

What's News

Business & Finance

Fed officials signaled that they might be done raising interest rates for now after unanimously approving another quarter-point increase at their latest policy meeting. **A1**

◆ **Treasury yields fell** and U.S. stocks ended lower in the wake of the meeting, with the S&P 500, Nasdaq and Dow losing 0.7%, 0.5% and 0.8%, respectively. **B10, B11**

◆ **The SEC voted 3-2** to adopt a rule requiring more disclosure from public companies about share repurchases starting in the fourth quarter, Washington's latest move to rein in such transactions. **A1**

◆ **The FTC proposed** barring Meta Platforms from profiting off data it collects from young users, accusing the firm of misleading parents and repeatedly violating a 2020 privacy order. **A1**

◆ **The World Bank's** executive board approved Ajay Banga as its next president, putting him in charge of an effort to expand lending capacity and fight climate change. **A2**

◆ **The CFTC voted** to suspend its inspector general after an oversight body found that he engaged in "substantial misconduct," people familiar with the matter said. **B1**

◆ **Johnson & Johnson's** big consumer-healthcare business priced its IPO at \$22 a share, a level that would value the new company at more than \$40 billion. **B10**

◆ **Apollo Global is** nearing a deal to buy industrial-parts manufacturer Arconic, according to people familiar with the matter. **B2**

World-Wide

◆ **Two drones crashed** into the Kremlin, according to the Russian government, which blamed Kyiv for the attack in the heart of Moscow that could embarrass Putin as he tries to rally support for his war effort in Ukraine. Zelensky denied that Ukraine was behind the attack. **A1**

◆ **The Senate voted 56-41** to block a move by the Biden administration to temporarily remove tariffs on solar materials imported from Southeast Asia, sending the measure to Biden for an expected veto. **A2**

◆ **In the week** since Biden announced his re-election bid, legal developments in Washington and Arkansas have underscored the potential liabilities son Hunter Biden could present for the campaign. **A4**

◆ **Iranian forces seized** a Panama-flagged oil tanker in the Strait of Hormuz, the U.S. Navy said, marking the second time in less than a week that Iran has captured a commercial ship in the region. **A9**

◆ **Trump testified** in a recorded deposition that writer E. Jean Carroll's rape allegation against him was made up, calling her account "the most ridiculous, disgusting story." **A3**

◆ **An experimental Eli Lilly** drug slowed cognitive and functional decline for people with early-stage Alzheimer's disease in a new study, the company said. **A3**

◆ **The FDA approved** the first vaccine against a common respiratory virus in older adults that has been a major cause of hospitalizations and deaths. **A3**

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Fed Boosts Rates to a 16-Year High

Central-bank officials signal they could be done tightening after 10th straight increase

By NICK TIMIRAO

WASHINGTON—Federal Reserve officials signaled they might be done raising interest rates for now after approving another increase at their meeting that concluded Wednesday.

"People did talk about pausing, but not so much at this meeting," Fed Chair Jerome Powell said at a news conference.

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

Wednesday's unanimous decision to lift rates by a quarter percentage point marked the Fed's 10th consecutive rate increase aimed at battling inflation. It will bring its benchmark federal-funds rate to a range between 5% and 5.25%, a 16-year high.

Stocks retreated after the decision after rising earlier in the day. The Dow Jones Industrial Average fell about 270 points, or 0.8%, while the S&P 500 and Nasdaq Composite indexed closed down 0.7% and 0.5%, respectively. U.S. govern-

ment bonds rallied slightly, pushing the benchmark 10-year Treasury yield down to 3.401%, from 3.438% Tuesday.

The Fed has now raised its benchmark federal-funds rate by a cumulative 5 percentage points from near zero in March 2022, the most rapid series of increases since the 1980s. The rate influences other rates throughout the economy, such as on mortgages, credit cards and business loans.

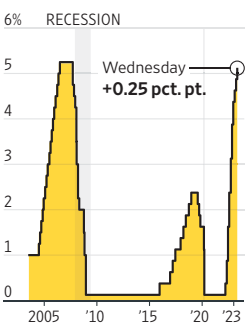
"I think that policy is tight," Mr. Powell said. But he said, "we are prepared to do more if greater monetary policy restraint is warranted."

Until now, officials have been looking for clear signs of a slowdown to justify ending rate rises. But Mr. Powell indicated that calculation could shift now and that officials would need to see signs of stronger-than-expected growth, hiring and inflation to continue raising rates. The Fed's next meeting is June 13-14.

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- ◆ **Treasury yields slide after Fed's move..... B10**
- ◆ **Stocks end lower after latest rise..... B11**
- ◆ **Heard on the Street: More rate increases can wait..... B12**

Federal-funds rate target



Note: Chart shows midpoint of range since 2008. Source: Federal Reserve



Video appeared to show a drone flying over the Kremlin's Senate Palace dome before exploding. Russia said an electronic warfare system downed two of the aircraft.

Russia Says Kremlin Struck By Drones, Blames Ukraine

Two drones crashed into the Kremlin early Wednesday, according to the Russian government, which blamed Kyiv for the attack in the heart of Moscow that could embarrass President Vladimir Putin as he

President Volodymyr Zelensky of Ukraine denied that his country was behind the attack. "We didn't attack Putin," he said in Helsinki, where he was meeting with the leaders of Nordic states.

An adviser to Mr. Zelensky, Mykhailo Podolyak, suggested those responsible were domestic opponents of Mr. Putin.

If Ukraine or its supporters were behind the attack, it would highlight serious vulnerabilities at the heart of Russian power days ahead of Victory Day, a major Russian holiday commemorating victory over Nazi Germany.

The drone strike comes before

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THE WALL STREET JOURNAL

U.S. in Talks With Russia

Blinken says Washington 'intensely' working to free WSJ's Gershkovich..... A8

Epstein Courted Notable Friends With Favors

By KHADEEJA SAFDAR AND DAVID BENOIT

Lawrence Summers wanted \$1 million to fund an online poetry project his wife was developing. The former Treasury secretary and onetime Harvard University president turned to Jeffrey Epstein.

"I need small scale philanthropy advice. My life will be better if i raise \$1m for Lisa," Mr. Summers said in an email to Epstein in April 2014, referring to his wife, Elisa New, a Harvard professor. "Mostly it will go to make it a pbs series and for teacher training. Ideas?"

Epstein replied that they could meet in Cambridge, Mass. Mr. Summers invited him to dinner, according to a trove of documents reviewed by The Wall Street Journal. Two days later they made plans to meet at The Fireplace, a cozy restaurant in nearby Brookline, one of several

meetings the two men scheduled that year.

In 2016, a nonprofit linked to Epstein donated \$110,000 to Ms. New's nonprofit, which develops video content about poetry, according to tax records.

The documents reviewed by the Journal, which include thousands of pages of emails and schedules from 2013 to 2017, provide new details about the nature and frequency of Epstein's contacts with an array of powerful people long after he was a registered sex offender. He had pleaded guilty in 2008 to soliciting and procuring a minor for prostitution.

Mr. Summers "deeply regrets being in contact with Epstein after his conviction," and Ms. New's nonprofit "regrets accepting funding from Epstein," said a spokeswoman for the couple. Ms. New's nonprofit later made a contribu-

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SEC Requires Firms To Boost Disclosure On Stock Buybacks

By PAUL KIERNAN

WASHINGTON—Companies will need to jump through more hoops to buy back their stock under a rule approved by regulators Wednesday, Washington's latest move to rein in such transactions.

The Securities and Exchange Commission voted 3-2 to adopt a rule requiring more disclosure from public companies about share repurchases starting in the fourth quarter. The SEC's two Republican commissioners voted against the rule, and the U.S. Chamber of Commerce said

it is considering litigation to block it from going into effect.

Share repurchases tend to drive a stock's price higher. Along with dividends, they are one of the main ways companies return spare cash to their investors.

Democrats have long criticized the transactions, saying they distort the tax system and encourage companies to distribute profits to investors and executives rather than investing in workers, technology or production. Buybacks by S&P 500 companies hit a re-

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Meta Faces Restrictions On Ads Targeting Kids

By JOHN D. MCKINNON

WASHINGTON—The Federal Trade Commission proposed barring Meta Platforms from profiting off data it collects from young users, accusing the company of misleading parents and repeatedly violating a 2020 privacy order.

The FTC action Wednesday represents an unwelcome return to controversy for Meta and its major platforms, including Facebook and Instagram. The company agreed in 2019 to pay a \$5 billion civil penalty following a previous FTC investigation into its privacy practices.

"Facebook has repeatedly violated its privacy promises," said Samuel Levine, director of the FTC's Bureau of Consumer Protection, in a statement. "The company's recklessness has put young users at risk, and Facebook needs to answer for its failures."

The new allegations represent an aggressive move by the FTC, and the company vowed to contest them. Meta has 30 days to formally respond.

A Meta spokesperson termed the FTC action "a political stunt."

"Despite three years of continual engagement with the FTC around our agreement, they provided no opportunity to discuss this new, totally unprecedented theory," the spokesperson said. "We have spent vast resources building and implementing an industry-leading privacy program under the terms of our FTC agreement. We will vigorously fight this action and expect to prevail."

The spokesperson added that the FTC was seeking to "usurp the authority of Congress to set industrywide standards and instead single out

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The industry leader in artificial intelligence software.

RANK	COMPANY	2021 AI REVENUE
No. 1	Palantir	\$1,392M
No. 2	Microsoft	\$1,252M
No. 3	IBM	\$776M
No. 4	AWS	\$688M
No. 5	Google	\$536M

Source: IDC, Worldwide Artificial Intelligence Platforms Software Market Shares, 2021: AI Is Being Used In More Unique Ways Than Ever (2022)

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The information presented in the table above has been compiled and analyzed by IDC using their methodology described in the Worldwide Artificial Intelligence Platforms Software Market Shares, 2021: AI Is Being Used In More Unique Ways Than Ever (2022) report contained on IDC's website (www.idc.com). We have not independently verified, and make no representations as to, the accuracy or completeness of the data contained in this report.

U.S. NEWS

Banga Is Approved to Lead World Bank

Mastercard’s ex-CEO will take over as the U.S. presses for money to fight climate change

By YUKA HAYASHI

WASHINGTON—The World Bank’s executive board approved Ajay Banga as its next president on Wednesday, putting the India-born American businessman in charge of an effort to expand lending capacity and fight climate change. Mr. Banga, who was nominated for the post by President Biden, is serving a five-year term starting June 2. He is succeeding David Malpass, a Trump nominee who is stepping down a year before his

term ends. The 63-year-old Mr. Banga is a former chief executive of Mastercard who also held leadership roles at Citigroup and PepsiCo. He arrives at an institution trying to balance competing priorities. The U.S. and other wealthy nations have been pressing the bank to lend more money to programs that would fight climate change, but have been reluctant to contribute more funds. They have pushed the bank instead to tolerate more risk by making additional loans with its existing funding. Mr. Biden called Mr. Banga a transformative leader. “Ajay will also be integral in bringing together the public and private sectors, alongside

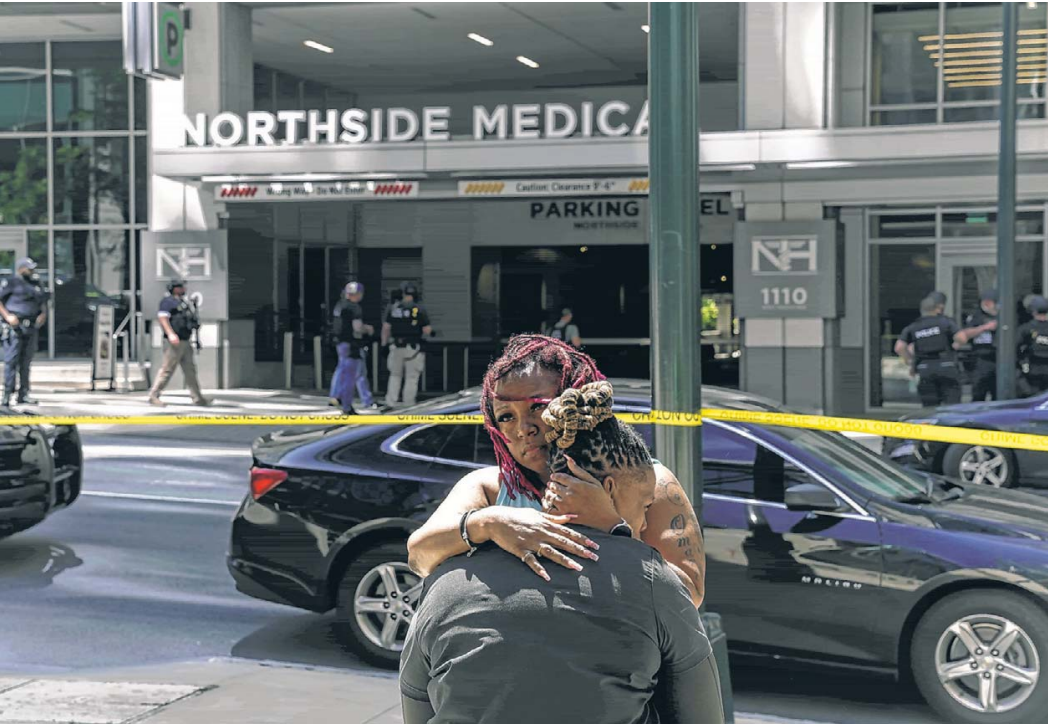
philanthropies, to usher in the fundamental changes in development finance that this moment requires,” Mr. Biden said. Many developing nations are cautious of the climate effort, worrying that it might result in fewer resources for alleviating poverty and other economic development programs. Developing nations were hit particularly hard by the pandemic and higher food and energy prices, and they are struggling with ballooning debt loads. The pandemic increased the number of people living in extreme poverty for the first time in at least four decades, according to the World Bank. In an interview last month, Mr. Banga endorsed the view

of officials from the U.S. and other major nations who say the bank can spend more to fight climate change without compromising its core work to help the poor. “My logic is that the climate aspect is not separated from development,” Mr. Banga said. Mr. Banga has said he supports the idea of having the World Bank take on more risk and leverage its existing assets to raise more funds. But he has also noted that, given the potentially trillions of dollars needed to address climate change, the lender must find ways to encourage the private sector to channel more funds to clean energy projects around the world. “The World Bank can play a central role in this effort by us-

ing its resources and its policy know-how to more effectively catalyze private capital,” he said during an April speech. “We need to get the private sector to be a constructive player in this mission. “ The U.S., the largest shareholder of the World Bank, has traditionally nominated U.S. citizens as World Bank presidents. The practice has drawn the ire of developing nations, but Mr. Banga ran uncontested for president. Russia abstained from voting to confirm Mr. Banga, breaking from the tradition of unanimous board support for a new president, according to people familiar with the situation. Mr. Banga is “starting off with full faith and confidence of the membership,” a senior

U.S. official said, noting that the support from the 25-member board was “very strong.” A Russian embassy spokesman didn’t respond to a request to comment. During the bank’s semianual meeting last month, member countries approved a plan to free up extra lending capacity of \$5 billion a year by reducing the equity-to-loan ratio to 19% from 20%. As it takes on that additional risk, the bank must also protect its triple-A status from credit-rating firms to raise funds at rock-bottom rates. Besides the capital it receives from member governments, the bank’s primary sources of financing are the bonds it sells and interest it collects on loans.

U.S. WATCH



A man opened fire Wednesday in an Atlanta medical building, killing a woman and wounding four. The suspect was found hours later.

ATLANTA
Suspect Captured After Mass Shooting

Police have apprehended a man who allegedly opened fire inside the waiting room of an Atlanta medical practice, killing one woman and wounding four others Wednesday. Authorities had swarmed the city’s midtown neighborhood shortly after noon in search of the suspect, who fled after the shooting. Police said 24-year-old Deion Patterson was captured Wednesday evening in Cobb County, just northwest of Atlanta. Authorities said Mr. Patterson shot five women on the 11th

floor of a Northside Medical building. He had an appointment at the medical practice and shortly after arriving shot the first victim, officials said. Atlanta Police Chief Darin Schierbaum said a 39-year-old woman was pronounced dead at the scene of the shooting. The four wounded victims were also women, aged 25, 39, 56 and 71. —Associated Press

NEW YORK
Ban on Gas Stoves In New Homes Passes

New York is set to become the first state to ban gas stoves in new homes and apartments.

The Democratic-controlled state Legislature passed a bill late Tuesday that prohibits natural-gas and other fossil-fuel hookups in new residential buildings and some new commercial buildings. Gov. Kathy Hochul, a Democrat, is expected to sign it. The measure aims to help the state meet targets for reducing greenhouse-gas emissions. It would prohibit other gas-powered appliances such as water heaters, furnaces and clothes dryers in new residential buildings, in addition to banning gas stoves in new homes. It would go into effect in 2026 for buildings seven stories and under and in 2029 for taller buildings. —Joseph De Avila

TEXAS
More Arrests Made After Manhunt

Authorities said Wednesday that they arrested several people connected to the man accused of fatally shooting five of his neighbors last week. The suspected shooter, Francisco Oropeza, was arrested Tuesday night at a home in Conroe, Texas, following a dayslong manhunt, the Federal Bureau of Investigation in Houston said. The San Jacinto County Sheriff’s Office didn’t identify the other people who were arrested or say why they were taken into custody. —Alyssa Lukpat

Fed Lifts Rates by 0.25 Point

Continued from Page One Banking stresses are expected to further tighten financial conditions, but the magnitude of any credit crunch might not be apparent for months. “We have a broad understanding of monetary policy. Credit tightening is a different thing,” Mr. Powell said. Analysts said Mr. Powell’s comments suggested an important shift in what the Fed would monitor as it determines any further moves. “For the last 12 months, it has been all about inflation and the pace of employment growth,” said Blerina Uruci, chief U.S. economist at T. Rowe Price. “Now, perhaps, that is broadening. Banking-sector stress and credit conditions are going to be part of that calculation much more now.” Some said the Fed would have been better off holding rates steady Wednesday to see how those strains slow the economy. “It’s not clear this move was necessary,” said Brian Sack, an economist and former senior executive at the New York Fed. “The arguments for the hike were very backward-looking, and that’s just not the right approach when you have such important developments affecting the path of the economy going forward.”

Mr. Sack said he thought the Fed wouldn’t raise rates again this year. Others said the increase was a reasonable way to balance the risks of sustained inflation pressures in a resilient economy. “It’s not an indefensible position, I don’t think. Is it one made a lot more difficult by the current backdrop? Yes,” said Michael de Pass, global head of linear rates trading at Citadel Securities. Officials dropped a key phrase from their previous policy statement, in March, that said they anticipated some additional increases might be appropriate, and they replaced it with new language saying they would carefully monitor the economy and the effects of their rapid increases over the past year. “That’s a meaningful change, that we’re no longer saying that we ‘anticipate’” additional increases, Mr. Powell said. Officials considered skipping a rate hike in March after the failures of two regional lenders, Silicon Valley Bank and Signature Bank, raised worries about a bank-funding crisis. But they concluded that the stresses had calmed enough on the eve of their March 22 decision. The sale of First Republic Bank to JPMorgan Chase, announced Monday, showed how those strains are still clouding the economic outlook. Mr. Powell said conditions in the banking sector had broadly improved since March. “There were three large banks, really, from the very beginning that were at the heart of the stress that we saw,” he said. “Those

have now all been resolved, and all the depositors have been protected.” Officials have signaled growing divergence over the policy outlook recently, with some urging greater caution about raising rates given the lagged effects of the banking stress and the Fed’s earlier increases. Others are more worried about stopping prematurely only to see economic activity and inflation remain strong. In projections released after their March meeting, most Fed officials thought they would need one more quarter-point rate rise before moving to the sidelines. But many thought they might need at least two more increases. At the March meeting, the Fed staff forecast a recession would start later this year due to the banking-sector turmoil. The staff hasn’t usually projected a recession before a downturn begins. Previously, the staff had judged a recession this year was about as likely to occur as not. Mr. Powell said he didn’t share the staff’s view, but he didn’t dismiss the prospect of a recession. “It’s possible that we will have—what I hope would be—a mild recession,” he said. Since officials’ March meet-

ing, the economy has shown only modest signs of cooling, including more muted consumer spending and factory activity. Job openings declined in February and March, and the share of private-sector workers voluntarily leaving their jobs has returned closer to prepandemic levels. Hiring remains robust. Steady job growth and brisk wage gains could sustain higher inflation. The Fed’s preferred inflation gauge, the personal-consumption expenditures price index, rose 4.2% in March from a year earlier. That was down from the previous month’s 5.1% increase. Core prices, which exclude volatile food and energy prices, rose 4.6% in March, down from 5.1% in October. The Fed targets 2% inflation over time. The Fed and many investors have sometimes been at odds during the past nine months over how high rates might rise and how long rates will stay at those higher levels to ensure inflation declines. Investors have often anticipated a speedier decline in inflation and rates, in part because they expect rate increases to tip the economy into recession. Mr. Powell pushed back against expectations of rate cuts this year, but he acknowledged that investors expecting inflation to fall quickly could take that view. “We on the committee have a view that inflation is going to come down not so quickly. In that world, if that forecast is broadly right, it would not be appropriate to cut rates, and we won’t cut rates,” he said.

Biden’s Solar Tariff Exemption Targeted

By DAVID HARRISON

The Senate voted 56-41 on Wednesday to block a move by the Biden administration to temporarily remove tariffs on solar materials imported from Southeast Asia, sending the measure to President Biden’s desk for an expected veto. Nine Democrats sided with Republicans in favor of the resolution, while one GOP lawmaker, Sen. Rand Paul of Kentucky, voted against the measure. The Senate’s vote follows the House’s passage of the measure by a vote of 221-202 with 12 Democrats in support. Lawmakers who want to overturn the tariff exemption say the White House’s stance harms U.S. solar manufacturers while benefiting their Chinese competitors, many of which route their products through Southeast Asian countries to skirt U.S. tariffs on China, according to a Commerce Department investigation last year.

The Biden administration says the exemption is necessary to keep up the supply of solar materials needed by utilities and solar developers until American manufacturers raise production to meet demand. The two-year exemption applies to four countries: Vietnam, Malaysia, Cambodia and Thailand. The fight over the tariffs illustrates how deeply Chinese companies are enmeshed in the kind of green-energy manufacturing that is essential to President Biden’s climate goals. It pits the administration’s climate-policy goals against many Democrats’ desire to protect U.S. manufacturers from Chinese competition.

The handful of Democratic votes were enough for the measure to pass because a disapproval resolution requires only a simple majority, rather than the 60 votes needed to advance most legislation. The administration granted the tariff exemption in June, while the Commerce Depart-

ment’s probe was under way. The investigation prompted U.S. buyers to pause imports from those countries, worried that they could be subject to retroactive tariffs. In December, the Commerce Department found that four Chinese solar-cell manufacturers ship their products through the four countries to avoid U.S. tariffs. The four countries together account for 80% of U.S. solar-material imports. Nick Iacovella, a spokesman for the Coalition for a Prosperous America, which represents manufacturers, said the administration’s exemption undercuts the goal of last year’s Inflation Reduction Act, which offered in-

Senate’s disapproval resolution, which passed 56-41, is set to draw a veto.

centives for domestic solar manufacturers. He added that it also represents an inappropriate intervention by the White House into an independent Commerce Department investigation. “Commerce has ruled that the Chinese companies are illegally violating U.S. trade law and evading tariffs and what the Biden administration did is protecting them,” he said. Abby Hopper, chief executive of the Solar Energy Industries Association, which represents solar installers and importers, said eliminating the exemption could harm importers who have bought Chinese-made equipment and could now be subject to retroactive tariffs. The exemption allows U.S. manufacturers to ramp up, she added. “The president’s two-year pause on tariffs gave the industry a little bit of breathing room,” she said. “We have nowhere near the manufacturing capacity to meet demand.”

CORRECTIONS & AMPLIFICATIONS

The personal-consumption expenditures price index rose 4.2% in March from a year earlier, a smaller gain than in February. A Page One article on Saturday about the U.S. economy incorrectly said the index cooled to 4.2%. The U.S. in 2022 spent about three times as much on defense as China did. An April 25 World News article about

military spending incorrectly said the U.S. spent three times more than China. A Singapore landlord offered to discount a rent increase by 25% for Sally Shoult. An Exchange article on Saturday about soaring rents in Singapore incorrectly said the landlord offered a 25% discount to the new rent amount.

Readers can alert The Wall Street Journal to any errors in news articles by emailing wsjcontact@wsj.com or by calling 888-410-2667.

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U.S. NEWS

Vaccine
Cleared for
Virus That
Hits 60
And Older

By PETER LOFTUS

The Food and Drug Administration approved the first vaccine against a common respiratory virus in older adults that has been a major cause of hospitalizations and deaths.

The FDA on Wednesday cleared the vaccine from GSK for the prevention of lower respiratory tract diseases such as pneumonia and bronchitis that are caused by respiratory syncytial virus, or RSV, in people 60 and older.

“We anticipate it will reduce the likelihood of getting a respiratory illness that in some people can be very severe,” Philip Dormitzer, a GSK senior vice president and global head of vaccines R&D, said.

GSK said it plans to make doses available before the 2023-2024 RSV season, which typically starts ahead of the winter months.

A committee that advises the U.S. Centers for Disease Control and Prevention is scheduled to meet in June to make recommendations for the use of GSK’s new shot, which will sell under the brand name Arexvy. The company hasn’t disclosed a price for the vaccine but has said it would likely range between \$65 and \$185 a dose.

—Joseph Hoppe contributed to this article.

FAA Plans
New Sky
Lanes for
Air Taxis

By ANDREW TANGEL

U.S. air-safety regulators are planning for new traffic lanes in the sky, intended to accommodate flying taxis being developed by startups and backed by major airlines.

The Federal Aviation Administration expects the planned air taxis—electric vehicles designed to fly quietly—to initially buzz around American cities as soon as next year much as helicopters do today, said Billy Nolen, the agency’s acting administrator.

Flying taxis would communicate with air-traffic controllers as needed and use existing heliports and “vertiports” set up for the new vehicles, according to the FAA. Once they become more common, the agency expects flying taxis to more frequently connect major airports with city centers.

“If we’ve gotten it right—from the regulatory framework, from the level of safety that the public expects, and if all that comes together—then it’s a world that we only thought about as science fiction before that becomes science fact in the moment,” Mr. Nolen said Wednesday at The Wall Street Journal’s Future of Everything Festival in New York.

At the event, Mr. Nolen announced that the agency had issued a new blueprint for flying taxis, called its concept of operations for urban air mobility.

Flying taxis are likely years away from becoming common in U.S. cities. A number of prototypes are in various stages of development and certification by the FAA, which must issue safety approvals for the vehicles, operating procedures and integration into the nation’s complex airspace. Mr. Nolen said he expects the first air taxis to win FAA approval as soon as next year.

It isn’t yet clear how much flying taxi rides may cost, or whether the flying public will embrace them as a safe alternative to public transit or car services.

Mr. Nolen said he expects the public to welcome flying on the vehicles once regulators demonstrate they come with the same level of safety that passengers expect on commercial flights.

Experimental Drug Slows Alzheimer’s

By PETER LOFTUS

An experimental Eli Lilly drug slowed cognitive and functional decline for people with early-stage Alzheimer’s disease in a new study that signals drugmakers are turning a corner in long-running efforts to find meaningful treatments for the memory-robbing disease.

Based on the new data, Lilly said it plans to apply this quarter to the U.S. Food and Drug Administration for approval to market the drug, setting up a potential agency decision later in 2023 or in 2024.

That would confirm that drugmakers have finally found therapies that can slow the worsening of a disease that is debilitating millions, after years of failed attempts.

Approval could also open the door for Medicare and other health insurers to agree to pay for the expensive medicines, while teeing up a competitive fight between Lilly and Eisai and its partner Bio-

gen, which are rolling out an already approved Alzheimer’s therapy, for one of the industry’s largest potential markets.

“The progress we’ve seen in this class of treatments, as well as the diversification of potential new therapies over the past few years, provides hope to those impacted by this devastating disease,” said Maria C. Carrillo, chief science officer of the Alzheimer’s Association, which supports research and advocates for patients.

The latest findings for Lilly’s drug suggest the benefits are relatively modest, however, and may be outweighed by safety risks for some patients, said Lon Schneider, a professor of psychiatry at the University of Southern California’s Keck School of Medicine who enrolled patients in the Lilly-funded study.

The study found that donanemab increased the risk of serious brain problems.

Researchers designed Lilly’s drug donanemab and Leqembi,

from Eisai and Biogen, to work by targeting and reducing amyloid, a substance that forms plaque in the brain and is a prime suspect in fueling the worsening of Alzheimer’s.

The approach has been controversial because many of the failed drugs also targeted am-

Eli Lilly says it plans to seek the FDA’s approval for the therapy, donanemab.

yloid, but studies in recent years of Lilly’s and Eisai-Biogen’s drugs have bolstered the evidence.

The FDA recently rejected Lilly’s drug because the agency wanted to see results from more people. The new study should provide the data the FDA was seeking, said Daniel Skovronsky, Lilly’s chief

scientific and medical officer.

Donanemab is delivered by intravenous infusion. While researchers designed donanemab to clear amyloid, the therapy doesn’t cure Alzheimer’s or fully stop the disease from worsening.

Lilly reported the results from the large, Phase 3 study in a news release, not a peer-reviewed article in a medical journal. Researchers plan to present full results in July.

In the study of more than 1,730 patients, the drug slowed patients’ decline by 35% compared with people who received a placebo over 18 months of treatment, Lilly said. Researchers gave the drug to elderly people who testing indicated were in the early stages of Alzheimer’s.

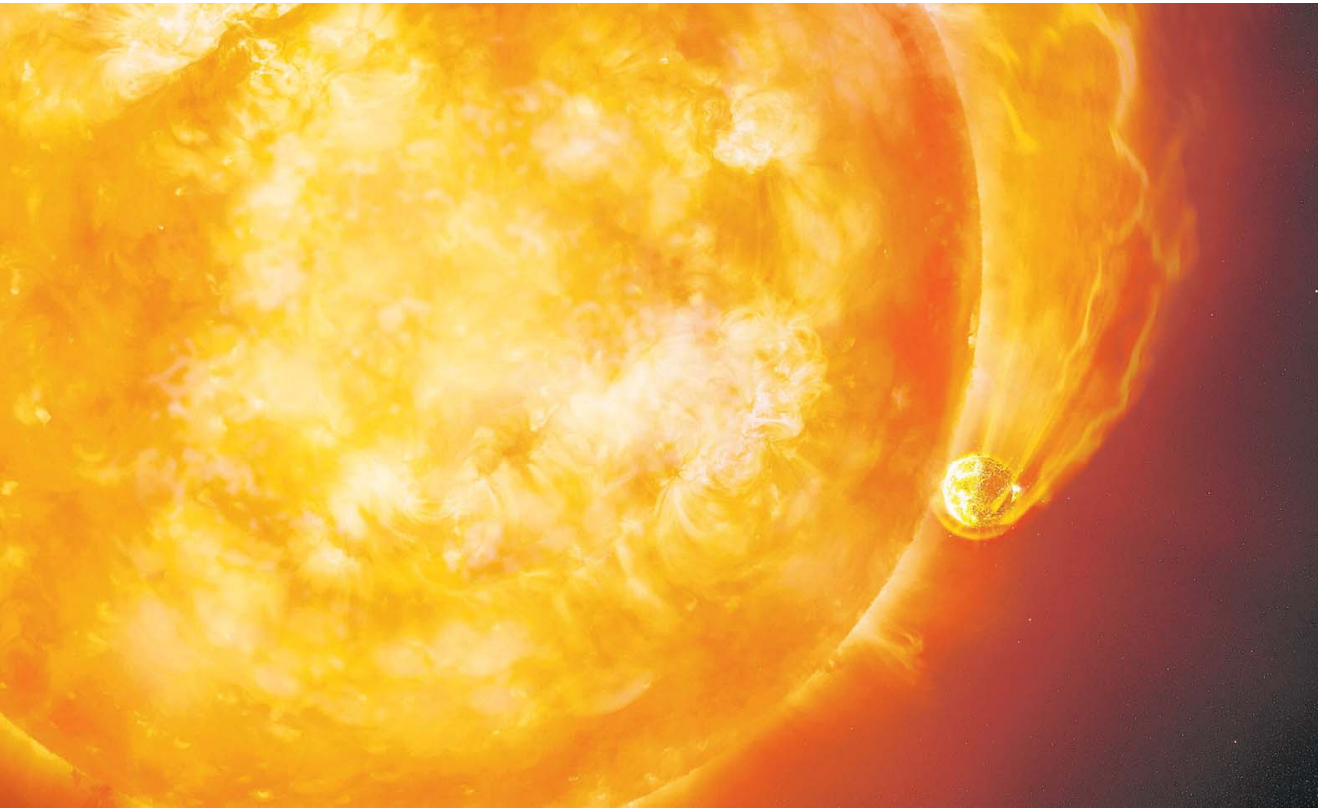
Researchers assessed various measures of memory and activities of daily living. About 47% of the patients who received donanemab had no decline 12 months after the start of treatment, as measured by a

score known as the clinical-dementia rating, according to Lilly.

About 52% of people who took donanemab completed their treatment within a year, and 72% were able to stop taking it by 18 months, as a result of clearance of amyloid plaque in the brain, Lilly said.

The findings could bolster donanemab’s appeal to some doctors and patients when compared with Eisai and Biogen’s Leqembi, according to analysts. Leqembi slowed Alzheimer’s patients’ decline by 27% versus a placebo over 18 months in a separate study, though there were differences in the studies that make direct comparisons difficult.

Yet Leqembi’s safety profile might give it an advantage over donanemab with other doctors and patients, analysts said. The rates of brain abnormalities in the donanemab study were higher than what was seen in the separate study for Eisai’s and Biogen’s Leqembi, analysts said.



An artist's impression shows a star devouring a doomed planet skimming along its surface. The findings are a missing link in understanding how solar systems work.

Astronomers Catch a Star Swallowing a Planet

By JOSEPH PISANI

Astronomers have long theorized that stars swallow up planets whole. But they haven’t had evidence of it—until now.

Researchers said in a study that for the first time they caught a star in the act of gobbling up a planet in its orbit.

It happened as much as

15,000 light-years away, when an aging star got so big it engulfed a planet the size of Jupiter.

The findings are a missing link in understanding how solar systems work, according to the study, which was authored by researchers from several universities and published Wednesday in Nature. It also

offers clues on the eventual fate of Earth, which is expected to be eaten by the sun billions of years from now, the researchers said.

Researchers believe the doomed planet skimmed the surface of the star for many months, slowly spiraling inward. The planet then quickly dove into the center, causing

the star to expand and burn 100 times brighter in the span of a week, the study said.

It might seem like a long process, but it is just a tiny sliver of time in the life of a star, which can last billions of years, said Mansi Kasliwal, a co-author of the study and an astronomy professor at California Institute of Technology.

“I like to think of it as a big gulp of swallowing these planets,” she said.

As the sun ages and grows larger, it will engulf Mercury and Venus, said Morgan MacLeod, another co-author of the study and an astrophysicist fellow at Harvard University. Then it will be Earth’s turn to be a snack.

Trump Denies Rape in Testimony

By JAMES FANELLI AND CORINNE RAMEY

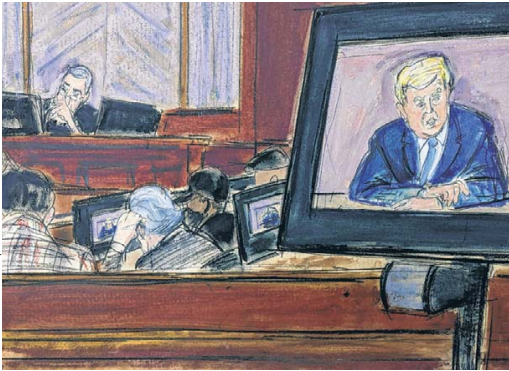
Donald Trump testified in a recorded deposition that writer E. Jean Carroll’s rape allegation against him was made up, calling her account “the most ridiculous, disgusting story.”

Part of the video of the deposition was played for jurors Wednesday at a civil trial on Ms. Carroll’s allegations that Mr. Trump raped her in a dressing room of the Bergdorf Goodman department store in Manhattan around 1996. The jury watched the video after hearing in person from a former People magazine reporter who said she was assaulted by Mr. Trump in 2005.

Ms. Carroll first went public about her own alleged assault in a New York Magazine article in 2019 and later in a book. Mr. Trump, who has previously denied the allegations, said in the 2022 deposition that he rarely if ever went to the famed department store. If he had raped Ms. Carroll, “it would have been reported within minutes,” he said. More of the deposition was expected to be played in court Thursday.

Wednesday’s proceedings included testimony from Natasha Stoyanoff, a onetime reporter for People, who told jurors that Mr. Trump sexually assaulted her in December 2005 at his Mar-a-Lago residence in Florida. Mr. Trump previously has denied Ms. Stoyanoff’s allegations.

At times tearing up, Ms. Stoyanoff testified that she was



Video testimony from former President Donald Trump was shown in court Wednesday in a civil trial in which he is accused of rape.

at Mar-a-Lago to interview Mr. Trump and his third wife, Melania, for a story about the first anniversary of their marriage.

During a break in a photo shoot, Mr. Trump took Ms. Stoyanoff alone to see a room in the residence, she testified. When she walked into the room, he pinned her against a wall, she recalled.

“He was kissing me. He was against me, just holding my shoulder back,” she said, adding that she was too shocked to say a word but tried to push him off. The alleged attack ended within minutes, she said, when a butler entered the room to inform them that Mrs. Trump had finished changing outfits from the earlier photo shoot.

Ms. Stoyanoff, an author and journalist who lives in Canada, said she continued her inter-

views with the Trumps after the alleged incident. When she returned to New York, she told her immediate supervisor at People about what happened, she said. Ms. Stoyanoff said she never told any bosses higher up at the magazine because she was ashamed and feared the anniversary story wouldn’t be published. “I was worried they would kill the story and Trump would try to get revenge on me,” she said.

During cross examination, Joe Tacopina, a lawyer for Mr. Trump, asked Ms. Stoyanoff only one question: whether she had brought any legal action against the former president. She said no. Mr. Tacopina said in court Wednesday that he didn’t plan to present a defense case to the jury after Ms. Carroll’s lawyers wrap up.

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U.S. NEWS

Cuomo Seeks Depositions From Harassment Accusers

Move comes as former New York governor is defending against federal lawsuit

By JIMMY VIELKIND

Former New York Gov. Andrew Cuomo has subpoenaed several of the women who said he sexually harassed them, the latest step in his legal campaign to clear his name. Mr. Cuomo's lawyers sent subpoenas to Lindsey Boylan, Brittany Comisso, Virginia Limmiatis, Ana Liss and Alyssa McGrath, according to lawyers involved in the case. They are five of the 11 women who were sexually harassed by the 65-year-old Democratic scion during his three terms as governor, according to a report by Attorney General Letitia James.

The subpoenas were sent in late March and April, according to the lawyers. They are part of Mr. Cuomo's defense against a federal lawsuit filed by an unidentified state trooper, known as Trooper 1, who said he touched her inappropriately on her back and stomach while she was assigned to his gubernatorial security detail. Trooper 1 also said in court papers that Mr. Cuomo's behavior was part of a pattern of harassment that included multiple other women, citing Ms. James's report. The judge in the case has set a discovery deadline for July.

The latest subpoenas seek depositions from the women, as well as records of certain communications they had before and after they said publicly that they had been harassed, according to people familiar with the matter. The requested records include certain communications with state investigators, other accusers and the news media, the people said.

Mr. Cuomo resigned in August of 2021 after investigators working for Ms. James released their conclusions and as state lawmakers moved forward with impeachment proceedings. In addition to the alleged harassment, lawmakers reviewed the allegedly improper use of state resources by Mr. Cuomo to pro-



Former New York Gov. Andrew Cuomo, shown last year, has said he is a victim of 'cancel culture.'

duce a pandemic memoir as well as how the former governor's aides edited a Health Department report on Covid-19 deaths in nursing homes.

Mr. Cuomo has denied touching anybody inappropriately and apologized if his actions made anybody feel uncomfortable. He said his investigators—including Ms. James and his fellow Democrats in the state Assembly who pushed for impeachment—were politically motivated.

More recently, Mr. Cuomo said he was a victim of “cancel culture.” Last year, he made several public appearances at churches in a bid to revive his public standing, and he currently hosts a weekly podcast.

The subpoenas are Mr. Cuomo's latest step to push back against his accusers. His lawyers previously attempted to subpoena Ms. James's office and the state Assembly for records of their investigations, according to court filings. Both parties objected to the subpoenas; a decision is pending. Mr. Cuomo's lawyers said during a February hearing that they would also like to subpoena other State Police personnel who were present during Trooper 1's alleged harassment. The former governor's law-

yer said Wednesday that seeking testimony and records from other accusers was “part of routine discovery.” The former governor hasn't had a chance to question these women, lawyer Rita Glavin said.

Ms. Boylan's lawyer, Julie Gerchik, said her client has already participated in two investigations.

“The extreme nature of this latest subpoena directed at my client demonstrates that Mr. Cuomo has no qualms about continuing his harassment of the women he abused and is using taxpayer dollars to do so,” Ms. Gerchik said.

A state judge ruled in January that Mr. Cuomo is entitled to reimbursement for his legal defense in the Trooper 1 lawsuit because the alleged conduct took place while he was in office.

Ms. Glavin said in response, “There's no harassment, only due process of law. So the real question is what are the attorney general, the Assembly, and Ms. Boylan fighting so hard to hide?”

Mr. Cuomo also sued the state's new ethics watchdog last month after it revived a prior effort to claw back millions of dollars the governor was paid for his book project, for which he signed a \$5.1 million contract. The lawsuit

claims the Commission on Ethics and Lobbying in Government is unconstitutional because it is too independent from the governor's office.

An ethics commission spokeswoman said it doesn't comment on pending litigation.

Ms. Boylan, a former state economic development adviser and former congressional candidate, in December of 2020 became the first woman to publicly say she had been sexually harassed by Mr. Cuomo. She said the governor suggested they play strip poker during a trip on the state airplane, something that he denies.

Ms. Comisso's lawyer confirmed she had been subpoenaed and said he would let the process play out. In addition to speaking with state investigators, Ms. Comisso in 2021 told the Albany County sheriff's office that Mr. Cuomo reached under her shirt and groped her breast during a 2020 encounter.

Ms. Liss confirmed she received a subpoena but declined to comment further. Mariann Wang, an lawyer representing Mmes. McGrath and Limmiatis, said her clients would “comply with appropriate legal process while ensuring that we also protect our clients against improper burdens or harassment.”

Hunter Biden Cases Stay in Spotlight

By C. RYAN BARBER

In the week since President Biden announced his re-election bid, legal developments in Washington and Arkansas have underscored potential liabilities that son Hunter Biden could present for the campaign.

The day after Mr. Biden's campaign launch, lawyers for Hunter Biden met with Justice Department officials about the criminal inquiry focused on his taxes and whether he made false statements in connection with a gun purchase, according to people familiar with the gathering.

The meeting indicated that prosecutors are nearing a decision on whether to charge Hunter Biden, who has said he handled his affairs legally and appropriately. His lawyers had requested the meeting to present their view of the evidence and get an update on the status of the investigation.

Hunter Biden appeared with lawyers days later in a courtroom in Batesville, Ark., in connection with a child-support dispute with the mother of his 4-year-old child. More than two years after being ordered to pay child support, he had asked in September to reduce the monthly payments, with his lawyer citing a “substantial material change” in his finances.

During a two-hour court hearing this week, Judge Holly Meyer of the Independence County circuit court said Hunter Biden would need to sit for a deposition and provide written answers to questions about his finances, including art sales and other transactions, according to news reports. The judge also criticized Hunter Biden's legal team for redacting, or blacking out, more information than she thought necessary in court filings, local news outlets reported. Lawyers for Hunter Biden didn't respond to requests for comment.

On Monday, Rep. James Comer (R., Ky.), chairman of the House Oversight Committee, said the case could unearth financial information sought by Republican lawmakers, particularly details about his income from selling his artwork.

“I think this court case has a lot of potential to help assist us in our investigation,” Mr. Comer said during an interview on Fox News.

On Wednesday, Mr. Comer and Sen. Chuck Grassley (R., Iowa) cosigned a letter in which they demanded that the FBI produce a form they described as alleging a criminal bribery “scheme involving then-Vice President Biden and a foreign national relating to the exchange of money for policy decisions.” They didn't provide any more details.

The two lawmakers said they learned of the form, which Mr. Comer subpoenaed, through “highly credible unclassified whistleblower disclosures.” On Twitter, Mr. Grassley said, “What we don't know is what, if anything, the FBI has done to verify these claims or investigate further.”

The FBI said it had received the subpoena and declined to make any further comment.

The president's son has said he handled his affairs legally and appropriately.

White House spokesman Ian Sams said House Republicans were floating “anonymous innuendo,” adding, “When it comes to President Biden's personal finances, anybody can take a look: He has offered an unprecedented level of transparency, releasing a total of 25 years of tax returns to the American public.”

The demand to the FBI came weeks after Congress received a letter alleging improper political interference in the criminal investigation into Hunter Biden. In the letter, a lawyer for an Internal Revenue Service supervisory special agent said his client had information suggesting a “failure to mitigate clear conflicts of interest in the ultimate disposition of the case.”

The IRS supervisor is seeking whistleblower protections. A spokesperson for the IRS hasn't responded to requests for comment.

Former FBI Agent Is Arrested Over Jan. 6

By SADIE GURMAN

WASHINGTON—A former FBI agent has been arrested and accused of urging a mob of Trump supporters to kill police during the Jan. 6, 2021, attack on the U.S. Capitol, federal prosecutors said, adding to the tally of people with military or law-enforcement experience charged in the riot.

Police body-camera footage showed the former supervisory agent, Jared L. Wise, tangling with officers outside the Capitol, investigators wrote in court filings filed Monday, calling them Nazis and encouraging rioters attacking the police line to “Kill 'em! Kill 'em!”

“You guys are disgusting,” Mr. Wise yelled at the officers, according to the filings. “I'm former—I'm former law enforcement....You are the Nazi. You are the Gestapo..... Shame on you!”

He “clapped his hands and raised his arms in triumph” after entering the Capitol wearing a dark mask before fleeing through a window, investigators wrote. Agents with the Federal Bureau of Investigation received a tip in January 2022 that Mr. Wise, 50 years old, had been inside the Capitol that day.

Mr. Wise, who left the bureau in 2017 after 13 years, was charged with four misdemeanor counts, including disrupting the orderly conduct of government business and unlawfully entering a restricted building. He was arrested Monday in Bend, Ore.

A lawyer representing Mr. Wise couldn't be reached for comment. The FBI declined to comment on his employment history.

Iowa School Debate Animates GOP Presidential Race

By JOHN MCCORMICK

MARION, Iowa—Republican presidential hopefuls seeking to exploit disputes over the rights of parents are finding fertile ground in this suburban area where a debate over gender identity has triggered division in the state that starts the 2024 nomination process.

The Linn-Mar Community School District became a rallying point for conservatives last year after the school board approved rules giving students in grade seven or higher the ability to request a “gender support plan” that called for teachers and peers to address them by a new name and with new pronouns without parental notification. It also allowed students to use locker rooms and bathrooms corresponding to their preferred gender identity.

The school district said at the time it was simply making official practices it had been informally following for years to avoid discrimination complaints. A recently passed state law repealed at least portions of the policy, including the use of bathrooms.

“What we saw was a major uprising from parents who said don't enact this policy, and they did it anyway,” said U.S. Rep. Ashley Hinson, a Republican who represents the area and has two sons enrolled in the district. “This is an issue that every candidate should be talking about because Iowans want to know where they stand.”

Scott, Pence weigh in

As declared and prospective presidential candidates visit Iowa, they are doing just that in efforts to woo the social conservatives who dominate the state's Republican caucuses. Ms. Hinson and other Republicans think parental involvement in public schools could also carry political potency for the GOP in next year's general election.

Sen. Tim Scott (R., S.C.), expected to formally announce his



The Linn-Mar Community School District's rules that let some students request a 'gender support plan' have divided parents. Geraldyn Jones, left, opposes the rules and pulled her two children out of district schools. Kara Larson, right, who also has two children in the school district, wants schools to accept the gender identities students choose for themselves.



JOHN MCCORMICK/THE WALL STREET JOURNAL (2)

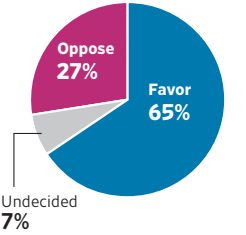
presidential bid May 22, met with parents and children during a recent visit here and said in a subsequent interview that parents had been pushed out of too many school decisions. “The conservative party should be the party of parents,” he said.

Former Vice President Mike Pence focused on Linn-Mar during a recent visit to nearby Cedar Rapids, criticizing what he called “radical gender ideology” in public schools in remarks to conservative activists at a pizza restaurant.

A Linn-Mar school board election in November, with four of seven seats up for election, will likely give 2024 candidates added opportunities to weigh in just ahead of the first GOP presidential primary nomination balloting in January or February.

The issue's role in the presidential primary race comes as some Republican-led states, including Iowa, have passed legislation to regulate transgender

Do you favor or oppose requiring schools to notify parents if their child uses a different name or gender identity at school?



sports participation, bathroom use and medical care. Proponents have made various arguments to push for the laws, including sports parity and protecting children from sexual assault.

Nine states have passed edu-

cation-related laws in 2023 that target the rights of “lesbian, gay, bisexual, transgender, queer or questioning students,” the American Civil Liberties Union says.

The new transgender laws have drawn criticism from some Democrats who say youth are at heightened risk of depression and even suicide if they aren't allowed to be accepted as having a different gender identity than the one at their birth.

“The school needs to be a safe place for kids who don't have that safe place at home,” said Kara Larson, a 47-year-old Democrat and executive assistant who has two children in the Linn-Mar school district.

The school district declined to comment.

A Wall Street Journal poll conducted nationwide April 11-17 showed 65% of voters—including 90% of likely GOP primary voters—favor requiring schools to notify parents if

their child uses a different name or gender identification at school.

“Adults who should know better have decided to take up this cause for people who have mental health issues,” said Craig Adamson, a 50-year-old financial planner and son of a retired public school teacher who has three children in the district. He said the school board “is a group that is trying to undermine our everyday way of life.”

Part of policy nullified

The status of the Linn-Mar policy is a bit murky after Iowa Republican Gov. Kim Reynolds in late March signed into law a bill that nullified at least part of the policy the district passed a year ago. The district issued a statement after the law's passage saying it would abide by the new requirements and that “all individuals in the district will be required to use bathrooms, changing rooms, and other facilities defined in the law, in accordance with that individual's biological sex.”

A national organization, Parents Defending Education, also sued the district in August on behalf of anonymous Linn-Mar parents who sought an injunction to prevent the policy's implementation. The case is being considered by an appellate court, after a federal judge in September denied the parents' motion for an injunction.

Several district parents said they no longer have confidence in the school board.

“I just couldn't trust that they had my kid's best interest,” said Geraldyn Jones, a 31-year-old mother who pulled her two young children from district schools last fall and started home schooling them.

Ms. Jones, who opposes the school district's policy change and is the county chair of a group called Moms for Liberty, plans to send her children to a private school next year.



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The All Star Squad
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FROM PAGE ONE

Swag Adds To College Price Tag

Continued from Page One

tom bomber jacket emblazoned with “Hoosier Daddy.”

“You name it, I put it in there,” said Ms. Drago, of River Vale, N.J., after spending between \$2,500 and \$3,000 on IU paraphernalia.

College-announcement parties, largely limited to teenage girls, have taken on a life of their own, Ms. Drago said. “It is obscene. You can go to any extreme.”

On top of the baby showers, gender-reveal extravaganzas, birthday parties, and kindergarten, middle-school and high-school graduations, comes another milestone celebration for children: the bed party.

Students in the early days of Covid-19 started announcing their college choices by decorating an inflatable bed, usually outside, with piles of campus merchandise. As photos of the swag-covered beds have spread online, the displays have become increas-

ingly elaborate.

Romi Tenenbaum, of Plainview, N.Y., said she recalled laughing when she first heard about bed parties from friends who staged them for their children. She believed that filling a kid’s bedroom with college merchandise was an over-the-top display for puffed-up teens to post photos.

Then her daughter, Isabella Alstodt, was accepted last fall to the University of Alabama—Isabella’s top choice—and Ms. Tenenbaum caved to the moment, at a cost of nearly \$3,000.

Ms. Tenenbaum bought an inflatable queen-size bed and set it up in the living room. Isabella’s bedroom was too small to accommodate the more than 20 invited guests.

Ms. Tenenbaum hung red-and-silver streamers from the windows, a custom Alabama banner on the wall and set up a bouquet of balloons that spelled Bama. Isabella’s friends filled the bed with their own gifts: Alabama shirts, pillows and mugs, red Nike and white Converse sneakers.

That evening, about 80 friends came to dinner. “Whoever invented bed parties and commitment parties, congratulations you hit the jackpot in this community,” Ms. Tenem-



Gwen Schneider, of Cold Spring Harbor, N.Y., celebrates her decision to attend Roanoke College.

baum said.

Isabella, 17, was already working on a 22-page Google slideshow listing places to buy specific gifts when she got the news from Alabama.

Like many of her peers, Isabella had scrolled Pinterest boards devoted to bed parties and followed influencers that featured them. “My bed was inspired by other beds I’ve seen,” she said.

Bed parties are either a sur-

prise or directed by the guest of honor. Some teens create their own registries, similar to ones for weddings and baby showers, to make sure they get the gifts they want.

Vendors serving bed-party clients say the events are concentrated in the areas around New York, New Jersey and Connecticut.

Alison Weinstock, who makes custom desserts with a college colors and logo, no-

ticed the events are spreading. Ms. Weinstock, owner of Sweet Ali Confections, said she recently received orders from Maryland and the Chicago suburbs.

“I had a grandma call me last week to place an order for her granddaughter,” Ms. Weinstock said. “I made a comment that it’s all for the picture. And she said, ‘Yeah, obviously.’”

Chase Turnof, a 17-year-old

high-school senior, started College Bling Bottles after struggling to come up with a gift idea for his sister’s 2020 bed party celebrating her decision to attend Brandeis University.

After searching online and in local boutiques he found a champagne bottle decorated with rhinestones and college initials. He made one for his sister, and she loved it.

With a \$300 loan from his parents, Chase started selling decorated bottles he filled with sparkling cider for \$60 on Etsy.

“I paid them back in three weeks,” he said.

At the bed party for Gwen Schneider, who is headed to Roanoke College in Salem, Va., friends decorated her bedroom with balloons and streamers in the school’s maroon color. One guest made gluten-free cupcakes with maroon icing.

In Gwen’s community of Cold Spring Harbor, N.Y., bed parties are low-key affairs, she said, typically organized and paid for by close friends.

The 18-year-old high-school senior has been to four of the parties and is organizing three others.

For her own party, Gwen said, “I didn’t make a list. I was just happy with whatever I would get.”

Buyback Disclosure Bolstered

Continued from Page One

cord \$923 billion in 2022.

Under the new rule, most companies will have to provide daily tallies on their buybacks during the previous quarter, rather than the monthly aggregates currently required. The rule requires companies to check a box if their officers and directors purchased or sold shares within four business days of announcing a buyback program. Companies also have to explain rationales for buybacks and disclose any policies they have to limit in-

sider transactions during a repurchase program.

SEC officials said the more-frequent disclosures would make it easier for analysts to compare the timing of buybacks and insider trades, or to identify buybacks designed to boost executive compensation or earnings per share. “Today’s final rule will enhance the transparency and integrity of the buyback process,” SEC Chair Gary Gensler said.

Republican SEC Commissioner Hester Peirce said the rule seeks to micromanage corporate decisions about how to use excess cash.

Tom Quaadman, executive vice president of the Chamber of Commerce’s capital-markets division, said the organization will carefully evaluate the rule and potentially pursue litigation.

“Share repurchase agree-

ments improve returns for savers and investors across the economy while at the same time ensuring that capital flows to where it is most likely to result in investments that grow our economy,” Mr. Quaadman said in a statement.

After the rule was proposed in late 2021, the Chamber sent six comment letters—one of them 113 pages long—to the SEC objecting to it. In a September letter, Mr. Quaadman said the rule violated First Amendment limits on “compelled speech.”

Mr. Gensler said he is confident that the approved rule “is grounded in the authorities that we have and have used over the decades.”

The final version of the rule is weaker than the SEC’s original proposal. That version would have required companies to make daily public dis-

closures on a new form whenever they conducted a stock buyback. SEC officials scrapped the idea after receiving negative feedback about the likely compliance costs from interest groups as well as companies like Home Depot and FedEx.

The final version of the rule is weaker than the SEC’s original proposal.

Home Depot declined to comment Wednesday. FedEx didn’t respond to requests to comment on the final rule.

Public companies are already required to present in their quarterly reports the number of shares they repurchased, the

amount spent on buybacks and the average share price.

The SEC’s rule change comes after Congress last year created a new 1% excise tax on stock buybacks, a levy President Biden has proposed quadrupling. Before that law, buybacks generally weren’t taxable, unlike dividends.

The SEC takes no position on whether share repurchases are good or bad, officials said. Rather, they say the agency’s aim is to help companies’ investors better gauge the purposes and effects of the transactions.

Separately, SEC commissioners voted 3-2 Wednesday—also along party lines—to expand a confidential document filed by private-equity and hedge funds, known as Form PF.

The form was created in the wake of the 2008 financial crisis to give regulators such as the SEC and Federal Reserve

more information into potential risks in private funds. Such entities have ballooned in size in recent decades, with gross assets under management now exceeding the commercial banking sector, Mr. Gensler has said.

“This makes visibility into these funds ever more important,” he said Wednesday.

Currently, private funds file Form PF on a quarterly or annual basis, depending on their size. The SEC’s new rule requires larger hedge funds to report within 72 hours on “trigger events,” such as big investment losses, significant withdrawals by investors, large margin increases or counterparty defaults.

Larger private-equity funds will have to report annually on “clawbacks” whereby a fund’s managers are forced to return some of their performance-based compensation.

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WORLD NEWS

Fire Erupts at Russia Fuel Depot

Suspected Ukraine drone attacks near Crimea come ahead of expected offensive

By BOJAN PANCEVSKI
AND IAN LOVETT

KYIV, Ukraine—A fuel depot in a strategically important area of Russia caught fire early Wednesday in an apparent drone attack, the latest in a series of such assaults and acts of sabotage on Russian-held territory ahead of an expected Ukrainian offensive.

The oil storage in the southern village of Volna in the Krasnodar region near occupied Crimea caught fire as a result of “the fall of a drone,” according to multiple state media outlets.

They reported Wednesday that an airport in the nearby Bryansk region was struck by drones after two trains carrying fuel toward the front lines were derailed in the same area.

The string of drone attacks, on which Ukraine hasn’t commented, are all focused on cutting off supplies to the south of the country as part of systemic preparation for the expected offensive to retake occupied territories, said Nico Lange, a military analyst and formerly the most senior official in Germany’s Defense Ministry.

“This intensity of attacks could eventually force Russia’s armed forces to relocate fuel storage deeper into their territory, making logistical support for the front-line troops much more difficult,” Mr. Lange said.

The fuel depot struck on Wednesday is located just a few miles from the Kerch Bridge, a critically important link that connects Russia with the Crimean Peninsula, which Moscow seized from Ukraine in 2014. Videos online showed large plumes of black smoke billowing from the depot while firefighters worked to extinguish the blaze. In October, an explosion damaged the bridge, which is the primary route



Smoke billows from an oil depot in Volna, near a critically important bridge that connects Russia to the occupied Crimean Peninsula.

Russia uses to supply Crimea.

Ukrainian President Volodymyr Zelensky made a rare trip outside Ukraine on Wednesday, visiting Helsinki weeks after Finland joined the North Atlantic Treaty Organization to strengthen its ties to the Western alliance following Russia’s invasion of Ukraine.

Wednesday’s attack was the second by a drone on a Russian fuel depot in less than a week. Over the weekend, a drone struck oil tanks near the port in the occupied Crimean city of Sevastopol.

Ukraine’s Defense Ministry didn’t respond to a request to comment about the Krasnodar fire. Ukrainian officials have vowed to retake Crimea.

A Ukrainian military spokeswoman said this weekend’s Sevastopol attack was part of the coming offensive. “This work is preparatory to

the broad, full-scale offensive that everyone expects,” said Natalia Humeniuk, a spokeswoman for the Ukrainian military’s Southern Command, according to Ukrainian media.

The recent run of strikes signals a growing Ukrainian capacity to hit Crimea and Russia, including targets that are out of the range of the U.S.-supplied HIMARS rocket systems that Ukraine used to target Russian supply lines in its offensive in the southern Kherson region last year. A Ukrainian-made drone also crashed outside Moscow, hundreds of miles from the front line, late last month.

On Wednesday, Russian state outlets reported the arrest of a team of Ukrainian agents who were allegedly plotting assassinations of officials on the occupied Crimean Peninsula. Ukrainian officials didn’t respond to

a request to comment.

Russian forces have themselves been targeting fuel stores ahead of the forecast Ukrainian offensive. Overnight, Moscow launched 26 Iranian-made Shahed drones at sites across Ukraine: 21 were shot down, including all the drones that targeted Kyiv, according to the Ukrainian military. Three of the drones hit an oil depot in the central Ukrainian city of Kropyvnytskyi, causing a fire, according to local officials.

In Finland, Mr. Zelensky said that the country “was one of the first to respond to the help Ukraine needed.” Mr. Zelensky thanked Finland for, among other things, helping distribute electricity in Ukraine after Russian bombings on critical infrastructure.

Mr. Zelensky said he hoped Ukraine would be able to join NATO, too, and that he visited

Finland with the aim of improving regional security.

The Ukrainian president will visit Germany on May 13, according to German officials, and meet Chancellor Olaf Scholz before receiving the International Charlemagne Prize, which is awarded for services to European unification.

Meanwhile, the deputy defense ministers of Turkey, Russia and Ukraine are expected to hold talks Friday on extending a diplomatic agreement that unblocked some of Ukraine’s Black Sea grain exports last year, Turkey’s defense minister said Wednesday.

The meeting comes at a time when Russia is threatening to back out unless the West removes obstacles to Russian food and fertilizer exports. Russia has imposed a mid-May deadline for the conclusion of negotiations.

Belarusian Blogger Sentenced To Prison

By ANN M. SIMMONS

Roman Protasevich, the Belarusian activist who was arrested after the government scrambled a jet fighter to divert his Ryanair flight from Greece, was sentenced to eight years in prison.

The Minsk Regional Court in the Belarusian capital Wednesday found Mr. Protasevich guilty of organizing riots, calling for acts of terrorism and insulting Belarusian President Alexander Lukashenko, among other crimes, Belarus’s state news agency Belta reported.

The dissident blogger will now stay under house arrest until the court’s verdict comes into force, prosecutor Natalya Sokolova told journalists, the news agency reported, when he will be taken to serve his sentence in a high-security penal colony. She didn’t specify when that would happen.

Mr. Protasevich was one of Mr. Lukashenko’s most ardent critics following the disputed election that returned the Belarusian leader to power in 2020. From his base in Poland, Mr. Protasevich ran an opposition news channel, NEXTA, on the Telegram messaging app, which quickly became one of the most widely viewed news sources in Belarus.

Authorities in Minsk put him on and other NEXTA journalists on a list of people involved in what they described as terrorist activities, and in May 2021 sent a jet fighter to divert the flight on which he was flying from Greece to Lithuania, forcing it to land in the Belarusian capital, where he was detained.

Ryanair CEO Michael O’Leary called the incident “a case of state-sponsored hijacking,” and the move triggered European Union sanctions against Mr. Lukashenko.

Kremlin Struck by Drones

Continued from Page One

fore Ukraine’s planned offensive aimed at retaking territory from Russian troops in the country’s east and south.

Questions were also raised as to whether the Kremlin itself was responsible for the incident, which some observers noted could give Mr. Putin political cover for further military mobilization.

In Washington, White House press secretary Karine Jean-Pierre said the U.S. couldn’t verify the authenticity of the reports from the Kremlin, noting that “the United States is certainly not encouraging or enabling Ukraine to strike beyond its borders.”

Ms. Jean-Pierre also said Russia has carried out so-called false flag attacks before.

Video circulating on social media appeared to show a quadcopter-type drone flying over the green dome of the Kremlin’s Senate Palace before it exploded and fell into the complex below. The video images couldn’t be verified.

“Retaliatory strikes against Ukraine are to be expected,” said Nico Lange, a defense analyst and Russia expert who served as chief of executive staff in the German Defense Ministry. He added that any massive retaliation could consume increasingly scarce missiles that the Russians need to defend the occupied territories from the expected Ukrainian counteroffensive.

“Any way you slice it, whether it was Ukraine or Russian opponents of Putin, the drone attacks on the Kremlin make Putin look extremely bad, and he has few response options that improve his situation,” Mr. Lange said.

Kremlin spokesman Dmitry Peskov said Mr. Putin wasn’t in the building at the time of the alleged attack and spent Wednesday working from one of his private residences at the Novo-Ogaryovo estate near Moscow.

U.S. Secretary of State Antony Blinken said he couldn’t



Russia said it used an electronic system to down the two aircraft.

comment on the Kremlin allegations of Kyiv’s responsibility.

“I’ve seen the reports. I can’t in any way validate them. We simply don’t know,” he said. “I would take anything coming out of the Kremlin with a very large shaker of salt.”

The U.S. has provided intelligence to Ukrainian troops throughout the war and about \$36 billion in military aid, but has warned Kyiv against attacking Russian territory.

The Biden administration announced a new aid package of about \$300 million on Wednesday that includes more ammunition for U.S.-supplied HIMARS rocket systems, howitzers, artillery and mortar

rounds, and antiarmor weapons. The package represents the administration’s 37th such assistance package for Ukraine.

A string of attacks, explosions and sabotage that Moscow blames on Kyiv has hit targets inside Russia and brought the conflict home to the Russian people. On Wednesday, a fuel depot caught fire in another apparent drone attack.

The violence has also targeted some of Russia’s loudest proponents of the war.

Earlier this spring, an influential military blogger who wrote under the name Vladlen Tatarsky was killed when a bomb lodged inside a statue that had been given to him exploded. Last year, Daria Dugina, daughter of one of Russia’s most hawkish voices and a

prominent proponent of the war herself, was killed in a car bomb on the outskirts of Moscow.

The Kremlin comprises a number of official buildings used as Moscow’s seat of power and is also the president’s official residence. Starting last year, Russian authorities placed aerial defenses atop official buildings in the capital, in what some experts said was a sign of anxiety about Ukrainian drone attacks.

“The Kyiv regime made an attempt to strike with unmanned aerial vehicles on the Kremlin residence of the president of the Russian Federation,” the Kremlin said.

“We regard these actions as a planned terrorist act and an attempt on the life of the president of the Russian Federation, carried out on the eve of Victory Day,” it added. Victory Day is celebrated on May 9.

The Kremlin said it reserved the right to take retaliatory measures.

Russia’s military has previously threatened to strike Kyiv’s government headquarters following earlier Ukrainian attacks on Russian territory.

“The situation is changing dramatically,” Sergei Markov, director of the pro-Kremlin Institute for Political Studies, said on Telegram. “There is a sharp escalation.”

Earlier this week, Russia said it hit a number of military sites and defense-industry facilities in missile strikes.

—Dion Nissenbaum, Catherine Lucey and Warren P. Strobel contributed to this article.

Watch a Video



Scan this code for a video on the crashing of two drones at the Kremlin.

DOW JONES NEWS FUND

WORLD NEWS

Blinken Working to Free Reporter

Secretary of state says U.S. is engaged with Russia to secure Gershkovich's release

By Caitlin Ostroff and Alexandra Bruell

Secretary of State Antony Blinken said the U.S. is “intensely engaged” in seeking the release of Wall Street Journal reporter Evan Gershkovich, who was wrongfully detained by Russia more than a month ago.

Mr. Blinken said he has spoken to Russia's foreign minister about the matter and noted that President Biden and Russian President Vladimir Putin have a channel to discuss such cases.

“So we're engaged,” Mr. Blinken said on Wednesday, speaking at a World Press Freedom Day event held by the Washington Post. “I wish I could say that in this moment, there was a clear way forward. We don't have that in this moment, but it's something that we're working every single day.”

Mr. Gershkovich, 31 years old, was detained on March 29 by Russia's Federal Security Service, or FSB, while he was on a reporting trip in the city of Yekaterinburg and held on an allegation of espionage that the Journal and the U.S. government vehemently deny.

Russian authorities haven't publicly provided evidence to support the allegation, and the U.S. government has designated Mr. Gershkovich as wrongfully detained. Mr. Gershkovich was accredited to work as a journalist in Russia by the country's Foreign Ministry at the time of his detention.

Mr. Blinken said Russia is



Nasdaq displayed a photo of Wall Street Journal reporter Evan Gershkovich in New York on Wednesday.

“wrongfully detaining people, using them as political pawns, using them as leverage in a practice that is absolutely unacceptable.”

Protesters calling for the freedom of Julian Assange, the WikiLeaks founder who is fighting extradition from the U.K. to the U.S. on espionage charges, stormed the stage during the interview with Mr. Blinken. “We're here to celebrate freedom of expression, and we just experienced it,”

said Post columnist David Ignatius, who was interviewing Mr. Blinken, according to a Post transcript. The U.S. charges against Mr. Assange are related to the publication by WikiLeaks of a trove of classified material. Supporters of Mr. Assange have said the charges are an attack on press freedom.

In another event linked to World Press Freedom day at the Journal's Future of Everything Festival, Wall Street Journal Editor in Chief Emma

Tucker spoke to two top journalists and a United Nations representative about the impact of Mr. Gershkovich's detention and growing threats to press freedom.

New York Times Executive Editor Joseph Kahn said leaders of democracies globally should give full-throated support for a free press. “It's incumbent on essentially every democratic government to speak out forcefully in defense of it,” he said.

“The press is under pres-

sure. The situation has become somewhat fragile,” Ms. Tucker said.

Mr. Kahn was on a panel alongside Irene Khan, special rapporteur on freedom of expression and opinion at the U.N., and Andrea Mitchell, NBC News's chief Washington and chief foreign-affairs correspondent.

“Those who have championed human rights do not today champion media freedom,” Ms. Khan said, remarking on government leaders generally.

She advocated for the introduction of media and digital literacy at a young age, citing the example of Finland, which she said took that approach to inoculate its population against Russian misinformation.

“There is a perfect storm now between authoritarian states, backsliding democracies and digital technology coming in and creating opportunities, yes, for the media but also very big threats of misinformation, disinformation and political polarization,” she said.

The panelists said quality journalism is expensive to produce, in part because of the risks of covering wars and autocratic regimes. They acknowledged that the public isn't always as willing to pay for news as they are entertainment.

Until the public fully understands the complexity and value of quality reporting that news organizations bring, “journalists are at risk,” Mr. Kahn said. “We have to make decisions about whether it's safe to base somebody in a country full-time, to what extent we're comfortable using local journalists as part of our news gathering apparatus and putting them at risk,” he said.

U.S., Syria Discuss Missing Journalist

The Biden administration has renewed direct talks with Syria to determine the fate of missing journalist Austin Tice and other Americans who disappeared during the nation's war, Middle East officials familiar with the efforts said.

U.S. negotiators have held

By Summer Said, Benoit Faucon and Dion Nissenbaum

meetings in the Middle East with Syrian government officials, the officials said, injecting tentative momentum into vacillating efforts to help Mr. Tice, a freelance journalist who disappeared in 2012 while reporting on the war in Syria.

The talks have so far failed to produce any breakthroughs, the officials said, which come as Syrian President Bashar al-Assad is making headway in efforts to break out of a decade of international isolation triggered by his deadly response to the civil revolt.

Mr. Tice, a U.S. Marine veteran and freelance journalist, disappeared near Damascus in August 2012 while reporting during the early years of the Syrian war.

President Biden said the U.S. knows “with certainty” that Mr. Tice has been held by the Assad regime; Syrian officials have repeatedly said they aren't holding him captive.

Last August, on the 10th anniversary of Mr. Tice's disappearance, Mr. Biden issued a statement assuring his parents and the American people that he was making the journalist's return a priority.

In November, the officials said, U.S. officials asked Oman to accelerate its mediation efforts with Syria.

Soon thereafter, they said, U.S. officials held talks with Syrian intelligence and political leaders in Oman to discuss a variety of issues, including Mr. Tice and at least five other missing Americans who are believed to have been detained by the Assad regime.

Mr. Biden raised Mr. Tice's case last weekend at the White House Correspondents' Dinner, where the journalist's mother, Debra Tice, was in the audience.

“We are not giving up,” Mr. Biden told Ms. Tice and the audience. “We are not ceasing our effort to get him, find him, and bring him home.”



Austin Tice disappeared in Syria in mid-August 2012.

Russian Ships Were Seen at Nord Stream Site

By Sune Engel Rasmussen

Denmark's military said it photographed a number of Russian vessels near the blast site of the Nord Stream pipeline sabotage days before the explosions took place.

Russian maritime activity isn't unusual in the Baltic Sea, where the explosions that took the natural-gas pipelines out of commission last year.

A senior European official familiar with the investigation into the explosions said the movements of the Russian vessels have long been known to investigators and have been dismissed as unlikely to be connected with the attack.

Still, evidence of the Russian ships so close to the site of the blasts and just days before the explosions has caused a fresh stir around one of the most closely guarded investigations into who is responsible for the attacks.

Last Sept. 26, a series of underwater explosions tore apart three of the four main Nord Stream pipes, which are built to carry natural gas to Germany from Russia.

The blasts were powerful enough to register with seismologic measuring stations. Russia and Western governments agreed the blasts were sabotage.



Last September, underwater explosions tore apart three of the four main Nord Stream pipes.

Four days earlier, on Sept. 22, a Danish naval patrol vessel, P524 Nymfen, took 112 photographs of several Russian vessels near the blast site, the Danish Defence Command said in a response to a freedom of information request from The Wall Street Journal.

The command declined to release the photographs because of what it said was their intelligence value. It added, following another freedom of information request, that 26 of the photographs were of a Russian vessel designated as

SS-750, which can be equipped with a small submarine.

The existence of the 112 photographs was earlier reported by Information, a Danish daily.

Following the pipeline sabotage, initial suspicions in many European capitals focused on Russia, which denied any involvement. U.S. officials are investigating the possibility that a pro-Ukrainian group was responsible for the attack, the Journal previously reported.

Investigators in Germany have focused on the possible role of a sailing yacht called

Andromeda and its six passengers, some of whom had Ukrainian passports, German officials briefed on the probe said.

Some analysts have expressed skepticism that a sailing yacht could have played a key role in such an act of sabotage—involving several explosions at an underwater depth of 260 feet.

The photos of the Russian ship have provided fuel for alternative theories.

The chance that the Russian vessel captured in the photo was near the blast site without

being involved in the explosion four days later, “is infinitely small,” said Jens Wenzel Kristoffersen, a commander at the Danish navy and an analyst at the University of Copenhagen.

“I don't have a smoking gun,” he said. “But in my opinion, there is no doubt as to who was behind it.”

Russia's foreign ministry said Wednesday that allegations that it was involved in the Nord Stream sabotage were “part of the Western misinformation campaign to ensure that those who ordered and perpetrated this act of international terrorism are never identified.”

Four Nordic public broadcasters have reported that at least three Russian ships able to perform underwater operations were present near the blast sites between June and September last year.

The ships included the Russian naval research vessel Sibiriyakov, the tugboat SB-123 and a third, unidentified vessel, according to the Danish Broadcasting Corporation.

The vessels sailed with their position transmitters turned off, but their movements were tracked using intercepted radio communications sent to Russian naval bases.

FROM PAGE ONE

Meta Faces Curbs on Kids' Data

Continued from Page One

one American company.”

Some lawmakers and President Biden have proposed restricting targeted advertising to children. The FTC action could limit Meta's ability to do that but wouldn't affect other companies.

As part of the FTC's proposed sanctions, Meta—which changed its name from Facebook in October 2021—would be prohibited from profiting from data it collects from users under 18.

It would also be subject to other new limitations, including on its use of facial-recognition technology, and would be required to provide additional protections for users.

FTC Commissioner Alvaro Bedoya also questioned the

agency's authority to impose the restriction on monetization of kids' data, saying the connection between the company's actions and the penalty weren't clear.

“There are limits to the Commission's order modification authority,” Mr. Bedoya said in a statement. “Based on the record before me today, I have concerns about whether such a nexus exists” for the limits on use of children's' data.

He voted for Wednesday's action, which was approved on a 3-0 vote, but added that he looks forward to hearing additional arguments and “will consider these issues with an open mind.”

Some Meta critics characterized the FTC move as a long-overdue response to a range of harms to kids caused by the company's products.

“The FTC has rightly recognized Meta simply cannot be trusted with young people's sensitive data and proposed a remedy in line with Meta's long history of abuse of children,” said Josh Golin, execu-



Meta vowed to contest the newest allegations from the FTC.

tive director of Fairplay, a nonprofit that advocates for children's online privacy.

The agency news release, which specifically cited kids' data from virtual reality as part of its proposed ban, came less than a month after Meta opened its Horizon Worlds metaverse to teens.

The proposal marks the third time the agency has taken action against the company for failing to protect us-

ers' privacy. The FTC filed a complaint against Facebook in 2011 and obtained an order in 2012 barring the company from misrepresenting its privacy practices.

The FTC later alleged that Facebook violated that order, by engaging in misrepresentations related to the use of millions of Facebook users' data by a political analytics firm, Cambridge Analytica.

In 2019, Facebook agreed to

a second order—which took effect in 2020—resolving claims that it had violated the FTC's first order. Wednesday's action alleges that Facebook violated the 2020 order as well. It also accuses the company of violating FTC rules protecting children's data.

The FTC said on Wednesday that Facebook continued to give third-party app developers access to users' private information after promising to cut off such access if users had not used those apps in the previous 90 days. In certain circumstances, Facebook continued to allow third-party app developers to access that user data until mid-2020, the FTC said.

In addition, the FTC has asked the company to respond to allegations that, from late 2017 until mid-2019, Facebook misrepresented that parents could control with whom their children communicated through its Messenger Kids product.

The FTC also said an independent third-party assessor, empowered to oversee the company's privacy protections

under the 2020 order, identified several gaps and weaknesses in Facebook's privacy program.

The proposed changes to the 2020 order, which would apply to Facebook and Meta's other services such as Instagram, WhatsApp, and Oculus, include a blanket prohibition against monetizing data of children and teens under 18—a provision that aims at the company's core business of showing ads to users based on what it learns about their interests.

The FTC also wants the company to pause on the launch of new products and services unless it receives written confirmation from the independent assessor that its privacy program is in full compliance with privacy protections.

The FTC would place new limits on future uses of facial-recognition technology. For example, Meta would be required to obtain users' affirmative consent for any future uses of facial-recognition technology.

FROM PAGE ONE

Epstein
Did Favors
For Friends

Continued from Page One

tion “exceeding the amount received, to a group working against sex trafficking,” the spokeswoman said.

Many of the people or institutions named in the documents were previously known to have associated with Epstein. Some of the documents show that their disclosures about contacts with Epstein were incomplete. Other documents provide new details about how often or where the people met with Epstein, and the kinds of favors Epstein did for them.

The documents don’t reveal the purpose of most of the meetings. The Journal couldn’t verify whether every scheduled meeting took place. Many of the people told the Journal they met with Epstein for reasons related to his wealth and connections.

Among the new details:

- ◆ Mr. Summers continued to meet with Epstein and seek his help years after Harvard decided it would no longer accept his donations.
- ◆ Reid Hoffman, a billionaire venture capitalist and LinkedIn co-founder, visited Epstein’s private island in the Caribbean and was scheduled to stay over at his Manhattan townhouse in 2014.
- ◆ Woody Allen, the Oscar-winning movie director, attended dozens of dinners with his wife, Soon-Yi Previn, at Epstein’s mansion and invited Epstein to film screenings
- ◆ Ehud Barak, the former Israeli prime minister, visited Epstein dozens of times and accepted flights on Epstein’s private jet while visiting Epstein’s mansions in Florida and New York.
- ◆ Leon Black, the billionaire co-founder of private-equity giant Apollo Global Management, scheduled more than 100 meetings with Epstein from 2013 to 2017.

Mr. Hoffman said he met with Epstein to raise funds for the Massachusetts Institute of Technology, and that he regrets interacting with Epstein after his conviction. Mr. Allen’s spokeswoman said the filmmaker went with his wife to group social events at Epstein’s townhouse. Mr. Black declined to comment. He stepped down after an Apollo investigation found he paid Epstein for tax planning and estate advice.

Mr. Barak said he often visited Epstein when he traveled to New York. He said he met interesting people at Epstein’s townhouse where they would discuss politics and other topics.

“In retrospect, [Epstein] seems to be a terrible version of Dr. Jekyll and Mr. Hyde, but at the time seemed to be an intelligent person, socially well connected and of wide areas of interest, from science to geopolitics,” Mr. Barak said. He said that he never participated in any parties or activities with girls or women.

The documents show that the disgraced financier kept a busy schedule, filling his days with meetings with politicians, executives and celebrities, including at his New York townhouse and his residence in the U.S. Virgin Islands.

Prosecutors alleged in 2019 that Epstein had abused girls and had run a sex-trafficking ring. He died that year in jail awaiting trial in what the New York City medical examiner said was a suicide.

Barnaby Marsh, then an executive at the large charitable fund John Templeton Foundation, met with Epstein roughly two dozen times, often for breakfast at the townhouse, the documents show. He was previously known to have met with Epstein, but not to that extent.

Mr. Marsh, who advises wealthy people on philanthropy, said he went to Epstein’s townhouse for gatherings because it was full of billionaires and academics who had many of the same interests in charitable giving. Mr. Marsh said Epstein openly discussed his jail time.

“So many of these billionaires knew him,” Mr. Marsh said. “Nobody ever said ‘Watch out for him.’ ”

He said Epstein convened people, including Microsoft co-founder Bill Gates, to try to solve problems facing rich do-

nors, such as how to make large gifts. Epstein told Mr. Marsh that Epstein was managing money for Mr. Gates, Mr. Marsh said.

“I had high hopes that he would follow the paths of others who used their ‘second chance’ to make a positive impact in the world,” Mr. Marsh said. “In the end, he disappointed me.”

Epstein misrepresented his relationship with Mr. Gates and didn’t manage money for him, said a spokeswoman for Mr. Gates. Mr. Gates has said they met for philanthropic reasons.

“As Bill has said many times before, it was a mistake to have ever met with him and he deeply regrets it,” the spokeswoman said.

The Dubins

The documents reveal how Epstein’s friends sustained a relationship after his conviction in ways that were mutually beneficial. Epstein received help to repair his reputation, and his friends received favors.

Eva Andersson-Dubin, a longtime friend and the wife of hedge-fund billionaire Glenn Dubin, invited Epstein to charity events, to which he contributed.

In the summer of 2015, Epstein sent Dr. Andersson-Dubin a “funny story” about checking into a California hotel with a young woman.

“I went to park the car and the bellman said to Karnya ‘is that your father,’” Epstein, then 62, wrote in an email, referring to his female companion, then in her 20s.

Dr. Andersson-Dubin wrote back: “Glenn laughs so hard!!!!”

In 2019, when Epstein was charged with sex trafficking, the Dubins told the Journal through a spokesman that they were “horrified,” and that they had continued their friendship after his 2008 guilty plea because they believed he had rehabilitated himself.

Dr. Andersson-Dubin, a physician and former Miss Sweden, has said she dated Epstein in the 1980s. Epstein connected Mr. Dubin to JPMorgan Chase, which bought control of his hedge fund, Highbridge Capital Management, in 2004 for more than \$1 billion. Epstein earned a fee for the transaction, the Journal has reported.

The documents also reveal Epstein offering help to one of the Dubins’ daughters, as he did for the children of other contacts.

In 2012, Epstein emailed the Dubins’ daughter that he would arrange modeling jobs for her with apparel brands. In 2014, he scheduled a meeting between her and a professor at Harvard, where she was a student, the documents show.

A spokeswoman for the Dubins said Epstein didn’t make introductions for modeling jobs for their daughter. The spokeswoman reaffirmed the Dubins’ 2019 statement, which also said: “Had they been aware of the vile and unspeakable conduct described in these new allegations, they would have cut off all ties long ago and certainly never allowed him to be in the presence of their children.”

Lawrence Summers

Epstein donated millions of dollars to Harvard during Mr. Summers’s tenure as the university’s president from 2001 to 2006. Harvard has said it decided to reject donations from Epstein after his 2008 guilty plea in Florida.

Mr. Summers, who remains a Harvard professor, had more than a dozen meetings scheduled with Epstein from 2013 through 2016, including sev-



DAVID PAUL MORRIS/BLOOMBERG NEWS

‘It gnaws at me that, by lending my association, I helped his reputation, and thus delayed justice for his survivors.’

Reid Hoffman



SILVAIN GABOURY/PATRICK MICHOUAN/GETTY IMAGES

‘So many of these billionaires knew him....Nobody ever said “Watch out for him.” ’

Barnaby Marsh



SUE DORFMAN/ZUMA PRESS

‘In retrospect, [Epstein] seems to be a terrible version of Dr. Jekyll and Mr. Hyde, but at the time seemed to be an intelligent person, socially well connected.’

Ehud Barak



THIBAUD CAMUS/ASSOCIATED PRESS

‘Woody never had a business meeting with Epstein and not once spent time with him without Soon-Yi also being present.’

Spokeswoman for Woody Allen and Soon-Yi Previn

eral dinners, the documents show.

Mr. Summers didn’t solicit donations for Harvard from Epstein after his conviction and didn’t personally receive money from him, his spokeswoman said. “Their interactions primarily focused on global economic issues,” she said.

But he did solicit donations for Ms. New, his wife. In 2014, Ms. New, a professor of English, was hoping to expand to the general public her Harvard coursework about poetry. She established the nonprofit that received the Epstein donation and later created a public-television series, the spokeswoman said.

Mr. Marsh said Epstein asked him multiple times if the Templeton Foundation could donate to Ms. New’s poetry project. Templeton didn’t donate to the project, he said.

Harvard declined to comment beyond its 2020 report on its ties with Epstein, which found he donated \$9.1 million before 2008 and had visited the campus dozens of times after his conviction.

Woody Allen

Epstein was known to have been friendly with Mr. Allen.

The documents reveal new details about some of their activities and how often they met. They were scheduled to get together nearly every month in 2014 and 2015.

In November 2012, an assistant to Mr. Allen sent one of Epstein’s assistants a note: “Woody was wondering if Jeffrey would be interested in watching his new film either today or tomorrow?” Epstein said he was available.

Epstein and Mr. Allen also planned visits to the studio of artist Jeff Koons in 2013, and to Sotheby’s auction house in 2017, the documents show. Mr. Koons didn’t respond to requests for comment.

Epstein arranged for Mr. Allen to join dozens of dinners at Epstein’s townhouse. Mr. Allen went with his wife, Ms. Previn. Epstein’s staff sometimes ordered Mr. Allen flourless chocolate cakes and bottles of Beck’s beer, the documents show.

“Woody and Soon-Yi lived in the same neighborhood as Epstein and were frequently invited to dinner parties at his townhouse,” said a spokeswoman for the couple. “There were always other guests at those gatherings.”

“Woody never had a business meeting with Epstein and

not once spent time with him without Soon-Yi also being present,” the spokeswoman said.

In October 2014, Epstein planned for Mr. Allen to give lessons on film editing at his townhouse to a group of guests watching Alfred Hitchcock’s “Psycho,” the documents show.

Terje Rød-Larsen

On the guest list for the 2014 film session with Mr. Allen, the documents show, was Terje Rød-Larsen, a Norwegian diplomat who helped negotiate the Oslo Accords in the 1990s.

The documents reveal Epstein also made plans for Mr. Rød-Larsen to visit his private island in 2012. The diplomat came so frequently to Epstein’s townhouse—dozens of times from 2013 to 2017—that the staff knew to have cucumbers on hand for his gin, the documents show.

Mr. Rød-Larsen resigned in 2020 as president of the International Peace Institute after Norwegian newspaper DN reported he visited the townhouse frequently, had received a \$130,000 personal loan from Epstein, and had accepted about \$650,000 in donations from Epstein foundations for

the nonprofit.

The IPI said in 2020 that it was unaware of the donations and the loan, and that Mr. Rød-Larsen had apologized for his “failed judgment.”

Mr. Rød-Larsen didn’t respond to requests for comment. A spokeswoman for the IPI said it had no comment beyond its 2020 statement.

Ehud Barak

After Epstein was arrested in 2019, photos were published in newspapers showing Mr. Barak, the Israeli politician, entering Epstein’s townhouse in 2016.

The documents provide new details about his scheduled meetings. They show that between 2013 and 2017, Epstein planned at least three dozen meetings with Mr. Barak. They had appointments every month for 11 consecutive months starting in December 2015, the documents show.

Mr. Barak told the Journal he was introduced to Epstein in 2003 by Shimon Peres, another former prime minister of Israel, at a social event with U.S. dignitaries, and that he would regularly visit Epstein when he traveled to New York. “Quite often, I came to the townhouse with my wife,” Mr. Barak said. Mr. Peres died in 2016.

Mr. Barak also took flights on Epstein’s private jet, the documents show. In January 2014, he met Epstein at his Palm Beach mansion and then they flew together to Tampa, where Epstein dropped him off and continued on to New York.

“I flew only twice on his airplane, together with my wife and Israeli security detail,” Mr. Barak said. He said he remembers the trip in Florida was to visit a U.S. military installation in Tampa.

“I never participated in any party or any other improper event around [Epstein], and never met him with girls or minors, or even adult women in improper context or behavior,” Mr. Barak said.

Reid Hoffman

Mr. Hoffman, the LinkedIn co-founder, has apologized for his interactions with Epstein, including inviting him in 2015 to a dinner in Palo Alto with Silicon Valley leaders. After Epstein was arrested in 2019, Mr. Hoffman said he had met with him to help raise funds for MIT at the request of the then director of MIT’s Media Lab, Joi Ito.

The documents reveal that Epstein had plans for Mr. Hoffman and Mr. Ito to visit his private island in March 2014 and in November 2014. On the second date, Epstein planned to travel with both men from Palm Beach to the island for a weekend and then fly together to Boston.

When the venture capitalist had a flight scheduled to land late at night in New York on Dec. 4, 2014, Epstein arranged for Mr. Hoffman to stay overnight in his townhouse, the documents show. The following morning, Mr. Hoffman was scheduled to attend a “breakfast party” with Epstein, Mr. Gates and others, according to the documents.

Mr. Hoffman told the Journal he only once visited Epstein’s island residence, Little St. James, for an MIT fundraising trip with Mr. Ito. He said he regrets ever meeting with Epstein and his last interaction with Epstein was in 2015.

“It gnaws at me that, by lending my association, I helped his reputation, and thus delayed justice for his survivors,” Mr. Hoffman said in an email. He said he met with Epstein to discuss science projects at universities. “While I relied on MIT’s endorsement, ultimately I made the mistake,” he said, “and I am sorry for my personal misjudgment.”

Mr. Ito said in an email: “Reid attended a few fundraising events at my request, including one trip to Little St. James, after I confirmed to Reid that Mr. Epstein had been an approved donor target for MIT in accordance with university rules and regulations.”

After Epstein’s arrest in 2019, Mr. Ito resigned from the MIT Media Lab and apologized for accepting funding from Epstein. MIT said at the time that it was a mistake to accept Epstein’s gifts. The school later said it donated \$850,000 to nonprofits supporting survivors of sexual abuse.

—Rob Barry contributed to this article.



MARKO BELLO/BLOOMBERG NEWS

A villa that was part of Epstein’s former residence on a private island in the U.S. Virgin Islands.

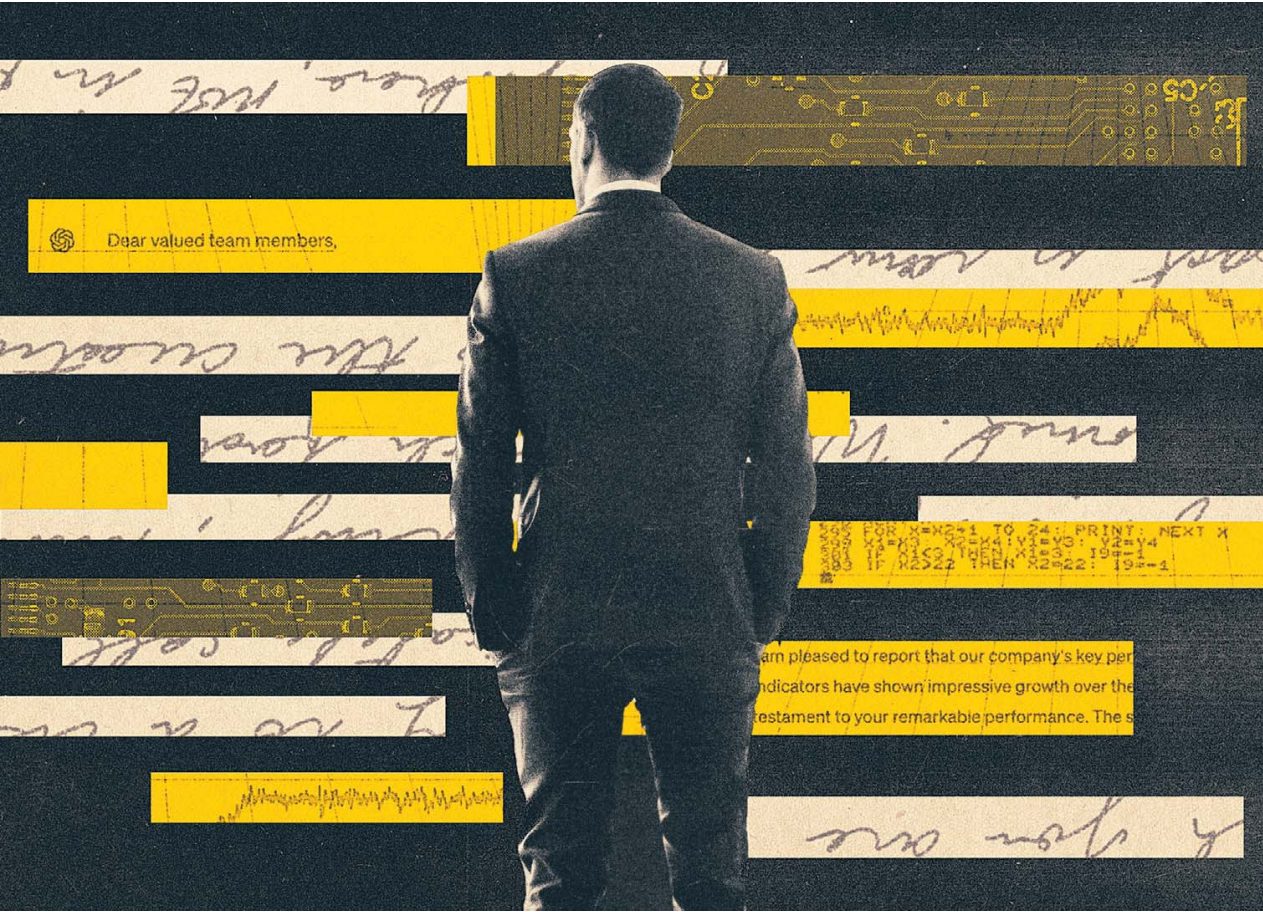


PHOTO ILLUSTRATION BY NICK MACABELLA FOR THE WALL STREET JOURNAL. ISTOCK

As Bosses Reach for AI Tools, They Need to Be Smart About It

Artificial-intelligence software can lend executives a hand but risks losing that human touch



**ON THE
CLOCK
CALLUM
BORCHERS**

The heartfelt email, that clever turn of phrase, those pithy bullet points in the slide deck—did they come from the boss, or a bot?

Executives are using artificial-intelligence tools such as Google’s Bard and Microsoft-backed ChatGPT to spiff up their communications, though the prevalence is hard to measure for one big reason: Some won’t admit to having AI assistance, lest employees think less of them.

Leaders are often eloquent or think they ought to be. Needing high-tech help to find the right thing to say can feel like a cop-out. Never mind that immortal words uttered by the likes of Moses, Susan B. Anthony and Ronald Reagan were sometimes conceived by others.

Looming over managers is a recent episode at Vanderbilt University in which an associate dean and assistant dean drew criticism from students and colleagues—not to mention a thrashing by late-night host John Oliver—for relying on a text generator to compose their response to a mass shooting on another campus. They were reinstated after brief leaves.

For leaders observing the situation, it is unclear whether the real mistake was enlisting a computer co-author or forgetting to delete the disclosure—“paraphrase from OpenAI’s ChatGPT AI language model”—before clicking “send.” How many others have done something similar and escaped scrutiny by covering their digital tracks?

“I don’t think people care if you’re using tools to augment yourself,” says Steve Chase, who heads KPMG’s U.S. consulting practice. “I think they’re bothered when you lose the human touch.”

Nearly two-thirds of senior executives expect generative AI to have a major impact on their or-

ganizations in the next three to five years, according to a KPMG survey, and most say they’re still figuring out how to implement the technology. Potential uses include helping supervisors write performance reviews of their subordinates and assisting human-resource managers with drafting job descriptions. IBM said this week it will pause hiring for back-office roles that could soon be automated.

ChatGPT has been adopted faster than many corporate rule makers can police, though JPMorgan Chase and Verizon are among the companies that have restricted usage. With few guidelines, a lot of bosses are on their own to determine when using artificial intelligence boosts efficiency and when it’s a crutch.

Mr. Chase says he treats ChatGPT like an editor; it can take a long email he’s drafted and make it concise. The substance is still his, but the prose is better.

AI is capable of much more, however. As a test, I typed into

ChatGPT a prompt that might tempt executives looking for a shortcut this month: “Write a chief executive’s email to employees for Memorial Day.”

The resulting note struck an appropriately reverent tone, encouraging employees to enjoy a long

Needing high-tech help to find the right thing to say can feel like a cop-out.

weekend and reflect on “the brave men and women who have made the ultimate sacrifice.” Though a bit cliché and repetitive—it went on for seven paragraphs—the email could pass for one written by a person in the C-suite.

Natural-language software works by drawing on what’s already in the public domain, which might explain the one glaring flaw

in my AI-generated email: It included last year’s date of Memorial Day.

With a little proofreading, formulaic messages produced by ChatGPT perfectly capture the beige tone of most corporate communications. That makes them attractive to risk-averse executives, says Ryan Todd, CEO of Headversity, a digital mental-health company.

“Templates are a safe move, and ChatGPT helps executives make safe moves,” he says.

Dr. Todd, a psychiatrist, says he uses ChatGPT to help prepare remarks at conferences and workshops, while still relying on his own expertise and peer-reviewed research for the material. He says it helps him overcome writer’s block.

Once, he leaned on the software to churn out internal memos and received a compliment on his speed. He considered taking full credit but decided to be honest.

Leaders of large companies have long had help workshopping their communications with human aides. Kenneth Freeman, CEO of Quest Diagnostics from 1995 to 2004, says a trusted vice president often handled first drafts and was invaluable when crafting messages to employees and customers after the Sept. 11, 2001, terrorist attacks.

He can’t imagine delegating something so sensitive to a bot. On more routine matters, however, he says AI can assist executives at small companies who don’t have deputies.

Shanea Leven leads a team of 14 people as founder and chief executive of enterprise software startup CodeSee. She doesn’t have a VP, chief of staff or executive assistant to draft her messages, so she sometimes uses AI to get started. Before running a recent webinar for fellow entrepreneurs, for instance, she prompted ChatGPT to write a description of the event.

More than substance, the first-time CEO wanted an example of a webinar promo’s format because she had never written one. Ms. Leven says inexperienced business leaders shouldn’t be judged too harshly for seeking AI’s help with things that others might expect them to know.

“I hope that people have enough grace to be, like, ‘OK, this is the first time she has done this,’” she says.

ChatGPT also can smooth rough writing by executives who are non-native English speakers, says Dror Weiss, CEO of Tabnine, an Israeli company that makes software to automate lines of computer code. Even at an artificial-intelligence business like his, there is a risk of overpolishing to the point of inauthenticity.

Mr. Weiss, who has about 30 employees in Israel and the U.S., says he tries to keep his own voice in everything he writes because he doesn’t want messages to sound computer-generated, even if they’re computer-aided.

“If someone says, ‘Oh, ChatGPT probably wrote that,’ it’s a criticism that you’re not an independent thinker,” he says.

Raises This Year Are Poised to Disappoint

By **RAY A. SMITH**

Workers have high expectations for raises this year. Their bosses have different ideas.

The rising cost of living is prompting many employees to push for a hefty pay increase, and recent wage gains across the economy have ratcheted up hopes they will get one. But recession worries and higher interest rates have companies boosting efficiency while containing costs, including for labor, corporate bosses and compensation consultants say.

Businesses are still handing out substantial pay increases, though less than what they projected last fall, according to a new survey of nearly 1,000 major employers by benefits-advisory firm Mercer.

On average, employers are giving annual merit raises of 3.8% and total compensation increases of 4.1% in 2023—still the highest-reported raises in the survey since the 2008 financial crisis.

The companies also said they were being more cautious in doling out off-cycle raises and bonuses this year, a departure from 2022 and 2021, when employers were scrambling to address labor shortages and keep talent. Additional levels of approval are now required for raises at some companies, while others are limiting unbudgeted raises to a smaller number of employees, said Lauren Mason, senior principal in Mercer’s career practice.

“We’re seeing a lot more prudence into how those compensation increases are delivered,” she said.

Meanwhile, a majority of U.S. employees say they are confident they’ll get a pay raise this year and, on average, expect one of 6.7%, according to a recent survey of 2,000 workers by the research arm of payroll provider ADP. Last year, workers received an average 6.5% increase, ADP data show.

6.7%

Pay increase that U.S. employees are expecting, on average

Though business has slowed in her industry, Kayla Klopotek, 26, asked for a raise at the Madison, Wis., real-estate company where she works as a closing coordinator. Facing a 20% rent increase, she says she pushed for an increase that would cover her higher costs and provide a financial cushion. She made the case by citing her accomplishments, including three promotions within three years, along with her rising expenses.

“I laid it all on the table,” she says. She ended up getting a 24% increase, which she says raises her salary to one that better reflects her experience and responsibilities.

Wage and benefit growth ap-



pear to be holding steady across the broader economy, according to the most recent Labor Department figures.

Among the larger employers that Mercer surveys, base-pay raises have slowed, as the job market shows signs of cooling and a range of companies embark on layoffs. Increases in employee

base pay rose an average 3.4% between October and March, down from 4.7% in between January and September of last year, according to Mercer.

Companies, particularly in tech and other industries going through downturns, have been scaling back on merit and off-cycle raises in recent months, com-

penetration experts say.

“Unless you have rare skills that are in demand, you are unlikely to get a special increase,” said David Buckmaster, who led teams that designed compensation structures at Nike and Starbucks and has written a book on employee pay practices and negotiations.

Pay disputes are bubbling up in some industries. On Tuesday, the unions representing thousands of television and movie writers went on strike after contract negotiations broke down over compensation and other issues. Pay and promotions outranked remote-work policies as workers’ greatest source of dissatisfaction, according to a recent survey by research company Morning Consult of more than 3,500 U.S. workers. Among those considering leaving their jobs, 46% said it was because they felt underpaid.

Lara Stepleman, an associate dean at the Augusta University’s Medical College of Georgia in Augusta, Ga., negotiated a raise for herself when she was promoted two years ago. With state budget cuts looming, she’s planning to lobby for promotions that come with pay increases for her staff instead of another for herself.

“That would help them get to that money in a year when there aren’t raises available,” she said. “When the climate is better, I can make a stronger case for a raise.”

ILLUSTRATION BY JON KRANUSE

PERSONAL JOURNAL.



CARRY ON
DAWN
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FORT WORTH, Texas

I was thrilled with the free breakfast and spacious room at my \$161-a-night Spring-Hill Suites near Dallas/Fort Worth International Airport last week. Until I saw the new airport hotel across the highway. The 600-room Skyview 6, which opened in late January, has a tavern with an airy patio, supersize gym, lap pool, free cruiser bikes, sushi to go and bathroom mirrors with Bluetooth connections.

No expense account or loyalty status would get me, or most of you, a room there. The only guests checking into Skyview 6 work for American Airlines. It's the kind of hotel that would make most road warriors jealous—and one that has American employees already pushing for similar-quality hotels on the road.

The airline built the hotel to house most of the tens of thousands of flight attendants, pilots and other front-line workers who fly in for training each year at its 300-acre corporate campus near DFW.

Employees previously were scattered among several area hotels and American's rundown lodge for flight attendants, which was razed in 2019. Among other major U.S. airlines, only JetBlue Airways has its own training hotel for employees, a 196-room lodge that opened in Orlando, Fla., in 2015.

"It brings energy and just a sense of connection," says Robert Isom, American's chief executive.

Input from insiders

American owns but doesn't operate Skyview 6, a \$250 million project. MCR, which owns New York's TWA Hotel and nearly 150 others, manages American's hotel.

Nothing at Skyview 6, Mr. Isom says, is "second-rate. Nothing."

American solicited input from its resident frequent fliers, includ-

The Cutting-Edge Hotel Most People Can't Book

American Airlines employee site offers extras craved by savvy travelers



A lounge near the main lobby at the Skyview 6 hotel, which was designed expressly for training at American Airlines.

ing current and retired flight attendants and pilots, on hotel must-haves and must-nots.

Employees' touches and aviation nostalgia are everywhere. Artwork from the airline's Stewardess College, an industry first in 1957, hangs in the lobby.

In the guest rooms, there is a large cork strip above the desk in each room to display training materials, such as a cockpit interior, and recliners (a pilot request). There are magnetic blackout curtains in the room designed to let no light seep through. The safes in the room are big enough to store laptops and tablets.

There's a lounge on each floor for employees to hang out—the rooms are single-occupancy—when

they need a study break.

Brady Byrnes, American's senior vice president of in-flight services, says those areas are a response to employee requests to make socializing easier without needing to go into anyone's room.

"This gives them a great opportunity to have the fellowship and say, 'Bye, I'm done,'" he says.

Employees were adamant about something they didn't want in the lounge or anywhere in the common areas: microwave popcorn. Too many travelers in hotels with microwaves lose track of time and burn it.

"I don't want to smell somebody else's food coming down the hallway," was a common refrain, Mr. Byrnes says.

Restroom perks

The bathrooms in the rooms include a light under the counter that turns on when employees walk in, a nod to employees who travel so much they wake up wondering where they are, says Holly Ragan, American's senior manager of corporate real estate.

"My goodness, we spent so much time on this bathroom," Ms. Ragan says.

There's also a digital clock embedded in the bathroom mirror and Bluetooth connectivity, so employees can listen to music or podcasts when getting ready.

Ellie Boothe, a 27-year-old Philadelphia-based flight attendant who joined American last year, stayed at Skyview 6 one night in March for

recurrent training. She says she loved the Bluetooth mirror, which she'd only seen in one other hotel.

"The finishes and the amenities are much higher-end than the hotels we often frequent [on layovers]," she says.

The 73,500-square-foot fitness center and the Tavern, open to hotel guests and other employees on campus, were empty during my afternoon visit. The Tavern opens in the late afternoon and serves bar food and alcohol. It's the only place where hotel guests have to pay their own tab. (A per diem covers meals at the hotel cafeteria, market and coffee bar.)

Mr. Isom hasn't spent a night in the hotel. Nor has his predecessor, Doug Parker. Mr. Parker, who retired last week as American's chairman, championed the hospitality complex several years ago as one of many ways to improve American's culture. He fought to maintain the project during the pandemic. (It was paused for six months.)

Gold standard

American Airlines captain Dennis Tajer is a frequent critic of the airline in his role as spokesman for the Allied Pilots Association, a union. He stayed there for five nights in March for annual training and raves about the place.

He says it couldn't have been more different than the "dark, dank hotel" off the highway he stayed at for training a year ago.

He used the free bikes to ride around the campus, dried some clothes in the laundry room on his floor, worked out in the gym and enjoyed the tavern and cafeteria. He liked the resort vibe so much he made a return visit to the cafeteria room on a separate visit to Dallas for work. "It just does not look and feel like a corporate training center," he says.

Ever the negotiator, Mr. Tajer says American, which the union is in contract negotiations with, should now turn its attention to picking similar caliber hotels for flight crews on layovers.

"This was the gold standard for what it could be," he says.



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Tired of Twitter? Unhappy Users Flock to Invitation-Only Bluesky

By CORDILIA JAMES

Twitter users are buzzing that Bluesky Social might be a text-first social-media platform good enough to rival the network Elon Musk now owns. And that is no coincidence, since it was initially backed by Twitter and its co-founder, Jack Dorsey.

Bluesky—pronounced “blue sky,” not “blue ski”—was formed in 2021 inside Twitter and launched as an independent organization in 2022. It operates using an

“The reality is a lot of people are pretty dismayed at the approach Twitter has been taking over the last six months or so, and have been looking for an alternative that is similar.”

On Thursday, Bluesky announced on its platform that it had its biggest single-day jump in new users. (The company didn't respond to several requests for comment.) The app has already been downloaded in Apple's App Store more than 375,000 times worldwide, according to consumer-data

rect messaging yet, and users can't post videos.

How can I join?

To join Bluesky, you need to get on the wait list or know someone who can give you an invite. This kind of crowd control is typical for apps that are in test mode. (Remember Clubhouse?) Bluesky plans to remain invite-only while it works on setting up its moderation system, CEO Jay Graber wrote in a blog post in March.

Users receive one invite code every two weeks, so you might have to cozy up to a few people to get yours.

Who is on Bluesky?

Some prominent figures on the app include author and TV personality Chrissy Teigen and Rep. Alexandria Ocasio-Cortez. Many journalists have also joined.

What is different from Twitter?

Despite the Twitter-like appearance, Bluesky is a decentralized platform, similar to Mastodon. It is based on an open standard that any coder can adopt—again, compare this to email or a webpage, which any tech-minded person can set up using the available protocols. It is “decentralized” because hosting can be done on independent servers, rather than those operated privately by a single company, the way Meta Platforms runs Facebook and Instagram.

So while the invite-only service is hosted by Bluesky itself, other servers are expected to roll out. People on any server could theoretically see each other's public posts, though users could also create servers using the standard and apply their own membership rules.

“In the past, those networks have been harder for the average everyday person to use,” said Mr. Fullerton. On Bluesky, though, it is easier for even less tech-savvy people to get on and use, he said.



open protocol, similar to email or HTML, so people can create their own servers. For now, Bluesky is running the main one.

While many users approve of the changes that Mr. Musk has brought to Twitter since taking over in October, others aren't happy about them. Several celebrities and media companies have abandoned it. Many Twitter users were left confused after the app removed legacy check marks in April.

Those seeking alternatives aren't finding anything very useful. Some have opted to explore new services such as Mastodon or familiar ones such as LinkedIn. Now they are looking at Bluesky.

“It's the closest thing to Twitter that is out there,” said Tim Fullerton, president and CEO of digital marketing agency Fullerton Strategies.

group data.ai. As of late April, it is the No. 8-ranked social app in the U.S. on iOS and No. 22-ranked social app in the U.S. Google Play store.

By contrast, Twitter users number in the hundreds of millions.

Prominent figures are flocking to the invite-only app, and you can try to get in, too. Here's what you need to know.

What is Bluesky?

While there is a lot of underlying technology that makes Bluesky different from Twitter, on its surface it is very similar. Posts are short, 300 characters max. You can like, reply and repost them. There is a “What's hot” feed for popular posts and a “Following” feed for accounts you follow.

That is pretty much it, for now. The app is still in development, so there is no di-

ARTS IN REVIEW

ART REVIEW

An Artistic Kinship Revealed

By JUDITH H. DOBRZYNSKI

St. Louis
Near the end of “Monet/Mitchell: Painting the French Landscape,” three works by Monet, “Water Lilies” (1917-19) and two titled “The Japanese Bridge” (1918-24), display an unusual side of the great French Impressionist. Together, they show him using highly gestural, squiggly, intertwined brush strokes; intense, unnatural colors; mere hints of features like the bridge; exposed areas of canvas, and allover compositions that give the paintings a decidedly abstract quality. “Water Lilies” has sometimes been hung upside down.



American artist Joan Mitchell, above; her painting ‘Beauvais’ (1986), above right; and Monet’s ‘Wisteria’ (1919-20), below

That Monet came so close to complete abstraction is just one surprise in this beautiful, uplifting exhibition at the Saint Louis Art Museum. Visitors who think they know Monet but expect to gain new understanding of the far less known Joan Mitchell, a leading second-generation Abstract Expressionist, will discover that “Monet/Mitchell” illuminates the practice of both painters—and proves that artistic pairings can be a powerful motif even when the duo is not contemporaneous.

Monet (1840-1926) was long dead when Mitchell (1925-1992) picked up her brushes. She began her art education in the mid-1940s at the Art Institute of Chicago, studying many French modernists, including Monet, Cezanne and Van Gogh. Then she left for New York, falling in with the Pollock-De Kooning crowd of Abstract Expressionists and forging a unique style using a flurry of bold, colorful, dynamic brush strokes, from thin drips to thick impasto, in intersecting layers, with nature as her subject.

In 1959, Mitchell moved to Paris and, in 1968, to Vétheuil, a small town near Monet’s famed home in Giverny, northwest of Paris. That is where “Monet/Mitchell” begins, zeroing in on Mitchell’s final 25 years. (Although it had a similar title, the recent exhibition at the Fondation Louis Vuitton in Paris was a broader, much larger show that included Mitchell’s pastels and drawings as well as more paintings.)

Critics had noted the connections between Mitchell’s work and Monet’s by the late 1960s, an affinity she once acknowledged but later denied, sometimes adamantly. And there were differences: Monet made his reputation with his figurative landscapes and usually painted en plein air; Mitchell produced abstract works in her studio. Monet never dripped or spattered paint; Mitchell did.

But, especially in Monet’s late works (the earliest here dates to 1914), they overlapped more, and the commonalities are easy to see in these galleries. Each depicted flowers, trees, water, gardens, reflections and other landscape elements

in expansive views on large-scale canvases, often joined in diptychs, triptychs and quadriptychs. Monet frequently painted images in series, varying the time of day, for example; Mitchell created “suites.”

Their palettes, especially the blues, violets and yellows, were similar, though his colors were mostly softer. Late in his career, Monet intentionally left parts of his canvases primed but unpainted;

The show explores the commonalities between Monet and the abstract painter Joan Mitchell.

for example, the exposed white patches in his enchanting “Wisteria” (1919-20) panels suggest sunny highlights. Mitchell regularly employed negative space to define her images, as in “Beauvais” (1986), whose central white paint and white canvas suggest the nave of a cathedral she had just visited.

Under the surface, Monet and Mitchell had deeper connections. In his late years, with his eyesight

failing, Monet relied on his recollections to create paintings in the studio; Mitchell said that she painted “remembered landscapes that I carry with me,” not specific places. The water in “Row Row” (1982)—a deep-blue diptych with patches of yellows and violets—could be the Lake Michigan of her early years or the Seine.

And they explained their approach in a similar way. In 1908, Monet said he wanted “to express what I feel.” Mitchell said that nature appeared in all her paintings “but not directly . . . it’s rather the feeling that I have for things.”

Curator Simon Kelly doesn’t attempt to match paintings. Rather, he charts the artists’ responses to similar surroundings—trees, for example. Monet’s lyrical “Water Lilies With Weeping Willow Branches” (1919) shows the tree’s green leaves almost touching his cerulean pond. Mitchell’s crisper “Tilleul” (1978) portrays a linden tree, its bare, black, wintry branches thrusting upward. Paralleling Monet’s attachment to his willow, Mitchell depicted her cherished linden many times, including the more abstract “Red Tree” (1976). This suite, Mr. Kelly writes in the catalog, gave her solace. Mitchell could be lyrical, too. She

loved the sunflowers in her garden, which she celebrated in an immense diptych titled “Two Sunflowers” (1980). A veritable blizzard of encrusted, intense yellow paint, fringed with black to suggest the soil, green for leaves, and violet for sunlight, it bursts with exuberance. Likewise, in the next gallery Monet’s great “Water Lilies” (about 1915-26), the central panel of a renowned triptych split among three museums, speaks to the joy he took from his pond, which he painted more than 300 times.

As good as it is, the exhibition isn’t flawless. Of its 24 paintings, the Musée Marmottan Monet and the Fondation Louis Vuitton each lent 10. If Mr. Kelly had been able to draw from a larger pool, he may have found even better examples of the exhibition theme. Still, “Monet/Mitchell” undeniably and delightfully displays two kindred spirits, each transfixed by nature and sharing that passion with us.

Monet/Mitchell: Painting the French Landscape
Saint Louis Art Museum, through June 25

Ms. Dobrzynski writes about art for the Journal and other publications.



MUSIC REVIEW

Ben Wendel, A One-Man Jazz Backing Band

By MARTIN JOHNSON

With the band Kneebody, the music of saxophonist, bassoonist and composer Ben Wendel is exuberant and often brash. His work on his own has tended to be more nuanced and subtle. On his latest recording, “All One” (Editions Records, out now), he has it both ways. The album features duets, a calling card of his, but instead of two instruments on each track there are many. By overdubbing himself, Mr. Wendel creates a woodwind choir, and he worked with several high-profile collaborators, including trumpeter Terence Blanchard, guitarist Bill Frisell and vocalist Cécile McLorin Salvant. The results are compelling and often remarkable.

Projects involving pre-recorded music can sound stilted and mechanical, what we might imagine today as AI jazz, but the music here is lithe

and feels spontaneous. And Mr. Wendel’s arrangements meet many of his musical partners halfway, integrating their tendencies with his.

This is especially true on “I Loves You Porgy,” which features Ms. Salvant. One of the many features of her approach is her ability to take classic songs and inject a bit of needed grit, and she does so here with Mr. Wendel. The song is from the opera “Porgy and Bess,” written by George and Ira Gershwin and DuBose Heyward, and her voice accents the various anxieties that Bess must have felt, as well as the dreaminess of love’s possibilities. Mr. Wendel’s arrangement moves in tandem with Ms. Salvant’s inflections; the backing horns transition from sweet sounds—as if the number were a Neal Hefti orchestration of a post-World War II love story—to rambunctious, slightly dissonant tones that capture the bracing reality of urban life.

“Wanderers” features Mr. Blanchard, who has won accolades recently for his operas “Fire Shut Up in My Bones” and “Champion”; he also writes for film and has worked with Spike Lee on numerous occasions. Mr. Wendel’s composition is richly cinematic, evocative of big skies and rugged terrain. And it makes occasional reference to the trumpeter’s 1991 tune “Wandering Wonder,” hence the title. At the outset, the two horns intertwine and,



Ben Wendel; his album ‘All One’ is out now.

that track is more intimate and contemplative—more babbling brook than mountains and horses. The accompaniment is gentler; Messrs. Frisell and Wendel build their parts deliberately, as if they were accompanying a flowering.

Mr. Wendel is also joined by the vocalist José James, pianist Tigran Hamasyan and flutist Elena Pinderhughes. Mr. James performs the Walter Gross and Jack Lawrence standard “Tenderly,” and he stays faithful to the classic rendition of the tune, evoking mid-20th-century splendor over the reed section’s murmurs. On “Speak Joy” with Ms. Pinderhughes, the tune unfolds slowly before she launches a probing solo underpinned by Mr.

Wendel on bassoon, creating a fascinating contrast. Then, with the leader shifting to soprano saxophone, the two combine forces for a harmonious ending. On “In Anima,” with Mr. Hamasyan, the backing reeds are subtler, allowing for an energetic exchange between the saxophonist and the pianist. The song begins softly and builds to great intensity behind the duo.

Mr. Wendel, who is 47 years old, told me that he chose the title “All One” to reflect both that he is playing all of the instruments except for those of his guests, and that each of his colleagues on the recording is part of a unified community of seekers and learners, which is what connects them in his mind. The recording is his seventh as a leader, amid others as a sideman, and he has engaged in myriad curatorial and educational projects. But he may be best known for “The Seasons,” a series of duet videos that were posted monthly online in 2015. There he worked with videographer Alex Chaloff to depict the evolution of conversational language in jazz. “All One” might be difficult to turn into a live tour given the busy schedules of his associates. But it would lend itself well to video presentation, helping to expand jazz’s footprint in that medium.

Mr. Johnson writes about jazz for the Journal.

SPORTS

International Stars Take Hold Of the NBA’s MVP Award

Since 2019, Embiid, Jokic or Antetokounmpo have won the top honor

By ROBERT O’CONNELL

During the NBA’s All-Star festivities in February, while players shot rapid-fire 3-pointers and attempted increasingly elaborate dunks, Boris Diaw stepped into a hallway in Salt Lake City’s Vivint Arena and considered the shape of his own career.

Diaw had played for five franchises across 14 seasons in the 2000s and 2010s, and if he was never his team’s best player—never an All-Star himself—he was reliably among its most interesting. He was a sturdy forward who operated like an oversized guard: threading cross-court passes instead of shouldering into his defender, linking plays instead of finishing them.

That career might never have happened, Diaw said, had he been born in America instead of his native France—or had he jumped to a stateside school instead of training in his own domestic pro league as a teenager. “If I’m among college players, I don’t know if I would have made it to the NBA,” Diaw said. The European system favors group improvisation over set plays for the best player, letting subtler skills shine. “It’s not one play for this guy,” Diaw said. “It’s five different outcomes.”

In the half-decade since Diaw’s retirement, international basketball has produced even more convincing spokespeople. For the second straight season, three players from outside America—Joel Embiid of Cameroon, Giannis Antetokounmpo of Greece and Nikola Jokic of Serbia—finished at the top of the MVP balloting, extending an unprecedented takeover. Antetokounmpo and Jokic had combined to win the last four awards; Tuesday night, Embiid took home the 2023 trophy.

For all three, origin is more than a piece of trivia. Each has ascended not by assimilating to an American game but by exploding its borders, bringing the world with him.

“The game in Europe is way harder than the game in the NBA,” Antetokounmpo said in September,



Left, Sixers star Joel Embiid drives to the basket against Giannis Antetokounmpo. Above, Nikola Jokic playing for Serbia.

ness of contact, and his willingness to absorb and deal out blows, one can glimpse the teenager who came up eating elbows in the Greek leagues. “For a kid like me who came from nothing, I think the NBA spoiled me a little bit,” Antetokounmpo said. “When you go overseas, things aren’t the same.”

Branislav Vicentic, who coached Jokic when he was a junior player in Serbia, sees a similar dynamic in his former pupil: a one-of-one skill set nurtured by a worldview. The Denver Nuggets center is now regarded as the cleverest passing big man of all time, a designation Vicentic traces partially—if only partially—to the place he was raised.

“I believe that you are born with those gifts,” he said. “But in our youth system, he was handling the ball a lot, he was all around the court. The Serbian style of coaching young players is like that, whether you’re 6-foot-5 or 7-foot-3.”

Embiid, another 7-footer as skilled as he is tall, didn’t have as much basketball lineage to draw on, growing up in Cameroon. He has written in the Players’ Tribune about playing soccer and going as a teenager to a basketball camp—led by NBA veteran and fellow Cameroonian Luc Mbah a Moute—knowing how to do little but slam the ball. When he came to a high school in Florida, Embiid modeled his jump shot after the dorky experts he knew populated American pickup courts, searching YouTube for “white people shooting 3-pointers.”

Embiid is currently nursing a

after suiting up for Greece’s national team in September’s EuroBasket tournament.

He did so despite acknowledging that he could have used some rest from his grueling responsibilities with the Milwaukee Bucks; his reasons for participating had as much to do with preparation as patriotism.

“It’s more intense. People pick up full-court, lanes close,” Antetokounmpo said. “It’s a lot more physical.”

To watch the fully formed Antetokounmpo—who this season be-

came the sixth player in league history to average more than 30 points, 10 rebounds and five assists per game before injuring his back as the Bucks lost in the playoffs’ first round—is to see a regional ethos turned into an MVP’s manual. Certain parts of his approach are unteachable in any country: the 7-foot frame and even longer wingspan, the ability to convert a thundering gallop to an on-balance spin move to a hammer dunk in the span of a second.

But in Antetokounmpo’s fearless-

The WSJ Daily Crossword | Edited by Mike Shenk

1	2	3	4	5	6	7	8	9	10	11	12
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LETTER RIP! | By Mike Shenk

Across	34 Pass	60 Having less experience	10 Server of a six-yr. term
1 Step, to une ballerine	36 Court call	61 Off the plate, perhaps	11 Handel cantata “___e Leandro”
4 Maryland governor Moore	39 High-maintenance sort	62 Possessive on orange packages	12 Latv. or Lith., once
7 Red-ink amounts	40 Very bright	63 “My word!”	14 Readies for a round
13 Galling	42 Ice Bucket Challenge cause: Abbr.	64 Home for hibernation	15 Country great Haggard
15 Food processors, at times	43 Checkout count	Down	19 *Lease signer
16 *Humiliating defeat	45 Kicks in	1 Inhabitants of ancient Scotland	21 She “took of the fruit thereof, and did eat”
17 Bess’s predecessor	47 *It forks into two branches upstream of Arles	2 Feathered flier	23 Covent Garden offering
18 Add up to	49 Industry with projected results	3 Work with figures?	24 Staircase post
19 Scrolling strip on a sportscast	53 Pressing person	4 Warm piece of over-the-shirt attire	
20 Avoid a pothole, maybe	54 Yorkshire area	5 Bird that makes resonant booming sounds	
22 *Unescorted	55 Trident, e.g.	6 Stage array	
26 Grave	58 Large letter at the beginning of a paragraph, and what you must do to make sense of each starred answer	7 Pastel hue	
28 “Heavens!”		8 Like Lexington Avenue	
29 Ventura runner		9 *Gin cocktail	
32 Ooze through the cracks			
33 Anchor’s offering			

► Solve this puzzle online and discuss it at [WSJ.com/Puzzles](https://www.wsj.com/puzzles).

- 25 Twisty shapes
- 27 Twisty swimmer
- 29 Battlefield cry
- 30 Bernardo’s girl, in “West Side Story”
- 31 Spelunking aficionado
- 35 *Nonet of myth
- 37 Twinings wares
- 38 Prussian blue, for thallium poisoning
- 41 Servant of Sauron
- 44 Destination for a pilgrim
- 45 Show of disdain
- 46 Flies off the handle
- 48 Eyes unpleasantly
- 50 Conqueror of Valencia
- 51 Army of the Potomac commander during the Civil War
- 52 Resort on the Roaring Fork River
- 55 MLB team leader
- 56 Blood pressure raiser, maybe
- 57 “Didn’t I warn you?”
- 58 Stubbornly follow
- 59 Fragrant shrub

Previous Puzzle’s Solution

S	L	A	T	S	S	C	A	T	S	T	L
P	O	S	E	A	S	E	R	N	O	P	H
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R	E	O	I	L				G	L	A	S
G	E	T	T	I	N	G	T	O	Y	E	S
A	R	C		R	E	D	O		L	I	O
N	A	H		A	S	A	P		Y	O	M
S	T	Y		Q	T	Y	S		U	S	T



The Messi Unraveling Of Paris Saint-Germain

By JOSHUA ROBINSON

Paris

PARIS SAINT-GERMAIN’S players were still reeling from a shocking defeat to Lorient when they turned up to practice on Monday, only to find that the world’s best soccer player hadn’t bothered to join them.

Lionel Messi, it turned out, was thousands of miles away in Saudi Arabia carrying out his duties for the Saudi Tourism Authority, which pays him a reported \$30 million a year to serve as a public ambassador for the Kingdom. PSG, the club that pays him around \$40 million a year to help it win trophies, had no idea he had made the trip.

So on Tuesday, the club made an example of the world’s best player and suspended him for two weeks for the unauthorized jaunt to the Gulf. Messi’s camp insists he traveled with the club’s permission. Regardless, the suspension means he will be available for only three more games this season as PSG clings to first place in the French league.

As relations sour between the seven-time Ballon d’Or

winner and one of the world’s richest soccer teams, it seems increasingly likely that those will be his final three games for Paris. Reports in France suggest that PSG has lost interest in re-signing the 35-year-old for a third season here, marking the end to one of the strangest spells in modern soccer history.

News of the suspension first emerged in L’Equipe, the French sports daily. The headline on the front page read simply: “The Breakup.”

For all the fanfare that accompanied Messi’s arrival in Paris from Barcelona, as the Qatar-backed club acquired the greatest player of his generation, his time in France has been deeply unremarkable. Messi has failed to lead PSG to the coveted Champions League title it has spent more than a decade and \$2 billion trying to capture, despite being flanked by the Brazilian playmaker Neymar and French superstar Kylian Mbappé. More alarming, he has often looked uninterested—even PSG’s fans have booed him on more than one occasion during his two seasons.

“He took the jeering very hard,” PSG head coach Christophe Galtier said earlier this year.

The situation only got worse over the winter after Messi lifted the World Cup with Argentina in December. It was the one title that had eluded him through his staggering career. And once he had it, little else seemed to matter. Fresh from his storybook tournament—and a lengthy break—Messi eventually returned to PSG in January as a man with nothing left to prove in the game. His indifference was hard to miss. PSG was soon drummed out of the Champions League and French Cup. The club is now limping to the finish line in Ligue 1, where it has lost two of its past five matches and seen its advantage over second-placed Olympique Marseille shrink to five points.

That cushion would normally be enough with just five matches remaining on the schedule, but for the next couple of weeks, PSG will have to hang on to it without Messi’s help.

The situation has shades of the ugly end to Cristiano Ronaldo’s time at Manchester United earlier this season. The two players have been linked by otherworldly soccer greatness for more than a decade, but the twilight of their respective careers is taking increasingly bizarre turns.

Ronaldo’s public divorce with United came right at the start of the World Cup, when he appeared on British TV to vent his frustration about becoming a highly paid substitute. United effectively terminated his contract and left Ronaldo searching for any club that would guarantee both playing time and a salary. Ronaldo felt he still deserved at age 38.

The only suitor prepared to meet both conditions turned out to be Al-Nassr in the Saudi professional league, which made him the highest-paid athlete anywhere in the world with a contract worth around \$200 million a year in January.

Now, as Messi appears to head for the exit at PSG, he may be looking at a similar landscape.

FROM LEFT: JEFFREY PHELPS/ASSOCIATED PRESS; MICHAL CZEK/AGENCE FRANCE PRESSE; GETTY IMAGES

MARTIN RICKETT/PA WIRE/ZUMA PRESS

OPINION

Democrats Become the ‘No’ Party



WONDER LAND
By Daniel Henninger

No single notion has served the Democratic Party better than its assertion that the Republicans are a party of extremism. It dates at least to the 1950s. The details or truth of these charges hardly matter anymore. It's sufficient at all times to typecast Republicans as the far right, the extreme right, paranoid and currently "MAGA" Republicans. Joe Biden must mumble "MAGA Republicans" in his sleep.

It looks as if this script is starting to get flipped. Democrats all of a sudden are turning into the party of dug-in extremes, while Republicans are talking compromise and increasingly even reconciliation with their political opponents.

Biden must mumble ‘MAGA Republicans’ in his sleep, since he won’t talk to them.

House Speaker Kevin McCarthy's successful effort to pass a debt-ceiling bill has to be the most unexpected and shocking event of the season. No one expected the motley crew that opposed Mr. McCarthy's speakership to display unity on anything serious, such as raising the debt ceiling. But they did.

Attaching spending reforms to a debt-ceiling extension normally would be a yawner, the sausage factory at work. These aren't normal times. With inflation persistent and the economic future uncertain, voters aren't yawning about the Washington sausage factory.

By any measure—except the incumbent president's no-limits



Majority Leader Chuck Schumer and other Senate Democrats.

outlays—the spending-reduction provisions in the McCarthy bill are modest. Discretionary spending, which excludes the entitlements tsunami—would fall to fiscal 2022 levels, with annual spending growth limited to 1% for 10 years, a total deficit reduction of \$4.8 trillion.

On cue, Democrats just said no. Calling the bill “truly extreme,” Senate Majority Leader Chuck Schumer told Mr. McCarthy “to stop wasting any more time on this DOA, dead on arrival, bill.” Mr. Biden said the McCarthy bill was “not negotiable.” House Democratic Leader Hakeem Jeffries has “extreme MAGA Republicans” on autopilot.

During the Obama years, the Republicans were called “the party of no.” Suddenly, with the debt ceiling looming and House Republicans putting an actual plan on the table, Democrats have become the party of no. Someone must have noticed this reflexive obstruction wasn't a good look, because on Monday Mr. Biden said he must meet with all four congressional leaders, though not until next week. He must be busy.

Normally one doesn't look for campaign speeches some 18 months before a presidential election to reveal anything useful, but remarks recently by Republicans Nikki Haley and Tim Scott also suggest

the parties may be changing places.

Former South Carolina Gov. Haley's speech was about abortion. After the Supreme Court's decision to overturn *Roe v. Wade*, abortion played a large role in the midterms, defeating some Republicans and limiting the party's gains. The GOP's chances in a national election depend on coming up with a position other than a total ban.

Two things are notable about Ms. Haley's speech. First, it was probably the most good-faith effort any public official has made in a long time to come to grips with the divisions over abortion. Second, the odds that a Democrat would deliver an abortion speech remotely similar in sympathy to pro-life beliefs are zero. Actually, less than zero. Democrats are dug in on abortion on demand without limits. Most won't say that out loud, but that's because they won't talk about details. Like the debt ceiling, it's simply “nonnegotiable.”

That isn't the position of most Americans, who want abortion available but with some restrictions later in pregnancy. Ms. Haley conceded these conflicts. Virtually no office-holding Democrat ever will. Ms. Haley hardly speaks for all Republicans, but her sincere concession to reality was a noteworthy reversal of partisan roles.

The Democrats' obstructionism is tied to their view of how the American system should work, which is to say with no-deviation standards for behavior, belief and policy set nationally by Congress, the executive branch or the Supreme Court. This opposition to any decentralization of authority ensures relentless political street fighting.

South Carolina Sen. Tim Scott, who may get into the Republican presidential primary race soon, took up some of the country's intense cultural divisions over race and gender with a speech in Iowa recently. What struck me about Mr. Scott's speech was that he managed to promote reconciliation and optimism without diluting his core principles.

“I see a future where common sense has rebuilt common ground,” Mr. Scott said, “where we've created real unity, not by compromising away our conservatism, but by winning converts to our conservatism.”

Where are the Democrats' Tim Scotts and Nikki Haleys? At any opportunity, their most prominent leaders—Mr. Biden, Vice President Kamala Harris, Mr. Schumer—dump ridicule and mockery on the opposition. It's looking a lot like a substitute for substance or argument.

Democrats themselves would say the most prominent Republicans today—Donald Trump and Ron DeSantis—are themselves reflexively belligerent and uncompromising. Fair enough. My point is one of simple political observation. The Democrats' unto-eternity strategy of positioning Republicans as a party of extremes and obstruction sounds shopworn. Democrats seem to think “yes” means just shipping cash into a grateful country. It looks like the post-pandemic electorate wants this country improved with something more than money.

Write henninger@wsj.com.

BOOKSHELF | By Charlotte Gray

Surviving On Faith

The Watchmaker’s Daughter

By Larry Loftis
(Morrow, 370 pages, \$32.99)

For many of us, the story of Holland during World War II is embodied in Anne Frank, the Jewish girl who documented in her diary the two years she and her family spent hiding in a secret annex in Amsterdam to avoid Nazi persecution. When Anne was 15, the family was discovered and Anne was sent to her death at the Bergen-Belsen concentration camp. But her diary, with its poignant reflections of an adolescent facing personal and existential challenges, survived and was published to instant acclaim.

The deserved success of Anne's diary often overshadows other accounts of Dutch bravery during the Nazi occupation. One woman who saved lives and gave hope to hundreds of Dutch anti-Nazis, then demonstrated extraordinary compassion toward Nazi collaborators after the war, was Corrie ten Boom, a modest single woman in her late 40s when the Ninth Panzer Division marched into Holland in May 1940. Now Larry Loftis, a former corporate attorney who has written three World War II nonfiction spy thrillers, shines a spotlight on ten Boom with “The Watchmaker's Daughter.”

The first half of Mr. Loftis's book is a chronology of ten Boom family history and the early years of the German occupation of Holland. The ten Boom family had lived in the same three-story Haarlem house since 1837 and were devout adherents of the Dutch Reformed Church. Corrie's father, Casper, had instilled in his children a profound horror of anti-Semitism. As the Nazi grip tightened and the SS herded Dutch Jews into trucks bound for concentration camps, the ten Booms welcomed frightened Jews into their home.

There is little sense of Corrie herself during these early chapters, as the archive on which Mr. Loftis relies appears to have few insights into her thoughts at this stage. Instead, the author weaves together material from many other primary and secondary sources. Corrie's actions are almost swamped by the stories of other characters, as the ten Boom home absorbs Jewish fugitives as well as “divers”—Dutch men avoiding being sent to work in German armaments factories.

Gradually, Corrie and her family are drawn into the Dutch resistance. Meanwhile, the secret residents of the ten Boom home, where a hiding place has been constructed behind a false wall, discover “a warmth and happiness,” we are told, “that few Dutch homes enjoyed.” There is an atmosphere of harmony, sustained by the ten Booms' robust Christian faith. There are birthday parties and prayer sessions, Bible readings and constant admonitions to “trust the Almighty.” Despite the constant threat of Gestapo house-searches, the ten Booms risk countless acts of altruism—sheltering refugees, moving fugitives to new hiding places, organizing the theft of ration cards, acting as couriers.

But the SS are closing in and, in February 1944, Gestapo agents arrest several members of the ten Boom family, including Casper, Corrie and her sister Betsie. It is at this point that Mr. Loftis is able to focus more on Corrie—thanks in no small part to several accounts of her ordeal written by ten Boom herself—and the book begins to pick up momentum.

After arriving at The Hague's Scheveningen Prison, Casper's poor health quickly deteriorates, and in early March he dies. Corrie is diagnosed with pleurisy days later. She sustains herself by reading the Gospels, which a friendly nurse smuggles in for her. Corrie's resilient nature is illustrated in a letter she sends to another sister, who remains at liberty. “We do have much to be thankful for—an airy cell. . . . Sometimes it may be dark, but the Savior provides His light and how wonderful that is.” Corrie and Betsie's deeply held Christian convictions impress a Nazi officer, whose compassion eventually helps spare Corrie's life.

Even after her release from a concentration camp, Corrie ten Boom continued to offer support and show compassion, to Jews and collaborators alike.

From Scheveningen, Corrie and Betsie are transferred to Vught concentration camp, where Corrie works as slave labor in the Philips factory while Betsie is assigned to the sewing room. The sisters continue their Christian ministry, with Corrie noting that “we are continually protected by the most extraordinary Providence so that we can hold out in spite of the hard life.” Next, they are packed into boxcars and endure a nightmare journey of three days, during which they are given no water, to arrive in Ravensbrück—the concentration camp for female prisoners that was notorious for cruelty and executions. Within weeks, Betsie dies. Corrie continues to spread the Gospel and provide hope to fellow-sufferers.

In late 1944, Corrie—now emaciated beyond recognition—is released thanks to a clerical error. Soon she is back in Holland, where countless thousands are starving to death. Undaunted, she continues to preach a message of faith and forgiveness in churches, clubs and private homes. Before war's end, she sets up rehabilitation centers to support survivors as well as those who had collaborated with Nazi occupiers. She spends the final four decades of her life traveling the world as a missionary, displaying no bitterness as she explains how her faith sustained her.

Corrie ten Boom's memoir, “A Prisoner and Yet,” was published in America in 1970. It became the basis for both the 1971 biography “The Hiding Place” and the 1975 film of the same name. Israel awarded her the title of Righteous Among the Nations, an honorific for non-Jews who risked their lives during the Holocaust to save Jews.

Corrie's message was always overtly Christian; her personal papers are held in the Billy Graham Center Archives at Wheaton College, a private Evangelical Christian arts college in Illinois. Although Mr. Loftis has greatly enriched the ten Boom story with well-researched additional material, his previous writing experience did not prepare him for the challenge of writing about a Christian evangelist whose weapons were faith and grace rather than parachute drops and hidden radios. As his prose begins to echo the proselytism that characterized Corrie herself, biography slides into hagiography. Yet Corrie ten Boom's indomitable faith in the face of evil was extraordinary, and “The Watchmaker's Daughter” recounts a story that deserves to be remembered.

Ms. Gray's 12th book of narrative nonfiction, “Passionate Mothers, Powerful Sons: The Lives of Jennie Jerome Churchill and Sara Delano Roosevelt,” will be published in September.

Will Trump Prove to Be Another Romney?

By Karl Rove

President Biden's team hopes the 2024 race will mirror the last one. It won't, if Republicans are smart.

This time, there's no pandemic to excuse Mr. Biden's campaigning from his basement. His mental decline will be obvious, as will his turn to the left. He won't be able to portray himself convincingly as a moderate unifier, as he did in 2020. No wonder Mr. Biden is losing independents—only 14% said in the April 17 Associated Press/National Opinion Research Center poll that they'd like him to run for re-election.

And placating his party's leftists hasn't produced the sky-high approval he likely hoped for among more left-leaning groups critical to his re-election, such as young people, blacks and self-described progressives. Only 14% of Democrats under 50 in the March 20 Monmouth University poll preferred Mr. Biden to run again, as did 27% of black, Hispanic and Asian-American Democrats and 22% of very liberal Democrats.

This notable lack of enthusiasm is due partially to the base's unreasonable expectation of what Mr. Biden could have done with a 50-50 Senate and Democratic House his first two years and with a Republican-controlled House

this year. But much of this diffidence likely comes from the widespread sense that Mr. Biden is a spent force. Even the New York Times editorialized two weeks ago that Democrats are right to worry “he will simply be too old to be effective in a second term.” There's a real fear that the Democratic base might stay home if Mr. Biden runs.

The president's brain trust believes this can all be remedied if it can replicate the structure of the 2020 contest: Make the election a choice between Mr. Biden and Donald Trump.

Mr. Trump's standing has deteriorated since that election over his role in the Jan. 6, 2021, assault on the Capitol and his unending, falsehood-filled grievances about what he claims was the “stolen” 2020 election. In the April 19 NPR/PBS NewsHour/Marist Poll, even 23% of Republicans thought Mr. Trump should drop out of the 2024 race after the Manhattan district attorney indicted him over allegedly hiding hush-money payments to a porn star by failing to mark it as a campaign expense, though the indictment was widely panned by legal experts on the right and left. Despite all that, Mr. Biden is so weak that he trails Mr. Trump by about half a point in the RealClearPolitics average, 43.5% to 43.9%.

So expect Team Biden to

reuse the 2012 Democratic playbook. Like Mr. Biden, President Obama was vulnerable headed into his re-election campaign. His stimulus bill and Affordable Care Act had provoked the populist tea-party revolt. His campaign needed to change the contest

Biden seeks to follow Obama’s example from 2012, when he disqualified his rival.

from a referendum on Mr. Obama's performance to a choice between an imperfect incumbent and an unacceptable challenger.

The Obama high command quickly swung into action, blasting Mitt Romney well before he had won the long, contentious and costly nomination battle on April 24. Team Obama recognized that extolling Mr. Obama's first-term record and outlining his vision for the future were insufficient.

So on April 11, it opened up on Mr. Romney with an advertising blast depicting the former Massachusetts governor as a heartless plutocrat. Democrats kept this up for nearly seven months, pounding Mr. Romney as filthy rich, out-of-touch and indifferent to people's everyday struggles—even as mistreating his dog. It worked.

Team Biden seems to understand that it needs to focus the 2024 race similarly on savaging the GOP contender. They also obviously know that strategy depends in large part on how vulnerable a target Republicans nominate—hence their fixation on Mr. Trump.

Mr. Biden's April 24 announcement video cleverly opened with clips of Mr. Trump's supporters beating police during the riots on Jan. 6. Mr. Biden then denounced “MAGA extremists” as an image of Mr. Trump—pictured with Florida Gov. Ron DeSantis—flashed on screen. Expect to see similar barrages as the campaign wears on if Mr. Biden gets the opponent he so desperately desires.

Today, the GOP seems unfortunately inclined to nominate the only man Mr. Biden thinks he can beat. But that could well change. Ask Rudy Giuliani, Newt Gingrich and Jeb Bush, early leaders in the 2008, 2012 and 2016 nomination campaigns, respectively. There's time for Republicans to get this right. They'd better.

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

country in songs like “Christian Island (Georgian Bay)” and “Alberta Bound.” “Canadian Railroad Trilogy,” a 6½-minute ballad about building the Canadian Pacific Railway in the late 19th century, was arguably his masterpiece.

Lightfoot was a great Canadian, yet remained humble and grounded. There was always a smile on his face, and a friendly handshake to anyone who approached—including my father's colleagues.

Mr. Taube, a columnist for Troy Media, Loonie Politics, National Post and Epoch Times, was a speechwriter for former Canadian prime minister Stephen Harper.

Gordon Lightfoot, a Great Canadian

By Michael Taube

Toronto

My father, a partially retired lawyer, briefly advised Gordon Lightfoot on his estate. The Canadian folk-rock musician, who died Monday at 84, often wore his trademark cowboy boots to their meetings. Other lawyers would poke their heads into my father's office or ask Lightfoot for autographs. “It was always a popular destination spot when he showed up,” dad fondly remembers.

Canada has produced many great musicians, but Lightfoot, whom many Canadians affectionately called “Gord,” stood above them all. He was

passionate about music as a boy in Orillia, Ontario, and his mother encouraged his talent. He sang for local churches, radio shows and music festivals

The humble man we called ‘Gord’ was the best musician the country has produced.

and at 12 won a contest and appeared at Toronto's legendary Massey Hall.

His songs were recorded by U.S. musicians like Johnny Cash, Elvis Presley, Harry Belafonte and Peter, Paul and

OPINION

REVIEW & OUTLOOK

Trump Picked an EV Loser

Politicians are lousy at picking business winners and losers. Consider the electric vehicle startup Lordstown Motors, once hyped by Donald Trump. Despite rich government subsidies and mandates, Lordstown this week warned it could soon file for bankruptcy.

Lordstown was among a coterie of EV startups that went public during the pandemic through a merger with a SPAC, or blank-check company. Launched in 2018, the electric truck maker had little experience manufacturing vehicles. Yet it raised a trunk-load of cash with the help of Mr. Trump and the Federal Reserve's easy money.

In 2019 Mr. Trump berated GM CEO Mary Barra for shutting down a Chevy Cruze plant in Lordstown, Ohio. "I asked her to sell it or do something quickly," he tweeted. Ms. Barra followed orders and provided Lordstown Motors a \$40 million loan to buy and retrofit the plant. Mr. Trump then used Lordstown as a prop in his presidential campaign.

In September 2020, Mr. Trump flogged a prototype of its Endurance pickup at a White House event with its then CEO. "The area was devastated when General Motors moved out, and then we worked together, and we made the deal on the plant," Mr. Trump boasted. "This is a great technology," and "I heard the sales are great." Lordstown hadn't yet sold a single vehicle.

Mr. Trump's endorsement nonetheless fueled investor interest while near-zero interest rates drove a boom in SPACs. After Lordstown made its public debut in October 2020, its stock surged to \$26 a share. Yet amid myriad manufacturing mishaps, its shares have sunk to 40 cents.

In January 2021, its pickup prototype burned during testing. As it burned through cash, Lordstown sold its namesake plant and contracted assembly to Foxconn Technology Group.

Lordstown Motors won't be the last casualty of the new industrial policy.

Last November Foxconn agreed to invest \$170 million in Lordstown, perhaps hoping that Inflation Reduction Act subsidies would provide a boost.

Yet Lordstown had manufactured only 31 vehicles by late February 2023—most of which had to be recalled. Losing patience, Foxconn on April 21 threatened to withdraw its investment, triggering Lordstown's bankruptcy warning.

As interest rates have normalized, companies with little revenue are struggling to borrow and raise fresh capital. This is one reason stocks of other EV startups have crashed from their pandemic highs, including Canoo (down 96%), Nikola (99%), Faraday Future Intelligent Electric (99%), Rivian (90%), Lucid (87%) and Fisker (81%).

Shortly after its public debut in November 2021, Rivian commanded a \$153.3 billion market capitalization. Now it's worth less than \$12 billion. Investors are downgrading Rivian's growth prospects as traditional auto makers ramp up EV production to meet government mandates.

Speaking of which, Stellantis announced last week that it would offer buyouts to 31,000 hourly employees to free up cash for its government-mandated EV transition. "The competition is fierce, and the cost of electrification cannot be passed on to the customer," North American chief operating officer Mark Stewart wrote to employees.

Translation: Workers will be collateral damage in the transition to EVs as they lose their jobs making gas-powered cars. President Biden flogs the jobs created at EV factories, but he never mentions the losers elsewhere owing to government mandates and subsidies that distort investment. Lordstown is a poster child of the new Washington consensus in favor of government industrial policy, and it won't be the last casualty of the hubris.

early as July, which shows how much investors long for the days of free money.

But free or nearly free money for more than a decade is what allowed inflation to reignite. Mr. Powell noted that inflation still hasn't fallen enough, and he's right. If he's also right, as he claimed, that "the U.S. banking system is sound and resilient," then there's no reason to ease up now on the inflation fight.

A pause may be prudent as a caution against more uncertain banking trauma, but easing policy when inflation is still more than twice as high as the Fed's 2% target looks more like capitulation than victory.

Inevitably, Mr. Powell was asked his views on the debt-ceiling showdown, and on that he swung and missed. He said he isn't taking sides in the fiscal debate, but he sounded an alarmist note about the danger of default and said the Fed can't do much if the worst happens.

There's no need to feed financial fears. A better position would be to say he can't comment on fiscal policy, but the Fed will do whatever it can to facilitate market function no matter what Congress and the White House decide. The Fed's job is to calm potential panics, not to play the warning role of Shakespeare's chorus in the latest Beltway melodrama.

globally is the capability of industry."

Poland finalized the purchase of 32 F-35 fighter jets from the U.S. in late 2019 and early 2020, but deliveries begin next year and won't be completed until 2030. The first shipment of missiles for Patriot air-defense systems provided under a 2018 agreement finally arrived this spring. The 250 Abrams tanks requested in 2021 won't begin to arrive until 2025.

Poland has tried to offset these delays in part with \$12.3 billion in arms purchases from South Korea, which can deliver some weapons faster. The Polish shopping list in Seoul includes nearly 200 K2 battle tanks, nearly 50 FA-50 fighter planes, as well as hundreds of howitzers and multiple rocket launchers.

Plans are also underway to work with Korean firms to build hundreds of tanks and howitzers in Poland. Even before the Russian tanks rolled into Ukraine, Poland was one of only nine of NATO's 30 members to meet the defense-spending benchmark of 2% of GDP.

Poland's financial and military commitments to Ukraine now exceed 0.6% of GDP, according to the Kiel Institute for the World Economy, a German research outfit. That includes more than \$2.5 billion in military support—more than France, whose economy is about four times larger than Poland's. Poland has provided Ukraine with hundreds of tanks. Ukrainian troops also train in Poland, and the country is now a refuge for more than 1.5 million Ukrainians who fled the war.

Poland may be replacing Germany as the indispensable NATO ally in Europe. The U.S. has some 10,000 service members in the country and could consider more as their presence has popular support. As a front-line NATO state, Poland deserves front-line treatment for weapons.

LETTERS TO THE EDITOR

How 'Equity Grading' Can Fail the Students

Baltimore County Public Schools (BCPS) changed its grading policy in 2016 to one that mirrors the policies described in "Schools Ditch Homework, Deadlines" (U.S. News, April 27). At that time, I was both a BCPS teacher and parent. The negative outcomes outweighed the positive intent.

BCPS adopted a no-zero policy that set the lowest possible grade for any assignment or test at 50%. This policy allowed students to do minimal work—even sometimes no work—and still pass. It replaced test scores well below 50% with the required minimum. The artificially inflated grade often propelled students forward who lacked proficiency and encouraged students to skip assignments altogether.

Under the new policy, teachers were told not to grade homework. Immediately, 70% of my students stopped doing homework, making it meaningless to go over the answers in class. Teachers were encouraged to offer multiple redo opportunities. No one seemed to consider the extra work for teachers or the lost instructional time for students. Redos can't be given outside of school hours without inequity toward students who rely on the school bus for transportation.

These policies aren't teaching students to be responsible and accountable for their work. Inflated grades only mask a lack of proficiency. Equitable grading may decrease the number of failing grades, but districts that adopt it are the ones failing.

SUZANNE DEMALLIE
Baltimore

The confusion surrounding equitable grading is that it isn't solely centered on providing scaffolding for underprivileged students. Progressive educators undersell that modernized grading systems are crafted to support all learners; such acknowledgment would lead to greater support from all Americans. Traditionally, schools have been fixated on information processing. Grading based on deadlines measures student processing speeds, and how fast a student can comprehend material, not the ability to comprehend.

The goal of all education is to learn and grow as one moves through new content, not to learn before an arbitrary deadline. Deciding to measure a student's success in a course based on summative knowledge eliminates the practice of punishing students for not knowing content before starting the unit of study and instead focuses on their final accumulation of knowledge.

PROF. JOHN ESSINGTON
Blackburn College
Carlinville, Ill.

When homework is carefully designed, it is an invaluable aid in reinforcing classroom instruction. Too often, however, homework is little more than busy work. That's why it has become so controversial. Rather than throw the baby out with the bathwater, schools need to rethink their grading policies.

WALT GARDNER
Los Angeles

Women in Science Aren't Doing 'All Right'

As one author of the article "Exploring Gender Bias in Six Key Domains of Academic Science: An Adversarial Collaboration," which was featured in your editorial "Women in Science Are Doing All Right" (May 1), I believe yours is an incomplete conclusion to make from our huge study. Yes, women who apply for tenure-track jobs do better than men, and women who apply for grants and submit articles and request letters of recommendation are now doing "all right"—i.e., as well as men. But women, especially in life sciences, aren't applying to tenure-track jobs in the first place in proportions commensurate with their number of newly minted Ph.Ds.

Some may conclude, "That's their choice." But the literature says that the major reason women Ph.Ds don't apply to tenure-track jobs is that they

look ahead to the four or five years of postdocs required in many fields and the six-year deadline to amass a tenure dossier, compare it to their biological clocks ticking away, and instead choose industry, government or nontenure-track academic jobs. That is not "all right" if we want our best and brightest, men or women, to be the ones running university research labs and educating the next generation of Ph.Ds.

What I hope readers take away from our article is that knee-jerk cries of sexism or nonsexism need to be avoided. The situation of women in science academia is complicated—much better than it was several decades ago, but still hampered by the rigidity of the postdoc and tenure-track systems.

PROF. SHULAMIT KAHN
Boston University

Raisian, the Last Knight of the Round Table

I am saddened to read of the death of John Raisian but heartened that Tunku Varadarajan paid tribute in "John Raisian, a Guardian of Freedom" (op-ed, April 25). Not long after Raisian was appointed director of the Hoover Institution, I had the pleasure of meeting with him to present my recruitment plan for his chief development officer. In preparation,

I endeavored to learn as much as I could about his leadership style and personality.

Perhaps one of the most telling tidbits I learned was about his first time in front of the Stanford faculty. He walked to the podium adorned in full body armor, reminiscent of the knights of the Round Table. Needless to say, even his harshest detractors had to smile. For me, this one antic spoke volumes about his boldness and sense of humor. That he guided a preeminent think tank for a quarter-century underscores his brilliance and resilience. May Stanford continue to appoint similar guardians of freedom.

MARTHA Z. STACHITAS
Ponte Vedra Beach, Fla.

Why Was the Fed the Last To Know About Rising Risk?

Kudos for your editorial "The Fed Failed but Wants More Power" (May 1). I have taught an economics course on money and banking for over 40 years, and one of the counterintuitive insights I have always emphasized to my students is that rising interest rates aren't good for banks. Banks borrow the money that they lend to others, and their assets are longer-term than their liabilities. That is precisely the problem at the heart of recent bank failures.

My students can be forgiven for not understanding that aspect of the banking business. But not the Federal Reserve. It is behind the higher interest rates, so this can't have been a surprise. Why, then, were the Fed's bank regulators not actively requiring banks to plan for what everyone else knew was going to happen to bank balance sheets as interest rates rose?

PROF. JOHN A. FLANDERS
Central Methodist University
Fayette, Mo.

Smartest Guy in the Room

Anyone who reads Vivek Ramaswamy's op-ed "Prosperity Requires a Stable Dollar" (May 2) should realize that he is the smartest guy in the room running for president. Unfortunately, intelligence doesn't seem to resonate with voters (only promises that can't be kept do), so his odds to win are long. If, however, a Republican wins in 2024, Mr. Ramaswamy should be a candidate for a cabinet position.

KEN BERRYMAN
Tulsa, Okla.

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Poland Is the Indispensable NATO Ally

Americans sometimes ask, with good reason, why Western Europeans don't do more to defend themselves. Behold Poland, a NATO state setting an example for all of Europe as it goes on an arms-buying spree to deter Vladimir Putin or the next Russian czar.

Last week Poland announced a \$2.3 billion deal to buy missiles and missile launchers from the U.K. for its air-defense systems. The company MBDA says the purchase is "the largest European short-range air defence acquisition programme in NATO" since the outbreak of the war in Ukraine.

A year ago Warsaw passed the Homeland Defense Act that mandates defense spending of at least 3% of GDP, a level it has already exceeded this year. Defense spending rose to some \$23.5 billion for 2023 from less than \$14 billion in 2022, according to the Polish government. A separate Armed Forces Support Fund will provide up to some \$11 billion more this year.

Last year's law calls for Poland to increase its military manpower to 300,000 from some 143,500 in 2022. This will include 50,000 part-time warriors in the Polish Territorial Defense Forces. Last autumn Poland had \$20 billion in military orders with the U.S. that are in the process of being fulfilled, according to the State Department. In February State approved the Polish purchase of another \$10 billion in Himar rocket launchers and related ammo and equipment.

Yet America's defense production capacity isn't keeping up with the demand generated by growing global threats. Poland's top general recently told the publication Breaking Defense that "we just took our suitcases with money and [are] going like hell around the world and trying to buy," but "the biggest friction point

Warsaw is doing more than others in Europe to defend itself.

Bangladesh Closes the Door

Regarding Tunku Varadarajan's review of "I Feel No Peace: Rohingya Fleeing Over Seas and Rivers" (Books, April 29): Canada offered to take 30,000 Rohingya, but the Bangladeshi government refused. One has to wonder what that government is doing with the millions of dollars it gets for managing the Rohingya camps, which rival the ghettos of Nazi Germany. Is Bangladesh profiting off the backs of these people? The genocide didn't stop at Myanmar's border. These camps are only a slow, grinding variation.

LAURA TOFFENETTI
Senior adviser, Rohingya Culture Center
Chicago

Pepper ... And Salt

THE WALL STREET JOURNAL.



OPINION

New York’s Border Crisis Is About to Get Worse

By Carine Hajjar

New York

If you want proof that there's a crisis at the southern border, enter New York City's subway system and listen for the calls of “*chocolate, chicle, y agua.*” On my daily commute, I see many Central and South American women peddling across platforms peddling chocolate, gum and water. Many hold young children, some even breastfeeding.

Lucia, a young mother from Ecuador, has her sleeping 3-year-old son, Danny, swaddled against her back. In Spanish she tells me they crossed the border into El Paso, Texas, and were put on a flight to New York in November. Now she lives in a cramped

Covid-era restrictions on entry expire May 11. Mayor Adams says Washington ‘has turned its back.’

room in Queens with her cousin and two sons—the other, 5, is in school as we speak. Her husband and two other children, 9 and 10, are still in Ecuador. What's her plan in New York? “Like everyone who comes here—work. And to give my children a better future.”

But lawful work is hard to find. Lucia doesn't have a permit. “I don't know where to go,” she says. “I don't know the city well.” If she did know where to go, she'd encounter bewildering applications and long delays.

The influx of jobless migrants strains New York, which guarantees sanctuary and shelter. At a City Hall press conference last week, Deputy

Mayor Anne Williams-Isoms said the city has experienced its “largest humanitarian crisis in recent memory” over the past year. Mayor Eric Adams said the city receives “close to 200” migrants a day and that “the national government has turned its back on New York City.” The city anticipates spending \$14 billion on “costs related to housing and caring for the asylum seeker population” in fiscal 2023 (which ends June 30) and \$2.9 billion in fiscal 2024.

The crisis is about to become more acute. On May 11, the Covid-19 public-health emergency will expire at long last—and with it a policy called Title 42 that allowed the expulsion of migrants on public-health grounds. In March, U.S. Customs and Border Protection had a daily average of more than 6,000 daily encounters with migrants at the southern border. Last week Acting Commissioner Troy Miller testified to a House subcommittee that the agency expects a “surge of migrants” after May 11 and that daily encounters could reach 10,000. The city of El Paso declared a state of emergency on Monday, and on Tuesday the White House approved sending 1,500 troops to the border.

In New York, Mr. Adams warned at last week's press conference that thousands of migrants are “waiting to come across the border and potentially end up in New York City.” The mayor urged the federal government to expand access to work permits through legal pathways and by increasing processing manpower at U.S. Citizenship and Immigration Services.



Migrants arrive at the Port Authority Bus Terminal in New York.

To deal with the influx, the city has already had to open 107 emergency shelters, mostly by leasing hotels, as well as eight Humanitarian Emergency Response and Relief Centers. The mayor's office tells me that 35,300 migrants were in the city's care as of April 23, and that doesn't count those who stay with family or friends.

Organizations like La Colmena in Staten Island help train migrants for jobs, providing free Occupational Safety and Health Administration certifications and apprenticeships in anything from welding to child care. The organization matches migrants with trustworthy employers. Yesenia Mata, La Colmena's executive director, says that when Title 42 is lifted the organization will be “prepared to support and empower immigrant workers” as it always has. “This is work that requires partnerships,” she

adds, and La Colmena will “keep advocating to the federal government that it is important to provide these work permits.”

In anticipation of Title 42's expiration, the Biden administration last week issued a “fact sheet” that announced “sweeping new measures to further reduce unlawful migration across the Western Hemisphere, significantly expand lawful pathways for protection, and facilitate the safe, orderly, and humane processing of migrants.” The measures include the creation of regional processing centers in Colombia and Guatemala to process migrants for “lawful pathways to the United States, Canada, and Spain.” To screen asylum claims more quickly, the Department of Homeland Security is “increasing its holding capacity, expanding capabilities and technologies, installing hundreds of phone lines and privacy

booths to conduct credible fear interviews.”

While these measures could decrease illegal immigration in the long term, they won't mitigate the post-Title 42 surge. Ariel Ruiz, a policy analyst at the Migration Policy Institute, says that “even after the implementation of this plan from DHS,” there likely will be “an increase in migrants being relocated to New York City but also other cities across the U.S.”

Even the Biden administration concedes that the “days following the end of [the] Title 42 public health order will be challenging and that encounters will increase for a time.” Smugglers are also gearing up. The Journal reports they're telling migrants that “the end of Title 42 represents a prime opportunity to migrate.”

With such uncertainty ahead, Mr. Adams is right to call for more work permits, which would enable migrants to get on their feet in New York. Lucia says she sells candy because she “can't find work.” On a good day she takes in around \$80 a day, for 10 hours' work—not a lot on which to survive, much less raise children.

Yet migrants keep coming, ready to work hard for the American dream. “To come here you go through a lot—kidnapping, violation,” Lucia says. “Thank God it didn't happen to me.” She says the trek through the jungle was “horrible, but it's worth it, to protect my children.” Others will follow.

Ms. Hajjar is the Journal's Joseph Rago Memorial Fellow.

The Trump 2024 Dilemma: What Would Ben-Gurion Do?

By Ruth R. Wisse

‘We can't win with Trump and we can't win without him,’ a friend said, echoing many other sober Americans. But I suggested that recent Jewish history shows a way out of the bind Republicans face in regaining the White House without its former incumbent.

In 1939, as World War II began, the Jewish community of Palestine faced simultaneous and competing challenges from Europe and at home.

Adolf Hitler intended to wipe out the Jews of Europe. Jews in the Land of Israel urgently needed to provide refuge for the millions being refused entry everywhere else. They faced resistance in Palestine, where the grand mufti of Jerusalem, Hajj Amin Al-Husseini, was determined to prevent the fleeing Jews from entering their homeland. He incited the local Arab population to violence, warning the British overseers of potential pan-Arab resistance against the British throughout the Middle East.

Britain had been entrusted with the mandate for Palestine after defeating the Ottomans in World War

I. Though the mandate was intended to include the establishment of a Jewish national home, three-fourths of the territory was given to the Hashemite Kingdom of Jordan, and British authorities undertook neutral supervision over the rest. The more the Arabs rioted in the 1920s and '30s, the more the British gave way to their demands and prevented Jews from arming in self-defense. This culminated in the British White Paper of 1939, which severely restricted Jewish immigration and prevented Jews' rescue from certain death.

The dilemma: The British also were simultaneously leading the fight against Hitler. No matter how cruel, British policy couldn't outweigh the need to help defeat the Nazis. Faced with these opposite threats, David Ben-Gurion, head of the World Zionist Organization and de facto leader of the Jewish state in formation, declared: “We will help the British in the war as if there were no White Paper, and fight the White Paper as if there were no war.”

The two-pronged struggle allowed for no triangulation, no choice of the lesser evil. The mufti's alliance with

Hitler made it all the more urgent to help end the war, even as British appeasement of the Arabs made it more urgent to end the British occupation. Ben-Gurion's strategy saw thousands of Palestinian Jews fighting on the Allied side and as many defying British rule to create the state of Israel.

He saw the need to help the British fight the Nazis while opposing the British occupation of Palestine.

This double imperative I offer my fellow Americans who confront Donald Trump's bid for the Republican nomination. The need to support the former president and to defend his accomplishments dare not grant him the party's endorsement, while the need to defeat him in the primaries must not empower those who sabotaged his presidency and remain primed to destroy him.

Without question, great wrongs were committed against the 45th president, who was baited and

thwarted from the moment he took office. That abuse was directed no less against the voters who elected him to keep America resilient.

We will never know what more Mr. Trump might have accomplished had his opponents not conspired to prevent him from governing. The near-totalitarian media bias that kept all coverage of him negative makes his achievements all the more admirable.

In the book “The Case for Trump,” which covers only the first half of his presidency, Victor David Hanson touts “massive deregulation, stepped up energy production, tax cuts, increased border enforcement,” as well as near-record-low minority unemployment, a strong stock market and low inflation rates. In foreign affairs, the Abraham Accords are enough to secure Trump's reputation. Of domestic successes I would single out the influence of Education Secretary Betsy DeVos in trying to keep schools open during the pandemic, promoting charter schools, and shutting down the government's assault on due process in sexual-misconduct proceedings.

Yet in her letter of resignation dated Jan. 7, 2021, Mrs. DeVos la-

ments the president's role in blackening the record of those achievements. About the unconscionable behavior of the rioters the previous day, she writes, “There is no mistaking the impact your rhetoric had.” The qualities of leadership that had made Mr. Trump electable, he himself abused more damagingly than his detractors had damaged him.

Moreover, he gives no hint of correcting his poor judgment, and shows his party and its members none of the loyalty he demands of them. The legal cases against him will, one hopes, result in honest verdicts. The political case against him is more consequential.

It is now more urgent than ever to recover and restore the best of America, but also more difficult because the former president fails to embody the greatness of America that he seeks to restore. Sober Americans will therefore defend the Trump record without supporting his candidacy, and deny him re-election while defeating those who did not allow him to govern.

Ms. Wisse is a professor emerita at Harvard and author of the memoir “Free as a Jew.”

Ukraine Can Point the Pentagon Toward a New Way of War

By Jahara Matisek And Will Reno

The Ukraine conflict shows that the U.S. needs to adapt to the realities of war in the 21st century. Perhaps the best place to begin is developing unconventional military partners.

To be sure, the war also shows the value of America's traditional alliances. Since February 2022, our joint civilian-military research team has studied Western efforts to provide military training to Ukrainian troops. Many trainers with experience in Iraq and Afghanistan told us that Ukrainian troops are much more motivated and proficient than Iraqi and Afghan soldiers were. The relationship is also mutually beneficial: American forces are learning from Ukrainian soldiers' engagement with a near-peer adversary—something the U.S. hasn't encountered since the Korean war.

Yet American support for Ukraine

is hindered by a failure to cultivate new partners. During our visits to Ukraine, both before and after Vladimir Putin's invasion, we found an extensive ecosystem of informal and citizen-assisted efforts to support Ukrainian soldiers. This network includes groups that crowd-funded modified drones for units on the front lines, foreign military veterans providing combat medicine and guerrilla training, and volunteers who supply troops with food, uniforms, thermal sights and night-vision goggles.

Ukrainian soldiers say this support network is on par with—if less expansive than—their own country's Defense Ministry and Western trainers. Most important, it is nimble; the groups can adapt to the soldiers' immediate needs.

Western forces, on the other hand, have proved significantly less flexible. Ukrainian soldiers say Americans often offer training the soldiers

already have had—typically acquired through their citizens' initiatives and battlefield experience—and not the training they need or request.

The core problem is that the American bureaucracy is fighting war as usual. The U.S. defense establishment wants to help Ukrainian forces but can do so only within the scope its political leaders allow. The Defense Department's sprawling size makes learning from Ukrainian soldiers' experiences and expertise exceedingly difficult. Layers of procedure and regulations smother operational innovation and hamstring U.S. advisers trying to adapt to the realities of the Ukrainians' fight.

Washington is spending tens of billions of dollars on military equipment and financial aid for Kyiv. At a minimum it seems prudent for the U.S. military to have more flexibility to respond to the rapidly changing requirements and threats facing Ukrainians on the front.

How, then, can the American military adapt? The first step is to consider nonstate actors as potential partners. There are several in Kyiv that have been active since Mr. Putin's 2014 invasion of Crimea. In

Defense planners are used to working with other states, but volunteer groups have proved vital.

2014, we met the founder of Anomally, a company that has been producing and distributing thousands of trauma kits to Ukrainian troops for pennies on the dollar. Citizen-based groups understand the formal and informal aspects of Ukrainian politics and can identify local power brokers. They understand conditions on the ground, particularly the training and

equipment needed to stay in the fight.

Other grass-roots global movements—such as the North Atlantic Fellas Organization—are loosely coordinated groups of individuals trolling and making light of Russian propaganda while raising money to buy drones and 4x4 trucks to donate to Ukrainian units on the front. The U.S. government should consider working with such groups, not only because of their military successes, but also because of their affordable ways of turning nonlethal assistance into battlefield advantages.

Abrams tanks and operational training remain vital, and America shouldn't let up on generously supplying them. But such efforts can and should be enhanced by enlisting civic groups and nonofficial experts who can provide training and support to Ukrainian soldiers on a shoe-string budget. At present, the bureaucratic and procedure-bound defense establishment is too uninterested in—and inflexible to allow for—such partnerships.

Ukraine's open society stands in stark contrast with its Russian foe. Its patriots and international supporters can take the initiative in fighting to expel Russian forces. In this new era of irregular warfare, America can begin integrating local volunteer groups into military efforts. If it does—in addition to unshackling itself from bureaucracy at home—it will be ready for whatever international challenge comes next.

Mr. Matisek is a lieutenant colonel in the U.S. Air Force and a professor of national security affairs at the U.S. Naval War College. Mr. Reno is chairman of the political science department at Northwestern University.

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WORLD NEWS

Coronation Guest List Aims for Diversity

More ordinary Britons to attend ascension of new king, crowding out a host of aristocrats

By MAX COLCHESTER

LONDON—Watching on as King Charles III is crowned in Westminster Abbey on Saturday will be an unusually eclectic group of people, a guest list that reflects the monarch’s drive to keep the institution relevant through diversity and a greater connection with ordinary Britons, even if that means quite a few aristocrats have been snubbed.

Among those expected to attend in person as the new king is anointed with holy oil will be pop star Lionel Richie, U.S. first lady Jill Biden, the king of Tonga, the magician Dynamo, French President Emmanuel Macron and Max Woosey, a teenage boy who camped in his garden for three years to raise money for charity.

“Every coronation bears the imprints of a new king or queen,” said David Torrance, a constitutional expert at the House of Commons Library. Saturday’s ceremony, which represents the conferment of

God’s grace on the king, is also a marker for a modern monarchy that wants to be inclusive, he said.

The coronation, expected to be watched by millions and the nation’s first in 70 years, is a big soft-power moment for the king and his government. It is paid for by the British taxpayer but Buckingham Palace has significant say in who comes to watch the 1,000 year-old ceremony, officials say. It will be a smaller affair than Queen Elizabeth II’s funeral in September, which saw perhaps the biggest diplomatic set-piece event in British history, with droves of dignitaries transported in to pay their respects at Westminster Abbey.

Logistics helped to force the new monarch into making some telling choices. When Queen Elizabeth II was crowned in 1953, some 8,250 people watched at Westminster Abbey, with many crammed onto specially constructed scaffolding. This time, there will be no such structures, palace officials say—because it would have required the building to shut for five months while they were built—so only around 2,300 people can fit into the church.

A guest-list cull took place.



King Charles III spoke with singer Lionel Richie and model Lisa Parigi at Buckingham Palace Wednesday.

Hundreds of British lords aren’t attending. Other no-shows will include the king’s daughter-in-law, Duchess of Sussex Meghan Markle, who was invited but has opted to stay in America with her children. (King Charles’s son Prince Harry will go.)

There is a long-held tradition that U.S. presidents don’t

attend British coronations, so President Biden won’t be there.

Some 400 young people involved in various charities have been invited by the monarch to watch the ceremony on a screen in a church next to Westminster Abbey. British lawmakers—several of whom were peeved that they didn’t receive the invitation, which was printed on

thick recycled paper—also get to stand in a cordoned-off area outside to watch the king process to the abbey. To make space, several top aristocratic families who have traditionally attended for hundreds of years have had to make way.

The ceremony aims to blend “the best of tradition and history while reflecting

the nation we are today,” said the Duke of Norfolk Edward Fitzalan-Howard, who is also the Earl Marshal, the most senior peer in Britain and in charge of planning the event.

Some of Britain’s 24 non-royal dukes, the highest level of peerage, have reportedly been axed. David Manners, the 11th Duke of Rutland, recently told the Daily Mail newspaper that he does “not really understand” why he wasn’t invited.

To help get Brits involved, at one point in the ceremony the archbishop of Canterbury will invite those at the abbey and those watching from home to join in and swear aloud “to pay true allegiance to Your Majesty, and to your heirs and successors according to law. So help me God.”

Of course, plenty of wealthy and powerful people are invited, from celebrities to religious leaders and politicians. King Charles is head of state for 14 countries and is also the head of the Commonwealth, a club of 56 nations, mainly comprising former British colonies ranging from Australia and Canada to Jamaica and Sri Lanka. The palace says around 100 heads of state will attend, together with representatives from 203 countries.

WORLD WATCH

BRAZIL

Federal Police Raid Ex-President’s Home

Federal police raided the home of former President Jair Bolsonaro in Brasilia on Wednesday as part of a probe into allegations that he faked Covid-19 vaccination records for himself and family members to travel to the U.S.

The police issued 16 search warrants and six arrest warrants in Brasilia and Rio de Janeiro as part of an investigation into the alleged “insertion of false Covid-19 vaccination data” into government databases in 2021 and 2022. The data were allegedly used to fake vaccination

certificates to deceive authorities in Brazil and the U.S.

Mauro Cid Barbosa, a lieutenant colonel and one of Mr. Bolsonaro’s closest advisers during his presidency, was arrested. Other military men who advised Mr. Bolsonaro, a former army captain himself, were also among the six detainees. Mr. Barbosa couldn’t be reached for comment.

Police found evidence on the government’s public health database that a false Covid-19 vaccine certificate was issued for Mr. Bolsonaro as well as for his 12-year-old daughter, Laura, shortly before the family flew to Florida in late December, according to a copy of the police report.

At the time, the U.S. required

foreigners to present proof of vaccination against Covid-19 to enter the country, with few exceptions such as those on diplomatic or official government travel.

Mr. Bolsonaro denied wrongdoing, saying he was never asked to present a vaccination card when entering the U.S.

—Luciana Magalhaes

WESTERN EUROPE

Mass Arrests Target Crime Syndicate

Police in Italy, Germany and Belgium arrested 200 people linked to the ‘Ndrangheta crime syndicate, in the most sweeping, cross-border operation to date

against the Western world’s richest mob group.

The raids, which occurred early Wednesday, are the result of an international investigation that spanned 10 countries and several years. The police operation deals a major blow to the ‘Ndrangheta, which from Italy’s deep, impoverished south has emerged as a dominant player in the global cocaine trade.

Italian authorities on Wednesday said 23 tons of cocaine with an estimated retail value of around 2.5 billion euros, or \$2.8 billion, were confiscated.

The bulk of the arrests took place in Calabria, the ‘Ndrangheta’s home region in southern Italy. Most of those

rounded up come from families originally from the Calabrian town of San Luca, clans that have long cultivated international ties, particularly with South American drug cartels. Authorities in Belgium and Germany arrested 15 and 24 people, respectively.

—Margherita Stancati

SERBIA

Teenage Gunman Kills Nine at School

A teenager opened fire at his school in Serbia’s capital on Wednesday, killing eight children and a school guard before being arrested in the schoolyard, police said. Six more children and a

teacher were hospitalized.

A father of a student at the school in central Belgrade said the shooter entered his daughter’s classroom, firing at her teacher and then her classmates as they ducked under their desks. Most students were able to flee through a back door, a local official said.

Police said the shooter was a student at the Vladislav Ribnikar school and was born in 2009. They said he used his father’s gun.

Mass shootings are extremely rare in Serbia and in the wider Balkan region; no such incidents were reported at schools in recent years.

—Associated Press

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BUSINESS & FINANCE

CFTC Suspends Its Inspector General

Watchdog says Lavik disclosed identities of whistleblowers and wasted federal funds

By ALEXANDER OSIPOVICH AND PAUL KIERNAN

A federal regulator voted to suspend its inspector general after an oversight body found that he engaged in “substantial misconduct,” including wasting government funds, outing whistleblowers and disparaging employees, people familiar with the matter said.

The Commodity Futures

Trading Commission, which regulates derivatives markets, voted 3-0 to place its inspector general, A. Roy Lavik, on “non-duty status” while it considered what further action to take, the people said. The agency informed leaders of several congressional committees of the move earlier this week, the people said.

A CFTC spokesman declined to comment because the agency’s actions haven’t been formally made public.

Mr. Lavik couldn’t be reached to comment. In a letter made public alongside a report from the oversight group, he disputed the allega-

tions against him.

Inspectors general are independent watchdogs housed within government agencies to audit their operations and look for waste, fraud and abuse. Because they scrutinize agency leaders and can face political pressure, removing them requires notification of Congress.

The CFTC’s move to suspend Mr. Lavik came in response to a critical report from the Council of the Inspectors General on Integrity and Efficiency, or CIGIE, the body that oversees the various inspectors general offices across the government.

The CIGIE report, dated Feb. 13 and posted in recent days on the group’s website, recommended that Mr. Lavik face disciplinary action, including potentially removal from his job. It came after a yearslong investigation dating back to complaints filed in late 2018 and early 2019, the report said.

CIGIE said in the report that Mr. Lavik wasted more than \$165,000 by hiring a consultant who did little to no work. The report said that on multiple occasions he improperly disclosed the identities of agency employees who served as whistleblowers and witnesses for

inspector-general investigations by sending unredacted reports to CFTC commissioners and a Senate committee. It also said he violated the agency’s technology-security policies by letting staff and contractors use his passwords.

The report also said Mr. Lavik made inappropriate comments. In one incident, he said about a female CFTC employee, “I want to f— her,” the report said. Asked about the comment by CIGIE investigators, Mr. Lavik said he wouldn’t use that word. He then said: “Have you seen her?” His response left the investigators taken aback, ac-

cording to the report.

Mr. Lavik disputed some of CIGIE’s findings in his letter, which was included as an appendix to the group’s report. He told investigators that the consultant worked the hours for which they were paid. He said the disclosures of the whistleblowers’ identities were authorized and denied improperly sharing his passwords, according to the report.

Mr. Lavik began serving as CFTC inspector general in 1990, making him the longest-serving inspector general in office, and he has more than 50 years of federal service, ac-

Please turn to page B11

Buffett Feasts on Dividend-Paying Stocks

By AKANE OTANI

What has made Warren Buffett’s stock portfolio so successful over time?

One answer is an uncanny knack for picking good businesses. Another, according to Mr. Buffett, is something more understated: an appreciation of dividend-paying stocks.

Dividend stocks are shares of companies that regularly return a portion of their earnings to shareholders, typically in the form of cash.

The majority of companies that Mr. Buffett invests in pay out dividends. In fact, this year Mr. Buffett’s **Berkshire Hathaway** is expected to rake in about \$5.7 billion in cash from its stock portfolio, according to an analysis of company filings conducted by Dow Jones Market Data.

Nearly a fifth of that money will come from **Chevron**, which last year became one of Berkshire’s biggest stockholdings. The oil producer has increased its dividends for 36 consecutive years. Berkshire is also poised to collect more than \$700 million apiece from **Coca-Cola**, **Apple** and **Bank of America**, more than half a billion dollars from **Kraft Heinz** and roughly \$363 million from **American Express**, according



Cash that Warren Buffett’s Berkshire Hathaway is expected to collect from some of its dividend-paying stocks in the current year.

to Dow Jones Market Data.

“That’s what he loves: dividends and buybacks,” said Todd Finkle, a professor of entrepreneurship at Gonzaga University and author of a book about Mr. Buffett’s career.

Where Mr. Buffett has excelled, Mr. Finkle said, is in

choosing businesses that have been able to stand the test of time through many economic cycles—and raise their dividends, too. That has both increased the value of Berkshire’s stock portfolio over time and added to the ample cash pile Berkshire is able to put to use in its own busi-

nesses as well as in acquisitions and share repurchases.

The company had \$128.6 billion in cash and cash equivalents at the end of 2022, according to its last earnings report.

Investors will have a chance to hear from Mr. Buffett on Saturday, when he takes the

stage in an Omaha, Neb., convention center to address thousands of people attending Berkshire’s annual shareholder meeting. Mr. Buffett typically addresses a variety of topics at the meeting, including the economy, his philosophy on investing and, sometimes, his

Please turn to page B11

Writers Strike Provides Chance for Cost Cuts

By JOE FLINT

The Hollywood writers’ strike could give studios and streamers an opportunity to slash costs by exiting from undesirable talent contracts if the work stoppage drags on for an extended period, some entertainment executives said.

Members of the Writers Guild of America, which represents some 11,500 writers, went on strike this week after failing to reach a new deal Monday with the Alliance of Motion Picture and Television Producers, whose members include **Netflix**, **Walt Disney**, **Warner Bros. Discovery** and **Paramount Global**.

Late-night shows were the first casualties of the strike, with most heading into reruns for Tuesday’s programs. In the event of a prolonged strike that affects scripted TV shows, entertainment companies are expected to try to fill the void with foreign shows and more unscripted fare.

People on both sides of the negotiating table say they don’t expect a quick resolution to the work stoppage, given how far apart the parties are on certain issues.

If the strike does drag on, studios and streaming services are likely to try to exit from deals with some writers by exercising force majeure provisions in contracts, senior entertainment executives said. Those clauses typically excuse parties from their obligations because of extraordinary occurrences outside of their control.

Such cost-cutting occurred during the last writers’ strike

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Nordstrom Closures Show Retail Pain in Cities

SAN FRANCISCO—**Nordstrom** is closing two stores near downtown San Francisco, including one in a prominent

By Jim Carlton, Kate King and Suzanne Kapner

indoor shopping mall, the latest blow to the city’s retail landscape.

The closures also reflect the challenges that merchants face in key business districts in large cities across the country, as they deal with rising oper-

ating costs, concerns about crime, and foot traffic remaining well below prepandemic levels.

The problems in San Francisco and other locales are becoming more acute as business owners and consumers rethink spending plans amid concerns about an economic slowdown. Some mayors have pushed businesses to reinstate office attendance mandates as a way to boost commerce—and potentially tax receipts—in key areas.

“Downtown America has been particularly hard hit by

this combination of higher interest rates and working from home,” said Torsten Slok, chief economist at Apollo Global Management in New York.

The loss of Nordstrom adds to the exodus of office and retail tenants out of San Francisco, following one of the slowest returns to in-person work in the country. Dozens of stores have closed over the last three years in downtown and adjoining areas, including **H&M**, **Abercrombie & Fitch**, **Gap** and **Crate & Barrel** in and near Union Square. Other large

retailers such as **Whole Foods Market** and **Walmart** this year have announced plans to close stores in urban areas.

Retail sales have fallen steeper in San Francisco than any other county in California, said Ted Egan, the city’s chief economist. That has added to a projected budget shortfall over the next two years of \$780 million, or 6% of the total general fund revenues. Mayor London Breed has asked city department heads to prepare for cuts of up to 13% over the next two years to

cope with the shortfall and other economic risks.

Nordstrom plans to close its Nordstrom Rack store on Market Street on July 1 and its mall department store at Westfield San Francisco Centre at the end of August. The company has operated in the area for 35 years and said changing market conditions that affected foot traffic was a factor in the closings.

“We can better serve our customers there by focusing on our 16 nearby Nordstrom

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The parent of Olive Garden will buy the owner of Ruth’s Chris Steak House. **B3**



COMMODITIES
A.P. Moller-Maersk is selling its stake in deep-sea mining company TMC. **B10**

Harley-Davidson on the Skids With Its ‘Repo Men’

By JOHN KEILMAN

Repo men are at odds with **Harley-Davidson**.

The Milwaukee-based motorcycle maker said it can’t find enough agents to repossess bikes from buyers who fall behind on their payments, which Harley executives attributed to a shrinking number of professionals willing to take on the task.

Some repossession companies said Harley doesn’t pay enough for a job that is more complex and dangerous than reclaiming cars—and, like other lenders, doesn’t pay at all if a recovery agent fails to come back with the goods.

“They expect the work for free, and that’s what we’re trying to get away from,” said Vaughn Clemmons, who is president of Automobile Recovery Bureau in Houston and head of the American Recovery Association.

Harley said it values its relationship with the recovery industry.

“We recognize that in many



Some repossession companies said Harley doesn’t pay enough for a job reclaiming motorcycles.

cases, repossession within our sector is more complicated than within the auto sector,” the company said. “However, aligned with industry standards, we pay above and beyond including surcharges to

recognize the complexity of the work undertaken.”

The lending arms of Harley and other companies, including auto makers, provide financing as a way to ease purchases of big-ticket items. To

protect against losses on those loans, companies for decades have turned to repossession agents, who tow away vehicles from buyers who haven’t made payments.

Harley last week said that

its credit loss rate was 3.2% in the first quarter, up from its typical rate of about 2%. The company said the first quarter is usually the worst for such losses because some customers tend to make their payments during the spring and summer riding season only to become delinquent later in the year.

Harley Treasurer David Viney said last Thursday during a conference call with analysts that while the delinquencies weren’t especially high, the declining residual values of motorcycles and “a weaker repossession industry” led to more severe losses in the quarter. Mr. Viney said many recovery agents left the industry during the Covid-19 pandemic.

People in the repossession business agree, saying their employee base shrank by as much as 40% over that period. They said work dried up as stimulus payments and enhanced unemployment benefits helped consumers stay current

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Nordstrom Closes Stores

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Nordstrom Rack locations, as well as online,” a company representative said in a statement.

In a statement, Ms. Breed said her office has had “ongoing conversations” with the shopping mall’s owner on issues including safety, and that San Francisco police had responded by beefing up their presence with two officers every day as well as ramping up security in the surrounding Market Street neighborhood.

The mall’s owner, **Unibail-Rodamco-Westfield**, said it engaged with city leaders for years to express concerns about issues, including what it described as rampant criminal activity.

“A growing number of retailers and businesses are leaving the area due to the unsafe conditions for customers, retailers, and employees, coupled with the fact that these significant issues are preventing an economic recovery of the area,” URW said in a statement.

The city is accelerating efforts to clean up the streets near Westfield and in other downtown-area shopping districts, said Kate Sofis, the mayor’s economic development director. “We are not satisfied with the status quo and we need to continue to do more,” she said.

Large retailers have been vocal about the problems they face in urban and other locations regarding an increase in shoplifting and other community issues. Executives from chains such as **Home Depot** and **Best Buy** have said they were stepping up locking away items on store shelves to prevent theft and keeping close tabs on high-risk goods.

The National Retail Federation estimated that retail shrink, which includes theft but also problems leading to inventory being lost or recorded inaccurately, was at roughly \$95 billion in 2021. Shrink rates were broadly in line with historical levels and declined in 2021 after rising in the two prior years, according to a survey conducted by the retail trade group and the Loss Prevention Research Council.

Retail closures also reflect changes in the operating landscape. Nordstrom had already been thinning the count of its larger-format department stores, while bolstering the presence of Nordstrom Rack, which sells items from main stores at a discount. It operated 94 department stores in the U.S. as of late January. In March, the Seattle-based retail chain said it was closing its operations in Canada.

Nordstrom and its department-store peers such as Macy’s have also previously closed a number of large locations in urban areas, which can occupy hundreds of thousands of square feet. In some instances, the store operators have reduced their selling space within existing locations or sought tenants to take over vacant floors in retail buildings.

Strike Is Chance for Cost Cuts

Continued from page B1

in 2007 and 2008, which ran about 100 days. “Everyone is looking to cut development costs; it would be surprising to me if there weren’t conversations occurring around this,” said Briana Hill, an entertainment lawyer at Pryor Cashman.

How and when deals could be dropped depends on the language of the agreement. “The force majeure provision usually includes the ability to extend or to terminate agreements, and the timing is often contractual with respect to how many weeks it would be,” Ms. Hill said.

Hollywood has been in re-trenchment mode for some time. Warner Bros. Discovery and Paramount have been killing projects in development and canceling shows as part of efforts to cut costs. Major entertainment companies have also been resorting to layoffs, including Disney, Warner Bros. Discovery, Paramount and NBCUniversal.

In the event of a prolonged strike, some content providers will be in a better position than others. Netflix, Apple TV+, HBO and its Max streaming service all tend to make content far in advance.

“We have a large base of upcoming shows and films from around the world,” Netflix Co-Chief Executive Ted Sarandos said when discussing a possible

BUSINESS & FINANCE

CVS Reports Higher Revenue, Reduces Outlook for the Year

By Anna Wilde Mathews and Sabela Ojeda

CVS Health posted higher revenue in the first quarter but downgraded its earnings projection for the year because of the impact of its biggest deals since the nearly \$70 billion takeover of Aetna in 2018.

The forecast provided the first look at the prospects and challenges confronting CVS, which owns one of the country’s biggest health insurers as well as a national network of retail pharmacies, as it takes on a far bigger role in treating patients.

The company on March 29 completed the nearly \$8 billion acquisition of Signify Health, adding in-home services to its offerings. On Tuesday, the company closed its \$10.6 billion deal for Oak Street Health, an operator of primary-care clinics for seniors.

The deals represent a deep dive into the business of providing healthcare, adding to CVS’s existing healthcare offerings, which also include a company that manages drug benefits.

CVS said it might look at further acquisitions in the future, but will focus on digesting Signify and Oak Street in the near term.

The company must integrate the new acquisitions at a time when federal policy makers are moving to alter Medicare payment policies in



The company’s recent deals represent a deep dive into the business of providing healthcare, adding to CVS’s existing wellness offerings, which include a unit that manages drug benefits.

a way that analysts say could put pressure on the performance of CVS’s new Oak Street unit.

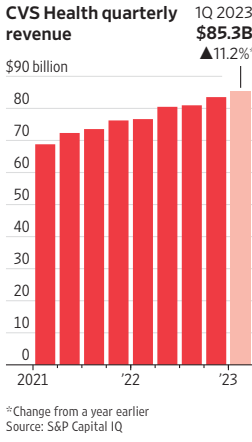
“Aetna, Signify Health and Oak Street are the right combination of assets to successfully manage through these changes,” CVS Chief Executive Officer Karen Lynch told analysts on a conference call.

Ms. Lynch also said pharmacy-benefit managers like the CVS Caremark business, which are under congressional scrutiny that could result in legislative changes, have weathered a series of past investigations and are bringing down drug costs for their clients.

“We’ve answered the government’s questions on transparency and innovation,” she said.

CVS’s revenue for the quarter ended March 31 rose to \$85.28 billion from \$76.83 billion a year earlier. Analysts surveyed by FactSet had forecast revenue to grow to \$80.79 billion.

Overall, the company posted a net profit of \$2.14 billion, or \$1.65 a share, compared with \$2.36 billion, or \$1.77 a share, for the same period a year earlier. Stripping out one-time items, earnings per share came in at \$2.20, beating analysts’ expectations of \$2.09, according to FactSet.



Apollo Group Nears Deal for Arconic

By Lauren Thomas

Private-equity firm **Apollo Global Management** is nearing a deal to buy industrial-parts manufacturer **Arconic**, according to people familiar with the matter.

The deal is set to value Arconic at \$30 a share, or roughly \$3 billion, according to the people. It could be announced by the time Arconic reports its results Thursday, assuming the talks don’t fall apart at the last minute. Shares of Arconic,

which makes parts for the aerospace, automotive, building and energy industries, closed at \$22.55 Wednesday.

The Pittsburgh-based industrial company, which was separated in 2016 from aluminum maker Alcoa, has a hefty debt load of more than \$1.5 billion.

Apollo submitted a bid in February for Arconic, whose advisers sought out other potential acquirers, The Wall Street Journal previously reported.

Apollo participated in the

sale process with hedge-fund investor Irenic Capital Management, which was co-founded by Adam Katz, a former employee of hedge-fund giant Elliott Investment Management. It is an unusual pairing between a buyout firm and a shareholder activist. Irenic previously disclosed it had built a small stake in Arconic in the fourth quarter of 2022.

Mr. Katz led a proxy fight Elliott ran in 2017 that resulted in the resignation of Arconic’s then-chief executive and a

shake-up on the company’s board.

Irenic recently pushed back against Journal owner News Corp’s bid to recombine with its sister company, Fox, a plan that has since been abandoned.

The Journal reported in 2018 that Apollo expressed interest in a deal for Arconic. Apollo ultimately came close to an agreement to pay upward of \$10 billion for the company, but Arconic instead further divided into two independent, publicly traded businesses in 2020.

Car Insurance Rates Are Headed Higher

By Leslie Scism

Allstate and **Progressive**, two of the nation’s biggest car insurers, say inflation continues to hurt their auto-insurance businesses and are pushing ahead with additional premium-rate increases for vehicle owners.

The two giants, and many other big car insurers, say higher claims costs continue to dent their results, despite slowing inflation.

Prices are rising for auto parts, they say, and vehicles are

taking longer to be repaired than in past years due to shortages of workers. Those delays, in turn, lead to extended rental-car use by policyholders, at the insurers’ expense.

Allstate’s first-quarter results were also badly hurt by outside catastrophe losses, including unusually severe storms across the country in March.

Allstate Chief Executive Tom Wilson acknowledged in an interview that there “was a huge increase in average price” over the past year for vehicle owners.

But he said that costs rose strongly, “so we didn’t make as much progress on profit improvement” as intended.

The company raised rates by an average of 8.4% in 28 states in this year’s first three months, on top of increases averaging 11% in last year’s fourth quarter in 38 states, and 14% average increases in the third quarter in 19 states.

For the first quarter, Allstate swung to a loss of \$346 million, from \$634 million in profit a year ago. Catastrophe costs surged to \$1.69 billion, from

\$462 million a year earlier.

Progressive shares slipped 2.5% Wednesday, following the release of a quarterly shareholder letter in which the chief executive disclosed a reduction in advertising expenditures for the company.

Tricia Griffith, chief executive of Progressive, said the move, being accompanied by premium-rate increases, isn’t intended to bring growth “to a screeching halt.” Any impact would depend on how rivals also adjust their prices in the face of inflation.



Members of the Writers Guild of America and its supporters picket outside of Warner Bros. Studios in Los Angeles on Wednesday.

strike last month during the company’s latest quarterly earnings call. “We could probably serve our members better than most.”

The broadcast networks, on the other hand, could find themselves without new episodes of sitcoms and dramas when the fall season starts, as their writers would normally be gathering in the coming

weeks to create new scripts.

In the 2007 strike, the reality-television genre got a big push. Given how prevalent such fare already is across the media landscape, it seems unlikely a similar surge will occur.

The latest labor dispute was caused, in part, by entertainment companies’ continued shift toward streaming, which writers say has left them short-

changed. The most divisive issues on the table include a WGA demand for a minimum number of writers per television show and guaranteed employment for those writers from conception to postproduction.

In a statement Monday, AMPTP called those demands “a primary sticking point.” The WGA said that without such

guarantees, writing would devolve into a gig-economy job. It said content companies’ resistance “betrayed a commitment to further devaluing the profession of writing.”

Another demand meeting with strong resistance is a guarantee that writers will be paid for movie-script rewrites, regardless of whether one is necessary, and will receive additional pay for what is known in the industry as a “page one” rewrite, which is essentially an overhaul of an entire script, people close to the talks said.

The two sides are also far apart on an increase for residuals—the royalties writers receive from licensing and syndication of shows they have worked on. The WGA is seeking an increase of 200% in foreign residuals from streaming, the people said.

AMPTP said it has offered significant increases in royalties and would go higher, but not until the other roadblocks are cleared away.

A WGA spokesman didn’t respond to a request for comment.

A resolution could potentially come more quickly if AMPTP is able to strike new deals with the unions representing directors and actors. That could put pressure on the WGA to reach an accord.

BUSINESS NEWS

Olive Garden Parent to Buy Ruth’s Chris Owner

Darden Restaurants agreed to buy the operator of Ruth’s Chris Steak House in a deal that would put the chain under the same roof as Olive Garden, LongHorn Steakhouse and Seasons 52..

Darden’s all-cash transaction values **Ruth’s Hospitality Group** at \$715 million, or \$2150 a share, representing a 34% premium to Ruth’s closing price Tuesday. The transaction is expected to be completed in June, pending regulatory approvals.

Ruth’s Hospitality, formerly Ruth’s Chris Steak House, was founded in 1965 when Ruth Fertel purchased a 60-seat restaurant near the New Orleans Fair Grounds racetrack. The company expanded to 154 locations with annual sales of over \$860 million ahead of its deal with Darden.

Darden said it would add 5,000 employees to its workforce through the acquisition. The Orlando, Fla.-based company, with annual sales of \$9.63 billion, employs nearly 180,000 people and operates more than 1,850 restaurants.

Darden said it expects pretax synergies of \$5 million to \$10 million within the first year after the deal closes, and between \$15 million and \$20 million in the second year.

The deal is seen adding to Darden’s diluted net earnings per share in fiscal 2024 by 10 cents to 12 cents, excluding acquisition- and integration-related expenses, the company said.

Shares of Ruth’s Hospitality hit a 52-week high Wednesday and ended at \$21.48, up 34%. Darden shares slipped 36 cents to \$151.47.

—Chris Wick



Door-Handle Crunch Hits F-150 Output

By NORA ECKERT

Ford Motor has run into another production snag building its top-selling pickup trucks—this time due to difficulties getting door handles.

The auto maker temporarily halted factory work at three plants over the weekend where it makes both gasoline and electric versions of the F-150 pickup truck, unable to get the right door handles, said people with knowledge of the situation.

Production has since resumed at the facilities, but now workers are building some trucks with substitute handles—including ones that are the wrong color or don’t have the proper key holes—as a stopgap measure until the correct parts are available, the people said.

Factory workers need to temporarily install the substitute handles to easily get in and out of the vehicle as it moves down the assembly line and to do certain checks from inside the vehicle, the people said.

The incomplete trucks are then being parked and shipments to customers put on hold until the right handles can be swapped in, the people said.

“While a supplier part shortage is affecting some of our North American plants, we expect to make up all of the production that is impacted,” a Ford spokeswoman said.

She added that the majority of vehicles being built at the three plants—one near Kansas City, Mo., and two in Dearborn, Mich.—have the proper parts and the situation is improving daily. She declined to say how long the company expects to hold vehicle shipments.

The door handle constraint is the latest in a series of obstacles Ford has faced in the past year building both its F-Series pickup trucks—among the company’s biggest money-makers—and a new electric version, the F-150 Lightning, which executives say has a long waiting list of customers.

In September, Ford said it was holding back shipments of some F-Series trucks due to difficulties getting badges that display the model name and blue oval logo. Earlier this year, it halted factory work on the F-150 Lightning for five weeks, after one caught fire because of a battery defect.

The Dearborn auto maker has said a lack of semiconductors and other parts constraints have also disrupted factory work and resulted in it having to delay deliveries because the vehicles weren’t finished.

While parts shortages have plagued other major car companies, Ford executives have been candid that some of its financial difficulties have been rooted in its own poor supply-chain management. Ford Chief Executive Jim Farley said in February that this challenge dented profits last year and has resulted in Ford lagging behind competitors in its cost structure.

In addition to the door handles, the supply disruption has led to troubles getting some of the company’s biggest money-makers—

Executive Jim Farley said in February that this challenge dented profits last year and has resulted in Ford lagging behind competitors in its cost structure.

In addition to the door handles, the supply disruption has led to troubles getting some

the company post a \$1.8 billion profit in the first quarter.

The electric Lightning is also a high-profile model for the auto maker, which is working to transition more of its lineup to battery-powered models and take on **Tesla** as the market leader in EVs.

The Lightning began rolling off assembly lines in April last year, giving Ford a jump on competitors, including Tesla, which plans to release its Cybertruck later this year.

Ford has twice increased its production targets for the Lightning, with a goal of building 150,000 pickups a year later in 2023.

Ford’s Chief Financial Officer John Lawler said on the company’s earnings call Tuesday that it had done a lot of work to improve the rate and flow of semiconductors and production stability and is working through other potential issues with the supply base outside of chips. “It was a much smoother

quarter,” he said.

The company faced a major setback in February, when a F-150 Lightning in a Ford holding lot caught fire during a pre-delivery quality check and the blaze spread to a nearby vehicle. A company spokeswoman at the time said there was no reason to believe F-150 Lightnings already in customers’ hands were affected by the issue. Ford later issued a recall for 18 Lightning trucks.

Factory production of the electric pickup resumed on March 13 after Ford determined that the root cause of the fire was related to a supplier problem that caused the affected battery cells to short circuit while at a high state of charge.

Still, the five-week plant shutdown hurt sales and weighed on its financial results. On Tuesday, Ford reported that its electric-vehicle division lost \$722 million in the quarter, in part due to lost output of the Lightning.

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TECHNOLOGY & BUSINESS

Qualcomm Hit by Phone Slump

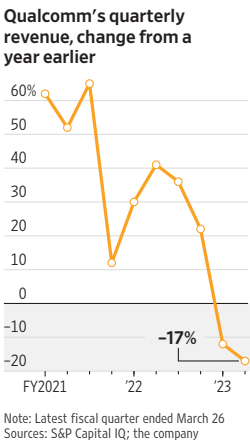
Mobile-phone chip maker is diversifying into new areas as its core market slows

By ASA FITCH

Mobile-phone chip maker **Qualcomm** gave a gloomy sales outlook as it signaled the market for smartphones was more turbulent than expected. Qualcomm, which sells communication and data-processing chips crucial in phones from **Apple** and **Samsung**, has been whipsawed in recent quarters by flagging handset sales even as it sees growth in newer markets for its chips, including the automotive industry. “The evolving macroeconomic backdrop has resulted in further demand deterioration, particularly in handsets, at a magnitude greater than we previously forecasted,” Chief Executive Cristiano Amon said on an earnings call Wednesday. The company reported sales of \$9.28 billion in its fiscal second quarter, down 17% compared with a year before. Profit tumbled 42% to \$1.7 bil-



The company said weaker demand for cellphones and broader economic issues weighed on its outlook.



lion in the period. Revenue came in ahead of Wall Street expectations, according to a survey of analysts by FactSet, but the profit figure fell short. The company also gave a tepid outlook for its current quarter, projecting between \$8.1 billion and \$8.9 billion in revenue, below analyst estimates of around \$9.1 billion. Qualcomm said weaker demand for handsets globally were weighing on the outlook, as well as problems in the wider economy and other

issues. Mr. Amon also said that although the smartphone market in China is widely expected to rebound later this year, Qualcomm has seen no signs of that recovery. Qualcomm sells chips to leading Chinese handset makers. Global handset shipments this year are likely to fall between 5% and 10%, Qualcomm signaled, worse than initially projected. “Until demand normalizes and visibility improves, we anticipate that cus-

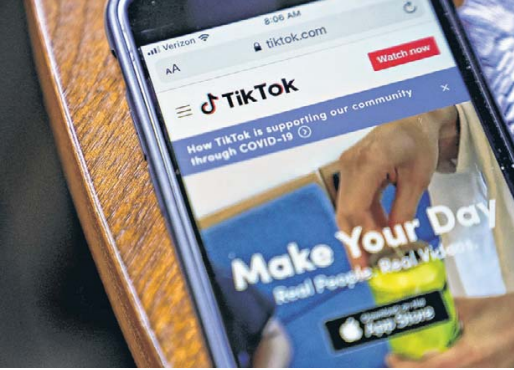
tomers will remain cautious with purchases,” Qualcomm Chief Financial Officer Akash Palkhiwala said on the call. The company is cutting operating expenses by 5% this fiscal year, Mr. Palkhiwala said, and could make more cuts as market conditions evolve. He also warned that some of the problems weighing on sales this quarter could last into the next one, too. The muted outlook also reflected a larger-than-expected decline in revenues due to the

timing of purchases by a customer that only buys cellular modems from Qualcomm, the company said. Apple fits that description, though Qualcomm didn’t name the customer. The iPhone maker reports quarterly results Thursday. International Data Corp. last week said smartphone shipments in the first quarter fell year-over-year for the seventh straight period and were down about 14.6% globally. Demand should recover by the end of the year, IDC said.

TikTok Targets Publishers With New Offering for Ads

By ALEXANDRA BRUELL

TikTok said it is launching a new product that will make it possible for publishers to sell ads alongside their posts, a shift for the video-sharing app, which historically has focused on independent creators. The product, Pulse Premiere, is the evolution of TikTok’s Pulse program, which allows an elite group of creators to collect half the revenue from video ads that appear just after their TikTok posts. The new product will offer similar perks for accounts from select publishers, such as Condé Nast, BuzzFeed and NBC. While Pulse is only available to the top 4% of its creators’ posts—based on metrics such as likes, watch time and comments—the new product will sell ads against all posts from participating publishers, the company said. The opportunity to sell ads in social media’s hottest app comes as many publishers are struggling to deal with tough economic conditions, resulting in cost-cutting and layoffs across the industry. For TikTok, the move creates another revenue opportunity for the platform, and it helps to build the site’s relationship with advertisers and publishers. “It’s about, like, how can we really diversify our portfolio,” said Ray Cao, global head of monetization product strategy at TikTok. The new ad product comes as the app, which is owned by Beijing-based **ByteDance**, is facing a possible ban in the U.S. after the Biden administration



The product will allow publishers to share video ad revenue.

raised national security concerns around data privacy on the platform. TikTok has pushed back against allegations of the company’s ties to the Chinese government and has proposed a \$1.5 billion plan to silo its U.S. operations from China. The company also has moved to reassure advertisers by playing down the threat of an outright ban, The Wall Street Journal reported. For advertisers, the new product is aimed at providing more transparency around where they are putting their media dollars, Mr. Cao said. Advertisers have flocked to TikTok to reach its young users. The app has been downloaded more than 4 billion times globally and was the most downloaded app in 2022, according to research firm Sensor Tower. More than 150 million Americans are now on TikTok, the company has said. The company is expected to

have 2.5% of the U.S. digital ad market this year and its U.S. ad revenue is expected to surge 36% to \$6.83 billion, according to a recent forecast from market research firm Insider Intelligence. While it still represents a small slice of the digital ad market, TikTok is inching in on the market dominance of **Meta Platforms Inc.** and **Alphabet Inc.’s Google**, which have ramped up their short-form video offerings. Publishers have embraced TikTok as a place to build their brands, but at times have bemoaned the lack of opportunities to generate revenue directly on the platform. “We have a really strong partnership with YouTube. We have a really strong partnership with Instagram. This partnership with TikTok is really just taking off,” said Pam Drucker Mann, global chief revenue officer at Condé Nast. “The potential there is pretty significant.”

Tiremakers Aim for Real-Time Data From Autonomous Vehicles

By ISABELLE BOUSQUETTE

Tire manufacturers hope to play a critical role in feeding real-time information to self-driving vehicles, though first the companies will have to beat technical limitations and difficulties around data integration. Companies including **Goodyear Tire & Rubber** and **Bridgestone** aim to equip the tires of autonomous vehicles with sensors that can gather and relay data on friction and road conditions, helping the vehicles decide, for instance, how fast to take a turn or how soon to start braking. But before that, these companies face a number of complications, including how to power the process and how to integrate data from the tires with feeds from other data-collection sources on the vehicle. Typically, autonomous vehicles are equipped with a configuration of radar, laser-emitting lidar and cameras to paint a real-time picture of

street, traffic and other ambient conditions. “Actually trying to inform the autonomous driving in real time what it should expect its grip potential is under the tire—that’s kind of like a holy grail when you think about vehicle control,” said Chris Helsel, senior vice president of operations and chief technology officer of Goodyear. Powering the sensors is one of the biggest obstacles to making that happen. Today’s advanced tires are already equipped with tire-pressure monitoring systems and sensors that track data on wear and tear—but not in real time, Mr. Helsel said. A real-time system, designed to help autonomous vehicles make immediate driving decisions, would be far more power-intensive, he said. Today’s batteries would last just a fraction of the life of the tire. A process known as energy harvesting could be one solution to the power problem, according to Hans Dorfi, senior

vice president of product development at Bridgestone Americas. The company, he said, is looking at ways to leverage the energy created by the tire’s vibration to power the sensor. While technically possible, the cost of energy-harvesting solutions—as well as getting them to work under the stress a tire takes—are both difficult. “You see high strains, high temperatures, high cycles. Any technologies we add to the tire need to be very robust,” he said. As tire manufacturers pursue the new tech, demand for tires with any kind of sensor on them is simmering—but not boiling, according to John Baldwin, senior vice president and chief product and technical strategist at Discount Tire. Autonomous vehicles, he noted, are moving forward without advanced data-generating tires, in part because there are already so many other spots on the vehicle that can gather data.

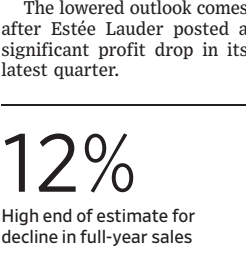
Estée Lauder Stock Logs A Record Decline

By SABELA OJEA

Estée Lauder shares posted their largest one-day decline on record after the cosmetics company cut its outlook owing to a slower-than-expected recovery in the Asian travel retail market. Chief Executive Officer Fabrizio Freda said the company is facing serious headwinds in the key market—and they are expected to persist until the end of 2023. The challenges come as other parts of its business are doing well amid a robust recovery in consumer demand and a return to growth in China. “As the shape of recovery for Asia travel retail comes into better focus, it is proving to be both far more volatile than we expected and more gradual relative to what we experienced in other markets,” Mr. Freda said Wednesday on a conference call with analysts. The New York-based Estée Lauder expects full-year sales to decline as much as 12% for the fiscal year ending June 30 as it handles elevated inventory levels. The company previously said its sales decline would top out at 7%.

“We are going through an inventory issue, and with the profit pressure created by this high-inventory issue,” Mr. Freda added. Paris-based L’Oréal, the beauty giant’s biggest competitor, dealt with the same problem in China, but has already absorbed its extra inventory, Chief Executive Nicolas Hieronimus said last month after reporting a 13% increase in first-quarter sales. “We are back to a dynamic of growth,” he added. Estée Lauder’s stock closed down 17.3% at \$202.70, its largest percentage decrease on record going back to 1995. The stock was by far the largest decliner in the S&P 500 index. For the year, shares have lost 18.3%. The lowered outlook comes after Estée Lauder posted a significant profit drop in its latest quarter.

Overall for the period ended March 31, Estée Lauder reported a profit of \$156 million, or 43 cents a share, compared with \$558 million, or \$1.53 a share, for the same period a year earlier. Stripping out one-time items, the company’s earnings per share came in at 47 cents, missing analyst expectations of 51 cents. Sales fell 12% to \$3.75 billion, just ahead of analyst expectations for \$3.71 billion. On an organic basis, which excludes currency effects and other items, sales fell 8%.



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NOTICE IS HEREBY GIVEN that, pursuant to (i) Section 9-610 of the New York Uniform Commercial Code; and (ii) that certain Amended and Restated Loan Security Agreement, dated March 24, 2021 (as amended, the “Security Agreement”) and by between MidCap Financial Trust, as administrative agent (“Secured Party”), and U.S. Auto Finance, Inc., U.S. Auto Sales, Inc., and USAFS Servicing LLC, as Borrowers (“Borrowers”), (iii) that certain Pledge Agreement dated April 17, 2019 by and between Secured Party and U.S. Auto Finance, Inc., USAFS LLC, and USAFS National Corp. (as amended, the “Pledge Agreement”), and (iv) that certain Trademark Security Agreement dated April 17, 2019 by and between Secured Party and U.S. Auto Sales, Inc. as Grantor (the “Trademark Agreement”), shall sell all or substantially all of the tangible and intangible assets of the Borrowers, the Pledged Equity Collateral (as defined in the Pledge Agreement), and the Trademark Collateral (as defined in the Trademark Agreement) (all of the foregoing collectively referred to as the “Sale Assets”) to the highest or otherwise best qualified bidder at a public disposition to be conducted on May 23, 2023 at 10:00 am, Eastern Daylight Time, at the offices of Chapman and Cutler LLP, 1270 Avenue of the Americas, 30th Floor, New York, New York 10020 (the “Public Sale”). Pursuant to the Security Agreement, the Borrowers granted the Secured Party a security interest in the Collateral as defined in the Security Agreement, including, without limitation, all the Borrowers’ accounts, accounts receivable, chattel paper, contracts, contract rights, documents, instruments, investment property, securities, security files, records, and all the proceeds and products of the foregoing. Pursuant to the Pledge Agreement, each pledgor pledged and assigned to Secured Party all equity interests in each Subsidiary owned by each Pledgor, all as set forth in the Pledge Agreement. Pursuant to the Trademark Agreement, the Grantor pledged all of its interest in its Trademarks, all as set forth in the Trademark Agreement. In addition, upon request to counsel for the Secured Party at the contact information listed below, information available to the Secured Party regarding the Sale Assets will also be made available including via a secure data room to prospective bidders who execute a non-disclosure agreement. TERMS OF SALE: The Sale Assets shall, in the Secured Party’s sole discretion, be offered at the Public Sale in bulk or in piecemeal, subject to the Secured Party’s security interests and any other valid liens and security interests in existence, and shall be sold to the highest bidder on an “AS IS, WHERE IS,” “WITH ALL FAULTS,” BASIS, WITHOUT ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND, expressed or implied, including, without limitation, merchantability, fitness for a particular purpose, condition or title and without any right of setoff or recoupment. All parties desiring to qualify as a bidder at the Public Sale shall be required to deliver to the Secured Party reasonable proof of financial ability to consummate the Sale within 5 business days prior to the Public Sale. The purchase price for any successful bid must be paid to the Secured Party by 12:00 pm Eastern Daylight Time on the first business day after the acceptance of any such bid. All payments toward the purchase of the Sale Assets must be paid by wire transfer or in cash, certified check or cashier’s check, payable to the Secured Party. The Secured Party reserves the right to: (i) bid all or a portion of its claim at the Public Sale without cash, certified check or cashier’s check as required of other bidders; (ii) adjourn or cancel the Public Sale without notice; (iii) alter the terms of payment; (iv) abandon or elect not to dispose of certain Sale Assets and/or (v) reject all bids. If Secured Party accepts a bid, the prevailing bidder will receive a secured party bill of sale with no representations or warranties of any kind or nature whatsoever. Additional terms of sale may be announced at the time of the Public Sale. OTHER INQUIRIES: For further information about how to attend the Public Sale either in person (or via remote link), please contact: David Audley, Chapman and Cutler LLP, 1270 Avenue of the Americas, New York, New York 10020, or 320 South Canal Street, Chicago, Illinois 60606, Telephone: 312.845.2971, e mail: audleyd@chapman.com.

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PricewaterhouseCoopers Inc. (“PwC”), in its capacity as the court-appointed liquidator (the “Liquidator”) of the business in Canada of Silicon Valley Bank (“SVB Canada”) is launching a sale and solicitation process (“SSP”) for the purpose of soliciting proposals to purchase some or all of SVB Canada’s assets, business and operations as a going concern or otherwise. SVB was an authorized foreign bank pursuant to the Bank Act. The operations of SVB Canada were focused primarily on lending to corporate clients. To obtain detailed information on SVB Canada, its business, assets and operations, interested parties will be required to sign a non-disclosure agreement. The deadline for the submission of non-binding expressions of interest is 5:00 p.m. EST, May 29, 2023. For further information regarding the SSP please refer to the Liquidator’s website at www.pwc.com/ca/svb or contact the Liquidator directly at ca_svbssp@pwc.com. PricewaterhouseCoopers Inc., LIT Liquidator of the business in Canada of Silicon Valley Bank and not in its personal or corporate capacity

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BUSINESS NEWS

Food Companies Pursue Thrifty Spenders

Purveyors pitch deals, target value as lower-income consumers scale back purchases

By Jesse Newman
And Heather Haddon

Big food companies and restaurant chains are working to appeal to budget-conscious consumers as inflation persists and the U.S. economy wobbles.

Companies from **Yum Brands** to **Kraft Heinz** are turning attention to value offerings as consumers shift where they buy groceries and eat out, executives said.

Kraft Heinz is working to ensure that dollar stores and other value-focused retailers are stocked with its products. Fast-food chains including **Burger King** and KFC are pushing new low-cost deals to consumers to try to keep them coming in, while sit-down chains highlight big plates of food at affordable prices.

“American consumers are becoming more discerning about the value they expect,” said John Peyton, chief executive of Applebee’s owner **Dine Brands Global**, on a conference call Wednesday.

Food-company executives said they are closely watching how consumers spend their money as concerns about the broader economy mount.

Overall inflation in the U.S. is slowing, though it remains



Kraft Heinz said it could boost offerings of club-size packaging and brands such as Jell-O.

stubbornly high. The consumer-price index, a closely watched inflation gauge, rose 5% in March from the same month a year earlier, down from a 6% increase in February, according to the Labor Department. It was the smallest increase in nearly two years. Food inflation has also slowed, though U.S. grocery prices were still up 8.5% in March from a year earlier, the Labor Department said. Fast-food prices were up 7.9% from a year earlier, while sit-down restaurant costs climbed 8%, the agency said.

Orders at restaurants declined in March compared with last year, according to restaurant analytics firm Black Box Intelligence. Some chains, including **McDonald’s** and **Domino’s Pizza**, said that lower-in-

come consumers have started slimming down the size of their restaurant meals or are placing fewer orders for delivery, which typically carries a surcharge.

Kraft Heinz executives said Wednesday that some lower-income consumers have been moving to dollar stores and other value-focused retailers, while higher-income consumers consider shopping at traditional supermarkets and club stores rather than specialty retailers.

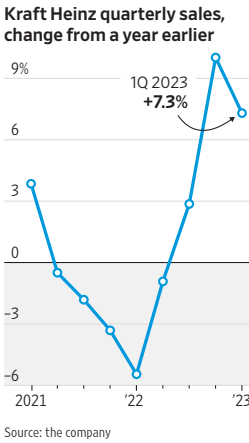
Carlos Abrams-Rivera, who leads Kraft Heinz’s North America business, said the company had anticipated such shifts, and that it could boost offerings of club-size packaging and brands such as Mac & Cheese and Jell-O, or add more items at dollar stores to ensure

options for financially stretched consumers.

He said the maker of sliced cheese and ketchup is also working to target its sales promotions appropriately.

“If you think about what a grilled cheese sandwich can do with Kraft Singles, what Kraft Mac & Cheese can do in terms of families, what else Oscar Mayer can do, us being able to be there for those kind of meal solutions is part of the answer,” Mr. Abrams-Rivera said on an earnings call Wednesday.

Kraft Heinz said Wednesday that its sales volumes took a hit in the latest quarter as consumers pushed back on its price increases. Kraft Heinz has said it raised prices about 15% in 2022. Executives said consumers still have been more accept-



ing of higher prices than normal, though companies anticipate more resistance in coming months. Kraft Heinz executives said they are also making adjustments to enable the company to serve diners who are shifting to the quick-service restaurants it supplies.

To try to keep appealing to diners, Burger King revamped its \$5 combo meal this year, offering options such as a Whopper Jr. or a bacon cheeseburger with fries and a drink. The company last year slimmed down discounts to try to help its franchise owners boost their profits, but Joshua Kobza, chief executive of Burger King parent **Restaurant Brands International**, pointed to the \$5 deal as a way that the chain continues to cater to lower-in-

come consumers.

Yum’s KFC introduced two-for-\$5 fried chicken wraps this year, which executives said helped the brand record its strongest sales with lower-income consumers during the later part of the three-month period ended March 31. Taco Bell also promoted burritos and other items on its \$2 menu.

“We’re bringing some lower-price-point items to provide those customers who need it with more options,” Yum Chief Financial Officer Chris Turner said in an interview Wednesday.

Brinker International’s Chili’s restaurants this year began advertising on television a nearly half-pound cheeseburger with bottomless chips and a soft drink for \$10.99, helping to boost orders and sales, the chain said. Executives said more Chili’s customers ordered \$10.99 entrees, along with \$13.99 and \$15.99 combination meals marketed as affordable, during the three months ended March 29.

“We believe that offers superior value, not just in full-service restaurants, but also versus fast casual and fast food,” Brinker Chief Executive Kevin Hochman said during an investor call Wednesday.

Executives at Restaurant Brands International and **Denny’s** told investors this week that they expect to keep selling their burgers and pancakes as long as employment rates remain high in the U.S.

Goldman Sachs Is Looking to Settle Gender-Bias Case

By AnnaMaria Andriotis

Goldman Sachs has had settlement discussions aimed at ending a class-action lawsuit that alleges the bank systematically discriminated against female employees, according to people familiar with the matter.

The bank and attorneys representing a large group of

former and current female Goldman employees have discussed a settlement that could be around a couple hundred millions of dollars, people familiar with the matter said. That number could change as the trial date gets closer.

A trial for the long-running case, which involves more than 1,000 former and current employees, is scheduled to be-

gin in June in the Southern District of New York.

The lawsuit, first filed in 2010, alleges that Goldman discriminated against women in terms of compensation, promotion, performance evaluations and business opportunities. It also alleges that women were paid less than their equally ranked male counterparts and that they had fewer opportuni-

ties to move up the ranks.

The lawsuit alleges that “violations of its female employees’ rights” are based on “companywide policies and practices, and are the result of unchecked gender bias that pervades Goldman Sachs’ corporate culture.”

Court proceedings have included depositions of former chief Lloyd Blankfein and for-

mer President Gary Cohn. The certified class represents women employed by Goldman from 2002 onward.

Previous efforts by Goldman to decertify the class failed.

The case focuses on women in associate and vice president positions. It alleges that Goldman promotes employees in a way that results in more men

moving up over equally ranked or more qualified women. This in turn, according to the lawsuit, results in underrepresentation of women in higher ranks.

Such representation has improved since the lawsuit was filed; there are currently more women on Goldman’s management committee than when the lawsuit was originally filed.



Harley said its credit loss rate was 3.2% in the first quarter, up from its typical rate of about 2%.

Harley and Repo Men Clash

Continued from page B1

with their bills and as some states imposed temporary moratoriums on reposessions.

Mr. Clemmons said the pandemic prompted some of his colleagues to put their tow trucks to less stressful and more profitable use, such as roadside assistance.

“Who wants to back up in a driveway at 3 a.m. and get shot at?” he said. “You can make the same money doing something else.”

Cox Automotive, which tracks auto industry data, said that car, truck and SUV recoveries, by far the biggest part of the repossession business, have declined over the past three years. About 1.6% of the loan base was subject to repossession over that period. Over the 12 years before that, the average was 2.4%, according to the firm.

At National Powersport Auctions, which specializes in motorcycles, Chief Executive Jim Woodruff said he saw a two-decade low last year in the number of repossessed units hitting the auction floor. About one-quarter of his auction volume comes from repos-

sessions, he said.

The Consumer Financial Protection Bureau has estimated that agents are paid an average of \$350 for an auto repossession, and recovery executives said that hasn’t changed in decades. Mr. Clemmons said that Harley has been paying extra fees, but that the amount still isn’t enough.

He said he spoke with Harley representatives last week and pressed for a “close fee,” which would cover a repo man’s costs even if he strikes out.

“It’s a conversation,” he said. “It’s a good thing that we’re conversing.”

The repo industry’s employee base fell by up to 40% during the pandemic.

Harley declined to comment on the fees. The company said during the conference call that it is making enhancements to its repossession strategy and expects the credit-loss rate to drop.

Octane, a lender that works with motorcycle and snowmobile maker **Polaris** and other powersports manufacturers, said its repossessions have stabilized after a few lean months caused by the labor shortage.

Chief Executive Jason Guss said he expected the recovery business as a whole to rebound as defaults climb.

Mr. Clemmons and other recovery professionals said they are becoming more selective about the work they accept, moving some clients to the bottom of the priority list or refusing them outright if the chances of success appear low.

His company no longer accepts jobs involving motorcycles, which he said are recovered less than 10% of the time. Motorcycles are harder to recover because riders typically keep them in the garage, meaning a repo man must leave his truck, knock on the debtor’s door and ask for the bike’s return.

Those situations don’t always go smoothly, said Jeremy Cross, owner of International Recovery Systems in suburban Philadelphia.

“Have you met some of the people who ride motorcycles?” he said. “They care more about their motorcycles than their work trucks or their family vans.”

Mr. Clemmons said one memorable case came when a Harley rider he had pursued for months finally agreed to give up his bike.

“We got to the guy’s house, and it was in 3,000 pieces,” Mr. Clemmons said. “It took us 2½ hours to get all those pieces cataloged and delivered back to the lot.”

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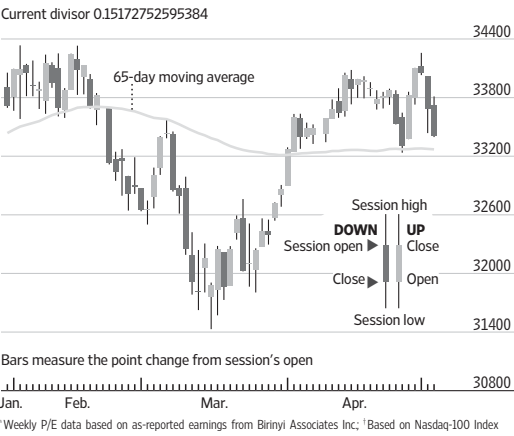
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33414.24 ▼270.29, or 0.80%
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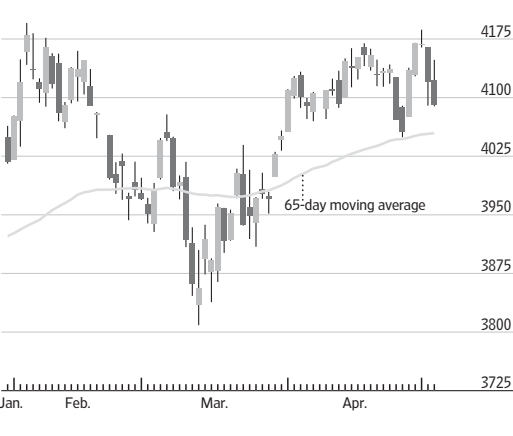
Last	Year ago
Trailing P/E ratio	22.28 19.36
P/E estimate *	17.94 17.50
Dividend yield	2.10 2.08
All-time high	36799.65, 01/04/22



S&P 500 Index

4090.75 ▼28.83, or 0.70%
High, low, open and close for each trading day of the past three months.

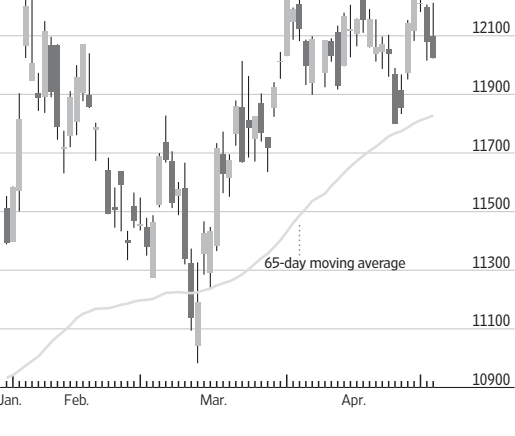
Last	Year ago
Trailing P/E ratio *	18.61 24.14
P/E estimate *	18.87 18.62
Dividend yield *	1.68 1.46
All-time high	4796.56, 01/03/22



Nasdaq Composite Index

12025.33 ▼55.18, or 0.46%
High, low, open and close for each trading day of the past three months.

Last	Year ago
Trailing P/E ratio **	26.81 30.01
P/E estimate **	26.05 23.22
Dividend yield **	0.85 0.78
All-time high	16057.44, 11/19/21



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Dow Jones									
Industrial Average	33811.84	33396.05	33414.24	-270.29	-0.80	34589.77	28725.51	-1.9	12.1
Transportation Avg	14218.03	14000.43	14008.81	22.49	0.16	15640.70	11999.40	-9.8	4.6
Utility Average	958.89	944.91	945.73	-2.81	-0.30	1061.77	838.99	-6.5	-2.2
Total Stock Market	41330.18	40720.49	40737.27	-245.04	-0.60	43441.80	36056.21	-6.1	5.8
Barron's 400	910.89	896.15	896.46	-3.98	-0.44	1023.20	825.73	-10.0	-2.6
Nasdaq Stock Market									
Nasdaq Composite	12212.55	12022.46	12025.33	-55.18	-0.46	13128.05	10213.29	-7.2	14.9
Nasdaq-100	13231.71	13026.04	13030.21	-83.45	-0.64	13667.18	10679.34	-3.7	19.1
S&P									
500 Index	4148.30	4088.86	4090.75	-28.83	-0.70	4305.20	3577.03	-4.9	6.5
MidCap 400	2494.94	2450.07	2451.72	-2.84	-0.12	2726.61	2200.75	-6.1	0.9
SmallCap 600	1145.28	1125.26	1126.02	0.27	0.02	1315.82	1064.45	-11.1	-2.7
Other Indexes									
Russell 2000	1767.70	1735.69	1739.28	7.17	0.41	2021.35	1649.84	-10.8	-1.2
NYSE Composite	15421.47	15227.66	15233.85	-80.72	-0.53	16122.58	13472.18	-5.5	0.3
Value Line	547.16	539.02	539.14	-1.84	-0.34	608.74	491.56	-11.4	0.5
NYSE Arca Biotech	5278.00	5207.34	5213.03	-2.62	-0.05	5644.50	4208.43	7.6	-1.3
NYSE Arca Pharma	895.56	883.76	889.53	5.77	0.65	890.79	737.84	6.4	2.5
KBW Bank	77.37	74.63	74.82	-1.44	-1.89	116.90	74.82	-36.0	-25.8
PHLX [®] Gold/Silver	139.12	136.98	137.84	0.26	0.19	145.99	91.40	-5.6	14.1
PHLX [®] Oil Service	74.28	72.69	73.02	-0.92	-1.25	93.94	56.08	-8.9	-12.9
PHLX [®] Semiconductor	3009.07	2956.74	2957.37	-39.49	-1.32	3230.86	2162.32	-6.5	16.8
Cboe Volatility	18.83	17.19	18.34	0.56	3.15	34.75	15.78	-27.9	-15.4

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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
PacWest Bancorp	PACW	14,276.1	2.96	-3.46	-53.90	6.58	2.58
STAG Industrial	STAG	11,720.0	34.96	-0.04	-0.11	35.00	34.69
Axon Enterprise	AXON	8,737.8	217.98	-2.90	-1.31	221.27	217.79
SPDR S&P 500 ETF Trust	SPY	8,247.3	406.63	-1.39	-0.34	408.96	406.40
Apple	AAPL	7,727.1	163.18	-4.27	-2.55	167.60	162.50
iShares Russell 2000 ETF	IWM	5,206.3	170.77	-1.56	-0.91	173.00	170.32
Western Alliance Bancorp	WAL	3,331.4	19.49	-10.08	-34.09	29.89	19.26
TechnipFMC	FTI	3,113.0	12.80	-0.02	-0.16	13.20	12.80
Percentage gainers...							
Xinyuan Real Estate ADR	XIN	1,296.1	6.75	2.25	50.00	8.80	4.47
Regional Hlth Properties	RHE	76.5	4.21	0.60	16.62	5.40	3.34
Lemonade	LMND	160.3	12.10	1.01	9.11	13.47	11.00
Qorvo	QROV	55.5	101.00	7.38	7.88	102.12	93.62
SolarEdge Technologies	SEDG	112.5	283.19	19.37	7.34	290.00	262.95
...And losers							
PacWest Bancorp	PACW	14,276.1	2.96	-3.46	-53.90	6.58	2.58
Western Alliance Bancorp	WAL	3,331.4	19.49	-10.08	-34.09	29.89	19.26
Zynex	ZYXI	158.8	11.25	-3.31	-22.73	14.56	11.15
Metropolitan Bank	MCB	264.2	16.68	-4.55	-21.42	21.63	16.00
Option Care Health	OPCH	1,012.6	27.15	-5.64	-17.20	32.79	25.94

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	996,296,923	11,239,648
Adv. volume*	341,208,371	7,153,519
Decl. volume*	644,144,230	3,694,386
Issues traded	3,095	319
Advances	1,130	134
Declines	1,841	170
Unchanged	124	15
New highs	79	7
New lows	104	14
Closing Arms*	1.13	0.30
Block trades*	4,349	119
	Nasdaq	NYSE Arca
Total volume*	5,782,161,901	323,203,596
Adv. volume*	2,314,718,728	117,304,510
Decl. volume*	3,407,381,300	204,531,392
Issues traded	4,566	1,741
Advances	2,180	687
Declines	2,186	1,040
Unchanged	200	14
New highs	78	8
New lows	281	26
Closing Arms*	1.47	0.98
Block trades*	51,675	1,426

* 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	646.29	-1.70	-0.26	6.8
	MSCI ACWI ex-USA	301.45	1.09	0.36	7.2
	MSCI World	2796.31	-6.76	-0.24	7.4
	MSCI Emerging Markets	699.62	-4.32	-0.44	1.4
Americas					
	MSCI AC Americas	1549.62	-10.047	-0.64	6.3
Canada	S&P/TSX Comp	20354.68	-52.88	-0.26	5.0
Latin Amer.	MSCI EM Latin America	2190.50	6.543	0.30	2.9
Brazil	BOVESPA	101797.09	-129.86	-0.13	-7.2
Chile	S&P IPSA	3163.19	1.90	0.06	-0.3
Mexico	S&P/BMV IPC	54947.01	-232.42	-0.42	13.4
EMEA					
	STOXX Europe 600	462.51	1.43	0.31	8.9
Eurozone	Euro STOXX	456.35	1.533	0.34	11.3
Belgium	Bel-20	3770.88	10.47	0.28	1.9
Denmark	OMX Copenhagen 20	2059.25	-7.14	-0.35	12.2
France	CAC 40	7403.83	20.63	0.28	14.4
Germany	DAX	15815.06	88.12	0.56	13.6
Israel	Tel Aviv	1793.87	17.29	0.97	13.2
Italy	FTSE MIB	26835.31	205.23	0.77	13.2
Netherlands	AEX	744.24	-0.07	-0.01	8.0
Norway	Oslo Bors All-Share	1360.97	-8.49	-0.62	-0.1
South Africa	FTSE/JSE All-Share	78218.60	685.70	0.88	7.1
Spain	IBEX 35	9076.70	-5.30	-0.06	10.3
Sweden	OMX Stockholm	845.24	1.43	0.17	8.1
Switzerland	Swiss Market	11506.19	82.86	0.73	7.2
Turkey	BIST 100	4485.97	-20.27	-0.45	-18.6
U.K.	FTSE 100	7788.37	15.34	0.20	4.5
U.K.	FTSE 250	19365.60	51.37	0.27	2.7
Asia-Pacific					
	MSCI AC Asia Pacific	160.55	-0.21	-0.13	3.1
Australia	S&P/ASX 200	7197.40	-70.00	-0.96	2.3
China	Shanghai Composite	3323.27	...	Closed	7.6
Hong Kong	Hang Seng	19699.16	-234.65	-1.18	-0.4
India	S&P BSE Sensex	61193.30	-161.41	-0.26	0.6
Japan	NIKKEI 225	29157.95	...	Closed	11.7
Singapore	Straits Times	3262.01	-19.97	-0.61	0.3
South Korea	KOSPI	2501.40	-22.99	-0.91	11.8
Taiwan	TAIEX	15553.41	-83.07	-0.53	10.0
Thailand	SET	1533.30	4.87	0.32	-8.1

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	High	52-Week Low	% chg
Immunogen	IMGN	12.26	7.06	135.77	13.31	3.10	137.6
Aptorum Group	APM	5.73	2.84	98.29	17.30	2.30	-46.9
Harbor Custom Devt	HCDI	7.61	3.61	90.25	61.20	3.15	-86.7
GD Culture Group	GDC	5.77	2.37	69.71	44.00	1.80	-76.0
TOP Financial Group	TOP	84.80	31.79	59.97	256.44	3.50	...
Sentage Holdings	SMTG	4.09	1.46	55.51	9.63	1.44	9.1
Kintara Therapeutics	KTRA	4.36	1.40	47.30	20.00	2.70	-67.6
Mersana Therapeutics	MRSN	6.40	2.02	46.12	8.34	2.68	61.6
Kiromic Biopharma	KRBP	5.18	1.61	45.10	25.50	2.59	-68.5
MiMedx Group	MDXG	5.31	1.50	39.37	5.34	2.43	21.0
Mainz Biomed	MYNZ	5.47	1.48	37.09	14.27	3.18	-57.1
Ruth's Hospitality Group	RUTH	21.48	4.45	34.00	21.50	14.65	5.1
Quanterix	QTRX	16.40	4.13	33.66	23.98	6.31	-31.0
EzFill Holdings	EZFL	2.85	0.71	33.17	7.84	1.46	-39.1
Jupiter Wellness CI A	JWAC	5.60	1.37	32.39	13.02	3.90	-43.7

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	52-Week Low
Mullen Automotive	MULN	1,118,983	301.1	0.06	-21.11	1.71	0.06
Ideanomics	IDEX	208,732	304.7	0.05	-1.24	0.89	0.02
ProShares UltraPro QQQ	TQQQ	167,953	1.2	26.88	-1.97	42.45	16.10
ProSh UltraPro Shrt QQQ	SOQQ	149,143	5.9	30.42	2.05	69.55	28.68
Tesla	TSLA	118,851	-23.6	160.61	0.19	318.50	101.81
Advanced Micro Devices	AMD	109,118	79.7	81.62	-9.22	109.57	54.57
Immunogen	IMGN	104,999	2730.2	12.26	135.77	13.31	3.10
Ford Motor	F	93,492	33.6	11.79	-0.08	16.68	10.61
SPDR S&P 500 ETF Trust	SPY	89,346	-0.6	408.02	-0.69	431.73	348.11
Exela Technologies	XELA	88,724	-36.4	0.03	-10.96	7.60	0.03

Futures Contracts

Metal & Petroleum Futures									
	Contract						Open interest		
	Open	High	l o	Low	Settle	Chg			
Copper-High (CME) -25,000 lbs.; \$ per lb.									
May	3.8300	3.8450		3.8215	3.8315	-0.0165	3,182		
July	3.8685	3.8720		3.8300	3.8450	-0.0175	121,051		
Gold (CME) -100 troy oz.; \$ per troy oz.									
May	2017.10	2035.10		2015.20	2028.60	14.30	1,960		
June	2026.40	2050.00		2016.00	2037.00	13.70	378,068		
July	2034.70	2058.20	▲	2034.70	2046.90	13.70	624		
Aug	2045.00	2069.00		2035.40	2056.20	13.70	67,738		
Oct	2063.50	2086.40		2058.40	2075.10	13.70	10,476		
Dec	2081.60	2105.50		2075.20	2093.50	13.90	27,849		
Palladium (NYM) - 50 troy oz.; \$ per troy oz.									
May	1422.50	1442.50		1405.00	1416.80	-4.20	1		
June					1420.12	-10.12	21,212		
Platinum (NYM) -50 troy oz.; \$ per troy oz.									
May					1059.80	-16.50	1		
July	1074.70	1085.50		1057.20	1061.90	-16.50	68,472		
Silver (CME) -5,000 troy oz.; \$ per troy oz.									
May	25.425	25.595		25.190	25.476	0.072	861		
July	25.650	25.910		25.355	25.681	0.062	121,227		
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.									
June	71.56	71.79		67.95	68.60	-3.06	337,362		
July	71.43	71.67		67.90	68.55	-3.00	266,953		
Aug	71.14	71.38		67.73	68.37	-2.90	197,061		
Sept	70.74	70.97		67.46	68.08	-2.77	148,825		
Oct	70.31	70.47		67.16	67.75	-2.44	142,194		
Dec	69.47	69.71		66.63	67.16	-2.43	208,439		
Ny Harbor ULSD (NYM) -42,000 gal.; \$ per gal.									
June	2.2950	2.2979	▼	2.2046	2.2323	-0.059	85,870		
July	2.2961	2.2999	▼	2.2068	2.2345	-0.057	83,261		
Gasoline-Ny RBOB (NYM) -42,000 gal.; \$ per gal.									
June	2.4340	2.4371	▼	2.3039	2.3221	-1.136	98,575		
July	2.3868	2.3926	▼	2.2674	2.2850	-1.053	58,496		
Natural Gas (NYM) -10,000 MMBtu.; \$ per MMBtu.									
June	2.224	2.241	▼	2.103	2.170	-0.044	212,542		
July	2.428	2.443	▼	2.312	2.360	-0.057	276,911		
Aug	2.500	2.520	▼	2.392	2.436	-0.059	71,809		
Sept	2.489	2.506	▼	2.376	2.422	-0.058	128,826		
Oct	2.598	2.612	▼	2.495	2.540	-0.48	114,341		
Jan 24	3.808	3.809		3.709	3.743	-0.38	82,710		

Sugar-World (ICE-US)-112,000 lbs.; cents per lb.									
July	25.08	25.44		24.88	25.17	.03	407,725		
Oct	24.78	25.09		24.57	24.84	.01	223,620		
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.									
July					42.89	...	508		
Nov					42.19	...	1,443		
Cotton (ICE-US)-50,000 lbs.; cents per lb.									
May	80.72	80.79		78.56	78.76	-1.61	90,455		
July					78.76	-1.61	90,455		
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.									
May	270.00	274.40		270.00	274.45	3.55	28		
July	263.85	266.80		262.35	264.85	-1.20	8,111		

Interest Rate Futures

Ultra Treasury Bonds (CBT) - \$100,000; pts 32nds of 100%

June 140-290 142-130 140-210 **141-010** 15.0 1,449,819

Sept 141-220 142-250 141-15 **141-150** 15.0 225

Treasury Bonds (CBT)-\$100,000; pts 32nds of 100%

June 131-200 132-290 131-160 **131-280** 14.0 1,183,995

Sept 131-270 132-280 131-24 **132-030** 15.0 2,147

Treasury Notes (CBT)-\$100,000; pts 32nds of 100%

June 115-195 116-12 115-175 **115-290** 12.0 4,373,778

Sept 116-120 117-06 116-115 **116-235** 12.0 22,895

5 Yr. Treasury Notes (CBT)-\$100,000; pts 32nds of 100%

June 110-035 110-23 110-020 **110-107** 8.0 4,738,860

Sept 110-217 111-102 110-210 **110-297** 8.5 51,682

2 Yr. Treasury Notes (CBT)-\$200,000; pts 32nds of 100%

June 103-080 103-163 103-066 **103-102** 2.5 2,756,852

Sept 103-270 104-056 103-270 **103-313** 3.4 1,125

30 Day Federal Funds (CBT)-\$5,000,000; 100 - daily avg.

May 94.9775 94.9800 94.9500 **94.9525** -0.0250 390,791

July 94.9750 94.9850 94.9050 **94.9150** -0.0650 282,108

10 Yr. Del. Int. Rate Swaps (CBT)-\$100,000; pts 32nds of 100%

June 98-215 99-005 98-160 **98-215** 8.5 7,042

Three-Month SOFR (CME)-\$1,000,000; 100 - daily avg.

Feb 95.2350 95.2350 95.2325 **95.2300** -0.0050 15,337

June 94.9850 95.0050 94.9200 **94.9350** -0.0500 1,430,084

Eurodollar (CME)-\$1,000,000; pts of 100%

May 94.6750 94.6850 94.6450 **94.6475** -0.0500 63,870

June 94.6300 94.6600 94.5800 **94.6000** -0.0500 559,031

Currency Futures

Japanese Yen (CME)-¥12,500,000; \$ per 100¥

May .7339 .7431 .7330 **.7392** .0067 929

June .7372 .7474 .7370 **.7431** .0068 197,186

Canadian Dollar (CME)-CAD 100,000; \$ per CAD

May .7340 .7364 .7335 **.7359** .0016 355

June .7346 .7370 .7339 **.7364** .0016 166,233

British Pound (CME)-£62,500; \$ per £

May 1.2485 1.2593 ▲ 1.2472 **1.2568** .0096 601

June 1.2480 1.2605 ▲ 1.2480 **1.2578** .0097 219,069

Swiss Franc (CME)-CHF 125,000; \$ per CHF

June 1.1258 1.1384 ▲ 1.1256 **1.1351** .0095 42,690

Sept 1.1372 1.1480 ▲ 1.1366 **1.1462** .0097 437

Australian Dollar (CME)-AUD 100,000; \$ per AUD

May .6670 .6705 .6652 **.6689** .0024 627

June .6674 .6715 .6661 **.6698** .0023 179,496

Mexican Peso (CME)-MXN 500,000; \$ per MXN

June .05512 .05559 ▲ .05506 **.05583** .00044 25

Euro (CME)-€125,000; \$ per €

May 1.1032 1.1100 .11009 **1.1069** .0059 1,358

June 1.1032 1.1122 .11030 **1.1091** .0060 760,390

U.S. Dollar Index (ICE-US)-\$1,000 x index

June 101.65 101.70 .10084 **101.12** -.61 31,905

Sept 101.30 101.30 .10055 **100.77** -.61 862

Source: FactSet

Agriculture Futures

Corn (CBT) -5,000 bu.; cents per bu.									
May	636.50	646.00		626.50	645.25	7.25	6,620		
July	579.00	590.75	▼	569.25	588.50	8.50	544,056		
Oats (CBT) -5,000 bu.; cents per bu.									
May	294.00	294.00	▼	294.00	299.25	7.75	5		
July	303.25	312.25		301.25	310.25	7.75	3,837		
Soybeans (CBT) -5,000 bu.; cents per bu.									
May	1435.00	1449.00		1422.00	1448.00	8.50	1,516		
July	1411.00	1418.75		1392.25	1417.50	6.75	279,857		
Soybean Meal (CBT) -100 tons; \$ per ton.									
May	429.80	429.80		423.90	427.80	-2.00	1,590		
July	428.00	428.70	▼	420.90	424.90	-3.00	189,084		
Soybean Oil (CBT) -60,000 lbs.; cents per lb.									
May	50.75	52.23		50.75	52.37	.98	905		
July	51.87	52.76		50.93	52.64	.85	201,887		
Rough Rice (CBT) -2,000 cwt.; \$ per cwt.									
May	17.77	17.78		17.77	17.73	.09	13		
Sept	15.40	15.46		15.34	15.43	.03	3,494		
Wheat (CBT) -5,000 bu.; cents per bu.									
May	596.00	624.50	▼	596.00	626.25	30.75	398		
July	609.25	642.25	▼	603.75	639.75	30.50	229,505		
Wheat (KC) -5,000 bu.; cents per bu.									
May	819.00	831.00		780.00	828.00	56.75	72		
July	742.50	789.75		737.50	785.00	44.75	104,383		
Cattle-Feeder (CME) -50,000 lbs.; cents per lb.									
May	205.850	205.850		203.150	203.425	-2.525	8,544		
Aug	225.800	225.925		222.750	223.525	-2.650	31,365		
Cattle-Live (CME) -40,000 lbs.; cents per lb.									
June	162.800	162.800		161.200	161.650	-1.250	139,466		
Aug	160.750	160.750		159.275	159.550	-1.400	103,361		
Hogs-Lean (CME) -40,000 lbs.; cents per lb.									
May	78.800	78.900		78.075	78.150	-.025	4,280		
June	90.025	91.050		87.875	88.000	-1.950	94,321		
Lumber: British Columbia (CME) -110,000 bd. ft. \$ per 1,000 bd. ft.									
May	338.10	351.60		338.10	344.00	3.00	492		
Lumber: Chicago (CME) -27,500 bd. ft. \$ per 1,000 bd. ft.									
May	446.50	450.00	▼	441.50	446.00	-3.50	352		
July	504.00	504.00		495.50	496.50	-11.50	3,678		
Milk (CME) -200,000 lbs.; cents per lb.									
May	16.70	16.83		16.60	16.76	.11	5,450		
June	17.05	17.20		17.01	17.08	.11	5,727		
Cocoa (ICE-US) -10 metric tons; \$ per ton.									
May	3,100	3,101		2,988	3,014	-116	432		
July	2,892	2,905		2,857	2,870	-21	137,312		
Coffee (ICE-US) -37,500 lbs.; cents per lb.									
May	188.10	188.10		185.85	189.20	-1.45	431		
July	186.50	188.35		182.00	185.50	-1.25	85,349		

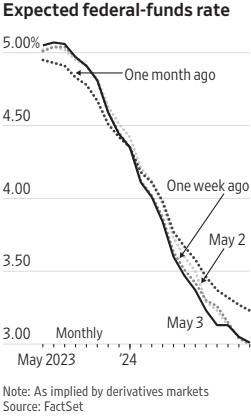
Treasury Yields Slide After Fed Reserve's Moves

Ex-Worker Guilty In First NTF Insider Trial

By SAM GOLDFARB
AND MATT GROSSMAN

U.S. government-bond yields fell Wednesday after the Federal Reserve raised interest rates and signaled it could hold off on further increases. Following volatile yield declines on Tuesday, the Treasury market initially held steady in reaction to the Fed's quarter-percentage-point rate increase, a move many traders believe will be the central bank's last rate increase for the foreseeable future. They then fell more sharply after the traditional 3 p.m. close as stock prices also dropped.

The benchmark 10-year Treasury yield—which falls when bond prices rise—settled at 3.401% at 3 p.m., down from 3.438% Tuesday, but slid to around 3.35% after the close, according to Tradeweb. The S&P 500 ended down



0.7% after clinging onto gains for much of Wednesday. Treasury yields largely reflect investors' expectations for short-term interest rates set by the Fed. The central bank on Wednesday afternoon

raised its benchmark federal-funds rate by 0.25 percentage point to a range of 5%-5.25%. That is up from 4.25%-4.5% at the end of December and near zero before the Fed started raising rates in March 2022. Some Fed officials, however, have signaled that rates might not go any higher. Many on Wall Street believe that inflation is already on a path to the central bank's 2% target. During the Fed's rapid interest-rate increases over the past year, its policy decisions often ushered in volatile adjustments in Treasury yields as traders bought and sold bonds to accord with their updated expectations for what the Fed might do next.

Wednesday's meeting, however, did relatively little to shake many investors' conviction that central bankers won't raise rates again when they next meet in mid-June.

Fed officials removed some text from their policy statement that had indicated a need for continuing interest-rate increases—but that edit was largely something traders had already expected, said William Sterling, a strategist at GW&K Investment Management.

Like many on Wall Street, Mr. Sterling expects the Fed to begin cutting rates in the second half of this year, a move that would likely keep Treasury yields from returning to the decade-plus highs recorded in recent months. In October, the 10-year yield reached as high as 4.231%.

Watch a Video



Scan this code to watch a video on the Fed's latest rate increase.

By JAMES FANELLI

A former employee of NFT marketplace **OpenSea** was found guilty Wednesday of what federal prosecutors described as the first insider-trading case involving digital tokens, marking a win for the Justice Department in its push to police the crypto industry.

A federal jury in New York convicted Nathaniel Chastain of wire fraud and money laundering for using nonpublic information from his employer to trade on nonfungible tokens in 2021. The Manhattan U.S. attorney's office charged Mr. Chastain in 2022, accusing him of purchasing the NFTs ahead of OpenSea's featuring them on its home page. Once the NFTs spiked in value after being featured, Mr. Chastain sold them, pocketing tens of thousands of dollars in profit, prosecutors said.

“He had information that would give him a leg up on every other NFT trader,” Assistant U.S. Attorney Thomas Burnett said during closing arguments.

The five-day trial, which started last week, was the latest example of the Justice Department's ramped-up law enforcement efforts against the lightly regulated crypto industry.

Mr. Chastain had denied the charges.

“We respect the jury process and appreciate the jury's time and effort,” David Miller, a lawyer for Mr. Chastain, said in a statement after the conviction. “We disagree, however, with the jury's verdict and we are evaluating our options.”

Ahead of the trial, his lawyers unsuccessfully fought to scrub any mention of insider trading from the case, arguing that prosecutors were taking liberties with the term. Prosecutors didn't bring traditional

insider-trading charges against Mr. Chastain, which involve securities or commodities violations, they said.

Daniel Filor, a lawyer for Mr. Chastain, sought to make the distinction during closing arguments, telling jurors that NFTs weren't regulated like other industries.

“It's not the stock market,” Mr. Filor said.

Mr. Chastain's case ultimately centered on whether the information he used to purchase the NFTs was actually confidential.

‘It’s not the stock market,’ Nathaniel Chastain’s attorney said in his defense.

Prosecutors said that when he was hired, he signed a confidentiality agreement that covered the information about coming featured NFTs. They presented Slack communications between him and a co-worker that they say showed he knew the scheme was wrong. Mr. Chastain also went to great lengths to conceal his identity in the transactions, they said.

OpenSea, the largest NFT marketplace, was a fledgling startup when Mr. Chastain was an employee, having at the time fewer than a dozen workers and no general counsel or compliance officer. Mr. Filor described the confidentiality agreement as a boilerplate contract downloaded from a legal-services website. OpenSea had no clear policy or training for employees about what was considered confidential information, he said.

Mr. Chastain was in charge of choosing which NFTs to feature on the home page.



Maersk said it is shedding its interest of less than 2.3% in TMC the metals company, which is down from a stake of 9% in 2021.

Shipping Giant Maersk Is Selling Stake in Deep-Sea Mining Company

By YUSUF KHAN

Shipping company **A.P. Moller-Maersk** is selling its stake in deep-sea mining firm **TMC the metals company**, even as the legal process to allow seabed mining approaches its final stages.

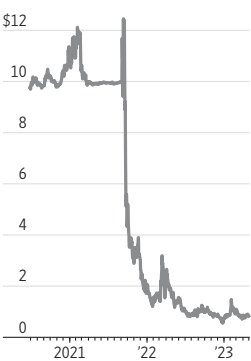
Maersk said that it now holds an interest of less than 2.3% in TMC and is selling all of its shares.

The shipping company held more than 9% of TMC in 2021, according to data from FactSet and has been an investor in the company since 2017.

TMC is one of the biggest proponents of deep-sea mining and is the most active company within the sector, being the first to complete pilot testing.

In June 2021, the company along with the Republic of Nauru set in motion talks for deep-sea mining to be legalized when it applied to the United

TMC the metals company share price



Source: FactSet

.Nations-backed International Seabed Authority to mine in the Pacific Ocean. It triggered a rule that required the ISA to establish a code that would allow mining of deep-sea resources by

July 2023, even if, as is expected, no code will have been agreed upon.

The practice has garnered attention because of the potential to harvest battery metals such as cobalt and nickel from rocks on the seafloor. Seabed mining raises the prospect of additional supplies to alleviate expected shortfalls while proponents also argue it could mitigate concerns from other sources, such as humanitarian issues with cobalt mining in the Congo and environmental issues with nickel mining in Indonesia.

Maersk said it entered into a contract with TMC five years ago, under which it would provide shipping services to the company. Maersk said direct payment from TMC wasn't possible at the time and so payment for the contract was provided in the form of shares that it is in the process of selling. TMC said in 2022 that

Maersk didn't have a vessel suitable for TMC's mining operations, so the miner instead signed a contract with engineering firm **Allseas Group**. “We remain good friends [with Maersk] and grateful for their important contribution in getting this industry moving in the right direction,” TMC Chief Executive Gerard Barron said.

In March, **Lockheed Martin** sold U.S. Seabed Resources, which holds the licenses for two seabed exploration contracts in the Pacific Ocean. Norway's **Loke Marine Minerals** purchased UKSR for an undisclosed fee.

TMC and other deep-sea mining firms have come under fire over worries that the practice will harm the seabed environment. TMC had said it aimed to start seabed mining in the second half of this year but is now willing to wait until a mining code has been finalized.

New Highs and Lows

Continued From Page B9				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
Corvel	CRVL	210.68	2.2	MIMeda	MDGX	5.34	39.4	VerSign	VRSN	226.50	1.4	VerSign	VRSN	226.50	1.4
CueBioPharma	CUE	4.69	3.5	MonsterBev	MONST	58.80	1.4	VitacoCo	COCO	24.16	15.3	VerSign	VRSN	226.50	1.4
DRDOLD	DRD	12.15	6.5	Mountain A	MNTA	10.81	—	WestPharmSvcs	WST	376.72	0.3	VerSign	VRSN	226.50	1.4
DentsplySirona	XRAY	43.24	-3.8	NCST	NCST	10.09	-0.6	Wingstop	WING	22.72	0.9	VerSign	VRSN	226.50	1.4
EagleMaterials	EXP	153.50	0.6	ORLY	ORLY	941.87	-0.5	WorldwideWeb	WVVC	45.49	0.8	VerSign	VRSN	226.50	1.4
Ecobab	ECOB	17.97	-0.5	OSI Systems	OSI	120.00	0.8	XPO	XPO	45.49	0.8	VerSign	VRSN	226.50	1.4
EldoradoGold	EGO	12.07	0.1	OduleWt	OC	0.88	25.3					VerSign	VRSN	226.50	1.4
EnelChile	ENIC	2.89	0.1	OneSpaWorld	OSW	15.00	-1.8					VerSign	VRSN	226.50	1.4
Escalade	ESCA	15.70	2.8	OssiskoGold	OR	17.78	1.0					VerSign	VRSN	226.50	1.4
Eyenovia	EYEN	5.85	2.5	OwensCorning	OC	106.67	0.9	ADT	ADT	5.25	-7.5	VerSign	VRSN	226.50	1.4
FomentoEconMex	FMX	98.98	-1.2	PG&E	PGU	17.46	0.2	Adtran	ADTN	8.66	-0.9	VerSign	VRSN	226.50	1.4
Forestal	FOR	20.12	0.1	PGUE	PGU	15.40	0.1	AlexaBrands	ALX	0.31	-1.9	VerSign	VRSN	226.50	1.4
GFUEntrepreneur	GFL	37.21	-0.4	PENumbra	PEN	386.70	7.0	ANZ Therap	ANTX	5.68	-9.7	VerSign	VRSN	226.50	1.4
GalataAcq	GLTA	10.99	5.0	PepsiCo	PEP	193.25	0.5	ADDVantage	AEY	0.92	-0.1	VerSign	VRSN	226.50	1.4
Gallagher	AJG	21.60	0.1	PeycoHotsels	PYH	9.77	0.6	AdvEmisions	ADES	1.63	-4.3	VerSign	VRSN	226.50	1.4
Gardiner&Hitcher	GDHR	12.02	-0.1	PowellIndustries	PWIL	49.99	21.7	AdventTech	ADN	0.65	-0.8	VerSign	VRSN	226.50	1.4
GeneralElec	GE	102.95	0.3	Prothea	PROA	3.15	19.3	Alexander's	ALX	17.26	-0.3	VerSign	VRSN	226.50	1.4
GeneralMills	GIS	89.78	-0.2	Prothea	PROA	68.25	2.7	AlarmsCom	ALRM	45.24	0.3	VerSign	VRSN	226.50	1.4
GoldFields	GFI	16.78	1.9	QuadBioSciences	QBS	8.88	19.2	AlexisFinancial	ALFS	13.67	-1.7	VerSign	VRSN	226.50	1.4
GrandCanyonEduc	GPE	124.53	0.2	QuadracorpOnco	QDRO	10.27	0.1	Alexander's	ALX	17.26	-0.3	VerSign	VRSN	226.50	1.4
GraphixPkg	GPK	28.15	-1.3	RealPharm	RPL	104.36	2.2	AlpineA	ALPP	0.25	-12.2	VerSign	VRSN	226.50	1.4
GrayRicciPrters	GRPE	38.13	12.2	RestorantInt	RST	40.44	1.1	Alteryx	ALTY	34.70	1.2	VerSign	VRSN	226.50	1.4
HNR Acqn	HNR	10.60	-0.1	RevivaPharm	RVPV	73.24	-0.5	AITGlobal	AITI	5.36	-0.6	VerSign	VRSN	226.50	1.4
HarmonyGold	HMY	5.07	2.5	RevivaPharmWt	RVPW	8.65	9.7	AmalgamFin	AMAL	14.61	-0.2	VerSign	VRSN	226.50	1.4
Hawker	HWR	72.47	-1.4	RiceAcqIntl Wt	RONW	2.34	-5.1	AmericanFin	AFG	113.48	-4.4	VerSign	VRSN	226.50	1.4
DR Horton	DHI	111.25	1.0	RuthsHospitality	RUTH	21.50	34.0	Amgen	AMGN	27.00	-2.3	VerSign	VRSN	226.50	1.4
Hov	HOV	77.32	1.0	SAP	SAP	137.32	1.1	AmnTbShs	AMTB	16.13	3.0	VerSign	VRSN	226.50	1.4
Hubb	HUBS	282.19	-2.3	ShuaaPrtsl A	SHUA	11.04	-0.3	AmplioPharm	AMPE	0.19	1.0	VerSign	VRSN	226.50	1.4
HuronConsulting	HURN	87.44	-12.0	Sanfilippo	JESS	119.33	6.9	AuroraResoures	AR	20.45	-2.8	VerSign	VRSN	226.50	1.4
HysterValestar	HYST	57.61	-0.8	SilverSPAC	SLVR	10.86	4.8	Arrival	ARVL	17.48	-5.8	VerSign	VRSN	226.50	1.4
IES Holdings	IESC	46.70	2.2	StonBridgeA	APAC	10.68	0.5	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4
Ingram	INGR	112.30	0.4	SuperMicroMC	SMCI	136.64	28.3	AuroraFin	ARFN	24.37	-1.4	VerSign	VRSN	226.50	1.4
Ingersoll	INGR	112.30	0.4	StylincChamp	STCL	45.05	4.3	Assure	ASUR	15.00	-1.7	VerSign	VRSN	226.50	1.4
Kadmed	KRMD	43.89	3.8	SNK	SNK	26.02	0.1	AssociatedBank	ASB	15.87	-9.7	VerSign	VRSN	226.50	1.4
Kalm	KBM	44.46	1.0	SOVO	SOVO	18.09	3.3	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4
LandsWeston	LW	113.03	-1.1	StorbridgeA	STBR	127.45	-1.5	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4
LancasterColony	LANC	215.07	1.6	StorbridgeB	STBR	127.45	-1.5	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4
LeMatreVascular	LMVK	63.95	15.2	StorbridgeC	STBR	127.45	-1.5	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4
Lennar A	LEN	115.50	1.0	StorbridgeD	STBR	127.45	-1.5	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4
Lennar B	LENB	102.35	1.5	StorbridgeE	STBR	127.45	-1.5	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4
Leximotix	LXI	286.87	0.6	StorbridgeF	STBR	127.45	-1.5	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4
Liilly	LLY	426.67	6.1	StorbridgeG	STBR	127.45	-1.5	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4
Liuna	LIUN	367.68	0.6	StorbridgeH	STBR	127.45	-1.5	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4
MDC Holdings	MDC	42.42	3.7	StorbridgeI	STBR	127.45	-1.5	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4
Milli Homes	MIMH	68.53	0.2	StorbridgeJ	STBR	127.45	-1.5	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4
MSC Industrial	MSIM	91.93	-0.4	StorbridgeK	STBR	127.45	-1.5	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4
MYR Group	MYRG	133.58	2.5	StorbridgeL	STBR	127.45	-1.5	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4
MSC Sports	MSGS	205.34	4.9	StorbridgeM	STBR	127.45	-1.5	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4
MasaMancini's	MMMB	25.56	4.6	StorbridgeN	STBR	127.45	-1.5	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4
Maquil	MAQC	111.15	2.0	StorbridgeO	STBR	127.45	-1.5	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4
Materion	MTRN	122.29	10.6	StorbridgeP	STBR	127.45	-1.5	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4
Merck	MRK	119.65	0.3	StorbridgeQ	STBR	127.45	-1.5	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4
MeritMedical	MMSI	83.73	2.0	StorbridgeR	STBR	127.45	-1.5	AssBancPDE	ASBP	17.10	-2.8	VerSign	VRSN	226.50	1.4

Stock	Sym	Hi/Lo	Chg	Stock	Sym	Hi/Lo	Chg	Stock	Sym	Hi/Lo	Chg	Stock	Sym	Hi/Lo	Chg
BigCommerce	BIGC	7.03	-1.8	CuriotecStmWt	CURW	0.03	30.8	Group	GRPN	3.30	-0.3	MediaAlpha	MAX	6.04	-8.1
BioNtech	BNTX	108.96	-0.8	DigitalMedia	DMIS	0.57	-13.1	GuarantyBchrs	GNTY	23.00	-0.8	MerchantsBncPDA	MBNP	25.58	-2.2
BlackKnight	BKNT	53.15	-1.1	DigitalMedia	DMIS	0.57	-13.1	HF Sindr	HF	40.42	0.7	Polymor	POLA	11.03	-11.9
BlendLabs	BLND	0.55	0.1	DigitalMedia	DMIS	0.57	-13.1	HerbCustomPDA	HCDP	14.50	-2.5	PolymerMining	POLM	1.66	-2.9
BlueBirdBkshs	BBRS	7.45	-4.1	DigitalMedia	DMIS	0.57	-13.1	HarborOneBncp	HONE	8.31	-1.9	PresidenDrilling	PDS	4.07	1.0
BlueStarFoods	BSFC	0.11	-0.1	DouglasDynamics	DLOW	2.67	-2.8	HttrCrAtmPty	HTAT	17.81	-0.1	RealtyExec	REX	1.01	-0.1
BrocadeFini	BSBK	88.00	-1.8	DouglasElliman	DEUG	2.76	-2.48	HumanaHSA	HQV	90.59	-1.7	RealtyExec	REX	1.01	-0.1
Brighthouse	BH	1.00	-0.01	Equinix	EQIX	1.00	-0.01	HorizonBancorp	HZN	1.00	-0.01	RealtyExec	REX	1.01	-0.1
BrandywineRealty	BDRG	3.62	-0.29	DumbDumbStree	DNB	10.08	-13.3	HorusMedia	HSOT	0.14	-0.15	RealtyExec	REX	1.01	-0.1
Bridgeline	BDRG	9.25	-1.1	EBET	EBET	0.31	-6.2	HellsMkPayne	HP	30.65	-0.9	RealtyExec	REX	1.01	-0.1
BrightwaveBchrs	BWB	8.64	-3.2	EHomeHousehold	EH	0.28	-0.9	HerdFertige	HFHA	16.06	-1.06	RealtyExec	REX	1.01	-0.1
BrightwaveHldg	BWHM	13.62	-1.0	Equinix	EQIX	1.00	-0.01	HorizonBancorp	HZN	1.00	-0.01	RealtyExec	REX	1.01	-0.1
Buck 575PDA	BPPN	11.25	-0.34	Equinix	EQIX	1.00	-0.01	HinghamSng	HHS	180.76	-2.2	RealtyExec	REX	1.01	-0.1
BrookfieldBncPDA	BPPN	12.81	-0.34	Equinix	EQIX	1.00	-0.01	HomeBancorp	HMBT	28.62	-2.2	RealtyExec	REX	1.01	-0.1
Buena Vista	BV	1.00	-0.01	Equinix	EQIX	1.00	-0.01	HomeStreet	HMS	56.17	-1.07	RealtyExec	REX	1.01	-0.1
Buena VistaBchrs	BVST	14.00	-1.5	Equinix	EQIX	1.00	-0.01	HomeStreet	HMS	56.17	-1.07	RealtyExec	REX	1.01	-0.1
CableOne	CAO	17.50	-2.7	EmpireStateRealE	ESPT	3.56	-1.8	HorizonBancorp	HZN	1.00	-0.01	RealtyExec	REX	1.01	-0.1
CB&I Energy	CBAT	0.79	-0.01	EnterpriseFincS	EFV	38.91	-1.3	HoustonAmEne	HUSA	2.07	-0.1	RealtyExec	REX	1.01	-0.1
CB&I Energy	CBAT	0.79	-0.01	EnterpriseFincS	EFV	38.91	-1.3	HoustonAmEne	HUSA	2.07	-0.1	RealtyExec	REX	1.01	-0.1
CB&I Energy	CBAT	0.79	-0.01	EnterpriseFincS	EFV	38.91	-1.3	HoustonAmEne	HUSA	2.07	-0.1	RealtyExec	REX	1.01	-0.1
CB&I Energy	CBAT	0.79	-0.01	EnterpriseFincS	EFV	38.91	-1.3	HoustonAmEne	HUSA	2.07	-0.1	RealtyExec	REX	1.01	-0.1
CB&I Energy	CBAT	0.79	-0.01	EnterpriseFincS	EFV	38.91	-1.3	HoustonAmEne	HUSA	2.07	-0.1	RealtyExec	REX	1.01	-0.1
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CB&I Energy	CBAT	0.79	-0.01	EnterpriseFincS	EFV	38.91	-1.3	HoustonAmEne	HUSA	2.07	-0.1	RealtyExec	REX	1.01	-0.1
CB&I Energy	CBAT	0.79	-0.01	EnterpriseFincS	EFV	38.91	-1.3	HoustonAmEne	HUSA	2.07	-0.1	RealtyExec	REX	1.01	-0.1
CB&I Energy	CBAT	0.79	-0.01	EnterpriseFincS	EFV	38.91	-1.3	HoustonAmEne	HUSA	2.07	-0.1	RealtyExec	REX	1.01	-0.1
CB&I Energy	CBAT	0.79	-0.01	EnterpriseFincS	EFV	38.91	-1.3	HoustonAmEne	HUSA	2.07	-0.1	RealtyExec	REX	1.01	-0.1
CB&I Energy	CBAT	0.79	-0.01	EnterpriseFincS	EFV	38.91	-1.3	HoustonAmEne	HUSA	2.07	-0.1	RealtyExec	REX	1.01	-0.1
CB&I Energy	CBAT	0.79	-0.01	EnterpriseFincS	EFV	38.91	-1.3	HoustonAmEne	HUSA	2.07	-0.1	RealtyExec	REX	1.01	-0.1
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MARKETS

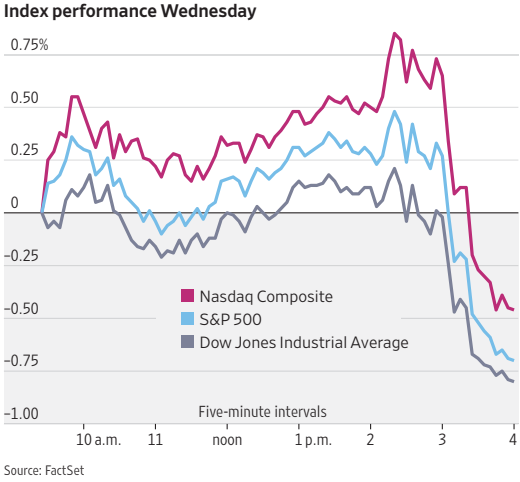
Stocks End Lower After Latest Rate Hike

Indexes initially rose, then stumbled when Powell said Fed hadn't decided on a pause

By AKANE OTANI

Stocks gave up their initial gains after the Federal Reserve approved raising interest rates to their highest level in 16 years. The S&P 500 slipped 0.7%, while the Dow Jones Industrial Average declined 0.8%, or 270 points, and the Nasdaq Composite lost 0.5%. Markets were relatively quiet leading up to the release of the Fed's interest-rate decision. Stocks were then volatile in afternoon trading, with major indexes hitting session highs and then erasing gains altogether as Fed Chair Jerome Powell addressed reporters at the postmeeting press conference.

Many investors initially appeared to interpret the central bank's latest policy statement as a sign it is likely to hold rates where they are, instead of pushing through further rate increases in the months ahead. The Fed cut language from its previous policy statement from March that had said "additional policy firming may be appropriate." Mr. Powell, however, said the Fed hadn't made a decision on a pause. Some analysts cautioned that the Fed has still left itself room to potentially raise rates again down the line if data suggest inflation isn't subsiding quickly enough. Earlier Wednesday, data from payroll processor Automatic Data Processing showed hiring among U.S. private-sector employees rose far more than economists had expected in April. "We can still expect a fair amount of volatility across markets," said Mike Loewengart, head of model portfolio



construction at Morgan Stanley Global Investment Office. So far, data have mostly suggested the U.S. economy is continuing to hold up better than many had feared. But Mr. Loewengart said with inflation

selective about which companies to invest in. "We know the economy is slowing. I think the debate is about the magnitude of whatever recession might occur," he said. U.S. government bonds strengthened. The benchmark 10-year U.S. Treasury yield fell to 3.401% from 3.438% Tuesday. Derivatives markets showed traders expect the Fed's federal-funds rate to finish the year around 4.45%, implying the central bank will cut rates before the end of 2023. Meanwhile, a string of earnings reports drove swings among individual stocks. Pizza Hut parent **Yum Brands** fell 3.9% after reporting worse-than-expected earnings, in part because of fluctuations in currency markets. **Clorox**, which shared results after the closing bell Tuesday, jumped 4.7%. The maker of its namesake bleach and cleaning products, as well as Pine-Sol, raised its sales outlook for the rest of the year. Regional banks extended declines following the seizure of First Republic Bank, which had put pressure on stocks Tuesday. **PacWest Bancorp** fell 2%, while **Western Alliance Bancorp** shed 4.4%. Europe's Stoxx 600 rose 0.3%. The Tokyo stock exchange is closed for a holiday Thursday. Early in the day, Hong Kong's Hang Seng Index was up 1.2% and the Shanghai Composite was up 0.8%. S&P 500 futures rose 0.1%.

AUCTION RESULTS

Here are the results of Wednesday's Treasury auction. 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	\$107,062,845,800
Accepted bids	\$36,850,348,300
"noncompetitively"	\$528,484,300
"foreign noncompetitively"	\$100,000,000
Auction price (rate)	98.353833 (4.989%)
Coupon equivalent	5.148%
Bids at clearing yield accepted	70.91%
Cusip number	9127976R2

The bills, dated May 9, 2023, mature on Sept. 5, 2023.

Fund Targets \$500 Million at Forestry, Agriculture



Folium will primarily seek institutional investors for the fund, but qualified individuals can also invest.

By LUIS GARCIA

Folium Capital aims to raise \$500 million for a new fund to acquire forestry and agriculture assets, as the specialist investment firm sees opportunities both in the efforts to reduce carbon emissions and the demand for healthy foods. The Burlington, Mass.-based firm is beginning to raise Folium Fund III LP roughly five years after collecting a total of \$680 million for two funds, one focused on agriculture and the other on forestry, said Andy Wiltshire, a Folium managing partner. Folium will predominantly seek institutional investors for the fund, but qualified individuals can also invest, the firm said. Investing in the two sectors

from a single fund will save administrative costs and can be more convenient to investors, Mr. Wiltshire said. He noted that most backers of the firm's current vehicles split their capital between the two strategies. "What we have seen in the marketplace is [that] many of the opportunities contain both agriculture development and forest development," he said. "When you only have a single asset class fund, you limit your options to develop some parts of a property to its best use." Private-capital firms in general are having more difficulty raising capital as rising interest rates slow down deal making and damp the appetite for new funds. Those firms raised \$4.24 billion across 18 natural resources-

focused funds worldwide during this year's first quarter, a fraction of the \$67.7 billion amassed across 42 such vehicles in the year-earlier period, according to research provider Preqin. "We think there are plenty of investors who are nervously watching the financial and economic circumstances," Mr. Wiltshire said. "But there are also plenty who are willing to look through those things and to see" the favorable trends boosting investments in forestry and agriculture, he added. One such trend, he said, is the increased popularity, particularly across developed countries, of some foods considered healthy. He cited as examples nuts, olive oil and fruits such as avocados and blueberries.

Inspector Suspended At CFTC

Continued from page B1
cording to a report he submitted to Congress last year. In 2011, Mr. Lavik's office received a rating of "fail" in a peer review of its audit function by the Federal Election Commission's inspector general. In a report to Congress, Mr. Lavik's office disputed some of the review's findings and said it was taking steps to address others.

CIGIE's February report said that Mr. Lavik's deputy, Judith Ringle, engaged in "substantial misconduct" in connection with the treatment of whistleblowers and computer-security practices, alleging that she improperly accessed a federal training site using Mr. Lavik's login information. It recommended disciplinary action but didn't suggest removing her. Ms. Ringle disputed the report's allegations. In a response included as an appendix to the report, she denied violating whistleblower-protection rules and said the allegations relating to computer security amounted to "a technicality with no actual harm to the CFTC or the integrity of their

systems." She didn't respond to requests to comment. Inspectors general usually get little public attention, but the positions had a brief moment in the spotlight during the Trump administration. President Donald Trump fired several of the watchdogs, including the inspector general for the U.S. intelligence community, after chafing at their oversight efforts. Presidents appoint inspectors general at cabinet-level agencies, while those at some smaller agencies are appointed by the agencies' heads. Two-thirds of the CFTC's commissioners must agree before it can remove an inspector general.

Buffett Feasts on Dividends

Continued from page B1
recent investments. Dividend stocks are appealing to many investors because they offer steady payments like bonds while also having the potential to deliver much bigger returns if their share price rises. They enjoyed a period of outperformance at the start of 2022, when nervousness about inflation sent investors fleeing many other parts of the stock market. But like everything else in the equity market, dividend stocks still carry risks. Companies can cut back on or even suspend their dividends if they face a cash crunch. That can cause their stock prices to fall, since investors often interpret a company's decision to suspend its dividend program as a sign that it is running up against significant financial problems. Dividend stocks also tend to underperform when investors gravitate more toward relatively pricey growth stocks, as has been the case this year. For Mr. Buffett, dividends aren't "the secret sauce, but they're part of it," Mr. Finkle said. For instance, in 1994, Berkshire finished buying the

roughly 400 million shares of Coca-Cola it currently owns for \$1.3 billion. That year, Berkshire got \$75 million in cash dividends from Coca-Cola. Fast forward to 2022: Berkshire received \$704 million in dividends from the beverage maker. The value of its stake had swelled to \$25 billion. "Growth occurred every year, just as certain as birthdays," Mr. Buffett said in his annual letter to shareholders, released earlier this year. "All Charlie [Munger] and I were required to do was cash Coke's quarterly dividend checks," he said.

Dividends aren't 'the secret sauce, but they're part of it,' says one follower.

Mr. Buffett added in the letter that he and Mr. Munger, who are Berkshire's chairman and vice chairman, respectively, expect the company to continue to pay out bigger dividends. The men have good reason to believe that will be the case: Coca-Cola said in February that it had approved its 61st consecutive annual dividend increase. Berkshire was similarly rewarded for investing in American Express. It completed the bulk of its purchases of American Express shares in 1995 for \$1.3

billion and received \$41 million in dividends that year. Last year, Berkshire's stake in the company was valued at \$22 billion. It received \$302 million in dividends from American Express. "These dividend gains, though pleasing, are far from spectacular," Mr. Buffett said in his letter. "But they bring with them important gains in stock prices." Berkshire didn't choose to reinvest the dividends it received from Coca-Cola and American Express back into those stocks—one common way that many investors end up raising their returns over time. Its stake in both companies has increased over the years from buybacks. Although Mr. Buffett hasn't publicly commented on why he hasn't bought more Coca-Cola and American Express stocks since the 1990s, his followers have theorized that it is because of his aversion to overpaying for investments. "For the investor, a too-high purchase price for the stock of an excellent company can undo the effects of a subsequent decade of favorable business developments," Mr. Buffett wrote to Berkshire's shareholders in 1983. Coca-Cola's stock on Tuesday finished at \$64.01, not far off its record of \$64.30 hit in 2022 but well above the \$10 to \$12 range it traded at in 1994. "He did get a great deal on that stock," Mr. Finkle said. —Mike DeStefano contributed to this article.

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HEARDONTHESTREET

FINANCIAL ANALYSIS & COMMENTARY

More Rate Increases Can Wait

Stress in banking system and debt-ceiling risks could make Wednesday’s interest-rate boost the last for a while

So far, the economy isn’t sending any strong signals that the Federal Reserve should stop raising rates. But Wednesday’s rate increase could be the last for a while.

Fed policy makers raised their target on overnight rates by a quarter percentage point to a range of 5% to 5.25%, the highest level since the summer of 2007, shortly before the financial crisis struck. The central bank’s tightening campaign has been the swiftest and steepest since the early 1980s, lifting rates from near zero just over a year ago.

But on Wednesday the Fed—led by Chair Jerome Powell—effectively

hit the pause button, raising rates by a quarter point but signaling that it will likely stand pat at its meeting next month. In a change from the statement released after its prior meeting, the Fed’s policy-setting committee removed language stating that it “anticipates that some additional policy firming may be appropriate.”

It instead said it would weigh a variety of factors in assessing whether it should raise rates again. The watering down of this language is a reflection of how fresh signs of stress in the banking system, including the closure of First Republic Bank early Monday

and steep slides in the shares of regional banks this week, have increased the danger that lending will be curtailed to the point where the economy slides into a recession.

In another notable change to its postmeeting statement, the central bank said tighter credit conditions for households and businesses were likely to weigh on the economy. After the prior meeting, shortly after the failures of Silicon Valley Bank and Signature Bank in March, it said “recent developments” would probably tighten credit conditions. So the Fed, which is privy to information on banks that investors aren’t—in-

cluding the results of the latest survey of loan officers, due for release on Monday—might be seeing more restrictions on lending.

Adding to the risks facing the economy, Treasury Secretary Janet Yellen on Monday said the U.S. government could become unable to pay all its bills as soon as June 1 if Congress doesn’t raise the debt limit. The nonpartisan Congressional Budget Office echoed that warning in its own assessment, estimating that there is a “significantly greater risk that the Treasury will run out of funds in early June.”

Absent those circumstances, the Fed would probably be ready to

keep raising rates. Inflation has been cooling, but is far above the 2% the central bank is aiming for. The job market is still strong.

Indeed, ADP, in its reading on employment based on its payroll data, said Wednesday that job growth stepped up in April from March, while the Institute for Supply Management said its April index of service-sector activity rose.

Maybe on the other side of banking stress and the debt-ceiling fight the economy will prove resilient enough, and inflation entrenched enough, that the Fed will decide to raise rates again.

But we aren’t there yet.

—Justin Lahart

The Gas-Guzzler Business Is Still Trucking

Detroit has a rocky road ahead, but it has cash to navigate it.

First-quarter results from **General Motors**, **Ford** and Chrysler owner **Stellantis** beat expectations across the board, but investors weren’t impressed. They are more focused on **Tesla**’s price war in electric vehicles and the Federal Reserve’s interest-rate increases, which are pushing up consumers’ monthly vehicle payments.

Ford reported quarterly adjusted operating profit of \$3.4 billion after the market closed Tuesday, versus consensus forecasts of about \$2.5 billion. Yet the shares slipped in trading on Wednesday. That echoed what happened a week before when GM not only beat Wall Street’s expectations but raised its guidance, only to see its stock fall 4%.

Both companies noted strong pricing, as did Stellantis, which published revenue numbers Wednesday. (It follows the French practice of reporting profit only twice a year.) For now, pent-up needs after two years of vehicle shortages and a strong economy continue to support consumer demand. Supply is gradually improving following the pandemic semiconductor crunch, but not fast enough to give buyers the kind of negotiating power they used to enjoy with dealers.

Nobody expects this dynamic to last forever, but the unwind is shaping up to be a slow one, and the manufacturers are doing what they can to prolong it. GM cut pickup truck production in February to keep inventories in check.

Stellantis’s inventories, at 1.3 million vehicles including dealers’ stock at the end of March, are ahead of peers. That is a warning flag: If brands such as RAM and Jeep start to discount, it will be hard for Chevrolet and Ford to hold firm. But Stellantis might have built inventories as part of preparations for a potential strike by the United Auto Workers union this fall.

In 2019, the UAW reached a



Ford reported quarterly adjusted operating profit of \$3.4 billion Tuesday. Ford Broncos at the 2023 New York Auto Show.

four-year deal with GM that set the pattern for the unionized industry, but only after a strike that cost the company \$3.6 billion and about six weeks of production. And that was when inflation was subdued. Stellantis’s idling of a Jeep factory in Belvidere, Ill., even as it reports very strong U.S. profit could put it in the crosshairs this time. Whomever the UAW picks to negotiate with, a strike could be yet another industry disruption that keeps vehicle prices higher for longer.

As for Tesla’s price cuts, they are undoubtedly hitting the core of the EV market: This week Ford cut prices again for its Mustang Mach-E, which competes with the Model Y. “We could see the overcapacity in the two-row electric utility segment years ago,” Ford Chief Executive Jim Farley told analysts Tuesday.

But he gave evidence that the battle isn’t yet spreading to less-established categories of EVs: Ford increased prices for its F-150 Lightning by \$11,000 since its launch. For now, the biggest rival Ford faces in electric pickups is **Rivian**, whose stock is down about 84% since its initial public offering due to persistent growing pains. Another would-be rival, **Lordstown Motors**, warned Monday that its key backer, the Taiwanese contract manufacturer Foxconn, was claiming a breach of contract to withhold promised funds.

There is no room for complacency at Ford as GM gears up to launch its electric Silverado and Tesla its Cybertruck, both due in limited volumes later this year. Still, the struggles faced by EV startups highlight the value of Detroit’s traditional business in subsidizing the new technology.

Ford’s first-quarter results, its first to feature a new segmentation by product line, showed \$4 billion in operating profit from gas engines alongside a \$722 million loss in EVs.

Expensive as they are, EVs might be a lower near-term risk to Detroit earnings than the Fed’s battle with inflation. So far, rising rates are only hitting profit in manufacturers’ vehicle-finance divisions, but they are preparing for a broader impact, GM in particular with voluntary buyouts and, last weekend, layoffs. Keeping costs in check is about all they can do.

Investors are right to focus on hazards ahead rather than smooth driving now. Still, the longer the good times keep rolling for Detroit’s traditional business, the better prepared it will be for the risks.

—Stephen Wilmot

Samsung Is a Case Study in How to Leave China

“Derisking” is the latest buzzword describing Western governments’ strategy toward China. While it sounds less ambitious than “decoupling,” the basic idea is similar: reducing reliance on China for manufacturing, especially for key technological goods.

Driven by both geopolitics and commercial needs, the trend seems likely to pick up further steam: Even **Apple**, the most visible beneficiary of the “made in China” phenomenon in the tech space, is starting to push its suppliers more aggressively toward India and other alternatives. But the practicalities of even a partial move away from China-based manufacturing are daunting.

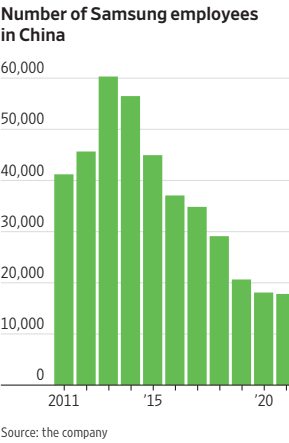
Luckily there is at least one conspicuous example of a major high-technology company that successfully relocated large parts of its production apparatus: **Samsung Electronics**.

Samsung has significant operations in China, including for its crucial memory-chip business. But from a head-count perspective, it has been edging away from China for years. The company had over 60,000 employees in China in 2013 according to its 2014 Sustainability Report, but that number fell to less than

18,000 by 2021. Samsung closed its last phone factory there in 2019.

Lower labor costs in other Asian countries are a big draw. But geopolitics was probably an important factor. In 2016 and 2017, Beijing and Seoul became embroiled in a diplomatic spat over South Korea’s plan to host a high-tech U.S. missile-defense radar system. In an early preview of the coercive economic tactics that China employed against a range of countries in recent years, Beijing forced the sale of South Korean conglomerate Lotte Group’s China supermarket business and curtailed tourist visits to Korea.

One result is that as Apple and other big manufacturers scope out Vietnam and India, Samsung is already there in spades—which could add up to a significant competitive advantage given the difficulties of replicating China’s scale abroad. Vietnam has a population of around 100 million. But China’s Guangdong province has over 125 million. Samsung is Vietnam’s largest foreign investor. It accounted for nearly a fifth of the country’s total exports last year. The company invested big in India: The country accounts for about 20% to 30% of Samsung’s smartphone production, according



to Morgan Stanley.

The fact that the world’s largest smartphone maker managed to ditch China may offer some comfort for other companies looking to derisk. But Samsung’s success was related to market factors that could be hard for Apple to replicate. Samsung’s smartphone market share in China was battered in the mid-2010s: Strong competition from Chinese companies like Xiaomi that make comparable An-

droid phones with affordable prices was one major reason.

On the other hand, Samsung is the top-selling brand in India and Southeast Asia—meaning it can produce and sell a chunk of its output in the same places. Apple, with its high prices and premium focus, could struggle to achieve that, especially in price-conscious India.

Another issue for Apple and Samsung is that even if the final assembly of gadgets is moved out of China, manufacturers will still depend on suppliers there. During the height of the 2020 Covid-19 outbreak in China, Samsung found itself scrambling to secure suddenly scarce Chinese components. Chinese suppliers moved rapidly up the value chain in recent years and now make many high-tech electronic components too.

Samsung’s success in relocating its phone business is instructive—but it had a first-mover advantage and a product mix suitable to lower-income Asian nations. Others will try to follow in its footsteps, at least in part. But for Apple and many other top makers, China will loom large in the global supply chain for a long time.

—Jacky Wong

Lilly Trial Signals New Blockbuster Drug Class

Eli Lilly’s announcement that its experimental drug slowed declines in Alzheimer’s patients’ ability to perform daily tasks means there could soon be two drugs available on the market for people with early stages of the debilitating disease.

That is great news for patients after billions of dollars and years of studies failed to produce a single treatment that could slow the disease’s progression. The results are good for not only Eli Lilly but also **Biogen**, whose new drug Leqembi won an accelerated approval from the Food and Drug Administration.

While the two trials were very different, Eli Lilly’s experimental drug donanemab might have bested Leqembi when it comes to efficacy. For a primary group in the study of more than 1,700 patients, donanemab slowed patients’ cognitive decline by an average of 36% compared with people who received a placebo over 18 months of treatment. Biogen’s study achieved a 27% reduction in cognitive decline.

Lilly also reported that about 47% of the patients who received donanemab had no decline 12 months after the start of treatment.

That could leave Biogen (and partner **Eisai**), which up until this point seemingly held a monopoly in the field, with a smaller market share than Lilly. Both drugs work by removing the brain’s plaque buildup, known as amyloid, which is seen as closely associated with Alzheimer’s.

Investors also are more positive on the Lilly treatment because, unlike Leqembi, it is has a finite duration and many patients are able to stop after taking the drug for a year.

Yet while this is clearly a win for Lilly, it isn’t necessarily a loss for Biogen.

Not everything went in donanemab’s favor. There were three deaths in the trial, with at least two attributed to serious side effects such as brain swelling. The rate of brain swelling for Lilly’s drug appears to be greater than that of Leqembi.

The bottom line, though, is that the Lilly data, in the long term, are good news for this entire class of drugs.

After Biogen presented its study results, experts were still at odds over whether the effects are significant enough to make an actual difference in patients’ lives. In a piece titled “Tempering Hype and Hope,” medical journal The Lancet argued that a 0.45-point difference on an 18-point scale in the cognitive score of patients taking Leqembi compared with those on placebo “might not be clinically meaningful.”

Having two drugs show improvement for patients should help ultimately unlock Centers for Medicare and Medicaid Services coverage. The CMS made a rare decision last year not to pay for Biogen’s earlier anti-amyloid, Aduhelm.

Being outdone by a stronger competitor is never a great feeling. But in this case, a rising tide will lift all boats.

—David Wainer*