian forces seeking to dislodge the last Ukrainian units holding positions in the eastern city after months of combat. **A8**

◆ **House Republicans** released a pair of reports related to President Biden's family as they sought new momentum in multiple investigations involving his son, Hunter Biden. **A7**

◆ **A federal appeals court** vacated the convictions for two parents who were found guilty of fraud in 2021 as part of the Varsity Blues college admissions cheating case. **A4**

JOURNAL REPORT

Small Business: Entrepreneurs who work too hard. **R1-8**

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Inflation Eases, Keeps Fed Pause in Play

Prices rose 4.9% from year ago, a slight drop that makes a break from rate hikes likely

BY GABRIEL T. RUBIN

Inflation edged slightly lower in April, likely keeping the Federal Reserve on course to pause interest-rate increases at its next meeting in June.

The consumer-price index rose 4.9% in April from a year

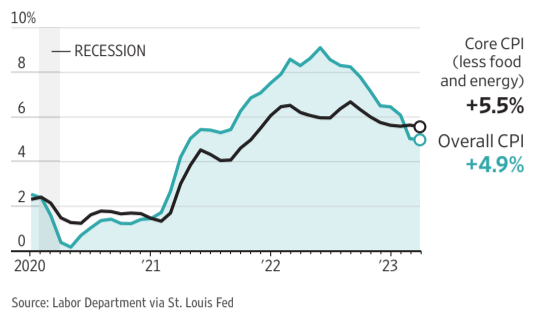
earlier, the Labor Department said Wednesday, down from March's 5% increase. The inflation reading has declined from a recent peak of 9.1% in June 2022, but remains historically high.

On a monthly basis, consumer prices rose a seasonally adjusted 0.4% in April, versus a 0.1% gain in March. April's increase was driven by housing costs, which economists expect to cool in the coming months. Gasoline and used-car prices also rose last month.

Wednesday's report makes it easier for the Fed to pause rate increases because it showed price pressures aren't worsening and might soon be slowing. The Fed has aggressively raised rates for more than a year to try to tame inflation. *Please turn to page A6*

- ◆ **Greg Ip: High inflation is bad, accepting it is worse..... A2**
- ◆ **Chinese consumer inflation is lowest in two years..... A18**
- ◆ **S&P, Nasdaq rise after U.S. inflation data..... B11**

Consumer-price index, change from a year earlier



Source: Labor Department via St. Louis Fed

Israel, Palestinian Militants Trade Fire in Escalating Conflict



IN THE AIR: Israel's Iron Dome air-defense system intercepts rockets launched from Gaza on Wednesday. Israeli airstrikes targeted militants in the enclave, as both sides said they were preparing for wider conflict. **A18**

Quandary For Home Buyers: Nobody's Selling

BY NICOLE FRIEDMAN

Many Americans who want to move are trapped in their homes—locked in by low interest rates they can't afford to give up.

These "golden handcuffs" are keeping the supply of homes for sale unusually low and making the market more competitive and pricey than some forecasters expected.

The reluctance of homeowners to sell differentiates the current housing market from past downturns and could keep home prices from falling significantly on a national basis, economists say. This could dull the Federal Reserve's efforts to slow inflation by cooling the economy.

Emily and Isaac Naatz of Cottage Grove, Minn., a suburb of St. Paul, had a baby last year and want a bigger place. They have lived for more than four years in their two-bedroom townhouse, and they now want a three- or four-bedroom house with a yard and space for a home office. "You get four people in here...and it feels like a large crowd," Mr. Naatz said.

But they locked in a 30-year fixed mortgage rate of 3.4% in *Please turn to page A10*

Santos Charged With 13 Felony Counts

BY CORINNE RAMEY AND JAMES FANELLI

Rep. George Santos, accused of fabricating much of his life's story to secure public office, was indicted Wednesday on federal charges that he embezzled contributions, fraudulently obtained unemployment benefits and filed

false federal disclosure forms. The New York Republican, who was elected last year to represent parts of Long Island and Queens in the House, surrendered to authorities Wednesday morning and pleaded not guilty in federal court in Central Islip, N.Y., in the afternoon. A 13-count indictment charged Mr. Santos

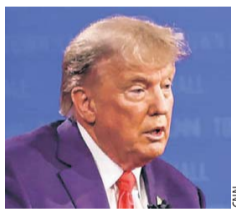
with seven counts of wire fraud, three counts of money laundering, one count of theft of public funds, and two counts of making materially false statements to the House of Representatives.

Breon Peace, the U.S. attorney for the Eastern District of New York, whose office brought the charges, said the

congressman relied on "repeated dishonesty and deception to ascend to the halls of Congress and enrich himself."

Standing outside the courthouse, Mr. Santos said he would fight to clear his name. "I will not resign," he said, adding he would return to the nation's capital for planned *Please turn to page A4*

INSIDE



U.S. NEWS

At CNN town hall, Trump rails at sex-abuse verdict, repeats false election claims. **A4**



BUSINESS & FINANCE

Disney's streaming losses narrow, Hulu headed to one-off offering. **B1**

Prosecutors Probe Icahn's Firm After Short Seller's Harsh Report

BY BEN FOLDY

Activist investor Carl Icahn disclosed that his investment company is under investigation by federal prosecutors and went on the attack against the short seller that likely spurred the inquiry, accusing it of "wantonly destroying property and harming innocent civilians."

Icahn Enterprises, the publicly traded firm controlled by

Mr. Icahn, was targeted by short seller Hindenburg Research early this month. The next day, the U.S. Attorney's Office for the Southern District of New York contacted Icahn Enterprises asking for information about the value of its assets, corporate governance, dividends and other topics, the firm said in a securities filing Wednesday.

Icahn Enterprises said in the filing that it is cooperating

with the investigation and doesn't believe it will have a significant impact on the business. The firm's shares declined 15% Wednesday and are down 36% since the report.

A spokesman for the U.S. attorney's office declined to comment.

"Hindenburg Research, founded by Nathan Anderson, would be more aptly named Blitzkrieg Research given its *Please turn to page A7*

Microsoft Goes Hollywood

Company training videos draw fans in 190 countries

BY DYLAN TOKAR

Like other aspiring actors, Devin Badoo makes ends meet working on TV commercials, including as dads hawking Loctite glue and Hot Wheels toys.

What Hollywood producers might not know is that Mr. Badoo is already the star of a hit show—just not one they would ever see. The 35-year-old plays Nelson, one of the most popular characters of "Trust Code," a series of Microsoft compliance training videos that has made him a celebrity among the company's 221,000 employees in 190 countries. *Please turn to page A10*

FDA Advisers Support Over-the-Counter Pill Used for Birth Control

BY SARAH TOY

Advisers to the Food and Drug Administration recommended making an oral contraceptive available without a prescription for the first time, potentially widening access to birth control for women across the country.

The panel of FDA advisers voted 17-0 on Wednesday that there was enough evidence for the agency to approve the medication's sale over the counter. The FDA, which is expected to make a final decision this summer, doesn't have to follow the expert panel's advice, though it often does.

The FDA approved the pill, called Opill, for prescription use in 1973. HRA Pharma, owned by Dublin-based generic drugmaker Perrigo, last July submitted its application

to make Opill available over the counter.

The advisory panel said the benefits of making oral contraceptives available over the counter outweighed the risks.

"The safety profile here is very well established," said Katalin Roth, a professor of medicine at the George Washington University School of Medicine and Health Sciences and an advisory committee member.

Medical and advocacy groups welcomed the committee's decision. The American College of Obstetricians and Gynecologists, American Academy of Family Physicians, American Medical Association and the Society for Adolescent Health and Medicine have called for over-the-counter contraceptives to be made available for years. *Please turn to page A9*

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U.S. NEWS

CAPITAL ACCOUNT | By Greg Ip

High Inflation Is Bad, Accepting It Is Worse



Last fall, Americans were obsessed with inflation. The issue dominated the midterm elections. One in five respondents called it the nation's most important problem, according to Gallup.

These days, their attention is elsewhere. Just 9% of Gallup respondents now call inflation the most important problem, behind government leadership and the "economy in general" and just ahead of immigration and guns. It has barely come up in Washington's fight over raising the debt ceiling.

Good news? Maybe not. It may mean people are getting used to higher inflation, which would be very bad news. The more people behave as if high inflation is here to stay, the likelier it is to stay. That would force the Federal Reserve to choose between inducing a potentially deep recession to force inflation lower, or giving up on its 2% inflation target.

The Labor Department reported Wednesday that consumer prices rose 4.9% in the year through April, the lowest in two years and down substantially from 9.1% last June, mostly because gasoline prices have fallen.

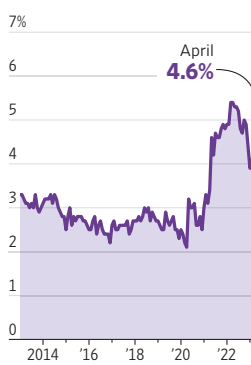
That drop helps explain why people aren't obsessing as much over inflation, though they are still obsessing more than before the pandemic.

And yet inflation is very much still a problem. Core inflation, which excludes food and energy, is a better predictor than overall inflation of underlying price trends. Core inflation was 5.5% in April, down from 5.6% in March. On a monthly basis, core prices rose 0.4%, equivalent to 5% at an annual rate, in line with the past four months. Wages, which strongly influence service prices, grew 4% to 5% through the first four months of the year, too high to be consistent with 2% inflation.

The original surge in inflation had two main sources: pandemic and war-related disruptions to the supply of goods, services and labor, and federal stimulus and near-zero interest rates that stoked demand.

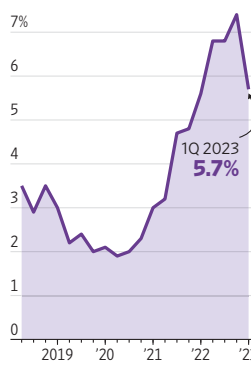
Those factors have largely receded. Supply chains are functioning normally. Labor supply has mostly recovered. Gasoline prices are back to where they were before Russia invaded Ukraine. As for demand, fiscal stimulus has expired, and since March 2022 the Fed has raised its short-term interest-rate tar-

Consumers' expected inflation in next year, monthly



Sources: University of Michigan (consumers); Olivier Coibion, University of Texas at Austin and Yuriy Gorodnichenko, University of California, Berkeley (firms)

Firms' expected inflation rate in next 12 months, quarterly



get from near zero to between 5% and 5.25%.

The theory two years ago was that once these transitory supply and demand factors receded, inflation would return to 2%.

But this theory always carried a caveat: the longer it took for these transitory factors to subside, the greater the risk people would adjust to faster rising prices and wages which might make them self-sustaining. That may be under way now.

"We're getting a process where persistent, large shocks to inflation are start-

ing to get embedded in price and wage setting," said Bruce Kasman, chief economist at JPMorgan Chase. "Even though energy prices have come down and growth isn't robust, pricing power and profit margins have been stronger than expected."

Price- and wage-setting psychology is often inferred from expectations of future inflation. Fed officials comfort themselves by noting long-run expectations, i.e., 5 to 10 years from now, are still near 2%.

But the University of Michigan reports consumers' one-year expectation has

been above 4% almost continuously for two years.

Firms, which actually set prices, also expect inflation above 5% in the coming year, according to a survey by economists Olivier Coibion and Yuriy Gorodnichenko.

In earnings reports, companies report effortlessly raising prices. The new buzzword among chief financial officers is "elasticity": how sensitive sales volume is to price increases. The less sensitive, the better for companies. "Our elasticities remain favorable on an aggregate basis," Procter & Gamble Chief Financial Officer Andre Schulten said last month, describing a quarter in which the company's sales volume dropped 3% from a year earlier while it raised prices about 10%.

"When Coca-Cola, Pepsi, Kimberly-Clark, Kraft Heinz, and Conagra are raising prices, that filters through to restaurants, and when you have Hilton and Marriott talking about average daily revenue going up, that translates into services" inflation, said Samuel Rines, strategist for market advisory Corbu. "That is going to continue until the consumer pushes back."

He said consumers are assuming if prices are going up, so are their wages. "Until that assumption is broken,

the consumer is not going to blink at paying an extra 5% or 6% on ketchup."

Whether wages are driving prices or vice versa may soon be irrelevant. Once inflation has settled at a higher steady-state rate, wages and prices rise together.

In such a situation, it can take a deep recession to get inflation down. This seems to be why markets think inflation will drop sharply in the coming year and the Fed will start to cut interest rates. Yet thus far there is no evidence of even a mild recession. Housing, the sector most sensitive to more expensive credit, has stabilized and construction employment is rising.

Fed Chair Jerome Powell says slow economic growth, not a recession, should be enough to return inflation to 2%. For now, the central bank has signaled it may have finished raising rates. Central bankers seem wedded to gradualism—accepting a very slow fall in inflation to avoid too much damage to the labor market, Mr. Kasman said.

The problem with gradualism is that the longer the path for lowering inflation, the less likely it is to happen.

U.S. WATCH



UP CLOSE: A Tampa, Fla., child looks at Big John, the world's largest fossilized triceratops skeleton.

NEVADA

Ex-NFL Player Ruggs Guilty in Fatal Crash

Ex-Las Vegas Raiders player Henry Ruggs pleaded guilty Wednesday to driving his sports car drunk at speeds up to 156 mph on a city street before causing a fiery crash that killed a woman and her dog.

"Guilty," said the former first-round NFL draft pick, 24 years old, who will avoid trial and is expected to be sentenced Aug. 9 to three to 10 years in state prison under terms of his plea deal with prosecutors.

Mr. Ruggs and his attorneys declined to comment.

The Raiders dropped Mr. Ruggs while he was still hospitalized from the predawn Nov. 2, 2021, crash that killed 23-year-old Tina Tintor. Ms. Tintor's mother, brother and several other family members were in the courtroom Wednesday but departed with their attorney, Farhan Naqvi, without comment.

Mr. Ruggs's girlfriend, Je'nei Kilgo-Washington, was with him in the Corvette and also was injured. Prosecutors said Mr. Ruggs had a leg injury and Ms. Kilgo-Washington received an arm injury.

—Associated Press

MINNESOTA

Conviction Affirmed In Mosque Bombing

A federal appeals court on Wednesday affirmed the conviction of the leader of an Illinois antigovernment militia who was sentenced to 53 years in prison for masterminding the 2017 bombing of a Minnesota mosque, an attack that terrified the local Muslim community.

A three-judge panel rejected all the legal arguments raised by Em-

ily Claire Hari. Her attorneys argued the key federal law involved—which pertains to damaging religious property and the free exercise of religion—was invalid.

—Associated Press

VERMONT

Shield Law Protects Abortion Pill Access

Republican Gov. Phil Scott signed abortion and gender-affirming shield bills into law Wednesday that include protecting access to a medication

widely used in abortions even if the U.S. Food and Drug Administration withdraws its approval of the pill, mifepristone.

The bills protect providers from discipline for providing legally protected reproductive and gender-affirming healthcare services.

Last month, the U.S. Supreme

Court preserved women's access to the drug, rejecting lower-court restrictions while a lawsuit continues.

The next step in the case is arguments before the New Orleans-based U.S. Court of Appeals for the Fifth Circuit on May 17.

—Associated Press

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U.S. NEWS

U.S. Races to Handle Surge of Migrants

Troops, immigration officials go to border to help handle crush as Title 42 is set to end

U.S. officials are scrambling to manage a new surge of migrants as the pandemic policy Title 42 expires at 11:59 p.m. Thursday, which has fueled a rush of asylum seekers heading toward and across the southern border in recent weeks.

Thousands of migrants have

By *Michelle Hackman*
in Washington and
Alicia A. Caldwell
in El Paso, Texas

illegally crossed into border communities including El Paso, Texas, and thousands more are in cities on the northern edge of Mexico waiting to cross. They have been driven by rumors that the end of Title 42, which is expiring along with the Covid-19 public health emergency, will make it easier for migrants to enter and stay in the U.S.

Biden administration officials have said that isn't true and a new policy they are implementing to replace Title 42 will allow them to deport migrants who don't follow new procedures being put in place to request asylum.

"Our plan will deliver results, but it will take time for those results to be fully realized, and it is essential that we all take this into account," Department of Homeland Security Secretary Alejandro Mayorkas said Wednesday.

Border Patrol agents have averaged more than 8,000 arrests a day along the border in recent days, up from about 4,000 to 5,000 a day in the winter. The Biden administration has said it is expecting to see as many as 10,000 or 11,000 crossings a day in the coming days or weeks, which would rival the busiest days ever recorded.

To prepare for the surge, the Biden administration has deployed the first group of a planned 1,500 troops to El Paso to assist border agents with processing migrants. They have also sent 1,000 immigration officials to the border to perform asylum screenings for at least the next few weeks.



Migrants who swam across the Rio Grande on Wednesday were met by authorities in Texas who had just set up barbed-wire on the riverbank.

Speaking to reporters in New York Wednesday, President Biden said he thought the troops he has deployed to the border are adequate, despite Texas Gov. Greg Abbott's call for more.

He also called on Congress to provide more money for the Border Patrol, as well as more immigration judges and other personnel.

Border Patrol agents averaged over 8,000 daily arrests in recent days.

Border Patrol Chief Raul Ortiz said Wednesday that he wasn't convinced that the number of people illegally entering the U.S. will increase in the coming days from their already high numbers.

Still, federal officials are preparing for that possibility.

Among other measures, they are authorizing the release of some migrants into the U.S. with one-year permissions to work in order to relieve short-term overcrowding.

The Biden administration is hoping to avoid a repeat of prior surges that overwhelmed the Border Patrol and led to migrant encampments on the street and the release of thousands into the U.S. who couldn't be processed.

Put in place by former President Donald Trump at the start of the pandemic, Title 42 allows the government to swiftly expel migrants back to Mexico even if they ask for asylum.

The new border rules, set to take effect Thursday, essentially bar any migrants from applying for asylum unless they applied—and had been rejected—in a country along the way to the U.S. Any migrants deemed ineligible for asylum under the new rule could be swiftly deported to their home countries or, in the case of a few nationalities including Cubans and Ven-

ezuelans, to Mexico. The rule allows for exceptions in extreme circumstances, such as a migrant who would be tortured if sent home.

Just south of El Paso, in Ciudad Juárez, groups of migrants were seen roaming around near the border fence Wednesday carrying bags, backpacks and suitcases. "We are waiting for them [the U.S.] to open the gates, or to give any solution to our situation," said Yusneidy Martinez, a 33-year-old Venezuelan who said she was accompanied by her 6-year-old daughter. She said hunger at home prompted her to migrate.

—Juan Montes
in Ciudad Juárez
and Sabrina Siddiqui
contributed to this article.

Watch a Video



Scan this code for a video on what the end of Title 42 means for immigration.

Man Sentenced in Killing of Protester in Texas

By ELIZABETH FINDELL

AUSTIN, Texas—An Army sergeant was sentenced to 25 years in prison for murdering a Black Lives Matter protester on the main street of Texas' capital in 2020.

Daniel Perry, 36 years old, who was then working as an Uber driver, ran a red light into a crowd of social-justice

marchers on July 25, 2020. Amid a confrontation with the group, he opened fire on Garrett Foster, a 28-year-old Air Force veteran, who was openly carrying an AK-47 style rifle, which is legal in Texas. Mr. Perry told police he believed the rifle was aimed in his direction.

The killing followed weeks of Mr. Perry sending mes-

sages to friends discussing shooting protesters and sharing racist sentiments, according to court evidence, in the wake of the May 2020 killing of George Floyd and the nationwide protests that followed.

Texas Gov. Greg Abbott last month vowed to pardon Mr. Perry, sending an unprecedented request to the Texas

Board of Pardons and Paroles, after Mr. Perry's case elicited the attention of conservative commentators.

The pardons board, which must recommend action to the governor, hasn't yet considered the case.

Representatives for Mr. Abbott didn't respond to requests to comment after the sentencing Wednesday.

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U.S. NEWS

Trump Rails at Sex-Abuse Verdict

On CNN, ex-president mocks Carroll, repeats false election claims, defends Jan. 6 rioters

BY ALEX LEARY
AND JOHN MCCORMICK

Donald Trump, appearing in a live CNN town hall a day after a federal jury in New York found him liable for sexual abuse and defamation, blasted the decision, repeated his false claims about the 2020 election and defended his behavior during the Jan. 6 riot at the Capitol by his supporters.

"They're doing this for election interference," Mr. Trump said, nodding to his claims of a vast conspiracy to stop his political career. "This woman, I don't know her, I never met her," he said of columnist E. Jean Carroll on Wednesday night from St. Anselm College in New Hampshire.

He was greeted by applause from the audience of Republican and undeclared, or independent, voters. The audience laughed often, including when he mockingly described the alleged assault. "This is a fake story, made-up story," he claimed. "She's a whack job."

Mr. Trump's accuser, Ms. Carroll, said earlier Wednesday that she felt vindicated. "I'm overwhelmed," she said on NBC. "Overwhelmed with joy and happiness and delight for the women in this country."

Mr. Trump's first appearance in a CNN event since 2016, already a high-wire affair, took on greater significance following Tuesday's civil case verdict, adding to his pile of legal troubles as he tries to maintain dominance over a



Former President Donald Trump and CNN host Kaitlan Collins at the town hall Wednesday night.

still growing 2024 GOP presidential primary field.

Mr. Trump sought to keep the focus on President Biden and control the pacing of the event, talking over CNN anchor Kaitlan Collins, and pulling from his jacket a paper to make points—particularly about the 2020 election. She often tried to correct his claims, but Mr. Trump often kept going.

"You're a nasty person," he said.

Pressing Mr. Trump to acknowledge he lost to President Biden, Ms. Collins repeatedly told the former president that 2020 was "not a rigged election."

Asked if he should apologize to Vice President Mike Pence, whom he pressured to help stop Congress from certifying Mr. Biden's win, the former president said, "No, because he

did something wrong."

An independent voter asked if he would suspend talk of election fraud. "Yeah, unless I see election fraud," Mr. Trump said. "I hope that it's going to be very straight up."

Mr. Trump also said he would be "inclined" to pardon many of the people who rioted at the Capitol. "It will be a large portion of them," he said to applause. "They are living in hell."

Jaime Harrison, the Democratic National Committee chairman, said the event showcased a "dangerous, extreme candidate who seeks to undermine democracy and is the front-runner for the nomination of a party that is increasingly beholden to its most right-wing fringes."

On abortion, Mr. Trump applauded last year's Supreme

Court ruling overturning the 1973 Roe v. Wade decision. He refused to say whether he would sign a federal abortion ban.

Mr. Trump blamed recent mass shootings on mental health issues and not the proliferation of guns in America and didn't identify any new restrictions he would sign.

The former president declined to apologize for a video that became public in 2016—and was a key element of the trial in the Carroll case—in which Mr. Trump told an "Access Hollywood" host how women let stars grab them by the genitals.

"I said, 'Women let you,'" Mr. Trump said, as he claimed celebrities are allowed to touch women without their permission. "For a million years, this is the way it's been."

The jury award of \$5 million in damages related to an alleged attack on Ms. Carroll from nearly 30 years ago injected new uncertainty into the primary race, testing whether Republican voters and allies will stick with Mr. Trump through another controversy. Just last month, he was indicted on felony charges related to paying hush-money payments to a porn star.

Despite all that, he has been riding a wave of strong poll numbers as most Republicans—including some who otherwise oppose his third consecutive presidential bid—rallied around him following the April indictment. Millions of dollars in campaign donations came in.

Some top Republicans have been more circumspect about the Carroll case, and it remains to be seen how it will affect Mr. Trump among voters beyond his most loyal supporters. His appearance on CNN, a network he attacked for years, is part of a strategy to appeal to a broader audience and key swing voters, particularly suburban women.

Before, during and after the event, ratings-starved CNN endured criticism for hosting Mr. Trump. The network and some outside defenders said it was justified, given Mr. Trump is the leading Republican presidential candidate.

Mr. Trump used the appearance to discourage an entry into the GOP primary race by Florida Gov. Ron DeSantis. "He ought to just relax and take it easy and think about the future, because right now his future's not looking so good," Mr. Trump said.

—Lindsay Wise
contributed to this article.

Conviction Of Parents In Varsity Blues Case Overturned

BY MELISSA KORN

A federal appeals court vacated the convictions for two parents who were found guilty of fraud in 2021 as part of the Varsity Blues college admissions cheating case, highlighting the contentious legal claims underpinning the original charges.

A jury ruled in October 2021 that Gamal Abdelaziz and John Wilson were guilty of conspiracy to commit fraud and conspiracy to commit bribery involving a school that receives federal funds—in their case, the University of Southern California. Prosecutors alleged they had worked with corrupt college counselor William "Rick" Singer to make illicit payments and pretend their children were star athletes to secure spots for them at top universities.

The First U.S. Circuit Court of Appeals issued a ruling Wednesday that cleared Mr. Abdelaziz entirely, and cleared all charges against Mr. Wilson except one for tax fraud.

"Mr. Abdelaziz has maintained his absolute innocence from day one and is enormously grateful that the appeals court has reversed his unfair conviction," said his attorney, Brian Kelly.

"We are pleased that the First Circuit Court of Appeals has overturned all of the bribery, fraud, and conspiracy counts against John Wilson, which is the core of the government's prosecution," said Noel Francisco, an attorney for Mr. Wilson.

A representative from the Massachusetts U.S. attorney's office, which prosecuted the case, said the office is reviewing the opinion and assessing its next steps.

The appeals court affirmed Mr. Wilson's conviction for filing a false tax return, as he

A court faulted arguments based on a college admissions slot being property.

claimed a portion of the payment made to Mr. Singer was a business consulting expense and another portion was a charitable contribution.

The new court ruling highlights some of the biggest challenges prosecutors faced in this sprawling criminal case: Is a college admissions slot property that can be stolen? If so, who is the victim? And what exactly makes for a conspiracy?

Federal prosecutors charged more than 50 parents, coaches and others in March 2019, alleging that they participated in a fraud and bribery scheme intended to eliminate the uncertainty attached to applying to the nation's most selective colleges. Mr. Singer admitted to working with parents and others to rig teens' SAT and ACT scores, and to bribing coaches at schools including USC, Stanford and Yale to fraudulently present applicants as recruited athletes, all but guaranteeing they would get in.

Mr. Singer pleaded guilty to four felony charges and was sentenced in January to 3½ years in prison.

In their defense arguments and appeals to the higher court, Mr. Abdelaziz and Mr. Wilson both said they thought the payments they made were legitimate and that Mr. Singer doctored their teens' applications without their knowledge.

The appeals court dismissed the government's claim that college admissions spots should be categorically considered property that could be stolen. The three judges noted that their ruling doesn't mean admissions spots can never be property, just that the government's effort to prove these spots were property used justifications that were too vague and abstract. They also said that the district court judge's jury instructions inappropriately suggested it was settled fact that admissions spots should be viewed as property.



Rep. George Santos leaving federal court in Central Islip, N.Y., on Wednesday after pleading not guilty. He said he would fight to clear his name and wouldn't resign.

Santos Indicted on 13 Charges

Continued from Page One
votes on Thursday.

U.S. Magistrate Judge Anne Shields said Mr. Santos would be released on a \$500,000 bond, for which she required three co-signers.

Joe Murray, Mr. Santos's lawyer, told the judge Mr. Santos needed to travel because he was running for re-election.

Judge Shields restricted his travel to New York City, Long Island and Washington, D.C., but said he could travel throughout the U.S. with prior permission. She ordered him to return to court on June 30.

The 34-year-old lawmaker has acknowledged misleading voters in the past but has said he didn't commit any crime.

The charges come as Mr. Santos faced months of mounting accusations that he lied to voters about his personal and professional experience. Among his alleged false-

hoods, Mr. Santos claimed without evidence that his mother was at the World Trade Center on Sept. 11, 2001; that he was a star player on his college volleyball team; and that he founded a charity that rescued 2,500 dogs and cats.

He has acknowledged lying about whether he graduated from Baruch College, and admitted that he was never an employee of Citigroup and Goldman Sachs, as he claimed. Mr. Santos has defended his experience in the financial-services sector, saying in one interview: "I did work in the industry for a number of years."

Federal prosecutors alleged Mr. Santos engaged in three fraudulent schemes. In one, while running for Congress, he directed a political consultant to falsely tell prospective donors that their contributions would help elect Mr. Santos to the House, prosecutors alleged, when in reality, the money was transferred to Mr. Santos's personal bank account. He used it to pay personal debts and make noncampaign purchases, including for designer clothing, they alleged.

The indictment accuses Mr.

Santos of fraudulently receiving more than \$24,000 in unemployment-insurance benefits. When Mr. Santos applied for the benefits in New York and claimed he was without a job, he was working for a Florida investment company called Harbor City Capital, which paid him a salary of approximately \$120,000 a year, prosecutors said.

The Securities and Exchange Commission in a 2021 civil lawsuit accused Harbor City Capital of being a Ponzi scheme. As a result of the suit, the company is now in receivership. The receiver, Katherine Donlon, declined to comment.

Finally, prosecutors said, Mr. Santos lied on 2020 and 2022 House disclosure forms, which he filed in connection with two campaigns for office. Mr. Santos overstated his income, failed to disclose his salary from an investment firm and lied about deposits in bank accounts, among other things, according to prosecutors.

In addition to Wednesday's indictment, Mr. Santos faces scrutiny from local prosecutors and the House Ethics Committee, which has said its wide-ranging investigation in-

cludes whether Mr. Santos broke the law by violating federal conflict-of-interest rules and engaging in sexual misconduct with someone who was seeking employment in his office. Mr. Santos has said he was cooperating with the committee probe.

Despite the charges, Mr. Santos is permitted to remain in Congress. Under House GOP conference rules, a lawmaker can stay in office while under investigation or after an indictment, but must resign from committee posts. While he was technically assigned committees, he was never formally placed on them. After several investigations were announced, Mr. Santos said he wouldn't serve on any committees. If lawmakers are convicted, they are expected to resign.

National Republican leadership has largely backed Mr. Santos's intention to remain in Congress. "In America, you are innocent until proven guilty," House Speaker Kevin McCarthy (R., Calif.) said on Tuesday.

On Wednesday, House GOP Conference Chair Elise Stefanik (R., N.Y.), who backed Mr. Santos's campaign in

2022, said the legal process would play itself out. "Unfortunately this is not the first time a member of Congress from either party has been indicted," she said.

In New York, many top Republicans have pulled their support for Mr. Santos. "The writing has been on the wall for months: George Santos will not be a member of the next Congress," Republican State Committee Chairman Ed Cox said on Wednesday.

New York state Democratic Committee Chairman Jay Jacobs said he expected Mr. Santos might use his resignation from Congress as a bargaining chip in a plea deal, as was the case with former GOP Rep. Chris Collins. Mr. Collins was re-elected in 2018 while under indictment but resigned a year later—the day before he pleaded guilty to conspiracy to commit securities fraud and lying to the FBI as part of his role in an insider-trading scheme.

"This starts the clock, because I don't see how he can last much longer," Mr. Jacobs said.

—Natalie Andrews, Byron Tau and Jimmy Vielkind
contributed to this article.



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U.S. NEWS

Feinstein Returns to Senate After Monthslong Absence



BACK TO WORK: Sen. Dianne Feinstein (D, Calif.) was back in the Capitol on Wednesday. Mrs. Feinstein, 89 years old, underwent treatment for shingles in February and had been absent since then. Her return gives Democrats a much-needed vote as they seek to confirm President Biden's nominees and raise the nation's debt ceiling.

Parties Divided as Debt Talks Continue

BY NATALIE ANDREWS AND ANDREW RESTUCCIA

WASHINGTON—President Biden and Republicans continued to stare each other down over the debt ceiling with just weeks to go until the U.S. potentially defaults on paying its bills, while some Democratic lawmakers floated potential ways to make progress toward raising the borrowing limit.

House Republicans have demanded spending cuts in exchange for raising the debt ceiling. Mr. Biden and Democrats in Congress maintain that the federal borrowing limit should be raised without preconditions and have called the GOP stance irresponsible.

Meetings between top congressional staff and White House aides were under way Wednesday, a day after Mr. Biden met with leaders in a tense meeting that yielded no significant progress. Another meeting of party leaders and the president is set for Friday.

Mr. Biden and his senior advisers insist that the staff-level conversations should be focused solely on spending and must not veer into negotiations over raising the debt limit. But some Democrats privately acknowledge that the spending discussions offered a potential off-ramp for the debt-ceiling drama.

If negotiators can reach an agreement on spending that paves the way for raising the debt ceiling, both sides could declare victory. Mr. Biden could argue he successfully kept the two issues separate, and Republicans will make the case they extracted concessions from the White House. But such a deal remains far off.

"Avoiding default should not be contingent on passing the GOP's hard-right agenda," said Senate Majority Leader Chuck Schumer (D, N.Y.), who reiterated the party is open to separate talks on taxes and spending.

The U.S. could default as soon as next month if no deal is reached.

Republicans have expressed frustration with Mr. Biden for not beginning talks earlier.

"We haven't exchanged paper, we haven't exchanged notes, we don't have an understanding," said Rep. Patrick McHenry (R., N.C.), the chair of the House Financial Services Committee.

In a closed-door meeting of House Republicans on Wednesday morning, several lawmakers encouraged House Speaker Kevin McCarthy (R., Calif.) to stick to his guns on the debt-ceiling talks, according to Rep. Ralph Norman (R., S.C.).

Mr. McCarthy has so far rejected the idea of a short-term debt-ceiling deal that could both give the two sides more time to talk as well as potentially align a spending agreement with a debt deal.

If the debt ceiling isn't raised, the U.S. could default on debt payments and other obligations as soon as early June.

During a Wednesday afternoon speech in New York, Mr. Biden warned that a failure to pay the country's debts could lead to a recession.

House Republicans, in a bill passed last month, proposed raising the debt ceiling for about a year. The proposal would return the government's discretionary spending to fiscal year 2022 levels and cap annual spending growth at 1% for a decade, as well as roll back various Biden administration policies.

White House officials privately signaled openness to GOP proposals to claw back unspent funds approved by Congress to address the coronavirus pandemic, according to people familiar with the matter. Asked whether he would support such a move, Mr. Biden told reporters on Tuesday, "I'd take a hard look at it."

—Siobhan Hughes contributed to this article.

April Report Bolsters Fed's Plans to Pause

BY NICK TIMIRAS

Federal Reserve officials were already leaning toward taking a summer vacation from interest-rate increases to see if they have done enough to slow the economy and inflation.

Wednesday's inflation report makes that easier because it showed price pressures aren't worsening and might soon be slowing as muted growth in rental-housing costs feeds through to official inflation gauges.

More important, Fed officials have focused more on the impact of recent banking-system strains, which will take time to slow economic activity, including hiring and inflation.

To be sure, inflation isn't showing the kind of convincing slowdown that would quell central bankers' anxieties about it running at more than double their 2% target.

But Fed Chair Jerome Powell said six months ago that, on their way to raising rates rapidly to a 16-year high, officials

didn't necessarily view a string of slower inflation readings as a prerequisite for a pause.

For the past year, traders have paid extremely close attention to major data releases, such as Wednesday's consumer-price index report, to figure out what the Fed would likely do at its next meeting.

The Fed has hinted that at key turning points, however, the individual data releases aren't as useful in determining what it will do next.

That was the case in November, when the Fed was ready to slow down its rapid pace of rate increases even if inflation data didn't show clear improvement because officials were placing greater emphasis on the delayed impact of its earlier moves. Through early November, the Fed had raised rates by 0.75-percentage point at four consecutive meetings.

The same appears to be true again now. Fed officials raised their benchmark federal-funds rate last week to a range between 5% and 5.25%, the highest level in 16 years, to slow down

the economy and combat inflation. At a news conference after their meeting, Mr. Powell cited reasons they could pause rate increases at their next meeting.

"We feel like we're getting closer or maybe even there," he said.

The Fed has hinted at greater caution in moving rates up because of the lagged impact of stresses in the banking system that resulted from the sudden failure of Silicon Valley Bank, which contributed to the collapse of Signature Bank and First Republic Bank. Those strains are expected to tighten lending standards for a swath of the banking industry that serves small and midsize businesses and real-estate owners.

Put differently, the Fed thinks it has a reasonable understanding of how rate increases slow the economy, but it doesn't have the same comfort in forecasting a potentially sharper, bank-lending-induced slowdown. "It does complicate" matters, Mr. Powell said. "Credit tightening is a different thing."

There were other notable examples in how Mr. Powell hinted at the outlook last week:

◆ When discussing how Fed officials had stopped telegraphing future rate increases in their post-meeting statement, Mr. Powell volunteered that this was "a meaningful change."

◆ While some Fed officials have pointed to the so-called separation principle in which the Fed uses tighter monetary policy to combat inflation and emergency lending programs to address bank stress, Mr. Powell allowed that this approach "ultimately...has its limits."

◆ Finally, Mr. Powell noted officials had raised rates by 5 percentage points, which he said gave them the luxury of waiting to see if they had done enough. "You're going to want to see that a few months of data will persuade you that you've got this right," he said. Then, Mr. Powell offered his view that "policy is tight."

Those hints might have been subtle, but they were reinforced Tuesday when New York Fed President John Williams spoke

at the Economic Club of New York. Each time Mr. Williams was asked whether the Fed had decided to pause, he demurred—but then offered up reasons that the Fed could, in fact, consider a pause.

While the Fed hadn't decided on a pause, Mr. Williams allowed that "we've made incredible progress over the last year or so" in raising rates.

Instead of pointing to the importance of fresh data in determining the Fed's next moves, he stressed the harder-to-quantify and even-more-lagged effect of tighter lending conditions.

All of this adds up to a likely Fed summer vacation from raising rates at their June and possibly July meetings before deciding in September whether they have done enough to slow down the economy.

By then, officials could have a better understanding of how much trouble the banks face and whether the fallout will do enough—or even too much—to achieve the controlled slowdown of the economy and labor market the Fed has been seeking.

Inflation Fell Slightly In April

Continued from Page One
flation by slowing economic activity. The central bank is looking to see signs of inflation declining toward its 2% target.

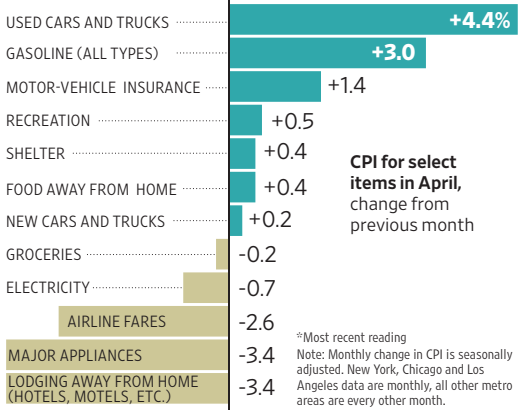
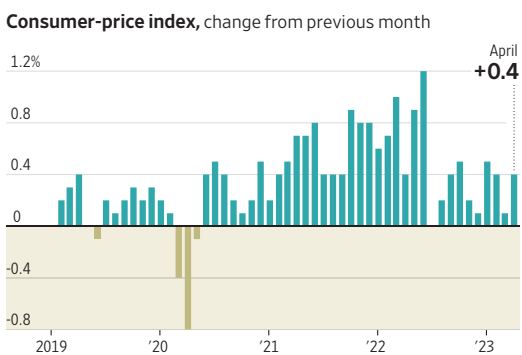
Stocks were mixed Wednesday. The Dow Jones Industrial Average edged lower while the tech-heavy Nasdaq rose 1% and the S&P 500 was up 0.45%. Bond yields moved lower. The 10-year Treasury note fell to 3.438%, from 3.520% Tuesday.

Fed officials have also shifted their focus away from lagging indicators of economic activity to assess the impact of recent bank failures on lending conditions and economic activity, which won't immediately show up in broad measures of hiring and inflation.

Fed officials, at their meeting last week, approved raising their benchmark federal-funds rate to a range between 5% and 5.25%, the highest level in 16 years. Some of them discussed then whether they might be done raising rates, Fed Chair Jerome Powell said at a news conference May 3. "We feel like we're getting closer or maybe even there," he said.

Until now, officials have been looking for clear signs of a slowdown to justify ending rate increases. But Mr. Powell indicated that calculation could shift now, and officials would need to see signs of stronger-than-expected growth, hiring and inflation to continue raising rates. The Fed slows the economy through lifting rates, which causes tighter financial conditions such as higher borrowing costs, lower stock prices and a stronger dollar.

While the report contains some positive signs for a continued slowdown in price



Source: Labor Department

gains, "it does suggest a risk that rates will need to remain high for a little longer than we have assumed," said Andrew Hunter, an economist at Capital Economics.

On Wednesday, investors saw a 14% chance that the Fed would raise rates at its next meeting, according to CME Group.

Wednesday's report showed that so-called core prices, which exclude volatile food and energy items, rose 5.5% from a year earlier, a slightly slower increase than in March. Economists see core prices as a better predictor of future inflation.

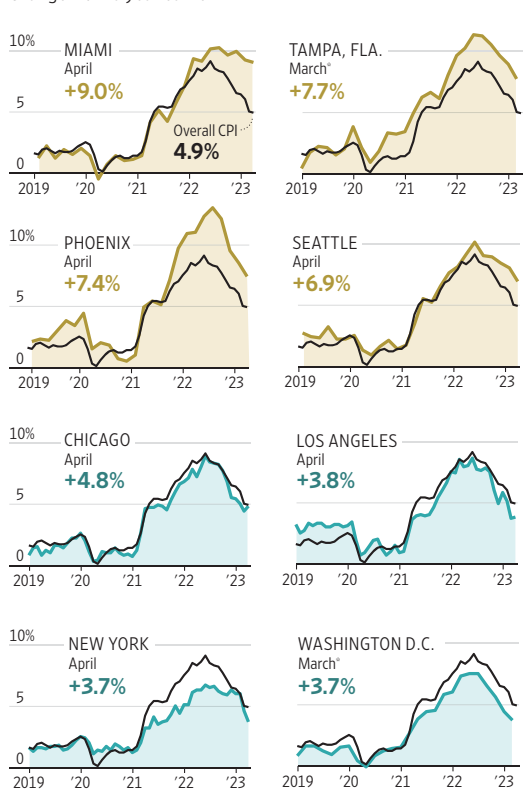
Core prices remain elevated due to persistently strong shelter costs. Housing price

changes can take time to show up in inflation data due to the lag in mortgage and rental contracts. Excluding shelter along with food and energy, prices rose 3.7% in April from a year earlier.

In April, used-vehicle prices surged 4.4% over the month due to a lack of inventory, while new car prices declined modestly. Gasoline prices rose in April, but have more recently moderated.

Some consumers are making adjustments as prices rise. Ryan Flick, 39 years old, said he used to eat fast food a couple of times a week. "It never really felt like it was making a dent whatsoever in my bud-

Consumer-price index for select metropolitan areas, change from a year earlier



get," he said. But as prices for meals he favored rose to over \$10 from \$5 to \$8 he was paying a few years ago, he made a choice to cut back.

"If you're going to eat out, you might as well take three times where you might have gotten fast food and go out for something nicer," said Mr. Flick, a Denver resident who works in tech sales.

Food prices have remained flat over the past two months, though a decline in grocery prices in April was offset by a rise in prices for dining out.

Inflation started to rise sharply in late 2020, as pandemic restrictions eased, and the rate remains well above

2019 levels. Price pressures initially grew because of supply-chain bottlenecks and high commodity prices, but those factors have significantly improved.

More recently, one factor supporting inflation is sustained demand for workers among service providers. Average hourly wages rose 4.4% in April from a year earlier, slightly faster than the prior month, while the unemployment rate fell to match the lowest level since 1969.

Some companies are passing along higher labor costs to consumers.

—Nick Timiras contributed to this article.

U.S. NEWS

Republicans Press Biden Family Probes

One report claims a CIA employee was improperly pushed to help the president

House Republicans released a pair of reports Wednesday related to President Biden's family as they sought new momentum in investigations involving his son, Hunter Biden.

By C. Ryan Barber, Aruna Viswanatha and Warren P. Strobel

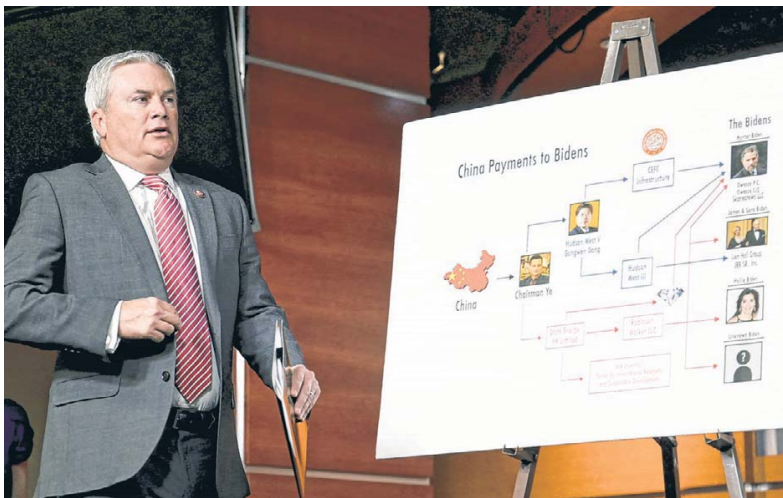
In a memo from a House Judiciary subcommittee and the House Permanent Select Committee on Intelligence, GOP committee staff alleged that an employee of the Central Intelligence Agency inappropriately sought at least one signatory for a letter aimed at helping both Bidens on the eve of the 2020 presidential election.

A CIA spokeswoman said the agency only reviewed the letter, which sought to discredit October 2020 news reports derived from emails purportedly sent to and from Hunter Biden, to determine whether it contained classified information.

In another report, the House Oversight Committee drew on bank records to detail the foreign business dealings of the Biden family and allege what the panel's Republican chairman, Rep. James Comer of Kentucky, characterized as a "pattern of influence peddling" during Mr. Biden's tenure as vice president.

"I want to be clear: This committee is investigating President Biden and his family's shady business deals that capitalized on Joe Biden's public office and risked our country's national security," Mr. Comer said.

The memo released Wednesday doesn't show any payments to President Biden, who has long denied playing any role in his family's business operations. Mr. Comer demurred Wednesday when asked to specify a policy decision by Mr. Biden that might have been influenced by for-



House Oversight Committee Chairman Rep. James Comer arrived at a news conference Wednesday.

eign payments to his family.

A White House spokesman, Ian Sams, said Mr. Comer "has a history of playing fast and loose with the facts." Hunter Biden's lawyer, Abbe Lowell, said the Oversight Committee memo underscored how, after years of investigating the president's son, Republican lawmakers still "have nothing to show for it."

"Today's so-called 'revelations' are retreat, repackaged misstatements of perfectly proper meetings and business by private citizens," he said.

Mr. Comer has been under pressure from fellow Republicans to show progress in his investigation into the Biden family's finances. He said Wednesday he was "very pleased" with the committee's work so far and previewed what he called a "new phase that is armed with information" from the bank records. Soon, he said, the panel would issue a new round of subpoenas to banks for "specific, targeted information."

The release of the House Oversight Committee's memo came as Hunter Biden faces legal scrutiny on other fronts. In late April, lawyers for Mr. Biden met with Justice Department officials about a long-running probe focused on his taxes and whether he made a false

statement in connection with a 2018 gun purchase. Mr. Biden has said he handled his affairs legally and appropriately.

The younger Mr. Biden separately appeared in an Arkansas court earlier this month, where a dispute about child support owed to the mother of his 4-year-old daughter could open a window into some of the financial information House Repub-

One memo released Wednesday doesn't show any payments to President Biden.

licans have sought. In his memoir, Mr. Biden wrote that he had "no recollection" of his encounter with the child's mother, but after she petitioned for child support and to establish paternity, DNA testing confirmed in 2019 that he was the child's father.

Mr. Lowell said at a recent hearing in the case that Mr. Biden pays \$20,000 a month in child support—an amount he is seeking to cut in light of what his legal team has described as a "substantial material change"

in his finances.

The Oversight Committee memo released in March showed that President Biden's brother, James Biden, and Hunter Biden indirectly received more than \$1 million from the Chinese oil company CEFC China Energy Co. in 2017.

The memo released Wednesday brought renewed attention to a limited-liability company owned by a Biden family friend, John Robinson Walker, that House Republicans have characterized as a conduit for foreign funds directed to Mr. Biden's relatives. Mr. Walker couldn't be reached for comment.

Between 2015 and 2017, Mr. Walker's firm received more than \$3 million from a company controlled by Gabriel Popoviciu, a Romanian business executive facing corruption charges, according to the memo. About one-third of the funds were then routed to Biden family accounts, the memo said, at a time when Mr. Biden was encouraging Romania to crack down on corruption. Mr. Popoviciu couldn't be reached for comment.

Mr. Comer said Wednesday that the wire transfers occurred while Mr. Biden, who was serving as vice president, was "lecturing Romania on an-

ticorruption policies" but, "in reality," was serving as a "walking billboard for his son and family to collect money."

The ranking Democrat on the House Oversight Committee, Rep. Jamie Raskin, said Hunter Biden had performed legal work for Mr. Popoviciu, and there was no evidence that President Biden took actions influenced by his son's work.

In the separate memo from the House Judiciary subcommittee and intelligence panel, lawmakers examined the treatment of New York Post articles about Hunter Biden ahead of the 2020 presidential election, which some social-media companies limited the reach of over concerns they could be based on hacked material.

The Post said then that its reports were based on email exchanges between the two Bidens that were provided by allies of President Donald Trump, who in turn said they received them from a computer-repair person who found them on a laptop.

One article said that as vice president, Joe Biden met with an executive at the Ukrainian energy firm Burisma Holdings, on whose board Hunter Biden served, citing an email purportedly sent to the younger Mr. Biden. The Biden campaign said at the time that no such meeting took place.

Dozens of former intelligence officials signed a letter at the time, which then-candidate Biden cited in a subsequent presidential debate against then-President Trump, saying that the release of the purported emails had "all the classic earmarks of a Russian information operation." They said that they didn't know if the emails, provided to the Post by Trump attorney Rudy Giuliani, were genuine or not.

Hunter Biden has since said that the computer-repair person had electronic data that had belonged to him. Former Twitter executives said they erred in limiting the reach of the news articles but denied Republican assertions that political motivations were involved.

Senators Revive Push For Covid-19 Commission

By Warren P. Strobel and Michael R. Gordon

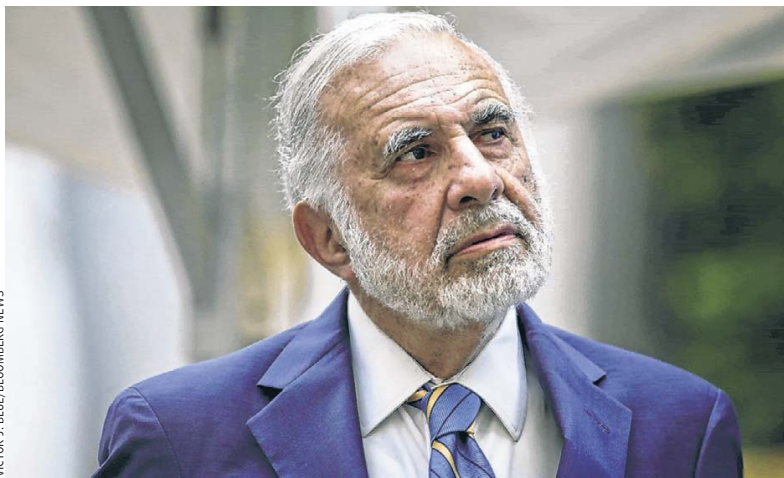
WASHINGTON—A bipartisan group of U.S. senators is reviving efforts to establish a national Covid-19 task force modeled on the 9/11 Commission to investigate the U.S. government response to the pandemic and the disputed origins of the virus.

Advocates have long pressed for such a panel, which would have investigatory powers and issue recommendations about how the U.S. can better prepare for future pandemics. But past legislative efforts have foundered because of partisan disagreement, turf fights in Congress, and a lack of support from the Biden administration, people familiar with the matter said.

A bill introduced Wednesday by Sen. Kirsten Gillibrand (D., N.Y.) and Sen. Roger Marshall (R., Kan.) would establish a 12-person task force, with half the members selected by each party. Its mandate would include investigating the preparedness of the U.S. health-care system and the availability of medical supplies. It would have subpoena power and would issue an interim report within one year.

The task force "would conduct a comprehensive investigation into all aspects of the pandemic and analyze the U.S. and global response," Ms. Gillibrand said in a statement. "A scientific and clear-eyed investigation is absolutely critical to strengthening our nation's preparedness for future health crises."

The bill's other authors are Democratic Sen. Dianne Feinstein of California and Republican Sen. Joni Ernst of Iowa. Sen. Bob Casey (D., Pa.) is a co-sponsor. Backers say they hope to attach the measure to must-pass legislation such as the National Defense Authorization Act.



Carl Icahn says his firm would pay its dividend, a major component of the stock's allure.

Icahn Company Is Investigated

Continued from Page One tactics of wantonly destroying property and harming innocent civilians," said a quote from Mr. Icahn in the company's response to Hindenburg's accusations. The company, which goes by the ticker IEP, is 84%-owned by Mr. Icahn.

"The good news for IEP's investors is that we have Carl, the liquidity, the strategy and the know-how to fight back," the company letter added.

Until Wednesday, the normally loquacious and media-friendly Mr. Icahn had spoken publicly in the aftermath of the report only through short company statements that said Icahn Enterprises would pay its quarterly \$2 dividend as expected and that its long-term performance would speak for itself.

Hindenburg, a well-known short seller, alleged that Icahn was highly leveraged and relying on inflated valuations of its assets to trade at several times the value of its held assets.

"Confidence games never last forever," Hindenburg's report concluded. "We expect Icahn Enterprises will be no different."

The company wrote down

the value of one of the holdings that Hindenburg highlighted in its report as overvalued. In its filings, Icahn acknowledged that its auto-parts division filed for chapter 11 bankruptcy at the end of January. In March, Icahn reported that the auto-parts division at the end of the year was valued at \$381 million. Mr. Icahn is typically on the giving end of these criticisms during his high-profile proxy fights.

The day before Hindenburg's report was published, Mr. Icahn lashed out at the board at Illumina, a company that makes gene-sequencing machines. In the letter, Mr. Icahn announced a contest to come up with a synonym for "liars" (written in bold and capital letters three times) that might pass regulatory scrutiny on coming proxy materials.

"Frankly speaking, we have heard fibs told by six-year-olds that have more credibility than this whopper," Mr. Icahn wrote in the letter referring to a statement by Illumina's board.

Icahn Enterprises said Wednesday it lost \$270 million in the first quarter of 2023, compared with a profit of \$323 million over the year-earlier period. The company's own short bets backfired, resulting in a drag on the company's investment portfolio, which lost \$443 million in the quarter.

Icahn reported other potential write-downs in its filing as well. The company marked

the value of its real-estate portfolio at the end of the quarter as \$457 million. In a footnote, however, the company said that since the end of the quarter its tenant for a commercial high-rise property worth \$218 million had defaulted on its now-terminated lease. The company said it would consider taking an impairment charge in the second quarter.

On Wednesday, the company said that Icahn's assets were booked using accepted valuation methodologies.

Hindenburg's critiques, the company said, were fundamentally flawed and historic investments of the company were sold at a premium to book value.

Icahn reiterated that it would pay its dividend, a major component of the stock's allure for individual investors who make up most of its public ownership.

Mr. Icahn and his affiliates owned about 84% of the company at the end of the quarter and have historically taken the dividend in shares, rather than cash. That limits the company's cash outlays. With the share-price decline, the stock is now yielding about 23%.

The company also disclosed Wednesday that its board, chaired by Mr. Icahn, authorized a \$500 million buyback program for the company's shares and the same amount for its bonds.

The company said it had \$1.9 billion in cash on hand.

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WORLD NEWS

Ukraine Regains Ground In Battles Near Bakhmut

Journalist with French news agency is killed by rocket fire outside the contested city

By MATTHEW LUXMOORE

Ukraine said it has clawed back some ground around Bakhmut, dealing a blow to Russian forces seeking to dislodge the last Ukrainian units holding several blocks in the westernmost part of the eastern city after months of grinding combat.

"We're effectively counter-attacking," Col. Gen. Oleksandr Syrskiy, the Ukrainian ground forces commander overseeing the Bakhmut campaign, said in a post on Telegram on Wednesday. "On some sections of the front line the enemy has been unable to withstand pressure from Ukrainian defenders and retreated up to 2 kilometers," or about 1¼ miles.

Although incremental, the Ukrainian advance, including around a crucial supply line northwest of Bakhmut, is a

boost to its effort to maintain a foothold in the city, and could deepen a rift between the Russian military and the Wagner paramilitary group. Wagner has spearheaded Russia's Bakhmut offensive and its chief has accused a Russian military unit of abandoning its positions.

Ukraine's Third Storm Brigade, which is one of Ukraine's most elite military units and made up of veterans of the Azov Regiment, said in a post on Telegram on Wednesday that 64 Russians were killed and five captured in one of the counterattacks this week.

Andriy Biletskiy, who founded the Azov Regiment and continues to train recruits near the front lines, said in a video posted to Telegram that Russia's 72nd Brigade had been dealt a debilitating blow. "The brigade's reconnaissance has been destroyed, a large number of its armored vehicles have been wiped out and a large number of prisoners of war have been taken," he said.

The Ukrainian push in and around Bakhmut comes as

Russia struggles to complete its capture of the city, facing fierce resistance from the Ukrainian defenders. It also coincides with a public feud between Russia's Defense Ministry and Wagner founder Yevgeny Prigozhin.

Appearing to confirm Russian losses, Mr. Prigozhin on Tuesday said an entire unit of Russia's ground forces fled from its positions around Bakhmut, exposing a large section of Russia's front line. He specifically named the 72nd Brigade.

"They just upped and bolted," Mr. Prigozhin said in a video posted to Telegram, adding that the abandoned positions were a key section for Wagner forces in the area.

Mr. Prigozhin has vacillated publicly over Wagner's continuing role in Bakhmut, promising last week to withdraw his troops from the city by Wednesday and then saying he had changed his mind because the Defense Ministry had promised to provide him with the ammunition his troops need to keep fighting.



A Ukrainian soldier receives mortar-fire adjustment data during fighting in the suburbs of Bakhmut.

On Tuesday, he said the ministry hadn't given him the promised ammunition and that he would make a decision about whether Wagner would continue to contest the city or leave it to troops overseen by the Defense Ministry. "We'll keep insisting for a few more days."

The standoff between Mr. Prigozhin and Russian military officials has deepened at a time

when Ukraine is making final preparations for a widely anticipated counteroffensive to oust Russian troops from territory they have seized since the invasion began in February 2022.

Bakhmut has been a key focus for Russian forces ahead of the Ukrainian offensive, and fighting there has been particularly intense. On Tuesday, French news agency Agence

France-Presse said one of its video journalists had been killed by rocket fire outside the city. Arman Soldin, 32, is the 17th reporter to have been killed in Ukraine since February 2022, according to the Committee to Protect Journalists.

Away from the battle lines in the east and south, Russia has continued to pummel Ukrainian cities with missiles.

U.S. House Weighs Resolution Urging Gershkovich's Release

By WILLIAM MAULDIN

WASHINGTON—The Republican-led House of Representatives is considering a resolution calling on Russia to free jailed Wall Street Journal reporter Evan Gershkovich.

House Foreign Affairs Committee Chairman Michael McCaul (R., Texas) is leading the effort with Republicans and Democrats. A strong vote in support of the measure could strengthen the Biden administration's efforts to get Mr. Gershkovich returned to the U.S.

Mr. Gershkovich, 31, was detained on March 29 by Russia's Federal Security Service, or FSB, while he was on a re-

porting trip in the city of Yekaterinburg and held on an allegation of espionage that The Wall Street Journal and the U.S. government vehemently deny.

"Russia has no grounds to hold Evan Gershkovich prisoner," Mr. McCaul said in a statement along with the senior Democrat on the committee, Rep. Gregory Meeks (D., N.Y.) and two other lawmakers overseeing European affairs, Rep. Tom Kean Jr. (R., N.J.) and Rep. Bill Keating (D., Mass.). "We are proud to introduce this resolution calling on the Russian government to release Evan and other wrongfully detained Americans immediately and return them to



Evan Gershkovich has been in Russian custody since March 29.

their families."

The resolution demands Moscow release Mr. Gershkovich immediately and to

provide him unfettered access to U.S. consular officials during his imprisonment. It also urges the Biden administration to bring up his detention with Russian officials and calls for the release of another detained American, Paul Whelan.

Such resolutions don't have the binding force of U.S. law but do show congressional support for administration policies and serve as political markers for politicians and the broader electorate.

"We applaud the bipartisan support from Congress to bring Evan home," said Almar Latour, chief executive of Dow Jones and publisher of the Journal. "He must be immediately released. His wrongful

detention is outrageous and a blow to free press."

Introduced on Tuesday, the resolution is set to get a committee vote on May 16 and could see a vote from the entire chamber this month, an aide said. Senate leaders have also called for Mr. Gershkovich to be freed.

Mr. Gershkovich was confined to a prison in Moscow run by the FSB. On April 18 he appeared before a judge, who denied his appeal to lift his pretrial detention.

Lawyers retained by Dow Jones, the parent company of The Wall Street Journal, were first allowed to visit Mr. Gershkovich on April 4. U.S. Ambassador Lynne Tracy

was permitted to see him on April 17.

Russian authorities haven't publicly provided evidence to support the allegation. The U.S. government has designated Mr. Gershkovich as wrongfully detained. Western governments, global news organizations, press-freedom advocates and human-rights groups around the world have joined the Journal and the U.S. administration in demanding the journalist's immediate release. The U.S. has said Mr. Gershkovich isn't a spy and has never worked for the government.

Russia has said it is acting in accordance with its own laws.

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WORLD NEWS

Kyiv and Moscow Spar Over Holiest Site

BY IAN LOVETT

KYIV—For years, Pavlo Lebid embodied the Russian Orthodox Church's power in Ukraine's capital.

One of the highest-ranking officials in the church's Ukrainian branch, with the title "Metropolitan," he rode around in luxury cars and was captured on video questioning the authority of police to ticket him. His portrait was painted onto a wall of a cathedral at the Kyiv Monastery of the Caves, Ukraine's holiest site, where he is abbot. Residents dubbed him "Pasha Mercedes."

Now, Metropolitan Pavlo is wearing an ankle bracelet, charged with supporting the Russian invasion and confined to house arrest while Ukrainian officials try to wrest control of the monastery, known as the Lavra, from him.

The crackdown at the Lavra is the boldest step Ukrainian officials have taken in their effort to rid the country of Russian influences.

Since Russia first covertly invaded Ukraine in 2014, Kyiv has passed laws promoting the use of Ukrainian, instead of Russian, in media and public life. Statues celebrating Russian writers and artists have been toppled.

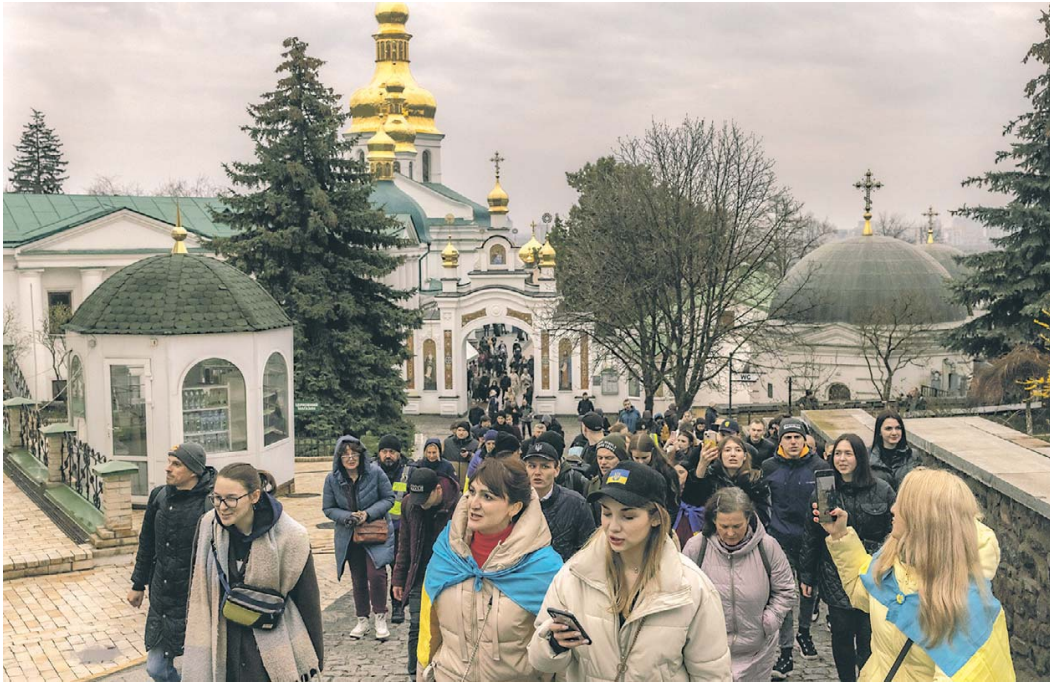
But the Russian-aligned church, officially known as the Ukrainian Orthodox Church of the Moscow Patriarchate, has been difficult to dislodge. Though the Orthodox Church of Ukraine, a Kyiv-based denomination with no ties to Russia, is now the country's largest religious group, millions of Ukrainians still belong to Moscow Patriarchate churches.

Moscow Patriarchate officials are fighting efforts to evict them. They say they cut all remaining ties with Russia last May, after Patriarch Kirill, the leader of the Russian Orthodox Church, came out in support of the invasion, calling it a Holy War.

"We feel betrayed by our own government," said Archimandrite Mitrofan Bozhko, a priest at the Lavra. "If some people committed crimes, then deal with them personally. Don't ban the whole church. Our parishioners are on the front line fighting in this war."

Ukraine-aligned religious figures say many members of the Russian branch of the church are loyal citizens practicing their traditional faith. But they accuse top leaders of playing into Moscow's expansionist ambitions.

"The Moscow Patriarchate uses the Lavra for spreading the ideology of the 'Russian world,' which is the basis for Russia's invasion," Archbishop Yevstratiy, a spokesman for the Orthodox Church of Ukraine, said in an interview.



Activists supporting Ukraine's effort to expel monks from the Lavra monastery demonstrate in April, above. Metropolitan Pavlo Lebid, abbot of the monastery, attends a court hearing in April, right. Adherents of the Ukrainian Orthodox Church, which denies supporting the Russian invasion, gather at the Lavra, below.



"They use their influence in the Orthodox Church as a weapon of hybrid war."

Ukraine's security service, known as the SBU, says the Moscow Patriarchate remains a nest of spies and Russian sympathizers.

Since the full-scale invasion began last year, criminal charges have been filed against 61 Moscow Patriarchate priests. Seven have been convicted on charges that range from spreading Russian propaganda to spying on Ukrainian forces. A government investigation in January found no evidence that the denomination had formally cut ties to Russia or changed its governance structure, which has long recognized the Russian Orthodox patriarch as its top spiritual authority.

"This is about national security," Mykhailo Podolyak, an adviser to Ukrainian President Volodymyr Zelensky, said recently on Ukrainian television. The leaders of the Moscow Patriarchate, he said, "have always directly or indirectly supported Russian aggression

against Ukraine."

The Russian Orthodox Patriarchate has for centuries claimed religious jurisdiction over Ukraine. During the Soviet era, the Moscow Patriarchate was the only recognized church in the country.

After Ukraine's 1991 independence, a new church, the Kyiv Patriarchate, emerged. That church was unrecognized by global Orthodoxy, and the Moscow Patriarchate remained predominant and retained control of many of the country's holiest sites, including the Lavra.

The situation started to change after Russia seized Crimea in 2014 and secretly sent paramilitaries and then its regular army into eastern Ukraine.

Russian President Vladimir Putin had placed the Russian Orthodox Church at the center of his efforts to rebuild Moscow's influence in countries such as Ukraine that Moscow used to rule. The Russian invasion turned many Ukrainians against it.

Congregations across the



country began decamping to the Kyiv Patriarchate, which has an almost identical liturgy but considers independence from Russia one of its core tenets. That process accelerated after Ecumenical Patriarch Bartholomew, who as 270th Archbishop to the Church of Constantinople is the foremost Orthodox leader, granted Ukraine its own church in 2019.

The Moscow Patriarchate, by contrast, continued to hold services in Russian and, until last May, blessed Patriarch Kirill during public worship. Its priests dismiss the Kyiv-based church, known formally as the Orthodox Church of Ukraine, as canonically illegitimate.

In Ukraine, the Kyiv-based church is winning out. Before the full-scale invasion began last year, 34% of Ukrainians identified as members of the Kyiv Patriarchate, while only

14% belonged to Moscow Patriarchate churches. Hundreds more churches have left the Moscow Patriarchate since then: A poll last summer found that only 4% of Ukrainians now identify as part of Moscow Patriarchate.

Though the Moscow Patriarchate has condemned the invasion, many Ukrainians question why the church didn't distance itself from Russia far sooner.

"This is the 10th year of war," said Yaryna Arieva, a 22-year-old resident of Kyiv. "All churches that work with Patriarch Kirill should be shut down."

Even as its numbers have dropped, the Moscow Patriarchate retains influence, especially in Ukraine's predominantly Russian-speaking regions. Last year the Kremlin put Moscow Patriarchate churches at the center of its propaganda campaign, claim-

ing that Russian Orthodox believers in Ukraine were being suppressed.

Archimandrite Afanasiy Burdukh, a Moscow Patriarchate priest in Kherson, said that Russian-installed officials approached him shortly after they seized the city in March 2022.

First they asked permission to distribute humanitarian aid at the church, then showed up with a film crew to document it. Next they told him to say that Kherson was historically a Russian city in his sermons. Ultimately, he said, officials pushed him to encourage parishioners to vote in favor of joining the Russian Federation in the sham referendum held in September.

"Convince them that Russia coming is a blessing," he recalls the men telling him. He added, "the Russians' idea was that the church was a source of information that people would accept without question. It was important to them to control this source."

In the northeastern Kharkiv region, the rector of a Moscow Patriarchate church in Izyum has been accused of publicly blessing the Russian military convoy. Another priest, in the eastern Luhansk region, was convicted of high treason for sending information about Ukrainian military positions to the invading army; he is one of three priests who have been sent to Russia as part of a prisoner swap, according to Ukrainian military intelligence. Ukraine is now trying to dismantle the Moscow Patriarchate.

The Lavra case is becoming a defining test of Ukraine's efforts to root out Russian influences.

Founded in the 11th century on cliffs overlooking the Dniro River, the Lavra is considered the cradle of Slavic Orthodox Christianity. Orthodox believers have long come from across Eastern Europe to see the remains of saints buried in the Lavra's catacombs.

Like most historic churches in Ukraine, the property is owned by the state, but the Moscow Patriarchate has held the lease since Soviet times.

Metropolitan Pavlo is accused of spreading Russian ideology.

At a court appearance in April, Metropolitan Pavlo called the charges against him politically motivated.

From house arrest, he posted a video on YouTube calling on Moscow Patriarchate parishioners to fight to keep hold of their church buildings.

"Listen to no one. Keep your sanctuaries. Don't abandon them. And woe to those mothers of children who destroy temples," he said. "Church destroyers," he warned, will be punished for seven generations.

FROM PAGE ONE

Advisers To FDA Back Pill

Continued from Page One

Widening access to birth control has become more important as abortion has been restricted in many parts of the country, said Kristyn Brandi, an obstetrician-gynecologist and Darney-Landy Fellow at the American College of Obstetricians and Gynecologists.

"More people are considering trying to protect themselves against pregnancy," she said. Oral contraceptives are available over the counter in Mexico and other countries in Latin America and Europe.

The FDA raised concerns about data that HRA Pharma submitted with its application, including a study that showed many people reported taking more pills than they were dispensed. The company said it couldn't determine the reason for the discrepancy.

The study followed nearly 900 women taking Opill without a prescription for up to 24 weeks. The participants were paid to track and record their use of the pill.

The agency said there wasn't enough representation among younger adolescents in the study to establish that

they were using the drug safely and correctly. Half of participants who reported using another hormonal contraceptive at the same time were adolescents, and 80% who reported off-label use were adolescents, the FDA said.

HRA Pharma's analysis of its data and the FDA's analysis differed dramatically in some cases. One big difference related to how to determine whether participants had correctly chosen whether they could use the drug safely. The company based the answer on whether a participant decided to buy the drug. The FDA based it on whether a participant thought the drug was appropriate for them to use.

"I'm really just quite confused by the level of discrepancy in how data was analyzed," said Pamela Shaw, senior investigator in the biostatistics unit at Kaiser Permanente Washington and an advisory committee member.

FDA representatives said HRA Pharma likely used research methods that exaggerated positive results. HRA Pharma said its studies met or exceeded standards of most other studies looking at over-the-counter drug adherence. The company said switching Opill to over-the-counter use from prescription would give women more options, more autonomy around family planning and help to prevent unintended pregnancy.

The advisory panel voted

to make Opill available without a prescription despite the FDA's concerns, citing the effectiveness and safety of oral contraceptives.

"We really realize how important it is that U.S. women have increased access to effective contraception," said Karen Murry, deputy director of the FDA's office of nonprescription drugs.

The National Catholic Bioethics Center, U.S. Conference of Catholic Bishops, Catholic Medical Association and National Association of Catholic

The panel supports a nonprescription Opill despite the agency's concerns.

Nurses wrote to the FDA advisory panel late last year saying they were strongly opposed to the nonprescription availability of Opill. Tim Millea, chair of the Catholic Medical Association's health-care policy committee, said on Wednesday that the FDA advisory panel's decision was a disappointment.

Nearly half of U.S. pregnancies are unintended, according to the Guttmacher Institute, a policy group that supports abortion rights and tracks national and state statistics. Women who have unintended pregnancies are at higher risk

of losing their baby and delaying prenatal care, and their babies are at higher risk for low birth weight and death.

"This could be a huge game-changer in terms of access to contraception," said Raegan McDonald-Mosley, an obstetrician-gynecologist and chief executive officer of Power to Decide, a nonprofit focused on reproductive health.

People who are uninsured might not be able to afford a doctor's visit and many patients can't quickly get appointments to get birth-control prescriptions, doctors said.

The availability of an over-the-counter birth-control pill would help address those issues, they said.

"I have patients waiting three or four months for an annual appointment, which is when people usually get their contraceptive medications refilled," said Steffanie Wright, an obstetrician-gynecologist in Boston.

Rachel Powell, a 28-year-old designer for retailer Free People in Philadelphia, said she called several doctors about two years ago to find an appointment for a birth-control refill. She had aged out of her parents' health-insurance plan and needed a doctor who would take her new insurance.

She said she felt lucky her job gave her the flexibility to see a doctor when a spot opened up.

"That's not the case for a lot of people," she said.

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FROM PAGE ONE

Few Home Sellers in Market

Continued from Page One

2021—and don't want to give that up to take on a new mortgage with a rate about 3 percentage points higher, especially when home prices in their area haven't come down much.

The type of home they would want to buy would cost them about \$1,100 a month more than they currently pay, Mr. Naatz said. "I don't feel comfortable paying what I still think is an inflated price for a home, and on top of it paying twice the interest rate," he said.

As of March 31, nearly two-thirds of primary mortgages had an interest rate below 4%, according to mortgage-data firm Black Knight. About 73% of primary mortgages have fixed rates for 30 years, Black Knight data show. The average rate for a new 30-year fixed mortgage was 6.39% in the week ended May 4, according to Freddie Mac.

The mortgage-rate factor is leaving some people in houses that aren't a good fit, whether it's a growing family without enough bedrooms or aging homeowners with too much space, or dissuading people from relocating for jobs or other opportunities. Some people that wanted to sell in 2022 or 2023 shelved their plans.

As current homeowners stay put, "the movement up the ladder is sort of grinding to a halt," said Sam Khater, chief economist at Freddie Mac. "It's getting much harder for first-time home buyers to jump into the market because of the lack of supply."

Half the listings

In April, there were about half as many homes for sale as in April 2019, though there were more listings than in April 2022, when they were near record lows, according to Realtor.com.

The number of homes newly listed on the market in April fell about 21% from a year earlier, an indication that sellers are holding back even during the normally busy spring home-buying season.

The constrained inventory is a key reason why home prices haven't fallen much, even though higher mortgage rates have pushed many buyers to the sidelines.

The median existing-home sale price in March slid 0.9% from a year earlier, according to the National Association of Realtors. Existing-home sales, meanwhile, fell 22% in March from a year earlier.

It's a "unique market condition," said Lawrence Yun, NAR's chief economist. "Sales are down and even prices are down in some areas, yet from a buyer's perspective it's hard to get that home, because they are competing with other buyers."

Frenzied bidding wars are still common in parts of the country, especially for moderately priced homes that appeal to first-time home buyers. In Clifton, N.J., a New York City suburb, a two-family house that listed for \$449,000 in early April received 120 offers



'I don't feel comfortable paying what I still think is an inflated price for a home, and on top of it paying twice the interest rate.'

Isaac Naatz, with Emily Naatz and their daughter in Cottage Grove, Minn.

'I'd love to keep it forever and not sell it,' Mr. Carrillo said. His low mortgage rate, at 2.75%, he added, is 'too good to give up.'

Ryan Carrillo, with Megan Carrillo in Phoenix.



in six days, said Mahmoud Ijbara, the real-estate agent who listed it. The house is under contract for about \$150,000 over the asking price, he said.

"The low inventory is what's driving the prices up," he said. "A lot of buyers are really panicking right now."

A healthy housing market has between four and six months of supply at current sales rates, economists say. The existing-home market, which makes up most of the housing market, hit a record low 1.6 months' supply in January 2022 and stood at 2.6 months' supply in March of this year, according to NAR. The smaller new-home market is more amply supplied, at a seasonally adjusted 7.6 months in March, according to the Commerce Department.

The shortage of supply in the housing market has been a growing issue for years. Following the subprime-mortgage crisis, many builders went out of business and others sharply cut back on spending and new construction.

The problem worsened starting in 2020, when record-low mortgage rates and a pandemic-driven increase in remote work prompted buyers to rush into the market and snap up primary homes, vacation homes and investment properties. Home builders ramped up construction but struggled to meet demand due to volatile material costs, labor shortages and supply-chain issues.

That sales boom, along with a huge wave of homeowners who refinanced their mortgages, locked in millions of homeowners to low-rate, long-term loans. Among people planning to sell their homes and buy new ones in the next 12 months, about 56% plan to

wait for rates to decline, according to a Realtor.com survey conducted in February. (News Corp, parent of The Wall Street Journal, operates Realtor.com.)

The Fed has been working to slow inflation. It raised its benchmark federal-funds rate last week for the 10th time since the start of 2022 but signaled it might be done raising rates for now.

Housing is one of the most rate-sensitive economic sectors, and the housing-market slowdown since early 2022 has

been one of the main ways that the Fed's actions have directly affected consumers.

Even some people who can accept higher mortgage rates are staying put because they are struggling to find something to buy. Julie and Aidan Booth expected to live in their three-bedroom home in East Rutherford, N.J., for about five years when they bought it in late 2019. Since then, they've had a second child and both switched to fully remote and hybrid working schedules, prompting them to want more

space sooner than they expected.

The family started house hunting at the start of the year. They would be able to afford a higher mortgage rate, Mrs. Booth said, but they are stymied by the lack of supply.

"The last three weeks, there has been nothing new in our town" that met their criteria, she said. "There's just no inventory."

Opening for builders

The housing scarcity is good news for home builders, who struggled to find customers for much of 2022 with mortgage rates rising but reported stronger-than-expected demand in the first quarter. Newly built homes made up about one-third of total single-family homes for sale in March, up from a historical norm of 10% to 20%.

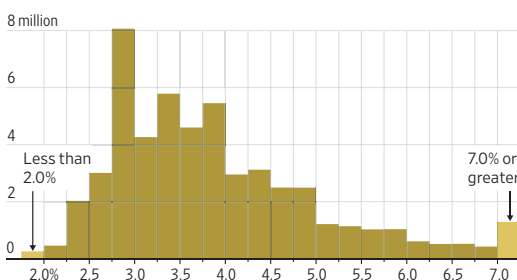
"If somebody does want a home at [either higher or lower price points], new construction is where they can find it right now," said Jessica Hansen, vice president of investor relations and communications at D.R. Horton, the biggest home builder by volume, in an April earnings call.

The current market could also be a boon to remodeling companies. Rachael and Aaron Wyley, who have owned their Sacramento, Calif., house for almost 10 years, have considered moving to another house with space for Mrs. Wyley's mother. But prices were either too high or mortgage rates too steep. Instead, they are saving up to remodel to add an in-law unit.

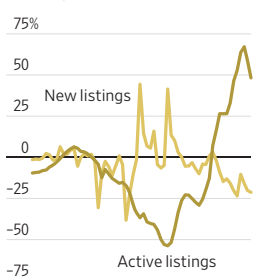
"We would break down the math of it and look at what we would put down, on top of how much we would get from the house selling," Mr. Wyley said.

About two-thirds of primary mortgages—most of which are 30-year fixed-rate loans—have an interest rate below 4%.

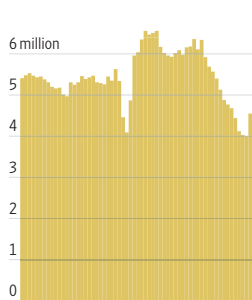
Active primary mortgages by interest rate*



Homes for sale, change from a year earlier



Existing-home sales†



*As of March 31 †Seasonally adjusted annual rate
Sources: Black Knight (mortgages); Realtor.com (homes for sale); National Association of Realtors (existing-home sales)

Microsoft Goes Hollywood

Continued from Page One

For employees at most companies, sitting through training videos every year is about as welcome as a toothache. "Trust Code," with its recurring characters and end-of-season cliffhangers, is redefining the genre. Since launching in 2017, it has inspired watch parties and T-shirts with Mr. Badoo's image.

"Current status: #Sobbing while watching #Microsoft standards of business conduct," one fan tweeted. Employees got a chance to bid for a walk-on role at the company's annual charity auction.

"Trust Code," slated to run for only two or three years, is now headed into season seven. New employees aren't required to watch older seasons, but the buzz about the show

has spawned group binge-watching to catch up on early episodes. Others have created fan art that mimics a movie poster of "The Lord of the Rings" and watch-party bingo cards with squares for "awkward flashback," "dramatic piano chord progression" and when a character is fired.

Facebook parent Meta Platforms is another company that has recast its compliance training videos as a TV show. In a pilot episode that launched last year, Bianca, a newly hired Meta engineer, struggles to finish a fictional game called "Zombies vs. Robots" ahead of the PAX West gaming convention.

The drama begins when John, a third-party app developer with a flimsy moral compass, pushes Bianca to speed up development by bending Meta's rules on handling user data. "I felt like I was watching a Netflix show," said Holly Oegema, a real-life Meta software engineer who binge-watched the entire series.

Modern compliance training began in the 1990s, when the Justice Department changed

its sentencing guidelines to underscore the importance of training employees about relevant laws and regulations.

Companies quickly learned that if they were caught breaking the law, they might avoid penalties if they could show they had told employees not to do it. Rather than just flooding employee inboxes with reminders to watch compliance videos, Microsoft and Meta hope people will tune in to see what happens next.

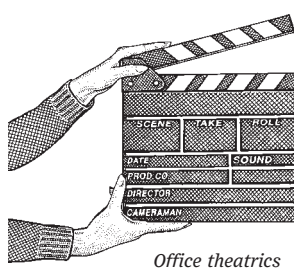
To make "Trust Code" more like a TV show, its writers at Microsoft put Mr. Badoo's character Nelson and his fictional colleagues into ethical situations where the right answer isn't always clear.

In season one, Nelson, a fictional software engineer, improperly uses customer data to train an artificial-intelligence model. After the security breach is reported by a co-worker, Nelson is disciplined and his future at Microsoft hangs in the balance. In season two, a startup that gets wind of Nelson's model accuses him of stealing its intellectual property, further im-

periling his future at the company.

The fallibility of Nelson, part of his charm, was a challenge to the show's writers: Given all the egregious behavior, should Microsoft fire him? Rather than decide, they created confidential employee polls on Yammer, the company's messaging system.

Once-friendly workers joined warring camps, roughly divided between "#TeamNelson" and "#NelsonMustGo!" said Scott Hanselman, a developer community manager at Microsoft. "You would meet your co-workers and have an argument: 'You think Nelson should stay? We can't be friends now,'" he said.



Microsoft President Brad Smith joined the debate. After a chance run-in with Mr. Badoo at a Microsoft cafe, he opined on LinkedIn that Nelson should have asked for help right away. "Problems don't get better with age!" he wrote.

Mr. Badoo says he is stopped for selfies during visits to the company's headquarters in Redmond, Wash. Some employees think he works there. "What building are you in?" they ask. Mr. Badoo plays along. "My name is Nelson when I'm on campus," he said. "Once I leave Microsoft campus, I'm Devin. I'm nobody."

That fiction was partly shattered when a Microsoft employee found him working his day job at a Warby Parker store in Seattle. Soon, others trickled in to take photos. Some didn't want to believe it. "It's one of those things where you don't want to give away who Santa Claus is," Mr. Hanselman said.

Jeremy Peach, a Microsoft employee at the company's Charlotte,

N.C., office, came to work one Halloween wearing a "Nelson" nametag and toting a manila folder with the words "Stolen Customer Data." He got a grand welcome. "Sad to say, after five years, that's probably the most successful thing I've done at Microsoft," Mr. Peach said.

Not everyone is a fan. One detractor tweeted that he found it "memorable mostly because of how bad it was."

To boost his acting career, Mr. Badoo relocated with his wife from Seattle to Los Angeles a couple of years ago. While home, in between watching the couple's 1-year-old twins, Mr. Badoo sets up a ring light and does remote auditions for such TV commercial roles as a window washer or a spokesman for flea-and-tick medication. Then he is back to changing diapers.

When Mr. Badoo returns to Seattle to shoot new seasons of "Trust Code," he gets a glimpse of life as a TV star. "Sometimes it will hit me when we're filming on set. 'What is this? How did we get here?'" he said.



CARRY ON
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Another record summer travel season looms, and with it the ultimate airport endurance test: sprinting to the gate for your connecting flight.

Stefanie Plumley, a high-school theater teacher in Claremont, Calif., isn't flying to Europe until mid-June. She's already sweating her 90-minute layover at London Heathrow. She says she worked herself into a tizzy asking other travelers if that was enough time. The conflicting answers left her shrugging her shoulders.

The layover question is one of those travel topics that divides us, like what to do with window shades and seat reclining. Airports and airlines give travelers guidelines, but it really comes down to personal risk tolerance, especially during busy stretches. One traveler's timesaver is another's source of pure anxiety.

Adding to the complex equation are shiny new airport terminals with longer-than-usual walks and, in some cases, fewer moving sidewalks.

Airlines fuel the debate, selling tickets with little wiggle room between flights. For a June trip from Milwaukee to Boston, American Airlines offers a flight with a 37-minute connection at its crowded hub in Charlotte, N.C. Delta Air Lines' fastest itinerary between Chicago and Orlando, Fla., in June, as labeled on its website, has a 40-minute connection in Atlanta, the busiest U.S. airport. The fastest Southwest Airlines flight from Phoenix to Hartford, Conn., in mid-July has a 50-minute layover at Chicago Midway.

No regulations or industry standards dictate limits on connection times. Airlines set minimum connection times when building their schedules based on airports, domestic or international route, aircraft type and other factors.

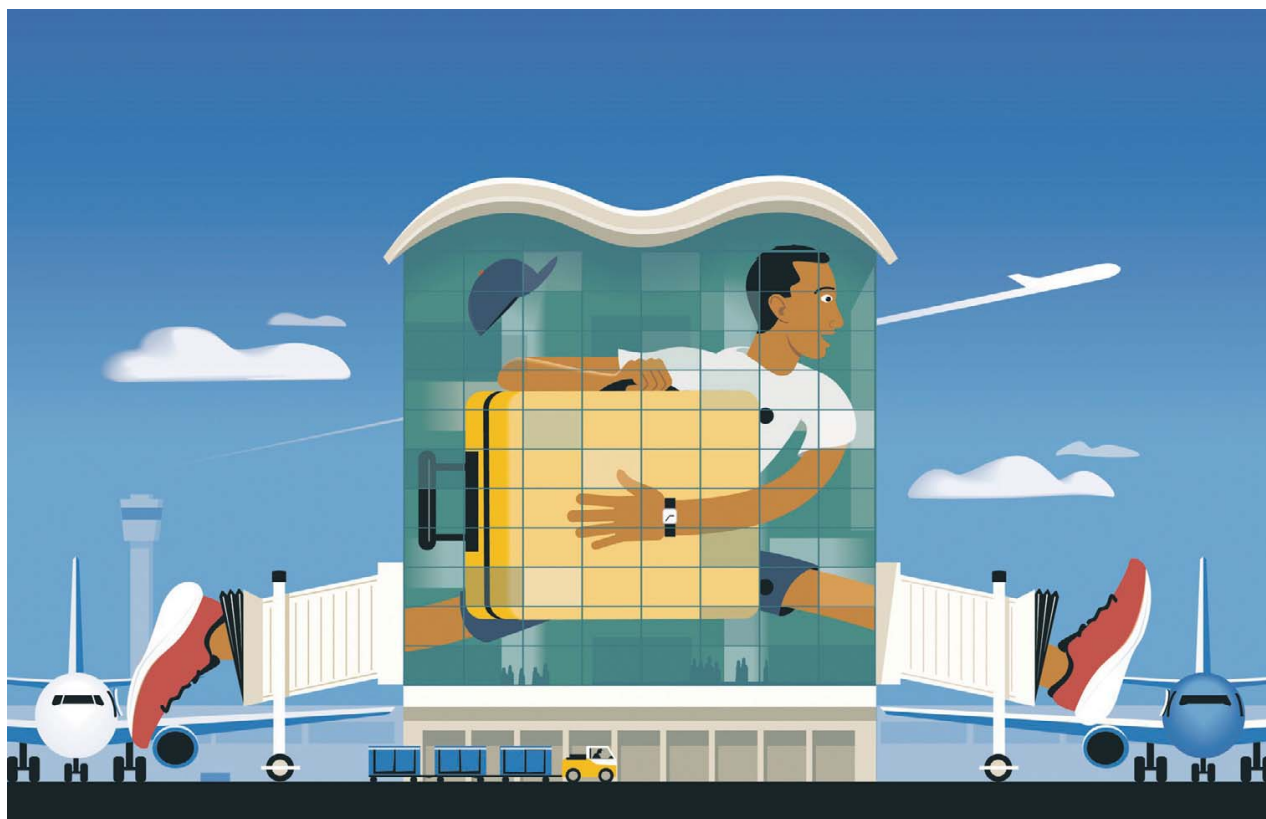
American Airlines has a minimum 25-minute connection time on domestic flights through Phoenix, the shortest of any hubs. That's because its flights are in two nearby wings of the same terminal, says Brian Znotins, senior vice president of network planning.

In contrast, a passenger flying into New York's John F. Kennedy International Airport on a non-partner airline and connecting to an American flight with a terminal change will see a minimum connection time of about three hours, he says.

Airport speed demons

Why sell tight connections in the first place? Mr. Znotins says it's about giving travelers choice. (Plus, he notes, flights often arrive early, giving passengers extra time.)

"Here's a nice, efficient connection if you are really a savvy trav-



FROM TOP: ILLUSTRATION BY JOHN W. TOMAC; SUSAN HARRIS; WILLIAM H. HARRIS

Is Your Connection Too Close?

Big crowds and large new terminals raise the stakes for people rushing to make that next flight



Susan Harris has sworn off short layovers. Stefanie Plumley, right, hopes her trip will go smoothly.

eler and you've got no bag and you know the airport," he says.

Jason Mudd, chief executive of a Florida-based public-relations firm, travels frequently for public speaking and fits that profile. When he can't fly nonstop from Jacksonville, he says his eyes go straight to connecting flights with the shortest layover.

His is a house divided, though. Mr. Mudd's wife of 25 years, Tabitha Mudd, gets anxious about anything under an hour, he says.

"When we get on a flight and she sees that it's a short layover, she gives me the look," he says.

Mr. Mudd says he doesn't worry much about being stranded, because he flies early in the morning and can usually catch a later flight. The airline wouldn't sell the connection if it didn't think it was possible, he reasons.

Flight attendants occasionally ask passengers to stay seated upon landing to help those with tight connections, but we've all seen the usual rush for the exit. That courtesy is so rare, I told a seatmate I was stunned when passengers heeded the announcement on a recent delayed flight into Dallas.

American's Mr. Znotins says minimum connection times stem from detailed data the airline tracks on the rate of passengers who miss connections.

If the missed-connection rate creeps above 2%, he says, American usually bumps the minimum connection time if the causes are outside its immediate control, such as customs processing times.

United Airlines added 10 minutes to its minimum connection times at Newark, N.J., in November and Denver in January owing to airport-expansion projects, spokes-

woman Christine Salamone says.

Under 1% of United's flights have scheduled connection times of 40 minutes or less, she says. The airline has introduced technology that scans incoming flights for passengers with tight connections to see if the next flight can be held without hurting other travelers' plans. That process helps 2,000 travelers make their connections daily, United says.

A more cautious approach

Nick Kamireddy, a director of healthcare partnerships for a data-analytics firm in Boston, made a sport of cutting it close before the pandemic.

He'd happily book 35- to 40-minute connections, especially on Delta,

because of his elite frequent-flyer status. A few years ago, a delay left him dangerously close to missing a connection in Minneapolis. Because of his status, Delta picked him up in a Porsche and drove him on the tarmac to the next plane as it was about to close its door.

He says he's avoided the tightest connections in the past six months in favor of layovers closer to an hour, given the well-documented strains on the airline industry.

"The system hasn't felt as reliable with connections," he says.

Susan Harris, a life coach in San Diego, swore off short layovers several years ago after a delay out of Montana nearly caused her to miss her connecting flight in Seattle.

"I had to run from one plane to another in Sea-Tac, and I was carrying a big carry-on," she says, referring to Seattle-Tacoma International Airport. "I don't ever want to do that again."

Ms. Plumley, the California teacher, describes herself as "the person who shows up at the airport four hours early." She only booked the British Airways flight with a 90-minute London connection because the flight times worked best.

Her flight to Germany is the last of the day, so she already has a plan B if things go awry: checking into her favorite airport hotel.

"After 11 hours of travel, it's not going to be the worst thing in the world," she says.



PERSONAL TECHNOLOGY

A Thin Foldable Offers AI Tricks

BY NICOLE NGUYEN

Google's new Pixel Fold looks like a regular, schmegular phone from the outside. You know, a rectangular slab of glass with a camera on the back.

But you can open it like a book to reveal a bigger screen on the inside.

On Wednesday, Google announced its first flexible-display phone at the company's annual I/O developers conference in Mountain View, Calif.

Even though we haven't tested it yet, I'm intrigued. Samsung has had folding phones for years, and I was never convinced of their appeal. I couldn't come up with a reason to lug around a mini tablet. But with Google's relatively thin, hand-friendly model entering the fray—bringing along practical gimmicks like a dual-screen face-to-face translation app—folding phones are starting to make sense.

Slimmer than Samsung

The Pixel Fold improves on some of the latest Samsung Galaxy Z Fold's



weird quirks. The exterior—aka "front"—screen on the Samsung model is long and skinny. It's where you would type responses to most of your texts, and because of that, the keyboard can feel cramped. The Pixel Fold's front display is wider, like ones on regular non-folding phones, making it more comfortable to type on.

There's also a nagging design issue on the Samsung that isn't on the new Google phone: The Samsung Galaxy Z Fold's two screen halves don't lie flat when folded, leaving a small gap where the hinge is. The Pixel Fold's screens are flush.

When opened, the Pixel Fold has a big black border around the large interior screen. While some may be

disappointed, I see it as a plus: The bigger bezel makes the phone easier to hold in tablet mode.

Google says the Pixel Fold is the thinnest foldable phone, at least in the U.S., U.K., Germany and Japan, where the device will be sold in June. The difference is millimeters—a closed Galaxy Z Fold is 15.8 mm at its thickest point, while the Pixel Fold is 12.1 mm. That's still like two Hershey's bars stacked on top of each other, so it isn't exactly sleek.

Parallel processing

What is all this screen good for, exactly? Seeing the big picture—literally. Google optimized most of its Android apps to work on the Pixel

Google's Pixel Fold looks like a regular phone from the outside. Flip it open to expand the larger screen.

Fold's 7.6-inch expanded screen, including YouTube, Gmail and Meet. Several third-party apps, such as Spotify, Zoom and Minecraft, will also be Fold-ready.

Some optimized apps will be exclusive to the Pixel at first, including a Live Translate mode that uses both screens. You will see what the other person is saying, in your preferred language, on the interior screen facing you. They will see what you are saying, in their language, on the exterior screen. (The app will be fully functional after Android 14 launches this fall.)

You can also run multiple apps side by side. Dragging and dropping photos into a messaging app went smoothly, but we plan to test this more extensively with other file types. I would use the heck out of the tabletop mode, where half the screen is flat on the table and the other half is propped up. It's great for watching videos, reading articles or taking hands-free photos.

More money, more cameras

You could turn the Pixel Fold into a mini laptop, with a keyboard on one side of the screen and an app with text input propped up on the other side. It isn't a laptop replacement—typing on the world's tiniest laptop would only be fun for minutes, not hours—but it costs as much as one.

The Pixel Fold starts at a whopping \$1,799, the same price as Samsung's Galaxy Z Fold 4. Google's nonfolding phone options are the \$899 Pixel 7 Pro and the newly in-

troduced \$499 Pixel 7a, which has an impressive camera.

For the Fold's price, I was disappointed that its camera system didn't get a bigger upgrade.

The Pixel Fold does have five cameras, however. There are three in the back: a normal, ultrawide and 5x telephoto camera. There's one on the exterior "front" screen: a 9.5-megapixel selfie camera. And you'll find yet another 8-megapixel camera on the interior screen, meant for video calls.

Another point for foldables: high-resolution selfies. When you unfold the screen, you can hold it with the interior dual-screen pointed away. With the "front" screen and the rear-facing camera array pointed at you at the same time, you can take a well-framed selfie with the nicest cameras.

Time to fold?

The case for these expandable devices with bendy screens is getting stronger. That said, they're still priced mainly for enthusiastic early adopters who want a big screen wherever they go.

Google is now accepting preorders for the Pixel Fold, which will ship in June. A Verizon spokesman said the device will be widely available at the carrier on June 27.

Foldable fans who are ready to dive in might like the clean, bloatware-less version of Android found in a Pixel Fold. But they may want to see what Samsung has in store in August, when the next Galaxy Z Fold is due. Sorry, Apple people, there's still no buzz of an iFold in the works.

—Dalvin Brown
contributed to this article.

PHOTO ILLUSTRATION BY RACHEL WENDELSON/THE WALL STREET JOURNAL; GOOGLE

PERSONAL JOURNAL.



ON THE CLOCK
CALLUM BORCHERS

Work-Life Balance Is Easier Said Than Done

Young professionals pledge admiration for peers who carve out personal time, then fail to do the same for themselves



Early-career professionals prize work-life balance. Turns out many are bad at it.

The youngest people in the office say the peers they most admire carve out personal time and live life on their own terms. Fancy titles and fat salaries are far less impressive, according to Deloitte's annual survey of millennials and Gen Zers, shared with The Wall Street Journal ahead of next week's release.

Yet those young professionals are roughly twice as likely to say their jobs are important to their own sense of identity as they are to define themselves by hobbies, volunteering or exercise. They applaud friends and co-workers who prioritize self-care or take that backpacking sabbatical to Europe. Then they answer another weekend email while their Peloton gathers dust.

"My peers who use their vacation days and set their out-of-office reply—I am their biggest cheerleader," says Stephanie McCarty, chief marketing officer of real-estate development firm Taylor Morrison in Scottsdale, Ariz. "But it is so hard to put that into practice for myself."

Ms. McCarty, 38, says she sometimes dreams of being reincarnated as a yogi. For now, she works 60-hour weeks and settles for yoga classes on Thursday nights and Sunday mornings.

Though today's young professionals say they generally don't value hard work as highly as their predecessors, according to a recent Wall Street Journal-NORC survey, many nevertheless fixate on success. Work-obsessed 20- and 30-somethings say the recession and the aughts and the pandemic have contributed to a sense that their financial and life goals could be unattainable if they don't chase wins while they can.

They add that their cohort's overall aversion to hustle culture makes their brand of careerism unique. Their parents took pride in grinding, but they feel guilty for not setting boundaries. It's hard for them to square their ethos of you-only-live-once with the overtime required to crush it at work.

Time for tennis—someday

Catherine Smith Licari, founder of a small-business consultancy called Cash Flow for Creatives, carries a card emblazoned with the phrase "work-life balance" in her wallet because, she says, it's one of her core values.

So, what does she do for fun? Ms. Smith Licari, 34, is thinking of signing up for tennis. She bought a racket last weekend and figures she'll slow down and have more time for nonwork activities in six months. Then again, she told herself the same thing six months ago.

While Ms. Smith Licari encourages her few employees to unplug and avoids contacting them after

'We feel the pressure of having to work, and we're not able to make time for other things.'

hours whenever possible, she makes herself available to clients at any time.

Perhaps that's the price of entrepreneurship, but rank-and-file workers with structured hours say they, too, fail to protect personal time, despite their best efforts.

Ishani Kejriwal, 26, works for a software company in Chicago and

is so committed to the idea of work-life balance that she mutes job-related notifications on her phone.

Go ahead, send her a Slack message at 8 p.m. on Tuesday or an email on Saturday. She won't see it until she opens her computer during business hours. She escapes the pings and dings of round-the-clock alerts, yet work still lives in her head, rent-free.

"I can set boundaries around my hours, but I struggle with setting boundaries around my emotions," she says. "My friends and I talk about work a lot. We think about work a lot. We feel the pressure of having to work, and we're not able to make time for other things."

As a daughter of immigrants, Ms. Kejriwal says she feels driven to professional achievement by her parents' sacrifices, so work is usually foremost in her mind. Still, she says she admires peers who appear to break free, mentally or geographically by living the #vanlife.

All for show

Plenty of people feign work-life balance, several other young professionals told me. They make a show of setting limits or post recreational photos on social media to suggest that they have robust personal lives when, in reality, they're just as consumed by their jobs as everyone else.

Josh Lospinoso, the 36-year-old chief executive of cybersecurity firm Shift5, says he learned the concept of performative balance when he was a Rhodes scholar at the University of Oxford.

"It's this idea that if you're up late at night studying and you're not out at the pub, then you're a try-hard and that's not an admirable quality," he says.

He sees the same dynamic at play in the workplace, where it's cool to be young and successful but decidedly uncool to look like you do well by giving everything to your job.

Daniel Zauderer, executive director of Grassroots Grocery, a New York City nonprofit, took a few days off this month to hike in the Catskills. In the fresh mountain air, he says, he was already planning the LinkedIn post he would write about the importance of taking breaks—which he seldom does.

Mr. Zauderer, 35, ran a marathon last fall but says training was more like an extension of work than a hobby. He did it to raise about \$60,000 for his organization, which he started as a side hustle in 2020 while teaching sixth-grade humanities in the Bronx. He quit teaching a year later and poured those hours onto what he was already putting into the nonprofit. So he still works the equivalent of two full-time jobs.

Sometimes he wishes he could be more like peers who treat work like one small piece of their identities, or claim to.

"There's just something within me that doesn't allow that," he says. "I envy people that can do it."

I AM A VETERAN.

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In Iraq, Latoya Lucas's vehicle was hit by a rocket-propelled grenade. While severely injured, her resilience and perseverance pulled her through. Today, she speaks to veterans, using her story to touch hearts and change lives. Each year, DAV helps more than a million veterans like Latoya in life-changing ways – helping them get the benefits they've earned.

Support more Victories for Veterans? GO TO DAV.ORG.

Mosquitoes Love You. It Could Be Your Soap.

By DOMINIQUE MOSBERGEN

Your soap could be making you seem tastier to bloodsucking mosquitoes.

Washing with certain brands of soaps made some people more attractive to a species of mosquito that spreads yellow fever, Zika, dengue and chikungunya viruses in a study published Wednesday in the journal *iScience*. One soap, Native Coconut & Vanilla Body Wash, made people less attractive to mosquitoes, the study said.

Previous studies have established that a person's smell can be more or less attractive to mosquitoes. This study added the effect of personal-care products to the mix. The scents of some of the soaps appeared to amplify some peoples' natural appeal to the bugs, the study showed.

"Smell is critical in how mosquitoes find us," said Clément Vinauger, an assistant professor of biochemistry at Virginia Tech and co-author of the study.

Four people tested each of the four soaps: Dial Body Wash Marula Oil, Dove Deep Moisture Nourishing Body Wash, Simple Truth Organic Honey Blossom Baby Shampoo and Body Wash, and the Native body wash. Dr. Vinauger and his colleagues picked them because they are among the most popular brands in the U.S. Their manufacturers didn't respond to requests for comment.

The participants washed one arm with a particular soap then wore nylon sleeves on both arms for an hour. The sleeves were exposed to mosquitoes in a lab and researchers counted how many landed on each.

Three study participants were found to be "mosquito magnets." Their natural body odors—captured in a nylon

sleeve worn on an unwashed arm—attracted more mosquitoes than an unused nylon sleeve, the researchers said.

Three of the soaps—the Dial, Dove and Simple Truth varieties—made the participants more attractive to mosquitoes compared with their unwashed odor, the study found. Only the Native soap made participants less attractive to mosquitoes.

The researchers said the Dial and Dove soaps contained chemical compounds associated with smells that appear to be attractive to mosqui-



A person's smell can be more or less attractive to mosquitoes.

toes, while the Native soap contained compounds associated with scents that seemed to be more repellent.

Of the thousands of mosquito species, only a handful are specialized to target humans. *Aedes aegypti* is among the most dangerous. At least 100 million people worldwide are sickened each year with dengue and some 40,000 die from the disease, said the Centers for Disease Control and Prevention.

Female *Aedes aegypti* mosquitoes need the nutrients in blood to produce eggs. They find people to feed on by detecting carbon dioxide, research suggests. Once close to prey, they appear to use smell to choose who to bite, research shows.

"We're not equal in how much we attract mosquitoes," Dr. Vinauger said.

A 2022 study in the journal *Cell* found that some people's natural odors make them mosquito magnets. A person's genetics, diet and the bacteria in and on their bodies influence their smell and attractiveness to mosquitoes, researchers said.

The degree to which a soap made people more or less attractive to mosquitoes varied in the study, Dr. Vinauger said. That suggests mosquitoes were responding to not just soap but the way it interacted with participants' natural body odors, Dr. Vinauger said.

Using computational analysis of the ingredients in the soaps that attracted and repelled mosquitoes, the researchers also concocted

chemical mixtures they predicted would attract or repel mosquitoes and tested them on a fifth person. More than 95% of mosquitoes chose the blend designed to attract them over a nylon sleeve exposed only to an unwashed arm, while 95% chose a sleeve unexposed to mixtures over the blend designed to repel them.

The attractive blend included scents reminiscent of lilacs and tropical fruits, while the repellent mix contained aromas of bourbon and almond extract.

Dr. Vinauger said the study was limited by its small size and needed to be replicated with more soaps, people and mosquito species. Such research could help develop more effective mosquito baits or repellents, mosquito experts said.

PHOTO ILLUSTRATION BY BEN DENZER FOR THE WALL STREET JOURNAL; SOURCE: PHOTOS BY STEPHANIE DENZER (4)

JAMES O'NEIL/ASSOCIATED PRESS

ARTS IN REVIEW



MUSEUM OF FINE ARTS, BOSTON (3)

ART REVIEW

A Clay Legacy Of Slavery

A show gathers sculpted vessels by black artists

BY LANCE ESPLUND

It's edifying to see the same exhibition—reinterpreted, reinstalled—at more than one venue. I first saw “Hear Me Now: The Black Potters of Old Edgefield, South Carolina” at New York's Metropolitan Museum of Art. The show combines historical ceramic vessels, sculpture and artifacts with contemporary ceramics, sculptures and drawings, mostly by black artists. Though fascinating and affecting, it felt like two exhibitions, at odds, rolled into one. When I re-experienced “Hear Me Now” at the Museum of Fine Arts, Boston, it was spacious, well-paced and integrated—a very different encounter.

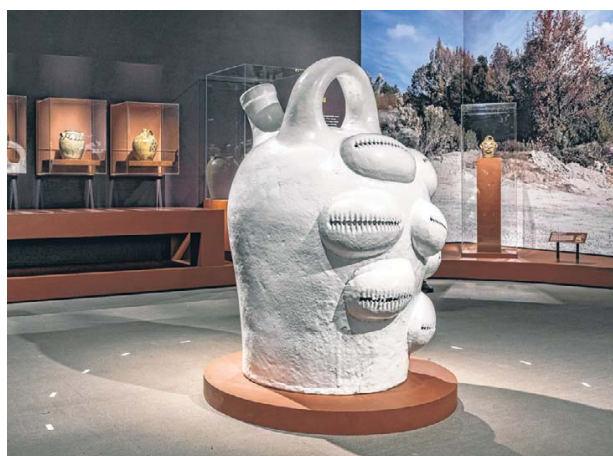
At its heart are approximately 50 alkaline-glazed stoneware vessels: roughly 30 sizable jugs and storage jars (some adorned with painted garlands, figures, flora and fauna); and about 20 small, hand-modeled, high-relief-sculpted face-jugs. Many of these 19th-century



vessels were created by enslaved artisans who participated in every aspect of their manufacture—mining clay, felling lumber, constructing kilns, making pots—in the numerous industrial potteries in Old Edgefield District, S.C. Most of the artists remain unrecorded. One of these gifted ceramists, David Drake (c. 1800-c. 1870), is now well-

known and featured here. A poet and master potter formerly known as “Dave,” “Dave the Potter,” or “Dave the Slave,” he's represented by a dozen large, lidless, stoneware jugs and storage jars, as well as some vessel fragments.

Drake's heavy containers (some more than 2 feet tall, with capacities approaching 25 gallons) are impressive for their scale, brute physicality, rough-hewn beauty and sheer practicality. Barrel-chested, virtually neckless and enormously wide-mouthed, they are as squat as sumo wrestlers. Their thick, rolled-down lips are crude, wobbly. And many sport pairings of horizontal, crescent-moon- or ear-shaped han-



Clockwise from top: an installation view of ‘Hear Me Now,’ ‘Jug’ (2022) by Simone Leigh, and a face vessel (1867-1885) attributed to the Miles Mill Pottery

dles on their broad shoulders. A few of Drake's jars—including one, from 1834, roughly 20 inches tall—reach skyward and taper slenderly and gracefully to their feet. But most, firmly footed, suggest load-bearing columns. One monumental storage jar, from 1857, lists—as if struggling under the burden of its own mass.

These immense vessels (Drake produced thousands) were begun on the wheel and finished, with coils, by hand. They are bold, stout, grounded and earthen, not just in color and texture—a rich array of matte, satin, sandy and glossy browns, russets, creams, caramels and ochers—but in material, weight and utilitarianism. Spotted and streaked with dripped, running glazes, and with the snaking ridges of their coils rippling beneath their surfaces, they speak of mud and labor, usefulness and

restlessness. They're compelling because—like workhorses and folk art—though beautiful, they favor function.

Their utility extends to Drake's wry poetry. Although literacy among enslaved people was criminalized and subject to corporal punishment, Drake signed, dated and incised verse on his pottery. On one jar, from 1858, he instructs: “This noble Jar = will hold, 20 / fill it with silver = then you'll have plenty.” On another, Drake writes: “Good for lard—or holding—fresh meats = / blest we were—when peter saw the folded sheets / Lm may 3d 1859 / Dave” (“Lm” refers to Lewis Miles, the pottery studio owner). In Boston, Drake's verse is projected overhead on a hanging circular screen.

Also extraordinary are the exhibition's hand-held face-jugs, made by unrecorded artists. Their emer-

gence coincides with the illegal arrival, in 1858, of a slave ship carrying more than 400 Africans, over 100 of whom were sent to Edgefield, where many became potters. These magical face-jugs, imbued with spiritual elements and symbols of African art, religion and culture, closely resemble *minkisi*, or ritual objects that, like Edgefield pottery, also contain kaolin. A rich, natural deposit available in both Edgefield and the Kongo kingdom, kaolin was sacred and medicinal to Africans, who employed it to facilitate communication between the living and the dead.

The face-jugs often have prominent, curving eyebrows and ears; bulging, spherical eyes; wide-open mouths with rows of bared, white teeth. Spouts rise from their crowns, and curving handles, like ponytails, jut from their posteriors. They look startled, powerful, comical or frightening. They display the singularity of jack-o'-lanterns and the guardian presence of gargoyles. A torn matchbook, attached to the interior shoulder of one face-jug (c. 1850-80), suggests it was used for ritualistic healing.

Welcome related works in “Hear Me Now” include an imposing, mixed-media, carved-wood Kongo power figure (c. 1850) that bristles, like a martyred St. Sebastian, with dozens of iron nails, spikes, shards and blades. Also appreciated are two earthenware vessels: a sublime “Bowl” (c. 1500), by an unrecorded Woodlands potter; and the gorgeous, veined “Cupid Jug” (2000), by Catawba Indian Nation potter Earl Robbins (1923-2010). MFA Boston edifies us further with an illustrated timeline, a section devoted to kaolin and video interviews with Drake's descendants.

In New York, unfortunately, the 10 contemporary artworks (included, according to Met wall text, to address “our current moment of racial reckoning”) crowded the older works, making it seem like the Edgefield potters weren't trusted enough to speak for themselves. Robert Pruitt's large, illustrative drawings depicting staff members from Boston's MFA handling face jugs came across as unnecessary, rather than incorporated and in dialogue as they are here; and most vessels, treated not as sculptures in the round, were displayed against walls. In Boston, everything is better.

“Hear Me Now” is co-curated by the Met's Adrienne Spinozzi; Jason Young, of the University of Michigan; and Ethan Lasser, of MFA, Boston. It travels to Ann Arbor's University of Michigan Museum of Art and Atlanta's High Museum of Art. Let's hope that future venues mimic not the Met but Boston's installation, which underscores the power of presentation.

Hear Me Now: The Black Potters of Old Edgefield, South Carolina Museum of Fine Arts, Boston, through July 9

Mr. Esplund, the author of “The Art of Looking: How to Read Modern and Contemporary Art” (Basic Books), writes about art for the Journal.

BY LARRY BLUMENFELD

Rajna Swaminathan grew up in Maryland, the daughter of immigrants from India. She is one of only a handful of women who are professional players of the *mrudangam*, a barrel-shaped, two-headed drum crafted from jackfruit wood and used in South Indian Carnatic music. She is likely its only practitioner improvising within ensembles at the forefront of what is now commonly called “creative music.”

A decade ago, while living in New York, Ms. Swaminathan created an intercultural ensemble of varying configurations and personnel. She sought to experiment with rhythmic strategies and improvisational textures drawn from several traditions, including jazz, and especially from South Asian and African diasporas. Her group's name, Rajas, refers, she said, to a Sanskrit word for “the human drive for creativity, action, and transformation.” Its music reflects a personal project she calls “Mangal,” which transmutes her specialized rhythmic vocabulary into a welcoming framework for musicians from any background, and encourages players to, as she told me, “sit with the ephemeral.”

If such activity sounds academic, to an extent it is. Ms. Swaminathan is on the faculty of the Claire Trevor School of the Arts at the University of California, Irvine. She earned her doctorate as the first student admitted to Harvard University's program in Creative Practice and Critical Inquiry, directed by pianist and composer Vijay Iyer. Her dissertation, “Time, Virtuosity, and Ethics Otherwise: Queer Resonances for Diasporic Play,” charts both a personal journey and transcultural aesthetic shifts.



Rajna Swaminathan, above; her album ‘Apertures’ is out now.

Yet her music doesn't sound academic. Rather, it expresses the casual ease and deep empathy that characterize today's most adventurous musicians in collaboration. Above all, it projects a translucent beauty that seems at once tender and defiant.

“Mystery Suspended,” which opens her new release, “Apertures” (Ropeadope, out now), nearly floats into being, carried first by Stephan Crump's bowed bass and spare figures from Utsav Lal's piano and Miles Okazaki's guitar. Soon, there are fragmented phrases from Adam O'Farrill's trumpet and Anna Webber's tenor saxophone, and bursts of rhythm and resonant tones from Ms.

MUSIC REVIEW

Sounds of Many Societies



track—which develops in logical fashion yet lacks an orienting rhythm, and in which no one instrument leads the others—hints at the mutable and mysterious nature of identities in general.

Ms. Swaminathan spent much of her youth traveling to India and around North America, mastering the *mrudangam* in traditional performance settings. She studied classical piano. She absorbed a jazz sensibility first through its influence on Indian film music and, later, alongside the musicians she worked with when she arrived in New York.

As do many musicians who develop in non-Western traditions, Ms. Swaminathan had, she once told me, “a troubled relationship with notation.” This hasn't stopped her from composing for leading classical and new-music ensembles. For her own group, she devised alternative methods of representation. She gave her bandmates a grid-like score for “Precipice,” a composition whose ap-

pealing melody belies its multiple, interlocking rhythms.

The more conventionally notated score for one track, “Altitude,” came with a colorful illustration. The start of that piece—its thrumming bass and chant-like vocal—suggests blues, not of any particular locality but as felt in many cultures. About halfway in, a disarmingly lovely melody takes shape, and gets passed from instrument to instrument. The ensemble then wrings drama from descending figures as Ms. Swaminathan's drum sounds counter-melodies, punctuation and shifting rhythms. Here, as elsewhere, she restlessly invents without ever taking a conventional solo.

Ms. Swaminathan's music is one of ebbs and flows, of gathering and dispersing forces. She favors repeated and overlapping phrases, and fanfare-like passages. Each piece is like a miniature suite; the whole recording unfolds like chapters of a story.

That story's climax might be “Sur-render Is Easier Said Than Done,” a nearly 15-minute track based on both a 16th-century *bhajan*, a devotional song, that her mother used to sing to her, and “The Illusion of Permanence,” her recent chamber-music piece commissioned by the Los Angeles Philharmonic. At first, as string players tap their instruments' bodies and Mr. Lal plucks inside his piano, the band sounds like a set of tuned drums, plus Ganavya's voice. The music grows pleading, then declarative. Ms. Swaminathan's lyrics, sung by her near the end, ask, “Will you hold my hand as we walk into the sun?” She might be singing to her fellow musicians and listeners, less about a destination than a newfound way to hear.

Mr. Blumenfeld writes about jazz and Afro-Latin music for the Journal.

SPORTS

Cardinals Replace Legend But There's a Big Catch

St. Louis signed catcher Willson Contreras after Yadier Molina retired. After a rough start to the season, the team has already pressed pause.

By Lindsey Adler

At the end of last season, the retirement of homegrown legend Yadier Molina forced the St. Louis Cardinals to consider a question they had been able to avoid for nearly 20 years: What does the ideal modern-day catcher look like?

Molina had held the job since 2004, tallying 10 All-Star appearances over 19 seasons. During his long career, however, the job changed. Molina was the Cardinals' reliable backstop, and he provided a solid offensive foundation in St. Louis.

But while he held the rare tenured position in MLB, the sentiment around certain position players—catchers and shortstops in particular—began to value their offensive contributions more heavily than in the past.

"The offensive profile has changed somewhat because teams are always looking at ways to maximize their ability to score runs," Cardinals general manager John Mozeliak said in an interview this week. "But there are still nuances that are needed for that position."

In the opening weeks of the 2023 season, the Cardinals have learned the hard way how much those nuances still matter.

Mozeliak and manager Oli Marmol decided that 30-year-old Willson Contreras was the best candidate to take over catching duties in the post-Molina era. Contreras, who had to that point spent his career with the rival Cubs, signed a five-year, \$87.5 million contract with the Cardinals last December.

Six weeks into his first regular season in St. Louis, the Cardinals are hitting the pause button on Contreras's catching duties, moving him to the designated hitter slot indefinitely. The Cardinals say this isn't a permanent move, but a way to buy time to get Contreras acclimated to the Cardinals' process



The Cardinals signed Willson Contreras, above, following the retirement of Yadier Molina, left. The transition hasn't gone according to plan.

and their current pitching staff.

Contreras met with Marmol and veteran pitchers Adam Wainwright and Jack Flaherty over the weekend, telling reporters that "I think from now on, we have found a really good plan to help me catch behind the plate sometime soon."

"This doesn't mean I'm not the Cardinals' catcher," he said. "Many people think I'm not going to catch anymore. It's not that way."

Contreras hit for power

throughout his seven years in Chicago, during which he was named an All-Star three times. He embodied a particular trade-off that teams have seemed inclined to make in recent years: A catcher's defensive weaknesses can be compensated for by hitting the ball out of the yard when it's his turn in the batter's box.

But with Contreras so far this season, the trade off has gone haywire. In just over 200 innings this

season, Cardinals pitchers have a 5.13 ERA with Contreras behind the plate. It's a small sample size, and only one of the issues plaguing the team as it slogged its way to a 13-24 start, entering Wednesday's play. But the collaboration between the Cardinals' pitchers and their new catcher has been disharmonious enough for a step back in St. Louis.

The team believes that Contreras has the tools—but that his management of the game from behind the plate needs development.

"Willson exhibits everything you would look for in a modern catcher in terms of arm strength, receiving, ability to run, and the ability to hit for power," Mozeliak said. "There are still nuances of the game when you're working with your pitcher going the second or third time through the lineup. Your game plan may evolve. It might be more like real-time decision making versus 'How did we talk that through' before the game."

Contreras isn't just adapting to a new team, however. He's taking over for a beloved franchise icon in Molina.

"We were used to Yadi for two decades," Mozeliak said. "Now some of those subtleties are things that we want to help Willson work through."

The situation with Contreras has become the flashpoint of the Cardinals' early season struggles. Depending on whom you ask, the Cardinals either failed to do their due diligence on Contreras's well-known defensive issues, are throwing him under the bus due to a starting rotation that was pro-

jected to be subpar, or—according to Mozeliak, the architect of the roster—are hoping to give him some time to acclimate to the Cardinal Way.

The central issue, it seems, is Contreras's game-calling skills, which Mozeliak chalks up to a lack of familiarity with the Cardinals pitching staff and an amplification of the issue due to the new pitch clock. Pitchers and catchers no longer have time to go through the whole battery of options in any given situation, and a pitcher gets to step off the mound only twice per plate appearance to help reset the plan.

Contreras doesn't seem to be calling the right pitches in big moments, and the Cardinals starting staff in particular is coming up short on pitch execution. Baseball, as an industry, has been stymied by the art of pitch calling, which to this point has been seen as too complex to quantify with one simple statistic.

The Cardinals instead leaned on their own historic success from catchers as they envisioned Contreras becoming their next long-term starting catcher.

"We are very process-oriented," Mozeliak said. "Even when Yadi wasn't catching, we had a model we used."

The Cardinals are learning the hard way what nearly every other ball club has had to grapple with in the years since Molina's debut: A good catcher is hard to find. In Contreras, the Cardinals knew they found a great hitter. Now, they hope they can teach him to be a sufficient catcher.

The WSJ Daily Crossword | Edited by Mike Shenk

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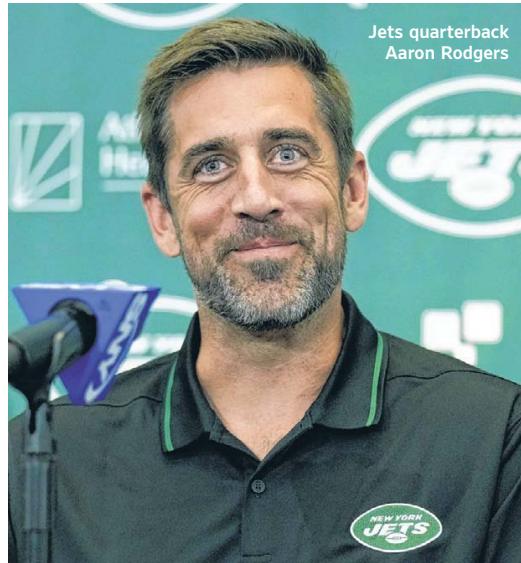
SHOWING BAD FORM | By Ruth Bloomfield Margolin

Across	28 Diamond ring?	60 "___ can help it!"	8 Pain in the butt, ironically
1 Maker of Catalyst network switches	32 Speedy sharks	62 Prefix for tourism or terrorism	9 Sister who may have no siblings
6 "High Hopes" lyricist Sammy	35 Former Fords	39 Fig. on some city limits signs	10 Sister in "Olaf's Frozen Adventure"
10 James with three Grammys	40 Personnel chief, at times	42 Make	11 Chef's chapeau
14 Pricy brand with a crown logo	43 Canny	44 Org. with a code of ethics	12 More constant
15 Stead	44 Org. with a code of ethics	45 Comic unit	13 "Not on ___!" ("Forget it!")
16 Lady's man	46 Soap opera staple	50 Piper with horns	18 Bide ___ (don't rush off, in Scotland)
17 "The pot is legally mine!"	53 Co-star of Betty, Rue and Estelle	54 Tel Be'er Sheva Natl. Pk. setting	19 High-end camera
20 Gaping mouth	55 Celery, in a peanut butter and raisins snack	58 Roberts swore him in in 2006	26 Creative sort
21 Held			
22 Acidic in German, like some kraut			
23 Medium strength?			
24 Seller of HunkerDown sleeping bags			
25 Maximum amount			
27 "It will be long ___ the marshes resume"; Robert Frost			

- 29 Chandler creation
- 30 Gold standard?
- 31 G-rated
- 32 Cat call
- 33 Mortensen's "Green Book" co-star
- 36 Snarls
- 37 Dr. with Grammys
- 38 It launched a month before GMA
- 40 Top pick, informally
- 41 Response to "You were kidding, right?"
- 45 Rating that takes an ace to get an albatross
- 47 Plaintive wind
- 48 Tea ceremony, e.g.
- 49 "Are you sure about that?"
- 50 Apple's answer to Microsoft Word
- 51 Focused
- 52 Cold brew coffee variety
- 56 "A barge with ___-coloured hay dropt from the wharf"; Oscar Wilde
- 57 Lose it
- 59 Half a fl. oz.
- 61 Chaplin's last wife
- 64 Albuquerque-to-Denver dir.
- 65 Bobby Bowden Field school

Previous Puzzle's Solution

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The Jets Look Ready For Prime Time

By Andrew Beaton

AARON RODGERS'S trade to the New York Jets instantly delivered a wave of optimism that the future Hall of Fame quarterback will lift a woeful franchise out of the abyss. This week, he's already delivering them a different kind of win even before the season starts: coveted slots on the upcoming season's schedule.

The NFL's schedule release, scheduled for Thursday night, has turned into an offseason holiday in the football world. For the past decade, though, the Jets haven't exactly been able to celebrate much. While they languished on the field, the league and its broadcast partners weren't keen on featuring them.

Since 2012, the Jets haven't played a single game on a Sunday night, which is typically the league's most-watched prime time slot. The only other team that wasn't given a Sunday night game during that period was the Jacksonville Jaguars, who play in one of the NFL's smallest markets. (The 2012

season was also the beginning of an inauspicious era on prime time for the Jets—that was the season of the "Buttumble" during a late game on Thanksgiving.) It's hard to blame the league's decision makers for shunning the Jets: Their last playoff appearance was in the 2010 season. That's not just the longest drought in the NFL by five years, it's the active record in major American pro sports thanks to recent playoff berths by the NBA's Sacramento Kings and MLB's Seattle Mariners.

The Jets haven't been completely shut out of prime time, but they might wish they had been: The team's 6-20 record in its 26 night games since 2012 is by far the worst record in the league in that span. The Jaguars had the fewest such games, and the team with the most in that span just happens to be the one that just traded their marquee asset to New York.

Rodgers's Green Bay Packers were on prime time during the regular season a league-high 57 times since 2012.

Even before the schedule's

full release, the dynamic is already shifting: The Jets will play the Dolphins in the league's first game on Black Friday. The showdown, which will be streamed on Amazon, isn't technically prime time because it will be played in the afternoon but was a hotly anticipated spot as the NFL invades a new day on the calendar.

The Jets being poised to take center stage isn't the only new quirk in this year's scheduling.

In addition to the new game on the Friday after Thanksgiving, teams are also now allowed to play twice, instead of just once, on a Thursday after playing on the prior Sunday.

The Jets were one of the early surprises of the 2022 season when they were 7-4 and in position snap their streak of playoff misses. Then they finished the campaign in distinctly Jets-ian fashion: they lost each of their six final games.

While the Jets featured one of the league's best defenses and some of the brightest young talents in the sport—wide receiver Garrett Wilson and cornerback Sauce Gardner won the offensive and defensive rookie of the year awards, respectively—they had an enormous problem at the game's most important position. Zach Wilson, the quarterback they selected second overall in 2021, was supposed to solve that. Instead, he was benched after playing poorly and joined the line of would-be saviors who turned into disappointments for the team.

That made acquiring a veteran quarterback the Jets' biggest offseason priority. Then, after Rodgers entered a darkness retreat thinking he might retire, he decided afterward he wanted to play for them. That produced a lengthy impasse before the Packers ultimately shipped him off for a haul of picks shortly before the NFL draft.

Now the Jets' hopes for 2023 rest on Rodgers. And however the experiment turns out, it's a good bet that the entire country will be able to watch it happen during prime time.

FROM LEFT: GODFREDO A. VAÑEZ/ASSOCIATED PRESS; STACY REVERE/GETTY IMAGES; SETH WENIG/ASSOCIATED PRESS

OPINION

Biden Abandons Big Problems



WONDER LAND
By Daniel Henninger

If Donald Trump during his presidency had figured out a way to make dollars grow on trees in backyards, Joe Biden would have issued an executive order to cut down the trees. For the past two years, “reverse Trump” has been the short answer to most questions about the rationale for Democratic public policy. Such as: “Why hasn’t Biden done something about what’s going on at the border?” The answer is that while the Democrats would reverse Trump, they won’t reverse themselves on this or anything else. Ever.

Do nothing has been the Biden migration policy since the president named Vice President Kamala Harris as “border czar,” recognized even then as proof certain that nothing serious was intended.

The progressive way of governance is that no failed policy can change—ever.

So here we are, with a super-surge about to commence as Title 42’s deportation authority ends. Tens of thousands more migrants, from as far away as China, are prepared to cross from Mexico into the United States.

And look who’s screaming the loudest—the American left. Or at least that part of the left represented by the mayors of Chicago, New York and Washington.

Our purpose is not to belabor the spectacle of these holier-than-thou “sanctuary cities” falling short on sanctuary. Listen more closely



U.S. border agents and migrants near San Diego, May 10.

to the liberals’ lament about their migrant problem and you’ll hear something they say before getting out of bed every morning: “We need more resources.”

When migrants began to get off buses at the Port Authority in New York, Mayor Eric Adams said, “New York City needs additional federal resources immediately.” That was nearly a year ago.

“We’re going to keep demanding our fair share of resources from the federal government,” Chicago Mayor Lori Lightfoot said last week.

Washington Mayor Muriel Bowser: “The federal government needs to provide more resources.”

Resources is a euphemism for one thing—money. Confronted with a new problem, these blue-city mayors want Joe Biden to do what Washington has done the past 50 years—send money to fix problems largely of their own making, which almost all their own policies have failed to solve.

Public housing, public schools, urban transportation, infrastructure and, not least, public-worker pensions and health insurance—all these are local spending categories that have outrun the ability of these cities’ shrinking tax bases to support and now require “resources” from Washington.

Most of the trillions the Biden administration has spent the past two years is best understood as a permanent subsidy to cities that spent themselves into a hole.

By grim coincidence, Mr. Biden met Tuesday with House Speaker Kevin McCarthy and congressional leadership to discuss extending the \$31.4 trillion debt ceiling to avoid what Treasury Secretary Janet Yellen on the weekend called an “economic calamity.” Again, of their own making.

Mr. McCarthy’s request, contained in the Republicans’ just-passed debt-ceiling bill, is that Mr. Biden agree to slow the rate of growth in federal spending. Not stop, slow. What needs to be understood is that in the Democratic world Mr. Biden has inhabited his entire career—the same world of these mayors—a spending reversal is a totally alien idea.

So far, Mayors Adams, Lightfoot and the others have gotten nothing from Mr. Biden to help with the migrant flow. And they never will, for two reasons. Any transfer of funds from Washington for migrants would be seen as a tacit admission that reverse-Trump on the border was a mistake. But more relevant to these cities’ other multiple problems, it would require something that progressive Democrats don’t

do: Change course. The progressives’ modern governance playbook is: Once in place, our policy prescriptions never change, no matter what.

See San Francisco. This former urban jewel is effectively collapsing as retailers like Nordstrom, Walgreens and Whole Foods flee its unmitigated crime and disorder. The Biden administration opened the border hydrants and let millions pour into the U.S. mainland. Pity the poor people in Africa, Asia and Europe who stupidly stood in the official immigration line for years to bring their talents and work ethic to America.

Here, the political equivalence between progressive fecklessness at the local and national level may end. Put it this way: What happens in Chicago, stays in Chicago.

Chicago’s electorate—which, as in the other cities, is a political coalition of public unions and progressive sophisticates—just replaced Mayor Lightfoot with the even-more-left-wing former teachers union organizer Brandon Johnson. So be it. Be sure to wear a helmet when you hit the wall. It’s less likely, though, that a national electorate will let Mr. Biden or congressional Democrats off the hook in 2024 for their who-cares management of spending and the border.

You’ll recall that Mr. Biden has announced he’s running. Though doubtful last year about that prospect, the Democrats derived enough solace from the midterm election results to rally around a Biden candidacy. That was then. If an economic downturn follows the Biden border botch and public approval for the president flirts with 30%, a primary challenge more serious than RFK Jr. could appear. By then, even New Yorkers and Chicagoans could be on board for reverse Biden.

Write henninger@wsj.com.

BOOKSHELF | By Adam J. White

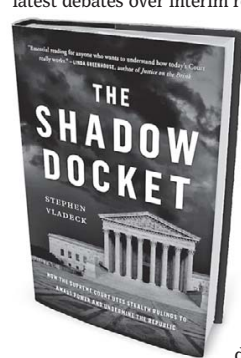
Discretionary Matters

The Shadow Docket

By Stephen Vladeck
(Basic, 334 pages, \$30)

Justice too long delayed,” Martin Luther King Jr. famously wrote, “is justice denied.” The point is doubly challenging: first comes the principled question of justice, and then the prudential question of timing. How long is “too long” for justice when it comes to the judicial system? Lawsuits can last for years, so at the outset a party may ask the judge for a preliminary injunction, simply to govern their rights and duties temporarily, until the issues are fully resolved.

In the Supreme Court, requests for preliminary rulings are even more fraught, because the process for granting a “stay” or “injunction pending appeal” is much less laborious than the rounds of briefing and argument that generally precede the Court’s final decisions. Yet while final decisions get lengthy opinions, interim orders get little or none. This judicial “fast track” stirs questions: Why is the Court intervening so soon, so quickly, and with so little explanation? The Supreme Court’s latest debates over interim relief—especially in Covid-era



cases bringing First Amendment challenges to governors’ orders restricting church attendance—attracted unprecedented attention.

Stephen Vladeck, a professor at the University of Texas law school, explores this suddenly salient issue in his book, “The Shadow Docket.” “The hard question,” he notes, “is what the status quo should be while these legal processes play out.” Recounting much of the history of this part of the Court’s work, Mr. Vladeck shows how over the decades the Court has recalibrated

its approach to time-sensitive legal conflicts—sometimes at Congress’s behest, and sometimes on its own.

Stays and injunctions are not the only part of the Court’s work that involves significant discretion and less transparency. Mr. Vladeck’s book starts with a history of how the Court picks its cases in the first place. Where the Court was once obligated to hear many appeals, Congress now gives it vast discretion to pick its cases through parties’ “petitions for certiorari.” Each year it receives thousands but takes up only a few dozen; most are turned away without explanation.

Mr. Vladeck connects the rise of interim relief to the rise of the death penalty in the 1970s. When death-row inmates pursued 11th-hour appeals, justices were willing to delay their executions, if only briefly, in order to consider their cases. Inmates were keen to invoke recent court precedents that limited states’ criminal justice systems. But state governments were creative, too. “States weren’t just imposing more death sentences,” Mr. Vladeck writes; “they were also moving to carry those sentences out more quickly than before,” with “an array of aggressive behaviors.” The Court’s process for last-minute stays of execution became known as “the emergency docket.”

But death sentences aren’t the only emergencies that receive the Court’s attention. In recent years the Court has granted motions for temporary relief in various crucial matters. These include legal fights over election rules and redistricting maps (trying to prevent such lawsuits from wreaking pre-election havoc) and First Amendment challenges to governors’ Covid-19 orders (which burdened religious gatherings more pointedly than secular gatherings). To critics of the Roberts Court, these cases are not an “emergency docket,” but a “shadow docket.” William Baude, a professor at the University of Chicago Law School, had coined that phrase benignly in a 2015 law-review article, but by 2019 critics of the Roberts Court were wielding the words much more harshly, emphasizing their darker connotation.

Discussions of the election cases, religious-liberty cases and abortion cases make up the rest of Mr. Vladeck’s book, and here its tone changes substantially. He launches invective against the Court’s conservative justices, whose approach to the emergency docket is a “power grab,” full of “pathologies” and “partisan” motives. His sweeping judgments only make it harder for readers to ascertain the legal and factual questions at hand—especially in his discussion of the Covid-era religious-liberty cases, an area of law that is already difficult enough for lay readers to understand.

How the Supreme Court has approached time-sensitive legal conflicts—sometimes at Congress’s behest, sometimes on its own.

Years ago, in *Employment Division v. Smith* (1990), the Court held that when a “generally applicable law” happens to burden people’s exercise of religion, the First Amendment does not entitle them to an exemption. The Court contrasted such “neutral” laws with laws that discriminate against religion; for those, government orders face a high bar to prove they are necessary—“strict scrutiny.” This theoretical distinction has proved difficult to apply, as a nominally “neutral” law can turn out to be anti-religion in effect. The Covid-era cases exemplified the problem. Some governors’ orders limited church worship yet allowed people to congregate in casinos or restaurants. Churches and synagogues argued these orders illegally favored commercial activities, and petitioned the Court for interim protection of their right to keep exercising their religion. The Court’s conservatives saw clear discrimination against religion. Once Justice Amy Coney Barrett arrived on the Court in late 2020, a majority was ready to grant interim relief, in a case against New York’s Gov. Andrew Cuomo.

Justices disagreed over both the First Amendment principles and the prudential questions surrounding interim relief; lawyers and scholars can reasonably debate whether the justices’ opinions fit within existing precedent or added new clarifications to it. Mr. Vladeck renders a blunter verdict: The conservative justices overturned “decades of settled law” via the shadow docket—a “galling” abuse of the Court’s power. Describing the newly appointed Justice Barrett’s pivotal vote to grant interim relief to Catholics and Jews burdened by Gov. Cuomo’s Covid orders, Mr. Vladeck laments that her “stunningly impactful debut” was “largely overlooked” because the Supreme Court did not follow its usual slow process. In fact, her role in that case promptly made front-page news in the New York Times, the Washington Post and this newspaper. For a supposed “shadow” docket, that’s a lot of spotlights.

The emergency docket has always raised hard questions about the Court’s constitutional power, its institutional responsibilities and the rule of law. Justices must not rush to judgment. Nor should the rest of us.

Mr. White is a senior fellow at the American Enterprise Institute. In 2021, President Biden appointed him to the Presidential Commission on the Supreme Court of the United States.

Law-and-Order Trump Has an Evil Twin

By Karl Rove

Which Donald Trump is running for president? When it comes to law and order, there are two.

There’s the Donald Trump who said the day after the Jan. 6, 2021, attack on the Capitol that he was “outraged by the violence, lawlessness and mayhem.” This Mr. Trump then declared, “America is, and must always be, a nation of law and order. The demonstrators who infiltrated the Capitol have defiled the seat of American democracy.” He spoke directly to “those who engaged in the acts of violence and destruction,” saying “you do not represent our country. And to those who broke the law, you will pay.”

When Portland, Ore., was rocked in July 2020 by violent demonstrations following the death of George Floyd, this version of Mr. Trump condemned the protestors as “anarchists.” That October, when rioters tore down that city’s statues of Abraham Lincoln and Theodore Roosevelt, trashed the state’s Historical Society and ransacked local businesses, the same Mr. Trump tweeted, “Put these animals in jail, now.”

This is a man who is for law and order, backs the police, demands respect for the Constitution and opposes using violence to settle political arguments.

But there’s another Donald

Trump. This one seemed at best indifferent to the street fighting of the alt-right Proud Boys, telling them in a nationally televised presidential debate to “stand back and stand by,” phrasing that suggested he might call them to violence if their muscle was needed.

On Jan. 6, this Mr. Trump watched his Oval Office television for 187 minutes without making a public statement. Meanwhile, rioters broke through police lines, stormed the Capitol, smashed windows and doors, ransacked offices, and urinated and spread feces in rooms and hallways, all to disrupt a statutorily mandated joint congressional session that was to receive the Electoral College vote.

Ignoring pleas from staff, family and those under attack, this Donald Trump finally spoke three hours into the riot. He urged rioters to “go home,” saying “I know your pain; I know you’re hurt. We had an election that was stolen from us. It was a landslide election and everyone knows it.” While “this was a fraudulent election,” he said, “we have to have peace.” “We love you. You’re very special.”

This version of Mr. Trump has now gone even further, opening campaign rallies by showing on giant screens a video filmed last year of people jailed for Jan. 6 crimes singing the national anthem in their cells. This Mr. Trump says “our people love those people” and

that they shouldn’t have been imprisoned.

The Washington Post identified five of the 15 men who appear in Mr. Trump’s video. The Post reported four “were charged with assaulting police, using weapons such as a crowbar, sticks and chemical sprays.”

He once stood strong against ‘anarchy,’ then turned to praising the Jan. 6, 2021, rioters.

One of them pleaded guilty to using a chemical spray on a policeman who died the next day of a stroke. The medical examiner said the officer’s death was of natural causes and found no evidence of injury or allergic reaction to the spray. But the examiner said that “all that transpired” on Jan. 6 “played a role in his condition.” The man who sprayed him is now serving 80 months in prison.

Another defendant was found guilty in March of nine charges, including “assaulting, resisting or impeding” police with deadly weapons and “engaging in physical violence.” He has a criminal history and will be sentenced soon.

Three men in Mr. Trump’s video are awaiting trial. One was released last November pending trial on eight

charges—to which he has pleaded not guilty—including assaulting police with “a deadly or dangerous weapon,” in this case pepper spray. Two others were denied pretrial release because of the severity of the charges, which include threatening a federal officer and “repeatedly hitting police officers with a giant stick,” according to the Post.

If this second Mr. Trump glorifies Jan. 6 prisoners, what does he now believe about the Oath Keepers and Proud Boys found guilty of seditious conspiracy? Sedition is the crime of “inciting revolt or violence against a lawful authority with the goal of destroying or overthrowing it.” Would this version of Mr. Trump pardon those found guilty of Jan. 6 crimes if elected president?

The old Donald Trump who promised Jan. 6 lawbreakers “you will pay” has been replaced by a new version who recently wrote on his social media platform “LET THEM GO FREE, NOW!” in response to the release of Jan. 6 footage. That soft-on-crime attitude could well cost him the presidency. Because it involves violent criminals attempting to overthrow our government, it should.

Mr. Rove helped organize the political-action committee *American Crossroads* and is author of “*The Triumph of William McKinley*” (Simon & Schuster, 2015).

Santa Claus Is Going to Pot

By Gary Kirkilas

Imagine a commercial featuring Ryder and Marshall from “Paw Patrol” lighting cigarettes and enjoying a smoke together. In 1961 Fred Flintstone and Barney Rubble happily smoked cigarettes in an ad for Winston. Most children of that era could recite the slogan: “Winston tastes good like a cigarette should.”

Now imagine a child seeing a billboard with Santa Claus holding a water bong saying, “Even Santa Claus knows where to get his DOPEST gifts.” Or a teenager seeing a billboard with a 10-foot-tall cannabis leaf and the cheeky tagline “I like big BUDS and I cannot lie.”

You don’t need to imagine, because ads like these are common in states where recreational marijuana use is legal. Cannabis producers and dispensaries have done their

Cannabis ads directed at children should be banned the way tobacco ads are.

homework. Some are using tactics from the tried-and-true playbook alcohol and tobacco companies have used to target young people and hook them for life.

We should be outraged. We

know that smoking is dangerous. It’s against the law for tobacco companies to advertise on billboards or sponsor sports and entertainment events. Yet cannabis companies are allowed to do those things in most states where their product is legal.

Twenty-two states and the District of Columbia have legalized recreational cannabis for those 21 and older. As more states do so, preventing cannabis use among teens becomes more difficult. Research shows that cannabis use is correlated with psychosis in adolescents and a propensity for suicide. Teen marijuana use is also associated with negative social and learning outcomes, such as

decreased high-school graduation rates. A 2017 Centers for Disease Control and Prevention-sponsored study reported that “current use of marijuana among adolescents was significantly associated with exposure to marijuana advertisements.”

Many states have enacted restrictions on youth-targeted cannabis ads, but more should follow. Like the alcohol and tobacco industries, the cannabis industry sees children as potential lifelong customers. Those innocent children need our protection.

Dr. Kirkilas is a Phoenix pediatrician and a spokesman for the American Academy of Pediatrics.

OPINION

REVIEW & OUTLOOK

The Biden Family Business

House Republicans on Wednesday released their latest report on the Biden family's business ties, and one conclusion is that it's good to be related to Joseph Robinette Biden. Hunter Biden and his relatives traded profitably off the Biden name with transactions that suggest the main family business is influence peddling.

House Oversight Chair

James Comer's staff report shows in detail that Hunter had extensive dealings with unsavory foreign actors. This yielded millions of dollars for Biden family members via a web of shell companies that would be hard to untangle without subpoena power. Why so much complexity?

The 36-page report shows Biden family members and business associates created nearly 20 separate entities shortly before and during Joe Biden's Vice Presidency. The entities with obscure names—Hudson West III, Hudson West V, Owascu, JBB SR INC—transferred cash from foreign entities. Bank records show that more than \$10 million was delivered to Biden family members, associates and companies from these foreign entities, and in curious ways.

In some cases "Biden associates would receive significant deposits from foreign sources," then "transfer smaller, incremental payments to Biden bank accounts," the report says. These "complicated and seemingly unnecessary" transactions appeared to be an "effort to conceal the source and total amount received from the foreign companies."

Some payments came from such shady characters as Chinese national Ye Jianming, his associates, and his company CEFC. Mr. Ye had a background in Chinese military intelligence and used CEFC to promote President Xi Jinping's agenda globally. One of Mr. Ye's deputies, Patrick Ho, was convicted in the U.S. in 2018 on international bribery and money laundering.

Mr. Ye's emissary to the U.S., Gongwen Dong, in 2017 established a corporate entity with Hunter—each with 50% ownership. Over 14 months the entity dispersed more than \$4 million to Hunter-related companies and another \$75,000 to companies related to the President's brother, James Biden. Mr. Dong used a separate set of complex corporate entities and transfers to send Hunter another \$100,000 payment.

In 2017 another Ye-related company—State Energy HK—paid some \$3 million to Hunter's business associates. At least \$1 million was then funneled in 16 separate payments over three months to five different bank accounts, all related to the Biden name. They included compa-

nies associated with Hunter and James Biden, an unknown bank account identified simply as "Biden" and a payment to Hallie Biden—the widow of Hunter's deceased brother Beau and later Hunter's girlfriend.

The report lays out a similarly complex web of payments to Hunter and associates from an entity that appears to be connected to a Romanian businessman who has been convicted of bribery. In total, Mr. Comer says the committee has identified at least nine Biden family members that received foreign income, including Hunter, James, James's wife Sara, Hallie, Hunter's ex-wife (Kathleen Buhle), Hunter's current wife (Melissa Cohen), and three children or grandchildren of Joe or James.

* * *

The Bidens have a right to make a living, but one important question is what Hunter did to earn these payments. Hunter's spokespersons aren't saying, and his attorney scorned the Comer report as "repackaged misstatements of perfectly proper meetings and business by private citizens." But a fair conclusion is that these foreigners were buying influence with a powerful family.

Emails and text messages made public in 2020 by former Hunter business partner Tony Bobulinski—related to a separate attempted deal with CEFC—quote Hunter demanding more because CEFC is "coming to be MY partner to be partners with the Bidens," and noting that "I'm the only one putting an entire family legacy on the line." In another email reported by the New York Post, Hunter boasted that Mr. Ye would pay him millions for "introductions alone."

The press is mostly dismissing the report because it reveals no evidence that President Biden received any money. But the committee has already exposed that Joe Biden dissembled in 2020 when he claimed that "my son has not made money in terms of this thing about—what are you talking about—China. I have not had it. The only guy that made money from China is this guy," referring to Donald Trump. Mr. Comer isn't done, and we shall see where the money trail leads.

The report shows the Biden family profiting from Joe Biden's political power. Payments from Chinese nationals are also a familiar way that the Communist Party has tried to compromise America's political class. There may not be a smoking gun, but there's plenty of suspicious smoke worth investigating.

Another Big Legal Defeat for the CDC

Drug makers are often extorted by patent trolls, but it's something else when the troll is the U.S. government. In a landmark case, a federal jury on Tuesday rejected the Centers for Disease Control and Prevention's gambit to extract enormous royalties from Gilead Sciences Inc. for a fictitious claim of government invention.

Patent disputes can be complicated, but the one between the CDC and Gilead is straightforward. Gilead invented a breakthrough HIV drug. Many years later the U.S. government sought to enforce dubious patents on the drug and demanded royalties.

The history is instructive and proved to be decisive. After more than a decade researching HIV treatments, Gilead in 2004 launched an anti-retroviral combination pill called Truvada that carries fewer serious side effects or risks of viral resistance than existing therapies. During the early 1990s, Gilead also participated in studies that found a key compound in Truvada could limit HIV transmission.

The idea of using HIV antiretrovirals for "pre-exposure prophylaxis" (PrEP) had been studied by scientists for years. Yet in 2007 the CDC tried to claim intellectual paternity be-

cause it had funded some of the research. The CDC didn't notify Gilead that it had applied for a PrEP patent. Nor did it inform the U.S. Patent and Trademark Office that this concept wasn't novel.

The CDC patents were granted in 2015, three years after the Food and Drug Administration approved Gilead's application to use Truvada as a prophylactic. Then in 2019 the Justice Department swept in and sued Gilead for allegedly infringing on the CDC patents and profiting from taxpayer-funded research. The government demanded \$1 billion in royalties.

This was the first time the U.S. government had filed a patent infringement lawsuit against a pharmaceutical company, and it appeared to be a test case. If the government had prevailed, you can bet it would seek patents and hefty royalties for research it helped fund on other treatments. The feds might also use patents as a cudgel to force companies to lower prices.

Yet after a week-long trial, a jury in federal court in Delaware found that the CDC patents were invalid because the government didn't invent PrEP. Progressive activists are urging the Biden Administration to appeal. Shouldn't the CDC be attending to public-health matters and fixing its bureaucratic disorder instead?

Chile's Freedom Lovers Strike Back

One beauty of democracy is that even big electoral mistakes can be corrected in the next election. That's what happened Sunday in Chile, where voters elected a constituent assembly that will draft a new constitution.

Conservatives won 33 of the 51 seats in the assembly, more than the 3/5 necessary to control the content of the draft constitution it has been charged by voters to write. A 2020 national plebiscite—agreed to after months of street violence—put the country on track for a new constitution to replace the 1980 version written under the government of Gen. Augusto Pinochet.

The first redraft, by a constituent assembly controlled by the left, aimed at dismantling key democratic institutions and weakening the separation of powers in place since Chile returned to democracy in 1990. It expanded the reach of the government and established a plurinational state, which could have divided the country along ethnic lines.

Voters saved the day by rejecting the 388-article monstrosity in a September 2022 referendum, 62%-38%. That should have been the end of the constitutional project, according to the

2019 amendment that brought it to life. But Chile's political class decided to try again, which is why voters were back at the polls.

Chileans appeared to lurch left when they elected President Gabriel Boric in December 2021. But high-crime rates and a weak economy have caused many to reconsider. Mr. Boric is Sunday's biggest loser.

The new majority in the assembly implies that the free-market, limited government ideals that made Chile an economic superstar are back in vogue. Sunday's big winner is the Republican Party, which won 23 seats in the assembly, and its leader, former presidential candidate Jose Antonio Kast. Mr. Kast is a conservative and institutionalist. The peso and the local stock exchange have rallied since Monday.

There is still danger ahead, as a constitutional draft will have to be approved in a national referendum in December. The challenge for the assembly will be to enshrine property rights, the rule of law and political competition in the draft and sell it to the public. Sunday's vote gives Chile a better chance to sustain the democratic structure that made it a rare Latin American success story.

A House report shows how Hunter and relatives profited while Joe was Vice President.

LETTERS TO THE EDITOR

Biden's Risky Plan to Pump and Dump Trump

In "No Labels May Re-Elect Donald Trump" (Politics & Ideas, May 3), William Galston states that "Mr. Biden's shortcomings fade into insignificance" against the backdrop of former President Trump's refusal to accept the outcome of the 2020 election and the events of Jan. 6, 2021. That would be true but for one particularly glaring shortcoming of President Biden: his doing everything possible to promote Mr. Trump as the 2024 Republican presidential candidate.

Whether this is a pragmatic political strategy remains to be seen. What is immediately apparent, however, is the moral bankruptcy of the strategy. By encouraging, purely out of perceived self-interest, the candidacy of a man whom he has repeatedly proclaimed to be a danger to democracy in America, Mr. Biden sadly has demonstrated that he is morally akin to

the former president. No wonder so many Americans will feel disenfranchised if both men are again candidates for an office that should require of its seekers the highest level of morality.

WILLIAM J. ROBBINS
White Plains, N.Y.

Mr. Galston points the finger of blame for a possible Biden defeat in the wrong direction. If Democratic leaders insist on nominating a candidate who doesn't appeal even to Democrats, much less independents or moderate Republicans, they will have only themselves to blame.

The same applies to Republicans. Why shouldn't No Labels nominate a candidate more qualified than those of either party?

GEORGE ESTES
Dover, Mass.

The National Education Bureaucracy at Work

Your editorial "Miguel Cardona, Miseducation Secretary" (May 6) asks, "The federal Department of Education's mission is supposed to be . . . what exactly?" The answer is that it doesn't have a real mission. The Constitution gives the federal government no authority to govern in education, leaving it to the people or states.

Education Secretary Cardona's response to drops in national civics and U.S. history scores—take no responsibility and attack conservatives—illustrates the framers' wisdom. A federal department was bound to end up politicized and advocating powerful status-quo interests.

NEAL P. MCCLUSKEY, Ph.D.
Cato Institute
Washington

Take a closer look at how and when National Assessment of Educational Progress testing is administered, and you will learn what teachers already know: The results aren't likely to be informative.

Aside from questions not being tied to state curricula, which vary in content and timing, NAEP results aren't used for grading. Nor should they be. Students are told to do their best, but there are no consequences for failure. Imagine your level of motivation if you were to take a nationalized driving test after completing only half your state driving course, but the results have no effect on whether you qualify for a license.

RUSS LEDONNE
Charlotte, N.C.

Food Stamps, Freedom and Strings Attached

Sen. Marco Rubio's bill to prohibit the purchase of junk food with Supplemental Nutrition Assistance Program benefits ("No More Subsidies for Junk Food," op-ed, May 8) is an excellent idea but doesn't go far enough. It assumes that families who are using SNAP have the ability or the help to determine a nutritional diet. This certainly isn't the case.

I suggest a wholesale revamping of the program. Have regional nutritionists develop a balanced diet, relying on food available locally, then put it into family-size packages and distribute them through grocery stores or wholesale outlets. This would prevent the use of the funds for the purchase of junk food and ensure a healthy diet. It also could be structured to promote the use of food grown in the U.S., helping family farms with a guaranteed market. While the diet would undoubtedly be boring, the result would be a healthier nation, happier farmers and maybe even a reduced cost for the American taxpayer.

DOUGLAS COLDWELL, M.D.
Dallas

Sen. Rubio wants to ban the use of SNAP benefits to buy soda (called "pop" where I'm from) and prepared desserts. He claims that this would promote healthier diets, mitigate "food deserts" in low-income neighborhoods by encouraging stores to carry healthy foods and reduce long-run medical expenses, a veritable three-for-one.

This assumes his idea would work. But if SNAP funds can't be used for pop and desserts, people could easily use SNAP money for other things and save their cash for what they really want. Or they could buy SNAP-approved products and then trade them for pop and desserts. They could even sell their excess SNAP money for cash, at a discount, of course, so they could buy the banned items.

More important, who is Mr. Rubio to be telling people what they can and can't eat? I would rather let SNAP recipients use their accounts to buy what they want instead of empowering a group of food czars in Washington to tell them what to eat.

PATRICK J. ALLEN
River Forest, Ill.

The Use and Abuse of Anne Frank's Memory Goes On

Julia Klein's very interesting review of "The Last Secret of the Secret Annex" (Bookshelf, May 8) doesn't mention the continuing nature of Anne Frank's betrayal, including by many of her posthumous champions. The famous quote from her diary, emphasized in the play, in books and movies, is: "In spite of everything, I still believe that people are really good at heart."

Anne would never have made such a statement, and couldn't have believed it, after her and her family's suffering and deaths in German concentration camps at the hands of so many Germans and collaborators who delighted openly in the agony of their Jewish prisoners. Yet the line, written beforehand by the teenage Anne, has been used and misused repeatedly to make a dubious point about human kindness.

LEWIS REGENSTEIN
Atlanta

Beyond the King's Speech

Moir Hodgson's review of the books "George VI and Elizabeth" by Sally Bedell Smith and "The Windsors at War" by Alexander Larman (Books, May 6) puts forth that Britain's King George VI had a "crippling stutter" but misses an opportunity to elaborate on the significance of that fact. The unique situation of King George VI's well-known stutter put a human face on the British monarchy in a way that had never quite been seen before.

JANE FRASER
President, The Stuttering Foundation
Memphis, Tenn.

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Pepper ... And Salt

THE WALL STREET JOURNAL



P. EVANES.

"The markings say accountant, but the furtive darting says lawyer."

OPINION

The FDIC Guarantees Instability

By Dan Katz
And Stephen Miran

Officials at the Treasury, Federal Reserve and Federal Deposit Insurance Corp. have worked feverishly since March's run on Silicon Valley Bank to shore up confidence in the regional banking system. Treasury Secretary Janet Yellen and Fed Chairman Jerome Powell implied that the FDIC would cover all depositors. Rather than stabilize the system, their ad hoc approach has stirred panic.

The problem is that officials' implied "system-wide" guarantee of uninsured depositors isn't really systemwide. During the 2008 financial crisis, policy makers created the Transaction Account Guarantee Program, which offered an unlimited guarantee on non-interest-bearing deposit accounts. But the Dodd-Frank Act of 2010 required an act of Congress to backstop uninsured deposits. Otherwise, the FDIC can offer coverage only when a bank has already failed and gone into FDIC receivership—as Signature Bank and SVB did.

The 'system-wide' deposit backing only kicks in once a bank fails, so potential buyers wait for the subsidy.

Instead of engaging Congress to create a broader deposit guarantee, the administration is working with the rules as they are. The resulting half-formed systemwide deposit guarantee creates perverse incentives. Because a government subsidy kicks in only once an institution is in receivership, potential buyers of a troubled regional bank have every reason to wait until it has failed and the FDIC pays up. Why should a healthy bank shoulder a burden that the government will, especially when the administration has made its hostility to ordinary-course bank mergers clear?

This has heightened the risk of a death spiral for parts of the regional banking system. Investors know no healthy bank will bid on a troubled one until it's over the brink, so they press their sales of regional bank stocks. Even regulators' rumored fix—a potential ban on short selling—would compound the problem by further eroding confidence. Depositors, seeing bank stock prices under pressure or propped up by government, would pull more of their funds, weakening these banks still further—raising the odds that they fail.

The failure of First Republic Bank on May 1 reflects these perverse incentives. JPMorgan Chase could have bought First Republic weeks ago, but it waited until it could extract more money from the government. By the FDIC's estimate, the takeover comes with a taxpayer-funded subsidy of \$13 billion, including a loss-sharing agreement in which the FDIC will absorb 80% of First Republic's losses on residential and commercial loans.

With inflation still painfully high and unemployment at a six-decade low, the administration would be wise to restore proper incentives by reverting to the usual system of limited deposit insurance, except for banks that are truly systemically important. This, combined with clearly signaling openness to bank mergers prior to receivership, could help re-establish stability at a lower cost to the taxpayer.

It would certainly be preferable to the duct-tape-and-string approach the administration has used so far, which seems to have encouraged more instability. Once again, Washington's lack of a considered approach is running up costs for taxpayers and generating unnecessary volatility in financial markets and the economy.

Messrs. Katz and Miran are co-founders of Amberwave Partners, an asset management firm, and served as senior advisers at the U.S. Treasury, 2020-21. Mr. Miran is an adjunct fellow at the Manhattan Institute.

By Ilya Shapiro

Abe Fortas has been in the news of late—a feat for someone who died in 1982. Amid a campaign by Democrats and partisan journalists to tar conservative Supreme Court justices for "ethics" violations, outlets including the New York Times, the Washington Post and NPR have cited the example of Fortas's 1969 resignation, implying that the justices they disfavor might want to follow it.

But there's no parallel. Fortas embodied cronyism and corruption, with direct conflicts of interest involving parties with business before the high court and legal advice to a businessman who was investigated, indicted and convicted of federal felonies. He also acted as a regular adviser to a president whose administration, like every administration, was a repeat Supreme Court litigant. None of the currently serving justices have been accused of anything remotely comparable.

While serving in the Interior Department in the 1940s, Fortas was introduced by Secretary Harold Ickes to Rep. Lyndon Johnson. Fortas later represented Johnson in a dispute over his 1948 Senate primary that reached the Supreme Court. Fortas continued advising LBJ in the White House on the drafting of executive orders, the legal implications of racial controversies and political strategy, among other matters. After Johnson appointed Fortas to the high court in 1965, the justice had a private phone line to his patron installed in his chambers. Fortas's biographer Bruce Murphy counted 254 contacts between the justice and the president from October 1966 to December 1968.

When Chief Justice Earl Warren announced his retirement in June 1968, LBJ tapped Fortas for elevation but miscalculated the politics in that tumultuous election year. Fortas didn't do himself any favors before the Senate Judiciary Committee, where he denied he had given legal advice to the president or had participated in policy decisions. In the words of another biographer, Laura Kalman, "He simply lied."

Biden Cracks Down on Gas Stoves—and Much More

By Ben Lieberman

Consumer Product Safety Commissioner Richard Trumka Jr. fired a shot heard 'round America in January when he informed the public of his agency's plans for natural-gas stoves. "This is a hidden hazard," Mr. Trumka said in an interview with Bloomberg News. "Any option is on the table. Products that can't be made safe can be banned."

The comment sparked a strong consumer backlash, forcing the Biden administration to deny that its regulators were doing such a thing. But they most certainly were and still are. The gas-stove kerfuffle is merely one piece in a larger campaign against consumer appliances, all in the service of President Biden's climate-change agenda. Let's review the items under federal scrutiny:

- **Lighting.** Beginning in July, commercial retailers will no longer be able to sell incandescent light bulbs without incurring a significant penalty, thanks to an onerous Energy Department efficiency regulation. Last summer the Biden administration reversed a Trump-era reprieve for the old-fashioned bulbs, adjusting the appliance's lumens-per-watt threshold beyond what the incandescent technology can meet. As a result, newer LED bulbs will soon be the only game in town. While LEDs are improving, they cost more than incandescent bulbs, don't work well with most dimmers, and cast a light that some consumers consider unpleasant.

- **Furnaces.** Like stoves, furnaces commit the sin of sometimes running on natural gas. Though ostensibly a fuel-neutral efficiency standard, the Energy Department's furnace regulation disproportionately burdens gas models relative to electric ones. "The proposed furnace rule has at least as much to do with the Biden



Justice Fortas (1910-82)

When Fortas told the committee he didn't recall making personnel recommendations to the president, LBJ ordered White House staff to destroy all notes from Fortas.

It also came out during the four-day hearing that American University had paid him \$15,000—about \$130,000 in today's money, and nearly 40% of a justice's salary—to give a series of lectures in the summer of 1968, funded by private

His behavior on the Supreme Court was unlike anything the current justices are accused of.

sources connected to Fortas's former clients and partners. While the payment was legal, its provenance and size—seven times what any other AU seminar instructor had ever received—raised eyebrows. Fortas declined an invitation to explain himself further to the committee, which still approved him.

Although Democrats held a 64-36 Senate majority, Fortas ran into a buzz saw on the floor, with bipartisan opposition he couldn't overcome. A motion to end debate received only 45 votes on Oct. 1, 1968, far short of the 67 needed. Fortas thus became

the first and only Supreme Court nominee blocked by filibuster, although it's unlikely that he would have commanded even a simple majority in a confirmation vote. LBJ withdrew the nomination.

Then, in May 1969, Life magazine revealed that in October 1965, the same month he was sworn in, Fortas had been retained by the family foundation of Louis Wolfson, a former client under investigation for securities fraud. The foundation would pay the justice \$20,000 annually for unspecified legal advice, which might have included an attempt to secure a presidential pardon. Fortas received one such payment in 1968. He then returned it and abandoned the agreement 11 months later, after Wolfson was indicted. (Wolfson was convicted and served nine months in prison.)

Fortas had denied any involvement in Wolfson's affairs, but on May 15, 1969, less than two weeks after the article ran and days after an impeachment resolution was filed in the House, he resigned.

Details came out later that showed why it was untenable for Fortas to remain on the court. After Wolfson was released from prison in 1970, he met Fortas and recorded the conversation. The former justice persuaded the ex-con not to release 11 pages of their correspondence, including letters about the Securities and Exchange Commission investigation

and a letter in which Wolfson sought Fortas's help in obtaining a presidential pardon. Referring to the latter, Wolfson said: "That was the only time I ever asked you for one thing. In April I wrote you a letter—of 1969. You recall? . . . I said, 'I cannot go to prison right now; if you could do anything to get me a presidential pardon—have President Johnson call Mr. Nixon.'"

"Lou, don't tell the press about that," Fortas said. "Because, Lou, that would really look bad."

The transcript of the conversation confirmed that Fortas, while a member of the high court, was heavily involved in advising Wolfson. At one point Fortas agreed to intervene directly with the SEC chairman, although apparently he didn't follow through.

The transcript also indicates that there was a letter of July 22, 1965, in which Wolfson offered financial assistance to Fortas if he took a Supreme Court appointment from LBJ. Fortas had told Wolfson that he planned to reject the nomination because of the financial sacrifice. But six days later LBJ nominated him. Fortas recognized at the time that what he was doing was improper—that his relationship with Wolfson would be construed as follows: "that your giving me and my accepting the foundation post was nothing but a coverup and that what was really happening was that I was taking a gratuity from you in terms of the statute and supplementary my salary. You see? And that is very bad."

It was. Justice Fortas resigned not over some chain of hypotheticals but over financial conflicts that failed the smell test even among his partisan supporters. He was felled by greed and hubris in a way that went beyond disclosure mistakes. It's a far cry from any of the smears, insinuations and trivial, error-filled reporting we've seen leveled at the current justices over the past month.

Mr. Shapiro is director of constitutional studies at the Manhattan Institute and author of "Supreme Disorder: Judicial Nominations and the Politics of America's Highest Court." Kathy Crow, a friend of Justice Clarence Thomas, is a trustee of the Manhattan Institute.

causing problems for consumers. It now takes at least two hours to do a load of dishes, twice as long as it did in pre-standards models. The department acknowledged several years ago that its regulations lead to consumer dissatisfaction, writing in a 2016 document: "To help compensate for the negative impact on cleaning

The administration's climate crusade is also coming for dishwashers, furnaces and light bulbs.

performance associated with decreasing water use and water temperature, manufacturers will typically increase the cycle time." The newly proposed rule—which among other things limits appliances to 3.3 gallons per cycle, down from the current limit of 5 gallons—may make dishwashers worse.

- **Air conditioners.** A new Energy Department efficiency standard for central air conditioners took effect on Jan. 1 and, according to several installers, has raised the cost of a new system by up to \$1,000. That's a painful regulatory boost for any appliance, but especially one like air conditioning, which is a proven lifesaver. Getting in on the fun, the

Environmental Protection Agency proposed its own ban on the most affordable remaining air-conditioner models on grounds that they are insufficiently climate-friendly. Expect a further jump in prices when this new rule likely takes effect in 2025.

Let's turn back to Mr. Trumka's Consumer Product Safety Commission. Despite the administration's repeated claims to the contrary, the commission is moving ahead with its information-gathering process on the risks of gas stoves. The public-comment period, which is typically the first step toward restrictions, ended Monday. To make matters worse, Energy Department regulators have proposed first-ever efficiency standards for residential stoves, motivated in part by the agency's "need to confront the global climate crisis." Not surprisingly, regulators are much tougher on gas models than the electric ones environmental activists favor.

Appliance buyers who prefer the supposedly climate-friendlier versions are always free to choose them—with or without federal regulations. But the Biden administration is intent on foisting the green choice on all of us, whether we like it or not. Most won't.

Mr. Lieberman is a senior fellow at the Competitive Enterprise Institute.

Why We Swear to Tell the Truth

By Fay Vincent

I received a call many years ago from a local politician who wanted my legal advice on what he termed an "awful" dilemma. His best friend was involved in a messy divorce and wanted him to testify in court that the friend hadn't engaged in marital infidelities. The politician asked if there was any way he could avoid telling the truth under oath.

I quickly thought of the ancient English maxim: The only time a gentleman is justified in lying is when defending another gentleman's honor under oath. But I withheld that bit of whimsy.

My advice was simple: There is no legal basis to lie under oath. I suspect my suggestion carried, because I never heard from the caller again.

That reality seems more complicated today as the news becomes replete with stories of Donald Trump defending himself in court against various claims with denials under oath. It is more urgent than ever to recall the legal and moral reasons

for placing witnesses under oath.

The traditional oath is administered by the question from the administering officer: "Do you swear to tell the truth, the whole truth, and nothing but the truth, so help you God?" The oath taker replies "I do," and legal duties attach to what follows. The language of the oath may vary as judges assert their preferences, but the essence is that the witness will attest openly to the duty of being truthful. The oath warns that the testimony is a serious matter and that failing to be truthful has consequences.

The invocation of God reflects the traditional view that lying has consequences beyond legal bounds. The old-fashioned belief is that lying is wrong morally. The oath invokes the pain of legal penalties. It also reflects the moral code of the Decalogue.

My generation believed and accepted a person's word was a bond. Early on, I learned one's reputation became important quickly. I never doubted the essential wisdom that permitted me to be trusting of others while not betraying their trust in

return. President Reagan cautioned "Trust but verify" and I know there are sound reasons to couple both instincts.

I once accepted an oral offer to buy my Connecticut home and minutes later received a higher bid. I turned down the higher offer, though I was legally free to accept it since nothing had been agreed to in writing. Years later my buyer told someone we both knew he was surprised I hadn't taken the higher bid. But I never considered walking away from the deal. He remembers; I do also.

Things are different today. Trust is in short supply. I am told marketplaces have grown wary of the handshakes and verbal assurances we old-timers relied on. A written agreement is fine, but nothing can replace the comfort of negotiating with someone whose word you trust.

And there is no better satisfaction than the pride one feels after achieving a result without regretting the means employed in the process.

Mr. Vincent was commissioner of Major League Baseball, 1989-92.

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WORLD NEWS

Protests in Pakistan Turn Deadly

Nationwide political standoff widens after arrest of ex-premier on corruption charges

By SAIED SHAH
AND WAQAR GILLANI

ISLAMABAD, Pakistan—At least seven people were killed and dozens injured in nationwide protests against the arrest of Imran Khan, as a judge extended the former Pakistani prime minister's detention by eight days.

Growing disorder saw the government call in the army Wednesday in two regions that are home to more than half the South Asian country's population. It couldn't be established when the army would be deployed or in what numbers. More than 1,500 of Mr. Khan's supporters were arrested in the protests, police said.

Mr. Khan pleaded not guilty at a hearing Wednesday, a day after his arrest in a corruption case. The former prime minister has repeatedly said that the cases brought against him are politically motivated.

Officials said the hearing was held on a police compound on the outskirts of the capital Islamabad, rather than in a court, to avoid further clashes following Tuesday's protests, which included attacks on military compounds. Mr. Khan's party had called for more protests on Wednesday, urging them to be peaceful.

In video played on local media, gunfire can be heard as protesters are shown gathering near a military fort in Peshawar, a northwestern city and stronghold for Mr. Khan.

Peshawar's Lady Reading Hospital said four people died from gunshot wounds. In addition, 90 people were admitted with injuries.

Mr. Khan's party officials said the demonstrations, which were relatively small but



Supporters of former premier Imran Khan clashed with security forces in Lahore on Wednesday.

highly charged, had been infiltrated by unknown people who incited the crowds. They said the aim was to justify banning the party. The authorities said some protesters were armed.

Mr. Khan, a former cricket star, was ousted from office in April 2022 after losing the support of the powerful military, 3½ years into a five-year

term. He alleges the military was behind a no-confidence vote in Parliament removing him as prime minister. The military denies involvement.

Mr. Khan, 70, has in the year since his ouster attempted a comeback, campaigning for immediate elections and garnering widespread support amid political

instability and a deteriorating economy. Under the constitution, elections have to be held by October. The government has brought a series of cases against Mr. Khan, but this week was the first time he has been arrested.

His arrest relates to an allegation that his administration showed favor to a Pakistani

property tycoon, who was fined £190 million, equivalent to \$240 million, by the U.K. authorities in settlement of an investigation into the source of his funds. After the fine was received by the Pakistani authorities, it was returned to the businessman, and Mr. Khan was gifted land in Pakistan in return, the government says.

Mr. Khan denies wrongdoing. The Islamabad High Court ruled late Tuesday that the arrest was legal. The government said Mr. Khan was detained by an independent law-enforcement body that tackles corruption.

Mr. Khan's lawyers say he was beaten during his arrest, an accusation the government denied. Footage showed Mr. Khan being pulled by paramilitary personnel across the compound of the Islamabad High Court, where the arrest took place, and bundled into a vehicle. Mr. Khan is still recovering from an assassination attempt in November when he was shot in the leg at a rally, an attack he blames on the government and military, and which both deny.

Chaudhry Fawad Hussain, a senior member of Mr. Khan's party, urged the army not to deploy. "The army should not become a part of this conspiracy," he said. "This is an attempt to make the people of Pakistan confront its army."

Mr. Hussain took refuge for hours inside the building of the Supreme Court, in an effort to avoid arrest. Outside, a large contingent of police waited for him, which arrested him when he emerged around midnight local time, local television footage showed.

Another senior member of Mr. Khan's party, Asad Umar, was arrested Wednesday at the Islamabad High Court, where he was petitioning the court against his leader's detention, local television footage showed. A number of other prominent party officials were also taken into custody.

Chinese Consumer Inflation Is Lowest In 2 Years

By STELLA YIFAN XIE

HONG KONG—Consumer prices in China rose at their slowest pace in more than two years, reflecting uncertainties in the economy that threaten to limit a consumption-led recovery from three years of strict Covid-19 measures.

Consumer prices in the world's second-largest economy rose just 0.1% in April from a year earlier, easing further from March's 0.7% year-over-year increase, according to data released Thursday by China's National Bureau of Statistics.

The reading marked the lowest rate of inflation since February 2021 and came in far below the 0.4% rate expected by economists polled by The Wall Street Journal.

Economists say China's low consumer inflation points to the fragility of the recovery in domestic demand, as elevated youth unemployment, an uncertain housing market and weakening corporate profits weigh on consumer confidence. The country reported growth in gross domestic product of just 4.5% in the first quarter compared with a year earlier, driven by buoyant consumer spending after Beijing scrapped most of its last remaining pandemic restrictions late last year.

The tepid inflation data are in part due to a high base comparison from the year-ago period, and inflation is expected to pick up again later in the year. The data showed that China almost has the opposite problem compared with the U.S. and other major Western economies, where inflation has remained sticky despite aggressive interest-rate increases by central banks.

Thursday's inflation reading, however, suggests that the recovery remains uneven, with demand for services outpacing those for goods, said Ding Shuang, chief China economist at Standard Chartered Bank.

—Grace Zhu in Beijing contributed to this article.

Israel and Palestinian Militants Trade Fire

GAZA CITY—Palestinian militants fired hundreds of rockets from Gaza toward southern and central Israel, and Israeli airstrikes targeted militants in the enclave Wednesday, as both sides said they were preparing for wider conflict.

By Dov Lieber,
Aaron Boxerman
and Anas Baba

A group of Gaza militants that includes the enclave's rulers Hamas and Palestinian Islamic Jihad, both designated by the U.S. as terror groups, took responsibility for the rocket fire. The militants said they retaliated for Israeli airstrikes on Tuesday that killed senior Islamic Jihad commanders and civilians in the Gaza Strip.

Officials from Egypt and the United Nations said they have been working with the Israeli and Palestinian leadership since Tuesday to broker a cease-fire, but neither side has committed to ending hostilities.

"We are still in the thick of the campaign. At these moments, our forces are forcefully striking the Gaza Strip and extracting a steep price

from terrorist organizations," Israeli Prime Minister Benjamin Netanyahu said Wednesday night.

Hamas mostly has stayed out of battles between Israel and Palestinian Islamic Jihad since a deadly Israel-Gaza conflict in the spring of 2021. The group's decision to join the fray on Wednesday signaled the possibility of a more serious escalation between the two sides.

"Targeting civilian homes, encroaching on our people, and assassinating our men and heroes is a red line that will be confronted with all force. The enemy will pay dearly for it, God willing," said Hamas, Islamic Jihad and other Gaza-based militant factions in a joint statement on Wednesday. At least seven people were killed by Israeli airstrikes Wednesday and two were severely wounded, the Palestinian Health Ministry in Gaza said, bringing the total Palestinian death toll to 22, with 64 injured. At least six children and four women were among the dead in Gaza, health officials said.

No deaths or injuries in Israel have been reported.

The latest round of violence



At least seven people were killed by Israeli airstrikes on Gaza.

comes amid one of the deadliest periods in the Israeli-Palestinian conflict in years. More than 100 Palestinians have been killed by Israeli forces or civilians in the occupied West Bank since January, mostly militants but also many civilians, according to a count by The Wall Street Journal. At least 17 Israelis and two foreigners have been killed in Palestinian attacks, all of them civilians except for one police officer.

The Israeli military said Pal-

estinian militants fired at least four hundred rockets at Israel on Wednesday, a quarter of them landing inside the Gaza Strip. Israel's military said its jet fighters and helicopters struck at least 110 targets in Gaza, including rocket and mortar launching sites, and militants preparing to use them.

One rocket fired at central Israel was intercepted by the David's Sling air-defense system, the first time the system,

which was built to take down long-range rockets, was successfully used in a real-time battle.

Beginning Wednesday afternoon, air raid sirens were heard in Tel Aviv, sending Israelis into bomb shelters. Schools in Israeli communities located near the Gaza border were closed, and residents were told to stay near bomb shelters.

"We are ready for the possibility of an expanded campaign and harsh strikes against Gaza," Mr. Netanyahu said, according to his office.

On Tuesday, Israeli airstrikes in Gaza killed three senior commanders of the Palestinian Islamic Jihad, Gaza's second-most-powerful militant group behind Hamas. Both groups get weapons and funding from Iran, Israeli officials said.

The Israeli strikes on Tuesday also killed civilians, according to Gaza officials, including a Russian-Palestinian doctor, his family and some of the wives and children of the militant commanders.

Israeli military officials said they focused their assault on Islamic Jihad in the hopes that Hamas wouldn't join the fray.

WORLD WATCH

MYANMAR

Military Government Offers Cash for Arms

Myanmar's military government is urging people fighting against its rule to surrender their weapons, offering a cash reward if they do so along with the possibility of reduced sentences if they broke the law.

The official announcement in Wednesday's edition of the Global New Light of Myanmar newspaper said people involved in major resistance organizations, including the People's Defense Forces, are "invited to return to the legal fold." The PDF is the armed wing of the pro-democracy movement that was organized after the army's 2021 takeover.

It said people who surrender will have to face trial if they committed crimes including murder, rape and injury to others, but that the government would reduce the penalties depending on the offenses.

Myanmar has been mired in violence and civil unrest since the

military overthrew the elected government of civilian leader Aung San Suu Kyi in February 2021.

—Associated Press

BULGARIA

EU Official Is Slated To Be Prime Minister

A European Union commissioner from Bulgaria was nominated Wednesday for the post of prime minister, as the Balkan country struggles to end a two-year period of political instability and economic hardship.

Maria Gabriel was tipped on Wednesday by the center-right GERB party—the winner of the parliamentary election last month—to receive a mandate from the president to nominate a cabinet, which needs to be approved by a majority.

Ms. Gabriel, 43 years old, a member of the European Parliament since 2009, is EU commissioner for innovation, research, culture, education and youth.

If GERB fails to form a government, the president must

give the mandate to the second-largest political party in parliament and then to the third-largest if there is no result.

—Associated Press

INDIA

Biden to Host Modi At the White House

President Biden will host Indian Prime Minister Narendra Modi at the White House next month, courting an Indo-Pacific leader with whom he has sought stronger ties as the U.S. looks to blunt China's growing assertiveness in the region.

Mr. Modi's visit June 22 "will affirm the deep and close partnership between the United States and India and the warm bonds of family and friendship that link Americans and Indians together," White House press secretary Karine Jean-Pierre said Wednesday in announcing the Indian leader's official state visit.

The leaders will focus on their countries' commitment to a free and secure Indo-Pacific region, as

well as on their technology partnerships, including in defense, clean energy and space, she said.

India's Ministry of External Affairs said the visit will "underscore the growing importance of the strategic partnership between India and the United States."

—Associated Press

SWITZERLAND

Rockslide Threat Prompts Evacuation

Authorities in eastern Switzerland ordered residents of the tiny village of Brienz to evacuate by Friday evening because geology experts say a mass of 2 million cubic meters of Alpine rock overhead could break loose and spill down in the coming weeks.

Local leaders said during a town hall and a media event Tuesday that residents would have to leave by 6 p.m. on Friday but could return to the village from time to time starting Saturday, depending on the risk level, but not stay overnight.

—Associated Press

UNITED KINGDOM

Lawyer Says Tabloid Spied on Prince Harry

The British publisher of the Daily Mirror apologized for one instance of snooping on Prince Harry but denied his other claims Wednesday, as a trial for one of Harry's phone-hacking lawsuits began with the prince's lawyer accusing the newspaper of unlawfully gathering information on "an industrial scale."

The admission that the publisher employed a private investigator for a 2004 article headlined "Sex on the beach with Harry" might only give the Duke of Sussex a taste of satisfaction. Because the story wasn't one of the nearly 150 that Harry alleges resulted from skulduggery, the disclosure could have little bearing on the verdict. He and three others are suing Mirror Group Newspapers for alleged misuse of private information between 1991 and 2011. The Mirror Group denied it hacked phones to intercept voice-mail messages

—Associated Press

Beijing Seeks Europe, U.S. Split

By LAURENCE NORMAN
AND AUSTIN RAMZY

BERLIN—China's foreign minister is crisscrossing Europe this week in a bid to peel the continent away from the growing confrontation between Beijing and Washington, warning that European interests would be harmed by toeing the U.S.'s approach.

A three-capital trip by Qin Gang, his first solo visit to the region since becoming China's foreign minister, comes at a pivotal moment for China's relationship with the bloc.

European leaders have been reluctant to join Washington's mounting confrontation with Beijing. Instead, they have emphasized diplomatic dialogue and trade, while pushing back on Beijing's increasing assertiveness on the world stage.

After a meeting with German Foreign Minister Annalena Baerbock in Berlin, Mr. Qin, previously Beijing's ambassador in Washington, said the real risks for Europe were being dragged into a Western confrontation with Beijing. "If you 'de-China' in the name of 'de-risking,' you are also reducing opportunity, cooperation, stability and development," he said Tuesday.

Without naming the U.S. directly, he warned of "some countries waging a 'new Cold War,' " by imposing unilateral sanctions and exporting inflation and fiscal crises. "These are the real risks that need to be taken seriously," he said. "If this 'new Cold War' is fought, not only the interests of China will be harmed, but Europe's interests will also be sacrificed."

Mr. Qin was visiting France on Wednesday before traveling to Norway.

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

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S&P 4137.64 ▲ 0.45% S&P FIN ▼ 0.58% S&P IT ▲ 1.22% DJTRANS ▼ 0.30% WSJ \$IDX ▼ 0.25% 2-YR. TREAS. yield 3.899% NIKKEI (Midday) 29062.04 ▼ 0.21% See more at WSJ.com/Markets

Disney+ to Add Hulu's Content

Entertainment giant says streaming losses narrow amid increases in prices it charges

By ROBBIE WHELAN

Walt Disney said it would make Hulu content available within Disney+ in the U.S. by the end of the year, the latest effort by newly returned Chief Executive Robert Iger to get the company's streaming business to profitability.

"We will soon begin offering a one-app experience domestically that incorporates our Hulu content via Disney+," Mr. Iger said during a call with investors to discuss the company's latest quarterly results.

Mr. Iger said the company's major streaming platforms—which beyond Disney+ and Hulu include ESPN+—would remain available as standalone options but said the upcoming one-app offering would provide greater opportunities for advertisers and make navigating Disney's various content libraries easier for consumers.

"We also think that it will benefit consumption in general, lower churn, be more attractive," Mr. Iger said. "It's just an all-in-one, it's a bigger platform."

The move comes as Disney announced it had dramatically reduced its streaming business's losses in the latest quarter—largely the result of price increases for Disney+—but also reported that Disney+ suffered its first-ever domestic subscriber loss.

Disney shares were 4.5% lower in after-hours trading.

Mr. Iger also confirmed that Disney has held negotiations with rival Comcast—which



Rosario Dawson stars in 'Ahsoka,' a coming offering in the 'Star Wars' franchise, to be shown on Disney's streaming service.

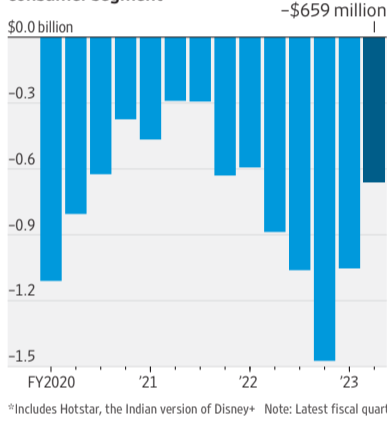
owns one-third of Hulu—that he described as "cordial," over the future of the streaming service.

Earlier this year, Mr. Iger said that as far as Hulu is concerned, "everything is on the table." On Wednesday, Mr. Iger softened that statement, saying that with the benefit of an additional three months to review the streaming business, he had decided that Disney+ should have a general entertainment offering for the long term.

"Where we are headed is for one experience that would have general entertainment and Disney+ content together," Mr. Iger said. "How that ultimately turns out..."

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Operating losses for Disney's direct-to-consumer segment



Net new subscribers to Disney+



*Includes Hotstar, the Indian version of Disney+ Note: Latest fiscal quarter ended April 1 Source: the company

Rockwell Is Probed Over Its Operation In China

By VIVIAN SALAMA

WASHINGTON—The Biden administration is investigating whether Rockwell Automation, one of the world's largest industrial technology and information companies, is exposing critical U.S. infrastructure, military and other government assets to a potentially serious cyberattack through one of its China-based facilities, according to U.S. officials and documents reviewed by The Wall Street Journal.

The Milwaukee-based company provides productivity-improvement software and cybersecurity services to computer platforms used in the national power grid as well as by the U.S. Navy and Coast Guard and other parts of the federal government, among other customers, according to the company's website.

The U.S. government investigation is focused on employees based at the company's facility in Dalian, China, who might have access to software codes that connect with those computer systems. The probe includes the inspectors general at the Energy Department and the Defense Department as well as the Justice Department's Commercial Litigation Branch, according to the documents.

Investigators are looking into potential vulnerabilities that might allow access from China to critical U.S. government and industrial infrastructure and computer systems, according to a memorandum of investigative activity, which documents evidence in the course of a probe. The memorandum, dated Jan. 24, details testimony from a whistleblower interviewed by government investigators from the three agencies.

A spokeswoman for Rockwell Automation said the company hasn't been notified of any investigation related to the company's work in Dalian but would fully cooperate if it receives such a notification. She added that Rockwell's supply chain, development practices and hiring processes comply with U.S. export controls.

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Carlson Muddies Musk Bid For Ads

Tucker Carlson's announcement that he is moving to Twitter isn't getting an enthusiastic reception on Madison Avenue, as many advertisers are already skittish about spending on the Elon Musk-owned social-media platform.

By Suzanne Vranica, Patience Haggin and Alexa Corse

Mr. Carlson said Tuesday that he is launching a show on Twitter, just weeks after Fox News canceled his nightly telecast. Mr. Carlson was one of Fox's most popular anchors, but his brand of programming repelled blue-chip advertisers, and he was the target of organized advertiser boycotts.

Several ad buyers said the arrival of Mr. Carlson will make it even harder for Twitter—which has faced an exodus of advertisers—to lure brands back.

"Tucker's transition to Twitter will terrify advertisers," said Brendan Gahan, chief social officer at digital-ad agency Mekanism. Mr. Carlson's move will "likely further taint Twitter's image and keep advertisers away," Mr. Gahan said.

A spokesman for Mr. Carlson declined to comment. Twitter auto-replied to a request for comment with a poop emoji.

After Mr. Musk's \$44 billion takeover of Twitter last year, many advertisers paused their spending out of concern that he might weaken content moderation or because of the uncertainty surrounding the company's direction under its new leadership. Advertising represented almost 90% of Twitter's revenue in 2021, the last full year it publicly reported financial results, before Mr. Musk took the company private.

There have been some signs of advertiser interest returning.

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Robinhood to Offer 24-Hour Trading

By ALEXANDER OSIPOVICH AND HANNAH MIAO

Users of Robinhood Markets' popular app will soon be able to trade Tesla shares in the middle of the night.

Robinhood said Wednesday that it will offer 24-hour trading of selected stocks and exchange-traded funds, five days a week. The move is part of a growing push in parts of the financial industry to expand trading beyond traditional Wall Street operating hours.

The brokerage plans to allow

low round-the-clock trading between 8 p.m. Eastern time Sunday and 8 p.m. ET Friday in 43 securities, including some popular stocks such as Amazon.com, Apple and Tesla.

Robinhood will begin to roll out the feature next week, and all customers are expected to have it by June, the company says. Over time Robinhood plans to make more stocks and ETFs available for overnight trading, Chief Executive Vlad Tenev said in an interview.

"It's the next step in evolving the market to how it

should work, which is 24/7, and more like a piece of software rather than a brick-and-mortar institution that's tied to U.S. East Coast working hours," Mr. Tenev said.

Robinhood is hoping that 24/5 trading will help it regain some of the buzz it has lost as the pandemic-era boom in individual-investor activity has faded and the company's stock has slumped since its 2021 initial public offering. Late Wednesday afternoon, the firm said first-quarter revenue rose 47% from a year earlier, pushing

its shares up modestly in after-hours trading. Still, Robinhood lost \$511 million for the period, marking its seventh straight quarterly loss as a public company.

Normal U.S. stock-trading hours run from 9:30 a.m. to 4 p.m. ET Monday to Friday, a convention that dates back nearly four decades.

Many brokers offer "extended hours" trading sessions that start as early as 4 a.m. ET and end in the evenings at 8 p.m. ET. But night-owl investors

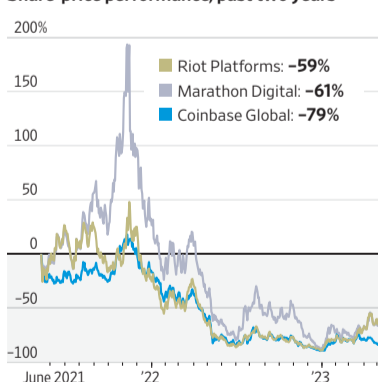
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Bitcoin price, past two years



Sources: CoinDesk (bitcoin); FactSet (performance)

Share-price performance, past two years



Crypto Firms Tap Markets Months After Meltdown Pain

By VICKY GE HUANG

The 2023 market rebound is enabling some crypto companies to explore an option that appeared off the table just six months ago: trying to go public.

Bitcoin-mining company Bitdeer Technologies listed on the Nasdaq last month after merging with a special-purpose acquisition company, or SPAC, a blank-check company so called for its use in helping businesses access public markets with fewer strings attached. Blockchain company Chia Network recently took another step

ward going public, while cloud-mining company BitFuFu and crypto cash-machine company Bitcoin Depot are working on plans to go public via SPAC mergers.

The rush of small crypto companies toward public markets seemed like a long shot when 2023 started, after the second half of last year brought a string of high-profile bankruptcies and a crash in the prices of bitcoin, ether and other digital currencies.

But this year has brought a sustained rebound in the riskiest assets across markets, from

crypto to technology stocks, thanks in part to a crest in the long-term interest rates whose rise last year rattled Wall Street. The banking crisis that started in March fueled a fresh rally in digital currencies by raising new questions about the fragility of the economy and financial markets.

Shares of publicly traded crypto companies such as Coinbase Global, Marathon Digital and Riot Platforms have soared this year.

Though skeptics contend that the gains in crypto and

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Google Unveils Search Revamped for AI Era

By MILES KRUPPA

MOUNTAIN VIEW, Calif.—Google unveiled conversational features for its search engine and made its chatbot Bard widely available for English speakers, a show of force as it races Microsoft and a growing number of startups to win over consumers with artificial-intelligence products.

Calling the moment a new era in search, Google introduced a set of features—called Search Generative Experience—that use AI programs to provide lengthier summaries

in response to a range of queries. The features invite follow-up questions, opening a new interface allowing users to hold conversations with the search engine.

Google stopped short of rolling out the product immediately, instead opening a wait list under a new experimental program called Search Labs. Shares in Alphabet, Google's parent, were up more than 4% on Wednesday.

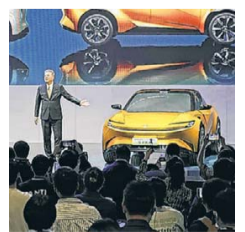
The unveiling was part of a litany of AI-focused announcements at Google's I/O developer conference.

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Disney+ Platform Adds Hulu

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mately unfolds is to some extent in the hands of Comcast." Comcast didn't respond to a request for comment. Hulu's unusual joint ownership arrangement is the result of Disney's 2019 acquisition of 21st Century Fox's major entertainment assets, a deal that boosted Disney's stake in Hulu from one-third to two-thirds. Under an agreement reached that same year, both Disney and Comcast have the right to force a sale of Comcast's stake at fair-market value, starting

in 2024, with a floor valuation of \$27.5 billion for the whole service. Disney on Wednesday said its direct-to-consumer segment, which includes streaming, lost \$659 million in the quarter ending April 1, far less than the \$845 million loss that analysts polled by FactSet had anticipated. Price increases to Disney+ and Disney's other streaming bundles implemented in December, along with a new ad-supported tier for the service, are starting to show up in the company's financial results. The global subscriber base for Disney+ fell by four million from the previous quarter to 157.8 million, mainly the result of cancellations in India, where Disney last year lost the rights to stream a popular cricket league that had been a major driver of new signups.

BUSINESS & FINANCE

Estée Lauder, L'Oréal Target China With Local Investments

By SABELA OJEA

Some of the beauty industry's biggest players are finding a rocky road to winning shoppers in China. Their response: invest locally. Estée Lauder and L'Oréal for years have aimed to boost their business in one of the world's largest consumer markets, where demand for beauty products is high. But a slower-than-expected rebound from Covid-19-related restrictions as well as stronger performance from homegrown brands are pushing multinationals to sharpen their investment presence in the country, company executives and analysts say.

Paris-based L'Oréal has established its own Chinese venture fund to make investments in local brands. Estée Lauder in December opened a research lab to develop skin-care formulations and products for customers in Asia. Coty, the maker of products including CoverGirl makeup and Hugo Boss cologne, in the March quarter introduced products in the country from brands it owns and licenses.

Some companies also are looking to market products made in Asia to other parts of the world. "Success to us in China would be to grow market share in a growing market again," Estée Lauder Chief Executive Fabrizio Freda said at an analyst conference in March. Estée Lauder, with brands including Clinique and MAC Cosmetics, last week cut its outlook for the year as it deals with a slow recovery of travelers visiting duty-free stores in Asia. The New York company's shares last week posted the largest single-day percentage decline on record.

Chinese beauty brands such as Perfect Diary and Proya Cosmetics are on the rise in the country, analysts say. Proya Cosmetics is expected to end this year with sales of about 8 billion yuan, equivalent



Analysts expect beauty companies like Estée Lauder to expand in China through deal making.

usually close one or two big deals a year, they will most likely expand their market share in China by buying stakes in other companies and brands, Bernstein analyst Callum Elliott said. Representatives for L'Oréal, Estée Lauder and Coty didn't

comment about their prospects for deal making. Larger beauty companies are betting that they will continue to find opportunities in China, despite recent challenges.

L'Oréal reported a 13% rise in sales in the March quarter, but said it didn't benefit from the Covid-19 reopening in China. Still, the company continues to be bullish on the country,

'We see consumer confidence that was low in China starting to pick up.'

comment about their prospects for deal making.

Larger beauty companies are betting that they will continue to find opportunities in China, despite recent challenges.

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Still, the company continues to be bullish on the country,

CEO Nicolas Hieronimus said in a call with analysts last month.

"We see consumer confidence that was low in China starting to pick up," he said. "There is a clear desire both from consumers and authorities to boost growth."

Estée Lauder reported a 12% decline in quarterly sales and said that it was dealing with high levels of unsold products, in part from slower business in the Chinese island province Hainan.

Coty, whose overall earnings performance is less dependent on China, reported sales rose nearly 9% in the March quarter. The New York company said Tuesday that the month of April was marked by higher sales in China, including in Hainan, when compared with last year and two years ago.

"This reinforces our confidence in the strong multiyear potential of China for our business, as we expand our presence in this critical market," CEO Sue Nabi said in a call with analysts.

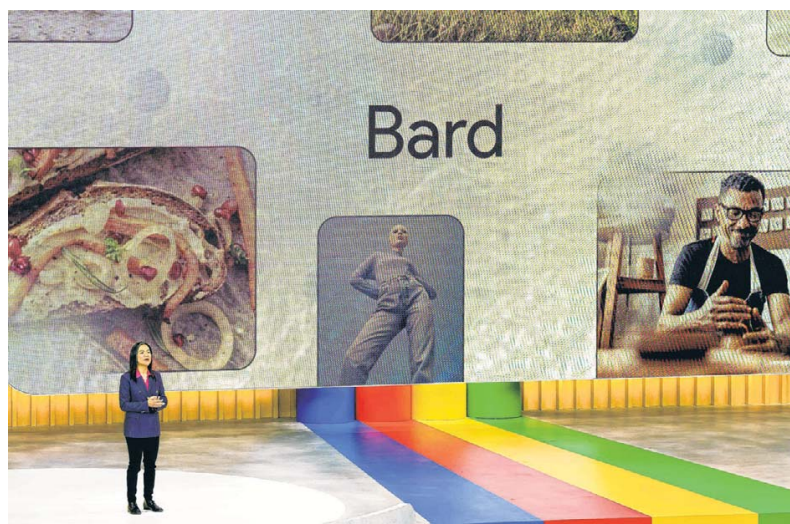
Google Unveils AI In Search

Continued from page B1
oper conference, the company's biggest annual showcase for new products, as it battles concerns that services such as the ChatGPT bot developed by Microsoft-backed OpenAI could chip into its dominance in search and online advertising. "Looking ahead, making AI helpful for everyone is the most profound way we'll advance our mission," Google Chief Executive Sundar Pichai said Wednesday during a keynote address to open the conference.

Google said Bard, its answer to ChatGPT, is now freely available in English in more than 180 countries and territories, and would soon support 40 languages, including Japanese and Korean. The chatbot previously could only be accessed from a waiting list.

A new version of Google's flagship AI program, PaLM 2, short for Pathways Language Model, will be used in 25 products across the company, including Bard and the search features.

The company's line of Pixel



Conversational features in search and the chatbot Bard were highlighted at Wednesday's I/O forum.

phones will also begin selling a foldable version that opens into a tablet, a product the company called the thinnest folding phone to date.

Google has been retooling its search engine in response to threats ranging from AI bots such as ChatGPT to the short-video app TikTok. Microsoft last week removed the wait list for a version of its Bing search engine that uses the technology behind ChatGPT to engage in conversations.

On Wednesday, Google also

introduced a search feature displaying a mix of forum posts and videos from places such as TikTok in a tab labeled "perspectives." The company plans to emphasize that material prominently in the future, part of efforts to make the search engine more "visual, snackable, personal, and human," The Wall Street Journal reported last week.

The changes will nudge the results of Google's search engine further away from the traditional list of web addresses, a

format informally known as the "10 blue links."

"The future of search is about blending the best of search and the best of generative AI," said Liz Reid, a vice president on the search team. "It's not an either-or."

The new AI search features will include clearly labeled advertisements in dedicated slots, Google said. Ads on the search engine and other Google websites brought in \$162 billion of revenue last year, the majority of sales at Alphabet.

Google employees are testing the new AI search features under the code name "Magi" before they are released to users in the coming weeks. They will initially only be available in Google's Chrome desktop browser and the mobile app.

The AI features appear prominently at the top of results for a range of search queries, according to a demo provided to the Journal. Some queries automatically returned lengthier responses; others required clicking a "generate" button to produce the same result.

A button at the bottom of the response invited users to ask follow-up questions, triggering what Google described as a new conversational mode in the search engine.

The new feature typically included as many as three links to outside websites displayed to the right of the AI-generated passage, according to the demo. That approach differed from other conversational AI search engines, such as the new version of Bing, which displays citations for individual sentences.

Google designed the technology to surface links that broadly corroborate the information presented in the passages, Ms. Reid said. If the program cannot corroborate an answer, it won't display that passage, she added.

Ms. Reid said Google would

monitor the implications of the new features for website owners and work with online publishers throughout the process.

"If we handle the technology right, with all of the effort to make search more natural, people will ask more questions," Ms. Reid said. Google has sent a growing amount of traffic to other websites every year, she added.

As with Bard, Google called the new AI search features an experiment and said it would listen to user feedback. The company said it restricted the search engine's ability to hold free-flowing conversations after finding such outputs displayed a higher likelihood of inaccuracies.

Google will also restrict responses for certain dangerous and explicit topics and include extra disclaimers around health queries, though content that violates company policies might still appear, it said.

Asked on Tuesday who is winning the Russia-Ukraine war, the new AI features produced a three-paragraph passage making a case that Ukraine was winning, linking to articles from the New Yorker, the Council on Foreign Relations and Wikipedia.

Ms. Reid said the feature shouldn't have provided an answer to that prompt, adding, "It's a little definitive for what I would say is the story."

Rockwell Is Probed Over China

Continued from page B1
with applicable laws and regulations.

The Energy Department and its Office of Inspector General declined to comment. The Commercial Litigation Branch of the Justice Department and the Pentagon's Office of Inspector General didn't respond to requests for comment.

The possible remedies or recommendations that the U.S. government could seek as a result of the probe couldn't be

determined. The investigation is in its early stages and could result in no action against Rockwell.

Authorities are reviewing concerns about Rockwell's Dalian operations in the context of a federal directive that restricts vendors from countries including China that are deemed a threat to national security from providing technology and hardware to the federal government, according to the investigative memorandum.

The focus of government investigators on business practices in China of a major U.S. government contractor shows the extent to which relations between the two countries have become defined by mutual suspicion and U.S. concerns over Beijing's efforts to boost its technological prowess and

intelligence-gathering by infiltrating American computer networks. The scrutiny of Rockwell comes after the U.S. government campaigned globally to stymie China's Huawei Technologies, a provider of telecommunications-infrastructure hardware, saying it threatened U.S. national security because Beijing can compel Chinese companies to hand over data.

Rockwell shares closed down 2.8% Wednesday at \$270.09. In the memorandum, the whistleblower alleged that Rockwell does its code development, support and patching—updating software to fix vulnerabilities—using only Chinese nationals at the facility in Dalian.

As a result, some companies

and government entities that do business with Rockwell are worried about potential security implications, the memorandum said and U.S. officials confirmed.

Among those concerns: the potential for Chinese nationals working at the facility or the Chinese state operating through those employees to identify and exploit vulnerabilities in Rockwell code to hack into U.S. systems before those bugs are addressed.

The U.S. officials and documents didn't suggest that Rockwell has any current vulnerabilities in its products' software codes.

Rockwell has had operations in Dalian since 1994, but the growing tensions between the U.S. and China in recent years have prompted changes to U.S.

regulations. Those changes require companies operating in countries known for conducting aggressive cyber operations, such as China, Russia and Iran, to monitor personnel and restrict access that locals have to product code.

The U.S. has vowed in recent years to degrade or counter cybersecurity threats before they reach U.S. networks, including those of the federal government and its contractors.

While some American companies have shifted operations elsewhere, many are reluctant to retreat, pointing to China's huge market and its central role in supply chains.

Last month, the U.S. Chamber of Commerce warned of the mounting risks of doing business in China, particularly in the midst of Beijing's new

counterespionage law, "which casts a wide net over the range of documents, data or materials considered relevant to national security."

Rockwell Chief Financial Officer Nick Gangestad said Wednesday that security is a top priority and, if necessary, the company would consider moving its software operations out of China.

"It's something that could be addressed," Mr. Gangestad said at the Oppenheimer Industrial Growth Conference. "We recognize that the global threat landscape is evolving and we work closely with the U.S. government and we will continue to work closely with the U.S. government to monitor that environment and if needed, if we need to take action, we of course will take that action."

BUSINESS NEWS

Shkreli Companies File for Bankruptcy

BY ALEXANDER GLADSTONE

Vyera Pharmaceuticals, the company that Martin Shkreli founded and used to conduct a securities fraud that landed him in prison, filed for bankruptcy Wednesday.

Vyera, its Swiss parent company Phoenixus and several affiliates filed for protection in the U.S. Bankruptcy Court in Wilmington, Del., after the reputational harm from Mr. Shkreli's fraud hampered them from opening bank accounts, commercializing products or raising capital, court papers say. A lawyer for Mr. Shkreli had no comment Wednesday.

Mr. Shkreli founded the companies in 2014, originally under the name Turing Pharmaceuticals, focusing his efforts on acquiring drugs that were the only viable option for patients afflicted with rare life-threatening diseases and then raising prices.

He was arrested in 2015, convicted of federal securities fraud in 2017, and began serving a federal prison sentence that year.

But he continued with his business strategy from prison, conducting his operations by giving orders to directors and officers he appointed using a contraband cellphone. In 2020, the Federal Trade Commission and a number of state attorneys general sued Mr. Shkreli, Vyera and Phoenixus for alleged antitrust violations.

Following the FTC complaint, the business appointed a new board and management team which took steps to eliminate Mr. Shkreli's influence, according to papers filed Wednesday by their chief restructuring officer, Lawrence Perkins.

—Becky Yerak contributed to this article.

Big Lithium Producers to Merge

Livent, Allkem deal to create \$10.6 billion firm as demand soars for EV battery metal

BY RHIANNON HOYLE

ADELAIDE, Australia—Lithium producers Livent and Allkem said they had agreed to a merger that will create a global mining company worth \$10.6 billion, illustrating how a surge in demand for the battery mineral used in electric vehicles is sparking a rush to do deals.

The all-stock transaction will result in shareholders of U.S.-based Livent owning around 44% of the combined company, with shareholders of Australia-listed Allkem holding the remaining stock, the companies said in a joint statement Wednesday. The enlarged company will have its headquarters in North America, and a primary listing on the New York Stock Exchange.

The merger would bring together lithium mines and deposits in Canada, Australia and South America with a network of chemical-processing plants, including in the U.S. and China, where some of the world's biggest manufacturers of electric vehicles are located.

The combined group will be able to produce lithium more quickly than either of the companies can alone, said Livent Chief Executive Paul Graves, who will lead the new entity.

"It really comes down to one key point which is: Our customers need us to get bigger," Mr. Graves said in an interview. "They need more lithium, and developing lithium resources is not a game for small companies."

Once a tiny market largely ignored by commodities traders, lithium has experienced rapid growth in recent years as automakers such as Tesla increased sales of electric vehicles. Lithium, a silvery-



The brine pool of a lithium mine in Chile's Atacama Desert. The metal is a key material for several clean-energy technologies.

white metal, is also used in rechargeable batteries for smartphones and is a key material for several clean-energy technologies.

The global market for lithium grew to \$48 billion last year, from \$1.6 billion in 2015, said Ricardo Morales, an adviser at Benchmark Mineral Intelligence, which assesses prices for the global battery supply chain. Still, that is smaller than many commodity markets, such as copper, which is worth about \$160 billion.

Many forecasters expect the lithium market to keep growing as the world decarbonizes. According to the International Energy Agency, achieving the goals of the Paris climate agreement would boost lithium demand more than 40 times by 2040 versus 2020 levels.

That is putting pressure on supply to keep up, especially as many lithium deposits are in developed countries such

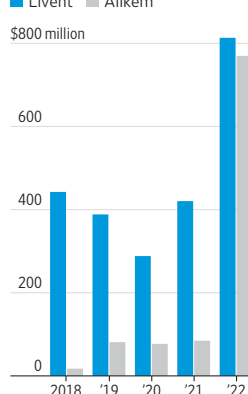
as Australia where securing permits to develop a mine can take time and operations require infrastructure, including roads, to move output to customers. Converting lithium into battery-grade chemicals is then a complex process.

Recognizing this, some lithium producers are scrambling to get bigger via deals. In March, Charlotte-based Albemarle proposed a more than \$3-billion acquisition of Lontown Resources, an Australian lithium company. Lontown rejected that offer as too low and last week said it hadn't received any new takeover proposals since.

Mr. Graves said bringing together Allkem and Livent would create a company with greater scale, a larger product range and a wider geographic footprint to meet the growth in lithium demand. Livent's expertise is in lithium processing, while Allkem has a large resource base and a skill

Annual revenue

■ Livent ■ Allkem



Note: Allkem's fiscal year ends in June. Source: S&P Capital IQ

set in producing lithium using techniques such as brine-based extraction and hard rock mining.

Marrying companies with mining and chemicals expertise will be essential to get

lithium to automakers more smoothly, said Mr. Graves. "You have to be integrated from resource all the way through the chemical processing capabilities. Otherwise you only have half the answer for your customers," he said.

Allkem was formed in 2021 by a merger of Orocobre and Galaxy Resources, two of Australia's top lithium miners. Mr. Graves said that alliance sparked his interest in a deal given the fit of those assets with Livent's own.

"And so it's been a while, over 12 months, that we've been talking to each other and trying to figure out how we make this work," he said.

The combined company would have annual revenue of \$1.9 billion and earnings before interest, tax, depreciation and amortization of \$1.2 billion, based on financial data for last year. The deal is expected to close by the end of the year, Livent and Allkem said.



The news organization said it expects digital-advertising revenue to decline in the second quarter.

New York Times Posts Higher Revenue, Faces Ad Challenges

BY ALEXANDRA BRUELL

New York Times Co. gained 190,000 digital subscribers in the first quarter but said its advertising business continued to face challenges in an uncertain economy.

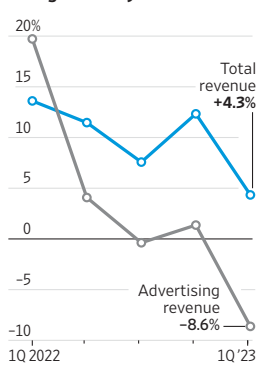
The news organization said it now has more than 9 million digital-only subscribers—which it defines as people who subscribe to at least one Times digital product—and generated more revenue from each of them than it did in recent quarters, though still less than in the year-earlier period. Taking into account its print operations, the company had a total subscriber base of 9.7 million.

The Times continued to offer heavily discounted access to its bundle of products—which includes its core news, games and cooking offerings as well as the sports publication the Athletic and Wirecutter, a product-recommendation website—and said the number of bundle and multi-product subscribers crossed the 3 million mark during the quarter.

"While advertising continues to experience near-term, cyclical challenges, our bundle strategy is gaining momentum," Chief Executive Meredith Kopit Levien said.

Overall, first-quarter revenue grew by 4.3% from a year

New York Times revenue, change from a year earlier



Source: the company

earlier to \$560.7 million, while net profit soared to \$22.3 million from \$4.7 million, partly due to acquisition-related charges in the year-earlier period.

Digital-advertising and total advertising revenue decreased 8.6% as the economic environment continued to affect the company's ad business, the company said.

The Times said it expects digital-advertising revenue to fall again in the second quarter by low-to-mid single digits in percentage terms.

Advertising revenue was down more than the company expected in the quarter, Ms. Kopit Levien said, as market-

ers pulled back on spending in some of the company's largest categories, such as technology, finance and media.

The company said it generated \$9.04 in revenue per digital-only subscriber, less than it did in the year-earlier period but more than it did in each of the previous three quarters. Its revenue-per-user metrics have been pressured by discounting efforts as the Times looks to increase bundle subscribers. New digital bundle subscribers are currently charged \$4 every four weeks for the first year instead of \$25, a further discount from the company's \$6 offer last quarter.

The company has no real indication of how quickly subscribers will renew when the one-year discount ends, since the offering is new, Chief Financial Officer Roland Caputo said during the call.

The Times said it is raising prices for news subscribers to \$20 every four weeks from \$17. Games and cooking are both increasing from \$5 to \$6, it said.

The company on Wednesday appointed Times veteran William Bardeen as executive vice president and chief financial officer. Mr. Bardeen, who is currently chief strategy officer, succeeds Mr. Caputo, who said last year he would retire from the role.

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BUSINESS NEWS

Toyota Speeds Electric Shift With \$7 Billion Investment

By RIVER DAVIS

TOKYO—Toyota Motor's new management, looking to make up lost ground in electric vehicles, said it would add billions of dollars in spending to reach EV targets.

Toyota said Wednesday it would invest an additional ¥1 trillion, equivalent to \$74 billion, in EVs through 2030, bringing Toyota's total planned outlays for the period to around \$37 billion.

The Japanese automaker said it aimed to sell 202,000 EVs for the current fiscal year ending in March 2024—a figure that would more than

quintuple its sales from the previous year. If achieved, those sales would bring Toyota one step closer to its goal of shipping 1.5 million EVs in 2026 and 3.5 million in 2030.

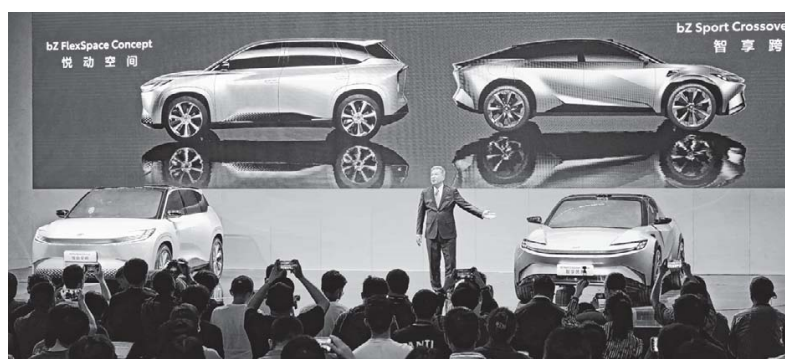
Toyota has moved more slowly toward EVs than others in the industry, choosing to throw its weight behind the hybrid gas-electric cars that it pioneered in the late 1990s. The automaker estimates it will sell more than 3.6 million hybrid vehicles this year, a figure that would exceed the total number of EVs Toyota aims to sell globally in 2030.

Toyota's strategy of spreading its bets when it comes to

the future of cars was championed by longtime President Akio Toyoda, who became chairman in April. Toyota's new president, Koji Sato, has largely stood by his former boss's stance that high-margin hybrid vehicles are a practical way of generating cash now that can later be invested in EVs.

With EV sales rapidly picking up in some regions of the world, "Toyota will seek to provide optimal solutions at an accelerated pace without wavering from our multipathway approach," Mr. Sato said Wednesday.

Last month, Mr. Sato said Toyota would release 10 new EV



The automaker said it aimed to sell 202,000 EVs for the current fiscal year that ends in March 2024.

models by 2026 and form a new unit within the company to focus solely on fully electric cars. According to Toyota, the additional spending will help ensure it can achieve its EV sales targets for the current decade.

Echoing comments made by other industry executives

struggling to turn their EV portfolios profitable, Toyota Executive Vice President Hiroki Nakajima said Wednesday that EV margins are likely to be weighed down by the high cost of batteries for some time.

In the late 2020s, when Toy-

ota plans to sell millions of full EVs, "we will aim to be able to secure the same level of profitability as today" by selling a variety of other types of vehicles too, Mr. Nakajima said.

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IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

In re: BOY SCOUTS OF AMERICA Chapter 11 AND DELAWARE BSA, LLC Case No. 20-10343 (LSS) Debtors. (Jointly Amended)

AMENDED NOTICE OF ENTRY OF CONFIRMATION ORDER AND OCCURRENCE OF EFFECTIVE DATE OF THIRD MODIFIED FIFTH AMENDED CHAPTER 11 PLAN OF REORGANIZATION (WITH TECHNICAL MODIFICATIONS) FOR BOY SCOUTS OF AMERICA AND DELAWARE BSA, LLC

PLEASE TAKE NOTICE OF THE FOLLOWING:

Confirmation Order. On September 8, 2022, the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") entered an order (DL 10316) (the "Confirmation Order") confirming the Third Modified Fifth Amended Chapter 11 Plan of Reorganization (With Technical Modifications) for Boy Scouts of America and Delaware BSA, LLC (D.10296) (as may be further amended, supplemented, or modified in accordance with the terms thereof, and together with the Plan Supplement and the Plan Documents, the "Plan") in the chapter 11 case of Boy Scouts of America and Delaware BSA, LLC, the above-captioned non-profit corporations that are debtors and debtors in possession (together, the "Debtors").

Affirmation Order. On March 28, 2023, the United States District Court for the District of Delaware entered an Opinion (D.1350) and Order (D.1511) (the "Affirmation Order") affirming the Confirmation Order on appeal (the "Affirmation Order").

Effective Date. On April 19, 2023, the Effective Date of the Plan occurred, and as a result the Plan has been substantially consummated. All conditions precedent to the Effective Date of the Plan set forth in Article IX.6 of the Plan have either been satisfied or waived in accordance with the Plan and Confirmation Order.

Binding Effect. As of the Effective Date, the terms of the Plan (including, without limitation, all discharge, injunction, and release provisions contained in the Plan and the Confirmation Order) and Plan Documents are immediately effective and enforceable against the Debtors, the Reorganized BSA, and any and all holders of Claims against and Interests in the Debtors (respective of whether holders of such Claims or Interests voted to accept the Plan or are impaired under the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan and Confirmation Order, and any and all non-Debtor parties to Executive Contracts and Unexpired Leases, and notwithstanding whether such Person or Entity (a) will receive or retain any property of interest in property under this Plan, (b) has filed a Proof of Claim in the Chapter 11 Case or (c) failed to vote to accept or reject the Plan, affirmatively voted to reject the Plan, or is conclusively presumed to reject the Plan. Pursuant to the terms of the Plan and Confirmation Order, with certain limited exceptions, the rights afforded under the Plan and the treatment of Claims under the Plan are in exchange for and in complete satisfaction of all claims, including all claims arising on or before the Effective Date. With certain limited exceptions, as of the Effective Date, confirmation of the Plan discharges the Debtors from all Claims.

Releases, Exculpation, Discharge, and Injunctions. Article X of the Plan contains important releases of the Debtors and certain third parties, including, without limitation, the Channelling Injunction, the protection for Insureds and Co-Insureds of Settling Insurance Companies, the Post-Confirmation Interim Injunction, and the Insurance Settlement, each of which provisions are set forth herein. Pursuant to the Confirmation Order and Affirmation Order, all such provisions are now in full force and effect as of the Effective Date and shall continue in effect at all times thereafter. You should review the full text of these provisions carefully. FOR AMENDED PLAN TERMS AND CONDITIONS OF THE INJUNCTIONS AND PRECISE SCOPE OF THE CLAIMS TO BE CHANNLED TO THE SETTLEMENT TRUST, PLEASE REFER TO THE SPECIFIC TERMS OF THE PLAN, WHICH CAN BE OBTAINED FREE OF CHARGE BY VISITING <https://cases.ommagelaw.com/BSA> OR FOR A FEE VIA PAGESEAR WWW.DEL.USDCOURTS.GOV.

Channelling Injunction. Pursuant to Article X.1 of the Plan, notwithstanding anything to the contrary herein to preserve and promote the settlements contemplated by and provided for in the Plan, including the Abuse Claims Settlement, the Insurance Settlements, and the United Methodists Settlement, and to supplement where necessary the injunctive effect of the Discharge as provided in sections 1141 and 524 of the Bankruptcy Code and as described in Article X of the Plan, pursuant to the exercise of the equitable jurisdiction and power of the Bankruptcy Court and the District Court under section 105(a) of the Bankruptcy Code (a) the sole recourse of any holder of an Abuse Claim against a Protected Party on account of such Abuse Claim shall be to and against the BSA Settlement Trust pursuant to the Settlement Trust Documents, and such holder shall have no right whatsoever to assert such Abuse Claim against any Protected Party or any property or interest in property of any Protected Party, (b) the sole recourse of any holder of a Post-1975 Chartered Organization Abuse Claim against a Limited Protected Party on account of such Post-1975 Chartered Organization Abuse Claim shall be to and against the Settlement Trust pursuant to the Settlement Trust Documents, and such holder shall have no right whatsoever at any time to assert such Post-1975 Chartered Organization Abuse Claim against any Limited Protected Party or any property or interest in property of any Limited Protected Party, (c) the sole recourse of any holder of an Opt-Out Chartered Organization Abuse Claim against an Opt-Out Chartered Organization on account of such Opt-Out Chartered Organization Abuse Claim shall be to and against the Settlement Trust pursuant to the Settlement Trust Documents, and such holder shall have no right whatsoever

at any time to assert such Opt-Out Chartered Organization Abuse Claim against any Opt-Out Chartered Organization or any property or interest in property of any Opt-Out Chartered Organization. For the avoidance of doubt, the sole recourse for any holder of an Abuse Claim covered by any insurance policy issued by a Settling Insurance Company shall be to and against the Settlement Trust pursuant to the Settlement Trust Documents. Accordingly, on and after the Effective Date, all Persons that have held or asserted, currently hold or assert, or that may in the future hold or assert, any Abuse Claim against the Protected Parties, or any of them, or any Post-1975 Chartered Organization Abuse Claim against the Limited Protected Parties, or any of them, or any Abuse Claim against the Limited Protected Parties (or any of them) issued by such Abuse Claim is covered under any insurance policy issued by any Settling Insurance Company, or any Opt-Out Chartered Organization Abuse Claim against the Opt-Out Chartered Organization, or any of them, shall be permanently and forever stayed, enjoined, and enjoined from taking any action for the purpose of directly, indirectly, or derivatively collecting, recovering, or receiving payment, satisfaction, or recovery from any Protected Party with respect to any such Abuse Claim, or from any Limited Protected Party with respect to any such Abuse Claim if such Abuse Claim is covered under any insurance policy issued by any Settling Insurance Company, or from any Limited Protected Party with respect to any such Post-1975 Chartered Organization Abuse Claim, or from any Opt-Out Chartered Organization Abuse Claim, or from any Opt-Out Chartered Organization Abuse Claim, other than from the Settlement Trust pursuant to the Settlement Trust Documents, including:

- a. commencing, conducting, or continuing, in any manner, whether directly, indirectly, or derivatively, any suit, action, or other proceeding of any kind (including litigation, arbitration, administrative, or other proceeding) in any forum in any jurisdiction around the world against or affecting any Protected Party, Limited Protected Party, or Opt-Out Chartered Organization, or any property or interest in property of any Protected Party, Limited Protected Party, or Opt-Out Chartered Organization;
- b. enforcing, levying, attaching (including any prejudgment attachment), collecting or otherwise recovering by any manner or means, either directly or indirectly, any judgment, award, decree, or order against or affecting any Protected Party, Limited Protected Party, or Opt-Out Chartered Organization, or any property or interest in property of any Protected Party, Limited Protected Party, or Opt-Out Chartered Organization;
- c. creating, perfecting, or otherwise enforcing in any manner, whether directly or indirectly, any Encumbrance of any kind against any Protected Party, Limited Protected Party, or Opt-Out Chartered Organization, or any property or interest in property of any Protected Party, Limited Protected Party, or Opt-Out Chartered Organization;
- d. asserting, implementing or effectuating any self-help right of reimbursement, subrogation or indemnity, control, lien, reimbursement, or recoupment of any kind, in any manner, directly or indirectly, against any obligation due to any Protected Party, Limited Protected Party, or Opt-Out Chartered Organization, or any property or interest in property of any Protected Party, Limited Protected Party, or Opt-Out Chartered Organization; or
- e. taking any act in any manner, and in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan Documents or the Settlement Trust Documents or with regard to any matter that is within the scope of the matters designated by the Plan to be subject to resolution by the Settlement Trust, except in conformity and compliance with the Settlement Trust Documents with respect to any such Abuse Claim, Post-1975 Chartered Organization Abuse Claim, Pre-1976 Chartered Organization Abuse Claim, or Opt-Out Chartered Organization Abuse Claim.

Release. Pursuant to and set forth in full in Article X.1.3 of the Plan, as of the Effective Date, all holders of Abuse Claims are deemed to discharge and release (a) each and all of the Protected Parties and their respective property and successors and assigns and of from all Abuse Claims and any and all Claims and Causes of Action of all of the Limited Protected Parties and their respective property and successors and assigns and of from all Post-1975 Chartered Organization Abuse Claims and all Claims and Causes of Action (c) each of the Participating Chartered Organizations with respect to any Pre-1976 Chartered Organization Abuse Claims and their respective property and successors and assigns and of from all Pre-1976 Chartered Organization Abuse Claims and all Claims and Causes of Action (d) each and all of the Opt-Out Chartered Organizations and their respective property and successors and assigns and of from all Opt-Out Chartered Organization Abuse Claims and all Claims and Causes of Action (e) each and all of the Local Councils, the Contributing Chartered Organizations, the Participating Chartered Organizations, the Opt-Out Chartered Organizations and the Settling Insurance Companies of and from all claims that the Debtors, their Estates, or Reorganized BSA have against such parties with respect to any such Abuse Claims under the Plan.

Releases by the Debtors Relating to Abuse Claims. Pursuant to and set forth in full in Article X.1.2 of the Plan, in furtherance of the Abuse Claims Settlement, on the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, the Debtors, on their own behalf and as representatives of their respective Estates, and Reorganized BSA, are deemed to release each and all of the Local Councils, the Contributing Chartered Organizations, the Participating Chartered Organizations, the Opt-Out Chartered Organizations and the Settling Insurance Companies of and from all claims that the Debtors, their Estates, or Reorganized BSA have against such parties with respect to any such Abuse Claims under the Plan.

Releases and Assignments Contributing Chartered Organizations and Settlement Parties Relating to Abuse Claims. Article X.1.5 of the Plan contains a release by the Contributing Chartered Organizations, including the United Methodists Entities, of the Settlement Parties, which includes the

Debtors, Reorganized BSA, the Related Non-Debtor Entities, the Local Councils, the other Protected Parties, the Limited Protected Parties, the Settling Insurance Companies, the Future Claimants Representative, the Coalition, the Tort Claimants' Committee, and the Settlement Trust, for any and all Claims in connection with the Abuse Claims and the Chapter 11 Cases. Article X.1.5 also contains a reciprocal release by the Settling Parties of the Contributing Chartered Organizations.

Settlement Trust. Pursuant to the terms of the Plan, Confirmation Order, and applicable Settlement Trust Documents, the Settlement Trust has been created and funded to compensate holders of Abuse Claims and resolve all Abuse Claims channeled to the Settlement Trust in accordance with the Trust Distribution Procedures. The Settlement Trust has established a website at <https://SettlementTrust.com>. Survivors are encouraged to check the website regularly to find information about the status of the Settlement Trust.

Insurance Entity Injunction. Article X.H of the Plan contains injunctive provisions against claims relating to any Abuse Insurance Policy or other insurance policy issued by a Settling Insurance Company covering Abuse Claims. Pursuant to the terms of Article X.H of the Plan, as of the Effective Date, all holders of Claims based upon, attributable to, arising out of, or in any way connected with any Abuse Insurance Policy or other insurance policy issued by a Settling Insurance Company covering Abuse Claims shall be stayed, restrained, and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering, or receiving payments, satisfaction, or recovery with respect to any such Abuse Claim.

Protections for Insureds and Co-Insureds of Settling Insurance Companies. Pursuant to Article X.F.3 of the Plan, all Abuse Claims against insureds and co-insureds covered under any insurance policy issued by the Settling Insurance Companies shall be channeled under Article X.F.1 and released under Article X.J.6 as provided in the Insurance Settlement Agreements.

One Year Limited Protected Party Injunction for Chartered Organizations. Article X.F.2 of the Plan contains the Limited Protected Party Injunction, which stays the prosecution of any Abuse Claim that was commenced prior to or after the Effective Date against a Chartered Organization through the later of (a) forty-five (45) days after the resolution of the Abuse Claim that is subject to the Independent Review under the Trust Distribution Procedures or (b) the Limited Protected Party Injunction Date, which is the twelve (12) month period following the Effective Date, as may be extended pursuant to the Settlement Trust Agreement, to afford Participating Chartered Organizations an opportunity to negotiate an appropriate settlement with the Settlement Trust and become a Contributing Chartered Organization. The Settlement Trust will establish a website at <https://SettlementTrust.com> to provide further information.

Releases by Holders of Non-Abuse Claims. Article X.1.4 of the Plan contains a release of the Released Parties by the Releasing Claim Holders, which generally includes holders of Claims that voted on the Plan or were presumed to accept the Plan and did not opt out of such releases as set forth in full in the Plan, except as otherwise provided in the Plan or Confirmation Order, and pursuant to Article X.1.4 of the Plan, the Releasing Claim Holders are deemed to release the Released Parties for all and all Claims and Causes of Action relating to, among other things, the Debtors, their Estates, the Chapter 11 Cases, and the various settlements contemplated by the Plan.

Professional Fee Claims. In accordance with Article II.A of the Plan and the Confirmation Order, Professionals or other Persons requiring the final Allowance and payment of compensation and/or reimbursement of expenses pursuant to sections 226, 239, 331, and 332 of the SDNY Bankruptcy Code, the Plan, for services rendered during the period from the Petition Date to and including the Effective Date must file and serve final applications for Allowance and payment of Professional Fee Claims on counsel to the Debtors and the United States Trustee no later than **June 5, 2023**.

Rejection Damages Bar Date. As set forth in Article VI of the Plan, unless otherwise provided by a Final Order of the Bankruptcy Court, all Proofs of Claim for Rejection Damages Claims, if any, must be filed within thirty (30) days after the latest to occur of: (1) the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection; (2) the effective date of the rejection of such Executory Contract or Unexpired Lease; or (3) the Effective Date of the Plan. Claims arising from the rejection of an Executory Contract or Unexpired Lease shall be classified as General Unsecured Claims and subject to the provisions of Article VII of the Plan and the applicable provisions of the Bankruptcy Code and Bankruptcy Rules.

Access to Documents. Copies of the Plan, Confirmation Order, the Settlement Trust Documents, or any other pleadings or documents filed in these chapter 11 cases may be obtained free of charge by visiting <https://cases.ommagelaw.com/> or by contacting the Settlement Trust at info@settlementtrust.com. The Settlement Trust will establish a website to provide more information about the Settlement Trust, including the Settlement Trust Agreement and the Trust Distribution Procedures, which will be available free of charge at <https://SettlementTrust.com>.

WHITE & CASELL
MORRIS, NICHOLS, ARSH & TUNNELL LLP

The Debtors in these chapter 11 cases, together with the last four digits of each Debtor's federal tax identification number, are as follows: Boy Scouts of America (6300) and Delaware BSA, LLC (4311). The Debtors' mailing address is 1325 West Walnut Hill Lane, Irving, Texas 75038.

² This notice contains certain capitalized terms that are used but not otherwise defined herein. Such capitalized terms are defined in Article I.A of the Plan (Definitions) or the Confirmation Order, as applicable.

³ This notice is intended to provide notice of the Effective Date. Among other things, and it does not, shall not be construed to, limit, modify, or interpret any of the provisions of the Plan, Insurance Settlement Agreements, Confirmation Order, or Affirmation Order. Some of these provisions are included herein for the convenience of creditors; however, creditors should refer to the full text of these documents and should not rely upon the summary provided herein.

⁴ A list of current Protected Parties is set forth in the Plan and a list of the Limited Protected Parties is available at <https://cases.ommagelaw.com/cba>.

NOTICE OF SALE

UCC Public Sale Notice

Please take notice that Newmark ("Newmark"), on behalf of 100 MILE PLAZA GRANDE LLC, a New Jersey limited liability company (the "Secured Party"), offers for sale at public auction on **Thursday, June 15, 2023, at 9:00 a.m. (Eastern Time)** at the offices of Cole Schotz P.C., 25 Main Street, Court Plaza North, Hackensack, New Jersey 07601, and also being broadcast for remote participation via virtual videoconference, in connection with a Uniform Commercial Code sale, 100% of the limited liability company membership interests (the "Interests") in TSV PLAZA GRANDE, LLC, a Delaware limited liability company (the "Borrower"), which is the sole owner of the property commonly known as the Plaza Grande at Garden State Park Condominium located in Cherry Hill, New Jersey (the "Property"). The Interests are currently owned by TSV/TGA-Garden State Park Company, LLC, a Delaware limited liability company (the "Pledgor").

The Secured Party, as lender, made a loan (the "Loan") to the Pledgor. In connection with the Loan, the Pledgor granted to the Secured Party a first priority lien on the Interests pursuant to that certain Pledge and Security Agreement, dated as of August 23, 2021 (the "Pledge Agreement"). The Secured Party is offering the Interests for sale in connection with the foreclosure on the pledge of such Interests.

The sale of the Interests will be subject to all applicable third-party consents and regulatory approvals, if any, and the outstanding balance due on the Loan pursuant to the terms of the Loan Documents. Without limitation to the foregoing, please take notice that there are no liens or other claims against the Property and the Interests (b) binding on the Interests, including but not limited to, that each bidder must deliver such documents and pay any amount due to the Pledgor by the applicable opening and (c) binding on the Interests, including but not limited to, that each bidder must deliver such documents and pay any amount due to the Pledgor by the applicable opening and (d) binding on the Interests, including but not limited to, that each bidder must deliver such documents and pay any amount due to the Pledgor by the applicable opening.

The Interests are being offered as a single lot, "as-is, where-is," with no express or implied warranties, representations, statements or conditions of any kind made by the Secured Party or any person acting for or on behalf of the Secured Party, and the Pledgor, and whatever to the Secured Party or any other person acting for or on behalf of the Secured Party and each bidder must make its own inquiry regarding the Interests and the qualifications of any bidder desiring to bid for the payment of all transfer taxes, stamp duties and similar taxes incurred in connection with the purchase of the Interests.

Secured Party reserves the right to credit bid, set a minimum reserve price, reject all bids (including, without limitation, any bid that it deems to have been made by a bidder that is unable to satisfy the requirements imposed by Secured Party upon prospective bidders in connection with the sale or to whom in Secured Party's sole judgment a sale may not lawfully be made), terminate or adjourn the sale at any other time, without further notice, and to sell the Interests to the highest bidder in public or private and to impose any other commercially reasonable conditions upon the sale of the Interests as Secured Party may deem proper. Secured Party further reserves the right to determine the qualifications of any bidder desiring a prospective bidder's ability to close the transaction on the terms and conditions referenced herein and to modify these terms of sale. Secured Party further reserves the right to verify that each bid certifies that the Interests to be sold bears a legend substantially to the effect that such interests have not been registered under the Securities Act of 1933, as amended (the "Securities Act") and to impose such restrictions or conditions in connection with the sale of the Interests as the Secured Party deems necessary or advisable in order to comply with the Securities Act or any other applicable laws.

All bids (other than credit bids of the Secured Party) must be for cash, and the successful bidder must be prepared to deliver immediately available good funds to the Secured Party in order to complete the purchase in compliance with the bidding requirements and to contact Newmark using the contact information below.

Contact Information for Newmark: Attn: Jessica Merritt | Tel: 212-859-9452 | E-mail: Jessica.Merritt@nmk.com

PUBLIC NOTICES

ADVERTISEMENT OF SCHEME MEETING

THE HIGH COURT

IN THE MATTER OF CRH PLC

– and –

IN THE MATTER OF THE COMPANIES ACT 2014

– and –

IN THE MATTER OF SECTION 450 OF THE COMPANIES ACT 2014

– and –

IN THE MATTER OF A PROPOSAL FOR A SCHEME OF ARRANGEMENT

NOTICE IS HEREBY GIVEN that an Originating Notice of Motion was made returnable before the Irish High Court on 8 May 2023 applying for an Order pursuant to Section 450(3) of the Companies Act 2014 (the "2014 Act") directing that the shareholders of the Ordinary Shares (including the scheme document (the "Scheme Document")), further to the proposed scheme of arrangement between CRH plc (the "Company") and the holders of the Ordinary Shares (the "Scheme") pursuant to Chapter 1 of Part 9 of the 2014 Act, be convened to consider and, if thought appropriate, approve (with or without modifications), addition(s) or condition(s) imposed by the Irish High Court) the Scheme (such meeting, the "Scheme Meeting"), which pressions shall include adjourned or postponed.

The purpose of the Scheme is to provide for the transfer of the legal title (but not the beneficial interests) in the Scheme Shares (as defined in the Scheme Document) so as to (i) permit the Ordinary Shares to be transferred, settled and cleared through DTCC (ii) terminate the Shareholders of the Company on or about 9 May 2023 (the "Crucial").

In addition to the approvals to be sought at the Scheme Meeting, the Scheme will require the passing of certain resolutions at a separate extraordinary general meeting of the Company to be convened at the same time as the Scheme Meeting on or about 9 May 2023 (the "Crucial").

The High Court directed that the entitlement to attend, speak and vote at the Scheme Meeting and the number of votes that may be cast thereat be determined by reference to the Register of Members at 7:00 p.m. (Irish time) on 4 June 2023 (or, if the Scheme Meeting is adjourned, 7:00 p.m. (Irish time) on the day before a date not more than 72 hours before the adjourned Scheme Meeting in accordance with Section 1007(6) of the 2014 Act) (the "Voting Record Time"), as detailed in the circular distributed to the shareholders of the Company on or about 9 May 2023 (the "Circular").

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BUSINESS NEWS

Young Firms Face Uncertain Economy

By JAMES RUNDLE

Newer cybersecurity companies are grappling with uncertain economic conditions as they find it harder to raise capital, continue to trim their workforces and refocus on profits after long periods of chasing growth.

Fed by a glut of venture-capital investment, many private cybersecurity providers hired widely and expanded their operations significantly in recent years. Some have had to change direction quickly this year, as global economies soured and interest rates rose sharply. Staff numbers have often been the first casualty.

“Companies that ramped up too fast last year are the ones who are laying off,” said Ravi Srinivasan, chief executive of cybersecurity company **Votiro**, which was started in 2012 and hasn’t laid off staff.

Although cybersecurity departments at companies across sectors have largely been spared the mass layoffs experienced by other areas, some companies that provide cybersecurity products or services have cut head counts in the face of economic uncertainty.

Thousands of staff have been laid off from security providers in recent months, often in sales and marketing roles, but also in areas such as engineering. Recently, cybersecurity vendor **Bishop Fox** laid off 13% of its workforce after the annual RSA Conference held in late April.

“We proactively made these changes in response to the global economic situation and opportunities we identified to make our business more efficient. While demand for our solutions remains solid and our business is stable, we can’t ignore the market uncertainty and investment trends in this very different global economy,” said Chief Executive Vinnie Liu.

Venture-capital funds also are more selective now in where they deploy their capi-



Some providers of cybersecurity products and services have cut head counts in the face of economic uncertainty. A San Francisco cybersecurity conference last month.

tal, said John Masserini, a senior research analyst at consulting company TAG Cyber.

VC funding for cybersecurity companies was \$2.9 billion in the first quarter of 2023, compared with \$5.3 billion during the same period last year, according to cyber recruiting company Pinpoint Search Group.

Chief information security officers, under pressure to justify their own budgets, are changing purchasing strategies. Younger companies without established relationships with security chiefs, or track records with potential customers, may find it harder to win business in the future as a result. John Visneski, CISO at Amazon.com’s MGM Studios,

said he is now considering how vendor products will work with technology he has already deployed, rather than simply buying the most capable product for each area and working out integration later.

He said that as a result, he is probably less likely to take a chance on an early-stage vendor today than he may have been a few years ago.

Benjamin Fabre, chief executive of fraud-prevention company **DataDome**, said he has faced challenges to contract renewals from customers’ chief financial officers, who now review budgets with more intense scrutiny.

Young cyber companies are still able to access funding, but years of outsize rounds and fo-

cus on growth at all costs are starting to be corrected, analysts say. Some companies are finding that to raise the funds they need, they must accept lower valuations than they might have in the past.

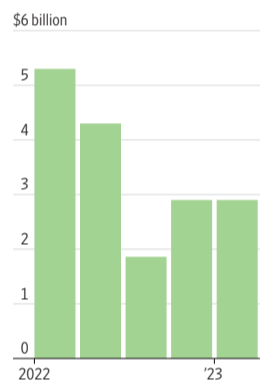
Cybereason, a Boston-based security company, raised \$100 million in Series G financing in early April, led by **SoftBank**. Regulatory filings show that shares were sold at a discount of more than 90% to Cybereason’s previous round in mid-2021, in which it was valued at approximately \$3.1 billion.

The company’s chief executive, Lior Div, was succeeded by SoftBank executive Eric Gan, with Mr. Div taking on an advisory role. Cybereason

didn’t respond to a request for comment.

The overall size of the market also makes it difficult for newer companies to gain a foothold, analysts say. Mr. Masserini of TAG Cyber said his team tracks around 4,800 cybersecurity vendors, and in each segment such as email security, endpoint protection and firewalls, dozens of tech providers compete. “It’s overly saturated,” he said.

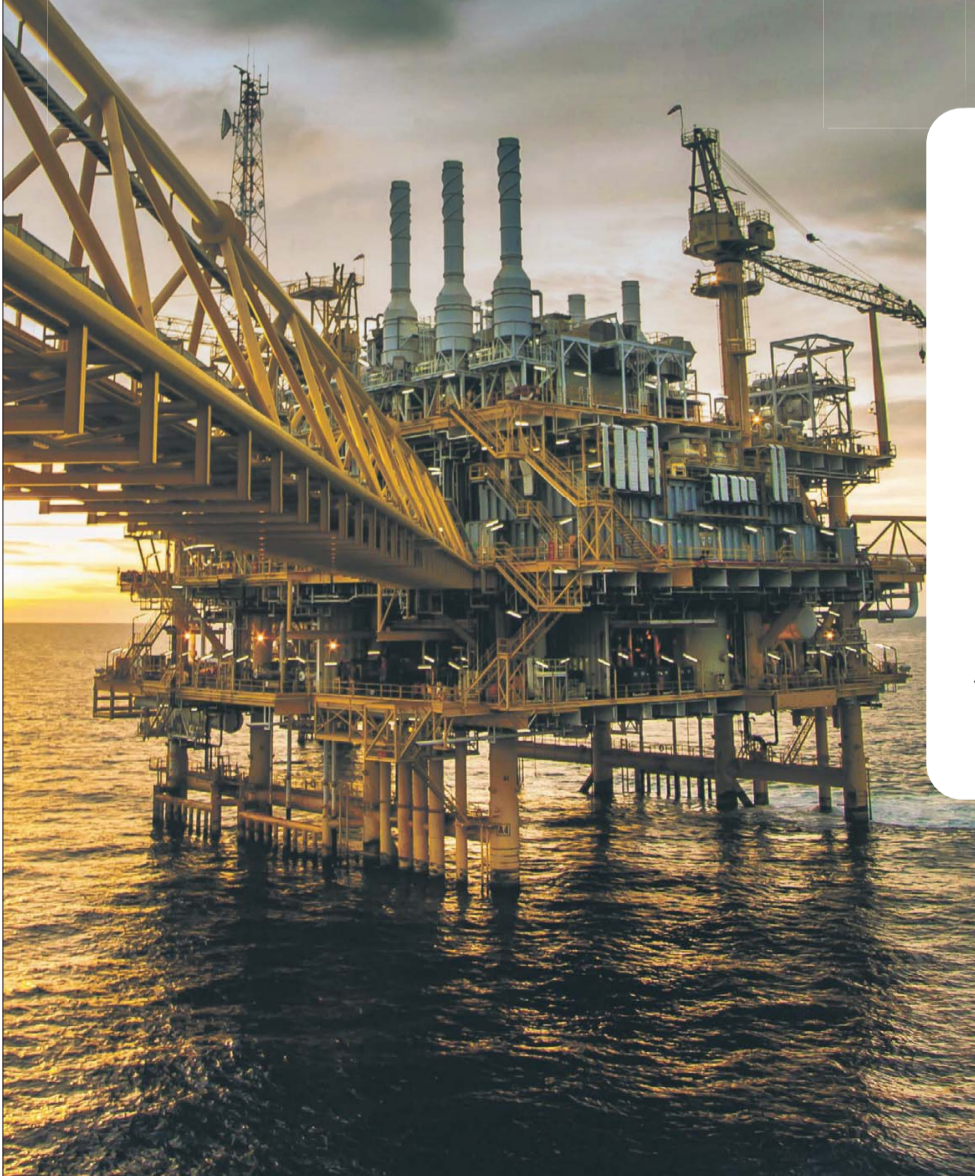
Venture capital funding for cybersecurity companies, quarterly



Source: Pinpoint Search Group

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TECHNOLOGY

TikTok Shop Rollout in U.S. Is Delayed

Sellers' tepid adoption of live streaming, fears of possible ban slow plans for full opening

By RAFFAELE HUANG

SINGAPORE—TikTok's Chinese parent delayed the rollout of its shopping platform in the U.S. as concerns over the video-sharing app's future deter merchants from joining, dragging on the company's plans to earn more money from its prize global asset.

ByteDance has postponed opening the shop to all sellers, originally intended for early spring, to June at the earliest, people familiar with the matter said.

Its actual launch date might get pushed back further because of merchants' concerns about a possible ban of the app and tepid adoption of live-streaming e-commerce in the U.S., the people said.

After a preliminary test launch among a small pool of selected merchants late last year, TikTok struggled to attract more sellers to open storefronts, pushing back its second phase of expanding the test pool until late March, they said.

The delay in opening shops to all sellers is a setback in Beijing-based ByteDance's most lucrative market outside China. Its U.S. business faces headwinds that include rising geopolitical tensions and intensifying e-commerce competition led by rivals such as Shein and PDD Hold-

ings' Temu.

In a comment sent after publication of this article, TikTok said the launch hasn't been delayed and the company continues to expand its testing in the U.S. by inviting more merchants to join as interest continues to grow.

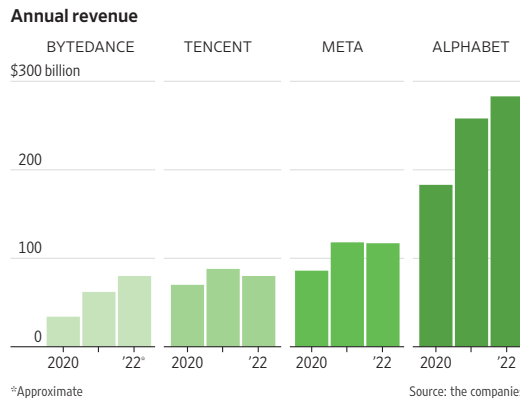
The company's push into online shopping is part of a drive to earn more money from its stable of Chinese and global apps that, while hugely popular, have yet to lift the company into profit.

ByteDance is targeting new revenue streams and has restructured a number of business lines to improve efficiency since Beijing tightened oversight on China's internet sector. ByteDance recorded operating losses of more than \$7 billion in 2021, The Wall Street Journal has reported.

The efficiency effort, which executives describe as losing fat and growing muscle, has led to its cutting around 20,000 workers since late 2021, people familiar with the matter said. ByteDance said it currently has over 150,000 employees globally and is hiring.

The private tech company expects revenue growth this year in the high double digits, according to investors recently briefed by the company. Its revenue, mostly from digital advertising, grew over 30% to more than \$80 billion last year, the investors said. That slowed from 80% in 2021.

ByteDance relies on China for more than 80% of its revenue, they said, but growth at its flagship apps—news aggrega-



tor Jinri Toutiao and TikTok's Chinese version, Douyin—has stalled in the crowded marketplace. ByteDance is investing in food delivery and location-based services that bring users to shops, restaurants and hotels.

Outside its home country, ByteDance's main attraction is TikTok, and investors say they are concerned that doubts over the app's fate in the U.S. are causing a ripple effect, expanding risks to its other popular apps, as well as businesses such as advertising, e-commerce and cloud-computing services.

The Biden administration has said that TikTok needs to sell its U.S. operations or face a ban, citing concerns that China could access Americans' user data. TikTok has been negotiating with U.S. officials over ways to build technical safeguards to ringfence the app's U.S. operations.

"If TikTok hypothetically was to be banned in the U.S., customers in countries that are U.S. allies in particular may have substantial concerns over using any business product from ByteDance," said Gary Wang, a former Boston Consulting Group consultant specializing in tech strategy and U.S.-China tech dynamics. ByteDance executives, concerned that users could leave TikTok for alternatives such as Instagram Reels and YouTube Shorts, have pushed another app in the U.S. Lemon8, combining elements of Instagram and Pinterest, had largely focused on Japan and Southeast Asia since its debut in 2020. It has more than five million users.

Lemon8 didn't tap the U.S. market until February, but it and ByteDance's video-editing tool CapCut have been among the most downloaded apps in recent weeks, according to market-intelligence provider

Sensor Tower.

ByteDance has only a handful of employees operating Lemon8 in the U.S., people familiar with the project said. It is hiring and transferring staff from other teams and offices, the people said.

Once dubbed an "app factory," ByteDance has been switching away from costly experiments with rapid-fire new releases to focusing on cashing in on products that are already popular, people familiar with the strategy said.

During a March online meeting to celebrate the company's 11th anniversary, Chief Executive Liang Rubo said ByteDance should focus on two core businesses: information platforms such as TikTok and Douyin, as well as e-commerce, according to people in attendance.

Mr. Liang said ByteDance's leadership in information platforms has become less pronounced in the past two years, with fierce competition at home and overseas, according to the people.

TikTok Shop first launched in Indonesia and the U.K. in 2021 and expanded to several more Southeast Asia countries. The business has grown rapidly in Asia, where shoppers are more willing to buy on short video or live-streaming platforms, but encountered weaker sentiment in the U.K., people familiar with the matter said.

Even in its best-performing market, Indonesia, the e-commerce venture has been bookending losses, as it shares more revenue with sellers and offers

bigger incentives, the people said.

ByteDance hasn't been able to replicate the success of Douyin, TikTok's Chinese sibling, in e-commerce. Last year, Douyin's gross merchandise value, a metric commonly referred to as transaction volume by e-commerce operators, grew 76% to \$204 billion, according to the people.

In January, ByteDance moved Kevin Chen, former president of its Chinese news-aggregator app, Jinri Toutiao, to Singapore to lead the product team for TikTok e-commerce. TikTok's e-commerce team is led by ByteDance's e-commerce head, Bob Kang, who reports to ByteDance's China chairman and head of commercialization, the people said.

ByteDance said Mr. Kang also reports in a dotted line to TikTok CEO Shou Zi Chew for his TikTok e-commerce duties. It said the e-commerce team follows the same access controls as the rest of TikTok.

Mr. Kang pledged at the March meeting to improve the quality of the service and merchandise, people who attended said.

ByteDance tried to give fresh impetus to its U.S. e-commerce venture in March by allowing more sellers to apply for storefronts in TikTok Shop in a second phase of its rollout schedule, but merchants have been hard to attract, people familiar with the plan said. The Information, a technology-industry publication, has previously reported a slow take-up rate from merchants.



Microsoft agreed to buy electricity from Helion Energy, which aims to achieve fusion by 2028. A power test by the startup.

Software Giant Strikes Fusion Deal In Gamble on Unproven Power Tech

By JENNIFER HILLER

Many experts believe fusion power remains decades away. Microsoft thinks it could be just around the corner.

In a deal that is believed to be the first commercial agreement for fusion power, the tech giant has agreed to purchase electricity from startup Helion Energy within about five years.

Helion, which is backed by OpenAI founder Sam Altman, committed to start producing electricity through fusion by 2028 and target power generation for Microsoft of at least 50 megawatts after a year or pay financial penalties.

The commitment is a bold one given that neither Helion nor anyone else in the world has yet produced electricity from fusion.

"We wouldn't enter into this agreement if we were not optimistic that engineering advances are gaining momentum," said Microsoft President Brad Smith.

Fusion powers the sun and stars, and has the potential to provide nearly limitless amounts of carbon-free power if someone can harness it on Earth. The International Atomic Energy Agency expects electricity from fusion to be produced in the second half of the century.

Helion is building a prototype it says will demonstrate the ability to produce electricity through fusion next year.

"The goal is not to make the world's coolest technology demo," Mr. Altman said in an interview. "The goal is to power the world and to do it extremely cheaply."

Mr. Altman, the chief executive officer of OpenAI—the artificial-intelligence startup behind the viral chatbot ChatGPT—said having a first customer is critical for keeping Helion grounded in the realities of business, including working with clients, utilities and electric-grid operators.

No one has yet harnessed fusion, the process that makes the stars shine.

Microsoft earlier this year struck a multibillion-dollar partnership with OpenAI to expand the use of artificial intelligence in its products.

Constellation Energy, which has among its power-generation assets the nation's largest fleet of nuclear plants, would be the power marketer and manage transmission for the project.

Mr. Altman said he is hopeful that Helion can deliver electricity to the grid even earlier than 2028. He has put \$375 million into Helion and said he visits the company once a month, helping execu-

tives figure out what to work on and how to be as efficient as possible, as well as recruiting and assessing talent.

"I had this belief that the two things that would matter most to making the future and raising the quality of life a lot were making intelligence and energy cheap and abundant, and that if we could do that, it would transform the world in a really positive way," Mr. Altman said.

A number of prominent investors from Mr. Altman to Bill Gates have put money into fusion firms, which have raised more than \$5 billion, according to the Washington, D.C.-based Fusion Industry Association.

The process of splitting atoms in nuclear-fission power plants provides nearly 20% of U.S. electricity. But nuclear fusion systems would generate electricity from the energy released when hydrogen atoms are combined to form helium.

The industry got a boost in December when the U.S. Energy Department announced a research breakthrough by scientists after a fusion reaction at the Lawrence Livermore National Laboratory produced more energy than was used to create it by firing lasers at a target.

To be a practical source of power, the entire facility would need to net produce rather than consume energy, and at a price that competes in the broader electricity market.

The agreement for 50 megawatts is a small one for Microsoft. The company is among the world's largest buyers of power-purchase agreements, which allow customers to lock in electricity supplies for multiyear periods. Last year, Microsoft announced deals for 1.2 gigawatts of clean power, according to BloombergNEF.

Mr. Smith said Microsoft believes that the biggest innovations of this decade could come in fusion power, artificial intelligence and quantum computing, "that all could intersect with each other." Both AI and quantum computing would require huge amounts of electricity, which fusion could provide.

"As a purchaser when we lean in at the right moment in the right way we can help make new markets," Mr. Smith said.

David Kirtley, CEO at Helion, said that like a wind- or solar-power developer—the more typical energy firms involved in power purchase agreements—Helion would pay Microsoft financial penalties if it doesn't deliver power on time. The companies declined to specify the amount.

"There's some flexibility, but it is really important that there are significant financial penalties for Helion if we don't deliver," Mr. Kirtley said. "We think the physics of this is ready for us to signal the commercialization of fusion is ready."

Microsoft Freezes Pay For Full-Time Workers

By JOSEPH DE AVILA

Microsoft said it won't raise salaries for full-time employees this year, the latest sign of tech companies' belt-tightening amid concerns about a slowing economy.

The software company, which is in the midst of embracing new artificial-intelligence tools that could revolutionize work and learning, said it plans to offer promotions, bonuses and stock awards to full-time employees this year. "As a company we recognize that navigating both a dynamic economic environment and a major platform shift requires us to make critical decisions in how we invest in our people, our business and our future," a Microsoft spokesperson said Wednesday.

Microsoft said last month that its growth remained subdued in the first three months of the year. Economic concerns have damped consumer demand and hurt corporate orders for the company's software and cloud services. Its

cloud-computing business has also slowed after years of expansion.

The downbeat outlook comes as the company has drawn attention for its focus on AI. Earlier this year, Microsoft said it was deploying the technology behind the viral chatbot ChatGPT across its products. Microsoft has said it is investing billions in OpenAI, the startup behind ChatGPT.

Still, Microsoft, like other tech companies, has been cutting staff. It said in January that it planned to eliminate 10,000 jobs, its largest layoffs in more than eight years.

Facebook parent Meta Platforms, Google parent Alphabet, Amazon and Salesforce are among the many tech companies that have announced layoffs. Tech companies have slashed more than 192,000 jobs this year, according to data tracker Layoffs.fyi.

Earlier this week, Microsoft's LinkedIn said it was closing its China-focused jobs app and cutting 716 positions globally.

Robinhood All-Day Trading Set

Continued from page B1

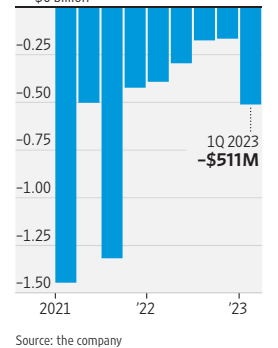
tors who wish to buy or sell stocks even later at night have few options. Rival brokerages E*Trade and TD Ameritrade allow overnight trading between 8 p.m. and 4 a.m. ET, but only in about two dozen ETFs. Robinhood is set to become the first U.S. brokerage to provide overnight trading in individual stocks.

Trading activity is typically thin outside of normal market hours, meaning that relatively small bursts of buying or selling can trigger price swings. As a safeguard, Robinhood customers trading overnight will only be able to place limit orders—in which the investor specifies a maximum price to buy or a minimum price to sell—and not riskier market orders.

Robinhood will route customers' nighttime stock orders to Blue Ocean, a trading platform that runs a special session between 8 p.m. and 4 a.m. ET. Other U.S. brokers that offer overnight trading use Blue Ocean as well. Electronic market-making firms such as Jane Street Group and Virtu Financial take the other side of investors' orders on Blue Ocean, and seek to profit by buying stocks for a slightly lower

price than they sell them for.

Blue Ocean has also joined with major Asian brokerages, such as South Korea's Samsung Securities and Hong Kong's Futu, to offer their customers access to U.S. stocks during daytime hours in Asia. Asian investors have helped Blue Ocean's trading volumes rise to an average of 16.9 million shares a night in April, up from 1.1 million in January, the company says.



price than they sell them for.

Another startup trading platform, 24 Exchange, recently applied for approval from the Securities and Exchange Commission to launch the first U.S. stock exchange that would operate around the clock, including on weekends and holidays. But 24 Exchange withdrew its application in February. A spokesman said the company needed more time to address "open items."

NEW HIGHS AND LOWS

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG-Daily percentage change from the previous trading session.

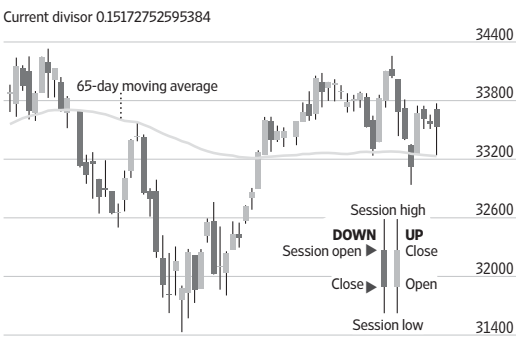
Wednesday, May 10, 2023				52-Wk %				52-Wk %				52-Wk %			
Stock	Sym	Hi/Lo	Chg	Stock	Sym	Hi/Lo	Chg	Stock	Sym	Hi/Lo	Chg	Stock	Sym	Hi/Lo	Chg
Highs				Lows											
ACELYRN	SLRN	25.00	0.9	SageTherap	SAGE	52.75	3.9	GranTerraEner	GTE	5.75	-7.1	HainCelestial	HAIN	14.67	-7.2
Accury	ARAY	3.74	4.5	Salesforce	CRM	206.28	1.8	HainCelestial	HAIN	14.67	-7.2	HillOaksResort	HIO	6.20	-1.9
Achieve16Sci	ACHV	10.00	12.7	ShakeShack	SHAK	67.50	0.6	HallmarkFin	HALL	3.50	-11.3	HancockNts2060	HWCZ	20.55	-4.0
AetheriumAcqn	GMFIU	11.04	5.0	Shopify	SHOP	65.54	-1.1	Hanesbrands	HBI	4.09	-1.0	HillOaksResort	HIO	6.20	-1.9
AlchemylmV1	ALCYU	10.15	0.3	SilverBoxIIA	SBXC	10.07	0.1	HeartlandFinUSA	HTLF	26.66	-3.8	HomeTrustBchs	HTBI	18.34	-2.9
Alcon	ALC	81.20	8.9	SilverBoxIII	SBXC	10.07	0.1	HennessyAdvsrs	HNNIA	6.76	-1.3	IntegratdPdstsh	INTG	19.29	-2.0
AlphaStarAcqn	ALST	10.28	1.6	SKYY	SKYY	24.52	1.1	HomeTrustBchs	HTBI	18.34	-2.9	IntegratdPdstsh	INTG	19.29	-2.0
Altic Acqn	ALCC	10.51	0.9	SKYY	SKYY	24.52	1.1	HomeTrustBchs	HTBI	18.34	-2.9	IntegratdPdstsh	INTG	19.29	-2.0
Aon	AON	337.11	-0.3	SKYY	SKYY	24.52	1.1	HomeTrustBchs	HTBI	18.34	-2.9	IntegratdPdstsh	INTG	19.29	-2.0
AcquisiTherap	AOST	2.60	4.7	SKYY	SKYY	24.52	1.1	HomeTrustBchs	HTBI	18.34	-2.9	IntegratdPdstsh	INTG	19.29	-2.0
Accip	ACCI	47.36	4.6	SKYY	SKYY	24.52	1.1	HomeTrustBchs	HTBI	18.34	-2.9	IntegratdPdstsh	INTG	19.29	-2.0
ArchCapital	ACGL	77.32	0.8	SKYY	SKYY	24.52	1.1	HomeTrustBchs	HTBI	18.34	-2.9	IntegratdPdstsh	INTG	19.29	-2.0
ArtcurusTherap	ARCT	30.28	1.6	SKYY	SKYY	24.52	1.1	HomeTrustBchs	HTBI	18.34	-2.9	IntegratdPdstsh	INTG	19.29	-2.0
AresAcqnA	AAC	10.45	...	SKYY	SKYY	24.52	1.1	HomeTrustBchs	HTBI	18.34	-2.9	IntegratdPdstsh	INTG	19.29	-2.0
AresAcqnII	AACTU	10.18	1.8	SKYY	SKYY	24.52	1.1	HomeTrustBchs	HTBI	18.34	-2.9	IntegratdPdstsh	INTG	19.29	-2.0
AresAcqnA	ARIZ	10.70	1.5	SKYY	SKYY	24.52	1.1	HomeTrustBchs	HTBI	18.34	-2.9	IntegratdPdstsh	INTG	19.29	-2.0
Asserto	ASRT	78.26	8.2	SKYY	SKYY	24.52	1.1	HomeTrustBchs	HTBI	18.34	-2.9	IntegratdPdstsh	INTG	19.29	-2.0
Astronics	ATRO	17.08	5.0	SKYY	SKYY	24.52	1.1	HomeTrustBchs	HTBI	18.34	-2.9	IntegratdPdstsh	INTG	19.29	-2.0
Autz Health	AZ	275.00	0.3	SKYY	SKYY	24.52	1.1	HomeTrustBchs	HTBI	18.34	-2.9	IntegratdPdstsh	INTG	19.29	-2.0
BioS Health	BHS	14.50	1.1	SKYY	SKYY	24.52	1.1	HomeTrustBchs	HTBI	18.34	-2.9	IntegratdPdstsh	INTG	19.29	-2.0
BWV Tech	BWVT	67.50	2.5	SKYY	SKYY	24.52	1.1	HomeTrustBchs	HTBI	18.34	-2.9	IntegratdPdstsh	INTG	19.29	-2.0
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BeFusion	BELF	45.26	2.6	SKYY	SKYY	2									

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

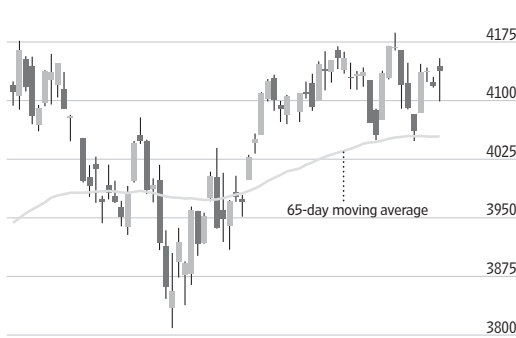
33531.33 ▼30.48, or 0.09%
 High, low, open and close for each trading day of the past three months.



Current divisor 0.15172752595384
 * Weekly P/E data based on as-reported earnings from Biriyni Associates Inc.; * Based on Nasdaq-100 Index

S&P 500 Index

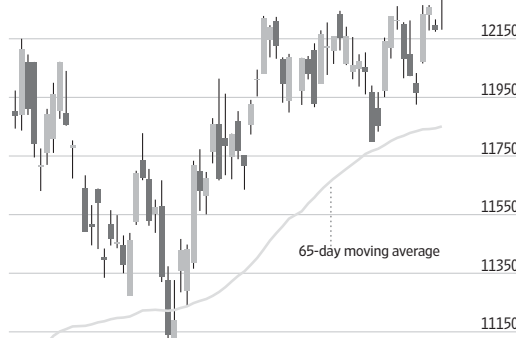
4137.64 ▲18.47, or 0.45%
 High, low, open and close for each trading day of the past three months.



Current divisor 0.15172752595384
 * Weekly P/E data based on as-reported earnings from Biriyni Associates Inc.; * Based on Nasdaq-100 Index

Nasdaq Composite Index

12306.44 ▲126.89, or 1.04%
 High, low, open and close for each trading day of the past three months.



Current divisor 0.15172752595384
 * Weekly P/E data based on as-reported earnings from Biriyni Associates Inc.; * Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD	3-yr. ann.
Dow Jones										
Industrial Average	33772.09	33239.45	33531.33	-30.48	-0.09	34589.77	28725.51	5.3	1.2	11.3
Transportation Avg	14096.79	13757.71	13916.08	-42.22	-0.30	15640.70	11999.40	-2.6	3.9	18.6
Utility Average	969.91	957.51	966.64	7.46	0.78	1061.77	838.99	-2.5	-0.1	8.2
Total Stock Market	41413.60	40851.29	41233.17	185.31	0.45	43441.80	36056.21	4.8	7.0	11.6
Barron's 400	908.43	892.49	901.03	1.32	0.15	1023.20	825.73	0.01	-2.1	13.2

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD	3-yr. ann.
Nasdaq Stock Market										
Nasdaq Composite	12337.69	12180.86	12306.44	126.89	1.04	13128.05	10213.29	8.3	17.6	10.5
Nasdaq-100	13384.42	13204.79	13347.83	146.72	1.11	13667.18	10679.34	11.5	22.0	13.1

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD	3-yr. ann.
S&P										
500 Index	4154.28	4098.92	4137.64	18.47	0.45	4305.20	3577.03	5.1	7.8	12.2
MidCap 400	2471.06	2424.96	2449.02	4.16	0.17	2726.61	2200.75	4.3	0.8	13.5
SmallCap 600	1140.89	1119.20	1130.57	4.34	0.39	1315.82	1064.45	-1.5	-2.3	13.6

Other Indexes	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD	3-yr. ann.
Russell 2000	1772.93	1743.63	1759.51	9.84	0.56	2021.35	1649.84	2.4	-0.1	9.8
NYSE Composite	15441.99	15228.42	15349.17	-3.64	-0.02	16122.58	13472.18	3.0	1.1	10.6
Value Line	544.97	535.26	540.10	0.12	0.02	606.49	491.56	-0.6	0.7	9.3
NYSE Arca Biotech	5343.00	5271.43	5323.05	51.63	0.98	5644.50	4208.43	24.0	0.8	-0.3
NYSE Arca Pharma	891.72	880.49	889.41	1.65	0.19	892.45	737.84	10.5	2.5	11.7
KBW Bank	76.04	73.31	74.16	-0.94	-1.26	116.53	71.96	-30.6	-2.5	1.4
PHLX [®] Gold/Silver	140.38	137.14	138.91	-1.15	-0.82	144.37	91.40	8.5	14.9	4.4
PHLX [®] Oil Service	75.39	73.01	73.92	-0.89	-1.19	93.94	56.08	5.0	-11.8	34.5
PHLX [®] Semiconductor	3019.46	2968.41	2997.51	29.67	1.00	3230.86	2162.32	6.6	18.4	19.1
Cboe Volatility	18.31	16.36	16.94	-0.77	-4.35	34.02	15.78	-48.0	-21.8	-15.4

§ Nasdaq PHLX Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
SPDR S&P 500 ETF Trust	SPY	8,101.6	412.70	-0.15	-0.04	413.23	407.24
iShares Core MSCI EM	IEMG	5,765.4	48.79	0.16	0.33	48.79	48.52
Disney	DIS	5,046.9	96.69	-4.45	-4.40	103.74	96.26
Intel	INTC	4,819.4	30.00	0.03	0.10	31.31	29.91
iSh 7-10Y Treasury Bond	IEF	3,425.0	99.56	-0.14	-0.14	99.80	99.50
Verizon Communications	VZ	2,841.1	37.60	-0.03	-0.08	37.68	37.49
AT&T	T	2,821.1	17.03	-0.01	-0.06	17.04	17.01
Unity Software	U	2,806.5	31.94	3.20	11.13	33.68	28.68

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Purple Innovation	PRPL	362.8	3.09	0.59	23.60	3.28	2.54
Home Point Capital	HMPT	247.6	2.23	0.32	16.75	3.09	1.91
Applavin	APP	210.1	19.82	2.01	11.29	20.05	17.70
Unity Software	U	2,806.5	31.94	3.20	11.13	33.68	28.68
Maxon Solar Tech	MAXN	73.3	30.70	2.70	9.64	31.07	27.96

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
SONO	SONO	1,063.0	17.00	-4.15	-19.62	21.20	16.47
WW International	WW	415.8	7.57	-0.73	-8.80	8.47	7.20
ADC Therapeutics	ADCT	1,643.3	2.21	-0.19	-7.92	2.21	2.21
CME Group Cl A	CME	159.1	175.33	-9.98	-5.38	185.31	175.33
Conduent	CNDT	85.0	2.77	-0.13	-4.48	2.90	2.77

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	903,467,621	12,619,106
Adv. volume*	429,891,264	7,821,685
Decl. volume*	464,742,774	4,161,900
Issues traded	3,086	316
Advancers	1,707	128
Decliners	1,264	168
Unchanged	115	20
New highs	60	4
New lows	69	9
Closing Arms*	1.41	0.18
Block trades*	4,361	117

	Nasdaq	NYSE Arca
Total volume*	4,948,263,516	279,999,630
Adv. volume*	2,737,144,052	142,900,947
Decl. volume*	2,109,145,859	133,315,552
Issues traded	4,613	1,723
Advancers	2,541	1,108
Decliners	1,849	596
Unchanged	223	19
New highs	106	21
New lows	171	10
Closing Arms*	1.06	1.77
Block trades*	28,043	1,253

* Primary market NYSE, NYSE American NYSE Arca only. (TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	652.43	1.32	0.20	7.8
	MSCI ACWI ex-USA	302.89	-0.65	-0.22	7.7
	MSCI World	2822.60	7.31	0.26	8.4
	MSCI Emerging Markets	979.64	-2.60	-0.27	2.4
Americas	MSCI AC Americas	1571.08	7.038	0.45	7.8
Canada	S&P/TSX Comp	20499.31	-86.42	-0.42	5.7
Latin Amer.	MSCI EM Latin America	2299.26	21.058	0.92	8.0
Brazil	BOVESPA	107448.21	334.55	0.31	-2.1
Chile	S&P IPSA	3242.05	10.90	0.34	2.2
Mexico	S&P/BMV IPC	55534.68	81.95	0.15	14.6
EMEA	STOXX Europe 600	463.64	-1.77	-0.38	9.1
Eurozone	Euro STOXX	456.13	-1.228	-0.27	11.3
Belgium	Bel-20	3737.51	-29.90	-0.79	1.0
Denmark	OMX Copenhagen 20	2087.71	7.53	0.36	13.8
France	CAC 40	7361.20	-35.97	-0.49	13.7
Germany	DAX	15896.23	-59.25	-0.37	14.2
Israel	Tel Aviv	1789.77	19.04	1.08	-0.4
Italy	FTSE MIB	27264.77	-118.76	-0.43	15.0
Netherlands	AEX	748.29	-0.09	-0.01	8.6
Norway	Oslo Bors All-Share	1370.79	1.74	0.13	0.6
South Africa	FTSE/JSE All-Share	7775.02	-1.85	-0.002	6.5
Spain	IBEX 35	9167.70	-15.50	-0.17	11.4
Sweden	OMX Stockholm	834.28	-4.50	-0.54	6.7
Switzerland	Swiss Market	11447.23	-98.81	-0.86	6.7
Turkey	BIST 100	4494.48	-41.72	-0.92	-18.4
U.K.	FTSE 100	7741.33	-22.76	-0.29	3.9
U.K.	FTSE 250	19273.29	-3.75	-0.02	2.2
Asia-Pacific	MSCI AC Asia Pacific	162.00	-0.36	-0.22	4.0
Australia	S&P/ASX 200	7255.70	-8.38	-0.12	3.1
China	Shanghai Composite	3319.15	-38.52	-1.15	7.4
Hong Kong	Hang Seng	19762.20	-105.38	-0.53	-0.1
India	S&P BSE Sensex	61940.20	178.87	0.29	1.8
Japan	NIKKEI 225	29122.18	-120.64	-0.41	11.6
Singapore	Straits Times	3242.29	-0.66	-0.02	-0.3
South Korea	KOSPI	2496.51	-13.55	-0.54	11.6
Taiwan	TAIEX	15641.76	-85.94	-0.55	10.6
Thailand	SET	1569.56	4.90	0.31	-5.9

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	High	52-Week Low	% chg
CTI BioPharma	CTIC	8.93	4.11	85.27	8.93	3.32	151.5
Harbor Custom Devt	HCDI	8.59	3.80	79.33	49.40	3.15	-81.1
TScan Therapeutics	TCRX	4.85	1.45	42.65	6.03	1.45	135.4
Xometry	XOMTR	18.72	5.34	39.91	64.35	12.45	-32.2
Compass Cl A	COMP	3.78	0.98	35.00	6.88	1.84	-10.2
Upstart Holdings	UPST	18.97	4.88	34.63	54.75	11.93	-32.3
GrowGeneration	GRWG	4.91	1.21	32.70	8.63	2.77	27.9
LivePerson	LPSN	5.50	1.15	26.44	18.30	3.57	-66.6
Zura Bio	ZURA	6.29	1.29	25.80	37.55	4.87	-36.8
LegalZoom.com	LZ	10.41	2.08	24.97	14.62	6.89	-4.6
TransAct Technologies	TACT	7.29	1.45	24.83	8.50	3.60	45.5
Open Lending Cl A	LPRO	9.43	1.86	24.57	13.97	5.35	-16.0
Taboola.com	TBLA	2.84	0.56	24.56	4.45	1.52	-22.2
RumbleON Cl B	RMBL	9.19	1.74	23.36	27.99	5.45	-42.0
Omeros	OMER	6.06	1.06	21.20	7.75	1.74	132.2

Most Active Stocks

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures									
	Contract					Open interest			
	Open	High	Low	Settle	Chg				
Copper-High (CMX) -25,000 lbs., \$ per lb.									
May	3.8490	3.8735	3.8180	3.8280	-0.0610	1,246			
July	3.9035	3.9185	3.8285	3.8410	-0.0605	11,645			
Gold (CMX) -100 troy oz., \$ per troy oz.									
May	2032.30	2044.30	2029.50	2030.50	-5.70	242			
June	2041.60	2056.00	2028.30	2037.10	-5.80	313,889			
July	2049.80	2064.30	2039.40	2047.00	-5.90	1,422			
Aug	2061.50	2075.30	2047.90	2056.50	-5.90	152,682			
Oct	2080.60	2094.40	2067.90	2075.90	-5.80	10,869			
Dec	2100.00	2112.40	2085.80	2094.30	-5.70	31,542			
Palladium (NYM) -50 troy oz., \$ per troy oz.									
May	1490.00	1490.00	1490.00	1613.10	25.40	1			
June	1576.50	1625.00	1561.00	1605.10	25.40	9,172			
Platinum (NYM) -50 troy oz., \$ per troy oz.									
May	1114.90	1137.90	1110.00	1122.20	5.10	1			
July	1114.90	1137.90	1110.00	1119.10	3.10	68,603			
Silver (CMX) -5,000 troy oz., \$ per troy oz.									
May	25.580	25.975	25.370	25.461	-0.237	655			
June	25.430	26.200	25.455	25.658	-0.240	122,975			
Crude Oil, Light Sweet (NYM) -1,000 bbls., \$ per bbl.									
May	73.58	73.89	71.80	72.56	-1.15	258,790			
June	73.48	73.81	71.78	72.52	-1.10	293,106			
July	73.25	73.57	71.62	72.35	-1.04	185,446			
Aug	72.86	73.19	71.30	72.02	-1.00	131,502			
Oct	72.43	72.75	70.94	71.63	-0.97	166,487			
Dec	71.60	71.90	70.14	70.82	-0.92	225,250			
NY Harbor ULS (NYM) -42,000 gal., \$ per gal.									
June	2.3948	2.4080	2.3644	2.3934	.0032	70,242			
July	2.3944	2.4052	2.3651	2.3888	-.0031	48,949			
Gasoline-NY RB00 (NYM) -42,000 gal., \$ per gal.									
June	2.4785	2.5123	2.4576	2.4949	.0150	82,487			
July	2.4362	2.4625	2.4474	2.4475	.0083	76,424			
Natural Gas (NYM) -10,000 MMBtu, \$ per MMBtu.									
June	2.262	2.266	2.160	2.191	-0.76	181,169			
July	2.415	2.419	2.315	2.356	-.091	299,846			
Aug	2.498	2.503	2.401	2.434	-0.091	83,711			
Sept	2.493	2.493	2.397	2.415	-0.090	146,253			
Oct	2.592	2.600	2.508	2.520	-0.088	112,226			
Jan 24	3.764	3.784	3.704	3.719	-0.069	80,269			

Agriculture Futures									
	Contract					Open interest			
	Open	High	Low	Settle	Chg				
Corn (CBT) -5,000 bu., cents per bu.									
May	642.00	649.75	637.25	645.50	3.25	1,390			
July	585.25	596.00	579.00	594.00	9.25	542,381			
Oats (CBT) -5,000 bu., cents per bu.									
May	335.25	340.00	330.75	337.50	2.75	2			
July	335.25	340.00	330.75	337.50	.25	3,198			
Soybeans (CBT) -5,000 bu., cents per bu.									
May	1459.75	1459.75	1436.00	1436.50	-15.25	235			
July	1414.50	1418.25	1402.50	1404.00	-10.25	271,867			
Soybean Meal (CBT) -100 tons, \$ per ton.									
May	415.00	418.50	415.00	417.90	1.50	165			
July	415.00	423.70	416.10	419.50	.50	182,679			
Soybean Oil (CBT) -60,000 lbs., cents per lb.									
May	52.19	52.19	52.19	51.85	-87	657			
July	53.04	53.20	51.95	52.05	-99	192,132			
Rough Rice (CBT) -2,000 cwt., \$ per cwt.									
May	18.00	18.23	18.00	18.15	.14	40			
Sept	15.38	15.39	15.15	15.23	-1.6	3,875			
Wheat (CBT) -5,000 bu., cents per bu.									
May	643.75	647.75	629.75	641.25	-2.25	15			
July	643.75	647.75	629.75	641.25	-2.25	213,610			
Wheat (KC) -5,000 bu., cents per bu.									
May	932.50	932.50	909.00	905.50	-1.00	18			
July	855.00	863.75	837.75	855.25	-1.00	97,188			
Cattle-Feeder (CME) -50,000 lbs., cents per lb.									
May	205.900	205.950	204.875	205.375	-550	5,907			
Aug	226.200	226.375	224.300	225.150	-975	30,639			
Cattle-Live (CME) -40,000 lbs., cents per lb.									
June	163.725	164.550	162.675	163.000	-925	97,926			
Aug	161.375	162.175	160.875	161.175	-375	112,569			
Hogs-Lean (CME) -40,000 lbs., cents per lb.									
May	76.500	76.975	76.425	76.575	.300	3,741			
June	84.550	85.500	83.900	84.175	-225	71,337			
Lumber: British Columbia (CME) -110,000 bd. ft., \$ per 1,000 bd. ft.									
May	345.00	355.00	342.60	348.90	4.90	135			
Lumber: Chicago (CME) -27,500 bd. ft., \$ per 1,000 bd. ft.									
May	445.00	450.00	433.50	445.00	-2.50	188			
July	509.50	525.00	505.00	525.00	14.50	4,339			
Milk (CME) -200,000 lbs., cents per lb.									
May	16.40	16.46	16.34	16.46	.06	5,199			
June	16.88	17.29	16.85	17.19	.31	6,342			
Cocoa (ICE-US) -10 metric tons, \$ per ton.									
May	3,269	3,277	3,263	3,260	31	390			
July	3,000	3,042	2,990	3,026	27	134,162			
Coffee (ICE-US) -37,500 lbs., cents per lb.									
May	189.30	189.30	189.30	187.45	-55	292			
July	186.55	187.85	184.55	185.95	-55	78,208			

Macro & Market Economics

Watching the Gauges: U.S. Supply and Demand

Inventories, imports and demand for the week ended May 5. Current figures are in thousands of barrels or thousands of gallons per day, except natural-gas figures, which are in billions of cubic feet. Natural-gas import and demand data are available monthly only.

Inventories, 000s barrels						Imports, 000s barrels per day						
	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Crude oil and petroleum prod	1,234,739	...	1,234	1,156	1,234	1,262	7,610	...	8,348	8,087	8,333	9,166
Crude oil excluding SPR	462,584	-800	460	424	462	470	5,553	...	6,396	6,269	6,155	6,656
Gasoline	219,117	...	223	225	222	235	853	...	798	695	843	979
Finished gasoline	15,753	-800	16	19	16	22	155	...	63	50	140	170
Reformulated	21	...	0	0	0	0	0	...	0	0	0	0
Conventional	15,732	...	16	19	16	22	155	...	63	50	140	170
Blend components	203,957	...	207	206	205	213	698	...	735	645	704	809
Natural gas (bcf)	2,063	...	2	2	2	2
Kerosene-type jet fuel	39,886	...	42	38	41	40	88	...	125	145	141	173
Distillates	106,153	-400	110	104	110	127	111	...	144	122	115	166
Heating oil	7,453	...	8	7	7	9	0	...	0	0	0	0
Diesel	98,700	...	102	97	103	59	111	...	144	121	115	165
Residual fuel oil	33,134	...	32	28	32	32	114	...	34	249	95	189
Other oils	288,577	...	286	268	285	286	809	...	772	515	894	894
Net crude, petroleum products, incl. SPR	1,596,753	...	1,599	1,699	1,600	1,885	-1,627	...	-2,309	-700	-2,041	1,138

Weekly Demand, 000s barrels per day

	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Total petroleum product	20,164	...	19,805	19,231	19,874	19,161
Finished motor gasoline	9,303	...	8,618	8,702	8,988	8,832
Kerosene-type jet fuel	1,917	...	1,539	1,441	1,653	1,360
Distillates	4,035	...	3,872	3,777	3,850	3,793
Residual fuel oil	230	...	233	272	204	262
Propane/propylene	454	...	1,105	777	776	...
Other oils	4,224	...	4,438	4,262	4,403	...

Note: Expected changes are provided by Dow Jones Newswires' survey of analysts. Previous and average inventory data are in millions. Source: FactSet; Dow Jones Market Data; U.S. Energy Information Administration; Dow Jones Newswires

Exchange-Traded Portfolios | WSJ.com/ETFResearch

Largest 100 exchange-traded funds, latest session						ETF																		
Wednesday, May 10, 2023						Closing Price						Chg YTD (%)												
ETF	Symbol	Price	Chg (%)	YTD (%)	ETF	Symbol	Price	Chg (%)	YTD (%)	ETF	Symbol	Price	Chg (%)	YTD (%)	ETF	Symbol	Price	Chg (%)	YTD (%)					
Cnsm/Disc/SelSector	XLY	148.40	0.51	14.9	ISHV5VIGCorpBd	IGSB	50.67	0.38	1.7	TechSelectSector	XLK	151.83	1.22	20.0	SPDR Gold	GLD	188.75	-0.14	11.3	VanEckGoldMin	VGD	35.00	-0.71	22.1
Dimen/USDCorpEz	DFAC	25.30	0.28	4.2	ISHI3YTreBd	SHY	82.26	0.24	1.3	VangdInfrTech	VGT	387.96	1.09	21.5	SPDR S&P500	SPY	425.00	0.82	10.0	VangdDTCV	VDC	153.34	-0.05	3.4
FinSelSectorSPDR	XLE	79.38	-1.13	-9.3	ISHRusssMC	IWR	68.55	0.10	1.6	VangdExtMkt	VXF	136.95	0.42	3.1	SPDR Biog1-3MTB	BIL	91.50	0.01	0.0	VangdDTCV	VDC	153.34	-0.05	3.4
FinSelSectorSPDR	XLF	32.08	-0.56	-6.2	ISHRusss1000Grw	IWB	226.42	0.41	7.6	VangdDTCV	VDC	153.34	-0.05	3.4	SPDR DJIA TR	DIA	335.49	-0.08	1.3	VangdFTSEEM	VVO	40.22	0.02	3.2
HealthCareSelSector	XBI	132.78	0.28	-2.3	ISHRusss1000Val	IWD	248.77	0.95	16.1	VangdFTSEEurope	VEU	155.70	0.12	2.5	SPDR FTSE Europe	FEZ	64.85	0.62	10.9	VangdGrowth	VUG	254.30	1.05	19.3
InvsCQQQ	QQQ	325.14	1.09	22.1	ISH7-10YTreBd	DVY	112.83	-0.30	-6.4	VangdHthCr	VHT	245.34	0.37	-1.1	SPDR PFTDevUS	PFD	101.29	0.12	1.3	VangdIntrmBd	VIT	77.05	0.73	3.7

BUSINESS & FINANCE

SoftBank Nears Sale of Fortress to Fund

Investment manager would be sold at a loss to sovereign-wealth fund of Abu Dhabi

By GREGORY ZUCKERMAN

SoftBank Group is close to a deal to sell U.S. investment manager Fortress Investment Group to Abu Dhabi-based

sovereign-wealth fund Mubadala Investment for more than \$2 billion, according to the people.

The deal, which hasn't been finalized and could yet fall apart, would represent the latest disappointing investment for SoftBank.

The decline in value for Fortress, which manages \$46 billion, indicates it

has fallen behind its rivals while it was owned by SoftBank.

Bloomberg News earlier reported the deal talks and the Financial Times reported that a transaction may be close.

SoftBank, which has struggled from its investment in hundreds of tech startups through its \$100 billion Vision Fund and a successor fund, purchased Fortress in 2017 for

\$3.3 billion. The original deal was part of a surprising effort by the Japanese technology giant to transform itself into one of the world's largest investment firms. Last quarter it posted a \$5.9 billion loss, almost all of it from the Vision Fund, and SoftBank's chief executive, Masayoshi Son, has embraced a strategy of "defense."

A SoftBank representative

didn't respond to a request for comment. SoftBank is scheduled to report earnings Thursday.

Fortress is led by Wesley Edens, co-owner of the Milwaukee Bucks basketball team, and Peter Briger Jr., a veteran credit investor. The drop in Fortress's value since 2017 comes as rivals, including Blackstone and KKR, have surged during that period.

For Mubadala, the deal is part of an effort to expand in the credit world, which may become more active as regional banks pull back from some lending markets on the heels of the collapse of Silicon Valley Bank. In March, Mubadala formed a joint venture with Los Angeles's Ares Management to buy second-hand stakes in private-credit funds.

Biggest 1,000 Stocks | WSJ.com/stocks

Continued From Page B7			WSJ.com/stocks			WSJ.com/stocks			WSJ.com/stocks			WSJ.com/stocks			WSJ.com/stocks				
Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg
Carlyle	CG	26.00	-0.03	Equifax	EFX	20.40	4.11	InsperMedical	INSP	20.24	-0.01	MongoDB	MDB	262.02	11.74	Paycom	PYPL	168.52	-1.06
CarMax	KMX	73.41	0.88	Equinix	EQIX	75.19	22.03	Insulet	PODD	22.85	3.13	MonsterBev	MNST	59.11	0.42	Pearson	PCO	10.00	-0.34
Carnival	CCL	10.49	-0.16	EquiLife	EQL	22.82	-0.02	InteractiveBk	IBKR	76.73	-1.26	Moody's	MCO	310.58	4.65	PembinaPbl	PBA	32.45	-0.32
Carnival	CUK	9.39	-0.18	EquiLife	ELS	69.43	0.81	ICE	ICE	108.49	2.28	MorganStanley	MS	81.75	0.65	PenskeAuto	PAG	140.79	0.31
CarrierGlobal	CARR	43.08	0.30	EquityResdnt	ERQ	62.65	0.29	INTLContinentl	INTC	68.06	-2.00	Morningstar	MORN	190.46	2.92	Pentair	PNR	58.41	-0.01
CaseySystems	CASY	235.65	0.95	EquityResdnt	ERIE	232.78	2.44	IBM	IBM	122.02	0.85	Mosaic	MOS	36.90	-0.27	Penumbra	PEN	320.00	5.13
Catalent	CTLT	33.59	-1.45	EssentialTl	WTRG	56.78	1.56	IBM	IBM	122.02	0.85	MotorolaSol	MSI	289.55	2.98	PepsiCo	PEP	194.27	0.13
Celastene	CE	102.93	-1.61	EssexProP	ESS	21.77	0.46	InterPac	IPG	31.89	-0.23	NICE	NICE	190.71	2.17	PerfomoFnd	PFGE	59.65	-2.05
CelsisHldg	CELH	128.29	21.17	EstesLauder	EL	201.19	0.07	InterPac	IPG	31.89	-0.23	NIN REIT	NIN	8.13	-0.03	PerkinElmer	PEK	124.55	-0.27
Cemex	CX	6.63	-0.11	Eversys	ETSY	94.84	2.13	Intuit	INTU	431.52	3.84	PetroleoBrasil	PBR	11.11	0.10	Petrobras	PBR	11.11	0.10
Centene	CVE	16.25	-0.20	Evergy	EVER	38.98	0.91	IntuitiveSur	ISRG	302.59	1.04	Philzer	PFE	38.30	-0.18	Pharmacia	PHR	59.20	-0.55
Centene	CTL	17.05	-0.23	ExactSc	EXAS	78.36	0.53	JohnsonCont	JCN	34.46	0.43	Pharmacia	PHR	59.20	-0.55	Pharmacia	PHR	59.20	-0.55
CentPointEner	CNP	30.28	0.07	ExactSc	EXAS	78.37	0.73	JohnsonCont	JCN	34.46	0.43	Pharmacia	PHR	59.20	-0.55	Pharmacia	PHR	59.20	-0.55
CentrisEB	EBR	7.24	0.27	ExactSc	EXAS	78.37	0.73	JohnsonCont	JCN	34.46	0.43	Pharmacia	PHR	59.20	-0.55	Pharmacia	PHR	59.20	-0.55
CeridianHCM	CDAY	58.52	0.71	ExactSc	EXAS	78.37	0.73	JohnsonCont	JCN	34.46	0.43	Pharmacia	PHR	59.20	-0.55	Pharmacia	PHR	59.20	-0.55
CharlesRiverLab	CHRS	186.30	-1.18	ExactSc	EXAS	78.37	0.73	JohnsonCont	JCN	34.46	0.43	Pharmacia	PHR	59.20	-0.55	Pharmacia	PHR	59.20	-0.55
Chartwell	CHTR	339.94	0.94	ExactSc	EXAS	78.37	0.73	JohnsonCont	JCN	34.46	0.43	Pharmacia	PHR	59.20	-0.55	Pharmacia	PHR	59.20	-0.55
Chem	CH	55.74	0.40	ExactSc	EXAS	78.37	0.73	JohnsonCont	JCN	34.46	0.43	Pharmacia	PHR	59.20	-0.55	Pharmacia	PHR	59.20	-0.55
ChemiereEner	CE	15.24	-0.16	ExactSc	EXAS	78.37	0.73	JohnsonCont	JCN	34.46	0.43	Pharmacia	PHR	59.20	-0.55	Pharmacia	PHR	59.20	-0.55
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ChemiereEner	CE	15.24	-0.16	ExactSc	EXAS	78.37	0.73	JohnsonCont	JCN	34.46	0.43	Pharmacia	PHR	59.20	-0.55	Pharmacia	PHR	59.20	-0.55
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MARKETS

S&P, Nasdaq Rise After Inflation Data

Tech sector leads way; Treasuries rally with yield on 10-year note falling to 3.438%

By GUNJAN BANERJI

Stocks and bonds rose after fresh data showed inflation cooled for the 10th consecutive month.

The consumer price-index rose to 4.9% in April from a year earlier, easing slightly from a 5% increase in March. It was up 0.4% for the month, in line with economists' expectations.

Stocks rose after the data were initially released, then wavered before closing back up near session highs. The S&P 500 added 0.4%, while the tech-heavy Nasdaq Composite rose 1%. The Dow Jones Industrial Average edged lower for much of the trading session and

Watch a Video



Scan this code for a video on what the CPI report says about inflation.

ended down 30.48 points, or 0.1%.

The yield on the 10-year Treasury note dropped sharply after the data as bond prices rose, settling at 3.438%.

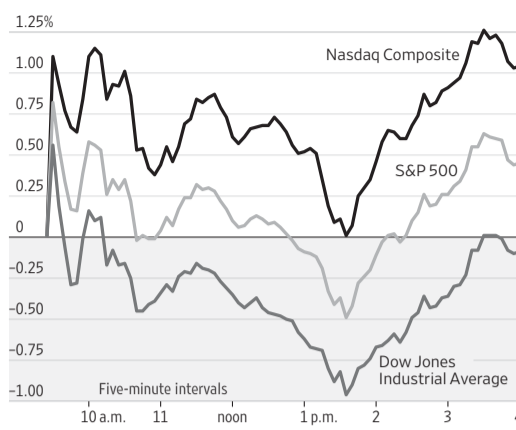
Though inflation remains higher than the Federal Reserve's 2% target, the data reassured some investors that the central bank could be done raising interest rates for now. It marked the first CPI reading below 5% in around two years and the latest sign that prices are easing.

"I don't think there are any surprises" in the data, said Hal Reynolds, co-chief investment officer of Los Angeles Capital.

After aggressively raising interest rates for more than a year to try to tame inflation, the Fed signaled a potential pause could be in store at its meeting this month. Fed Chair Jerome Powell said officials would take a data-dependent approach moving forward, raising the stakes for some economic data releases. On Thursday, investors will be watching for another reading on inflation when the producer-price index is released.

With prices continuing to cool and banking turmoil erupting in March, however, investors haven't been as fixated on

Index performance Wednesday



Source: FactSet

every new piece of inflation data as they were a few months ago.

For much of last year, the inflation data stoked stock-market fireworks, including one of the largest single-day moves after an inflation release on record.

Mr. Reynolds said investors have become less concerned about inflation and increasingly concerned about an economic slowdown. He said he has been rotating his portfolio toward

big technology stocks, which he thinks are better positioned than other companies to weather any economic turmoil. Such companies outperformed the broader market on Wednesday.

Others were more cautious about the latest inflation data.

"It's not bad news, but there's no good news in there at all," said Art Laffer, the founder of Laffer Associates.

Tech stocks, which have been especially sensitive to

moves in the bond market, led the way in trading Wednesday. Shares of **Alphabet** and **Advanced Micro Devices** were some of the top gainers in the broad S&P 500, adding 4.1% and 2.1%, respectively. **Amazon** shares added around 3.4% and notched their seventh consecutive day of gains, the longest winning streak since July 2022.

Moves in major indexes have been broadly muted in recent sessions as investors have awaited new economic data. There has been more action in individual stocks.

Airbnb shares dropped 11%, one of their largest one-day falls on record. The company reported earnings that showed higher profit for the first quarter, but customers reserved fewer-than-expected stays and the company gave a mixed outlook for the next quarter.

In the bond market, the debt ceiling continued to loom large. Treasuries maturing in one month have been yielding around 5.52%, above the benchmark federal-funds rate, a sign that investors are on edge that the impasse over raising the federal borrowing limit won't be resolved soon, according to research firm DataTrek Research.

In the cryptocurrency mar-

ket, bitcoin traded at \$27,895.67 late Wednesday, up \$225.88, or 0.82%.

In currency markets, the WSJ Dollar Index fell 0.2%. The dollar fell against the euro, British pound and Japanese yen.

The Stoxx Europe lost 0.4%. Early Thursday, Japan's Nikkei 225 and Hong Kong's Hang Seng were down 0.2%. South Korea's Kospi was up 0.4%. S&P 500 futures rose 0.2%.

—Joe Wallace
contributed to this article

AUCTION RESULTS

Here are the results of Wednesday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

17-WEEK BILLS

Applications	\$108,455,132,800
Accepted bids	\$37,053,292,800
" noncompetitively	\$434,467,000
" foreign noncompetitively	\$0
Auction price (rate)	98.347222 (5.000%)
Coupon equivalent	5.169%
Bids at clearing yield accepted	65.34%
Cusip number	912797650

The bills, dated May 16, 2023, mature on Sept. 12, 2023.

10-YEAR NOTES

Applications	\$95,202,803,500
Accepted bids	\$44,535,597,500
" noncompetitively	\$49,877,000
" foreign noncompetitively	\$0
Auction price (rate)	99.386966 (3.448%)
Interest rate	3.375%
Bids at clearing yield accepted	70.70%
Cusip number	912824C8

The notes, dated May 15, 2023, mature on May 15, 2033.

Crypto Firms Test Markets

Continued from page B1

other risky sectors are likely short-lived because of the Federal Reserve's stated determination to hold short-term interest rates at the highest level in more than a decade, many within the industry are betting that the good times could easily continue.

"There are a lot of late-stage companies that will be looking for exit liquidity," said Matt Hougan, chief investment offi-

cer of **Bitwise Asset Management**, a crypto investment firm. "If the market continues to perform as it has for the past four-plus months, the trickle of IPOs now could turn into a steady stream."

It isn't clear how long this second chance might last. Interest rates are expected to remain high for some time, making cashlike instruments such as Treasury bills an attractive option for many investors, with their high yields and safety.

Regulators remain skeptical of the industry, and a slowdown appears in the offing with the publicly traded Coinbase Global, the largest crypto exchange in the U.S.

Crypto prices are still far below their 2021 highs, and some companies entering markets

have been hit hard, with shares of **Bitdeer** down 39% since they started trading.

Even so, Chief Executive **Matt Linghui Kong** said going public was still the right choice for **Bitdeer**, based in Singapore. "We are focused on the long-term sustainability of our business," he said.

Other recent crypto debuts have gone better. **Intchains Group**, a China-based chip designer for blockchain applications, made its public debut on the Nasdaq via a traditional initial public offering in March. Its shares are up 14% since then.

Stock-market volatility and macroeconomic uncertainty have deterred many other companies from going public this year, despite some signs of life. All told, 61 companies raised

\$8.3 billion via traditional IPOs and SPACs this year through Friday, compared with the \$15 billion raised by 102 companies during the same period last year, according to Dealogic.

One investor said 'the trickle of IPOs now could turn into a steady stream.'

Going public can give crypto companies access to an otherwise untapped capital source: big pools of individual and institutional investors who wouldn't invest in private companies. That can be especially

important now that venture-capital funding for late-stage crypto projects has slowed.

The Securities and Exchange Commission has been fighting to regulate most cryptocurrencies and the platforms that trade them. The SEC has sued a number of crypto companies for allegedly selling unregistered securities. Many crypto companies counter that they don't sell or trade securities.

Chia Network has tried to distance itself from crypto in its IPO pitch. It said last month it had submitted a confidential draft registration to the SEC for a proposed IPO. "We are an enterprise software firm," said CEO Gene Hoffman. "We are not a crypto firm."

The company runs a blockchain that has a native crypto-

currency called the Chia token. Mr. Hoffman said the token isn't a security because the company has never sold it for money.

Mr. Hoffman said Chia Network would like to eventually distribute the token. Going public could help clear up "market confusion or hesitation," he said.

Alex Felix, chief investment officer of digital-asset venture firm **CoinFund**, said he would encourage **CoinFund's** portfolio companies to go public if they can demonstrate a clear path to high growth and strong fundamentals.

"It hasn't been a topic of discussion in 2023 for companies in our portfolio, but it's definitely a topic of discussion for 2024 and 2025," he said.

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The Wall Street Journal CMO Network connects the decision-makers behind the world's most influential brands to discuss what — and who — is driving today's trends and chart the path forward.



Mark Cullen

Chief Marketing Officer,
Simon-Kucher

In the past two years, what's the biggest lesson you've learned about marketing through economic uncertainty?

During my career, there have been several economic downturns — and this won't be the last. I've learned that these cycles are always temporary. A strong brand will help you safely navigate them.

Think of your brand as a lighthouse in the storm, giving you clarity and a sure direction. It guides your company's moves in the market and illuminates opportunities your competitors cannot spot.

In times of uncertainty, this is one of the few areas where you do have control. So take good care of it. Invest in your brand, its messaging and creative. It will pay dividends both in tough times and in the long run.

What are the biggest challenges around ROI, and what do you consider the most effective ways of measuring it?

Attribution. You need hard data to track how your marketing activity impacts the funnel. At the same time, we're bombarded with so much data that it's easy to become obsessed.

Measuring ROI is not about knowing everything. It's about knowing the right questions to ask. From the mass of data points, you need to pick out the data and the actions that will move the needle on performance. That's not easy; you need good people to make it happen.

When engaging with new social platforms, what traditional rules of advertising and marketing are you emphasizing? Minimizing?

Marketing has always been about people, regardless of the digital channel or social platform. That hasn't changed. Digital is ubiquitous but after a couple of fallow years, some of the creativity is coming back.

We all need to take more risks, cutting through the sea of beige still found in B2B marketing. Messaging needs to become shorter, more impactful and more personal. Be bold — in today's world, intelligent and purpose-led creative wins.

This will unlock that emotional connection and bring people in. Once you've captured attention, you can lay out the benefits of your product or service and get those people to stay. So investing in creative and the right imagery and messaging, as well as testing and learning, is vital.

What's in your toolbox for investing in your team — to help them stay focused, feel supported and be productive?

I hope to give my teams the courage to leave their comfort zones. Even if they don't always succeed, it creates a learning opportunity for everyone. But you must get the balance right between being entrepreneurial and recognizing that you are working with the company's earned cash.

Another important asset is understanding the power of diversity. There's such a mix of backgrounds, personalities and skill sets shaping our marketing activities. I find that the better the mix, the better the thinking and outcomes.

What priorities rise to the top for you in your role as CMO during times like this?

There's no single superpower that a CMO needs to possess. We cover an extremely broad range of tasks. The key is to build trust and credibility across all the organization's departments, which requires a skill set ranging from strategy and planning to market knowledge, with a huge dash of financial acumen and business curiosity. That helps you concentrate on the real business priorities.

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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Toyota Unusual EV Strategy Is Pricey

Automaker will need its record operating profit to fund a uniquely broad approach

Only a company as large as **Toyota** can afford to hedge its bets on the future of cars.

The Japanese manufacturing giant said Wednesday that its operating income would grow 10% to a record ¥3 trillion, equivalent to about \$22.2 billion at the current exchange rate, in the fiscal year through March 2024. The reason is a 10% recovery in vehicle deliveries as semiconductor supplies normalize after pandemic shortages.

Profits might end up better than that. The company, known for setting expectations cautiously, gave no allowance for improving commodity costs even though these posed a headwind last fiscal year and in many cases have reversed. The analyst consensus forecast is slightly ahead of Toyota's guidance, according to FactSet.

Yet even \$22.2 billion would be a big number.

General Motors expects to make between \$11 billion and \$13 billion in operating profit this cal-

endar year. Only Germany's **Volkswagen** comes close to the scale of Toyota, the world's largest carmaker by sales in recent years.

That helps explain Toyota's strategy, which is different from the rest of the industry's. While others are making much of going "all in" on electric vehicles, Toyota still wants to be all things to all people.

Koji Sato succeeded Akio Toyoda as chief executive in April, with the family scion moving into the chairman role. The generational change signaled a new approach, but not radical change.

Mr. Sato has created a dedicated EV division responsible for coming up with a second generation of the technology using a new manufacturing approach benchmarked against **Tesla**. It is an admission that Toyota's early efforts to build EVs by adapting its existing production system came up short.

This brings Toyota into line

with other global carmakers, albeit late. Consumers will have to wait until 2026 for the company's new generation of EVs, by which time it might have lost share in markets that are migrating rapidly to the new technology. The most immediate risk is in China, but Toyota may also come under pressure in the U.S. as **Tesla** and others move into the mass market.

The switch to a dedicated EV production system won't be cheap. Chief Financial Officer Yoichi Miyazaki said at a news conference on Wednesday that EV investments through 2030 would probably need to rise to a cumulative ¥5 trillion, from a previous estimate of ¥4 trillion.

Such huge costs have forced the likes of **GM**, **Ford Motor** and even **VW** to cut back on other bets such as hybrids, car sharing and, in some cases, autonomous vehicles. This is where Toyota is different: It is talking about the potential of hydrogen fuel cells and framing

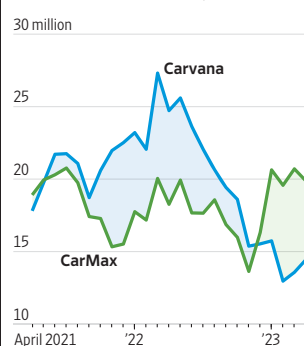
changes in powertrain technology within the wider contexts of cutting carbon emissions and providing "mobility" services.

Toyota's stock has underperformed the Japanese stock market and local peers lately. Julie Boote, an analyst at London-based firm Pelham Smithers, attributes the negative sentiment to Toyota's electrification strategy. The company can still afford its broader approach, but it might not overcome investor doubts until it comes up with a compelling EV. This could be a few years off, though the company said Wednesday that it would show a concept car based on its new approach this fall.

Given the evidence so far, investors are right to wonder whether being a jack of all trades will hold Toyota back from mastering the one most likely to dominate the future industry. Mr. Sato's big task is to prove them wrong.

—Stephen Wilmot

U.S. web traffic, monthly



Note: Desktop and mobile Source: SimilarWeb

Carvana Can't Afford To Drive Away Sales

Inventory cuts could hurt its selection

Online used-car retailer **Carvana** is doing what it can to minimize its cash burn. How long can it continue doing so without driving away customers?

Carvana last week reported it sold 79,240 used cars in the first quarter—25% fewer than a year earlier. This is a direct result of what Carvana is doing to stop its cash bleed: reducing operating expenses and inventory. The first quarter marked the fourth consecutive quarter of Carvana decreasing both on a sequential basis.

Vehicle inventory shrank 55% in its first quarter compared with a year earlier, while marketing spending fell 64%. Notably, selling down its inventory helped Carvana minimize its quarterly cash burn (or negative free cash flow) to \$98 million last quarter. Without that inventory benefit, its cash burn would have been nearly five times that amount.

Intentionally shrinking sales clearly isn't a viable long-term strategy for any business. Chief Executive Ernie Garcia III said on the earnings call last Friday that the company probably has one to two more quarters to go to get its inventory in alignment with sales. The goal is to keep inventory at a level where it takes roughly 65 days on average to sell—around the level of larger rival **CarMax**. Carvana said it reached that level during the first quarter. There might not be much more room to downsize. Seth Basham, equity analyst at Wedbush, estimates \$1.4 billion is the minimum inventory Carvana can carry before it starts hurting the company's ability to sell. Carvana held roughly \$1.5 billion of vehicle inventory at the end of the first quarter.

Already, Carvana's pullback has affected web traffic. In April, visits to Carvana's website fell 42% compared with a year earlier, according to data from SimilarWeb. Online-only retailer Carvana's web traffic now lags behind that of **CarMax**, which sells from physical stores and online.

Based on total used-car sales numbers from Cox Automotive, Carvana's U.S. market share fell to 0.8% in the first quarter from 1% a year earlier. Vehicle availability becomes even more important as Carvana is no longer offering free delivery for used cars located farther away from the customer. This means customers looking for free delivery are faced with fewer options.

The bottom line is Carvana is probably close to cutting muscle instead of fat. It reached its goal of reducing its operating expenses by \$1 billion on an annualized basis. Meanwhile, it has more than \$600 million of interest payments it has to make every year. While Carvana and its creditors each put forward proposals to lower the interest-payment burden in March, they seemed to be at an impasse.

For its part, Carvana extended its debt swap offer until May 17. If nothing is done to restructure its debt, Mr. Basham estimates Carvana will have to find new sources of liquidity by the end of next year. While Carvana does have real estate, notably the holdings of car-auction business Adesa, that it can potentially raise debt against, that will likely be an expensive option.

The online used-car industry disrupter that grew too quickly is at risk of shrinking past the point of no return.

—Jinjo Lee

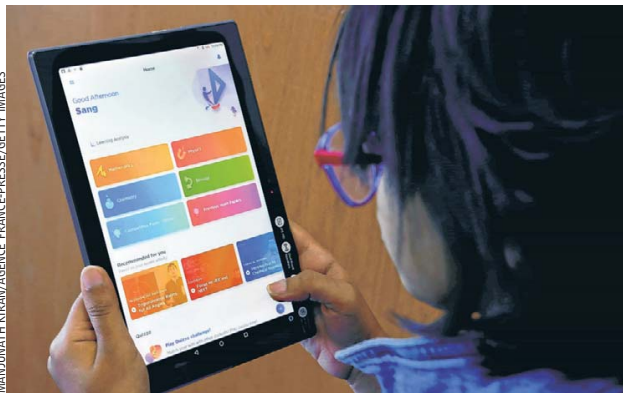
India Tech's Vow to Rival China Falls Apart

The Indian edtech company **Byju's** was the poster child of the Asian country's startup boom, attracting a lofty valuation while meeting the needs of millions of students across the country as the pandemic hurt their access to schools and education.

It is turning out to be a symbol of everything that went wrong with India's promise of creating internet companies to rival such Chinese titans as **Alibaba** and **Tencent**. The country's hot startup ecosystem, which lured such investors as SoftBank and Tiger Global, is facing questions on financial accountability and discipline, expensive acquisitions, heady valuations and whether investors overestimated India's total addressable market, or TAM. Public listings were delayed, and layoffs are almost a daily occurrence.

Last month, India's financial-crime-fighting agency, the Enforcement Directorate, raided the premises of Byju's in Bengaluru on suspected violations of the Foreign Exchange Management Act and claimed to have seized incriminating documents. What is on paper the country's most highly valued startup maintains that it is confident the matter will be resolved in a timely and satisfactory manner.

The company, which was last val-



Edtech company Byju's is the most highly valued Indian startup—on paper.

ued at \$22 billion, stumbled from one controversy to another over the past year as a funding winter set in and investors started questioning their portfolio companies on cash burn, acquisitions and the basic economics of running a business.

Byju's hasn't filed its financial results for the past two years, and the accounts filed for the year before raised eyebrows on uninspiring numbers. Investor BlackRock marked its investment down by nearly 50%, according to local media reports in March, at a time when Byju's expected growth

hasn't even remotely materialized. All of this is going to make raising its next round extremely difficult.

The problems aren't all company-specific. Investors in the country's startups are coming to realize online spending is driven only by a minuscule percentage of spenders from India's overall internet population and it might take a while before the spending power is more evenly distributed. According to a recent report by Blume Ventures, about 45 million users account for 50% of online spending out of the overall 850

million Indians using the internet. India has seen a sharp drop in consumption outside the top 30 million households.

Only 26% of India's households earned more than \$10,000 in 2021, according to a Morgan Stanley report last year. This is a sobering reality for those such as McKinsey Managing Partner Bob Sternfels, who declared it isn't the decade but rather the century that belongs to India.

After a few years of aggressive business expansion and acquisitions, Indian unicorns find themselves in a severe cash crunch. Mass layoffs and scaled-back operations have now become a norm as unicorns resist the unpleasant possibility of raising the next rounds of funds at much lower valuations. According to data provider Tracxn, Indian late-stage startups raised only about \$17.6 billion in 2022 versus \$35.3 billion in 2021.

If the Fed's tightening cycle doesn't end soon and the developed economies slip into a recession, Indian startups might have to soon swallow the bitter pill of a down round. As Byju's instructors might say when the sums don't quite add up, investors in India's startup scene clearly didn't do their homework. They are learning their lesson.

—Megha Mandavia

Can Inflation Fall Fast Enough for the Fed?

Inflation is still too high. That probably won't lead Federal Reserve policy makers to raise rates when they meet next month, but unless inflation comes down significantly in the months ahead, Fed policy makers will lace up their boots and start hiking all over again.

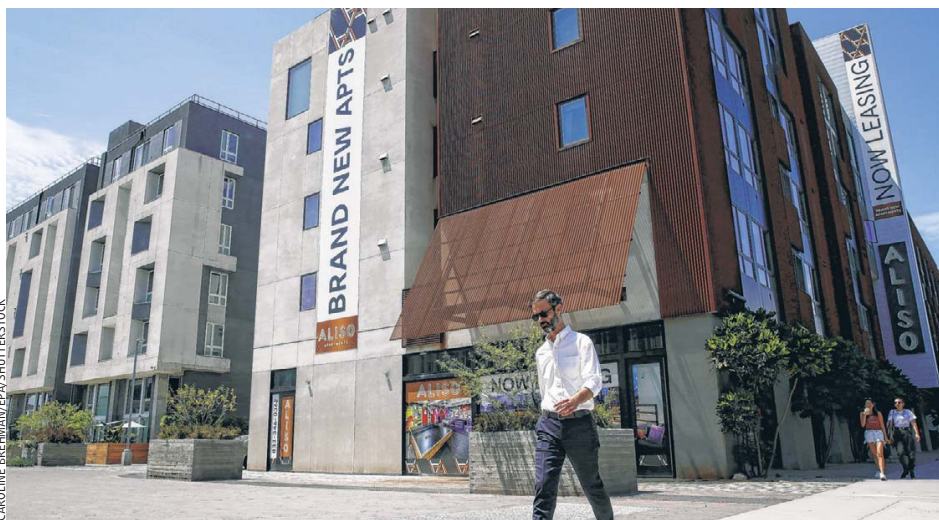
And maybe inflation will come down.

The Labor Department on Wednesday said that the consumer price index, its measure of consumer prices, rose 0.4% in April from March, putting it 4.9% above its year-earlier level. Core prices, which exclude food and energy items to better reflect inflation's underlying trend, also rose 0.4%, and were up 5.5% year over year.

It has been worse: Overall prices were up 9.1% from a year earlier last June, and the year-over-year change in core prices hit 6.6% in September. Still, the cooling process has been far too slow. If not for the recent stresses in the banking system, coupled with uncertainty about the debt-ceiling imbroglio, the Fed would probably raise rates at its June meeting.

But those banking stresses are there, and while it is still early to assess how much of a drag on the economy tighter lending standards will cause, the Fed thinks they will have an impact. When it raised rates last week, the Fed signaled it would hold off on lifting rates again for now, and neither Friday's strong employment report nor Wednesday's inflation report changes that.

There were some aspects of the inflation report that will please the Fed. It has been focusing on what has been termed supercore inflation—the change in services prices excluding energy and hous-



Metrics from private sources show that rents on newly signed leases have been cooling rapidly.

ing costs. This is because, first of all, services prices are more closely linked to U.S. wages, as opposed to prices for goods, which are more driven by global demand, and which have been whipsawed by supply-chain problems since the pandemic started.

Housing prices are excluded because they are affected by changes in rents, used by the Labor Department not only to measure renters' costs but also to impute changes in housing costs to homeowners. But the Labor Department's reading on rents lags behind what has been happening to rents on newly signed leases, which metrics from private sources show have been cooling rapidly. (The Fed's preferred gauge of inflation, from the Commerce Department, employs the Labor De-

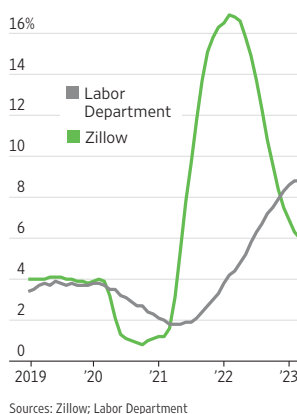
partment's rent readings.)

Omar Sharif, founder and president of the advisory firm Inflation Insights, calculates that in April, supercore inflation rose just 0.11% from a month earlier, after rising 0.4% in March, marking the slimmest monthly gain since last July. The data can be noisy, so he cautions against reading too much into it, but it is still a step in the right direction.

The key will be for signs of cooling inflation to mount over the summer months. The best outcome would be for that to happen without lending conditions tightening to the point that the economy gets pushed into a recession. The worst would be for a recession to hit while inflation is still too high.

—Justin Lahart

Rent prices, change from a year earlier



Sources: Zillow; Labor Department

JOURNAL REPORT SMALL BUSINESS

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THE WALL STREET JOURNAL.

Thursday, May 11, 2023 | R1



Offerings from Dirty Girl Produce being loaded onto a truck.

CAYCE CLIFFORD FOR THE WALL STREET JOURNAL

Behind the Scenes At Farmers Markets

BY ELIZABETH GARONE

Markets can be a relatively easy way for entrepreneurs to try out new products, or make some extra money on the side. Here's how four of them make (or don't make) a profit.

SOME HAUL truckloads of produce from farms. Some whip up pizza or smoothies on the spot. Others lay out loaves of bread from off-site ovens.

The people who sell at farmers markets are a diverse crowd. But it isn't only their products that distinguish them. They have different reasons for being there in the first place, different ways of reaching customers—and different ways of turning a profit.

Farmers markets are a way to try out new products and get customer feedback without having to spend a lot or to sell a big bumper crop or surplus, says David K. O'Neil, an international market consultant based in Philadelphia. "Selling at markets is a great way to meet people in the community. It's also a good way to learn business skills for younger people or new immi-

Please turn to page R4

Entrepreneurs Famously Work Hard. For Many, Dangerously So.

THE IDEA of the workaholic entrepreneur is so common that it is a cliché. To be a success, entrepreneurs must be devoted to their business, especially if they are working alone. So, they put in long hours—often unreasonably long hours—even at the short-term expense of their health, their friends and their family.

But there is workaholicism, and then there is addiction.

Entrepreneurs who cross the line into addiction don't

An awful lot of company founders cross the line from workaholic to addict

BY APRIL J. SPIVACK

just work too hard. Rather, for them, the business becomes their life. They derive all meaning from it, and their emotions rise and fall with it. They are always hungry to expand or launch another startup—even if it isn't wise to do so. They lie to their families about the business and what's going on with it. My colleague Alexander

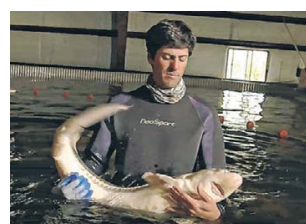
McKelvie and I have interviewed and surveyed hundreds of entrepreneurs and found that a surprisingly high percentage of entrepreneurs cross that line between workaholic and addict. Measuring by six traits that commonly define addiction, we found that 2% of entrepreneurs clear the highest bar and have all six traits. But significantly more—15%—had three of the traits. And having even

Please turn to page R6

Inside

THE BIG QUESTIONS

I never became an entrepreneur. Now, decades deep into my career, I'm asking myself why I didn't—and if I made a huge mistake by sticking with a regular job for all these years. **R2**



Scan this code to see what it takes to run one of America's largest sustainable caviar farms.



Percent play

There's a surprising—and highly effective—strategy that can help buyers boost their odds of making a successful offer on eBay. **R2**

MANAGING YOUR IDEAS

You get a great idea for a product. Should you patent it right away? Some experts say that taking the leap immediately may not be the best move. **R8**

I Never Became an Entrepreneur. Now I Wonder Why.

Looking back, I can see all sorts of reasons that convinced me to take the safer career path. That has helped me understand more, and regret less.

BY ROBERT J. TOTH

ALMOST HALF a century ago, I started a newspaper. You should've seen it. We had 30 desks packed into one newsroom the size of an airport coffee shop. We shouted over each other, got into fights and rushed the work—but we put an issue out, and people loved it.

We never did another one. Right after we published, everything fell apart: We all took a vacation, and by the time we got back the momentum was gone.

Starting third grade will do that to you.

The story *should* continue with me becoming an entrepreneur. I should have gone on to start a lemonade stand or sell Grit magazine, then invent a better mousetrap in my dorm room and watch the billions stack up.

But it didn't happen that way. When it came time to choose a career, I didn't start a business of my own—instead, I got a job at this newspaper, and have worked here for three decades as an editor. Even as other friends founded companies, and some became impressive successes, I've followed other bosses and gotten my checks from a payroll department.

Now I'm starting to wonder why.

Don't misunderstand: I love my job, and I've been fortunate to have had the opportunity to do it for so long. And there is nothing wrong with sticking with a good thing. My father and mother stayed with their employers for decades, doing demanding work so the family could have everything it needed.

But lately I've been thinking about why I never did launch a business of my own—and if I *should* have. Was it fear? Was it common sense?

And most of all: Was it a mis-

take? Would I have been happier had I built something from nothing and answered just to myself?

Those are questions a lot of people ask at some point in their careers. None of us knows what might have been had we taken a different path. But it has been useful to think about those questions. They offer insights into

three reasons I never went into business for myself—premises that I never examined at the time, and certainly never challenged.

First off was family experience: No close relatives were entrepreneurs, so I didn't have any role models near at hand. Maybe because of that, it didn't click with me as I grew up that working for yourself was a real choice. Research has shown that if your parents are entrepreneurs, you are more likely to become one.

My parents seemed to look at

said so, but I think they quietly enjoyed being the go-to people on the job. My Dad's co-workers taped a sign outside his office: IF YOU HAVE A QUESTION, ASK MR. TOTH. When my Mom died, the school where she had worked dedicated a bench to her memory.

That is what staying with one employer meant in their day (and to many people still does): not just a financially rewarding relationship that lasted decades, but an emotional one, too. You got to shine, and people saw how good you were. You also left an institutional legacy behind.

Aside from that, another important childhood lesson made me wary of entrepreneurship: Watch out for risk.

My family never hit tough financial times—and I'm very grateful for that—in part because my parents stuck with those stable jobs for so long. They might have grumbled about the bills, but they always got paid. Mom and Dad wouldn't gamble by starting a business any more than they would take the college fund down to Atlantic City.

As I got older, and had to make tough choices for myself, I not only looked to my parents' example but discovered I had a very low risk tolerance to begin with. I needed to be sure where the rent and meals were coming from—not just tomorrow's groceries but next month's and next year's.

Starting in college, I saw friends plow into freelancing or manage side hustles while working tenuous jobs. Given my predispositions, it looked to me like they were taking a lot of immediate risk for a distant upside that might never arrive. So, when I got a job in the Journal newsroom back in 1991, answering phones and tearing news alerts off printers, I was grateful for the safety and tried to make the most of the opportunity. I'm still doing that.

The concerns about risk got stronger as I got older. Soon

enough, I didn't just have to worry about my own food and rent, I had to support a family.

Missing the drive

Of course, a lot of people make both work: They hold down solid jobs and run companies in the off-hours. One friend founded a publishing house—which became a huge success—while working at the biggest company in his industry. Another runs a small press while working as a professor.

So, why not me? Well, there is a third reason I never became an entrepreneur, one that I'm a bit reluctant to admit to myself: I never had the fire it takes. Passion is crucial for entrepreneurs, who need focus and drive to venture out on their own. A class project in second grade doesn't guarantee future enthusiasm.

It comes down to a gut feeling that I don't *need* to be out on my own. Not everybody does, and that is not necessarily a bad thing—especially if you're doing challenging, satisfying work, which is certainly true for me. But it is natural to feel that you *should* have wanted more, and to doubt yourself if you didn't.

I can't know for sure the answers to all these questions. Without going back and posing them to the person I was, I won't know if I didn't want to do the hard work, or thought I couldn't, or if I was clinging to fear and calling it caution.

But having a better understanding of the reasons I never took the leap makes me feel better about the path I took, and why I might have taken it. The process also makes me better appreciate all that I have, as well as giving me a clearer sense of the questions I need to ask myself as I look ahead and think about what I might do in the years to come.

I also hope it helps my son as he ponders those same questions, 30 years after I first faced them. At least he knows some of the things he should ask himself—something I didn't have a clue about.

I'm also glad he has other entrepreneurs in his life, like the cousin who makes ungodly popular Instagram videos and is turning them into a design empire. It is great that my son can learn about startups from a peer he connects with instead of someone who comes with Dad baggage.

And if he ends up starting a newspaper, I might just jump ship.

Mr. Toth is an editor for The Wall Street Journal. He can be reached at rob.toth@wsj.com.



Over the years, there have been a lot of career questions I never asked myself.

who I am and why I made the choices I have. They make me face even more difficult questions about what I want to do with the time I have left in my working life. And they hopefully will help me guide my son, who is about to graduate from high school, as he confronts some of the questions I wish I had the insight to ask myself some three decades ago.

If it ain't broke...

Looking back, there seem to be

work as the same kind of commitment as marriage or children. In part, it was the world they knew: They came from a generation where it was a lot more common to stick with one company for the long haul, and where employers often rewarded that loyalty with guaranteed pensions or at least a figurative gold watch.

It went beyond that, though. Mom and Dad worked best on regular schedules where they could punch out at the end of the day and be done. And they never

freelancing or manage side hustles while working tenuous jobs. Given my predispositions, it looked to me like they were taking a lot of immediate risk for a distant upside that might never arrive. So, when I got a job in the Journal newsroom back in 1991, answering phones and tearing news alerts off printers, I was grateful for the safety and tried to make the most of the opportunity. I'm still doing that.

The concerns about risk got stronger as I got older. Soon

Here's a Surprisingly Effective and Simple Strategy for Buying on eBay

The key, a study found, is to make your offer a round percentage off the listed price

BY ALINA DIZIK

In some online negotiations, there is a simple way to boost your odds of getting a discount.

In a recent study, researchers looked at eBay transactions where buyers could either pay a listed price or make a "best offer" that was below the listed price.

When buyers *did* make a "best offer," they closed many more deals if the amount they offered was a round percentage of the listed price.

Let's say a seller was asking \$34 for a product. An offer of \$17—exactly 50% of the asking price—stood a much better chance of being accepted than an offer of \$18, or 53%.

Why? In these types of transactions, sellers usually don't field more than one offer at a time—so the sellers are considering each offer individually rather than waiting for many buyers to make bids in a traditional auction.

And when sellers mull each of-

fer individually, it is likely easier to mentally process an offer that's a round percentage.

"These round percentages seem to coincide with a higher percentage of getting a deal in the end," says Hannes Petrowsky, a research associate at Leuphana University in Lüneburg, Germany, and the study's lead author.

The researchers studied more than 25 million eBay negotiations in 30 product categories—about 45% of them were successful—from 2012 to 2013. The goal: to see how buyers on the platform could get the cheapest offer without overpaying for an item.

(The researchers didn't examine traditional eBay auctions.)

Buyers who offered percentages that were difficult for the seller to calculate mentally, such as 51% off the listed price or 39% off, would close fewer deals than those who offered 50% or 40% off, respectively.

For instance, for every 1,000 offers made at 50%, 388 would lead to a deal, but for every 1,000 offers made at 51%, only 317 would lead to a deal. "When buyers offered exactly half of the list price, sellers tend to accept offers," says Mr. Petrowsky.

Offering 90% of the advertised price was most likely to result in a sale; the researchers found similar increases for those offering even percentages of 30%, 40% and 50%

off the listed price.

The research—which was published in the *Journal of Economic Psychology*—found other trends in eBay deals.

For one, buyers making offers

on items that cost more than \$100 were more likely to reach an impasse than products that were priced lower.

And buyers who mimicked the precise endings of the asking price

stood a better chance of closing a deal—for instance, a buyer who offered \$27.77 on an item priced at \$37.77.

Buyers who used that strategy increased the likelihood of a deal by 5.5 percentage points. Prior research has shown that these precise offers make the buyers seem more knowledgeable but less willing to make concessions.

Ms. Dizik is a writer in Chicago. She can be reached at reports@wsj.com.





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¹ All values are reported in risk-adjusted, three-year present value. "The Total Economic Impact of Slack for Technical Teams," Forrester, 2020.

² Weighted average. Based on 2,707 survey responses from weekly Slack users in the U.S., U.K., Australia and Canada with a ±2% margin of error at 95% CI (December 2021).

Farmers Markets

Continued from page R1
grants. Plus, you get paid on the spot, so you don't have to wait."

The most recent U.S. Department of Agriculture survey estimated that there were 8,140 farmers markets in operation in the continental U.S. in 2019. (The agency doesn't have estimates from previous years for comparison.) Markets are particularly popular in California, which has the most of any state, with around 660 certified by the state's county agricultural commissioners.

Many of those were forced to close or scale back during the pandemic, says Jay Van Rein, spokesperson for the California Department of Food and Agriculture, "but have rebounded significantly."

Here's a look at four small vendors in California and how they get the most out of their businesses.

Night Heron Bread: loaves that makes ends meet

When the pandemic hit, Trevor Adams was torn. He wanted to keep his baking job in San Francisco, but a congenital heart condition, combined with the bakery's tight working quarters, made it impossible to feel safe.

So, he went on disability and took what he thought would be a temporary leave of absence. Meanwhile, he and his wife, Robin Adams, a garden educator, brainstormed ways to keep the family afloat.

They decided to leverage Mr. Adams's talents while keeping him safe: They cleared out their garage and turned it into a bakery. At first, he sold his signature sourdough country loaf to friends and family, and offered a subscription service that customers could use.

"When we started out, we were literally putting up a sign on our fence outside of our home that said, 'Bread for sale on Saturdays,'" says Mr. Adams.

"But we really wanted to get into farmers markets," Ms. Adams adds. "We wanted to get that reach."

They aimed to land a coveted Saturday spot at the farmers market in their home, Alameda, an island city that's 20 minutes by car from San Francisco. The market allows only one artisan

bread baker per market day, and luckily there wasn't one on Saturday. But first Mr. Adams had to get a range of permits, insurance and other requirements, a process that took about six months and cost about \$1,000, with recurring fees for things like commercial kitchen rental space.

When Night Heron Bread—named after a local bird—finally made it to market last year, Mr. and Ms. Adams weren't thinking much about the placement of their tent. "We were newbies at the market, didn't want to make waves, and followed the instructions of the market manager," says Ms. Adams.

But they lucked out. A prime spot at the corner of Haight and Webster, one of the busiest commercial streets in Alameda, opened up. The space was usu-



ally filled, but a vendor didn't show up that week, so Night Heron got a shot—and ended up becoming a fixture there. "I think because we are Alameda locals and the manager knew that, he thought the corner was a good spot," says Ms. Adams. "He told us that people started

arriving at the market to ask where we were, so perhaps it was convenient to put us in a prominent location."

On days with good weather, they load up 125 loaves of bread to sell at \$10 to \$13 each, plus 50 baguettes at \$5 and flatbreads, pastries, cookies and jars of jam.

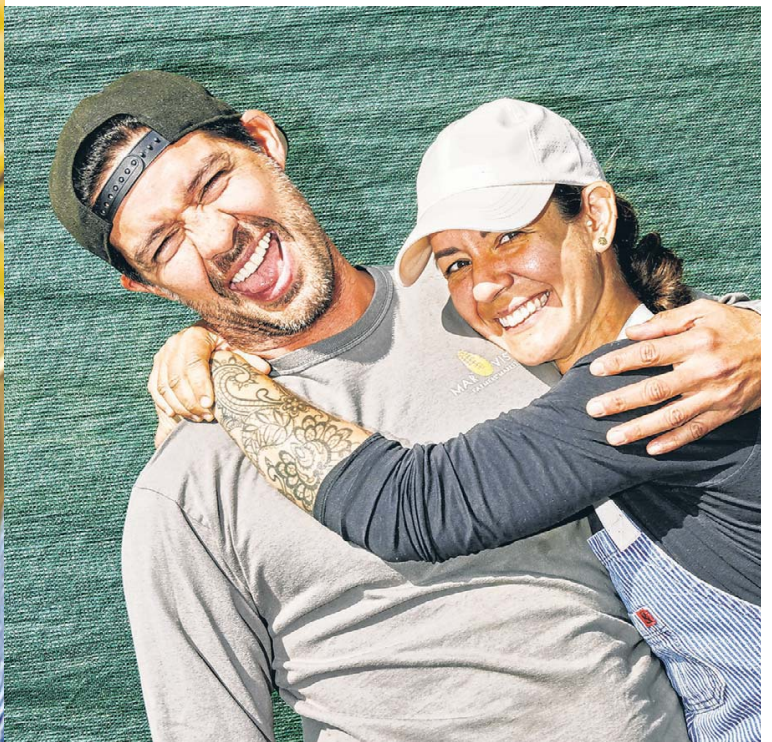


Revenue from a Saturday market is usually between \$1,600 and \$1,800; expenses run around \$400 to \$500, including a fee to the market itself that can total up to about \$75. That leaves about \$1,200 profit per market, according to Ms. Adams.

Rainy days, which California has seen a lot of this year, can be a different story. "If it's pour-

ing consistently for hours or really windy, we do a home bake and we'll fulfill our preorders and have customers pick them up at our house," Ms. Adams says. "We've also blasted our customers with an email in anticipation of rain and released a special part of our website with products people can preorder."

Between the farmers market,



SMALL BUSINESS

subscriptions and Ms. Adams's full-time job, the family is making the piecemeal approach work. Mr. Adams's dream is to open his own bricks-and-mortar bakery—but it is hard to imagine saying goodbye to the weekly market.

"There's something kind of wildly satisfying about showing up, working hard and driving away with an empty van," says Ms. Adams, who now handles the booth with friends, in part to give Mr. Adams a breather. "A beautiful, warm, sunny day at the market is everything: the fast pace, enthusiasm for the products you're putting out there and the positive feedback from customers."

The Pizza Prof: a passion that turned profitable

On weekdays, Matt Leonard is a philosophy professor at California Baptist University in River-

side, Calif. On Saturdays and Sundays, he morphs into the Pizza Prof, selling Neapolitan-style pies at two Los Angeles-area farmers markets in Mar Vista and Marina del Rey.

decade ago that got him obsessed with perfecting the pizza pie. "My mind was blown," he recalls. "I instantly fell in love with the simplicity and freshness of the ingredients in their pies."

Back home, he started making pizzas for family and friends. Then, with his family's encouragement and help, he started the Pizza Prof in 2021, eventually landing spots in two markets.

He doesn't have any direct competition, since he's the only pizza maker at both venues. For advertising, he relies heavily on his market booth itself: It sports a huge Italian flag, which can be seen from blocks away, and, he says, he is "almost always blast-

like this is the best way for me to connect with someone and show them one of my favorite things about my culture."

A friend introduced her to the manager of the Mar Vista Farmers' Market, who let Ms. Rojas and Mr. Ferrini do a one-time pop-up in early 2019. "We borrowed cars from our friends and supplies from other friends that had catering companies, because we had nothing," she says.

The Arepa Stand: exotic meals with a following

She would have been happy if she sold 20 arepas. The siblings ended up selling 160—and eventually landed a continuing spot at the market.

After a few months, she and Mr. Ferrini began expanding their business, dubbed the Arepa Stand. They are now in five markets, and the stand is their full-time job: one market on Tuesday, one on Saturday and three on Sunday. The siblings now have seven other team members—not including their mother, who they moved from Florida to California so she could help out.

Ms. Rojas and her brother use vibrant colors and visuals at their stand to draw customers, and Mr. Ferrini posts lots of photos on Instagram. But most people who come to the stand say they saw someone with an arepa and wanted to check it out, Ms. Rojas says.

At the largest of the five markets, Mar Vista, they sell anywhere from 250 to 300 of the sandwiches, which range from \$13 to \$17, each week. At each of the other four markets, they sell around 150 to 180. In all, the Arepa Stand earns \$500,000 a year with a 20% profit, according to Ms. Rojas. Out of that, Ms. Rojas and Mr. Ferrini pay themselves a salary of \$50,000 each—something they weren't earning enough to do until last year.

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We are so proud of what we are building...and we continue to build upon this dream."

Dirty Girl Produce: a full-time job with a lot of risks

Joe Schirmer, owner of Dirty Girl Produce, is a farmers-market veteran. He has sold goods around Northern California since the mid-1990s, and bought his own farm in 1999 in Watsonville, Calif., 90 miles from San Francisco. The 40-acre operation—named by the previous owners, two women whose nicknames were "Dirty Girls"—grows everything from beans and broccoli to strawberries and tomatoes.

Multiple days a week, Mr. Schirmer and his crew load up the produce and truck it to five markets: two in Santa Cruz, two in San Francisco and one in Berkeley. The markets represent roughly two-thirds of the company's business, with the rest coming from wholesale customers, restaurants and subscriptions.

"People go to the farmers market to get the best produce, and our model is quality," he says, adding, "We know how to make everything look extra pretty and get it to the farmers market when it's fresh, when it's just picked."

Mr. Schirmer offers from 15 to 40 different items at any given market, which he says helps his operation stand out from other farm stands that may offer only a couple of products. Even though the farmers are all theoretically competing for customers, Mr. Schirmer says that some of his best friends are other growers he has met at the markets.

"It's a pretty good vibe," he says, adding, "If you forget a scale or you forget bags or weights or a tent or an umbrella...people share and help you out."

In 2022, the farm did \$74,000 in sales at the smallest market and \$500,000 at the largest, according to Mr. Schirmer. In all, he took in roughly \$1,000,000, 60% of which was direct off-the-table sales at the farmers markets, while the rest was wholesale and to restaurants and subscriptions, he says. But after expenses—the biggest of which is labor—the company posted a net loss of \$60,000.

There are many reasons for the losses, according to Mr. Schirmer, among them pandemic-related issues, a labor shortage and drought. (Mr. Schirmer pays himself \$6,000 a month, "what it costs us to live.") "I love farming, I just wish the economic reality of it wasn't what it is," he says.

"To be honest, we're essen-



side, Calif. On Saturdays and Sundays, he morphs into the Pizza Prof, selling Neapolitan-style pies at two Los Angeles-area farmers markets in Mar Vista and Marina del Rey.

"I am a huge nerd," says Mr. Leonard, who specializes in the metaphysics of spacetime. "But I also love pizza and business."

It was a trip to Venice, Italy a

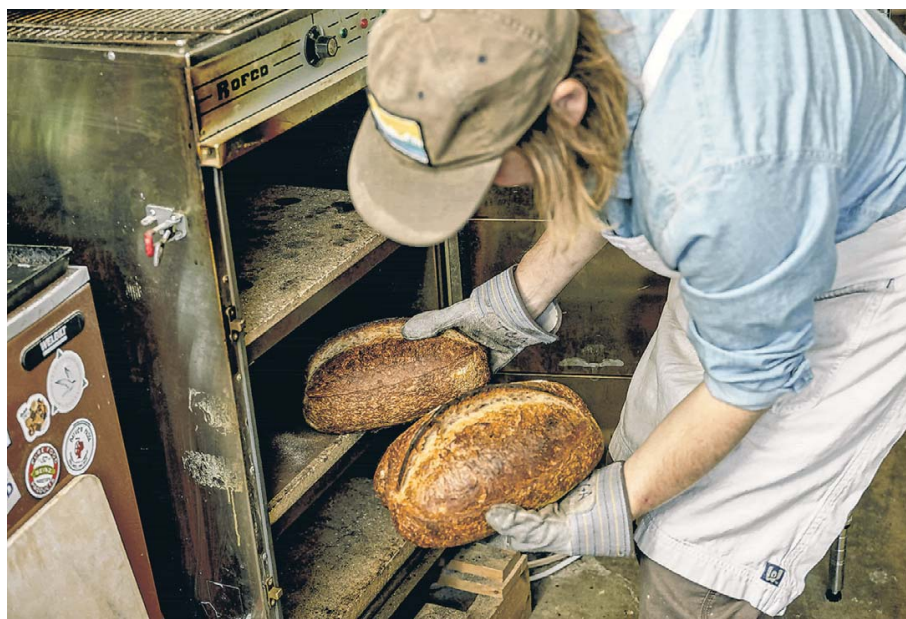
ing the Rat Pack to add to the experience of ordering authentic Italian pizza."

What's more, his family members are "a bunch of extroverts who love to talk to people," he says, so they do a great job selling the pies while he is baking them. His wife, Hillary Leonard, and his mom are the cashiers, while his two older children help with prepping, cooking and boxing. Ms. Leonard also "works for the business throughout the week by making dough, prepping toppings, etc.," Mr. Leonard says.

Mr. Leonard has been surprised by how well the business has done. Each pizza takes only 60 seconds to cook, so he can churn out large numbers quickly, and costs are low. Currently, he is making 225 to 300 pizzas—ranging from \$15 to \$25 each—between the two weekly markets. His average sale is \$21 with a profit margin of approximately 65% to 74%. The biggest expense is mozzarella. "I use top-quality fresh mozzarella, and that adds up."

Working 50 weekends a year, he estimates his annual profit is between \$155,390 and \$196,562, more than he makes as a professor.

The extra money has allowed the family to do everything from paying down Mr. Leonard's student loans to investing and saving for a house. Rather than using pizza making as a break from academia, Mr. Leonard sees it as a second dream job—and has no plans to quit either one soon. Someday, "just for fun," he would like to get a bricks-and-mortar pizzeria.



started thinking about opening a market stand of her own with her brother Zeus Ferrini. They would sell arepas: a corn pocket made from masa packed with a variety of ingredients, such as brisket, chicken salad or cheese, along with fresh ingredients like lettuce, avocado and tomatoes.

Ms. Rojas describes the Venezuelan-Colombian dish as a pita made out of corn. "Arepas have always been my favorite thing to cook for people, especially people that have never tried it," says Ms. Rojas, who was born and raised in Venezuela. "I feel

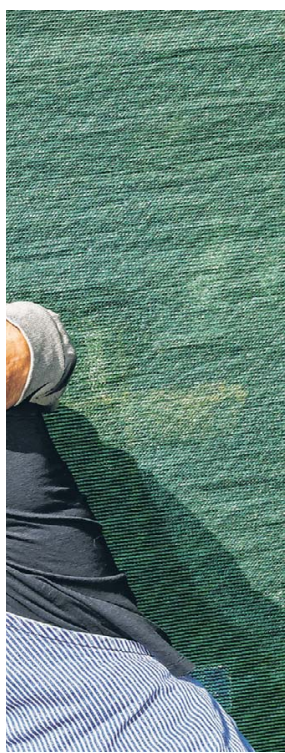
The setting itself is a bonus. "I feel like there's such beautiful weather in California that it's so special to be able to work outside," Ms. Rojas says. The team "gets to interact with all the customers as opposed to working in a restaurant."

Going forward, though, she would like to launch a restaurant as well as continue running the stand. "When you first start a business, you kind of feel like a hamster in a wheel just trying to get by," says Ms. Rojas, adding, "But then you look back and you realize just how far you've come.

tially on a sinking ship," Mr. Schirmer says. "But that doesn't mean that I'm not optimistic, that I can't turn that around. What do you do, just give up? Or do you take on debt and service debt and make sure everybody gets paid, take care of all your workers?"

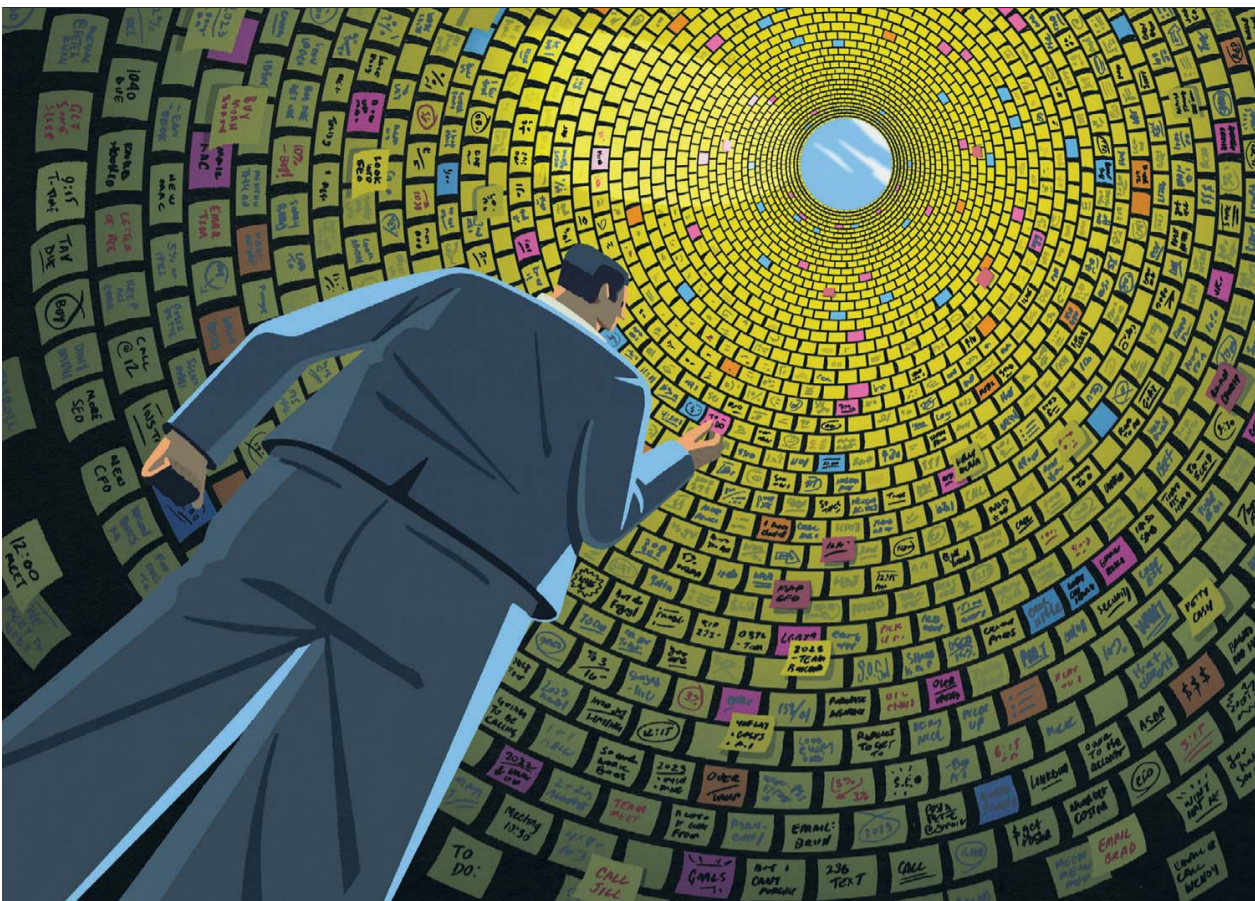
"That's what I chose to do. I'm going to do this and tweak this plan and make sure we have brighter days."

Ms. Garone is a writer in Alameda, Calif. She can be reached at reports@wsj.com.



PHOTOS: GAVIN CLIFFORD FOR THE WALL STREET JOURNAL (3); MAGGIE SHANNON FOR THE WALL STREET JOURNAL (4)

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Addicted To Work

Continued from page R1

one, which 38% did, can be damaging.

Here's a look at those six traits, and how they played out with some of the entrepreneurs we interviewed.

All they think about is the business.

Addicted entrepreneurs think about entrepreneurship unrelentingly. When they are not obsessing over the day-to-day workings of the business, they are pondering new product ideas, figuring out target markets and more. They have file drawers or stacks of notebooks filled with business ideas, they squeeze in podcasts and audiobooks about entrepreneurship whenever they can, and they obsessively monitor their website traffic in real time.

One serial entrepreneur described the feeling this way: "I don't know what it's like to be away from the venture; that's just not me. I am always thinking about it, everywhere I go, everywhere I look."

"Everything I do is running my own business," another entrepreneur said. "We haven't had television in our house for eight or nine years. I don't go play sports; I don't go watch sports. I go run a business or start a business or write a business plan."

During downtime, he said, he reads the latest business books or listens to panel discussions of entrepreneurs. He was so focused on his business that he was grateful that he and his wife were "only married."

"Thank God [we] didn't have kids," he said.

They have manic cycles.

With addicted entrepreneurs, their moods and motivation alternate between strong highs and lows, depending on the state of the business. In short, they are elated and energized when they are working, they are full of excitement and anticipation when running business experiments, but they are miserable and can feel trapped when they are not working or testing new ideas.

When addicted entrepreneurs must take a break from work—traveling to a friend's wedding, say, or attending a family graduation—they become agitated and irritated in anticipation. Planning a trip plunges them into a sour mood, and when they arrive they make it very clear that the event is interfering with their work, possibly sulking or acting impatient.

On the other hand, these entrepreneurs swing into an up cycle when the obligation is finished and are filled with relief when they can get back to the business.

"One of the biggest things that keeps me down is not doing the work, not doing enough, not feeling like I'm accomplishing enough,

not feeling like I'm learning enough," one entrepreneur said.

Their self-worth is tied to the business.

Addiction creates another type of emotional cycle for entrepreneurs: They start to measure their worth entirely by the performance of their business. So, they feel great about themselves when the company is doing well—but if it isn't, they are miserable. Everybody, of course, can get energized or moody depending on how their work is going. But for addicts, the performance of the business becomes the biggest determinant of their mood—it outweighs things like good news from a sibling or a child winning a championship game.

One entrepreneur described sinking into a depression for months when his woodworking business faltered. He couldn't pull out of the mood and recover his self-esteem, he said, until he was able to launch a new business and generate sales.

And his perception of himself changed based on the performance of the business from day to day—he didn't see it as his business's performance, but rather his own. Did he win a contract he was shooting for? Was he on track to cover his expenses? The answers determined his self-worth.

They become one-dimensional.

Eventually, the problems of shedding other interests and heavy emotional investment in the business take a deeper toll. Addicted entrepreneurs start defining themselves entirely by their business. They don't think of themselves as parents or spouses or caregivers who are entrepreneurs for a living. They are entrepreneurs first, and anything else becomes a footnote.

The feeling intensifies as they drop more interests and get more emotionally tied to the business. Their sole interest and focus is on business success and entrepreneurial activities—they rely on the business to serve as a source of sense of purpose and meaning.

Things only get worse when they run a business that is very visible, like a Main Street shop or a big employer in the area. It's hard to hide success and failure when you do your work in public, compared with working out of sight in an office—so entrepreneurs often feel social pressure to focus on their business and make sure it prospers.

They keep raising the stakes.

Addiction often escalates. The entrepreneurs find themselves grasping for more involvement with the business and pursuing greater success, and they feel compelled to take bigger risks to feed their need.

One serial entrepreneur told us that he founded his early ventures with partners who shouldered some of the financial risk. But as time went on, he felt the need to take on more risk—but potentially

net greater rewards if the business succeeded. So he went from covering, say, 60% of the funding for his startups to paying for it all himself. He found the increased responsibility exhilarating, because he could really test what he was "made of" and take full responsibility for successes and failures.

When we last checked in with him, his business was doing well, he said, and he couldn't envision engaging in a partnership again.

They do things in secret and suffer alone.

As with many addicts of all types, addicted entrepreneurs often recognize their destructive problems and feel guilty and ashamed about what they are doing. But instead of seeking help or even just confiding in someone, they hide their feelings and keep their activities secret.

One entrepreneur felt driven to expand his heavy-duty construction-equipment servicing and repair business—so he took out a second mortgage on his house to cover the costs. But he didn't tell his wife. If she had known, he said, it certainly would have led to their divorce.

On the one hand, he felt isolated: He had often gotten into conflicts with his wife because, he said, she didn't understand what it was like to be an entrepreneur and always pushing oneself to do new things.

She would ask him, he said, "why [was he] never satisfied with the status quo and instead always going after new troubles." She couldn't understand why he wanted to take on new risks and new debt, he said, even if he had done the math and "just knew" they would work out.

On the other hand, he couldn't

HOW I THOUGHT OF IT

On a Cold, Dark Night, an Entrepreneur Saw the Light

BY ELIZABETH GARONE

IN 2013, Eva Eckerblad became a candle addict.

That year, she moved to Sweden from the U.S. with her now-husband, and soon discovered that she wanted an antidote to the long, cold nights and time spent indoors. She found herself constantly lighting candles to create a warm, cozy feeling.

"It's amazing the power a good candle has to change the mood," she says.

Still, Ms. Eckerblad disliked all the waste that candles produced: lots of leftover containers with just enough wax and soot in them to make them unrecyclable. She hated seeing them piling up in her kitchen cabinets—or, worse yet, ending up in landfill.

Ms. Eckerblad, who was working as a user-experience designer, started brainstorming on how she might reuse containers and cut down on waste. Inspiration struck: letting people use old containers for new candles.

She called her brother, David Bronkie, who lives in northern California, to ask for help. With a background in engineering, he "knows how to get things made," Ms. Eckerblad says.

Mr. Bronkie, who was working for an outdoor-accessories company he co-founded, signed onto the project, and the siblings created a kit for putting new wax and a wick into used containers.

But instead of just offering a way to recycle containers, the



Candle kits from Siblings aim to let customers reuse old containers.

siblings decided to go all the way and make the entire candle kit as green as possible, using eco-friendly wax, toxin-free and ethically sourced fragrances, and packaging that served to reduce waste.

Originally, the bags were 60% compostable, says Mr. Bronkie, "but now we found a new supplier that's 100% compostable, so that was always the original goal: a no-waste product." The company also sells eco-friendly containers of its own.

Mr. Bronkie went full time with the company, dubbed Siblings, in 2019, and Ms. Eckerblad took the same step in late 2022. They have two more siblings, both of whom are involved part time.

"It's definitely a family affair. All the siblings are involved in some way or another," says Mr. Bronkie. "It feels good to have a

bring himself to share his entrepreneurial adventures, including his own stresses and fears, with her because she would "blow them way out of proportion" and think they were far more severe than they actually were, he said. Instead, he tried to shield her, even as their financial situation got more precarious.

Luckily, he was able to generate enough revenue to pay the mortgage off quickly. And eventually, he and his wife came to a better understanding of his entrepreneurial efforts.

But they still don't talk about things that might cause stress, he said, because those things still worry her much more than they do him.

The consequences of addiction can be traumatic. Many entrepreneurs told us they were sick all the time: Among other things, they suffered from insomnia, took antacids "like candy" (sometimes ending up in the hospital for gastrointestinal issues) and generally managed their health poorly. In some cases, they became diabetic or even came close to death. Some saw their marriages fail and their relationships with children and friends ruptured.

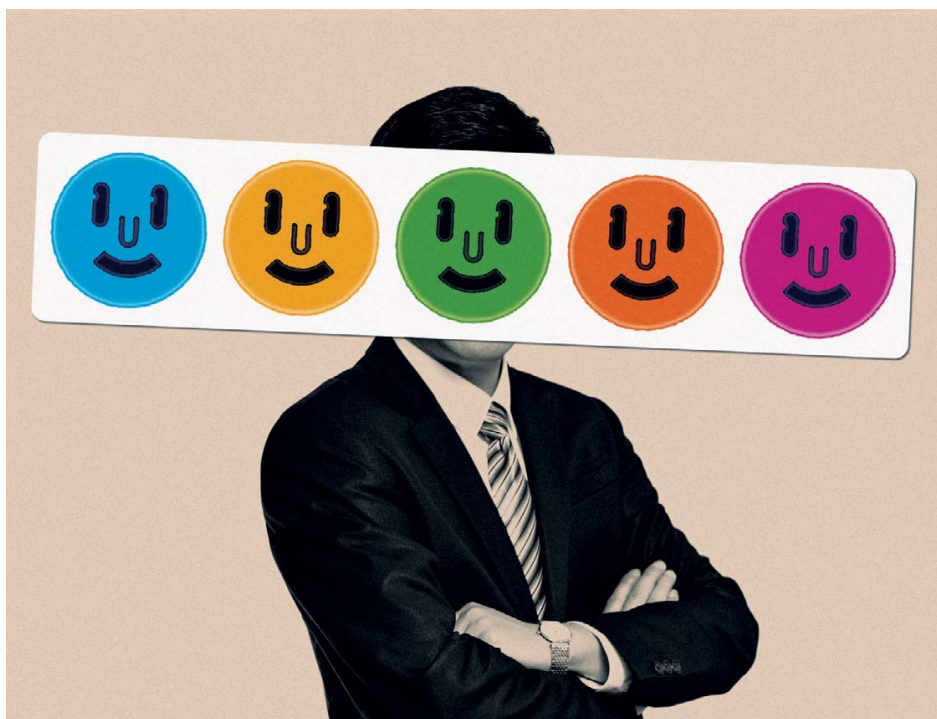
Avoiding those outcomes requires the self-awareness to take preventive steps. For people who are sensation seekers, for instance, and live for the thrills entrepreneurship can deliver, they should be aware they are more likely to become hooked. They might find somebody they can trust to hold them accountable, who will demand that they take time off and invest in their health and relationships.

That isn't always easy, because the workaholic entrepreneur is such a revered part of our culture. But it helps to remind ourselves of that invisible line, and that stepping over it is a lot easier than getting back once you've crossed it.

Dr. Spivack is an associate professor of entrepreneurship, management and organization at the Hanken School of Economics in Helsinki. She can be reached at reports@wsj.com.

PETE RYAN

SIBLINGS



The Changing Face of Entrepreneurship

Since the mid-1990s, there has been a big increase in Hispanic- and Asian-owned businesses

BY CHERYL WINOKUR MUNK

ENTREPRENEURSHIP in the U.S. looks a lot different than it used to. Since the mid-1990s, people with Latino and Asian heritage, both U.S.-born and immigrants, have grown to represent 24.2% and 7.3% of new entrepreneurs, respectively—more than double

where they started. Immigrants overall have seen comparable gains. The Black share of entrepreneurs has ebbed and flowed, but it is higher than in the mid-1990s, while women's share has stayed relatively consistent over time. New-business founders are also getting older, with the 55-to-64 group taking up 22.8%.

To discuss these trends, The Wall Street Journal spoke with Robert Fairlie, professor of economics at the University of California, Santa Cruz, who wrote a

report published by the Ewing Marion Kauffman Foundation on the changing demographics of entrepreneurs.

• **WSJ:** Why do you think we've seen such a big increase in Hispanic-owned businesses?

• **DR. FAIRLIE:** The Latinx population is an increasing share of the total workforce, so there is a larger number of people who have the potential to start a business. There's also a higher percentage of the Latinx population that are starting up businesses than there

was before. I think that's partly because things have shifted in the labor market, and people, generally, are more prone to start up businesses or venture into self-employment. Workers are also moving back and forth between different activities more than they used to. That's especially true for the Latinx population because of the service-based industries and jobs that many are in. These businesses tend to be more fluid.

• **WSJ:** Why do you think we've seen such a big increase in older entrepreneurs?

• **DR. FAIRLIE:** Older workers definitely have a higher propensity to start businesses than young workers. Entrepreneurship often takes experience and financial capital, which older workers have. What's changed over time is the share of older workers in the total workforce. Even if they didn't have a higher rate of starting up businesses, the share of all new entrepreneurs that are older would just naturally increase. The workforce in the U.S. is getting older.

• **WSJ:** How do you interpret the data on Black entrepreneurs? The figures seem to have stayed relatively constant over the years.

• **DR. FAIRLIE:** The primary reason

Find more online



To read more of this interview, go to [wsj.com/smallbusinessreport](https://www.wsj.com/smallbusinessreport)

is that the Black population has not grown over this time period.

• **WSJ:** How do you think the overall entrepreneurship numbers were affected by the pandemic?

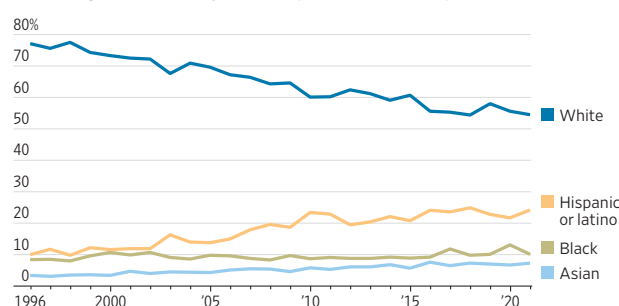
• **DR. FAIRLIE:** Overall entrepreneurial activity can go up in a pandemic because there's a disruption and people move in and out of jobs. That's a big part of this increase in the Latinx and immigrant rate of entrepreneurship.

• **WSJ:** What other shifts do you expect to see down the road?

• **DR. FAIRLIE:** I think we're going to see an increase in diversity in entrepreneurs. The fact that we're not completely recovered from the pandemic is also likely to impact diversity. You're still seeing a lot of empty storefronts, and there is opportunity to start businesses in prime locations.

Ms. Winokur Munk is a writer in West Orange, N.J. She can be reached at reports@wsj.com.

Percentage of new entrepreneurs by race and ethnicity



Source: Kauffman Foundation

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Four Reasons Not to Get a Patent

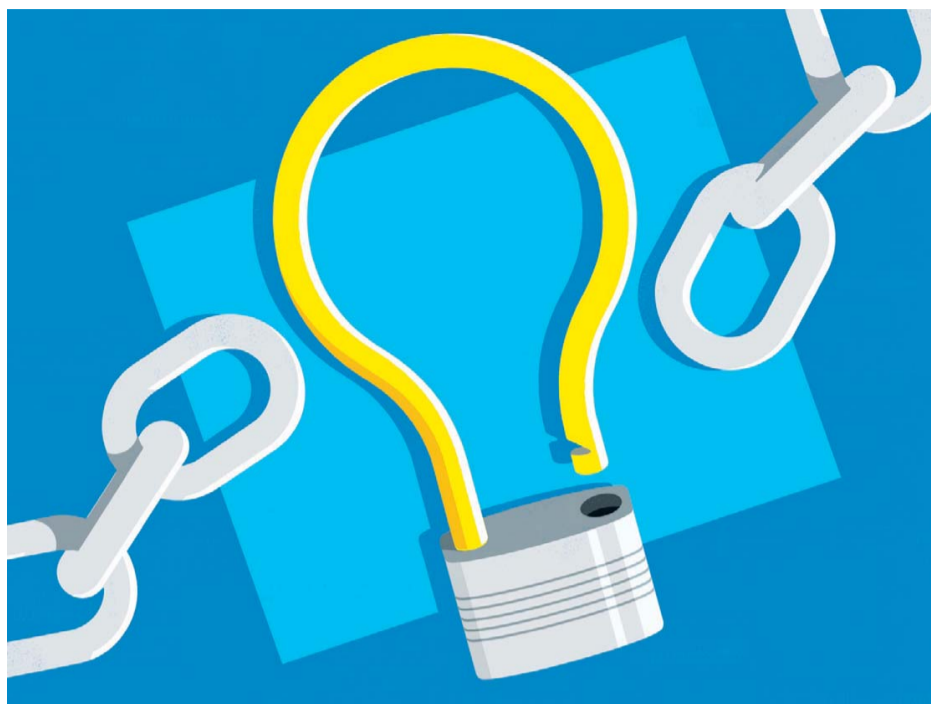
It could depend on your finances and the nature of your idea

BY BARBARA HAISLIP

YOU'VE GOT A great idea, and you want to take it to market. Should you protect it with a patent?

The knee-jerk reaction is, of course. You don't want somebody stealing your idea. But the answer isn't as clear as it might seem. Experts and entrepreneurs say that there are other considerations that may be more pressing when you're preparing to launch—so you might want to put off getting a patent, if you get one at all.

Here's a look at some reasons why a patent might not be the best bet.



It may cost too much right now

It's easy to see why patents are appealing. You get 20-year protection on your idea, so nobody can copy the part of the concept that you've patented, and if they do, you can pursue legal action. (To get a patent granted in the first place the invention must be novel, useful and nonobvious, says David Nersessian, associate professor of law at Babson College.)

However, for a fledgling startup, a patent may pose one basic hurdle: expense. The overall cost of filing can range from \$10,000 to \$40,000, says David Hsu, the Richard A. Sapp Professor of Management at the Wharton School, University of Pennsylvania. Entrepreneurs who are strapped for

cash might be better off investing in necessities first, he says.

You have to be the police

The expenses don't end there. Once you've got a patent, you may end up spending a lot of money—and time—making sure nobody infringes on it. Patents aren't self-enforcing, Dr. Hsu says, and holders need to keep abreast of the marketplace to watch for potential copycats. That can mean hiring another firm to do the watching for you, and then taking on legal costs to pursue action if necessary.

Just keeping a secret may work better

Getting a patent can be wise when your idea can be reverse-engineered, such as a medical device or a pharmaceutical, says Nathan A. Evans, partner and registered patent attorney at Wood Rogers Vandeventer Black PLC in Virginia.

If you *don't* patent such an invention, competitors could figure it out and copy it potentially without legal risk. However, in other cases, a patent doesn't make as much sense.

"If your idea is something that can be kept secret, such as a recipe or complex process that cannot be reverse-engineered, perhaps keeping it as a trade secret makes more sense," Mr. Evans says.

That means using diligence to

keep the business information confidential and guard against theft—moves that will allow you to seek an injunction, and damages, against somebody who steals the secret.

But if you make any public disclosure, even inadvertent, trade-secret protection may be lost forever, Mr. Evans says.

Your name may be more important than your idea

In some cases, some experts say, it may not be worth it to spend a lot of money on a patent at the very start of your business.

Instead, they say, you would get better protection for your company by investing in a trademark—so that other businesses

won't be able to use your company name. Why? Keeping a consistent name—and preventing others from using it—can make the business instantly recognizable for customers, even if the company starts selling different products or services.

If a company name changes, a business can lose the cachet it has built up.

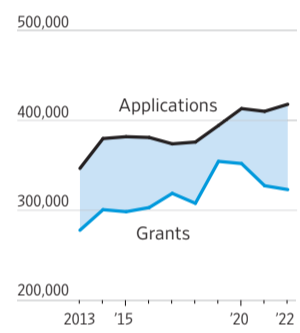
What's more, if entrepreneurs give priority to getting a patent—and wait too long to secure a trademark—they may find that another company has already registered the trademark in their industry, or has trademarked a name that is similar enough to cause confusion.

"Most often, the worth of a company or product name supersedes the value of a product's capability or unique technology," says Jason Brewster, director of venture programs at the University of Virginia's Darden School of Business. "It is critical to ensure such names are protectable assets."

Another important practical consideration: price. The price tag for getting a trademark can be a fifth the cost of getting a patent, or less.

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Even as U.S. grants are down, applications continue to rise.



Source: IFI Claims Patent Services

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