

THE WALL STREET JOURNAL.

What's News

Business & Finance

U.S. Treasury yields climbed as a selloff in government bonds gathered pace, highlighting investor unease at the likely impact of the Fed's promise to hold the line against inflation. Stocks fell, with the S&P 500, Nasdaq and Dow down 0.7%, 1% and 0.6%, respectively. **A1**

◆ **Shares in China's** privately run banks have fallen sharply this year as the country's property slowdown begins to bite. **A1**

◆ **The Fed is set** to launch a long-awaited faster payments system by next summer, a step that officials say will modernize an outmoded infrastructure. **A2**

◆ **Ryan Cohen** might have run afoul of disclosure guidelines in his surprise sale of Bed Bath & Beyond stock this month, securities lawyers said, but regulatory action against him appears unlikely. **B1**

◆ **California's legislature** passed a bill to create a government panel that would set wages for an estimated half-million fast-food workers in the state. **A3**

◆ **Tesla filed suit** to challenge a Louisiana law it says restricts its ability to sell electric vehicles directly to customers and violates its constitutional rights. **B1**

◆ **Musk's legal team** sent a subpoena to Peiter Zatkó, the former Twitter security chief whose whistleblower complaint against the company was made public last week. **B2**

◆ **Honda and LG Energy** Solution said they plan to build a \$4.4 billion electric-vehicle battery factory in the U.S. **B3**

World-Wide

◆ **Violent clashes** gripped Iraq's capital after influential cleric Moqtada al-Sadr said he was quitting politics, as protesters stormed government buildings and heavily armed militias flooded into Baghdad's government center, setting off an intense urban battle that threatened the government's stability. **A1**

◆ **The war in Ukraine** has depleted U.S. stocks of some types of ammunition, and the Pentagon has been slow to replenish its arsenal. **A8**

◆ **Ukraine launched** a military offensive in its south aimed at retaking territory that Russia seized in the early days of the war. **A7**

◆ **U.N. inspectors** are heading to the Zaporizhzhia power plant amid fears that fighting has caused damage that could lead to a nuclear disaster. **A7**

◆ **A Justice Department** team has withheld from investigators some documents seized from Trump's Mar-a-Lago home because they may include information protected by attorney-client privilege, the department said. **A4**

◆ **Georgia Gov. Kemp** must testify before a special grand jury investigating efforts by Trump and his allies to overturn the state's 2020 election results, a judge ruled. **A4**

◆ **The IMF said** its board had approved a bailout for Pakistan, a deal hammered out before deadly floods ravaged the country. **A9**

◆ **The federal government** plans to hit pause this week on a program that sends free at-home rapid Covid-19 tests to U.S. households. **A6**

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NASA's 'No Go' on Moonshot Is No Fun for Spectators



GROUNDING: NASA scrubbed a lunar-orbit launch set for Monday at the Kennedy Space Center in Florida because of technical glitches, saying it may try again Friday. The crowd that had gathered for the event was left in the lurch. **A3**

Violence Erupts in Baghdad As Iraqi Cleric Quits Politics

By DAVID S. CLOUD AND GHASSAN ADNAN

BAGHDAD—Violent clashes gripped Iraq's capital after an influential cleric said he was quitting politics, as protesters stormed government buildings and heavily armed militias flooded into the capital's government center, setting off an intense urban battle that threatened the government's stability.

At least 17 people were killed by gunfire and more than 90 were reported

wounded in clashes in the Green Zone on Monday, turning the heavily fortified district of government offices, embassies and villas of senior Iraqi officials into a besieged zone.

The unrest was triggered when cleric Moqtada al-Sadr made his declaration. His supporters, who had been camped for nearly a month outside Parliament demanding new elections, overran the nearby government palace, setting off clashes with security forces. Political paralysis has taken

hold in Iraq since elections in October gave the most seats in Parliament to a bloc led by Mr. Sadr, whose militias once fought U.S. troops and who has since tried to forge an Iraqi political identity that puts nationalism above sectarianism.

But his failure to negotiate a power-sharing agreement with his fellow Shiite Muslim leaders left the country in an 11-month impasse. His sudden exit has unleashed his supporters, but political observers here said it is uncertain whether one

of the world's largest oil-exporting countries will pull back from the brink or is headed deeper into violence that could threaten its two-decade experiment with democracy.

The United Nations Assistance Mission for Iraq called the unrest "an extremely dangerous escalation," adding "the very survival of the state is at stake."

The Green Zone clashes began shortly after Mr. Sadr announced his exit. Hundreds of

Please turn to page A9

Ukraine Launches Offensive



Russia continued to pound Ukrainian areas like Mykolaiv, above, as Ukraine launched a long-signal push to recapture ground in the southern part of the country near Kherson. **A7**

Russia Confounds the West By Regaining Its Oil Riches

Moscow is raking in more oil revenue than before the war in Ukraine

By JOE WALLACE AND ANNA HIRNSTEIN

Russia pumps almost as much oil into the global market as it did before its invasion of Ukraine. With oil prices up, Moscow is also making more money.

Demand from some of the world's largest economies has given Russian President Vladimir Putin the upper hand in the energy battle that shadows the war in Ukraine, and has confounded the West's bid to cripple Russia's economy with sanctions.

Sales are booming in Russia's export market, the world's largest in crude and refined fuels. And new trade arrangements have

given Mr. Putin cover to use natural-gas exports as an economic weapon against Ukraine's European allies. Before the war, Russia supplied Europe with 40% of its gas. It has since throttled flows through the Nord Stream pipeline to Germany and other conduits, driving prices higher and putting pressure on European households and businesses.

Oil revenue more than makes up the difference. "Russia is swimming in cash," said Elina Ribakova, deputy chief economist at the Institute of International Finance. Mos-

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◆ European Union to tweak energy pricing..... A8

Mushrooms Grow On Pop Culture

Fungi are starring in publishing, fashion, Hollywood

By JEFFREY A. TRACHTENBERG

Veteran bookseller Daniel Goldin, who owns the Boswell Book Company bookstore in Milwaukee, has access to the hottest upcoming books of the season.

But on a recent weekday, he was midway through "The Hidden Kingdom of Fungi: Exploring the Microscopic World in Our Forests, Homes, and Bodies" by Keith Seifert.

"I saw it on our mushroom table and picked it up," Mr. Goldin says of the book, which Kirkus Reviews calls a "perspective-shifting guide to our microfungus matrix."

Customers and staff so rel-

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Property Woes Batter Chinese Bank Shares

By CAO LI

HONG KONG—Shares in China's privately run banks have fallen sharply this year, as the country's property slowdown starts to bite.

The Shanghai-listed shares of China Merchants Bank and Ping An Bank Co.—two of China's biggest, most prominent privately run lenders—have fallen by 32% and 25%, respectively, since the start of 2022, wiping \$68 billion off their combined stock-market value.

The selloff is just the latest indication of the problems a slowdown in the property sector is having on the wider economy. A two-year deleveraging campaign has damaged Chinese property companies, bringing on a liquidity crunch that has led to defaults among developers, the suspension of ongoing building projects and a big drop in new-home sales. It has also fueled a boycott among some home buyers who

are refusing to repay their mortgages.

That is bad news for Chinese banks, but the impact for China Merchants Bank and Ping An Bank will be worse than for the biggest state-owned lenders, said Kenny Ng, a securities strategist at Everbright Securities International. Declines in real-estate asset values will slow their mortgage business and hurt the wealth-management products that the two banks have sold to their clients, some of which have included exposure to property-developers' debt, he said.

The shares of China Merchants Bank and Ping An Bank have easily outperformed the country's big state-owned banks over the last five years, in part because the duo was flexible enough to tap new sources of wealth in a fast-growing economy, including making big bets on digital banking to boost their retail

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U.S. NEWS

Fed Plans Faster Payments System in 2023

By Andrew Ackerman

WASHINGTON—The Federal Reserve is set to launch a faster payments system by next summer, a step that officials say will modernize an outmoded infrastructure and ensure that near-instant payments become widely available. The new system would allow bill payments, paychecks and other common consumer or business transfers to be available quickly and round-the-clock, a change from an existing system that is closed on weekends and can at times take several days before funds become available. Last year, those older rails handled more than 29 billion payments, valued at close to \$73 trillion. The Fed system would also compete with another real-time network built and launched by big banks in 2017, which processes a much smaller volume of payments. The Fed has said its system,

to be called FedNow, would provide a second option in the market that would lower costs, improve efficiency and reduce the vulnerability of the financial system. That could be attractive to some smaller lenders that have been reluctant to use the big-bank system. As with that other system, the Fed would charge only enough to recoup its costs. FedNow will “transform the way everyday payments are made throughout the economy,” Fed Vice Chairwoman Lael Brainard said in a speech Monday, “bringing substantial gains to households and businesses through the ability to send instant payments at any time on any day, and the funds being immediately available to recipients to make other payments or manage cash flow efficiently.” Ms. Brainard, who has led the Fed’s work on payments in recent years, said the service would launch between May and July 2023, after a testing phase

beginning next month. Fed Chairman Jerome Powell and Treasury Secretary Janet Yellen have also talked about the forthcoming payments system in speeches this year. For millions of Americans, getting a payment immediately versus in a day or two is crucial. An entire section of the financial-services industry fills the time gaps that today’s payment system leaves open, including payday lenders and check-cashing stores. They effectively offer bridge loans at high interest rates. Aaron Klein, a senior fellow at the Brookings Institution, said the Fed’s slowness in setting up FedNow—the project has been in the works for more than seven years—has cost consumers hundreds of billions in the form of overdraft fees, check-cashing fees and late fees. The stated benefits of FedNow might be limited at first, as the system won’t initially launch with capabilities that

would ensure nationwide availability of nearly instant payments, such as so-called interoperability with the existing instant-payments network built by big banks. The Fed says interoperability is a goal but may not be achievable early on. “We have been working hard to deliver on time, but ultimately the number of American businesses and households that are able to access instant payments will depend on financial services providers making the necessary investments to upgrade our payments infrastructure,” Ms. Brainard said Monday. At present, the electronic banking system in the U.S. relies in part on two main networks that allow payments to move from one financial institution to another. The Automated Clearing House system, which started in the 1970s, typically provides overnight transactions, so Monday’s payments show up in bank accounts on Tuesday. It

also increasingly offers same-day payment transfers. The Real-Time Payments system, the network owned by the largest banks, goes even faster, letting customers choose to get their money nearly instantly. That system now reaches more than half of checking accounts, though many smaller banks and credit unions aren’t part of it, and not all payments at the bigger banks go through it. The system processed 41.2 million transactions for a total of \$18 billion in the second quarter. The extent to which FedNow is successful could help determine whether the Fed decides to move forward with a central bank digital dollar over the coming years. Unlike private cryptocurrencies such as bitcoin, a Fed-issued central bank digital currency would be backed by the U.S. central bank, just like the Fed backs physical currency. But Fed officials are divided on the need for it.

FedNow’s instant payments would likely address many of the problems that proponents say a central bank digital currency would resolve, Fed governor Michelle Bowman said in a speech this month. Others say a digital dollar could complement FedNow by helping to extend financial services to unbanked households, as well as provide a source of safe central-bank money in a future digital financial ecosystem. “I think, at a very base level, both are going to be needed,” Atlanta Fed President Raphael Bostic said in an interview last week with The Wall Street Journal. Big banks had waged a lobbying effort to stop the Fed from developing its new system. The banks invested over \$1 billion in their own instant-payments system. The prospect of a competing Fed system inadvertently delayed the spread of faster payments, industry officials say.

U.S. WATCH

GEORGIA

Celebrities Targeted In Alleged Crime Ring

More than two dozen people were indicted in Georgia, accused of being part of a crime ring that allegedly broke into the homes of pop diva Mariah Carey, “The Real Housewives of Atlanta” star Marlo Hampton and other celebrities. Fulton County District Attorney Fani Willis said at a news conference Monday that 26 people who are members of a gang called Drug Rich worked together to target the homes of stars and lesser-known social media influencers who showed off their high-end goods online. The alleged crimes took place in cities throughout Fulton County, including Atlanta, Union City and Sandy Springs, Ms. Willis said. She said 18 of the 26 people indicted are in custody. Ms. Willis said the suspects looked through social media to find what they wanted to steal. She said those who broke into homes went straight to bedrooms and closets, knowing where to find pricey goods. The 220-count indictment included charges related to burglaries, home invasions and possession of illegal weapons dating back to 2017. Shoes and clothing were stolen from Ms. Carey’s home in June, according to the indictment. The singer wasn’t home at the time, Ms. Willis said. A publicist for Ms. Carey didn’t respond to a request for comment. —Joseph Pisani



Floodwaters surrounded an SUV Monday in Jackson, Miss. The river crested at 35.4 feet, below the major flood stage level of 36 feet.

Lumumba said the water didn’t rise as high as expected. Earlier projections showed about 100 to 150 buildings in the Jackson area faced the possibility of flooding. “We thank the Lord most of all for sparing so many of our residents,” he said. The National Weather Service said the Pearl River had crested at about 35.4 feet. That is short of the major flood stage level of 36 feet. Two years ago, torrential rain caused the Pearl River to reach 36.7 feet and Jackson homes in the hardest-hit neighborhoods were filled with dirty, snake-infested floodwaters. —Associated Press

SCIENCE

Jellyfish Study May Unlock Aging Secrets

A team of scientists in Spain has succeeded in mapping the genome of a jellyfish known for its ability to cheat death by re-birthing itself. Dubbed the immortal jellyfish, the tiny sea creature can turn its biological clock backward and revert to a clump of juvenile cells—even after reproducing sexually. Once back in its juvenile state, the jellyfish can also reproduce asexually by cloning polyps of itself. In a study published Monday in the Proceedings of the National Academy of Sciences, the authors said they hoped their genome mapping might lead to discoveries relevant to efforts to improve the human healthspan. —Ginger Adams Otis

FLORIDA

Surfside Lawyers Get Over \$70 Million

Lawyers who secured a \$1.1 billion settlement in the deadly collapse last year of a beachfront condominium building in Surfside were awarded more than \$70 million in fees Monday by a judge.

The total was less than the approximately \$100 million attorneys with the 17 law firms had requested, but there were no guarantees initially they would ever be paid in the days after the Champlain Towers South building fell June 24, 2021, killing 98 people. Miami-Dade Circuit Judge Michael Hanzman said surviving family members and people

who lost only units and property got far more in compensation than is typical in such large class-action cases—and this lawsuit was settled in only a year’s time. “That is a remarkable result. It is unprecedented,” Judge Hanzman said at a hearing. Still, the judge said the full \$100 million in legal fees requested was too much. —Associated Press

MISSISSIPPI

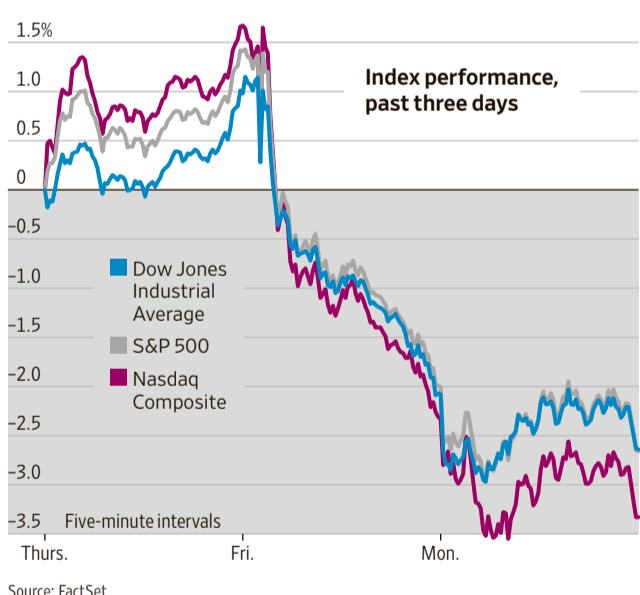
Pearl River Flooding Not as Bad as Feared

A swollen Pearl River flooded streets and at least one home in Mississippi’s capital city Monday, days after storms dumped heavy rain, but water levels were starting to recede. Jackson Mayor Chokwe Antar

Stocks Fall As Rate Hopes Fade

Continued from Page One until it is confident that inflation is under control. “They’re not so concerned about heading into a recession as they are in combating inflation—so that makes for a very dangerous setup,” said Jerry Braakman, president and chief investment officer of First American Trust in Santa Ana, Calif. Many investors had begun to wager that this year’s historically large rate increases were in the rearview mirror and that, starting in September, the Fed would slow the magnitude of increases before cutting rates next year. Those beliefs helped markets mount a recovery in recent weeks, rallying nearly 10% since the S&P 500’s 2022 low on June 16. Mr. Powell’s Friday com-

ments shuffled those expectations. On Monday, federal-funds futures, used by traders to place wagers on the course of interest rates, showed a 75% chance that the central bank would lift rates by 0.75 percentage point for a third time in a row in September. That is up from 28% a month ago, according to CME Group data. “The market kind of got ahead of itself over the last three, four weeks or so...in terms of pricing in a possible Fed pivot to a more dovish stance,” said Clara Cheong, a global market strategist at J.P. Morgan Asset Management. The 10-year Treasury yield rose to 3.109% from 3.034%. High U.S. short-term yields relative to long-term yields—known as an inverted yield curve—have in the past signaled a significant risk of a recession. CPI swaps, which traders use to bet on the consumer-price index, on Monday projected inflation below 3% over the next 12 months, a level some investors fear couldn’t be reached without a recession. The U.S. dollar index, meanwhile, touched its high-



est intraday value since 2002. Investors’ jitters stand to further unwind a rally that sent stocks climbing from their 2022 lows reached in June. All three major U.S. indexes have seen their August gains wiped out. Many investors are betting on further pain ahead, with net short positions against S&P 500 futures recently reaching levels not seen in two years. “We’ve been selling equities in this rally,” said Colin Graham, head of multiasset strategies at Robeco, an international asset manager. Mr. Graham has been cautious on risky assets such as tech and other growth companies. Not all investors are convinced that a recession is im-

minent. “I’m just not sure you can say, ‘Hey, there’s a recession coming in the next six months,’” said Andrew Slimmon, U.S. equity portfolio manager at Morgan Stanley Investment Management. In Monday’s trading, many of the S&P 500’s biggest losers were companies that had risen sharply amid the stock market’s summer rebound. Tesla fell \$3.27, or 1.1%, to \$284.82. Semiconductor company Nvidia lost \$4.59, or 2.8%, to \$158.01. Economically sensitive stocks fell, with Delta Air Lines down 65 cents, or 2%, to \$32.03 and J.B. Hunt Transport Services off \$6.92, or 3.8%, to \$175.67. “We’re coming from a world where people were looking for a Fed pivot, but they got a pivot in the wrong direction,” said Florian Ielpo, head of macro at Lombard Odier Investment Managers, who noted he began lowering his exposure to stocks last week as volatility rose. “We are not defensive yet, but our exposure remains cautious.” Mr. Slimmon of Morgan Stanley expects the equity market to end the year above

current levels, saying lower inflation readings ahead could influence the Fed to ease its rate increases. Continued strong corporate earnings ahead could boost stocks, Mr. Slimmon said. He is holding on to defensive shares, such as those in the utilities, healthcare and staples sectors. Jeffrey Buchbinder, chief equity strategist at LPL Financial, wrote in a Monday note that while earnings growth of 6% to 7% in the second quarter doesn’t sound like a lot, it could be considered a success. Those gains come despite a slowing economy, sticky inflation, surging dollar and supply-chain disruptions. The pan-continental Stoxx Europe 600 finished 0.8% lower. Bitcoin, meanwhile, traded back above \$20,000 around 5 p.m. ET, according to Dow Jones Market Data. In Asia, major indexes ended mostly lower Monday. Japan’s Nikkei 225 fell 2.7%, South Korea’s Kospi dropped 2.2% and Hong Kong’s Hang Seng lost 0.7%. At midday Tuesday, the Nikkei was up 1% and the Hang Seng had lost 1.6%.

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CORRECTIONS & AMPLIFICATIONS The National Highway Traffic Safety Administration said roof-crush resistance standards didn't apply to the 2002 Ford F-250 pickup truck, and because of this, the agency hadn't tested this truck for roof crush. A Business & Finance article on Friday about older Ford trucks incorrectly quoted NHTSA as saying the 2002 F-250 truck was built to meet the roof-crush requirements at the time for vehicles with its gross weight and cited this as the reason the truck hadn't been tested. The West Virginia Public Service Commission ordered three American Electric Power Co. coal plants to operate at historical levels. A U.S. News article on Monday about electricity rates in West Virginia incorrectly said two coal plants operated by FirstEnergy Corp. were also subject to the order. The Obama administration in January 2017 ended a policy whereby Cuban émigrés typically received temporary legal status that led to a green card a year later as long as they didn't commit any crimes. A U.S. News article on Friday about Cuban migrants to the U.S. incorrectly said that the Trump administration ended that policy. The last name of the writer Ross Macdonald was misspelled as McDonald in a Review article on Saturday about selling a collection of rare books.

U.S. NEWS

California Legislature Approves Fast-Food Wages Bill

BY HEATHER HADDON
AND CHRISTINE MAI-DUC

California's legislature passed a bill Monday to create a government panel that would set wages for an estimated half-million fast-food workers in the state, a first-in-the-U.S. approach to workplace regulation that labor union backers hope will spread nationally.

The bill, known as the Fast Act, would establish a panel with members appointed by the governor and legislative leaders composed of workers, union representatives, employers and business advocates. They would set hourly wages of up to \$22 for fast-food workers starting next year and could increase them annually by the same rate as the consumer-price index, up to a maximum of 3.5%.

A previous version of the bill passed by the state Assembly in January also allowed the council to oversee workplace conditions such as scheduling and made restaurant chains joint employers of their franchisee's employees, potentially opening them to liability for labor violations.

Representatives for companies including McDonald's Corp., Yum Brands Inc. and Chipotle Mexican Grill Inc.

Under the measure, a panel would set hourly wages for fast-food workers.

succeeded in having those provisions removed in the state Senate via amendments over the past week, though they still oppose the bill.

"This is the biggest lobbying fight that the franchise sector has ever been in," said Matthew Haller, president of the International Franchise Association, a trade group whose members own many fast-food restaurants.

A University of California, Riverside School of Business study commissioned by the franchisee association found that setting minimum wages between \$22 and \$43 would generate a 60% increase in labor costs and raise fast-food prices by about 20%.

California's current minimum wage is \$15 and is set to increase by 50 cents on Jan. 1.

The final version of the Fast Act passed both houses of the Democratic-controlled state legislature Monday. In both the Assembly and the Senate, all of the "yes" votes came from Democrats and every Republican who voted opposed the bill.

Democratic Gov. Gavin Newsom now has until Sept. 30 to decide whether to sign or veto the bill.

Mr. Newsom hasn't taken a public stance on the current version of the bill, but his Department of Finance opposed the original version.

Labor unions backing the measure have long struggled to organize fast-food workers, in part because the industry's franchise model means there are so many different employers.

California lawmakers first floated the bill last year, with proponents arguing that tighter regulations were needed to protect fast-food workers, who are overwhelmingly Black or Latino and who they say experience unpaid overtime and other labor violations.

Service Employees International Union President Mary Kay Henry said she hoped the bill would be a catalyst for similar movements across the country.

Investors have begun to ask about the legislation's potential implications for restaurant chains at a time when companies are struggling with high food and labor costs, Wall Street analysts said.

"Obviously, we think it's problematic on many, many fronts," said Paul Brown, chief executive of Dunkin' and Arby's owner Inspire Brands Inc., in an interview. "I think it's actually trying to solve a problem that doesn't exist."

NASA Scrubs Moon Mission Launch

BY MICAH MAIDENBERG

KENNEDY SPACE CENTER, Fla.—NASA scrubbed a lunar-orbit launch set for Monday due to technical glitches, a fresh hurdle for the space agency as it looks to prove its most powerful rocket ever can handle planned missions to the moon.

The National Aeronautics and Space Administration said engineers need time to resolve problems related to temperature and pressure in one of the four engines installed on the main part of the Space Launch System rocket. The space agency halted the countdown clock, and officials said they may again try to launch Friday pending further analysis.

NASA officials described the engine-related problems with the agency's moon rocket as more about plumbing than with the engine itself. A process known as an engine bleed wasn't able to sufficiently cool down one of the rocket's engines to attempt a launch, a problem complicated by a leak in a valve that helps adjust pressure.

"The vent valve wasn't cooperating with us," said Mike Sarafin, who manages Artemis at NASA, the agency's effort to get back to the moon. "It was this delicate balance of maintaining the pressure to establish the bleed on all four engines, and Engine 3 was not seeing the temperatures that it needed."

Leaders at the space agency said in the run-up to Monday morning that the flight was designed to stress test its deep-space vehicles and warned that technical issues could emerge. Weather conditions also turned unfavorable during Monday's launch window, which was slated to open for two hours at 8:33 a.m. ET.

"This is a brand-new rocket—it's not going to fly until it's ready," NASA Administrator Bill Nelson said. Agency engineers solved several problems ahead of Monday's launch, Mr. Nelson said, until "they got to one that needed time to be solved."

The engine-related issue that surfaced Monday involved a procedure where super-cold propellant is routed into the



NASA's Mike Sarafin

engines to prepare them for when fuel flows through them at liftoff, according to a NASA spokeswoman. The engines need to be within a certain temperature range to start them.

NASA hadn't demonstrated it can complete that procedure before Monday's planned launch, according to Mr. Sarafin. "We knew that that was a risk headed into this launch campaign," he said.

Aerojet Rocketdyne Hold-

ings Inc., which made the four main engines on the SLS and upgraded them for the proposed flight, said there are no early indications that Monday's launch was postponed because of problems with its RS-25 engines, according to a company spokesman.

The SLS is the most powerful rocket that NASA has ever looked to blast off. Its attempted launch comes as SpaceX is developing its own powerful rocket system that aims to handle future deep-space missions, as SLS and the spacecraft Orion are designed to do. Orion sits on top of the rocket, and would travel to the moon during a normal launch. Monday's scrubbed mission would have sent an uncrewed Orion to a lunar orbit and back to Earth over more than 40 days.

Aerojet's four engines were designed to burn for eight minutes following liftoff, helping to power Orion toward a lunar orbit.

Boeing Co. developed the SLS rocket's core stage, which holds liquid propellant that feeds into the engines. The

company declined to comment, and a spokeswoman said NASA officials are continuing to look into what happened.

The rocket includes hardware that NASA has used in operations before. The engines installed on the main stage of the vehicle, including the one linked with a problem, previously helped power rockets used on space shuttle missions.

The agency and the contractors behind Artemis I, NASA's name for the mission, and subsequent Artemis missions have faced pressure to get to the launchpad after grappling with technical setbacks that led to cost overruns and delays.

The Artemis I mission would be the first major launch involving most of the main components that NASA and aerospace companies have assembled to help return astronauts to the lunar surface. No astronauts have reached the moon since 1972, but NASA aims through its Artemis program to make that happen as soon as 2025.

—Doug Cameron and Andrew Tangel
contributed to this article.



Sumala Paidi teaching for a virtual school in Dallas. Virtual schooling might be appropriate for about 4% of students in that city, according to a study last year.

Virtual Classes Go Permanent at Some Schools

BY BEN CHAPMAN

Fourth-graders at the iLearn Virtual School in Dallas began class last Thursday morning with an icebreaker. Their teacher, Sumala Paidi, asked them, "What superpower would you choose for yourself, if you could pick any?"

The dozen children in the class responded with wishes for super speed or the ability to fly. One girl chose invisibility, so she could "take a cake, and eat it all myself."

It could be a scene from a school classroom anywhere in the U.S. Except these students, unlike nearly every student learning at this juncture of the pandemic, were piping in via Zoom, and Ms. Paidi was teaching them from a remote office, with a camera and laptop.

School districts in Texas, New York and California are creating permanent, full-time virtual schools for the first time ever this year, in a nationwide movement that has gained steam since the coronavirus pandemic in 2020 prompted schools to see how

A 2021 survey by Rand Corp. of 291 U.S. school districts found a surge in the number that offered virtual schools for students after the height of the pandemic. Roughly 26% of the 291 districts were offering remote lessons as a full-time option last year, compared with 3% before the pandemic, according to the research organization.

Superintendents say virtual schools are a niche product meant to enroll a minority of students for whom remote classes make more sense than going to school. Less than 6% of students chose virtual classes among the districts that had them in 2021, according to Rand.

The virtual option might be appropriate for about 4% of students in Dallas, according to a study commissioned by officials there last year. The city's iLearn Academy, which opened Aug. 15 with the start of classes, enrolls about 120 students in grades three through eight.

The iLearn Virtual School is a fit for students who might experience social anxiety or whose families might be mov-

ing, said principal Monica Morris. Classes of roughly 20 students meet via Zoom at 8:30 a.m. and participate in live and prerecorded lessons until 2:30 p.m. each school day, Ms. Morris said.

The virtual schools have limited infrastructure needs and aren't expensive to operate, officials said. Six teachers instruct classes at the iLearn Virtual School, and the school

Schools like iLearn are likely to become a fixture of districts across the U.S.

also has a guidance counselor. The district is remodeling a building to house the school so that teachers will have offices from which to deliver their remote lessons.

Schools such as iLearn are likely to become a permanent fixture of districts across the U.S., especially as some districts seek to fight declining enrollment caused by lower

birthrates and families moving, said researcher Heather Schwartz, co-author of the 2021 Rand study. But enrollment patterns suggest virtual schools will remain a bit part of the U.S. education system, according to Ms. Schwartz.

"There's considerable growth in the sector, but it is still a small share of overall options," she said.

Dallas mother Brittany Peterson said the iLearn Virtual School there enabled her 9-year-old daughter, Charisma, to remain enrolled in the city's district. The remote classes are essential for Ms. Peterson's family, she said, because her other child, a 2-year-old boy, was born prematurely with a lung condition that requires him to be connected to a ventilator at all times.

Ms. Peterson said the boy's immune system is weak and he nearly died of pneumonia in 2021. She can't risk exposing him to disease by sending his sister to school, she said.

"It's a Catch-22 in some ways because she really likes the iLearn, but she wants more friends," Ms. Peterson said.

New York City Deputy

Chancellor Dan Weisberg said the city's new virtual high school was created this year to meet the needs of families whose lives were disrupted by Covid-19. "We learned a lot over the last few years," Mr. Weisberg said.

The city's virtual school is set to open when school starts districtwide on Sept. 8, with 100 ninth-grade students in fully remote classes and another 100 ninth-graders who take hybrid classes, spending part of their week logging in from home and other days learning in traditional school buildings.

The school district in Compton, Calif., is this year offering full-time virtual classes to enrolled students across all grades for the second year in a row.

Superintendent Darin Brawley said remote classes are likely to remain a permanent option for a small number of families, even though only about 16 students are signed up for virtual lessons this year, compared with upward of 300 students last year.

"The majority of students want to be around their friends," he said.

FTC Sues Company for Selling Geolocation Data

BY JOHN D. MCKINNON
AND PATIENCE HAGGIN

WASHINGTON—The Federal Trade Commission has filed a lawsuit against data broker Kochava Inc., saying the Idaho company sold geolocation data from millions of mobile devices that could be used to trace people to abortion clinics, addiction recovery facilities and other sensitive locations.

The suit filed Monday seeks to halt the company's sale of sensitive geolocation data and require it to delete sensitive information it has collected.

"Where consumers seek out health care, receive counseling, or celebrate their faith is private information that

shouldn't be sold to the highest bidder," Samuel Levine, director of the FTC's Bureau of Consumer Protection, said in a statement.

Kochava recently filed its own pre-emptive lawsuit against the FTC, anticipating the agency's suit but saying the FTC was ignoring privacy improvements Kochava has made to its practices.

In a statement at that time, Kochava said that the FTC doesn't understand how its business works and that the company recently took steps to improve consumer privacy, including removing health-services location data from its marketplace.

The head of Kochava's data

marketplace said Monday that the company was in the process of implementing the capability to remove data on sensitive locations as it had previously announced.

"Absent specificity from the FTC, we are constantly monitoring and proactively adjusting our technology to block geo data from other sensitive locations," said Brian Cox, general manager of Kochava Collective. "Unfortunately the only outcome the FTC desired was a settlement that had no clear terms or resolutions and redefined the problem into a moving target."

Kochava said it obtained all of its location data from third-party data brokers, all of whom

maintain that the data come from consenting consumers.

The FTC lawsuit against Kochava and other investigations like it that are under way reflect a major shift in privacy policy under Chairwoman Lina Khan. The FTC's tougher stance could lead to big changes to the data broker business and the broader online advertising industry, with their reliance on consumer information harvested online.

"The massive exploitation of consumer geolocation data, stealthily gathered by apps and mobile devices, has become a fundamental feature of the commercial surveillance system," said Jeff Chester, executive director of the Center

for Digital Democracy, a group that advocates for online privacy and consumer protections. "The commission has placed online data companies on notice they risk legal action and public exposure."

According to a recent FTC blog post, the agency is targeting use of both information location and data generated by consumers' search and other online activity, such as use of apps to test blood sugar, record sleep patterns or monitor blood pressure.

"The potent combination of location data and user-generated health data creates a new frontier of potential harms to consumers," wrote Kristin Cohen, an FTC privacy official.

U.S. NEWS

GOP Plans Probes if It Wins House

Investigations would focus on hot-button issues including border policy and Hunter Biden

By SIOBHAN HUGHES AND TARINI PARTI

WASHINGTON—House Republicans are preparing across-the-board investigations of the Biden administration if they take control next year, with an ascendant pro-Trump wing pushing GOP leadership to take an aggressive approach when the new Congress convenes.

Lawmakers say planned probes would focus on the southern border, where illegal crossings have surged and agents by mid-August had made a record 1.82 million arrests since the start of the fiscal year on Oct. 1; the foreign business dealings of President Biden's son, Hunter; and the origins of the Covid-19 virus and pandemic policies that shut down workplaces—all hot-button issues for many conservatives.

Also on the list are the Justice Department's operations under Attorney General Merrick Garland, who infuriated many GOP lawmakers when he authorized the application for a warrant to seize records with more than 700 pages of classified material that former President Donald Trump took to his home in Florida.

The opposition party controlling the House often uses its oversight powers to make life difficult for the administration. Republicans spent years investigating former Secretary of State Hillary Clinton following the deaths of four Americans in

Benghazi, Libya. Likewise, House Democrats' capture of the chamber in the 2018 midterms allowed them to launch investigations into Mr. Trump's actions related to Russia, Ukraine and the Jan. 6, 2021, Capitol riot.

Top officials in sights

The potential GOP probes could cast an even wider net, taking aim at some of the Biden administration's top officials and creating a tense political backdrop for any potential rematch between the president and Mr. Trump in the 2024 election.

For many Republicans, one goal is to attempt to push officials out of office. At the top of the list is Homeland Security Secretary Alejandro Mayorkas. A resolution to impeach him on a charge of failing to secure the border currently has the public support of 32 Republicans. "This guy certainly deserves it. Whether we do that or not will be a question for the conference," said Rep. Jim Jordan (R., Ohio), a Trump ally who is in line to lead the House Judiciary Committee.

Neither the Department of Homeland Security nor the Justice Department responded to a request for comment. DHS officials have said that they have taken the necessary steps to deal with the record number of migrants. Mr. Garland has said that he is focused on upholding the rule of law fairly.

The White House has bolstered its legal team in anticipation of possible investigations, hiring Washington defense lawyer Richard Sauber, who had been working as general counsel for the Department of Veterans Affairs, and Ian



Rep. Jim Jordan (R., Ohio), left, and Rep. James Comer (R., Ky.) are in line to lead House panels if Republicans gain control of the chamber.

Sams, a former spokesman for Vice President Kamala Harris's presidential campaign.

When asked about the GOP's planned probes, Andrew Bates, a spokesman for the White House, said President Biden will remain focused on his agenda.

McCarthy has key role

House Minority Leader Kevin McCarthy (R., Calif.) has encouraged top Republicans to issue preservation notices and document requests—of which more than 500 have been issued so far—to various government entities to speed up the retrieval of information next year, according to a person familiar with the plans.

Mr. McCarthy, in line to become speaker if the GOP wins control, will need to make decisions on which probes to pursue, including whether to continue the select committee investigating the Jan. 6 attack. Continuing that panel would allow Republicans to reframe the probe but also keep the issue in the spotlight.

Rep. Greg Steube (R., Fla.), a member of the Judiciary Committee, said he expected Mr. McCarthy to authorize an aggressive approach to oversight, especially if Republican ranks swell with lawmakers aligned with Mr. Trump. Mr. McCarthy will "be driven, whether he wants to or not, to be more forceful on these oversight issues," said Mr. Steube.

Democrats call prospective probes politically motivated. They point to the Benghazi hearings, which led to the disclosure of Mrs. Clinton's use of a private email server while she was in office, saying they unfairly poisoned public opinion of the 2016 Democratic nominee for president.

Rep. Carolyn Maloney (D., N.Y.), the current chairwoman of the oversight panel, said comments by Mr. Jordan show his aim is political gain. At a Conservative Political Action Conference event, Mr. Jordan cast his planned probes as helping to "frame up the 2024 race, when I hope and I think Presi-

dent Trump is going to run again. And we need to make sure that he wins."

"It's impossible to take their so-called investigations seriously when a top Republican already admitted their only purpose is to 'make sure' Donald Trump returns to power," Ms. Maloney said.

"That's ridiculous," a spokesman for Mr. Jordan said about Ms. Maloney's characterization.

Mr. McCarthy's previous run for speaker in 2015 derailed when he indicated in a television interview that the purpose of the Benghazi probe was to hobble Mrs. Clinton's presidential run. The blunder undercut his support in the caucus, and he withdrew from contention.

Hunter Biden a top focus

Rep. James Comer (R., Ky.), in line to potentially lead the Oversight and Reform Committee, said Hunter Biden would be a top focus. Many Republicans have questioned whether Mr. Biden's business dealings, which included serving on the

board of Ukrainian energy company Burisma, have affected U.S. policy while his father was vice president or president.

"His shady business dealings and his shady past have compromised this president and this administration," Mr. Comer said.

Both Bidens have denied wrongdoing, and Hunter Biden has said that serving on the Burisma board showed poor judgment. The Wall Street Journal reported earlier on the younger Mr. Biden's business dealings. None of the reporting found that President Biden was involved in his son's business activities.

Mr. Comer said that his committee has talked to associates of Hunter Biden and has some bank records. Mr. Comer said other leads come from media reports.

Hunter Biden is also the subject of a federal tax probe. He has said he was "confident that a professional and objective review...will demonstrate that I handled my affairs legally and appropriately."

Some Mar-a-Lago Papers Shielded

By ARUNA VISWANATHA

WASHINGTON—A special Justice Department team has withheld from investigators some of the documents seized this month from former President Donald Trump's Mar-a-Lago home because they might include information protected by attorney-client privilege, the department said.

The disclosure came in a brief court filing, which said the agency had already finished reviewing those potentially privileged materials, a development that could render partly duplicative a federal judge's preliminary decision to appoint an outside party known as a special master to review the seized documents.

On Saturday, U.S. District Judge Aileen Cannon signaled

she intended to name such a special master to review the materials, which Mr. Trump's lawyers had requested two weeks after the Aug. 8 search.

In an Aug. 22 motion, Mr. Trump's legal team called the FBI search a "shockingly aggressive move," and asked that someone outside the Justice Department be appointed to examine the documents to "preserve the sanctity of executive communications and other privileged materials." The team also asked the judge to order investigators to immediately stop examining the items.

The Justice Department is expected to respond in more detail on Tuesday to Mr. Trump's request, which cited issues beyond attorney-client privilege. Judge Cannon scheduled a hearing for Thursday.

The documents may include privileged information, the DOJ says.

In the Monday filing, prosecutors said the department already had set up a separate filter team to review the documents for potentially privileged information before agents on the investigation examined them. That initial review team identified "a limited set of materials that potentially contain attorney-client privileged information," completed its review of those documents, and was in the process of addressing potential

issues with the material, the filing said.

According to a property receipt released after the search, FBI agents removed around two dozen boxes from Mar-a-Lago, including 12 sets of classified documents.

A separate document released Friday, the heavily redacted affidavit that described the Federal Bureau of Investigation's justification for its search of the Florida estate, outlined how law-enforcement officers not involved in the investigation would search Mr. Trump's Mar-a-Lago office. The affidavit said the separate team would identify and separate out any documents that might be covered by attorney-client privilege.

—Alex Leary contributed to this article.

Figure in Jan. 6 Tale Exits Secret Service

By JAN WOLFE

WASHINGTON—Secret Service official Tony Ornato announced his retirement on Monday, two months after a former White House aide testified that he had told her then-President Donald Trump lashed out in anger when agents refused to drive him to the Capitol during the Jan. 6, 2021, riot by his supporters.

Secret Service spokesman Anthony Guglielmi confirmed that Mr. Ornato was retiring, having earlier this year completed 25 years of service with the agency. Mr. Ornato's retirement was reported earlier by CNN.

Mr. Ornato, who joined the Secret Service in 1997, was the agent in charge of Mr. Trump's protective detail for much of his presidency. In December 2019, he left the Secret Service to become part of the Trump administration, working as the deputy chief of staff for operations. Last year, Mr. Ornato rejoined the Secret Service to head its training program.

Mr. Ornato became a central figure in the congressional investigation into the events of Jan. 6, 2021, following testi-

mony in June from Cassidy Hutchinson, a top aide to Mr. Trump's last chief of staff, Mark Meadows.

In testimony to the Jan. 6 House select committee, Ms. Hutchinson said, citing an account by Mr. Ornato, that Mr. Trump wanted to be driven to the Capitol on Jan. 6, 2021, and wrestled for the steering wheel with Secret Service agent Bobby Engel.

Secret Service officials denied that any altercation took place in the presidential vehicle. Messrs. Ornato and Engel haven't publicly commented on the account.

The Secret Service came under scrutiny after an internal watchdog in July accused the agency of erasing many text messages from the day of the Capitol attack and the previous day. The Secret Service has acknowledged that some employees' phone data were lost during what it called a preplanned technology change but has denied any wrongdoing and insisted it didn't lose any texts relevant to the Jan. 6 riot.

President Biden said last week that he has chosen Kimberly Cheatle as the next director of the Secret Service.

China Bank Stocks Take A Tumble

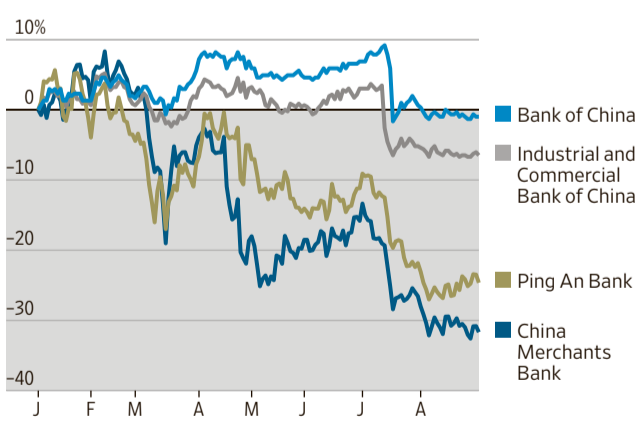
Continued from Page One businesses. But analysts warn the privately run commercial banks will have more difficulty finding new sources of business in China's slowing economy.

"The biggest problem the Chinese economy is facing is not liquidity," Mr. Ng said. "Banks have enough liquidity, but consumers or investors don't want to borrow from banks to spend or invest. This shows a lack of confidence."

China's "big four" state-owned banks—Agricultural Bank of China, Bank of China, China Construction Bank Corp. and Industrial & Commercial Bank of China Ltd.—have done much better in the stock market this year, bucking a long-term trend. They have fallen by an average of 4.9% since the start of the year, versus a 17% decline for the CSI 300 index of the largest stocks listed in Shanghai or Shenzhen.

This is partly because the giant state-run lenders have lower exposure to the property sector. Real-estate companies represent just 4% to 5% of their total loans, while China Merchants Bank and Ping An Bank have

Share-price performance, year to date



Source: FactSet

7.2% and 9.4%, respectively, of their lending tied up in property, according to Macquarie.

But another key reason is that as China's economy struggles, state-owned banks can find more alternatives to offering loans to developers. They can shift their lending from mortgages to big infrastructure loans, which private commercial banks will find hard to follow, said Vincent Chan, a China strategist at Aletheia Capital.

Privately run banks are already trading more like state-owned ones according to their price-to-book ratios, a measure of how expensive shares are relative to a firm's net worth. Since bank earnings can be volatile, investors and analysts often use the price-to-book ratio as a way to compare bank stocks.

At the end of 2021, China

Merchants Bank and Ping An Bank were trading at forward price-to-book ratios of 1.49 and 0.88, respectively. Those numbers had fallen to around 0.92 and 0.61 by Aug. 26, according to FactSet. That is still a substantial premium to the big four, which are all trading at below 0.50.

"How much longer will the gap continue to close before stabilizing?" Mr. Chan said. "I believe if the Chinese economy stays where it is now, the joint-stock banks will struggle to perform for a long period of time."

Joint-stock banks in China are run with a more widespread shareholding structure than the state-owned banks. The term includes privately run lenders such as China Merchants Bank and Ping An Bank but also includes other institu-

tions where the government holds a controlling interest.

Not everyone is so down on these firms.

Elizabeth Kwik, an investment director of Asian equities at abrdn, said the commercial banks still have advantages over the state-owned giants that deserve to be reflected in their stock prices.

"Commercial banks tend to be better run with more of a focus on returns and profitability [and] they tend to have more say on their strategic direction," she said. "So in our view that still makes them higher quality banks on the whole and over the longer term."

She added, however, that China's strict zero-Covid policy would provide some near-term pain for the privately run banks, since they are more exposed to retail activity than the state-owned lenders.

Ping An Bank said the impact of the property downturn on its retail business was small and manageable.

The bank said it still saw big growth in the wealth-management business, although it added that it had made efforts to decrease its offerings of some products. Ping An said it remained bullish on China's economy, which still had "huge market potential and will see a resurgence in economic growth after the epidemic eases."

China Merchants Bank didn't respond to a request to comment.

Kemp Told to Testify In Election Inquiry

By JAN WOLFE AND CAMERON MCWHIRTER

ATLANTA—Georgia Gov. Brian Kemp must testify before a special grand jury in Atlanta investigating efforts by former President Donald Trump and his allies to overturn the state's 2020 election results, a judge ruled Monday.

In a written order, Fulton County Superior Court Judge Robert McBurney said Mr. Kemp, a Republican, must honor a subpoena issued to him by Fulton County District Attorney Fani Willis, a Democrat.

Lawyers for Mr. Kemp argued that he can't be forced to testify because of a legal doctrine known as sovereign immunity, which generally protects state government officials

from lawsuits.

The judge rejected that argument, writing that sovereign immunity applies to civil litigation and "there is nothing about this special grand jury that involves or implicates civil practice."

"The Governor must honor the subpoena—as have the Secretary of State and the Attorney General and many other agents of the State in these criminal proceedings," wrote Judge McBurney.

Mr. Kemp and Republican Secretary of State Brad Raffensperger drew Mr. Trump's ire by not going along with his false claim that Democrats used election fraud to carry the state for President Biden.

A lawyer for Mr. Kemp didn't respond to a request for comment.

U.S. NEWS

Some Still Isolate as Covid-19 Cases Decline

By JULIE WERNAU

Covid-19 cases and hospitalizations are in decline. People are traveling, socializing and returning to workplaces in greater numbers.

But a group of people are still keeping mostly to themselves and taking other measures to minimize infection risks. Compromised immune systems and the risks of long Covid are among reasons they say they are maintaining caution.

Two-and-a-half years into the pandemic, their relative isolation speaks to divides that remain over how to live with the virus. With imperfect insight into the risks of infection as the virus mutates and immunity shifts, people are setting their own boundaries for safe behavior.

While about one-quarter of 1,243 people surveyed by the Kaiser Family Foundation recently said they had resumed all activities they were pursuing before the pandemic, 17% said they were doing very few of those things.

Laura Jennings, a 61-year-old novelist in St. Paul, Minn., said she has her groceries placed in her trunk at the curb and rarely sees anyone other than her son, William Theriac. She is comfortable indoors when they are both wearing N95 masks, she said, and if he has been mitigating infection risks in his own activities recently. She said despite being fully vaccinated, she is concerned that her history of respiratory problems would make her vulnerable to severe Covid-19.

"I need to have control over my safety, and when I have that control I feel a lot better, even if it means I'm alone with the control," she said.

Mr. Theriac, 27, said he is an extrovert who works from home and struggled with the isolation of living alone during the pandemic.

He hosts a trivia night at a brewery now, but wears a mask. His closest friends have agreed to tell each other if they feel the slightest sniffle,



Laura Jennings is fully vaccinated and says she needs to have control over her safety even if that means being alone. Charles Kopec, a neuroscientist, says his wife's experience as a doctor treating Covid-19 patients early in the pandemic has left them both traumatized.

he said. Despite the precautions he takes to make his mother comfortable, he said he doesn't get to see her as much as he would like.

"There are times I can't see her because the restrictions I'd have to go through for a two-week period would literally crash my mental health," he said.

Determining what constitutes rational behavior as the virus continues to circulate is difficult and subjective, said Charles Marmar, chair of psychiatry at NYU Langone Health and a specialist in post-traumatic stress disorder. People who are at low risk of serious disease and who remain isolated from many of their friends and family might want to discuss their perceived risk with a mental-health professional, he said.

"Some people thrive in isolation. Some become despondent in isolation," Dr. Marmar said.

Infection risks for some remain real, medical experts said. Among the one in 10 adults who said a doctor or healthcare provider has told them they have a weakened or compromised immune system,

61% were very worried about getting seriously sick from Covid-19, according to a July survey of 1,847 adults from Kaiser Family Foundation, versus 13% of adults overall.

"Pre-Covid, if someone said, 'I'm super worried about going to the grocery store because I'm worried about getting a contagious illness,' it would have been easier to say that

Compromised immune systems and long Covid risks are among the reasons.

risk is very low," said Jennifer Freeman, director at Bradley Hospital's Pediatric Anxiety Research Center in East Providence, R.I. "But that risk level really has changed."

Charles Kopec, 42, a neuroscientist in Livingston, N.J., said he and his wife don't travel, eat at restaurants or enter friends' homes. They are traumatized by his wife's experience as a doctor treating Covid-19 patients during the



Charles Kopec, a neuroscientist, says his wife's experience as a doctor treating Covid-19 patients early in the pandemic has left them both traumatized.

early months of the pandemic, he said, and don't want to spread the disease to vulnerable people. Dr. Kopec said they want to limit patients' exposure-risk from other people they may encounter.

"It is something that is seared into our consciousness," he said.

Mary Morris, 43, said the pandemic exacerbated her anxiety disorder, setting off panic attacks and depression. She said she left her teaching job at a community college in southern Illinois after it called people back to campus.

She has limited her indoor social circle to family and a friend she met while their young children were on a playground wearing masks in the dead of winter.

The women hold masked playdates indoors, trusting each other to follow strict Covid-19 safety protocols between meetings.

Her adult daughter and her grandson haven't been as restrictive, she said, and Ms. Morris has been less comfortable seeing them regularly. She said she was willing to hug them only once, during a lull in Covid-19 transmission

this spring.

"I felt naked," she said. "We do our video calls, but my grandson spends a lot of time with his other grandma."

Recently, Ms. Morris made a new friend on Twitter: Ms. Jennings, the novelist in Minnesota.

"She was posting some really funny comments," Ms. Jennings said. "She could take teasing from a stranger."

They have reserved hotel rooms in the fall halfway between their homes, where they plan to hang out outdoors. The risks of navigating a hotel lobby in masks are worth strengthening a friendship between two people who remain more cautious than most, they said.

"When I look to the future, I imagine myself doing an occasional talk in a bookstore or something," Ms. Jennings said. "So I guess I see some hope in the future that we'll be able to do some stuff."

Watch a Video



Scan this code for a video on why Covid variants keep getting more infectious.

U.S. Will Pause Free At-Home Rapid Tests

By GINGER ADAMS OTIS

The federal government plans to hit pause this week on a program that sends free at-home rapid Covid-19 tests to U.S. households.

"Ordering through this program will be suspended on Friday, September 2 because Congress hasn't provided additional funding to replenish the nation's stockpile of tests," said a post on COVIDTests.gov, the federal website where tests can be ordered.

The Biden administration has pushed Congress for billions in additional funding for Covid-19 vaccines, boosters, treatments and testing. Senate lawmakers negotiated a bipartisan spending deal to repurpose \$10 billion in funds for Covid-19, but that deal got hung up.

Orders for the free at-home tests will continue to be accepted until Sept. 2.

Since the program began in January, more than 350 million free tests have been delivered, according to the White House.

Many people embraced rapid, antigen tests to check their status before work, travel or socializing, as Omicron variants were quickly spreading.

But rapid-test production and demand have declined overall since the spring, data suggests, as people take fewer pandemic precautions.

The Biden administration in May announced a third round of free tests available through COVIDTests.gov.

People could request up to eight at-home tests per order—bringing the total of free Covid-19 kits available to each household since the start of the program to 16.

The third round of tests available was purchased by the federal government earlier this year.



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WORLD NEWS

Kyiv Says It Launched Southern Push

Russian bloggers suggest Ukraine gained ground; Kremlin contends attacks failed

By JAMES MARSON

KYIV, Ukraine—Ukraine launched a military offensive in its south aimed at retaking territory captured by Russia in the early days of the war and firmly seizing the initiative after six months of fighting.

Ukrainian officials said the country's forces were going on the attack after artillery hit bridges, ammunition depots and military facilities in occupied territory overnight and Mon-

day. The scope and immediate effects of the offensive were difficult to assess, as Ukrainian officials declined to provide details, citing the secrecy required in military operations.

Oleksiy Arestovych, a Ukrainian presidential adviser, said that Ukrainian forces broke through the front lines in several places and almost completely cut supply lines across the Dnipro River to Russian troops on its western bank.

The result of the offensive could set the tone for the next phase of the war. After Ukraine repelled a Russian thrust toward Kyiv in spring, Moscow's forces captured some territory in Ukraine's east by using artillery and air-



strikes to demolish cities and then seize them. With Russian efforts in the east appearing exhausted, Ukraine recently said it would strike back in the south, where it has sought to slice Russian supply lines.

Monday's operation offers re-

wards but poses risks. Gains would boost national morale and help persuade Ukraine's Western backers that it can defeat Russia and that stronger military support could help Kyiv press any advantage. Failure could allow Russia to consolidate its hold in a region it has indicated it would like to annex and test Western support for Kyiv.

Russia played down the assault. Officials installed in occupied southern Ukraine by Russia initially denied there was any Ukrainian offensive. On Monday evening, the Russian Ministry of Defense said the attacks failed and resulted in heavy losses for Ukraine. But reports by Russian military bloggers suggested that

Ukraine made breakthroughs to the northeast of Kherson, the regional capital, after bombarding the towns of Beryslav and Nova Kakhovka.

The bloggers, who are closely connected with the Russian military, said Ukrainian forces broke through Russian lines, taking control of the village of Sukhiy Stavok. They said Russia repulsed assaults elsewhere, but fierce fighting was continuing for villages along the Inhulets River as Ukraine sought to expand a bridgehead on its eastern bank.

Ukraine has long telegraphed its intention to wield a counterpunch in the south, leading the Russians to shift thousands of troops there

from Ukraine's east. But Ukrainian government and military officials had said they lacked the tanks and other armored vehicles needed for an offensive. Ukraine, they said, was instead focusing on cutting Russian supply lines to the western bank of the Dnipro.

Ukrainian officials said Monday that they hit the bridge over the Dnipro at Nova Kakhovka, as well as ammunition depots and other military facilities in the region. Ukrainians posting on social media described many explosions in the area. In his nightly address, Ukrainian President Volodymyr Zelensky said he wouldn't give any information on the military situation.

U.N. Inspectors Head to Imperiled Ukraine Nuclear Plant

By JAMES MARSON

KYIV, Ukraine—United Nations atomic-energy inspectors are heading to the Zaporizhzhia nuclear-power plant amid fears that fighting has damaged power lines and caused fires at the facility that could lead to nuclear catastrophe.

The International Atomic Energy Agency said Monday that a team led by its director general, Rafael Grossi, was heading to the plant to assess damage, check safety and security systems and evaluate staff conditions.

The inspection is expected to begin Wednesday and last until Saturday, according to an internal Ukrainian government document seen by The Wall Street Journal.

Renewed shelling around the plant hit buildings some 100 yards from the reactor complex and damaged water pipelines that have now been repaired, the IAEA said, noting that it didn't know the full extent of the damage.

Russian forces have occupied the plant, Europe's largest, and stationed military equipment there, while Ukrai-

nian workers continue to operate it at gunpoint, according to Ukrainian officials.

The trip is the IAEA's most important visit since Chernobyl in 1986, after the catastrophic accident that spewed radioactive dust across Europe, said Morgan D. Libby, a former IAEA official. "Everything else pales in comparison," he said.

Energoatom, Ukraine's state nuclear-power company, said Thursday that Zaporizhzhia's reactors had for the first time been completely disconnected from their regular Ukrainian grid power lines because of a fire that the company blamed on Russian shelling. Russia said Ukraine is responsible.

Two power units of the ZNPP, which were connected to the grid last week after being shut down, are producing electricity for Ukraine's needs, Energoatom said Monday.

The plant produced one-fifth of Ukraine's electricity before the war, and Ukrainian officials say they believe Russia is seeking to steal its power by severing its connection with Ukrainian-held territory. Moscow has denied this.



A U.N. atomic-energy team is expected to start checking the Zaporizhzhia facility on Wednesday.

Mykhailo Podolyak, an adviser to Ukrainian President Volodymyr Zelensky, on Monday accused Russia of shelling Enerhodar, the city where the plant is located, to intimidate locals and create a "propaganda picture" aimed at blaming Ukraine for the shelling. Russia said Ukraine was shelling the city.

In Moscow, Kremlin spokes-

man Dmitry Peskov said he hoped the IAEA visit would influence Kyiv.

"Pressure on the Ukrainian side to stop shelling can reduce military tension," Mr. Peskov said.

The Kremlin long demanded IAEA inspectors access the plant via Russian-held territory, but it recently softened that position amid frantic di-

plomacy.

Nuclear experts have cautioned that there are so many safety issues at the plant—the first in history to be occupied by a hostile power—that the delegation might need weeks on site to properly address them.

The IAEA usually focuses on monitoring countries' use of enriched uranium, but is

now at the center of what it says is the first example of a war in a country with such widespread nuclear infrastructure as Ukraine.

In addition to the risks of damage to power lines, backup generators and radioactive material, the U.N. agency has warned that fighting puts at risk the ability to access Ukraine's reactors if there was an accident. The IAEA repeatedly has warned that the plant's short-handed and exhausted staff amounts to a nuclear-safety crisis in itself.

The Biden administration on Monday called for the "controlled shutdown" of the nuclear plant.

John Kirby, a spokesman for the National Security Council at the White House, said the administration believes that "would be the safest and least risky option in the near term."

By holding the plant, Russian President Vladimir Putin "can hold Ukraine hostage with respect to their own electrical power capability," Mr. Kirby added.

—Joe Parkinson contributed to this article.

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WORLD NEWS

More Than 1,000 Dead as Floods Ravage Pakistan

Heaviest storms in three decades hamper fragile economy just as IMF approves a bailout

By SAIED SHAH

ISLAMABAD, Pakistan—The heaviest rains in 30 years here are unleashing a calamity that will ravage Pakistan's fragile economy, hit at its food supply and dent exports, the country's prime minister said.

"There is an ocean of floodwater everywhere," Shehbaz Sharif said on Monday. The climate minister, Sherry Rehman, said a third of the country is underwater.

The districts hit by flooding are home to 33 million people, according to the country's disaster-management agency, or 15% of the population. The death toll climbed Monday to 1,061 people. Almost one million homes have been destroyed or damaged in torrential monsoon rains since mid-June, with the southern province of Sindh hit hardest.

A dam being constructed in the northwest of the country,

in the Mohmand region, partially collapsed under the volume of floodwaters at the site, officials said. The dam, being built by Chinese and Pakistani contractors, is designed to provide 800 megawatts of electricity, provide water for irrigation and control flash floods.

"This is a matter of grave concern," said Mr. Sharif, visiting the dam site. "We have suffered a major setback."

Cargo planes carrying tents, cooking equipment and relief supplies from Turkey and the United Arab Emirates have begun to arrive in Pakistan, their embassies here said Monday.

The economic impact of the floods will be at least \$10 billion, Finance Minister Miftah Ismail said.

The International Monetary Fund on Monday said its board had approved a bailout for Pakistan, a deal hammered out before the floods.

The IMF agreement provides \$4 billion for the current fiscal year, which began on July 1. But it unlocks at least a further \$33 billion in additional financing for Pakistan, which was in danger of defaulting on its foreign debt re-



A man carried his granddaughter in Charsadda, Pakistan, on Monday, as flooding affected districts home to 33 million people.

FAYAZ AZIZ/REUTERS

payments. Allies China, Saudi Arabia, United Arab Emirates and Qatar are providing loans and investment, and multilateral agencies including the World Bank are also giving loans, all dependent on Pakistan being in an IMF program. The first tranche from the IMF of \$1.1 billion is expected within days.

"Pakistan's economy has been buffeted by adverse external conditions, due to spillovers from the war in Ukraine,

and domestic challenges, including from accommodative policies that resulted in uneven and unbalanced growth," said Antoinette Sayeh, the IMF's deputy managing director and acting chair. "Steadfast implementation of corrective policies and reforms remain essential."

Mr. Ismail said he expected the terms of the IMF program to be relaxed because of the floods.

Arif Habib, a Pakistani brokerage firm, shaved half a per-

centage point off its growth forecast, to 2.5%, for the fiscal year that began July 1. The government had targeted growth of 5% for this fiscal year.

The firm's estimates, based on official and other data, suggest that \$2 billion of crops and livestock could be destroyed by the floods, including 30% of the rice crop, 7% of the cotton crop, and 10% of the sugar cane.

It also estimated that \$800 million in textile exports

would be lost.

The United Nations, which on Tuesday will begin a \$160 million appeal for flood aid for Pakistan, said 3.6 million acres of crops had been affected. In addition, 727,000 livestock animals have perished, Pakistani authorities said.

Mr. Ismail suggested on Monday that Pakistan could move to reopen some trade with adversary India, to import vegetables to help with the crisis.

WORLD WATCH

BRAZIL

Bolsonaro Slams Da Silva in Debate

Trailing in polls with a month to go before Brazil's election, President Jair Bolsonaro came out swinging in the country's first presidential debate Sunday, calling leftist rival Luiz Inácio Lula da Silva a corrupt "ex-con."

The right-wing Mr. Bolsonaro has been fighting to claw back against the popular Mr. da Silva, a former president who polls show winning the Oct. 2 election.

The former president was jailed for corruption in 2018 in the vast Car Wash cash-for-contracts scandal at the state oil company **Petróleo Brasileiro SA**. Mr. da Silva has denied wrongdoing and was freed in 2019 after a Supreme Court ruling, but polls show most Brazilians still believe him to be guilty.

Mr. da Silva criticized Mr. Bolsonaro over rising unemployment and inflation, accusing him of hobbling Brazil.

—Samantha Pearson



CHINA

Authorities Charge 28 In Attack on Women

Chinese authorities charged 28 people months after the brutal beating of several women in a restaurant in June, an incident that was captured by security cameras and prompted nationwide outrage on social media about a lack of safety protections for women.

Prosecutors and police said the incident and the charges were related to broader gang activity in Tangshan, a city of around seven million in Hebei province. In a separate statement released around the same time, Hebei authorities said they were investigating whether police officers were providing protection for local gangsters.

Security-camera footage posted on the Twitter-like Weibo platform on June 10 showed half a dozen men beating four women in a restaurant in Tangshan with chairs and bottles after a woman pushed away a man who appeared to be harassing her.

Soon after the footage of the beating emerged, women's defense classes went viral on social media.

The Hebei People's Procuratorate said in its statement Monday that since 2012, the 28 people charged had been involved in criminal activity, including operating underground casinos, robbery and illegal imprisonment.

—Liyun Qi

EAGLE EYED: A Kyrgyz hunter holds his golden eagle during the hunting festival Salburun near Bishkek, Kyrgyzstan, on Monday.

YVACHESLAV OSELEDKO/AGENCE FRANCE PRESSE/GETTY IMAGES

SOUTH AMERICA

Colombia Revives Ties to Venezuela

Venezuela and Colombia moved to re-establish relations that were severed in 2019 when the U.S. and its closest allies moved to isolate Venezuelan President Nicolás Maduro's regime.

The resumption of relations between the South American

neighbors marks a turn for Colombia, the U.S.'s longtime top partner in Latin America. Under newly elected President Gustavo Petro, Colombia has pledged to steer away from the Washington-led pressure campaign against Mr. Maduro's authoritarian government.

Venezuela and Colombia traded ambassadors on Sunday.

—Juan Forero

GREENLAND

Zombie Ice to Cause Flooding, Study Says

Zombie ice from the massive Greenland ice sheet will eventually raise global sea level by at least 10 inches on its own, according to a study released Monday.

Zombie or doomed ice is ice that is still attached to thicker

areas of ice, but is no longer getting fed by those larger glaciers. That is because the parent glaciers are getting less replenishing snow. Meanwhile the doomed ice is melting from climate change, said study co-author William Colgan, a glaciologist at the Geological Survey of Denmark and Greenland.

"It's dead ice. It's just going to melt and disappear from the ice sheet," Mr. Colgan said.

Although 10 inches doesn't sound like much, that is a global average. Some coastal areas will be hit with more, and high tides and storms on top of that could be even worse, so this much sea level rise "will have huge societal, economic and environmental impacts," said Ellyn Enderlin, a geosciences professor at Boise State University.

—Associated Press

Violence Erupts in Baghdad

Continued from Page One

Mr. Sadr's supporters chanted angry slogans, and others moved in small groups to confront nearby counterprotesters loyal to the Coalition Framework, an alliance of rival Shiite parties led by former Prime Minister Nouri al-Maliki.

Hundreds of demonstrators climbed over the fence ringing the palace and streamed into the building, wandering through the halls and elegant meeting rooms. Iraqi television showed some of them jumping into the swimming pool, while security forces attempted to clear the building.

Late into the evening, automatic-weapons fire and explosions from shoulder-fired grenade launchers could be heard in the Green Zone as members of Mr. Sadr's militia, the Peace Brigade, battled government security forces and other militia members. One Iraqi security force member was wounded in the fighting, an Iraqi official said.

One explosion that detonated near the U.S. Embassy in the Green Zone set off alarms

inside the compound but caused no casualties, the official said. A U.S. Embassy spokesman didn't respond to an inquiry about the incident.

Authorities reported militia attacks in other parts of Baghdad as well as protests and occupation of government buildings by Sadr supporters in the southern cities of Basra and Nassiriyah.

Iraq's military announced a nationwide curfew and Prime Minister Mustafa Kadhim, appealing for calm, suspended cabinet meetings because of the violence.

Mr. Kadhim had avoided using security forces to clear the Green Zone, and he hasn't ordered Iraq's army to intervene. Iraq's government-supported militias, a force of around 160,000 fighters known as Popular Mobilization Forces, also declared on Monday that they wouldn't get involved in the fighting.

Nor were there indications that militias loyal to the Coalition Framework, an alliance of Shiite parties led by Mr. Maliki, had joined the fight against Mr. Sadr's supporters in the Green Zone. Some members of the bloc joined in appealing for calm.

Marsin Alshamary, a researcher in Iraqi politics at Harvard University's Kennedy School, said Mr. Sadr must have known violence would erupt after his resignation.



Supporters of Moqtada al-Sadr help protesters injured in clashes with security forces in Baghdad.

AHMED JAILULI/PA/SHUTTERSTOCK

"His supporters believed that the state had become so unsalvageable that his resignation to them didn't just mean sit at home and watch this play out," Ms. Alshamary said. "It signaled to Sadr's backers that he had given up on it, so we should just burn it to the ground."

In Washington, the White House called reports of violence in Iraq disturbing and urged dialogue between political groups within Iraq.

"Above all, we urge those involved to remain calm, to abstain from this violence and pursue peaceful avenues of re-

dress," a spokesman for the National Security Council at the White House said on Monday.

But the longer the unrest continues, the more likely it is that other armed militias could also intervene, potentially provoking even-more-violent clashes. Shebil Al-Zaidi, a leader of Kataib Imam Ali, a Shia paramilitary group, warned that the protests were threatening to bring down the Iraqi government.

"What we see today is a de-struction of the state and has nothing to do with democracy or freedom of speech," Mr. Zaidi

wrote in a tweet. "The government and its apparatuses are delinquent in doing their job."

After failing to form a government, Mr. Sadr had turned to street protests to demonstrate his power to bring Iraqi politics to a standstill, but in recent weeks his options had narrowed. Other Iraqi factions had rebuffed his calls for dissolving Parliament and holding new elections, and Mr. Sadr had shunned talks convened by Mr. Kadhim aimed at defusing the crisis.

"I have decided not to interfere in political affairs, so now I

announce my final withdrawal," Mr. Sadr wrote on Twitter.

His announcement came the day before Iraq's federal court is supposed to rule on the legality of Mr. Sadr's call to dissolve Parliament, a case Mr. Sadr is likely to lose. It also came shortly after a statement critical of Mr. Sadr was issued by Ayatollah Kadhun al-Haeri, a senior Iraqi Shiite cleric based in Iran who was close to Mr. Sadr's father, himself an influential cleric who was killed by Saddam Hussein's government.

The Coalition Framework is seeking to reopen Parliament and form a new government.

That scenario would mean a government much like those of the recent past, with close ties to Iran and under which top jobs and ministries are divided among its Shiite, Sunni and Kurd factions, political analysts here said. It would also likely mean little short-term pressure on the U.S. to withdraw the 2,500 troops it keeps in Iraq, they said.

But a government headed by the Coalition Framework would face questions about how it would contend with the Iraqi public's demands for jobs, addressing corruption and a reduction in Tehran's influence in Baghdad. Iraq's previous government resigned in late 2019 after widespread protests and after more than 500 demonstrators were killed in clashes with security forces.

FROM PAGE ONE

Russia Finds New Oil Buyers

Continued from Page One
cow earned \$97 billion from oil and gas sales through July this year, about \$74 billion of that from oil, she said.

The country exported 7.4 million barrels of crude and products such as diesel and gasoline each day in July, according to the International Energy Agency, down only about 600,000 barrels a day since the start of the year.

Even with the dip in oil exports, Russia has earned \$20 billion in average monthly sales this year compared with a \$14.6 billion monthly average in 2021, when economies were recovering from the pandemic crash. Shipments were rising again in August, data from ship-tracking firm Vortexa show.

Russia's oil-market resilience has drawn a mixed reaction in Washington, which is juggling two conflicting goals: Tamping down inflation with increased global oil supplies, and keeping economic pressure on Mr. Putin.

Oil prices, which spiked past \$130 a barrel in the first weeks of the war, have settled around \$100 in recent weeks. While still higher than a year ago, the retreat has brought down gas-station prices in the U.S. and Europe.

Russian energy sales have flourished by finding new buyers, new means of payment, new traders and new ways of financing exports, according to oil traders, former Russian industry executives and shipping officials. "There came a realization that the world needs oil, and nobody's brave enough to embargo 7.5 million barrels a day of Russian oil and oil products," said Sergey Vakulenko, an analyst and former Russian energy executive.

After buyers in the U.S., the European Union and their Pacific allies cut back their Russian oil imports, much of it went to nations in Asia that have declined to take sides in the conflict.

An unexpected market has been the Middle East. Exports of Russian fuel oil, a lightly refined version of crude, now go to Saudi Arabia and the United Arab Emirates, often stopping in Egypt en route.

The Russian oil is either burned in Saudi power stations or exported from Fujairah, a U.A.E. port and hot spot for blending Russian and Iranian oils to conceal their provenance. This is oil that before the war was shipped to U.S. refiners.

The Russian imports, purchased at a discount, free state giant Saudi Arabian Oil Co. to export its crude at market prices. "The Saudis are happy to take their oil and sell it rather than burning it," said Carole Nakhle, chief executive



Oil storage tanks at the RN-Tuapsinsky refinery in 2020 operated by Rosneft Oil Co., in Tuapse, Russia.

at consulting firm Crystol Energy.

The arrangement adds supply to the global oil market, helping put a lid on prices. "This is a win-win situation for the Russians and even, I would say, for the Europeans and the U.S.," Ms. Nakhle said.

It also strengthens Russian ties with the Middle East, where Mr. Putin is capitalizing on friction between the Saudis and the Biden administration. Riyadh, joined with Moscow in a cartel known as OPEC+, has resisted U.S. pressure to pump more crude. That has propped up prices, helping Russia in the months when its oil traded at a significant discount.

Saudi Energy Minister Prince Abdulaziz bin Salman said last week OPEC could cut oil production, rebuffing U.S. pressure to open the spigots and sticking by Moscow.

Loose labeling

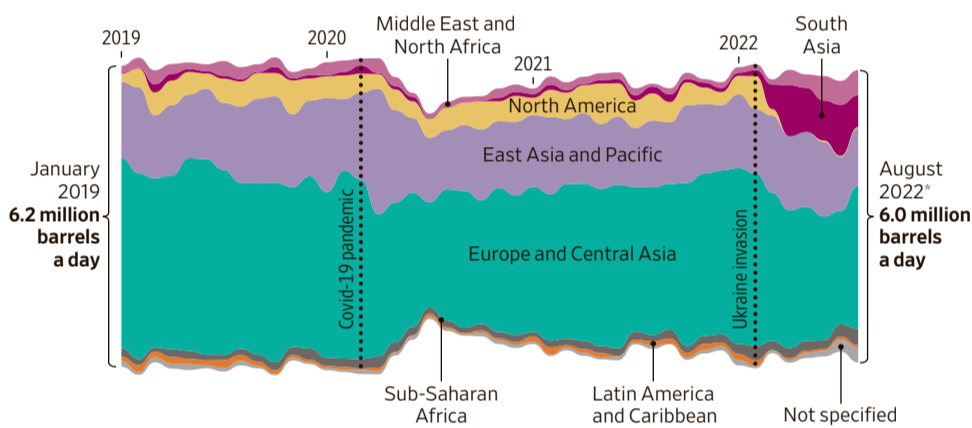
In most cases, Russian oil is legal to buy and sell. The U.S. and EU designed sanctions on the financial system that allow payments for oil to flow to non-sanctioning countries, as well as keep energy prices from rising further.

Many Western institutions, including banks and commodity trading houses, went beyond what was required by law and said they would cut back or stop any transactions that touched Russian oil. That left smaller traders to facilitate Russian exports when such firms as Glencore PLC and Gunvor wound down their

The Flow of Russian Oil

Although many European countries and the U.S. have reduced their imports of Russian oil, countries in Asia and the Middle East are buying more, which has helped Russia maintain its oil export levels.

Russian shipments of crude oil and products



*As of Aug. 20
Source: Vortexa

Andrew Barnett/THE WALL STREET JOURNAL

handling of oil produced by Russia's state-backed Rosneft Oil Co.

These smaller players moved personnel to Dubai and Singapore to skirt short-lived EU sanctions on dealing with Rosneft, said traders and industry executives.

To help obscure its oil-trade workarounds, Moscow ended monthly updates on oil production and other data, making it difficult to gauge activity. Often, Russian port documentation no longer details where the country's oil is heading and who is shipping it, according to traders.

Middlemen move Russian oil from one ship to another while at sea, an expensive maneuver that both disguises its origin and fills vessels too

large to reach Russian ports on the Baltic Sea. Traders say it is likely done to ensure that financial institutions, mindful of sanctions and damage to their reputations, don't withdraw funding and insurance for the shipments.

Iranian, Venezuelan and now Russian fuel oil is stored in the trading hub of Fujairah and disguised, according to oil traders. One trader in Switzerland said he was offered fuel oil that, based on characteristics such as its sulfur content, was clearly Russian. The label said otherwise.

The rewiring of the oil market stabilized the Russian energy industry after the fear of sanctions struck early in the war. Western buyers and European lenders that bankroll

commodity markets froze out Russia. Earlier this year, traders predicted daily Russian exports would fall by as many as 3 million barrels.

China, Turkey and Middle East nations stepped up their purchases, taking advantage of discounted prices and opening lucrative new trade routes for Russian crude. Some refine Russian oil and make profits exporting it to the West as gasoline and diesel.

India is now Russia's best customer. Companies there, under government orders, went from near-zero Russian oil imports to almost a million barrels a day within weeks of the Ukraine invasion.

Imports have ebbed recently because of refinery maintenance work, said an ex-

ecutive at state-owned Indian Oil Corp., but the company signed a contract with Rosneft to lock in supplies until 2028.

"Russian oil will find its new way into India, China and other markets," said Evgeny Gribov, who in March resigned as an executive at Lukoil PJSC, Russia's second-biggest oil producer. "And even sold at a discount it is more than enough to continue fueling the war."

Shadow war

In the long run, Russia will struggle to remain a top-tier oil supplier, said analysts and current and former energy executives. There are physical limits on how much Russian crude that refiners in India and China can take. And, as Russian machinery ages and access to Western software is lost, sanctions that ban technology imports cloud future energy prospects.

Winter will test the resolve of Moscow and its adversaries. On Dec. 5, the EU is due to phase in an embargo on Russian oil and a potentially punishing ban on insuring and financing Russian oil cargoes. If enforced, which some traders and analysts doubt, the measures would significantly escalate efforts to handicap Russia's economy.

The U.S. and its allies have largely spared such restrictions to avoid driving energy prices higher.

Arkady Gevorkyan, an analyst at Citigroup, said Russia might struggle to find new buyers for about 1.25 million barrels of the crude and fuel exports that currently head to Europe each day. Livia Gallarati of Energy Aspects said Russia's daily output of crude and a related fuel known as condensate could drop some 2 million barrels by March next year.

Washington is trying to coax Brussels into restrictions that would limit Russian oil revenue without driving up prices. The U.S. wants the EU to bar insuring cargoes only if they don't comply with a per-barrel price cap. The aim is to shrink Mr. Putin's war chest while keeping prices from new highs.

"We don't want Big Macs being sold in Moscow," a senior Treasury official said. "We want cheap oil flowing through the Baltic."

Some traders and analysts are skeptical and there has been little progress since Treasury proposed the price-cap idea in June.

Proceeding with the EU's proposed restrictions would reveal the continent's willingness to absorb economic pain on behalf of Ukraine. Many believe Moscow would respond by cutting Europe's natural-gas supply, which of late has flowed at around 20% of capacity on the Nord Stream pipeline, to zero.

"Vladimir Putin has put mutually assured destruction on the table," said Helima Croft, head of commodity strategy at RBC Capital Markets.

Mushrooms Grow On Pop Culture

Continued from Page One
ish mushrooms that his store has a stand-alone display dedicated to all things fungi. Titles range from "How to Forage for Mushrooms Without Dying" by Frank Hyman to Victoria Romanoff's "Mushroom Foraging and Feasting: Recollections and Recipes from a Lifetime on the Hunt."

The lowly mushroom is having a star turn across publishing, fashion, Hollywood and Instagram.

Designer Stella McCartney's website features what it describes as "the world's first-ever luxury bag" made from mycelium, a leather alternative made from the threadlike roots of mushrooms. "Our Summer 2022 collection chooses to optimistically celebrate fungi—as the future not only of fashion, but our planet," the site explains.

Ms. McCartney says some of her "fondest memories" are from her childhood on an organic farm in Scotland. "The freedom we experienced there in harmony with Mother Nature has had such an impact on how I approach the design of all my collections from conception to the materials I work

with," she adds.

Vogue magazine last year wrote about the impact mushrooms were having on the glamour set in the story "You Aren't Tripping: Fungi Are Taking Over Fashion." In mid-July, Vogue followed with a story about mushroom leather hats. "Slowly but surely," the piece reported, "leather alternatives made from mycelium instead of animal hides have entered the market."

Sarah Spellings, the Vogue fashion news editor who wrote the hat story, says she recently acquired an Hermès print scarf embellished with mushrooms after she saw it mentioned or worn by people on Instagram. In the fashion world, mushrooms represent a source of creative inspiration and the embrace of nature, she says: "They have a deeper meaning if you dig into it, no pun intended."

Fungi featured in the hit TV comedy series "Ted Lasso," when Coach Beard, a man of few words, is seen reading "Entangled Life: How Fungi Make Our Worlds, Change Our Minds & Shape Our Futures" by Merlin Sheldrake. Mr. Sheldrake, a biologist and author who has more than 50,000 followers on Instagram, later proudly tweeted a still from the show.

"The book has seeped into the culture," says Hilary Redmon, who edited "Entangled Life" for Random House, an imprint of Bertelsmann SE's Penguin Random House. "Mer-



Chanterelle mushrooms.

lin wanted you to think like a fungus, and he delivered."

Literary fans of the title include Margaret Atwood, who tweeted her appreciation while offering words of hope for future generations. "Despair of the future of life on earth? Never mind, there will be fungus among us. One way or another."

Ms. Atwood says she has always been interested in mushrooms. She wrote an essay

about mushrooms in high school, she says, and has written several poems about them including "September Mushrooms," which appears in "Dearly," her most recent book of poetry (2020). She also writes about mushrooms in her "MaddAddam" trilogy of novels. "They seem so unlikely," she says.

Sales of "Entangled Life" have proved a steady build. Nineteen months after the

hardcover was published in May 2020, the paperback edition hit the New York Times nonfiction list dated Dec. 12, 2021. "That never happens," says Ms. Redmon.

Readers bought about 220,000 print books related to mushrooms across the categories of nature, life sciences, and mind, body and spirit this year through Aug. 13, according to book tracker NPD BookScan, a decline of about 9% from a high point in 2021, but an increase of 56% over 2019.

Helping spur interest have been the recent docuseries "How to Change Your Mind" hosted by author Michael Pollan and based on his 2018 book "How to Change Your Mind: What the New Science of Psychedelics Teaches Us About Consciousness, Dying, Addiction, Depression, and Transcendence," and the documentary "Fantastic Fungi" directed by Louie Schwartzberg, says Kristen McLean, an NPD book analyst.

"Mushrooms are definitely having a moment," she says.

Mushroom enthusiasts like Jane Mason, a 55-year-old children's book writer, have long known the fungus fun that others are just now discovering. She spent a recent Sunday in late July foraging for burn morels in a forest near Eagle, Colo.

She estimates she's taken home 120 pounds this year, stuffing the large ones with beet greens, onions and cheese and pan frying them on both

sides. A forest fire last summer—combined with a "very wet summer" this year—has led to a bumper crop, she says.

Ms. Mason was born in northern Minnesota, where she still forages for chicken of the woods, lion's mane and lobster mushrooms in the hardwood forests. She later lived in the San Francisco Bay Area, where she searched for chanterelles, candy caps, black trumpets and cauliflower mushrooms.

Alan D'Souza, a 52-year-old librarian at the City College of San Francisco, says he has stored enough foraged mushrooms in his home to survive Armageddon. "The best first question probably shouldn't be, 'Can I eat that?'" he says, "but it helps us engage with the natural world."

Understanding the difference between a safe mushroom like a chanterelle and a poisonous species is key. "I would encourage anybody not to have fear about mushroom hunting but don't swallow anything until you are 100% certain about what it is," says Kristen Blizzard, who with husband Trent Blizzard co-wrote "Wild Mushrooms: A Cookbook and Foraging Guide."

In a politically fraught period, mushroom hunting offers some much needed relief. "One thing about the mushroom community is that everyone gets along," says Ms. Blizzard. "It's kind of like pickleball in that regard."



PERSONAL FINANCE

Here's How Retiring on \$2 Million Can Look These Days in America

Four retirees open up about their financial lives and how they spend their time and money

By VERONICA DAGHER
AND ANNE TERGESEN

For many Americans, retirement advice is limited to encouragement to save more or warnings that they haven't saved enough.

But most people get little guidance or give little thought to what to do with all those savings once they reach this next chapter. Whether they are decades, years, or months from retirement, it can be hard to imagine the life that 401(k) ultimately buys. And it is difficult to erase the anxiety about whether you are spending too much each year.

Comfort and anxiety were tested in the past year even for those with significant savings. Rising inflation dented nest eggs more than many had budgeted or expected. Meanwhile, a declining stock market cut into many retirees' savings.

We spoke in depth with four retirees who saved enough to build comfortable retirements, with net worths ranging from roughly \$2 million to \$4 million. They shared insights about how they spend their time and money, what has given them joy or anxiety, and how their expectations of life in retirement measured up to the reality.

The four live in different parts of the country and are at different phases of life—with one just entering retirement at 61, while another is in his 80s.

Among other things, they offer insight into some of the challenges that retirees—even those with substantial savings—face today. They also shared advice on the importance of having a sense of purpose in your post-career years and periodically re-evaluating one's needs and desires in response to aging and other changes.

Here are their stories:

John Fitzgerald

Savings and Investments:
\$2 million
Annual Spending: \$144,000

When John Fitzgerald retired as a police lieutenant about three years ago after 33 years on the force, his deferred compensation plan was worth about \$1.7 million.

These days, due to the stock-market pullback, it is worth about \$1.3 million. The 61-year-old Brookeville, Md., husband and father of three is concerned as he's counting on that money to help fund his lifestyle.

"I see my hard-earned money slipping away every day," he said.

Mr. Fitzgerald considers himself fortunate as he also has a roughly \$6,900 monthly pension after taxes and insurance.

He has about another \$350,000 saved in other accounts including bank accounts and a college savings fund.

So far, he and his wife, Jill Fitzgerald, 58, haven't made any changes to their portfolios. Mrs. Fitzgerald works as a writer and editor and has about \$400,000 saved for retirement.

The couple is feeling the effects



of inflation. They help pay the college tuition for their youngest son, a bill that they expect to rise roughly 5% to about \$35,000 this fall.

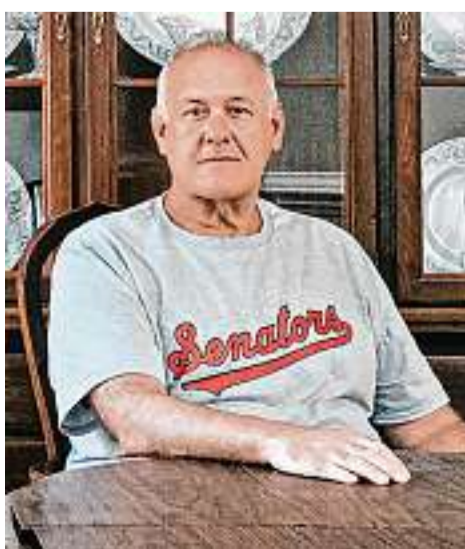
In total, Mr. Fitzgerald estimates they pay about \$12,000 in monthly expenses including mortgage payments for their Maryland home and a Delaware beach house. The couple has about \$400,000 in debt including mortgages and car loans.

They have cut the amount of groceries they buy, but their bill jumped to about \$600 a month from about \$300 a month, he said. They have eliminated favorites such as bagged salads as the roughly \$4.59 per bag price isn't worth the recent \$2 price increase, Mr. Fitzgerald said.

Higher prices aren't stopping Mr. Fitzgerald's extensive volunteer schedule, however. From March through November, he coaches a baseball team for 11-year-olds and is commissioner of a local youth baseball league. During the season, he spends about 30 hours a week on this work, which frequently occupies most of his weekends.

When it isn't baseball season, the days can sometimes drag, he said. He recommends other retirees find a passion to look forward to so they don't get bored.

Looking ahead, Mr. Fitzgerald would like to sell his Maryland



John Fitzgerald, 61, a retired police lieutenant, coaches youth baseball.

home in about four years and move to Florida to save on taxes.

James Compton

Savings and Investments:
\$1.5 million
Annual Spending: \$100,000

James Compton, 84, only recently fully retired.

While he left his job as president and chief executive officer of the Chicago Urban League more than 15 years ago, he has kept himself busy by serving on corporate and non-profit boards.

He was still working full time when he joined the boards of Ariel Investments, Commonwealth Edison Co. and the Field Museum of Natural History. Thanks to some of those board seats and others, he earned about \$150,000 a year, which helped replace a large portion of his full-time work salary. Over roughly the past decade, he said he has aged off all of the boards.

His social pace is slower these days, but he still keeps active. Mr. Compton used to spend about \$125 a week on lunches out with contacts and people who sought career advice. These days, due in part to rising prices and because one of his favorite lunch spots closed, he spends about \$60 and goes out about twice a week instead of five times.

He still enjoys giving to several of his favorite charities, including Morehouse College, but is reducing the amount because of inflation and the impact of the stock-market pullback on his portfolio. He estimates he'll donate about \$8,000 in total this year to various charities instead of the roughly \$15,000 he gave last year.

Mr. Compton valued his portfolio at around \$1.5 million, 70% of which is invested in stock mutual funds. He is concerned about market volatility and the general climate of uncertainty right now. "I should probably take less risk, but I still sleep well at night," he said.

As interest rates have risen, he's concerned about the \$200,000 adjustable-rate mortgage he's still paying off on his

Above: Judy Hall, 75, has two homes and loves volunteering. Left: James Compton, 84, served on several boards earlier in his retirement.

three-bedroom Chicago townhome. He is unsure what the loan's rate will be when it resets next year so he is considering his options including eventually selling his home.

"Don't go into retirement with a mortgage," he said.

Social Security checks help him pay for the townhome's upkeep, which he estimates to be about \$2,000 a year.

He devotes more time to physical fitness now than he could when he was working. Four days a week, he'll head to a local health club to lift weights or take a cardio class.

"My doctor tells me I'm in perfect health so I plan to keep learning and connecting with others for as long as I can," he said.

Judy Hall

Savings and Investments:
\$1.8 million
Annual Spending: \$110,000

When Judy Hall retired in 2005 at 58, she had about \$2 million and no clue how she was going to fill her days. To gather ideas, the former human-resources executive at Berkshire Hathaway Inc.'s General Re took a seven-week road trip to visit retired friends. "I wanted to know what retired people do all day," said Ms. Hall, 75, who describes herself as a former workaholic.

When she returned to her Manhattan apartment, Ms. Hall increased her volunteer work at St. Bartholomew's Church. She organized a conference and filled in for an employee on leave. She also became the church's liaison to a homeless shelter.

"They called me the uber volunteer. I loved it," said Ms. Hall, who discovered a new sense of purpose. "My mantra is to wake up in the morning and make a difference in someone's life."

At the shelter, Ms. Hall met a family she remains close with, including becoming godmother to a girl who is now 10 years old.

Five years ago, Ms. Hall sold her one-bedroom apartment and bought a \$450,000 condo in Naples, Fla. "I need to figure out what my next act is. I'm not a person who can sit around," said Ms. Hall, who tutors in an after-school program and serves on the board of trustees of her alma mater, Roanoke College in Virginia.

For the past 30 years, Ms. Hall has owned a beach house she named Camp Cocktail in Ocean City, N.J., where she often entertains.

Throughout her 37 years at Gen Re, Ms. Hall said she saved 6% a year in her 401(k), where she received a 6% company match. She amassed \$1 million by retirement, and swapped her pension for a lump-sum that added another \$1 million to the balance.

Although Ms. Hall retired shortly before the 2008 financial crisis, her long-term investment returns have been high enough to replace most of the money she has withdrawn

from her savings, leaving her with \$1.8 million of the \$2 million she retired with.

Ms. Hall spends more these days on food, gas for her Honda Accord, and airfare to Roanoke. But when she left New York, her spending declined to about \$110,000 a year from \$200,000. She receives \$25,000 in Social Security and donates about \$30,000 a year.

With two homes, Ms. Hall rarely travels, but she hopes to visit Ireland and Australia next year.

Otherwise, she said, she's more interested in downsizing than spending. "I don't want more stuff," said Ms. Hall.

Bob Bradley

Savings and Investments:
\$1 million
Annual Spending: \$92,543

For Bob Bradley, retirement came sooner than he had imagined.

"I always enjoyed work and was going to keep going," said Mr. Bradley, 73, a former quality assurance manager at Pratt & Whitney, a jet engine manufacturer owned by Raytheon Technologies Corp.

But in 2015, Mr. Bradley left the company at age 66, over differences with his manager.

Mr. Bradley still works as a consultant. Through 2018, the San Antonio resident worked two to six weeks a year, often living in hotels while on site with clients.

During the pandemic, he put his business on hold and volunteered at a local vaccine center that served up to 3,000 people a day. Before it closed, the center hired Mr. Bradley, paying him \$17 an hour, to analyze ways to improve efficiency.

This year, Mr. Bradley spent 10 weeks consulting at a company in Park City, Utah, earning around \$40,000 before expenses.

At home, Mr. Bradley's routine revolves around working out at a local gym and cooking. He fixes friends' cars and works around the house he owns with his wife, Jolanda Bradley, 65, painting and making minor repairs.

Mr. Bradley said it has been rewarding to help clients "but it's also rewarding to help people who need a car fixed. I help people out wherever I can."

Despite the unexpected timing of his retirement, Mr. Bradley said the transition wasn't difficult, in part because he threw himself into launching a local investment club.

Mr. Bradley also serves on the board of the Austin, Texas, chapter of the American Association of Individual Investors, which teaches members about the markets and financial planning. He manages his own money.

When Mr. Bradley retired in 2015, his 401(k) balance was \$990,000. Despite withdrawals, the value rose to \$1.015 million by Dec. 31 before falling to \$965,195 due to the gyrating market and distributions the Internal Revenue Service requires account owners to take starting at age 72. Mr. Bradley's required withdrawal last year was \$38,000.

Mr. Bradley said he isn't worried. "I have the confidence of having survived to this point. This is a bad time in the market, but it should come back."

He said his wife, who works in



Bob Bradley, 73, still does some consulting and likes to fix cars.

the wine industry, has two small investment accounts but never saved much, in part because her career was interrupted by his job changes, which sent them to the U.K., Indiana, and Connecticut.

Mr. Bradley figures the couple's home is worth about \$800,000. They owe \$138,000 on a mortgage.

Mr. Bradley said the hardest part of retiring earlier than planned was figuring out how to finance living expenses from ages 66 to 70. He delayed claiming Social Security to 70 to secure a larger benefit of \$44,000 a year.

While the Bradleys have maintained their preretirement lifestyle, inflation is a concern.

This year, they are spending \$9,200 a month, up from \$8,400 in 2021, reflecting higher costs for energy and food. But their medical premiums have declined because Ms. Bradley was able to switch from a private policy to Medicare.

PERSONAL JOURNAL.

By MADDIE ELLIS

Dynasti deGouville is exhausted and Samantha Blau has never felt better. They're both doing the same thing.

The two women have been trying to live their best lives by following approaches learned from the #ThatGirl and #CleanGirl trends on TikTok. The lifestyle prescribes waking up at 5 a.m., working out every day, journaling, meditating, eating certain foods (green smoothies, avocado toast) and wearing brand-name athleisure.

The #ThatGirl hashtag, which has garnered about six billion views on TikTok, is an example of online content that purports to inspire people to change their offline lives. We've all spotted social-media trends on Facebook, Twitter and other sites that we believe will push us to better ourselves. The beautiful imagery and depictions of happiness can inspire us to adopt a healthier lifestyle or learn a new skill. But they can also leave us feeling overwhelmed and drained. At times, popular online trends can perpetuate unattainable beauty and wealth standards.

#ThatGirl has been criticized for lacking body, racial and income diversity, with many posts featuring thin, white, seemingly wealthy women. Even though anyone can create a



Dynasti deGouville took a break from #ThatGirl earlier this month.

When a TikTok Trend Rules Your Life: Who's #ThatGirl?



#ThatGirl video on TikTok, the platform's algorithms determine the popularity of any video.

On the broader question of improving life, #ThatGirl has led to both outcomes. Inside the successes and pitfalls for Ms. deGouville and Ms. Blau are clues on the best ways for each of us to approach hashtag trends.

Exhaustion

Earlier this year, Ms. deGouville, 22 years old, found her TikTok feed filled with #ThatGirl videos from people she follows, talking about how they improved their lives.

After graduating from Emory University in May, Ms. deGouville started comparing her life to theirs. Without the structure of classes and extracurriculars, she had to find new ways to fill her time outside her day job.

"That's when I started to build myself after these women," she said.

Instagram has its fair share of aspirational lifestyle content, too. But Meta Platforms-owned Instagram frequently features curated posts that many know show only snippets of real life. TikTok users often view that app's short-form

videos as more genuine, said Jayne Charneski, founder of the consumer-research firm Front Row Insights & Strategy. "There's this association with authenticity and casualness, and I think it makes that content feel more believable," she said.

At the same time, the nature of TikTok's algorithm means viewers can fall down rabbit holes of content. That can make viewers think everyone must live like the people they see online, and question why they don't, said Christian Montag, a professor at Ulm University in Germany who researches the connection between social-media habits and personality.

In December, TikTok said it was working to diversify recommendations and prevent users from seeing too much of the same content. TikTok, when contacted for comment for this piece, referred to a blog post from July. In it, Cormac Keenan, head of trust and safety, said the company has reduced the frequency of content recommendations related to well-being topics such as dieting and fitness.

A spokeswoman added that in the coming weeks, the company would roll out a feature to filter out specific hashtags.

The steps recommended by #That-

Girl creators—and followed by Ms. deGouville—included waking up an hour and a half before work to journal, drink a smoothie and go through a seven-step skin care routine. After closing her laptop at the end of the workday, Ms. deGouville would head to the gym and exercise vigorously. Following her cool-down stretch, she would make a healthy meal, read and meditate before going to sleep.

"I've definitely had days where I've achieved all of that, but it's exhausting," she said. The pressure of pursuing the #ThatGirl lifestyle eventually gave her a nagging feeling similar to having a coming—but nonexistent—deadline, she said.

She took a break from #ThatGirl earlier this month, giving up the to-do list of daily tasks. Life has felt easier since then, she said.

Inspiration

Like Ms. deGouville, Ms. Blau, 19, gets served mostly lifestyle and wellness content on her TikTok feed. Instead of a how-to guide, the student at Western New England University in Massachusetts sees it as inspiration for small, daily changes.

Her approach has involved examining how her life already fitted with the #ThatGirl ethos. For example, she already owned a journal; she just had to start writing in it.

Since working #ThatGirl habits into her life, Ms. Blau has noticed a feeling of accomplishment and improvement in her daily mood. It has spurred her to socialize more and spend more time outside. It has also helped her give priority to doing what makes her happy, she said.

Ms. Blau tried one idealized routine of waking up early, going to the gym and journaling, but she's not a morning person. So she started exercising at night. If a habit, such as meditation, isn't working, she says she stops doing it.

"I look to those videos to see how I can replicate those habits

while still staying true to what I enjoy doing daily," Ms. Blau said.

What you can do

Here are some ways to ensure your relationship with TikTok and other social-media lifestyle content stays healthy:

Ask how it makes you feel. Before and after viewing, Jacqueline Sperling, a clinical psychologist and faculty member at Harvard Medical School, recommends rating on a scale how you feel. If you notice declines, cut back or try tailoring what you see. Use the "not interested" feature to prevent the algorithm from serving those kinds of videos again. You can also scroll through your Following feed to only see posts from accounts you choose.



Samantha Blau tries to stay true to what she enjoys doing daily.

Make your phone boring. Setting Screen Time limits for TikTok and other social media can help reduce your consumption. If you find yourself hitting "ignore" on those break prompts, Dr. Montag recommends turning your phone to grayscale mode, ditching the vivid colors that can make smartphones appealing.

Consult a professional. The daily #ThatGirl life consists of specific diet and fitness guidance. Consider asking a nutritionist or other professional for a personalized plan, Dr. Sperling said.

Remember it's a highlight reel. A photo you see on Instagram might be the best out of dozens of shots. TikTok could be similar. Imagine what goes on behind the scenes of a TikTok video. Picture the actual filming process.

ILLUSTRATION: ELENA SCOTTI/THE WALL STREET JOURNAL; ISTOCK (6); SHUTTERSTOCK (2) THE WALL STREET JOURNAL; SAMANTHA BLAU; DYNASTI DEGOUVILLE

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Beatrice Tosti di Valminuta and Julio Pena's 1965 Eldorado, a fixture in the East Village.

MY RIDE | A.J. BAIME

Car Fuels New York Love Story

By A.J. BAIME

Julio Pena, 58, and Beatrice Tosti di Valminuta, 59, the married proprietors of *Il Posto Accanto*, a New York City restaurant, on their 1965 Cadillac Eldorado convertible, as told to A.J. Baime.

Mr. Pena: The story of this car is the story of our relationship—our love affair, if you will. One night, in the summer of 1992, I went to a bar called Lucky Strike in SoHo, and there was this Italian girl dancing.

Ms. Tosti di Valminuta: It was 4 o'clock in the morning when we met. He had this 1969 Cadillac Coupe de Ville convertible. He thought it was love at first sight, but I just really liked his car. He took me to Save the Robots, a famous after-hours spot, in his Cadillac.

Mr. Pena: The next day, she invited me for dinner. She cooked, and I never left.

Ms. Tosti di Valminuta: Four months later, the Cadillac died. Julio started looking for another car. He found this 1965 Eldorado on Long Island. He bought it and said to me: "I know we are going



The restaurateurs pick up supplies in the convertible.

to be together forever. And I want to give you this car." I was born in '63, and the car was born in '65, so we were about the same age. When Julio and I built our first restaurant, we used this car for everything. Home Depot. Building supply in Queens and Brooklyn. We filled it with two-by-fours, and Sheetrock.

Mr. Pena: For about 30 years, I have been parking the car on East Second Street. We named it "Ms. Caddy," and we love her. The car has aches and pains. She has given me some major headaches over the years. She's been through some body shops, with many New York battle scars and stories.

But the car has become part of the East Village community. Our block on East Second Street is one of the safest blocks in the city. Once, the motor for an electric window broke, so for two days, I left the window

open. Nobody touched the car.

Ms. Tosti di Valminuta: Everybody in the neighborhood looks out for it. They know if they see somebody lying on the car and having their picture taken, to yell at them:

"Hey, don't lie on the car!" And we still use it for the restaurant. The farmers at the farmers markets love it when I show up with this car. Just yesterday, Julio had the car at a restaurant supply store in Jersey.

Mr. Pena: Parking on the street can be tough with a car this big. With alternate side of the street parking, I have to move the car frequently.

Is it easy to drive a car like this in Manhattan? If you were born and raised in the city, it's a breeze. My wife was born in Rome, and she has no problem driving this Cadillac in New York.

At this point, it's such a sentimental thing, and we love how much joy Ms. Caddy brings to the neighborhood.

Once this guy asked me if he could have his picture taken with the car and I said, "How about I take the top down and you can sit in it?" As my dad taught me: Be nice. It don't cost nothing.

SAM WILLIAMS FOR THE WALL STREET JOURNAL (2)

ARTS IN REVIEW



MUSIC REVIEW | MARK RICHARDSON

Chris Forsyth: Guitar Hero

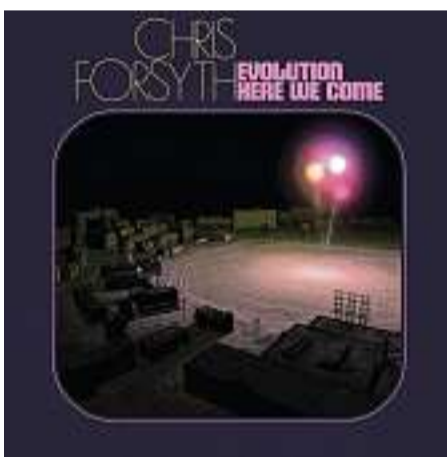
The typically cosmic guitarist leans playfully into the populist rock of the '70s and '80s

Over the past 50 years, rock has moved from the center of music culture to being merely one niche among many. Decade by decade, new technology and emerging platforms—MTV, the sampler, MP3s—steadily chipped away at the genre's dominance. There's still plenty of rock being made, of course, and at any given time one style or another enjoys a resurgence, pop-punk being a recent example. But rock now thrives at the margins. New Jersey-born guitarist Chris Forsyth, currently based in Philadelphia, has played in a wide array of musical contexts since the late '90s—psychedelia, folk, noise—but his greatest talent is his ability to synthesize these disparate influences into heady improvisational rock that's also rich in simple pleasures.

In the early 2000s, the now-49-year-old Mr. Forsyth was part of an extremely fertile Brooklyn experimental scene, and his band Peeessey drew on the avant-rock tradition of groups like Sonic Youth. Though he'd already been playing for years, he took guitar lessons from Richard Lloyd, who

made his name alongside Tom Verlaine as one half of the twin guitar attack in the exploratory punk band Television. Mr. Forsyth moved to Philadelphia in the late 2000s and became a one-man cottage industry, releasing records with many projects and collaborating with artists drawing from scenes as disparate as free jazz and ambient drone. The most exciting thing about "Evolution Here We Come" (No Quarter), his new solo LP, out now, is that it's a perfect place for the unfamiliar to dive in. Though it builds on what has come before, this may be his most accessible record and has much to offer for anyone who enjoys well-composed and well-played guitar workouts with crunchy hooks and expansive solos.

"Evolution" is mostly an instrumental album—Mr. Forsyth sings on only two of the seven cuts, but his guitar playing has always been his work's principal attraction. While a sizable portion of his recorded output is steeped in far-out cosmic music, the new collection leans toward more populist rock from the '70s and '80s. But there



are still plenty of left-turns. "Experimental & Professional" opens the record with the sound of indistinct squiggles and two percussion lines that don't quite line up—when the engine of the track finally locks in, it's like push-starting an old car. The feeling is supremely satisfying. The track walks a line between sharp ZZ Top-style riffing—the title is taken from a line in that group's 1973 song "Beer Drinkers & Hell Raisers"—and the steady-state pulse of sleek German rock bands like Neu! and Can.

Though it stretches past eight minutes, "Experimental & Professional" is constructed like a pop number, with distinct verses and choruses. The guitar solos are excellent, and the track sticks in your mind like a piece of ear candy.

Dave Harrington, best known as a member of the spacey electronic rock duo Darkside, co-produced the album with Mr. Forsyth, and together they've found just the right combination of earthy and celestial. Musical humor abounds—the irresistible riffs and chiming guitar tones of the second track, "Heaven for a Few," channel the epic melo-drama of Harold Faltermeyer's "Top Gun Anthem"—but these playful references are interspersed with intricate chord changes and rhythmic shifts that require technical sophistication. This mix of high and low, where heavy chops are in service of fun, recalls the early work of Frank Zappa, such as his instrumental 1969 masterpiece "Hot Rats."

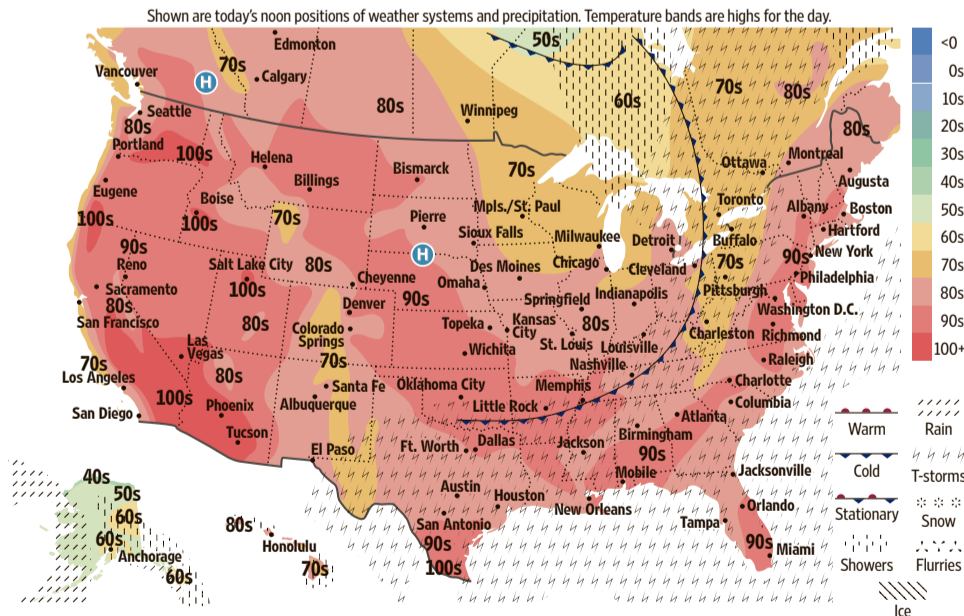
The first of two vocal songs in the middle of the record is a cover of Richard Thompson's "You're Go-

ing to Need Somebody." Mr. Forsyth certainly has a spiritual connection to the elder guitarist's work, which also merges out-there instrumental excursions with grounded folk, and the new take on the old tune is a highly energized rave-up. Unfortunately, the second vocal track, "Hey, Evolution," an original by Mr. Forsyth, is the set's weakest offering by far, suggesting that the guitarist has an easier time crafting melodies with his instrument than he does with his voice.

But the latter is just a speed bump, and "Evolution Here We Come" closes strong with the noir-ish and twangy "Long Beach Idyll"—originally released in a less engaging acoustic version in 2015—and the extended jam "Robot Energy Machine." The latter is over 14 minutes long and features some of the record's most mind-bending jams, but interest never wanes across its entire length. As it twists and turns, Mr. Forsyth and the album's second guitarist, Tom Malach of the band Garcia Peoples, evoke the telepathic interplay of Television, as they trade solos and their lead lines seem to braid into a single powerhouse whole. If you still believe in the power of guitar-based rock, "Evolution Here We Come" is worth a listen.

Mr. Richardson is the Journal's rock and pop music critic. Follow him on Twitter @MarkRichardson.

Weather



U.S. Forecasts

Table with columns: City, Today (HI, LO, W), Tomorrow (HI, LO, W). Lists major cities and their weather forecasts.

International

Table with columns: City, Today (HI, LO, W), Tomorrow (HI, LO, W). Lists international cities and their weather forecasts.

The WSJ Daily Crossword | Edited by Mike Shenk

Crossword puzzle grid with clues and numbers. Includes clues like '66 Rattles on', '67 Noted name among boxers', etc.

OPPORTUNITY KNOCKS

Word search puzzle with clues and a grid. Includes clues like '23 Address for Al Sharpton', '25 Take on as a tenant', etc.

Additional crossword clues and solutions. Includes clues like '29 Avril Lavigne's "SK8er ___"', '30 Prompt to go on', etc.

Previous puzzle's solution grid with words filled in.

► Solve this puzzle online and discuss it at WSJ.com/Puzzles.

SPORTS

Pujols Is His Old Self Again— And Chasing 700 Home Runs

The slugging great is pursuing both history and a pennant in his final major-league season

By TIM BROWN

For 22 summers Albert Pujols has seen others come and go, mentors and friends and tough outs and a few pitchers he actually liked.

His time to go is near, too, whenever the St. Louis Cardinals are done, in five weeks or 10 or somewhere in between. For a lot of the past few years, it looked like one of the game's greatest hitters was going to disappear quietly, his powers greatly diminished.

Instead, these last days seem to him to be some of the happiest he can recall, surrounded as he is by warm memories wrapped in one more pennant race. Plus, he's raking.

"It's a blessing, man," he said, a phrase he repeats often.

Entering Monday's play, Pujols, 42, has 693 career home runs, three short of Alex Rodriguez on the all-time list and seven away from joining only Barry Bonds, Henry Aaron and Babe Ruth at 700 or more. His recent offensive surge suggests there is still some *maquina* in the man. The national conversation about home runs for the rest of the season may be less about whether Aaron Judge can hit 62, one more than Roger Maris did, and more about whether Albert Pujols can get to 700 in his career.

He has no precise explanation for how an expiring career explodes with seven home runs, 14 RBI and a .548 batting average across 13 days of his final August, beyond his explanation for every good day and every bad day before them. That is about the work he puts in, the faith he carries and his willingness to accept the outcomes. It is the same commitment, he says, that a long time ago became a routine, that became a lifestyle and that became a Hall of Fame career.

It's the same as it was on an early April day in 2001 when Tony La Russa batted him sixth and gave him left field, the same as it was when he walked along a Wrigley



Entering Monday, Albert Pujols has 693 career home runs. The Cardinals' star is retiring at the end of the year.

Field concourse one afternoon this week to the entrance of the visitors' clubhouse. He pulled on the door. Pulled again. It was locked. He was the first to arrive.

Now it's almost time for something new, another chapter—raising his five children the rest of the way into adulthood in the wake of a trying divorce, providing for the people of his native Dominican Republic, perhaps leading a group of investors into franchise ownership.

But first he is wrangling a few more good at-bats, hoping to win a third championship in St. Louis and reminding himself to look around and breathe it in as he does.

"I'm just done," he said in an in-

terview last week. "I just don't feel it in me anymore. You know what I mean? I don't want to stick around just for the paycheck, man. That love and passion that I have, that I've had since I was 5 years old for this game, I don't want to ruin it for one more year or one more month. So that's why I decided it."

He also says there's no doubt that this is the end—even if he finishes the season one home run short of 700.

"That's why I announced it in spring training," Pujols said, "because I knew that I was going to probably have decent success and I didn't want to have in the back of my mind, 'Oh, I want to play one

more year.' I'm done. So, no matter what, if I hit .300, 700 home runs, 699 home runs, it doesn't matter. I'm through with it, you know?"

The National League's Most Valuable Player as a Cardinal three times before he turned 30, he had once come as close as anyone to figuring out the game.

Then a move to the Los Angeles Angels brought a decade that was not nearly as prolific. The pull of age, injuries, gravity and mediocre teams in Anaheim dulled his production.

He began to smile again during a five-month stay with the Los Angeles Dodgers that ended in the National League Championship Series

last year, then circled back to the Cardinals for one final season with his friend Yadier Molina, fans who adored him and a place that felt like home.

"Where everything started," he said.

He batted .215 in the first half, then .403 in the second, reminding folks what it was like when Albert Pujols was young and in Cardinal red and living on the barrel of his bat.

And so for a few minutes several times a night, baseball crowds across the country lean into the last at-bats of one of the greatest hitters to ever play. It isn't just fans: at Dodger Stadium, the televisions in the home clubhouse are regularly tuned to Cardinals games.

"Guys are talking," said Dino Ebel, a coach with the Angels when Pujols was there and for the Dodgers when Pujols was there. "The bat speed is there. His weight is back. It's impressive."

When Pujols homered for No. 693, Ebel said, "Guys jumped up and hollered. Even umpires are saying, 'Man, I hope he gets 700.'"

On a recent Saturday, Pujols entered a game in Arizona one base shy of Stan Musial for second in career total bases. He homered in his first at-bat, homered in his second, singled in his third and singled in his fourth. The baseball that moved him past Musial and behind only Aaron was retrieved and presented to Pujols.

Nolan Arenado, the Cardinals third baseman, asked Pujols what it was for. "In the dugout, we were all looking at each other, like, 'What?'" Arenado recalled with a laugh. "We couldn't comprehend what he was saying. Like, second all-time? Like, literally there's nobody else but *one guy*?"

Pujols knows that the powerful lineup around him—including Paul Goldschmidt and Arenado and others—is helping to bring the pitches he is turning around. One day, he'd turned to pitcher Adam Wainwright, a fellow 40-something, and said of his productive teammates, "Hey, I remember when I used to have that kind of month. That kind of week," and they smiled at each other.

Now he's having that kind of month again. Even he can't quite believe it.

"If you would have asked me 22 years ago to picture this, I would have said, 'No. No way,'" he said.

His laugh filled the hallway. "And here we are," he said.

CHRISTIAN PETERSEN/GETTY IMAGES



Serena Williams reacts during her first-round victory over Danka Kovinic.

Serena Williams Delays Farewell With a Win

By JOSHUA ROBINSON

The Serena Williams show will roll on for a couple more days after all. On a Monday night when the U.S. Open set the stage for her swan song, Williams made sure that her 27-year Grand Slam singles career would last at least one more match after defeating Danka Kovinic of Montenegro, 6-3, 6-3 in the first round. Williams will now play the tournament's No. 2 seed, Anett Kontaveit of Estonia, in the second round on Wednesday.

Even if Monday wasn't officially the send-off—Serena was still due to play doubles with her sister Venus later this week—it felt like one anyway. The U.S. Open gave her an opening night showcase, a star-studded New York crowd and a flashy pre-recorded walk-on sequence narrated by Queen Latifah. Spike Lee was on hand for the coin toss. Former President Bill Clinton watched from the stands next to Dr. Ruth. Martina Navratilova (and her tiny dog) sat beside Mike Tyson.

Williams herself dressed up for the occasion and emerged onto the court in a sparkly black jacket with shiny stones in her hair and a rhinestone-encrusted headband.

The quality of the tennis was far less shimmering. And it soon proved that organizers were right to be prepared for Williams's exit—even if she scrapped through in the end. Williams looked nervous and occasionally clumsy in a first set that dampened the normally

boisterous mood inside Arthur Ashe Stadium. She took the first two games, only to fall behind 3-2.

But, as it turned out, Kovinic was just as out of sorts. In the first set alone, the two players combined for 12 double faults and more than 30 unforced errors. Yet in the moments that mattered most, Williams was able to fall back on the most reliable weapon of her career: her guided missile of a serve.

What little momentum Kovinic had seemed to dry up in the second set. Though she knew that the 40-year-old Williams struggles to cover ground the way she used to, Kovinic didn't make her run the way so many of Williams's opponents have recently, from the careful shot placement of 2021 U.S. Open champion Emma Raducanu in Cincinnati, to the constant slices from the unseeded Harmony Tan in the first round of Wimbledon.

Instead, she gave Williams just enough time to swing freely and lean on her long-range power. After a grueling first set that lasted an hour, she closed out the second with far less drama.

Had she lost, the tournament was ready to hit play on a lavish farewell ceremony on court. Then, once she won, the U.S. Open trotted out the retrospective anyway, led by Gayle King and Billie Jean King. But Williams, who had said explicitly that she didn't want a farewell bonanza, ended her evening with a much better prize: the promise of one more singles match.

Landscaper's Daughter Is Now a U.S. Tennis Star

By RACHEL BACHMAN

Growing up in St. Petersburg, Fla., Danielle Collins would wake up at 5 a.m. and practice tennis from 6 to 8 a.m. with her father at a nearby park. One morning, Walter Collins—who makes a living working outdoors as the owner of a small landscaping company—said he didn't feel well.

"I wanted to go to practice so bad, I remember crying," Danielle Collins said. "And my dad got out of bed. He pulled himself out of bed, and he took me to practice and made sure I got my practice right before school."

Nearly two decades later, the work ethic that her father embedded in her has made the 28-year-old Collins one of the top women's tennis players in the world.

She is the No. 19 seed in the U.S. Open and faces the unseeded two-time Open champion Naomi Osaka in a first-round match Tuesday. It's a tough first-round draw, despite Osaka's recent struggles. But Collins already has reached a Grand Slam final this year, falling in the 2022 Australian Open to the now-retired Ashleigh Barty.

Collins's path to the heights of world tennis stands out in a sport where a player's training and costs on tour can run to six figures a year. She attended public high school and played on city courts. She spent four years playing college tennis—rare for a highly ranked tour player.

Collins built her game with her father, Walter, a longtime tennis lover who at age 83 still mows lawns and trims bushes for the landscaping business he's owned for decades.

"It really is very unusual," Walter Collins said. "She didn't have a silver spoon. It was hard-core."

He recalled he and Danielle's mother, Cathy, trying to interest their young daughter in dance, swimming, soccer. Nothing stuck. Finally, when Danielle was around 5 years old, Walter introduced her to tennis. She would watch him play others in the neighborhood, then she would hit against him. She was hooked. Post-playing trips for ice cream sealed the deal.

"Your technique and the things



No. 19 seed Danielle Collins is set to play Naomi Osaka at the U.S. Open.

that you learn tactically in your first couple of tournaments, and the ways that you figure out to win matches and how to use your strengths and how to work around your weaknesses—those are the things that end up making you into a good player," Collins said. "It doesn't just happen overnight, it takes years and years of hard work. And all of that hard work started with my dad."

Walter encouraged Danielle to compete against all kinds of players. That's how she wound up, around age 8, playing doubles against 70-year-olds. As she got older and stronger, her father would find increasingly skilled local adults to play against her.

A few of the players "couldn't stand losing to a girl," Walter said. Especially one who was about 10 years old at the time.

The adults Danielle played didn't fire off ground strokes like tennis-academy prodigies. They scrapped and fought to win matches. They hit drop shots. They served and volleyed. They sliced. They hit one-handed backhands.

Walter and Cathy took turns driving Danielle to junior tournaments. Against younger players, Danielle carried the advantage of having played against a range of people. She wasn't easily fazed.

"I think that really is what gave her an all-around game—she was exposed to different playing styles," said Troy Porco, who was an assistant coach when Collins played at the University of Virginia.

Given Collins's modest upbringing—her mother is a retired grade-school teacher—she's still cautious about money.

Her splurge with the more than \$1 million she won at the Australian Open was a new couch.

When Collins is in the St. Petersburg area, she sometimes runs into father's longtime clients—some who had let her swim in their pools when she was little.

Even though Collins is now playing in the largest tennis stadiums in the world, she still visits the courts she grew up on.

On a recent day, Collins and a high-level junior male player paused during a practice match on one of those courts when a man approached them.

"My cardio tennis clinic starts at 6:00, so if you'd like to join, you're more than welcome," she remembers him saying.

Collins told him they wanted to wrap up their set first.

The man saw them hit a few balls, she said, then he said, "OK, I think you might be a little too good for the clinic."

LAURENT GILLIERON/SHUTTERSTOCK

OPINION

REVIEW & OUTLOOK

Lina Khan's Merger Metaverse

Give Federal Trade Commission Chair Lina Khan props for legal invention. Her agency's lawsuit to block Facebook-parent Meta from acquiring Within Unlimited, the virtual-reality app developer, creates an antitrust metaverse worthy of Doctor Strange.

CEO Mark Zuckerberg has sought to expand in the burgeoning virtual reality (VR) market as Facebook's user growth has slowed. The company now boasts the best-selling VR headset and some of the most popular apps, many of which it has acquired. While most VR users are videogamers, Meta wants to broaden the market with fitness workouts.

Last year Meta announced plans to acquire Within, the studio behind the popular VR fitness app Supernatural that offers guided workouts in exotic locations. "Fitness is the killer use case for VR," says Within CEO Chris Milk.

Enter the FTC's three Democratic commissioners, who overruled career staff and voted to bring a lawsuit to block the acquisition under the Clayton Act. The FTC wants to constrain Meta's VR ambitions while setting a regulatory precedent that will create new antitrust uncertainty and discourage acquisitions across the U.S. economy. Meta's acquisition "poses a reasonable likelihood of substantially lessening competition in the market for VR dedicated fitness apps," the lawsuit says.

But how can the acquisition reduce competition when Meta doesn't own any fitness apps, and Supernatural has plenty of competitors even by the FTC's admission? According to the suit, Meta's music and rhythm app Beat Saber competes with Supernatural because they both involve people moving around in space and burning calories. Seriously?

Perhaps even Ms. Khan realizes this theory of competition stretches law and logic, so the lawsuit offers another argument. Lo, Meta could use its current profits to develop its own fitness app or add fitness features to its existing apps, which would "have the effect of substantially deconcentrating and increasing competition in the market."

This argument is based on a discredited antitrust theory known as "potential competi-

tion," which concedes that merging parties don't actually compete against each other but could do so. This theory was used to attack conglomerate mergers a half century ago before its illogic and bad economics were taken apart by Phil Areeda and other antitrust scholars. Their work influenced judges who have looked on the theory

with disfavor. But Ms. Khan is undaunted and relies on an even more extreme version known as "actual potential competition." This holds that a merger is illegal not because the buyer is already competing in the market but because the buyer should have entered the market on its own to provide more competition.

Under current antitrust precedent, the FTC would have to prove that the VR fitness market is highly concentrated; that Meta probably would have entered the market and its entry would have pro-competitive effects; and there are few other firms capable of doing so.

Failing to demonstrate any of these things, the FTC shifts the burden to Meta to prove that it wouldn't seek to develop its own fitness app if it doesn't acquire Within. It's impossible to prove this negative, as Ms. Khan knows. Meta doesn't have to prove this under existing antitrust doctrine, so Ms. Khan is trying to rewrite antitrust law via litigation.

Though the lawsuit doesn't say so explicitly, it's clear the FTC is trying to prevent Meta from using acquisitions to expand its leading position in VR. Never mind that Apple and Alphabet are moving fast into VR with even deeper pockets. Acquisitions can also represent an economically efficient allocation of capital. But Ms. Khan thinks Meta should have been barred from buying Instagram and WhatsApp, and she doesn't want it getting bigger. She'd prefer to break up Meta instead.

Venture capitalists often fund startups on the hope that they will be bought by larger companies. Ms. Khan is setting down the marker that the FTC can block acquisitions merely to prevent big companies from getting bigger, even if they don't reduce competition or harm consumers. This will chill investment and innovation, and it deserves a burial in court.

The FTC Chair is using a discredited theory to block a Meta acquisition.

Iran Tells the Truth About Inspections

Give Tehran credit for candor, of a sort. The Biden Administration and European allies are desperate to negotiate a new nuclear deal with Iran to replace the 2015 Obama-era pact, and the Iranian regime is being honest that it won't abide by whatever inspections come with that deal.

The latest evidence comes from a rare press conference held Monday by President Ebrahim Raisi. Speaking about the prospects for a new deal and a meeting with President Biden, the Iranian said, "Without settlement of safeguard issues, speaking about an agreement has no meaning." By "safeguard issues," he means the International Atomic Energy Agency's attempts to investigate likely breaches of Iran's nuclear commitments dating to the early 2000s.

The IAEA is following up on traces of man-made uranium found in 2019 and 2020 at three sites that had not been declared to inspectors, and it has suspended its investigation of a fourth site. Tehran has yet to say what became of the equipment used to refine the uranium, let alone where the uranium itself has gone. This appears to be a violation of Iran's obligations under the nuclear nonproliferation treaty, which long predated the 2015 Joint Comprehensive Plan of Action.

Mr. Raisi wants the U.S. and Europe to lean on the IAEA to stop investigating Iran's violations of a decades-old nuclear treaty in order to entice Tehran to sign a new, and weaker, anti-nuclear agreement. Oh, and Tehran expects the West to pay for the privilege by lifting economic sanctions on the Islamic Republic.

The danger is that the Iranians know their marks all too well. Talks on a new deal so far have bogged down over which sanctions the West would lift. But the two sides may be nearing an agreement that would ease hundreds of billions of dollars' worth of sanctions in return for time-limited nuclear pledges Tehran might not allow anyone to verify. Iran also continues to foment trouble throughout the Middle East and attempt to assassinate former U.S. officials such as John Bolton and Iranian exiles who criticize the regime.

President Biden has a track record of reckless bloody-mindedness (see Afghanistan, withdrawal from) that must give Mr. Raisi and the mullahs hope they can leverage Mr. Biden's determination to sign a deal.

Maybe you can't blame a dangerous autocratic regime for trying. But voters—and Congress—can and should blame Mr. Biden if he plays along.

A Big Labor Takeover in Illinois

Public unions already dominate government in Illinois, and Democratic lawmakers now want to amend the constitution to entrench that power and block reforms. Those are the stakes of Amendment 1, which will appear on the November ballot.

Democratic supermajorities in the state House and Senate voted last year to put the measure before voters. Amendment 1 would change the Illinois Constitution to read that "employees shall have the fundamental right to organize and to bargain collectively through representatives of their own choosing for the purpose of negotiating wages, hours, and working conditions, and to protect their economic welfare and safety at work."

The National Labor Relations Act already governs private workers and limits who can bargain about what. Illinois can't expand the collective-bargaining rights of private employees beyond what federal law allows.

Democratic state Sen. Ram Villivalam, who is sponsoring the measure, admitted as much last year. "The Amendment refers to 'employees,' and not workers or individuals," he said. "This was done with intention. As the Members of the House should be aware, the National Labor Relations Act governs organizing and collective bargaining in the private sector and, as such, preempts any direct State regulation on the subject." He added that Amendment 1 thus "could not apply to the private sector."

Proponents nonetheless advertise Amendment 1 as protection for "all Illinoisans." This looks like an intentional attempt to mislead voters, since the union-backed Vote Yes for Workers' Rights also claims this will benefit "first respond-

ers like nurses, firefighters, and EMTs"—categories that include private workers.

Wages and hours are already fair game for bargaining under federal and state law. But Amendment 1 would expand eligible subjects to include anything that affects workers' "economic welfare and safety at work."

If you think teachers unions are powerful now, wait until this passes. Amendment 1 would bar the Legislature from passing anything that "interferes with, negates, or diminishes the right of employees to organize and bargain collectively over their wages, hours, and other terms and conditions of employment and work place safety."

The Illinois Policy Institute, a free-market think tank, says this means that "contracts created under Amendment 1 will carry the weight of the constitution, allowing government unions to override state laws." It has identified more than 350 state laws the amendment may imperil, and Amendment 1 also includes an explicit prohibition on a right-to-work law.

The Illinois Policy Institute and the Liberty Justice Center, a public interest litigation firm, sued this spring to block Amendment 1 from the November ballot. Because the plain language of the text contradicts the National Labor Relations Act, they say it violates the Supremacy Clause of the U.S. Constitution.

They lost in county circuit court and on Friday in state appellate court, and they plan to ask the Illinois Supreme Court to hear the case. But it appears that voters will now have to prevent this union takeover of state government and its dire implications for education and the state economy and public finances.

Amendment 1 would entrench the power of public unions.

LETTERS TO THE EDITOR

Tracing a Legal Basis for the Trump Warrant

In "The Trump Warrant Had No Legal Basis" (Aug. 23), David Rivkin and Lee Casey get the law backward. The Presidential Records Act states that "the United States shall reserve and retain complete ownership, possession, and control of Presidential records" and specifies how such records must be administered. As Messrs. Rivkin and Casey note, it states that such records "shall be available" to a former president, but this plainly means that the president can review them under supervision of the national archivist, who assumes control of the records after the president's term.

The president can temporarily restrict public access to some confidential or classified records, but this provision protects information that still belongs to the government and is managed by the archivist. There is no plausible interpretation of this plain language under which a former president could choose to stash classified records in his home office.

PROF. DAVID W. OPPERBECK
Seton Hall University School of Law
Newark, N.J.

Whatever one thinks of the propriety of the FBI search, I think Messrs. Rivkin and Casey are wrong on the law. They argue that the three statutes cited in the search warrant are general in nature, and are in effect canceled by the more specific Presidential Records Act, or PRA. They cite a U.S. Supreme Court case that holds that a more specific statute isn't controlled or nullified by a more general one.

But the PRA is the more general statute—it covers virtually every piece of paper "created or received by the President" or his staff, from the most sensitive national security documents to the presidential declaration of national Leif Erikson Day. In contrast, 18 USC Sec. 793, cited in the search warrant, specifically covers only documents relating to "the national defense," and a subsection makes it a crime if any person, "having lawful possession" of such a document, "through gross negligence permits the same to be removed from its proper place of custody."

DAVID E. WEISBERG
Cary, N.C.

Gifted Education and Equity Are Not at Odds

Gifted education in elementary schools has been accused of furthering racism and elitism ("Who Is Gifted?" The Future of Everything, Aug. 11). There is also controversy about how students should be identified for advanced classes. New York City just got rid of standardized testing in favor of letters of recommendation from preschool teachers, followed by a lottery. This seems fair: Students who are hungry to learn and be challenged are easy to spot.

Gifted classes should be separated at least into verbal and mathematical areas. And why not also in art and music? Moreover, students, once enrolled, shouldn't automatically be enrolled each year. Teachers ought to recommend which students should continue

based on their performance.

As gifted-education researcher Jonathan Plucker has said on the "Education Gadfly Show," if we don't offer advanced learning opportunities, we won't see advanced learning. Equity doesn't mean treating all students the same. It means individualizing education to meet the level of challenge appropriate for each child.

Providing advanced classes is the way to do this (as is often done in high schools). Ideally, we should be expanding the number of seats in advanced classes at the elementary level. This would require more teachers, which comes down to funding.

EM. PROF. ELLEN WINNER
Boston College
Cambridge, Mass.

Blockchain Could Take Care of the Constitution

The concerns raised by Ken Griffin in "A Billionaire Explains Why He Bought Constitution" (Personal Journal, Aug. 10), particularly regarding the fiduciary responsibilities of decentralized autonomous organizations (DAOs), are misguided.

In the lead-up to the auction, as the fiscal sponsor of the ConstitutionDAO project, our organization, Endowment, prepared specific language and legal provisions in our partnership to ensure the safety and care of the Constitution if our bid was successful. In fact, we ultimately didn't put forward our maximum bid precisely because we took seriously our obligation to have remaining

funds available for properly storing and insuring the document before transferring it for display. The idea that we wouldn't have been able to adequately take care of the Constitution demeans the efforts of thousands of Americans who came together to form this group, as well as the professional assessment of Sotheby's to verify bidders.

Mr. Griffin's comments about the legitimacy of DAOs are yet another instance of a member of the financial industry's old guard falling back on dismissive tropes and misconceptions to discredit groundbreaking blockchain technology and the democratizing, community-driven projects that are emerging around it.

ROBBIE HEEGER
President and CEO, Endowment
Brooklyn, N.Y.

Reform the Student-Loan System in One Simple Step

Regarding Preston Cooper's op-ed "Student-Loan Reform Is Now Urgent" (Aug. 25): Student-loan reform requires only one element: Make the loans dischargeable in a Chapter 13 bankruptcy plan.

Such a plan requires a proportioned payback of debts over five years. Currently, all other types of loans are dischargeable in Chapter 13, including some kinds of taxes. It is unconscionable that an 18-year-old, whose brain still hasn't matured, should suffer decades of financial purgatory for debts for inflated tuition and bloated administrative expenses.

Universities know that their students haven't the faintest idea to what financial burden they have yoked themselves. Dischargeability in bankruptcy provides forgiveness, with significant credit consequences, while also providing a fresh start, all without jeopardizing "moral hazard," which is already more honored in the breach.

CHRISTOPHER DENTON
Elmira, N.Y.

Pepper ... And Salt

THE WALL STREET JOURNAL



"It's always a battle of wits with them—and I arrive unarmed."

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BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

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Bed Bath Stock Sale Tests SEC Rule

Investor Ryan Cohen's surprise trade came on the heels of a filing about a sizable stake

By Dave Michaels

WASHINGTON—Investor Ryan Cohen might have run afoul of disclosure guidelines in his surprise sale of Bed Bath & Beyond Inc. stock this month, securities lawyers said, but regulatory action against him appears unlikely.

Mr. Cohen sold his entire stake in the home-goods retailer on Aug. 16 and 17, just months after he took a significant position in the company and pledged to force changes there. Shares tumbled after news of his sales came out on the afternoon of the 17th, but

meanwhile Mr. Cohen benefited from a huge surge in volume that enabled him to sell millions of shares while prices rose.

An ownership disclosure that Mr. Cohen filed on the morning he began selling included a trivial update about the size of his holdings and said he hadn't done any trading in Bed Bath & Beyond during the prior 60 days.

The SEC requires activist investors to file the ownership disclosure, known as a 13D, when they acquire at least 5% of a company's shares and plan to influence or control the company. SEC rules dictate that investors must promptly update the form to reflect any material changes to what they first disclosed, such as new plans to buy or sell shares.

Within minutes or hours of

the ownership disclosure, Mr. Cohen began selling. Individual investors "have no idea he is dumping the stock against them," said Joshua Mitts, a law professor at Columbia University who specializes in analytical research on trading strategies.

The Securities and Exchange Commission could investigate whether Mr. Cohen had a plan to sell before he filed the Aug. 16 update that he should have disclosed, according to former regulators and law professors who specialize in securities law. The SEC's enforcement division hasn't contacted him, according to a person familiar with the matter.

"The question here is at the time that Cohen filed that trivial update, had he firmed up his decision to sell?" said Keith

Higgins, a former director of the SEC division that oversees public-company disclosures. "And if he did or if he had, that omission is problematic."

A person familiar with Mr. Cohen's trading said his filings complied with rules, and he didn't make any offers or seek any prices for his Bed Bath & Beyond shares before making the Aug. 16 ownership disclosure update.

Many large investors don't formulate written plans to buy or sell, to avoid triggering the requirement to update the ownership disclosure, said Adam Pritchard, a securities and corporate law professor at the University of Michigan. "If you are properly lawyered, you don't have a plan until you decide you are going to sell," Mr. Pritchard said.

Instead, activist investors

typically disclose that they could either buy or sell, which they say satisfies their disclosure requirements while giving them room to change their minds, according to lawyers who practice in the area. In some cases, investors have disclosed plans to sell their stakes before trading.

"If his intent was to truly do nothing" on the morning of Aug. 16, "then that is a hard enforcement case," Mr. Mitts said. "If I were the SEC, I would want really clear evidence that the trading decision had been made."

The SEC sometimes brings enforcement actions when it believes investors have violated these rules. In 2008, regulators said Tracinda Corp., the holding company of famed investor Kirk Kerkorian, failed to disclose its intent to sell shares before trading. Please turn to page B2

Tesla Suit Aims at State Ban On Direct Car Deals

By Meghan Bobrowsky

Tesla Inc. has filed suit to challenge a Louisiana law it says restricts its ability to sell electric vehicles directly to customers and violates its constitutional rights.

The lawsuit filed last week in the U.S. District Court for the Eastern District of Louisiana is the latest action by Tesla to try to open markets to its model of selling cars directly to consumers rather than using dealers as intermediaries. Tesla argues the state law, among other things, infringes on interstate commerce.

The electric-vehicle maker is suing the Louisiana Automobile Dealers Association, multiple officials on the Louisiana Motor Vehicle Commission and some dealerships in the state, which Tesla says conspired to bring the current laws and regulations into place.

"Louisiana consumers' freedom is being unduly restricted by protectionist, anti-competitive, and inefficient state regulation and laws," Tesla said in the lawsuit. The state didn't respond to a request for comment.

The Louisiana Automobile Dealers Association and the Louisiana Motor Vehicle Commission didn't respond to requests for comment.

The state ban against selling vehicles directly to consumers went into effect in 2017. Such types of laws were first brought about in the 1950s to stop stores from being arbitrarily shut down by manufacturers. In recent years, they have been used by dealer lobbyists and some car makers who say all stores should be independently owned.

The franchise laws and other efforts that protect dealers from competition from car makers have been an issue for Tesla for years. The car maker filed a similar lawsuit in Michigan in 2016 after the state denied the company a license to open a store to sell directly to consumers. The state and Tesla settled their dispute, enabling direct sales by the car maker to in-state customers. Please turn to page B2

Funds That Ease Risk Attract Big Inflows

By Eric Wallerstein

Investors have struggled to find havens during 2022's market tumult, so some have turned to investments that mitigate risk in exchange for less reward.

A popular set of exchange-traded funds claim to guard against investors' losses, up to a point, while limiting potential gains as well.

These "buffer funds" have attracted roughly \$6 billion in inflows this year, already doubling last year's record inflows of \$3 billion for the entire year, according to Bloomberg data.

Buffer funds seek to protect investors against a set percentage of losses over a fixed period and allow investors to track the price of an underlying index such as the S&P 500 while using options to mitigate against losses. In exchange for that protection, investors' gains are capped at a certain level.

Some strategists caution that these funds don't come without drawbacks.

"These strategies are built to have less risk than the stock market," said Roni Israelev, chief investment officer of NDVR Inc., a wealth-management firm that uses quantitative portfolio strategies. "But after considering the limited gains, the potential costliness of the options traded and high fees, are buffered strategies worth it compared to a standard equity investment?" Please turn to page B11

Mix of Disney Board Raises Doubts

By Robbie Whelan and Ming Li

When the activist investor Dan Loeb announced earlier this month that his hedge fund had taken a new stake in Walt Disney Co., he called for a wide-ranging menu of changes. One was a "refresh" of Disney's board.

Mr. Loeb, chief executive of Third Point LLC, wrote in a now-public letter to Disney Chief Executive Bob Chapek that the board suffered from "gaps in talent and experience as a group that must be addressed."

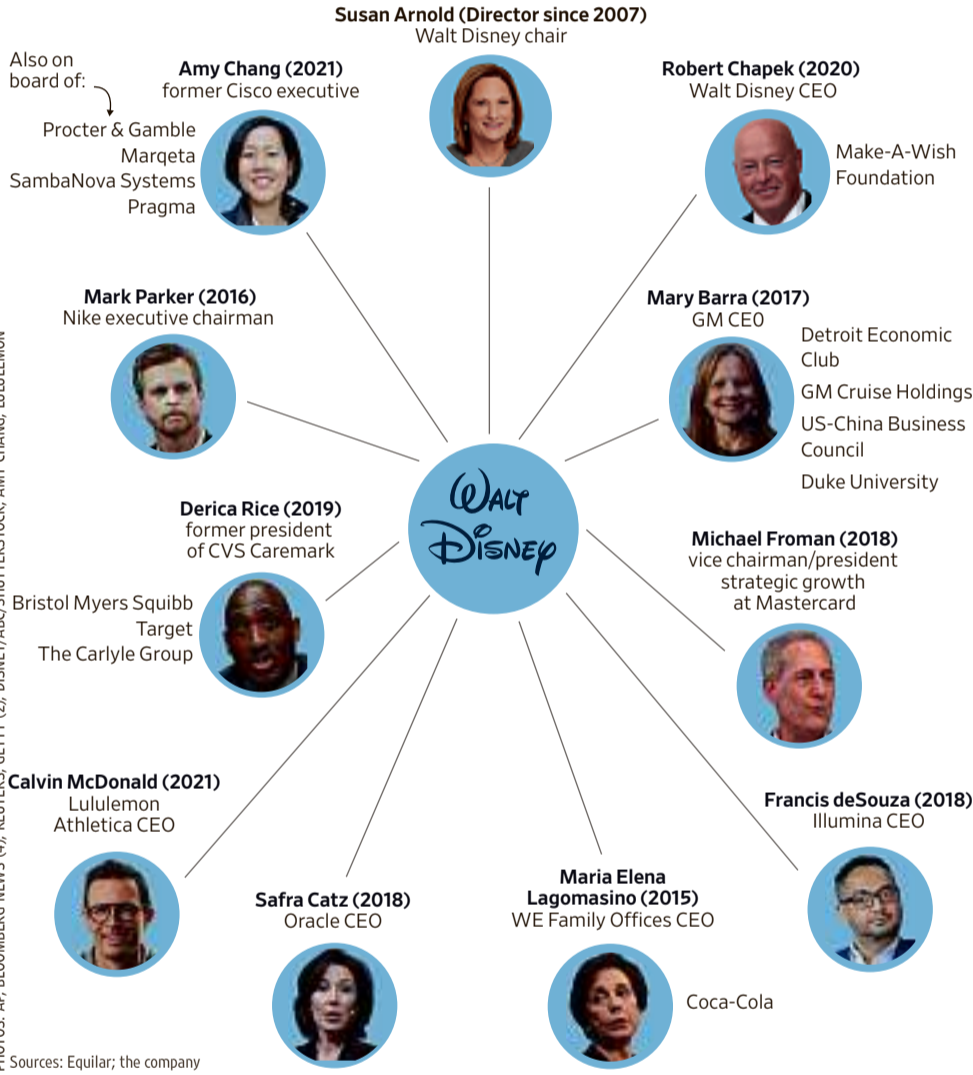
Specifically, Mr. Loeb is concerned that Disney directors don't have enough experience in digital advertising, the monetization of consumer data and other areas that could help Disney boost profits as the company becomes more technology-focused, according to a person familiar with his thinking.

Disney disputed Mr. Loeb's characterization of the board in its response to his letter.

"Our independent and experienced Board has significant expertise in branded, consumer-facing and technology businesses as well as talent-driven enterprises," Disney said after the letter came out. It said the board changes often, with directors having an average tenure of four years.

Its most recent change came in December, when Disney's board elected Susan Arnold as chairman, replacing Robert Iger, its longtime chief executive who served as board

Walt Disney board members



chairman starting in 2012. Ms. Arnold has been on Disney's board since 2007, previously served as its lead independent director and has held execu-

tive positions at Carlyle Group Inc. and Procter & Gamble Co. Disney's theme-park business has historically been its most profitable, but executives

have focused their efforts over the past couple of years on expanding its flagship streaming service, Disney+, and its other

Please turn to page B2

Companies Slow To Revive Payouts

By Mark Maurer

Over two years after the pandemic ravaged corporate balance sheets, dozens of companies haven't turned their dividends back on. Some of them are wondering whether now—during an economic slowdown—is the right time to do so.

Nearly 190 U.S.-listed companies stopped paying dividends in 2020 to save much-needed cash, according to S&P Global Market Intelligence. Thirty-nine went back to them that same year, 53 followed suit in 2021, and 23 have done

so this year. However, 72 companies, or 38.5%, have yet to reinstate their dividend, including Boeing Co. and Walt Disney Co.

Faced with the decision of if and when to resume their dividend, executives are considering other spending priorities, such as reducing their debt or buying back shares, and the uncertain economic outlook. The U.S. economy contracted at a 0.6% annualized rate in the second quarter, and economists expect it to slow further as the Federal Reserve continues to raise interest rates to Please turn to page B10



Boeing has said it is giving priority to investment in research programs over things such as dividends.

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Musk's lawyers seek to depose Twitter's former security chief, Peiter Zatko. B2



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Honda and LG Energy plan to build a \$4.4 billion EV battery factory in the U.S. B3

India's Reliance Commits \$25 Billion for 5G Rollout

By Rajesh Roy

NEW DELHI—Reliance Industries Ltd. will spend \$25 billion to roll out its 5G services in India, starting with the biggest cities in the next two months, company Chairman Mukesh Ambani said Monday, as the country's largest

business group expands its digital footprint.

Reliance Jio Infocomm Ltd., the telecom arm of the oil-to-telecom behemoth, has an ambitious 2 trillion-rupee plan for launching the next-generation internet service, Mr. Ambani told investors virtually at the annual general meeting,

with the goal of delivering services across the nation by December 2023.

India has lagged behind the rest of the world in setting up networks for the rollout of 5G technology, whose speed is billed as key to ushering in a new era of digitally connected industries. The Reliance Group

plan is set to leapfrog India into the league of nations such as China and South Korea that already use 5G.

Mr. Ambani said his company would deploy a "stand-alone 5G" version that doesn't depend on the earlier 4G network to help deliver faster connectivity. The company

says it is targeting connecting over 100 million homes and tens of millions of small merchants and businesses, and will work with U.S. chip maker Qualcomm Inc. on the effort.

"We are committed to make India the largest data-powered economy in the world, beating Please turn to page B4

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Tesla Sues To Allow Direct Deals

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As Tesla has grappled with local restrictions, it has found ways to put its vehicles into customers' hands. In Texas, for example, it has so-called galleries where potential customers can learn about its cars, but those buyers must go online to actually purchase a vehicle. In Louisiana, Tesla said, customers were going out of state to buy its vehicles after the state's move in 2017 to bolster franchise laws that effectively banned direct sales.

Tesla is also claiming that the defendants in the Louisiana case, by citing the state law, have tried to prevent it from leasing cars and operating warranty repair shops that are meant to service the 3,000 Tesla vehicles currently registered in the state. Tesla dis-

agrees with that interpretation of the law and has been involved in a separate legal battle with some of the defendants over the issue.

Auto makers with long-established dealership networks are also rethinking their sales model when it comes to electric vehicles.

General Motors Co. says dealers will only be shipped the number of Hummer electric pickup trucks that have been ordered by customers through its website. A few months back, Ford Motor Co. outlined plans for customers to order EVs online at a no-haggle price. The dealership would still be involved to deliver cars.

Separately, the National Labor Relations Board on Monday ruled against Tesla in a case about whether workers could be required to wear shirts with the company's logo to work, which effectively prevented them from being able to wear union-branded clothing. The board sided with employees, saying the Tesla company-branded clothing standard violated NLRB policy.

BUSINESS & FINANCE

Musk Subpoenas Twitter Accuser

By SARAH E. NEEDLEMAN

Elon Musk's legal team sent a subpoena to Peiter ZATKO, Twitter Inc.'s former head of security whose whistleblower complaint accusing the social-media company of "egregious deficiencies" related to privacy, digital and physical security, platform integrity and content moderation was made public last week.

Mr. Musk seeks documents and communications from Mr. ZATKO about how the company measures and deals with fake and spam accounts, as well as information pertaining to reports about the company's alleged security vulnerabilities that were sent to Chief Executive Parag Agrawal or other executives, according to legal filings made public Monday.

Mr. ZATKO, known as "Mudge," is a famed ex-hacker who was recruited to Twitter in 2020 by co-founder Jack Dorsey to help protect user privacy and the security of the company's computer systems.

Mr. Musk was fired this year. Mr. Musk's lawyers are also seeking details on Mr. ZATKO's departure from Twitter and proposing a deposition on Sept. 9. Mr. Musk's attorney, Alex Spiro, previously told The Wall Street Journal he sent a subpoena to Mr. ZATKO and found the former Twitter executive's exit curious.

A Twitter spokeswoman has said that Mr. ZATKO was fired "for ineffective leadership and poor performance" and that the complaint "is riddled with inconsistencies and inaccuracies and lacks important context." Twitter declined to comment on the subpoena.

Debra Katz, an attorney representing Mr. ZATKO, said he would comply with the legal obligations of the subpoena and his appearance at the deposition will be involuntary. "He did not make his whistleblower disclosures to the appropriate governmental bodies to benefit Musk or to harm Twitter, but rather to protect the American public and Twitter shareholders," she said.

Mr. Musk and Twitter are fighting over the fate of their \$44 billion merger agreement reached in April. A nonjury trial is scheduled to take place in Delaware in October. During a pretrial hearing last week, Mr. Spiro referenced Mr. ZATKO's complaint in opening remarks.

Twitter sued Mr. Musk in July for seeking to abandon the merger and violating terms of their agreement. Mr. Musk said he wanted out because Twitter didn't provide the information he needs to assess the amount of spam and fake accounts on its platform. He later filed a counter-suit, accusing the company of misrepresenting the condition of its business and key metrics about users.

Mr. ZATKO's whistleblower complaint was submitted to the Securities and Exchange Commission, the Federal Trade Commission and the Justice Department, which are expected to investigate.

Though the complaint is

separate from the merger dispute, it could be wielded to request more discovery, add fresh claims and provide new information about whether Mr. Musk had accurate details when he agreed to buy the company, according to legal scholars, litigators and lawyers following the case.

Mr. Musk and Mr. ZATKO both agree there are too many fake and spam accounts on Twitter, but they offer different reasons for why that matters. Mr. Musk has accused Twitter of committing fraud by undercounting spam and bots when calculating its monetizable daily active user figures, as a way to mislead advertisers and misrepresent the strength of its business.

Mr. ZATKO says Twitter does a reasonable job of counting those numbers, but he claims the company doesn't do more to remove spam and fake accounts from the platform because executives are motivated to focus only on the monetizable user figure.



Bed Bath & Beyond stock has lost more than half its value since Ryan Cohen sold his entire stake in the retailer on Aug. 16 and 17.

Bed Bath Stock Sale Tests Rule

Continued from page B1

to properly reveal a plan to sell 28 million shares of General Motors Co. The settlement order said the 13D calls for determining "whether additional disclosures are required before any such purchase or sale."

Tracinda settled the enforcement action without paying a penalty.

In another case settled two years ago, private-equity firm WCAS Management Corp. paid \$100,000 to settle SEC claims that it failed to update its disclosures about a plan to take over Hanger Inc. The SEC said the private-equity firm should have filed the ownership-disclosure update once it "had abandoned its interest in acquiring Hanger" and formed a plan to sell its shares.

Earlier this year, the SEC proposed a rule that would require investors to file updates to their ownership disclosure within one business day. The current rule says the form must be promptly updated; the SEC has never defined a prompt

time frame, but its staff generally expects changes to be disclosed within several days, according to former regulators. The SEC declined to comment.

Bed Bath & Beyond stock has lost more than half its value since Mr. Cohen sold his shares. The company has selected asset manager Sixth Street Partners, a Dallas-based firm that makes loans to troubled companies, to provide new financing. Some vendors have been pulling credit to the company in recent weeks, sources have told The Wall Street Journal.

Some analysts say Mr. Cohen took advantage of the exuberance of those who favor

speculative securities known as meme stocks. These investors, who call themselves "apes," are among individuals who purchased a net \$131 million of Bed Bath & Beyond shares on Aug. 16 and 17, according to Vanda Research. Filings show Mr. Cohen sold \$178 million of the stock over that period.

"The apes have a target on their back," said Daniel Taylor, an accounting professor at the University of Pennsylvania's Wharton School of Business who studies insider trading. "It's either the CEOs of the companies who are going to exploit that or these outside individuals like Ryan Cohen."

Is Disney's Board the Right Mix?

Continued from page B1

ers, Hulu and ESPN+. The performance of streaming has driven investors' appetites or distaste for entertainment companies, including Disney.

In recent decades, Disney has had an array of professionals as directors, from actor Sidney Poitier to former senator and diplomat George J. Mitchell to Leo J. O'Donovan, a Jesuit theologian who served as president of Georgetown University.

Some recent directors have had deep backgrounds in digital media. From 2009 to 2018, for example, Sheryl Sandberg, the departing chief operating officer of Facebook (now re-named Meta Platforms Inc.) and the architect of its digital-ads strategy, sat on the Disney board. Twitter Inc. co-founder Jack Dorsey was on the Disney board for five years, while Apple Inc.'s Steve Jobs was a board member from 2006 until 2011, the year he died.

Mr. Iger served on the board of Apple and resigned the position in 2019 when both companies were in the throes of building competing streaming services.

Disney's board makeup is now thinner on directors leading consumer-facing brands in



Theme parks historically have been Disney's big profit generator but streaming is a new focus.

tech and media. Instead, the board is stocked with executives with backgrounds at manufacturers such as Procter & Gamble, General Motors Co. and Coca-Cola Co., consumer-apparel brands such as Nike Inc. and Lululemon Athletica Inc. and healthcare and biotech companies.

Safra Catz, the chief executive of Oracle Corp., is the most prominent tech executive advising Disney, but Oracle is heavily focused on enterprise software and services and isn't known for consumer-facing applications. Oracle declined to comment.

Amy Chang is a Procter & Gamble board member who

joined Disney's board just over a year ago. She previously was an executive at and director of Cisco Systems Inc., and worked in analytics at Google (now part of Alphabet Inc.) and as an internet-marketing product manager at eBay Inc. She also sits on the boards of SambaNova Systems Inc.—a software company that makes products related to artificial intelligence—and the information-technology firm Marqeta Inc., both known for their back-end business models. She also serves on the board of a gaming-infrastructure startup, Pragma.

Disney declined to comment beyond its statement earlier

this month in response to Mr. Loeb's letter.

By comparison, some rival media companies have boards with more experience in consumer-oriented digital-media ventures. Netflix Inc.'s directors include board members at the online dating app Bumble Inc., the digitally focused fitness company Peloton Interactive Inc. and Alphabet. Warner Bros. Discovery Inc.'s directors include several executives at Liberty Media Corp.—one of its largest shareholders—including that company's chairman, John Malone. Liberty has ownership stakes in SiriusXM, Formula One and the Atlanta Braves.

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BUSINESS NEWS

Honda, LG To Build EV Battery Plant

By RIVER DAVIS
AND DASL YOON

TOKYO—Honda Motor Co. and LG Energy Solution Ltd. said they plan to build a \$4.4 billion electric-vehicle battery factory in the U.S., the latest tie-up between auto makers and battery suppliers seeking to expand capacity by sharing upfront costs.

The companies on Monday said they plan to begin construction of the factory early next year and start mass production by the end of 2025. The factory is planned for Ohio, the same state as Honda's long-standing auto plant in Marysville, people familiar with the matter said. The companies didn't name the location.

The U.S. plant represents the first major investment Honda has made in building out its own EV battery supply chain since announcing plans to go all-electric a little over a year ago. The Japanese auto maker is targeting a full switch to EVs and fuel-cell cars by 2040.

Honda has been slower to roll out EV models than peers

in the U.S. and Europe. It doesn't offer a mass-market EV model for U.S. consumers yet, while Korean rival Hyundai Motor Co. has already introduced mass-market EVs for American car buyers this year under its Hyundai and Kia brands. Another direct Honda competitor, Volkswagen AG, is selling the ID.4 electric crossover sport-utility vehicle.

In April, Honda said it planned to hasten its EV push by spending 5 trillion yen, equivalent to \$36 billion, on battery-powered cars over the next decade. The auto maker plans to roll out 30 electric models by 2030 and is pairing up with General Motors Co. and Sony Group Corp. to develop them.

"The key challenge in the EV era is the global procurement of batteries," Honda Senior Managing Executive Officer Shinji Aoyama said at a briefing in April. He said Honda would start out working with partners but hoped to put more emphasis on developing batteries independently by the latter half of this decade, which he said would be



A little over a year ago, Japanese auto maker Honda said it is targeting a full switch to electric vehicles and fuel-cell cars by 2040.

the "the dawn of the popularization of EVs."

Honda and LG said they wanted their plant to produce 40 gigawatt-hours of batteries annually. That would be enough for more than 700,000 vehicles based on the International Energy Agency's estimate that the average EV's battery capacity in 2021 was 55 kilowatt-hours.

With their U.S. plant, Honda and South Korea's LG Energy join a growing roster of joint ventures between car makers and battery suppliers planning new factories.

Over the past year, GM and LG Energy, as well as Stellantis NV and Samsung SDI Co., have said they plan to team up to build multibillion-dollar plants in the U.S.

President Biden has pushed car companies to bring more battery manufacturing to North America.

To get a tax break under the recent U.S. climate and healthcare law, EV models must have a certain value of their battery components assembled in the region.

With battery prices surging on the back of rising demand

and skyrocketing raw material costs, auto makers are likely to opt for more tie-ups with battery makers and others to achieve economies of scale, according to S&P Global Ratings.

Some of the biggest battery makers are also moving to expand capacity on their own. Tesla Inc. supplier Panasonic Holdings Corp. is looking at building a \$4 billion EV battery plant in Oklahoma after disclosing plans in July for a plant of similar size in Kansas.

LG Energy controls about 20% of the EV battery market by units sold, according to

SNE Research, a South Korean firm. It has signed joint-venture agreements with GM, Hyundai and Stellantis in addition to Honda. The lithium-ion battery developer raised \$10.8 billion in January when it listed its shares on South Korea's stock market, a record for the country.

Watch a Video

Scan this code for a video about the production of EV batteries.

YouTube Business Chief to Step Down After Over a Decade

By MILES KRUPPA

YouTube's top business executive, who helped build the Google unit from an upstart into a video giant, is leaving the company as it battles slowing growth and increased competition from TikTok.

Robert Kyncl will exit his position as chief business officer after more than a decade at the video platform, YouTube Chief Executive Officer Susan

Wojcicki wrote in a memo to employees on Monday.

"Under his leadership, YouTube forged new relationships and partnerships in music, traditional media and tech, and our creator ecosystem—without him, the term 'YouTuber' wouldn't be a mainstream term," Ms. Wojcicki wrote in the memo. "We owe so much of our growth and impact to Robert's leadership, and I want to celebrate his amazing

contribution to YouTube."

Mr. Kyncl, 51 years old, confirmed his departure on Twitter, saying he had "decided to move on to the next challenge." He didn't respond to a request for comment sent to his YouTube email address.

Mary Ellen Coe, a longtime Google ad sales executive, will replace Mr. Kyncl in October, according to the memo.

The leadership change comes as YouTube contends

with a slowdown in revenue growth and rising competition from short-video services such as ByteDance Ltd.'s TikTok.

Advertising sales on YouTube increased by 4.8% to \$7.3 billion in the second quarter this year, a slower rate compared with the first quarter when revenues rose more than 14% from the same time last year. Ruth Porat, chief financial officer of Google parent Alphabet Inc., said on an

earnings call that the slowdown mostly reflects a pullback in spending by some advertisers.

During Mr. Kyncl's tenure, YouTube grew into an advertising behemoth that has become increasingly important to the bottom line of its parent company.

The video platform has recently invested heavily in its own TikTok competitor, called Shorts, which it said in June

had reached more than 1.5 billion monthly viewers. It is also developing an online store for streaming video services that could be available as soon as this fall, The Wall Street Journal reported this month.

Ms. Wojcicki said Mr. Kyncl would remain at the company until 2023 to "ensure a smooth transition of leadership and complete key projects." His departure was reported earlier by Variety.



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Sino American Commerce Association is a non-profit organization which commenced in 2002. Their primary goals are supporting China by bringing business to the United States and uniting with Chinese Americans and American business owners.

Our New President

In April 2022 Sino American Commerce Association announced their new President, Gary Kong, who states, "I am proud to be the new President of SINO AMERICAN and appreciate all the support we have received". As President, Gary Kong spear headed his first gala together with the board members staging on 4/22/22 at Leonard's in Great Neck Long Island. His team efforts attracted over 600+ VIP guests, press, business owners, leading politicians and Mayor Adams who was the keynote speaker. To continue the momentum Mr. Kong is staging their next event on 9/2/22 bringing their growing 100+ members and guests to the Royal Queen, Flushing New York. More information: garykong0324@gmail.com.



AWARDS

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2020 Hero of The Day Fox Five "Good Morning America"

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2014 Ellis Island Medal Of Honor Recipient Presented by Ellis Island

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TECHNOLOGY

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Online Betting Spurs Laundering Risk Cox Rolls Out Phone Service at Cut Rate

Flow of money into newly legal sites brings opportunities for criminals to hide money

By RICHARD VANDERFORD

Online gambling is booming across the U.S. and compliance experts caution that it creates opportunities for criminals to launder money or take part in other financial crimes.

The U.S. has seen states pile into legal online gambling with fervor, eager for potential tax revenue. Since 2018, when the U.S. Supreme Court struck down a ban on sports wagering, online sports betting has undergone a sharp increase.

“The more activity you have, the greater risk that you have,” said Alma Angotti, a former senior enforcer with the U.S. Treasury Department’s Financial Crimes Enforcement Network who now works as a partner at consulting firm Guidehouse Inc.

Traditional casino gambling has long been acknowledged as a risk for money laundering because it is cash-intensive and, compared with banks, casinos afford their patrons more anonymity, giving criminals a way to quietly turn cash of dubious origin into winnings.

Online gambling presents similar issues, but with fewer watchful eyes. The U.K. and other jurisdictions have stepped up enforcement, but the U.S., with its complex patchwork of state and federal regulators, hasn’t seen a major enforcement push. Some compliance experts have predicted a looming crackdown as the flow of money into online gambling swells.

In the first half of 2022, U.S. online sports bookmakers generated an estimated \$2.8 billion in revenue handling about \$42.5 billion in bets, according to the American Gaming Association, a trade group. As of August, Washington and 20 states have allowed online wa-



Entain, which runs the betting site Ladbrokes.com, was fined £14 million in the U.K. for anti-money-laundering failures. It allegedly failed to check on the source of customers’ large deposits.

Martin, the chief executive of compliance software company Kinectify.

The casino industry as a whole has made efforts to comply with anti-money-laundering laws. The AGA publishes best practices for anti-money-laundering compliance, most recently in July, and larger online operators such as DraftKings Inc., an AGA member, have dedicated compliance teams. But many smaller gambling startups trying to get in on the gold rush don’t know they need an anti-money-laundering program, Mr. Martin said.

Often those startups only learn about anti-money-laundering requirements when Visa or Mastercard, the payment processors, start to ask questions, he said.

Foreign regulatory enforcement of online gambling has ramped up in recent months, a possible bellwether for operators in the U.S.

The U.K. Gambling Commission announced four fines over online anti-money-laundering failures in August alone, including one £14 million penalty, equivalent to \$16.4 million, against Entain, which runs Ladbrokes.com and other sites.

The commission said Entain failed to adequately assess the risks of its online business and let customers deposit large amounts without checking where they came from—a customer who lived in public housing, for example, deposited nearly \$220,000 over six months.

Entain admitted its systems and processes weren’t in line with “evolving regulatory expectations” but added that there was no evidence of actual criminal spending within its operations.

In Malta, a hub of online gambling, the Financial Intelligence Analysis Unit in January fined an online company the equivalent of \$384,000 for failing to adequately check where customers were getting money.

Approach for Some: Don't Ask, Don't Tell

When it comes to guarding against money laundering, some online gambling operators are taking a heads-down approach akin to another lightly regulated industry, cryptocurrency, said Aidan Houlihan, an executive at compliance software company Napier Technologies Ltd.

“It’s a little bit of a don’t ask, don’t tell kind of approach,” he said.

Law enforcement eventually

tends to catch up, said Sven Stumbauer, head of the anti-money-laundering and sanctions practice at Grant Thornton LLP. The U.S. has a plethora of agencies that could potentially bring actions against a wayward online gambling operator.

Nevada and New Jersey, two of the most prominent gambling states, both have rules that let them punish companies for anti-money-laundering failures.

But it isn’t yet clear which of the many U.S. enforcers and financial crime regulators might emerge to take a lead role, Mr. Stumbauer said.

gers on sports, and six states have legalized the practice but have yet to launch legal wagering, the association said.

Massachusetts, for example, legalized sports betting earlier this month and will levy a \$5.2 million, five-year license fee on top of taxes, the AGA said. New York state residents have

been able to place sports bets online since January, with the state charging \$25 million to operators for a license.

Casino-style online gambling, though fully legal in only six states, has also become increasingly important. That segment generated \$2.4 billion in revenue in the first

half of 2022, up more than 43% from 2021, the AGA said.

The sophistication of the compliance regimes to make sure money is being wagered for fun, and not for crime, lags behind those at banks, making online casinos attractive targets for criminals, said Todd Raque, an anti-money-laundering expert at Featurespace Ltd., a financial crime detection software company.

“They’ve got minimal [compliance] staff,” Mr. Raque said. “Bad guys are going to go there like water—they’re fluid. They’re going to go to the point of least resistance.”

An online gambling site can be used to launder money in a variety of ways. Two confederates can play at being adversaries in a game, for example, with whatever money emerges treated as legitimate winnings.

Criminals wary of a bank’s more onerous know-your-customer requirements can also use an online gambling app—or many of them—to simply deposit money, said Joseph

Cox Communications Inc. said it is returning to the wireless business, offering plans in some markets starting as low as \$15 a month, as cable and phone companies continue to duke it out for customers.

The company said Monday that Cox Mobile is available for its home-internet customers in Hampton Roads, Va.; Omaha, Neb.; and Las Vegas. Cox plans to offer the service in its other markets on a rolling basis throughout the year.

Cox Communications, one of the nation’s largest broadband internet providers, serves nearly seven million homes and businesses across 18 states.

The launch comes as other U.S. cable and phone companies attempt to win over customers with similar services. Cable companies are promoting new and cheaper mobile phone plans, while wireless carriers are using excess capacity on next-generation networks to gain customers using traditional broadband internet.

Cox’s pilot service features two plans: \$45 for unlimited data; or another at \$15 a month for 1 gigabyte of data, and then \$15 for each additional gigabyte of data. Cox Mobile customers will have access to 4G LTE and 5G networks, the company said.

Companies like Cox launching mobile services aren’t building out cell towers to serve customers like Verizon Communications Inc., AT&T Inc. and T-Mobile US Inc. Instead, they are paying the wireless providers for access under reseller agreements.

Cox Communications is the largest division of Cox Enterprises Inc., a closely held Atlanta-based media company.

China’s Pinduoduo Surprises Market With 36% Sales Gain

By SHEN LU

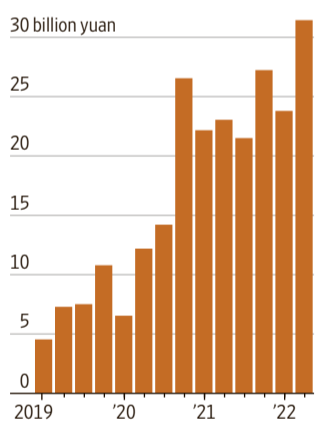
Shares in Chinese e-commerce company Pinduoduo Inc. soared on Monday after the company said its revenue rose 36% in the second quarter from a year earlier, spurred by strong sales during China’s mid-year shopping festival.

Pinduoduo booked a revenue of \$4.69 billion for the quarter, beating forecasts by analysts polled by S&P Global Market Intelligence by a wide margin. The company’s American depositary receipts closed up nearly 15% in Nasdaq trading on Monday after the earnings report.

Pinduoduo said it saw a recovery in consumer demand in the second quarter, especially around China’s second-largest online shopping event, known as the 618 shopping festival. It attributed the demand to pent-up spending desire after Covid-19 restrictions loosened in major cities, including Shanghai, which was under a broad lockdown in most of April and May.

Since mid-May, Pinduoduo has launched promotion campaigns and distributed coupons to lure consumers. During the 618 shopping festival, originally invented by JD.com Inc., Pinduoduo saw strong consumer demand in categories ranging from produce to home

Pinduoduo’s quarterly revenue



Note: 1 Chinese yuan = \$0.1448
Sources: S&P Capital IQ, the company

last week also recorded the slowest revenue increase since it went public in 2014. Revenue from its retail business increased 3.9%.

“In this weakened economy, consumers become increasingly price sensitive, looking for bargains,” said Henry Guo, China tech analyst at M Science, a market research and analytics firm. “Pinduoduo is better positioned in the near future.”

Consumers in China are facing slowing income gains and rising inflation, while overall economic growth has slowed to its weakest level in two years, as Beijing’s stringent measures to contain Covid-19 outbreaks paralyzed business activities in many cities. Gross domestic product expanded at a mere 0.4% annual rate in the April-June quarter.

After declining for several consecutive months this year, retail sales grew only 2.7% on-year in July and 3.1% in June, a pace far below prepandemic levels.

Founded in 2015, Pinduoduo has emerged as one of the fastest-growing e-commerce companies and is increasingly challenging established giants like Alibaba and JD.com. It pioneered a social commerce model that encourages friends and strangers to band together in chat groups and win deals for purchased items.

appliances and cosmetics.

“We witnessed the resilience of China’s consumption during the second quarter,” said Chief Executive Officer Chen Lei in a call with analysts Monday.

Pinduoduo, which is particularly popular among consumers in less affluent areas, outperformed its competitors in a tough macro environment. Chinese e-commerce behemoth Alibaba Group Holding Ltd. failed to post revenue growth in the April-June quarter for the first time since its 2014 listing, with its bread-and-butter China commerce revenue falling 1%. JD.com Inc.

world’s second-biggest wireless market after China.

Reliance Jio’s bids for airwaves across multiple bands represented more than half the \$19 billion of commitments received by the government in the auction late last month. The \$25 billion planned investment by the company for its pan-India 5G rollout includes the amount incurred for buying the airwaves.

Mr. Ambani is Asia’s second-richest person after industrialist Gautam Adani, and his company’s interests span energy to ports. Over the past few years Mr. Ambani has been diversifying his businesses from fossil fuel to technology, retail and renewable energy.

Earlier this year, he also took the first steps toward

succession planning, making his son, Akash Ambani, chairman of Reliance Jio. The younger Mr. Ambani on Monday said the company was excited about the opportunity to use 5G technologies “to improve the lives of hundreds of millions of our citizens.”

Mr. Ambani said the Reliance Group will invest 750 billion rupees over the next five years to expand capacity in existing and new value chains in its petrochemicals business.

The company also announced plans to launch a new consumer-goods business this year, to develop and deliver affordable products aimed at every Indian’s daily needs, said Mr. Ambani’s daughter, Isha Ambani, who leads the retail venture of the company.

India Giant Commits to 5G Rollout

Continued from page B1

China and the U.S. Jio 5G will be the world’s largest and most advanced 5G network,” said Mr. Ambani, without sharing tariff details of the planned services.

Reliance Group had emerged as the biggest buyer in the Indian government’s first auction of 5G spectrum, offering about \$11 billion over 20 years for the rights to airwaves as it sought to cement its leading position in the

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Indian Wells, CA
Photo Credit: Channing Benjamin

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BUSINESS NEWS

Security Chief Builds Bonds With Boards

Marion of McDonald's says communication gaps can get in the way of productive ties

By CHERYL WINOKUR MUNK

Busy boards historically have shorted the chief information security officer on meeting time or relied on others for cyber briefings. Now the Securities and Exchange Commission and other regulators are pressing boards to improve oversight of cybersecurity risk.

CISOs, in turn, must develop good relations with directors who often don't know much about cybersecurity.

McDonald's Corp. CISO Shaun Marion says the relative youth of the corporate security chief role can sometimes hinder rapport with board members who boast decades of business expertise.

"How many CISOs around have 20 to 25 years of experience in cybersecurity?" Mr. Marion says. "I think there's a maturity gap and there is a communication gap."

At McDonald's, Mr. Marion meets at least quarterly with the full board or a subset of directors. This includes one annual meeting with the full board, two 30-minute meetings with the public policy and strategy committee, which oversees information risk management among other areas, and other sessions as needed. McDonald's last week added three new directors to its board.

Before joining the fast-

food chain 13 months ago, Mr. Marion led cybersecurity at waste-management giant Republic Services Inc. and industrial manufacturer Honeywell International Inc. He talked with The Wall Street Journal about building bonds with directors. His comments have been edited for clarity and length.

WSJ: What do directors want to know and how do you present it to them?

MR. MARION: There are some common themes, which I've been presenting on for about 10 years to three different publicly traded companies. Everybody wants to see metrics and the status of risk within the corporation. They typically want to see an update on key initiatives—

'How many CISOs around have 20 to 25 years of experience in cybersecurity?'

what are some of the big things we're working on? For instance, when SolarWinds hit [in late 2020], I happened to be at a board meeting three weeks later, so I had a slide specifically dedicated to SolarWinds and what that meant for us. Every company I've been at, we've used the NIST Cybersecurity Framework as our structure and there's usually a slide on how we are maturing in line with that framework.

WSJ: How do you decide when to involve the board in



A McDonald's billboard in Times Square. CISO Shaun Marion meets at least quarterly with the full board or a subset of directors.

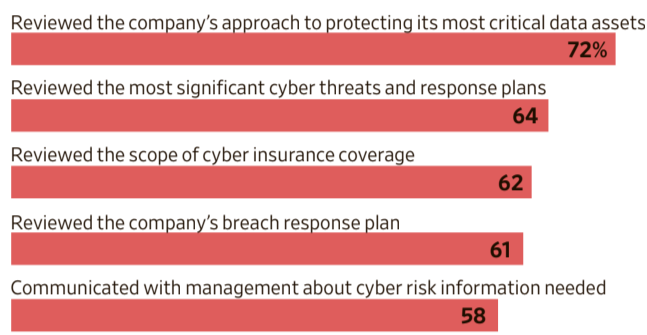
cyber matters?

MR. MARION: It really depends on the nature of the event and how significant it is. In my experience, anytime anything is going to hit the media—social media or traditional—we are going to get proactive and give the board a heads up because nobody wants them to be surprised. There is also typically an annual report of all cyber incidents that meet a certain threshold. That threshold is going to vary by company.

WSJ: When the big cyber incidents known as Log4j and SolarWinds hit, what were your interactions with the board?

MR. MARION: In my experience, and talking to many of my peers, you're not engaging with the board on a day-in and day-out basis, even in the midst of a cyber event. They have day jobs. They are typically running their own public companies. What they

Top five cyber oversight activities of corporate boards



Note: 315 directors surveyed; multiple responses allowed
Source: National Association of Corporate Directors 2022 Public Company Board Practices and Oversight Survey

want to know is, are we managing the risk commensurate to the vulnerability itself? Is there going to be any material impact to our company? So for Log4j and SolarWinds, it was a quick update: This is what you should know. You're going to see this in the media. Here is our timeline for response. Here is the residual risk we think we have and how long

we think that risk will remain.

WSJ: How have things changed over the years?

MR. MARION: Ten years ago, it was about technical stuff. If SolarWinds hit 10 years ago, CISOs would have tried to explain what SolarWinds is, why it was used, how it works and how the attack happened—and the board,

their eyes would glaze over. The board [today] wants to understand, is there going to be a risk to the company that they have to worry about?

WSJ: What mistakes hamper CISOs' ability to work effectively with the board?

MR. MARION: Trying to get too deep into the technical weeds. It's not that they don't care about it; they just don't understand. Even if you have an hour—a full hour with the board of directors every quarter—that's only four hours in an entire year. That's not enough for them to fully understand the technical details. Another big mistake is [lack of] brevity. Get in there, try to get into the salient points that matter and try to get out. They've got a number of topics they are going through and you need to understand that you are just a part of that.



The iPhone Baby: How 15 Years Shaped A Generation

WSJ presents a new documentary reported by Emmy Award-winning Personal Tech columnist Joanna Stern—The iPhone Baby: How 15 Years Shaped a Generation. Stern dissects the impact of technology on the youngest generation through interviews with current and former Apple executives and by following the life of one boy who shares a birthday with the iPhone.

WATCH NOW on WSJ or YouTube



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Ms. Swift hinted about new music during an acceptance speech at the MTV Video Music Awards Sunday.

Taylor Swift to Release New 'Midnights' Album

By JOSEPH PISANI

Taylor Swift is releasing a new album in October called "Midnights," which she said will be about "13 sleepless nights throughout my life."

Ms. Swift announced the album at midnight on Monday on her website and social-media accounts, after teasing fans about new music during an acceptance speech at the MTV Video Music Awards late Sunday.

"This is a collection of music written in the middle of the night, a journey through terrors and sweet dreams," a post on Ms. Swift's Instagram account said. "The floors we pace and the demons we face." The cover shows Ms. Swift burning the midnight oil, or at least a lighter.

Fans stayed up past midnight trying to find clues about the album on social media. Ms. Swift often leaves secret messages in photos, music videos and lyrics.

One thing was clear: Ms. Swift is playing up the number 13, which she has said in the past is her lucky number. The album will have 13 songs, and fans pointed out that the Oct. 21 release date adds up to 13.

(10+2+1=13.)

Ms. Swift told MTV News in 2009 that she performed with the number painted on her palm to give her luck. Ms. Swift was born on Dec. 13, 1989, and her Twitter handle, @taylorswift13, includes the number.

A representative for Ms. Swift didn't immediately respond to a request for comment Monday.

13

Number of sleepless nights featured in 'Midnights'

"Midnights" will be Ms. Swift's 10th studio album. The singer-songwriter released two surprise albums in 2020—"Folklore" and "Evermore"—both written while in quarantine during the Covid-19 pandemic. "Folklore" won a Grammy for Album of the Year.

Last year, she released recordings of two past albums, "Fearless" and "Red." Ms. Swift has been rerecording

older albums after ownership of her songs landed in someone else's hands.

Ms. Swift labels them "Taylor's Version," ensuring revenue from those streams goes to her. Her record label **Universal Music Group** NV has since created new standards to make sure other artists didn't follow suit.

Ms. Swift's songwriting skills and business sense inspired New York University to devote a class to her earlier this year.

And in May, the university handed Ms. Swift an honorary doctoral degree in fine arts, calling her "one of the most prolific and celebrated artists of her generation."

She said in her commencement speech that her mistakes led to the best things in her life.

"Getting back up, dusting yourself off, and seeing who still wants to hang out with you afterward and laugh about it—that's a gift," she said.

On Monday, Ms. Swift was selling preorder for "Midnights" in several formats, including digital, vinyl, CD and cassette. "Meet me at midnight," Ms. Swift wrote on her Instagram post.

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities...

Footnotes:
a Temporary exemption from Nasdaq listing standards
b NYSE bankruptcy or receiverhip or being reorganized under the Bankruptcy Code...

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Table with columns: Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg. Lists top 1000 stocks.

Table with columns: Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg. Lists top 1000 stocks.

New Highs and Lows

Table with columns: Stock, Sym, Hi/Lo, Chg, Stock, Sym, Hi/Lo, Chg, Stock, Sym, Hi/Lo, Chg. Lists stocks reaching new highs or lows.

Table with columns: Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg, Stock, Sym, Close, Net Chg. Lists top 1000 stocks.

Dividend Changes

Table with columns: Company, Symbol, Yld%, Amount New/Old, Frq, Payable/Record. Lists companies with dividend changes.

Exchange-Traded Portfolios

Largest 100 exchange-traded funds, latest session

Table with columns: EFTF, Symbol, Price, Chg, YTD, EFTF, Symbol, Price, Chg, YTD. Lists top EFTFs.

Business Opportunities

SECURED, COLLATERALIZED INVESTMENT OPPORTUNITY

Table with columns: Investment, Amount, Frq, Payable/Record. Lists investment opportunities.

Commercial Real Estate

Business For Sale By Owner

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Class Action

UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA OAKLAND DIVISION

In re TWITTER INC. SECURITIES LITIGATION Case No. 4:16-cv-05314-JST (SK)

IF YOU PURCHASED OR ACQUIRED TWITTER, INC. ("TWITTER") PUBLICLY TRADED COMMON STOCK FROM FEBRUARY 6, 2015 THROUGH JULY 28, 2015, INCLUSIVE, AND WERE DAMAGED THEREBY...

PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and Order of the United States District Court for the Northern District of California, Oakland Division, that a Settlement for \$809,500,000.00 in cash to be paid or caused to be paid by Twitter, Inc. has been proposed in the above-captioned litigation...

Any objection to the proposed Settlement, the Agreement, the Plan of Allocation of Settlement proceeds, or the fee and expense application must be filed with the Court no later than October 27, 2022, and meet the requirements set forth in the Notice.

PLEASE DO NOT CONTACT THE COURT, THE CLERK'S OFFICE, DEFENDANTS, OR DEFENDANTS' COUNSEL REGARDING THIS NOTICE. If you have any questions about the Settlement, or your eligibility to participate in the Settlement, you may contact Class Counsel:

ROBBINS GELLER RUDMAN & DOWD LLP ELLEN GUSLIKOFF STEWART 655 West Broadway, Suite 1900 San Diego, CA 92101 1-800-449-4900

MOTLEY RICE LLP GREGG S. LEVIN MAX N. GRUETZMACHER 28 Bridgeway, Suite 2000 Mt. Pleasant, SC 29464 1-800-697-4630

DATED: August 30, 2022 BY ORDER OF THE COURT UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA OAKLAND DIVISION

Dividend Changes

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semi-annual; S2:1 stock split and ratio; SO: spin-off.

Table with columns: Company, Symbol, Yld%, Amount New/Old, Frq, Payable/Record. Lists companies with dividend changes.

Foreign

Table with columns: Company, Symbol, Yld%, Amount New/Old, Frq, Payable/Record. Lists foreign companies with dividend changes.

Exchange-Traded Portfolios

Largest 100 exchange-traded funds, latest session

Table with columns: EFTF, Symbol, Price, Chg, YTD, EFTF, Symbol, Price, Chg, YTD. Lists top EFTFs.

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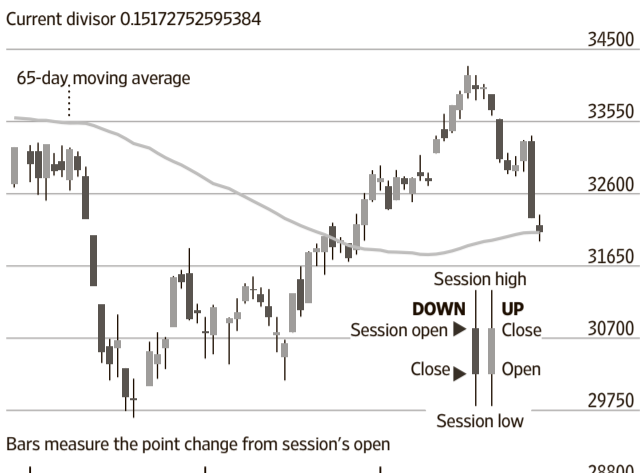
THE WALL STREET JOURNAL

MARKETS DIGEST

EQUITIES

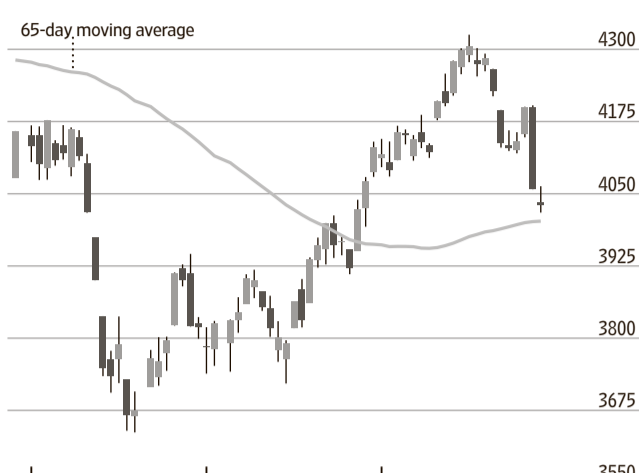
Dow Jones Industrial Average

32098.99 ▼184.41, or 0.57%
High, low, open and close for each trading day of the past three months.



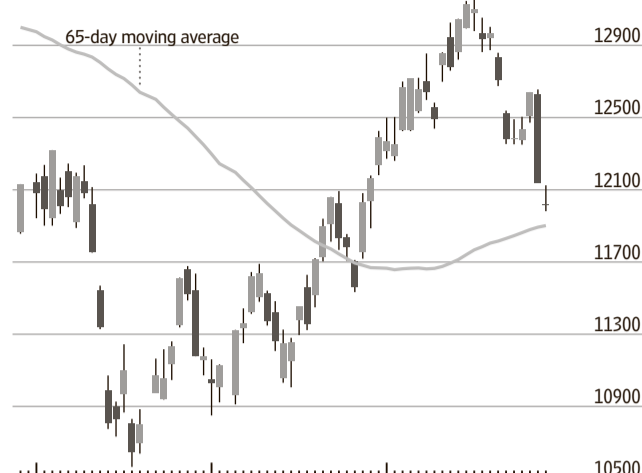
S&P 500 Index

4030.61 ▼27.05, or 0.67%
High, low, open and close for each trading day of the past three months.



Nasdaq Composite Index

12017.67 ▼124.04, or 1.02%
High, low, open and close for each trading day of the past three months.



Major U.S. Stock-Market Indexes

Table listing various U.S. stock market indexes including Dow Jones, Nasdaq Stock Market, S&P 500, and Russell 2000 with their respective values and changes.

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...

Most-active issues in late trading

Table of most-active issues in late trading including Newmont, Apple, Infirera, and others with volume and price changes.

Percentage gainers...

Table of percentage gainers including Algoma Steel Group, Tellurian, Beam Therapeutics, and others.

Trading Diary

Volume, Advancers, Decliners

Table showing trading diary statistics for NYSE and NYSE Amer., including total volume, advancers, and decliners.

International Stock Indexes

Table of international stock indexes for various regions like Europe, Asia-Pacific, and others.

Percentage Gainers...

Table of percentage gainers including Sentage Holdings, Netcapital, Bed Bath Beyond, and others.

Most Active Stocks

Table of most active stocks including Amer Virtual Cloud Techs, Bed Bath Beyond, ProSh UltraPro Shrt QQ, and others.

Percentage Losers

Table of percentage losers including Jianzhi Educ Tech ADR, Azure Power Global, Jeff's Brands, and others.

Volume Movers

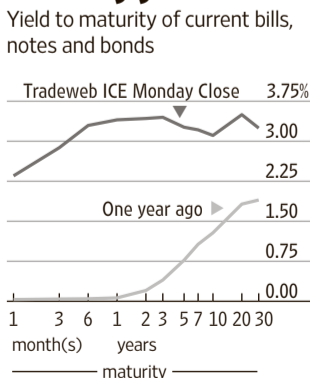
Table of volume movers including Jupiter Wellness CI A, Aesther Hlthcr Acqn CI A, Dimensional EM Hi Profit, and others.

CREDIT MARKETS

Consumer Rates and Returns to Investor

Table of consumer rates and returns to investor, including 5-year adjustable-rate mortgage, 5-year Treasury note yield, and selected bank rates.

Treasury yield curve



Forex Race



Corporate Borrowing Rates and Yields

Table of corporate borrowing rates and yields for various companies and indices.

CURRENCIES & COMMODITIES

Currencies

Table of U.S.-dollar foreign-exchange rates for various countries and currencies.

Commodities

Table of commodity prices including oil, natural gas, and gold.

BANKING & FINANCE

Buyout Firm Learns From '08

Advent International managing partners talk about seizing opportunities amid market slumps

By LAURA KREUTZER

Global private-equity firm Advent International has navigated its share of economic cycles since its founding in 1984.

cial crisis?

MR. MUSSAFER: In the 2008 to 2010 time frame, the financing market froze completely, so there was virtually no debt financing available, and then it was only senior debt.

fund], it was our first \$10 billion fund, and it was a real steppingstone for us, as we moved from a midsized to a large-scale platform.

are always trying to think about the opportunity set in monetizing things.

WSJ: You have a long history of investing in Europe. What do you see as the biggest challenges there?

MR. BROCKLEBANK: In Europe, the key thing happening, other than the horror in Ukraine, is the energy price increase.



David Mussafer and James Brocklebank

are nervous about [lower-income] consumers, because of this massive squeeze on their discretionary spending.

is a very interesting moment.

WSJ: Advent has grown considerably over the years, but the firm has resisted the temptation to go public or sell a stake to an outside investor. Why?

MR. BROCKLEBANK: Part of [founder] Peter Brooke's legacy is that he handed over the firm to the partners.

Brazil Is Planning Carbon Market

By PAULO TREVISANI

Brazil is setting up its own carbon-trading system, a move long urged by environmentalists and companies pursuing net-zero goals.



Projects to protect the Amazon would provide carbon credits.

The new market, called the National System for Reducing Greenhouse-Gas Emissions—Sinare by its Portuguese acronym—was created by decree in May by President Jair Bolsonaro, a former Army captain often accused of undermining his own government's environmental agencies.

beans, beef and iron ore, all products linked to deforestation—more palatable to global consumers increasingly turning away from the country's exports over its environmental record.

managing partner of Toronto-based investment firm Ninepoint Partners LP, which runs exchange-traded funds focused on carbon markets.

market, the decree also orders private-sector organizations to establish emission caps by the middle of next year, at the latest.

Brazil's carbon market takes inspiration from the European Union Emissions Trading System and California's Cap-and-Trade program.

"A regulated carbon market is strategic for Brazil's private sector," said Viviane Romeiro, an analyst at the Brazilian Business Council for Sustainable Development.

"Brazil can't keep on waiting to build this structure," said Marcelo Freire, the Environment Ministry's secretary for climate and international affairs.

Brazilian lawmakers have debated the creation of a regulated carbon market for years, but made little progress despite across-the-aisle support.

The fact that Sinare was created by decree has also raised eyebrows.

"A carbon market requires a lot of discussions with lawmakers and civil society," said Elena Belletti, an expert on carbon markets at research and consulting firm Wood Mackenzie.

Dividends Slow to Be Revived

Continued from page B1

"The companies that have not come back yet are the ones that are still unsure about their future," said Howard Silverblatt, senior index analyst at S&P Dow Jones Indices, a unit of S&P Global Inc.

Dividends oblige companies to pay shareholders on a quarterly or annual basis, meaning executives must have visibility into future cash flows and allocate sufficient capital to cover payments.

Boeing will consider issuing shareholder rewards again once liquidity is back to the levels seen before the 737 MAX scandal and the pandemic, Chief Executive David Calhoun said in April.

"I don't think we're talking about a 10-year time frame here," Mr. Calhoun said at Boeing's shareholder meeting. "I think we're talking about something way short of that."

ing paid a dividend of \$2.055 per share before the pandemic.

Walt Disney will contemplate reinstating its dividend once it further reduces its debt, which rose after the 2019 acquisition of entertainment assets from 21st Century Fox for \$71.3 billion and the pandemic, Chief Financial Officer Christine McCarthy said at a May conference.

The company, which paid shareholders 88 cents twice a year before the pandemic, had \$38.64 billion in net debt as of July 2, down 2.8% from a year earlier and 14.5% compared with the 2020 period, S&P said.

S&P 500 companies paid a combined \$118.36 billion in common dividends during the quarter ended June 30, up 11.8% from the prior-year period and up 17.2% from the 2020 period, according to S&P Global Market Intelligence.

General Motors Co. this month said it plans to reinstate its quarterly dividend in September. "With the balance sheet as strong as it is, we felt it was the right time to be returning cash to shareholders," CFO Paul Jacobson said.

—Nina Trentmann contributed to this article.

Biggest 1,000 Stocks

Table with columns for Stock, Sym, Close, Net Chg, and multiple columns for various stock metrics and performance indicators.

Mutual Funds

Table with columns for Fund, NAV, Chg, %Ret, and multiple columns for various mutual fund performance metrics.

MARKETS

Lawsuit Spotlights Nasdaq Diversity Rule

Two conservative groups argue that the exchange's targets amount to illegal quota

By ALEXANDER OSIPOVICH

Lawyers for conservative groups argued in federal court Monday that Nasdaq Inc.'s push to set diversity targets for listed companies amounts to an illegal racial and gender quota.

Two right-leaning groups sued the Securities and Exchange Commission last year, setting up a battle over the hot-button issue of corporate diversity and how far regulators can go to foster it.

preference and sex on companies valued at over \$20 trillion," Peggy Little, a lawyer for the National Center for Public Policy Research, one of the two groups suing the SEC, argued in court.

Monday's oral arguments in the New Orleans-based Fifth U.S. Circuit Court of Appeals marked the first time that the legality of Nasdaq's listing rule has been debated in a courtroom.

Both the SEC and Nasdaq have argued that the exchange's rule isn't discriminatory and urged judges to reject the court challenge.

Legal observers and some lawyers involved in the case say it is likely the case could eventually reach the Supreme Court.

Nasdaq's rule consists of two key parts. One part, which took effect earlier this month, requires Nasdaq-listed companies to disclose the gender and ethnic makeup of their boards using a standardized template.

The other part, set to take effect in phases over the next few years, sets minimum diversity targets for company boards. For most U.S. companies, the ultimate target will be to have one female director and one director who self-identifies as a racial minority or as lesbian, gay, bisexual, transgender or queer.

Companies that don't meet the targets will need to explain in writing why they didn't do so.

The groups suing the SEC say the rule effectively shames companies into appointing members of minority groups to their boards, while discriminating against other candidates.

The SEC and Nasdaq have countered that the stock exchange's rule is just a disclosure requirement, aimed at satisfying demand from investors who wish to put money in companies run by diverse boards.

"It is a classic disclosure rule," Allyson Ho, a partner with law firm Gibson, Dunn &

Crutcher LLP who is representing Nasdaq, said in court.

The SEC and Nasdaq also said the U.S. government didn't force the exchange to implement the rule, and that Nasdaq developed the rule on its own initiative.

As a consequence, they argued, the courts can't consider a challenge based on

Crutcher's diversity rule said it violates the constitutional right to equal protection. They argued that the SEC's decision to approve the rule, as well as Nasdaq's obligations as an SEC-regulated exchange, made the dispute a matter of constitutional law.

"A rule that facially discriminates on the basis of race and sex now has the imprimatur of the federal government," said Jonathan Berry, a lawyer for the Alliance for Fair Board Recruitment, the other group challenging the Nasdaq rule.

Some members of the three-judge panel hearing Monday's arguments voiced skepticism of whether Nasdaq's rule amounted to a racial or gender quota.

"Nasdaq's rule is disclose or explain," Judge Stephen Higginson said during questioning. "To me it sounds like investors get whatever crazy information they want, because that's going to decide where they put their money."

While the Fifth Circuit is seen by lawyers as one of the country's most conservative federal appeals courts, the three-judge panel selected by lottery to hear Monday's oral arguments consisted solely of appointees by Democratic presidents.

If the plaintiffs lose before the three-judge panel, they could seek a rehearing by the full Fifth Circuit—which is dominated by Republican-appointed judges—or appeal to the Supreme Court.

The Alliance for Fair Board Recruitment was founded by conservative activist Edward Blum, who is better known for his high-profile challenges to affirmative action in college admissions.

Mr. Blum also leads Students for Fair Admissions, the group suing Harvard University and the University of North Carolina at Chapel Hill over their race-conscious admissions policies in a pair of cases being heard by the Supreme Court later this fall.

Central Bank in Singapore Slams Crypto Trading

By ELAINE YU

Singapore's top financial regulator said cryptocurrencies are "highly hazardous" to many investors, but made clear the city-state still wants to develop and actively promote a digital-asset ecosystem.

Ravi Menon, the managing director of the Monetary Authority of Singapore, the country's central bank, on Monday criticized the trading of cryptocurrencies by individual investors. He said cryptocurrencies lacked the fundamental qualities of money and offered no uses outside a blockchain

though the former wasn't licensed in the city and Three Arrows wasn't regulated under the country's Payment Services Act for digital-asset service providers.

Zipmex, a crypto exchange, and Hodlnaut, a crypto lender, are both based in Singapore and ran into financial problems recently.

Mr. Menon acknowledged that the regulator's messaging—wanting Singapore to become an innovative financial-technology hub while defending the city's slow and stringent licensing process for crypto firms—has caused confusion.

The Southeast Asian financial hub wants to develop other aspects of blockchain technology and digital assets separate from cryptocurrencies, Mr. Menon said. He added that the most promising sources of new business for Singapore include speeding up cross-border payments and securities settlement.

Mr. Menon said he also saw potential for innovation in tokenization, the process of converting ownership rights into digital tokens. This could apply to financial assets such as cash and bonds as well as intangible assets like carbon credits, he said.

The city-state banned advertising for crypto trading earlier this year, and the regulator said it is considering further measures to protect consumers, although it added that banning retail investing in crypto wasn't likely to work due to its borderless nature.

The regulator hasn't said how it plans to address the recent failures of crypto firms that have set up shop in the city.

Industry players have said global cooperation is needed to develop better crypto regulations and prevent, or at least mitigate, future market meltdowns.

Andy Meehan, chief compliance officer of Asia at Gemini Trust Co., said it isn't enough if only a few jurisdictions work to strengthen regulation, because investors could use exchanges domiciled elsewhere that aren't subject to the same rules and have no responsibility to their users.

Mr. Menon said the responsibility ultimately lies with people. "No amount of MAS regulation, global cooperation or industry safeguards will protect consumers from losses if their cryptocurrency holdings lose value," he said.

Limited Partners Seek to Contain Risks of Digital Asset Startups

By YULIYA CHERNOVA

Pensions, endowments and other venture-capital investors are imposing tighter compliance and security standards for venture funds backing crypto startups to protect the growing capital going to them.

Even amid hard times for the crypto market, where prices for publicly traded digital tokens such as bitcoin dropped more than 50% this year, venture funds are investing in a range of startups under the crypto umbrella, such as ones focused on finance, digital goods and software infrastructure. Globally, more than 150 crypto funds, including ones with hedge-fund and venture-fund strategies, raised \$35.9 billion in the first half of this year, compared with \$18 billion raised in all of last year, according to data provider Dove Metrics, a unit of market-research firm Messari Inc.

"Although they want to put capital into blockchain opportunities, and Web3 opportunities, they are also more skittish about it," said Byron Dailey, chair of the private investment funds practice at the law firm Fenwick & West LLP, referring to institutional limited partners backing crypto venture funds.

LPs are imposing requirements on crypto venture funds to bring their standards up to par with other venture funds, as well as some provisions tailored to crypto, Mr. Dailey said.

These requirements are an attempt to reduce the risk in crypto investing, where tokens are issued in new ways than preferred stock, he noted. "So that leads to a much more unpredictable situation that LPs would like [general partners] to backstop with at least a little



Soona Amhaz, general partner and founder of Volt Capital.

more certainty," he said.

One concern LPs have about crypto funds is their greater susceptibility to hacks because of the valuable financial assets startups and venture firms own in the form of crypto tokens.

Some \$1.9 billion worth of cryptocurrency was stolen in hacks from January through July, up from \$1.2 billion in the same period last year, according to a report by blockchain analytics company Chainalysis Inc.

Atul Rustgi of Acolade Partners said his firm, a fund-of-funds manager that invests in crypto venture funds, ensures its managers audit the software code of their portfolio companies and evaluate security. "I believe none of our managers have lost their liquid assets as a result of hacks. So far it hasn't been a serious issue, but definitely something to discuss further with managers going forward," Mr. Rustgi,

a partner at the firm, said.

LPs are gaining more experience with crypto venture investments, enabling them to conduct due diligence specific to the sector, Mr. Dailey said. He noted crypto venture funds are increasingly asking him to work on side agreements with some LPs that are imposing additional provisions. For example, funds may be required to invest only in projects involving a corporate entity or identifying all key people, Mr. Dailey said. Some crypto projects have anonymous founders and no obvious corporation issuing tokens.

Safeguarding crypto assets is harder than preferred stock because fewer custodians such as banks and brokerages store crypto assets. "There are very few custodians available, and they don't always custody the newer assets in which crypto VC firms invest," said David Pakman, managing partner at

crypto investment firm CoinFund.

About half of CoinFund's staff is dedicated to security, compliance and other operational functions, Mr. Pakman said. Their work includes staying in close touch with custody providers, for example, to improve the odds they will take on new tokens issued by startups backed by CoinFund, he said.

CoinFund's investment in its operations team was key in helping the firm raise its \$300 million crypto venture fund this year, Mr. Pakman said. LPs included the Teacher Retirement System of Texas, Adams Street Partners, StepStone Group, Acolade Partners and Theta Capital Management.

Mr. Pakman said operational due diligence by LPs for the fund was more detailed than what he experienced managing noncrypto venture funds. Crypto funds are "an immature asset class where the risks are hard to fully quantify," he added.

More service providers, such as auditors, fund administrators, custodians and insurance companies, are beginning to service the crypto sector, so it is becoming easier to assure LPs that crypto venture funds' assets are safe from loss, and that the financial statements of funds and startups are accurate.

When Volt Capital was raising its \$50 million crypto-focused venture fund this year, LPs required the firm to hire an auditor and a custodian meeting standards developed by the American Institute of Certified Public Accountants, said co-founder Soona Amhaz. "It may have been a nice-to-have. Now it's more of a requirement, if you are raising beyond friends and family," Ms. Amhaz said.



Ravi Menon

Price of bitcoin



Source: CoinDesk

network—except for speculation.

"Cryptocurrencies have taken (on) a life of their own outside of the distributed ledger, and this is the source of the crypto world's problems," he said.

Mr. Menon described their only useful function as rewarding those helping to validate and maintain a record of transactions on a blockchain.

Singapore has previously invited crypto trading platforms, brokers and lenders to apply for licenses in the country. But it has recently grappled with how to protect its reputation in the wake of the collapses of several crypto players that were based in the city-state.

The latest crash caused a roughly \$2 trillion wipeout in the market globally. The imposition of so-called algorithmic stablecoin TerraUSD and firms such as crypto hedge fund Three Arrows Capital has put a spotlight on Singapore.

Terraform Labs Pte., the entity behind the stablecoin, was registered in Singapore and Three Arrows Capital was based there for years, al-

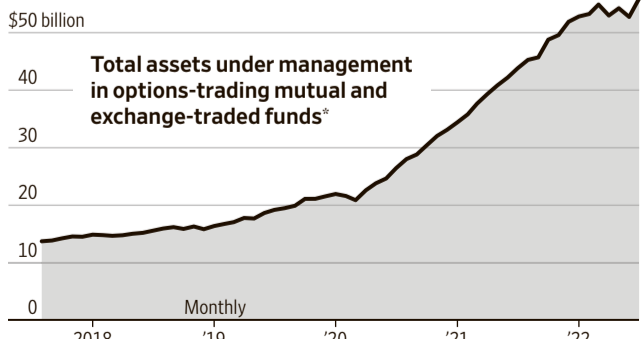
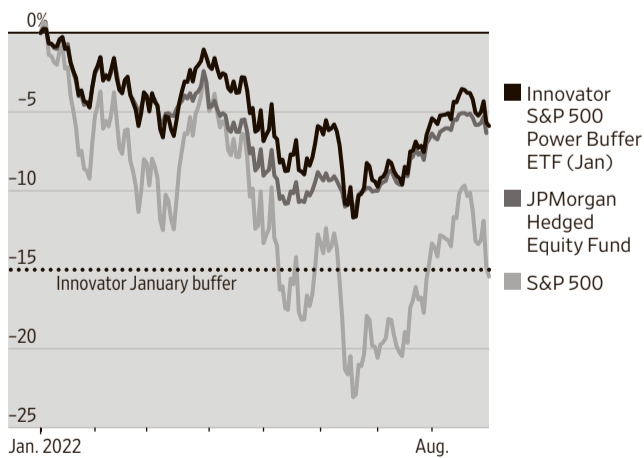
Buffer ETFs Attract Big Inflows

Continued from page B1

JPMorgan Chase & Co.'s hedged equity funds use a similar options strategy as buffer funds but actively manage the underlying stock portfolio as well. Those funds closed to most investors in March 2021 after a surge in inflows brought total assets to \$26 billion. Options-trading funds, the Morningstar category that encompasses both hedged equity and buffer funds, have grown to a \$56 billion industry from \$16 billion in just the past four years.

Two of the biggest funds in the space, JPMorgan Hedged Equity Fund I and the U.S. Equity Power Buffer ETF from Innovator Capital Management, are easily beating the market this year. They are down 6.3% and 5.7%, respectively. That compares with the S&P 500's 15% decline and the benchmark Bloomberg U.S. Aggregate Bond Index's 9.9% drop. Innovator is the largest provider of buffer ETFs.

ETF and index performance this year



*Data as of July 2022

Sources: FactSet (performance); Morningstar Direct (AUM)

protection that the funds offered against losses was more pronounced: Both funds fell about 11%, while the S&P 500 dropped 23%. Since the market bottomed on June 16, however, their limited upside has

come into play—the funds have risen 5.7% and 6.8%, respectively, while the index has climbed 11%.

"Investors nearing retirement like the reduced volatility," said Bobby Blue, senior

manager research analyst at Morningstar. "But I would be reluctant to call these a good portfolio hedge; you are still exposed to where the equity market goes."

In some cases, investors are protected from only the first 9% or 15% of a market slide, depending on the terms of the fund. That means they could still lose money if markets fall further. Other funds expose investors to 5% of initial losses and provide more crash protection instead.

Additionally, unless an investor buys in at the start of an outcome period, the buffer and cap can vary from the initially advertised levels.

The fees can be chunky, too. JPMorgan's hedged equity products charge between 0.58% to 0.6%, while Innovator's funds carry a 0.79% fee. In comparison, the average expense ratio of actively managed equity mutual funds was 0.68% in 2021, according to ICI, while the popular SPDR S&P 500 ETF, a passive tracker fund, charges 0.09%.

Investors in the Innovator funds forgo dividends as well, missing out on a steady source of income. Investors have piled in anyway: Innovator's funds have logged nearly \$3 billion in inflows this year, according to Bloomberg data, nearly three times as much as the same period last year.

AUCTION RESULTS table with columns for 13-Week and 26-Week applications, accepted bids, noncomp, foreign noncomp, auction price, and bids at clearing yield accepted.