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What's News

Business & Finance

Public pension plans lost a median 7.9% in the year ended June 30, according to Wilshire Trust Universe Comparison Service data, their worst annual performance since 2009. **A1**

◆ **A \$600 million debt deal** that Goldman and JPMorgan recently arranged for Avaya went bad within weeks, hitting investors who lent Avaya the money. **A1**

◆ **The chip industry** is adjusting to a wider and sharper slowdown than it anticipated even as semiconductor firms prepare to spend billions of dollars on new factories. **A1**

◆ **Coinbase reported** a loss of \$1.1 billion for the second quarter, driven by the cryptocurrency market's spring meltdown. **B1**

◆ **Ford will raise prices** for its new all-electric truck less than four months after it started shipping the vehicle to dealerships. **B1**

◆ **Musk sold** Tesla stock valued at nearly \$7 billion in recent days, regulatory disclosures show, amid uncertainty over the fate of his deal to buy Twitter. **B1**

◆ **U.S. stock indexes** closed lower, with the S&P 500, Nasdaq and Dow falling 0.4%, 1.2% and 0.2%, respectively. **B11**

◆ **AppLovin proposed** a merger with Unity Software through an all-stock deal that would value Unity at \$17.5 billion. **B2**

◆ **Walmart is looking** to add a large video streaming service to its Walmart+ membership program, according to people familiar with the situation. **B7**

World-Wide

◆ **Federal agents** searched Trump's Mar-a-Lago home in part because they believed additional classified information remained at the private club after the National Archives retrieved more than a dozen boxes of White House documents from the resort earlier this year, people familiar with the matter said. **A1, A4**

◆ **A House panel** can obtain Trump's tax returns from the IRS, an appeals court said, handing congressional Democrats a win in a long-running court fight. **A4**

◆ **A series of explosions** at a Russian air force base on Crimea triggered a Russian evacuation of local residents and Ukrainian vows to liberate the peninsula even as Kyiv didn't take responsibility for the blasts. **A1**

◆ **The Biden administration** said it would wind down use of an immigration policy known as Remain in Mexico after a federal court removed a final procedural hurdle preventing it from doing so. **A3**

◆ **The FDA adopted** a new strategy for stretching out monkeypox vaccine doses by allowing for a smaller dose. **A3**

◆ **A man from Afghanistan** will be charged in the shooting deaths of two fellow Muslim men in Albuquerque, N.M., and is suspected in the murders of two others, authorities said. **A3**

◆ **A former Twitter employee** was found guilty by a federal court jury in San Francisco of spying for Saudi Arabia. **A3**

◆ **Died: Lamont Dozier**, 81, songwriter behind many Motown hits. **A2** ... **Issey Miyake**, 84, fashion designer. **A9**

CONTENTS Personal Journal A11-12
Arts in Review... A13 Property Report... B6
Business News... B37 Sports... A14
Crossword... A14 Technology... B4
Heard on Street... B12 U.S. News... A2-4, 6
Markets... B11 Weather... A14
Opinion... A15-18 World News A8-10, 18



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Voters in Kenya Head to Polls to Choose a New President



TIGHT RACE: An election official uses a biometric fingerprint scanner to check a voter's identity at a polling station in Kilgoris, Kenya, on Tuesday, in a closely contested presidential race between two longtime allies turned fierce rivals. **A18**

State and City Pension Funds Suffer Worst Year Since 2009

By HEATHER GILLERS

Public pension plans lost a median 7.9% in the year ended June 30, according to Wilshire Trust Universe Comparison Service data released Tuesday, their worst annual performance since 2009 and a fresh sign of the chronic financial stress facing governments and retirement savers.

Much of the damage occurred in April, May and June, when global markets came under intense pressure driven by concerns about inflation, high

stock valuations and a retreat from speculative investments including cryptocurrencies. Funds that manage the retirement savings of teachers, firefighters and police officers returned a median minus 8.9% for that three-month period, their worst performance since the early months of the global pandemic.

"It was a really really bad quarter for investing, there's no way around it," said Michael Rush, a senior vice president at Wilshire.

The results underscore the

pain suffered by investors in a year characterized by a rare combination: simultaneous sharp declines in both stocks, which are understood to be risky, and bonds, which are not and accordingly are often purchased by investment managers as hedges.

That one-two punch has pummeled household and institutional investors alike as the Federal Reserve pushed short-term interest rates higher to rein in inflation. For state and local governments around the country, the losses

will mean higher annual retirement contributions in the coming years, forcing many public officials to raise taxes or other revenues or cut services.

Public pension funds have hundreds of billions of dollars less on hand than they will need to cover future benefit promises. A record run in stocks afforded them a decade of relative breathing room. But even after blockbuster returns of nearly 27% last year, many retirement systems remained underfunded with the growth

Please turn to page A2

Goldman, JPMorgan Debt Deal Goes Bad

By MATT WIRZ

A \$600 million debt deal that Goldman Sachs Group Inc. and JPMorgan Chase & Co. recently arranged for Avaya Holdings Corp. went bad within weeks.

The two banks sold new loans and bonds for Avaya, a cloud-communications company, in late June. Investors included Brigade Capital Management LP and Symphony Asset Management LLC, people familiar with the matter said.

A few weeks later, Avaya said it would miss by more than 60% its previous forecasts for adjusted earnings in the third quarter, which ended June 30. It gave no explanation. The company also said that it would miss reve-

nue targets and announced it was removing its chief executive officer.

Prices of the newly issued debt plummeted, hitting investors who lent Avaya the money with paper losses exceeding \$100 million, according to analyst commentary and data from MarketAxess and Advantage Data Inc.

Avaya said Tuesday that it "has determined that there is substantial doubt about the Company's ability to continue as a going concern." It also said the audit committee of the board of directors had opened an internal investigation "to review the circumstances surrounding" the most recent quarter. The committee is also investigating a whistle-

Please turn to page A6

INSIDE



ARLYN INCIJOREV/ZUMA PRESS

JASON GAY

Serena Williams says she is prepared to retire, but her influence will endure. **A14**

PERSONAL JOURNAL

The backstory on Kenneth Griffin's \$43.2 million bid for U.S. Constitution. **A11**

Explosions Rock A Russian Base In Annexed Crimea

By BOJAN PANCEVSKI AND BRETT FORREST

A series of explosions at a Russian air force base on Crimea triggered a Russian evacuation of local residents and Ukrainian vows to liberate the peninsula even as Kyiv didn't take responsibility for the blasts.

The Russian Defense Ministry said the explosions, which came as Ukraine presses on with a counteroffensive aimed at liberating the south of the country from Russian control, were caused by exploding air force ammunition and there was no shelling of any kind

aimed at the base. Aircraft stationed there were undamaged and there had been no injuries, the ministry said.

The blasts bring the nearly six-month war closer to home for Russians who have largely experienced the war as an intervention on Ukrainian territory. An overwhelming majority of Russians supported the country's seizure of the peninsula in 2014, and it became a popular tourist destination.

Please turn to page A8

◆ **Moscow halts oil flow** to parts of Europe..... **A8**

◆ **Ukrainians in occupied area** fear nuclear disaster..... **A9**

'Love Island' Sows Drama For Dads, Too

* * *
An ex-soccer star squirms seeing his daughter on show

By JAMES HOOKWAY

For years, Michael Owen lived the charmed life of a retired soccer star. He played golf. He bred racehorses. He got a lucrative side gig as a pundit on TV soccer shows, much as Charles Barkley talks about the NBA.

Then his 19-year-old daughter, Gemma, went on "Love Island."

The British reality show is a global phenomenon, sparking copycats around the world, though devotees insist the original is still the best. The format involves sequestering tanned and toned contestants on a steamy Mediterranean is-

Please turn to page A10

Chip Makers Expect Slowdown to Worsen

By ASA FITCH

The chip industry that was bracing for a difficult period with laptop sales slumping is adjusting to a wider and sharper slowdown even as semiconductor companies prepare to spend billions of dollars on new factories.

"The market is worse than we thought it would be," Mark Murphy, chief financial officer at memory maker Micron Technology Inc., said Tuesday. On the same day, President Biden signed an investment plan that allocates over \$50 billion to finance future U.S. chip development and production.

The latest sign of near-term concern, though, is that auto makers are becoming more cautious consumers of chips after struggling for about two years to secure adequate supply, Mr. Murphy added at an investor event. "We are certainly seeing broader weakening," he said.

Micron's latest comments build on a flurry of bad news from chip makers, which have cited slowdowns in sales linked to PCs, graphics cards and videogames. Intel Corp. shocked the market two weeks ago with a quarterly loss and cut its full-year outlook. Advanced Micro Devices Inc. days later issued a muted outlook, and Nvidia Corp. on Monday warned that sales would come in below its own forecast.

The news has weighed on chip stocks. The PHLX Semiconductor Index was down 4.9% Tuesday and has dropped 27% for the year, compared with the 21% year-to-date decline for the Nasdaq.

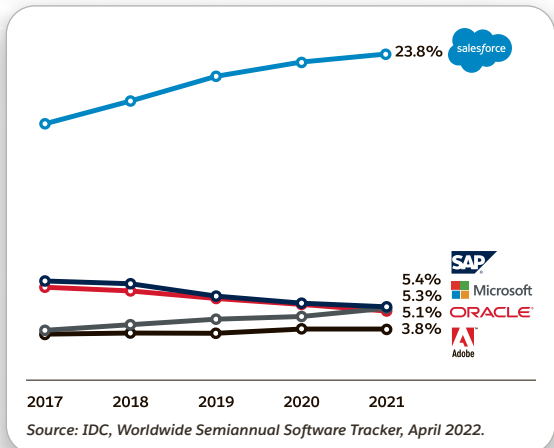
The industry is reacting with rapid belt tightening, creating a disconnect between its near-term outlook and long-term prospects for semicon-

Please turn to page A2

◆ **Micron warns of weaker demand, lower revenue**..... **B4**

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salesforce.com/number1CRM

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U.S. NEWS

Wage Growth Keeps Pressure on Inflation

By SARAH CHANEY CAMBON

Workers’ wages are rising briskly, a factor contributing to four-decade high U.S. inflation.

Average hourly earnings grew 5.2% in July from a year earlier, and annual wage gains have exceeded 5% each month this year, the Labor Department said Friday. The rapid earnings growth adds to other evidence that employers are continuing to increase pay as they try to find and keep workers in a tight job market.

Wage gains help consumers spend money in the face of higher prices for restaurant meals, groceries and lodging. But many companies are having to pay more for labor at the same time that other business expenses are rising, including for transportation and logistics, said Omair Sharif, head of forecasting firm Inflation Insights LLC.

“The entire cost structure of operating a business has increased, including wages,” Mr. Sharif said. “That’s allowing firms in a high-inflation environment to pass those costs on to consumers.”

Higher wages and job growth, combined with a con-

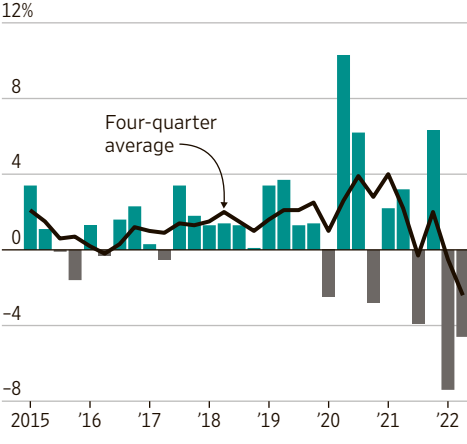
traction in overall economic output, are weighing on labor productivity, a measure of goods and services produced per hour worked. It fell at a seasonally adjusted annual rate of 4.6% for its second straight quarterly decline, the Labor Department said on Tuesday.

Unit labor costs, a measure of worker compensation and productivity, increased at a 10.8% pace in the second quarter from the prior quarter, down slightly from a revised 12.8% in the previous quarter.

Mr. Sharif pointed to airlines as an example of the wage-price dynamic. Some airlines have negotiated double-digit wage increases for pilots, as carriers struggled to hire enough of them to meet demand. Meanwhile, jet-fuel costs have shot up. Those factors have likely converged to drive up the price of plane tickets, Mr. Sharif said. In June, fares were up 34.1% from a year earlier.

Wage growth is continuing to run at a fast clip as some other price pressures are abating. The average cost of a gallon of regular unleaded gasoline was \$4.06 in early August, compared with \$4.72 a month

U.S. nonfarm labor productivity*, change from previous quarter



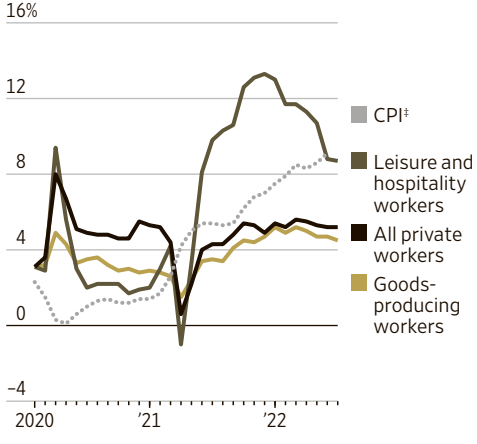
*Seasonally adjusted annual rate †Seasonally adjusted ‡Through June Source: Labor Department

earlier, according to AAA.

Commodity prices for wheat and grain have also eased. Improvements in backlogs and supplier delivery times in business surveys suggest that supply-chain snarls are unraveling.

The Labor Department releases July consumer-price data on Wednesday, and economists surveyed by The Wall Street Journal think annual inflation cooled to 8.7% in July from 9.1% in June.

Hourly earnings¹ and consumer prices, change from a year earlier



Strong wage growth is a concern for Federal Reserve officials, economists say. “They view the labor market as too tight. They think wage growth is too fast,” said Nick Bunker, economist at jobs site Indeed.

The Fed raised rates by 0.75 percentage point at its meeting last month, as part of a broader attempt to bring inflation down to its target of 2%. The July jobs report defied expectations of an economic

slowdown and will make it harder for the Fed to dial back the pace of rate increases at its meeting next month.

A wages and benefits report released in late July that is widely watched inside the Fed also defied the idea that wage growth was slowing. Wages and salaries for private-sector workers grew 5.7% in the second quarter from a year earlier, the fastest pace for records tracing back to 2001.

Wage gains haven’t kept

pace with inflation. Private-sector wages and salaries declined 3.1% in the second quarter from a year earlier, when accounting for inflation.

Households expect much higher inflation in a year than they did in spring 2021, which could lead workers to demand higher wages to keep up with the cost of living. That might push up broader inflation, at least in the short run, according to a Federal Reserve Bank of San Francisco analysis.

The trajectory of wage growth depends largely on how long labor shortages last. Pay is rising quickly because there are too few workers to meet companies’ needs.

Job openings well exceed the number of unemployed Americans seeking work. There are fewer people seeking a job than before the pandemic, with scant evidence that the situation will quickly improve. In fact, the share of adults working or looking for a job decreased in July from a month earlier.

Workers are quitting at higher rates than before the pandemic took hold. About 2.8% of employees quit their jobs in June, up from 2.3% in February 2020.



Lamont Dozier performing on American Bandstand in 1975.

Songwriter and Producer’s Hits Helped Define Motown Sound

By LAURYN AZU

Lamont Dozier, a songwriter and producer behind era-defining Motown hits including “Baby Love” and “You Can’t Hurry Love,” died Monday. He was 81 years old.

His death was confirmed Tuesday by the Motown Museum in Detroit. No cause of death was given.

Mr. Dozier helped define the sound of the 1960s and influenced a generation of artists, as one-third of the songwriting trio Holland-Dozier-Holland. Together with

brothers Brian and Eddie Holland, he worked with Motown’s most successful artists, including Diana Ross & the Supremes, the Isley Brothers, the Four Tops and Marvin Gaye.

The songwriting trio churned out hits such as “Stop! In the Name of Love,” “Reach Out I’ll Be There,” and “Love Is Like a Heat Wave.”

“As part of the unmatched song writing and production team of Holland Dozier Holland, Lamont Dozier is largely responsible for shaping the Motown Sound,” Motown Museum Chief Executive Robin Terry said in a statement.

Born in Detroit in 1941, Lamont Herbert Dozier originally

had aspirations as a singer and founded the group The Romeos as a teenager. That was followed by a stint as a doo-wop singer, before he joined Motown Records as an artist in 1962.

Under the label, Mr. Dozier joined with the Holland brothers. Together, they would write almost 150 Motown chart hits in the U.S., according to Motown Records, the first of which was “Locking Up My Heart” for the Marvelettes.

After leaving Motown Records, the trio founded Invictus Records and Hot Wax Records. Mr. Dozier branched out on his own in 1973. He won a Grammy award in 1989 for best song written for a motion picture or television for “Two Hearts,” from the movie “Buster.”

Tributes poured out Tuesday to honor the late tunesmith, who was inducted into the Songwriters Hall of Fame in 1988 and the Rock & Roll Hall of Fame in 1990.

Producer and guitarist Nile Rodgers called him a music-composing genius and said Mr. Dozier had affected many people. “We’ve lost a giant,” he wrote in a post on Twitter. Singer-songwriter Carole King said striving to keep up with Mr. Dozier and the Holland brothers had made her and Gerry Goffin better songwriters.

“I admire Lamont so much,” Duke Fakir, of the Four Tops, said Tuesday. “He was so talented and he will truly be missed.”

Mr. Fakir said Holland-Dozier-Holland wrote songs that sold the Four Tops’ records and contributed to their success. “We knew how to entertain,” Mr. Fakir said, “but they taught us how to record.”

Chip Woes Expected To Worsen

Continued from Page One

ductor sales to more than double by the end of the decade—as well as the billions of dollars it plans to spend on new plants, fueling growth.

Smartphone chip designer Qualcomm Inc. said Monday that it signed a deal with contract chip maker GlobalFoundries Inc. to secure more than \$4 billion of its manufacturing capacity through 2028. Micron said Tuesday that it would invest \$40 billion in cutting-edge memory-chip manufacturing in the U.S., part of a \$150 billion global investment plan over the coming decade. Intel, the U.S.’s biggest chip maker by revenue, is expanding its facilities in Arizona and building a new plant in Ohio, among other projects that could cost hundreds of billions of dollars if fully built out.

Washington plans to underwrite some of that expansion to ensure factories are built in the U.S. with funding that has enjoyed rare bipartisan support and is aimed at counteracting the industry’s shift toward Asia in recent decades. Mr. Biden said the new law represents “a once-in-a-generation invest-

ment in America itself.”

More immediately, though, the chip industry is trying to gauge how far-reaching the current downturn may be. One area of strength for chip companies’ financial results in the past weeks has been demand for server chips, but even that area is flashing warning signals. Nvidia said its data-center business was hit by supply-chain disruptions. Intel late last month cut its full-year sales outlook after its PC and server-chip divisions stumbled, and Bank of America analyst Vivek Arya said there were “pockets of weakness” in demand from corporate buyers and Chinese cloud-computing customers.

The reset now unfolding follows two years of supercharged growth driven by pandemic-era spending on laptops, phones, cars and appliances that strained the industry’s capacity, leading to a shortage. Many electronics that were hard to obtain a year ago are now in freer supply as inflation concerns and a shakier economic outlook weigh on consumers.

“We are seeing some areas of the market beginning to rebalance supply and demand, including end markets such as low-end handsets, PCs and in general, the lower end of consumer electronics market,” GlobalFoundries Chief Executive Tom Caulfield said on an earnings call Tuesday.

Chip makers most directly exposed to consumers have been the hardest hit. Intel

pinned its disappointing results in part on weakness in PC sales. Qualcomm cut its phone-shipment forecast for this year in July and issued a muted sales outlook.

PC shipments are expected to fall by 9.5% this year, according to Gartner. The research firm also in late June revised its forecast downward for sales of phones capable of using superfast 5G networks.

Overordering by customers desperate for chips during the shortage is now swinging the other way in some segments of the market, said Michael Hurlston, CEO of Synaptics Inc., which makes chips that go into touchpads, headsets and other devices.

“We have an over-rotation where people are trying to cut inventory to unhealthy levels and there’s a pessimism that sits in the market that’s also wrong,” he said. “So I think our picture is uncertain.”

Mr. Murphy of Micron called the auto and industrial demand issues his company was experiencing a “very recent development,” adding that it could take a few quarters to get a clearer picture.

Micron said sales for its current fiscal quarter may come in at or below the roughly \$7.2 billion it forecast in June, while projecting more challenges in the following quarter.

“The bottom doesn’t appear to be this quarter,” he said.

—John McKinnon contributed to this article.

Pension Funds Log Big Losses

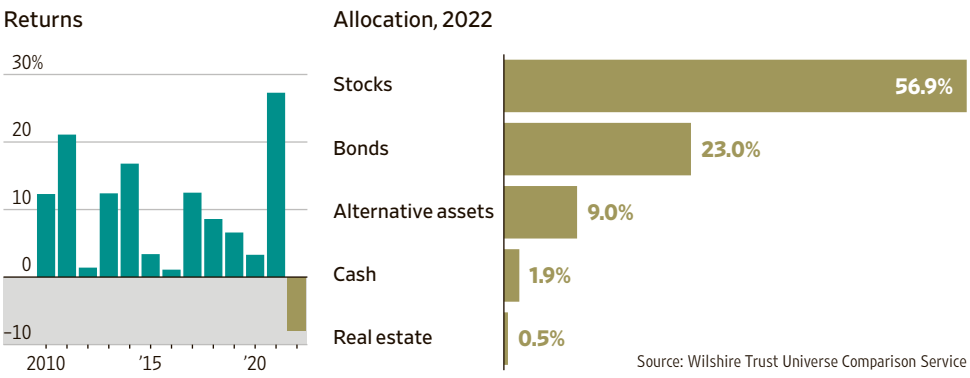
Continued from Page One

in expected benefit costs outpacing the growth in assets.

That shortfall, along with aggressive annual return targets of about 7%, led pension funds to embrace investment risk, with a median equity allocation of 57% as of June 30, according to the Wilshire data. A larger equity allocation increases funds’ exposure to stock-market moves; a rally in stock and bond prices in recent weeks stands to ease some of the pain of the past year.

Larger public pension funds fared better than smaller ones over the past year, with those managing over \$1 billion returning a median minus 6.6% and plans over \$5 billion returning a median minus 5.1%, the data showed.

Median public pension fund returns and allocation for 12 months ended June 30



Source: Wilshire Trust Universe Comparison Service

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CORRECTIONS & AMPLIFICATIONS

The Dakota Access Pipeline runs from the northwest corner of Iowa to the southeast corner. A U.S. News article on Monday about carbon-dioxide pipeline projects incorrectly said northwest to southwest.

Marilyn Jentzen lives at the Cliffs Valley, a development in Travelers Rest, S.C. A Mansion article on Friday about people who purchase neighboring properties incorrectly said she lives at the Cliffs at Glassy.

The last name of J.R. Laughnan, a corn geneticist at the University of Illinois in the 1950s, was incorrectly given as Laugham in a Review article on Saturday about sweet corn.

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

U.S. NEWS

Remain
In Mexico
Program
To End

By MICHELLE HACKMAN

The Biden administration said it would wind down use of an immigration policy known as Remain in Mexico after a federal court removed a final procedural hurdle preventing it from doing so.

The Department of Homeland Security said Monday evening it wouldn't place anyone new in the program, which requires migrants seeking asylum to live in northern Mexican border cities during their U.S. court proceedings. Migrants currently living in Mexico under the program will be allowed to enter the U.S. at their next court date, when they can choose where to live and finish pursuing their asylum claims in local immigration courts around the country.

The latest development for the program comes as the Biden administration faces pressure over border crossings ahead of the midterm elections. U.S. Border Patrol agents made 191,898 arrests at the southwest border in June. Since the start of the budget year in October, agents have made roughly 1.6 million arrests.

About 5,000 migrants were enrolled in the Remain in Mexico program between December and the end of May, according to government data compiled by the Transactional Records Access Clearinghouse at Syracuse University.

First created in 2019 by then-President Donald Trump, the program was intended as a deterrence measure against migrants crossing the border illegally into the U.S. to seek asylum. It forced them to live in Mexico rather than the U.S. for the duration of their claims, which can frequently take more than five years to complete.

Republicans have argued for the Biden administration to keep the policy in place, with Texas and Missouri suing to prevent the lifting of Remain in Mexico. The Supreme Court ruled June 30 in the administration's favor in that lawsuit, allowing the federal government to end the program as Mr. Biden had intended early on.

Administration lawyers privately felt that they couldn't immediately end the program despite the high-court win because of a procedural technicality, according to people familiar with their thinking. The lower court in Texas hadn't yet lifted its injunction blocking them from doing so. The lawyers argued internally that even sending no more new migrants back to Mexico could still technically be a violation of that court's injunction.

On Monday, the lower court lifted its injunction, freeing the administration's hands.

—Alicia A. Caldwell contributed to this article.

Ex-Twitter
Staffer Guilty
Of Spying for
Saudi Arabia

By MEGHAN BOBROWSKY

SAN FRANCISCO—Former Twitter Inc. employee Ahmad Abouammo was found guilty of spying for Saudi Arabia after passing on private user information associated with critics of the kingdom in exchange for hundreds of thousands of dollars.

Mr. Abouammo, 44, who worked at Twitter from 2013 to 2015 managing media partnerships with high-profile users in the Middle East and North Africa, was also found guilty of money laundering, falsification of records and one count of wire fraud by the 11-person jury on Tuesday. He was found innocent on five other counts of wire fraud.

Mr. Abouammo repeatedly accessed the email accounts and phone numbers of accounts that criticized the Saudi government, including the anonymously run account “mujtahidd,” prosecutors said. He then shared that information with a Saudi official affiliated with that country's government, according to prosecutors.



Amid a monkeypox-vaccine shortage, a lower-dose shot means the supply can be stretched out. Above, people wait in line for a shot in Los Angeles last week.

FDA Alters Dose of Monkeypox Shot

By LIZ ESSLEY WHYTE

The Food and Drug Administration adopted a new strategy for stretching out monkeypox vaccine doses by allowing for a smaller dose.

Under the changes, people will get injections of the vaccine shallowly into the skin, rather than the normal method deeper into the layer of fat under the skin. Each of the injections would be one-fifth of the normal dose.

People will still get two injections, four weeks apart.

The changes, announced Tuesday, mean public-health officials could reach five times as many people with Bavarian Nordic A/S's Jynneos vaccine, which has been in short supply.

Health and Human Services Secretary Xavier Becerra per-

mitted the changes by green-lighting emergency authorizations of monkeypox vaccines.

The FDA then authorized Jynneos at the reduced dose. FDA Commissioner Robert Califf said last week that federal officials were considering reducing the vaccine dose and that it wouldn't change the safety and efficacy.

“By increasing the number of available doses, more individuals who want to be vaccinated against monkeypox will now have the opportunity to do so,” Dr. Califf said Tuesday.

Monkeypox, a relative of smallpox, is a viral disease known for its chickenpox-like pustules. The first case in the U.S. during the current outbreak was reported May 19. There are now more than 8,900 cases in the U.S., according to

the Centers for Disease Control and Prevention, heavily concentrated among men who have sex with men.

The U.S. declared the outbreak a public-health emergency last week.

The federal government stockpiled Jynneos as a defense against a possible smallpox attack, but the U.S. didn't have enough doses on hand to meet a sudden spike in demand in June, as monkeypox cases escalated in the U.S.

The administration expects to have 1.9 million doses of Jynneos available by the end of 2022. Yet that isn't enough, under the current dosing regime, to vaccinate the group federal officials think must be vaccinated to contain the outbreak.

The new strategy, known as “dose-sparing,” would allow the U.S. to vaccinate that group and still have vaccine to spare to vaccinate other groups or as a defense against a potential smallpox attack.

“If we want to be prepared for all the contingencies, optimizing the dosing regimen now makes a lot of sense,” Dr. Califf said in a recent interview.

Centers for Disease Control and Prevention Director Rochelle Walensky said last week her agency estimates that between 1.6 million to 1.7 million men who are HIV positive or at risk of HIV infection need to be vaccinated to contain the outbreak.

Some public-health experts had proposed giving only the first dose of the two-dose vaccine, as a way to give partial protection to more people. Dr.

Califf said the science shows the proposed lower-dosing strategy offers more protection than a solo dose of the vaccine injected normally.

The NIH funded a study of intradermal injection of Jynneos in 2015. It found that the method would allow the U.S. to stretch its stockpile in an emergency. The agency is planning another study of the method in the future, a spokeswoman said.

Separately, Siga Technologies Inc. said Tuesday that the U.S. government ordered 64,000 doses of Tpxox, a drug approved for smallpox that is now being used to treat monkeypox, to replenish the country's existing stockpile. The order falls under an existing 2018 contract and will cost the government about \$26 million.

Afghan Held in Deaths of New Mexico Muslims

By DAN FROSCH
AND ALICIA A. CALDWELL

A 51-year-old man from Afghanistan has been arrested and will be charged in the shooting deaths of two fellow Muslim men in Albuquerque and is suspected in the murders of two others, authorities said Tuesday.

The string of killings had sparked fear in the city's small Islamic community for weeks.

At a news conference, Albuquerque Police Deputy Commander Kyle Hartsock said the motive of the suspect, Muhammad Syed, is still being investigated, though police have said he was driven by an undisclosed interpersonal conflict. He may have had a personal relationship with at least one of the victims, police said.

Mr. Hartsock said Mr. Syed is believed to have come to the U.S. in the last several years. He said the suspect was previously arrested in three misdemeanor domestic violence cases and charges were dropped in each of those.

District Attorney Raúl Torrez said his office intends to file murder charges against the suspect in state court. The Wall Street Journal wasn't immediately able to identify an attorney representing Mr. Syed.

The arrest of a fellow Muslim who may have known the



Albuquerque Police Deputy Commander Kyle Hartsock, center, at a news conference on Tuesday.

victims marks a twist in a case authorities previously said they suspected may have been racially or religiously motivated.

Some in Albuquerque had worried a serial killer was targeting Muslims because of their faith. Community groups and politicians including New Mexico Gov. Michelle Lujan Grisham condemned the killings and expressed support for the Islamic community.

Earlier this week, Albuquerque police released photos of a silver Volkswagen sedan they

believed was used in the shootings. The photos led to several hundred tips, Mr. Hartsock said.

Late Monday night, as police were about to serve a search warrant on his Albuquerque home, Mr. Syed fled the city and police arrested him near Santa Rosa, about 118 miles west of Albuquerque.

Multiple guns were found inside the home, Mr. Hartsock said. Forensic evidence has tied one gun from the home and a second found in his car to two shootings, he added.

Mr. Syed is being charged in the deaths of Aftab Hussein and Muhammad Afzaal Hussain, and investigators say they are working on bringing charges against him in the deaths of the other two men.

Aftab Hussein, 41, a local restaurant worker from Pakistan, was killed late on the night of July 26. The following week, on the night of Aug. 1, Muhammad Afzaal Hussain, 27, was found shot dead on an Albuquerque sidewalk.

One of the other men killed

was Mohammad Zaher Ahmadi, 62, originally from Afghanistan, who was fatally shot in the early evening of Nov. 7 behind the bakery he ran with his brother, according to police accounts and Ahmad Assed, president and legal counsel for the Islamic Center of New Mexico.

Late last Friday, 25-year-old Naeem Hussein, a Pakistani immigrant who worked as a truck driver, was found shot to death, according to police and Mr. Assed. Hours earlier, Mr. Hussein had attended funeral services for the two Muslim men killed in recent weeks.

According to Mr. Assed, the victims of the shootings were well-respected and not known to have any public disputes.

For days, the city's Muslim residents have been distraught and some stayed home from work or cut hours at their jobs, said Mr. Assed. Others stopped attending local mosques for prayers. Still others temporarily left the state.

Mr. Assed had been telling community members to refrain from taking unnecessary trips out and asking that they use the “buddy system” of traveling with a friend or family member when they do leave.

“This community is in fear. We're confused, in shock and emotionally drained,” Mr. Assed said in an interview earlier this week.

Judge Rules Against Golfers Suspended by PGA Tour

By ANDREW BEATON
AND LOUISE RADNOFSKY

A federal judge rejected a bid from three players on the Saudi-backed LIV Golf circuit to be allowed back into the PGA Tour's FedEx Cup Playoffs this week, scoring an early win for the PGA Tour as it defends itself against an antitrust challenge from the LIV players it suspended.

Judge Beth Labson Freeman denied a request for a temporary restraining order from Talor Gooch, Hudson Swafford and Matt Jones, in a blow to their hopes of teeing off this week in Memphis, Tenn.

The ruling, however, doesn't end the broader case against the PGA Tour brought by a group of 11 LIV golfers,

led by Phil Mickelson.

The judge's ruling came after she said she was reluctant to delve into the more complicated issues raised by the antitrust claims as part of her decision on the order.

In her decision, she said the plaintiffs had failed to establish they would suffer irreparable harm from being locked out of the FedEx Cup playoffs, in large part because their contracts with LIV Golf included generous compensation that took into account what they would be leaving behind by bucking the PGA Tour.

“The LIV contract provides an opportunity for each of these plaintiffs to play elite golf in the United States with guaranteed pay” for LIV, said the judge, adding that it

“seems without a doubt that they will be earning more than they would have been paid.”

Messrs. Gooch, Swafford and Jones had each qualified for the playoffs before signing on to play for LIV, but were removed from the event after they were suspended by the PGA Tour because of their participation in the LIV series, which the Tour said violated its bylaws.

Rob Walters, representing the trio, had sought to persuade the judge that there were significant nonmonetary stakes for the players in being denied access to the playoffs, such as the chance to qualify for major championships where the prestige can extend beyond money.

“This is their Super Bowl. This is their World Series. This

is their NBA playoffs,” he said. Winning, he added, means “you get to be up there in the rarefied air of the elite golfers.”

But a lawyer for the PGA Tour retorted that the money earned by the LIV players just for participating on the circuit, which is underpinned by billions from Saudi Arabia's Public Investment Fund, significantly undermined that argument, pointing to contracts that the court had access to but which have remained under seal for now.

“In my mind I was comparing that to what Mr. Gooch received merely for signing a contract, and the court knows what that is,” said Elliot Peters, representing the PGA Tour.

“I do,” the judge responded. LIV Golf had been readying

for an antitrust challenge against the PGA Tour, even before it launched, saying that the PGA Tour has monopoly power in the golf market and is using that power to try to exclude an upstart challenger, by trying to restrict or drive up the price of LIV's access to players.

LIV Golf has been controversial since its inception, both because of its disruptive nature and its financing. LIV is backed by Saudi Arabia's sovereign-wealth fund, prompting criticism that it is attempting to whitewash the kingdom's human-rights record. LIV says it is focused on growing the game of golf.

LIV has attracted a collection of the world's highest-profile golfers with a new format and historically rich prize funds.

FBI Search Adds Twist to Midterms

The FBI search of Donald Trump's Mar-a-Lago home rallied many prominent Republicans around the former president and could shift the

By Siobhan Hughes and Alex Leary in Washington and Deborah Acosta in Palm Beach, Fla.

political course of both the midterm elections for control of Congress and the 2024 presidential race.

While many details of the FBI's investigation remain unknown, the developments both challenge and underscore Mr. Trump's hold on the GOP, just as he is publicly considering a third run for the White House. Many Republicans, including potential presidential rivals, denounced the search, casting it as a politically driven action by the Biden administration. Others demanded more details from the Justice Department but stopped short of criticizing its motives.

"This is a brazen weaponization of the FBI by Biden's DOJ against his political opponent," tweeted Rep. Steve Scalise (R., La.), a member of the GOP leadership, reflecting the stance of many House Republicans.

"I share the deep concern of millions of Americans over the unprecedented search," tweeted former Vice President Mike Pence, who last year re-



GOP House Leader Kevin McCarthy, left, and Florida Republican Gov. Ron DeSantis criticized the search.

jected Mr. Trump's efforts to get him to overturn the 2020 election result and is now considering his own possible run for the White House.

Democrats said the investigation showed no one is above the law. "The facts and truth, facts and law, that's what it's about," said House Speaker Nancy Pelosi (D., Calif.). "The FBI and DOJ must be allowed to continue their work free from political interference," tweeted Sen. Mark Warner (D., Va.).

People familiar with the matter said the search was part of an investigation into Mr. Trump's handling of classified information. Trump lawyer Christina Bobb, who was present during the search, said that federal agents "seized paper."

The Justice Department has been looking into the former president's handling of official

records and his actions around the Jan. 6, 2021, attack on the U.S. Capitol. Monday's search is separate from the Jan. 6 investigation, the people familiar with the probe said. Mr. Trump has denied any wrongdoing.

People close to Mr. Trump said the search could further motivate him to announce a run for president in 2024 before the midterm elections.

Shortly after midnight, Mr. Trump posted a campaign-style video on his TruthSocial account that teased a possible campaign. "We are a nation that has become a joke...but soon we will have greatness again."

Some GOP lawmakers including House Minority Leader Kevin McCarthy (R., Calif.) have been pushing Mr. Trump to hold off on any announcement until after the election, to not upset the party's chances of

taking back the House. While Mr. Trump remains a powerful motivator of Republican voters, he repels many swing voters, and party leaders have focused their midterms pitch on the economy and inflation. Republicans are seen as heavily favored to win back the House, while the Senate is seen as a tossup.

Polls show Mr. Trump as the top GOP candidate in a hypothetical 2024 presidential field.

Mr. McCarthy said late Monday that "the Department of Justice has reached an intolerable state of weaponized politicization" and pledged to investigate Attorney General Merrick Garland and the department if Republicans take power. Mr. Garland has said little publicly about any of the Justice Department's Trump-related investigations.

Senate Minority Leader

Mitch McConnell (R., Ky.) said in a statement Tuesday: "The country deserves a thorough and immediate explanation of what led to the events of Monday," adding that the DOJ and Mr. Garland "should already have provided answers to the American people and must do so immediately."

Gov. Ron DeSantis of Florida, who is seen by many Republicans nationally as a potential Trump alternative, joined in the condemnation. The FBI search "is another escalation in the weaponization of federal agencies against the regime's political opponents," he said.

While some rivals were quick to defend Mr. Trump, the developments also underscored what they see as his vulnerability as a deeply divisive figure in American politics.

"There is now blood in the water," said GOP donor Dan Eberhart. He said that could give added reason for potential 2024 candidates, including former Secretary of State Mike Pompeo and former South Carolina Gov. Nikki Haley, to look at the race.

Separately, Trump ally Rep. Scott Perry (R., Pa.) said that the FBI seized his cellphone on Tuesday. Witnesses have told the Jan. 6 committee that Mr. Perry played a role in the unsuccessful push to install Trump ally Jeffrey Clark as attorney general in the final days of the administration.



Authorities on Tuesday patrolled outside Mar-a-Lago, the Florida estate owned by former President Donald Trump, a day after FBI agents searched the home.

Push for Documents Escalates

Continued from Page One Beach, Fla., residence seeking more information about potentially sensitive material that had been taken there from the White House.

Monday's hourslong search marked an escalation of a federal investigation that began earlier this year into how classified documents ended up in boxes of White House records discovered at Mar-a-Lago.

The Justice Department has been looking into the former president's handling of official records as well as his actions around the Jan. 6, 2021, attack on the U.S. Capitol. Monday's search is separate from the Jan. 6 investigation, the people familiar with the probe said. Mr. Trump has denied wrongdoing and casts the investigations as part of a long-running campaign by Democrats.

The Federal Bureau of Investigation was executing a warrant, which is predicated on the belief that there may be evidence at that location of a crime, though it is unclear how the investigation may progress and whether prosecutors are

considering bringing any charges against Mr. Trump.

It adds to potential legal trouble the former president faces as he signals he might make another bid for the White House in 2024.

The Justice Department recently added more prosecutors and resources to a separate inquiry into efforts by Mr. Trump and his allies to overturn his 2020 election loss.

A House panel conducting a parallel investigation has been interviewing additional witnesses this week.

Mr. Trump, a Republican who for months had been in discussions with federal officials about his presidential records, called the search "not necessary or appropriate." In a statement on Monday night, the former president said his home was "under siege, raided, and occupied by a large group of FBI agents."

Palm Beach County State Attorney Dave Aronberg, a Democrat who has spoken with local law enforcement about the incident, said it "is a gross exaggeration" to call the search a raid. "This was a very orderly, smooth search of a home conducted by plainclothes FBI agents, escorted by Secret Service agents," he said.

U.S. Magistrate Judge Bruce Reinhart approved a warrant for FBI agents to search the property, according to a person familiar with the matter.

No one answered the phone in the judge's chambers Tuesday. Judge Reinhart, like other magistrate judges who usually review such requests, was named to the post by judges on the district court.

The warrant refers to the Presidential Records Act and possible violation of law over handling of classified information, according to Christina Bobb, a lawyer for the former president. The warrant hasn't been made public.

The search also would likely have required sign-off from the highest echelons of the Justice

Monday's search is separate from the Justice Department Jan. 6 investigation.

Department, including Attorney General Merrick Garland, who was appointed by President Biden, and Christopher Wray, the FBI director appointed by Mr. Trump in 2017, current and former department officials said. A Justice Department spokeswoman declined to comment Tuesday, citing the agency's practice of not publicly discussing continuing investigations. Mr. Garland has said little publicly about any of the Justice Department's

Trump-related investigations other than noting to reporters that no one is above the law.

White House press secretary Karine Jean-Pierre said Mr. Biden wasn't informed in advance of the FBI's search. She declined to comment on the search.

Sen. Chuck Grassley of Iowa, the top Republican on the Senate Judiciary Committee, said he had spoken with Mr. Wray. "Last night's raid on the home of a former U.S. president without explanation will only further erode confidence in the FBI and the Justice Department," Mr. Grassley said in a statement, adding that he expressed the concerns to Mr. Wray.

In January, the National Archives retrieved 15 boxes of documents and other items from Mar-a-Lago that Mr. Trump should have handed over to the agency at the end of his term.

The boxes contained some documents subject to a federal law requiring official records to be turned over when a president leaves office as well as some material archives officials described only as "classified national security information," prompting them to refer the matter to the Justice Department for investigation.

The Justice Department makes a priority of investigating potential theft or mishandling of classified information, though often those cases in-

volve evidence that the person involved leaked the information or sought to provide it to a foreign government.

In June, investigators met with a pair of Trump attorneys who took them to a basement room where the boxes of materials were being stored, a person familiar with the matter said. The investigators looked around and eventually left, the person said. Mr. Trump himself was present only briefly during that visit, making small talk but answering no questions.

The Justice Department told Trump lawyers in a June 8 letter to further secure the room where the documents were stored, the person said, prompting staff to lock the room.

A spokesman for the Secret Service referred questions to the FBI, where a spokeswoman declined to comment.

It remains unclear how Monday's search related to the June visit. Trump associates had reached out to lawyers after the search to see if they would represent the former president in the matter.

—Jan Wolfe contributed to this article.

Watch a Video



Scan this code for a video on the FBI's search of Trump's Florida estate.

Multiple Records Laws Get Spotlight

By CORINNE RAMEY

A potential prosecution of former President Donald Trump for violating government records laws could test seldom-used statutes and trigger an unprecedented legal battle over whether he could be barred from again seeking the nation's highest office if convicted.

The 1978 Presidential Records Act, adopted after President Richard Nixon's attempt to claim ownership of his own White House records, mandates every administration take steps to maintain and preserve adequate records. The records automatically transfer into the legal custody of the Archives after a president leaves office.

Multiple criminal statutes cover the mishandling of government records. Former prosecutors said that if Mr. Trump were accused of a crime related to removing or destroying documents, charges under at least one, and possibly two, statutes related to improper handling of government records were most likely.

One of those laws bars government employees from removing classified information and holding it at an unauthorized location. Someone convicted of that offense could face a fine and up to five years in prison.

A second statute makes it a crime to conceal, remove or destroy records filed with courts or in public offices, punishable with a fine and up to three years in prison. Someone convicted of breaking that law "shall forfeit his office and be disqualified from holding any office under the United States," it says.

Despite that language, if Mr. Trump were prosecuted and convicted of the second statute, he wouldn't necessarily be disqualified from office, said Jessica Loneragan, a lawyer at Wilson Sonsini Goodrich & Rosati. The Constitution already outlines the restrictions that bar someone from holding presidential office, and it isn't clear that Congress can supplement those rules.

"That would immediately set up a battle in the Supreme Court over whether Congress has the power to set qualifications for being president," said Ms. Loneragan.

The Supreme Court has said that, when the Constitution sets out the necessary qualifications for a federal office, Congress can't impose new criteria, said Alan Rozenstein, a University of Minnesota law professor and former Justice Department national-security lawyer. "I think the constitutional interpretation of the statute is that it's about government employees and bureaucrats," he said.

Charges under such statutes are relatively uncommon. Retired Gen. David Petraeus, the former director of the Central Intelligence Agency, pleaded guilty in 2015 to a misdemeanor charge of mishandling classified information. The judge imposed a \$100,000 fine.

Around the same time, Hillary Clinton, who was a Democratic presidential candidate, faced scrutiny about whether she mishandled government records with her use of a private email server while she served as secretary of state. In 2016, the FBI recommended against filing any charges, but its then-director, James Comey, said there was evidence that Mrs. Clinton and her colleagues were "extremely careless" in their handling of sensitive government information.

Court Upholds House Panel's Bid for Ex-President's Tax Returns

By JAN WOLFE

WASHINGTON—A House committee can obtain former President Donald Trump's tax returns from the Internal Revenue Service, an appeals court said Tuesday, handing congressional Democrats a win in a long-running court fight that could still go before the Supreme Court.

In a 3-0 decision, the U.S. Court of Appeals for the D.C. Circuit said the House Ways

and Means Committee had made a lawful request to obtain six years of Mr. Trump's tax returns. "The Chairman has identified a legitimate legislative purpose that it requires information to accomplish," wrote Circuit Judge David Sentelle for the three-judge majority. "At this stage, it is not our place to delve deeper than this."

The court put its ruling on hold for a week to give Mr. Trump time to ask the full D.C. Circuit to reconsider the

three-judge panel's decision. Mr. Trump could also appeal to the Supreme Court.

Patrick Strawbridge, a lawyer for Mr. Trump, didn't respond to a request to comment.

The ruling, if it holds up on appeal, could lead to Mr. Trump's financial data being publicly revealed ahead of the 2024 presidential election. The former president refused to disclose his tax returns during his 2016 presidential campaign, breaking decades of tra-

dition by candidates.

Mr. Trump's lawyers have said they expect his tax returns to be quickly made public if they are handed over to Congress. "We have alleged, plausibly, that the goal here is to immediately publicly expose and release President Trump's tax returns," Trump lawyer Cameron Norris said during an oral argument in March.

The case is separate from a dispute over Mr. Trump's tax returns that reached the Su-

preme Court in 2021. In that case, the high court said a New York prosecutor could obtain Mr. Trump's tax returns from his accounting firm as part of a criminal investigation—a different legal question.

A federal law empowers House Ways and Means Chairman Richard Neal (D., Mass.) to request any person's tax returns from the IRS. Invoking that statute, the committee sued in 2019 to force disclosure of Mr. Trump's tax returns.

House Democrats have said they need Mr. Trump's tax returns to see if the IRS is properly auditing presidential returns and to assess whether additional legislation is needed.

Mr. Trump's lawyers said the committee wasn't trying to legislate, but rather requested the tax returns for the improper purpose of exposing his private financial information.

Writing for the court, Judge Sentelle rejected that argument in Tuesday's decision.

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U.S. NEWS

In Uvalde, Guns Get New Political Focus

By ELIZABETH FINDELL

UVALDE, Texas—On a recent hot evening, in a town that two months ago saw a gunman kill 19 children and two teachers in a classroom, a few dozen people filtered into an auditorium to look for political solutions to prevent gun deaths.

They live in a congressional district that in just five years has been the site of or has neighbored three of the 10 deadliest mass shootings in U.S. history. The 500-mile-wide district extends from El Paso, 6 miles from a 2019 Walmart massacre, to the eastern edge of San Antonio, 18 miles from a 2017 Sutherland Springs church slaughter. It includes Uvalde and reaches almost to Odessa, the site of a 2019 drive-by shooting spree.

“We need to send a message to every local and state official that supports the sale of AR-15s to children that your days are numbered because we are coming after you in the voting booth,” said Aide Escamilla, a local professor who has called for raising the age for such gun purchases from 18 to 21 or older. Dr. Escamilla said she voted for GOP Gov. Greg Abbott in 2018 but doesn’t plan to vote for him again because of his response to the shooting.

Across South and West Texas—where people from all over the state flock to hunting ranches to shoot game, ranchers want protection in remote areas and target shooting is popular—guns are a way of

life. But after mass violence in Uvalde and other nearby areas, many residents are showing a new interest in making changes to gun policies.

In Uvalde, a city of 16,000 in a county that voted 60% for then-President Donald Trump in 2020, hundreds of locals marched in the streets in 100-degree heat to call for greater gun-control measures. Residents successfully appealed to city leaders in nearby Hondo to cancel a rental of city property for a Friends of the NRA fundraiser. They are brainstorming ways to fight assault-rifle sales within the county.

The renewed gun-control advocacy is pushing local political leaders—Democrats and Republicans—to embrace moderate changes to gun laws. The district’s congressman, Tony Gonzales, was recently among just 10 House Republicans to support the first major gun legislation since 1994.

Texas Sen. John Cornyn has drawn backlash from fellow Republicans for co-sponsoring the Safer Communities Act, which tightens some gun-buying provisions and provides mental-health funding. For Mr. Gonzales, a supporter of gun rights, his vote for the legislation represented the mood of his district.

“One thing after the Uvalde shooting that I heard across my constituency, [including] the most conservative folks...was ‘Hey Tony, we need to do something,’” said Mr. Gonzales.

Some 180 people in Uvalde

County have registered to vote since the May shooting at Robb Elementary School, according to registration records.

Miguel Cerrillo, whose 11-year-old daughter, Miah, testified to a U.S. House committee that she survived the siege by covering herself in a classmate’s blood to play dead, registered to vote for the first time. He was motivated by fury at political officials at all levels and a belief that racism was at play in the handling of the shooting, he said. He would also like to see the age to buy assault rifles raised to 21.

“We want all new people; they’re not doing anything good,” said Mr. Cerrillo, noting specifically that he wanted members of the school board and city council replaced, as well as Mr. Abbott. He didn’t specify his party affiliation.

Federal records show background checks for gun purchases in Texas increased in the month after the shooting. Brian Kanke, a Hondo Republican and National Rifle Association member who owns a business supplying deer and other animals to hunting ranches, said 18-year-olds should be allowed to buy guns because they can be drafted into war, and said he believes anyone on a mission to kill will find a way to get weapons.

While many supporters of guns have been quieter in the aftermath of the shooting, Mr. Kanke said their views will show through in November, and if the legislature makes



U.S. Rep. Tony Gonzales, in white shirt, was among 10 House Republicans to back a new gun law.

Mass shootings around Texas’ new 23rd congressional district



1 El Paso Walmart, East El Paso Aug. 3, 2019 23 dead, 23 injured	3 Uvalde Robb Elementary School May 24, 2022 21 dead, 17 injured
2 Midland-Odessa Multiple locations Aug. 31, 2019 7 dead, 22 injured	4 Sutherland Springs First Baptist Church Nov. 5, 2017 26 dead, 22 injured

Sources: Texas Legislative Council; media reports

Trump Candidate Wins in Wisconsin

By JOHN MCCORMICK AND CHAD DAY

The businessman former President Donald Trump backed in Wisconsin’s Republican primary for governor won the right to take on Democratic Gov. Tony Evers in November’s election, a race that is expected to be one of the nation’s most hotly contested.

Tim Michels, co-owner of the state’s largest construction company, was declared the winner Tuesday evening by the Associated Press. He beat former Wisconsin Lt. Gov. Rebecca Kleefisch, a onetime television reporter and anchor.

It was Mr. Trump’s latest high-profile victory for a candidate he had endorsed and underscored his continued sway among GOP base voters and ability to elevate those who bolster his false claims of widespread election fraud in the 2020 presidential election.

The former president, however, fell short of his goal of unseating Assembly Speaker Robin Vos, arguably the state’s most powerful GOP figure and someone Mr. Trump has accused of not doing enough to overturn the state’s 2020 presidential results.

Voters in Minnesota, Connecticut and Vermont also picked party candidates for federal and state offices as the nomination season nears completion three months before the midterm elections will determine control of Congress and 36 governorships.

The Wisconsin primary pit-



Tim Michels has left open the possibility that he will try to decertify President Biden’s win if elected.

ted Mr. Trump against his former vice president, Mike Pence, who had endorsed Ms. Kleefisch.

The situation mirrored earlier primaries in Arizona and Georgia, where the two former allies supported opposing GOP candidates for governor. Mr. Pence’s selection won Georgia’s May primary, while Mr. Trump’s pick was victorious in Arizona’s primary last week. All three contests have featured intraparty debates over whether the 2020 election was stolen from Mr. Trump and whether the GOP should continue to litigate those results.

Mr. Trump and Mr. Pence are considering presidential bids in 2024, when Wisconsin, Arizona and Georgia are again

expected to be battlegrounds and governors could hold some sway over election administration. Georgia recorded the narrowest 2020 presidential election outcome, followed by Arizona and Wisconsin.

Ms. Kleefisch and Mr. Michels both made personal visits this year to Mr. Trump’s Mar-a-Lago resort in Florida to try to win his favor, but Ms. Kleefisch had been slightly less receptive to the former president’s calls to upend Wisconsin’s certified 2020 election results.

Mr. Trump’s push for Wisconsin Republicans to decertify President Biden’s Wisconsin win became a prominent topic in the campaign, even though there is no legal basis or mechanism to do so and multiple

election reviews have found no evidence of widespread fraud in the state.

If elected governor, Mr. Michels has left open the possibility that he would try to decertify Mr. Biden’s win in the state.

Mr. Vos, the longest-serving speaker in Wisconsin history, had faced a challenge from Adam Steen, a little-known candidate who has argued for the state’s 2020 presidential results to be decertified.

Wisconsin Democrats selected Lt. Gov. Mandela Barnes as their nominee to take on Republican Sen. Ron Johnson in November’s election, a race that is one of about a half dozen nationally most likely to determine party control of the chamber.

U.S. WATCH

MISSISSIPPI

Woman Not Indicted In Emmett Till Killing

A grand jury in Mississippi declined to indict a white woman whose accusation against Emmett Till began a chain of events that led to his kidnapping and brutal killing.

In June, an arrest warrant from 1955 charging Carolyn Bryant Donham with Till’s kidnapping was unearthed in a courthouse basement in Greenwood, Miss. The discovery led his family to press for fresh action in the decadeslong case.

The grand jury in Leflore County considered charges of both kidnapping and manslaughter, according to the district attorney’s office for the Fourth Circuit Court District of Mississippi.

“After hearing more than seven hours of testimony from witnesses with direct knowledge about this case and the investigators that investigated this case, the grand jury determined that there was not sufficient evidence to indict Donham,” the office said Tuesday.

Till was kidnapped, tortured and murdered in the northern Mississippi county in the summer of 1955 after Ms. Donham accused the 14-year-old Black boy of whistling at or flirting with her inside a store in Money, Miss., an action that defied the racist codes of the era.

His death helped ignite the civil-rights movement.

Ms. Donham was never arrested or charged with a crime in connection with Till’s murder.

—Talal Ansari

HEALTH

Hepatitis C Cases Go Largely Untreated

Fewer than 1 in 3 people infected with hepatitis C are getting the expensive treatments that can cure them, according to a U.S. government study released Tuesday.

The report is distressing because it focused on those with health insurance—the group most likely to get treated for the liver infection, said one expert, Dr. Norah Terrault.

Insurance restrictions appear to be part of the reason for the surprisingly low percentage. A course of treatment can cost tens of thousands of dollars but can wipe out the infection in only a few months.

—Associated Press

WHITE HOUSE

Biden Signs Bill to Boost Chip Making

President Biden on Tuesday signed a \$280 billion bipartisan bill to boost domestic high-tech manufacturing, part of his administration’s push to boost U.S. competitiveness over China.

Mr. Biden feted the legislation, a core part of his economic agenda that will incentivize investments in the American semiconductor industry in an effort to ease U.S. reliance on overseas supply chains for critical, cutting-edge goods.

The legislation sets aside \$52 billion specifically to bolster the U.S. computer chip sector.

—Associated Press

Big Banks’ Debt Deal Goes Bad

Continued from Page One

blower letter, but it didn’t give details.

Avaya also tapped law firm Kirkland & Ellis LLP and turnaround adviser AlixPartners LLP as it considers its options, The Wall Street Journal reported Tuesday.

New CEO Alan Masarek held a conference call on Tuesday to discuss third-quarter earnings and declined to take questions from Wall Street analysts. Mr. Masarek attributed Avaya’s poor performance in part to clients signing up for smaller and shorter software subscription contracts than expected, potentially out of fear about the company’s debt load.

“I understand very clearly

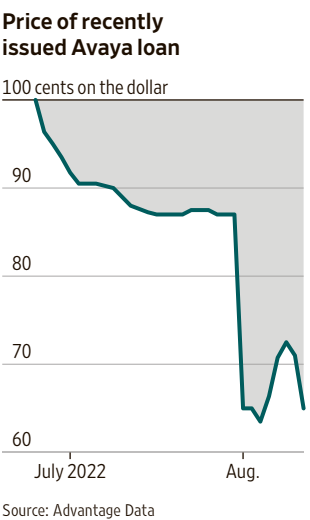
that there is disappointment, there’s worry, there’s concern out there across effectively all Avaya stakeholders,” Mr. Masarek said. “I’m going to thank you in advance for your patience....Give us some time to demonstrate a better future.”

Avaya’s 6.125% bond due 2028 fell as low as 48.50 cents on the dollar after the presentation, down from a close of 56.25 cents on Monday, according to data from MarketAxess.

Some analysts were already skeptical of Avaya’s financial forecasts.

“Why [are] your projections always faltering when you report quarterly results? Why can’t you have a stable outlook?” asked Hamed Khorsand, an analyst at BWS Financial, after the company’s last quarterly earnings report in May. Avaya undershot that quarter’s adjusted-earnings targets by about 10%.

Then-CEO Jim Chirico attributed the fumble to Avaya’s adoption of a new sales strategy that forced the company to



recognize revenue more slowly. “We believe we’re over that hurdle,” he said at the time.

Avaya emerged as a telecommunications-equipment supplier to corporations in 2000, when it spun out of Lucent Technologies. Private-equity firms TPG and Silver Lake Partners bought the company in 2007, but it struggled to transi-

tion from selling hardware to selling software, and with servicing debt from the buyout. The company filed for bankruptcy protection a decade later before reorganizing. Mr. Chirico took the helm in 2017 and shifted to developing cloud-based software for enterprises.

“Avaya squandered a lot of money and time and has little to show for it,” independent enterprise communications analyst Dave Michels wrote in a recent report. “Many of us have wondered why the board didn’t act sooner—years sooner.”

A spokeswoman for Avaya declined to comment on analysts’ critiques.

The financial crunch hit this spring when Avaya’s cash reserves shrank to \$324 million—down from almost \$600 million a year earlier, according to company filings. The company tried to raise new debt to refinance a \$350 million convertible bond that was coming due in 2023, according to company filings.

Goldman initially proposed

a \$500 million loan with a 12.6% yield but found few buyers, according to data provider LevFin Insights. The bank ultimately placed a \$350 million secured loan yielding 15.5% with investors. Lenders included Symphony, which invested in Avaya since before its bankruptcy, the people familiar with the matter said.

Avaya approached JPMorgan in late June to raise additional funds, according to one of the people. The bank placed a \$250 million secured convertible bond. Investors included Brigade, the people said.

During the marketing process, Avaya executives told lenders that the company was on track to hit its earnings guidance, some of the people familiar with the matter said.

The company had set guidance on earnings before interest, taxes, depreciation and amortization at about \$145 million for the quarter ended June 30 but cut that to between \$50 million and \$55 million on July 28. Avaya re-

ported \$54 million of Ebitda for the quarter on Tuesday, a figure that barely covers the quarterly interest expenses it disclosed in recent reports.

“It is a surprising outcome for a company that priced \$600 million of fresh capital...just four weeks ago,” said Lance Vitanza, a stock analyst at Cowen Inc. “It may be too late to accomplish much without radically restructuring Avaya’s balance sheet.”

The newly issued loans were quoted around 65 cents on the dollar Tuesday, down from 87 cents in late July, according to Advantage Data. The new convertible bond is likely to trade at similar prices in the near future, Mr. Vitanza said.

Losses have been heavier for owners of Avaya stock, which fell to as low as 82 cents last week from around \$2.50 in early July and about \$10 at the start of May. Avaya shares fell 46% on Tuesday to 61 cents.

—Alexander Gladstone and Andrew Scurria contributed to this article.



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WORLD NEWS

Moscow Halts Oil Flow to Parts of Europe

Pipeline firm says block of payment led it to cut supplies to Hungary, Slovakia, Czech Republic

By Joe Wallace

Russian oil stopped flowing through a pipeline that feeds countries in Central and Eastern Europe, dealing another blow to a region contending with the loss of vital energy supplies from Russia. Transneft PJSC, the government-owned oil-pipeline operator, said Tuesday that crude

exports through Ukrainian territory halted Thursday. It blamed payment difficulties caused by Western sanctions on Moscow, and said Ukraine's pipeline operator declined to carry crude after it didn't receive funds. A spokeswoman for Nafetogaz PJSC, Ukraine's state energy firm and the parent company of pipeline operator Ukrtransnafta, said it would soon issue a statement. The move severs supplies through the southern branch of the Druzhba pipeline that carries oil to Slovakia, Hungary and the Czech Republic and

will likely intensify European efforts to buy crude from non-Russian sources. The countries are heavily reliant on Russian oil and natural gas and among the most exposed economies in Europe now that those supplies are getting shut off. Prices for Brent crude, the global energy benchmark, rose 1.3% to \$97.88 a barrel, reversing earlier losses. Crude prices have dropped in recent weeks on concerns about slowing global growth. Friendship—the name of the Soviet-era Druzhba pipeline—is a core part of the European Union's energy infrastruc-

ture. In recent years, it has carried up to a million barrels a day of crude to a clutch of European countries. Oil is still flowing through the northern branch to refineries in Poland and Germany, Transneft said Tuesday. The affected southern branch enters northern Ukraine from Belarus and exits through western Ukraine. It splits, with one subbranch traveling through Hungary and the other through Slovakia and into the Czech Republic. Transneft said on July 22 it paid for the transit of Russian oil through Ukraine in August,

but the funds were returned to its account six days later. Transneft said Gazprombank JSC, a unit of gas giant Gazprom PJSC and Transneft's banker, said the money bounced back because of EU sanctions that came into force on July 21, and which require European banks to obtain permission from national authorities to conduct cross-border payments with Russia. Transneft said it was working with Ukrtransnafta to resolve the problem. The pipeline's importance contributed to tension inside the EU when the bloc pieced

together sanctions on Russian oil following its invasion of Ukraine. The EU eventually agreed to ban imports of crude oil by ship over six months but to exempt pipeline imports temporarily, winning over holdout Hungary. The EU remains reliant on Russia for much of its oil. In recent months, about 500,000 barrels of crude flowed through the northern branch of Druzhba each day and about 300,000 barrels through the southern branch, according to Amrita Sen, co-founder of consulting firm Energy Aspects.

Explosions Rock Base In Crimea

Continued from Page One

Ukrainians greeted the explosions, regardless of their cause, as a sign that Crimea, which Kyiv wants back, was in play after eight years in which they could do little about its loss. The explosions took place shortly after 3 p.m. at the Novofedorivka air force base on the Black Sea coast, which borders a popular tourist resort, the ministry said. Explosions could be heard around the area for about an hour on Tuesday afternoon, eyewitnesses told Russian state media. Footage circulated on social media appeared to show explosions followed by thick columns of smoke billowing from the site, which includes ammunition and fuel depots of what is one of the largest Russian military installations in the region. Russia illegally annexed the Crimean Peninsula—the longtime home of its Black Sea fleet—in 2014, when it also fo-



Smoke and flames rise from a Russian air base, located near a popular tourist area for Russians.

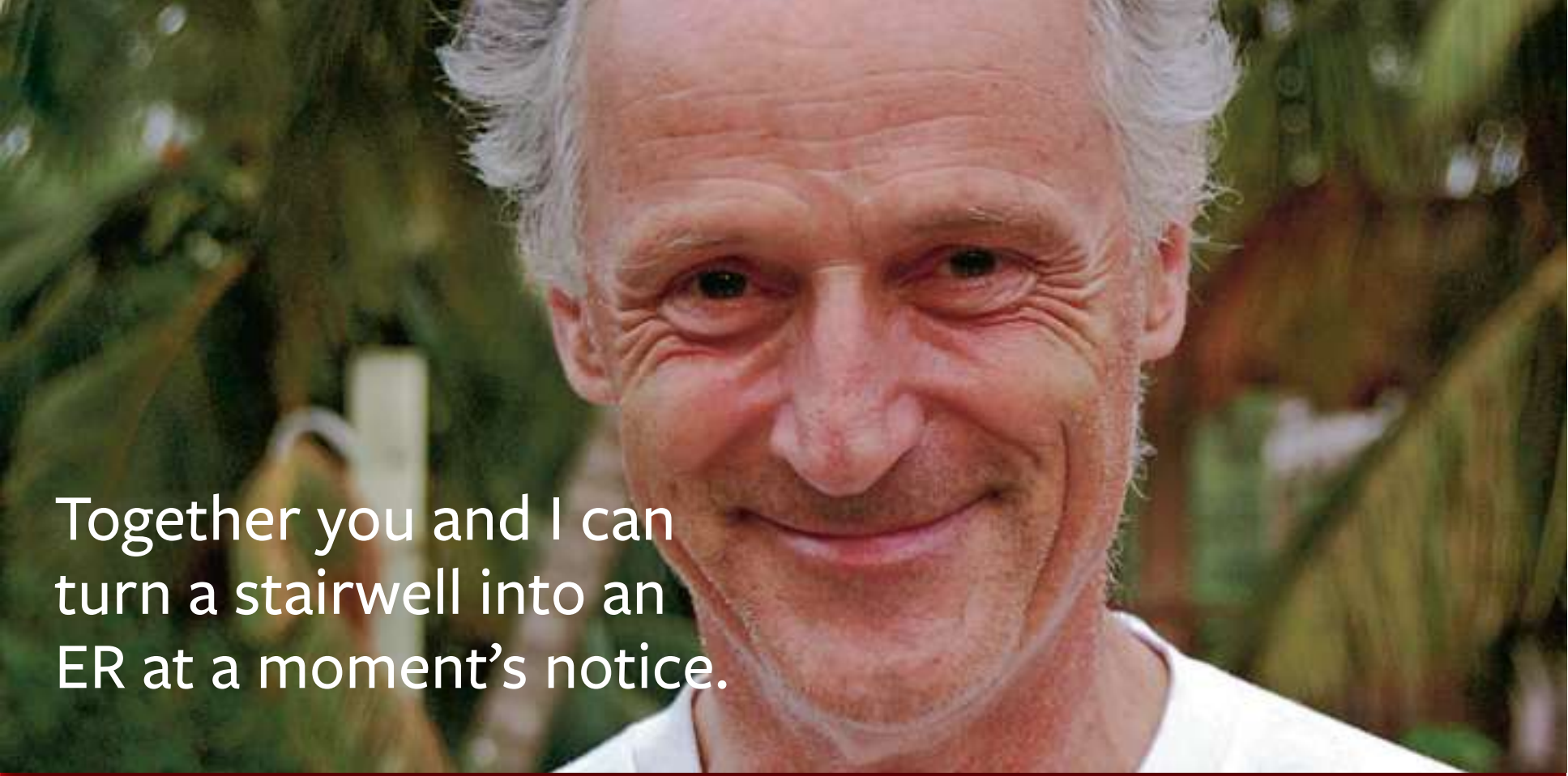
mented a breakaway movement of pro-Russian separatists in eastern Ukraine. The location, long a source of Russian power, enables Moscow to control much of the Black Sea and access to the Ukrainian coast. Scores of emergency services were dispatched to the affected area, which was undergoing evacuation, Russian officials told the Tass and RIA state-run news agencies. One civilian died because of an emergency near the village

of Novofedorivka in the Saksy district of Crimea, Sergei Akse- nov, the Russia-backed head of Crimea, said on social media. "I express my most sincere condolences to the family and friends. All necessary assistance will be provided," he said. Crimean healthcare authorities said nine people were injured by the explosions, according to Tass and RIA. The association of Russian tour operators said there were no casualties among tourists.

There was no clear indication that Ukraine was behind the explosions. Ukrainian lawmaker Rustem Umerov, a special envoy for Ukrainian President Volodymyr Zelensky, tweeted shortly after the blast that "Crimea is Ukraine. We will de-occupy it soon." Another Ukrainian presidential adviser, Mykhailo Podolyak, said on Twitter that "the future of the Crimea is to be a pearl of the Black Sea, a national park with unique na-

ture and a world resort. Not a military base for terrorists." Ukraine has in the past declined to take responsibility for fires at fuel and ammunition depots in Russian regions along its border and the sinking of the Moskva cruiser in the Black Sea, even as some officials heavily hinted at involvement. The explosions came as Ukraine's counteroffensive in the south began to build and Mr. Zelensky stressed the importance for Ukraine of total victory. Moscow transferred forces into Ukraine's south in recent days to bolster its positions and counter an offensive that Ukrainian officials privately say is under way, with both sides trading blows. Yevhen Yevtushenko, the Ukrainian military administration head in Nikopol, along the Dnipro River south of Zaporizhzhia, said Russia shelled the city early Tuesday. The strategic city of Mykolaiv continues to bear the brunt of Russian bombardments, with its military administration saying Tuesday that more than 9,000 civilian facilities had been destroyed or damaged in the region since the start of the war. Ukraine, meanwhile, struck the crucial Antonivsky bridge in the Russian-controlled Kherson

region, frustrating Russia's plans to reopen it after a series of attacks. Ukraine's southern operations command reported killing two-dozen Russian soldiers and destroying anti-aircraft batteries, tanks and artillery. Ukraine's ability to strike strategic targets with precision weapons is becoming an increasingly significant element in the war. Ivan Fedorov, the mayor of Melitopol, in the Ukrainian south, this week said Ukrainian forces had used U.S.-supplied HIMARS rocket systems to strike Russian troops and equipment at industrial facilities in the area. On Monday, U.S. Deputy Secretary of Defense Colin Kahl said the U.S. had previously sent antiradar missiles to Ukraine. Kyiv has recently reported destroying Russian S-300 and Pantsir-S1 anti-aircraft missile systems in the south, underlining its continued reliance on Western military aid in its fight against Moscow. Meanwhile, Ukrainian law enforcement said it foiled a Russian plot to assassinate the Ukrainian defense minister and military intelligence chief, arresting two men, who, it said, had been promised \$100,000 and more by Russian handlers for each operation.



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WORLD NEWS



In the occupied Ukrainian city of Enerhodar, Russian soldiers are using the Zaporizhzhia nuclear power plant as a military garrison.

Ukrainians in Occupied Area
Live in Fear of Nuclear Disaster

By MATTHEW LUXMOORE
AND ARTEM BONDAR

In the Russian-occupied Ukrainian city that hosts Europe's largest nuclear-power plant, residents are taping up windows in fear of a radioactive leak and sticking close to home as fighting rages around the complex and Moscow-installed authorities gear up for a possible annexation of the region by Russia.

Residents in Enerhodar, a city that has been under Russian occupation for more than five months, paint a picture of a pitched battle on the front lines in Ukraine's south that risks sparking Europe's biggest nuclear disaster since Chernobyl in 1986.

Enerhodar has become the focus of an international crisis

as Russia and Ukraine trade blame for attacks on the city's sprawling Zaporizhzhia nuclear plant. The plant is being defended by hundreds of Russian soldiers—effectively transforming it into a military garrison—who are facing off against Ukrainian soldiers stationed just a few miles away.

There has been no reported damage to the reactors and no radioactive release so far, but Ukraine said plant staff had to close one of six reactors over the weekend after a high-voltage power line was severed and three radiation monitors damaged.

"God forbid something irreversible happens," Ukrainian President Volodymyr Zelensky said in a video address Sunday. "No one will stop the wind that will spread radioac-

tive pollution."

The city, with a prewar population of 53,000 and whose name means "the giver of energy," has been running out of food supplies and began circulating the Russian ruble as reserves of Ukraine's hryvnia currency run out, residents say.

Andriy, a former car salesman and a 36-year-old resident of Enerhodar, said that occupying authorities told residents the area around the plant is mined, and that unexploded ordnance from cluster munitions litters the city.

"They told us that the Ukrainians were shelling the plant and that it was necessary to seal window frames with Scotch tape so that if they hit the warehouse of radioactive waste, the dust

would not enter our homes," he said by phone. "They say that the first day will be the most dangerous, so you have to stay at home and not go out. Everyone is afraid that something will happen to the plant."

Andriy said Russian forces positioned beside the plant are firing artillery from the city at Ukrainian forces positioned across the Dnipro River near Nikopol. At night he sees what look like tracer bullets in the sky as the Russians fire anti-aircraft guns from the territory of the station.

Communications with Enerhodar residents are steadily worsening as the occupying authorities tighten their control and fear spreads among locals. Many people worry that their phones have been

tapped. Russia also is gradually disconnecting Ukrainian telecom providers and attempting to roll out Russian cellphone service. Sim cards from major Ukrainian providers no longer work properly.

"People are afraid," said the Ukrainian mayor of Enerhodar, Dmytro Orlov, who fled after the occupation. "Workers of Europe's largest nuclear-power plant go to work not knowing if they'll return home after their shift, or whether everything is fine with their loved ones while they're away."

One Enerhodar woman in her early 60s said shelling of the city has become much more frequent in recent days, adding that she has seen trucks and armored personnel carriers driving regularly toward the plant complex.

The woman said residents are trying to go about their daily lives, buying produce from local markets because supermarket prices have become too high, and increasingly paying in Russian rubles circulated by occupation authorities as supplies of Ukraine's hryvnia run out.

People fear speaking in public, she said, afraid that a passerby could inform on them to the occupation authorities. The woman said her son, a city council member before the war, is in hiding after having failed to escape to Ukrainian-controlled territory.

He was sleeping in friends' garages and basements, escaping both the Russian-installed government and the constant shelling.

"Most people keep their opinions to themselves because you can't know what your interlocutor might do," said Yuri, a local resident. He added that many Russian-installed officials and security service members now appear in civilian clothing, making residents even more afraid of inadvertently saying something that could be used against them.

"Sometimes people you know disappear," the woman said. "We think they probably said something wrong."

Mr. Orlov, the mayor, said several hundred residents of the city have been abducted

and are being held in Russian custody, and months have passed in some cases with no information about their whereabouts.

The Kremlin didn't respond to a request to comment.

When Russia took control of Enerhodar in early March, residents like Andriy and Yuri came out to stage protest rallies and shout "Ukraine!" and "Go home!" at the occupying troops. The last protest, on April 2, was violently dispersed by Russian troops, and outward signs of dissent quickly disappeared as Russia installed a collaborationist administration in the city and clamped down, residents say.

The Russian-installed head of the surrounding Zaporizh-

'No one will stop the wind that will spread radioactive pollution.'

zhia region, Evgeny Balitsky, on Monday announced a coming referendum on whether the region should join Russia. Andriy said police are checking courtyards and building entrances for posters and leaflets against the referendum, and searching for anyone who distributes them.

The woman in her 60s said fear is rising that battles raging in the area could cause damage that would leak radioactive chemicals.

"It's scary to live near the plant," she said. "Some fear that storage facilities have already been destroyed and are emitting radiation, and we just don't know about it. People are afraid that if it explodes, we will all die here."

She said most residents still hold out hope that Ukraine, which has announced a major counteroffensive on southern areas taken by Russia, will liberate Enerhodar too. But the occupation is becoming entrenched.

"It feels like most people are on Ukraine's side," she said. "But they are getting tired of waiting."

Deadly Floods Hit South Korea
After Worst Rainfall Since 1942

By DASL YOON

SEOUL—South Korea's heaviest rainfall since World War II submerged cars on the streets, flooded subway stations and left at least eight people dead.

The downpours also hit neighboring North Korea, which added to the chaos by discharging floodwaters near the two countries' border without giving advance notice as required by an inter-Korean accord.

Water levels near one border-area bridge rose to nearly 17 feet Monday afternoon, or six times normal, South Korean officials said.



Pedestrians walk past debris in Seoul's Gangnam district.

Yoon Suk-yeol presided over an emergency response meeting on Tuesday. Authorities asked companies to adjust working hours and raised the nation's crisis alert to its highest level. The military is ready to assist, the Defense Ministry said.

More than 400 people were forced to evacuate from their homes in the Seoul area, according to the Ministry of Interior and Safety.

Images published by local news and shared on social media captured scenes reminiscent of an apocalyptic movie. One showed abandoned city buses and nearly fully submerged taxis near a busy intersection in

the posh Gangnam district.

Rainwater crashed down the stairs and gushed out of the ceiling at several underground subway stations. Workers waded through waist-high waters to get home.

Downtown Seoul suffered severe rush-hour traffic jams on Tuesday because of the sheer number of vehicles left in the middle of busy streets.

Of the eight fatalities, four people died after being trapped in flooded buildings, according to South Korea's Central Disaster and Safety Countermeasures Headquarters. At least six people have been reported missing.

Fashion Designer Crafted Pleats

By SURYATAPA BHATTACHARYA
AND JACOB GALLAGHER

TOKYO—Designer Issey Miyake, who entranced the fashion world with his flowing pleat designs and branched out into bags and perfume, has died at age 84.

Mr. Miyake died Aug. 5 of liver cancer at a hospital in Tokyo, a representative of his fashion company said Tuesday.

Mr. Miyake's work embraced both traditional design and cutting-edge technologies. He started experimenting

with his pleating technique in 1988 and introduced his Pleats Please line in 1993, according to Miyake Design Studio. The clothes are made from a single piece of fabric with a heat treatment system to maintain their accordion-like structure.

Born in Hiroshima in 1938, Mr. Miyake was 7 years old during the atomic bombing of his hometown. He survived the attack, but his mother died of radiation exposure three years later. In a 2009 New York Times opinion piece, Mr. Miyake recalled the explosion. "When I close my eyes, I still see things no one should ever experience: a bright red light,

the black cloud soon after, people running in every direction trying desperately to escape."

Mr. Miyake's designs were airy. His swinging skirts, roomy jackets with kimono sleeves and springy trousers were meant to move with the customer. He won over a diverse array of fans, from musician Miles Davis to comedian Robin Williams. His most visible client was Steve Jobs, who in the early '80s cast aside preppy blazers and ties in favor of Mr. Miyake's futuristic turtle-necks. Eventually, Mr. Jobs would own roughly 100 of the brand's spongy turtle-necks, according to Walter Isaacson's biography.



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WORLD NEWS

Taiwan Starts Military Drills

By JOYU WANG
AND KAREN HAO

Taiwan's military fired dozens of shells off its southern coast on Tuesday in a simulation of a defense of the island, as Taiwan followed up nearly a week of Chinese military drills with preplanned defensive maneuvers of its own.

Taiwan kicked off its two-day military exercise—known as Tianlei, which can be loosely translated as “Heaven's Thunder”—with an hourlong live-firing drill involving more than 700 troops, according to Taiwan's Eighth Army Corps, with 38 howitzers firing 114 shells into the waters.

The annual drills, while planned months in advance, come amid tensions across the Taiwan Strait that are their highest in decades. China's Communist Party, which claims Taiwan as part of its territory, was angered by a visit to the island last week by House Speaker Nancy Pelosi, the highest-ranking visit by a U.S. official in a quarter-century.

In response, China's military, the People's Liberation Army, said it would stage four days of military exercises around Taiwan's main island, which Taiwanese and Chinese defense ministries said showed

China seeking to establish an air and sea blockade and simulating an attack on the island.

On Monday, Beijing said it was indefinitely extending its Taiwan drills, which have disrupted one of the busiest shipping and air trade routes in the region. The PLA's Eastern Theater Command, which oversees operations closest to Taiwan, said Monday's drills focused on joint anti-submarine and sea assault operations, while Tuesday's joint air and sea exercises were focused on containment and support.

“Drills like these will not stop and are expected to become routine until reunification, as the Chinese mainland shows its determination to push forward the reunification process,” read an article published Monday in the Global Times, a state-run tabloid, citing unnamed experts. “The drills not only lock the island from inside out, but also from the outside in, telling external forces that the PLA has powerful area denial capabilities in the region that even the U.S. cannot rival.”

In a news release Tuesday, Taiwan's Defense Ministry said China extending its drills beyond the original four-day duration showed that the threat of force hadn't diminished.



Taiwanese soldiers fired artillery Tuesday during the first of two days of live-fire defensive exercises, called 'Heaven's Thunder.'

Meanwhile, Taiwan Foreign Minister Joseph Wu described China's extension of its four-day exercises as a sign that Beijing can't be trusted.

“Its ambitions and impact is extending far beyond Taiwan,” Mr. Wu said Tuesday, noting Beijing's growing influence in the South Pacific and beyond Asia. He described Mrs. Pelosi's visit as merely an excuse for China's actions around Taiwan.

“If you look at the preparation of its military exercises, including missiles, large-scale naval and air joint military exercises, drones, cyberattacks, disinformation campaigns, economic coercion, all of these

combined—this isn't something you can prepare in a matter of days,” he said.

Alessio Patalano, a professor of war and strategy in East Asia at King's College London, said announcing an extension to the exercises appears to be part of Beijing's psychological warfare strategy.

The PLA's annual summer exercises traditionally last two to three weeks, and the Taiwan drills, which serve as those exercises this year, should be no different, Mr. Patalano said. By framing what the PLA had already planned to do as “an extension,” he said, Beijing was able to accomplish three goals:

“Scare the Taiwanese, put the Americans in their place, and advance their point of view in changing the status quo, preventing any others from doing anything about it.”

A day earlier in Beijing, Chinese Foreign Ministry spokesman Wang Wenbin played down the extension of the military exercises. “China's position is justified, reasonable and lawful,” he said.

Before Mrs. Pelosi's trip, Chinese leader Xi Jinping warned President Biden during a phone call of unspecified countermeasures should her visit proceed. Mrs. Pelosi also had been warned in briefings

with senior White House and Pentagon officials about the lasting damage her trip could cause to U.S.-China relations, though she was never asked to scotch the visit entirely, according to a U.S. official with knowledge of the discussions.

On Tuesday, 45 Chinese warplanes and 10 warships were involved in a joint operation near Taiwan, said Taiwan's Defense Ministry, adding that 16 of the aircraft crossed the so-called median line that bisects the Taiwan Strait, a notional boundary that Taipei says demarcates areas of de facto control but which Beijing says it doesn't recognize.

War Game Finds U.S., Taipei Countering Invasion

By WARREN P. STROBEL

WASHINGTON—In the first three weeks after invading Taiwan, China sank two multi-billion-dollar U.S. aircraft carriers, attacked American bases across Japan and on Guam, and destroyed hundreds of advanced U.S. jet fighters.

China's situation was, if anything, worse. It landed troops on Taiwan and seized the island's southern third, but its amphibious fleet was decimated by relentless U.S. and Japanese missile and submarine attacks and it couldn't resupply its own forces. The capital, Taipei, was secure in Taiwanese hands, and Beijing was low on long-range ballistic missiles to counter America's still-potent air and maritime power.

This complex daylong war game, played out late last week at a Washington think tank, demonstrated how destructive any attempted Chinese invasion of Taiwan could be across the Indo-Pacific—and what a forbidding challenge the island would be for Beijing's military forces.

The exercise—involving “Red” and “Blue” teams, maps, 20-sided dice and complex computer calculations—seemed less like a simulation than a preview of a possible future. In the real world, as the game unfurled, China launched missiles around Taiwan and near Japan, part of a massive show of military might to protest a Taiwan visit by House Speaker Nancy Pelosi.



A war game at a Washington think tank simulated what would happen if China invaded Taiwan.

“No one thought this was realistic until the last few years,” said retired Air Force Brig. Gen. Paula Thornhill, one of the participants. In the past, she said, war gamers were sometimes accused of being “warmongers,” but since then, China has increased both its military capabilities and aspirations.

China has pledged to reunify Taiwan, which Beijing considers a renegade province, with the mainland, and hasn't ruled out using military force. Russia's unexpected early setbacks in its invasion of Ukraine may have given Chinese President Xi Jinping pause, some analysts say. Others worry Mr. Xi has drawn

the opposite lesson: use maximum force and strike Taiwan's leadership from the start.

The 7-hour war game, simulating three weeks of combat, illustrated what a daunting task it would be for China to launch an amphibious invasion across the 100-mile Taiwan Strait, even with its military advances of recent years.

“Probably the biggest [takeaway] is, under most assumptions, the United States and Taiwan can conduct a successful defense of the island. That's different from many people's impressions,” said Mark Cancian, a senior adviser at the Center for Strategic and International Studies think

of Taiwan,” said Ms. Wasser, a fellow at the Center for a New American Security think tank. If so, she said, “that suggests they are going to take another approach.”

Many specialists say the large-scale live-fire exercises China is conducting following Mrs. Pelosi's visit portend a strategy of blockading Taiwan and squeezing rather than flattening it into submission.

The war games, which specialists said are similar to classified games the Pentagon conducts, were designed to test how various scenarios play out, as well as how the Chinese and U.S.-led sides react to one another's moves, and the impact of their weapons inventories.

The imagined conflict is set in 2026, and each side is limited to military capabilities it has demonstrated in real life.

The war-game scenario assumes China has decided to attack Taiwan and that the U.S.—which officially has a policy of “strategic ambiguity” about whether it would defend the island militarily—comes to Taipei's aid. The game didn't include the potential role of nuclear weapons.

This day's game, the 17th in a series of 22, began with pessimistic assumptions for the U.S.: It is distracted by a separate crisis in Europe, slowing its surge of forces to the Pacific. Meanwhile, Taiwan's ability to respond has been hampered by Chinese information operations and sabotage.

China, played by the red team, attacks aggressively, hoping to subdue Taiwan as quickly as possible while staving off an expected American response.

The Chinese military shoots ballistic missiles at U.S. air bases in Japan and an aircraft carrier strike group in the Pacific, destroying several squadrons of jet fighters and sinking the carrier and other U.S. ships. It deploys a defensive picket line of surface ships on Taiwan's east coast and bombs the island's infrastructure to interfere with Taiwan's movement of ground troops. Finally, China lands 22,000 troops on Taiwan's southeast coast and fights slowly northward, hoping to seize a port or airfield while avoiding cities and the urban warfare that comes with them.

But as the days drag on, the momentum shifts to the U.S. and Japan. Despite horrific losses in ships, aircraft and personnel, American forces bomb Chinese ports, eliminate the picket line of ships and successfully attack Beijing's weak spot—the amphibious ships its needs to ferry troops and supplies to Taiwan.

A red team player, perusing a map of Taiwan's daunting geography, muses on a different strategy: “In real life, we would have to try a decapitation strike” against the island's leaders.

Ms. Wasser, who was also on the red team, said: “Rather than a draw, it's very much a feeling of—well, nobody won, but nobody lost either.”

FROM PAGE ONE

A Reality Show Gives Dad Stress

Continued from Page One

land where they hook up, break up and re-couple, and may or may not take their relationships to the next level under the bedsheets.

New players are thrown into the mix, upending relationships and sparking showdowns between jealous lovers. Night by night, the TV audience votes couples off until a final pair prevails.

Mr. Owen, who played for Liverpool, Real Madrid and Manchester United, isn't so keen on seeing his daughter in a skimpy bikini, though, or kissing, for that matter.

“It's not something any father wants to watch, is it?” he told the Daily Mail a while back. “I said to Louise [his wife, Gemma's mother], ‘Do they really have to sleep together, like in the same bed?’”

Many parents have to en-

dure their children growing up on social media. But while parents and offspring can block each other, it's harder to look away when a child is on a prime-time dating show, as Mr. Owen has found.

During the TV warm-up for one soccer game, host Jules Breach introduced Mr. Owen and the other pundits with a gibe right from the get-go.

“Joining me hoping to see another famous win for England tonight in Munich are England and Arsenal midfielder Jordan Nobbs, former England, West Ham and Chelsea midfielder Joe Cole and the father of Love Island's Gemma Owen!” he said.

“I came all the way to Germany to try and avoid all that back home, but it has been brought up straightaway,” Mr. Owen said.

Later he expressed his unease with some of the language on the show. “She said the s— word,” he said, spelling it out, letter by letter. “I don't allow swearing at home.”

When Gemma performed a lap dance as part of the challenge on the show, he posted a single emoji to Twitter—peeking out between your fingers.



Luca Bish and Gemma Owen, daughter of retired English soccer star Michael Owen, on the steamy 'Love Island' TV show.

It got many responses. “Deep breaths my guy,” one said.

“You've got to feel for him,” said David MacArthur, from Edinburgh, who has two teenage daughters of his own. “It's difficult to see this play out on national television.”

Liz Truss, Britain's foreign secretary, who is locked in a contest to succeed Boris Johnson as prime minister, said she tried watching “Love Island” with her teenage daughter. “I was completely horrified and I turned it off,” Ms. Truss said

valry got a bit much.

Ms. Owen appears to have stuck with one partner, a fishmonger called Luca Bish who has ripped abs and a firm jaw.

That hasn't stopped her dad from being trolled online, particularly by soccer fans, who excel in trash-talking and, in this case, speculating on what his daughter might be up to.

Mr. Owen steered clear of the meet-the-parents episode, passing up an opportunity to publicly grill Mr. Bish about his intentions. “My wife will do that duty,” he told British television when ambushed at a recent horse-racing event. “I'll represent the horses, and she'll represent the daughter.”

Other fathers seemed more comfortable. Tarek Ghouri, father of Tasha Ghouri, went to the villa to congratulate his daughter on her progress. “Though not the body contact under the sheets, which we do need to talk about at some point,” he added.

Others weren't happy about how their sons were behaving. Mr. Bish's parents, Michael and Maria, complained about him baiting another contestant when they were reunited on one episode. “When you

come home we'll have a chat about it. You did overstep the mark,” Mrs. Bish said. Her son acknowledged that he had been out of line.

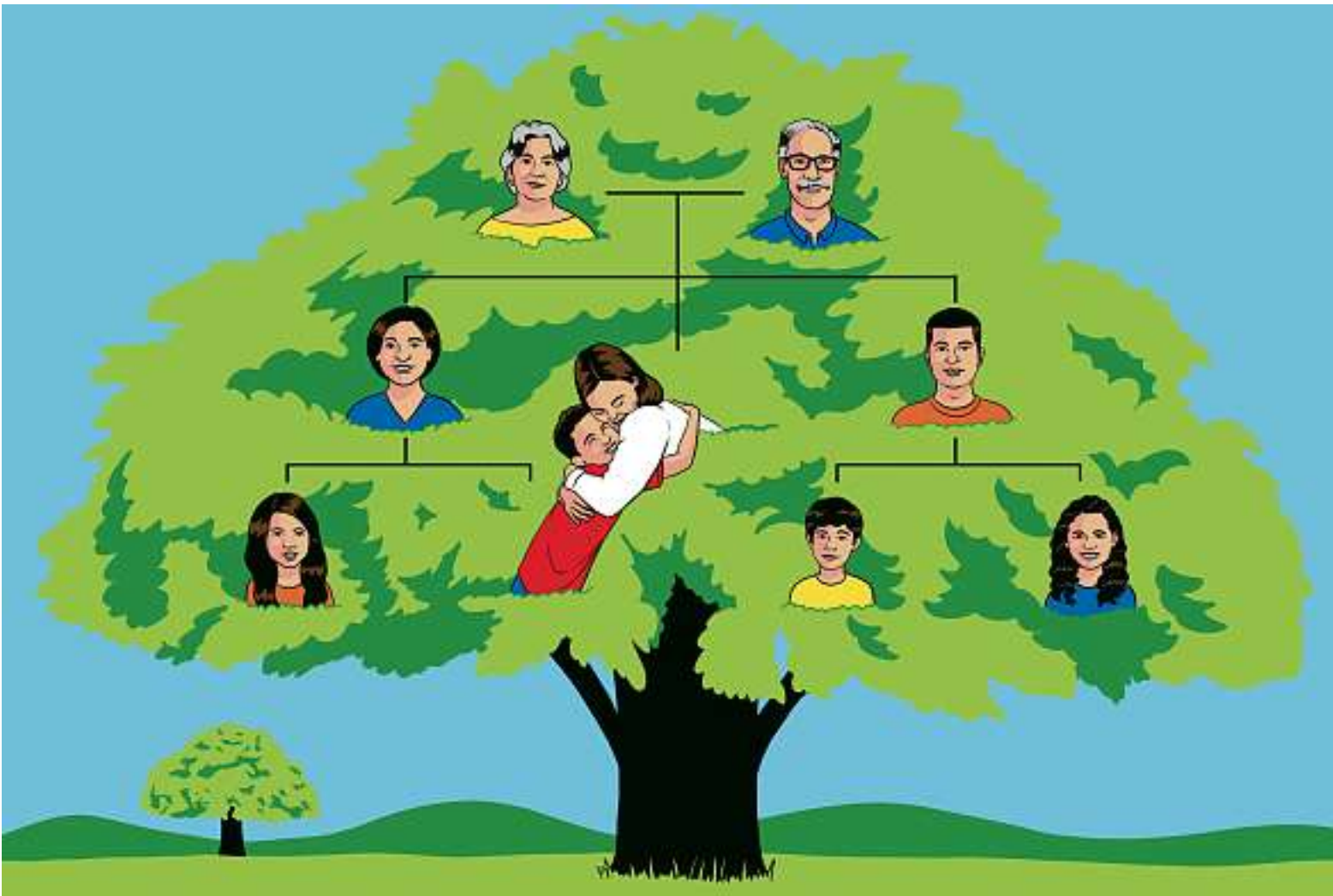
In this month's finale, Ms. Owen and Mr. Bish were voted as the runners-up, losing out at the last minute to Turkish soap opera star Ekin-Su Cülcüoğlu and her Italian beau, Davide Sanclimente.

Mr. Owen tweeted that Gemma had “done us proud,” breaking cover for the first time in days. Mrs. Owen praised her daughter for “keeping it classy.”

It could easily have been worse for Mr. Owen.

In South Korea, where social attitudes are much more conservative than in the U.K., there is an entire show built around celebrity dads who gather in the studio to watch candid footage of their children as they go on dates and pursue relationships. It's called “My Daughter's Men.”

“When we first started, I wanted her to meet someone nice on here and get married,” one of the dads, television actor Jang Gwang, said in one episode. “But now I'm just full of hurt.”



FROM TOP: ILLUSTRATION BY LIAM EISENBERG; ABIGAIL HOLLAND

to know her. Now, Dr. Kammrath's siblings encourage their children, who are between 6 and 11 years old, to call or FaceTime their aunt. They also share news about their kids, such as a heads-up on a recent kindergarten graduation. Dr. Kammrath showed up as a surprise.

Have an open-door policy. It is important to be available when they need you. When each of her 10 nieces and nephews was young, Eileen Goltz told them—often—that there might come a time when they need the advice of a trusted adult but don't want to talk to their parents. She explained that she and her husband had a “whenever-you-need-us” policy: Their nieces and nephews could call or show up at their home at any time. Over the years, Ms. Goltz has had conversations with her nieces and nephews about everything from sex and falling in love to how to get a car out of impound. She has rules though: All conversations have to take place in person or on Zoom, not via text. Truth—and responsibility-taking—are expected. And if she feels that parents need to be told, she will find a way to help her niece or nephew tell them. “I told them that needing help and asking for it is a sign of maturity, not weakness,” says Ms. Goltz, 66, a sales director in Fort Wayne, Ind.

Maintain trust. Sometimes nieces and nephews come to you with issues that are thorny. You will want to maintain their trust—and that of their parents. Listen without judging. If you give advice, make it age appropriate. It might help to share stories about your own struggles.

In many cases, you should keep your niece's or nephew's confidence. But remember that you're not the parent. If the situation is something that Mom and Dad should know about, help your niece or nephew find a way to tell them. Over the years, Ms. Leal has turned to her aunt and uncle for guidance on many issues—school, boyfriends, her career. They told her they would keep her confidence unless she was in danger, in which case they would go with her to talk to her parents.

“We said we would never leave her hanging,” says her uncle Rion Morgenstern, 50, who is a CEO of a mattress company and lives in the same city as his niece. When Ms. Leal told her aunt and uncle how depressed she was after her breakup, they talked to her for many hours.

They also told her that she needed to tell her parents that she needed help. When the time came, they went with her to do that. “They make me feel seen and heard,” Ms. Leal says. “And I always thought: I am going to grow up to be a really cool person because my aunt and uncle love me.”

Be the Favorite Aunt or Uncle You Were Destined to Become



BONDS
ELIZABETH BERNSTEIN

After a tough breakup recently, Marikah Leal knew just where to turn for emotional support: her aunt and uncle. “I always felt super safe with them,” says Ms. Leal, 28, a high-school acting coach in Fresno, Calif. She is close to her parents, but worried that this conversation would be awkward. “My aunt and uncle are a second set of adults who love me and want the best for me,” she says. Caring aunts and uncles play vital roles in a family. They can be valuable mentors to their nieces and nephews, providing them with different perspectives and experiences. They can help them understand their parents and their family better. And because they typically offer nonjudgmental support, they are often the adults whom children and young people turn to when they need

someone trusted to confide in other than a parent. Yet for the past few years, many people haven't seen their nieces and nephews as much as they would like. (Honestly, can you ever *really* see a beloved niece or nephew enough?) As families continue to reconnect, I asked readers for advice on how to be a fantastic aunt or uncle. Others recommend focusing on the child's interests, such as music, sports or hobbies. Several talked of the importance of listening, without judgment. Some said they give advice only when asked. And almost everyone said they see one of their roles as aunt or uncle to be “the fun one.” Several other strategies stood out. **Start young.** Yes, you can form a bond with nieces or nephews when they are older. But it will be easier—and more fun!—if you start early. Katy Kamen began visiting her niece and nephew regularly when



Katy Kamen's nephew, center, and niece still call her often to chat.

they were tiny, often getting down on the floor to play with cars or read Dora the Explorer books together. She attended birthday parties, visited their preschools and invited them to stay with her. When her nephew was 5 and began calling her at the office to chat about maps, she told her assistant she was on the phone with

an important client. Ms. Kamen expected her niece and nephew to lose interest in her as they got older. But they are now in their 20s and call her often to chat. She has traveled with them—to Florida, Paris and several national parks. “I doubt there would be a strong relationship today without the earlier closeness,” says Ms. Kamen, 58, an attorney in Wainwright, N.Y. **Support Mom and Dad.** Don't undermine the child's parents. Ask their permission before you give gifts—candy counts—or take the child somewhere. Ditto if you want to post photos online. And never complain about the parents to the child, even if the child is complaining to you. Let the parents know that you care about their son or daughter, so there is mutual support. Before Lara Kammrath's nieces and nephew could talk, her siblings put photos of her on their fridges and told their kids stories about “Aunt Lara.” Dr. Kammrath, 46, an associate professor of psychology in Winston-Salem, N.C., noticed that this helped the children get

A Billionaire Explains Why He Bought Constitution

By KELLY CROW

Hedge-fund billionaire Kenneth Griffin caused an uproar last fall when he outbid a group of cryptocurrency investors to win a first-edition copy of the U.S. Constitution for \$43.2 million. Now that the document is on view at the Crystal Bridges Museum of American Art's current exhibit, “We the People: The Radical Notion of Democracy,” Mr. Griffin, the founder and chief executive of Citadel, is opening up about why he was compelled to compete for the rare 1787 document. He wasn't an obvious candidate: Mr. Griffin is mainly known in art circles for collecting colorful paintings by artists Jasper Johns and Willem de Kooning. To win the Constitution, he also had to outbid a group of more than 17,000 bidders who had organized online into a decentralized autonomous group, ConstitutionDAO. In a matter of days, this DAO raised more than \$40 million specifically to buy the document from Sotheby's on Nov. 18. “It's very impressive how quickly the DAO raised \$40 million to pursue buying the Constitution,” Mr. Griffin said in an interview, “but there were important questions about whether a large decentralized group would be able to manage the responsibilities necessary to protect this rare document.”

Billionaires have long dominated the upper echelon of historic-documents collectors. Microsoft Corp.'s co-founder Bill Gates owns a \$30.8 million copy of Leonardo da Vinci's scientific notebook known as the Codex Leicester. Carlyle Group co-founder David Rubenstein owns a copy of the 1297 Magna Carta. Mr. Griffin isn't named as the lender of the Constitution in the current museum exhibit, which also includes pieces by Jacob Lawrence and John Trumbull. But he is named as an overall exhibit sponsor, and he recently offered a rare window into the backstory of one of last year's most closely followed showings. At the time of Sotheby's auction

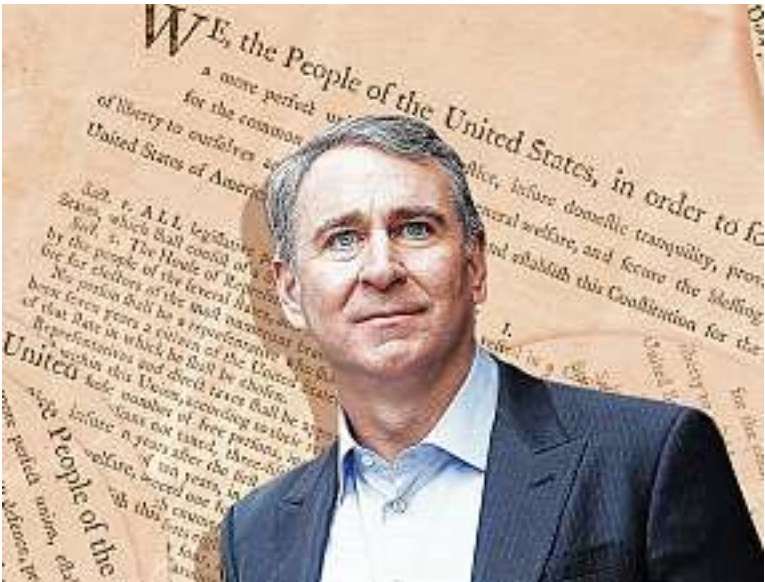
\$43.2
Millions Kenneth Griffin spent on the first-edition copy

last November, soaring cryptocurrency markets were elevating collectors of digital art and investors with digital wealth into the rarified realm of blue-chip art collecting. The DAO's populist campaign to win the Constitution sparked a broader debate over whether cultural treasures should be owned by the many or the wealthiest few. Mr. Griffin's subsequent triumph also stood out because he was an outspoken critic of cryptocurrency at the time, a position he said he has since moderated because he recognizes there's a market for crypto. Mr. Griffin said he started following the efforts by ConstitutionDAO in the days leading up to Sotheby's sale. A campaign that appeared to

start on a whim escalated over several days, with some donors sending in as little as \$200 apiece, typically in the form of cryptocurrency. Sotheby's high estimate for the document was only \$20 million, so with \$40 million collected by the time the sale started, it looked like the DAO was suddenly a shoo-in to win. Mr. Griffin decided to step in. Because the group had divulged its maximum bid, he had an advantage during the bidding—all he had to do was place one additional telephone bid to win. After eight minutes of competition, it was over. He'd won. Among the riveted collectors sitting in Sotheby's saleroom was Olivia Walton, the niece of Walmart heiress Alice Walton who founded the Crystal Bridges museum over a decade ago. As soon as the sale ended, the younger Ms. Walton said she darted up to the specialist who had fielded the winning bid, Brooke Lampley. Ms. Walton said she told Ms. Lampley, “You should tell whoever won that we'd put it on display if they want.” Later, Ms. Walton said she made the offer on impulse because the document is an “obvious draw.” Mr. Griffin agreed. He said that standing in front of one of the only 13 surviving copies of the Constitution had proven to be a “profoundly impactful moment” for him. Five days after winning it, he also won at Sotheby's a \$15 million copy of the “Amendments to the Constitution of the United States,” later ratified as the Bill of Rights. He lent that to the Arkansas museum as well. The six-page, first edition of the Constitution, which starts out, “We the people,” was originally printed for delegates at the Constitutional Convention and for the Continental Congress more than 230 years ago. While at least 27 first printings of the

Declaration of Independence survive, only 13 original copies of the Constitution are still around. Mr. Griffin won the last version still in private hands. After the sale, he said he tried to acknowledge the effort of the ConstitutionDAO by having his team reach out to organizers to see if they wanted to co-fund any public display

unspecified amount of the DAO's treasury. The proposal would leave Ken in control of the physical document,” though, and he said the group wasn't aware of any free offer to get involved in where it would be displayed. Mr. Novak said the group decided that it couldn't redirect funds to anything other than buying the



Kenneth Griffin recently lent the 1787 document to an Arkansas art museum

of the document. His team then offered to give the DAO a say, for no cost, in where it got shown half the time. Mr. Griffin said he even offered to issue “an NFT for everyone who contributed as a symbol of what their community had accomplished together.” The deal fizzled, he said. Graham Novak, one of the DAO's founding members, said the DAO members the deal negotiations differently. Mr. Novak said Mr. Griffin offered to sell the digital rights to the document “in exchange for an

physical copy of the Constitution outright. “That's what made this project special,” he said. In Arkansas, the exhibition positions the Constitution as the show's star. It sits in one of several shrine-like cases that also display Harlan Crow's copy of the 1777 Articles of Confederation and collector Mr. Rubenstein's Civil War-era copies of the Emancipation Proclamation and 13th Amendment. Mr. Griffin said he plans to attend before the show closes next Jan. 2.

PHOTO ILLUSTRATION BY PLASTIC PALMTREE FOR WSJ. MAGAZINE; PHOTO: GETTY IMAGES; CONSTITUTION COURTESY OF THE CRYSTAL BRIDGES MUSEUM OF AMERICAN ART

PERSONAL JOURNAL.

By JULIA CARPENTER

This year, Equifax sent lenders inaccurate credit scores for millions of would-be borrowers over a three-week period. Now, many who applied for home or other loans at the time are scrambling to determine whether the mistake affected them.

The information that credit-reporting firms such as Equifax add into consumers' credit reports includes the types of financial accounts consumers have, the ones they open and close, their payment history and more. This information results in a credit score, one of the key factors lenders refer to when making decisions on loan applications.

In the Equifax error, some people applying for mortgages, auto loans and credit cards had their scores lowered or increased by 20 points or more. A credit-score shift of this size could alter the interest rates offered or even lead to their applications being rejected.

"It was a large number [of people affected], and that's why it's scary," said Ralph DiBugnara, mortgage banker and president of Home Qualified, a digital resource for real-estate agents, buyers and sellers.

Mr. DiBugnara said his firm has received calls from concerned clients. Many want to know if their credit score was accurate, while others are asking a host of other questions. Below are answers to some of the most common questions.

When did this happen?

The inaccurate scores were sent from March 17 to April 6, Equifax said. The company then began alerting lenders of the errors in May.

"We have determined that there was no shift in the vast majority of scores during the three-week time frame of the issue," said Sid Singh, president of Equifax's U.S. Information Solutions. "For those consumers that did experi-

How to Deal With Fallout From Equifax Score Error



ence a score shift, initial analysis indicates that only a small number of them may have received a different credit decision."

How would this have affected my mortgage?

Mortgage lenders typically pull credit reports from all three agencies: Experian, TransUnion and, of course, Equifax. Typically, lenders take a look at all three scores and from there create a "combined" score, said Guy Cecala, executive chairman of Inside Mortgage Finance. That's how they then determine whether or not to approve the application and what interest rate is offered.

"The bottom line is, because they use three, the impact of an

20

Point swing in some peoples' credit scores from the Equifax mistake

Equifax mistake is somewhat watered down," he said.

A shift like this won't have resulted in as many people being erroneously turned down for mortgages, Mr. Cecala said. A lender is required to send a rejection notice if you're turned down for a loan, so review that notice to understand the reasons.

The more likely danger: Such a

mistake could have influenced the interest rate offered on the loan, leading to higher interest rates and subsequently higher mortgage payments.

How do I know if I was one of the affected consumers?

If you were applying for a mortgage, a car loan or a new credit card some time within the period above, your score may have been affected.

The first thing to do is contact your lender, said Gordon Miller, founder of Miller Lending Group in Cary, N.C. Ask to review your mortgage file and look to see if an Equifax credit score was in some way used in the underwriting process. Review that score and compare it

with the other two. If something looks amiss—it's much lower than the others, for example—then you and your lender can discuss what that means for your loan.

What should I do if I'm planning to apply for a loan in the coming months?

Mr. DiBugnara recommends setting up alerts with each of the three credit-reporting companies. That way, if there's a significant change to your score at some point in the future, you'll be notified of it right away.

Scrutinize your credit score with a magnifying glass. If your score has changed significantly, you should look carefully at the factors the report indicated or ones the lender says contributed to the change. Such factors can be late payments or opening or closing new lines of credit.

"Don't take the number at face value," Mr. Cecala said. "If you say, 'Huh, I haven't made any late payments,' then you need to challenge it."

How do I challenge my credit score?

If you suspect there's an error anywhere in your credit report from Equifax or one of the other reporting companies, Mr. DiBugnara recommends first filing a formal dispute directly with the company in question. Each of the

firms has a dispute-resolution section that allows you to file a claim directly with the agency.

In your claim, make sure to include a copy of the report and explain why you are disputing the information and why you would like it to be corrected or removed from your report. The Consumer Financial Protection Bureau provides a list of instructions and a sample template letter you can use when filing your claim.

Each of the companies is required to investigate your claim and then report back. If your request to have the information updated or removed is denied, you can still request the agency update your file with a statement explaining the dispute.

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MY RIDE | A.J. BAIME

U-2 Spy Planes Needed Cars Like His Camaro to Touch Down Safely

Steve Reich, 57, a producer on the show "Jay Leno's Garage" who lives in Los Angeles, on his 2011 Chevrolet Camaro U-2 spy plane chase car, as told to A.J. Baime.

A couple of years ago, for our TV show, we wanted to do a segment on the U-2 chase cars. The U-2 spy plane was first built in the mid-1950s, and they are very ungainly planes. When these airplanes land, it's hard for the pilots to see everything, so, years ago, the Air Force figured out that they could put another pilot in a car that would follow the U-2 down the runway as it's landing, going 100 or 120 mph or so, and radio the pilot to let him or her know they're coming in OK. Naturally, they needed performance vehicles to do the job.

I did a bunch of research and we went up to Beale Air Force Base in Northern California. I was looking around and I said to this Air Force pilot, "I thought you used Camaros for chase cars." He told me they used to. Now they were using Dodge Chargers. He said they had one Camaro left and he showed it to me. I took a good, long look at it. I asked what happened to these cars when the Air Force was done with them, and he said they got snatched up by po-

lice departments.

I have always loved police cars and government vehicles. I own a 1982 California Highway Patrol Ford Mustang, fully restored. About eight months ago, I was looking at a government-surplus auction site and I found

Force Base.

I won the bid and acquired the car. I also got paperwork that clearly suggested this was a U-2 chase car, and you could see the holes where the Air Force antennas had been mounted. I started doing research on

how I could restore it. One of the pilots up at Beale Air Force Base was kind enough to help me. He sent me some pictures so I could see where all the antennas and switches should go. Another friend helped me acquire all

that equipment.

I finished the car just a few months ago, and I have been taking it to local car shows and Cars & Coffees. It's fun to get to show people something they never knew about, and something they never thought they would ever see in person. The Camaro holds its own against the usual exotic cars like Ferraris and Porsches that you see at events like this. When I tell people what it is, their eyes open wide and they ask, "That is a...what?"



Steve Reich poses with his 2011 Chevrolet Camaro, seen at Hollywood Burbank Airport, near where U-2 spy planes were produced.

this 2011 Chevrolet Camaro that had been with a police department in New Jersey. The listing said that the police car had been acquired from the U.S. government, and used as a U-2 spy plane chase car prior to its work in New Jersey.

The listing also had the car's Vehicle Identification Number, so I went to a local Chevrolet dealer, who I know, and he ran the number for me. He told me that this Camaro had originally been delivered to Beale Air

ARTS IN REVIEW

THEATER REVIEW | CHARLES ISHERWOOD

‘Devil Wears Prada’: Basic Bland

The stage adaptation of Lauren Weisberger’s bestselling novel features music by Elton John



JOAN MARCUS (3)

If the devil is in the details, then “The Devil Wears Prada,” the musical adaptation of the popular book and movie, may end up doomed to the metaphorical bargain bins at T.J. Maxx, which it rather rudely invokes as a place where only the ghastly fashion-ignorant plebes would shop.

One might begin, detail-wise, with the often dowdy ensembles worn by one of the two central characters, the supreme goddess of fashion Miranda Priestly (Beth Leavel), longtime editor-in-chief of Runway magazine. (Yes, it’s Vogue, and she’s an imitation Anna Wintour; Lauren Weisberger, who wrote the novel, was an assistant to Ms. Wintour.) Ms. Leavel is more than once displayed in double-breasted suits belted at an unflattering waist level, including one in which the buckle seems to be an iPhone that looks like a fanny pack.

The idea that a woman who dictates the imperatives of sophisticated dressing to the world would wear these corporate-lawyer clothes immediately makes you wonder just how perceptive the musical’s creators—the composer, the pop-rock master Elton John, lyricist Shaina Taub (“Suffs”), book writer Kate Wetherhead and director Anna D. Shapiro—are about the insular world they are depicting. (I have never written about fashion, but could tell you who and what was on Ms. Win-



Megan Masako Haley and Taylor Iman Jones, above left, and the cast of ‘The Devil Wears Prada,’ above right and top

tour’s first Vogue cover.)

Adding to the fashion irony: The supposedly embarrassing outfits initially worn by the other central character, recent college grad Andy (Taylor Iman Jones)—who is hired, abandoning her ambitions to be a writer at a New Yorker-style magazine, to be Miranda’s second assistant—are more on-trend and tasteful than those of almost everyone onstage. Her schoolgirl looks are redolent of Thom Browne (admittedly early, less freakish Browne), who has

been a star in the fashion firmament for some time.

If I dwell on the costumes (by Arianne Phillips, or “sourced” by her) at great length, it is because fashion is central to the plot, but also because the musical version of “The Devil Wears Prada” is a blandly workmanlike adaptation of its source material, which was none too rich to begin with. Ms. Weisberger’s book was a prurient slog, and only a bestseller because Ms. Wintour is a famously private and forbidding figure. The movie



was livelier, primarily due to the casting: Meryl Streep as Miranda, spitting ice chips in dulcet tones; Anne Hathaway as Andy; and Emily Blunt as Emily (here Megan Masako Haley), Miranda’s first assistant. (Ms. Blunt stalked off with the movie, as if waltzing out of Bergdorf Goodman with the latest “it” bag on her arm.) The musical follows dutifully in the stiletto-heeled footsteps of the movie. Andy, at first righteous and unhappy at Miranda’s viperish, demanding ways, soon grows to ap-

preciate the allurements of a job that gives her access to the upper echelons of New York society. Ms. Jones gives an appealing performance, and sings with lovely tone and polish, but her songs, generally ballads of ambivalence as she grows into her job and away from her aspiring-chef boyfriend, Nate (Michael Tacconi), do not give the character much definition.

As Miranda, Ms. Leavel is given some amusing Gilbert and Sullivan-style patter songs, wholly appropriate for a woman who is generally dictating her needs and wishes to people at a frenzied pace, and puts them across with wit and aplomb. The lyrics by Ms.

Despite its polished production values, it lacks much of the charm of the famous film version.

Taub are among the more vividly amusing aspects of the show; Elton John’s music, by contrast, feels rote. Certainly he is a master of all pop musical forms, and displays his fluency here, but the music mostly just drifts by, like generically chosen cellphone ring tones. (The choreography, by James Alsop, is frenetic music-video-style ambulatory posing.)

Ms. Shapiro, former artistic director of Chicago’s Steppenwolf Theatre, here making her musical-theater debut, does not put any particular personal stamp on the material. The musical hits its predictable beats with a certain perfunctoriness: a big finish for the first act (at the Met Gala—or the Runway equivalent—Miranda orders Andy to tell Emily that she won’t be coming to Paris), and an uplifting late song in which Andy reclaims her original ambitions.

In the supporting roles, Ms. Haley has some funny, pratfall moments as the ill-favored Emily, although—again—her faux-Chanel outfits are vulgar and wrong, and Ms. Wetherhead’s book, while it has some bright bits of invention, doesn’t provide her with the choice and moist material Ms. Blunt capitalized on in the movie. Christian Thompson, as the fancy writer and third point in the formulaically drawn love triangle involving Andy and Nate, wanders in and out briefly. Javier Muñoz, playing Andy’s gay ally at Runway, gets the splashiest song, in which he upgrades Andy’s look (for the worse, in truth), and another wry number in which he recalls what reading Runway meant to him as a tortured gay youth.

Notwithstanding the general polish of the production and the performances (I should note that the show is considered a work in progress, Covid-19 having wrought its usual havoc), the musical feels like a competent but uninspired knockoff, the theatrical equivalent of a fake Gucci bag that you’d find on Canal Street, snap up, and live to regret having bought.

The Devil Wears Prada
James M. Nederlander Theatre, 24 W. Randolph St., Chicago, \$33-\$110, 800-775-2000, closes Aug. 21

Mr. Isherwood is the Journal’s theater critic.

TELEVISION REVIEW | JOHN ANDERSON

A Mark Tries To Con the Con Man

All the teasers and come-ons for the feature-length “Rogue Agent” are about its fact-based con artistry, which is kind of a shame: Directors Declan Lawn and Adam Patterson play things so straight for so long that if an audience didn’t know anything at all, it might be as surprised by the scammy to come as is the heroine of the movie.

She is Alice Archer (Gemma Arterton), a lawyer who works in the banking sector of the City of London, drives a royal-blue Mercedes, wears impeccably tailored suits and has not a hair out of place. This is not just a way to show off Ms. Arterton’s more obvious gifts, but to instruct: Even a woman as self-possessed and savvy as Alice might be snookered, especially if the snookering is done by someone as practiced and artful as Robert Freegard (James Norton).



Freegard we meet in 1993, during the campaign of terrorist bombings in London by the Irish Republic Army, which has prompted the British intelligence agency MI5—or so we are told in subtitles—to recruit informants from various walks of life. Where we and Freegard find ourselves is Hamilton College, where the very persuasive “agent”



Gemma Arterton, above, and James Norton, left, in ‘Rogue Agent’

meets with Ian, Mae and Sophie (Rob Malone, Freya Mavor and Marisa Abela) and convinces them that if they provide information on some fellow students—whom he identifies as an IRA cell, they’ll be saving lives. There’s certainly something off about Freegard, but he is, after all, a spy. They buy in. And when Freegard tells them their own identities have been compromised, they disappear from school. And from their former lives. (Among the changes made en route from fact to screen are the names of Freegard’s

victims, and that of the school.) Nine years later, and the very together Alice is walking by a luxury auto dealership near her apartment where a very attractive salesman named Robert Hansen tries to strike up an acquaintance. He is rebuffed; we expect as much. But he’s so polite about it she’s intrigued. When he later comes to her place and leaves without making a move, she’s more intrigued. What becomes intriguing to us, knowing more than Alice does at this point, is Hansen-Freegard’s routine as a

seducer. Would it be any less an act whether his motives were nefarious or romantic? Isn’t courtship always a performance? It’s one of the more provocative aspects of the film, which was written by the directors in collaboration with producer Michael Bronner, on whose 10-year-old, unpublished article (“Chasing Agent Freegard”) the movie is based.


When “Rogue Agent” becomes a revenge thriller, it loses a bit of credibility. Alice, as clever as she is—and as enraged, for having been taken for a ride,

so to speak—becomes a major player in the scheme to take Freegard down, and ultimately there’s a bit too much rah-rah, go-girl cheerleading for the movie to keep a firm grip on its journalistic roots. It wants to fly away, though in one sense it does show restraint: There’s enough going on in “Rogue Agent” to have fueled an eight-week PBS mystery series. Economy, in the world of fictionalized espionage, is quite decidedly a virtue.

Rogue Agent
Friday, AMC+

LEE ELLIUS (2)

SPORTS

 This appears to be it. For tennis, at least, because an original like Serena Williams cannot fade entirely from view.

The 2022 U.S. Open arrives in New York City at month's end, and whatever day it stops for Williams, the tennis journey will stop, too. Then what's next will take over. Family. Children. Business. Merely being Serena Williams will suffice. She's too important to disappear. She'll continue to loom as an elemental figure in American life.

She's been in tennis long enough it's hard to remember the sport without her. The teenaged breakthrough is indelible—Serena and Venus, the thunderbolts from Compton, coached on public concrete by their father, Richard, crashing a sport with a history of racial and class exclusivity. Back then, it was actually Venus first, then Serena, because Venus was older by 15 months, more advanced, more match ready. Serena had to wait her turn, a process she believes created the hunger that drove her from Venus's plucky sibling to an astonishing 23 major championship titles to here, right now, at age 40, coming to terms with leaving a sport she redefined.

At her best, she was the best to do it. There's never been a player in women's tennis like Williams in full command. No one has ever unleashed such an awe-striking combination of power and shotmaking—the ability to make world class professionals look helpless as they're breezed off the court in 45 minutes. The serve was ruthless. The forehand was ridiculous. The other legends all know if they had to take one player on one day, Serena's the one. Her relentless drive to win was beyond.

"Come on!" she'd shout when she hit one she really needed. "Come on!" She could probably file for the copyright.

Her career doesn't have a single peak. It has peaks. There was the ascension, and those awkward intramural battles with Venus, and there was a youthful flurry of titles in the early 2000s, and then another flurry, and then a post-injury

JASON GAY

Serena Williams Will Be Forever

A superstar hints at an upcoming U.S. Open retirement, and a future beyond the court



Serena Williams says she is ready to step away from tennis after winning 23 Grand Slam singles titles. The U.S. Open is expected to be her last major tournament.

comeback flurry the following decade around the 2012 Summer Olympics, and then another run of championships that brought her to the edge of a calendar Grand Slam. She won an Australian Open while newly pregnant in 2017. Rivals came and went, and sometimes Williams took time away herself, but she was quickly a threat upon

return. She outlasted the critics. Remember: There was a time when the tennis cognoscenti looked upon Serena and Venus and wondered if they were committed *enough*, if they were too distracted by their interests in fashion and business and the accouterments of fame to do the work of focusing and win-

ning. This snobby take turned out to be laughably wrong. Not only have both Williamses played into their 40s, but they have become the kind of polymaths Richard predicted they would be, well-rounded mini-empires unto themselves. Tennis isn't their end-all, be-all, and it's probably a big reason they have stuck around.

But for Serena, not much longer. The past few years have mostly been rough ones on the court. Age arrived, power dipped and the invincibility waned; Williams could no longer win matches simply by showing up. The new kids wanted to hug her, then crush her. She made a few runs to major finals, but under pressure, she sputtered in the end. She's remained stuck on 23, which is a useful reminder: Tennis isn't *hard*. Winning titles is *hard*. Even for Serena Williams.

The trade-off has been a fuller life. When I interviewed Williams in 2016, she revealed a tinge of melancholy, wondering if she'd given too much to her sport. In recent years, she's happily found more. There's her marriage to tech maestro Alexis Ohanian, and a daughter, Olympia, now 4. She found the equilibrium high-performing athletes often struggle to achieve. She branched out to other platforms. She explained herself in a documentary series. Then there was the movie, "King Richard," which reminded a

new generation of the utter amaz- ingness of the story.

If you're old enough to remember the beginning, you know what a journey it's been. Williams isn't without shortcomings as a competi- tor; there were on-court fiascos that undermined her performance in big events, and probably few of them she'd like to take back. Then again, tennis has a long history of cuddling up to misbehavior by male players—it's telling to see Williams microscoped for every misstep, as perpetual confrontationalists like John McEnroe and Jimmy Connors get airbrushed as charming rogues.

Still, Williams endured. Or rather, endures.

Maybe it's just me, but I didn't read the Vogue essay and sense an author who's 100% made up her mind. There's logic to moving on—she says she wants to grow her family, and the tennis part is only getting harder—but Williams is still processing this, trying to wrap her head around the idea of removing something she loves. (She doesn't like the word "retirement"—she prefers "evolution.") Her life contains multitudes, and more wealth than she ever dreamed, but tennis is what made it all happen.

It's hard to think of the sport without her. I'm not saying she's coming back. I'm just saying she's Serena Williams, and there won't be another.

After 23 Major Titles, One Last Open Run

By JOSHUA ROBINSON

SERENA WILLIAMS, one of the most dominant tennis players of all time and a 23-time major champion, indicated on Tuesday that she would retire from the sport, likely at the conclusion of the U.S. Open, which begins Aug. 29.

In a first-person essay published by Vogue, Williams, 40, said that her focus in life had moved away from the sport that has made her one of the most recognizable athletes on the planet since her pro debut as a teenager some 27 years ago. Williams added that she hopes to concentrate on having a second child with her husband, the entrepreneur Alexis Ohanian, and on developing her investment firm.

"I'm here to tell you that I'm

evolving away from tennis, toward other things that are important to me," she wrote. "A few years ago I quietly started Serena Ventures, a venture-capital firm. Soon after that, I started a family. I want to grow that family."

At her peak, Williams won four consecutive Grand Slam tournaments, from the 2014 U.S. Open through Wimbledon in 2015, a feat that became known as the Serena Slam. But as injuries piled up and younger, stronger competition emerged in the women's game, her air of invincibility began to fade. Though she reached four Grand Slam finals across 2018 and 2019, Williams hasn't lifted a major trophy since the 2017 Australian Open, a tournament she won while secretly two months pregnant.

"Believe me, I never wanted to have to choose between tennis and a family," Williams wrote. "If I were a guy, I wouldn't be writing this because I'd be out there playing and winning while my wife was doing the physical labor of expanding our family. Maybe I'd be more of a Tom Brady if I had that opportunity."

Williams had been away from the tennis court for nearly a year before she returned to Wimbledon this summer, where she lost in the first round to Harmony Tan.

"Unfortunately I wasn't ready to win Wimbledon this year," Williams wrote. "And I don't know if I will be ready to win New York. But I'm going to try."

Weather

Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day.

Forecasts and graphics provided by **AccuWeather, Inc.** ©2022

U.S. Forecasts

s.: sunny; pc.: partly cloudy; c.: cloudy; sh.: showers; t.: t-storms; r.: rain; sf.: snow flurries; sn.: snow; l.: ice

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	64	53	s	66	55	c
Atlanta	86	70	t	84	71	t
Austin	99	73	t	97	73	t
Baltimore	90	73	t	89	69	t
Boise	91	71	t	96	73	pc
Boston	76	67	pc	79	68	sh
Burlington	78	63	pc	82	58	sh
Charlotte	92	71	t	84	69	t
Chicago	84	68	s	77	62	s
Cleveland	78	64	pc	76	62	s
Dallas	96	78	t	97	79	pc
Denver	95	66	s	98	66	s
Detroit	84	66	s	81	58	s
Honolulu	88	77	pc	87	75	pc
Houston	94	75	t	92	74	t
Indianapolis	84	64	pc	85	60	s
San Francisco	89	64	s	91	68	s
Las Vegas	93	80	t	95	81	t
Little Rock	86	72	t	88	71	pc
Los Angeles	91	69	pc	89	67	pc
Miami	91	80	s	92	79	pc
Milwaukee	84	67	s	72	63	s
Minneapolis	86	64	s	81	65	pc
Nashville	84	72	t	81	69	pc
New Orleans	85	76	t	86	75	t
New York City	84	73	t	86	70	t
Oklahoma City	95	68	t	96	68	s

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	81	62	s	85	64	s
Athens	93	78	s	91	76	s
Baghdad	111	84	pc	110	85	pc
Bangkok	90	78	t	89	78	t
Beijing	84	66	pc	87	61	pc
Berlin	82	60	pc	85	61	s
Brussels	85	60	s	87	62	s
Buenos Aires	58	49	pc	61	52	s
Dubai	108	95	pc	109	95	pc
Dublin	75	54	s	75	55	s
Edinburgh	78	53	s	79	53	s

The WSJ Daily Crossword | Edited by Mike Shenk

Down

1 Fleeting

2 Violating convention

3 Deep disgust

4 Sport with bamboo swords

5 Three-time NFL MVP

6 Comic makeup

7 Letters seen in geometry class

8 Very, very

9 Won back

10 Permanent place?

11 Country 50 miles from Cuba

12 Las Vegas Springs was once a natural one

13 "Here, I'll demonstrate"

21 Youngest "Three Sisters" sister

23 Chocolate syrup brand since 1928

28 Spot for a yacht

29 Trust alternative

30 Just

31 ___ publica (the state, legally)

33 He ran against Franklin in 1936

34 Pungent wit

35 Tibia's top

36 Rank, in a way

38 Outdoor cooker

39 Holocaust authority Wiesel

40 Casual farewell

41 British Columbia resort

44 Eau body

47 Cooler suffix

48 Board appointment

50 Stop by

51 Writer's stroke

52 Diamonds, e.g.

53 Cruise stop

54 1987 Costner role

56 Peach or plum

57 First name in scat

58 Bitter, perhaps

61 Cattle call

62 Punch sound

63 Suffix for computer or telegraph

EXTREME SITUATION | By Karen Steinberg

Across

1 Schedule, as an appointment

5 Mood enhancer

10 Pretense

14 Like honking out of frustration

15 Trusting to a fault

16 Laser pointer battery

17 Words after pack, rub or phone

18 Atlas detail

19 Reel off

20 Learned

22 Like the delivery of many a prepared speech

24 Thigh-high?

25 In the near future

26 Mag. unit

27 Endorses

28 Given under oath

32 Winery array

37 Pedigree

40 Like many roads

42 Troubles

43 Much-praised deity

45 Clear off

46 Tire layer

47 Lily variety

49 Lasso in England

50 Problems that occur exclusively in extreme situations, and a hint to this puzzle's borders

52 Evangelist's target

55 Quetzalcoatl worshiper

59 New alternative

60 Push forward

64 Janis's spouse in the comics

65 She never stopped loving Rick

66 Unattached

67 Bear call

68 Character revealer

69 Picture-hanging instruction, maybe

70 Command

Previous Puzzle's Solution

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

OPINION

Third Try a Charm for FBI Meddling



**BUSINESS
WORLD**
*By Holman W.
Jenkins, Jr.*

Well, that didn't take long. The Merrick Garland Justice Department finally satisfied some of its critics by sending the FBI in search of something, anything, to pin on Donald Trump, though Monday's raid reportedly had more to do with Mr. Trump's possible possession of classified documents from his presidency than with Jan. 6.

Mr. Garland plays with fire here given that Americans of both parties have reason to distrust the political meddling of the FBI (ask Hillary Clinton).

He plays with fire given what we recently learned about the agency he just sent to ransack Mr. Trump's Mar-a-Lago palace. According to an investigation by Republican Sens. Chuck Grassley and Ron Johnson, the FBI deliberately promoted the fiction that the Hunter Biden laptop was foreign disinformation to help Joe Biden in the 2020 election, though the agency had been in possession of the laptop for nearly a year and knew it to be legit.

Mr. Garland had better have a strong case against Mr. Trump and not just be trying to appease progressives, because the laptop evidence in his possession puts him in a position of making decisions also about the Biden family that are no less politically loaded.

In fact, the laptop evidence ought to have presidential historians everywhere rethinking their potted story about 2016. Is Hunter Biden the real reason Barack Obama preferred Hillary Clinton over his loyal vice president for the Democratic nomination?

Mr. Obama wasn't blind. He saw what the laptop has only belatedly let the rest of us see. No sooner had he put Joe Biden in charge of the sensitive Ukraine portfolio after Russia's first invasion in 2014 than Hunter cashed in by taking a lucrative sinecure on the board of a controversial Ukrainian gas company. This was such a gallumphingly brazen move, one that Joe Biden refused to do anything about when approached by his staff, that it smells more like a culmination than an aberration.

In full or in part, observable to Mr. Obama's staff would have been Joe's letting Hunter travel on Air Force Two to promote his Chinese ventures, his letting Hunter use the vice president's official residence to court the Mexican billionaires Carlos Slim and Miguel Alemán Velasco. Or how about 15 meetings reported by the Daily Mail between the vice president and various of Hunter's business partners, or the 27 visits to the White House of Eric Schwerin, a Hunter partner who reportedly helped manage Joe's taxes and expenses?

After leaving the vice presidency, Mr. Biden directly participated in discussions of his son's Chinese dealings, according to Hunter partner

Tony Bobulinski. A memo reportedly by Hunter himself refers to a possible 10% stake for the "big guy." While steadfastly denying that Mr. Biden involved himself in his son's business, White House spokespersons have largely declined to answer the deluge of laptop-related allegations.

In a 2019 text, Hunter is seen griping to his daughter about being expected to give half his salary to "Pop."

DOJ plays with fire (again) with its Trump and Hunter Biden investigations.

Emails and texts seem to show Hunter's involvement with his father's mortgage dealings, tax refunds, phone bills and home-improvement expenses. As early as the second year of the Obama-Biden presidency, we see Mr. Schwerin seeking to discuss with the vice president his "future earnings potential."

A question: How much evidence does a disinterested citizen need (or did Mr. Obama need) to begin to suspect that Mr. Biden routinely and deliberately lent his trappings to his son's influence-peddling business and expected to share in the proceeds? Or that, despite Hunter's addiction troubles and personal recklessness, his father expected him to generate family revenue so Joe and anointed son Beau could focus on seeking elective office?

Kudos to the New York Post, Daily Mail and Washington Examiner, but the big reporting staffs left in America still belong to our mainstream news organizations. It's hard to believe they aren't digging too, even if they lack the courage of their reportorial convictions. It's time, in the country's interest, for one of these outlets to put its *honest* imprimatur on the Biden corruption question one way or another.

Mr. Garland, with his Trump raid, may only be making a big down payment on the FBI and Justice Department, for the third election in a row, becoming a decisive meddler in our presidential politics.

After James Comey's and the Justice Department inspector general's revelations, is Mr. Garland really sure he wants to trust the FBI in matters like the Trump and Hunter Biden inquiries?

Hints of official favoritism or worse in the administration of justice might needlessly complicate what appears to be a clear and straightforward predilection of voters for a new start at the top of both tickets. Has the Justice Department learned nothing from 2016, when the FBI's incompetent and antic meddling likely caused Hillary Clinton's loss? To let itself be seen trolling *siloviki*-style once more in our presidential politics, even the most forgiving American is likely no longer to detect a Trump-era aberration but a pattern. Don't put it past Mr. Garland's inherited crew of bumblerers to end up electing Mr. Trump a second time.

BOOKSHELF | By Timothy Farrington

The Measure Of All Things

Rules: A Short History of What We Live By

By Lorraine Daston
(Princeton, 359 pages, \$29.95)

Mass attracts mass, energy can be neither created nor destroyed, nothing is faster than light—we call these cosmic certainties "laws" of nature, but the comparison is an insult to physics. Regular laws, the human kind, are broken all the time. Laws of nature, by contrast, are products of induction, patterns of occurrence derived from observation; one solid counterexample would break them for good. They are bolstered by theory but backed by no other authority. Newton won't punish you for violating his laws.

As the historian of science Lorraine Daston recounts in her fascinating study "Rules: A Short History of What We Live By," the metaphor of natural laws was popularized in 1644 by Descartes in his treatise "Principia Philosophiae." It has bothered certain thinkers from the start. The natural



philosopher Robert Boyle, a contemporary of Descartes, objected to the notion of rational laws being obeyed by brute matter that was "devoid of understanding and sense." Today, the term has a creaky ring, even if we might slyly appreciate how it captures the fact that science is an inherently human enterprise.

Civilization of any kind relies on rules about human behavior, but their nature isn't static. Different eras have forged different types of rules, and seen existing ones in different

lights. Laws, which aim for lofty authority, are only one of the flavors of constraint Ms. Daston describes, along with models and algorithms. She draws examples from a range of case studies, including Babylonian math texts, premodern recipes, attempts to reform spelling, the municipal regulations of Enlightenment Paris and casuistry, the medieval method of reasoning that is the source of the term "case study." She plots them all on several overlapping axes that yield rich comparisons: flexible vs. rigid, general vs. specific, "thick" vs. "thin" (thick rules fold in examples and exceptions, while thin ones anticipate a stable, predictable world).

The "quintessential" rules of the ancient world, she argues, were models or paradigms, a mode of instruction that offers finished examples to emulate rather than atomized rules to follow. Polykleitos's sculpture "The Spearbearer" (Doryphoros), for example, was held up in classical times as the kanon ("rule") or paradeigma of beauty, a paragon to be studied by tyro sculptors. Copying from models was a process of analogy, Ms. Daston writes, of moving "from particulars to particulars," much as judges do when drawing on the accumulation of past decisions known as common law.

Paradigms held greatest sway up through the middle ages. An unexpected example is the sixth-century Rule of Saint Benedict, the text that set the lasting template for monastic life in western Christianity. The abbot himself, Ms. Daston argues, was to serve as a paradigm of the holy life that the Rule commanded the monks to lead. But the abbot was also commanded to tailor and soften the Rule's observance to local needs. Deviation from the letter of the Rule wasn't seen as activism or caprice, as with modern laws, but wise discretion. "The text of the Rule was not free-standing; without an abbot worthy of his office, it remained incomplete," Ms. Daston writes, suggesting that this hybrid system, "both specific and supple," explains the Rule's remarkable persistence.

Different civilizations and eras have forged different types of rules, and seen existing ones in different lights.

By the time Descartes cast his scientific observations as "laws" a millennium later, long-distance exploration and trade were shrinking the globe, spurring a search for universal principles. As societies have continued to grow bigger, denser and more specialized, however, the trend in rules has been away from the abstract and moral toward the pragmatic and pedestrian. Urban life especially has multiplied regulations that fix mundane details of life and behavior. "In the course of the last five hundred years," Ms. Daston writes, "the most familiar rules have become more like the injunction 'stop at a red light' than 'thou shalt not kill.'"

The early 19th century saw the sharpest change, as the needs of astronomy, sea navigation and state administration fueled the rise of what Ms. Daston calls "Big Calculation." Sky charts and statistics rested on reams of tedious arithmetic. Efforts to streamline their production constituted some of the first experiments in the mass production of cognitive work. At the Royal Observatory in Greenwich, astronomers sent forms preprinted with step-by-step guides—an innovation owed to Ming Dynasty China—to a "network of paid computers" who worked at home.

In France, meanwhile, an engineer struck by Adam Smith's account of a rigorously optimized pin factory sought to apply its methods to the production of logarithms. He organized his workforce into a pyramid of descending skill and broke difficult calculations into parts simple enough to be executed by workers at the bottom. This was "coding" without machines, and it helped inspire Charles Babbage's gear-driven calculating contraptions. The eventual development of computing machines, first mechanical, then digital, further boosted the usefulness of algorithms that describe complicated processes. Now we live, Ms. Daston concludes with a bit of overstatement, in a world where algorithms and other thin rules—precisely specified but intolerant of deviation—are the "model of all rules."

Though Ms. Daston's book began as a set of academic lectures, she writes with a twinkling wit, dimmed only by the occasional sloppy metaphor (social change "fattened the registers" of regulations). Though her exposition is generally clear, she can multiply terms in a way that muddies rather than clarifies. One passage treats "models" and "paradigms" as synonymous, while another draws a distinction between the two without acknowledging the shift.

But this slight unevenness is a natural result of the book's ambitious scope. As Ms. Daston notes, a comprehensive history of her topic would be "little short of a history of humanity," especially in our regulation-rich age. For better or worse, rules are the measure of all things.

Mr. Farrington is a former editor at Harper's magazine and The Wall Street Journal.

Biden's Focus Turns to Foreign Policy



**POLITICS
& IDEAS**
*By William
A. Galston*

Despite Congress's recent spurt of productivity, capped by the Senate's passage of a bill to fight climate change and reduce prescription-drug prices, the legislative phase of President Biden's term probably is nearing its end.

If the midterm elections deliver a Republican majority in either the House or the Senate, Mr. Biden will be compelled to focus more on issues that can be addressed principally through executive action. This isn't all bad, given that he faces an interlocking set of foreign-policy challenges—especially from Iran, Russia and China—that will require his sustained attention.

European Union negotiators are reportedly ready to offer Iran and the U.S. the final text of a revised version of the deal from which President Trump withdrew in 2018. Since then, Iran's nuclear program has advanced steadily and has accumulated a substantial quantity of uranium enriched to near weapons-grade.

If both sides accept this final text, the crisis would be postponed for several years because it would reinstate inspections and require Iran to ship highly enriched uranium out of the country. If not, Mr. Biden would have to decide how to redeem his pledge that Iran will never be allowed to obtain nuclear weapons. Israel

would probably ask the U.S. again for the bunker-buster bombs it would need to attack Iran's underground nuclear facilities. The deepening entente between Iran and Russia would make the president's options even less palatable because Moscow could choose to help Tehran respond to an Israeli or American strike.

Meanwhile, Russia's invasion of Ukraine continues, with no end in sight. Vladimir Putin seems to be preparing to annex substantial portions of four Ukrainian regions—Donetsk and Luhansk in the east, Kherson and Zaporizhzhia in the south. Rigged referendums, a tactic Mr. Putin has used before, are being prepared for as early as September.

Neither side is in any mood to negotiate. Ukraine's president, Volodymyr Zelensky, has vowed to fight until his forces have recaptured all his country's occupied territories, with the possible exception of Crimea. Russia's foreign minister declared last month that Russia's war aims will expand still further if the West continues to provide Ukraine with long-range weapons.

As the war drags on, Mr. Biden will be challenged to preserve current levels of political and military support for Ukraine. May's \$40 billion aid package might represent the high-water mark in Congress, though Ukraine's military and economic needs won't decline in the coming months.

Maintaining European unity will be even more difficult. Russia is manipulating energy supplies to weaken support for

Ukraine. The recent reduction of natural-gas flows to only 20% of capacity in the Nord Stream pipeline has stoked fears that Germany and other highly dependent countries won't be able to stockpile enough to get through winter. After a promising beginning, German Chancellor Olaf Scholz has vacillated on the delivery of weapons to Ukraine. Italy's pro-Ukrainian government collapsed and will probably be replaced by a populist coalition

Republican wins in the midterms will likely end his term's legislative phase.

less sympathetic to a staunch anti-Russian stance. Mr. Biden and his team must pull out all the stops to prevent the erosion of European support for Ukraine as Mr. Zelensky and his military leaders prepare for a crucial counteroffensive in the south.

The confrontation with China over Taiwan is the most dangerous and demanding problem for Mr. Biden. Speaker Nancy Pelosi's visit gave the Chinese an opportunity to mount a long-prepared full military exercise against what it regards as a renegade province. China demonstrated the capacity to coordinate different branches of its forces, and it revealed its likely strategy to subdue Taiwan—not an all-out invasion, but a slow squeeze of the island that could develop

into a blockade. This python strategy would force hard choices for Taiwan's allies, who would have to risk attacking Chinese naval vessels protected by aircraft and missiles.

Although America's allies in the region—especially Japan and the Philippines—are toughening their stance in the face of the Chinese threat, they are not sure that the U.S. is doing what is necessary to meet it. In their view, presidents of both parties have failed to back rhetoric and diplomacy with increased deployments of hard power. Decades of neglect have left the U.S. Navy too small to meet its global obligations, especially in the Pacific.

The chief of naval operations recently released a planning document that recognizes this weakness and outlines a strategy to remedy it. Unfortunately, as my Brookings colleague Bruce Jones points out, the plan wouldn't be fully implemented until 2045, and we don't have that much time. Other analysts believe that the threat to Taiwan is likely to peak in the middle of this decade.

If so, the U.S. must decide what it can do in the short term to enhance Taiwan's defensive capabilities and shore up the confidence of its allies as it embarks on a crash program to upgrade deterrence in the Pacific. In the next two years, we will find out whether the Biden administration has the determination—and the bandwidth—to sell this strategy to Congress and the American people while grappling with a bevy of challenges.

Recession Fears May Not Pass GO

By Mark Skousen

How can the U.S. be in a recession when the number of jobs is growing at a healthy clip? According to the National Bureau of Economic Research, two consecutive quarters of declining real gross domestic product is enough for a recession. The Bureau of Economic Analysis (BEA) reported just that—real GDP declined at an annual rate of 1.6% in the first quarter and 0.9% in the second.

But a host of statistics suggest that the economy is still growing, not the least of which is last week's robust jobs report and unemployment rate. While the Conference Board's leading economic indicator suggests a mild recession may be on the way, it reports: "The coincident economic index which rose in June suggests the economy grew through the second quarter."

The BEA also produces a statistic called gross domestic income, which adds up wages, profits and other income. Theoretically it should align with GDP, but it no longer does. Real GDI rose 1.8% in the first quarter, and is expected to have risen slightly

GDP is slumping, but there's a better way to gauge the economy.

in the second quarter (the official number will be announced on Aug. 25). Economists have noted the unprecedented gap between GDP and GDI. The BEA uses different surveys to come up with GDI, but the growing gap can't be explained by a statistical "discrepancy."

In addition, the relatively new statistic gross output, or

GO—which measures spending at all stages of production, including the supply chain—rose at an annual rate of 2% in real terms in the first quarter. Second-quarter GO won't be released until Sept. 29.

Why is GO a better measure of the economy than GDP? Because GDP has a serious flaw—it leaves out the supply chain. It accounts for final output only, finished goods and services bought by consumers, business and government. Intermediate production—all the goods in process along the way—are ignored.

That means that GDP only measures about 44% of economic activity. According to the BEA, intermediate production amounted to \$19.5 trillion in the past year, compared with \$24.8 trillion GDP. For technical reasons, that former figure leaves out an additional \$11 trillion of wholesale and retail trade.

For several years, I've championed GO as the "top line" in national income accounting and a better snapshot of the economy. Many economists consider it a better, more comprehensive measure than GDP. The biggest drawback is the BEA's delays in releasing GO two months after the initial estimates of GDP.

For decades, publicly traded companies have released their earnings reports every quarter, reporting sales (top line) and earnings (bottom line) at the same time. The federal government should do the same. It's time national income accounting caught up with the accounting profession.

Mr. Skousen holds a chair in free enterprise at Chapman University and is editor of *Forecasts & Strategies* and author of "The Structure of Production."

OPINION

REVIEW & OUTLOOK

The FBI’s Dangerous Trump Search

Monday’s unannounced Federal Bureau of Investigation search of Donald Trump’s Mar-a-Lago home isn’t a moment for anyone to cheer. The Justice Department is unleashing political furies it can’t control and may not understand, and the risks for the department and the country are as great as they are for Mr. Trump.

As everyone knows by now, an FBI law-enforcement action of this kind against a former American President is unprecedented. Monday’s search needed a judicial warrant in service of probable cause in a criminal probe. The Justice Department has provided few details beyond what has been leaked to reporters, so it is hard to judge what the FBI was looking for.

The media leaks say the search is related to potential mishandling of classified documents or violations of the Presidential Records Act. If that is true, then the raid looks like prosecutorial overkill and a bad mistake. Document disputes are typically settled in negotiation, and that is how Mr. Trump’s disagreement with the National Archives had been proceeding.

Mr. Trump has already returned 15 boxes of documents, but the National Archives wants to know if the former President retained classified material he shouldn’t have. This is what appears to have triggered the FBI search, but it’s far from clear why this couldn’t be settled cooperatively, or at most with a subpoena.

Didn’t someone at Justice point out that a search in this case would draw comparisons to Hillary Clinton’s mishandling of classified information before her 2016 presidential campaign? She was never prosecuted, as Mr. Trump was quick to point out. Unless Mr. Trump’s offense involves a serious risk to national security, half of America may see the Trump search as an example of unequal justice.

* * *

This may not be the full FBI story. Multiple media reports suggest that Justice has opened a grand jury probe into the events of Jan. 6, 2021, and Mr. Trump may be a target of that investigation. The House committee investigating Jan. 6 has been cheering for a prosecution, and the political and media pressure is intense on Attorney General Merrick Garland to indict Mr. Trump. The FBI search may be a fishing expedition to find evidence related to Jan. 6.

On the public evidence so far, a Jan. 6 indictment would be a legal stretch. Political responsibility isn’t the same as criminal liability. In our view, the evidence would have to show that Mr. Trump was criminally complicit in that day’s violence at the Capitol.

Given its inherently political nature, the bur-

den of proof is especially high for indicting a former President, all the more so for an Administration of the opposition party. The evidence had better be overwhelming—not merely enough to convince a 12-person jury in the District of Columbia, but enough to convince a majority of the American public.

Then there is the fraught history between Mr. Trump and the FBI and Justice. The Russia collusion probe was a fiasco of FBI abuse of process and public deception. Current FBI director Christopher Wray was Mr. Trump’s choice to succeed the disastrous James Comey, but the bureau still has a serious credibility problem.

That the Mar-a-Lago raid occurred only about 90 days from a national election also increases the political suspicion. Democrats want to keep Mr. Trump front and center in the midterm campaign, which is why the Jan. 6 committee is continuing into the autumn.

Anyone who thinks an indictment and trial of Mr. Trump would go smoothly is in for a rude surprise. Millions of his supporters will see this as vindication of his charges against the “deep state,” and who knows how they will respond. Has Mr. Garland considered all of this?

* * *

Worse in the long term is the precedent being set and the payoff it is likely to inspire. Once the Rubicon of prosecuting a former President has been crossed—especially if the alleged offense and evidence are less than compelling—every future President will be a target. William Barr, Mr. Trump’s second AG, wisely resisted pressure to indict political actors without a very strong case. The next Republican AG will not be as scrupulous.

Democrats may also be wrong in their calculation about how a prosecution would affect Mr. Trump’s future. The FBI search alone makes it more likely that Mr. Trump will run again for President, if only to vindicate himself. He will run as a martyr, and even Republicans who want to turn the page on the former President may be repelled by what they see as a political prosecution.

All of this risks compounding the baleful pattern of the last six years. Mr. Trump is accused of violating political norms—sometimes fairly, sometimes not—and the left violates norms in response. Polarization increases, and public faith in institutions and the peaceful settlement of political difference erodes further.

The FBI search on Mr. Trump suggests that Mr. Garland may be committed to pursuing and indicting Mr. Trump. If so, he is taking the country on a perilous road. There is much ruin in a nation, but no one should want to test the limits of that ruin in America.

Merrick Garland is taking the U.S. down a perilous path.

Senators skip testing, as the House extends proxy voting again.

Is Congress Getting Over Covid-19?

Whether the Covid-19 pandemic is over in Washington apparently depends on what Congress is trying to accomplish. When Senate Democrats gathered last weekend to vote on their tax and climate spending bill, at least some of them reportedly adopted a policy of “don’t test, don’t tell,” which a joker might cite as the official end of coronavirus.

“They’re not going to delay it if a member has gotten Covid,” an anonymous Senate aide told Puck News. “Counterparts are saying they’re not going to test anymore. It’s not an official mandate but we all know we’re not letting Covid get in the way. The deal is happening. Less testing, just wear masks and get it done.” Another source added, morbidly: “You can bring your ventilator and still vote.”

But on the other side of the building, a quick walk-and-talk away, Speaker Nancy Pelosi has again extended proxy voting. In a terse letter to her House colleagues Tuesday, Mrs. Pelosi said she would allow the practice through Sept. 26,

citing the fact that “a public health emergency is in effect due to a novel coronavirus.” This mirrors the Biden Administration’s unending Covid policy, which is starting to look less like a public-health measure than an effort to keep pandemic rules in place for the welfare state.

The Senate stuck to doing the people’s business in person throughout the pandemic. But the House has allowed its members to designate a colleague to cast votes on their behalf. The unfortunate reality is probably that many Members like it. More than one has been caught attending campaign events while casting votes in absentia, supposedly because of Covid-19.

Some seem to have quit Washington, more or less. “Rep. Kai Kahele, a Hawaiian Airlines pilot as well as a Hawaii Congressman, has used proxy votes on all but five of this year’s 125 roll calls,” the Associated Press reported in April. “Three of his Democratic colleagues have used the proxy procedure for every vote.”

Don’t expect it to last much past November.

joined fellow Democrats to nix it on a party-line vote. Remarkably, they then devised a way to maintain their hawkish ruse.

Democrats talk tough on enforcement while voting it down.

A Border Security Ruse in the Senate

Normally a lawmaker’s voting record should tell you where he stands, but keep an eye out for sleight of hand. Thanks to a legislative maneuver, Senate Democrats plan to tout their support for border security despite knowingly working against it.

The vote in question came Sunday during amendments to the so-called Inflation Reduction Act, the tax-and-spending bill Senate Democrats passed later that day. Republican Sen. James Lankford proposed an amendment to extend Title 42, the Covid-era policy that allows speedy removal of border crossers. President Biden wants to cancel the policy but a federal judge in May blocked his attempt.

The Lankford amendment should’ve looked appealing to several Democrats who have spent months talking tough on immigration. When President Biden first proposed in April to end Title 42, several Democrats joined their GOP peers in backing a bill to keep it in place. That included Arizona Sens. Kyrsten Sinema and Mark Kelly, New Hampshire’s Maggie Hassan, and Jon Tester of Montana.

The group held to their stance publicly while knowing Majority Leader Chuck Schumer would block the bill from getting a vote. And when Mr. Lankford’s amendment came up for a vote, they

a funding provision. This time Mr. Tester backed the amendment, joined by Sens. Sinema, Kelly and Hassan, along with Catherine Cortez Masto and Raphael Warnock. The latter four are, not coincidentally, running for re-election this year.

But fellow Democrat and Majority Whip Dick Durbin challenged the amendment on procedural grounds, saying its lack of funding violated Senate budget reconciliation rules. The amendment fell short of the 60 votes it needed to pass and was left out of the bill’s final version.

Catch the trick? With a waive of the hands, six Senate Democrats gained the ability to tell constituents they voted for border security despite opposing the measure when it counted. Stunts like this are one reason America has a dysfunctional immigration system that works for no one other than the criminal gangs that extort migrants as they make the dangerous trip across the U.S.-Mexico border.

LETTERS TO THE EDITOR

Taiwan Will Always Defend Its Sovereignty

As your editorial “After Pelosi’s Taiwan Visit” (Aug. 3) correctly notes, if anyone is attempting to change the status quo, it is Chinese President Xi Jinping. With live-fire drills, China has been demonstrating how it intends to militarily blockade Taiwan, attempting to unilaterally undermine the peaceful status quo in the Taiwan Strait and posing a severe threat to stability in the Indo-Pacific.

We strongly condemn China’s aggressive behavior and call on Beijing to stop taking actions that endanger the well-being of the region and the world. Despite China’s provocative maneuvers, Taiwan will neither escalate conflict nor instigate disputes. We will, however, resolutely defend

our sovereignty and security. Beijing’s coercive measures and military intimidation only strengthen our will to safeguard our democratic way of life.

We appreciate the support that the U.S. and the broader international community have shown us over the past week, as countries have come together to urge the Chinese Communist Party to cease its military intimidation and exercise restraint. No one wants a war, and the free world cannot allow China to destroy Taiwan’s democracy. It is in everyone’s interests to uphold the rules-based international order.

JAMES K.J. LEE
Ambassador and director-general
Taipei Economic and Cultural Office
in New York

The IRS: Aggressive, Impartial or Opaque?

The Internal Revenue Service is already in “beast mode” and has been for years (“The IRS Is About to Go ‘Beast Mode,’” Review & Outlook, Aug. 3). For example, the IRS inexplicably has been targeting the incentives Congress gave in 1986 to midmarket companies that use captive insurance. And for the past several years, virtually every property owner who has taken a deduction related to placing property in a conservation easement has found himself subject to an audit, the result of which is invariably that the IRS denies the deduction.

The IRS is bullying small-business owners into not benefiting from tax incentives that Congress created to promote work that benefits the greater good. The only way a business can fight these decisions is to take the IRS to court, but the IRS doesn’t even have to pay attorneys’ fees if it loses.

TOM WHEELWRIGHT, C.P.A.
Tempe, Ariz.

Saying that additional funding will result in IRS agents “coming after tens of millions of Americans” makes the IRS sound evil. Nonsense! All the IRS is trying to do in its audit program is ensure that people pay the taxes they lawfully owe. In 55 years of practicing tax law, I never saw an instance in which an IRS employee acted in bad faith in harassing a taxpayer. Tax laws are complex and IRS agents and taxpayers often disagree about their meaning.

The need for the IRS to beef up its audit program is obvious. Only a tiny fraction of wealthy people get audited. The editorial also refers to the “in-

creasing politicization of the IRS” but cites only one instance. I represented some right-wing nonprofits, and they were all treated fairly by the IRS.

PETER L. FABER
New York

Mr. Faber was chairman of the American Bar Association Section of Taxation.

The Schumer-Manchin tax bill includes \$80 billion of new funding for the IRS, mainly to ferret out tax dodgers. Supposedly, this will bring in \$200 billion in additional revenue. How about setting a few billion aside to reform one of the more opaque federal bureaucracies? Citizens tell a myriad horrifying tales. They cannot call the IRS unless willing to spend hours on hold. Letters remain unanswered. There is no email address to speed up the process.

Some of the extra cash could be invested in studying tax collection abroad. Start with Germany. In the local *Finanzamt* (tax office), phones are answered promptly, even during Covid. With the agent in charge of your account, issues can be cleared up without costly legal help. A letter will be answered within a couple of days.

These folks are no patsies, but they are forthcoming—or, shall we say, beholden to Teutonic efficiency? Too bad Schumer-Manchin doesn’t tackle the insularity of the IRS. A welcoming IRS might haul in lots more money from befuddled middle-class taxpayers.

JOSEF JOFFE
Hoover Institution
Munich

GOP Shot Itself in the Foot Even Before Trump

I wish I could be as hopeful as Dan Henninger is with respect to Republican chances in the November midterm elections (“The Case for Optimism,” Wonder Land, Aug. 4). Unfortunately, the Republicans’ ability to shoot themselves in the foot gives me pause.

When Barack Obama was president, it took Republicans until 2014 to take the Senate, even though they won the House in 2010, largely because they nominated some terrible candidates. And they did it

even without Donald Trump.

With former President Trump around, the Republicans’ chances to throw away victory in November are even greater. As always, Mr. Trump is focused on himself and his grievances about the 2020 election instead of putting the country, or even the party, first.

In close races and in Senate races, which can’t be gerrymandered, it doesn’t take a lot of votes to make a difference. As we saw in the January 2021 Senate elections in Georgia, Mr. Trump’s narcissism can easily cost Republicans enough votes to lose close races. This should temper anybody’s optimism about November—except the Democrats’.

PATRICK J. ALLEN
River Forest, Ill.

The CEOs Are Out to Lunch

Almost no one near the bottom of a large corporation would have lunch with the CEO, as Overstock.com’s Jonathan Johnson learned (“The Lonely Office Is Bad for America” by Peggy Noonan, Declarations, July 30), because there would be nothing in common for the two to talk about. One creates “mission” and the other sees more useless paper. If one wants the lively office from a perhaps mythical past, we need vision from the bottom up, rather than leadership from the top. I won’t hold my breath.

JOHN HENRY SCHLEGEL
Buffalo, N.Y.

Life Doesn’t Stop in Wartime

In January 1942, President Franklin Roosevelt received a letter asking if Major League Baseball should be suspended for the duration of the war. He replied, “I honestly feel that it would be best for the country to keep baseball going.”

Regarding Melik Kaylan’s “The Zelenysks’ Defiant Vogue Cover” (op-ed, Aug. 2): I honestly feel that it would be best for Ukraine to keep its freedom of expression, creativity, cafes, good conversation and zest for life going.

VIRGINIA JURIKA
Buda, Texas

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Pepper ... And Salt

THE WALL STREET JOURNAL



“What will you contribute to the toxic political environment today?”

Whistles Start to Blow At the FBI

By Thomas J. Baker

Monday was a sad day for our democracy and a dark day for the Federal Bureau of Investigation. The search of Donald Trump's Florida residence was a politically sensitive operation that would have tested the FBI's reputation for fairness and impartiality in the best of circumstances. But the bureau's behavior since Mr. Trump came onto the political scene has already left its reputation in tatters.

There is a small bright spot: Whistleblowers are coming forth from within the FBI. Last month the public learned of two such cases via letters from lawmakers. On July 25 Sen. Chuck Grassley wrote to Attorney General Merrick Garland and FBI

The Trump search made Monday a dark day for the bureau. But lawmakers are shining a hopeful light.

Director Christopher Wray that he had received credible whistleblower reports attesting to FBI manipulation of the Hunter Biden laptop story. Rep. Jim Jordan wrote to Mr. Wray two days later that whistleblowers had approached him about FBI efforts at "artificially padding domestic terrorism data."

The alleged conduct is dispiriting, but we can take heart that whistleblowers are coming forward. No one did so during Crossfire Hurricane, the FBI's probe into the Trump campaign's purported ties with Russia. Insiders told me this silence resulted in part from the nature of the investigation: It was a "headquarters special" in which only a handful of people had the full picture. Staff simply assumed the headquarters clique "must have had more." It didn't.

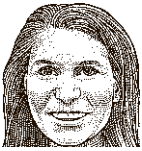
Now FBI insiders are taking their concerns to lawmakers. Mr. Grassley named two high-ranking men, an agent and an intelligence analyst, who whistleblowers said had acted to thwart the investigation into Hunter Biden. According to the whistleblowers' allegations, the analyst "opened an assessment" that was used "to improperly discredit negative Hunter Biden information as disinformation," and the agent "ordered the matter closed without providing a valid reason."

According to Mr. Grassley, the agent had "a pattern of active public partisanship in his then public social media content." In May he reportedly tweeted, from his now-private account: "Can we give Kentucky to the Russian federation?"—an echo of the infamous text exchanges between Peter Strzok and Lisa Page, the Trump-hostile duo working at the FBI during the Russian-collusion fiasco.

Mr. Grassley also wrote that in August 2020 he and Sen. Ron Johnson received "an unsolicited and unnecessary briefing" from the FBI as they began their own investigation of Hunter Biden's business dealings. Word of the briefing was then leaked to the Washington Post, which presented it as an effort by the FBI to alert Congress that it risked being used by Russia. That, too, was an echo of 2016, when Central Intelligence Director John Brennan briefed Senate Majority leader Harry Reid, just as Crossfire Hurricane was getting under way. Both briefings were attempts to cast domestic politics as being under Kremlin influence.

A deep-seated cultural problem continues at FBI headquarters, even years after the Crossfire Hurricane misdeeds were exposed. Still, a ray of hope shines through—whistleblowers who've had enough are now coming forward. The FBI needs their bravery, and America needs an apolitical FBI.

Mr. Baker is a retired FBI special agent and legal attaché and author of "The Fall of the FBI: How a Once Great Agency Became a Threat to Democracy," forthcoming in December.



LIFE SCIENCE
By Allysia Finley

White House event last Thursday to promote the Inflation Reduction Act, Senate Democrats' tax-and-spending bill, even as the Business Roundtable, the big-business outfit that she chairs, lobbied furiously against it. Was this a betrayal of the roundtable's members?

The roundtable's leaders elected Ms. Barra last September to help them navigate the progressive climate in Washington, as she'd proved adept at doing. After the 2020 election, she took a U-turn and went from backing the Trump administration's legal fight against California over its electric-vehicle mandate to promoting Joe Biden's EV agenda.

Shortly after Mr. Biden's inauguration, GM announced that it would stop selling gasoline-powered cars by 2035. After other auto makers followed with similar pledges, Mr. Biden praised Ms. Barra for having "electrified the entire automobile industry."

Last August Ms. Barra and executives from Ford and Stellantis (which owns Chrysler) stood with Mr. Biden as he announced tougher vehicle greenhouse-gas emissions standards.

By Casey Michel

Russian Foreign Minister Sergey Lavrov published an op-ed in four African newspapers last month explaining why he was on a multicountry tour of the continent—and why African nations should support Moscow's invasion of Ukraine. Mr. Lavrov blamed Western sanctions for the food crisis in Africa and asserted that in contrast to the U.K., France, Belgium and other European powers, Russia "has not stained itself with the bloody crimes of colonialism."

The idea that Russia avoided colonial expansion has surprising resonance in the West and elsewhere. Russia never had formal colonies in Africa, Latin America or South Asia. But the idea that the Kremlin avoided colonization projects altogether—that it dodged the "bloody crimes" for which Dutch, Spanish or Portuguese empires were responsible—is as risible as it is ahistorical.

Its campaigns of conquest and subjugation were no less bloody for advancing overland, not overseas.

It's not as though Russia simply appeared as a transcontinental juggernaut, stretching to the Pacific. It spent centuries conquering and colonizing Eurasia, extracting local wealth and subjugating colonized peoples to dictatorship from Moscow and St. Petersburg. The difference is that other European empires colonized overseas, while Russia colonized overland, capturing adjacent territory.

Too many either don't know or ignore that Russia was, and remains, a major colonial power. From the Caucasus to Crimea, from the Arctic to the Amur, from the Volga to the Pacific, Russia's colonial campaigns conquered innumerable nations—decimating local cultures, bulldozing local sovereignty, and engaging in genocidal practices.

Nor was the Soviet Union—in Lenin's description, born from anti-imperialism—much different. From mass ethnic-cleansing campaigns decimating colonized nations, to targeted famines aimed at Ukrainians and Kazakhs, to drawing maps of supposedly autonomous republics that excluded disempowered local ethnic groups, the Soviet experiment was, in many ways, simply a carryover of czarist Russia's colonial policies. And

GM Is Government Motors Again

They issued a full-throated endorsement with one costly caveat: To achieve the standards, the auto makers required a "full suite" of government subsidies, including "purchase incentives, a comprehensive charging network of sufficient density to support the millions of vehicles these targets represent, investments in R&D, and incentives to expand the electric vehicle manufacturing and supply chains in the United States."

House Democrats a month later introduced their Build Back Better bill with a truckload of subsidies. The most significant was a \$12,500 tax credit for union-made electric cars. That would have excluded foreign manufacturers and Tesla, whose employees don't belong to the United Auto Workers. Mr. Musk seethed: "Biden held this EV summit. Didn't invite Tesla. Invited GM, Ford, Chrysler, and UAW. EV summit at the White House, didn't mention Tesla once and praised GM and Ford for leading the EV revolution. Doesn't it sound a little bias? It's not the friendliest of administrations. Seems to be controlled by the unions."

Meantime, Tesla lobbied the Environmental Protection Agency behind the scenes to make its proposed emissions standards tougher for traditional auto makers, thereby forcing them to buy more regulatory credits from Tesla to comply. Tesla has rung up huge profits from these credit sales—until last year, more than it made from selling cars.

Mr. Musk appeared to triumph in December, when West Virginia Sen.

Joe Manchin killed the House version of Build Back Better. Soon after, the EPA issued significantly tougher emissions rules that would effectively require that electric cars make up 17% of a company's sales in 2026, up from about 3% last year. EVs have accounted for only about 1% of GM's U.S. sales this year.

Electric-car subsidies put CEO Mary Barra at odds with a business group that she also heads.

Without Build Back Better's full suite of subsidies, traditional auto makers almost certainly wouldn't be able to meet the EPA's stricter standards. That means they would have to buy more credits from Tesla.

For one thing, scaling up production requires enormous amounts of capital. Tesla relied in its early years on government support, including \$1.3 billion from Nevada for a battery "gigafactory" and a \$465 million federal loan in 2010. Its credit sales also provided billions in free capital. Now after more than a decade of bleeding money, Tesla is turning a profit.

Tesla hit the 200,000 manufacturer cap for the existing \$7,500 EV tax credit in 2018. GM did several months later. But while Tesla sales have continued to grow thanks to its brand cachet and affluent customer base, GM is struggling. Tesla has sold about

390,000 electric vehicles in the U.S. this year—about 27 times as many as GM.

Also costing GM is a massive recall of the Chevy Bolt because of manufacturing defects in its LG Energy batteries, which can cause them to catch fire spontaneously. GM last month offered recent Bolt buyers a \$6,000 refund if they promise not to sue over battery defects.

Yet in the nick of time, the Biden administration and Democrats in Congress are riding to GM's rescue. Two days before Mr. Manchin announced his deal with Majority Leader Chuck Schumer, the Energy Department awarded a \$2.5 billion low-interest federal loan to GM's battery joint venture with LG Energy.

The bill includes all the subsidies for which Detroit auto makers had lobbied, including \$20 billion in loans and up to \$10 billion in tax credits to build EV factories. It would also remove the 200,000 manufacturer cap for the \$7,500 tax credit while imposing new price restrictions that would hurt startup Rivian, the Detroit auto makers' top competitor in electric trucks. While the tax credit comes with conditions for material sourcing that no auto maker could currently meet, the administration may waive these.

"Thank you for the opportunity to voice our support for the Inflation Reduction Act," Ms. Barra said at the White House event last week. The Business Roundtable over the weekend issued a statement opposing the bill. Ms. Barra may discover that businesses that live by government handouts can die by them too.

Russia's Crimes of Colonialism



DAVID KLEIN

that's without mentioning Soviet support during the Cold War for despotic regimes in African and Latin American nations such as Angola and Cuba.

While former Soviet republics, such as Kazakhstan and Moldova, gained independence during the Soviet collapse, colonized nations within Russia's borders, such as Chechnya and Tatarstan, have been subsumed again under the Kremlin's dictatorship, forced to provide cannon fodder for Moscow's imperialism once more.

As the war in Ukraine makes clear, Russia remains a colonial power bent on recolonizing regions that slipped its grip. Most European powers

watched their empires collapse, but one European colonial empire remains. And only one European empire now threatens genocide, and potential nuclear war, if it isn't allowed to reclaim a colony it lost.

Saturated in propaganda and the idea that Russia remains a benevolent force, many Russians would be shocked by the idea that Moscow is no better than the Portuguese in Angola or the Spanish in Mexico. It's a symptom of Russia's "imperial innocence," as scholars Erica Marat and Botakoz Kassymbekova have described it—the belief that "Russia did not attack and colonize, but liberated and saved the colonized." It's also a

The Virtues of Stock Buybacks

By Jesse M. Fried And Charles C.Y. Wang

A 1% tax on stock buybacks is poised to become law as part of the Inflation Reduction Act just passed by the Senate. This is a victory for critics of buybacks, including many Senate Democrats, who have long argued that share repurchases are excessive.

But those critics are dead wrong. If anything, American corporations should be repurchasing more stock. Taxing buybacks will increase corporate bloat, lead to higher CEO pay, harm employees and reduce innovation in the economy.

The critics argue that buybacks are driven by greedy executives and starve firms of capital for investment. They point to data that dividends and repurchases by S&P 500 companies routinely exceed 90% of their net income. Between 2012 and 2021, public companies distributed \$11 trillion to shareholders, 99% of net income, mostly via repurchases.

These critics ignore equity issuances to shareholders, which move cash in the other direction. Across the market, firms recover from shareholders, directly or indirectly, most of the capital distributed by repurchases. Taking into account equity issuances, net shareholder payouts in public firms during 2012-21 were only about \$4.4 trillion. By our calculations, this left public companies with approximately \$10 trillion for investment, not counting proceeds from debt financing.

Much of this money, our research shows, is in fact plowed into investment. Overall investment levels, as measured by capital expenditures and R&D, reached historical record

highs in six of the last 10 years, totaling \$12 trillion during 2012-21. Investment intensity at these firms, measured by the ratio of investment to revenue, has also been rising over the past 10 years and is now near two-decade highs.

At the same time, firms are piling up cash. During 2012-21, cash balances rose by 78%, reaching around \$8 trillion and thus leaving firms with ample resources for additional expenditure. There is no evidence that dividends and repurchases are starving firms of capital. If anything, public companies are sitting on too much cash.

A tax on buybacks will harm shareholders. It creates an incentive for managers to hoard cash, leading to even more corporate bloat and underused stockholder capital. Because CEO pay is tied closely to a firm's size, this bloating will drive up executive compensation, further hurting investors.

Buyback critics may argue that companies could simply switch from repurchases to dividends. But executives will be reluctant to make this switch, partly because dividends (unlike repurchases) reduce the value of their stock options. When buybacks are taxed, overall shareholder payouts will decline.

Taxing buybacks will harm employees as well. A little-appreciated fact is that most repurchased shares either go to employees, who later sell to investors, or are acquired to reduce equity dilution after employees have sold stock. This repurchase-issuance cycle moves cash to employees and is cash-neutral for shareholders. Our research shows that 85% of this value flows to employees below the top executive level. Increasing the

tax burden will tend to lower equity pay, to the detriment of workers.

The buyback tax does give the firm credit for any equity issued in the same taxable year as a repurchase. But equity issuances and associated repurchases won't necessarily occur during the same year. A company may repurchase shares in one year to provide equity for employee stock programs, but the employees may exercise their stock options in a later year. The firm will then pay 1% on the repurchase amount, even though the repurchases are completely offset by issuances. The result is that the provision raises the cost of equity pay.

A tax that inhibits buybacks will also reduce the capital available to smaller private firms. The cash from shareholder payouts by public companies often flows to private ones, such as those backed by venture capital or private equity. These private firms account for half of nonresidential fixed investment, employ almost 70% of U.S. workers, are responsible for nearly half of business profit, and have been important generators of innovation and job growth. Bottling up cash in public companies will reduce the capital flowing to private ventures—and thus their ability to invest, innovate and hire more workers.

Because the buyback tax is only 1%, the damage may be limited. But with this taxing mechanism in place, an anti-buyback Congress will be tempted to raise the tax to a point where it causes much worse damage—to investors, workers and the economy.

Mr. Fried is a professor at Harvard Law School. Mr. Wang is an associate professor at Harvard Business School.

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Kenyans Vote in Tight Presidential Race

Memories of previous election disputes that have turned violent loom over the process

By MICHAEL M. PHILLIPS

NAIROBI, Kenya—Voters across Kenya headed to the polls Tuesday in a finely balanced presidential race between two longtime allies turned fierce rivals, one associated with this East African country’s founding families and the other claiming the mantle of its struggling working class. Looming over the day were memories of previous election disputes that turned violent. The 2007 vote led to ethnic clashes that left some 1,100 people dead and 600,000 people displaced. After the troubled 2017 elections, police killed dozens of protesters and the supreme court ultimately ordered a rerun because of fraud concerns.

“We’re praying we don’t go that way again,” said Isaiah Mwange, a 38-year-old shopkeeper standing in line to vote at a Nairobi polling station.

Polls suggest a tight vote. Election officials spread around the country of 55 million people have up to a week to submit results to the tabulation center in Nairobi. Official



Kenyans in Eldoret lined up Tuesday to vote. Results are expected within a few days—as are claims of vote rigging by the loser.

results are expected within a few days, as are claims of vote rigging by the loser.

Kenya is a bastion of relative stability and economic strength in East Africa, a U.S. ally in the fight against al Qaeda’s al-Shabaab franchise in Somalia and a base for Alphabet Inc., Microsoft Corp.

and other major companies.

President Uhuru Kenyatta, whose father Jomo Kenyatta is considered the founder of independent Kenya, has reached the end of his two-term limit. He endorsed a former political rival, five-time presidential candidate Raila Odinga, 77, over his own deputy president,

55-year-old William Ruto.

Many voters see Mr. Odinga, whose own father was a key player when Kenya won independence from Britain in 1963, as the candidate of status quo stability. Mr. Ruto portrays himself as the choice for “hustlers,” working-class Kenyans trying to scrape by in the in-

formal sector of the economy.

The election may prove a test of whether Kenya has moved from volatile politics based on ethnic affiliations to politics based on economic and other issues, including the fight against corruption.

“What’s important is for people to elect their leader

and after that go back to work,” said pharmacy owner Susan Wachira, 59. “Without peace, you can’t do business.”

Voters lined up at the balloting tents at the Kenya Technical Trainers College in Nairobi on Tuesday morning said they hoped whoever loses is gracious in defeat and whoever wins is magnanimous in victory.

“I just want to go back to my home, have internet, water and electricity—and sleep peacefully,” said Yvonne Acha Ouma, 28, a compliance attorney with an insurance firm.

Prof. George Wajackoyah, 62, an outsider candidate running on a platform of legalizing marijuana, told reporters that an equipment failure delayed his ability to vote in his home county in western Kenya.

Mr. Wajackoyah’s support among young Kenyans could give him enough votes to force an October runoff between the two leading candidates, polls suggest. To win outright, the leader must receive the majority of votes nationwide and at least 25% of the vote in 24 of Kenya’s 47 counties.

Many Kenyans are concerned about kitchen-table issues such as the high prices of corn meal and gasoline, driven upward in part by Russia’s invasion of Ukraine.

Political Clan Led Sri Lanka to Catastrophe

By PHILIP WEN

HAMBANTOTA, Sri Lanka—By his last days in power, Gotabaya Rajapaksa had been sequestered in his presidential palace for weeks, say those close to him. Cloistered with a small coterie of military advisers on July 9, the president was put on a warship for his protection, barely leaving his cabin for two days as tens of thousands of protesters occupied his residence clamoring for his resignation.

Interviews with ruling party politicians, presidential advisers and government and military officials reveal a picture of an increasingly isolated Mr. Rajapaksa, distrustful of his own military commanders and fearful of his safety in the final throes of his presidency. A former soldier, Mr. Rajapaksa governed in a way that deepened family rivalries and led to decisions that ultimately had catastrophic consequences for Sri Lanka’s economy, say former aides and cabinet members.

He also presided over the unceremonious fall from grace of the powerful Rajapaksa clan that dominated Sri Lanka’s political landscape for decades.

Sri Lanka’s popular uprising has been all the more jarring considering the adulation the family previously enjoyed. Elder brother Mahinda Rajapaksa was president—and Gotabaya Rajapaksa defense secretary—when they ended a decades-long civil war in 2009, winning widespread acclaim among Sri Lanka’s Sinhalese Buddhist majority. But they drew allegations of human-rights abuses against the Tamil ethnic minority from the United Nations.

Mahinda Rajapaksa was once so revered in the family’s hometown political-power base of Hambantota, on Sri Lanka’s southern coast, that images of the mustachioed politician lined town streets and adorned walls of homes.

■ “We brought him into our home,” said Katapoluage Premaratne, a 55-year-old villager nodding to a smudge on his front door where a sticker of Mr. Rajapaksa used to hold pride of place. “We really loved him.”



From left to right: Mahinda Rajapaksa, Gotabaya Rajapaksa and Basil Rajapaksa always sought to project a united front, but rifts widened during Gotabaya Rajapaksa’s presidency and turmoil grew.



Protesters entered former President Gotabaya Rajapaksa’s house days after he fled. Left, a bust of his father was damaged at a museum during violent demonstrations.

peat over the years.

An Army veteran who commanded a battalion during the civil war, younger brother Gotabaya Rajapaksa emigrated to the U.S. after two decades in the military. After a series of tech jobs he returned home as Mahinda Rajapaksa lined up his first presidential run in 2005.

The family’s youngest brother in politics, 71-year-old Basil Rajapaksa, is seen as the strategist of the family, and was Mahinda Rajapaksa’s campaign manager for his successful presidential bids. Basil Rajapaksa didn’t respond to several text requests for comment.

The brothers sought to project a united front and regularly worked out political differences over family meals. But signs of discord were already surfacing amid recriminations over Mahinda Rajapaksa’s loss in the 2015 presidential election, when a disaffected voting public turned away from the Rajapaksas for what they saw as rampant corruption and nepotism—criticisms the Rajapaksa family have denied.

There was internal disagreement about which brother to put forward in 2019 following newly introduced term limits that made it impossible for Mahinda Rajapaksa to run again. About that time, a series of Islamist bomb attacks swung momentum behind Gotabaya Rajapaksa. The former soldier projected himself as the leader who could keep the country’s peace, said a former presidential adviser. The family rallied behind Gotabaya Rajapaksa, who gave up his U.S. citizenship to secure the top office and promised to be guided by the more experienced family patriarch, Mahinda Rajapaksa.

Once in power, Gotabaya Rajapaksa installed Mahinda Rajapaksa as prime minister and Basil Rajapaksa as finance minister. Over time, Gotabaya Rajapaksa began making decisions without consulting ministers or experienced tech-

nocrats as his inner circle shrank, political aides and government members said Mahinda Rajapaksa’s sway over his brother appeared to lessen.

A former energy minister who was expelled from the cabinet in March, meanwhile, pointed to then-Finance Minister Basil Rajapaksa as a rival power center calling many of the shots, in part because lawmakers of the Sri Lanka Podujana Peramuna, the new political party Basil Rajapaksa used to engineer the family’s comeback, were loyal to him.

“Basil was the de facto leader,” said Udaya Gammanpila, who attributed the delay in accepting the gravity of the economic crisis to Basil Rajapaksa. Still, said Mr. Gammanpila, there were times when the president made solitary decisions—and couldn’t be persuaded to change his mind.

Sweeping tax cuts introduced by Gotabaya Rajapaksa decimated government revenue and heaped pressure on Sri Lanka’s ability to service its external debt, which snowballed from infrastructure spending—and borrowing—in previous years. The pandemic also hurt the country’s vital tourism sector, and credit-rating companies marked down Sri Lanka’s sovereign rating. Instead of immediately seeking a financial bailout from the International Monetary Fund, the Rajapaksa government kept drawing down foreign reserves until they could no longer afford to pay for essential imports. The acute shortages would ultimately lose them the public’s support, and their jobs.

Basil Rajapaksa resigned in April. Mahinda Rajapaksa stepped down in May, the month the country defaulted.

Rather than resign immediately on July 9, Gotabaya Rajapaksa sought safe passage out of the country. In the early hours of July 13, he boarded a military aircraft bound for Maldives with his wife and two bodyguards.

After traveling onward to Singapore on a commercial flight the following day, he resigned over email.

It may be too soon to discount the Rajapaksas’ sway on Sri Lanka. With the backing of the Rajapaksas’ majority coalition, the country’s Parliament on July 20 elected as the new president, Ranil Wickremesinghe, who had been appointed prime minister by Gotabaya Rajapaksa after Mahinda Rajapaksa stepped down.

SLPP staff say a Rajapaksa could still lead the ticket for the next presidential election cycle in 2024, possibly Mahinda Rajapaksa’s son Namal.

But any revival of political fortunes would depend on the once all-conquering brothers mending their bridges.

“The gap between Mahinda Rajapaksa and Gotabaya Rajapaksa led to their downfall,” the adviser to Gotabaya said. “Once the castle is down, it’s easy to checkmate the king.”

WORLD WATCH

FRANCE

Team Tries to Save Sick Whale in Seine

An ad-hoc team of wildlife experts, veterinarians and government officials are planning a risky operation to move a sick Beluga whale that has been trapped in the River Seine, with the goal of eventually releasing it at sea.

The team planned on Tuesday evening to extract the whale from the river in a special hammock, and then move it by barge and refrigerated truck to a saltwater basin, where they hope to diagnose the whale’s condition and nurse it back to health, officials said.

—Sam Schechner

ISRAEL

Three Palestinians Killed in Shootout

Israeli troops killed three Palestinian militants and wounded dozens in a shootout that erupted during an arrest raid in the city of Nablus in the occupied West Bank on Tuesday.

The shootout came a day after a cease-fire ended three days of fighting between Israel and the Palestinian Islamic Jihad militant group in the Gaza Strip.

Israeli police said security forces encircled the home of Ibrahim al-Nabulsi, who they say was wanted for a string of shootings in the West Bank earlier this year.

They confirmed that Mr. al-Nabulsi and another Palestinian militant were killed in a shootout at the scene, and that troops found arms and explosives in his home.

The Palestinian Health Ministry said three people were killed—Mr. al-Nabulsi, Islam Sabouh and Hussein Jamal Taha—and at least 40 were wounded.

The armed wing of Palestinian President Mahmoud Abbas’s Fatah party, the Al-Aqsa Martyr’s Brigade, later claimed the three as its members and vowed retaliation.

—Associated Press

JAPAN

Nagasaki Mayor Sees Nuclear Threat

Nagasaki paid tribute to the victims of the U.S. atomic bombing 77 years ago on Aug. 9, with the mayor saying Russia’s war on Ukraine showed the world that another nuclear attack isn’t just a worry but “a tangible and present crisis.”

Mayor Tomihisa Taue, in his speech Tuesday at the Nagasaki Peace Park, said nuclear weapons could be used as long as they exist, and their elimination is the only way to save the future of humankind.

Russia’s invasion of Ukraine and threat of nuclear weapons use came only a month after it and four other nuclear powers pledged in a statement that nuclear war should never be fought, Mr. Taue said.

—Associated Press

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Wednesday, August 10, 2022 | B1

S&P 4122.47 ▼ 0.42% S&PFIN ▲ 0.57% S&PIT ▼ 1.00% DJTRANS ▼ 0.87% WSJ\$IDX ▲ 0.01% 2-YR.TREAS. yield 3.284% NIKKEI (Midday) 27767.07 ▼ 0.83% See more at WSJ.com/Markets

Ford Raises Price of New E-Truck

By NORA ECKERT

Ford Motor Co.'s new all-electric truck is getting a price increase less than four months after it started shipping to dealerships for the first time.

The Dearborn, Mich., auto maker said Tuesday that it plans to reopen the order bank for its new F-150 Lightning truck this week and will raise prices between 7% and 18% for many configurations.

Ford said it is adjusting prices because of higher materials costs and other factors. The new prices will apply only to new orders placed when the order bank reopens Thursday,

the company said.

The cheapest version of the truck will now start at \$46,974. That is about \$7,000 higher than the sub-\$40,000 starting price tag that was originally promoted by Ford executives.

Auto makers more broadly have been raising prices on electric vehicles, looking to offset higher costs for raw materials such as lithium and cobalt that are key inputs for batteries. For instance, General Motors Co. in June tacked on \$6,250 to the price of GMC Hummer electric pickup-truck models, which now range from around \$85,000 to \$105,000, citing an increase in commod-

ity and logistics costs.

Executives are betting that consumer demand will remain strong for these new EV models, even as they increase the sticker price, and point to long waiting lists for some models, including the F-150 Lightning. Ford in December capped reservations for the F-150 Lightning at 200,000 vehicles.

The auto industry is still confronting supply-chain snags that have limited supplies of all vehicles, inflating prices overall for car shoppers. With parts shortages continuing to dent production, car companies don't see consumers getting any price relief this year or even next.

The new price range for 2023 model-year F-150 Lightning will now span \$46,974 to \$96,874 for the most pricey configurations, the company said.

Ford Chief Financial Officer John Lawler said this year that rising commodity costs have wiped out profits on another EV model that is sold by Ford: the Mustang Mach-E. Ford also increased prices on the Mach-E SUV in the first quarter.

Lawmakers are looking to recast the \$7,500 tax credit for electric-vehicle purchases, adding new requirements for models to qualify. Among those new restrictions would

be a price cap that would make electric trucks priced at \$80,000 or higher ineligible for the subsidy.

Auto-industry lobbyists have said the proposed changes would make nearly all EV models on sale now ineligible for the subsidy and future models would have to meet a high bar for North American-sourced battery content.

A Ford spokesman said the proposed revisions to the EV tax credit weren't the driving force behind the price increase.

In July, Ford said it has secured enough battery inputs to build 600,000 electric vehicles globally by late 2023.

Coinbase Reports Steep Quarterly Deficit

By PAUL VIGNA

Coinbase Global Inc. reported a surprisingly large second consecutive quarter of losses, driven by the crypto market's spring meltdown.

Coinbase lost \$1.1 billion, or \$4.98 a share, in the second quarter, the company said Tuesday, compared with a profit of \$1.6 billion, or \$6.42 a share, a year ago. Revenue fell to \$808 million from \$2.2 billion a year ago.

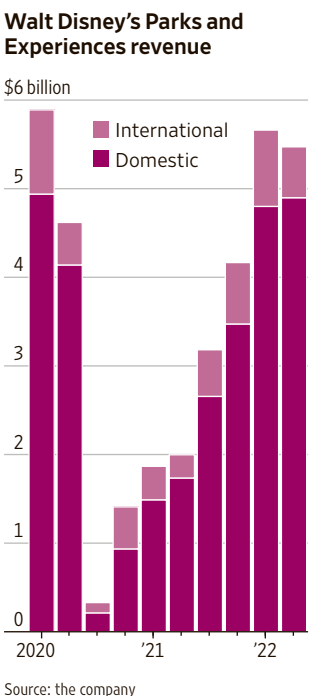
Analysts expected the company to report a loss of \$2.47 a share, according to FactSet. Shares fell 4.7% to \$83.70 in after-hours trading. That is a far cry from the \$381 where the stock opened trading when it went public in April 2021.

Coinbase is the largest U.S.-based crypto exchange and one of the top three in the world by trading volume. It is also one of the few publicly traded companies in the sector, so its earnings provide insights into an otherwise opaque market.

The entire sector has been stung by a selloff that began in November. Firms such as Celsius Network LLC and Voyager Digital Holdings Inc. have filed for bankruptcy protection. More than 20 smaller exchanges have shut down. *Please turn to page B11*



Renewed international travel after the long pandemic hiatus has spurred attendance at theme parks like Disneyland Paris.



Disney's CEO To Offer Outlook On Streaming

By ROBBIE WHELAN

Walt Disney Co. Chief Executive Bob Chapek is expected to address investors publicly this week for the first time since the media company's board renewed his contract through the end of 2024.

The 63-year-old is expected to outline his vision for Disney and face questions during the entertainment company's third-quarter earnings report Wednesday afternoon about how he plans to steer the company's streaming business. Mr. Chapek is also likely to be asked about how Disney will capitalize on increased travel at its theme parks and what type of content the company plans to invest in for various entertainment outlets.

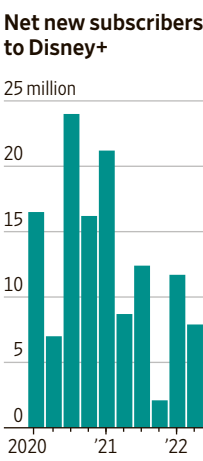
Disney shares have risen about 14% since the board re-

newed Mr. Chapek's contract at the end of June, which removed a cloud of uncertainty hanging over the company. However, Disney's stock price remains down 30% for the year amid a broad pull back in tech and media stocks.

Here are five areas where shareholders will likely be looking for Disney to take action in the near and medium term.

1. Clarify expectations around streaming

In one of his boldest early moves as CEO, Mr. Chapek in late 2020 announced that Disney+, the company's flagship streaming service, would sign up between 230 million and 260 million subscribers by September 2024. He also said the direct-to-consumer business, which includes Hulu and



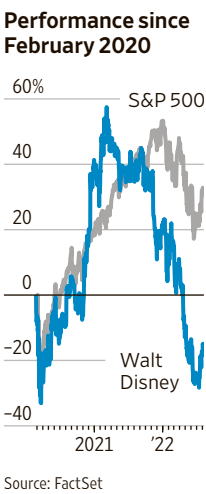
Disney+ series like 'The Mandalorian' created hype for related movies.

ESPN+, would become profitable by then, too.

The goal was viewed by some top executives as overly ambitious at the time, according to people familiar with the matter, and now Disney is staring at a steep path to deliver. Some investors have begun to view streaming as a drag. Disney needs to average more than 10 million new Disney+ subscribers a quarter over the next two years to hit the target. That push hit a speed bump when Disney was outbid in June for the rights to stream Indian Premier League *Please turn to page B2*



Disney Chief Executive Bob Chapek



Musk Sells Tesla Stock Valued at \$7 Billion

By REBECCA ELLIOTT

Elon Musk sold **Tesla Inc.** stock valued at nearly \$7 billion in recent days, regulatory disclosures show, amid uncertainty over the fate of his \$44 billion deal to buy **Twitter Inc.**

Mr. Musk, Tesla's chief executive and largest shareholder, sold around 7.9 million shares between Friday and Tuesday, the disclosures show, leaving him with a 15% stake in the company.

The Tesla boss has been on a selling spree over the past year, during which he has cashed out roughly \$32 billion worth of shares in the electric- *Please turn to page B2*

INSIDE



BUSINESS NEWS
Microsoft asks staff to rein in expenses as it looks for ways to control costs. **B3**



PROPERTY REPORT
Offices are bustling once again in Asian commercial hubs such as Singapore. **B6**

Venture Investors Regain Upper Hand on Startups

By BERBER JIN

For years, venture-capital investors lavished company founders with money and power as startups soared in value. Now, investments are coming with strings attached. The broad rout in technology stocks has caused venture

capitalists to pull back on their spending of recent years. In the new environment, some investment firms have been able to add stringent conditions to funding rounds.

Such terms were rare for startups for much of tech's decadelong bull run as low-interest rates created an easy

money-raising environment for founders and investors who flooded the private market in search of returns. Some money managers have begun to raise new funds targeting what are known as structured deals in recent months, a sign that there is more to come.

Tonal Systems Inc., a de-

veloper of fitness devices, this year reached a funding deal that allows investors to make two times their investment before other shareholders in the event of a sale or bankruptcy, according to a corporate filing in Delaware. The company declined to comment.

Investors are also making

funding conditional on the future performance of companies. In July, investors negotiated a deal to invest in Israeli artificial-intelligence software startup **Ayyeka Inc.** that gave them a right to lower the price of their shares if the company missed certain financial met-

Please turn to page B7

Import Ban on Chinese Region Unsettles U.S. Solar Industry

By PHRED DVORAK AND KATHERINE BLUNT

The U.S. solar industry is confronting fresh disruptions as U.S. officials crack down on human-rights abuses in China's Xinjiang region, which produces almost half the world's supply of a crucial component in solar panels.

Several Chinese solar-panel suppliers, among the world's

largest, have had shipments to the U.S. detained or sent back during the past several weeks as customs agents enforce a new law, industry executives and analysts say.

The extent of the disruption is still hard to gauge: The Uyghur Forced Labor Prevention Act, or UFLPA, went into effect at the end of June, and importers, suppliers and customs agents are still feeling

their way on what it will take to get goods into the country.

Companies must prove that imports weren't produced by forced labor, and the level of documentation required by authorities so far has caught many in the industry off guard, analysts say.

The industry has struggled in the past few years with a series of disruptions, from ris-

Please turn to page B6



A silicon solar cell factory of China's Longi Green Energy

SHAO RU/XINHUA/ZUMA PRESS

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

A	GlobalFoundries.....A2	OZ Minerals.....B12
Activision Blizzard.....B4	Goldman Sachs.....A1	P
Advanced Micro Devices.....A1	H	Paramount Global.....B7
Allbirds.....B6	Home Depot.....B3	Q
Amazon.com.....B7	Hozon Auto.....B2	Qualcomm.....A2
Applovin.....B2	Huawei Technologies..B2	R
Avaya.....A1	I	Ralph Lauren.....B6
Ayyeka.....B1	Intel.....A1	Robinhood.....B3
B	IronSource.....B2	Roblox.....B4,B11
BHP.....B12	J	Rocket Lab.....B12
Blue Nile.....B6	JPMorgan Chase.....A1	S
Brookfield Asset Management.....B7	K	Sequoia Capital.....B2
BuzzFeed.....B7	KKR.....B2	Seres.....B2
BYD.....B2	Klarna Bank.....B7	Signet Jewelers.....B6
C	L	Silver Lake Management.....B2
Capri.....B6	Leap Motor.....B2	Spotify.....B7
Carnival.....B11	M	Synaptics.....A2
Celsius Network.....B1	Menlo Ventures.....B7	T
Coatue Management...B7	Meta Platforms.....B3	Take-Two Interactive Software.....B4
Coinbase Global...B1,B11	Micron Technology.....A1,B4,B11	Tesla.....B1,B2
Comcast.....B7	Microsoft.....B3,B4	Tonal Systems.....B1
E	N	U
Electronic Arts.....B4	Netflix.....B3	Unity Software.....B2
Elevance Health.....B3	Nielsen.....B7	V
Elliott Management...B7	Norwegian Cruise Line.....B11	Voyager Digital.....B1
EPizza.....B3	Nvidia.....A1	W
Equifax.....A12	O	Walmart.....B7
F	Oracle.....B3	Walt Disney.....B1,B7
Ford Motor.....B1		Wynn Resorts.....B11
G		

INDEX TO PEOPLE

B	Hurlston, Michael.....A2	Nielsen, Jane.....B6
Baszucki, David.....B4	I	R
Beveridge, Tito.....B6	Idol, John.....B6	Riccitiello, John.....B2
C	K	S
Caulfield, Tom.....A2	Khorsand, Hamed.....A6	Sawhney, Kunal.....B12
Chapek, Bob.....B1	Krosby, Quincy.....B11	Shah, Aniket.....B11
Creutz, Doug.....B2	L	Shen, Philip.....B6
D	Lawler, John.....B1	Shreve, Dan.....B12
Drapac, Sebastian.....B6	Louvet, Patrice.....B6	Swinburne, Benjamin.....B2
Drosos, Virginia.....B6	M	T
F	Manhard, Enrique.....B6	Tice, Paul.....B11
Foroughi, Adam.....B2	Masarek, Alan.....A6	W
G	Mills, Jon.....B12	Wilson, Andrew.....B4
Gates, Bill.....B6	Murphy, Mark.....A1,B12	Y
H	Murphy, Matt.....B7	Yang, Jing.....B2
Handler, Eric.....B4	Musk, Elon.....B1,B12	Z
Heitzmann, Rick.....B7	N	Zelnick, Strauss.....B4
Hood, Amy.....B3	Nadella, Satya.....B3	

BUSINESS & FINANCE

App-Tool Companies Eye Merger

By SARAH E. NEEDLEMAN AND CONNOR HART

AppLovin Corp. proposed an unsolicited merger with Unity Software Inc., a pact that would unite two large providers of tools for mobile-game developers.

The deal would value Unity at \$58.85 a share, AppLovin said. That price equates to \$17.5 billion based on the number of shares outstanding, as reported by FactSet. AppLovin said the deal gives Unity an enterprise value of \$20 billion.

Under AppLovin's proposal, Unity shareholders would control 55% of the combined company and appoint a majority of the board but have only 49% of voting rights, according to the deal terms. The company would be led by Unity Chief Executive John Riccitiello, while AppLovin CEO Adam Foroughi would be chief operating officer.

A spokesman from Unity confirmed that the company received AppLovin's offer and said its board will thoroughly evaluate it. Mr. Riccitiello started Unity's quarterly earnings call Tuesday by acknowledging the offer and saying the company wouldn't make any further comments at this time.

AppLovin makes tools for app developers to improve marketing and revenue generation.

Unity operates a platform for developing mobile, console and computer videogames as well as other interactive software applications. Together, they essentially would provide a one-stop shop of tools and resources for mobile-game and other app developers.

The proposed merger calls for Unity to terminate its planned acquisition of AppLovin competitor ironSource Ltd. for \$4.4 billion, a deal that was agreed upon last month. IronSource runs a platform for publishing and scaling mobile games and other apps.

The all-stock deal would exchange each share outstanding of Unity common stock for 1.152 of AppLovin Class A voting stock and 0.314 of its Class C nonvoting stock.

AppLovin said the proposed deal has the unanimous support of its board of directors.

The two companies have some prominent backers. KKR & Co. has about 20% of AppLovin's stock, while Sequoia Capital and Silver Lake Management Co. combined own roughly 25% of Unity's shares outstanding, according to FactSet.

Shares of AppLovin fell about 10% to \$36.01 on Tuesday, while Unity shares edged up about 1% to \$50.35.

The solicitation comes when the digital advertising market has sharply declined, stinging mobile-game makers that rely more on ad sales than in-game sales of virtual goods.

Shares of Unity are down about 65% this year, while shares of AppLovin are down roughly 62%.

Tesla Faces a Crowded Field in China

By RAFFAELE HUANG

SINGAPORE—China's home-grown new-energy vehicle makers are booming as demand surges, with sales now forecast to hit a record six million this year in the world's largest auto market.

Warren Buffett-backed BYD Co., which has emerged as a formidable rival to Tesla Inc., more than tripled its sales of passenger cars in July to more than 162,000 vehicles from a year earlier, the China Passenger Car Association said Tuesday. BYD's own data shows about half of those were pure electric and the rest hybrids.

Sales at Tesla's China unit fell 14% last month from a year ago to just over 28,000 cars, the association said. Nearly 20,000 of the Shanghai-made vehicles Tesla sold were exported to markets outside China, the group said. Tesla

New-energy cars as a share of total Chinese passenger car sales

Source: China Passenger Car Association

Chinese startups are emerging, with some clocking record sales last month. Hozon Auto, Leap Motor and Seres Group Co., which codevelops EVs with Huawei Technologies Co., each sold over 10,000 cars in July, the companies said. BYD, Hozon and Leap all have models available for prices starting at around a third of Tesla's cheapest vehicle.

Demand for lower-priced electric cars is growing in China's lower-tier cities, which helps sales of local brands, said Jing Yang, auto analyst at Fitch Ratings. The competitiveness of brands will eventually be determined by the prices and intelligent features of models as well as their understanding of local drivers, she said.

Overall Chinese sales of new-energy cars, which include electric and plug-in hybrids, surged 117% in July from a year ago to 486,000 vehicles, the car association said. It raised its sales forecast for the segment this year to six million vehicles from 5.5 million cars. That would double last year's sales, when China accounted for more than half of sales globally.

China's leaders have been rolling out incentives for car buyers to boost sales as the government looks to the auto industry to help revive China's slowing economy. Electric-car sales are proving robust as global fuel prices remain high and consumers take advantage of government subsidies.

Beijing's efforts are spurring a bounce back from a contraction in the industry from March to May when auto-supply chains and production were largely disrupted by measures to contain Omicron outbreaks, with some factories closed.

China's lower-tier cities, which helps sales of local brands, said Jing Yang, auto analyst at Fitch Ratings. The competitiveness of brands will eventually be determined by the prices and intelligent features of models as well as their understanding of local drivers, she said.

Overall Chinese sales of new-energy cars, which include electric and plug-in hybrids, surged 117% in July from



The Festival of Fantasy parade at the Walt Disney World Magic Kingdom theme park in Orlando, Fla., in July.

Disney To Report Earnings

Continued from page B1

cricket matches, by far the most popular sporting event in India, a country where more than a third of the total 1377 million Disney+ subscribers live.

“I haven’t seen anything to make me believe that they’re going to get to that number,” said Doug Creutz, an analyst with Cowen & Co. “Disney is still trying to prove this thesis that they can scale the business the way Netflix has scaled theirs without having nearly the breadth of content that Netflix has.”

Streaming consumers are becoming more fickle, to boot. The average U.S. churn rate, or the percentage of subscribers in a given month who cancel their accounts, for Disney+ rose by nearly a percentage point, from 3.1% to 4% in the second quarter from a year earlier, according to research

published this week by consumer-data analytics firm Antenna. Rival streamers, including Netflix, have seen subscriber growth slow or reverse in recent quarters.

Some analysts are expecting Disney on Wednesday to revise its subscription target downward.

2. Get the theme parks ready for a recession

Disneyland, Walt Disney World and the company's four additional resorts in Europe and Asia, have been going gangbusters, in part strengthened by international travel that resumed after a long pandemic hiatus. In the first quarter, the parks and experiences division produced record revenue an operating income in the U.S.

The company has touted its new reservations system and the new Genie+ app, which allows visitors to avoid lines and allows the company to better manage labor costs and offer promotions—as big parts of that success. A question may be how Mr. Chapek can keep the momentum going amid a possible recession.

3. Recharge the movie pipeline

Disney's most profitable

movie franchises are in a bit of a funk. The last “Star Wars” title came out in late 2019, and Disney doesn't have a new film from the franchise near completion. Marvel Studios, the superhero franchise that has earned more than \$26 billion at the box office, has seen lower ticket sales recently.

Marvel recently announced more than a dozen new superhero films and shows, but there are signs the public may be growing weary of caped crime fighters and supervillains. The polling company Morning Consult reported last week that the share of U.S. adults who enjoy superhero movies fell to 59% in July from 64% in November. Popular Disney+ series like “The Mandalorian” and “WandaVision” helped create hype for related movie titles, but analysts say there is a danger of leaving box-office receipts on the table if the company focuses too much on streaming. Between now and late 2023, when the next “Star Wars” feature film is expected to debut, Disney+ has signaled it will release at least six seasons of “Star Wars”-themed streaming series.

Mr. Chapek has to reassure

investors and fans that there are exciting and profitable things coming to the box office from these franchises and line up major talents to produce them, said Morgan Stanley analyst Benjamin Swinburne.

4. Mend fences with employees, fans and politicians

Mr. Chapek's year thus far has been marred by a series of public-relations missteps that have exposed tensions between Disney's leadership and employees, fans and lawmakers, particularly surrounding the company's stance on social issues.

The Disney CEO has been working on rebuilding his relationships after a high-profile dust-up this year with the governor of Florida, Ron DeSantis, which culminated in the departure of his top communications official after less than four months on the job.

5. To buy the rest of Hulu, or not to buy it

Disney's biggest growth engine for streaming subscriptions is Hulu, but the service is one-third owned by Comcast Corp.'s NBCUniversal.

In 2019, when Disney closed its \$72 billion deal to buy a

huge basket of assets from 21st Century Fox, then-CEO Robert Iger struck a deal giving Disney the option to eventually buy the rest of Hulu at fair market value, with a floor price of \$5.8 billion for Comcast's stake.

The popularity of shows like “The Kardashians,” “Pam & Tommy” and “The Dropout” might make a buyout pricier, analysts say.

Owning 100% of Hulu would allow Disney to integrate the service into its suite of streaming offerings by making it a tile on the Disney+ app, rather than its own stand-alone app, and help reduce subscriber churn, said Mr. Swinburne.

Musk Sells Shares

Continued from page B1

vehicle maker. That includes around \$8.5 billion of sales in April, while Mr. Musk was lining up financing to take over Twitter. At the time, he tweeted: “No further TSLA sales planned after today.”

Neither Tesla nor Mr. Musk responded to a request for comment.

Mr. Musk has since tried to walk away from buying Twitter, which is suing him to enforce the takeover. The case is headed to court in October.

Asked on Twitter if he was done selling shares, Mr. Musk

\$32B

How much in Tesla shares Elon Musk has sold

tweeted, “Yes.” He also said in April that he wasn't planning additional sales.

On Tuesday, he added: “In the (hopefully unlikely) event that Twitter forces this deal to close and some equity partners don't come through, it is important to avoid an emergency sale of Tesla stock.”

If the Twitter deal doesn't close, Mr. Musk would buy Tesla stock again, he said. He also suggested he might set up his own social-media platform—X.com—if the deal falls through. He said before agreeing to buy Twitter that he was “giving serious thought” to such an endeavor. .

Mr. Musk, whose net worth totals around \$250 billion, according to the Bloomberg Billionaires Index, is compensated in stock awards and doesn't accept a salary from Tesla.

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BUSINESS NEWS

Microsoft Asks Staff to Curb Expenses

By Aaron Tilley
And Sarah Krouse

Microsoft Corp. is asking teams across the company to rein in some employee expenses as the software giant tries to control costs in the current economic environment. Managers at the Redmond, Wash., company have told staff of various cutbacks to the company's budget, said people familiar with its plans. Some spending on business travel, outside training and company gatherings is being targeted, the people said.

At a recent picnic for one Microsoft team, managers paid for their employees' food and drinks instead of billing the company, one of the people said. In the past, the company has typically covered such expenses, the person said. A Microsoft spokeswoman pointed to Chief Financial Officer Amy Hood's comments after the fourth-quarter results last month saying the company will continue to invest in growth "while maintaining intense focus on operational excellence and execution discipline."

Microsoft has been looking for other ways of controlling costs. It has frozen hiring in some parts of the company and said last month that it plans layoffs of less than 1% of its workforce of about 181,000 employees. As part of that effort, Microsoft this week laid off some employees in its Modern Life Experiences group, which helps develop software products for consumers, said a person familiar with the matter. Last month, Ms. Hood told employees in a company meeting to keep an eye on expenses

and think twice before submitting them, people familiar with the meeting said. Companies across the tech sector have been trying to control costs to adapt to high inflation, economic-growth concerns and a slowdown in advertising spending. Last week, Oracle Corp. began laying off hundreds of employees and Robinhood Markets Inc. said it was slashing about 23% of its full-time staff. In June, Netflix Inc. said it was laying off about 300 employees, following layoffs of 150 people in the previous month.

Microsoft reported its slowest growth in sales in nearly two years last quarter, with revenue up 12% at \$51.9 billion. The company was hurt by a slowdown in its cloud business, declining videogame sales and the effects of a strong dollar. Chief Executive Satya Nadella said on an earnings call that the company wasn't immune to the current economic turmoil, but added "IT spend is going to increase because every business is trying to fortify itself with digital tech to in some sense navi-

gate this macro environment." Helped by strong demand for its software and cloud-computing services, Microsoft shares have done relatively well. Its stock has fallen less than 3% over the past 12 months, while the tech-heavy Nasdaq Composite Index slid around 15%. Many of the top tech companies that depend more on advertising revenues have done worse. Facebook parent Meta Platforms Inc., for example, is down more than 50% over the same period.

Blue Cross's Antitrust Settlement Approved

By Anna Wilde Mathews

A federal judge approved Blue Cross Blue Shield companies' settlement of a sweeping antitrust suit filed on behalf of their customers, with the insurers agreeing to pay \$2.67 billion and change certain practices that allegedly limited competition. The approval Tuesday by U.S. District Judge R. David Proctor, whose Alabama court handled the litigation, means the settlement is set to start going into effect after 30 days. It could be delayed if an employer or policyholder appeals the judge's approval. Employers or policyholders can only appeal if they objected to the settlement when it was under review by the judge, and only a few companies did so. Among them was Home Depot Inc., which argued the settlement doesn't go far enough in boosting competition among the Blue insurers. Home Depot declined to comment. There are 34 companies that own Blue Cross Blue Shield health plans; many operate as nonprofits. Together, the Blue insurers cover more than 100 million Americans. Elevance Health Inc.'s An-

them, the largest of the Blue owners, has estimated its share of the settlement at \$594 million in total. A group of employers and individual policyholders with Blue Cross Blue Shield coverage brought the antitrust claims as a proposed class action in 2012. The suit attacked a setup under which companies typically hold exclusive rights to the Blue Cross and Blue Shield names within a certain territory. The suit alleged the companies acted like a cartel, illegally conspiring to avoid competing, driving up prices. Under the settlement, Blue insurers would drop a Blue Cross Blue Shield Association rule that limits the share of each company's total national revenue that can come from business that isn't under Blue brands. The settlement stops short of unwinding the Blues' licensing setup that grants exclusive geographic branding rights to companies. A spokeswoman for the Blue Cross Blue Shield Association said it was pleased with the approval. The Blue insurers face a second, parallel antitrust suit filed on behalf of doctors, hospitals and other healthcare providers.

Domino's Last Italian Stores Close

By Joseph De Avila

The last Domino's Pizza Inc. franchises in Italy have closed after the American brand failed to break through in the birthplace of pizza. ePizza SpA, the Milan-based company that held the master franchise rights to operate the Domino's brand in Italy, said increasing competition hurt its stores, according to documents filed in April in Italian bankruptcy court. Locally run restaurants and pizzerias began using food-delivery services, eating into the revenue of the Domino's franchises, according to the documents. The pandemic also hobbled ePizza, according to the bankruptcy documents. "The Covid-19 pandemic and subsequent and prolonged restrictions from a financial point of view have seriously damaged ePizza," the company said in the documents. Domino's, which is facing increasing competition in the U.S., and ePizza didn't respond to requests to comment Tuesday. The chain had ambitious plans to expand across Italy when its first franchise opened in Milan in 2015. ePizza said in 2020 that it planned to open 880 locations by 2030. But Italy never be-



The chain failed to win over Italians. A closed-down Domino's Pizza store in Rome on Tuesday.

came a major part of Domino's international business. ePizza directly managed 23 stores in Italy as of 2020, while an additional six locations were run through sub-franchising, according to the bankruptcy documents. The last of the stores are now closed, according to the Italian Domino's website. Domino's biggest European markets are the U.K., with 1,169 stores, and France, with

457, as of January 2022, according to the company's most recent annual report. Its largest international market is India, with 1,495 locations. Former Domino's Chief Executive Patrick Doyle, who ran its international business from 1999 to 2004, told investors in 2016 he would roll his eyes when the topic of expanding into Italy came up within the company. But the pizza chain eventu-

ally determined that if it was going to be a "big, bold pizza company," they had to bring their business to Italy, he said. Mr. Doyle also said at the time he understood that trying to launch the business in the pizza capital of the world came with a risk. "We're also going in there with humility, right? We know, this is Domino's launching in Italy," Mr. Doyle said.



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2022 - 2023

Videogame Buyers Hit Pause

Sales growth slows as stay-home habits change; number of big-hit releases drops

By Sarah E. Needleman

The videogame industry is seeing a sharp slowdown in sales as people are going out again after a pandemic-fueled spurt of spending on game software, hardware and accessories.

Industry executives and analysts say the easing of the health crisis is a leading factor. They also pointed to rising prices for essential goods, the war in Ukraine and a dearth of new blockbusters as other causes for the deceleration.

Activision Blizzard Inc.—which is in the process of being acquired by Microsoft Corp. for around \$75 billion—said last week that its sales and net income fell in the quarter ended June 30, while Electronic Arts Inc. and Take-Two Interactive Software Inc. each reported slower revenue growth compared with a year ago.

“The new normal is better than pre-pandemic, but it’s also softer than we would’ve liked,” Take-Two Chief Executive Strauss Zelnick said in an interview on Monday. “It’s a slower year.”

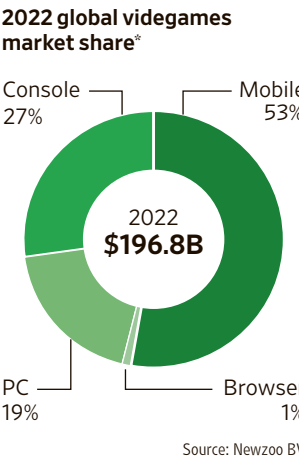
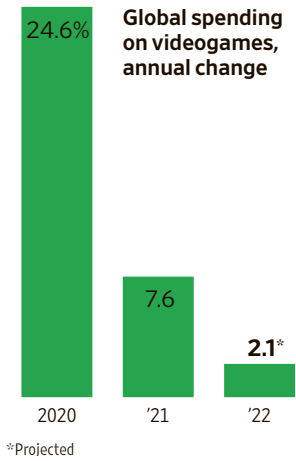
In addition to economic factors such as inflation, Mr. Zelnick cited his company’s recent retreat from Russia for what he described as “good but not fantastic” June quarter results. “That business is now gone,” he said, adding that Take-Two’s newest acquisition, mobile game developer Zynga Inc., had a significant business in Russia.

Console makers Microsoft and Sony Group Corp. said their videogaming revenue declined in the three months through June. Nintendo Co. reported a drop in net sales and operating profit for the quarter.

Roblox Corp. said Tuesday it also experienced a slowdown last quarter, with reve-



Activision Blizzard is among the game makers posting a fall in sales. A team in its gaming league.



nue growth decelerating to 30%, down from 39% growth in the previous quarter and 80% growth the quarter before that. Its shares fell more than 10% in after-hours trading.

Still, Roblox Chief Executive David Baszucki told The Wall Street Journal he was pleased with the results and optimistic about the future, as the company estimates its July bookings were up 8% to 10% from a year earlier after having been flat to negative every other month this year.

Game companies are facing a tough comparison with a year ago, now that people are traveling, going to concerts and engaging in other activities they

couldn’t do during the pandemic, said KeyBanc analyst Tyler Parker. “There’s been a big shift toward more experiential spending,” he said.

Overall, U.S. videogame-industry sales fell 13% in the second quarter to \$12.35 billion from a year earlier, after falling 8% in the first quarter, according to NPD Group and Sensor Tower. For the full year, the market-research firms expect sales to decline 8.7% to \$55.5 billion, the first annual decline since 2016.

“We’re confident in our core franchises,” Electronic Arts CEO Andrew Wilson said on a call with analysts last week. “But we are seeing kind of a

macro slowdown.”

Globally, consumer spending on videogame software is expected to grow 2.1% this year, down from 7.6% in 2021 and 24.6% in 2020, according to estimates from Newzoo BV.

The number of people who play videogames worldwide is expected to grow 4.6% this year to reach 3.2 billion, the game-industry tracker said.

The industry has also been hurt by a recent lull in the number of hit games.

“There are not a lot of big new releases right now to juice numbers,” said MKM Partners analyst Eric Handler. “When you’re in a creative business like this, there’s always going to be some ebbs and flows.”

The most recent Call of Duty and Battlefield games, launched last holiday season by Activision and Electronic Arts, respectively, didn’t resonate with players as well as past installments, the companies said. Take-Two didn’t put out a major new game in late 2021 as it had in previous years.

Still, Mr. Handler is optimistic now that more people are playing videogames than before the pandemic and a more robust slate of new releases is coming. “I expect next year we’ll see revenue accelerate,” Mr. Handler said.

Micron Warns of Weaker Demand, Lower Revenue

By Dean Seal

Micron Technology Inc. said revenue could slide lower than previously expected in the current quarter as demand for computer memory chips continues to weaken.

The company said in a regulatory filing Tuesday that expectations for industry bit-demand growth for dynamic random-access memory chips and NAND flash memory chips have softened since it last provided guidance. It expects challenging conditions for the next two quarters.

Micron shares fell 3.7% to \$59.15 on Tuesday.

Revenue in the current quarter is expected to come in at or below the low end of Micron’s prior forecast between \$6.8 billion and \$7.6 billion. Analysts surveyed by FactSet had been expecting \$7.28 billion.

In the next quarter, it expects bit shipments to decline sequentially, which would bring a significant revenue shortfall, hurt margins and send free cash flow into the red.

The company is pulling back on some spending plans to address the current envi-

ronment, saying that total capital expenditures will now be meaningfully down in fiscal 2023 compared with the prior year.

The disclosure comes a day after chip maker Nvidia Corp. warned that sales in its most recent quarter would come in below expectations. Advanced Micro Devices Inc. last week also said that sales of graphics chips favored by PC gamers fell in the latest quarter.

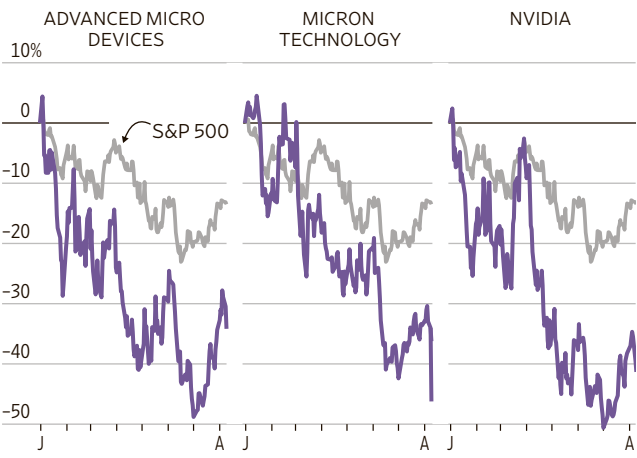
Advanced Micro Devices shares slipped 4.5% Tuesday, while Nvidia shares slid 4%.

The declines also followed Micron’s early-morning announcement the company intends to invest \$40 billion through the end of this decade in expanding its domestic manufacturing capabilities.

That is in part due to anticipated grants and credits available under the recently passed Chips and Science Act, which aims to boost domestic chip production. Micron said it expects production to increase in the second half of the decade.

◆ **Heard on the Street:** Micron rains on U.S. chip parade ... B12

Share price and index performance, year to date



Source: FactSet

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NOTICE IS HEREBY GIVEN that on **Tuesday, August 30, 2022, at 10:00 A.M. (PDT)** (the “Auction Date”), Sabag Holdings, LLC (the “Secured Party”) intends to sell at a public sale auction (the “Auction”) the Collateral (defined below) to the highest Qualified Bidder (defined in the Terms of Sale, but including the requirement that any such Qualified Bidder must be either a “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act of 1933, as amended or “accredited investor” in reliance on Rule 506(c) under the Securities Act (“Rule 506(c)”), in a public auction (the “Auction”) in accordance with Section 9.610 of the Uniform Commercial Code as enacted in the State of California (“UCC”).

The Collateral is to be sold in two (2) Lots which Lots will not be further divided or sold in any lesser amounts. The Collateral consists of all right, title and interest of SoCal Building Ventures, LLC, a Delaware limited liability company (“Debtor”), in and to the following Shares and Membership Units (collectively, the “Collateral”):

(i) LOT 1 - 5,000 shares of stock in aggregate represented by Share Certificate numbers, 4, 5, 6, 7 and 8, each reflecting 1,000 shares, in and to Valley Collective Care, Inc., a California corporation (collectively, the “Shares”), which interest is purported to constitute fifty percent (50%) of the total outstanding share in Valley Collective Care, Inc.; and

(ii) LOT 2 - 500 membership units in aggregate represented by Membership Certificate numbers, 1, 2, 3, 4 and 6, each reflecting 100 membership units, in and to Satcoy Property Management, LLC, a California limited liability company (collectively, the “Membership Units”), which interest is purported to constitute fifty percent (50%) of the total outstanding membership interests in Satcoy Property Management, LLC.

Secured Party’s interest in the Collateral is set forth pursuant to the terms of that (x) certain Security Agreement, dated as of March 6, 2020 (the “Security Agreement 1”), entered into by and among Debtor and Secured Party, to secure the amounts due pursuant to certain Secured Promissory Note in the original principal amount of Five Million Dollars (\$5,000,000) dated December 31, 2019, as amended from time to time (the “\$5M Note”), and (y) certain Security Agreement, dated as of March 6, 2020 (the “Security Agreement 2”), entered into by and among Debtor and Secured Party, to secure the amounts due pursuant to certain Secured Promissory Note in the original principal amount of Two Million Dollars (\$2,000,000) dated April 1, 2019, as amended from time to time (the “\$2M Note”) (the “\$5M Note” and the “\$2M Note” each individually a “Secured Note” and collectively the “Secured Notes” and collectively with Security Agreement 1 and Security Agreement 2, each individually a “Security Agreement” and collectively the “Security Agreements”), the “Loan Documents” as each individually or collectively amended, modified or supplemented from time to time).

In light of local, state and/or federal COVID-19 related laws, rules and/or regulations that may be in effect at the time of the Auction, the Auction will be held by video and tele-conference (the site of which shall be referred to as the “Virtual Auction Site”) the details of which shall be available at the website of Braun International as follows:

<https://www.braunco.com/world/worldbid-auctions-business-asset-services/>

The Auction will be conducted at the Virtual Auction Site only. The Auction will be conducted by Braun International together with GT Securities (broker dealer license number CRD#: 116012/SEC#: 8-53527 (collectively, “Auctioneer”), acting solely in its capacity as auctioneer, on behalf of the Secured Party. Secured Party reserves the right to postpone, continue or cancel the Auction in its sole discretion.

Only Qualified Bidders as set forth in the Qualified Bidder Requirements which can be found at the Virtual Auction Site, will be permitted to participate in the Auction. In advance of the Auction, Qualified Bidders only will be provided a participant access code by the Auctioneer for participation and bidding at the Virtual Auction Site.

The Secured Party reserves the right to (a) remove one or both Lots from the sale, (b) terminate the sale in whole or in part, or to adjourn the sale to such other date and time as the Secured Party may deem proper, by announcement (c) prior to the Auction Date, (d) on the Auction Date (but prior to the start of the bidding at the Auction) on the Virtual Auction Site, or (e) at any subsequent adjournment of the Auction (at such adjourned date and location of the Auction), without further publication, (c) waive any formalities or irregularities in any bid, (d) negotiate, re-offer or not sell one or both Lots of the Collateral, (e) reopen bids, (f) settle disputes between bidders and/or (g) resolve all other sale matters in its sole discretion.

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THE PROPERTY REPORT

Sunbelt Land Rush Boosts Prices

Investors snap up lots near Miami, Phoenix, Austin—and sit back to see if value rises

By KONRAD PUTZIER

Fast-growing Sunbelt cities are experiencing a land rush, sending investors, moguls and professional athletes racing to buy empty lots while lifting land values to new heights. Billionaire distiller Tito Beveridge and championship golfer Phil Mickelson are among those fueling the land boom. They and other wealthy investors are descending on cities such as Miami, Phoenix and Austin, Texas, where demand for land to build homes and warehouses is soaring and the number of vacant sites is running low.

Sales of land last year rose faster than any other major type of commercial real estate across the U.S., according to the National Association of Realtors. In the Sunbelt, the quarterly number of undeveloped land sales more than doubled over the past three years, according to data from CoStar Group's Land.com, a land-listing website. Inflation is accelerating the trend because land is considered a hedge against rising prices, brokers and investors say. The average sales price for land more than doubled to \$18,083 per acre in the second quarter compared with two years ago, according to Land.com.

Land speculation is much riskier than most commercial real-estate investments. Prices are volatile, and values can fall hard if home builders or developers sour on an area or pull back during periods of slower economic growth. "You need to have a lot of guts," said Sebastian Drapac, chief operating officer of property investment firm Drapac Capital Partners.

But in recent years, land prices in many Sunbelt cities have been rising much faster than other types of real estate,



Entities tied to Tito Beveridge, the founder of Tito's Handmade Vodka, have acquired about 13,000 acres near Austin since 2020.

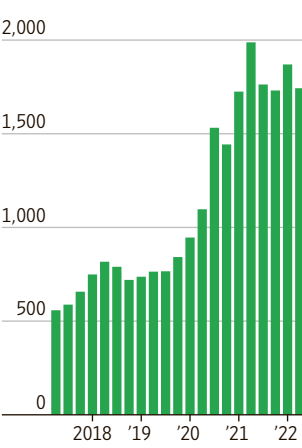
brokers say. Favorable state tax treatment helps make the investment even more profitable.

Entities tied to Mr. Beveridge, founder of Tito's Handmade Vodka, have acquired about 13,000 acres of land near Austin since 2020, according to property and corporate records, and people familiar with the matter. That is approaching the size of Manhattan.

A group of investors including Mr. Mickelson, his business manager Steve Loy and Arizona-based developer Spike Lawrence recently bought a sprawling site south of Phoenix. An entity tied to Microsoft Corp. co-founder Bill Gates owns a major stake in approximately 25,000 acres of land nearby, according to a person familiar with the matter.

Land investors can play a useful role in the real-estate market. They often buy sites that aren't ready for development, add roads or plumbing, and apply to rezone properties. Sometimes they act more like speculators, betting that land prices will keep rising even if they make no improvements.

Number of sales of undeveloped land in Sunbelt states, quarterly



Source: Land.com, a CoStar Group company

Uruguayan fashion mogul Enrique Manhard, who made a fortune with a chain of clothing stores, and his partners have bought 27 lots in Miami since 2017, property records show. He has often been able to beat out developers for the sites because he doesn't have to wait for zoning approvals or construction financing, so he can offer a

much faster closing, said land broker Estrella Perez, who has worked on many of his deals.

Once Mr. Manhard buys a lot, he usually keeps it mostly unchanged and waits for prices to rise, Ms. Perez said. That involves rejecting a lot of bids from developers. "I have people calling me left and right, but they don't want to sell right now," she said.

Real-estate professionals and housing advocates are often critical of this buy-and-hold practice, saying it makes it harder for developers to find land to build on in cities short of housing.

Mr. Manhard didn't respond to requests for comment.

Landowners can afford to be patient because property taxes for vacant lots are typically far lower than for buildings. Suburban landowners can get their tax bills even lower by keeping animals on their property, declaring it agricultural land and collecting tax breaks for farmers and ranchers.

Tax assessors most recently valued Mr. Beveridge's Austin-area landholdings, which sit at

the edge of one of the country's hottest housing markets, at more than \$220 million, according to public property records. But because much of it is listed as ranchland, appraisers put the taxable value at \$6.4 million, public records show. At one lot valued at \$38.4 million, the most recent annual estimated tax bill was \$2,951, property records show. Without the agricultural tax break, the estimated bill would have been \$726,267, according to the Bastrop Central Appraisal District's 2022 Notice of Appraised Value.

Mr. Beveridge and his representatives didn't respond to requests for comment.

Land investors in this boom have enjoyed some very profitable flips. In December 2021, Drapac Capital Partners sold a lot in Midtown Atlanta for \$19 million. It paid \$4.7 million for the land four years earlier.

Some landowners now worry that high interest rates and steep construction costs could start weighing on land values.

But many land buyers remain bullish. "It's paying off now," Mr. Drapac said.

Lauren, Kors Buck Shift on Spending

By SUZANNE KAPNER

Consumers are still splurging on Ralph Lauren polos and Jimmy Choo shoes, helping those brands buck the inventory troubles and spending shifts that have tripped up other retailers this year.

Ralph Lauren Corp. said Tuesday that revenue rose 8% in its first quarter and is on track to rise about 11% for its fiscal second quarter. Capri Holdings Ltd., which owns Versace and Jimmy Choo as well as Michael Kors, said quarterly revenue rose 8.5%, despite declines in China, a key market.

Two other retailers, sneaker brand Allbirds Inc. and mall chain Signet Jewelers Ltd., warned that high inflation was pinching U.S. consumers. Shares of Allbirds fell more than 19%, and Signet dropped 12% after the two companies lowered financial targets for the year.

Ralph Lauren Chief Executive Patrice Louvet said the brand isn't immune to the broader macro headwinds buffeting other retailers, but it has been successful at attracting younger shoppers, who are willing to pay full price for its goods.

The company called out a disparity between customers who continue to spend at its full-priced stores and those who frequent its outlet stores, saying it has become more cautious on value-oriented outlet shoppers. "This speaks to the inflationary headwinds and weaker consumer sentiment out there," Jane Nielsen, Ralph Lauren's finance chief, said on a conference call.

Capri CEO John Idol said there is uncertainty surrounding consumer spending, but that the luxury end of the market remains healthy. "We think that is going to continue for the foreseeable future," he said.

Other luxury brands have recorded robust sales this year, while department stores and discounters that cater to wider households have stumbled as inflation eats away at budgets and people shift their spending away from apparel. Both Ralph Lauren and Capri had a surge in inventory levels in the latest quarter as they moved to import goods ahead of the holidays.

Allbirds lowered its revenue and profit forecasts for the year. The company, which gets most of its sales online, said it expected pressure on U.S. shoppers to continue into the second half of the year. Allbirds said it was reducing its corporate workforce by about 8%, or about two dozen jobs, and slowing its hiring.

Signet, which operates more than 2,800 stores under the Zales, Kay and other banners, lowered its forecasts for the fiscal second quarter and full year. The company also said it was buying e-commerce jeweler Blue Nile Inc. for about \$360 million to expand its online operations.

"We saw sales soften in July as our customers have been increasingly impacted by rapid inflation," Signet CEO Virginia C. Drosos said. Signet said it now expects revenue for the year ended in January of \$7.6 billion to \$7.7 billion, down from a prior range of \$8.03 billion to \$8.25 billion.

Offices Bustle Again in Hong Kong, Singapore

While many major U.S. cities are still struggling to lure employees back to their desks,

By Ben Richardson in Hong Kong, Kosaku Narioka in Singapore and Megumi Fujikawa in Tokyo

workers are filling up office floors again in Asian commercial hubs such as Hong Kong and Singapore.

Hong Kong's small apartments, often housing multiple generations, and efficient transport help drive the office revival, said Simon Smith, senior research director at real-estate company Savills. Offices also provide free air conditioning during the steamy summer months, snacks and after-hours entertainment nearby.

The situation is similar in Singapore, which loosened Covid-19-related restrictions in April and stopped requiring people to show proof of vacci-

nation when entering office space. That allowed businesses to bring more workers back to the office, and many were happy to go because commute times on reliable public transport are usually less than an hour in the compact city-state.

Citywide figures for Singapore aren't available, but about 70% of workers have returned to the office at city-center building One Raffles Quay, according to an estimate by ARA Trust Management (Suntec) Ltd., the manager of a real-estate investment trust that partially owns the property.

Office rents in Singapore's central region rose 2.4% in the second quarter from the previous quarter, according to government data.

"There is an increase in business confidence and occupiers are looking to lock in rents given that the office-rental up-cycle has taken hold," said Lam Chern Woon, head of research and consulting at Edmund Tie,



Singapore loosened Covid-19-related restrictions in April. The central business district that month.

a Singapore-based real-estate consulting firm.

In a survey of more than 150 companies in Asia published this spring, real-estate company CBRE found more than a quarter wouldn't allow remote working. About 60% said they planned to allow employees some remote-work time, but within that group half said they expected staff to work most or all of the time in the office.

City streets in Asian hubs are bustling again with the of-

fice crowd. On a recent weekday in Hong Kong's Wanchai district, workers lined up in rows three or more deep to grab a cheap takeout lunch of rice with two side dishes. All the tables were taken at the nearby high-end Feather & Bone restaurant, where a bowl of onion soup followed by lobster macaroni and cheese costs \$32.

Kung Man-chun, who works as a political analyst, makes a short commute each day to

Central, Hong Kong's prime office district and the regional base for many global and Chinese financial firms.

After a lengthy period of compulsory working from home at the height of the pandemic, Mr. Kung, 28 years old, said he jumped at the chance to get back to the office. "It's nice to have the peace and quiet of home," he said. "But after such a long time staring at the wall in my apartment, I felt like I was going crazy."

Solar Industry Disrupted

Continued from page B1

ing materials costs to the threat of new tariffs on major panel manufacturers. Lawmakers are trying to address some of those problems with tax incentives and other measures to support the solar industry included in the Inflation Reduction Act, which could pass Congress as soon as this week.

The latest delays arising from the UFLPA are a reminder that plenty of supply-chain problems still remain—particularly as the Biden administration tries to balance aims of being tough on China, which dominates solar manufacturing, with its ambi-

tious renewables goal.

The White House didn't respond to requests for comment. A spokesperson for the U.S. Customs and Border Protection didn't comment on panel-import disruptions.

Lawyers, auditors and analysts have warned clients that delays are piling up. Top China-based solar-panel manufacturers Longi Green Energy Technology Co., Jinko Solar Co. and Trina Solar Co. are among those affected, people with knowledge of the events say. Longi has temporarily halted a panel factory in Vietnam that supplies the U.S. as a result, some of those people say.

It is likely to be six months before import challenges related to the new law are resolved, wrote Philip Shen, managing partner at boutique investment bank Roth Capital Partners LLC, in a research note on July 30. In a worst-case scenario, U.S. customers

could see 10 gigawatts or more of supplies delayed, Mr. Shen wrote in an earlier note, equivalent to nearly half of what the U.S. installed last year.

"There are a number of Chinese solar manufacturers that are scrambling right now," said Mona Dajani, co-leader of Pillsbury Winthrop Shaw Pittman LLP's energy practice. Ms. Dajani said she has managed to get some shipments released for clients.

Jinko is working with customs to have its shipments admitted under the UFLPA and hasn't re-exported any, said a company spokesman. The company uses polysilicon from the U.S., Europe and a Sichuan, China-based supplier, and U.S. customs has previously admitted panels made from those materials, he said. Longi said it would disclose information according to listed-company requirements and will cooperate with au-

thorities. Trina didn't respond to requests for comment.

The UFLPA is the latest U.S. attempt to censor abuses in China's northwestern region of Xinjiang, where human-rights groups say the government has forced hundreds of thousands of people from ethnic-minority groups such as the Uyghurs into internment

It is likely to be six months before import challenges are resolved.

camp as part of an assimilation campaign. The law assumes all goods from Xinjiang are made with forced labor and so can't be imported unless suppliers can prove otherwise. Goods made with cotton, another big Xinjiang

product, have been affected as well.

The Chinese government has said the UFLPA isn't based on facts and has denied allegations of forced labor and abuses in Xinjiang.

Because Xinjiang plays such a big role in the global solar supply chain, weeding out those inputs is tough, experts say. Xinjiang harbors around 41% of the world's manufacturing capacity for polysilicon, a critical ingredient for solar panels, according to Clean Energy Associates, which audits the solar supply chain.

The Biden administration in June 2021 implemented a withhold-release order against products containing material from other Chinese silicon manufacturers in response to forced-labor allegations, which led to the detention of some solar modules.

U.S. solar buyers and Chinese suppliers have been preparing for the new law for

months and were already providing documents to prove their panels didn't include tainted polysilicon. But customs officials are now asking for proof that a key ingredient of polysilicon, quartzite, wasn't mined in Xinjiang either. Quartzite miners aren't accustomed to providing this level of specificity to customers, said John Smirnow, general counsel for the Solar Energy Industries Association, a U.S. industry group, leaving companies scrambling for documentation.

Because the panels may have to sit in warehouses for months while companies negotiate with customs officials, some suppliers are choosing to take back the shipments and send them elsewhere, people close to the matter say. Many are also asking to change the terms of contracts to make buyers liable for costs and problems in shipping, they say.

BUSINESS NEWS

Walmart Eyes Adding Video for Members

Retailer holds talks with streaming services as it steps up rivalry with Amazon

By SARAH NASSAUER

Walmart Inc. is looking to add a large video streaming service to its Walmart+ membership program as the retailer amps up its competition with **Amazon.com** Inc., according to people familiar with the situation.

Walmart executives have held talks in recent weeks to discuss a streaming deal with executives at **Walt Disney Co.**, **Comcast Corp.** and **Paramount Global**, according to some of these people.

It is unclear if the discussions will result in an agreement, but the retailer is looking to partner with one of the providers, the people said. The talks were earlier reported by the New York Times.

Disney operates the Disney+, ESPN+ and Hulu services; Comcast owns Peacock; and Paramount runs the Para-

mount+ and Showtime services. All three companies are looking to expand their distribution as the competition for subscribers intensifies.

Walmart has worked to grow membership of Walmart+ since introducing the service in 2020. A subscription costs \$12.95 a month or \$98 a year and includes free shipping on online orders and discounts on gasoline. The retailer has added perks to build interest, such as six months of the Spotify music streaming service.

Walmart hasn't disclosed how many members have signed up. The service has around 16 million members, according to a May survey from Morgan Stanley, up from about 15 million the previous November.

Walmart has tried to get into the streaming video business in the past, but has moved away from direct involvement in recent years. In 2020, Walmart sold its Vudu on-demand streaming service to Fandango, a unit of Comcast's NBCUniversal, after it failed to gain wide adoption.

Amazon, meanwhile, has in-

vested heavily to ramp up its own Prime Video service, adding original programming and live sports. Prime Video is included along with free shipping and other perks in its Prime membership, which costs \$14.99 a month or \$139 a year in the U.S. Amazon also recently added a year of Grubhub's restaurant delivery services for Prime subscribers.

The membership services are just one of the ways in which Walmart and Amazon are competing. After buying Whole Foods, Amazon has rolled out its own physical stores and pushed into pharmacy services. Last month, it agreed to buy One Medical, an operator of health clinics.

For its part, Walmart has been rolling out grocery delivery services and building its own health clinics. The company also has been trying to expand its digital business, including listing more goods from third-party sellers that sell on Amazon, and growing its own digital advertising business.

—Robbie Whelan and Lillian Rizzo contributed to this article.

BuzzFeed Loss Widens Amid Rising Expenses



BRENDAN MCERIN/REUTERS

BuzzFeed Inc. posted a wider quarterly loss amid rising costs and expenses and said it expected recession concerns to keep putting pressure on the advertising market.

The digital media company, which beyond its namesake site houses the Tasty, Complex and HuffPost brands, said it lost \$23.8 million in the second quarter, compared with a loss of \$582,000 a year earlier.

Revenue rose to \$106.8 million from \$89.1 million, a roughly 20% increase that met BuzzFeed's forecast. Analysts polled by FactSet had expected \$108.1

million.

Shares of BuzzFeed fell 2.7% were in after-hours trading. The stock has lost more than 80% of its value since going public late last year through a merger with a special-purpose-acquisition company.

The company's fastest-growing segment was content revenue, which BuzzFeed describes as payments it gets from clients for products such as branded quizzes and sponsored content. The segment, which also includes revenue from film and TV projects, grew by 66% from a year earlier to \$40.3 million.

BuzzFeed said advertising revenue rose 11% to \$53.2 million. "We expect recession concerns to continue putting pressure on advertising, and we're prepared for what comes next," Chief Executive Jonah Peretti said.

The company in recent years has made a push to become less dependent on ad revenue by expanding other parts of its business, including commerce and events. Its commerce business, which generates revenue by recommending and selling products online, has struggled of late.

—Denny Jacob

Key Nielsen Shareholder Backs \$10 Billion Buyout

By WILL FEUER

Nielsen Holdings PLC's largest shareholder has reached a tentative agreement to support the \$10 billion buyout of the TV ratings company by a consortium of private-equity firms, the company said.

Nielsen said Tuesday it is postponing its shareholder vote on the buyout deal as the consortium, which is led by **Elliott Management Corp.**'s private-equity arm and **Brookfield Asset Management Inc.**,

seek to complete the agreement with **WindAcre Partnership** LLC, which had previously opposed the deal.

Nielsen agreed in March to sell itself to Elliott and Brookfield. WindAcre, owner of a roughly 27% stake, came out against the deal in April, saying it would vote its shares against the deal, which it argued undervalues the company.

Nielsen said Tuesday that Elliott and Brookfield have reached a preliminary agree-

ment with WindAcre through which the Houston investment firm would join the consortium and remain an investor in the privately held Nielsen with a portion of its shares. The group would pay \$28 a share for WindAcre's remaining stake.

Nielsen said it delayed its special shareholder meeting, which was scheduled for Tuesday, so that the group of investors can complete the deal with WindAcre, though Nielsen said it can't assure

the deal will be completed. It also delayed a court meeting required for approval of the deal.

Shares of Nielsen rose 21% on Tuesday to \$27.52, nearing the \$28 a share that Elliott and Brookfield have agreed to pay for Nielsen.

In April, WindAcre said it believes the intrinsic value of Nielsen is more than \$40 a share, and said there is a credible path for the company's stock price to triple within three years.

Nielsen measures U.S. TV ratings, which provide audience estimates that networks use to sell commercial time and reassure advertisers they got what they paid for. Its hold has been loosening as streaming gains steam and traditional broadcast and cable TV lose viewers. While the New York-based company has introduced metrics for streaming in recent years, it is one of many players in that field.

Elliott has owned a stake in

Nielsen since 2018, when it called for the company to explore a sale. The following year, Nielsen said it would spin off part of its business to create two separate, public companies: Global Connect, a market-analytics operation that measures retail and consumer behavior, and the core media business.

Global Connect was sold last year to private-equity firm Advent International Corp. for nearly \$3 billion and is now known as NielsenIQ.

Investors Regain Upper Hand

Continued from page B1

Over time.

The structured deals differ from standard funding rounds, where investors purchase startup shares without clauses that guarantee returns or hinge the investments on financial performance. An Ayyeka spokeswoman said the company suggested the deal's structure to investors and remains extremely confident it would hit its metrics.

Investors say the increasing prevalence of structured deals shows how the power in Silicon Valley has shifted back to them after a record amount of capital flowed into the startup ecosystem over the past decade.

The pandemic supercharged the investment frenzy as interest rates fell, creating a free-wheeling fundraising environment where popular founders negotiated funding deals that limited external oversight of their companies, say venture capitalists.

Investors say the most prized startups will still have access to funding with no strings attached, thanks in part to the record amount of capital that has been raised for venture investments.

But some companies with shakier financials that raised at high valuations last year are already struggling to find interested backers, forcing them to offer painful concessions in exchange for new funding, investors say.

The fundraising market for traditional public listings, another source of capital for mature startups, is on track for its worst year since 2009, according to Dealogic.

Matt Murphy, a partner at venture-capital firm **Menlo Ventures**, said last year his portfolio startups usually turned down investors offering structured deals because of the flush amounts of available capital elsewhere. Now some founders might have no choice but to accept the harsher terms, he said.

"Terms and structure are going to be much more common over the next 12 to 24

Startups Turn To Debt Markets

Startups are beginning to raise more debt as opposed to selling shares at lower prices.

Venture-backed startups in the U.S. raised almost \$15.9 billion in debt in the first seven months of this year, up from around \$13.3 billion in the same period of 2021, according to Crunchbase Inc. data.

The increase came as global venture funding declined 18% over the same period, the data show.

Matt Murphy, a partner at venture-capital firm **Menlo Ventures**, said debt funds struggled to compete against other types of funding last year, though they are already coming back into fashion with startups

as a way to raise money.

Even companies that were able to raise money at higher valuations during this year's tech rout are trying different fundraising strategies. Human-resources management startup **Personio** GmbH raised some convertible debt in June where the investors' loan would turn into shares at a discount to a public listing price, according to people familiar with the matter. Personio also sold equity at an \$8.5 billion valuation for the round, up from its last valuation of \$6.3 billion.

As a part of the deal, the investors negotiated the right to receive interest that could also be converted into discounted shares, known as a payment-in-kind loan, in part to give investors protection against the crashing market, the people said.

months because companies are going to struggle to raise," he said.

The structured deals could help some startups avoid raising new capital at a lower share price, which is often a blow to company morale and a negative signal to future investors, according to venture capitalists.

Fintech startup **Klarna Bank** AB raised new funding last month at a valuation of \$6.7 billion, an 85% discount

Prized startups will still have access to funding with no strings attached.

from its prior funding round. That might be the beginning of a trend of lowering valuations over the next few months, investors say, given that many startups that raised ample amounts of cash in the past year might have fundraising needs down the road in a much different environment.

In a sign of the changing times, investment firms that helped pump up valuations during the pandemic bull market are raising funds dedicated to structured equity deals that guarantee a return for investors.

Coatue Management LLC, one of the most active startup investors last year, is raising a

\$2 billion fund to invest in structured equity rounds for both public and private companies, according to a May investor presentation viewed by The Wall Street Journal and a person familiar with the matter. At the time, the firm had already raised \$1.2 billion in capital for the fund.

In the presentation, the firm listed the scarcity of available capital through private rounds and traditional public listings as one reason why startups might want structured capital. It also said structured rounds historically outperformed standard funding rounds during market crises.

Viking Global Investors LP, which operates private-equity funds that invest in startups, is also looking to raise at least \$1 billion for a structured equity fund, according to a person familiar with the matter. Bloomberg News earlier reported the new Coatue and Viking funds.

"Investors are thinking more about downside protection," said Rick Heitzmann, a partner at VC firm FirstMark Capital, referring to clauses that try to guarantee money managers a profitable return even if their bets go sour.

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COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures							Oct	7.670	7.880	7.618	7.825	.247	91,326	
	Open	High	hi lo	Low	Settle	Chg	Open interest	Nov	7.731	7.956	7.701	7.902	.249	93,832
Copper-High (CMX)-25,000 lbs.; \$ per lb.														
Aug	3.6010	3.6010		3.5900	3.5925	0.0050	1,267	Jan'23	7.901	8.128	7.889	8.080	.252	77,743
Sept	3.5870	3.6305		3.5610	3.5855	-0.0010	97,219	April	4.868	4.913	4.824	4.890	.067	69,677
Gold (CMX)-100 troy oz.; \$ per troy oz.														
Aug	1790.00	1796.10		1785.60	1794.00	7.20	3,613	May	4.725	4.762	4.689	4.742	.059	69,152
Sept	1789.50	1801.00		1784.00	1796.80	7.20	2,577	Agriculture Futures						
Oct	1794.00	1806.00		1788.50	1801.50	7.20	40,454	Corn (CBT)-5,000 bu.; cents per bu.						
Dec	1805.50	1817.00		1799.40	1812.30	7.10	380,445	Sept	614.50	626.00	613.50	615.50	7.00	252,690
Feb'23	1818.60	1829.30		1813.80	1825.50	7.10	15,364	Dec	613.00	624.50	612.25	614.00	6.75	646,072
April	1830.90	1840.80		1826.20	1837.90	7.20	7,120	Oats (CBT)-5,000 bu.; cents per bu.						
Palladium (NYM)-50 troy oz.; \$ per troy oz.														
Aug					2216.60	-22.70		Sept	453.50	474.75	438.00	440.00	-21.00	4,402
Sept	2229.50	2258.00		2181.00	2218.80	-22.70	4,703	Dec	417.00	429.25	414.25	416.25	-8.25	2,006
Platinum (NYM)-50 troy oz.; \$ per troy oz.														
Aug					931.90	-5.40	3	Soybeans (CBT)-5,000 bu.; cents per bu.						
Oct	940.00	944.10		929.80	933.00	-5.40	59,690	Aug	1632.00	1694.25	▲ 1632.00	1693.25	73.75	307
Silver (CMX)-5,000 troy oz.; \$ per troy oz.														
Aug	20,620	20,655		20,510	20,458	-0.134	95	Nov	1410.00	1438.50	1408.75	1428.75	28.75	316,427
Sept	20,695	20,740		20,400	20,482	-0.132	85,539	Soybean Meal (CBT)-100 tons; \$ per ton.						
Crude Oil, Light Sweet (NYM)-1,000 bbls.; \$ per bbl.														
Sept	90.69	92.65		89.05	90.50	-0.26	220,110	Aug	512.40	518.10	▲ 510.00	513.60	14.90	333
Oct	89.87	91.80		88.28	89.67	-0.26	181,213	Dec	402.40	414.60	401.80	410.20	11.10	185,044
Nov	88.94	91.00		87.54	88.90	-0.26	96,391	Soybean Oil (CBT)-60,000 lbs.; cents per lb.						
Dec	88.17	90.17		86.80	88.08	-0.28	194,695	Aug	70.17	70.48	69.88	69.69	.49	35
June'23	83.70	85.63		82.70	83.76	-0.15	135,189	Dec	64.40	65.38	64.11	64.62	.30	139,702
Dec	80.53	82.43		79.75	80.67	-0.13	127,460	Rough Rice (CBT)-2,000 cwt.; \$ per cwt.						
NY Harbor ULSD (NYM)-42,000 gal.; \$ per gal.														
Sept	3,191.3	3,354.5		3,181.2	3,333.8	-.1547	62,324	Sept	17.13	17.25	16.98	17.00	-.20	7,596
Oct	3,162.4	3,321.5		3,161.0	3,302.2	-.1417	45,375	Nov	17.47	17.52	17.26	17.26	-.17	2,116
Gasoline-NY RBOB (NYM)-42,000 gal.; \$ per gal.														
Sept	2,901.3	2,983.1		2,856.2	2,960.2	.0740	82,252	Wheat (CBT)-5,000 bu.; cents per bu.						
Oct	2,649.0	2,727.3		2,621.7	2,707.5	.0578	48,158	Sept	785.75	801.25	772.75	781.50	1.75	108,873
Natural Gas (NYM)-10,000 MMBtu.; \$ per MMBtu.														
Sept	7.666	7.889		7.623	7.833	.244	118,089	Dec	806.25	821.25	792.25	799.25	...	114,888
								Wheat (KC)-5,000 bu.; cents per bu.						
								Sept	854.75	868.50	840.75	851.75	4.00	53,504
								Dec	861.00	875.75	848.25	858.25	3.25	60,763
								Cattle-Feeder (CME)-50,000 lbs.; cents per lb.						
								Aug	180.300	180.350	178.500	178.800	-2.475	5,483
								Sept	184.650	184.850	182.400	182.500	-3.150	14,265
								Cattle-Live (CME)-40,000 lbs.; cents per lb.						
								Aug	138.300	138.300	137.900	137.975	-.375	12,465
								Oct	144.000	144.100	143.100	143.175	-1.050	115,040

Cash Prices | wsj.com/market-data/commodities

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Tuesday		Tuesday		Tuesday	
Energy					
Coal,C,Aplc,12500Btu,1.2502-r,w	181.550	Iron Ore, 62% Fe CFR China-s	108.8	Wheat,No.2 soft red,St.Louis-u	8.0300
Coal,PwdRvRvBsn,8800Btu,0.8502-r,w	16.300	Shredded Scrap, US Midwest-s,m	n.a.	Wheat - Hard - KC (USDA) \$ per bu-u	9.1675
		Steel,HRC USA, FOB Midwest Mill-s	810	Wheat,No.1soft white,Portld,OR-u	8.9250
Metals		Battery/EV metals		Food	
Gold,per troy oz		BMI Lithium Carbonate,EXW China,+99.2%-v,w	69825	Beef,carcass equiv. index	
Engelhard industrial	1798.00	BMI Lithium Hydroxide,EXW China,+56.5%-v,w	70000	choice 1-3,600-900 lbs.-u	231.30
Handy & Harman base	1795.25	BMI Cobalt sulphate,EXW China,+20.5%-v,m	9909	select 1-3,600-900 lbs.-u	205.51
Handy & Harman fabricated	1992.73	BMI Nickel Sulphate,EXW China,+22%-v,m	5364	Broilers, National comp wtd. avg.-u,w	1.3843
LBMA Gold Price AM	*1775.70	BMI Flake Graphite,FOB China-100 Mesh,94.95%-v,m	795	Butter,AA Chicago-d	2.9600
LBMA Gold Price PM	*1784.05	Fibers and Textiles		Cheddar cheese,bb,Chicago-d	182.00
Kruggerand,wholesale-e	1868.26	Burlap,10-oz,40-inch NY yd-n,w	0.7800	Milk,Nonfat dry,Chicago-lb- d	146.00
Maple Leaf-e	1886.22	Cotton,11/16 std lw-mdMphs-u	1.1354	Cheer,Cheddar cheese,blk,Chicago-d	182.00
American Eagle-e	1886.22	Cotlook 'A' Index-t	*114.40	Coffee,Brazilian,Comp-y	2.1167
Mexican peso-e	2173.92	Hides,hvy native steers piece fob-u	n.a.	Coffee,Colombian, NY-y	2.8285
Austria crown-e	1763.83	Wool,64s,staple,Terr del-u,w	n.a.	Eggs,large white,Chicago-u	2.4850
Austria phil-e	1886.22	Grains and Feeds		Flour,hard winter KC-c	22.05
Silver, troy oz.		Barley,top-quality Mnpls-u	n.a.	Hams,17-20 lbs,Mid-US fob-u	1.17
Engelhard industrial	20.7000	Bran,wheat middlings, KC-u	201	Hogs,Iowa-So. Minnesota-u	115.86
Handy & Harman base	20.5050	Corn,No.2 yellow,Cent IL-bp,u	6.5200	Pork bellies,12-14 lb MidUS-u	n.a.
Handy & Harman fabricated	25.6310	Corn gluten feed,Midwest-u,w	191.6	Pork loins,13-19 lb MidUS-u	1.3190
LBMA spot price	*£16.6800	Corn gluten meal,Midwest-u,w	650.2	Steers,Tex.-Okla. Choice-u	n.a.
(U.S. \$ equivalent)	*20.1950	Cottonseed meal-u,w	403	Steers,feeder,Okla. City-u,w	192.50
Coins,wholesale \$1,000 face-a	19543	Hominy feed,Cent IL-u,w	195	Fats and Oils	
Other metals		Meat-bonemeal,50% pro Mnpls-u,w	408	Degummed corn oil, crude wtd. avg.-u,w	62.0000
LBMA Platinum Price PM	*938.0	Oats,No.2 milling,Mnpls-u	4.4650	Grease,choice white,Chicago-h	0.7400
Platinum,Engelhard industrial	943.0	Rice, Long Grain Milled, No. 2 AR-u,w	33.75	Lard,Chicago-u	n.a.
Palladium,Engelhard industrial	2255.0	Sorghum,(Milo) No.2 Gulf-u	n.a.	Soybean oil,crude,Cent IL-u,w	0.6980
Aluminum,LME, \$ per metric ton	*2435.5	SoybeanMeal,Cent IL,rail,ton48%-u,w	504.10	Tallow,bleach,Chicago-h	0.8100
Copper,Comex spot	3.5925	Soybeans,No.1 yllw IL-bp,u	15.6100	Tallow,edible,Chicago-u	n.a.
		Wheat,Spring14%-pro Mnpls-u	10.6525		

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sesland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 8/8

Source: Dow Jones Market Data

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REAL ESTATE AUCTION SEPTEMBER 20, 2022

1002 W. WASHINGTON AVE. POLK CITY, IOWA

ONE-STORY 19,803 SQ. FT. COMMERCIAL BUILDING ON 3.41 ACRES

Built in 1976, this currently closing nursing and rehab facility is zoned R-1 (single-family detached residential). Potential uses include various medical uses, training, senior housing, office, apartments, educational uses, and much more.

Previously Valued Well Above \$2,000,000

Suggested Opening Bid \$350,000

On-site inspections noon to 2pm on Aug. 31, Sept. 9 and 15, and by appointment.

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ILLINOIS

REAL ESTATE AUCTION SEPTEMBER 13, 2022

Chateau Bu-Sché

AT THE INTERSECTION OF 115TH & CICERO AND ADJACENT TO CHICAGO 11535 S. CICERO AVE., ALSIP, ILLINOIS

This 26,000 sq. ft. multi-use facility sits atop an ornately landscaped 11.5 acre parcel with 325 on-site parking spots. The elegant event venue which hosted hundreds of thousands of guests over the past 45 years was recently closed due to the ownership retiring. Potential uses include car dealership, event space, restaurant, senior housing, various medical uses, training, office, hotel, business incubator, educational uses, and much more.

Previously Valued to \$12,500,000

Suggested Opening Bid \$2,500,000

On-site Inspections noon to 2pm on Aug. 24, 30, and Sept. 8 and by appointment.

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	Contract				Open		
	Open	High	hilo	Low	Settle	Chg	interest
Hogs-Lean (CME)-40,000 lbs.; cents per lb.							
Aug	121.675	122.300	121.250	122.200	.400	13,235	
Oct	99.800	99.925	98.425	99.600	-.700	96,836	
Lumber (CME)-110,000 bd ft.; \$ per 1,000 bd. ft.							
Sept	528.50	565.00	528.40	552.80	33.50	1,946	
Nov	540.00	570.70	540.00	554.00	24.00	717	
Milk (CME)-200,000 lbs.; cents per lb.							
Aug	19.99	20.09	19.97	20.09	.14	4,250	
Sept	19.52	19.94	19.40	19.87	.47	6,019	
Cocoa (ICE-US)-10 metric tons; \$ per ton.							
Sept	2,345	2,370	2,322	2,363	23	62,026	
Dec	2,387	2,408	2,371	2,404	24	131,756	
Coffee (ICE-US)-37,500 lbs.; cents per lb.							
Sept	212.00	213.50	208.20	212.75	.90	59,299	
Dec	208.50	209.75	204.90	209.00	.45	80,935	
Sugar-World (ICE-US)-112,000 lbs.; cents per lb.							
Oct	17.93	18.07	17.75	17.98	.02	332,253	
March/23	18.00	18.14	17.83	18.02	-.03	200,089	
Sugar-Domestic (ICE-US)-112,000 lbs.; cents per lb.							
Nov				34.61	...	1,715	
Cotton (ICE-US)-50,000 lbs.; cents per lb.							
Oct	101.33	104.73	101.24	104.54	2.96	112	
Dec	96.00	99.34	95.80	99.07	3.48	105,890	
Orange Juice (ICE-US)-15,000 lbs.; cents per lb.							
Sept	175.95	179.05	173.20	177.10	.65	6,586	
Nov	171.70	174.00	169.60	173.15	.65	3,368	

Interest Rate Futures	
Ultra Treasury Bonds (CBT) - \$100,000; pts 32nds of 100%	
Sept	158-060 158-150 156-290 157-200 -9.0 1,324,646
Dec	157-230 158-070 156-230 157-140 -9.0 3,926
Treasury Bonds (CBT) - \$100,000; pts 32nds of 100%	
Sept	142-210 142-270 141-260 142-120 -6.0 1,160,968
Dec	142-060 142-090 141-090 141-280 -5.0 2,941
Treasury Notes (CBT) - \$100,000; pts 32nds of 100%	
Sept	119-280 119-310 119-125 119-155 -12.0 3,499,569
Dec	120-000 120-020 119-160 119-190 -11.5 39,975
5 Yr. Treasury Notes (CBT) - \$100,000; pts 32nds of 100%	
Sept	112-187 112-207 112-062 112-072 -11.0 3,873,940
Dec	112-237 112-237 112-095 112-105 -11.2 22,402
2 Yr. Treasury Notes (CBT) - \$200,000; pts 32nds of 100%	
Sept	104-213 104-227 104-170 104-175 -3.5 2,065,287
Dec	104-213 104-233 104-165 104-166 -5.2 15,576
30 Day Federal Funds (CBT) - \$5,000,000; 100 - daily avg.	
Aug	97.6575 97.6600 97.6475 97.6550 .0000 380,704
Oct	97.0000 97.0050 96.9750 96.9850 .0000 250,292
10 Yr. Del. Int. Rate Swaps (CBT) - \$100,000; pts 32nds of 100%	
Sept	94-275 94-285 94-170 94-230 -8.5 15,397
Three-Month SOFR (CME) - \$1,000,000; 100 - daily avg.	
June	98.0450 98.0475 98.0375 98.0425 -.0050 684,591
March/23	96.4250 96.4400 96.3400 96.3450 -.0650 1,024,268

Exchange-Traded Portfolios | WSJ.com/ETFResearch

Largest 100 exchange-traded funds, latest session									
Tuesday, August 9, 2022									
ETF	Symbol	Closing Price	Chg (%)	YTD (%)	ETF	Symbol	Closing Price	Chg (%)	YTD (%)
CnsmrDiscSelSector	XLY	162.42	-1.59	-20.6	ISHMSCIEAFEValue	EFV	44.11	-0.11	-12.5
CnsStapleSelSector	XLP	74.49	-0.15	-3.4	ISHNatlMuniBd	MUB	107.90	-0.01	-7.2
DimenUSCoreEq2	DFAC	25.31	-0.63	-12.6	ISH1-SYIGCorpBd	IGSB	50.74	-0.22	-5.8
EnSelSectorSPDR	XLE	74.75	1.76	34.7	ISHPrfdIncM	PFF	34.70	-1.06	-12.0
FinSelSectorSPDR	XLF	33.84	0.50	-13.3	ISHRussell1000Gwth	IWF	245.93	-0.90	-19.5
HealthCareSelSect	XLV	131.36	-0.30	-6.8	ISHRussell1000Val	IWD	154.36	-0.10	-8.1
IndSelSectorSPDR	XLI	95.74	-0.36	-9.5	ISHRussell2000	IWM	190.19	-1.36	-14.5
InvscQQQ	QQQ	317.08	-1.13	-20.3	ISHRussellMid-Cap	IWR	71.25	-0.92	-14.2
InvscS&P500EW	RSP	145.44	-0.58	-10.6	ISHRussellMICValue	IWS	110.23	-0.43	

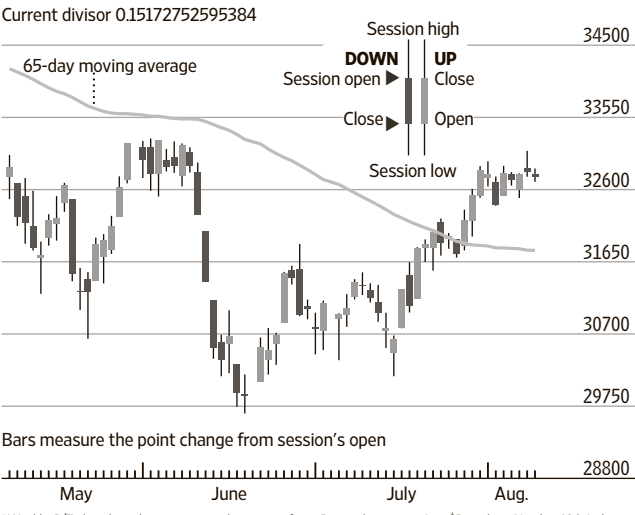
MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

32774.41 ▼58.13, or 0.18%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio	19.34	24.04
P/E estimate *	17.41	19.35
Dividend yield	2.14	1.78
All-time high	36799.65	01/04/22



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	Low	% chg	52-Week High	Low	% chg	YTD	% chg	3-yr. ann.
Dow Jones														
Industrial Average	32877.53	32702.66	32774.41	-58.13	-0.18	36799.65	29888.78	-7.1	-9.8	7.6				
Transportation Avg	14649.52	14486.69	14525.67	-126.77	-0.87	17039.38	12868.60	-0.5	-11.8	12.5				
Utility Average	1026.26	1018.35	1023.41	8.29	0.82	1071.75	869.74	10.6	4.3	7.4				
Total Stock Market	41720.15	41417.82	41528.91	-254.32	-0.61	48929.18	36759.60	-9.8	-14.6	11.5				
Barron's 400	958.74	944.68	948.25	-10.48	-1.09	1127.20	852.16	-8.3	-14.3	12.7				
Nasdaq Stock Market														
Nasdaq Composite	12582.91	12438.86	12493.93	-150.53	-1.19	16057.44	10646.10	-15.5	-20.1	16.2				
Nasdaq-100	13095.70	12945.60	13008.17	-150.99	-1.15	16573.34	11127.57	-13.6	-20.3	19.4				
S&P														
500 Index	4137.30	4112.09	4122.47	-17.59	-0.42	4796.56	3666.77	-7.1	-13.5	12.2				
MidCap 400	2517.48	2490.72	2498.12	-21.99	-0.87	2910.70	2200.75	-8.1	-12.1	9.5				
SmallCap 600	1246.09	1224.07	1229.19	-18.00	-1.44	1466.02	1087.48	-9.4	-12.3	9.7				
Other Indexes														
Russell 2000	1937.25	1904.97	1912.89	-28.31	-1.46	2442.74	1649.84	-14.6	-14.8	8.1				
NYSE Composite	15342.74	15225.20	15264.79	-41.01	-0.27	17353.76	14097.05	-9.1	-11.1	6.2				
Value Line	577.17	568.01	569.55	-7.62	-1.32	696.40	510.18	-14.5	-15.2	3.7				
NYSE Arca Biotech	5102.09	4966.17	4991.77	-110.31	-2.16	6019.57	4208.43	-15.5	-9.5	2.8				
NYSE Arca Pharma	809.81	801.27	805.26	2.48	0.31	887.27	732.23	2.5	-2.7	11.3				
KBW Bank	108.58	107.74	108.48	0.49	0.45	147.56	98.36	-15.9	-18.0	4.7				
PHLX [®] Gold/Silver	111.55	108.68	110.46	-0.21	-0.19	167.76	100.65	-16.4	-16.6	4.9				
PHLX [®] Oil Service	66.52	64.82	65.40	0.77	1.18	88.37	48.31	20.7	24.0	-0.0				
PHLX [®] Semiconductor	2937.62	2832.60	2866.90	-137.44	-4.57	4039.51	2458.46	-14.6	-27.3	25.1				
Cboe Volatility	22.23	21.41	21.77	0.48	2.25	36.45	15.01	29.7	26.4	6.6				

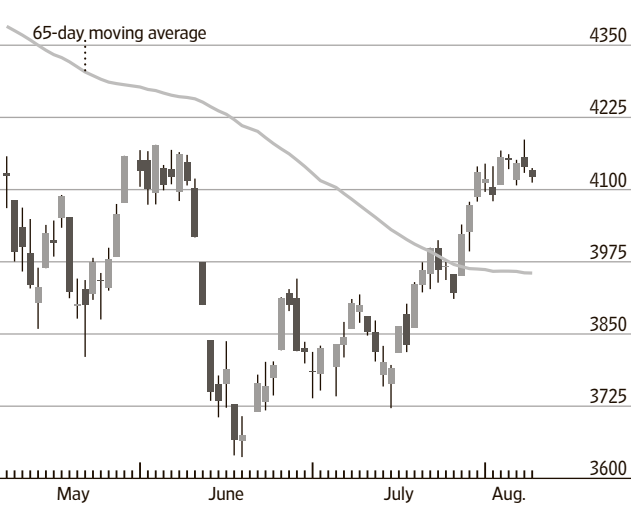
[®]Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

S&P 500 Index

4122.47 ▼17.59, or 0.42%
High, low, open and close for each trading day of the past three months.

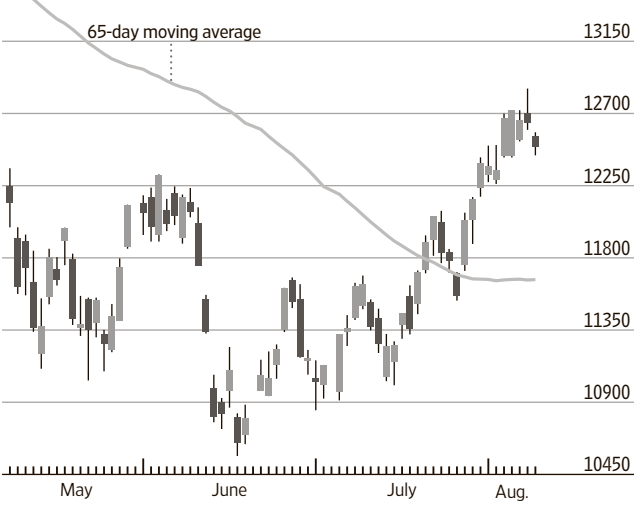
Trailing P/E ratio *	22.56	31.24
P/E estimate *	18.22	22.37
Dividend yield *	1.58	1.33
All-time high	4796.56	01/03/22



Nasdaq Composite Index

12493.93 ▼150.53, or 1.19%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio **	26.82	36.01
P/E estimate **	23.06	29.15
Dividend yield **	0.83	0.67
All-time high	16057.44	11/19/21



Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After-Hours % chg	High	Low
Roblox	RBLX	7,162.6	38.82	-8.53	-18.01	49.42	37.81
Opendoor Technologies	OPEN	6,493.8	5.43	...	unch.	5.45	5.39
Southwestern Energy	SWN	6,463.7	6.77	...	unch.	6.78	6.74
Bank of America	BAC	5,291.1	33.96	0.04	0.12	34.00	33.82
FirstEnergy	FE	4,685.5	38.50	-0.45	-1.16	38.95	38.50
Alibaba Group Holding ADR	BABA	3,878.8	91.10	-0.09	-0.10	91.43	91.01
Duke Realty	DRE	3,699.0	61.96	-0.94	-1.49	63.01	61.96
Warner Bros. Discovery A	WBD	3,421.2	13.24	0.14	1.07	13.39	13.05

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Trade Desk CI A	TTD	1,663.8	63.48	8.98	16.48	64.00	52.70
Array Technologies	ARRY	173.3	20.05	1.76	9.62	21.00	18.29
Velo3D	VLD	53.9	3.90	0.33	9.24	3.95	3.55
PlayAGS	AGS	680.2	5.67	0.27	5.00	5.67	5.40
Ooma	OOMA	268.0	13.26	0.63	4.99	13.26	12.63
...And losers							
Sweetgreen	SG	253.9	12.80	-4.05	-24.04	17.69	11.50
BigBear.ai	BBAI	196.4	2.15	-0.59	-21.53	2.84	2.01
Roblox	RBLX	7,162.6	38.82	-8.53	-18.01	49.42	37.81
Nextdoor Holdings	KIND	118.9	3.08	-0.52	-14.44	3.78	3.08
PLBY Group	PLBY	230.6	6.00	-0.98	-14.04	6.99	5.95

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	816,148,516	14,595,140
Adv. volume*	340,359,547	4,320,778
Decl. volume*	465,814,418	10,118,403
Issues traded	3,416	291
Advances	1,138	88
Declines	2,071	190
Unchanged	207	13
New highs	26	1
New lows	58	4
Closing Arms ¹	0.85	1.02
Block trades ²	4,151	175
	Nasdaq	NYSE Arca
Total volume*	5,272,408,546	185,448,254
Adv. volume*	1,250,715,210	56,397,276
Decl. volume*	3,985,301,638	128,477,838
Issues traded	4,992	1,704
Advances	1,364	436
Declines	3,281	1,246
Unchanged	347	22
New highs	47	3
New lows	96	3
Closing Arms ¹	1.32	0.73
Block trades ²	34,280	850

*Primary market NYSE, NYSE American, NYSE Arca only.
¹(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World					
	MSCI ACWI	637.70	-3.13	-0.49	-15.5
	MSCI ACWI ex-USA	285.25	-1.31	-0.46	-17.2
	MSCI World	2743.62	-15.10	-0.55	-15.1
	MSCI Emerging Markets	1001.69	-0.10	-0.01	-18.7
Americas					
	MSCI AC Americas	1570.45	-8.03	-0.51	-14.1
Canada	S&P/TSX Comp	19578.30	-90.87	-0.46	-7.7
Latin Amer.	MSCI EM Latin America	2208.27	3.43	0.16	3.7
Brazil	BOVESPA	108651.05	248.78	0.23	3.7
Chile	S&P IPSA	3226.91	-14.79	-0.46	15.0
Mexico	S&P/BMV IPC	47241.81	-113.05	-0.24	-11.3
EMEA					
Eurozone	STOXX Europe 600	435.98	-2.95	-0.67	-10.6
	Euro STOXX	410.38	-3.90	-0.94	-14.3
Belgium	Bel-20	3811.29	12.38	0.33	-11.6
Denmark	OMX Copenhagen 20	1711.86	7.24	0.42	-8.2
France	CAC 40	6490.00	-34.44	-0.53	-9.3
Germany	DAX	13534.97	-152.72	-1.12	-14.8
Israel	Tel Aviv	1989.94	1.41	0.07	0.6
Italy	FTSE MIB	22488.49	-239.45	-1.05	-17.8
Netherlands	AEX	716.93	-10.94	-1.50	-10.2
Russia	RTS Index	1116.28	32.76	3.02	-30.0
South Africa	FTSE/JSE All-Share	70266.13	...	Closed	-4.7
Spain	IBEX 35	8311.90	39.40	0.48	-4.6
Sweden	OMX Stockholm	796.70	-15.58	-1.92	-23.2
Switzerland	Swiss Market	11132.48	-33.84	-0.30	-13.5
Turkey	BIST 100	2785.16	-9.90	-0.35	49.9
U.K.	FTSE 100	7488.15	5.78	0.08	1.4
U.K.	FTSE 250	19912.40	-206.04	-1.02	-15.2
Asia-Pacific					
Australia	MSCI AC Asia Pacific	160.14	-0.61	-0.38	-17.1
	S&P/ASX 200	7029.80	9.18	0.13	-5.6
China	Shanghai Composite	3247.43	10.50	0.32	-10.8
Hong Kong	Hang Seng	20003.44	-42.33	-0.21	-14.5
India	S&P BSE Sensex	58853.07	...	Closed	1.0
Japan	NIKKEI 225	27999.96	-249.28	-0.88	-2.7
Singapore	Straits Times	3270.98	...	Closed	4.7
South Korea	KOSPI	2503.46	10.36	0.42	-15.9
Taiwan	TAIEX	15050.28	29.87	0.20	-17.4
Thailand	SET	1618.80	9.93	0.62	-2.3

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	High	Low	% chg
AeroClean Technologies	AERC	7.27	2.73	60.13	117.35	1.76	...
BBQ Holdings	BBQ	17.18	5.45	46.46	17.40	9.95	24.3
Verona Pharma ADR	VRNA	10.03	3.08	44.32	14.69	3.41	60.5
FaZe Holdings	FAZE	20.08	5.98	42.41	20.56	8.02	107.9
Mersana Therapeutics	MRSN	7.00	1.75	33.33	14.80	2.68	-39.0
Avalo Therapeutics	AVTX	5.18	1.26	32.14	38.88	2.42	-85.4
Atara Biotherapeutics	ATRA	4.69	1.06	29.20	20.04	2.83	-63.2
D-Wave Quantum	QBTS	12.40	2.40	24.00	13.12	7.50	27.4
PubMatic	PUBM	21.98	4.22	23.76	43.65	14.73	-34.9
Pacer iPath Gold Trend	PBUG	45.48	8.48	22.92	46.25	22.08	90.6
Phathom Pharmaceuticals	PHAT	8.86	1.57	21.54	37.17	6.10	-73.1
NLSN	NLSN	27.52	4.81	21.18	27.79	16.02	18.5
Edgio	EGIO	3.39	0.58	20.64	5.55	1.95	27.0
RenovoRx	RNXT	2.62	0.44	20.18	16.74	1.50	...
RumbleON CIB	RMBL	24.41	3.97	19.42	48.45	12.80	-32.8

Most Active Stocks

Company	Symbol	Volume (000)	%chg from 65-day avg	Latest Session Close	% chg	52-Week High	Low
T2 Biosystems	TTOO	314,873	3021.3	0.12	-6.85	1.12	0.11
Helbiz	HLBZ	156,374	2688.1	1.44	-10.56	41.88	0.45
Endo International	ENDP	119,360	147.6	0.40	-39.67	7.07	0.28
ProSh UltraPro Shrt QQQ	SOQQ	110,024	-9.2	39.02	3.36	67.69	28.15
ProShares UltraPro QQQ	TQQQ	108,542	-39.0	33.73	-3.44	91.68	21.32
Advanced Micro Devices	AMD	89,363	-14.2	95.54	-4.53	164.46	71.60
Bed Bath Beyond	BBBY	73,644	536.9	9.79	-14.20	30.14	4.38
Ford Motor	F	67,375	7.3	15.19	-3.74	25.87	10.61
NVIDIA	NVDA	66,663	19.0	170.86	-3.97	346.47	140.55
Direxion Dly SCOND 3 BL	SOXL	64,746	2.3	17.69	-13.88	74.21	10.53

MARKETS & FINANCE

Stocks Fall Ahead of Inflation Reports

By WILL HORNER
AND ERIC WALLERSTEIN

Stock indexes closed lower as investors monitored earnings reports and economic data ahead of inflation figures due later in the week.

The S&P 500 slipped 17.59 points, or 0.4%, to 4122.47. The Dow Jones Industrial Average slid 58.13 points, or 0.2%, to 32774.41, while the technology-heavy Nasdaq Composite fell 150.53 points, or 1.2%, to 12493.93.

Investors await consumer-price data on Wednesday that could set expectations for how the Federal Reserve will approach monetary policy at its coming meetings. In recent weeks, better-than-expected corporate earnings and strong labor-market data have eased concerns about an imminent recession, helping stock markets rebound from their lows.

With inflation running at a multidecade high, investors say Wednesday's consumer-price index update will be key to the outlook for rates and the direction of the market.

"The market has enjoyed a risk-on environment since the lows of mid-June, and investors interpreted Chair [Jerome] Powell as more dovish than he had hoped at the last Federal Reserve meeting," said Quincy Krosby, chief global strategist for LPL Financial. "But today's market is tomorrow's market—Wednesday's inflation data will provide a clearer picture as to whether this bear market is truly behind us."

Shares of **Roblox**, **Coinbase Global**, and **Wynn Resorts** fell in after-hours trading following disappointing earnings results. Chip maker **Micron Technology** fell 3.7% after issuing a revenue warning, just a day after Nvidia offered similar preliminary guidance.

Norwegian Cruise Line Holdings fell nearly 11% after reporting a wider-than-expected quarterly loss. **Carnival** fell 5.4% as pockets of the travel sector struggle to recover from the pandemic.

Brent crude prices finished down 0.4% at \$96.31 a barrel.

Data released Tuesday showed U.S. labor productivity declined for a second straight quarter while labor costs were more elevated than economists expected.

The yield on the benchmark 10-year U.S. Treasury note edged up to 2.797% from 2.763% on Monday, while the two-year yield rose to 3.284% from 3.214%. With shorter-term yields significantly above longer-term ones, the yield curve remains inverted, a key recession indicator.

The Stoxx Europe 600 fell 0.7%, with losses led by travel and technology firms. Early Wednesday, Hong Kong's Hang Seng Index was down 2.1%, the Shanghai Composite was off 0.5% and Japan's Nikkei 225 was down 0.8%. S&P 500 futures were flat.

The perception that a government-funded entity is backing certain projects could lead to excessive risk taking by other investors, making it government overreach. "It's not needed based on the other capital that's available," said Paul Tice, an adjunct professor of finance at New York University's Stern School of Business.

Proponents say the green funds have a proven record and are a way to spur private investment, especially to ensure climate solutions reach overlooked areas and make technologies such as electric vehicles and heat pumps more affordable.

—Siobhan Hughes contributed to this article.

AUCTION RESULTS

Here are the results of Tuesday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

52-WEEK BILLS	
Applications	\$107,818,606,500
Accepted bids	\$38,075,404,000
"noncompetitively"	\$1,253,788,200
"foreign noncompetitively"	\$0
Auction price (rate)	96.764444 (3.200%)
Coupon equivalent	3.325%
Bids at clearing yield accepted	60.39%
Cusip number	912796XY0
The bills, dated Aug. 11, 2022, mature on Aug. 10, 2023.	

THREE-YEAR NOTES	
Applications	\$131,590,042,600
Accepted bids	\$68,564,317,600
"noncompetitively"	\$195,323,600
"foreign noncompetitively"	\$100,000,000
Auction price (rate)	99.781411 (3.202%)
Interest rate	3.125%
Bids at clearing yield accepted	25.45%
Cusip number	91282CFE6
The notes, dated Aug. 15, 2022, mature on Aug. 15, 2025.	

Coinbase Reports Loss

Continued from page B1

lier this week, two other public crypto companies, Galaxy Digital Holdings Ltd. and Marathon Digital Holdings, reported wider losses.

The second quarter was arguably the worst three-month period in the short history of cryptocurrencies. The trouble started in early May, with the collapse of a stablecoin called TerraUSD and its sister cryptocurrency, Luna.

The turmoil spread quickly, with once-high-flying crypto companies slashing jobs, halting mergers and barring customers from withdrawing their money. The total value of the crypto market tumbled 56% in the quarter.

Coinbase grew rapidly since its founding in 2012, marketing itself as a place where regular people could buy and sell cryptocurrencies.

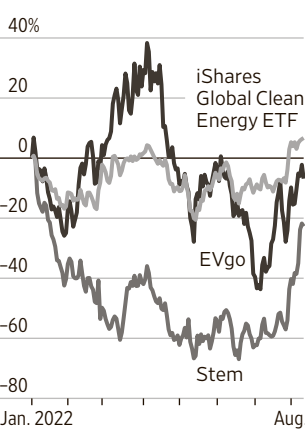
In a regulatory filing, Coinbase said the Securities and Exchange Commission is investigating its listing procedures and the "classification of certain listed assets."

The SEC said in a July court complaint that at least nine crypto assets on Coinbase's platform are securities whose issuers failed to comply with federal investor protection laws. That lawsuit alleged that three men, including one former Coinbase employee, illegally profited from inside knowledge that those assets would soon be listed for trading on Coinbase.

—Dave Michaels contributed to this article.

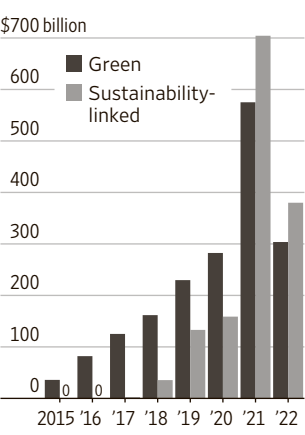
Investors Eye Energy Bill's \$27 Billion in Green Funds

Performance of clean-energy stocks this year



*2022 data is through early August; green debt is earmarked for projects that lower emissions while sustainability-linked debt ties borrowing costs to hitting environmental targets
Sources: FactSet (performance); Dealogic (bonds and loans issued)

Amount of bonds and loans issued by category*



By AMRITH RAMKUMAR

The energy package recently passed by the Senate includes \$27 billion for what are called green banks that funnel money into renewable projects, although some of the biggest beneficiaries could ultimately be private-sector investors.

The legislation allocates the money to a greenhouse-gas-reduction fund, with about \$20 billion earmarked for national or regional funds that would be overseen by the Environmental Protection Agency. The rest of the money is designed to go to state and local recipients, which is narrowly controlled by Democrats, is expected this week to vote on the package, called the Inflation Reduction Act. If it passes and is signed into law by President Biden, various organizations and companies could apply for the funding and would seek approval from the EPA.

"This is very exciting for the private sector," said Aniket Shah, global head of environmental, social and governance strategy at Jefferies Financial Group Inc. He estimates such funding, along with tax credits and expanded Energy Department loan programs that are part of the bill, will end up attracting more money from the private sector. "It is quite a bit of financial firepower," he said.

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Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasurys and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Broad Market Bloomberg Fixed Income Indices					Mortgage-Backed Bloomberg Fixed Income Indices				
Total return close	YTD total return (%)	Index	Yield (%) Latest	Low High	Total return close	YTD total return (%)	Index	Yield (%) Latest	Low High
2045.31	-8.9	U.S. Aggregate	3.630	1.400 4.140	2046.16	-7.0	Mortgage-Backed	3.550	1.670 4.240
2013.73	-5.9	Ginnie Mae (GNMA)	3.550	1.700 4.250	2013.73	-5.9	Ginnie Mae (GNMA)	3.550	1.700 4.250
2993.00	-12.2	U.S. Corporate	4.500	1.960 4.990	1204.81	-7.1	Fannie mae (FNMA)	3.540	1.660 4.240
2841.72	-7.6	Intermediate	4.310	1.340 4.820	1846.16	-7.5	Freddie Mac (FHLMC)	3.540	1.660 4.240
4117.01	-19.4	Long term	4.840	2.900 5.310	567.00	-5.8	Muni Master	2.527	0.738 3.191
594.39	-12.3	Double-A-rated	3.860	1.710 4.370	402.47	-5.4	7-12 year	2.413	0.744 3.237
789.84	-12.8	Triple-B-rated	4.830	2.170 5.320	452.94	-7.9	12-22 year	3.092	1.081 3.753
478.33	-8.3	High Yield	7.662	3.830 8.931	431.38	-11.2	22-plus year	3.807	1.544 4.342
447.24	-11.2	Triple-C-rated	13.298	6.893 15.197	555.47	-7.4	Global Government	2.120	0.740 2.560
3186.47	-8.3	High Yield 100	7.114	3.210 8.427	780.39	-7.0	Canada	2.830	1.260 3.500
413.04	-10.2	Global High Yield Constrained	7.823	4.019 9.062	369.52	-9.0	EM/US	1.737	0.173 2.562
314.82	-9.8	Europe High Yield Constrained	6.095	2.304 7.457	691.52	-9.0	France	1.550	0.080 2.330
1732.06	-5.7	U.S. Agency	3.380	0.680 3.670	494.87	-7.8	Germany	0.930	-0.400 1.740
1524.26	-4.8	10-20 years	3.350	0.570 3.630	288.54	-2.1	Japan	0.580	0.280 0.710
3577.37	-14.7	20-plus years	3.740	1.940 4.190	538.21	-9.7	Netherlands	1.250	-0.270 2.030
2608.84	-9.6	Yankee	4.220	1.560 4.610	909.92	-12.3	U.K.	2.230	0.720 2.740
					778.54	-15.3	Emerging Markets**	7.222	4.516 8.085

**Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds
*In local currency *Euro-zone bonds
**EMBI Global Index
Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P. Morgan

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Spread*, in basis points		
					Current	One-day change	Last week
Canadian Imperial Bank of Commerce	CM	1.000	4.02	Oct. 18, '24	75	-10	83
Prudential Financial	PRU	8.300	4.49	July 1, '25	130	-10	n.a.
Toronto-Dominion Bank	TD	1.250	3.84	Sept. 10, '26	88	-8	101
Credit Suisse	CS	3.625	4.63	Sept. 9, '24	137	-7	138
Bank of America	BAC	3.875	3.78	Aug. 1, '25	57	-6	55
Caterpillar Financial Services	---	0.800	3.61	Nov. 13, '25	41	-4	38
Delta Air Lines	DAL	7.000	5.01	May 1, '25	180	-4	205
Guardian Life Insurance	GUARDN	4.875	4.93	June 19, '64	188	-4	n.a.

...And spreads that widened the most

Credit Suisse	CS	4.875	6.09	May 15, '45	284	11	258
Coca-Cola	KO	2.500	3.89	June 1, '40	66	10	62
Altria	MO	5.375	6.28	Jan. 31, '44	304	10	297
Morgan Stanley	MS	7.250	4.39	April 1, '32	161	10	n.a.
Constellation Brands	STZ	4.750	4.08	Nov. 15, '24	81	10	95
UnitedHealth	UNH	6.875	4.44	Feb. 15, '38	120	10	n.a.
Verizon Communications	VZ	4.500	4.52	Aug. 10, '33	173	9	166
Hess	HES	6.000	5.59	Jan. 15, '40	234	8	n.a.

High-yield issues with the biggest price increases...

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Bond Price as % of face value		
					Current	One-day change	Last week
Liberty Interactive	LINTA	8.250	14.17	Feb. 1, '30	73.250	1.25	66.250
Pactiv	REYNOL	8.375	10.51	April 15, '27	92.250	0.75	89.000
National Australia Bank	NAB	2.990	4.99	May 21, '31	85.969	0.56	n.a.
Ford Motor Credit	---	3.370	4.71	Nov. 17, '23	98.370	0.25	98.620
OneMain Finance	---	6.875	6.84	March 15, '25	100.065	0.22	98.750
Nokia Oyj	NOKIA	6.625	5.91	May 15, '39	107.500	0.11	105.977
Sensata Technologies	ST	4.875	4.49	Oct. 15, '23	100.430	0.10	n.a.
Lumen Technologies	LUMN	6.875	8.38	Jan. 15, '28	93.550	0.05	93.250

...And with the biggest price decreases

Embarq	---	7.995	10.89	June 1, '36	79.120	-1.26	81.000
Teva Pharmaceutical Finance Netherlands	---	4.100	6.48	Oct. 1, '46	71.138	-1.19	71.750
Ford Motor	F	4.750	6.43	Jan. 15, '43	81.079	-1.17	83.069
United States Cellular	USM	6.700	6.82	Dec. 15, '33	99.080	-1.17	99.760
Prime Security Services Borrower	PRSESE	5.750	5.88	April 15, '26	99.580	-0.80	101.428
Sprint Capital	---	8.750	5.06	March 15, '32	127.750	-0.75	128.750
QVC	QVCN	4.850	6.05	April 1, '24	98.145	-0.56	98.790

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread.
Note: Data are for the most active issue of bonds with maturities of two years or more

Mutual Funds

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.										Balanced			100.77 -0.20 -6.4			Freedom20MX 9.58 -0.06 -15.1		
										GblStock			13.66 -0.03 -0.4			zix2030NPer 18.03 -0.08 -12.2		
										Income			12.81 -0.04 -0.9			Fidelity Invest		
										Intl Stk			43.12 -0.74 -8.8			Balanc 26.41 -0.11 -0.2		
										Stock			22.50 -0.24 -0.9			BLuCh 133.81 -2.36 -2.7		
										DoubleLine Funds						Contra 14.55 -0.08 -0.1		
										TotRetBd			9.42 -0.02 -7.6			ContraK 14.60 -0.08 -0.1		
										Edgewood Growth			19.21 -0.17 -1.3			Cplnc 9.53 -0.05 -0.8		
										Edgewood			40.36 -0.71 -1.3			GroCo 27.80 -0.41 -0.8		
										Fidelity						InvGrbD 10.44 -0.03 -0.8		
										500IntlPrem			143.25 -0.61 -12.7			LowP 48.99 -0.16 -0.7		
										ContraFund K			18.27 -0.10 -0.6			Magin 12.16 -0.10 -1.7		
										EntMktFund			69.96 -0.13 -0.6			NASDAQ 157.97 -1.89 -1.9		
										Calamos Funds			17.02 -0.13 -0.8			14.90 -0.16 -1.2		
										GrowthComp's A			17.34 -0.28 -2.4			Puritt 22.45 -0.37 -0.7		
										InflPrdInflFund			10.46 -0.03 -0.3			SAIUSQ216 16.52 -0.12 -0.2		
										IntlPdInflFund			41.42 -0.23 -0.6			SrsEmrgMkt 16.51 -0.08 -0.2		
										MidCapFund			27.43 -0.25 -0.8			SrsGloBal 12.70 -0.26 -0.3		
										SAIUSQ216Fund			19.84 -0.09 -1.3			SrsGroCoRetal 15.63 -0.23 -2.3		
										SeriesBondF			9.39 -0.03 -0.8			SrsIntlGrw 15.16 -0.15 -0.20		
										ServicesAnd			11.20 -0.10 -2.2			SrsIntlVal 9.74 -0.03 -0.2		
										SrtLTRebDfnd			6.84 -0.02 -0.8			TotalBond 9.91 -0.02 -0.9		
										Fidelity Funds			23.69 -0.35 -1.40			Fidelity SAI		
										TMidklnsPrem			11.50 -0.69 -13.8			TotalBd 9.39 -0.02 -0.8		
										TotalRetMkt			14.49 -0.09 -13.6			USREbDIdx 9.15 -0.02 -0.8		
										Fidelity Funds			10.78 -0.03 -0.9			First Eagle Funds		
										FF2020			13.84 -0.06 -12.1			FFA Funds 59.43 -0.05 -7.7		
										FF2025			12.70 -0.07 -12.8			NwInc 9.64 -0.01 -2.1		
										FF2030			15.84 -0.47 -13.3			Franklin AI 2.34 ... -4.4		
										FF2035			13.58 -0.07 -14.1			FrankTemp/ Frank Adv 2.32 ... -4.4		
										FF2040			9.58 -0.06 -15.2			FrankTemp/ Frank Adv 2.32 ... -4.4		
										Freedom2030			15.83 -0.08 -13.2			FrankTemp/ Frank Adv 2.32 ... -4.4		
										Freedom2035			13.57 -0.17 -14.3			FrankTemp/ Frank Adv 2.32 ... -4.4		